



**Training Proposal for:  
Thales Avionics, Inc.**

**Agreement Number: ET15-0379**

**Panel Meeting of:** January 22, 2015

**ETP Regional Office:** San Diego

**Analyst:** M. Ray

**PROJECT PROFILE**

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing Multimedia/Entertainment  Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	
Counties Served:	Orange	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: 1,200	U.S.: 3,000	Worldwide: 64,000	
<u>Turnover Rate:</u>	3%			
<u>Managers/Supervisors:</u> (% of total trainees)	18%			

**FUNDING DETAIL**

Program Costs	-	(Substantial Contribution)	=	(High Earner Reduction)	=	<b>Total ETP Funding</b>
\$277,200		\$0		\$0		\$277,200

<b>In-Kind Contribution:</b>	100% of Total ETP Funding Required	\$610,128
------------------------------	------------------------------------	-----------

**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 Priority Rate	Advanced Technology, Business Skills, Computer Skills, Continuous Improvement	700	8 - 200	0	\$396	\$16.02
				Weighted Avg: 22			

**Minimum Wage by County:** \$16.02 per hour for Orange 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 \$2.41 per hour may be used to meet the Post-Retention Wage.

**Wage Range by Occupation**

Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Support		40
Engineer I		296
Engineer II		100
Inspector I		7
Inspector II		3
Operator		50
Sales I		2
Sales II		2
Technician I		70
Technician II		10
Supervisor		80
Manager		40

**INTRODUCTION**

Founded in 2000, Thales Avionics, Inc. (Thales Avionics) ([www.thales-ifec.com](http://www.thales-ifec.com)) is a manufacturer of interactive in-flight entertainment (IFE) and connectivity systems for the airline industry such as Airbus and Boeing. The Company offers a wide range of cabin systems designed to make flying a more enjoyable experience for passengers and crew before, during, and after flight. Thales Avionics, a subsidiary of Thales USA, Inc. (Thales USA) ([www.thalesgroup.com](http://www.thalesgroup.com)), has four California locations: Irvine, Long Beach, San Jose, and San Francisco. The Company's headquarters in Irvine employs 1,090 and occupies 220,000

square-feet of office, laboratory, and manufacturing space. This project will target training for workers at the Irvine location only.

## **PROJECT DETAILS**

During the 1990s, the demand for better IFE was a major factor in the design of aircraft cabins. In recent years, IFE has been expanded to include in-flight connectivity services such as internet browsing, text messaging, cell phone usage (where permitted), and wireless streaming.

Today, as one of the leaders in In-Flight Entertainment and Connectivity (IFEC) systems, Thales Avionics' continues to produce a complete line of IFEC systems that combines the strengths of earlier generation systems with advanced technologies such as high definition video, solid state hard drives, and faster processors to create an exceptional passenger experience. These advancements push the boundaries of the Company's IFEC systems to achieve exceptional system performance, solid reliability, and optimized flexible design.

The demands for these systems have increased and with the continued advancement in technology, Thales Avionics must keep pace with these demands to remain at the forefront of the marketplace. As a result, the Company's Irvine facility has invested in implementing the following technological advancements and process improvements:

- Replacement of the Company's current Enterprise Resource Planning (ERP) system to the new Systems, Applications, Products (SAP) ERP system. The implementation of the SAP system will significantly impact business processes by creating more efficient work processes. Thales Avionics also plans to upgrade existing software systems during this technological transformation. The nature of its business requires the Company to constantly develop new technologies and processes to ensure employees are well equipped to meet customer demands and anticipate future changes.
- The Company's Irvine facility has hired 200 new workers in the last 18 months. These new workers are inexperienced in modern design and manufacturing methodologies specific to Thales Avionics. As such, the Company has developed a comprehensive training package to be delivered to approximately 700 of its workforce, focusing on product knowledge, process improvement, technical expertise, and leadership development.

In June 2012, the Company's Irvine location opened an on-site Thales University campus. Established by the parent company in 1987 in Paris, France, Thales University was formed to internally design and implement training programs to support all major transformations and international development as one sustainable company. With the help of ETP funding, the Company will not only incorporate Thales USA's mission to deliver structured training programs to its workforce, but will also provide continuous learning improvement to advance skills necessary to support business needs, deliver new innovation, and maneuver into new market segments.

### **Training Plan**

**Business Skills** (30%) – Training will be offered to all job occupations. Course topics will cover communication, leadership, customer service, time management, business negotiation, and change management will provide trainees with skills to accurately measure performance, foster better accountability, and effectively communicate.

**Computer Skills** (30%) – Training will be offered to all job occupations. A significant amount of ERP training will provide trainees with the ability to streamline processes to perform their job

faster and more efficiently. Extensive ERP training will include Customer Portals, Supplier Portals, and Supplier Management Tools. Software and hardware systems training will allow trainees to become more effective after they learn to use and apply the latest versions of these systems.

**Continuous Improvement (30%)** – Training will be offered to all job occupations. Course topics such as Agile Practices, Work Package Management, Lean, and Six Sigma training provide trainees with skills necessary to continually improve productivity. Project Manager training will provide Managers with the skillset required to manage all the current transformation projects. Continuous improvement training will enable trainees to successfully maintain and manage increased business needs.

**Advanced Technology (10%)** — Thales Avionics will provide Advanced Technology (AT) training to its Engineers and select Managers to address skill gaps in working with highly technical software system and equipment. The training topic will include Application Development for Android. This advanced three-week course focuses on advanced User Interface issues and techniques, animation, structuring and organizing complex applications for efficiency and reliability, accessing Web Services, integrating with third party libraries, background applications, content providers, and tying into and replacing applications which comes with the device.

The Company is requesting the ETP Advanced Technology rate of \$26 per hour for the AT courses (see Exhibit B). The AT course is far more costly to deliver than less complex, generalized subject matter. The cost for highly skilled, technical trainers, and sophisticated computer software and equipment is estimated to be at least \$2,000 to \$6,000 per day (\$60 to \$80 per trainee hour). Thales Avionics confirms that class size will be capped at 10 trainees to allow in-depth coverage and personal attention from the instructor.

### **Commitment to Training**

Thales Avionics represents that ETP funds will not displace the existing financial commitment to training. Safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. Thales Avionics' current annual training budget per facility is \$700,000 for all training. ETP will allow Thales Avionics to provide in-depth job skills training to meet the Company's overall business needs.

#### ➤ Training Infrastructure

Thales Avionics plans to contract with an administrative subcontractor to assist with ETP project administration. In addition, the Company has designated a number of staff to schedule and oversee the training as well as collect and submit training rosters to the administrative subcontractor for data entry into the ETP systems.

### **Impact/Outcome**

A comprehensive training program has been developed to equip Thales Avionics' workers with the skills needed to achieve overall company business goals. In the coming two years, the Company projects that Thales Avionics will strive to receive ISO certification for Continuous Improvement 9001. Likewise, the Company anticipates that a number of Project Managers will receive different levels of International Public Management Association certifications.

### **RECOMMENDATION**

Staff recommends approval of this proposal.

### **DEVELOPMENT SERVICES**

Thales Avionics retained Training Funding Source (TFS) in Seal Beach to assist with development of this proposal for a flat fee of \$9,500.

### **ADMINISTRATIVE SERVICES**

TFS will also perform administrative services in connection with this proposal for a fee not to exceed 8% of payment earned.

### **TRAINING VENDORS**

To Be Determined

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

8 - 200 Trainees may receive any of the following:

**BUSINESS SKILLS**

- + Business Plan & Negotiation
- + Coaching
- + Communication Skills
- + Creativity & Innovation
- + Customer Service
- + Financial
- + Change Management
- + Growing the Service Business
- + Leadership
- + Sales and Negotiation
- + Marketing
- + Team and Time Management

**COMPUTER SKILLS**

- + ERP (Enterprise Resource Planning)
- + SAP (Systems, Applications, Product) ERP
- + Microsoft Office (Intermediate or Advanced)
- + Internet & Web Application Skills
- + Multimedia & Information Technology
- + Database Administrator Skills (includes development, performance, tuning)
- + Cyber Security
- + International Council on Systems Engineering (INCOSE)
- + Certified Systems Engineering Professional (CSEP)
- + Lean Engineering
- + Software Design and Programming
- + Orchestra
- + Hardware Training
- + System Training
- + Primavera Basic Users (Update)
- + Melody Advance for Systems Engineering

**CONTINUOUS IMPROVEMENT**

- + Agile Practices
- + Capture Leader for Complex Bid
- + Bid & Project Training
- + Design Patterns
- + IVVQ Practitioners (Integration Validation Verification Qualification)
- + Supply Chain Training
- + Work Package Management
- + Planning & Scheduling Techniques
- + Project Manager Training
- + Product Engineering
- + Quality Assurance & Supplier Audit
- + Risk & Opportunity Management

- ✚ Scrum Training & Certification
- ✚ q-Pulse
- ✚ ISO (International Organization for Standardization)
- ✚ ESD (Electro Static Discharge)
- ✚ Processes Improvement (Chorus)
- ✚ Lean Training
- ✚ Technical Writing Skills
- ✚ 5S / Six Sigma

**AT Hours**

0 - 8

**ADVANCED TECHNOLOGY**

- ✚ Application Development for Android

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