

Training That Works – Lessons from California’s Employment Training Panel Program (2003)¹

The Fender Guitar Company Story²

The Fender Guitar Company (now, the Fender Musical Instruments Corporation) originated in a repair shop in Southern California in the 1940’s. Fender’s solid body electric guitars are an American classic, like the Harley Davidson motorcycle, and have been played by a host of rock stars. The company initially prospered, but by 1981, it was in desperate straits, losing market share to foreign competition and plagued by declining product quality.

By 1985, at a time when almost all Fender guitars were being manufactured overseas, the company made a dramatic bid to bring production back to the USA. The company began manufacturing a small number of guitars again in Southern California, with 60 employees remaining from the original production group. The centerpiece of the effort to return home was training in state-of-the-art manufacturing techniques, such as total quality management and statistical process control.

For this training, the company sought help from the Employment Training Panel, a California agency that provides funding to train California employees whose jobs are threatened. The ETP provided over \$700,000 in training funds which paid for much of Fender’s large-scale training program. Over the years, the new plant was able to achieve acceptable product quality at a reasonable cost.

By 1998, the company’s resurgence was sufficient so that it was in a position to open a new 177,000 sq. ft. plant in Southern California, employing over 400 people, and manufacturing over 350 guitars per day along with Fender Amplifiers.

Quality control technicians, most of them weekend rock musicians, wail away on each guitar as it comes off the production line. If it plays well, it is polished up and readied for sale. If the quality is unacceptable, it is hung on a rack to be re-worked or scrapped.

A technician told the book authors that before the ETP training, they filled up 12 racks with rejected guitars every 2 days. Since the training and implementation of the quality program, they fill only 2 racks once a week.

Endnotes:

1. This review focuses on Chapter 1, entitled "Introduction," in the 219 page book, *Training That Works – Lessons from California's Training Panel Program* (2003), which is published by Upjohn Institute, a non-profit employment research organization, Kalamazoo, Michigan, and written by California State University management, economics and finance Professors Moore, Blake, Phillips and McConaughy.

2. *Training That Works*, "Introduction," pp. 1-2. The authors' note that: "The company's dramatic resurgence is a product of many factors, but one factor always mentioned by local managers is an obscure state-funded training program, the Employment Training Panel (ETP), which provides public funding to train California workers whose jobs are threatened." *Training That Works*, p.1.