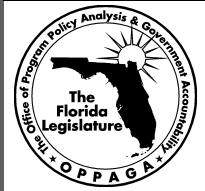




Office of Program Policy Analysis And Government Accountability



John W. Turcotte, Director

December 1998

Review of the Technology Development Board of Enterprise Florida, Inc.

Abstract

- The Innovation and Commercialization Centers created by the board exceeded their performance standards in Fiscal Year 1997-98. Although the centers report making progress toward becoming financially self-sufficient, the lack of seed capital limits their ability to help commercialize more technologies.
- The board's Florida Manufacturing Technology Center Program reported that its performance exceeded its standards. However, these reported outcomes are based on client expectations rather than actual results. The program also needs to improve communication with local economic development organizations.
- Given these positive results, the Legislature should consider continuing to fund the Innovation and Commercialization Centers and the Florida Manufacturing Technology Center for Fiscal Year 1999-2000.

Purpose

Florida law directs the Office of Program Policy Analysis and Government Accountability to review Enterprise Florida, Inc., and its boards prior to the Legislature's 1999 regular session. In this review of the Enterprise Florida Technology Development Board, we assessed:

- the progress of the Technology Development Board's programs towards achieving their performance standards;
- the circumstances contributing to the ability of the board's programs to achieve performance standards; and

- whether it would be sound public policy to continue or discontinue funding the board's programs, and the consequences of discontinuing these programs.

This is one of six reports related to OPPAGA's review of Enterprise Florida, Inc., the state's primary economic development organization. We will issue three other reports on Enterprise Florida's Capital Development Board, International Trade and Economic Development Board, and Workforce Development Board. In a fifth report, we will report on our review of Enterprise Florida, Inc.'s private sector matching contributions and in a sixth, we will report on the Cypress Equity Fund. We will issue a seventh report on our overall assessment of Enterprise Florida, Inc.

Background

In 1993, the Legislature created the Enterprise Florida Innovation Partnership for the purpose of fostering growth in high technology and other value-added industries and jobs. In 1996, the Innovation Partnership was renamed the Technology Development Board and became an affiliate of Enterprise Florida, Inc.

The Technology Development Board's purpose is to provide leadership and economic tools to innovation-driven firms offering high wage employment opportunities that are essential to a competitive state economy. To accomplish its mission, the Technology Development Board created two programs: the Innovation and Commercialization Centers Program and the Florida Manufacturing Technology Center Program. These programs are intended to complement each other and help companies in the various stages of technology development process (see Appendix A). The board provides leadership and contract management services for these programs.

Innovation and Commercialization Centers

The board created six Innovation and Commercialization Centers (ICCs) to assist entrepreneurs and emerging companies in moving a technology from the laboratory to the marketplace. Each ICC is a not-for-profit organization with a governing board of directors that operates locally under a contract with the Technology Development Board. The six ICCs are located in Gainesville, Jacksonville, Orlando, Palm Beach, Tallahassee, and Tampa.

The ICC Program assisted 857 technology-based companies and entrepreneurs in Fiscal Year 1997-98. ICC services include evaluating technologies for commercialization potential and providing business, management, and financial assistance to companies. In addition, ICCs coordinate with universities in licensing technologies. Two examples illustrate the types of assistance provided by the ICCs.

- The Central Florida Innovation Corporation helped a Florida company develop a new high speed data transmission technology that can be used to provide local telephone service to remote locations. The ICC wrote a business plan for the company and made presentations to investors nationwide that resulted in venture investments of \$20 million. The company expects to create 975 jobs and have annual revenues of \$200 million by 2002 and;
- The North Florida Technology Innovation Corporation assisted a Florida biotechnology company that had developed a product for controlling agricultural plant pests. The ICC helped the company develop a business plan and identified potential investors. The company was awarded \$200,000 in grant funding from the U.S. Department of Agriculture in June 1998.

Florida Manufacturing Technology Center

The board also created the Florida Manufacturing Technology Center (FMTC) Program to assist Florida's small and medium-sized manufacturers in increasing their productivity, competitiveness, and profitability.¹ The FMTC is a not-for-profit organization headquartered in Orlando. It operates Manufacturing Technology Centers in Ft. Lauderdale, Ft. Walton Beach, Largo, and Orlando along with several satellite offices throughout the state. These centers provide access to technologies and management assistance for Florida's small and medium-sized manufacturers. FMTC is part of a nationwide network of more than 70 Manufacturing Extension Partnership centers funded by the U.S. Department of Commerce's National Institute of Standards and Technology.

FMTC services include assisting manufacturers with process improvements, plant layouts, information and business systems, and quality plans. The FMTC Program assisted 814 companies in Fiscal Year 1997-98. Two examples illustrate the types of assistance provided by the FMTC.

- The FMTC helped a small Florida manufacturing company to improve its product quality plans and obtain QS 9000 certification.² FMTC field agents identified gaps between the company's current quality plans and QS 9000 certification requirements. They also helped the company develop needed quality plan improvements and procedures. As a result, the company has been recommended for QS 9000 certification and plans to add 25 employees and 20,000 square feet of manufacturing space and;
- The FMTC helped a medium-sized Florida manufacturing company improve its productivity by enhancing its quality systems, reducing inventories, and decreasing overhead costs. The company reported that implementing the FMTC's recommendations helped it significantly decrease its facility rental, materials, and labor production costs.

¹ Small manufacturers are defined as those companies with fewer than 100 employees and medium-sized manufacturers are defined as companies with 101 to 500 employees.

² QS-9000 standard is a specification for a quality management system for suppliers to the automotive industry. Chrysler, Ford, General Motors and other subscribing companies require their suppliers to comply with QS-9000. To obtain QS-9000 certification, companies have their quality systems assessed by an on-site audit made by a third party registrar.

Program Resources

The ICC and FMTC programs receive state funding through contracts with the Technology Development Board. As shown in Exhibit 1, the ICC and FMTC programs receive state, non-state (local and county), federal, and private sector funding. The Technology Development Board requires the ICCs to match state funding on a 1:1 basis. The FMTC Program is required to match federal funding on a 1:1 basis. Staffing for the six ICCs and the FMTC Program included 20 and 75 full-time employees in Fiscal Year 1997-98, respectively. The Technology Development Board's staff and operating budget for Fiscal Year 1998-99 is 5.5 full-time equivalents (FTE) positions and \$347,612.

Exhibit 1
State Funding for the
Technology Development Board's Programs
Remained Constant for
Fiscal Years 1997-98 and 1998-99

Sources	Innovation and Commercialization Centers		Florida Manufacturing Technology Center	
	Fiscal Years		Fiscal Years	
	Expected		1997-98	1998-99
	1997-98	1998-99		
	(\$Millions)	(\$Millions)	(\$Millions)	
Public (state)	\$1.1	\$1.1	\$2.5	\$2.5
Public (non-state)	0.6	0.6	—	—
Federal	—	—	4.9	4.5
Private	0.5	0.5	2.2	2.8 ¹
Total	\$2.2	\$2.2	\$9.6	\$9.8

¹ Projected client sales

Source: Enterprise Florida, Inc., and General Appropriations Act

The Board Is to Meet Specified Program Performance Standards

Performance expectations for the Technology Development Board and its programs were initially established in Fiscal Year 1997-98. At that time, a set of outcome measures and quarterly performance standards were incorporated into Enterprise Florida, Inc.'s contract with the Governor's Office of Tourism, Trade and Economic Development. The quarterly performance standards included in the contract were based on early program results. In December 1997, the

Technology Development Board revised its original performance standards in Enterprise Florida, Inc.'s annual strategic plan. The strategic plan also included the Technology Development Board projections for expected levels of performance in Fiscal Years 1998-99 through 2002-03.

The Technology Development Board's current performance measures and standards are based on projections included in Enterprise Florida, Inc.'s strategic plan. The Fiscal Year 1998-99 performance-based program budgeting (PB²) measures and standards adopted by the Legislature in the General Appropriations Act were based on these projections. The Office of Tourism, Trade and Economic Development also based the quarterly performance measures in Enterprise Florida, Inc.'s contract for Fiscal Year 1998-99 on these projections. In all cases, the Technology Development Board's performance measures and standards relate directly to the ICC and FMTC programs.

Findings

The Innovation and Commercialization Centers Program's performance exceeded standards. While the ICCs report making progress toward becoming financially self-sufficient, the lack of seed capital limits their ability to help commercialize more technologies.

The Innovation and Commercialization Program Exceeded Its Standards

Data reported by the Technology Development Board show that the Innovation and Commercialization Center Program exceeded its performance standards for Fiscal Year 1997-98 (see Exhibit 2). These reported outcomes are based on self-reported data from assisted companies and cannot readily be independently verified. This level of performance, if maintained in Fiscal Year 1998-99, would exceed the standards adopted by the Legislature for the current fiscal year in the General Appropriations Act. We suggest that the Legislature raise the future performance standards for the ICC Program to a level that at least matches its actual Fiscal Year 1997-98 performance. We also suggest that the board work to validate the performance data that is currently self-reported by assisted businesses, which would provide a higher confidence level in the results.

Exhibit 2
The Innovation and Commercialization Center
Program's Performance Exceeded Standards for
Fiscal Year 1997-98

Outcome	Fiscal Year		
	1997-98 Standard	1997-98 Actual	1998-99 Standard
Jobs created and retained by assisted companies	382	589	401
New companies or joint ventures formed	2	34	2
Capital raised by assisted companies	\$9.5 Million	\$52.4 Million	\$9.98 Million
Technologies Commercialized	3	49	3

Source: Enterprise Florida, Inc., *Strategic Plan for Florida's Economic Future*, January 1, 1998; and the Governor's Office of Tourism, Trade and Economic Development Fiscal Year 1999-00 Legislative Budget Request

ICCs Report Making Progress Toward
Becoming Financially Self-Sufficient

A major long-term objective of the program is to have each ICC become financially self-sufficient over time. The initial program design called for each ICC to become financially self-sufficient within 10 years of its creation. The ICCs generate revenue through various means, such as charging fees for services, receiving royalties on the sale of company products, taking equity in a company, or receiving a percentage of a company's future earnings.

ICC presidents report making progress towards becoming financially self-sufficient. As shown in Exhibit 3, one ICC is expected to become self-sufficient this fiscal year and all ICCs expect to become financially self-sufficient by Fiscal Year 2003-04.

Exhibit 3
The Innovation and Commercialization Centers
Expect to Become Financially Self-sufficient by
Fiscal Year 2003-04

Innovation and Commercialization Center	Year Expected to Become Financially Self-sufficient
Gainesville ICC	Fiscal Year 2001-02
Jacksonville ICC	Fiscal Year 2003-04
Orlando ICC	Fiscal Year 1998-99
Palm Beach	Fiscal Year 2002-03
Tallahassee ICC	Fiscal Year 2001-02
Tampa ICC	Fiscal Year 2002-03

Source: OPPAGA interviews with ICC officials and ICC documents

Client Selection and the Lack of Seed Capital
Affect the ICC Program's Performance

Two primary factors appear to effect the program's ability to meet its objectives. First, the ICCs have developed screening processes for identifying those companies more likely to succeed in commercializing new technologies. As an example, the six ICCs received 1,359 applications for services in Fiscal Year 1997-98, but entered into 58 contracts to help companies develop commercial products. These companies met various selection criteria, such as expected product sales, jobs growth, employee wages, and company management capabilities. By using such criteria, the ICCs are able to focus their resources on helping companies commercialize products with significant market potential.

However, a second factor—the lack of seed capital—has limited the ICCs' ability to help commercialize more technologies.³ Four of the six ICC presidents identified the lack of seed capital as a challenge facing the creation of high technology companies in Florida. One ICC president indicated that an emerging company could usually raise \$100,000 to \$150,000 in capital, but raising the \$300,000 to \$5 million needed to fully commercialize a new technology is extremely difficult. A reason cited for the lack of seed capital is that most high technology investment capital must be obtained from out-of-state investors.

The Legislature approved two initiatives during the 1998 session that may increase small Florida high technology business's access to seed capital. The Certified Capital Company Act (Ch. 98-257, Laws of Florida) is intended to increase venture capital investments by providing a tax credit to insurance companies that invest in certified capital companies. These certified capital companies are required to make investments in a qualified business, including "early stage technology business" involved in prototype development or initial production.

The second initiative passed by the 1998 Legislature was the Florida Small Business Technology Growth Program (Ch. 98-59, Laws of Florida). The program's purpose is to provide financial assistance to small businesses having high job growth and technology development potential. The program will help guarantee loans to small businesses made by Florida

³There are different stages in the development of a high technology company. The seed stage involves activities, such as prototype development and market research, undertaken in the company's first year before product manufacturing.

banks. Loans to small businesses are considered riskier than conventional loans. The Legislature appropriated \$1.5 million for the program in Fiscal Year 1998-99. Together, these two initiatives may help the ICC program assist more businesses and make continued progress toward becoming financially self-supporting.

ICC Funding Should Be Continued

As required by Florida law, we assessed whether state funding for the ICC Program should be continued and the consequences of discontinuing this funding.

Based on the program's positive performance, we concluded that state funding for the ICC Program should be continued for Fiscal Year 1999-00. Specifically,

- The ICC Program's outcomes have exceeded its performance standards in terms of assisting companies to commercialize new technologies and create high technology jobs.
- Some of the ICCs are on the verge of becoming financially self-supporting while other ICCs expect to be financially self-supporting in the next three to six years.

Discontinuing state funding for the ICC Program would have several consequences. If state funding of the program were discontinued at this time, some ICCs, particularly those that have made the most progress towards become self-supporting, would still be able to continue to provide services to Florida entrepreneurs and companies. However, other ICCs would have to reduce their activities in helping commercialize technologies or cease operations altogether. Discontinuing funding to all six ICCs would save \$1.1 million in state funds.

The Florida Manufacturing Technology Center Program has reported that its performance exceeded its standards. However, these reported outcomes are based on client expectations rather than actual results. The program also needs to improve communication with local economic development organizations.

The FMTC Program Exceeded Performance Standards

Data reported by the Technology Development Board indicate that the FMTC Program exceeded its performance standards for Fiscal Year 1997-98. The

FMTC Program reported assisting manufacturing firms to increase sales by \$53.60 million, create and retain 914 jobs, decrease inventory costs by \$20.65 million, and decrease labor and materials costs by \$16.80 million.

However, these reported outcomes represent client expectations rather than actual results. Reported outcomes are based on responses by the businesses assisted by FMTC to surveys administered at project completion. In these surveys, clients are asked what productivity changes they expect in the next 12 months. FMTC staff do not follow-up with the businesses clients to validate whether changes actually occurred as a result of program services.

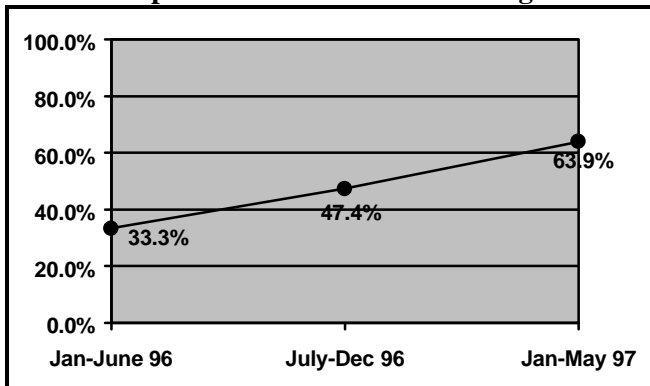
These performance results would have greater reliability if FMTC staff validated client surveys to assess the extent to which expected results are achieved. One approach for validating the FMTC surveys would be to use follow-up surveys conducted by the U.S. Bureau of the Census approximately eight to ten months after an FMTC project is completed.⁴ The Census Bureau's database contains identification codes that would allow FMTC staff to compare their survey results to Census Bureau's follow-up data.

Given the time lag between the FMTC and the follow-up surveys, data were not available for us to assess actual results for Fiscal Year 1997-98. However, as shown in Exhibits 4 and 5, Census Bureau survey data for projects closed between January 1996 and May 1997 indicate positive trends in the following measures:

- A higher percentage of clients reported that FMTC's assistance caused change, such as increases in sales and decreases in labor and material cost (see Exhibit 4) and;
- An higher percentage of customers are satisfied with the services provided by the FMTC (see Exhibit 5).

⁴ The U.S. Census Bureau surveys ask FMTC clients if they undertook any action(s) as a result of the FMTC project, and whether those actions had an impact on sales, labor costs, material costs, inventory level, net job creation, and jobs retained. If so, the client is asked to quantify that impact.

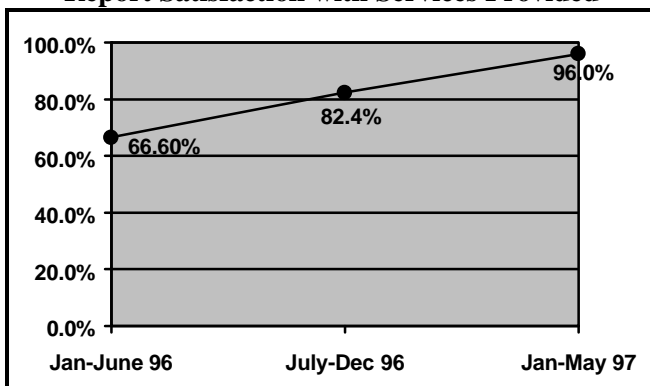
Exhibit 4
An Increasing Percentage of
Florida Manufacturing Technology Center Clients
Report Assistance Caused Change



Note: The FMTC became a participating center of the NIST Manufacturing Extension Partnership system in December 1995.

Source: Census Bureau Surveys

Exhibit 5
An Increasing Percentage of
Florida Manufacturing Technology Center Clients
Report Satisfaction with Services Provided



Note: The FMTC became a participating center of the NIST Manufacturing Extension Partnership system in December 1995.

Source: Census Bureau Surveys

Greater Communication Needed Between
FMTC and Local Organizations

A factor affecting program performance is the lack of communication among the FMTC and local economic development organizations. A FMTC study conducted from March to September 1998 found that 53% of the 102 economic development organizations surveyed did not know how valuable FMTC services were to the organization's client companies it provides. This makes it difficult for local economic development organizations to recommend FMTC services to their local businesses. The FMTC report also indicates that the lack of communication has resulted in the duplication of effort and services.

Improving communication with local economic development organizations would enhance FMTC efforts to market its services and avoid duplicating efforts. FMTC staff are in the process of designing and implementing strategies to improve communication with economic development organizations.

FMTC Funding Should Be Continued

As required by Florida law, we assessed whether state funding for the FMTC Program should be continued and the consequences of discontinuing this funding.

We concluded that FMTC Program funding should be continued for Fiscal Year 1999-00 based on the following considerations:

- Census Bureau survey data indicates an increasing trend in the percentage of clients satisfied with the type of services provided by FMTC and reporting changes as a result of such assistance.
- Evaluations of manufacturing assistance programs in other states have determined that client companies exhibit higher productivity gains than companies not participating in these programs.⁵

Discontinuing state funding at this time would have several consequences. If state funding were discontinued, the FMTC Program would have to significantly reduce its operations, concentrate its services in major metropolitan areas with existing manufacturing capacities, and charge higher fees for services. This would result in fewer Florida manufacturers receiving services that could help improve their productivity and competitiveness. Further, discontinuing state funding would result in a loss of \$3.7 million in federal funds in Fiscal Year 1999-00. However, discontinuing funding to the FMTC Program would save \$2.5 million in state funds.

⁵ For example, in 1996, the U.S. Bureau of the Census conducted a study of eight National Institute of Standards and Technology Manufacturing Extension Partnership centers in two states that evaluated services delivered from 1987 to 1992. This study concluded that company participation in a Manufacturing Extension Partnership center was systemically related to productivity growth. Further, a 1996 study by Nexus Associates comparing New York Manufacturing Extension Partnership clients to non-participating companies found that Manufacturing Extension Partnership clients, on average, improved their manufacturing performance.

Conclusions and Recommendations

The ICC and FMTC programs reported exceeding their standards for Fiscal Year 1997-98. However, the reported outcomes are based on self-reported data and/or expected rather than actual results, which raises questions about the programs' performance. The ICCs report making progress towards becoming financially self-sufficient, but the lack of seed capital limits the program's ability to help commercialize more technologies. The FMTC Program also needs to improve communication with local economic development organizations.

We recommend that the Legislature continue funding the Technology Development Board's Innovation and Commercialization Centers and the Florida Manufacturing Technology Center programs for Fiscal Year 1999-00.

We recommend that the Legislature raise the future standards for the Innovation and Commercialization Center Program to a level that at least matches the program's actual Fiscal Year 1997-98 performance.

We recommend that the Technology Development Board annually provide the Legislature with information on the ICCs progress in becoming financially self-sufficient. The Legislature should decrease state funding support for the ICC Program each year as individual ICCs become financially self-supporting.

We recommend that the Technology Development Board establish processes for validating the reported outcomes of the Innovation and Commercialization Centers and Florida Manufacturing Technology Center programs. For the Innovation and Commercialization Center Program, the board could validate outcome data reported in ICC quarterly reports by surveying assisted companies. For the Florida Manufacturing Technology Center Program, the board could conduct follow-up surveys with assisted companies or use Census Bureau follow-up survey data.

We recommend the Florida Manufacturing Technology Center continue to develop and implement strategies to improve communication with local economic development organizations. These strategies should include having FMTC staff periodically meet with local economic development organization staff to discuss program services, attend organization meetings, and provide the organizations with FMTC publications.

Agency Response

ENTERPRISE FLORIDA

Government & Business Developing Florida's Economy

December 21, 1998

Mr. John W. Turcotte, Director
Office of Program Policy Analysis and
Government Accountability
Claude Pepper Building, Room 312
111 W. Madison Street
Tallahassee, FL 32302

Dear Mr. Turcotte:

We concur with OPPAGA's positive evaluation of Enterprise Florida Technology Development Board programs. We also agree with your findings that show the Innovation and Commercialization Center (ICC) and the Florida Manufacturing Technology Center (FMTC) programs have both exceeded their established performance standards. We appreciate OPPAGA's recommendation for the continued state support of these programs.

We also agree with your conclusion that a lack of early stage capital in Florida limits the ICC program's ability to commercialize more technologies. To help address this situation and increase industry/university technology commercialization activities, the Enterprise Florida Technology Development Board has requested funds in Enterprise Florida's FY 1999-2000 budget request for its Technology Investment Fund. This fund is designed to make seed investments on a competitive basis in technology commercialization projects that include a Florida company along with a Florida university or educational institution research facility as a partner in the project.

I would also like to comment specifically on certain recommendations and information included in the report concerning the ICC and FMTC programs:

ICC Self-Sufficiency Issues: Reference is made in various places in the report (Findings section on page 4, Conclusions and Recommendations on page 7), to ICC self-sufficiency and the "initial program design" for the ICC program. It is important to point out that the original program design projected a higher commitment of state funds to each ICC than was actually provided. To implement the program consistently with the original model would have required more than twice the funding the program has received to date.

The ICC program model is a public/private model that includes a balance of public and private support, with a minimum 1-to-1 cash match for Enterprise Florida funds provided by local sources. Over time, we expect ICCs to increase the amount of funds raised from client companies to offset the local program's operating costs. Of utmost importance, however, is the program's ability to serve Florida companies and entrepreneurs through a statewide network where services are reasonably accessible geographically. Therefore, should one of the existing ICCs achieve "self-sufficiency", EFTD would work to establish additional ICCs in communities that do not currently have ICCs. Finally, no specific timetable has been established by EFTD for the self-sufficiency of individual ICC locations.

Mr. John W. Turcotte
December 22, 1998
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The ICC program is one of several technology initiatives envisioned by EFTD under its charter. In view of the positive performance achieved by the technology development programs to date, it would seem shortsighted to consider reduced funding. EFTD proposes to develop future technology commercialization initiatives, including support for industry and university commercialization activities, when additional funds become available.

ICC Program Performance Standards: (Page 4, left column, top paragraph; Conclusions and Recommendations section, paragraph 4). We agree that performance standards for the ICC program could be raised. In fact, this summer we requested permission to raise the standards. Since OPPAGA staff participated with us in these discussions, it is aware that our request was denied. Again, we join with OPPAGA in making this request.

However, while we agree the standards could and should be raised, we feel OPPAGA's recommendation to "raise the future performance standards for the ICC program to a level that at least matches its actual Fiscal Year 1997-98 performance" is unrealistic for several reasons. First, the level of performance achieved during that year was exceptional when compared with historical program results. Second, the exceptional performance achieved in FY1997-98 resulted largely from one-time successes achieved by a very small number of the total firms assisted. As an example, OPPAGA makes reference to the fact that \$52 million in capital was raised by assisted companies and, further, in another chart in the report, notes that one company was successful in raising \$20 million [a subset of that total]. It is important to note that this one company represents nearly 40% of the total capital raised by all participants in the program during that year. We feel it would be highly unlikely to have this extreme example repeated each year and, even more difficult to conceive, if the results of our most successful ICCs - those that become "self-sufficient" - could not be counted.

In summary, we agree that state performance standards should be raised but we recommend a more thorough review in order to determine appropriate standards.

FMTC results validation (referenced in various parts of the report): The report indicates that FMTC outcomes represent client expectations, which is accurate. Performance data we report is based on signed surveys by our clients attesting to improvements their companies are experiencing. For example, if our services result in a manufacturing firm cutting its materials costs from \$100,000 to \$55,000, the \$45,000 anticipated savings is easily determined by the company based on historical data, even though it may take them one year to realize the entire savings. As a standard procedure, we also validate the overall program results we report by utilizing the services of an independent third party, the U.S. Bureau of the Census, on an on-going basis. This validation is done eight to ten months after service delivery in order to document that overall program impacts are achieved. As OPPAGA acknowledges in its report, the U.S. Bureau of the Census, in fact, documents higher impacts than we have initially reported. In addition, the FMTC program's survey, data collection and performance measurement procedures have received national recognition from the National Institute of Standards and Technology (NIST), U.S. Department of Commerce.

FMTC-EDO communication (pp.6-7): OPPAGA's findings are based on an incorrect reading of the data. You state that "53% of the 102 economic development organizations surveyed did not know about services it [FMTC] provides." We believe you misread the data as follows: The survey question asks how valuable the EDO feels FMTC services are to the EDO's clients. Fifty-four respondents answered "don't know" to this question. This means that 54 respondents don't know how valuable the services are to their clients, not that they don't know what the FMTC program does. Further, the responsibilities of many of the individuals surveyed may not include contact with manufacturers. For these individuals there would be no possibility to know the value of the FMTC program to manufacturing firms. Finally, one cannot assume that FMTC clients communicate with their local EDO concerning the value of FMTC services.

Mr. John W. Turcotte
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We agree, however, that communication with EDOs is important. For this reason, the FMTC program has devoted significant effort and resources to communicating, interacting and information sharing with EDOs. For example, the FMTC program hired a former EDO representative to identify issues and raise EDO awareness of the FMTC program. These efforts resulted in the survey and data you quote in your report. FMTC staff has also maintained memberships in the Florida Economic Development Council, including attending EDO functions, workshops, and making presentations to EDOs concerning the FMTC program. FMTC devotes coverage in its statewide newsletter to EDO issues, meets regularly with EDO representatives in communities, and has staff co-located with EDO offices in several communities. There are scores of additional, documented efforts by the FMTC program to increase communication with EDOs and raise awareness of the FMTC program.

Thank you for the opportunity to comment on the report and provide additional information for discussion where indicated. We feel the review and continuous improvement of our programs is extremely important, as we seek to provide the maximum value for the State of Florida and our clients.

Sincerely,

Brent Gregory
President & CEO
Enterprise Florida Technology Development Board

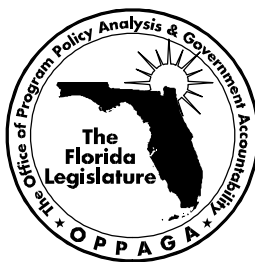
Attachments (available upon request)

OPPAGA Note: The Enterprise Florida Technology Development Board suggested edits which OPPAGA considered in the final report.

Appendix A
Enterprise Florida Technology Development Board Programs
Provide a Continuum of Services to Assist Companies in
Commercializing New Technologies and Improving Productivity

Innovation and Commercialization Centers				Florida Manufacturing Technology Center		
Concept				Maturity		
Invention	Proof of Concept	Prototype	Product	Begin Manufacturing	Mature Manufacturer	Competitive Manufacturer
Technology Commercialization <ul style="list-style-type: none"> ▪ Technical review and evaluation of commercial potential of a technology ▪ Business plan and proposal writing assistance ▪ Market research ▪ Management and operations consulting ▪ Marketing and sales strategies ▪ Prototype development assistance ▪ Assistance in identifying capital ▪ Access to scientists, engineers, and consulting assistance ▪ University and industry technology transfer 				Technical Assistance to Manufacturers <ul style="list-style-type: none"> ▪ Manufacturing engineering ▪ Information systems ▪ Quality assurance ▪ Human resources ▪ Business and marketing management ▪ Strategic management services ▪ Environmental services 		

Source: Enterprise Florida Technology Development Board reports and documents



The Florida Legislature

Office of Program Policy Analysis and Government Accountability

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