



**Training Proposal for:
U.S. Continental Marketing, Inc.**

Small Business

ET16-0436

Approval Date: April 15, 2016

ETP Regional Office: San Diego

Analyst: H. Bernard

CONTRACTOR

- Type of Industry: Manufacturing
- Priority Industry: Yes No
- Number of Full-Time Employees
 - California: 39
 - Worldwide: 39
 - Number to be trained: 29
 - Owner Yes No
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training (SET): Yes No
- High Unemployment Area (HUA): Yes No
- Turnover Rate: 8%
- Repeat Contractor: Yes No

FUNDING

- Requested Amount: \$41,470
- In-Kind Contribution: \$96,425

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 | Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills | 29 | 8-200 | 0 | \$1,430 | \$15.60 |
| | | | | Weighted Avg: 55 | | | |

- Reimbursement Rate: Job #1: \$26 SB Priority
- County(ies): Riverside
- Occupations to be Trained: Owner, Management Staff, Professional Staff, Production Staff, Administrative Staff
- Union Representation: Yes
 No
- Health Benefits: Job #1: \$2.38 per hour

SUBCONTRACTORS

- Development Services: Training Refund Group of Anaheim assisted with development of this project for a fee of \$3,000.
- Administrative Services: Training Refund Group will also provide administrative services in connection with this project for a fee not to exceed 13% of funds earned
- Training Vendors: ABCI Consultants, Huntington Beach; and other vendors TBD

OVERVIEW

U.S. Continental Marketing, Inc. (U.S. Continental) is headquartered in Corona. This is a family owned and operated vertically integrated company that has been manufacturing, packaging and distributing leather and fabric care products for over 20 years. The Company’s retail customers include Sperry Topsider, Michael Kors and Coach. The products include fabric and leather cleaners, water repellants, and car additives.

The Company is a one-stop shop with the capability to create the label design, formulate, and packaging. The Company will be training at two locations in Corona. The first location houses the main production facility; the second location, less than a mile away, houses the Research and Development staff.

Training Plan

The Company has seen steady sales growths since 2013 and is forecasting continued growth throughout 2016. U.S. Continental customers are requesting faster productions, lowered costs and faster delivery times. In order to meet the customer's needs, maintain high quality, and reduce inefficiencies, the Company will be implementing the following three major training initiatives.

- ISO updates at its two locations in Corona. The production location will update from the ISO 9001:2008 certification to the 9001:2015 standard. The research and development location will be pursuing the 9001:2015 ISO certification.
- Updated ERP system, Batchmaster. This will allow the Company to track all of its products through the production line from start to finish. Staff will receive training in: inventory monitoring, costing methods, production development & management, and quality control methods. Training will also include characteristics of alternate cleaning ingredients and adjusting formulas based on actual and target costs.
- Lean manufacturing processes designed to improve production, quality, and frontline leadership.

Business Skills - This training will be offered to all occupations. Training will include Communication Skills, Conflict Resolution, Leadership, Customer Service and Project Management. These skill sets will increase trainee's abilities to deal effectively with customers as well as improve internal communications between managers and staff.

Computer Skills - This training will be offered to Production Staff, Management Staff and Administrative Staff. These staff members will be trained on the Batchmaster ERP system from end to end. This training will assist the Production Staff to create better and less costly formulations and shorter delivery times for U.S. Continental's product line.

Continuous Improvement - This training will be offered to all occupations as a part of the ISO updates and the Lean Manufacturing initiatives and will be the bulk of the total training hours. This will include training on Process Improvements as well.

Manufacturing Skills - This training will be offered to Production Staff and Management Staff. Failure Mode Analysis will train staff to identify which production processes may fail or lead to product failure and the Root Cause Analysis will train staff on how to eliminate instances that are hindering performance. These training sessions will be a benefit to the implementation of Batchmaster and the Lean Manufacturing.

Training Hours Modification Request

Small Business retraining hours are capped at 60 per trainee for small business projects; however, the Panel may increase the maximum training hours with justification. US Continental requests an increase in the maximum training hours from 60 to 200.

US Continental has a very aggressive training plan over the next two years and anticipates that 18 staff members will exceed the 60 hour cap. ISO training for both locations includes a combined total of 76 training hours for 9 staff members. Additionally these trainees will also receive Lean Manufacturing skills totaling 16 hours and training on the new ERP system, Batchmaster at 8 hours. In particular, the U.S. Continental has identified that the Management

Staff will receive approximately 120 hours of training encompassing all areas, including the ISO and Batchmaster implementations.

Request for a Two Year Contract Term

US Continental requests a two year agreement term for this project. A longer term will allow the Company to deliver the training needed while also keeping up with production demands. With the implementation of ISO and the new ERP system, a longer term allows the Company to successfully complete all training.

RECOMMENDATION

Staff recommends approval of this proposal.

Exhibit B: Menu Curriculum

Class/Lab Hours

8-200 Trainees may receive any of the following:

BUSINESS SKILLS

- Report Writing
- Communication Skills
- Business Writing
- Team Building
- How to Lead Effective Meetings
- Problem Solving
- Conflict Resolution
- Leadership Skills
- Customer Service
- Project Management
- Product Knowledge

COMPUTER SKILLS

- Batchmaster Enterprise Resource Planning

CONTINUOUS IMPROVEMENT

- ISO Procedures and Updates
- Process Improvement
- Lean Manufacturing

MANUFACTURING SKILLS

- Manufacturing Operating Procedures
- Quality Control Analysis
 - Failure Mode Analysis
 - Root Cause Analysis

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