



**Training Proposal for:  
Stanley Black & Decker, Inc.  
Agreement Number: ET12-0282**

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

ETP Regional Office: **San Diego**

Analyst: K. Campion

**PROJECT PROFILE**

Contract Attributes: Priority Retrainee HUA

Industry Sector(s): Manufacturing Engineering

Counties Served: Orange, Riverside

Repeat Contractor:  Yes  No

Union(s):  Yes  No

Priority Industry:  Yes  No

No. of Employees in CA: 775

No. of Employees Worldwide: 43,530

Turnover Rate %	Manager/Supervisor %
6%	14%

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding
\$280,584	\$0	\$280,584

In-Kind Contribution
\$653,000

**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	Business Skills, Computer Skills, Continuous Improvement, Manufacturing Skills	433	24 - 200	0	\$648	\$14.39
				Weighted Avg: 36			

**Minimum Wage by County:** Orange County - \$15.68; Riverside County - \$14.39

**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

\$4.09 per hour may be used to meet the Post-Retention Wage.

Wage Range by Occupation	
Occupation Title	Wage Range
Customer Service Staff	
Engineer	
Global Planning & Supply Staff	
Information Systems Staff	
Operator	
Sales/Marketing Staff	
Support Staff	
Supervisor/Manager	

**INTRODUCTION**

In this proposal, Stanley Black & Decker, Inc. (Stanley B&D) seeks funding for retraining as outlined below:

Stanley B&D develops, manufactures, markets and sells residential and commercial hand tools, power tools, door hardware, kitchen and bath faucets, shower systems, electronic security solutions, engineered fastening systems and more. The company's Mechanical Access Solutions Group is located in Lake Forest with a distribution center in Mira Loma, which are the two sites of the proposed training. The Lake Forest employees develop, design, prototype and test products in its industrial design center and onsite testing lab.

Since a merger in 2010, the new organization has implemented a process methodology called Stanley Fulfillment System (SFS) which focuses the organization on the following goals: reduce costs, eliminate waste, improve operational efficiencies and continue to deliver quality products.

Stanley B&D meets the Panel out-of-state competition requirements as an industrially-classified manufacturer and the distribution facility meets out-of-state competition requirements due to its customer base. (Title 22 California Code of Regulations (CCR), Section 4416(i)(d).) This company also qualifies as a priority industry.

## **PROJECT DETAILS**

To reach its goals, the company leaders are now expected to become “change agents” and help embed SFS principles across the organization. Employees at all levels are required to learn entirely new skill sets as they apply SFS principles to their products, organizations, systems, and processes. To that end, Stanley B&D has implemented a Lean methodology across the entire organization.

To further enhance its competitive position, Stanley B&D is making several upgrades to its computer systems. The company is upgrading its Merchandise Management System, its Manufacturing Resource Planning system and its Engineering Change Request system, at an expense of \$1.5 million. These upgrades will assist Stanley B&D manage sales, margins and cash flow, manage product content, and manage the development of new products, streamline processes and effectively communicate with customers. All trainees must be trained on these new systems.

The company reports that it has a significant gap between the skills employees currently have and the skills needed for the company to operate at its fullest potential. The ETP funding will be used to help bridge this gap and will enable the company to develop the critical training necessary to ensure employees are equipped to lead change initiatives and operate with Lean principles. ETP training is projected to help the company to be faster and more efficient, and help employees successfully manage projects and use new and upgraded software. Thus, Stanley B&D requests ETP funds to train 433 employees in class/lab training in the following:

**Business Skills** training will be provided to trainees who have direct customer interaction and Supervisors/Managers. This training is critical to support the company as it continues to grow and compete in the marketplace. With the merger, Customer Service and Sales/Marketing Staff must learn new products and services. Product knowledge and marketing technique training will be provided to these employees so they can sell the company’s products. Training will improve the company’s service, customer interaction and delivery time. Supervisors and Managers will improve their writing and communication skills, and how to prepare effective presentations.

**Computer Skills** training will allow Supply Staff, Engineering, IS Staff, Customer Service, Operators and Supervisors/Managers to effectively use the company’s systems to provide effective customer service. Training will also cover technology upgrades to engineering, finance, manufacturing, and support systems.

**Continuous Improvement** will be provided to all occupations and focuses on quality and process improvement to reduce costs and eliminate waste. Trainees will learn how to identify and solve problems to provide better quality products. This training is essential for employees to compete in a global market. Some leaders in the organization will be provided with leadership, teambuilding and coaching skills which will enable them to lead their teams more effectively.

**Manufacturing Skills** training will be provided to Operators. These trainees need a variety of skills to improve productivity and therefore will be trained on the proper use of machinery and methods to reduce errors.

### **Commitment to Training**

Stanley B&D represents that ETP funds will not displace the existing financial commitment to training. The company's current training budget is approximately \$700,000 and includes training for Management Skills, Basic Computer Skills and New Hire Training. The company also provides training in safety, state mandated training and job-specific skills training.

ETP-funded training will allow Stanley B&D to provide critical training that aligns with company goals and strategies to sustain growth and remain competitive. The company anticipates that the opportunity for enhanced training made possible by ETP funds will encourage ongoing financial commitment to this area. Once the ETP program has concluded, company representatives report that it is committed to continuing the quality of employee training and development activities. Stanley B&D also represents that federal and state required training is, and will continue to be, provided in accordance with all pertinent requirements under state and federal law.

### **High Unemployment Area**

Of the 433 trainees in the training plan, 45 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 Mira Loma in Riverside County, which qualifies as a HUA based on unemployment data from the Labor Market Information Division of the Employment Development Department. However, Stanley B&D is not asking for a HUA wage modification.

### **RECOMMENDATION**

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

### **DEVELOPMENT SERVICES**

N/A

### **ADMINISTRATIVE SERVICES**

N/A

### **TRAINING VENDORS**

To Be Determined

## **Exhibit B: Menu Curriculum**

### **Class/Lab Hours**

24 – 200

*Trainees may receive any of the following:*

### **BUSINESS SKILLS**

- ✚ Advanced Communication/Customer Satisfaction Skills
- ✚ Business Writing
- ✚ Project Management
- ✚ Negotiation Skills
- ✚ New Product Knowledge
- ✚ Advanced Sales Techniques





### **COMPUTER SKILLS**

- ✚ Merchandise Management Software
- ✚ Electronic Document Control
- ✚ Customer/Supplier Specific Programs
- ✚ Manufacturing Software Applications
- ✚ Statistical Analysis Software

### **CONTINUOUS IMPROVEMENT**

- ✚ Continuous Improvement/Process Improvement
- ✚ Change Management
- ✚ Decision Making/Problem Solving
- ✚ Root Cause Analysis/Corrective Action
- ✚ Waste Reduction, Production
- ✚ Train-the-Trainer
- ✚ Goal Deployment Process
- ✚ Quality Improvement Skills
- ✚ SMED (Single Minute Exchange Die) Process Skills
- ✚ Standard Work Processes and Procedures
- ✚ Lean Manufacturing (5S, Visual Controls, Value Stream Mapping, Kaizen, Production)
- ✚ ISO/9000 Procedures
- ✚ DMAIC (Define, Measure, Analyze, Improve) Six Sigma Methods
- ✚ Measurement Analysis (Gage R&R)
- ✚ Variation Analysis (ANOVA)
- ✚ Design of Experiments (DOE)
- ✚ Statistical Process Control (SPC)
- ✚ Leadership Effectiveness and Skills
- ✚ Coaching Skills
- ✚ Conflict Resolution
- ✚ Successful Meetings
- ✚ Teambuilding Skills
- ✚ Motivation Techniques

### **MANUFACTURING SKILLS**

-  Inventory Control
-  Warehousing
-  Equipment Operation
-  Lab Testing

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