



Partnerships for Skills and Competitiveness
OECD LEED Programme
Vienna, Austria

Mark Troppe
National Institute of Standards and Technology
mark.troppe@nist.gov



MEP • MANUFACTURING
EXTENSION PARTNERSHIP

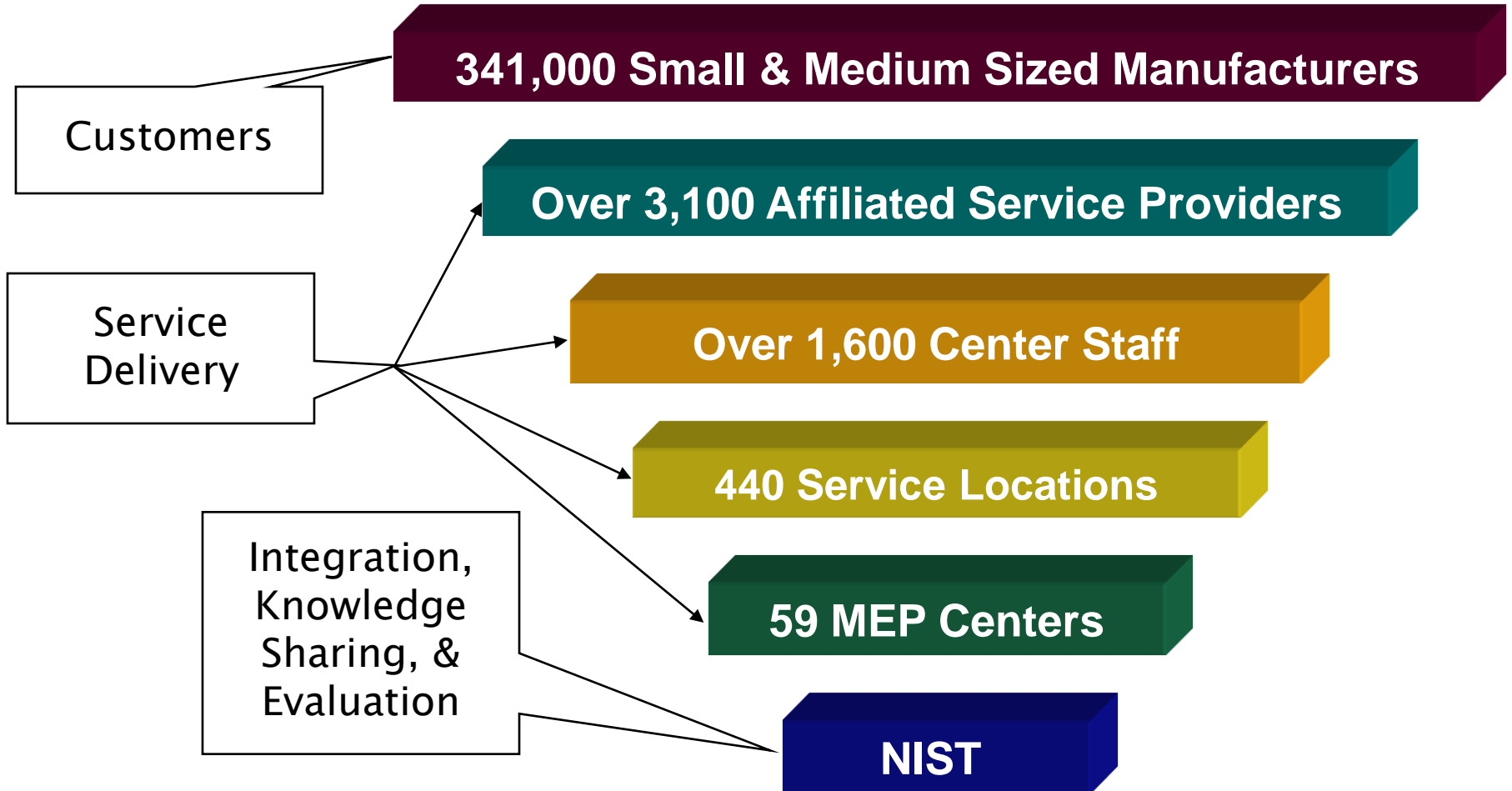
Mission Statement

“To strengthen the global competitiveness of US-based manufacturing by providing information, decision support, and implementation of innovative approaches focused on leveraging technologies, techniques, and business best practices.”

The MEP Program in Short....

- Program started in 1989, with at least one center in all 50 states by 1996
- 59 centers with ~ 440 field locations
 - System wide, Non-Federal staff is ~ 1,600
 - Contracting with over 3,000 third party service providers
- Partnership Model – Federal/State/Industry
- MEP System budget ~ \$300M
 - 1/3 Federal, ~1/3 State and >1/3 Industry (fees for services)

Partnering to Build a National Program



What MEP Does

- Focus on meeting manufacturer's short term needs, but in context of overall company strategy
- MEP Center areas of common strength
 - Engineering Services for products and processes
 - Lean Manufacturing
 - Quality Systems
 - Environmental Services
 - Workforce Development
 - Growth Services – new or expanded market opportunities
- Working directly with over 24,000 manufacturing companies a year*

*Based on FY2006 MEP Center reported performance data.

Client Impacts Resulting from MEP Services

■ New Sales	\$3.11 Billion
■ Retained Sales	\$3.65 Billion
■ Capital Investment	\$1.65 Billion
■ Cost Savings	\$1.115 Billion
■ Jobs Created and Retained	52,585

FY 2006 economic impact results are based on a survey of 4,959 MEP-served establishments out of 5,384 attempted.

Why Skills are Important to Economic Development

- Knowledge Economy
- From the economic developer's perspective:
 - Attraction
 - Retention/Expansion
 - Entrepreneurship
 - Innovation (new processes, products, services and markets for existing and new firms)
- Economic development = workforce development?

Many Differences Between Economic and Workforce Development

- Culture
- Funding
- History
- Language
- Unit of Focus

Regional Strategies

- Council on Competitiveness, DOL WIRED
- Workforce organizations
- Economic development organizations
- Steps in a process:
 - Use data to understand the region
 - Identify opportunities and set priorities
 - Align organizations, agencies, missions, budgets
 - Develop and implement strategies
- Challenges (culture, funding, multiple jurisdictions)

Mutual Benefit

- How economic development can support workforce
 - Attraction
 - Retention/expansion
 - Entrepreneurship
 - Innovation
- How workforce development can support economic dev't
 - Attract/retain talent
 - Upgrade skills of existing workforce
 - Integrate disadvantaged groups

Holistic Approach to Skills

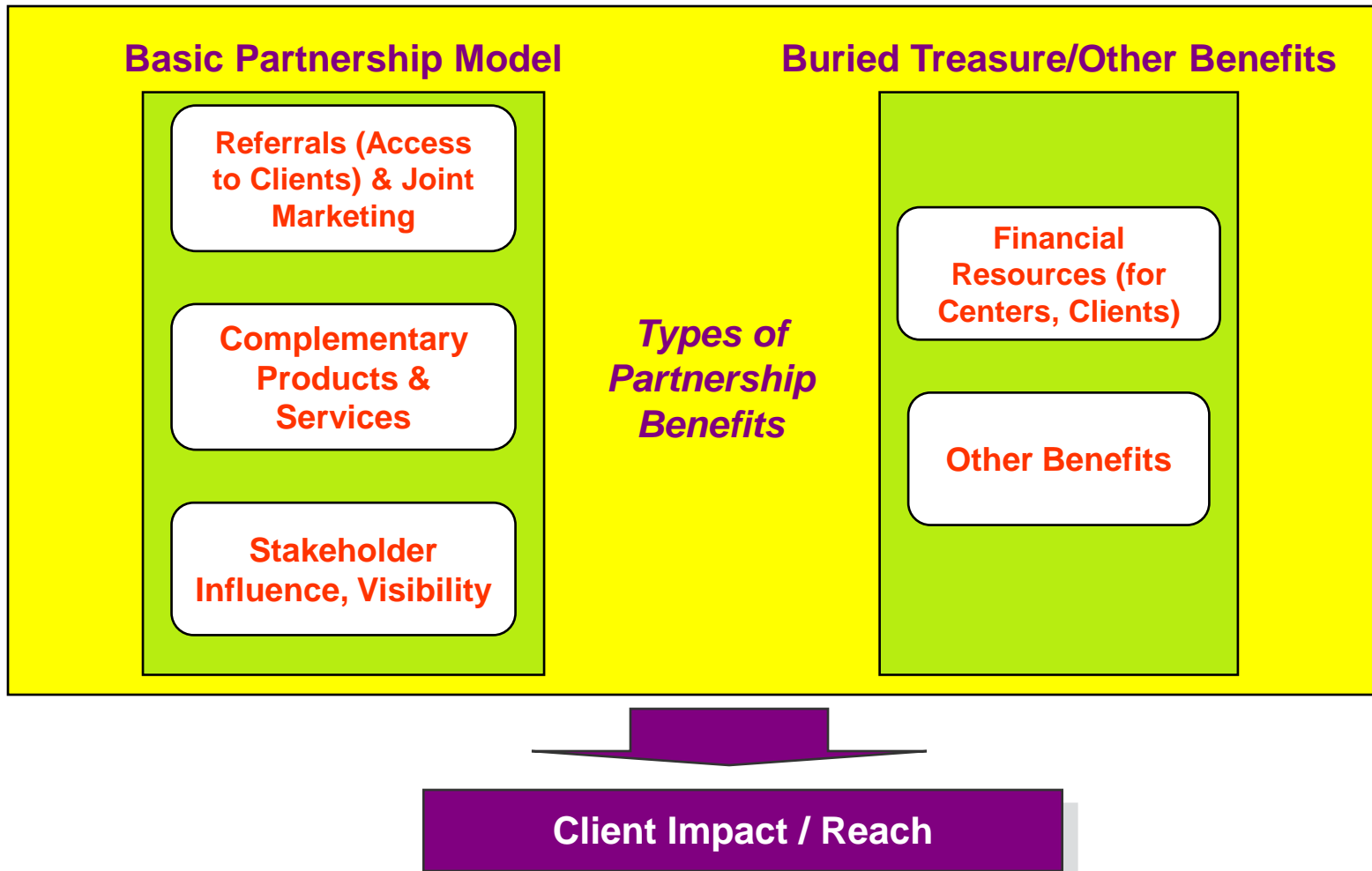
- Provide training in the context of workplace and employer needs
- Training delivered is linked to company business strategy
- Training costs shared by public sector and employers

Partnership Strategy Study

How to Evaluate & Select Partners

- Specific topics included:
 - What to look for in potential partners
 - How to evaluate the ROI of potential partnerships
 - What other factors should guide partner selection and strategy
 - How to develop a plan for partner service offerings

Partnership Benefits -- Multiple Categories

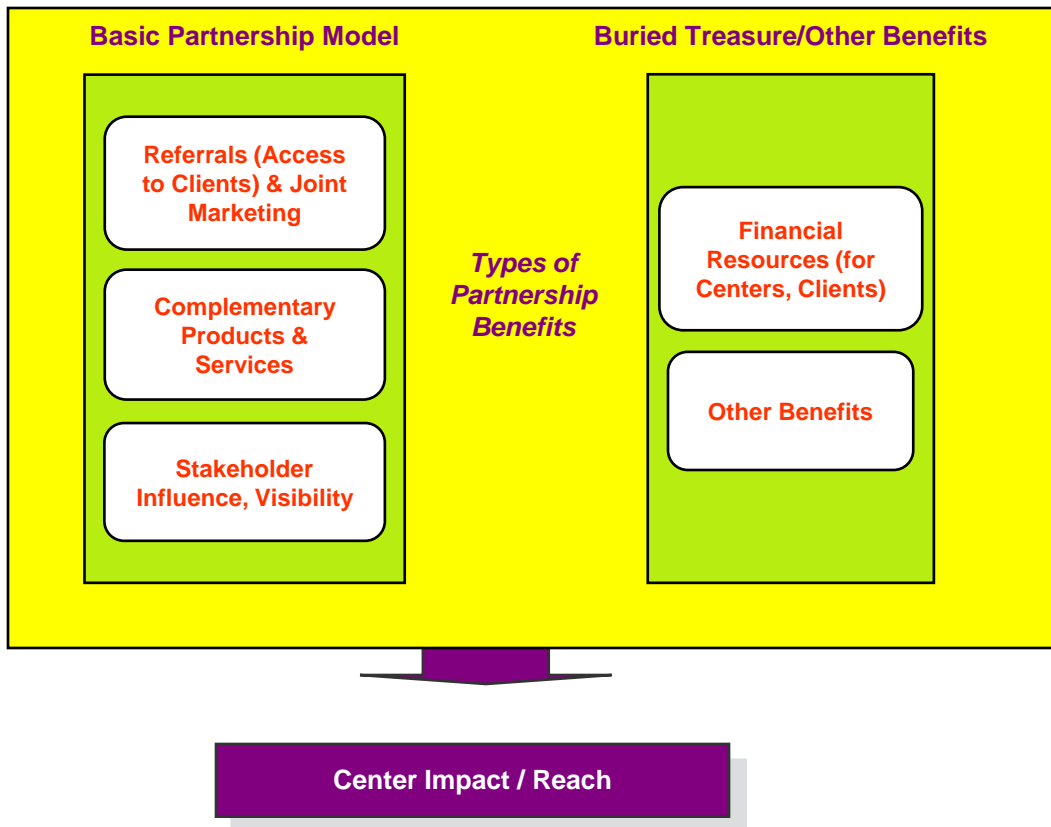


What to Look for in Potential Partners

Partnership Benefits



What to Look for in a Potential Partner (to obtain these benefits)



- Alignment of missions
- Overlap in customer base or target markets
- Brand prominence, credibility and fit
- Complementary products & services
- Visibility with stakeholders
- Financial resources for clients or the center
- Opportunities to share or leverage resources

Benefits vs. Costs / Risks / Barriers

Basic Partnership Benefits

- Referrals/leads
- Cross-marketing, publicity
- Expertise, capabilities, service offerings
 - Specific training courses; computer training, general manufacturing, supervisory, welding, safety
- Joint service delivery (assessment and then divide up service delivery)
- Involvement in regional economic development planning

Costs / Risks

- Staff time to establish and maintain relationship
- Each organization may have to give up delivery of certain services, or certain types of clients when there is overlap

Buried Treasure / Other Benefits

- May provide access to:
 - Federal job training grants
 - State training funds for clients
 - In-kind or cash cost share through co-location of staff

Barriers

- Perception of competition over capabilities and services delivered
- Some community colleges more focused on traditional higher education “feeder” mission than providing business-friendly services to companies
- Community college service areas are often rigid and may not match MEP service areas

Elements of Effective Collaborations

- Shared purpose or goal that organizations cannot achieve on their own
- Champion for the collaboration has been identified
- Sense of urgency
- High stakes driven by significant consequences for getting it right or wrong
- Pilots — to build early successes, confidence, trust

Selected Lessons Learned from Russ Linden, Government Partnership Expert

Different Partners to Accomplish Different Objectives

- Workforce Development
 - State and local workforce boards
 - Community colleges
 - HR consultants
- Growth Services
 - Eureka! Ranch (new ideas, products)
 - Export assistance centers (new markets)
 - University research centers and federal labs (new technologies to support new products and processes)

Partner Challenges

- Beware the three C's:
 - Cash
 - Credit
 - Control

Source: Rich Bendis/Innovation Philadelphia