



**Training Proposal for:
Owens Design Incorporated
Agreement Number: ET09-0412**

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

ETP Regional Office: **San Francisco Bay Area**

Analyst: A. Nastari

PROJECT PROFILE

Contract Type:	SB <100 Retrainee	Industry Sector(s):	Manufacturing Green Technology Biotechnology/Life Sciences Nanotechnology
Counties Served:	Alameda	Repeat Contractor:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Union(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	Priority Industry:	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
No. Employees in CA:	55	No. Employees Worldwide:	55

Turnover Rate %	Manager/Supervisor %
3%	9%

FUNDING DETAIL

Program Costs	Substantial Contribution	Total ETP Funding
\$150,072	\$0	\$150,072

In-Kind Contribution
\$80,000

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/SB<100	Business Skills; Computer Skills; Continuous Improvement; Manufacturing Skills	74	24 - 200	0	\$2,028	\$14.18
				Weighted Avg: 78			

Minimum Wage by County: \$14.18 for Alameda 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

Health benefits in the amount of \$.68 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Production Staff	
Supervisors/Managers	
Support Staff	
Technical Staff	

INTRODUCTION

In this proposal, Owens Design Incorporated (Owens) seeks funding for retraining as outlined below:

Owens is a full service contract manufacturer – from concept to production – for domestic and international Original Equipment Manufacturers (OEMs.) Owens, located in Fremont, designs, engineers, manufactures, assembles, and tests the capital equipment used by OEMs to manufacture components and finished products across the semiconductor, biotech, nano, hard disk, fiber optic, and now solar industries. Finished goods consist of cell phones, ipods, computer games, hard disk storage, solar cells, and panels.

Owens meets the out-of-state competition provisions outlined in Title 22, California Code of Regulations (CCR), Section 4416(i) as a designated industry (engineering services) facing out-of-state competition.

PROJECT DETAILS

This will be Owens' second ETP Agreement. The first was developed under ETP's Small Business Pilot Program (SBPP) and ended in 2004. ETP funds were used to train and develop its core group of leaders, consisting of 11 workers (out of 32 full-time workers), to assist in the

company's initial move to a high performance workplace. The training included continuous improvement and manufacturing skills which were specific in the area of quality improvement.

Since the first Agreement, Owens has advanced into emerging industries, such as solar and nanotechnology and expanded its manufacturing capabilities. The company also increased its workforce from 32 full-time workers to 55 workers (58%) and continues to grow. This training proposal addresses Owens' needs to expand high performance processes company-wide and to meet new business demands in the emerging industries. This training encompasses business skills, computer skills, continuous improvement, and manufacturing skills which were either not included in the first Agreement or were not delivered to the entire workforce. It also includes the training of an additional 19 workers which the company plans to hire within the term of the Agreement.

For over 20 years, Owens has developed equipment for new and innovative emerging technologies, the majority of which have been in the semi-conductor industry. But the fluctuation in the semi-conductor industry over the past several years has required Owens to expand its customer base to include other industries, primarily focusing on energy conservation, biotech, and high tech computer advancements using nanotechnology. More recently, Owens has seen its current customers also expand into these same industries, thereby requiring Owens to increase its capabilities. This shift has resulted in Owens' move to a larger facility with more space for clean room facility expansion and the purchase of a wider range of new and upgraded equipment. Owens has additionally been increasing its workforce to meet its business demands.

Solar Industry

With a growing focus on energy conservation and high tech computer advancements, the company has aligned itself to address manufacturing needs in solar energy and nanotechnology. Owens' customers require manufacturing equipment which increases process automation, improves material handling, and provides high yield solutions. As photovoltaic (PV) technologies evolve, so too must the automated manufacturing equipment which is used for testing the PV cells and other processes.

Nanotechnology in the Biotech Industry

The emerging requirements for more automation, extremely smaller sample sizes (nanoliter volumes), and improved products require customers to consistently change, upgrade, or retool their equipment. Owens works with its customers to develop innovative solutions by designing and manufacturing equipment used in wafer slicing, wafer cooling and heating, and molecular metrology.

Owens' technical team, which is responsible for the design, engineering, and virtual building of the OEM equipment, must become knowledgeable in these emerging industries and equipment requirements. But the team has found that there is virtually little or no formal training programs in some of the emerging industries. In the past couple of years, the technical team has acquired its knowledge primarily through independent research and ad-hoc self-taught training from information gathered via the internet which they've used to design and develop manufacturing equipment that meets customers' immediate needs.

Many OEM customers are further requiring Owens to upgrade ISO Certifications to meet new business demands. Therefore, this proposal will also include ISO 9001:2008 Certification skills. Owens' training proposal will utilize ETP funds for the retraining of its workers in the aforementioned industries, primarily solar and nanotechnology. Training will consist of business

skills, computer skills, continuous improvement, and manufacturing skills for trainees across various functions and occupations.

Business Skills training in the integration of sales and marketing techniques for the growing industries will assist the company to remain competitive. Based on employees' job responsibilities, they will receive training in Supply Chain Customer Service; Performance Management; and Sales & Marketing in a Global Market. Engineers who once were relied upon for technical assistance are now required to be competent in sales skills and serve more as account managers than technical consultants. Business Skills will help align the organization to achieving company goals by providing product and customer service visibility and accountability to all levels of employees.

Computer Skills are necessary as Owens upgrades to SQL Server and ERP systems. The change will enable confidential reliability to manage, filter, and analyze critical business information to achieve faster results and provide real time job tracking, costing, and inventory management by linking production with engineering and support divisions. Training will also include design, engineering, and Pro E Advanced Computer-Aided Design (CAD) software for technical staff.

Continuous Improvement proposed for all employees, is critical for ISO 9001:2008 Certification to meet OEM demands. Trainees will also receive one or more modules of Continuous Improvement Tools Implementation and Frontline Decision Making & Problem Solving, Quality Management, and Supply Chain Communication Technology. Managers and supervisors will receive skills in High Performance Work teams needed to lead Owens' workforce. The training supports the company's continued move towards a high performance workplace and is projected to improve operating costs, reliability, quality, and customer satisfaction. It is the company's expectation to develop a skilled workforce that is prepared to meet the increasing demands of the business and multiple industries it serves.

Manufacturing Skills for technical staff whose responsibility includes design, engineering, and virtual build is essential because these employees will lead the company-wide training of remaining technical, production and other employees in the area of high tech production skills related to solar (thin film photo voltaic (PV) handling, PV cell handling, solar stimulation) and nano technologies (ie., molecular metrology, wafer slicing, wafer cooling and heating). Advanced manufacturing cross-training in assembly, testing, inspection, and quality control will eliminate the bottle necks while cross-training in clean room and quality technologies will ensure product integrity. All production workers will receive training in Lean Manufacturing. The new and upgraded skills are expected to provide a smooth transition as Owens moves towards new product development.

Commitment to Training

Although Owens does not have a formal training budget, it reports that it typically spends about \$30,000 per year on training in California.

Training has been limited to pilot programs, basic skills orientation for new hires, crisis management, and adhoc skills to meet industry demands. The proposed ETP curriculum is designed to support the company's manufacturing goals which will allow the company to remain competitive in emerging industries.

Owens represents that ETP funds will not displace the existing financial commitment to training. Indeed, Owens anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

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

RECOMMENDATION

For the reasons set forth above, staff recommends approval of this proposal. The ETP-funded training will assist this small business manufacturer to remain viable and continue to provide secure employment paying high wages.

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
ET03-0305	Fremont	4/8/2003 – 12/31/2003	\$9,360	\$7,800

DEVELOPMENT SERVICES

The company retained Sallyanne Monti, Consultant in San Francisco, to assist with development of this proposal for a flat fee of \$6,000.

ADMINISTRATIVE SERVICES

The company also retained Sallyanne Monti to perform administrative services in connection with this proposal for a fee to be determined, but not to exceed 13% of payment earned.

TRAINING VENDORS

Ohlone Community College of Newark has been retained to provide training for a fee to be determined. Other trainers will be identified for ETP record-keeping purposes, as they are retained by Owens.

Exhibit B: Menu Curriculum**Class/Lab Hours**

24 – 200

BUSINESS SKILLS

- Performance Management
- Sales & Marketing Techniques in a Global Market
- Supply Chain Customer Service

COMPUTER SKILLS

- Intermediate/Advanced Software Applications
- Pro E Advanced CAD
- Enterprise Resource Planning (ERP)
- SQL Server

CONTINUOUS IMPROVEMENT

- Continuous Improvement Techniques
- Frontline Decision Making & Problem Solving
- High Performance Work Teams
- ISO Implementation Tools
- Quality Management

MANUFACTURING SKILLS

- Assembly Techniques
- Clean Room Technologies
- Equipment Operations
- Inspection
- ISO 9001:2008 Certification
- Lean Manufacturing Practices
- Nano Technology
- Solar Technology
- Testing