
Discussion

Martin. Regarding the evaluation of centers from a national perspective, what are the implications of a poorly performing center? Will we have private sector implications for a poorly performing center, since we're basing the program on the private sector model? Will we close down poorly performing centers?

Haines. It would be the intent of the Congress that we do that. We have a capacity problem throughout the country. We have some centers that are under capacity. No center has a growth strategy, but without a growth strategy how will we serve the public? Many centers have the view that center capacity is constrained by lack of public dollars. Congress will expect us to look to the good centers and give more resources to the good centers that are under capacity. It is hard to say that we'll close a center. With good performance at least the logic is behind you.

Coburn. Ten years ago we closed one Edison center in Ohio. We worked up to it. We worked with the legislature. We worked with the press, indicating that we were running the program like a private sector enterprise. The program's stature went up dramatically as a result.

Thompson. What is NIST's expectation? Is it that the state's strategic plans should correspond to NIST MEP's funding? Yet, NIST MEP's funding is declining.

Haines. Yes, but there are few states where the state is the long-term investor.

In most cases, we are the long-term investors. We do have a line of communication with the states. We're working on it through various projects that will allow us to go back to the states

and talk about strategy. My goal is for NIST MEP to at least be recognized in some states' strategic plans. And with many states going into performance metrics, wouldn't it be nice for us to lead the states.

Arnold. When we start thinking like an investor and try to get a return, we're doing what the private sector is doing. But in fact, the reason we have the program is that we're actually are doing something that only the state can do. It's the idea of market failure and additionality.

Haines. I would agree. That needs to be explicit.

Thompson. How would you do a stratified random sample given that the number of centers is small?

Oldsman. Survey all the small centers but sample from the big centers. Then it really depends on the question. Sales has a lot of variation--you may need to do more surveys to estimate sales impacts.

Jarmin. Another approach is to do a random sample of the whole population and ask, "Were you served by the MEP?"

Martin. There is a problem. A lot of people will be clients but don't remember they were clients.

Jarmin. Well what does that say?

Martin. You have to know what is going on in the field for you to know how to survey.

Oldsman. Some centers that act as brokers don't publicize their name. The company may only know the field agent. But I think that's a bad thing.

Estes. My concern is that the data point on which we rely is provided by the client to the system. And we don't get even enough responses from the clients--maybe one-third respond. Plus the respondent may have been in a hurry. We

shouldn't rely so heavily on the frame of mind of the person providing the data point.

Oldsman. I agree. We are interested in figuring out what works and what doesn't work. We don't care about a number. Why is it that the majority of the companies don't think they have impacts? I'm concerned about that. Not because people should be answering surveys in better ways, but from other evidence as well.

Shapira. You have to qualify that. Only a small percentage of firms have an economic impact. But we know that a large percent have impacts in terms of improving their capabilities. If you postulate this as the role of the program you may ask the survey questions differently.

Oldsman. But it is really a red herring. You can say the goal of the program is to improve the performance of the firm. So if you don't get good answers on the sales, jobs, etc. you can then say, "Ok I misstated the goal of the program." The results could mean one of three things: (1) the measurements were wrong, (2) the measurement (question wording) was bad, or (3) I believe the results. I personally find it difficult to disbelieve the results.

Blackerby. There is a problem of overemphasis on the survey. There's an idea that the survey is an either-or thing. The problem of over sampling means that it is either a census or a sample. But the answer might be an 'and' instead of an 'or'. There could be an underlying census with a sampling overlay to answer specific questions. For example, NIST MEP current has questionnaire variations to deal with additional questions required by the state of Pennsylvania, or additional

questions that explore environmental impacts.

Oldsman. But the survey is not a census right now. It's a weird thing. Because we give centers the right to "N" out companies, to say, "I don't not want this company surveyed."

Malecki. Time is an issue. Companies get skill and know-how, but it may take a longer time to have impacts. Companies may need money or need to hire the right person. This may take a long amount of time.

Oldsman. I think it is an empirical question. Scrap reduction programs tend to have a rapid impact. The MEP system provides a fair amount of plant layout as well. Based on the predominance of these types of projects, you ought to see reduction of lead times right away.

Malecki. We don't know when implementation took place.

Oldsman. Some projects are design-build projects and other programs are rendering advice.

Korchak. We're running two evaluation systems. Florida went through a pay-for-performance system i.e. to get your money you have to tell the state what you are doing. Be careful about having an annual survey, which wouldn't work for my state. That's not frequent enough. Considering what states want out of evaluation is an important issue. Is there a way to standardize this?

Russell. Even if we were at a point where we asked the right thing and agreed generally about targeting sectors and segments that you served, and even if we faced recognition of increasing the size of the typical project, there remains the problem of translating that into center practice. In a decentralized system, the language used expresses culture where there is guidance, but not mandatory

conformance. Going toward high performance, whatever that means, goes to a community culture where peer pressure matters and everybody feels responsible. That is hard to create.