

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 Job Creation Initiative SET	Business Skills, Computer Skills, Continuous Improvement	36	24 - 200	0	\$2,600	\$13.00
				Weighted Avg: 130			
2	Retrainee SET	Business Skills, Computer Skills, Continuous Improvement	221	24 - 200	0	\$930	\$26.17
				Weighted Avg: 62			

Minimum Wage by County: Job Number 1: \$12.55 for San Diego County;

Job Number 2: \$26.17 for SET Frontline Workers

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

\$4.71 per hour may be used to meet the Post-Retention Wage for Job Number 2 trainees.

Wage Range by Occupation	
Occupation Title	Wage Range
Administrative Staff	
Customer Service Staff	
Lead	
Sales/Marketing Associate	
Support Staff	
Technical Staff	
Transportation Staff	
Warehouse Staff	

INTRODUCTION

In this proposal, Sysco San Diego, Inc. (Sysco SD) seeks funding for retraining as outlined below:

Sysco SD is a wholly-owned subsidiary of SYSCO Corporation. In all, SYSCO Corporation owns several facilities in California, which include separate facilities that have submitted proposals for ETP-funded training this Fiscal Year: Sysco Ventura, Sysco San Diego, Sysco Central, and Sysco LA. The Sysco LA proposal was approved at the December 2011 Panel Meeting. The other 3 proposals are being presented this month. Total funding amount for

SYSCO Corporation, when Sysco SD is combined with funding requested on behalf of the other Sysco facilities, will not exceed \$1,200,000.

This proposal targets training for 36 New Hires and 221 incumbent workers at Sysco SD. Located in the city of Poway, Sysco SD markets and distributes thousands of food products, beverages, equipment and supplies to restaurants, major hotels, cruise ships, hospitals, schools, arenas, and military bases throughout San Diego County. The company has 466 employees at its Poway facility, the site of the proposed training. Although Sysco SD has had prior projects with ETP, this is the first project in the last five years.

The company qualifies for Special Employment Training (SET) funds specifically targeted for frontline workers in occupations that earn the statewide average hourly wage. In addition, this proposal will train newly-hired workers under the Job Creation guideline utilizing SET funds with standard New Hire minimum wage and reimbursement rate.

PROJECT DETAILS

The company's goals are to help its customers succeed. This philosophy has propelled Sysco SD to move towards offering more services and more products to its customers. As a result of increased sales and new market opportunities, Sysco SD is currently in the midst of a major expansion to its warehouse and distribution facility. The company has invested more than \$20 million in the expansion of its warehouse, which will add more than 120,000 square feet to the existing facility. Most of the construction is complete and will be available for use by June 2012.

With the expansion of the warehouse and associated facilities, Sysco SD is positioned to take advantage of growth opportunities in San Diego County. To that end, the company reports that its customer mix is changing rapidly to more contract and government customers. As a result, the company is expanding its products and services to meet the needs of its new customers. This requires comprehensive training for its workers. Sales/Marketing Associates must learn new ways to market, new ways of selling products, and new skills to improve efficiency and profitability for the company.

Additionally, SYSCO Corporation has directed Sysco SD to participate in the redesign of business processes to better meet customer needs and improve company efficiencies. To improve its ordering and billing services, Sysco SD is implementing a Business Transformation Project (BTP) which is projected to improve the company's overall productivity, through new computer applications, including a new online ordering system.

Sysco SD proposes to train 257 frontline workers in class/lab training in the following:

Business Skills

This training will provide new and better ways for all trainees to learn updated business transactions to improve customer satisfaction through merchandising and product selling. Additionally, Transportation and Warehouse Staff will be provided with Handheld Barcode Scanner skills, which is a new technology to improve delivery accuracy.

Computer Skills

All trainees will be trained in Project 212, which is a SAP Enterprise Resource Management platform designed to better support customer needs, and change the way they do their jobs. This system will allow for more efficient invoice statements, provides customers with menu

analysis tools and is projected to significantly improve customer satisfaction and increase sales. Additionally, Administrative Staff, Customer Service Staff, Leads, Marketing Associates, Support Staff and Technical Staff will be trained in Sysco Market, which is a new online ordering software platform, projected to provide customers with more complete nutrition information, packaging choices and recipe options to name a few.

Continuous Improvement

All trainees will receive Continuous Improvement training. This training in Lean, Kaizen, Reducing Waste and Shrinkage is critical to the success of the BTP initiative and is projected to improve employee productivity and increase company profitability.

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, training for newly-hired employees will be reimbursed at a higher rate and trainees will be subject to a lower post-retention wage.

Due to new business and expanding product lines, as well as its facility expansion, Sysco SD anticipates rapid growth. The company has committed to hiring at least 36 new employees to handle its projected increase in business (Job Number 1), the majority of whom will be new Sales/Marketing Associates. Sysco SD representatives report that the new Sales/Marketing Associates will be provided with 128 hours of intensive class/lab training in Business Skills and Computer Skills within the first four weeks of employment and an additional 70 – 80 hours of class/lab training over the following eight months. Any training provided beyond the ETP maximum of 200 total training hours will be at the company's expense. To be eligible for reimbursement under this Job Number, trainees must be hired within the three-month period prior to Panel approval or during the term of contract. Sysco SD will utilize the ETP new hire wage and higher fixed fee reimbursement (\$20 per hour) for Job Number 1 trainees, in accordance with ETP's job creation initiative incentives.

Commitment to Training

Sysco SD represents that ETP funds will not displace its existing financial commitment to training. Company representatives report that Sysco SD's current training budget is approximately \$211,000 for new hire orientation, OSHA mandated training, and general industry safety training. Additionally, the company regularly provides on-the-job training, First Aid, Sexual Harassment Prevention, and benefits training. Thus, the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. Sysco SD representatives report that the support of ETP will allow the company to train its employees at a faster pace.

RECOMMENDATION

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

DEVELOPMENT SERVICES

Sysco SD retained National Training Company in Irvine to assist with development of this proposal for a flat fee of \$5,000.

ADMINISTRATIVE SERVICES

National Training Company will also perform administrative services in connection with this proposal for a fee 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:*

BUSINESS SKILLS

- Change Management
- Consultative Selling
- Handheld Barcode Scanner Application Skills
- Menu Management Skills
- Merchandising Skills
- Need Satisfaction Selling
- Operating Procedures
- Product Handling
- Putting the Customer First

COMPUTER SKILLS

- Customer Relationship Management
- Exception Orders
- External Web Based Applications
- Internal Web Based Applications
- Laptop Techniques
- Production Applications
- SAP Business Transformation
- Sysco Desktop Applications
- Sysco Market
- Project 212/SAP Enterprise Resource Management Skills

CONTINUOUS IMPROVEMENT

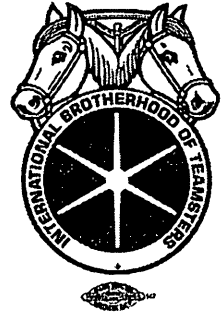
- Inspection Procedures
- Interpersonal Communications
- Kaizen
- Lean Thinking
- Reducing Waste/Waste Management
- Resolving Customer Problems
- Setting Priorities
- Shrinkage Reduction

<p>Note: Reimbursement for retraining is capped at 200 total training hours per trainee, regardless of the method of delivery.</p>
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AFFILIATED WITH THE
INTERNATIONAL BROTHERHOOD OF TEAMSTERS
LOCAL UNION NO. 683

SYS CO GP

11-17-11



Salesdrivers, Helpers and Dairy Employees

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STEVEN V. LYONS
PRESIDENT

TODD C. MENDEZ
SECRETARY-TREASURER

November 17, 2011

Employment Training Panel
110 J Street 4th Floor
Sacramento, CA 95814

Dear Panel Members:

This letter is to advise you that the Teamsters Local 683 concurs with the training plan in the proposed training agreement between The Employment Training Panel and Sysco San Diego, Inc.

Sincerely,


Lee Fletcher
Business Agent

LWF