



**Training Proposal for:  
Kimberly-Clark Worldwide, Inc.  
Agreement Number: ET09-0410**

Panel Meeting of: **January 23, 2009**

ETP Regional Office: **San Diego**

Analyst: C. Robinson

**PROJECT PROFILE**

|                      |  |                          |   |
|----------------------|--|--------------------------|---|
| Contract Type:       | Priority/Retrainee   | Industry Sector(s):      | Manufacturing   |
| Counties Served:     | Orange   | Repeat Contractor:       | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Union(s):            | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No<br>Local 672 - Association of<br>Western Pulp & Paper Workers<br>(AWPPW) | Priority Industry:       | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| No. Employees in CA: | 350  | No. Employees Worldwide: | 55,000  |

|                 |                          |
|-----------------|--------------------------|
| Turnover Rate % | Manager/<br>Supervisor % |
| 6%              | 5%                       |

**FUNDING DETAIL**

|               |                          |                   |                      |
|---------------|--------------------------|-------------------|----------------------|
| Program Costs | Substantial Contribution | Total ETP Funding | In-Kind Contribution |
| \$357,120     | \$0                      | \$357,120         | \$415,000            |

**TRAINING PLAN TABLE**

| Job No. | Job Description (by Contract Type) | Type of Training  | Estimated No. of Trainees | Range of Hours   |     | Estimated Cost per Trainee | Post-Retention Wage |
|---------|------------------------------------|---|---------------------------|------------------|-----|----------------------------|---------------------|
|         |                                    |   |                           | Class / Lab      | CBT |                            |                     |
| 1       | Priority/Retrainee                 | Business Skills, Computer Skills, Continuous Improvement Skills, Manufacturing Skills | 320                       | 24-200           | 0   | \$1,116                    | \$17.32             |
|         |                                    |   |                           | Weighted Avg: 62 |     |                            |                     |

**Minimum Wage by County:** \$14.18 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

Although employer provides health benefits, they are not being used to meet Post-Retention Wage.

| Wage Range by Occupation |            |
|--------------------------|------------|
| Occupation Title         | Wage Range |
| Manager/Supervisors      |            |
| Engineering Staff        |            |
| Human Resources          |            |
| Finance Staff            |            |
| Facility Service Staff   |            |
| Operators                |            |
| Production Support Staff |            |
| Maintenance Staff        |            |
| Administrative Staff     |            |

**INTRODUCTION**

In this proposal, Kimberly-Clark Worldwide (Kimberly-Clark) seeks funding for retraining as outlined below:

Founded in 1872, Kimberly-Clark is a manufacturer of various personal and home consumer products. These products include facial tissue, adult/children’s diapers, baby care products, bathroom tissue, wet wipes, industrial wipers, paper towels, feminine hygiene products, and medical supplies (gowns, gloves) with plants located throughout the world.

Kimberly-Clark’s Fullerton facility, the site for the proposed training, meets the Panel’s out-of-state competition requirements as a priority industry manufacturer under Title 22, California Code of Regulations (CCR), Section 4416 (i).

This is the second ETP proposal for Kimberly-Clark within the last five years. The company intends to retrain 320 of its manufacturing plant employees in the skills necessary for Kimberly-

Clark to remain competitive and continue its implementation of streamlined manufacturing operations and development of the company's workforce.

## **PROJECT DETAILS**

The Fullerton facility, Kimberly-Clark's only plant located in California, manufactures and distributes facial tissue, bathroom tissue, and industrial wipes for organizations such as Wal-Mart, Costco, hospitals, hotels, and other businesses throughout the western United States.

Company representatives state that its California plant faces rising manufacturing costs and increasing pressure from out-of-state competitors that produce similar products with lower overhead. This places a significant burden on Kimberly-Clark to increase plant efficiency by lowering its operating expenditures. Outdated internal computer systems and problems with production processes continue to cause the company to function at less than maximum capacity. Kimberly-Clark must also concentrate on improving product quality and reducing production costs.

To address these concerns, Kimberly-Clark initiated a plan to update internal computer systems and production processes in its first ETP Agreement. Although production management/resource planning software was purchased and a few key employees trained previously, the company must now train the remainder of its employees to maximize use of this tool to streamline internal operations. Some limited improvements in manufacturing processes were also made as a result of the training that was delivered. However, company representatives report that the majority of the Curriculum topics were not rolled-out to all employees due to personnel issues and management team changes that precluded Kimberly-Clark's attention to administrative details during the first ten months of the Agreement. Company representatives state that the previous project administration issues have now been resolved. Kimberly-Clark's new management team reports that the company is fully prepared to move forward and complete training that was not delivered in the previous Agreement.

Additionally, new lean manufacturing process, customer service, and equipment operation training is proposed to further improve overall plant efficiency. Company functional units will be centralized for better planning, operating, reporting, and review purposes. Kimberly-Clark will be better positioned to adapt to changing customer needs, improve product quality, and eliminate costly production errors.

**Business Skills** Administrative, facility service, finance, and human resources staff will all participate in advanced customer service, advanced product knowledge, and process/procedures training. These topics will help Kimberly-Clark resolve customer complaints, improve customer services levels, and reduce support costs. Managers/Supervisors will attend peer coaching, project management, and motivation skills training sessions. Upon completion of Business Skills training, trainees will better understand company processes, procedures, and products to support implementation of the company's new streamlining efforts.

**Computer Skills** Managers/supervisors, operators, and production support staff will receive training in computerized inventory control, project management systems, and internal customer applications. Training in these topics will allow them to accurately track company production and inventory to make more timely decisions that match production demands with customer needs. Administrative, engineering, and finance staff will learn new ways to be more efficient by using intermediate/advanced Microsoft Office applications to complete more detailed reports/tasks that will be integrated into production processes to improve customer service and reduce delivery times.

**Continuous Improvement** Managers/supervisors will attend training sessions in lean process improvement and quality control procedures to understand how product quality and reduced production costs will result from implementation of lean processes. All occupations involved in product manufacturing processes will receive training on new mill production procedures. They will also attend lean boot camp sessions to identify product problems and create solutions to reduce scrap/waste, improve product quality, and maintain consistency throughout Kimberly-Clark. These cost reduction activities will allow the company to become more competitive by passing on savings to its customers.

**Manufacturing Skills** Operators and support staff will receive training on advanced operating procedures/reports, advanced production problems, and will learn the use of special production tools and asset centerline settings to streamline production processes and improve product quality. Maintenance staff will participate in training that concentrates in advanced equipment/system repairs to improve equipment reliability, reduce downtime, and improve production capacity.

### **Commitment to Training**

Kimberly-Clark represents that ETP funds will not displace the existing financial commitment to training and anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. Company representatives further state that funding of these topics will continue on an ongoing basis in the future. Kimberly-Clark's representatives state that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

Although Kimberly-Clark does not have a training budget, approximately \$110,000 per year is spent at the Fullerton facility for training as follows:

Required/Mandated Training = \$45,000

- CalOSHA-Mandated Training
- General Safety Training
- Sexual Harassment Prevention

Job-Related/Technology Skills = \$65,000

- New Hire Orientation
- Production On-the-Job Skills Training
- Administrative On-the Job Training
- Basic Company Policies
- First Aid
- Business Ethics
- Benefits Skills

ETP funds will permit Kimberly-Clark to conduct more in-depth and advanced training than has not been offered in the past for retrainees included in the proposed training plan and will not displace its current informally delivered training. Additionally, company representatives state that proposed training was not delivered to many employees in its first ETP Agreement due to the administrative difficulties discussed previously in the narrative.

### **RECOMMENDATION**

For the reasons set forth above, staff recommends approval of this proposal.

## **PRIOR PROJECTS**

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

| Agreement No. | Location (City) | Term                   | Approved Amount | Payment Earned |
|---------------|-----------------|------------------------|-----------------|----------------|
| ET06-0288     | Fullerton       | 05/09/06 –<br>05/08/08 | \$386,308       | *\$112,740     |

\* Kimberly-Clark representatives state that performance on its first Agreement was affected by both personnel changes and the introduction of a new management team during the first 12 months of the Agreement. The employee responsible for development of the training plan left Kimberly-Clark shortly after the Panel approved the Agreement. The second employee designated as the ETP contact was absent for several months due to health problems and the company did not re-assign responsibility for administration of the ETP Agreement during her absence. Although sporadic training was being conducted, the company was not routinely scheduling class/lab sessions, monitoring attendance, collecting rosters, or entering hours into the ETP On-line Tracking System. The company only delivered 736 total hours of training between May 9, 2006 and December 31, 2006.

In December 2006 a new mill management team implemented facility-wide changes to ensure that ETP-funded training became more of a priority and ETP administrative requirements were met. Kimberly-Clark hired a subcontractor to take over administrative duties relating to the Agreement in February 2007. Between January 2007 and the last date training could be delivered February 8, 2008 the company was able to document 10,848 hours of training.

Kimberly-Clark's proposed training plan is based upon the average monthly class/lab hours delivered between January 2007 and May 2008. For the proposed Agreement, the company assures the Panel internal processes have been established for training delivery, timely submission of rosters, and entry of Class/lab hours into ETP's Tracking System.

## **DEVELOPMENT SERVICES**

Kimberly-Clark retained National Training Company, Inc. (NTC) in Irvine to assist with development of this proposal for a flat fee of \$10,000.

## **ADMINISTRATIVE SERVICES**

The company also retained NTC to perform administrative services that relate to administration of the ETP Agreement for total fees not to exceed 13% of payment earned.

## **TRAINING VENDORS**

To Be Determined

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

#### **24-200 Hours**

Trainees will receive any of the following:

### **BUSINESS SKILLS**

- Advanced Product Knowledge
- Peer Coaching
- Process & Procedures Training
- Project Management
- Motivation Skills Training
- Advanced Customer Service

### **COMPUTER SKILLS**

- Computerized Inventory Control
- Internal Customer Applications
  - Maintenance Master Data
  - Maintenance Planner/Scheduler
  - Equipment Management
  - Equipment Reliability
  - Stores Reporting
  - Production Reconciliation
  - Vendor Notification
- Project Management Systems
- Advanced Accounting Systems
- Microsoft Office Intermediate & Advanced (Excel, Word, Power Point, Access, & Outlook)

### **CONTINUOUS IMPROVEMENT**

- Lean Process Improvement
- Lean Boot Camp
- Quality Control Procedures
- Mill Production Procedures

### **MANUFACTURING SKILLS**

- Asset Centerline Settings
- Advanced Operating Procedures/Reports
- Advanced Production Processes
- Production Tools/Instruments
- Advanced Equipment/Systems Repair Skills



# ASSOCIATION-OF-WESTERN-PULP-AND-PAPER-WORKERS

FULLERTON LOCAL 672

1801 N. RAYMOND, ANAHEIM, CALIFORNIA 92801

October 27, 2008

Employment Training Panel  
1100 J Street  
4th Floor  
Sacramento, CA 95814

Re: Kimberly-Clark Worldwide Employment Training Panel

This letter confirms the support that Local 672 of the Association of Western Pulp & Paper Workers (AWPPW) has given to Kimberly-Clark Corporation for the proposed Employment Training Panel (ETP) project.

The Union understands and agrees that the ETP training program will provide various types of training to members of the Union. The AWPPW is the only union that represents hourly employees working for the Kimberly-Clark, Fullerton Mill.

Sincerely,

Union President  
Local 672