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## Discussion

**Haines.** What can we do to get more small companies in U.S. Census Bureau's *Annual Survey of Manufacturers*?

**Jarmin.** We can strengthen the analysis by bringing in more client firms from more MEPs. We only looked at three states.

**Davila.** What are the long-term plans for this?

**Jarmin.** The 1997 census will not be available until around the year 2000.

**Thompson.** Isn't it possible to redo this in a way that doesn't mix productivity and employment? Just reading the Jarmin results says that the easiest way to improve productivity is to shed labor. But heuristically we'd want to find other routes to improve productivity.

**Jarmin.** I don't think it reads that way. You can't use productivity alone, because that varies by the size of the plant. I have also looked at change in sales, but I didn't find much.

**Haines.** How far back do the centers included in the analysis go? Were they part of the MEP system or just state programs? Maybe it is better to just stay within one state.

**Jarmin.** When I run this by state, one state accounts for all the impact.

**Coburn.** But most of the firms served are small, by employment size.

**Jarmin.** We find most of the served clients are larger by employment size.

**Shapira.** In terms of man-hours for any given project, we may spend more time with larger companies.

**Haines.** Why would sales increases and jobs track?

**Jarmin.** The firms have bodies to produce the sales.

**Oldsman.** If it were true, I don't think that a 20% to a 200% return is bad. But a lot of benefit cost analysis comes out with very high outcomes. This is an area where more standard approaches are needed.

**Davila.** In client evaluation, do you ask about customer satisfaction and anticipated results? So when you rate client evaluation surveys in terms of the program justification dimension, is your rating as a result of the satisfaction part, the anticipated results part, or both?

**Shapira.** Probably both because together they show reasons to state stakeholders for justification.

**Davila.** In our case (Chicago Manufacturing Center), customer satisfaction is not as high a priority as anticipated impact.

**Oldsman.** If you take any one of those elements, where does the information go? For example, how is the customer satisfaction data used by GMEA?

**Estes.** The survey is immediately transmitted to GMEA field agents/project managers. They immediately deal with it, and, if there was a problem, try to determine what went wrong and address it. It gets used very soon after the survey is received. The relative value of different types of projects is presented at staff meetings to apprise staff of this information. We use our two-year survey for strategic planning to look at what customers tell us what they need and hopefully balance that with what we know is coming down the technological curve.

**Oldsman.** Is staff involved?

**Estes.** We don't withhold anything.

**Oldsman.** So you intentionally try to get the results out.

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**Estes.** On the two-year survey, Phil and Jan do benchmarking that goes back to the client to get the customer to respond.

**Shapira.** We recently tried to get the two-year survey results all on one page, so that the field staff could understand what the benchmarks were, and also could also understand what types of firms have what types of performance metrics. We've done the same thing with the benefits.

**Oldsman.** Where are the areas your evaluation plan is missing?

**Alford.** Phil hit on the main one. We do a lot of training and workshops, but we don't know whether or not our courses produce changes in companies, which then result in impacts. A preliminary analysis of training/workshop customers shows that most of our training/workshop customers were already customers of projects, rather than brand new customers. At the same time, we do get additional project leads from training programs.

**Coburn.** Sessions like this promote broader thinking. My perspective is as a practitioner. Ohio was the first state investor in the MEP program, but I haven't been very involved in the program since then. The most interesting thing I've heard here is the use of the census data when you look at this from a practitioner's perspective (e.g. interfacing with elected officials), self-reporting is a problem. If you can deliver 10 successful customers to the legislature, that will strip it away, but really you're delivering idiosyncrasies. If you were able to do program analysis from the perspective of the overall regional economy, that is powerful. That represents a fundamental breakthrough. There are some other questions, though. The core values of the MEP regarding private sector values--what does that

mean? What is the reality of the MEP at \$100 million? The MEP began as an idea. Today it is not an idea--it's a big system. What kind of system is it? It is basically a consulting business. How are we different from a consulting business? Why does the MEP warrant public support? The point is that MEP needs to be focused on the firms that couldn't pay for consultants any other way. If they could afford it, they should use the private sector consultants. At the same time, if the MEP is a consulting business, how are consulting businesses evaluated? In the business there are two ways: (1) Are you able to making continuing sales? and (2) Are you efficient/profitable? If you were to apply those rules to the MEP, regarding continuing sales, MEP is very effective. Congress continues to buy. The private-sector rule is- were you able to keep your firm in business and grow? Now the profitability measure is more difficult, but Eric's work touches on that. That is a phenomenon where quantitative and qualitative measures are few and far between. In any case, that leads to the question of what the true public goal is here? Is it to be the poor man's Anderson Consulting? In a way it is. But I also think it is to effect a change in the American manufacturing culture, however, that is very difficult to evaluate. You're talking about bringing a message to firms operating in an individualistic American culture, they can look outside and to other firms to improve themselves. Regarding issues of efficiency of the system, Eric Oldsman says that 30 percent of the time a field agent is out in the field. I would ask, what is the appropriate level? What do you benchmark against? How do you know what the effective level is? I would look at other public activities and look at their ratios of fieldwork vs. in-house work.

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You hear about private consultants spending 75% of their time on a project, but what does that mean and how does that compare with Eric's 30%? Even while in-house, private consultants work on projects. Also this is a system. SAP is becoming popular for system work within companies. It's a rigorous tool to try to integrate disparate operations within organizations. Along those lines, how do you get the kind of efficiencies built in the system from that standpoint, because it relates to getting continuous support from sponsors, but also to get continuous improvement. There are two more points. One is the need to get results out quicker. Why don't results go out on a home page? This promotes analysis of results. It's interesting that the MEP growth resulted from a program that is defunct (TRP), but creative people used that program to produce the MEP. Also, in terms of rewarding effective behavior, the Baldrige award is very good. MEP should have awards for the most effective center and have awards for the most effective manager, even dollar awards. In addition, maybe we should have an award for the most creative approach that didn't work. You benefit from acknowledging failure and acting on it. You benefit from risk-taking. This practice didn't work, so we pulled it. This center didn't work so we closed it.