



**Training Proposal for:  
SYSCO Ventura, Inc.  
Agreement Number: ET12-0277**

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

ETP Regional Office: **North Hollywood**

Analyst: M. Paccereilli

**PROJECT PROFILE**

Contract Attributes: SET  
Job Creation Initiative  
Retrainee  
HUA

Industry Sector(s): Services

Counties Served: Ventura County

Repeat Contractor:  Yes  No

Union(s):  Yes  No  
Teamsters Local Union 186

Priority Industry:  Yes  No

No. of Employees in CA: 4,500

No. of Employees Worldwide: 46,300

Turnover Rate %	Manager/Supervisor %
15%	N/A

**FUNDING DETAIL**

Program Costs	Substantial Contribution	Total ETP Funding
\$249,600	\$0	\$249,600

In-Kind Contribution
\$261,000

**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 Job Creation Initiative SET	Continuous Improvement; Computer Skills; Business Skills	30	24-200	0	\$2,740	\$11.91
				Weighted Avg: 137			
2	Retrainee SET HUA	Continuous Improvement; Computer Skills; Business Skills	155	24-200	0	\$1,080	\$14.39
				Weighted Avg: 72			

**Minimum Wage by County:** Job Number 1: \$11.91 per hour for Ventura County and Job Number 2: \$14.39 per hour in Ventura 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

Health benefits of up to \$3.95 per hour may be used to meet or exceed the Post-Retention Wage.

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

**INTRODUCTION**

In this proposal, SYSCO Ventura, Inc. (Sysco Ventura) seeks funding for retraining as outlined below:

SYSCO is an acronym for “Systems and Service Company” with business origins that go back to 1890. Located in Oxnard, Sysco Ventura is a wholly-owned subsidiary of SYSCO Corporation.

SYSCO Corporation is the largest marketer and distributor of food service products to restaurants, major hotels, and other institutions located throughout Southern California. It warehouses, distributes, and delivers more than 10,000 different food products, beverages, equipment, and supplies to restaurants, schools, assisted living facilities, government facilities, and other businesses.

In all, SYSCO Corporation owns several facilities in California, which include the following facilities that have submitted separate proposals for ETP-funded training this Fiscal Year: Sysco Ventura, Sysco San Diego, Sysco Central, and Sysco LA. Sysco LA was approved at the December 2011 Panel Meeting and the other 3 proposals are being presented this month. Total funding amount for Sysco Ventura when combined with funding requested on behalf of the other Sysco facilities, will not exceed \$1,200,000.

Sysco Ventura qualifies for funding under Title 22, California Code of Regulations (CCR), Section 4409(b), Special Employment Training (SET) targeted to frontline workers located in areas of the state with unemployment rates significantly higher than the state average as defined in Section 4400(ii)(b). This proposal will also target newly-hired workers under the Job Creation guideline utilizing SET funds with New Hire minimum wage and reimbursement rate.

## **PROJECT DETAILS**

In 2011, SYSCO Corporation acquired Goldberg and Solovy Foods, Inc. (GS Foods), a federally-inspected facility utilizing Hazard Analysis Critical Control Point (HACCP). The HACCP system is one of the steps the government and food industry have taken to enhance the safety of today's meat, poultry, and fish products. Sysco Ventura is one of the first Southern California Sysco companies who will include GS Foods products in its product line. In this proposal, training will focus on higher Quality Assurance and Food Safety standards to ensure that it provides safer food and improved customer satisfaction. Trainees need to learn the GS Foods product line and new job skills (i.e. how they can be sold, stored, priced, and delivered), so they can be integrated into the Sysco offerings.

SYSCO Corporation also realized the need for an integrated Information Technology platform that could unify business processes across its operating companies and 186 distribution centers corporate-wide while addressing its specific business needs in the wholesale industry. It is embarking on a Business Transformation Project called "Project 212" with the implementation of an integrated software system, SAP Business Suite software and SAP Business Intelligence solutions, which will go live in August 2012. Sysco Ventura has been chosen as the first Sysco facility in California to have the Project 212 software installed. All trainees must be trained in the SAP software prior to its implementation.

Sysco Ventura is committed to improving productivity in all areas of its business. With the implementation of "Project 212" and expansion of its product line, the company proposes to train 30 newly-hired workers and 155 incumbent workers in the following areas:

### **Computer Skills**

Training will focus on the SAP software for all trainees which will cover Customer Relationship Management for easy access of customer accounts; Order Management for detailed product information, preparation videos, and nutritional details for customers; and Business Objects Solutions for easy access of sales transactions and order history. In addition, all trainees need to be trained in new computer technology and advanced MS Office applications. These systems have been installed, but are currently not being used to full potential.

## **Continuous Improvement**

This training is critical to the company's success and will be offered to all trainees. With the acquisition of GS Foods, training will focus on quality assurance and food safety. Trainees will also learn Lean Thinking and Kaizen, which will improve service quality and customer satisfaction.

## **Business Skills**

To further differentiate its offerings to customers, Sysco Ventura believes that it needs to build its current competitive advantages by training Marketing Associates on the company's diversified product base (which includes quality-assured Sysco brand products) and how to conduct business reviews and menu analysis to increase sales and better serve its customers.

## **Commitment to Training**

Sysco Ventura represents that ETP funds will not displace the existing financial commitment to training. Its current training budget is \$125,000 a year for new hire orientation, basic company policies, OSHA-mandated and general safety, first aid, sexual harassment prevention, benefit skills, and on-the-job training. Sysco Ventura anticipates that the opportunity for enhanced training made possible by ETP funds will encourage an ongoing financial commitment in this area. The proposed training is new to the company and has not been conducted in the past.

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

## **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, Sysco Ventura has committed to hiring 30 new employees as shown in Job Number 1. 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.

## **SET/High Unemployment Area**

Under SET, the participating employer is not required to demonstrate out-of-state competition. To qualify under SET, trainees must be earning at least the statewide average hourly wage at the end of the retention period (Unemployment Insurance Code 10214.5. & Title 22, CCR, Section 4409(a)).

All trainees in Job Number 2 work in the city of Oxnard, a High Unemployment Area in Ventura County. This is a region with unemployment exceeding the state average by 15%. (Title 22, CCR, Section 4429(b).) The determination of HUA status is based on unemployment data from the Labor Market Information Division of the Employment Development Department.

Although the HUA trainees qualify for the ETP Minimum Wage rather than the statewide average hourly wage, Sysco Ventura is not requesting a wage modification.

**Substantial Contribution**

This will be the second ETP contract for Sysco Ventura within the last five years. However, the substantial contribution provision does not apply because Sysco Ventura has not earned \$250,000 or more within the previous five years. (Title 22, CCR, Section 4410.)

**RECOMMENDATION**

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

**PRIOR PROJECT**

The following table summarizes performance by Sysco Ventura under an ETP Agreement that was completed within the last five years:

Agreement No.	Location (City)	Term	Approved Amount	Payment Earned
ET06-0314	Oxnard	06/07/2006-06/06/2008	\$195,975	\$195,975 (100%)

**DEVELOPMENT SERVICES**

Sysco Ventura 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**

N/A

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

24-200 Trainees may receive any of the following:

**CONTINUOUS IMPROVEMENT**

- Food Safety
- Interpersonal Communications
- Kaizen
- Lean Thinking
- Project 212
- Quality Assurance
- Setting Priorities
- Shrinkage Reduction

**COMPUTER SKILLS**

- SAP Business Transformation
- Computerized Inventory
- Order Management
- External Web-Based Applications
- Internal Web-Based Applications
- Laptop Techniques
- MS Office/Outlook (Intermediate and Advanced)
- Production Applications
- Sysco Desktop Applications
- Sysco Market

**BUSINESS SKILLS**

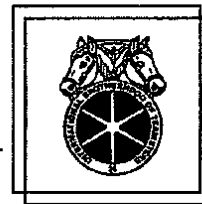
- Change Management
- Internet Marketing
- Menu Management
- Merchandising
- Need Satisfaction Selling
- Operating Procedures
- Putting the Customer First
- Warehouse Operating Procedures
- Waste Management

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

# TEAMSTERS LOCAL UNION NO. 186

Affiliated with the International Brotherhood of Teamsters  
SANTA BARBARA, VENTURA AND OXNARD AREAS  
CALIFORNIA

**BILL ELDER**  
Secretary-Treasurer



December 12, 2011

Re: SYSCO Ventura, Inc.  
(Reference Number: 12-0268)

Employment Training Panel  
1110 J Street, 4<sup>th</sup> Floor  
Sacramento CA 95814

Please be advised that Teamsters Local Union No. 186 supports the training program proposed to the Employment Training Panel.

A handwritten signature in black ink, appearing to read "Dennis A. Shaw", is positioned above the typed name.

Dennis A. Shaw  
Contract Administrator  
Teamsters Local Union No. 186