



DELEGATION ORDER

**Training Proposal for:
Thoro Packaging, Inc.**

Agreement Number: ET17-0132

Approval Date: June 14, 2016

ETP Regional Office: San Diego

Analyst: M. Ray

PROJECT PROFILE

Contract Attributes:	Priority Rate Retrainee	Industry Sector(s):	Manufacturing Priority Industry: <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Counties Served:	Riverside	Repeat Contractor:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No		
Number of Employees in:	CA: 186	U.S.: 186	Worldwide: 186
Turnover Rate:	6%		
Managers/Supervisors: (% of total trainees)	13%		

FUNDING DETAIL

Program Costs	-	(Substantial Contribution)	(High Earner Reduction)	=	Total ETP Funding
\$97,812		\$0	\$0		\$97,812

In-Kind Contribution:	100% of Total ETP Funding Required	\$100,529
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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 Priority Rate	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	143	8 - 200	0	\$684	*\$15.60
				Weighted Avg: 38			

*It will be made a condition of contract that the trainees in this Job Number will never be paid less than the State or local minimum wage rate as in effect at the end of retention (Final Payment) regardless of the wage expressed in this table. The highest minimum wage rate will prevail.

Minimum Wage by County: \$15.60 per hour in Riverside 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 \$2.93 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation		
Occupation Titles	Wage Range	Estimated # of Trainees
Administrative Support		8
Customer Service		7
Sales/Marketing		10
Quality Inspection		5
Manufacturing/Maintenance		73
Production Planning		13
Engineering/Information Technology		2
Shipping/Receiving/Driver		7
Manager/Supervisor I		14
Manager/Supervisor II		3
Manager/Supervisor III		1

INTRODUCTION

Founded in 1967, Thoro Packaging, Inc. (Thoro) (www.thoropkg.com) is a family-owned printing and folding carton manufacturer. Located in Corona, the Company offers custom design, folding cardboard containers for the medical; biotech; pharmaceutical; health and beauty; gourmet food and confections; and other consumer product industries such as 3M, Arbonne, Neutrogena, Johnson & Johnson, See’s Candy, Pack West, and Julep Beauty.

The Company also offers structural design, prepress, in-house ink lab, green packaging, printing, hot stamping, braille-embossing, die-cutting, and finishing. It also uses its own

proprietary processes such as ThoroPrototype™ to incorporate prototyping technology with coloring, inking, coating, embossing, scoring, and die-cutting capabilities.

PROJECT DETAILS

Thoro continues to grow, from its inception with a single, one-color printing press and small die-cutter, to a company with two operations in one location, earning \$30M in annual sales. Currently, the Company occupies a 54,000 square foot facility for manufacturing and packaging products with an adjacent 38,000 square feet for warehousing finished products.

In April 2016, Thoro acquired another building adjacent to its Corona location. The acquisition of this additional building adds another 38,000 square feet to house \$300,000 new state-of-the-art gluing, milling, rubber, and die-cutting machines to expand the Company's manufacturing capabilities to meet increased customer demands. These machineries will be installed and implemented through the end of 2016 which requires the Company to provide training and cross-training on their operation.

The newly-acquired facility also required the Company to develop and implement a Continuous Improvement Program which focuses on Lean concepts and process improvements initiatives. To further support this endeavor, Thoro hired a new Lean Engineer responsible for implementing 5S Organizational Strategy to create, extend, and sustain the lean culture and principles to assist the Company to make significant improvements in efficiency and become a high-performing workplace.

Training Plan

Thoro invested heavily in assessing its workers' training needs based on the Company's overall business goals mentioned above. To this end, the Company has designed training courses to meet these needs and with the assistance of ETP training, Thoro will be able to invest in a more comprehensive training program to be delivered to 143 of 186 of workers in the following skills:

Business Skills (10%) – Training will be provided to Administrative Support, Customer Service, and Manager/Supervisor. Training topics include Customer Order Processes, Goal Setting and Achieving Key Processes, and Communication Skills will enable staff to increase customer service and business standards with new or improved services and internal procedures.

Computer Skills (10%) – Training will be provided to all trainees as it pertains to their job duties. Staff will receive intermediate and advanced Microsoft Office as well as the Company's Customer Relationship Management (CRM) application skills training in order to allow personnel to effectively automate repetitive tasks and production processes in and across functions.

Continuous Improvement (50%) – Training will be provided to all occupations to transition the entire organization into a Lean manufacturing model. As the Company continues to grow, Thoro is committed to providing its workers with skills necessary to keep up with its strategic goals. Training will include Problem Solving, Team Building, 5S Organizational Strategy, Lean Concepts, and Process Improvement.

Manufacturing Skills (30%) – Training will be provided to Manufacturing/Maintenance, Quality Inspection, Production Planning, Shipping/Receiving/Driver, and Manager/Supervisor. Training topics include Good Manufacturing Practices, International Organization for Standardization (ISO), Fabrication and Assembly Operations, Equipment and Process Skills, Shop Math for Manufacturing, and Glue/Die Cutting Equipment to enable workers to effectively operate equipment in order to improve efficiency, streamline workflow, and reduce waste.

Commitment to Training

Thoro spends approximately \$70,000 annually on training. The current training method consists of classroom, workshops, and on-the-job training. In the past, training has been offered to all departments and levels of management. Specialized training is provided to workers specifically for equipment and machine use, for example, when training staff operate a new die-cutter.

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.

➤ Training Infrastructure

Thoro designated its new Lean Engineer to administer the ETP program and will be responsible for the overall implementation and management of ETP training. The Company also plans to contract with an administrative subcontractor to assist with ETP project administration. The subcontractor has a dedicated staff to ensure attendance rosters are being submitted weekly for data entry into the ETP online systems.

RECOMMENDATION

Staff recommends approval of this proposal.

DEVELOPMENT SERVICES

Thoro retained Anderson Business Coaching (ABC) in Redlands to assist with development of this proposal for a flat fee of \$3,000.

ADMINISTRATIVE SERVICES

Thoro also retained ABC to perform administrative services in connection with this proposal for a fee not to exceed 10% 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

- Customer Order Processes
- Goal Setting and Achieving Key Processes
- Communication Skills

COMPUTER SKILLS

- Microsoft Office (Intermediate & Advanced) Application
- Customer Relationship Management (CRM) Software Application

CONTINUOUS IMPROVEMENT

- Problem Solving
- Team Building
- 5S Organizational Strategy
- Lean Concepts
- Process Improvement

MANUFACTURING SKILLS

- Good Manufacturing Practices
- International Organization for Standardization (ISO) Training
- Fabrication and Assembly Operations
- Equipment and Process Skills
- Shop Math for Manufacturing
- Glue and Die Cutting Equipment

Safety Training cannot exceed 10% of total training hours, per-trainee

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