

Basic American Foods

Application Summary and Analysis

Employer/Project Overview

Basic American Foods is a leading supplier of shelf-stable products to the foodservice market, including mashed potatoes, hash browns, casseroles, and legumes. With nearly 40 patents to its credit, Basic American Foods is an acknowledged leader in research and development, earning universal respect for innovation, quality and customer service. BAF markets include Food Service, Restaurants, and Ingredients. Approximately 99% of BAF products are sold outside of Bingham and Madison counties. Products are sold and distributed throughout the U.S., Canada and internationally.

Basic American Foods' need for workforce training assistance is two-fold: 1) Accommodate the implementation of a new, customized ERP (enterprise resource planning) system to integrate all facets of our operations including product planning, development, manufacturing processes, sales and marketing. 2) Implement a new industrial maintenance mechanic apprenticeship program to develop a skilled pipeline of workers.

Project break down of Training Needs

Training assistance will help create and sustain a formal training curriculum and task processes via modules conducted in a classroom training environment at Basic American Foods' training center. This training will help solve a number of workflow challenges, reduce costs, manage growth, streamline processes, and gain a competitive advantage in the industry. The proposed apprenticeship training program will provide apprentices with the technical knowledge, manipulative skills and experience to develop proficiency as a skilled journey worker. The lack of qualified workers is a constant barrier to business growth and this training will help ease the ongoing struggle to find qualified workers.

Title of Training	Academic Degree, Occupational License or Industry or Personnel Credential attained	Number of Trainees
ERP System Training	Certificate of Completion	585
Industrial Maintenance Mechanic Apprenticeship	Certified Apprentice	2

WDTF Request: \$159,895.00

Projected Trainees and Hires:

New (N) or Retrained (R) Position?	Position Titles	Number of Positions	STARTING Wage	Wage AFTER Training	Total Wage Increase After Training
R	Bin Attendant	4	\$ 16.45	\$16.94	\$8,153.60
R	Casual - Lab Casual, Plant Casual	31	\$ 12.00	\$15.83	\$493,916.80
R	Ingredient Specialist	1	\$ 25.88	\$26.14	\$1,081.60
R	Inspector	15	\$ 12.20	\$12.57	\$23,088.00
R	Inventory & Scheduling Admin/Inv Coordinator	11	\$ 17.81	\$17.99	\$8,236.80
R	Line Associate - Packaging, Prod-RC, Production	123	\$ 12.78	\$13	\$194,438.40
R	Line Owner - A/B, Packaging Production, Lead Drummer	118	\$ 17.81	\$19	\$593,964.80

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R	Line Owner Technician	6	\$ 21.15	\$22	\$15,724.80
R	Maintenance - Casual, Specialist, Technician	32	\$ 12.78	\$13	\$81,203.20
R	Maintenance - Foreman, Supervisor, Team Leader	7	\$ 29.81	\$31	\$25,916.80
R	Mechanic - 1, 2, 3, 4, A, Senior	45	\$ 17.81	\$24	\$1,074,528.00
R	Mobile Equipment Operator	51	\$ 16.87	\$17	\$110,323.20
R	Operations Coordinator	2	\$ 18.30	\$18.30	
R	Operator - B, Helper, Line, Packaging, Production, Storage & Relief, Assistant Operator, Auto Palletizer, Blender, Forklift, Heavy Equipment, Utility; Supply Chain Clerk	190	\$ 12.78	\$13	\$173,888.00
R	Packer Red Circled	1	\$ 12.20	\$12	\$499.20
R	Quality Technician - A/B	5	\$ 16.88	\$18	\$19,760.00
R	Raw Material Handler - 2, Receiver	18	\$ 13.00	\$13.28	\$9,734.40
R	Scale Clerk	3	\$ 12.00	\$12.17	\$2,121.60
R	Storeroom Buyer	1	\$ 25.38	\$25.38	
R	Team Leader - Production, QA, QRO; Foreman, Senior Foreman	37	\$ 21.00	\$21.12	\$32,323.20
R	Technician	26	\$ 16.44	\$17	\$17,305.60
R	Warehouse - Laborer, Team Leader, Technician	28	\$ 12.79	\$13	\$13,977.60
R	A/P Admin	7	\$ 19.00	\$19.46	\$-
R	Accounting Manager	7	\$ 55.00	\$55.09	\$-
R	Lead Programmer Analyst	3	\$ 52.00	\$52.40	\$-
R	IT Specialist	4	\$ 37.00	37.46	\$-
R	HR Analyst	1	\$ 26.84	\$27	\$-
R	HR Manager	6	\$ 51.63	\$52	\$-
R	HR Generalist	1	\$ 22.00	22.26	\$-
R	HR Assistant	2	\$ 21.00	21.30	\$-
R	Operation Staff Plants & Sourcing	70	\$ 23.00	\$24	\$291,200.00
N	Maintenance Mechanic Apprentice	2	\$ 15.00	\$16	\$8,320.00
				Total	\$3,197,584.00

Return On Investment

- This investment will return 29.5 times its cost over the 2 year contract period in total average wage increase (\$3,197,584/\$108,400).
- The scoring matrix recommends \$2000 or less per employee for the internal training and \$3500 per employee for the registered apprenticeships. The cost per position for training we are paying is \$126.34, but the average wage increase per position in two years is \$3,726.79.

Clarification Requested by Committee Chair: Question emailed and answered prior to committee meeting. The information was also discussed during the committee meeting.

Q: Are the funds being spent on salaries for the instructors? Or developing the materials? Or paying the wages of employees getting the training?

A: Basic American Foods requests covers two trainings. ERP Systems Training for 858 staff and Industrial Maintenance Mechanic Registered Apprenticeship for 2 staff. The two trainings were scored separately by the Department of Labor mainly due to the number of trainees and cost.

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For the ERP Systems Training, staff training will take place in the form of group sessions. \$39,600 will go towards the trainer's wages with just over \$8k going towards travel. Travel is required for the internal training as the 375 traveling as BAF built a learning center in Blackfoot. Trainees will be traveling from Rexburg, Idaho Falls and Shelley travel to Blackfoot for the training sessions.

Distances to Blackfoot from:

Rexburg	58 miles
Idaho Falls	26 miles
Shelley	20 miles

For the Registered Apprenticeship \$108,400 will go towards trainer's wages. The Registered Apprenticeship program will go 4000 hours and the internal trainer is paid 27.10 per hour. There are no additional costs showing for materials or travel.

Grant Review Committee Update

What are the training costs being spent on?

- The ERP training will take place in multiple group sessions. Funds will be going towards trainer costs and for travel costs. Basic American Foods has a training facility that they will send their employees to. For the Registered Apprenticeship, funds are going towards trainer wages. That is due to the 4,000 hours of training provided by the Registered Apprenticeship program. Basic American Foods is asking the WDC to fund the first two years of the apprenticeship program. There is also a vendor cost for College of Eastern Idaho (tuition costs).

Only 2 people will be put through the Registered Apprenticeship Training. There is concern about the cost for how few people are going through the training.

These skills are very transferrable.

Lots of companies move over to new ERP systems and everyone must get retrained on it. A lot of the wage increases in this grant are pennies. This does cause some discomfort with the Committee members. Is the ERP considered a cost of doing business?

- The Policy Committee did address this issue at their August meeting. They asked the WDC staff to over the next year collect data on what amount of funds are being used on training that might be considered a cost of doing business.
- It is not a policy that people have to receive a wage increase because of the training. It is simply a way that the WDC staff can tell the effectiveness of the program.

The Committee would like the WDC staff to go back to Basic American Foods and let them know the committee is not interested in funding the ERP training but is interested in the Apprenticeship training and help them modify their application.

Motion by Mr. Touchstone to advise Basic American Foods to revise their application to propose the apprenticeship training and other direct transferrable skills type training they may offer. Second by Senator Stennett. Motion carried.