



**Training Proposal for:  
Arlon Graphics LLC  
Agreement Number: ET12-0280**

Panel Meeting of: **January 27, 2012**

ETP Regional Office: **San Diego**

Analyst: K. Campion

**PROJECT PROFILE**

Contract Attributes: Retrainee  
Priority  
Job Creation Initiative  
HUA

Industry Sector(s): Manufacturing

Counties Served: Orange

Repeat Contractor:  Yes  No

Union(s):  Yes  No

Priority Industry:  Yes  No

No. of Employees in CA: 185

No. of Employees Worldwide: 1,000

Turnover Rate %	Manager/Supervisor %
3%	15%

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding
\$269,830	\$0	\$269,830

In-Kind Contribution
\$312,786

**TRAINING PLAN TABLE**

Job No.	Job Description	Type of Training	Estimated No. of Trainees	Range of Hours		Average Cost per Trainee	Post-Retention Wage
				Class / Lab	CBT		
1	Retrainee Priority HUA	Continuous Improvement, Business Skills, Manufacturing Skills, Computer Skills	165	24 - 200	0	\$1,422	\$15.68
				Weighted Avg: 79			
2	Retrainee Priority Job Creation Initiative HUA	Continuous Improvement, Business Skills, Manufacturing Skills, Computer Skills	20	24 - 200	0	\$1,760	\$13.07
				Weighted Avg: 88			

**Minimum Wage by County:** Job Number 1: Orange County - \$15.68; Job Number 2: Orange County - \$13.07.

**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  Maybe

\$4.14 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Maintenance Staff	
Manufacturing Support/R&D Staff	
Production/Shipping & Receiving Staff	
Sales Staff	
Supervisor/Manager	

**INTRODUCTION**

In this proposal, Arlon Graphics LLC (Arlon Graphics) seeks funding for retraining as outlined below:

Arlon Graphics (formerly Arlon, Inc.) is a wholly owned subsidiary of FLEXcon Company of Spencer, Massachusetts, and was purchased by FLEXcon in February 2011.

Arlon Graphics specializes in coating and laminating materials for a wide variety of industrial markets. It formulates, casts, coats, converts, packages, and sells its vinyl film through its own distribution network to customers located worldwide. In addition, Arlon Graphics designs and manufactures materials that meet specific customer needs including: visual impact for graphics, special laminates used as electrical insulators in motors and generator gaskets, weather stripping and window glazing, durable paper, thermal shields, adhesive systems for medical products, and films for solar connectors.

The company is located in Santa Ana. This project targets training for 165 incumbent workers (Job Number 1) and 20 Job Creation newly-hired workers (Job Number 2).

Arlon Graphics meets the Panel out-of-state competition requirements as an industrially-classified manufacturer. (Title 22, California Code of Regulations (CCR), Section 4416(i)(1).)

This company also qualifies as a priority industry.

## **PROJECT DETAILS**

As a result of the change in ownership, Arlon Graphics must now comply with new corporate goals of delivering quality products and maintaining mutually beneficial relationships with its customers. Therefore, Arlon Graphics is introducing new processes, new production lines and implementing new computer software across the organization. The company's overall goals are to create a comprehensive and flexible system for achieving, sustaining, and maximizing success. This will be achieved by training workers to understand customer needs and manage, improve, and reinvent production processes. Through courses such as 5S and Lean Manufacturing, the company projects that trainees will learn to streamline processes by minimizing and reducing production waste.

Arlon Graphics proposes to train 185 workers in class/lab training in the following:

**Continuous Improvement** training will be provided to all trainees in support of the company's strategic goals of the implementation of new production processes. These courses are the focus of this proposal, and this training is projected to streamline all areas of the organization, improving production efficiencies. This training will concentrate on quality, processes, and tools. This training is designed to help the company reach its goals of improving customer satisfaction, reducing waste, improving space utilization, increasing product quality, improving communications, and increasing production capacity.

**Business Skills** training will be provided to Production, Maintenance, Sales and Administration Staff. This training will help trainees to develop critical skills such as advanced communication and project management skills. Additionally, this training supports the company's culture change of focusing on customer satisfaction and service.

**Manufacturing Skills** will be provided to Production/Shipping & Receiving Staff, Maintenance Staff, and Manufacturing Support. Due to the ever changing complexity of its equipment and operations, and as new products are designed and launched, Arlon Graphics will need to further train its staff in how to decrease downtime and increase quality.

**Computer Skills** training in the company's new costing and pricing system will be provided to Administration Staff and Production Management Staff.

## **Retrainee Job Creation/Product Line Expansion**

In support of job creation, the Panel is offering incentives to companies that commit to hiring new employees. Under the Retrainee-Job Creation program in Fiscal Year 2011/12, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Company representatives report that to stay up with capacity demands, Arlon Graphics is installing a new coating line. This machinery has a coating head and oven, and a re-wind area that will enable the company to increase capacity by 25%. The new production line is expected to be up and running by the beginning of the second quarter 2012. Therefore, Arlon Graphics has committed to hiring 20 new employees (Job Number 2) as it launches the new line. To be eligible for reimbursement under this Job Number, the trainees must be hired within the three-month period prior to Panel approval or during the term of contract.

## **High Unemployment Area**

All 185 trainees work in a High Unemployment Area (HUA). This is a region with unemployment exceeding the state average by 15% (Title 22, CCR, Section 4429(b).) These trainees work in Santa Ana, which qualifies as a HUA city, based on unemployment data from the Labor Market Information Division of the Employment Development Department. However, Arlon Graphics is not asking for an HUA wage modification.

## **Commitment to Training**

Arlon Graphics represents that ETP funds will not displace the existing financial commitment to training. The company anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area.

Arlon Graphics has no formal training budget. In the past, the company has provided the following training: new-hire company orientation, on-the-job technical training, environmental and hazardous awareness training. Arlon Graphics represents that safety training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law. The ETP funds will enable the company to deliver a more extensive training program, ensuring that it remains globally competitive.

## **RECOMMENDATION**

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

## **DEVELOPMENT SERVICES**

The company retained Spectra Consulting LLC in Sierra Madre to assist with development of this proposal at no charge.

## **ADMINISTRATIVE SERVICES**

Spectra Consulting LLC will also perform administrative services in connection with this proposal for an amount not to exceed 13% of payment earned.

## **TRAINING VENDORS**

To Be Determined

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

24 – 200

*Trainees may receive any of the following:***CONTINUOUS IMPROVEMENT**

- ✚ Lean Manufacturing
- ✚ Eliminating Waste
- ✚ Just-In-Time Techniques to Streamline Office
- ✚ Standardized Work Processes
- ✚ Creating the Process
- ✚ Process Analysis
- ✚ Process Mapping
- ✚ Process Improvement
- ✚ Setting Process Measures Techniques
- ✚ Problem Solving
- ✚ Quality Concepts
- ✚ Teambuilding
- ✚ Leadership Skills for Frontline Workers
- ✚ ISO
- ✚ Foundations of Kaizen
- ✚ Kaizen Team Leadership
- ✚ Kaizen Approach to Planning
- ✚ Kaizen Events
- ✚ Mentoring/Motivating/Coaching Employees
- ✚ Delegation Techniques
- ✚ Managing in a High Performance Workplace
- ✚ Conflict Management

**BUSINESS SKILLS**

- ✚ Customer Service/Satisfaction Skills
- ✚ Business Performance Analysis
- ✚ Advanced Sales & Communication Skills
- ✚ Project Management Skills

**MANUFACTURING SKILLS**

- ✚ Manufacturing Operations/Practices/Techniques
- ✚ Production Equipment Operation Skills
- ✚ Assembly Procedures
- ✚ Inventory Control
- ✚ Warehousing Techniques

**COMPUTER SKILLS**

- ✚ Software Application Skills for Costing and Pricing

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