



YEARLY ACTIVITY PLAN (YAP) - FY '08

Division/Attached Agency: High Technology Development Corporation

Program Name: Manufacturing Extension Partnership (MEP) Program

Program ID: BED 143

I. PROGRAM PLANNING

Problem, issue or opportunity statement: Describe the problem(s), issue(s) and/or opportunity(ies) your program is attempting to respond to. Identify the participants (individuals, companies, industry sectors, etc.) engaged in this problem, issue and/or opportunity.

Most of Hawaii's manufacturing businesses are small due to the resource and geographic constraints we face. The smaller manufacturers must be able to compete with the global economy with lower costs. Two of the most significant and common factors among Hawaii's small manufacturing businesses are the lack of know-how of their existing business processes that limit productivity, and secondly, their lack of access to affordable and high quality business counseling. Results from NIST MEP centers across the country have shown that businesses that practice the core concepts of MEP such as "lean manufacturing" are better equipped to improve their productivity and bottom line performance in a competitive market.

The Manufacturing Extension Partnership (MEP) program has been hosted by HTDC for the last 4 years. The host is required to provide a 2:1 match: for approx. \$437K of the federal dollars we receive, HTDC raises double that amount with a combination of consulting revenues, in-kind match from HTDC and its partners. MEP's attachment to HTDC has become more fruitful and strategic since NIST MEP has recently focused on innovation as a critical component to the traditional manufacturing value stream areas. MEP works together with other HTDC core programs, especially the SBIR program, to help accelerate innovative products to market (e.g., SBIR monies awarded to companies may be better leveraged via MEP consultants optimizing the companies' spending; revenues to MEP can then fund assistance activities for other Hawaii companies to be able to win SBIR awards, augmenting activities our budget allotment alone is not sufficient to cover). Given this close partnership, HTDC-MEP is able provide an opportunity for many of Hawaii's businesses to receive affordable consulting from very early stages through product commercialization, where significant revenues and job creation can be realized.

Need and partners: Specify the need for government intervention. Provide supporting evidence. Identify any partners you will be working with to address the problem, issue and/or opportunity.

HTDC-MEP is a federally subsidized program which provides low-cost one on one assessment of each client needs and follows ups with technical assistance to help them learn how to apply leading edge technologies and business streamline techniques. As a program aligned under HTDC, HTDC-MEP share a common goal is to support the development and growth of Hawaii's commercial high technology industry. In the past, MEP was attached to other entities, many of which could not meet the metrics, usually the 2:1 matching, for NIST to continue to fund the program. The strategic relationship between MEP and HTDC, due to HTDC's core competency area (SBIR assistance) has made it possible for the State of Hawaii to continue to receive the MEP funding. Because of our State's geographic remoteness, it is important for Hawaii companies to be able to access a network of consultants nationwide in very specialized areas of commercialization and manufacturing.

Desired results (outputs, outcomes and impacts): Identify desired results, what success will look like, by describing what you expect to achieve near (0-2 years) and long-term (2-6 years).

Note: This form was created using the W. K. Kellogg Foundation Logic Model Development Guide, January 2004.

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Short Term (one year) – meet new federally mandated Minimally Acceptable Impact Measurements (MAIM). As of July 2007, new tougher performance requirements take effect.

New requirements is total weighted score of 85 points:

- Bottom Line Client Impact (client's cost saving +15% of client's sales): >\$2.3M
- Investment Leverage Ratio (client's new investment / federal funding*): \$1.8M
- Impacted Clients per Million Fed: 15 clients
- Clients Served per Million Fed: 90 clients

*Federal funds awarded to HTDC-MEP: \$437K

Long Term:

- To become the recognized source of assistance for manufacturing and dual use companies in Hawaii.

Influential Factors: List the factors you believe will influence your ability to impact the problem or opportunity. (Things that support success and barriers to success.)

- Because HTDC-MEP is part of a national network of 350 MEP centers nationwide, our program offers the latest training tools available to train Hawaii manufacturing companies to become more profitable and able to compete with larger companies on the mainland.
- HTDC provides MEP Program with critical administration, overhead and shared high tech and manufacturing client leads.
- Integration with the SBIR program will provide a source of potential clients to HTDC-MEP, and will contribute to achieving its federally mandated quarterly goals.

Strategies: List the general successful strategies or "best practices" that have helped other programs achieve the kind of results your program promises.

- HTDC-MEP and SBIR have created a business feeder process that can benefit both programs by leveraging each other services; SBIR providing the start up funding for R&D and prototyping, then followed by MEP to grow the business and take its product to commercialization.
- HTDC-MEP provides customized training/implementation sessions tailored around each client's needs. The workshops not only help Hawaii companies gain useful information to stay competitive, it also works as a feeder to generate revenues or metrics required by NIST MEP for us to continue to qualify for the funding. Each project is owned by a HTDC-MEP Project Manager and is a single point of contact throughout the entire project, once the client is signed up (through workshops or otherwise).

Assumptions: State the assumptions behind *how* and *why* the change strategies you have identified will work.

MEP's strategies to improve the competitiveness of companies have been justified at the national level by NIST. HTDC's strategies for MEP, in turn, have been validated by a panel of experts assigned by NIST. Because we are quantitatively held accountable via strict national standards on a quarterly basis, NIST and HTDC can quickly identify which strategies worked in the recent past and to be able to make improvements. The current strategies have been considered best practices by NIST and we have seen it work in Hawaii, as it was through these methods that we were able to successfully come out of our probationary period last year. In efforts to support DBEDT's Innovation goals, HTDC-MEP has aligned itself on a national level with NIST to learn about new Innovation ideas that will improve productivity and over all bottom line performance in all manufactures and small businesses. HTDC-MEP plans to bring these new ideas and technique to Hawaii companies so that they will be able to compete with other companies on the mainland.

II. PROGRAM IMPLEMENTATION

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Resources: Describe the resources or influential factors available to support your program.

- National Institute of Standards and Technologies (NIST) part of the Department of Commerce
- Host partnership HTDC and SBIR Program
- Partnerships with other economic development organizations, including HTDV
- Partnerships with other business service organizations and consultants to cross-refer appropriate leads and co-market services

Activities: Describe each of the activities you plan to conduct within your program.

- Lean, information and training workshops for the local manufacturing community.
- "Town Hall" info-share sessions on every island local manufacturing companies to listen to the community and understand what kind of issues/problems they are experiencing.
- Become more involved with Hawaii's high tech dual use communities to learn about current issues, and to market HTDC-MEP and SBIR program.

Outputs: For each program activity, identify what outputs you aim to produce

Focus training and learning around Strategic Management – Emphasize "growth-focused solutions" for our clients:

- making companies competitive
- growth management
- product development
- supply chain positioning
- highly skilled / highly involved work force

Outcomes: Identify the short-term (0-2 years) and long-term (2-6 years) outcomes you expect to achieve.

Increase the number of Hawaii's manufactures that utilize the most effective and appropriate manufacturing techniques that will quickly increase productivity and help them become more competitive in the U.S. global market.

Impact: Describe the lasting impact you anticipate.

To increase the number of local companies manufacturing "Made in Hawaii" products; for companies to retain specialized skilled workers; to enable companies to invest in new manufacturing technology that will improve the next generation products.

III. PROGRAM EVALUATION

Focus Area: From your program logic model, list the components of the most important aspects of your program.

- Affordable business consulting service
- Customized training for manufacturing and non-manufacturing (supply chain) companies.
- Improve marketing: General interest seminars and workshops to attract new leads

Audience: Identify the key audiences for each focus area. Who has an interest in your program?

Small to medium size businesses that are willing to make changes to invest time, money, and people to improve their business.

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Questions: For each focus area and audience, list the questions they may have about your program.

- How can HTDC-MEP help my company?
- Can HTDC-MEP help non-manufacturing companies?

Information Use: For each audience and question you have identified, identify the ways you will use the evaluation information.

HTDC-MEP forwarded Hawaii client feedback to NIST, relating to the types of small businesses requesting assistance. NIST has recently focused on the importance of assistance the “front end” of manufacturing—the innovation process. Subsequently NIST is now encouraging MEP centers to assist businesses with innovating or developing new products.

Indicators: Describe what information can be collected that would convey the status of your program.

Minimally Acceptable Impact Measurements scores from NIST; our clients’ return on investment after the projects are completed.

IV. ALIGNMENT

How is your program linked to DBEDT’s six strategic objectives?		
1.		Workforce Housing
2.		Workforce Development
3.		“Energy For Tomorrow”
4.	x	“Global Links/Export of Goods and Services” (Export Readiness Training Program)
5.	x	The Creation Of An “Innovation Infrastructure” (assisting SBIR companies to create their prototypes for commercialization)
6.	x	Improve Hawaii’s Small Business Environment (workshops to address small biz needs: e.g., energy efficiency, family business planning, etc.)

If your program is not linked to any of the six objectives, explain why it is still important.