

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES AND
ECONOMIC DEVELOPMENT**

ECONOMIC DEVELOPMENT PROGRAMS

**PERFORMANCE AUDIT REPORT
OCTOBER 1997**

TO THE FISCAL COMMITTEE OF THE GENERAL COURT:

We have conducted an audit of the economic development programs and efforts of the Division of Economic Development within the Department of Resources and Economic Development to address the recommendation made to you by the Legislative Performance Audit and Oversight Committee. We conducted our audit in accordance with *Governmental Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to provide a reasonable basis for our findings and conclusions. Accordingly, we have performed such procedures as we considered necessary in the circumstances.

The purpose of the audit was to evaluate the performance of the Division of Economic Development during the six-year period from fiscal year 1991 through fiscal year 1996 and it addressed three specific objectives. The first objective was to assess the effectiveness of the Office of Business and Industrial Development and its expansion and retention, recruitment, and support programs for business. The second objective was to assess the effectiveness of the Office of International Commerce and its export financing, targeted research, and resource library and other support programs. The third objective was to assess the Department of Resources and Economic Development's management of the New Hampshire Economic Development Fund.

This report is the result of our evaluation of the information noted above and is intended for the information of the management of the Department of Resources and Economic Development and the Fiscal Committee of the General Court. This restriction is not intended to limit the distribution of this report, which upon acceptance by the Fiscal Committee is a matter of public record.

Office of Legislative Budget Assistant
OFFICE OF LEGISLATIVE BUDGET ASSISTANT

October 1997

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ABBREVIATIONS

BVP	Business Visitation Program
DED	Division of Economic Development
DRED	Department of Resources and Economic Development
EMDC	Eastern Maine Development Corporation
EXIM	Export-Import Bank
IRC	Industrial Research Center
ITDN	International Trade Data Network
ITRC	International Trade Resource Center
NHBDC	New Hampshire Business Development Corporation
NHBIS	New Hampshire Business Information System
NHEDF	New Hampshire Economic Development Fund
NHPTAP	New Hampshire Procurement Technical Assistance Program
NEDDS	New Hampshire Economic Development Data System
OBID	Office of Business and Industrial Development
OIC	Office of International Commerce
SBA	Small Business Administration
SBDC	Small Business Development Corporation
UNH	University of New Hampshire

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**STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PROGRAMS**

SUMMARY

PURPOSE AND SCOPE OF AUDIT

This audit was performed at the request of the Fiscal Committee of the General Court consistent with the recommendations of the joint Legislative Performance Audit and Oversight Committee and was conducted in accordance with generally accepted governmental auditing standards. It describes and analyzes the following: the economic development programs of the Division of Economic Development (DED) within the Department of Resources and Economic Development (DRED), their management, and efforts by the Division to measure and evaluate their effectiveness and efficiency.

BACKGROUND

The Division of Economic Development is comprised of an administrative section and three separately managed subdivisions: the Office of Business and Industrial Development (OBID), the Office of International Commerce (OIC), and the Office of Travel and Tourism. This performance audit focused on the economic development efforts of OBID and OIC, as well as the management and oversight of the New Hampshire Economic Development Fund (NHEDF) by DED administration.

The Office of Business and Industrial Development

During the audit period OBID had 14 positions, including the director, and was organized into three work groups paralleling its major activities: (1) business retention and expansion, (2) business recruiting, and (3) business support. Retention and expansion efforts are focused on helping New Hampshire firms remain in business in the State. The major effort in the retention and expansion program is the Business Visitation Program, which is coordinated by OBID to systematically visit and survey businesses in New Hampshire communities regarding potential problems, opportunities for expansion, and specific needs which they may have. OBID also employs two retention and expansion specialists and a northern counties industrial agent as part of the retention and expansion program. The business recruitment program is aimed at attracting and facilitating expansion or relocation into the State by businesses from outside New Hampshire. OBID employs two state industrial representatives as part of its business recruitment efforts. Finally, the business support program includes several efforts aimed at providing information and other forms of assistance to both existing New Hampshire-based companies and recruitment prospects. The major business support activities include a finance clearinghouse, the New Hampshire Procurement Technical Assistance Program, a vendor matching program, and an electronic data system that contains a listing of available buildings and sites in the State.

SUMMARY (Continued)

The Office of International Commerce

The OIC was established as a separate office in fiscal year 1993. Its mission is to expand international opportunities for New Hampshire businesses. OIC employees include a director, an international trade specialist, an export specialist, an executive secretary, a secretary/receptionist, and a data control clerk. Located at the former Pease Air Force Base, OIC also administers the International Trade Resource Center (ITRC). Its programs include export finance, international trade training, targeted research, international trade counseling, export administration outreach, and an international trade resource library. DRED contracts with the University of New Hampshire's Small Business Development Center (SBDC) to employ personnel for the export finance and international trade training programs. Also located at ITRC is the director of the U.S. Department of Commerce District Export Assistance Center and a representative of the New Hampshire International Trade Association.

The New Hampshire Economic Development Fund

Chapter 4, Laws of 1991 created the New Hampshire Economic Development Fund (NHEDF) with an initial appropriation of \$5 million to provide funds for grants, loans, and other economic development initiatives considered to be beneficial to the overall economy of the State. By fiscal year 1995 subsequent appropriations had increased NHEDF to \$7.25 million. Revenue for NHEDF was raised through 15-year bonds (\$5.75 million) and money in the State treasury not otherwise appropriated (\$1.5 million). Entities in receipt of NHEDF funds have used them for investments in small businesses, sponsoring research and development of innovative production procedures, and small business management assistance, counseling, and training. A number of DRED economic development programs and efforts have also received NHEDF funding. A review committee, consisting of the Speaker of the House of Representatives and two members of the House Finance Committee appointed by the Speaker, the Senate President and two members of the Senate Finance Committee appointed by the Senate President, and DRED commissioner, makes recommendations to the Governor and Council for NHEDF disbursements.

RESULTS IN BRIEF

We noted eight observations and recommendations. Three of these relate to a need to improve efforts by OBID, OIC, and DED to evaluate the outcome of their economic development programs. Four observations and recommendations relate to computer matters: two on the operational efficiency of the New Hampshire Business Information System (NHBIS), one on the lack of a written disaster recovery plan for data processing operations, and one on computer training for personnel. One other observation and recommendation relates to the resource library operated by OIC.

SUMMARY (Continued)

More Evaluations of Economic Development Activities are Needed

We found that DED and its subdivisions should improve evaluation of the programs and services they provide. For OBID this includes business retention and expansion activities, its business recruitment program, and its business support services. For OIC this includes the export finance program, the targeted industry research program, the resource library, and the international trade training program. Finally, for DED we found the need to improve the evaluation of the effectiveness of the economic development activities of the New Hampshire Economic Development Fund recipients.

Improvements Should be Made in Computer-Related Areas

During fiscal years 1995-1996 DED contracted with a private vendor to develop the NHBIS, which was intended to consolidate several data systems already in use. We found that the division obtained a good system at a reasonable cost, although some additional development work needs to be done for NHBIS to be used to its potential. We made one recommendation regarding system improvements and another related to data input and retention. In addition, computer training for DED personnel should be improved and documented. We also found that there was no written disaster recovery plan for computer systems.

International Trade Resource Library

OIC has developed and maintained a resource library as part of its administration of the International Trade Resource Center (ITRC), located at the Pease International Tradeport. The library provides access to publications, videotapes, a computer network, and other resources for businesses interested in expanding or developing their export sales potential. We have a recommendation related to the security of materials owned by the resource library and for developing objective methods to determine library use and effectiveness.

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**STATE OF NEW HAMPSHIRE
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ECONOMIC DEVELOPMENT PROGRAMS**

RECOMMENDATION SUMMARY

Obs. No.	Page	Requires Legislative Action Yes/No	Recommendation	Agency Response
1	18	No	OBID conduct regular program evaluations using specific outcomes and define measurable program goals.	Concur
2	21	No	DED ensure NHBIS operates efficiently and monitor user compliance. Ensure NHBIS used as information and analysis tool.	Concur
3	24	No	OBID ensure data entry, data management policies promote accurate data input, accurate BVP data, and move test data to separate database.	Concur
4	26	No	Develop written disaster recovery plan.	Concur
5	27	No	OBID evaluate effectiveness and adequacy of computer training. Establish computer training records.	Concur
6	33	No	OIC establish separate log-in for library users and ensure receptionist station staffed during business hours.	Concur

RECOMMENDATION SUMMARY (CONTINUED)

Obs. No.	Page	Requires Legislative Action Yes/No	Recommendation	Agency Response
7	35	No	OIC conduct regular program evaluations using specific outcomes and define measurable program goals.	Concur
8	43	No	DED comply with RSA 12-A:22(VI) by designing regular program evaluations using specific outcomes defined in RSA 12-A:33.	Concur

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PROGRAMS**

1. INTRODUCTION

1.1 Overview

Over the past two decades there have been significant shifts in the field of economic development. Initially, economic development efforts in most states focused on industrial recruitment, designed to influence business location decisions by offering public subsidies to private businesses. These subsidies often included tax abatements, exemptions and credits, customized free training, low-interest financing, and direct cash grants. Originally used as tools to "sweeten the pot," the cost of providing incentives skyrocketed over time as businesses became more sophisticated in negotiating development deals and competition between different localities grew.

Due to economic conditions and mounting evidence that incentives did little to influence the location decision of firms, and possibly even less to create new jobs, more recent economic development strategies have focused on expanding native firms and enhancing local entrepreneurial capabilities. Sometimes referred to as "second wave" programs, these strategies often included capital financing, venture capital, export assistance, and high-technology development. More recently, "third wave" programs seek to ameliorate second wave deficiencies by improving accountability and leveraging public funding for economic development projects.

Many states, including New Hampshire, use similar economic development strategies as described below:

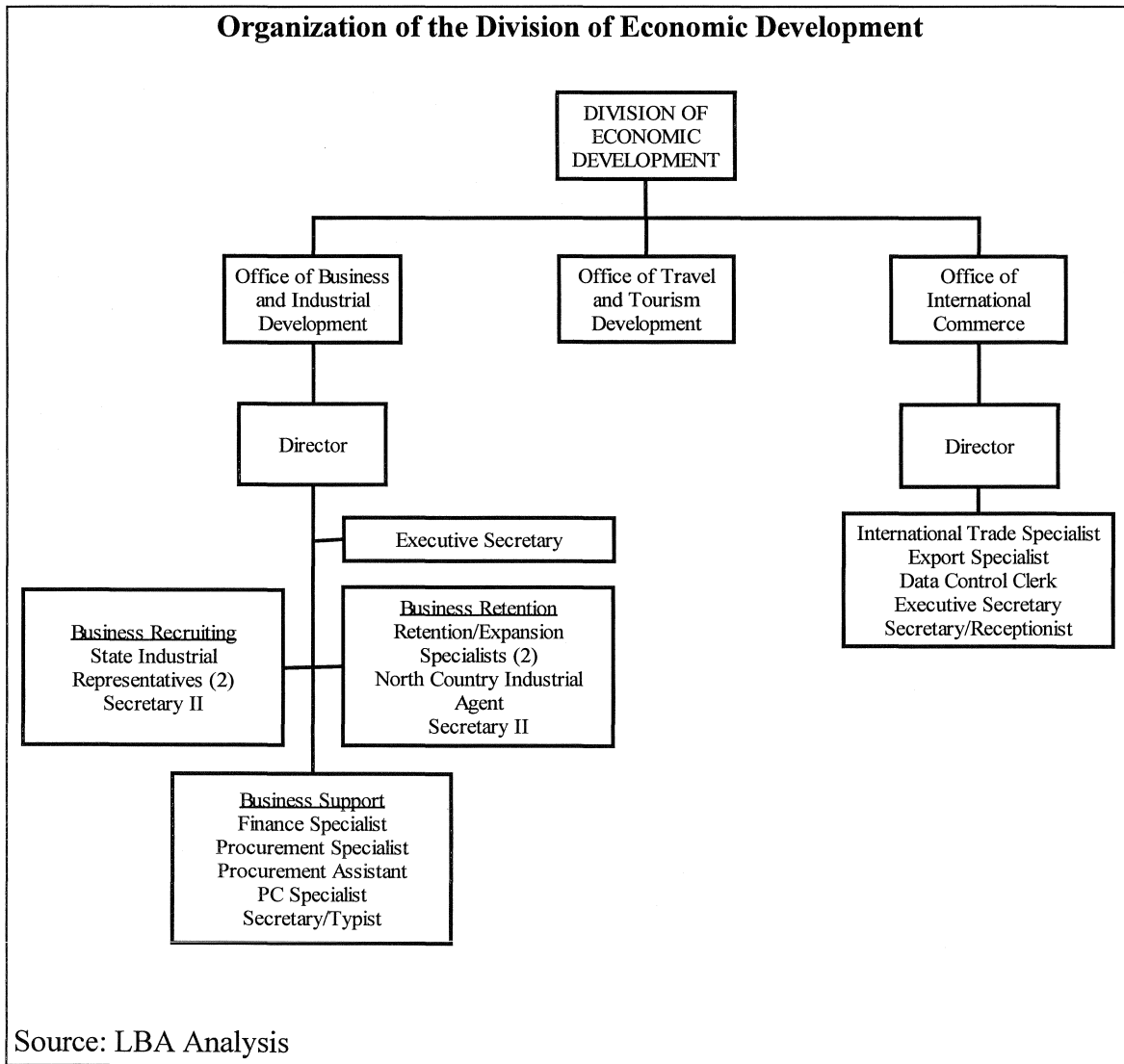
- Business retention and expansion programs focus on firms already resident in the state. These programs are designed to provide services and access to assistance that enable growth and development of existing firms.
- Business recruitment and marketing programs are designed to identify and attract new businesses interested in relocating to the state. The primary function is to provide interested firms with information on state and local economic, social, and demographic conditions, and on possible sites amenable to the firm's needs.
- Financial assistance programs may provide low-interest loans, loan guarantees, and "gap" financing to existing business and industry or may be used to attract new business and industry.
- Export development programs assist domestic firms to enter and compete in the global economy. The objective is to expand the domestic firm by increasing export sales. These programs usually include information, technical and financial assistance, training, and export development assistance.

1. INTRODUCTION (Continued)

1.2 Economic Development in New Hampshire

RSA 12-A establishes the Department of Resources and Economic Development (DRED) and charges it with overall responsibility for economic development in New Hampshire. The Division of Economic Development (DED) within DRED is charged with general responsibility for directing the State's economic development program. DED consists of three subdivisions: the Office of Business and Industrial Development (OBID), the Office of Travel and Tourism Development, and the Office of International Commerce (OIC), as shown in Figure 1. This performance audit focused on the economic development activities of OBID and OIC.

FIGURE 1



1. INTRODUCTION (Continued)

1.2 Economic Development in New Hampshire (Continued)

The Office of Business and Industrial Development is responsible for helping businesses within the State to maintain and expand their operations, as well as helping businesses to relocate to New Hampshire. The Office of International Commerce was created in 1993 and is responsible for helping New Hampshire companies maintain and develop foreign markets for their products. OIC maintains office space at the International Trade Resource Center (ITRC) on the site of the former Pease Air Force Base, while OBID is located at DRED headquarters in Concord.

The DRED commissioner is also responsible for administering the New Hampshire Economic Development Fund (NHEDF) which is a loans and grants program funded by the State. The Legislature has appropriated \$7.25 million to NHEDF since its creation in 1991. The appropriations were funded by \$5.75 million in 15-year bonds and \$1.5 million not otherwise appropriated from the general fund.

1.3 Revenues and Expenditures

Economic development programs administered by DRED are supported through the General, Special, and Capital Funds. Total general fund appropriations for fiscal years 1991-1996 were \$9,653,491, federal revenues totaled \$1,175,482, and bond proceeds amounted to \$5,750,000 (Table 1). These sources were used primarily for NHEDF-funded entities, DED administration (including contracts with the University of New Hampshire's Small Business Development Center), OBID, and OIC.

TABLE 1

**Department of Resources and Economic Development
Economic Development Programs
Sources and Uses of Funds
Fiscal Years 1991-1996**

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	TOTALS
SOURCES:							
General Funds	\$1,001,260	\$1,078,020	\$1,143,162	\$2,285,766	\$2,266,770	\$1,878,513	\$9,653,491
Bond Proceeds	5,000,000	0	750,000	0	0	0	5,750,000
Federal Funds	0	0	278,940	481,007	200,983	214,552	1,175,482
Investment Income	0	0	60,000	67,052	84,985	134,575	346,612
Private/Local Funds	0	64,996	0	10,000	6,586	109,227	190,809
TOTAL SOURCES	\$6,001,260	\$1,143,016	\$2,232,102	\$2,843,825	\$2,559,324	\$2,336,867	\$17,116,394
USES:							
NH Econ. Dev. Fund	\$0	\$2,187,771	\$2,149,800	\$630,915	\$620,063	\$796,476	\$6,385,025
Bus. & Econ. Develop.	543,954	766,579	778,398	789,232	856,302	980,523	4,714,988
DED Administration	404,988	252,215	258,576	366,413	353,572	402,217	2,037,981
International Commerce	0	0	280,817	390,743	547,406	554,406	1,773,372
TOTAL USES	\$948,942	\$3,206,565	\$3,467,591	\$2,177,303	\$2,377,343	\$2,733,622	\$14,911,366

Source: LBA Analysis of Statements of Appropriation

1. INTRODUCTION (Continued)

1.4 Scope, Objectives, and Methodology

We performed our audit of the economic development programs and efforts of the Division of Economic Development consistent with recommendations made to the Fiscal Committee by the joint Legislative Performance Audit and Oversight Committee. This performance audit was conducted in accordance with generally accepted governmental auditing standards and accordingly included such procedures as we considered necessary in the circumstances.

Scope and Objectives

This report describes and analyzes the economic development activities of the Division of Economic Development for fiscal years 1991 through 1996. Although some information regarding fiscal year 1997 was also included in our review due to the timing of our field work, the primary focus remains within the identified audit period.

The issues we focused on primarily addressed DED's performance in three areas. The first area concerns operations of the Office of Business and Industrial Development and its effectiveness in attracting and retaining business and industry to New Hampshire. The second area relates to operations of the Office of International Commerce and its effectiveness in helping New Hampshire businesses become international suppliers of goods and services. The third area assesses the role of the New Hampshire Economic Development Fund in promoting economic development in New Hampshire. Based upon the recommendations of the joint Legislative Performance Audit and Oversight Committee, we limited the audit to the activities of OBID and OIC and did not include the Office of Travel and Tourism Development.

Our audit addressed the following specific objectives:

- Assess the effectiveness of the Office of Business and Industrial Development and its expansion and retention, recruitment, and support programs for business.
- Assess the effectiveness of the Office of International Commerce and its export financing, targeted research, and resource library and other support programs.
- Assess the Department of Resources and Economic Development's management of the New Hampshire Economic Development Fund.

Methodology

To obtain general background information and develop an understanding of economic development efforts we reviewed reports, articles, and research published by governmental and non-governmental organizations involved with economic development. To obtain an understanding of current economic development evaluation methods and practices we reviewed literature from a variety of sources including other states, the National Association of State Development Agencies, the Urban

1. INTRODUCTION (Continued)

1.4 Scope, Objectives, and Methodology (Continued)

Institute, the Southern Growth Policies Board, and the Governmental Accounting Standards Board.

To obtain information about DRED economic development efforts we used structured interviews with the DRED commissioner and management personnel in DED, OBID, and OIC. We also reviewed New Hampshire statutes and administrative rules, organization charts of DRED and DED, and departmental reports to the Governor and legislative committees.

To obtain information related to the audit objectives, we used three basic methods:

- structured interviews with personnel from DED, OBID, and OIC;
- document reviews of state statutes, administrative rules, activity and performance reports from internal organizational structures within OBID and OIC, and documentation related to NHEDF, and;
- telephone surveys of businesses which received various services and assistance from the programs of OBID and OIC.

1.5 Significant Achievements

It is important to recognize that performance auditing by its nature is a critical process, designed to identify problems or weaknesses in past and existing practices and procedures. We mention here a number of successful and positive practices and programs that we observed and for which sufficient documentation was available.

Additional information will be provided within the text of the report, but for the present we wish to recognize the following efforts by the Office of Business and Industrial Development and the Office of International Commerce. Assistance provided by OBID industrial representatives has had significant impact on the decisions of Oxford Health Plans, Red Hook Brewery, Fidelity Investments, and the Wal-Mart Distribution Center to locate in New Hampshire. OBID has also been instrumental in efforts to survey businesses throughout the State using the Business Visitation Program, and to the initial development, at a reasonable cost, of a database system that can store, retrieve, and analyze survey information as well as information from other efforts by OBID and OIC. The International Trade Resource Center (ITRC), administered by OIC, has played a major role in developing an Export Financing Program that in just a few years has consistently achieved top ratings nationally. ITRC has also worked successfully towards developing and

1. INTRODUCTION (Continued)

1.5 Significant Achievements (Continued)

operating “one stop shopping” for New Hampshire-based businesses interested in developing and improving their export sales.

1.6 Report Outline

The remaining sections of the report present our analysis of DRED’s economic development programs and efforts. Chapter 2 contains our review of the Office of Business and Industrial Development programs to provide various support services to existing New Hampshire businesses and to attract businesses interested in relocating to the State. Chapter 2 also includes our analysis of OBID’s own evaluation of its efforts and of its primary data system, the New Hampshire Business Information System. Chapter 3 contains our review of OIC efforts to assist and support New Hampshire-based businesses in developing and increasing export sales of their products. This chapter also includes our analysis of OIC’s own evaluation of its efforts. Chapter 4 contains our review of DED management of the New Hampshire Economic Development Fund, including evaluation of NHEDF effectiveness. A short conclusion closes the analytical chapters and is followed by a section identifying other issues and concerns.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PROGRAMS**

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT

According to administrative rule Res 102.05(b), the Office of Business and Industrial Development (OBID) is responsible for all matters relative to programs for maintaining existing business and industry, expanding existing business and industry, and creating new business and industry in New Hampshire. This requirement is reflected in OBID's mission statement:

to expand opportunities in New Hampshire through the attraction of new businesses and the expansion of existing businesses. The strategy to accomplish this goal includes ongoing service calls within New Hampshire's approximate[ly] 2,000 manufacturing firms, 234 communities and local and regional economic development agencies throughout the state; advertising and public relations; literature publication and distribution; business support services; a finance clearinghouse; procurement assistance; and fulfillment of industry relocation inquiries.

During the audit period OBID had 14 positions, including the director, and was organized into three work groups paralleling its major activities: (1) business retention and expansion, (2) business recruiting, and (3) business support. OBID's director reports to the DED director.

Our analysis of OBID economic development programs and efforts indicated need for improvement within the business retention and expansion and the business support programs. However, business recruiting services received generally high ratings by companies that have relocated or expanded into the State. We also found more effort is needed on the part of OBID to evaluate its efforts and analyze its effectiveness in the three activities identified above. In addition, we found several problems with OBID's main data system, the New Hampshire Business Information System.

2.1 Business Retention and Expansion

OBID retention and expansion efforts are focused on helping New Hampshire firms remain in business in the State primarily through the Business Visitation Program (BVP). The BVP is an effort coordinated by OBID to systematically visit and survey businesses in New Hampshire communities regarding potential problems, opportunities for expansion, and specific needs which they may have.

The BVP is staffed by two employees whose salaries are paid by the New Hampshire Job Training Council and who are located at DRED offices in Concord working under the direction of the OBID director. One employee, the BVP community coordinator, works with local BVP sponsoring groups and task forces to plan implementation of the

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.1 Business Retention and Expansion (Continued)

survey, train volunteers who meet with local businesses, and present the survey findings to the community. The other employee, the BVP referral systems coordinator, is responsible for reviewing BVP surveys, entering the data in the New Hampshire Business Information System (NHBIS), preparing the survey findings in report form, and ensuring referrals are directed to OBID personnel and other State or private entities.

OBID also employs two retention and expansion specialists and a northern counties industrial agent as part of the retention and expansion program. These personnel provide direct follow up to BVP-surveyed businesses which have identified expansion or relocation needs. They provide counseling and information to businesses regarding services and assistance available to them relative to their BVP survey-identified needs through OBID and other State or private entities. Retention and expansion specialists also conduct outreach visits with companies in communities not yet surveyed through the BVP to ascertain business needs and plans.

We conducted telephone surveys of ten companies that were reportedly surveyed through the BVP. (Aggregated responses to our telephone survey can be found in Appendix A.) Our survey indicated mixed results regarding the effect the BVP had on these businesses:

- Nine of ten respondents rated how well the BVP addressed their business concerns. One respondent gave an excellent rating, three gave a very good rating, four gave it a neutral rating and one a very poor rating.
- Asked to rate how the BVP improved the firm's competitiveness, communication among local development organizations, and investment in the community, the majority of respondents gave neutral ratings.
- Asked whether their participation in the BVP resulted in a visit or a call from OBID personnel, three of ten respondents indicated they had been contacted by a retention and expansion specialist, and two of ten reported being contacted by other OBID personnel. Two of three respondents reporting contact by a retention and expansion specialist rated the services they received as good; the third respondent rated them as fair. Of the two respondents who reported being contacted by other OBID personnel one rated the services received as excellent and the other rated them as fair.
- Asked to rate the extent to which the BVP contributed to their community's economic development in the last 12 months, half the respondents indicated it had helped somewhat and half indicated it had not helped.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.1 Business Retention and Expansion (Continued)

We also asked respondents whether they experienced any of several changes since being contacted by the BVP and what contribution the BVP had made to those changes. Only four respondents indicated the BVP had made some contribution:

- One of five companies which indicated developing a business plan reported the BVP made some contribution.
- Two of four companies that reported changing a business strategy said the BVP made some contribution.
- One of two companies reporting market expansion said the BVP made some contribution.
- Four companies that reported increased income and profits, six that reported adding full-time employees, and six who reported retaining full-time employees told us the BVP made little or no contribution to these changes.

2.2 Business Recruitment

OBID's business recruitment program is aimed at attracting and facilitating expansion or relocation into the State by businesses from outside New Hampshire. OBID employs two state industrial representatives as part of its business recruitment efforts. These employees are responsible for providing information regarding available land and buildings, economic conditions, and various comparisons between New Hampshire and other states illustrating why New Hampshire is an attractive place to locate.

During the audit period several major employers expanded into the State, including Oxford Health Systems, Fidelity Investments, and a Wal-Mart distribution center. Our analysis of OBID documents, as well as our telephone survey of business recruitment companies (which included two of the above), indicated the OBID business recruitment program was an important factor in these expansions and other expansions and relocations that occurred during the early to mid 1990s.

We conducted telephone surveys of ten companies that were reportedly assisted by OBID during their search for new locations. (Aggregated responses to our telephone survey can be found in Appendix B.) Company representatives were asked a number of questions regarding the quality and timeliness of OBID assistance in several areas:

- The majority of company representatives gave OBID good or excellent ratings, in terms of timeliness and helpfulness, in areas such as information provided on economic conditions, buildings and sites in the State, personal assistance with specific problems, financial assistance, and coordinating with other New Hampshire entities.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.2 Business Recruitment (Continued)

- Nine companies gave OBID an excellent or good rating in terms of overall assistance.
- In addition, five companies reported OBID's assistance contributed significantly to the company's decision to come to New Hampshire.
- Eight companies estimated making capital investments at the New Hampshire locations of approximately \$153.8 million and adding 2,106 full-time equivalent employees to their payrolls.
- Eight of the ten companies we surveyed reported OBID did contribute to their decisions to locate in New Hampshire.

2.3 Business Support

The OBID business support program includes several efforts aimed at providing information and other forms of assistance to both existing New Hampshire-based companies and recruitment prospects. The major business support activities provided by OBID are described below:

- 1) Finance Clearinghouse. The finance clearinghouse provides information and assistance to companies in obtaining financing from state, federal, local, regional, and quasi-public programs. The OBID finance specialist assesses business needs and identifies financing programs available to meet those needs.
- 2) New Hampshire Procurement Technical Assistance Program (NHPTAP). NHPTAP provides an information link and technical assistance for businesses interested in marketing and selling to the federal government. The program, which is partially federally funded, employs two people who help companies identify procurement opportunities, provide training and education, and assistance before and after procurement awards have been made. NHPTAP accesses 23 federal contract-related databases nightly and forwards information to 285 companies.
- 3) Vendor Matching Program. The vendor matching program assists New Hampshire manufacturers with identifying other firms, preferably within the State, which provide products or components needed for their production process.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.3 Business Support (Continued)

- 4) New Hampshire Economic Development Data System (NEDDS). This is an electronic data system that contains a listing of available buildings and sites in the State. The information is provided by real estate brokers. NEDDS is often used by OBID industrial representatives to identify potential locations for businesses looking to expand or relocate to New Hampshire. The system is also available to OBID retention and expansion specialists to provide the same type of information to businesses identified through the BVP as looking to move or expand.

We conducted telephone surveys of ten companies that were reportedly assisted by OBID's support services during the audit period. Because information provided through interviews with OBID personnel, as well as our review of NHBIS data, indicated the Finance Clearinghouse and the NHPTAP had the largest use, we selected the survey population from among businesses receiving those services. (The aggregated responses to our telephone survey can be found in Appendix C.) Findings from our survey indicated mixed results regarding OBID business support activities:

- Survey respondents were generally satisfied to very satisfied with OBID's ability to develop useful recommendations, communication with OBID, and with OBID's willingness to help.
- Three of five respondents were dissatisfied with OBID's ability to refer their business needs to the proper agency and two of four were dissatisfied with OBID's ability to address their business needs.

We asked survey respondents if they had experienced any of several outcomes since the time they began receiving assistance from OBID. We also asked whether OBID assistance had contributed to the outcome:

- Four businesses reported expanding their operations; one of these businesses indicated OBID assistance had contributed somewhat, while the other three indicated it had no contribution.
- Seven businesses indicated their income had improved, one respondent indicated OBID's assistance had some contribution to this outcome while the remaining six indicated no contribution.
- Four firms each reported improved capital investment, improved business operation or methods, and increased number of employees; none of these firms indicated OBID services had any contribution.
- Six firms reported increased sales; one of these indicated OBID services had some contribution while the remaining five indicated no contribution.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.4 Evaluating the Effectiveness of OBID's Economic Development Efforts

Interviews with OBID personnel indicated there was insufficient effort within the office to formally evaluate the effectiveness of its various economic development programs. Although the OBID director has personnel within the office submit monthly reports on their activities, these do not include data on the effectiveness of the services they provide. The DED does not require OBID to evaluate the impact of services upon New Hampshire's economy and businesses.

We found evidence that some states, including Minnesota, have been evaluating their economic development efforts. We also found that national organizations, such as the Urban Institute and the National Association of State Development Agencies, as well as regional organizations such as the Southern Growth Policies Board, have taken leadership roles in encouraging and supporting the development of state economic development evaluation.

Outcome measurement of economic development activities is necessary for informed decision-making. With such outcome measurement OBID could improve its methods for determining which of its efforts are successful and which may need refinement or abandonment. Our own telephone surveys demonstrated that various survey formats can be used to obtain information regarding which OBID services appear to be effective and which may need to be improved. At a minimum, OBID should be surveying those businesses to which it has provided services, regarding a range of issues including satisfaction, timeliness, and helpfulness of services received, and other business indicators possibly affected by OBID services.

Observation No. 1

***Office of Business and Industrial
Development Program Evaluation
Should be Improved***

In March 1991, the Office of Business and Industrial Development released its "Strategic Plan for Economic Development: A Blueprint for the 1990's." In a 1993 status

report, OBID states, "[T]he primary economic development objective of the State of New Hampshire is to preserve the State's quality of life and improve the state's economy by diversifying the economic mix, and facilitating the creation of new job opportunities by providing an economic environment that is conducive to productivity and prosperity." Additionally, the status report stated that the extent to which efforts are beneficial to businesses "will determine the true impact" of the Office of Business and Industrial Development.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.4 Evaluating the Effectiveness of OBID's Economic Development Efforts (Continued)

Observation No. 1: Office of Business and Industrial Development Program Evaluation Should be Improved (Continued)

OBID personnel reported submitting to the director monthly activity reports, which include information such as the number of Business Visitation Program companies met, number of phone calls received by OBID personnel, messages left, meetings held, mail sent or received, number of persons contacting the finance clearinghouse, and business recruitment prospect status. The office's director reported OBID was able to track the number of referrals or business visits. However, the office does not conduct periodic or regular evaluations of its performance by asking its business clients to rate measures such as: quality of assistance including referrals, timeliness of assistance, and the contribution of OBID services to subsequent business outcomes such as the number of full-time equivalent employees added or maintained since companies received assistance.

Our own telephone surveys of businesses reported to have received services from OBID during the audit period gave high marks to the business recruitment program and mixed results to the business retention and expansion and the business support programs.

RECOMMENDATION:

We recommend OBID conduct intermediate and long term economic development program evaluations using specific, measurable performance outcomes, define measurable program goals for its economic development programs and monitor progress in meeting those goals.

AUDITEE RESPONSE:

We concur with observation No. 1. The OBID acknowledges the need for program evaluation methodology that improves linkage between the quantified level of program output and the resulting direct impact on business outcomes.

The issue of outcome-based program evaluation methodology is such a significant issue nationally that the National Association of State Development Agencies (NASDA) is currently undertaking a national research project to establish "best practices" in the area of outcome-based evaluation of economic development programs. The OBID is participating in this research project and will continue to seek to apply these best practices to its programs in New Hampshire.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

Observation No. 1: Office of Business and Industrial Development Program Evaluation Should be Improved (Continued)

The very nature of the activities performed and the services provided in a business retention scenario render measurement difficult beyond the level of tracking the number of companies visited and provided retention/expansion services, and compiling outcome results when they are clear and verifiable. It is appropriate for the OBID to conduct customer satisfaction surveys regarding services provided and the OBID will immediately commence the effort.

The OBID has played a vital role in providing assistance and information to thousands of companies during the economic recovery of New Hampshire, which occurred during the audit period. By its very nature, the work of economic development is as varied and diverse as the needs of the customers we serve, which include 2,300+ manufacturers, 45,000 total businesses and 234 diverse communities. While we remain committed to continuous improvement of quantifiable measures whenever possible, the difficulty in providing absolute finite measures linked to direct outcomes cannot be ignored, nor does this difficulty obviate the measures that do exist.

The economy of the State of New Hampshire experienced a growth and resurgence during the audit period that lead all other New England states. These quotes from "New England Economic Indicators" published in June 1997 by the Federal Reserve Bank of Boston illustrate this point:

"The state lost nearly 60,000 jobs during the last recession, but as of year end 1996, had recovered over one and a half times this number."

"The state's unemployment rate has been below the national average since June 1993 and held steady at 3.9% between December 1995 and a year later."

"The state's employment growth extended to all types of industry."

"New Hampshire currently has one of the strongest economies in the country."

"Over the 12 months ending in December 1996, total non-farm employment in New Hampshire grew 3.4%, the highest in New England and fifth highest in the nation."

While in no way attempting to claim credit for all of the above activity, the documented activities of the Office of Business and Industrial Development provided to firms during this recovery contributed in a significantly positive way to the state's economic development and to the diversification of the states industrial mix.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System

During fiscal years 1995 and 1996 DED contracted with a private vendor to develop the New Hampshire Business Information System (NHBIS). NHBIS is described in the contract as being the DED “plan to consolidate support for a number of database applications” in OBID and the Office of International Commerce (OIC). The contract identified the goal of NHBIS as providing “universal access to a central repository of information pertaining to New Hampshire businesses,” better communication between subdivisions within DED, improved data access, and reduced data redundancy. The cost of the development contract was \$129,250.

NHBIS was designed to consolidate several data systems in use by OBID and to accommodate the OIC need for data storage and analysis. A networked system, NHBIS was intended to integrate existing databases into a single information management system. Development planning calls for access to NHBIS by DED subdivisions and the State’s business community. Once completed, NHBIS should provide users with a single tool for generating raw information and advanced data analysis. We see a number of possibilities for NHBIS, particularly related to analysis of DED economic development efforts.

At the time of our performance audit the first phase of NHBIS’s development had been completed and DED was proceeding with the next developmental phase. Our review of the NHBIS development process indicated good controls were exercised by DRED personnel overseeing the project, ensuring that the delivered product was operational. We found that the amount spent for the product received was reasonable. However, we observed problem areas with NHBIS, as are reported in Observation Nos. 2-5 (pages 21-28). None of the problems appear to be fatal flaws or render NHBIS unmanageable. On the contrary, with improvements to those problem areas, DRED should continue developing NHBIS along the lines of what has been to date an economical course for this important information system.

Observation No. 2

New Hampshire Business Information System Needs Improvement

The New Hampshire Business Information System is the primary database system used within the Office of Business and Industrial Development and the Office of International Commerce. Obtained at an initial cost of \$129,250, NHBIS is designed to simplify State economic development information storage and analysis. However, the system appears difficult for some users, and does not optimize program data coordination, data access, and elimination of data redundancy.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System (Continued)

Observation No. 2: New Hampshire Business Information System Needs Improvement (Continued)

Personnel in DED subdivisions are not utilizing NHBIS information analysis tools to the extent they should. DRED and OBID personnel reported the nature of the database system caused personnel to underutilize NHBIS. For example, due to difficulty using NHBIS, one employee reported inputting only 20 percent of required data, while another employee entered data for only “a couple” companies. Many NHBIS users we interviewed reported being dissatisfied with the system, found it difficult to operate and understand, and underused it. The primary complaint was that the program was not user friendly. Comments included: difficult data entry, data manipulation, and reporting; too much time switching between screens; unable to use the mail label feature; and previous services to a company being deleted when entering a new service to a company.

Because some information is not put into NHBIS, DED programs may not fully recognize and support business needs. Lack of data may make effective DED program review problematic. Additionally, personnel who use NHBIS may not access, input, and edit data as effectively and efficiently as possible. This may translate into increased time requirements for employees, leaving them less time to fulfill other job duties, and weaken DED ability to optimize services and assistance to businesses.

We experienced several problems with NHBIS, such as editing and running data queries and sorts, and acquiring complete documentation. We found the application cumbersome to use, and it often ran slowly. We had a partial program manual and wanted to use the NHBIS ad hoc query feature to access other NHBIS data, but had great difficulty devising simple queries. We consulted with the DRED information systems manager, who told us the manual would not help; he recommended we try using standard, or “canned,” NHBIS reports. However, the DRED Request for Proposal states, “NHBIS must allow the greatest flexibility for sorts and quer[ie]s as possible without necessarily requiring a programmer to make changes.” Additionally, we were informed that although NHBIS can be used both to track delivered services and as an information management tool, it is not used as such. Finally, OBID personnel informed us that NHBIS would run reports properly only when the mouse cursor was positioned to the side of the main report screen; this information was not contained within NHBIS documentation.

RSA 12-A:22 charges the DED director with administrative oversight of DRED economic development programs, as well as establishing and maintaining “a data base on matters related to the economy of the state and its economic development.” According to a former DRED commissioner, NHBIS was designed for DED to provide universal access to a central repository of State business information and support the concept of one-stop-shopping for the State business community.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System (Continued)

Observation No. 2: New Hampshire Business Information System Needs Improvement (Continued)

Identified goals include better data coordination among offices and programs within the Division, improved data access, and reduced data redundancy.

RECOMMENDATION:

We recommend DED ensure NHBIS operates as efficiently as possible, and monitor NHBIS users for compliance with division data entry requirements. DED management should ensure NHBIS is used as a management information and management analysis tool. Ongoing and subsequent systems modifications should allow NHBIS to promote better data coordination among offices and programs within the Division, improved data access, and reduced data redundancy.

AUDITEE RESPONSE:

The OBID concurs with your observations.

We concur with your observations made with respect to the NHBIS being designed to simplify state economic development information storage and analysis.

The NHBIS was a project undertaken in early 1994 with the expressed intent to combine five database systems used throughout the OBID into one system.

We concur with the observation, "We found the application cumbersome to use..." and "...we had difficulty devising simple queries" and with our requirement of the developer that the application "allow the greatest flexibility for sorts and queries ...without requiring a programmer to make changes."

NHBIS is truly a large relational product containing over 300 files. Each of these files contains fields that relate to other tables. Without knowledge of these relations, the ad hoc report generator is useless. The product does what was requested. A user (there are five) knowledgeable of the table structure, without the aide of a programmer, can successfully generate ad hoc reports.

The OBID has undertaken Phase II of the NHBIS project to deal with several of these issues, and this is nearing completion. These efforts, combined with enhanced training and exposure, will improve the level and quality of use of the NHBIS system. The OBID is committed to continuous improvement of the NHBIS system.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System (Continued)

Observation No. 3

Data Reliability Should be Improved

OBID and DRED have not effectively overseen data input and retention regarding economic development programs. Inaccurate program data and records weaken program oversight, deter efficient program review, and may increase administrative time and costs.

We conducted surveys of 30 private businesses that data indicated had been assisted by OBID economic development programs. We examined data within (1) NHBIS, (2) the sales prospect database known as "SNAP," and (3) the New Hampshire Procurement Technical Assistance Program. We found discrepancies between OBID data and business-supplied information.

For example, of 68 private businesses that we randomly selected and tried to contact, 18 firms (26.5 percent) could not be surveyed because of the following:

- no business phone number or incorrect phone number listed in NHBIS and not obtainable from directory assistance (seven firms);
- contact listed in NHBIS no longer with the company (six firms);
- disconnected business phone number (one firm); and,
- employee contacts listed within NHBIS were unknown to the company (three firms) or deceased (one firm).

Seventeen additional companies (25 percent) and their NHBIS-listed contacts reached through our surveys reported never receiving OBID services, even after they were prompted with NHBIS-listed contact dates and service descriptions. Another firm received services, yet reported services different from OBID-listed services. One company we surveyed reported the NHBIS-listed name we used was incorrect. Another company, selected for our survey of out-of-state firms recruited to locate in New Hampshire, was incorrectly listed in the SNAP database. This firm actually moved its operations from one New Hampshire location to another.

Also, duplicate company data exist in the Business Visitation Program portion of the NHBIS database. DRED and OBID personnel spent several days manually removing duplicate data from NHBIS; there were about 3,500 companies that had to be checked.

According to his supplemental job description, the OBID director is responsible for directing and evaluating "activities and administration of the Office of Business and Industrial Development." Institution and oversight of orderly, accurate data input and records are generally accepted management functions. The OBID director reported problems with data that was purchased from an external source and used as core NHBIS data. He also reported continuous data improvement is needed.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System (Continued)

Observation No. 3: Data Reliability Should be Improved (Continued)

RECOMMENDATION:

We recommend OBID ensure efficient and effective data entry and records for economic development programs; ensure data management policies promote accurate data input and maintenance, and modify policies as necessary; ensure BVP data, including business contacts, phone numbers, and company names, are accurate and updated periodically.

AUDITEE RESPONSE:

The OBID concurs with your observations.

We concur with observations made with respect to the duplication of records.

This duplication is an issue that has been identified within the OBID and has been addressed in the Phase II of NHBIS development. We have shifted the select criteria for a company from its name, which, with the numerous ways to call a business, was responsible for the problem in the first place, to its telephone number. Selection and location of a business within NHBIS will now be done this way. This should reduce the data duplication that exists by 90%.

We concur with observations made with respect to inaccurate recording of telephone numbers.

As indicated, the inaccurate telephone numbers can be attributed to several variables. They include a business no longer in business, data that was purchased from a third party with inaccurate numbers and simple clerical error.

To the extent that an error is clerical, effective immediately, the OBID has instituted a verification program that involves a paper copy of the data being randomly pulled and verified against keyed data. This is done on a monthly basis by the BVP referral coordinator. Results are reported to the director of the OBID.

We concur with observations made with respect to effective oversight of data entry.

The OBID has used the NHBIS for a year. It has been our experience that data errors are the result of two possibilities. The first is the result of the initial port of five databases being merged into one. This process was started by the cleaning of data prior to the port (due to the increased difficulty of cleaning after the port). This

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System (Continued)

Observation No. 3: Data Reliability Should be Improved (Continued)

process, though quite effective in reducing the number of duplication errors, did create limited data problems. These problems were considered to be minimal after completion of the port with the intent of doing corrections as they were discovered and updated.

The second is the result of data input errors of newly supplied data. The OBID has not taken steps to do verification on this data. Effective immediately, the OBID will be doing spot checking against paper records to determine accuracy and establish baseline acceptable data entry policies which will be used/reviewed during employee performance reviews.

Observation No. 4

No Written Disaster Recovery Plan for Electronic Data Systems

During our review of DED electronic data processing systems, we noted that DRED did not have written documentation of its electronic data systems disaster recovery plan. However, interviews with personnel in DRED and OBID indicated adequate unwritten disaster recovery procedures were developed and in use. DRED is a repository for State economic development data. Much of this information is stored electronically and used by DED as well as by State and local agencies and officials, and private businesses. For example, data are used within OBID for generating automatic referrals, tracking services provided to businesses, and developing program reports.

Effective management controls help an agency safeguard resources against loss. Written policies and procedures provide necessary documentation to ensure continuous operation in the event of a disaster. Although the DRED information services manager said electronic economic development data were more than adequately protected, lack of a written disaster recovery plan could enable a disaster to interrupt the continuity of DRED economic development operations.

RECOMMENDATION:

We recommend DRED develop a written disaster recovery plan.

AUDITEE RESPONSE:

The OBID concurs with your recommendation.

DRED Electronic Data Processing will produce from the current operational disaster recovery plan a written plan. This plan will be developed in accordance with Office of Information Technology Management guidelines.

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System (Continued)

Observation No. 5

Computer Training Needs Improvement

Appropriate employee training improves organization efficiency and effectiveness. OBID needs to improve current computer training and evaluation of its effectiveness.

OBID personnel use varied computer software programs, including NHBIS, "SNAP" customer/sales tracking software, and newer contact tracking software called "ACT." OBID uses these and other software programs to plan, develop, and administer State economic development programs.

OBID personnel indicated receiving little or no computer training. Interviews with current and past OBID personnel indicated some employees taught themselves, or worked with other personnel, to develop computer skills in ACT, SNAP, and word processing.

The OBID director reported the PC Specialist is responsible for providing NHBIS training as personnel begin working at OBID. Both the DRED Information Services Manager and the OBID PC Specialist indicated OBID employees receive customized NHBIS training when they arrive or are able to adequately perform their jobs. The Information Services Manager told us the PC Specialist is responsible for providing all computer training to OBID personnel and maintaining computer training records. However, we found no evidence of computer training records. The PC Specialist job description requires that he train and assist staff in using databases and other software.

RECOMMENDATION:

We recommend OBID evaluate the effectiveness of computer training, and ensure personnel who use its computer systems have adequate training. To document training efforts, OBID should establish and maintain personnel computer training records.

AUDITEE RESPONSE:

The OBID concurs with your observations.

We concur with observations made that "Appropriate employee training improves organization efficiency and effectiveness."

2. OFFICE OF BUSINESS AND INDUSTRIAL DEVELOPMENT (Continued)

2.5 New Hampshire Business Information System (Continued)

Observation No. 5: Computer Training Needs Improvement (Continued)

Not all users require the use of all applications, subsequently the training is dealt with on an as-needed basis.

We concur with the recommendation that OBID personnel document training efforts.

From this day forward a log will be kept for each employee as to those formal training sessions that the employee participates in.

We concur with the observation that employees receive customized training when they arrive or have adequately mastered their jobs.

The OBID personnel typically utilize all of the office automation products (WordPerfect and some Lotus) and one database application. In some cases, the use of the NHBIS involves training in one or several areas. The NHBIS is a large application addressing the diverse needs of the OBID work unit structure. Many of the personnel, clerical and otherwise, require only limited access and training on the NHBIS and this is the way that training has been provided. This training is provided by the Specialist I as he feels it is required.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PROGRAMS**

3. OFFICE OF INTERNATIONAL COMMERCE

The Office of International Commerce (OIC) became a separate office within DED in fiscal year 1993. A \$1 million federal grant in 1992 provided operating expenditures for OIC. An initial outlay of \$200,000 from the New Hampshire Economic Development Fund was used for creating the International Trade Resource Center (ITRC) at the former Pease Air Force Base. Programs offered through ITRC include export finance, international trade training, targeted research, international trade counseling, export administration outreach, and an international trade resource library. General Fund appropriations began supporting operating expenditures in fiscal year 1996.

The OIC mission is to expand international opportunities for New Hampshire businesses according to the DRED 1994-1995 biennial report. In that capacity OIC administers ITRC. OIC employs a director, an international trade specialist, an export specialist, an executive secretary, a secretary/receptionist, and a data control clerk. DRED contracts with the University of New Hampshire's Small Business Development Center (SBDC) to employ personnel for the ITRC Export Finance Program and International Trade Training Program. Also located at ITRC is the director of the U.S. Department of Commerce District Export Assistance Center and a representative of the New Hampshire International Trade Association. We focused our review of OIC and ITRC on the Export Finance Program, the Targeted Industry Research Program, and the International Trade Resource Library.

We found OIC to be well-managed and staffed with knowledgeable professionals. Its programs are well-run and well-received by the State's business community. However, OIC makes insufficient use of its NHBIS database, and needs to improve its program evaluation to measure its effectiveness. In addition, we found OIC should improve its security over the international trade resource library.

3.1 Export Finance Program

One of the most successful programs at the International Trade Resource Center is the Export Finance Program. DRED contracts with the SBDC to employ the program's manager. The program is designed to assist New Hampshire businesses in obtaining financing needed for export sales. The program manager helps businesses with obtaining financing through the federal Export-Import Bank (EXIM) and the federal Small Business Administration (SBA), by providing information on all programs, credit analysis, loan packaging, and individual

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.1 Export Finance Program (Continued)

counseling. The manager also provides training to loan officers from local banks regarding opportunities in the export financing area.

Three basic export financing programs are available to businesses: working capital, foreign buyer credit, and export credit insurance.

Working Capital Loans are guaranteed by both the EXIM and the SBA. Working capital loans are short-term and are designed to provide companies with contracts for foreign sales with the capital needed for production and sales. Loans obtained under the SBA are limited to \$750,000, those obtained under the EXIM can be \$25,000 or greater and are restricted to non-military uses. The export financing program manager told us the EXIM will work with any bank. The SBA works with five banks in the State. The manager stated approximately five to ten percent of the companies using the program use working capital exclusively, less often in good economic times because they can get bank loans. An EXIM loan can provide a line of credit or can be transaction specific. Lines of credit have a specified administrator tracking the loan.

Foreign Buyer Credit includes direct loans, when there are no U.S. chartered banks, and guaranteed loans, when there is a U.S. chartered bank or a sovereign guarantee from the foreign government. Both are available through the EXIM. Foreign buyer credit is designed to provide the purchaser of the New Hampshire-sold product with the capital to pay the seller. The loan is made to the foreign purchaser, who is responsible for repayment, but is paid directly to the seller. The export finance program manager indicated there are generally no caps on the foreign buyer credit loans, but \$10 million with guarantees is usually the limit. The EXIM will work with foreign banks complying with western auditing standards only. According to the export finance program manager, 30 percent of the companies he sees use foreign buyer credit exclusively.

Export Credit Insurance insures receivables against commercial and political risks. There are no limits on size. Export credit insurance can be used by both relatively new companies and large established companies. The EXIM Small Business New to Export program costs \$500 to set up a policy, and can be short-term (180 days) for consumer products, or medium-term (up to five years) for capital goods and equipment. About 20 percent of the companies using the export finance program use export credit insurance, but according to the program manager the number will be growing as companies become more comfortable with the concept.

Since its inception in fiscal year 1994, the Export Finance Program has attained a ranking of first or second among programs of its kind throughout the United States.

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.1 Export Finance Program (Continued)

According to the program's manager, this ranking is based on the dollar value of the products exported under the EXIM programs. The program's manager also stated attainment of this ranking has been made possible due to the State's allowing one person to focus exclusively on export finance, and the program consistently offering all available EXIM programs. According to the program manager, staff in other states that have export finance programs work on export finance only part time.

We conducted telephone surveys of ten New Hampshire-based businesses which were reported to have been assisted by the Export Finance Program during the audit period. (Aggregated responses to our telephone survey can be found in Appendix D.) Nine survey respondents reported having exported their products prior to using the export finance program. Seven respondents reported using the working capital program, while five reported using the foreign buyer credit program, and three reported using export credit insurance. Nine respondents rated the program as excellent in terms of the helpfulness and timeliness of the assistance they received.

3.2 Targeted Industry Research Program

The Targeted Industry Research Program works with selected industries in New Hampshire, one at a time. The program is the responsibility of the OIC International Trade Specialist who conducts research supporting a targeted industry's development as an exporter. The program researches the industry's position in New Hampshire as measured by its nature and extent statewide, export activities, opportunities for developing intra-industry cooperative activities, and the needs of companies interested in further foreign market development. The program also researches and ranks the top five foreign markets for the industry and develops strategies for entering each market.

The Targeted Industry Research Program surveys industry members throughout the State and, after conducting detailed research, presents its findings to the industry through a seminar and the publication of an industry-specific guide. Program personnel also represent the industry during trade missions to the identified markets. During the audit period, the program had researched the State's environmental, computer software, and value-added wood products industries.

Our review of the Targeted Industry Research Program indicated it had been successful in reaching out to a large number of businesses among the value-added wood products industry. We conducted telephone surveys of ten New Hampshire-based value-added wood products businesses that were reported to have returned the program's survey or had attended the seminar following the program's detailed research. (Aggregated responses to our telephone survey can be found in Appendix E.) Survey results indicated a high level of satisfaction with the program.

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.2 Targeted Industry Research Program (Continued)

Eight of ten respondents to our survey had exported products prior to being contacted by the Targeted Industry Research Program. Six respondents had attended the seminar presentation of the market research, and rated the seminar as good (1), very good (3), and excellent (2). Six respondents reported receiving the buyers guide from OIC and rated it very good (4) and good (2). As a result of their contact with the program, two of ten respondents reported preparing an overseas marketing plan, one reported hiring an overseas agent, and another reported hiring an overseas distributor. Four respondents reported selling additional products abroad as a result of their contact with the program. Several respondents reported utilizing other services offered by ITRC. All respondents rated both the timeliness and helpfulness of the program as good or excellent.

3.3 International Trade Resource Library

The International Trade Resource Library is the responsibility of the OIC Export Specialist. The library houses various publications and videotapes related to international trade, including many specific to a particular nation or region of the world. The library also contains personal computers which access the International Trade Data Network (ITDN). Among other things, this computerized network contains: current foreign market information, industry specific reports, market insight reports, travel information and advisories, and export contacts. Much of the information on ITDN comes from government sources such as the U.S. Department of Commerce, the State Department, the U.S. Customs Office, and the Bureau of Census. The library does not lend its materials to its users.

Our review of the library indicated it contained an impressive assortment of periodicals, reports, directories, and other print media specific to international commerce. In addition, ITDN appears to be a useful resource for quickly finding various kinds of needed information for businesses interested in anything from a specific country to the latest government export forms and product description codes. Finally, OIC should improve security over the library's resources and develop objective ways of determining library use levels and effectiveness.

We attempted to conduct a telephone survey of International Trade Resource Library users, to assess their use and satisfaction, but were unsuccessful in doing so due to data limitations. The library keeps no separate list of users, as noted in Observation No. 6 (page 33). However, we did include questions specific to the library in our telephone surveys of businesses served by the Export Finance and Targeted Industry Research programs. (The aggregated responses for these surveys can be found in Appendices D and E.)

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.3 International Trade Resource Library (Continued)

All ten of the Targeted Industry Research Program survey respondents reported being familiar with the library, while six of the respondents reported using it. Four of these respondents used the library once a year or less, and two used it twice a year.

Seven of ten Export Finance Program survey respondents reported being familiar with the library and six reported using it. One respondent reported using the library weekly, two used it monthly, and three reported using it twice a year. Most respondents from both of our surveys indicated satisfaction with the library services they used. Services which respondents reported using most frequently included: ITDN; shipping logistics, customs, and export documentation; country-specific materials; and U.S. Government and other publications.

Observation No. 6

Controls Over the International Trade Resource Library Should be Improved

We found a need to improve security over the International Trade Resource Library at the OIC. Although the OIC

export specialist, who is responsible for maintaining the library, told us there have never been any thefts of library materials or equipment, that does not preclude the possibility of theft in the future. The library has no way of precisely identifying library users, which compromises the OIC's ability to evaluate user satisfaction and improve library services. As a result, OIC has no credible way of objectively assessing the library's effectiveness.

There is a sign-in log for visitors to OIC, but not all visitors sign the log. We observed the receptionist's station in the building's lobby is not staffed regularly and were informed it was due to a temporary vacancy.

RECOMMENDATION:

We recommend OIC establish a separate log-in for library users for use in developing a database for the purpose of developing an evaluation of library services and performance, and ensure the receptionist station in the lobby is staffed during business hours.

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.3 International Trade Resource Library (Continued)

Observation No. 6: Controls Over the International Trade Resource Library Should be Improved (Continued)

AUDITEE RESPONSE:

We concur that the current sign in log does not lend itself well to the creation of a comprehensive data base of library users. Although the receptionist requires that all visitors sign in and out, they do not always provide full company information. We have been monitoring the use of the library in numbers only. Effective immediately, we will install a podium at the immediate entrance to the library with a library user sign-in log, in which users will be required to provide user name and title, company name, address, telephone and telefax, prior to entering the library. All trade center staff will be required to sign in on behalf of a client company for which research is being performed. Direct library users and clients for which library resources are being utilized will be entered in the NHBIS system. These users will be surveyed on an annual basis to evaluate library services and ascertain user satisfaction.

The OIC functions as a hands-on organization, interacting at all times with clientele. With regard to the library, it is important to note that it is the practice of the OIC export specialist to speak with visitors to the library for the purpose of offering assistance. As an interactive organization, our feedback comes directly from our contact with clients. We use this contact to evaluate and improve upon services.

3.4 Evaluating the Effectiveness of OIC's Economic Development Efforts

Interviews with OIC personnel indicated formal efforts within the office to formally evaluate the effectiveness of its various economic development efforts were limited. Although some of the ITRC programs do ask participants to complete evaluations following seminars, there is no formal effort by OIC or ITRC programs to evaluate the impact of their services upon New Hampshire's economy and businesses.

As we stated earlier, outcome measurement of economic development activities is necessary for informing decision-makers. OIC should improve the methods for determining which of its efforts are successful and which may need refinement or abandonment. The OIC should, at a minimum, be surveying those businesses it has provided services to, regarding a range of issues including satisfaction, timeliness, helpfulness of services received, and other business indicators possibly affected by OIC services.

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.4 Evaluating the Effectiveness of OIC's Economic Development Efforts (Continued)

Observation No. 7

***Office of International Commerce
Program Evaluation Should be Improved***

OIC management has not established sufficient formal program evaluation of the programs offered through the International Trade Resource Center (ITRC). Improved program evaluation enhances comprehensive program review and identifies potential program inefficiencies, ineffectiveness, and obsolescence. The absence of effective long term program review complicates a thorough understanding of program effectiveness.

Although some evaluations of seminars and other ITRC activities are conducted, these efforts are inconsistent and the evaluations fail to include meaningful indicators of effective program performance. For example, OIC administered a "Performance Survey" in 1995, sending it to every company with which it had contact during the previous two years. The survey results, according to the OIC director, were not tabulated. The director also indicated the survey should be done every two years and needed to be done again. Our review indicated it had been more than two years since the survey was done last. In addition, our analysis of the survey instrument indicated it could give OIC only basic information about ITRC services and very little quality information upon which to make decisions regarding programmatic changes and improvements. We also believe that every two years is too long an interval for administering a survey that measures quality and effectiveness of services.

Three ITRC programs administer evaluations after some or all of their seminars: export administration outreach, targeted industry research, and international trade training. Our review of these evaluations also indicated improvements should be made to increase the amount of useful information obtained from the responses.

OIC deserves credit for being nationally recognized as "the model one-stop service center for export assistance," and the export finance program has for several years been second in the nation in terms of dollars involved in products exported. However, evaluations of the various programs OIC administers through ITRC should be improved.

RECOMMENDATION:

We recommend OIC conduct regularly scheduled economic development program evaluations using specific, measurable performance outcomes, as well as define measurable program goals and monitor progress in meeting those goals.

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.4 Evaluating the Effectiveness of OIC's Economic Development Efforts (Continued)

Observation No. 7: Office of International Commerce Program Evaluation Should be Improved (Continued)

AUDITEE RESPONSE:

We concur that formal quantifiable program evaluation measures for certain services do not exist to the degree that a cause and effect result can be measured.

This pertains in particular to services related to strategic business development such as counseling, market research, information dissemination, technical assistance and training. The fundamental question remains how best to show the actual impact on the economy of these services as they relate to increased sales/profit/jobs created or retained. For example, how can OIC relate attendance at one or more seminars directly to a sale; or how can OIC follow a company's progress from an initial counseling session through to a direct sale? Our interaction with clients and our feedback processes, such as the export roundtables and client surveys, provide more than sufficient information in that regard. In our contacts with other state agencies charged with export development, we have found that no industry standard exists for evaluation. In fact, the National Association of State Development Agencies has placed the development of performance monitoring and subsequent development guidelines at the top of its agenda. OIC is active with NASDA's international trade committee which has formed a subcommittee to deal specifically with this issue.

We concur that it is time to circulate a new performance survey to companies with which OIC has had contact. We believe that the survey adequately addresses the quality of services and additional needs that should be addressed. The survey will be modified to include additional questions related to sales figures and jobs created/sustained, however, it has been our experience that companies are reluctant to release financial information. The survey will be distributed by year end, and annually thereafter.

We concur that the evaluation format of the seminars and technical training programs can be improved upon to include responses wherein the company may indicate or anticipate that participation in the program(s) has or will directly affect an increase in export sales. Effective immediately, we will modify the evaluation forms.

3. OFFICE OF INTERNATIONAL COMMERCE (Continued)

3.4 Evaluating the Effectiveness of OIC's Economic Development Efforts (Continued)

Observation No. 7: Office of International Commerce Program Evaluation Should be Improved (Continued)

Currently, the most accurate way of evaluating the impact of programs and services is through feedback from the companies served. However, the time involved to follow up on each action provided to each and every user of the ITRC would not be cost effective. As a result, we concur that the net effect of services is largely under-reported. The performance survey that we have referenced will be augmented to include more meaningful indicators and will be the primary means for evaluation of programs and services until such time that a more scientific or efficient method is developed through the NASDA or U.S. Department of Commerce programs. It should also be noted that until the recent development of the NHBIS system, OIC did not have an electronic system to gather and store data on client services. Current and historical data is now being input into the NHBIS system for the purpose of more effectively monitoring the level of services provided to the individual client, thus facilitating follow-up.

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**STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PROGRAMS**

4. NEW HAMPSHIRE ECONOMIC DEVELOPMENT FUND

Chapter 4, Laws of 1991 created the New Hampshire Economic Development Fund (NHEDF) to provide funds for grants, loans, and other economic development initiatives considered to be beneficial to the overall economy of the State. The initial appropriation in 1991 was \$5 million; subsequent appropriations of \$750,000 (1992) and \$1.5 million (1993) increased the NHEDF to \$7.25 million.

NHEDF appropriations were funded by 15-year bonds (\$5.75 million) and amounts in the General Fund not otherwise appropriated (\$1.5 million). Payments on the principal and interest on bonds when due are to be made from the General Fund. A review committee consisting of the Speaker of the House of Representatives and two members of the House Finance Committee appointed by the Speaker, the Senate President and two members of the Senate Finance Committee appointed by the Senate President, and the DRED commissioner makes recommendations to the Governor and Council for NHEDF disbursements.

The DRED Commissioner is responsible for administering NHEDF and has delegated administrative support functions to the Department's business office and Division of Economic Development (DED). These responsibilities include: disbursing and accounting for NHEDF funds; oversight of NHEDF contract and grant recipients; ensuring reporting requirements are met; and representing DRED on the New Hampshire Business Development Corporation Board of Directors, the advisory board to the UNH Small Business Development Center, and the UNH Industrial Research Center's Oversight Committee.

4.1 Uses of the New Hampshire Economic Development Fund

Our review of NHEDF indicated funds were used for a variety of purposes (Table 2), all of which were consistent with the purpose of the fund. Not all uses of NHEDF have been successful, such as the telecommunications program and the federal liaison. However, other entities in receipt of NHEDF funds have successfully used them for investments in small businesses, sponsoring research and development of innovative production procedures, and small business management assistance, counseling, and training. A number of DRED economic development programs and efforts have also received NHEDF funding.

4. NEW HAMPSHIRE ECONOMIC DEVELOPMENT FUND (Continued)

4.1 Uses of the New Hampshire Economic Development Fund (Continued)

TABLE 2

**New Hampshire Economic Development Fund
Sources and Uses of Funds
Fiscal Years 1991-1996**

	FY 91	FY 92	FY 93	FY 94	FY 95	FY 96	TOTALS
SOURCES:							
Bond Proceeds	\$5,000,000	\$0	\$750,000	\$0	\$0	\$0	\$5,750,000
General Fund Approp.	0	0	0	1,000,000	500,000	0	1,500,000
Dividends from NHBDC	0	0	60,000	67,052	84,985	134,575	346,612
TOTAL SOURCES	\$5,000,000	\$0	\$810,000	\$1,067,052	\$584,985	\$134,575	\$7,596,612
USES:							
NH Business Dev. Corp.	\$0	\$2,000,000	\$1,450,000	\$0	\$0	\$0	\$3,450,000
UNH Ind. Research Center	0	39,033	196,669	525,949	567,804	701,368	2,030,823
UNH Small Bus. Dev. Center	0	125,000	240,000	0	0	62,000	427,000
International Trade Fund	0	0	180,682	22,623	11,704	23,466	238,475
Miscellaneous	0	0	0	58,708	10,321	0	69,029
Eastern Maine Dev. Corp.	0	23,738	32,449	8,178	0	0	64,365
UNH Telecom. Pilot Program	0	0	50,000	0	0	0	50,000
Fin. Assistance Clearinghouse	0	0	0	10,457	20,234	1,030	31,721
Federal Liaison Contract	0	0	0	5,000	10,000	0	15,000
Econ. Dev. Matching Grants	0	0	0	0	0	8,612	8,612
TOTAL USES	\$0	\$2,187,771	\$2,149,800	\$630,915	\$620,063	\$796,476	\$6,385,025
Available to be expended 6/30/96							\$1,211,587

Source: LBA Analysis of Statements of Appropriation

The programs described below have been at least partially funded through the New Hampshire Economic Development Fund:

- 1) New Hampshire Business Development Corporation (NHBDC) is a for-profit company that provides loans to small businesses that qualify for the federal Small Business Administration's 7(a) loan guarantee program. The loans are sold to secondary markets at a premium, allowing the NHBDC to reinvest the proceeds. NHEDF funds were used to purchase \$2 million in Series A NHBDC preferred stock in fiscal year 1992 and a \$450,000 Series A NHBDC subordinated note in fiscal year 1993. Another \$1 million was placed in escrow with the NHBDC in fiscal year 1993 for creating a small business investment company known as the New Hampshire Capital Consortium. After failing to develop the capital consortium as a stand alone concern, it was affiliated with another small business investment company known as Zero Stage Capital V. NHBDC investments had returned \$346,612 by the end of fiscal year 1996, and an additional \$114,041 (for a total of \$460,653), in dividends and interest payments as of October 1996, much of which had been scheduled for reallocation in fiscal year 1997.

4. NEW HAMPSHIRE ECONOMIC DEVELOPMENT FUND (Continued)

4.1 Uses of the New Hampshire Economic Development Fund (Continued)

- 2) University of New Hampshire Industrial Research Center (IRC) was established by Chapter 211, Laws of 1991, the IRC provides funding to private companies in the State for research support and technology transfer by universities in and out of New Hampshire, in development of innovative production efforts. By the end of fiscal year 1996, the IRC had received over \$2 million in NHEDF funds. Also funded through NHEDF and administered through the IRC is the Inventor Assistance Program.
- 3) University of New Hampshire Small Business Development Center (SBDC) is a cooperative venture among the U.S. Small Business Administration, UNH, the State, and the private sector. The SBDC provides management assistance, counseling, and training to individuals and businesses through six subcenters located throughout the State. The SBDC received \$427,000 from NHEDF through the end of fiscal year 1996. The SBDC also receives funding for part of its operating expenses and for contracts to hire personnel for the Export Finance and the International Trade Training programs at the International Trade Resource Center from the DED operating budget.
- 4) International Trade Fund was created by Chapter 260, Laws of 1991 to accept public and private sector grants, gifts, or donations for funding programs associated with international trade. The fund received \$254,300 (of which \$238,475 had been used by the end of fiscal year 1996) from NHEDF, including \$100,000 to help create the fund, and \$154,300 for building improvements, equipment purchases, and to continue State support for programs through the International Trade Resource Center.
- 5) Eastern Maine Development Corporation (EMDC) received \$64,365 from NHEDF to establish a New Hampshire-based Procurement Technical Assistance Center. DRED dissolved contractual ties with EMDC when the procurement program was brought under the management of OBID. The program's purpose is to provide businesses in the State with increased access to federal markets, as well as to provide supporting documentation and technical assistance in solicitation responses.
- 6) UNH Telecommunications Pilot Program was designed to demonstrate the potential of a telecommunications network connecting 25 different locations statewide. The program received \$50,000 from NHEDF for equipment, personnel and support. Additional resources were to come from UNH and private sector telecommunications and computer companies.

4. NEW HAMPSHIRE ECONOMIC DEVELOPMENT FUND (Continued)

4.1 Uses of the New Hampshire Economic Development Fund (Continued)

- 7) Finance Assistance Clearinghouse is an OBID-managed program to provide a one-stop location for information about financing programs operated by the State, the federal government, and other programs. The program used \$31,721 in NHEDF money, mostly in a variety of administrative support areas.
- 8) Federal Liaison Contract was created by Chapter 358:48, Laws of 1993 to engage someone to act as a liaison between the State and federal government to secure federal funds in support of economic development initiatives. NHEDF funds in the amount of \$100,000 were approved for this project, but the contract was canceled after only \$15,000 was expended.
- 9) Economic Development Matching Grants Program was created by Chapter 328, Laws of 1993 to provide technical and financial support to municipalities undertaking significant economic development efforts. The intent of the program was to establish more effective economic development partnerships between State and local governments. Chapter 349:18, Laws of 1993 appropriated \$300,000 to the program. After a somewhat slow start (only \$8,612 had been spent by the end of fiscal year 1996), by October 1996, local governments had received grants amounting to \$123,358 in support of local economic development marketing efforts.

Projects that had been approved as of October 1996, for funding during fiscal year 1997, included the SBDC (\$69,000), the IRC (\$267,000) and the IRC's Inventor Assistance Program (\$20,000), and the New Hampshire Product Identity Project (\$10,000). Three DRED programs were also approved for NHEDF funding during fiscal year 1997 including: Phase II development for the New Hampshire Business Information System (\$75,000), OIC marketing and promotion program (\$100,000), and the Office of Travel and Tourism's Joint Promotional Program (\$100,000).

4.2 Evaluating the Impact of the New Hampshire Economic Development Fund

Entities receiving NHEDF disbursements are generally in compliance with the terms of their contracts and other requirements as agreed to by DRED and the recipient. We believe the Department should improve its reporting on Economic Development Program Loans and Grants as required by RSA 12-A:33 and improve its evaluation of the effectiveness of the NHEDF as required by RSA 12-A:22, paragraph VI.

4. NEW HAMPSHIRE ECONOMIC DEVELOPMENT FUND (Continued)

4.2 Evaluating the Impact of the New Hampshire Economic Development Fund (Continued)

Observation No. 8

Evaluation of the New Hampshire Economic Development Fund Should be Improved

RSA 12-A:22 (VI) requires the DED director to evaluate the effectiveness of promotional and assistance programs. According to RSA 12-A:2-e, the

NHEDF was created to provide “funds for grants, loans and other economic development initiatives” beneficial to the New Hampshire economy.

The DRED Commissioner is responsible for administering NHEDF and has delegated administrative support functions to the department’s business office and DED. These responsibilities include disbursing and accounting for NHEDF funds, oversight of NHEDF contract and grant recipients, ensuring reporting requirements are met, as well as representing DRED on the New Hampshire Business Development Corporation Board of Directors, the advisory board to the UNH Small Business Development Center, and the UNH Industrial Research Center’s Oversight Committee.

DRED should improve its evaluation of the effectiveness of promotional and assistance programs as required by RSA 12-A:22 (VI). DRED issued a report as required by RSA 12-A:33, on Economic Development Program Loans and Grants. The statute requires the report to contain information regarding: jobs created or saved as a result of the award, with wage and benefit levels; growth potential of the program; environmental impact of the program; the amount of the loan, grant, loan guarantee, bond guarantee, or tax incentive; and information regarding criteria for the award and DRED procedures for tracking progress with each recipient meeting job, wage, and benefit projections. Our review of the report issued by DRED indicated further work was needed and in process in order to fully comply with the requirements for reporting wage and benefit levels and the environmental impact of programs. In addition, the Department should be reporting on the means by which it tracks the progress which the recipient makes in meeting job, wage, and benefit projections. Finally, the Department has indicated some concerns regarding whether certain measures that are called for by RSA 12-A:33 can be determined.

RECOMMENDATION:

We recommend DED take immediate measures to comply with RSA 12-A:22 (VI) by designing intermediate and long-term economic development program evaluations for New Hampshire Economic Development Fund recipients using the specific, measurable performance outcomes defined in RSA 12-A:33. We also recommend DRED communicate its concerns regarding RSA 12-A:33 to the appropriate legislative committees.

4. NEW HAMPSHIRE ECONOMIC DEVELOPMENT FUND (Continued)

4.2 Evaluating the Impact of the New Hampshire Economic Development Fund (Continued)

Observation No. 8: Evaluation of the New Hampshire Economic Development Fund Should be Improved (Continued)

AUDITEE RESPONSE:

We concur with this audit observation, which concludes that evaluation of the New Hampshire Economic Development Fund (EDF) should be improved.

RSA 12-A:33 requires DRED to produce an annual report on economic development program loans and grants on or before September 1, beginning September 1, 1997. The first of these reports was issued on August 22, 1997. Each organization that receives funding from EDF is required by contract to provide detailed analysis of program performance. This analysis is commonly provided via quarterly, semi-annual or annual reports. This information, along with input from each organization, was utilized to produce the annual report.

There is difficulty nationwide in the development of methods and tools for monitoring and assessing performance and impact of varied economic development programs. The programs which fall into the scope of the statute were instituted without pre-defined requirements or benchmarks for measuring the criteria outlined in the statute. In some instances the data necessary, such as the impact on wage and benefit levels, is not accessible to DRED because of confidentiality issues. Through the report review process with the LBA, as required by RSA 12-A:34, DRED will work to resolve these issues. It is the intention of DRED to monitor national agencies and other states and to assist in the development of an industry standard for performance measurements.

**STATE OF NEW HAMPSHIRE
DEPARTMENT OF RESOURCES AND ECONOMIC DEVELOPMENT
ECONOMIC DEVELOPMENT PROGRAMS**

5. CONCLUSION

This report is generally favorable regarding DRED management of the State's economic development activities. Our review of the activities of the Office of Business and Industrial Development and the Office of International Commerce, as well as the management of the New Hampshire Economic Development Fund, has led us to conclude that the Division of Economic Development is doing a credible job in several areas. Our major areas of concern relate to needed improvements in program evaluation, and to deficiencies in the New Hampshire Business Information System.

The problems with NHBIS are known to DRED and will be addressed as the system becomes fully operational and accepted by DED employees.

While economic development evaluation is still developing, it is not premature for the department to design comprehensive evaluation programs, which take into account the varying goals and objectives of its efforts. The DED should be systematically surveying its New Hampshire business clients regarding the services they are receiving from the Office of Business and Industrial Development and the Office of International Commerce. These surveys should be looking at what effects OBID and OIC services are having upon these businesses; how the businesses rate the knowledge, quality, timeliness, and appropriateness of DRED services and personnel; and what services are needed or unnecessary. OBID and OIC should be taking a long-range approach to asking businesses about their satisfaction with services and other business indicators.

We agree with the National Association of State Development Agencies, which has stated that "several factors complicate the implementation of reliable performance measurement and monitoring systems for economic development programs." Evaluation science is dynamic, much like economic development. However, that characteristic can allow evaluators to refine, adapt, and improve evaluation systems in keeping with the activities being measured.

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Note: Responses are in bold.

APPENDIX A

TELEPHONE SURVEY RESULTS - BVP COMPANIES

n=10

1. How would you rate the level of cooperation between the Business Visitation Program and community leaders?

	Excellent	Very Good	Neutral	Poor	Very Poor	NA
TOTAL = 10	3	4	1	0	0	2

2. Please rate how the BVP addressed your business concerns:

	Excellent	Very Good	Neutral	Poor	Very Poor	NA
TOTAL = 10	1	3	4	0	1	1

3. Please rate how the BVP improved your firm's competitiveness:

	Excellent	Very Good	Neutral	Poor	Very Poor	NA
TOTAL = 10	0	1	7	1	0	1

4. Please rate how the BVP improved your firm's communication among local development organizations:

	Excellent	Very Good	Neutral	Poor	Very Poor	NA
TOTAL = 10	0	2	4	2	1	1

5. Please rate how the BVP improved your firm's investment in the community:

	Excellent	Very Good	Neutral	Poor	Very Poor	NA
TOTAL = 10	0	2	5	1	1	1

6. Which of the following types of assistance have you received due to your participation in the State Business Visitation Program? How would you rate each of these services?

N = Did not receive this assistance E = Excellent G = Good F = Fair P = Poor

	N	E	G	F	P
a. Attended an annual conference	10	0	0	0	0
b. Attended at least one workshop or seminar	8	2	0	0	0
c. Technical assistance regarding a particular problem or need	10	0	0	0	0
d. Assistance with financing	10	0	0	0	0
e. Assistance with procuring government contracts	10	0	0	0	0
f. Assistance in identifying potential sites for locating business	10	0	0	0	0
g. Assistance in developing international markets	10	0	0	0	0
h. Received a visit or call from OBID retention/expansion personnel	7	0	2	1	0
i. Received a visit or call from other OBID personnel	8	1	0	1	0
j. Received a visit or call from another State agency.....	7	2	0	1	0
k. Other (Please describe).....	10	0	0	0	0
l. If you rated any of the above types of assistance as either Fair or Poor, please explain. (h-j) - program not helpful to us as a branch location.					

7. Since you first were contacted by the BVP, which, if any, of the following changes have occurred?			8. If you indicated a change occurred, please rate the extent to which the BVP service contributed to the change.		
Changes	Changes Occurred		BVP Contribution to the Changes		
	Yes	No	Significant Contribution	Some Contribution	Little or No Contribution
a. Purchased an existing business	1	9	0	0	1
b. Started a new business	0	10	0	0	0
c. Canceled/delayed plans to go into business	0	10	0	0	0
d. Closed the business	0	10	0	0	0
e. Developed a business plan	5	5	0	1	4
f. Improved understanding of regulations or policies	3	7	0	0	3
g. Changed a business strategy	4	6	0	2	2
h. Improved productivity	2	8	0	0	2
i. Improved cash flow	3	6	0	0	3
j. Improved firm's market expansion	2	7	0	1	1
k. Increased sales	3	6	0	0	3
l. Obtained financing	3	7	0	0	3
m. Obtained a government contract or grant	0	10	0	0	0
n. Increased income and profits	4	5	0	0	4
o. Added full-time equivalent employees (exclude yourself) If yes, estimate the number: Total = 14 (NOTE: 3 respondents gave no estimate)	6	3	0	0	6
p. Retained full-time equivalent employees (exclude yourself) If yes, estimate the number: Total = 88 (NOTE: 3 respondents gave no estimate)	6	2	0	0	6

9. How would you rate the cooperativeness of Business Visitation Program personnel?

	Excellent	Good	Fair	Poor	Do not know
TOTAL = 10	4	4	1	0	1

- a. If Fair or Poor, please explain
Have not talked to anyone lately.

10. How would you rate the timeliness of Business Visitation Program services?

	Excellent	Good	Fair	Poor	Do not know
TOTAL = 10 =	1	2	1	1	5

- a. If Fair or Poor, please explain.
Didn't do much for us; I'm sure for some businesses it was excellent.
Didn't apply to a big chain like us.

11. Did you receive information from the Business Visitation Program regarding *state plans and policies on economic development*? Yes No
 2 8

a. (If yes) Please rate the information on the following 1- 5 scale (circle the appropriate number):

	Excellent	Good	Fair	Poor	Do not know
TOTAL = 10	1	1	0	0	0

12. Overall, to what extent do you believe the Business Visitation Program has contributed to your community's economic development in the past 12 months?

	Helped considerably	Helped somewhat	Has not helped	Has hurt
TOTAL = 10	0	5	5	0

a. If you indicated that the Business Visitation Program contribution either has not helped or has hurt, please explain.

- Missed the mark on tourism (skiers, summer, etc.), why won't the State allow business signs on exits 1-12 (Spaulding Turnpike). Had to place a sign where drivers can't see it - open 24 hours yet can't advertise on the highway.
- Haven't seen how it's helped the community's economic landscape.
- Haven't seen any results, although that may not mean the benefits don't exist. I haven't heard of or seen the BVP doing anything.
- Unfocused, not deep enough.

13. Please provide any comments or suggestions that might help improve the Business Visitation Program's economic development assistance to local communities or local businesses.

- Talk more about cumulative survey results.
- This is a good program.
- "The concept is excellent. Berlin is in such a mess, it will take much more to help us out. A personnel housecleaning might help." "A lot of this did not relate to us directly as we don't make decisions on some of the services offered. So for us the program was not worth it. I think it is a necessary program though and for those who did take advantage I'm sure it was helpful."
- Should work more on individual businesses. Don't work with the chain stores (which are run from afar), contact their central office instead.
- If my recollection is correct, there were a lot of questions but no real offer of help.
- More training for the representatives.

Note: Responses are in bold.

APPENDIX B

TELEPHONE SURVEY RESULTS - BUSINESS RECRUITMENT COMPANIES

n=10

1. What initially led your company to consider New Hampshire as a business location?	
OBID advertisement in publication	0
Direct Mail from OBID	1
Personal contacts with OBID's staff	0
Company analysis that indicated New Hampshire should be a candidate	6
Trade Show	0
	TOTAL = 7

Other:

- **Quality of life, educated workforce. Meeting governor was important. Industrial Representative deserves 3 stars.**
- **Factory availability.**
- **Grandchild and family (in area).**
- **Have home in NH.**
- **Approached by NE group to produce & supply bottles.**

2. Please rate each of the following characteristics for *each* service you received from the Office of Business and Industrial Development.

SCALE : E = Excellent G= Good F = Fair P = Poor

Service Received	Timeliness of Assistance				TOTALS (timeliness)	Overall Helpfulness of the Assistance				TOTALS (overall helpfulness)
	E	G	F	P		E	G	F	P	
a. Information on NH's economic and social conditions	6	1	1	0	8	5	1	1	0	7
b. Information on buildings and sites in NH	4	1	1	0	6	4	0	1	0	5
c. Personal assistance with specific problems relevant to your project needs.....	5	1	2	0	8	4	2	1	0	7
d. Financial assistance or incentives	1	2	0	2	5	1	1	0	2	4
e. Job training/employee recruitment assistance	1	4	0	1	6	2	2	0	1	5
f. Assistance in coordinating with other NH agencies....	3	3	0	1	7	2	2	2	0	6
g. Other (please specify).....	3	0	0	0	3	3	0	0	0	3

Comments (g): Responsiveness. Utility assistance. Division of Tourism promotion to company families.

h. Overall, how would you rate the assistance you received from the Office of Business and Industrial Development?

	Excellent/Good/Fair/Poor			
TOTAL = 10	6	3	1	0

i. If you rated any question Fair or Poor, please explain why.

Did most work on own.

OBID group tried to help; JOBS Training group in Nashua was poorly led, was not worth the time.

3. Which of these responses describes best your feeling of the extent to which the assistance you received from the Office of Business and Industrial Development *contributed* to your decision to come to New Hampshire?

It contributed significantly	5
It contributed somewhat	3
It contributed a little	0
It did not contribute at all	<u>2</u>
	TOTAL = 10

4. Approximately how many, if any, full-time equivalent employees have you added—owing at least in part to the assistance your company received from OBID?

Total No. of Full-Time Equivalent Employees = 2,106

5. What do you estimate is the total capital investment your company has made at this location up to the current time?

Total No. of Companies = 8
Total = \$153,850,000

6. Please tell us the *three major reasons* you selected New Hampshire.

- (1) quality of life, (2) quality of educated workforce, (3) lack of government bureaucracy.
- (1) work ethic, (2) work force availability, (3) New England geographic location.
- (1) Location to employees' homes, (2) building already here, (3) co. president lives in Hudson.
- (1) taxes, (2) fees, (3) easy access.
- (1) availability of building at reasonable price, (2) availability of labor at reasonable cost, (3) reasonable tax rate.
- (1) grandchild and family in area, (2) OBID assistance, (3) lower taxes.
- (1) wanted to live here full-time.
- (1) location, (2) cost of doing business (property values), (3) lack of unions.
- (1) Location to parent company (MA); (2) in everything NH was more friendly to business than MA; (3) taxes lower in NH than MA.
- (1) Physical location; (2) quality and quantity of labor market; (3) NH's general economic philosophy - unemployment rates, personal income tax advantage, pro-business attitude.

7. Do you have any other comments or suggestions on the services you received that might help the New Hampshire Office of Business and Industrial Development improve its assistance to firms?
- **Better tie-in with local economic development of cities/towns.**
 - **No suggestions: the help from the Industrial Representatives plus support staff were without doubt the reason I was successful in the relocation of this facility to NH.**
 - **Area is hurting for light commercial or assembly space. Paucity of light commercial inventory will be a big problem.**
 - **Power costs are the biggest issue, limits the expansion of the other side of company project - injection molding. Be as welcome as you can to business; for example, she was originally told she'd be crazy to move to Hudson. Local economic development groups lack state support, she was part of the Hudson group and saw no state support. JOBS Training group in Nashua needs work, much work.**
 - **MA compared very poorly with NH, which was excellent. OBID very responsive with timely assistance. It would be nice if the state did guaranteed loans to start-up businesses.**
 - **Dealt with 1-2 OBID personnel who got extremely stretched; need more support staff.**

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Note: Responses are in bold.

APPENDIX C

TELEPHONE SURVEY RESULTS - BUSINESS SUPPORT COMPANIES

n=10

1. Please rate your satisfaction with OBID’s analysis of your business situation:

	Very Satisfied	Somewhat Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	NA
TOTAL = 10	1	0	1	0	1	7

2. Please rate your satisfaction with OBID’s ability to develop useful recommendations:

	Very Satisfied	Somewhat Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	NA
TOTAL = 10	1	1	3	0	1	4

3. Please rate your satisfaction with OBID’s ability to address your business needs:

	Very Satisfied	Somewhat Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	NA
TOTAL = 10	0	1	0	2	1	6

4. Please rate your satisfaction with OBID’s ability to refer your business needs to the proper agency:

	Very Satisfied	Somewhat Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	NA
TOTAL = 10	1	0	1	3	0	5

5. Please rate your satisfaction with your communication with OBID:

	Very Satisfied	Somewhat Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	NA
TOTAL = 10	2	1	4	1	0	2

6. Please rate your satisfaction with OBID’s willingness to help:

	Very Satisfied	Somewhat Satisfied	Satisfied	Dissatisfied	Very Dissatisfied	NA
TOTAL = 10	2	2	4	0	0	2

7. For what purpose or purposes did OBID assist you?

	<u>Yes</u>	<u>No</u>
a. Business financing help.....	2	8
b. Vendor Matching.....	0	9
c. Federal/State Procurement Technical Assistance.....	3	6
d. Questions or problems with licensing or government relations.....	1	8
e. Business expansion.....	1	9
f. Business start-up help.....	1	9
g. Other (please specify).....	2	7

Other: SCORE loan program - were referred to State, who felt they were a small business and not matched for the program.

Listing of available buildings.

8. Please rate the following characteristics for *each* of the services you received from OBID's support programs.
 SCALE: E = Excellent, G = Good, F = Fair, P = Poor

<u>Service Received</u>	A.	B.				TOTALS (Accuracy)	C.				TOTALS (Timeliness)	D.				TOTALS (Overall Quality)
	Did not Receive the Service	Accuracy of Information E G F P					Timeliness E G F P					Overall Quality of Assistance E G F P				
a. Publications	3	1	2	2	0	5	2	3	1	0	6	2	3	1	0	6
b. Seminar/workshop	7	1	0	1	0	2	0	1	1	0	2	1	0	1	0	2
c. Counseling	7	2	0	0	0	2	2	0	0	0	2	2	0	0	0	2
d. Referrals	6	0	2	1	0	3	0	1	2	0	3	0	2	1	0	3
e. Other (specify)	9	0	0	0	0	0	0	0	0	0	0	0	0	0	0	0

f. If you rated any of the characteristics in Question 8 as F or P, please explain why.

(b: B,C,D) - haven't received any correspondence from OBID.

(a: B,C,D; d:B,C,D) - were given a name and address for person who was to help, but contact really didn't have any information.

(a: B) OBID couldn't help him; information was available elsewhere.

(d: C) - usually get 1-2 days notice about a prospect.

9. Did you get the services you requested?

Yes No
 6 3

a. (If no,) would you explain what you wanted but did not get?

- Only got information passed through this interview.
- Requested no service.
- We are a small 2-person firm, felt that the State wasn't interested, we're not a big job producer, not a good loan candidate.

10. Please indicate if you have experienced any of the following outcomes since the time you began receiving assistance from OBID. For those outcomes that you have indicated yes, please indicate how OBID's assistance contributed to each outcome.

RATING SCALE, OBID CONTRIBUTION TO OUTCOME	
1 = Contributed significantly	3 = Did not contribute to outcome
2 = Contributed somewhat	4 = Detracted from the outcome
	5 = Don't know

Outcome	TOTAL # OF RESPONSES	Yes or No		Contribution of OBID assistance to outcome				
		Y	N	1	2	3	4	5
a. Decided to go into business	9	0	9	0	0	0	0	0
b. Decided not to go into business	9	0	9	0	0	0	0	0
c. Actually started a business	9	0	9	0	0	0	0	0
d. Expanded current operations	9	4	5	0	1	3	0	0
e. Decided not to expand	9	0	9	0	0	0	0	0
f. Made a significant change in the nature of your business or your markets	9	2	7	0	0	2	0	0
g. Improved your firm's income	9	7	2	0	1	6	0	0
h. Improved your firm's capital investment	8	4	4	0	0	4	0	0
i. Solved a specific operational program	9	2	7	1	0	1	0	0
j. Improved regular business operations or methods	9	4	5	0	0	4	0	0
k. Increased your sales	9	6	3	0	1	5	0	0
l. Increased the number of employees	9	4	5	0	0	4	0	0
m. Gone out of business	9	0	9	0	0	0	0	0
n. Other (please specify) referrals	9	1	8	0	1	0	0	0

- o. If in question 10 you answered that the service(s) did not contribute to the outcome or detracted from it, please explain why.
- **No services received.**
 - **Not NHPTAP related.**
 - **No OBID participation in results. No financing secured, no clients or marketing obtained.**
 - **Had nothing to do with OBID.**
 - **OBID information was not actionable, it had zero to do with the outcomes.**
 - **Business listings did not help and didn't change business situation.**

11. How did you hear about the assistance you received from the OBID support programs?

- NH Business Magazine.
- NHAIA.
- Received no assistance.
- Don't remember.
- Bank referral (2).
- Friend checking into a business situation.
- Trade show.
- GSA.

12. Would you use OBID for help again?

Yes	No
4	5

a) If No, please explain why not.

- Haven't received any services.
- Due to the business type.
- Don't match what we do.
- Would only go if the LBA could help OBID identify services for small businesses.
- Not sure how they could help; gave generally available, dated information.

13. How available is information in your community on the services of the State's Office of Business and Industrial Development?

Very	/Somewhat	/A little	/Not at all
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TOTAL = 10	2	3	2	3
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14. Do you have any other comments or suggestions that would help the Office of Business and Industrial Development's support programs improve its service to businesses?

- **Could talk for 8 hours about this. Need to offer services to small business person, and shouldn't ask them to incur cost for seminars. Change hours of seminars, don't have them during working hours.**
- **More Internet information!**
- **We need investors to bring a large business into being.**
- **Advertise (in Bow).**
- **Increase OBID's profile and overall awareness via mailings, postings, seminar programs with banks, etc.**
- **In NHPTAP, when a contract is awarded to a prime contractor, currently there's no way a sub-contractor can find out this information and thus apply for sub-contract work. If there's one thing the LBA can do, it's to help small service businesses access this information. Additionally, NHPTAP assistance seems aimed at manufacturing, and not the service industry. Please let someone at OBID know and understand that the (small business) service industry needs help, too.**
- **Want more training, more and shorter seminars on specific topics (want less general topics) for procuring government business. (Are a MA company, no NHPTAP in MA, GSA said NH has a better program than ME. Also chose NH program because Concord is closer than Portland.)**

Note: Responses are in bold

APPENDIX D

TELEPHONE SURVEY RESULTS - EXPORT FINANCE PROGRAM

n=10

1. How many times has your business used the export finance program?

	Once	Twice	Several
TOTAL = 10	2	1	7

2. Prior to your company's first use of the export finance program was your business exporting its products?

	Yes	No
	9	1

3. Overall, would you rate the helpfulness of the assistance you have received from the finance program as being:

	Excellent/Good/Fair/Poor			
TOTAL = 10	9	1	0	0

4. Overall, would you rate the timeliness of the assistance you have received from the finance program as being:

	Excellent/Good/Fair/Poor			
TOTAL = 10	9	1	0	0

5. For what purposes has your company used the export finance program?

	<u>Y</u>	<u>N</u>	<u>Satisfaction*</u>
a) Working capital	7	3	V(6)
b) Foreign buyer credit	5	5	V(4) S(1)
c) Export credit insurance	3	5	V(3)
d) Informational purposes only	4	6	V(4)
e) Other	2	8	V(2)

*Satisfaction level: Very =V, Somewhat =S, Not at all =N

6. Are you familiar with the export resource library and the International Trade Data Network at the OIC/ITRC?

	Yes	No
	7	1

7. If your business uses or has used the export resource library and the International Trade Data Network at the OIC/ITRC, how frequent is your use?

	Daily/At Least Once a Week/At Least Monthly/ Twice a Year/Once a Year or Less					
Total = 6	0	1	2	3	3	0

8. For what purposes does your company use the library most frequently?

	Y	N	Satisfaction*
a) International Trade Data Network	5	5	V(4)S(1)
b) Shipping, logistics, customs, export documentation	4	6	V(4)
c) Special issues related to exporting	1	9	V(1)
d) U.S. Government printed materials	3	7	V(1)S(1)
e) Country-specific materials	5	5	V(4)S(1)
f) Other printed materials	3	7	V(1)S(2)
g) Keeping aware of changes in foreign country procedures	1	9	V(1)
h) Other (please explain)	1	9	V(1)

*Satisfaction level: Very =V, Somewhat =S, Not at all =N

Comments: g&h not up to date, do better on the Internet

9. Are you familiar with the International Trade Training Program at the OIC/ITRC?

Yes	No
5	5

10. Have you or other persons in your company attended any of the following seminars or courses offered by the International Trade Training Program?

	Y	N	Satisfaction*
a) First Step to Exporting	3	7	V(3)
b) Basics of Exporting	4	6	V(4)
c) Global Trade Talks	2	8	V(2)
d) Cross Cultural Issues in International Trade	2	8	V(2)
e) Industry Specific Seminar	1	9	V(1)
f) Export Managers Roundtable	2	8	V(2)
g) Export Finance Seminar	2	8	V(2)
h) Small Business Global Exchange Program		10	
i) Export Documentation Seminar	1	9	V(1)
j) ISO 9000		10	
k) NAFTA - GATT	1	9	V(1)
l) Bank of Boston Export School		10	
m) Other	1	9	V(1)

*Satisfaction level: Very =V, Somewhat =S, Not at all =N

Note: Responses are in bold.

APPENDIX E

TELEPHONE SURVEY RESULTS - TARGETED INDUSTRY RESEARCH

n=10

1. Have you been contacted by the OIC or the ITRC regarding a foreign marketing initiative for the industrial sector that includes your business?

Yes No
9 1

2. Prior to being contacted by the OIC/ITRC was your business exporting its products?

Yes No
8 2

Comments: **Some, very limited (2)**
Had one minor foray
To Canada

3. If you attended the presentation of the market research held by OIC/ITRC, what is your evaluation of it?

	Excellent	Very Good	Good	Fair	Poor	Did Not Attend
TOTAL = 10	2	3	1	0	0	4

Comments: **Information helpful, networking**

4. If you received/reviewed a copy of the International Buyers Guide published by OIC/ITRC for your industrial sector, what is your evaluation of it?

	Excellent	Very Good	Good	Fair	Poor	Did Not Receive/Review
TOTAL = 10	0	4	2	0	0	4

Comments: **Useful**
Have copy but haven't looked through it (2)

5. As a result of your contact with OIC/ITRC, have you done any of the following?

	<u>Y</u>	<u>N</u>
a) prepared an overseas marketing plan	2	8
b) attended international trade training seminars	4	6
c) investigated international trade financing programs	3	7
d) utilized the OIC export resource library	5	5
e) utilized the International Trade Data Network	3	7
f) hired an overseas agent	1	9
g) hired an overseas distributor	1	9
h) sold products abroad (or additional products)	4	6

Comments: **No formal overseas marketing plan**
Had a, b, c, f, h prior to contact with OIC/ITRC
Sold some products in Canada
Have spoken with some overseas agents, sold more product but not a result

6. Overall, would you rate the helpfulness of the assistance you have received from the OIC/ITRC as being:

	Excellent	Good	Fair	Poor
TOTAL = 10	6	4	0	0

7. Overall, would you rate the timeliness of the assistance you have received from the OIC/ITRC as being:

	Excellent	Good	Fair	Poor
TOTAL = 9	5	4	0	0

8. Are you familiar with the export resource library and the International Trade Data Network at the OIC/ITRC?

Yes	No
10	0

Comments: know exists
haven't used yet (4)

9. If your business uses or has used the export resource library and the International Trade Data Network at the OIC/ITRC, how frequent is your use?

	Daily/Once a Week	Monthly	Twice a Year	Once a Year or Less
TOTAL = 6	0	0	0	2
				4

Comments: Used once

10. For what purposes does your company use the library most frequently?

	Y	N	Satisfaction*
a) International Trade Data Network	3	7	V(2)
b) Shipping, logistics, customs, export documentation		10	
c) Special issues related to exporting	1	9	S(1)
d) U.S. Government printed materials	1	9	S(1)
e) Country-specific materials	5	5	V(4) S(1)
f) Other printed materials		10	
g) Keeping aware of changes in foreign country procedures	1	9	V(1)
h) Other (please explain)		10	

*Satisfaction level: Very =V, Somewhat =S, Not at all =N

11. Are you familiar with the International Trade Training Program at the OIC/ITRC?

Yes	No
6	4

12. Have you or other persons in your company attended any of the following seminars or courses offered by the International Trade Training Program?

	<u>Y</u>	<u>N</u>	<u>Satisfaction*</u>
a) First Step to Exporting	4	6	V(3) N(1)
b) Basics of Exporting	5	5	V(4) N(1)
c) Global Trade Talks		10	
d) Cross Cultural Issues in International Trade		10	
e) Industry Specific Seminar	2	8	V(2)
f) Export Managers Roundtable	1	9	V(1)
g) Export Finance Seminar	1	9	V(1)
h) Small Business Global Exchange Program		10	
i) Export Documentation Seminar	1	9	V(1)
j) ISO 9000		10	
k) NAFTA - GATT		10	
l) Bank of Boston Export School		10	
m) Other		10	

*Satisfaction level: Very =V, Somewhat =S, Not at all =N

Comments: a & b = boring, nothing didn't know already

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**PERFORMANCE AUDITS
ISSUED BY
OFFICE OF LEGISLATIVE BUDGET ASSISTANT**

<u>NAME OF REPORT</u>	<u>DATE</u>
<u>Review of the Allocation of Highway Fund Resources to Support Agencies and Programs</u>	March 1988
<u>Review of the Indigent Defense Program</u>	January 1989
<u>Hazardous Waste Management Program</u>	June 1989
<u>Mental Health Services System</u>	January 1990
<u>Department of Administrative Services, Division of Plant and Property Management, State Procurement and Property Management Services</u>	June 1990
<u>Developmental Services System</u>	April 1991
<u>Prison Expansion</u>	April 1992
<u>Workers' Compensation Program for State Employees</u>	January 1993
<u>Child Settlement Program</u>	March 1993
<u>Property and Casualty Loss Control Program</u>	November 1993
<u>State Liquor Commission</u>	July 1994
<u>Managed Care Programs for Workers' Compensation</u>	November 1995
<u>Multiple DWI Offender Program</u>	December 1995
<u>Child Support Services</u>	December 1995
<u>Job Opportunities and Basic Skills Training Program</u>	May 1997

Copies of the above reports may be received by request from:

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