

Door County Earmark Training Grant – Final Report

After twenty-four months, Door County Economic Development Corporation has completed the administration of nearly \$459,000 in federal Department of Labor grant funds for customized training projects at fifteen Door County businesses. DCEDC partnered with five other counties in the original grant application, which was sponsored by the Bay Area Workforce Development Board and facilitated by Wisconsin Senator Herb Kohl. The grant eventually provided training to almost 1,200 area workers, which far exceeded the original contract goal of 793 Door County workers.

The premise behind the original grant proposal was that if we help local employers succeed, they will pass along that success to their employees. Through the grant we intended to contribute to the employers success by helping them provide the programs and training necessary for their employees through customized curriculum, convenient schedules and delivery appropriate to each situation. This would make their employees more valuable to them and result in increased wages, retention and advancement in the short and long-term and ensure world-class workplaces which will continue to attract, retain and advance workers, and provide high-quality jobs in Door County well into the future.

Below are capsule summaries of the training programs for each participating company. DCEDC worked closely with the Sturgeon Bay campus of Northeast Wisconsin Technical College (NWTC), who ultimately provided a great deal of the customized training programs. Attached are copies of DCEDC press releases relating to the earmark grant and a copy of the spreadsheet showing the allocation of earmark grant funds.

Amerifab/Marine Travelift

20 employees received training at NWTC in Basic Electricity and Practical Hydraulics. Additionally, 45 new employees received in-house Progressive Machinery Training.

Appliance Doctor Door County

Two new employees trained in Refrigerator Appliance Repair and Kitchen Appliance Repair. Due to market pressures, the company was unable to train additional employees.

Bay Shipbuilding Company

At the end of 2003, BSC confirmed new construction contracts that required a significant increase in workforce: the company subsequently added over 500 jobs in late 2003 and the first half of 2004. Bay Shipbuilding used the earmark grant to offer a unique pre-employment training program for new potential hires through NWTC. When Bay Ship was ready to hire, these workers already had the basic skill set required of shipyard employees from their first day on the job and were able to start at a higher wage than non-skilled employees and will be able to see their wages increase faster. In addition, BSC offered incumbent worker training in team building and computer skills for members of the management team. Overall, 229 unduplicated BSC employees received some sort of training utilizing the earmark grant funds:

- 75 in BSC in-house welding classes;
- 35 in NWTC welder classes;
- 18 took an NWTC metal fabrication class;
- 11 enrolled in NWTC marine hydraulics workshops;
- 87 participated in the pre-employment training program at NWTC;
- 37 received follow-up PET training;
- 27 office staff received MS Office training at NWTC;
- 44 employees, including leadmen, union leadership and yard personnel, took part in a Leadership Training seminar on communication, influence, change, teamwork and problem solving.

From year-end 2003 to year-end 2004, BSC had a decrease in gross profit per employee due to the learning curve of the many new employees, having to bring in significant numbers of subcontract labor and the mix of business back to new construction, which generates lower margins than the repair and maintenance work that BCS had relied on for many years during a recent downturn in the domestic shipbuilding industry. Employee turnover for 2004 was tremendous at 4.84% for management and 33.98% of production workers for an average of 31.67%. Of the production terminations, 107 resigned, 79 were probationary and 9 due to retirement, with miscellaneous other reasons.

Plainfield Stamping (formerly Connector Service Corp.)

Plainfield used the grant funds to drive adoption of lean manufacturing principles company-wide. A total of 40 unduplicated Plainfield Stamping employees received training under the auspices of the earmark grant.

- 22 employees participated in a Lean Manufacturing Overview;
- Seven took part in a Principles of Lean Manufacturing overview of basic lean manufacturing concepts, designed to show management personnel the effect of lean principles in comparison to traditional manufacturing processes.
- Seven participated in a set-up reduction method workshop to improve workplace efficiencies, simplify work processes and ensure product quality by keeping the workplace clean and organized.
- Sixteen took part in a Value Stream Mapping review of all activities related to the production of a product, to identify waste or processes that do not add value for the customer.
- Seven participated in a set-up reduction workshop, emphasizing decreasing changeover time from one part to another, which results in greater machine uptime, decreased lead time and cycle times, and allows for smaller batch sizes.
- Five employees received an introduction to Total Productive Maintenance, a method of proactively maintaining machines and equipment at their peak productivity to avoid production interruptions.
- Eight received KanBan training, addressing the concept of building products to actual demand and not to a forecast, using visual signals to identify when parts need to be replaced.

All of the lean manufacturing training took place with the assistance of NWTC. The company also did some in-house Statistical Process Control training workshops, facilitated by the Wisconsin Manufacturing Extension Partnership, which served 34 employees.

The company was purchased during the grant period, which accounted for a brief drop in employee retention rate from 100% down to 94.2%, which then rose to 99% by the end of the grant period. Because Connector Service Corp. filed for bankruptcy in September of 2003, before being purchased by the Plainfield Corporation in early 2004, gross profit per employee data is unavailable.

Door County Custom Cabinets

Door County Custom Cabinets was not part of the original grant application, but was added later through a grant modification request. The company is the area's leading provider of custom-built cabinetry. Door County Custom Cabinets sent their entire full time staff and management team (five employees) to attend a True32 Training Workshop in LaVerge, TN. The True32 Training Workshop offers five days of intense training in each area of flat panel processing and flow manufacturing, allowing employees to implement very effective and profitable new construction and installation methods. Three employees saw wages rise between 6-20%, while two employees deferred raises.

Door County Memorial Hospital

DCMH utilized the earmark grant funds for a variety of employee training and skills upgrade programs at NWTC. Seventeen unduplicated DCMH employees received training through the earmark grant and saw wage increases of 3-15%.

- Medical Terminology Course: nine students
- Medical Information Processing (Coding Certificate): nine students
- Radiology Technology Course: two students
- MRI Technology Training: one student
- Breast Ultrasound Course: one student
- Medical Information Processing Course: ten students
- HR Management and Team Building/Problem Solving: two students

“The grant money has been a wonderful ‘gift’ and we, as well as the employees who participated in the education, are very appreciative.” -Kelli Bowling, Director, Culture Integration for Door County Memorial Hospital.

Emerson Motor Company

Emerson Motors closed their plant in Sturgeon Bay shortly after the earmark grant program began. Their allocated funds were used to provide outsourcing counseling at the Door County Job Center and the Women's Employment Project for all 156 terminated employees.

Hatco Corporation

Hatco Corporation used the grant funds to train more than 200 employees, including their entire production workforce. They put into place a manufacturing process called Demand Flow Technology (DFT) throughout their production operations. Multiple training sessions in DFT were provided to ensure a smooth transition to the new manufacturing concept. The end result is that Hatco increased productivity by 16%, reduced manufacturing lead times by 60% and improved product quality in the process. Hatco's retention rate climbed from 87.8% to 99.2% during the grant period and the company realized a 5.07% increase in gross profit per employee.

The company also conducted an in-house safety-training program for all Sturgeon Bay employees, including 240 hourly employees and 45 salaried employees. The training focused on the causes of plant accident/injuries and the employee's role in preventing them. In total, Hatco used the grant funds to train 154 in DFT; 285 for safety training; and an additional 33 employees in Gas Tungsten Arc Welding training at NWTC.

“That grant money allowed us to continue to invest in our employees, which we consider our greatest asset. The competitive nature of the global economy today puts a lot of pressure on manufacturers to constantly improve productivity and quality at all levels of the organization. Investing in training helps us meet that challenge.” -Ron Halverson, Executive VP and COO of Hatco.

Hi-Tec Fabrication

The company used the grant funds to train four workers in Welding Basics at NWTC; one student in-house in the use of a plasma welding machine; training for a new integrated business software system for 12 employees; and joint welder qualification training and testing for four employees through NWTC.

Kewaunee Fabrication

The company used the grant proceeds to drive adoption of lean manufacturing principles company-wide and used the allocated funds to train their entire workforce of 190 in ISO and lean manufacturing principles. An additional 51 employees participated in a materials requirements seminar. By the end of 2003, the company had seen its gross profit per employee rise by 32% and its retention rate hover at or near 100%.

Midwest Wire

The company used the grant proceeds to train three employees in Practical Measuring Techniques.

N.E.W. Industries

A total of 89 employees were trained using the grant funds: 20 in machine shop skills, 65 in Lean Manufacturing Principles and four employees in CMM. Because of a transfer of ownership and a significant increase in production, the company was not able to complete all of their planned training programs; the funds originally allocated to the company were redistributed to other grant companies to cover their adjusted training program needs.

Palmer Johnson

Shortly after the awarding of the earmark grant, Palmer Johnson declared bankruptcy, served notice to its employees and suspended all training programs. Although the company did emerge from bankruptcy under the auspices of new ownership, they did not do so in enough time to take advantage of the training grant funds. The funds originally allocated to the company were re-distributed to other grant companies to cover their adjusted training program needs.

Therma-Tron-X

The company was unable to use their grant funds because of personnel changes at the management level. The funds originally allocated to the company were re-distributed to other grant companies to cover their adjusted training program needs.

WireTech Fabricators

WireTech had a bumpy ride during the grant period, which coincided with an industry-wide dip in production and a drive to improve productivity through the implementation of lean-manufacturing principles throughout the company. Using the earmark grant proceeds, WireTech was able to provide at least one training opportunity to each of its 100 employees:

- 63 participated in an Lean 101 overview at NWTC;
- 45 took a Seminar in Principles of Lean Mfg with Live Simulation;
- 14 enrolled in Value Stream Mapping at NWTC;
- 72 took KMC Face Mask & 6S Training at WTF;
- 2 received Weld Robot Training;
- 5 received Shreve Weld Tech Training;
- 2 took Faro Arm Training;
- One worker learned Costing Initiative Follow-through and Process Improvement Measures;
- 8 participated in programming training on new equipment for the set-up staff;
- One employee learned installation and received training on set-up and operation of a new server, plus training on the functionalities of Web use and set-up.

Because of the recent economic downturn, the company mandated a pay freeze for the entire workforce, which caused its retention rate to fluctuate dramatically during the grant period, beginning at 89%, dipping to a low of 71% in September of 2003 and finally rising to 99% by the end of the grant period. WireTech also saw a dramatic rise of more than \$7600 of gross profit per employee.

Creative Future Event

Through a grant modification request, DCEDC reallocated \$1000 from the direct training budget to contract with a consultant (Professor Richard Florida) to educate local employers on the fundamental transition in the structure of our economy and the challenges facing employers and the workforce. DCEDC was part of a consortium of regional groups who came together to bring the influential economic development author to Green Bay to speak to a group of over 400 regional business and political leaders.