

**MINUTES OF THE MEETING OF THE
NATIONAL TECHNICAL INFORMATION SERVICE ADVISORY BOARD
AUGUST 25, 2011**

Location: NTIS, 5301 Shawnee Road, Alexandria, Virginia 22312

Present: John Regazzi (Chairman) and Board Members Jose-Marie Griffiths, Judith Russell, and Robert Friedenber. Also in attendance: NTIS Director Bruce Borzino, NTIS Senior Staff and the Designated Federal Officer for Federal Advisory Boards.

The NTIS Advisory Board was called to order by Chairman Regazzi at 9:00 a.m. The Chairman recognized the Director, Mr. Bruce Borzino, who welcomed the Board and provided a brief overview of the agenda. The Chairman thanked the NTIS staff for facilitating the meeting. He noted that the previous meeting of the Board had focused on a detailed explanation of NTIS operations and that he expected this meeting to focus on strategic issues. He indicated that as the Board's recent practice has been to meet twice a year for one-day sessions, he suggested that in the future the Board devote one meeting to operational aspects and one to strategic issues. The Board members expressed general assent.

The Chairman then recognized the Director, Mr. Bruce Borzino, who offered welcoming remarks and provided the NTIS strategic vision for the period 2011-2016. The Director described three strategic initiatives, their objectives, and the goals of each objective. These initiatives include (1) improving NTIS business operations and results through workflow and process improvement; (2) improving the effectiveness of NTIS scientific and technical collection and federal information services; and (3) improving workforce excellence. The Board generally agreed that these were appropriate goals that should continue to guide NTIS strategic thinking.

Mr. Wayne Strickland, Manager, Program and Product Management Division, then described NTIS Clearinghouse and Repository product lines of business (LOBs) and how they are expected to evolve during the period 2011-2016. The product LOBs were divided into four basic categories: (1) the National Technical Reports Library (NTRL); (2) the NTIS Clearinghouse; (3) Publishing; and (4) New Business/Products. He was followed by Ms. Elizabeth Shaw, Associate Director for Federal Services, who described the 6 Federal services LOBs, which are (1) E-Training, (2) Digitization Services, (3) Web Services; (4) Distribution Services; (5) Federal Energy Information Management; and (6) New Business/Services.

The members agreed that the LOBs all made sense when considered individually, but that NTIS needed to develop a clearer statement of how they fit together to form a unified plan. The Chairman and Mr. Friedenber asked for clarification as to how they were developed and observed that in the absence of a unified mission statement, it could appear that NTIS developed the product LOBs to support the statutory Clearinghouse and Repository mission and developed the Federal services LOBs to support that mission's long-term sustainability. The members generally concurred. The Director explained how services were an integral component of NTIS' offerings under its organic statutes as well as its strategic plan, but agreed that more attention

needed to be paid to expressing both product and Federal services LOBs as complementary parts of a unified NTIS mission.

The Chairman expressed the view that care had to be taken in assessing risks in making LOB decisions – noting that an incorrect assessment could cause NTIS not only to take risks it should not, but could cause NTIS to discontinue offerings that might be beneficial. For example, he noted that the discussion of the NTRL LOB revealed that NTIS planned to phase out its long-term product, Selected Research in Microfiche. The Chairman suggested that NTIS take care not to phase out products where risk is low but demand continues. This led other members, particularly Ms. Russell and Dr. Griffiths, to urge NTIS to do all it could to ensure that in making LOB decisions, customer needs were being met, particularly as customers, such as universities, were facing budget crunches. The Director assured them that customer needs were given careful consideration not only on the product side, but on the services side as well, as agency-customers are facing their own budget issues at a time when the Government was committed to reducing the Federal debt.

Dr. Friedenbergh observed that while customer satisfaction was important, NTIS did not have to be reactive in assessing LOBs; it should look for opportunities to drive the market and focus on the knowledge worker, not just librarians. He then suggested a matrix to help NTIS more accurately ascertain whether an LOB goal was to protect current markets or derive new revenue either from new or current customers.

Returning to the published agenda, the Director, along with Mr. Strickland, Ms. Shaw and Mr. Donald Hagen, Associate Director for Product Management and Acquisitions, described NTIS accomplishments thus far under the Strategic Plan, and briefly described how various LOBs could be viewed as tactical components in accomplishing the initiatives, objectives and goals of the Strategic Plan. The Board members suggested that NTIS should focus on developing metrics for measuring success in its LOBs, particularly with respect to services (e.g., did NTIS deliver on-time and within the agreed-upon scope?), differentiate between core and non-core activities, and consider developing a checklist to identify what was accomplished and learned when NTIS completed a service. Looking at the product side, the Board members noted that while NTIS envisioned creating repositories for individual federal agencies, it was well positioned to serve as an “honest broker” in creating subject-matter repositories, which Dr. Griffiths referred to as “disciplinary repositories,” that cut across agency lines.

Following a short break, Ms. Mary Houff, NTIS Chief Financial Officer, provided an overview of NTIS business performance, comparing its actual results in FY 2009 and 2010, budget and FY 2011 year-to-date results as of July 31. Ms. Houff provided additional detail on how specific activities fared in FY 2009, 2010 and the first ten months of FY 2011. The material showed that NTIS had thus far achieved 75% of its net goal for FY 2011 and that revenue for the first ten months of FY 2011 was 65% more than it received in all of FY 2009. The material also demonstrated that net revenue for services was increasing but that net revenue for products had shown a loss in each of the periods surveyed. Ms. Shaw and Mr. Hagen provided additional detail in their respective areas.

The Chairman expressed general confidence in NTIS financial performance, noting that when revenue is expressed as a function of the number of employees over time, NTIS was doing quite well by industry standards and that it appears that NTIS had reacted well to the changes that

were occurring throughout the information industry. However, he and the other members expressed concern about the losses on the product side. They observed that it is incumbent upon NTIS to decide precisely when to exit from an unprofitable LOB or product line within an LOB. The Board expressed concern that to do otherwise would drive up the cost of providing services and jeopardize NTIS overall financial status. Ms. Russell added that high prices for products had been one of the reasons an earlier Administration had cited for terminating NTIS and NTIS should be especially prudent about anything that could raise similar concerns about the cost of its services.

At the same time, the Board acknowledged the Director's observation that unprofitable products still derive revenue and that eliminating them would not necessarily improve NTIS's bottom line unless their costs could be offloaded completely. Otherwise, many of the same costs would still exist, be allocated to other products, services, and overhead and have the same undesirable consequence. The Director also observed, and the Board noted, that the material distributed showed that losses on the product side were substantially lower in FY 2010 as compared to 2009 and that while they were up somewhat in FY 2011, a good deal of the costs incurred were investments in the development of the NTRL Open Environment and Agency Repository program. The Director further noted that while this all suggested a more benign analysis of product finances, he also pointed out that one of NTIS's key product lines, the Death Master File, might not yield the same revenue stream as it has in the past because of changes that the Social Security Administration was planning to make. The Director and Board agreed with Dr. Friedenberg's suggestion that, under these circumstances, NTIS' focus should be on generating revenue rather than on cutting costs.

Following a brief lunch break, NTIS Senior Staff then presented the Board with its "SWOT" analysis. Mr. Strickland described NTIS's strengths, noting in addition to other factors, the comprehensiveness of its collection, its culture, and the strength of its brand. Mr. Steven Needle, the Senior Policy Analyst and the Board's Designated Federal Officer (DFO), described the agency's weaknesses, noting the need for substantial investments, an aging workforce, and the costs associated with collecting and maintaining material solely for research potential rather than sales potential (the "public good function") for which appropriations are not provided. Mr. Hagen and Ms. Shaw discusses opportunities in their respective areas, most of which are being addressed in NTIS strategic initiatives. With assistance from Mr. Keith Sinner, NTIS Chief Information Officer, Ms. Shaw and Mr. Hagen described the threats to NTIS, most of which centered on shrinking customer awareness of NTIS for scientific and technical information, reduced importance of federal R&D to the corporate and public sectors, and the free availability of Federal R&D technical information from other sources. The Senior Staff concluded its presentation to the board with an assessment of the Operational and Financial Risks confronting NTIS.

As there were no members of the public in attendance, the Board proceeded to the Roundtable portion of the agenda, which is intended to allow the members a chance to address each other and the NTIS attendees informally and to add further emphasis to points already made or to make new points if they so wish.

Dr. Griffiths stated that if NTIS wanted to be successful in building a repository business it was important for NTIS to begin conversations with other Federal agencies sooner rather than later, especially in view of budgetary cutbacks. She suggested that NTIS develop different cost

models and emphasized the importance customers placed on knowing in advance what a project will cost.

The Chairman observed that most good organizations do one or two things really well and NTIS should identify what these would be from the categories of (1) information management and dissemination, and (2) services. He further emphasized the importance of staying close to one's market. The Chairman again reiterated that NTIS appeared to be very efficient at creating revenue and that cutting overhead need not be a key focus.

Dr. Friedenbergr urged NTIS to develop a comprehensive mission statement that makes sense out of all NTIS LOBs and to continuously refine it. He suggested that NTIS should try to make the product side more competitive by collecting a subset of product lines and developing a six-month plan that describes what we need to know, what we need to do, and how much revenue we expect to generate.

Lastly, the Board considered a number of administrative matters. The DFO noted that the Board had been re-chartered through June, 2013 and that the terms of two members will end in June, 2012. He also indicated that he would provide appropriate assistance to the Board in preparing its FY 2011 report.

The Board agreed the next meeting will be February 10, 2012.

The Board adjourned at 3:30 pm.