



**Retrainee – Job Creation
Training Proposal for:
Wintec Industries, Inc.**

Fast Track \leq \$100,000

ET15-0190

Panel Meeting of: June 27, 2014

ETP Regional Office: San Francisco Bay Area

Analyst: A. Nastari

CONTRACTOR

- Type of Industry: Manufacturing
Services
Priority Industry: Yes No
- Number of Full-Time Employees
California: 161
Worldwide: 190
Number to be trained: 96
Owner Yes No
Mgr/Supr 6
Frontline 90
- Out-of-State Competition: NAICS Code Eligible
- Special Employment Training: Yes No
- High Unemployment Area: Yes No
- Turnover Rate: 15%
- Repeat Contractor: Yes No
- Substantial Contribution: Yes No

FUNDING

- Requested Amount: \$27,872
- In-Kind Contribution: \$72,561

hold memory chips. The components are key in the manufacturing of Computers, USB Drives, Compact Flash, and Secure Digital Cards, by contract manufacturers such as Intel, Microsoft, Samsung and Cisco. Wintec also provides Semiconductor supply chain management services enabling large scale manufacturers to better manage their supply planning and inventory positions. Additionally, Wintec provides e-commerce fulfillment services and product assortment management for retailers such as Walmart, Staples, OfficeMax/Office Depot and Sears.

Wintec's major shift from being a bulk distributor to an e-commerce fulfillment distributor has resulted in dramatic increases to its warehouseing and product management processes. The Company must implement an Enterprise Resource Planning (ERP) system that analyzes and manages data, leveraging speed, efficiency, and accuracy.

As contract manufacturers design new products, Wintec must assemble and test them based on specific Standard of Operations (SOP) for each manufacturer. Wintec must implement and upgrade processes to increase efficiencies in production, produce quality products and implement new product testing processes as required by the SOP. Wintec must upgrade the skills of its workers across all departments.

The Company has implemented ISO 9001:2008, but only to some of its processes. However, these international standards for continued process improvement must be extended throughout its departments - finance, marketing, sales, product management, purchasing and operations.

Expansion

Within the next two years, Wintec plans to hire seven new employees in the following occupations: Engineers (3), Sales Account Managers (2), Product Manager (1), and Project Management (1). These workers will be trained under Job Number 2 in this Proposal.

Training Plan

In order to remain competitive, Wintec determined that it had to provide a broader range of services to its customers and at the same time expand into other industries, such as merchandising fulfillment services. Wintec took on these new offerings without realizing the impact it would have on its production processes and the amount of training that it would take to bring staff up speed. It was only able to train its workers on an ad-hoc basis, much of which was delivered in an on-the-job training environment. Wintec had to develop processes, implement them, and if needed, update procedures as it refined its practices.

Business Skills – This training will be offered to IT Engineers, Managers, Sales Staff, Product Management Staff, Accounting Staff, and Administrative Staff. Training will consist of Project Management, Customer Service, Price/Cost Analysis, Marketing, Product Knowledge, Customer Credit Management, and Program Management. The training was developed to enhance communication skills and product offerings to customers, manage projects more effectively, and better address customers' pricing concerns.

Computer Skills – This training will be offered to Sales, Finance/Accounting Staff, Supervisors, Managers, Logistics, IT Engineers, Product Management Staff, and Administrative Staff. Training will include intermediate and advanced MS Excel (pivot tables, research functions) to help analyze data and product trends. Training on the Company's ERP and Material Resource Planning systems will provide the tools for managing the purchasing cycles for high volume

items. IT Engineers will receive specific training on programming and networking courses for the expansion of the Company's internal and marketing systems topics. Training will be offered in both a Class/Lab and CBT environment.

Manufacturing Skills – This training will be offered to Engineers and production line Operators. Wintec purchased and installed new equipment and a new control software program on which it needs to train workers on machine operations to prevent mishandling and machine breakdown, equipment maintenance to maintain accuracy of component placement, and new assembly and testing processes as designated by the SOP. Wintec will cross-train to create a flexible workforce that can fill in where production demands the highest attention. Training will enhance employees' confidence level on the job and assist them to gain more knowledge and experience with the equipment.

Continuous Improvement – this training will be offered to ISO:9001 and various ISO topics will be offered to all occupations from each department. As an ISO certified company, the Company needs to ensure that all employees perform work processes according to the ISO specifications. Wintec needs to structurally implement continued improvement process to meet requirements for handling higher transactional volumes. The training will provide processes to enforce quality standards across all departments.

RECOMMENDATION

Staff recommends approval of this proposal.

PRIOR PROJECTS

The following table summarizes performance by Wintec under an ETP Agreement that was completed within the last five years:

| Agreement No. | Location (City) | Term | Approved Amount | Payment Earned | |
|---------------|-----------------|----------------------------|-----------------|----------------|---------|
| | | | | \$ | % |
| ET09-0375 | Milpitas | 12/15/2008 – 12/14/2010 | \$173,376 | \$27,419 | (15.8%) |

The Company states the implementation of its prior training program was drastically impacted by the 2008-2009 Recession, during which time training was suspended. Due to a drop in manufacturing orders, Wintec was forced to cut back its operations resulting in the closure of a facility, and reduction of staff in order to manage the dramatic drop in revenues and customer bankruptcies. Wintec had to rethink its business model which heavily impacted its direction.

For this Proposal, Wintec initially requested \$49,990 in ETP funding. However, due to its low performance in its last Agreement, staff negotiated with Wintec to reduce its requested amount based on amount earned on its last Agreement. Subsequently, Wintec developed this training plan that will be implemented, delivered, and supported by each department. Each department Manager created their own training program to ensure accountability for training needs and delivery. HR will take responsibility for attendance recording and reaching attendance goals. The current proposal has again been right-sized to earnings in the prior contract (ET09-0375).

Exhibit B: Menu Curriculum

Class/Lab Hours

8 - 200

Trainees may receive any of the following:

BUSINESS SKILLS

Credit Management
Customer Service Skills
Prioritizing & Multitasking Skill
Project Management
Program Management
Price/Cost Analysis
Inventory & Vendor Management & Sales Support
Market & Product Knowledge
Treasury Management
Financial Planning
Tax Regulations

COMPUTER SKILLS

MS Excel (Intermediate / Advanced level)
ERP (Enterprise Resources Planning) Training
MRP (Material Resources Planning) Training
Programming Skills
Networking Skills

CONTINUOUS IMPROVEMENT

ISO 9001:2008
Quality Process
SOP's Review & Improvement
Order Fulfillment Process Improvement
Leadership/ Motivating/ Team Building
Prioritizing Projects & Multitasking Skill
Performance Management
Management Procedures Training

MANUFACTURING SKILLS

Production Procedure/Process – Standard of Operations (SOP)
Equipment Maintenance
Machine Operation Training
New Assembly Processes on New Products
New Test Processes on New Products
Manufacturing Process and Test
QA Test and Inspection

CBT Hours

0 - 12

BUSINESS SKILLS

Project Management Skills (2 hours)

COMPUTER SKILLS

Programming Skills (5 hours)

Networking Skills (5 hours)

CBT hours are capped at 50% of trainee's total training hours

Note: Reimbursement for retraining is capped at 200 hours total per-trainee, regardless of method of delivery. CBT is capped at 50% of total training hours, per-trainee.