
Discussion

Russell. First, evaluation scientists often make things too complicated, but Erik Arnold really makes things understandable.

Second, it is a profound thought to link manufacturing extension and U.S. technology policy. The MEP is dealing with very large numbers of confused small companies, trying to be the change agent along with the noble enterprise of science. What would it mean if there were 30,000 SMEs touched in a significant way so that truly intelligent field engineers were able to apprehend some technology needs and a system to understand the unmet demand which could then be translated to the federal labs and the universities. What would it mean if we had a more coherent technology policy such as was discussed by Erik Arnold? We have a lot to learn from Europe in that respect.

Third, I'm interested in the variety of ways to describe the varying types of small and mid-sized manufacturing enterprises (SMEs). This community has paid little attention to performance differences within different sectors, which have been highlighted by the Performance Benchmarking Service (PBS). What are the implications for making choices about service allocation? I'm not persuaded that market penetration is a good metric. I think that dealing with the talented 5 percent that can really use the results is more important. How do we find the staff, marketing, and political skill to justify targeting? That's how we're going to make the strongest impact on the economy.

Finally, we have a memorandum of understanding with the United Kingdom's Business Links program. It is the most natural correspondent to our MEP

program. Erik Arnold's description of Business Links raises the immense difficulty of understanding our work across different countries. We have a lot to learn from what other advanced capitalized countries are doing in this area. While the MEP is large, we're very simple, we're quite new, and we don't yet do a very good job as a national system and we have a need of people who can stick it to us.

Redivo. It's nice to come together and share results. I wish we could do this on a day-to-day basis.

Thompson. In order to follow up, we have to find ways to communicate more and do work. Are the NIST data sets going to be released to the wider community?

Haines. Maybe someday. But you have to have clean data, which we don't quite have yet.

Thompson. Jack mentioned the targeting word. We have the technology to do that, but can we do that politically? How much analysis has been done in the area of targeting?

Russell. It is a lot to ask a center to understand its industrial base when the data we work with is sparse and dated. Eric Oldsman has worked with Florida and Cleveland about targeting. The only way to get there is to do that.

Martin. I have a strong opinion about that from a regional perspective. I don't hear much about regional strategic impact. I hear about company impact. Regions are interested in getting beyond company impact. We're ready for the next step. With the finite resources we have, how can we slice our customer base to have the most impact? I'm not calling it targeting, but it could be looked at that way. This can't be done on the federal level because of Congress. It could be

done at the local and even at the regional level, not necessarily the state level. In New York, there could be at least four different levels. A number of us are ready for that. I hope NIST MEP will help us with that.

Oldsman. It's an issue of market segmentation. You know your market and that knowledge helps you make decisions about allocating resources. To think we're not making decisions now is ludicrous. Field agents are actually making decisions about which companies to work with, what services to offer, and how much time to give a company all the time.

Martin. The centers can figure this out on their own eventually. But you don't want 80 different organizations to discover this independently. That's the strength of the partnership. It would be helpful if you could help with a methodology or a couple of methodologies.

Haines. We have market research from 160 firms. Second, many people know Michael Porter's cluster analysis and are already doing that type of work in the various states.

Martin. It's not very useful for us.

Shapira. I'm reminded of Erik Arnold's diagram. We're being pulled into thinking about strategy. One thought is about the federal role. As the system is established and federal funding is one-third, what kind of money is that? Today, federal money seems the same as any other money in terms of how centers use it. Should some of that federal money be guided to more strategic, higher-level services? Some states may want the program to run almost like an entitlement program. But centers should use the federal money for more strategic impact.

Haines. As a federal investor, I note that all resources go together to have one output. It's not the state dollars buy this and federal dollars buy something else, but rather that all the resources go together. We recognize that some states have special needs.

Korchak. Regarding targeting, some centers are looking at targeting. But there is a large percentage of centers that aren't thinking about impacts. The smaller, newer centers getting money from the public sector and doing a public sector operation, they're not thinking about this. We need to not forget about those centers.

Russell. Talking about targeting to North Dakota, those people are concerned about defending industrial policy. I will report that I've never had a discussion with congressmen who a problem with targeting. Some congressmen focus on return on investment, but that's about it.

Arnold. I hear people say that maybe people want to be clearer about what they want the federal role to be. Regarding clusters, there's the approach of strategic districts, then there's networking. These pose an interesting challenge, because I like more organized systems. I'm currently working in a country that has four levels of planning, with none of the levels relating to each other. The temptation is irresistible to get small firms together, empower them, and enable them to do what they want. If there is power in the bottom-up clustering idea, then one reaction is to begin to regard clusters as legitimate clients, not just one-on-one companies. One may work on different levels.

Martin. I'm talking about more than segmenting by standard industrial classification (SIC). Targeting might not focus so much on the industry group,

rather it could focus the kinds of service you provide as an indicator of the way you have the biggest impact. People in this business for a while, we have some gut feelings, but I'd like data.