



State of California
Employment Training Panel

Training Proposal for:
MAF Industries Inc.

Agreement Number: ET09-0218

Panel Meeting of: **July 25, 2008**

ETP Regional Office: **Sacramento**

Analyst: J. Basquez

PROJECT PROFILE

Contract

Type: Priority/Retrainee
 HUA - Priority/Retrainee

Industry

Sector(s): Manufacturing

Counties

Served: Tulare

Repeat

Contractor: Yes No

Union(s): Yes No

Priority

Industry: Yes No

No. Employees in CA: 500

No. Employees Worldwide: 900

| Turnover Rate % | Manager/ Supervisor % |
|-----------------|--------------------------|
| 20% | 10% |

FUNDING DETAIL

| Program Costs | Substantial Contribution | Total ETP Funding |
|---------------|--------------------------|-------------------|
| \$100,224 | \$0 | \$100,224 |

| In-Kind Contribution |
|----------------------|
| \$125,000 |

TRAINING PLAN TABLE

| Job No. | Job Description | Type of Training | Average No. of Trainees | Range of Hours | | Average Cost per Trainee | Post-Retention Wage |
|---------|--------------------------------|---|-------------------------|------------------|-----|--------------------------|---------------------|
| | | | | Class / Lab | CBT | | |
| 1 | Priority/Retrainee | Advanced Technology, Business Skills, Computer Skills, Continous Improvement, Management Skills, Manufacturing Skills | 61 | 24 - 130 | 0 | \$1,566 | \$12.99 |
| | | | | Weighted Avg: 87 | | | |
| 2 | HUA/ Priority/ Retrainee | Business Skills, Computer Skills, Continous Improvement, Manufacturing Skills | 3 | 24 - 130 | 0 | \$1,566 | \$11.74 |
| | | | | Weighted Avg: 87 | | | |

Minimum Wage by County: Tulare County – \$12.85

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

\$2.49 per hour may be used to meet the Post-Retention Wage.

Other Benefits: 401 K, Vacation, Holidays, and Bonuses range from \$300 - \$7,000 a year

| Wage Range by Occupation | |
|--------------------------|------------|
| Occupation Title | Wage Range |
| Engineering | |
| Office Staff | |
| Electricians | |
| Fabrication | |
| Welders | |
| Supervisor Staff | |
| Assemblers | |

INTRODUCTION

In this proposal, MAF Industries Inc. (MAF) seeks funding for retraining as outlined below:

Established in 1989, MAF is a manufacturing company which produces a wide variety of electronically controlled machines/equipment used in the fresh fruit and vegetable industry including bin dumpers, bin washers, bin fillers, conveyors, sizers and sorters, fruit washing, waxing & drying equipment, place packing machines, palletizer, and strappers.

MAF customers are located worldwide and include fruit and vegetable packers and the whole agricultural industry. The company has 19 branches worldwide with corporate headquarters located in Tulare County.

According to MAF representatives, the technology in this industry is rapidly changing and new products are introduced each year. The employee skill levels are not keeping up with the new technology and processes; therefore, training is needed to upgrade employees' skill levels in an effort to remain competitive. MAF represents that the lack of skilled employees forces them to use more people to do the same job, which takes away the effectiveness of key trained people. MAF plans to use ETP funding to train key people who will train other employees as well as new hires. With the new training MAF will reach its goal of moving to a high performance workplace. MAF representative reports training will take place at the facility in Traver; as well as other locations in Tulare and Fresno County.

MAF satisfies the out-of-state competition requirements under Title 22, California Code of Regulations (CCR), Section 4416 (i) through its industry classification, manufacture.

PROJECT DETAILS

All of the retraining outlined in this proposal is generated by the following changes:

- Implementation of new equipment/machinery in welding department and fabrications machines. MAF represents no training was included in the purchase of the new equipment. MAF has staff that has prior use/skills on the machines so those staff will do the training on the new equipment.
- New software is being used in other branches, allowing employees to share manufacturing technology, blueprints, part numbers, and inventory processes. MAF represents it is required to purchase training separately from the package of the actual software.

The goal is to develop strong technical expertise among its workers, improve customer service, and increase the company's competitiveness in a global marketplace. To successfully meet these goals, the following retraining will be provided:

Business Skills training for the office staff and engineering staff will include sales techniques, time management, conflict resolution, customer service, workplace safety, credit, and collections.

Computer Skills training for office staff, engineering staff, and supervisor staff will cover the intermediate and advanced Microsoft Office products. This program focused on providing new skills for software development and design that will improve the workforce's ability to prioritize and implement customer requirements and improve techniques to meet customer's needs.

Continuous Improvement training is for all occupations in this proposal and will include cross-training, software quality assurance skills, coaching, decision making, leadership skills, root cause analysis, and various performance improvement techniques, as well as communication skills.

Management Skills training will cover courses from managerial leadership to conflict resolution which will help management to improve its leadership skills, decision making, and coaching skills.

Manufacturing Skills training for frontline workers and supervisors will focus on training welders and fabricators who need to develop skills using new and existing equipment to prevent re-work or returned items, improvement processes, prevent downtime, assembly procedures, inventory control, equipment operation, best manufacturing practices, drills, grinders, break press, punch machines, and general use and care of equipment.

Advanced Technology in the curriculum will enable the application engineers and software engineering staff to support the implementation of new technology, learn product core language, and utilize programming more effectively. This training is designed to improve the technical expertise of workers in the field of IT. According to MAF representatives, the instructional resources associated with this type of training are far more expensive than standard computer skills training. MAF representatives further state that due to the complex nature of the material, the proposed computer/network engineering training must be provided in classes with ten or fewer trainees.

Commitment to Training

MAF representatives state that training will always be on-going as the technology in this industry changes rapidly. To keep up with technological advances within the industry, new equipment must be fabricated; and changes in materials for health/safety standards for food products are required.

MAF represents that the proposed ETP-funded training will supplement rather than displace their existing financial commitment to training its workforce; Indeed, MAF anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. MAF's training budget is about \$50,000 annually.

MAF represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

High Unemployment Area

The trainees in Job Numbers 1 and 2 work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by at least 25%, using the unemployment rate set by the Labor Market Information Division of the Employment Development Department. (Title 22, CCR, Section 4429(b).)

The Panel may modify the ETP Minimum Wage by up to 25% if post-retention wages exceed the start-of-training wages by at least 7%. (Title 22, CCR, Section 4429(c).) MAF is requesting a modification to the ETP minimum wage requirement for the three trainees in Job Number 2.

RECOMMENDATION

For the reasons set forth above, staff recommends approval of wage modification for the three trainees in Job Number 2 and this proposal.

DEVELOPMENT SERVICES

N/A

ADMINISTRATIVE SERVICES

N/A

TRAINING VENDORS

To be determined

Exhibit B: Menu Curriculum

Class/Lab Hours

24 – 130

BUSINESS SKILLS

Sales Techniques
Time Management
Conflict Management
Customer Service Techniques and Tools
Credit & Collections Methods

COMPUTER SKILLS

Microsoft Office (Intermediate & Advanced Word, Excel,
Access, Outlook)
Power Point
Visio

CONTINUOUS IMPROVEMENT

Cross-Training
Communication Skills

MANAGEMENT SKILLS*

Managerial Leadership
Strategic Decision Making
Change Management
Motivating at Work
Time Management
Coaching and Mentorship
Conflict Resolution

*(Management Skills training is reserved for Managers/Supervisors)

MANUFACTURING SKILLS

Production Operations
Parts and Products Manufacture
Equipment Operation
Assembly Procedures
Inventory Control
Warehousing
Manufacturing Practices
Drills & Grinders
Break Press/Punch Machines
General Use and Care of Equipment

AT Hours

24 – 130

ADVANCED TECHNOLOGY (for Job Number 1 only)

Solid works/Computer-Aided Drawing
PLC Programming (Programmable Logic Controls)