



**Training Proposal for:  
Harbor Packaging, Inc.  
Agreement Number: ET12-0284**

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

ETP Regional Office: **San Diego**      Analyst: J. Davey

**PROJECT PROFILE**

Contract Attributes:    Priority Retrainee Job Creation Initiative      Industry Sector(s):    Manufacturing Green Technology

Counties Served:    San Diego      Repeat Contractor:     Yes     No

Union(s):     Yes     No      Priority Industry:     Yes     No

No. of Employees in CA:    130      No. of Employees Worldwide:    260

Turnover Rate %	Manager/Supervisor %
14%	14%

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding	In-Kind Contribution
\$207,680	\$0	\$207,680	\$380,265

**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	Business Skills, Computer Skills, Continuous Improvement, Literacy Skills, Mgmt. Skills, Mfg. Skills	120	24 -200	0	\$1,584	\$15.06
				Weighted Avg: 88			
2	Retrainee Job Creation Initiative	Business Skills, Computer Skills, Continuous Improvement, Literacy Skills, Mgmt. Skills, Mfg. Skills	10	24 -200	0	\$1,760	\$12.55
				Weighted Avg: 88			

**Minimum Wage by County:** \$15.06 per hour for retrainees in San Diego County; and \$12.55 per hour for newly-hired retrainees in San Diego 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  Maybe

\$2.94 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Design/Graphics Staff	
Die Shop Staff	
Maintenance Staff	
Managers/Supervisors	
Production Staff	
Quality Assurance Staff	
Sales Staff	
Shipping/Receiving Staff	

## **INTRODUCTION**

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

Founded in 1986, Harbor is a privately owned company, with locations in San Diego and Mexico. The company manufactures cartons, custom foam, point of purchase displays, and many other custom products for customers located worldwide. The company also distributes a wide range of packaging supplies such as stock boxes, tape, cushioning, bags, bubble pack, and V-board. Harbor is eligible for standard retraining and priority-industry funding as an industrially-classified manufacturer (Title 22, California Code of Regulations, Section 4416(i)(1).)

This is the third ETP proposal for Harbor within the last five years. In its first ETP Agreement, the company began implementing Continuous Improvement training for its staff. However, increased business precluded the delivery of as much training as it had planned. In the second Agreement, the company developed a smaller training plan to demonstrate it could conduct a successful ETP training project. Harbor trained 56 targeted key employees who received an average of 73 hours of training in Continuous Improvement and other skills. With the implementation of advanced quality control practices initiated in its first two ETP Agreements, the company is now adding more advanced Continuous Improvement processes to eliminate waste, increase sustainability through cost savings, and protect the environment. The company reports that it is committed to improving sustainability in the face of dwindling resources and to protect the environment. The company's corrugated paper products contain up to 80% recycled materials and 100% of its products are recyclable. These sustainability goals are in alignment with the goals of continuous improvement.

Company representatives state that the training in this third proposal was not delivered to company employees in the previous ETP Agreements. This proposal is designed to augment the training that was successfully delivered in the past. After implementing the initial components of Lean, the company now plans to incorporate a more formalized Lean Management System. The Lean Management System involves creating standard work for all levels of the company. Harbor believes this system will allow it to extend and sustain the Lean culture and principles that are helping the company to make significant improvements in efficiency. In addition, establishing visual controls and daily accountability will help ensure that problems are being effectively addressed. The company also intends to deliver computer skills and related training toward the same goal of process improvement and sustainability.

### **Retrainee - Job Creation**

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.

In this proposal, Harbor has committed to hiring 10 new employees as shown in Job Number 2. 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.

With the addition of new software, Harbor anticipates it will increase sales and expand its capacity. With these improvements, the company expects to hire at least 10 new production employees within the two years of the Agreement term.

## **PROJECT DETAILS**

The company intends to retrain 120 of its San Diego facility employees in the skills necessary to remain competitive and continue its efforts to create a corporate culture of continuous improvement and sustainability. It will also provide training to 10 newly-hired retrainees who will be hired shortly before or during the term of the Agreement.

**Business Skills** – this training will be offered to Administrative Staff, Sales and Managers/Supervisors to provide the skills needed to give sales and manager/supervisor occupations the skills to communicate with and solve problems at a higher level than before. Most have never sold to the automotive aftermarket and electric vehicle market. Now the company is entering new market segment of charge stations, car batteries automotive applications. SMD staff needs to communicate with customer engineers and need the ability to talk intelligently to solve problem and provide solutions, rather than rely on the factory for answers.

**Computer Skills** – this training will be offered to Administrative Staff, Production Staff, Shipping/Receiving Staff, Maintenance Staff and Managers/Supervisors to provide training in Top Gun software and other software to allow plant personnel to automate production processes. Top Gun (software and hardware) is a wireless inventory control system that uses bar code scanning to control of inventory, count goods, and receive purchase orders. Administrative staff will receive training in network and security software to maintain the company's network systems.

**Continuous Improvement** – this training will be offered to all staff to provide training more advanced levels of continuous process improvement, lean manufacturing, process mapping and control and other related training. The company goals of eliminating waste and increasing sustainability is the goal throughout the company.

**Literacy Skills** – this training will be offered to all staff based on a needs assessment and will be related to vocational skills training.

**Management Skills** – this training will be offered to Managers/Supervisors only to provide training in leadership, coaching, conflict management and other related skills. This training will provide managers and supervisors the necessary skills to lead frontline staff.

**Manufacturing Skills** – this training will be offered to Production Staff, Quality Assurance Staff, Shipping/Receiving Staff, and Maintenance Staff. Training will be provided in equipment operation and practices, tools and efficient operations to improve efficiency and reduce waste.

### **Commitment to Training**

Harbor represents that ETP funds will not displace the existing financial commitment to training. Harbor anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. Harbor reports that it does not currently have an identified budget for training. However it regularly provides training for new employees, safety, environmental, and equipment operations training to its staff. ETP funding will provide the necessary training to a larger group of employees than it would be able to provide on its own.

Harbor 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.

**PRIOR PROJECTS**

The following table summarizes performance by Harbor under ETP Agreements that were completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET09-0273	Poway	10/17/08 – 10/16/10	\$73,800	\$73,800 (100%)
ET06-0271	Poway	4/5/06 – 4/4/08	\$180,544	\$110,235 (57%)

ET06-0273: In its first ETP Agreement, the company began implementing continuous process improvement training for its staff. However, increased business precluded the delivery of as much training as it had planned.

**DEVELOPMENT SERVICES**

Harbor retained Spectra Consulting in Sierra Madre to assist with development of this proposal for no charge.

**ADMINISTRATIVE SERVICES**

Harbor also retained Spectra Consulting to perform administrative services in connection with this proposal for a fee of \$26,998, not to exceed 13% of payment earned.

**TRAINING VENDORS**














To Be Determined

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

24 – 200

Trainees will receive any of the following:






**CONTINUOUS IMPROVEMENT**

-  *Lean Manufacturing Skills*
-  *Standardized Work Processes*
-  *Process Analysis*
-  *Process Mapping*
-  *Process Improvement*
-  *Setting Process Measures Techniques*
-  *Problem Solving*
-  *Quality Concepts*
-  *Teambuilding*
-  *Process Control*
-  *Decision Making*
-  *Leadership Skills for Frontline Workers*
-  *ISO*








**COMPUTER SKILLS**

-  *“Top Gun” Software*
-  *Virtualization*
-  *Cloud Computing*
-  *Remote Integration*
-  *Cyber Security*







**BUSINESS SKILLS**

-  *Customer Service Skills*
-  *Business Performance*
-  *Communication Skills*
-  *Sales*
-  *Project Management*







**MANAGEMENT/SUPERVISOR SKILLS** (Mangers only)

-  *Leadership*
-  *Mentoring/Coaching/Motivating Employees*
-  *Delegation Techniques*
-  *Managing in a High Performance Workplace*
-  *Project Management*
-  *Conflict Management*
-  *Time Management*

**MANUFACTURING SKILLS**

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

**LITERACY SKILLS**

-  *Vocational Writing*
-  *Vocational Reading*
-  *Vocational Language Comprehension*
-  *Vocational Business Reports*
-  *Vocational Understanding Verbal Direction & Instruction*
-  *Vocational Basic English Language Skills*

\* Literacy Training cannot exceed 45% of total training hours per-trainee

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