



**Training Proposal for:  
SYSCO Ventura, Inc.  
Agreement Number: ET17-0196**

**Panel Meeting of:** August 26, 2016

**ETP Regional Office:** North Hollywood

**Analyst:** M. Paccarelli

**PROJECT PROFILE**

Contract Attributes:	Retrainee SET Veterans	Industry Sector(s):	Wholesale Trade Services  Priority Industry: <input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Counties Served:	Ventura	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 305	U.S.: 305	Worldwide: 51,700
<u>Turnover Rate:</u>	6%		
<u>Managers/Supervisors:</u> (% of total trainees)	N/A		

**FUNDING DETAIL**

<b>Program Costs</b>	-	<b>(Substantial Contribution)</b>	<b>(High Earner Reduction)</b>	=	<b>Total ETP Funding</b>
\$123,390		\$18,566 (15%)	\$0		\$104,824

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$154,280
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**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee SET	Business Skills; Computer Skills; Continuous Impr;	115	8-200	0	*\$892	\$28.37
				Weighted Avg: 70			
2	Retrainee SET Veterans	Business Skills; Computer Skills; Continuous Impr;	3	8-200	0	*\$880	\$15.60
				Weighted Avg: 40			

\* Reflects Substantial Contribution

**Minimum Wage by County:** Job Number 1 (SET/Statewide): \$28.37 per hour  
Job Number 2 (Veterans): \$15.60 per hour for Ventura County

**Health Benefits:**  Yes  No This is employer share of cost for healthcare premiums – medical, dental, vision.

**Used to meet the Post-Retention Wage?:**  Yes  No  Maybe

Up to \$4.94 per hour may be used to meet the Post-Retention Wage in Job Number 1.  
 Commission: Some Marketing Associates may also use commission sales of \$4.37 per hour to meet the Post-Retention Wage.

The Company is not in Retail Trade. As such, occupations paid by commission do not fall under the "Panel's Lowest Priority" for FY 2016/17.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
<b>Job Number 1</b>		
Administrative Staff		10
Customer Service Staff		15
Lead Staff		10
Marketing Associate		45
Support Staff		20
Technical Staff		15
<b>Job Number 2</b>		
Marketing Associate		2
Technical Staff		1

**INTRODUCTION**

Located in Oxnard, SYSCO Ventura, Inc. (SYSCO Ventura) ([www.sysco.com](http://www.sysco.com)) warehouses, distributes and delivers more than 10,000 different food products, beverages, equipment and

supplies to restaurants, schools, assisted-living facilities, government facilities, and other businesses in Ventura County and adjacent areas.

As a wholly-owned subsidiary of Sysco Corporation, SYSCO Ventura has the advantage of a large corporation, such as expertise in computer systems, finance, distribution systems, and national account selling; and has an autonomous operation and enjoys the advantages of a small company, such as local control, and the ability to adjust local market conditions and opportunities.

Another subsidiary of the parent Sysco Corporation, Sysco Sacramento, Inc. is also seeking funding this month in the amount of \$363,700 (ET17-0193). A third subsidiary, Sysco Central California, Inc. was funded last month for \$200,750 (ET17-0160). Proposals from three other subsidiaries are pending for September 2016.

SYSCO Ventura does not face out-of-state competition and, therefore, is eligible for ETP funding under Special Employment Training provisions for frontline workers. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period.

## **PROJECT DETAILS**

This will be SYSCO Ventura's third ETP Agreement within the last five years. According to the Company, business at Sysco Ventura is continuing to mature. The Company is expanding market share and increasing sales; as such, it needs to improve the operating efficiency of its organization. New procedures and team building approaches are being company-wide to reduce errors and improve profitability. The goal is to work smarter and find ways to increase sales while improving operating margins.

SYSCO Ventura's customers are also asking for more flexibility in ordering products, tracking orders, and supporting the sales process. To improve customer services and reduce operating costs, the Company is implementing new software, SYSCO Market Express and Sysco Market Mobile, which is the focus of the proposed training.

In its prior ETP Agreements, ET12-0277 focused on the Company's Business Transformation Project, "Project 212" which carried over into the ET15-0101 project with the implementation of its integrated SAP software system. Although some course titles may be similar in the prior projects, SYSCO Ventura confirmed that there is no duplication of courses and the topics are updated and upgraded versions.

## **Training Plan**

In-house subject matter experts will deliver training via class/lab in the following:

**Continuous Improvement (30%):** Training will be offered to all occupations to improve communication and meet customer orders and requests.

**Business Skills (20%):** Training will be offered to all occupations. Skills acquired will allow trainees to efficiently support customers and the sales force.

**Computer Skills (50%):** Training will be offered to all occupation and focus on the new systems, SYSCO Market Express and Sysco Market Mobile. Training also includes new computer technology and advanced/intermediate MS Office applications. These systems are currently not being used to its full potential.

## **Veterans Program**

The Panel has established a higher reimbursement rate and other incentives for training California veterans. SYSCO Ventura currently employs Veterans as a part of their full-time workforce (Job Number 2). The Company plans to establish an outreach program to recruit potential Veteran Candidates.

## **Temporary to Permanent Hiring**

SYSCO Ventura intends to train 10 workers (Job Number 1) under Panel guidelines for the Temporary-to-Permanent program. The Company has retained these employees on a temporary basis with the intention of hiring them into full-time, permanent positions after training. The average time for “converting” temporary workers into full-time permanent employment is six months. It is expected that these workers will receive employer-paid share-of-cost for healthcare premiums 30 days upon hire into full-time permanent employment.

Under Panel guidelines for the Temporary to Permanent program, trainees are eligible to participate in ETP-funded training pursuant to Unemployment Insurance Code Section 10201(c). Moreover, they will not be enrolled as trainees until after they have been hired into full-time, permanent employment. Until they are so hired, retention and post-retention wage requirements cannot be satisfied.

## **Substantial Contribution**

SYSCO Ventura is a repeat contractor with payment earned in excess of \$250,000 at the Oxnard facility within the past five years. (See Prior Project Table.) Accordingly, reimbursement for trainees will be reduced by 15% to reflect the Company’s \$18,566 Substantial Contribution to the cost of training.

## **Commitment to Training**

SYSCO Ventura represents, that ETP funds will not displace the existing financial commitment to training. Its current training budget is \$295,000 a year for new-hire orientation, OSHA mandated training, sexual harassment prevention, first aid and on-the-job training.

### ➤ Training Infrastructure

As a repeat contractor, SYSCO Ventura’s management team is familiar with ETP recordkeeping requirements and remains committed to the successful execution and proper documentation of all ETP-funded training. In addition, the Company has retained an outside administrative consultant to ensure that all training records meet ETP compliance.

## **RECOMMENDATION**

Staff recommends approval of this proposal.

## **PRIOR PROJECTS**

The following table summarizes performance by SYSCO Ventura under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned \$ %
ET15-0101	Oxnard	07/01/14- 06/30/16	\$225,000	\$225,000 (100%)
ET12-0277	Oxnard	02/01/12- 01/31/14	\$249,600	\$212,780 (85%)

**DEVELOPMENT SERVICES**

National Training Company in Irvine assisted with development for a flat fee of \$5,000.

**ADMINISTRATIVE SERVICES**

National Training Company will also perform administrative services for a fee not to exceed 13% of payment earned.

**TRAINING VENDORS**

N/A

**Exhibit B: Menu Curriculum****Class/Lab Hours**

8–200

Trainees may receive any of the following:

**CONTINUOUS IMPROVEMENT**

- Coaching Skills
- Reducing Waste
- Resolving Customer Problems
- Shrinkage Reduction
- Sysco Food Safety
- Sysco Quality Standards
- Team Communication

**COMPUTER SKILLS**

- Exception Orders
- Microsoft Office (Intermediate and Advanced)
- MySysco Truck
- Production Applications
- Sales Cloud Computing
- Smartphone Applications
- Social Networking
- Sysco Market Express (Desktop)
- Sysco Market Mobile (Phone/Tablet)
- Tablet Applications
- Telogis Fleet Management

**BUSINESS SKILLS**

- Account Penetration
- Brand Conversion
- Category Management
- Equipment Diagnosis and Repair
- Handheld Barcode Scanner Computerized Glove
- Internet Marketing
- Marketing Campaigns
- Merchandising Skills
- Sysco Operating Procedures

Note: Reimbursement for retraining is capped at 200 total hours per-trainee, regardless of method of delivery.