

**OVERVIEW OF  
GAO'S STUDY OF  
COMPANY  
PERSPECTIVES  
ON  
MANUFACTUR-  
ING EXTENSION  
PROGRAM  
SERVICES**

**Allan I. Mendelowitz  
and Amy Finkelstein**

**Allan I. Mendelowitz is the Managing Director for International Trade, Finance, and Competitiveness Issues, U.S. General Accounting Office. Amy Finkelstein is a Senior Evaluator at the Los Angeles regional office of the U.S. General Accounting Office.**

The United States General Accounting Office (GAO), a non-partisan audit and evaluation agency of the U.S. Congress, is conducting a study of companies that receive manufacturing extension program services. GAO is performing this study at the request of the Subcommittee on Technology (a subcommittee of the House Committee on Science).

The study's purpose is to gather information from companies that received services from manufacturing extension programs. We plan to look at three issues: (1) how well do program services meet the needs of small and medium-sized firms; (2) what impact do these services have on small and medium-sized companies' business performance; and (3) what attributes of the programs do the companies find to be most valuable?

I believe our study will be of significant value to Congress. As budgetary support for manufacturing extension programs increases, these programs are expected to be the subject of congressional oversight. By undertaking an independent evaluation of manufacturing programs' impact, GAO will help provide objective information on the value of the programs.

Let me emphasize that manufacturing extension program services are the focus of our study. We believe that program clients' views and data on the value of the services they receive, as distinct from the management of the extension centers, is important in assessing the overall contributions of manufacturing extension programs. For this reason, we focus on program services.

In order to obtain companies' views of manufacturing extension program services, we are designing four distinct written questionnaires. Each is tailored to ask about a particular manufacturing extension program service: Quality Improvement, Plant Layout and Equipment Modernization, Product Design and Development, and Environmental and Energy Services. Attachment I contains a description of our questionnaires' format and questions. Our survey design team has developed the questionnaire in consultation with a variety of survey experts and program officials. The team will conduct extensive pre-tests of the questionnaire with individual companies before the

---

questionnaire is widely distributed-- by mail only. We will not contact or interview companies by telephone.

In preparation for conducting our survey of companies, my staff have been telephoning both federal- and state-funded manufacturing extension programs. In these calls, they have asked for some background information about the programs, and have solicited the names and addresses of selected companies that we may survey through our confidential written questionnaire.

Through these contacts, we have identified three primary concerns among program directors: first, protecting the confidential nature of client information; second, minimizing the survey's burden on both program staff and clients; and third, receiving useful information from GAO's study. We take each of these concerns extremely seriously.

Regarding concerns about confidentiality, we have been informed that small- and medium-sized manufacturers may be sensitive to being surveyed by GAO, and that they especially may be concerned that their survey responses remain confidential. In response to these concerns, company identities will be held in confidence by GAO. Our report will provide information in *summary form only*. We will not identify any of the individual companies, nor will we provide any information that could pinpoint which program provided services to a company.

Concerning the survey's burden on program staff and clients, we have implemented several measures to minimize the work involved. To lighten the administrative burden on program staff, we have streamlined the procedures to obtain the client data we need to distribute our questionnaire. To minimize disruption to both programs and respondents, we have altered our survey criteria in order to limit the number of companies that qualify to an estimated range of 10 - 25 companies per program. To lessen the time required of survey respondents, we have limited the length of the survey so that it will take 20 minutes or less to complete. I am pleased to report that we already have held our first two pre-tests in which managers from two separate companies completed our survey in under 20 minutes. In response to our inquiries

after the pre-tests, respondents said they did not find our questionnaire to be burdensome, intrusive, or annoying. We will continue to ask companies for their reactions to our survey in additional questionnaire pre-tests.

Concerning our study's value to program managers, we believe you will find the results of our survey useful for your efforts to identify clients' needs. The results of our analysis will identify those program services and attributes that clients value most. These findings can be either a benchmark against which to measure your own program or a basis upon which to fashion your own inquiry to your customers. A copy of our survey instrument and the aggregated data will be included in our final report to Congress. The report will also be made publicly available.

In addition to our client survey, we also plan to obtain information from small and medium-sized companies that do not use manufacturing extension program services to determine what they see as the obstacles to using these services.

---

## Attachment I

---

### **Questionnaire Description: GAO Survey of Companies Receiving Manufacturing Extension Program Services**

The questionnaires that we are planning to send to companies that received manufacturing extension program services in calendar year 1993 are designed to determine: 1) how well program services met the companies' needs, and 2) the impact these program services had on the companies' business performance.

We are developing four unique questionnaires, each focusing on one specific type of assistance: Quality Improvement, Equipment Modernization and Plant Layout, Product Development and Design, and Environmental and Energy. *Each company meeting our study criteria will receive only one questionnaire.* Which one will depend on the type of services they received. In cases where a company received more than one type of service from one manufacturing extension program, we are asking the program to determine

---

what they believe to be the primary or most intensive service provided. Based on this determination, we will send that company the questionnaire focusing on that specific service. Based on our pretests of these questionnaires, we estimate that each one should take no more than 20 minutes to complete. Most of the questions can be answered easily by checking boxes or filling in blanks. A few questions require short narrative answers.

The information collected through GAO's questionnaires will be kept confidential. In our report to Congress, all information will be provided in *summary form only*. We will not identify any of the individual companies that took part in the survey. Our interest lies in providing an overall assessment of the value of the services provided by all manufacturing extension programs.

Each questionnaire will be made up of four sections. The sections are as follows:

- *Background Information*  
This section includes a small number of background questions about the "facility," that is, the physical manufacturing plant that received the service. These questions have been included so that we may aggregate our survey results by facility size and type. Examples include, the number of employees at the facility, the facility's SIC Code, the facility's 1994 fiscal year's gross sales, etc.
- *Program Attributes*  
This section contains questions focusing on various attributes of the service provided by manufacturing extension programs. It includes questions enabling us to determine which service attributes are viewed as more or less important by the companies receiving them. It also includes questions allowing the respondent to indicate the extent to which the service provider actually demonstrated these attributes. The attributes we are including here contain such things as timely/responsive assistance, program staff experience, as well as other attributes.
- *Specific Assistance*  
This section focuses on the specific type of assistance provided by the manufacturing

extension program. It includes questions designed to determine the value of the assistance to the facility. For example, one of the questions in this section asks about effect of the service on a number of business indicators, such as reducing rework, scrap, and rejected lots. Another question asks about the extent to which the services provided played a role in increasing sales and profits, increasing worker productivity, etc.

- *Summing Up*  
This section asks about the respondent's overall satisfaction with the services provided by the manufacturing extension program. For example, it contains a question asking the likelihood of the facility seeking assistance from the same program in the future. It also contains a question asking about the potential usefulness other services, such as marketing advice and worker training.