



# XXXX Center

# Center Performance and Profile Report (CPPR)

**DRAFT CPPR**

Panel Review Date

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**June 5, 2018**

**NIST**  
National Institute of  
Standards and Technology  
U.S. Department of Commerce

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# I. Performance Measurement and Management

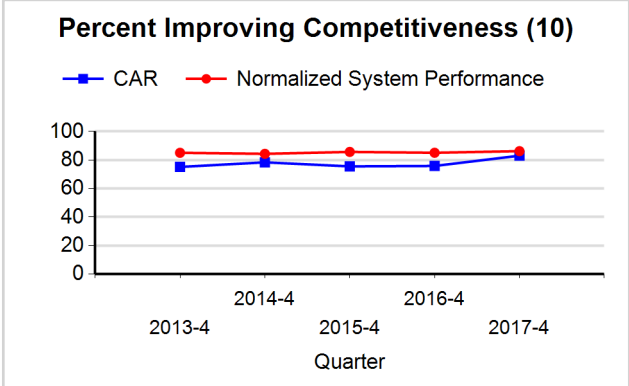
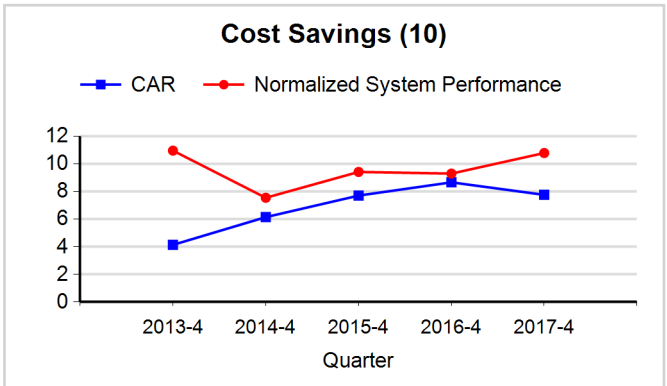
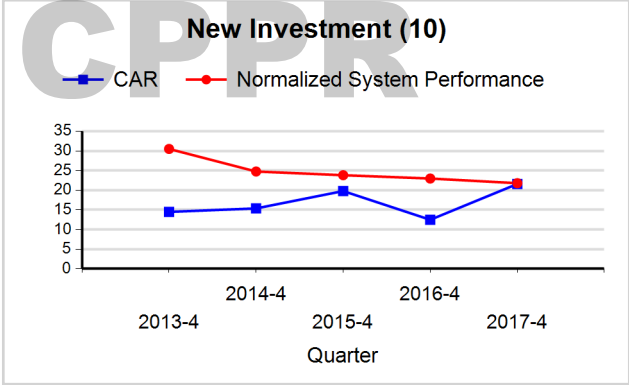
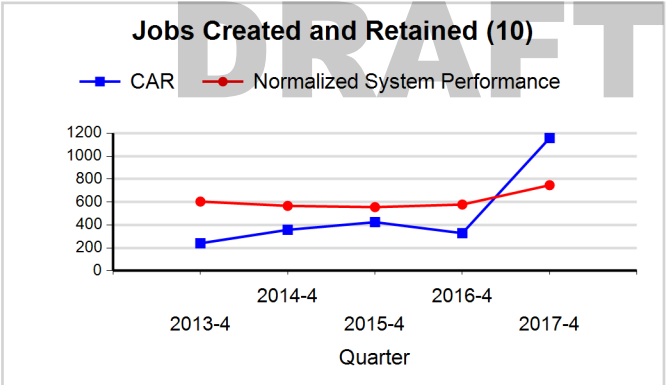
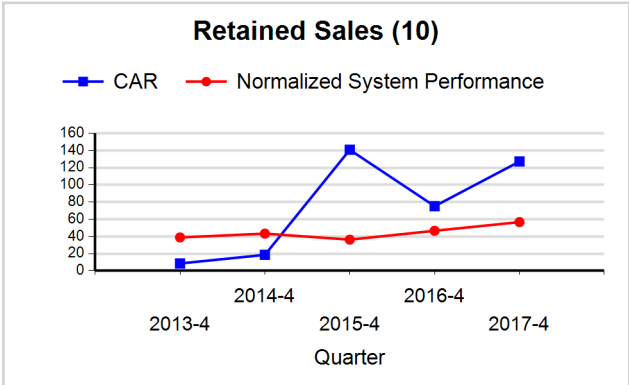
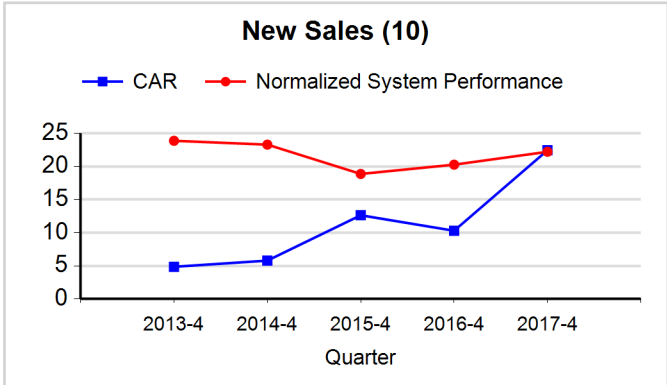
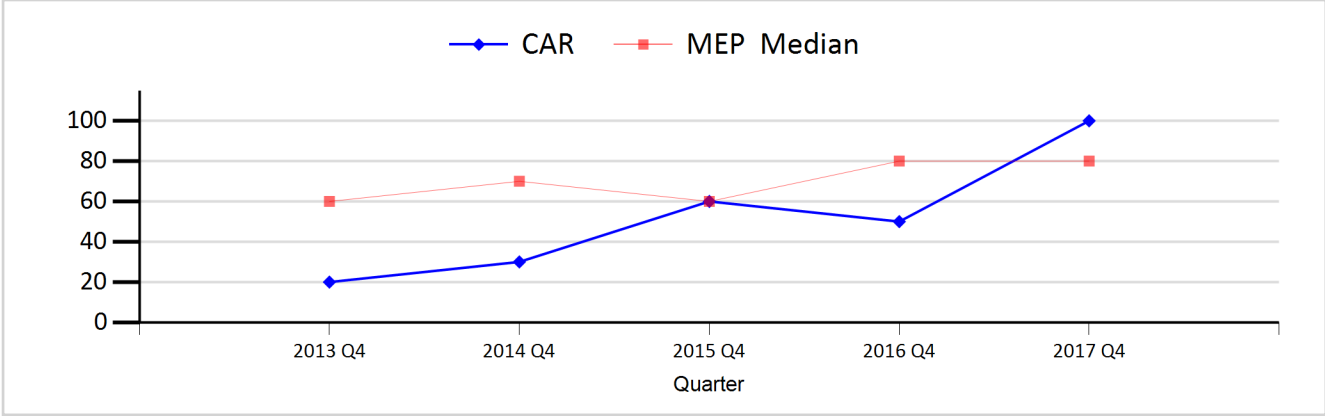
## a. Center IMPACT (Improving Manufacturing Productivity and Competitiveness Tracker) and Trends

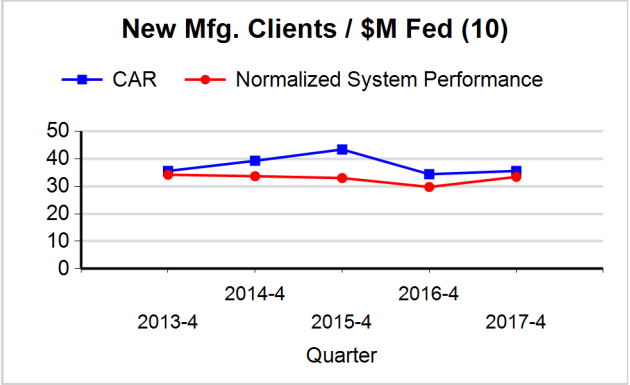
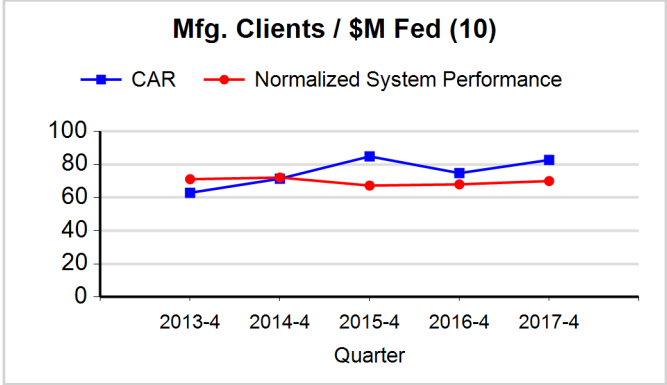
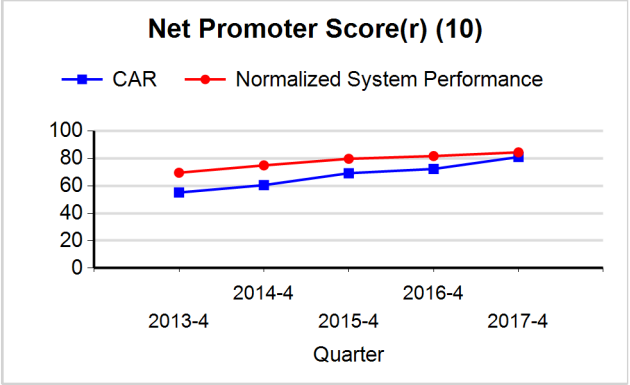
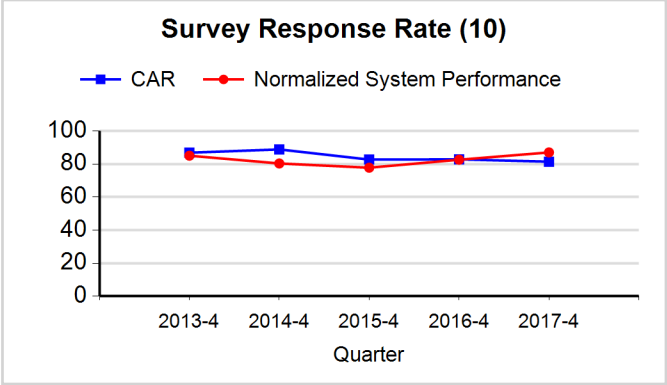
Presents the most recent IMPACT Metrics trends for the Center (a four-quarter rolling average) as well as a comparison of the impacts measure of the Center relative to the system’s median, over time. This is to let the Panel and Center understand which elements are a strength or challenge, and to foster discussions about trends for each of the impact measures. The last two measures, Clients and New Clients per \$M Fed are proxies for efficiencies. The Panel will have seen, in Section VI, other sources of cost sharing. This will help add context to these measures. It is understood that there is substantial heterogeneity across centers in terms of State support, embedded projects, etc.

### The Center - ID XXX

2017-4 - IMPACT Metrics as of Monday, April 23, 2018

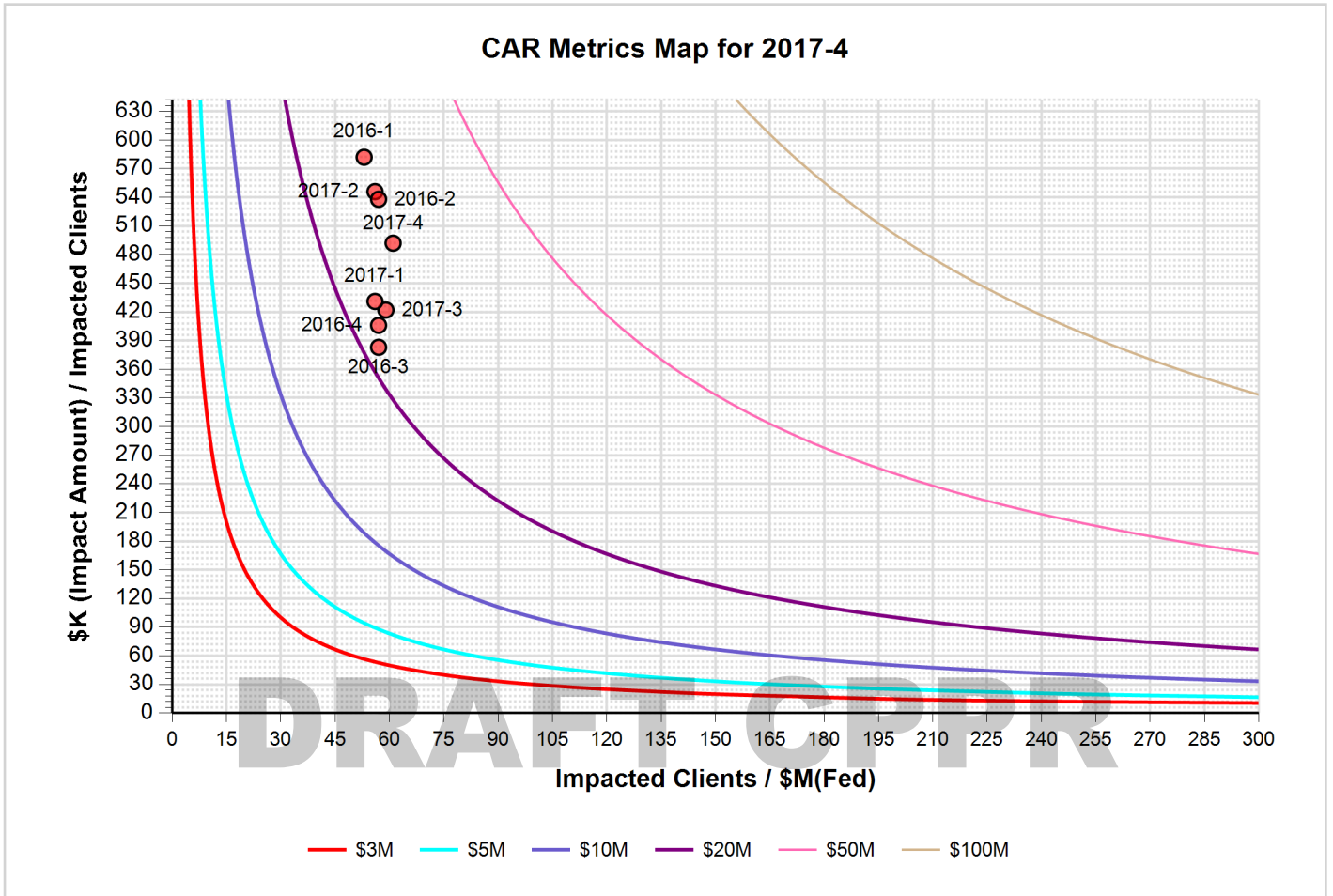
CAR Operations Performance Management IMPACT Metrics			
CAR Current Quarter Performance			
Federal Funding - \$5,029,910.00 Total Cash Resources - \$10,131,607.00 (Four Quarter Rolling Average)			
Impact Metrics			
Metric	CAR Reported Impact	Normalized CAR Performance	Performance Standard
Impact data based on MEP Client Survey responses			
New Sales (10)	\$112.9 M	22.4	15
Retained Sales (10)	\$639.5 M	127.1	35
Jobs Created and Retained (10)	5825	1158.1	500
New Investment (10)	\$108.6 M	21.6	15
Cost Savings (10)	\$39.0 M	7.8	7
Percent Improving Competitiveness (10)	309.0 / 372.0	83.1%	80%
Survey Response Rate (10)	372.0 / 457.0	81.4%	70%
Net Promoter Score(r) (10)	84.6 - 3.5	81.0	75
Impact data based on Client/Project Submissions			
Mfg.Clients / \$M Fed (10)	416	83.0	73
New Mfg.Clients / \$M Fed (10)	179	36.0	29



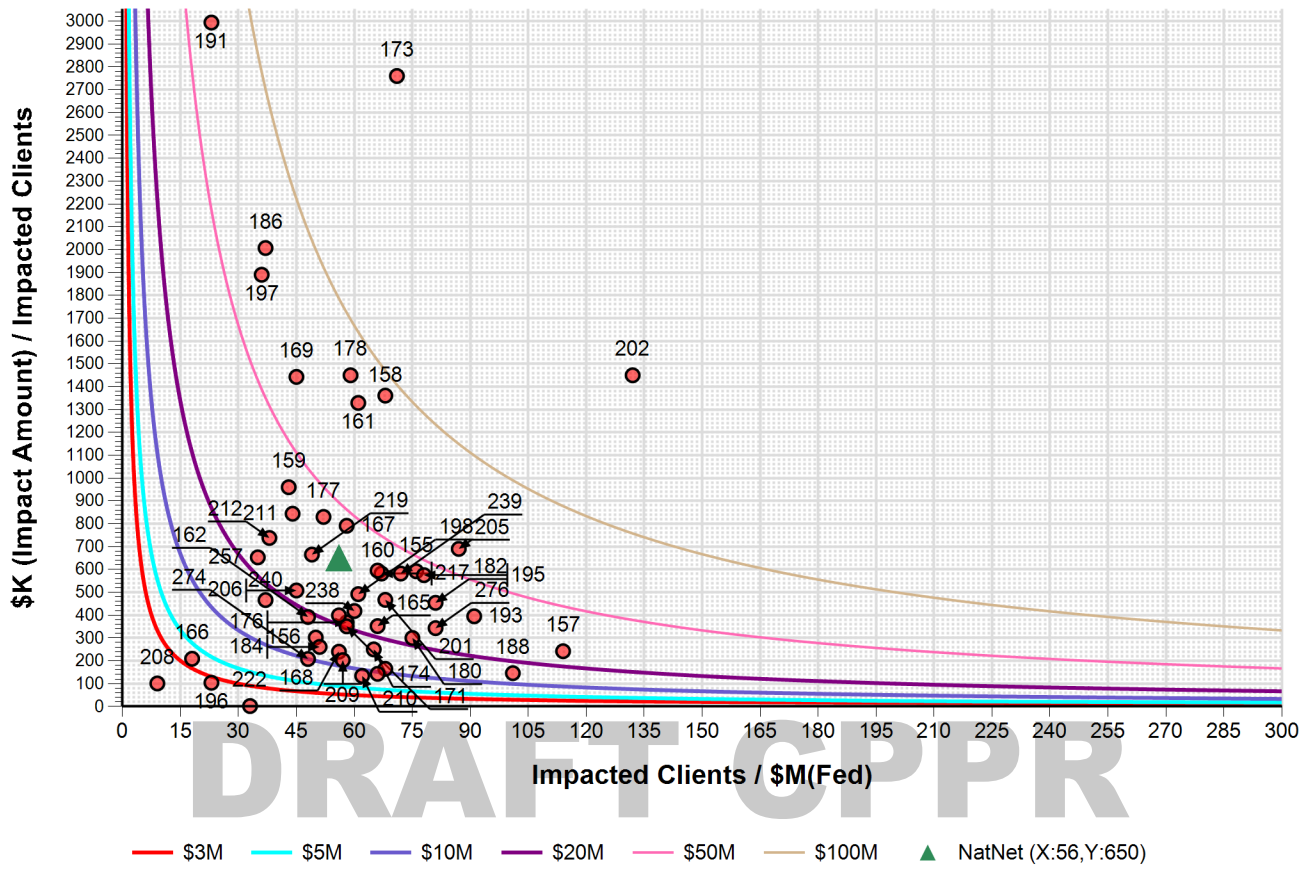


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**b. CAR and MEP Metrics Map**



### MEP Metrics Map for 2017-4



Notes:

- **Data points:** labeled by CAR ID
- **Center:** = (X: 61, Y: 492)
- **NatNet:** Federal funding allocated to the Center Operations Funding Program
- **\$3M,\$5M, \$10M, \$20M, \$50M and \$100M:** lines represent crude return on investment estimates

## c. Based on your performance to date:

### i Performance Management System

**Please describe the Center's Performance Management System and how it is integrated with the Center's Strategy.**

Center's performance management system starts with the strategic plan. The strategic plan's performance measures focus on financial, impact, penetration, employee engagement, and internal improvement results. Center cascades and tracks performance results and uses dashboards as follows:

- Board level: strategic plan and key financial indicator dashboards (lagging indicators).
- Leadership team: Statewide dashboard and regional comparison dashboard (leading and lagging indicators).
- Regional team: pipeline performance dashboard. Same measures as leadership team.
- Individual objectives: 70% individual performance, 30% regional performance

### ii. Importance of National Network

**To what extent is the National Network an important benchmark for your Center as it relates to improving performance?**

Center uses comparative data to gain a better understanding of our processes and performance. Benchmarking with the National Network provides peer insights for these efforts and occurs in the following ways:

1. Leadership review of quarterly data comparisons
2. Ad hoc outreach to centers to learn about their best practices and lessons learned. Examples include a coordinated monthly call with a subset of centers on various financial topics and a project to review event activities of centers with outreach to a subset in order to improve Center approaches and share lessons learned.
3. National resources as they are made available (i.e. cybersecurity, institutes)
  - a. Lead multi-state projects: DMDII embed and Supply Chain Optimization (SCO)
4. FIN(Future Is Now) group; Foundation for Excellence/ ASMC.

Importantly, we benchmark other external sources as well. For example, our employee engagement data is with an international dataset of firms. We currently are performing in the top quartile. Our board, with their breadth of experience, provides ongoing benchmark insights and connections during board working sessions.

Finally, Center is following the Baldrige process which provides tremendous guidance for ongoing and rigorous benchmarking.

### iii Benchmark Comparisons

**If your center benchmarks against a smaller cohort vs. the entire National Network, what are the characteristics to which you compare? Geography, Center structure, industry mix or something outside of these categories?**



Center benchmarks are determined by the topics being benchmarked. We conduct environmental scans in two primary ways. First, we utilize survey data to explore the highest performing centers in all relevant metrics. Second, we scan center websites and social media. Through these efforts we seek best practices regardless of center type. With regard to operational topics, we often turn to similar sized centers due to similar structures.

**iv. How Center Uses Performance Data**

**How does your Center use performance data available to you (i.e. NIST MEP, State or other resources) to improve your overall performance?**

External performance data provides invaluable insights to address performance gaps and understand best practices. The appropriate team (board, leadership, regional, individual) is able to solicit internal and external data and insights. External inputs mostly influence strategic and leadership level decision making.

**v. Improvements For the Future**

**What areas do you see improving performance in the future, whether NIST benchmark related or other area of strategy?**

The leadership team utilizes the X-chart, from lean policy deployment, as its' method to establish priorities for improving performance. The X-chart cascades strategic plan objectives into annual objectives. From there, the team establishes improvement priorities and targets. The FY 2018 X-chart highlights that the areas for improvement include an internal continuous improvement system (Center ideas), services 2.0, assessment approaches, very small manufacturer outreach, and the use of third party service providers.

**vi. Performance Metrics Used**

**What performance metrics has the center been using to measure their strategic performance over time and what will the future performance metrics look like beyond the NIST benchmarks?**

The strategic plan, initiated in 2017, shows the metrics and all meet or exceed any NIST benchmark.

**vii. Improvements Over Time**

**How does the Center intend to improve their performance over time based on what you know today?**

Center uses a systematic approach to continuously evaluate and improve. The Center Way for continuous improvement is comprised of four elements; strategic/ business level reviews, Center service and process audits, an idea implementation process, and best practice sharing.

Strategic/business level review: To cascade and implement the strategic plan, the leadership team conducts strategic and business level reviews by utilizing the tools and methodology of lean policy deployment. As a result, strategic goals are converted into annual high level process objectives. From these objectives and current performance are the gaps that serve as the “To / from” targets for improvement. The leadership team reviews high level performance weekly, often focused on planning and exception reporting. These meetings set the priority for improvement focus.

Service/process audits: Staff conducts ongoing service and process audits to identify and implement improvement opportunities and quality checks. Technical Specialist service champions focus on service audits in their knowledge areas of expertise while administrative staff conducts internal process audits. When client related projects face potential challenges, a Project Review Board consisting of key staff elevate issues to ensure appropriate management and continuous improvement. Reasons for using this board include poor satisfaction or impact scores, net promoter detractors, over budget, being off scope, and/or falling behind schedule. The teams analyze root cause, define immediate solutions, and implement system improvements to prevent recurring problem.

Center ideas: This suggestion system captures ideas and prioritizes implementation. The strategic plan calls to eventually achieve six implemented idea per person and this measure is cascaded into individual objectives.

Best practice sharing: As one example, regions report out during each weekly staff huddle to share challenges and best practices. An internal team is currently working to create more formal approaches to best practice sharing.

## II. Center Strengths and Challenges

### a. Center Strengths

- Extensive resources available to Center from four highly regarded universities, subcontractors, partners, and collaborators.
- Highly experienced staff and volunteer talent who provide instant credibility.
- Comprehensive service offering model to address enterprise excellence and create an “honest broker” or one-stop for manufacturers.
- Customer Relationship Management (CRM) model with three fundamental components; 1) Regional Managers across the state to provide local connections, 2) a marketing department for coordination of brand, events, print, web, and social media, 3) the iMAPS system that is IMEC's data backbone with extensive client record and reporting capability.
- System of performance accountability to measure economic impact, based on voice of the customer data collected by a third-party surveying process. Clients and stakeholders, such as elected officials, continually seek measurable impacts for their investments. This level of program evaluation measurement is not found in similar organizations.

### b. Center Challenges

- Maintaining robust systems that proactively respond to client needs in an environment of increasing service commodity risk. This is due to the large quantities of similar service providers and the ease of accessibility to knowledge and services through the Internet.
- Hiring and retaining talent.
- Complexity of the Center funding model.
- Effectively managing organizational knowledge.
- Nurturing more strategic relationships with clients.

### III. Organizational Structure and Management

#### a. Center Overview

**Organization Type:** Non-Profit

**Eligible Annual Federal Funding:** \$5,029,910.00(Previous Award Amount: \$4,608,686.00)

**Center** receives roughly \$373 per SME compared to the national average of \$365 per SME

**Center Funding Streams:** The table provided below is an overview of the NIST MEP Cooperative Agreements the Center has managed over the previous two years and current year.

Funding Source	Award Name	Start Date to End Date	Total Federal Funding	Total Non-Federal Funding
Center Operations*	MEP System	2016-01 to 2020-12	\$25,149,550.00	\$27,369,115.00
Manufacturing USA Embedded Staff	Embedding MEP in NNMI Institutes Pilot Projects	2016-10 to 2018-09	\$1,200,000.00	

\* Indicates Cost Share Is Required

#### b. Sub-Recipient Funding Allocation

Identified below are Center sub-recipients and the funding amount allocated for each.

Sub-Recipients in award 70NANB15XXXX between 2018-01 to 2018-12

Name	Total NIST Funds	Cost Share
XXX University	\$1,017,819.00	\$970,224.00
XXXXX University	\$250,220.00	\$245,259.00
XXXXXXXXX University	\$829,319.00	\$484,003.00
University of XXXX	\$1,392,272.00	\$1,261,598.00

\* Sub-Recipient is a Regional Office

#### c. Organizational Structure

**Please provide the Center's Organizational diagram including reporting relationships to host organization, as appropriate. Please include the following information within the organizational diagram:**

1. If the Center reports to a host organization, please include the hosts overall reporting structure.
2. Employee Name, title and #Years in Position (for Senior Management Personnel only). Please identify using an (\*) the Senior Management Personnel within your Center.
3. Please identify the type of board your Center has in place and where they fit into the overall organizational diagram.
4. Please include all Sub-Recipients in the organizational diagram.

Center Uploads Organizational Chart here

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**d. Key Partners/Collaborators**

In the chart provided below, we have listed the Center's top five partners and collaborators including their key services based on information provided in MEIS. These are partner/collaborators you have identified as organizations who influence the Center's performance (excluding Sub-Recipients which are already identified in your Sub-Recipient Allocation section).

Partner Name	Organization Type	Partner (Formal Contract)	Service Delivery Location	Partner Services
Dept of Commerce and Economic Opportunity	Other state agency	Yes	No	<ul style="list-style-type: none"> <li>• Helps market services</li> <li>• Makes referrals</li> </ul>

Technology and Manufacturing Association	Industry/Trade Association	Yes	Yes	<ul style="list-style-type: none"> <li>Helps market services</li> <li>Makes referrals</li> <li>Provides Office Space</li> </ul>
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**e. Other Information Not Captured Previously**

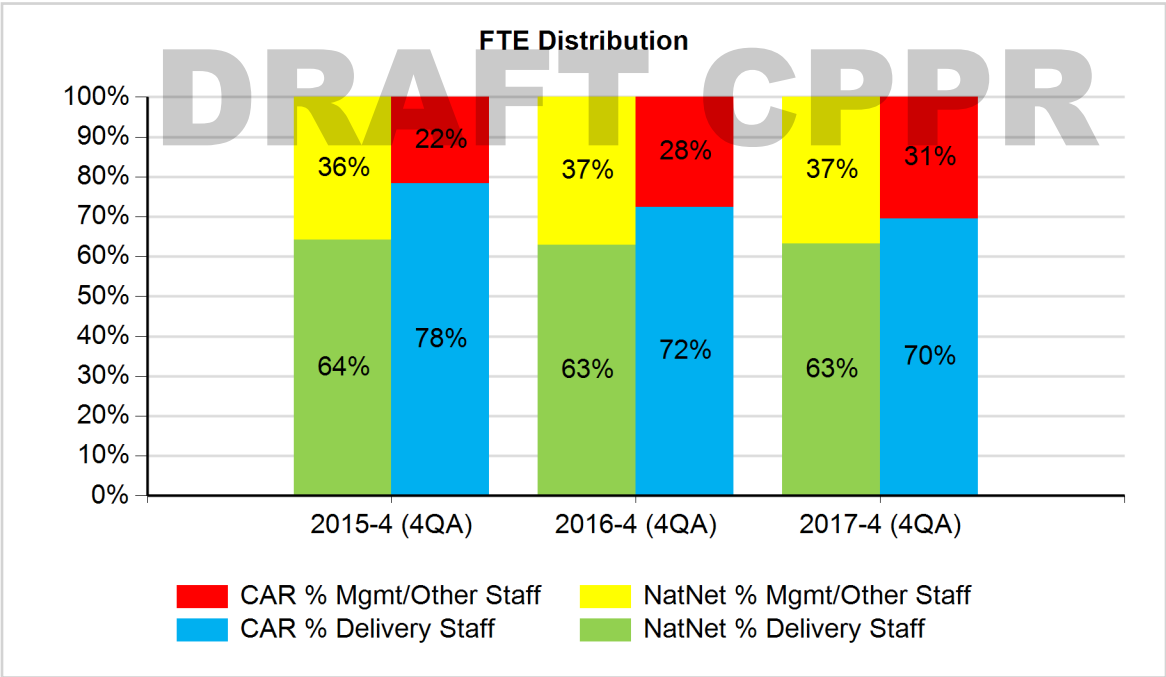
**Note:** If there is specific information pertaining to the overall Center that was not captured in the diagram above that you feel is pertinent for the panel, please use this text box provided to articulate this information.

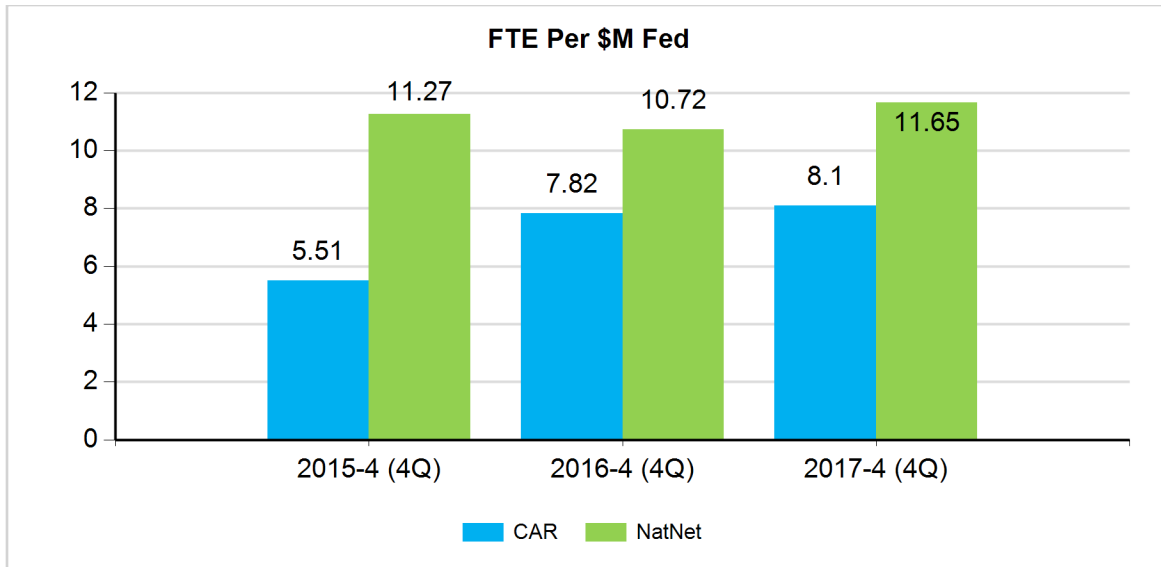
None

**f. FTE Summary**

The charts provided below identify the Center's FTE distribution and FTE per \$M Fed over a specific time-frame based on information provided by the Center in MEIS. **(Note: FTEs are also intended to include sub-recipient staff count where appropriate).** If this information is incorrect, please update in MEIS.

**Note:** The data provided in the stacked bar chart below is based on averages.





## g. Organizational Structure Details

Based on your Center's current organizational structure:

### i. Support for the Future

**How does your Center's current organizational structure support your operations and performance for the future?**

Center recently added an additional leadership role for increased field staff support.

Special Initiatives in the organization chart highlight the strategic priorities designed to grow and expand center capabilities. The three current initiatives include the DMDII embed project, a \$4 million U.S. Department of Labor project to credential individuals for manufacturing careers, and the integration of the state Baldrige program.

### ii. Team Working Model

**How do the different units in the organizational structure work together to promote improved performance?**

The leadership team is comprised of the different units to ensure top-level coordination. The state is broken into regional teams and each team has a performance dashboard. Individual objectives are comprised of 70% individual performance and 30% regional performance. This approach, combined with the functional structure of the organization chart, creates an effective matrix organization. The performance management system that promotes improved performance is described in section I.C.i

### iii. Succession Management and Knowledge Transfer

**Does your Center have a risk mitigation plan in place to effectively transfer organizational knowledge and expertise in the event that your Center experiences turnover of key management personnel to avoid potential adverse effects on Center performance? If so, please describe key elements of your Center's plan.**

The center has conducted the following actions to mitigate succession risks:

1. Identified as part of Board's risk management plan.
  - a. Identified key roles
  - b. Established "emergency plans" for these roles
  - c. Establishing longer term plans
2. Created a transition process for all positions
  - a. The process includes an employee exit operational checklist to ensure a smooth transition of project work and client relationships. The checklist contains activities to be assigned and coordinated from opportunities through proposal, project, and survey as well as partner management.
3. The board and leadership have identified "retention of knowledge" as a risk to mitigate.
  - a. Work to begin in second half of 2018
4. Developed an internal leadership development course based on the President position. 12 staff members have completed this course, with 12 more anticipated by the end of 2018.

#### **iv. Mix of Sub-recipients / Partners**

**How has the mix of Sub-recipients and/or partners been examined and what conclusions have been reached about maintaining or changing this mix for future years?**

Center conducted a significant reexamination of SRA's during the re-competition and reduced the number of SRA's to the four universities. This is the appropriate level.

Partnerships are continuously evaluated based on mutual benefits. The core partners remain stable including the large associations, state commerce, and City of XXXX.

#### **v. Leverage Oversight Board**

**How does the Center leverage and/or engage the oversight board to improve the overall performance of the Center?**

The Board is a vital part of improving the overall performance of Center. The board conducts an annual engagement assessment to determine strengths and opportunities for improvement. The Board has created an annual workplan in conjunction with strong committee work. Consequently, when the Board convenes they focus heavily on "working sessions" to address key strategic challenges. Some examples include:

- Markets/Services: Currently, the board is involved in exploring a deeper understanding of markets and clients. This shifts beyond typical measures of size and industry to include needs, wants, and desires of current and potential clients.
- Advocacy: Created an ad hoc committee to develop and launch a systematic approach to advocacy.
- Branding: Participating and served as voice of customer for new branding efforts.
- Risk management planning

#### **vi. Changes to Improve Performance**

**Based on the achievements of the Center to date, what changes have been implemented or may need to be implemented in the organizational structure to support improved performance?**



Noted in above sections.

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## IV. Market Understanding

This section addresses achieving impacts and market penetration. The data and graphics in this section were chosen to highlight the "types" of businesses working with the Center. These "types" will be compared to the overall State distribution and examine the market penetration across "types".

There are many dimensions to categorizing businesses. To limit the scope and burden in preparing for the Panel, "types" are limited to comparisons across employment (size) and NAICS Codes (industry).

If the Center feels other classifications are important, e.g. rural or start-up companies, these can be highlighted by the Center in Section II, "Center Strengths and Challenges".

### a. Center's Service Territory

Provided below is a map of the Center's service territory as follows:

- i. Location of Headquarter, Sub-recipient and Field Offices as appropriate.
- ii. Concentration of Rural vs. Urban manufacturers by county within the State.
- iii. Number of Manufacturing Establishments by county in the Center's service territory.

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State Map with Center's service territory appears here

**b. Center's Manufacturing Clients vs Manufacturing Population in Service Territory**

Provided below is a map of the Center's Manufacturing Clients vs Manufacturing Population as follows:

- i. Number of Center's Manufacturing Clients by zip code.
- ii. Concentration of Rural vs Urban manufacturers by county in Center's service territory.
- iii. Number of Manufacturing Establishments by county in the Center's service territory.

**State map with Center's Manufacturing Clients vs. Manufacturing population appears here**

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**c. Key Stakeholder Mandates/Requirements**

**Please identify any major mandates/requirements given by the host (if applicable), state or key stakeholders that require the Center to target specific industries/size manufacturers.**

Center has no particular key stakeholder mandates beyond MEP. The state does not have any particular strategy related to manufacturing. Center has a MOU with The City of XXXX and works closely with the City's Department of Development (DPD) to align outreach priorities and coordination of programs. These efforts tend to be more tactical in nature. For example, Center supported DPD with a solar panel outreach program and connected the department with manufacturers for interviews on planned manufacturing districts.

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#### d. Operating Outcomes Engagement Goals

Identified below are the Center's current outcome goals and progress towards each of these goals, if relevant for the initial three-year operating period: (Please note a Center does not have to be active in every element of the categories identified below).

Goal Period	Very Small Establishments (< 20 employees) Goal: 150	Rural Establishments (Use USDA Definition) Goal: 100	Start-up Establishments Goal: 30	Transformational Clients (NIST MEP Defined) Goal: 60	Other Manufacturers Goal: 220	Total unique manufacturers Goal: 500
2016-1	34	18	5	9	72	127
2016-2	20	15	6	21	54	102
2016-3	26	17	6	51	35	109
2016-4	33	27	3	40	64	146
2017-1	37	22	11	49	58	143
2017-2	35	29	7	49	48	142
2017-3	36	20	11	42	56	139
2017-4	39	31	5	50	38	134
2018-1						
2018-2						
2018-3						
2018-4						
Total Unique	165	114	34	152	300	612

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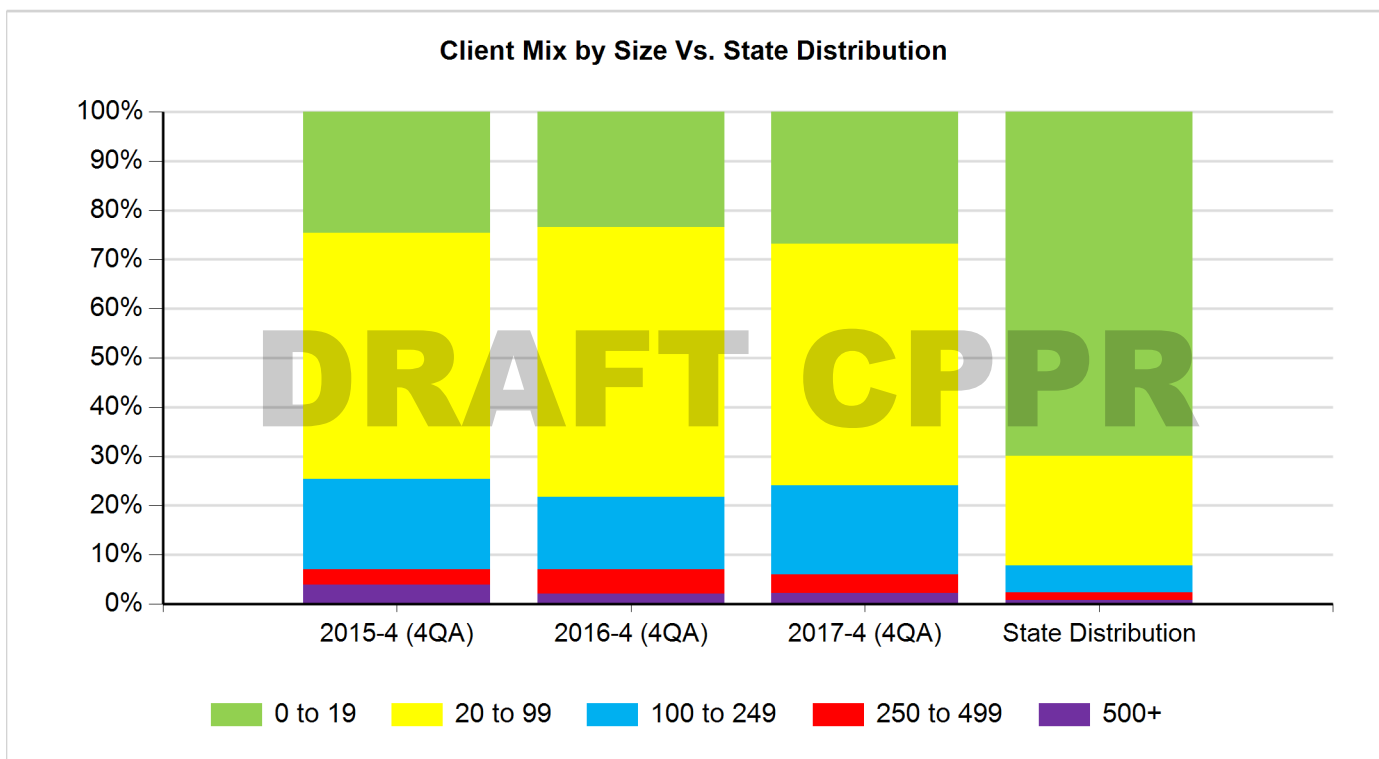
Goal Period	Top Line Growth Goal: 45	Bottom Line Growth Goal: 55
2016-1	53 %	47 %
2016-2	33 %	67 %
2016-3	37 %	63 %
2016-4	25 %	75 %
2017-1	39 %	61 %
2017-2	22 %	78 %
2017-3	52 %	48 %
2017-4	41 %	59 %
2018-1		
2018-2		
2018-3		
2018-4		
Total	38 %	62 %

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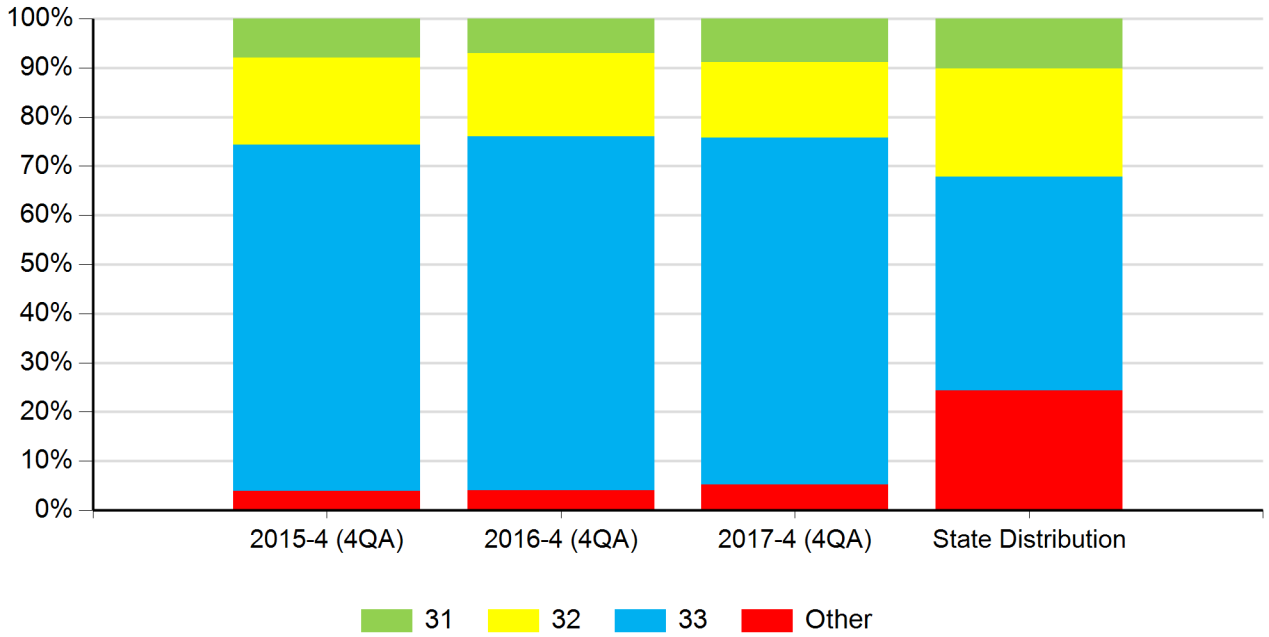
**e. Center Operating Outcomes:**

- Center has tracking capabilities in each of these categories to ensure the organization stays on or exceeds plan.
- mHUB, a product development incubator, is a resource for start-up clients. The Center President sits on the mHUB Board.
- Rural counties have remained a focus of Center. Through the combination of targeted messaging and events, Center has been able to provide resources to rural manufacturers and communities that might otherwise not be available. Center has been active with the XXXX Institute for Rural Affairs and an annual participant/presenter for their annual conference.

**f. Client Mix**



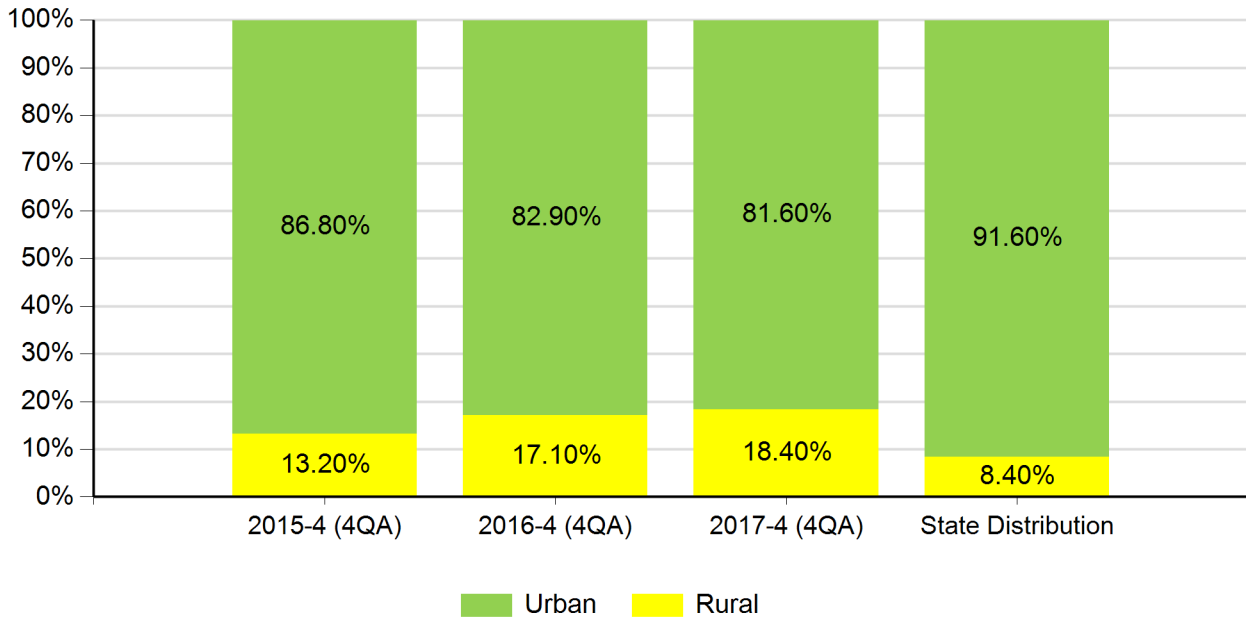
**Client Mix by Industry Vs. State Distribution**



**Note: The NAICS codes identified above represent the following:**

- 31-"Consumables" (Food, Apparel, etc)
- 32-"Resources, Chemicals and Non-Metals"
- 33-"Metals, Electronics and Transportation"
- Other-"NAICS - 423510, 488991, 54171x, 541330, 541380, 561910, 811310"

**Client Mix by Geography Vs. State Distribution**



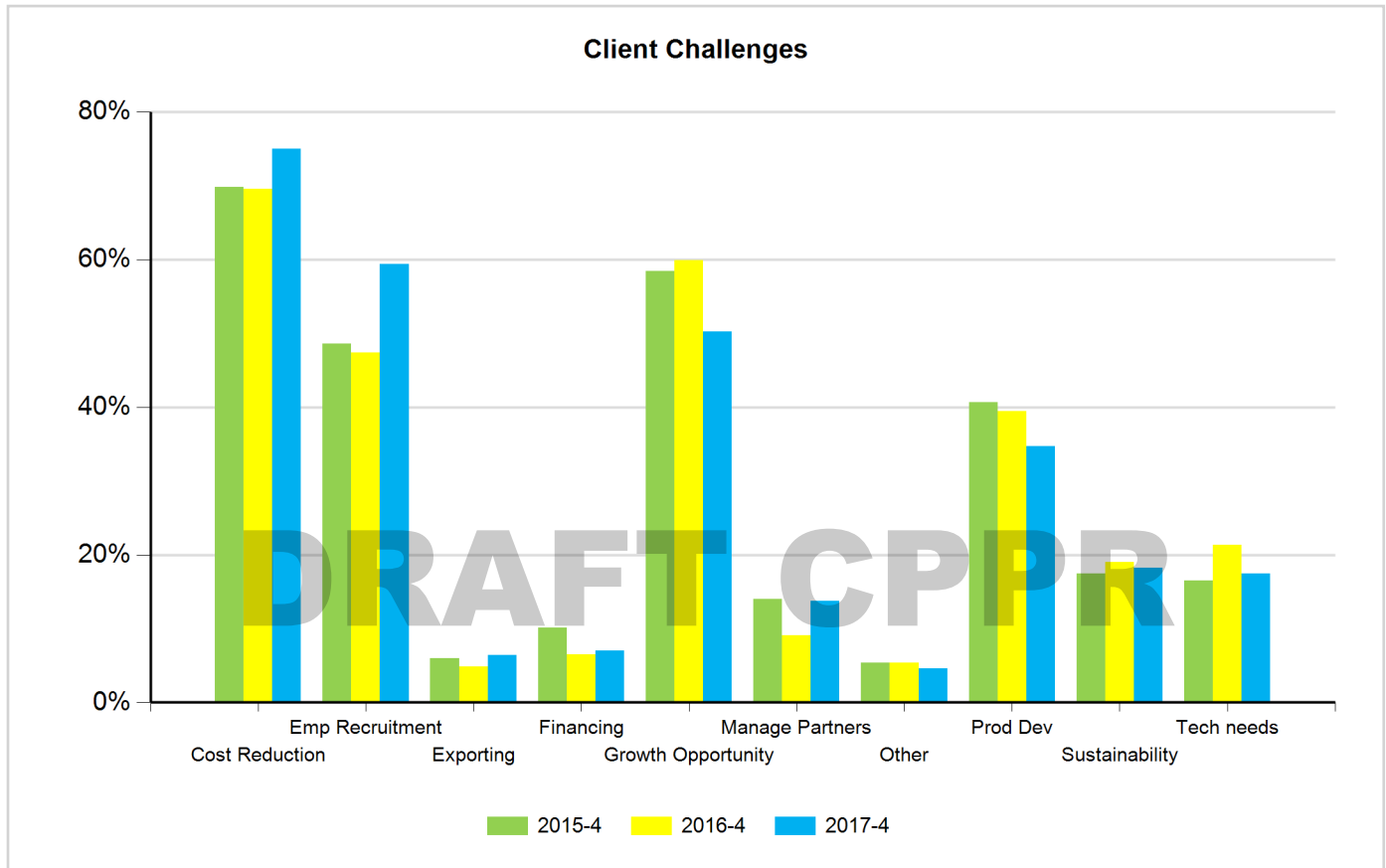
**g. Client Challenges / Needs**



Client Challenges/Needs: The data and graphics provided in the section below are designed to highlight three areas:

- Existing trends of Client needs and challenges
- Center products and services meeting the needs
- Measure of capacity and resource utilization

These data and graphics can also highlight how this information can assist the Center in strategies moving forward to develop more clients and projects, and leverage associated impacts.



## h. Market Assessment

The previous data examined your market across three dimensions – size of company, industry classification, and geography as well as client challenges. Please look at both the trend of your Center over the past three years as well as comparing your Center’s portfolio to the mix of all manufacturers in your state.

### i. Expected Changes

**Do you anticipate any major changes in the types of clients the Center might serve in future years based on this analysis, i.e. further industry targeting, different geographic focus, or new services in response to client challenges or market opportunities for example?**

One of the priorities for this fiscal year is to build a “very small manufacturer” model targeting manufacturers with less than 20 employees. We have conducted voice of the customer research and are seeking to pilot new approaches in late 2018. This effort is expected to harness an on-line learning platform and group learning projects.

**ii. Response to Client Challenges**

**How has your Center responded to the client challenges identified in the bar chart provided above?**

As we expect with many states, we've watched the intensity around workforce challenges grow. We've implemented new employee engagement offerings as well as wrapped various services around workforce solution sets. We've launched a new leadership course targeting front-line and partnered with training organizations.

One significant accomplishment has been receiving \$4.0 million from U.S. Department of Labor for pre-employment training activities focused in the south XXXX region. Center is the lead entity helping to coordinate pre-employment training that leads to a credential and connects manufacturers to the talent.

Center has worked closely with a partner, XXXX Metro Exports, to provide Exportech in XXXX. Given that exports is not often identified, it has made strategic sense to work closely with an expert partner and provide content resources and company outreach.

The reduced challenge in growth and related decline in cost reduction is likely tied to the very strong manufacturing economy. Center continues to provide the operational excellence services and growth services.

**iii. Outreach Strategies**

**To what extent do outreach efforts or changes to strategy reflect focusing on these dimensions?**

Noted above

**iv. Greatest Opportunities of Dimension**

**Which dimension reflects the greatest opportunity to leverage serving more clients?**

Based on the chart, continued work in cost reductions and growth remain the greatest opportunity to serve more clients. Furthermore, we believe there is an opportunity to serve more clients regarding the awareness of Industry 4.0. While it may not result in near term significant impacts or revenue, it offers the potential to be a go-to resource as these topics become more relevant for smaller manufacturers.

**v. Different Dimension - Greater Impacts?**

**Is this the same dimension for leveraging greater impacts? If not, how do you strike that balance?**

See above

**vi. Recent Market Analysis**

**When was the last market analysis completed by the Center? How will the Center regularly update that information going forward, or are there plans for conducting a future market analysis?**

The last in-depth market analysis focused on size, NAICS, and geography was conducted in 2017 as part of the strategic planning process.

For ongoing market insights and analysis, Center uses Hubspot to glean insights into interests and topics of priority.

In 2018, the Center Board is prioritizing a deeper understanding of the Most Valuable Customers by impacts and revenues. This involves using 80/20 analysis to understand the top client users and exploring more deeply about Why Center/MEP as well as understanding their motivators to use outside services as well as needs and wants as business leaders.

## V. Business Model

In this section, the data and graphics are designed to assess the existing and changing needs of clients and services being requested. This section is designed to have the Center consider, and to highlight, how this information can assist in strategies moving forward to develop more clients and projects, and leverage the associated impacts.

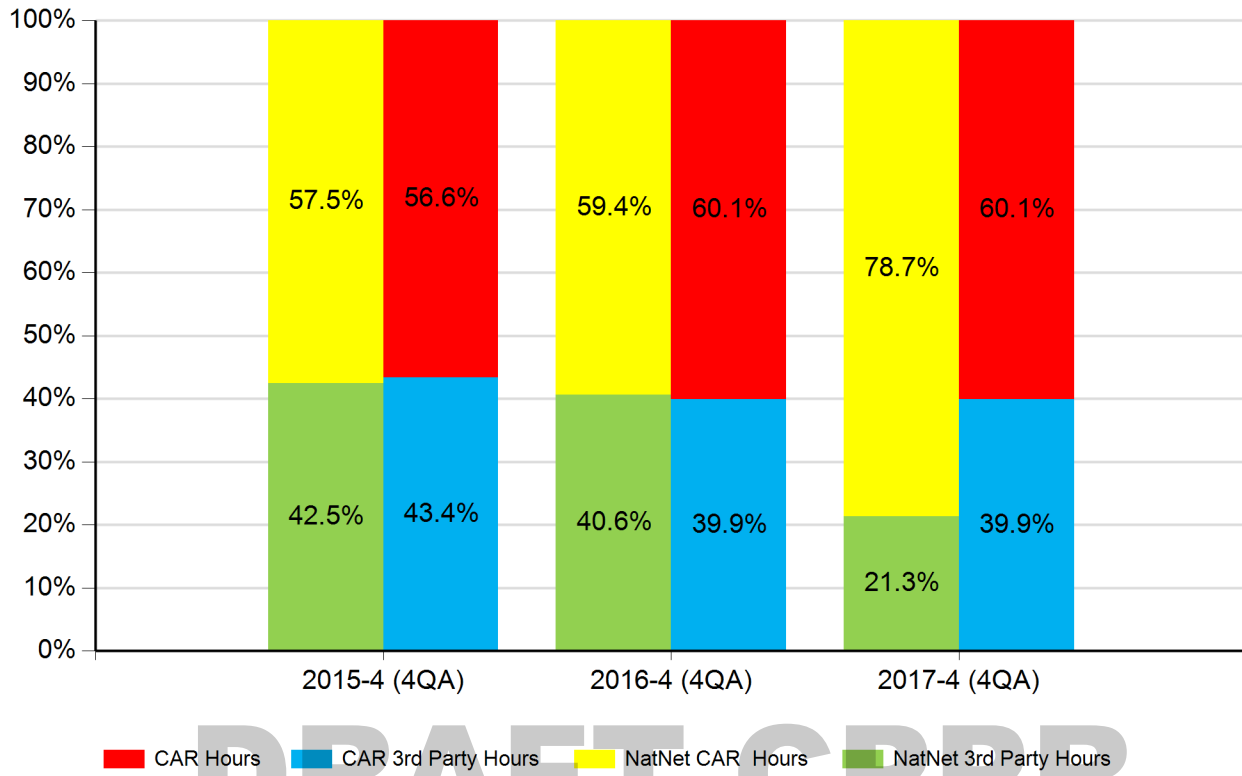
In the bar chart provided below is the Center's distribution of services provided by the Center (in-house) vs. Third Party Service Providers as presented in MEIS. If this information is inaccurate, please update the information in MEIS. **Note: This information is based on hours over the Center's current and two previous operating years.**

### a. Service Delivery by Hours

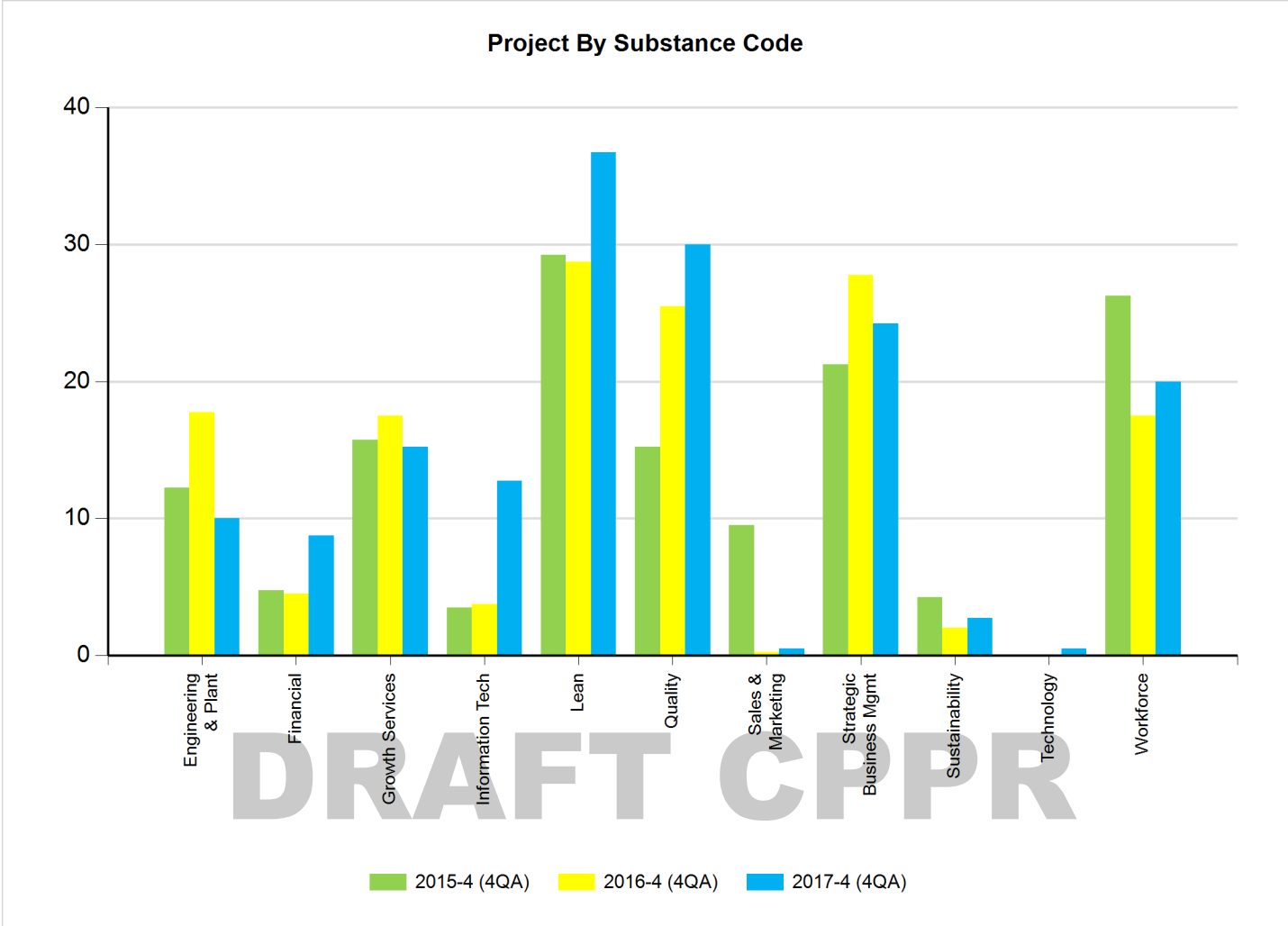
In the bar chart provided below is the Center's distribution of services provided by the Center (in-house) versus 3rd Party Service Providers as presented in MEIS,

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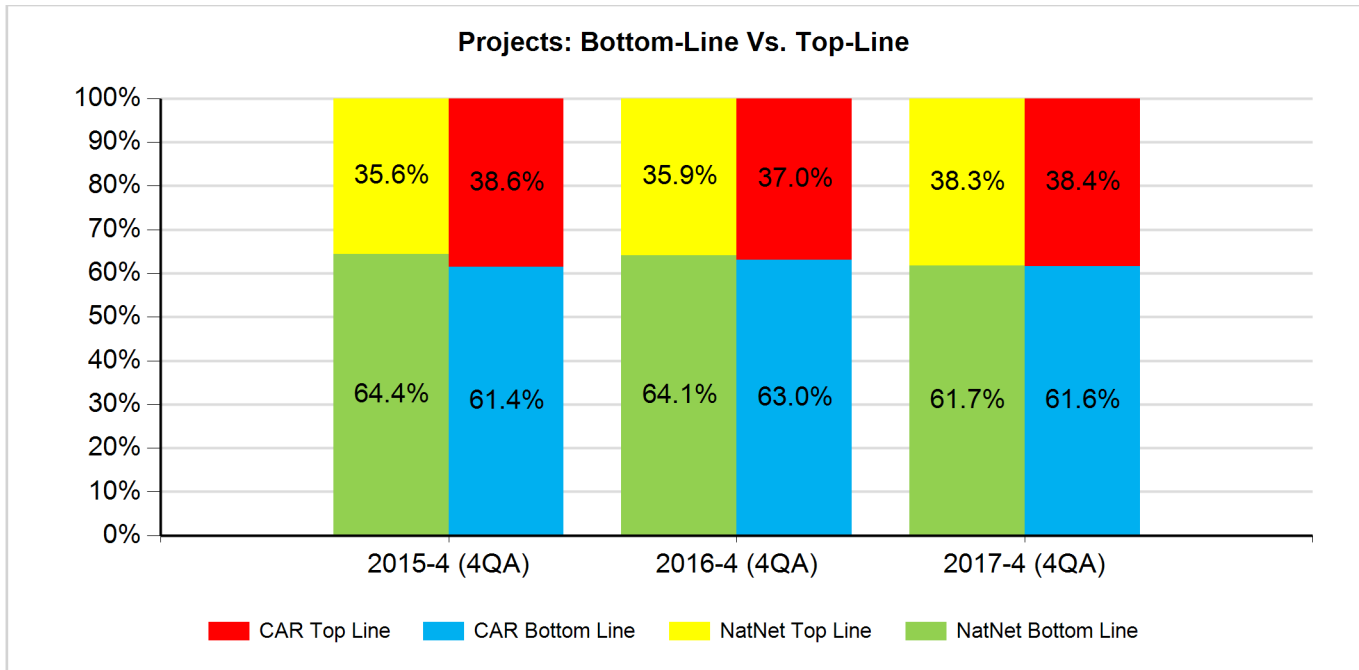
**Service Delivery: 3rd Party Vs. In-House**



**b. Service Delivery by Substance**



**c. Service Delivery Top Line vs Bottom Line**



**d. Based on Your Center's Business Model:**

**i. Process to Identify New Products or Services**

**What is the process the Center uses to identify new products or services?**

The process to identify new products and services begins with listening to the Center Board, clients, staff interactions in their communities, qualitative data from the quarterly survey, and other MEP centers in addition to news and social media platforms. From this input, the leadership team determines appropriate next steps. As one example, feedback from these various listening approaches described the need to refresh current services, embrace new technologies, and create the ability to customize offerings more effectively. This has resulted in the launch of Services 2.0 as a means to refresh and upgrade all service offerings.

**ii. Use of Staff / Contractors**

**How is the staffing or use of contractors deployed to implement new products or services?**

Each new service is determined through its' own merits. This implies a combination of staff interest and expertise as well as the potential market demand to understand costs of staffing. As a result in recent years, new services such as Promoting Business Excellence, succession planning, and QRM have been internally delivered. Alternatively, cybersecurity, digital marketing, and competitive intelligence have become mostly contracted services. Meanwhile, projects like significant plant layouts and automation and ERP implementations are a blend of internal resources and external resources.

**iii. How Sub-recipient Relationships are Managed**

**How does the Center manage sub-recipient relationships so that the brand of the Center and MEP Network is present and acknowledged?**

Center has sub-recipient relationships with four universities. These universities have non-voting representation on the board and are well integrated into the overarching goals and efforts. Each year Center conducts a sub-recipient risk review and mitigation plan, if appropriate, to ensure compliance. The university staff uses the Center and MEP brand.

**iv. If Able to Reinvent, How Would Center Move Forward?**

**If the Center were to start today, what form would the business model take going forward?**

We would establish a model that could allow us to strongly emphasize the leading edge of technologies and services. Match requirements and impact expectations encourage the use of proven services with clear returns on investment that companies are willing to pay for (lean, quality). This is particularly true with small manufacturers that require a short term and clear ROI. Being on the cutting edge means the ROI is less clear and certain. Consequently, small and mid-sized companies are much less likely to pay for services and the impacts are unclear, modest, or long term. We would design a blended funding model that could encourage a portion of staff time devoted to cutting edge services and R&D behaviors combined with delivering the proven services that provide discernible impacts.

If we could go back in time, we would have ensured Center served the whole state from the beginning. The state lost significant scale having two centers for 15 years. And, it has been extremely challenging to take over an effectively dormant region, introducing a new name and refreshing the MEP brand, and achieving results.

**v. Factors for Using Third Party Providers**

**What factors does the Center use to determine the use of 3rd party providers, does the Center see the mix of 3rd party providers changing in future years, if so why and how?**

Market demand, capabilities (expertise), and costs. It is likely the use of 3rd party providers will continue to grow. This is due to the breadth of services we are expected to provide and increasing staffing costs without steadily increasing funding.

**vi. Client Engagement Model**

**Please describe the client engagement model the Center uses, how formal is this model in center staff and 3rd party provider orientation and training?**

Center uses a blended model, with approximately 40% of project delivery performed by 3rd party providers in the past three years.

From a staff perspective, new hires follow a structured one year on-boarding program that includes nearly 200 tasks performed as well as a staff mentor.

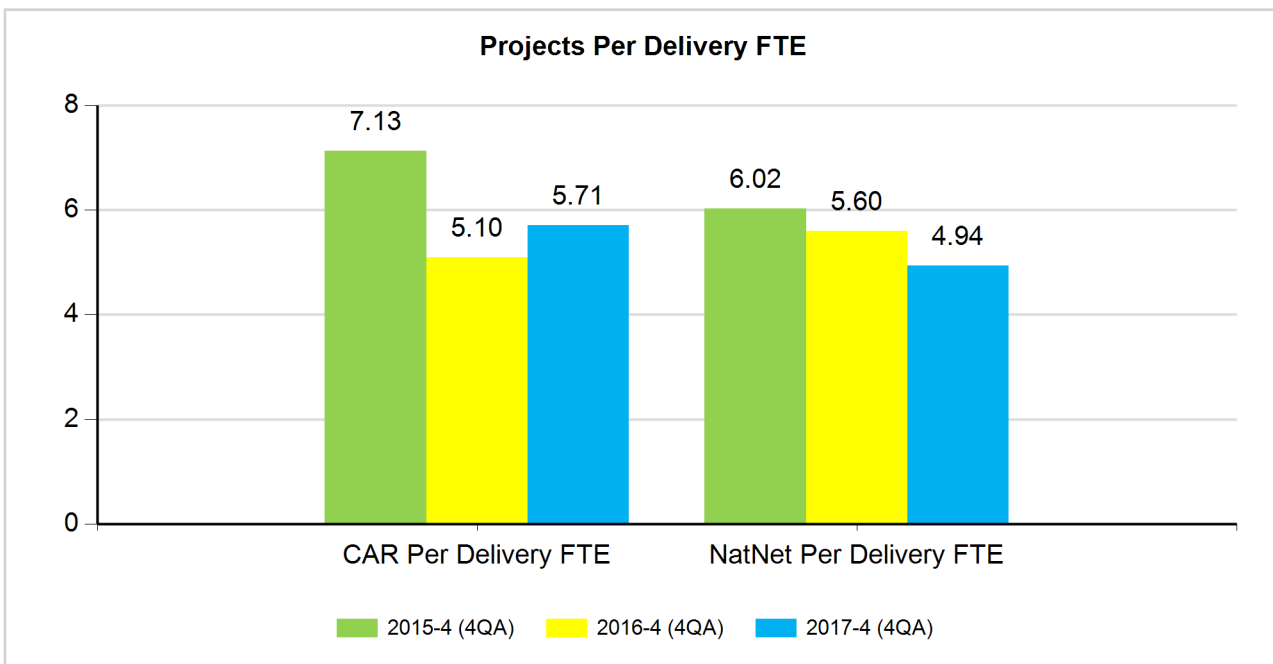
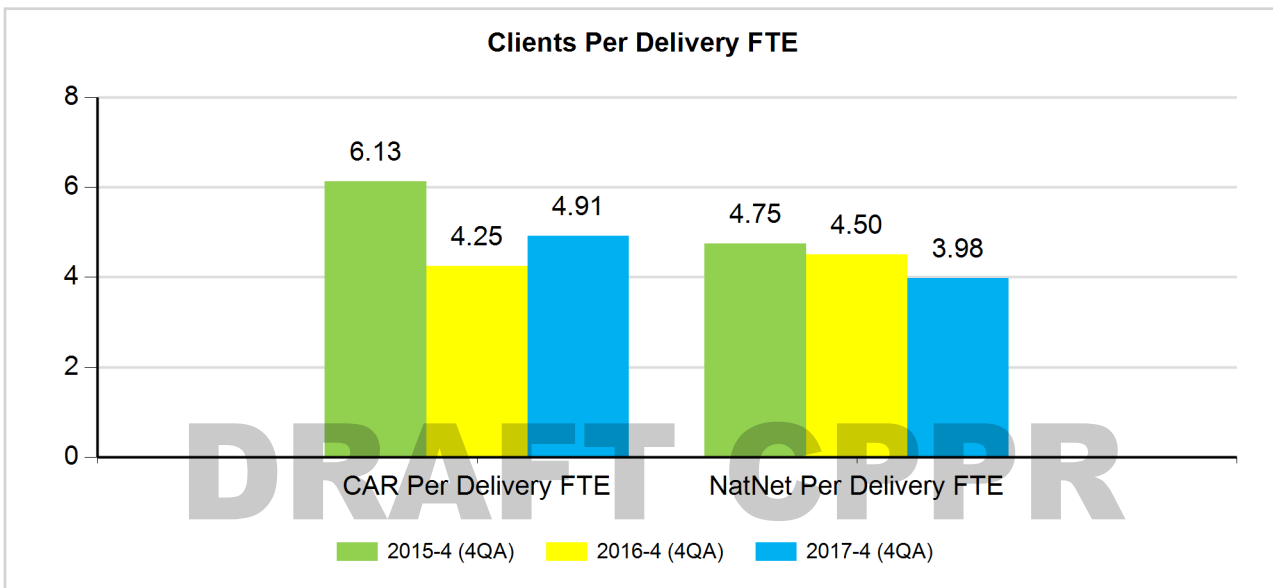
With respect to 3rd party providers, Center performs a subcontractor registration and vetting process. This generally entails a pilot project. The staff is introduced to subcontractors through weekly huddle presentations and coordinated marketing efforts (events). Finally, these providers are reviewed through a rating report based on impacts, revenue, penetration and experience.

**e. Capacity Utilization Indicators**

The following data and graphics provide different measure of capacity utilization over time and against the National Network. The measures are in the areas of:

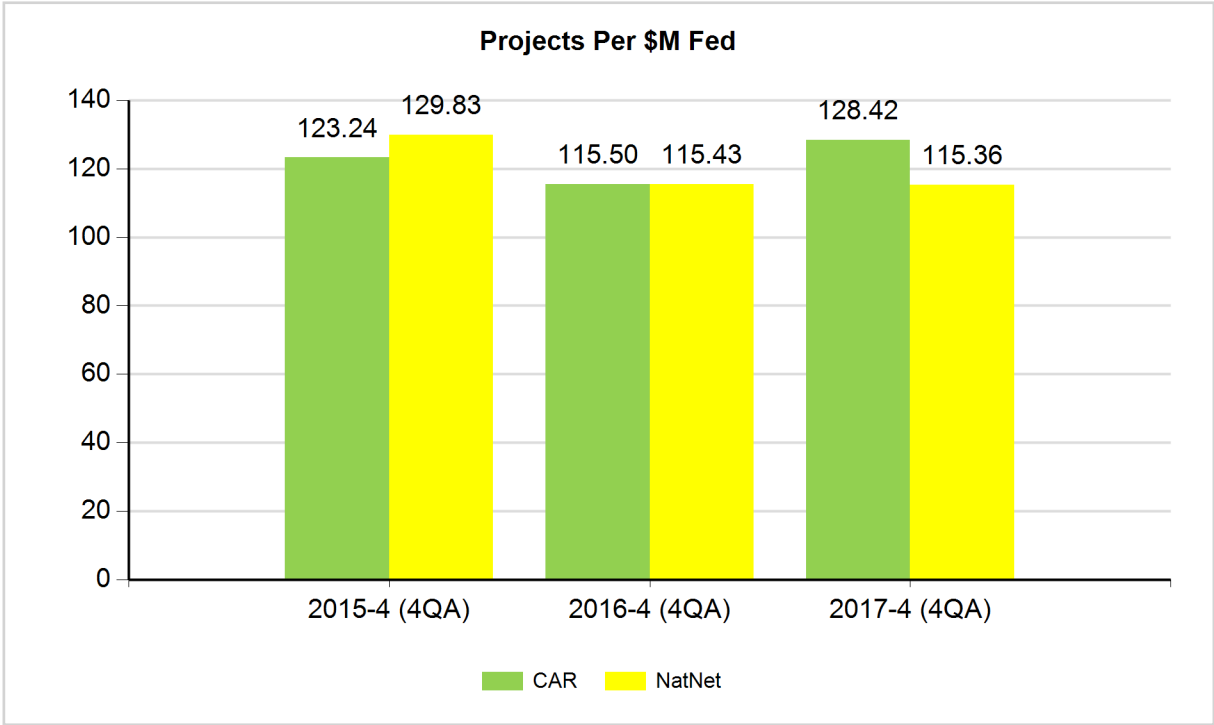
- Usage of delivery employees
- Portfolio mix of the “intensity” of projects
- Revenue generation

**i. Clients and Projects by Delivery FTE**



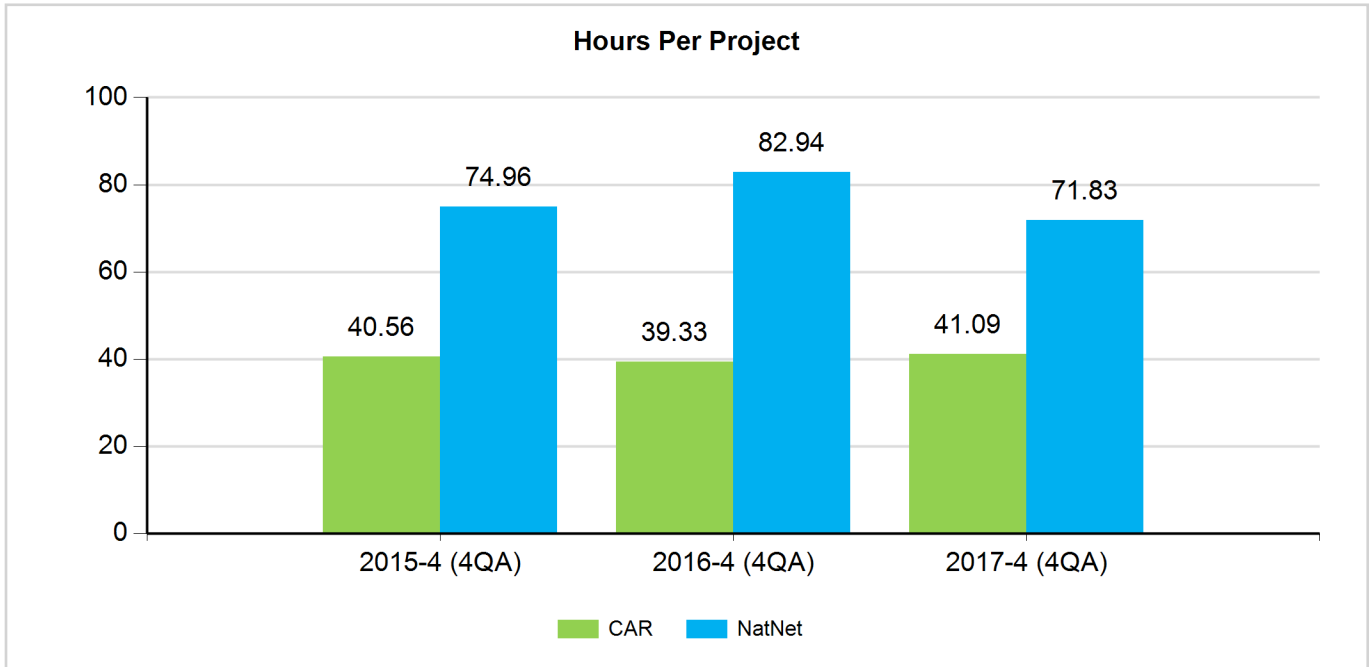
**ii. Projects per Client and per \$M Fed**



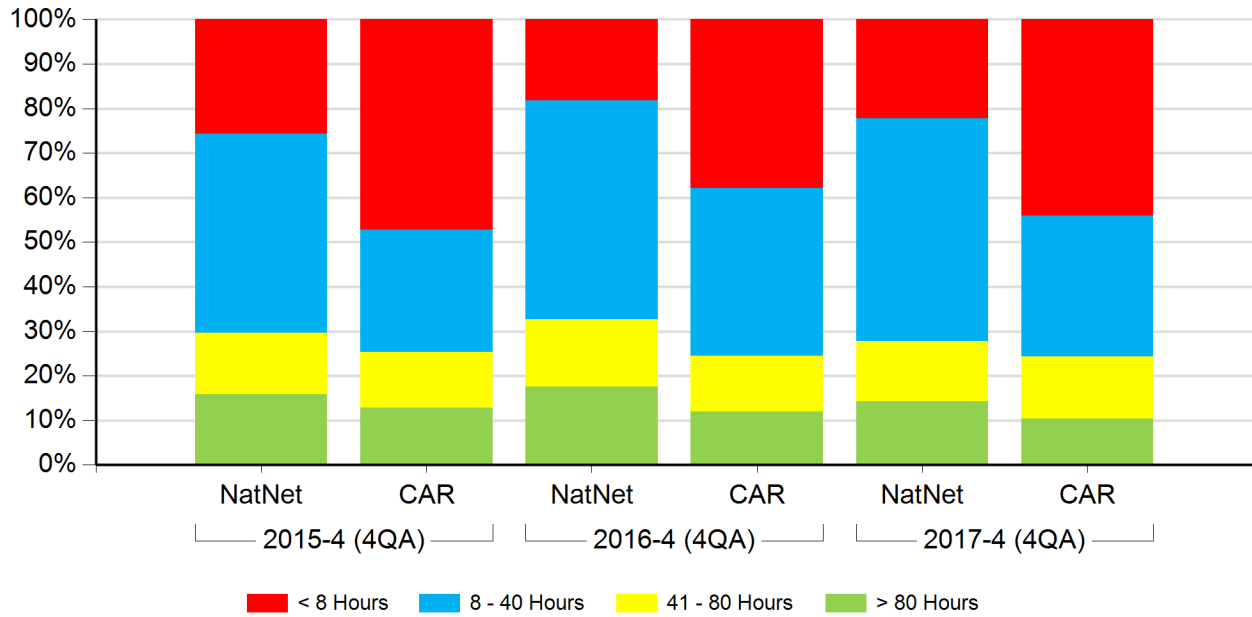


iii. Hours per Project and Project Intensity

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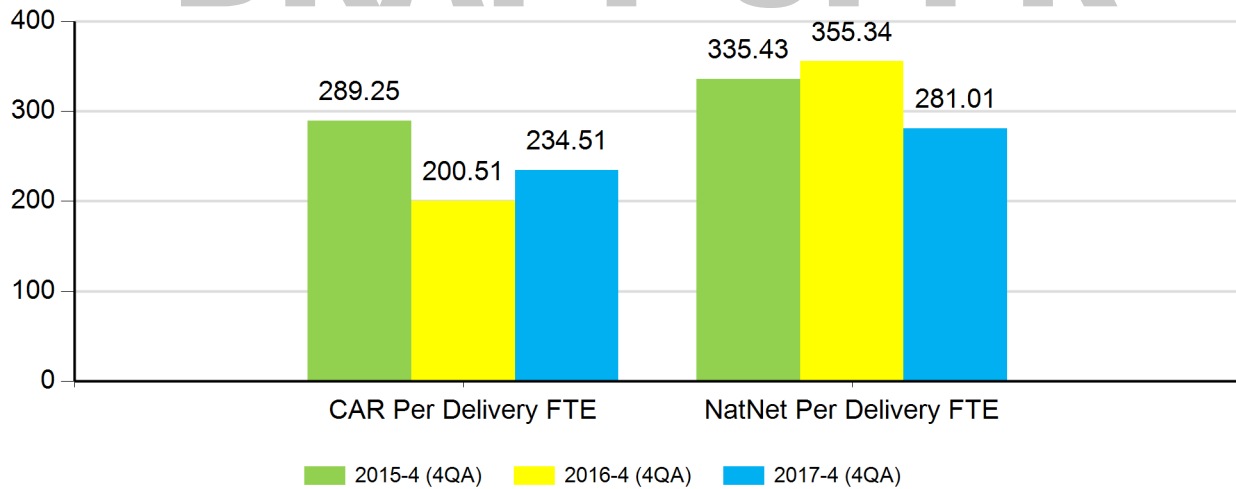
### Project Intensity Distribution

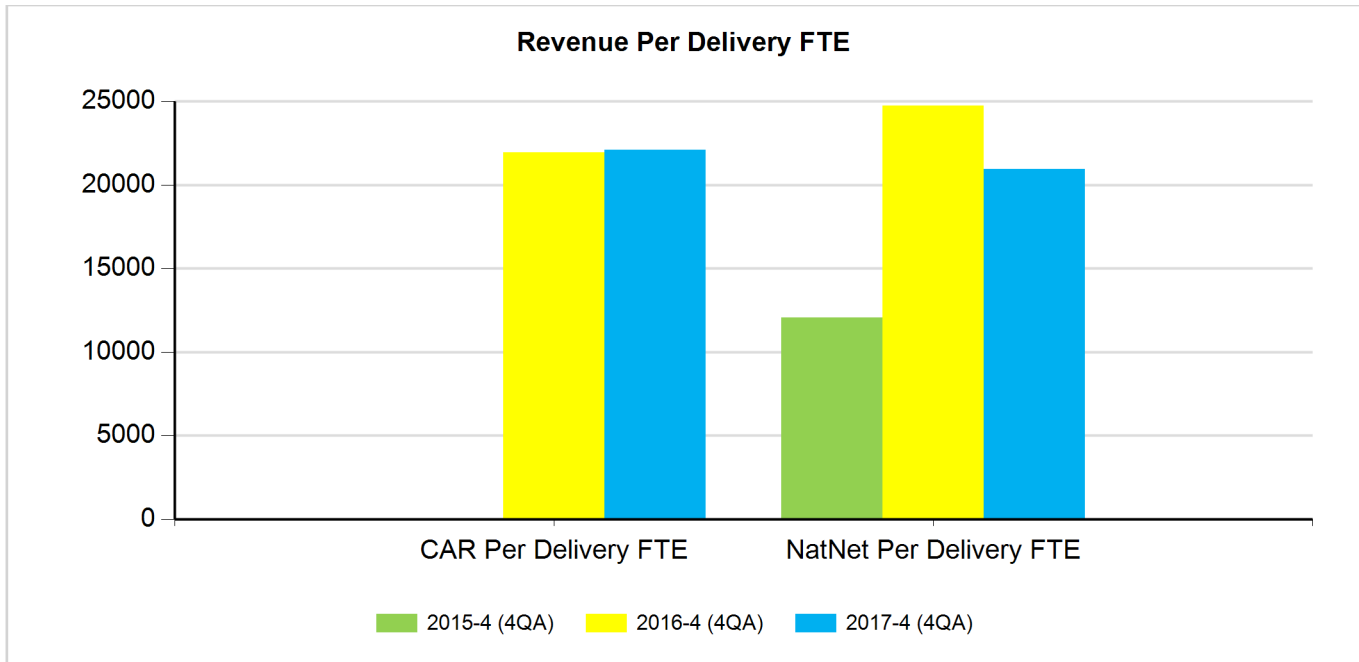


#### iv. Hours and Revenue per Delivery FTE

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### Hours Per Delivery FTE





**v. Based on your Center’s Capacity Utilization Indicators**

**vi. Changes Based on Capacity Utilization**

What changes is the Center considering to enhance the Center's future capacity utilization to serve more clients and have a greater impact?

The primary focus will be penetration of very small manufacturers (< 20 employee). With respect to dollar impacts, Center uses its 80/20 analysis to continually deepen efforts with mid-sized manufacturers in food and fabricated metal sectors. Center will continue to build its’ large project capabilities (automation and ERP).

**vii. Capacity Utilization indicators expected to change**

Which, if any of these indicators would the Center expect to improve performance in the future, and how might that be achieved?

As outlined in the strategic plan, revenue/ FTE is a strategic measure. This measure provides a focus on the efficiency of revenues (projects) generated by the center as related to costs (headcount). We are striving for a 46% improvement over five years. In order to achieve this goal, Center will remain focused on operational efficiencies including "cost of sale", the appropriate use of third-parties, growing project breadth with companies.

The regional and state dashboards have staff utilization metrics to monitor performance and to focus improvements.

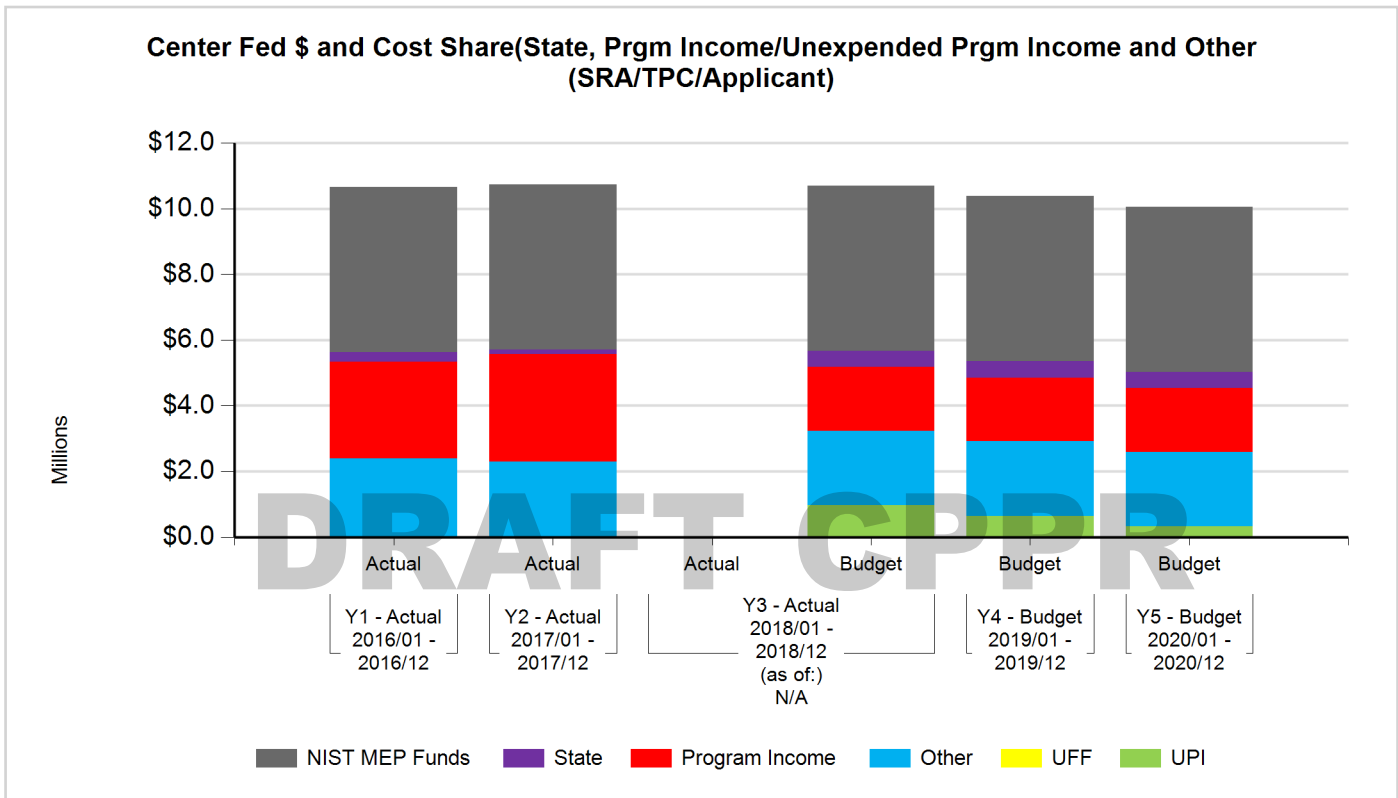
## VI. Financial Viability

In this section, the focus is on the mix of the Center’s Cost Share Portfolio. It identifies changes since the start of the new cooperative agreement. The Center may choose to share strengths and/or challenges related to the overall financial structure of the organization in Section II of the CPPR.

**a. Federal, State, Program Income and Other Funding**

Provided below is a more detailed bar chart of your Center’s Federal funding and Non-Federal cost share for Years 1-5 categorized by Federal, State, Program Income and Other. The category identified as Other includes Sub-recipients, Third Party In-Kind and Applicant cost share.

Please note that Years 1-2 and 3 are actuals. Years 4 and 5 show projected cost share.



**Notes:**

- **UFF** - Unexpended Federal Funds
- **UPI** - Unexpended Program Income

**b. Center Federal Funding - Requested vs Expended**

The table provided below identifies the Center's requested annual Federal funding and Non-Federal funding vs. what the Center expended for Years 1-2. Year 3 shows what has been expended as of the latest reported quarter by the center. Also identified in the table is the Center's projected Federal funding and Non-Federal cost share for Years 4 and 5.

**Eligible Federal Funding: \$5,029,910.00**

	Year 1		Year 2		Year 3	
	Actual as of: 2016-12-31	Budget	Actual as of: 2017-12-31	Budget	Actual as of: N/A	Budget
<b>Revenue (Federal and Non-Federal Cost Share)</b>						
NIST MEP Funds	\$5,029,910.00	\$5,029,910.00	\$5,029,910.00	\$5,029,910.00		\$5,029,910.00
NIST MEP Supplemental Funds						
Unexpended Federal Funds (From prior operating year) to be used ABOVE base						
Unexpended Federal Funds (From prior operating year) to be used TOWARD base						
Applicant Contribution Cash						
<i>State/Local Funds</i>						
State/Local Cash	\$293,184.84	\$750,000.00	\$138,032.86	\$750,000.00		\$500,000.00
State/Local In-Kind						
Unexpended Program Income (From prior operating year)				\$417,624.00		\$966,693.00
Program Income	\$2,960,010.78	\$2,500,000.00	\$3,287,259.18	\$2,500,000.00		\$1,940,866.00
<i>Total Other</i>						
Total Other Cash	\$1,806,133.65	\$1,851,697.00	\$1,817,817.48	\$1,851,697.00		\$1,759,817.00
Total Other In-Kind	\$577,081.36	\$345,837.00	\$466,722.04	\$345,837.00		\$506,996.00
<b>Total Revenue (Federal and Non-Federal Cost Share)</b>	\$10,666,320.63	\$10,477,444.00	\$10,739,741.56	\$10,895,068.00		\$10,704,282.00

	Year 4	Year 5
	Budget	Budget
<b>Revenue (Federal and Non-Federal Cost Share)</b>		
NIST MEP Funds	\$5,029,910.00	\$5,029,910.00
NIST MEP Supplemental Funds		
Unexpended Federal Funds (From prior operating year) to be used ABOVE base		
Unexpended Federal Funds (From prior operating year) to be used TOWARD base		
Applicant Contribution Cash		
<i>State/Local Funds</i>		
State/Local Cash	\$500,000.00	\$500,000.00
State/Local In-Kind		
Unexpended Program Income (From prior operating year)	\$644,462.00	\$322,231.00
Program Income	\$1,940,866.00	\$1,940,866.00
<i>Total Other</i>		
Total Other Cash	\$1,759,817.00	\$1,759,817.00
Total Other In-Kind	\$506,996.00	\$506,996.00
<b>Total Revenue (Federal and Non-Federal Cost Share)</b>	<b>\$10,382,051.00</b>	<b>\$10,059,820.00</b>

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### **c. Additional Information Related to Financial Viability**

**If there is key financial information the Center feels would assist the Panel in completing their evaluation, please use the area provided below to communicate this information.**

None

#### **i. Potential Challenges/Barriers to Meet Cost-Share Requirements**

**What would the Center identify as a potential challenge/barrier for meeting the program's cost share requirement?**

A significant economic downturn is one potential challenge to meeting the cost share requirement, since Center's cash match is heavily dependent on client fees. Center maintains six months of reserves to be able to withstand such challenges.

A challenge remains with the inconsistent financial participation of the state. Although it is not a significant barrier to achieving the cost-share requirements, it limits the potential of the center.

#### **ii. Effect of State Funding**

**Please describe any state funding the Center receives (direct or indirect) and how it affects the centers programming, market penetration or impact achievement?**

The center has not received consistent state funding for over ten years. Over the past four years, the state has gone without a budget or has had a budget with relevant funding allocations not released by the Governor's office.

The effect of the state funding situation is that we do not plan for it to occur while we continue making advocacy a priority. Center is in the FY 19 state budget. If that comes to fruition, Center will be highly thoughtful for how to most effectively deploy the funding particularly since the possibility exists of no funding in subsequent years.

#### **iii. Plans for Building Capacity**

**Does your Center anticipate building capacity for investing in new initiatives in the future? If so, please provide a bulleted list not to exceed 3-5 initiatives.**

- Center has undertaken a priority this year called internally Services 2.0. This is a complete review and update of current services, improvements to instructional design and the use of technology to share services.
- Industry 4.0 services (cybersecurity, technology integration, etc)

#### **iv. Expectation of Steady Cost-Share**

**In reviewing the Center's cost share shown in Section b above, does the Center anticipate sources of cost share to remain steady? If not, please describe your Centers contingency plan and the possible impact that may have on the performance of the Center.**

Described in prior sections

## VII. National Network Citizen

### a. Contribution to National Network

**How has your Center contributed to the performance of the National Network? This may include the sharing of resources and capabilities, assistance for in-state and/or multi-state projects, intelligence gathering, etc.**

Center leadership has served as an informal mentor to four other centers in the past year. This has included benchmark discussions and related resources, as well as brainstorming to improve results or deal with challenges that center is facing.

To ensure we have a cohesive approach for shared resources and capabilities with other MEP centers, Center has a protocol for any out of state projects to ensure a highly coordinated approach with the local MEP center. In the past few years, there have been 48 out-of-state projects coordinated with other state MEPs. During Center's proposal stage, the system creates a flag for "out of state" client work. This flag notifies the President and creates a communication plan with the other MEP center if not already underway. This is to ensure proactive communications occur with appropriate state MEPs for determining the best approach to serving the client. Center has provided staff expertise to multiple states in areas from supply chain to lean and market growth.

Also, Center turns to neighboring states for skills and capacity as appropriate. Some examples include added ISO capacity from Missouri Enterprise and six sigma expertise from the Purdue MEP.

Center served in the lead role for the MEP Center team that created the Supply Chain Optimization (SCO) services that provided training on services and resources to the system.

Center, in close collaboration with the Purdue MEP, is working on the DMDII embed project. Outputs of this work include a digital assessment and train-the-trainer resources for the MEP system. Approximately thirty centers will have been trained in the use of the tools and services by the completion of the project.

### b. Leveraged National Network

**How has your Center leveraged the National Network to influence and improve your Center's overall performance?**

The information provided prior also means Center has leveraged the Network because any MEP interaction naturally becomes a two way street providing Center the opportunity to learn and improve.

One of the most effective and beneficial activities have been the annual best practice conferences. This presents the singular most important time to have several Center staff engaged with the other centers to network and learn from others.

Center has been engaged with staff from all the Institute embed projects to learn about their work and ways to integrate efforts into our in-state work.