

Approved February 14, 1992
Date

MINUTES OF THE Senate COMMITTEE ON Economic Development

The meeting was called to order by Senator Dave Kerr at
Chairperson

8:00 a.m./~~pm~~ on February 12, 1992 in room 123-S of the Capitol.

All members were present except:

Senator Janice McClure (Excused)
Senator Jerry Moran (Excused)

Committee staff present:

Lynne Holt, Legislative Research Department
Bill Edds, Revisor of Statutes' Office
LaVonne Mumert, Committee Secretary

Conferees appearing before the committee:

Paul Clay, Mid-America Manufacturing Technology Center
Jeff Fraser, General Manager, Information Network of Kansas

Paul Clay provided information on the Mid-America Manufacturing Technology Center (MAMTC) (Attachment 1). He said that there are currently five manufacturing technology centers funded by the National Institute for Standards and Technology (NIST) with plans to add two more this year and to continue adding one or two centers a year for five or six years. The Kansas Technology Enterprise Corporation received a grant a year ago which resulted in the establishment of MAMTC, and Mr. Clay noted that they have been in operation about four months. Mr. Clay said the mission of MAMTC is to improve manufacturing competitiveness. He advised that they work primarily with companies having fewer than 500 employees and they work with available technology most appropriate for the situation. Mr. Clay discussed the areas of technology on which MAMTC focuses and some of the problem areas with which they deal. He noted that it is somewhat surprising how many manufacturers are exporting to Europe and that MAMTC has been very involved in assisting companies in complying with ISO 9000 quality standards. Mr. Clay mentioned that MAMTC is emphasizing the importance of value added products. He described MAMTC's field engineers and said it is a bottom-up organization.

In response to questions from Senator Brady, Mr. Clay said that MAMTC utilizes a data base of all manufacturing companies along with marketing efforts to locate potential clients. He explained that one of the areas they consider before agreeing to assist a company is the company's financial capabilities. Mr. Clay stressed that MAMTC makes every effort to utilize existing resources wherever possible and noted that the infrastructure in place in Kansas was very important in the NIST selection process. He observed that NIST is extremely pleased with the MAMTC operation. Mr. Clay clarified that MAMTC charges for its services. In response to Senator Salisbury's question, Mr. Clay advised that it is intended that MAMTC will expand in states surrounding Kansas, as is already being done in Missouri, on a matching funds basis.

Jeff Fraser presented information on the Information Network of Kansas (INK) (Attachment 2). The purpose of INK is to provide electronic access to State and other information and is based on a private business/government service model. It operates without any state funds. Mr. Fraser described some of their modules: Legislative Services, Business to Business, Bankers Network and Legal Network. He noted that INK has begun initial negotiations with international networking companies toward an effort to develop an international export network. Responding to a question from Chairman Kerr, Mr. Fraser said that while there are a couple of other states with similar networks which are legislatively funded, Kansas has the opportunity to be the leader in this arena.

CONTINUATION SHEET

MINUTES OF THE Senate COMMITTEE ON Economic Development,
room 123-S, Statehouse, at 8:00 a.m./~~p.m.~~ on February 12, 1992.

Senator Petty made a motion that Bill Draft No. 1 RS 2001, which would allow the Kansas Development Finance Authority to merge two of their reports into a single report, be introduced by the Committee. Senator Brady seconded the motion, and the motion carried.

Senator Oleen moved that the minutes of the February 11, 1992 meeting be approved. Senator Francisco seconded the motion, and the motion carried.

The meeting adjourned at 9:00. The next meeting of the Committee will be Friday, February 14, 1992.

Date 2/12/92

SENATE ECONOMIC DEVELOPMENT
VISITOR SHEET

(Please sign)

Name/Company	Name/Company
MARK Beshears	KIDOR
BUD GRANT / KCC	
Janie Rutherford	KTEC
Jeff Fraser	INK
Whitney Brown	Pete Mc Gill Associates
HEARST	Office of Jud. Admin.
Paula May	AT&T
Clyde Kautis	KDOC
Charles Warren	Kansas Inc.
Ivan W. Wyatt	Kansas Farmers Union
Patrick J. Hurley	Megill & Associates K.C.
Jan McKenzie	KCC

MAMTC

Giving manufacturers the edge.

Presentation to
Senate Economic Development Committee

February 12, 1992

Paul E. Clay, Jr.
Chief Executive Officer
Mid-America Manufacturing Technology Center

Attachment 1
2/12/92
Sen. Eco. Dev.

NIST/Mid-America Manufacturing Technology Center

8208 Melrose Drive, Suite 210, Lenexa, KS 66214

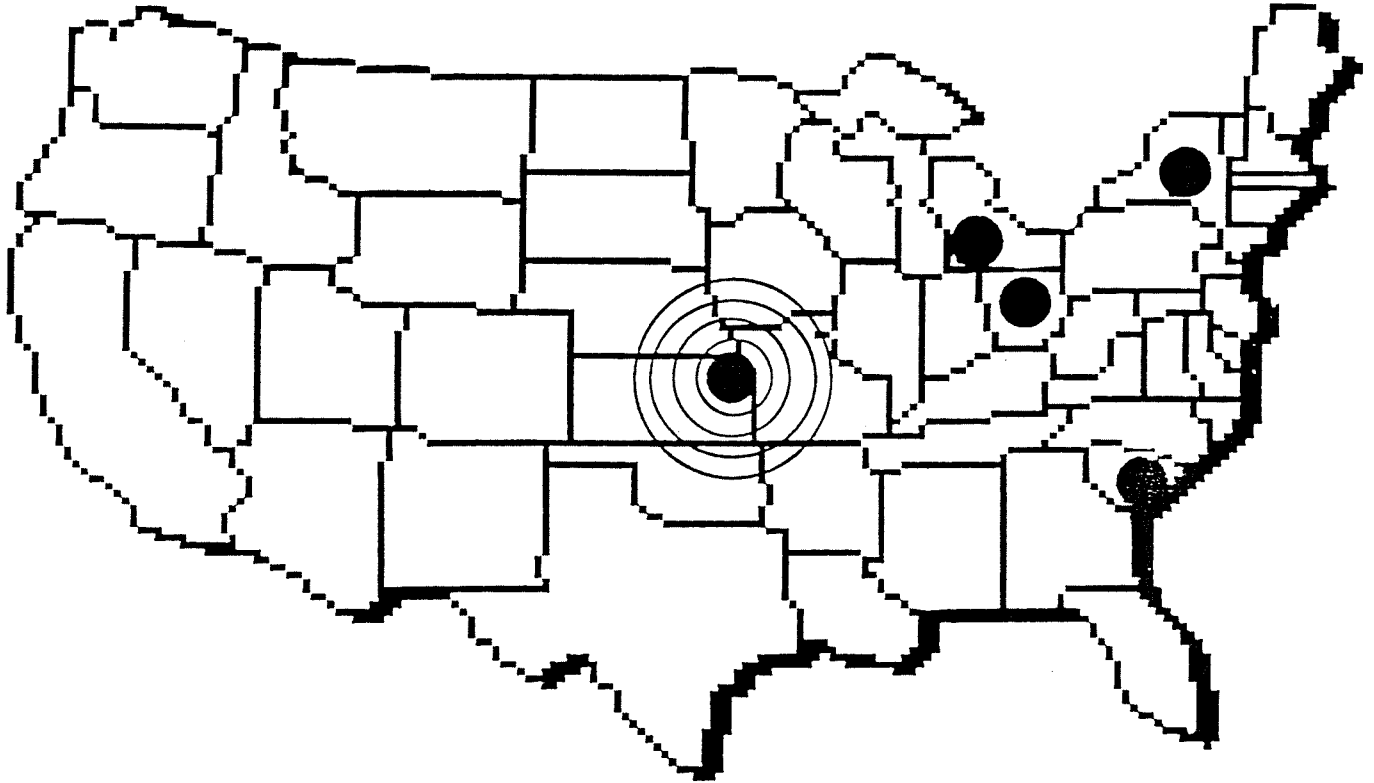
913/888-6091 (Fax) 913/888-6194

Kansas Technology Enterprise Corporation



MAMTC

Giving manufacturers the edge.



NIST Manufacturing Technology Centers

Kansas	Mid-America Manufacturing Technology Center
Michigan	Midwest Manufacturing Technology Center
New York	Northeast Manufacturing Technology Center
Ohio	Great Lakes Manufacturing Technology Center
South Carolina	Southeast Manufacturing Technology Center



Mission: Improve Manufacturing Competitiveness

How?: Identify and and solve technical problems in all areas of companies' manufacturing processes

Make small manufacturers aware of available technology

- Show how appropriate technology can address their problems
- Help manufacturers adopt technology in the easiest, most cost effective way

- By:
- One-on-one consultation
 - Customized training, seminars, and workshops
 - Industry roundtables and cooperatives
 - Demonstrate equipment and software



General Technology Focus Areas

- Process Design
- Quality Improvement
- Computer Aided Design/ Manufacturing (CAD/CAM)
- Electronic Data Interchange

Sample Problem Areas

- Quality
- Product Design
- Plant Layout
- Cost Measurement
- Equipment and Software Selection
- Meeting Environmental Standards
- Statistical Process Control to gain government contract
- Inventory Control
- Materials Handling
- Scheduling
- Inspection
- Electronic Communication



Examples of MAMTC Company Projects

Company Product:	Electrical connectors for aircraft wiring harnesses
Employees:	5
Location:	Wichita
Problem:	Product had very high defect rate and thus company had to inspect each part. Inspection made the product cost more to make than company could sell it for. Company could not figure out what caused the problem, and was considering discontinuing the part (and about \$200,000 in sales).
What MAMTC Did:	Field Engineers performed simple test that identified what the cause of the problem was. Company was able to cheaply redesign a cutting tool to correct the defect. Defect rate decreased 10-fold, and only spot inspection was required, reducing the cost of manufacturing the product.
Result:	Company continued sales of part. Company also learned how to troubleshoot quality problems with other product lines.
<hr/>	
Company Product:	Repair, remanufacture of motors and generators for utility industry
Employees:	35
Location:	Central Kansas
Problem:	Company repairs hundreds of different types of motors, but is not able to determine the cost of repairing individual types. This puts the company at a disadvantage when it prepares competitive bids - it either loses bids or underbids the true cost of the work.
What MAMTC Is Doing:	MAMTC is helping company select and use inexpensive software that will measure the costs of all repair processes.
Result:	Company will be able to more accurately develop costs and determine which kinds of motors they can most efficiently repair. Company will be able to prepare more accurate project proposals and therefore more successful bids.
<hr/>	
Company Product:	Electronic systems
Employees:	30
Location:	Johnson County
Problem:	Company uses older, more expensive chip and wire technique for soldering its electronic components. The technique keeps the company from meeting many of its delivery time requirements.
What MAMTC Is Doing:	MAMTC has put the company in touch with a large manufacturer in area, with expertise in more advanced soldering techniques. The large company will help the MAMTC customer choose low-cost equipment and train employees to use it.
Result:	With the new technique, the product cost, quality and delivery time will be improved, leading to an improved competitive position.



Review

Mission: Improving Manufacturing Competitiveness

Through: Helping manufacturers survive and grow through access to and adoption of most appropriate technology

Emphasis:

- Process Design
- CAD/CAM/CIM
- Quality
- Electronic Data Interchange



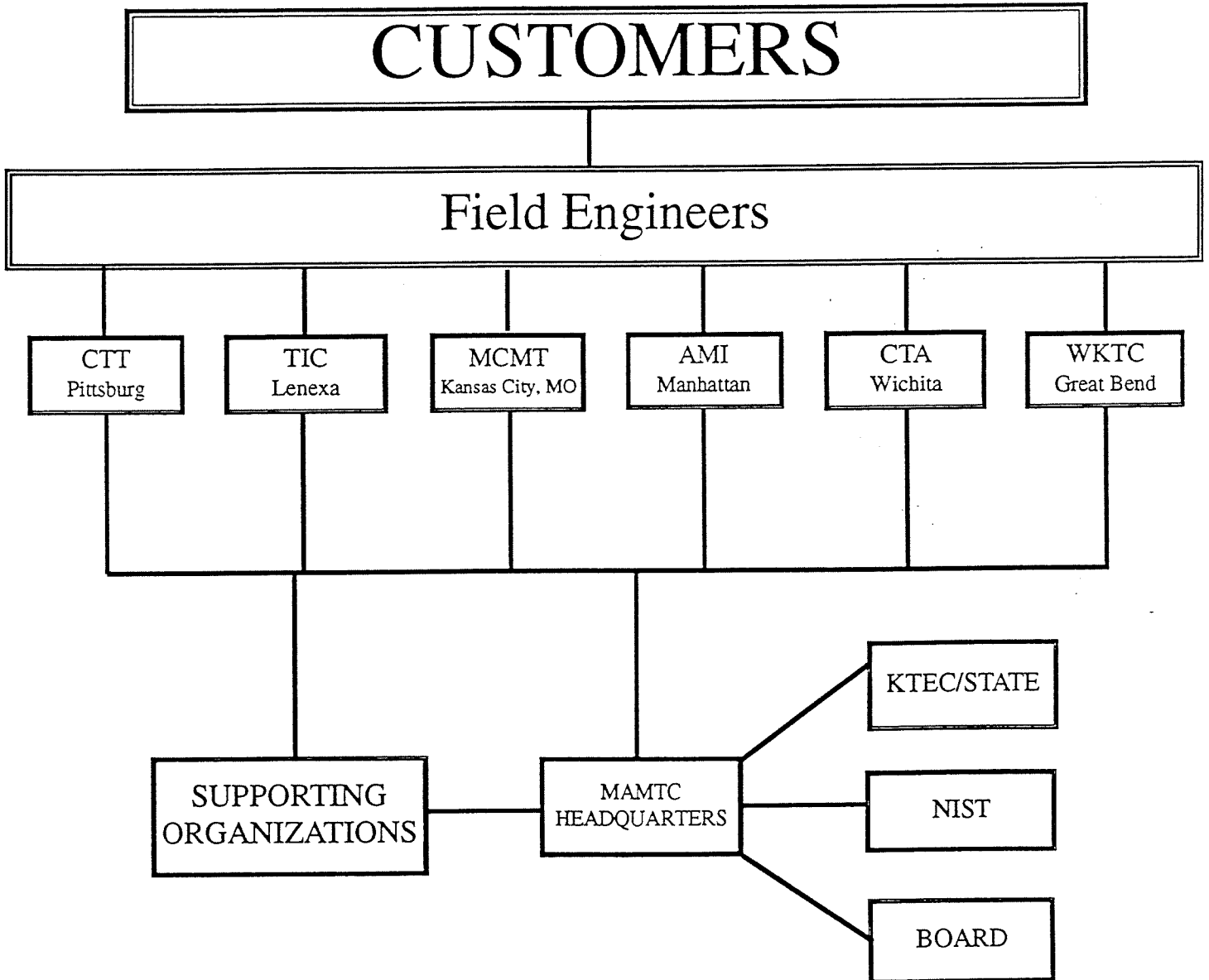
Interactions with Small Manufacturers
(October 1, 1991 - December 31, 1991)

# of companies contacted	80
# of projects underway	15
# of seminars held	14
# of equipment/software demonstrations held	2
# of networking sessions	5

Types of Demonstrations, Networks, and Seminars

- ISO 9000 -- Quality Standards
- Use of CADAM Software
- Implementing Statistical Process Control
- Basics of Total Quality Management
- Part Design for Economical Injection Molding
- Demonstration of Electronic Data Interchange
- Machining Industry Network

MAMTC ORGANIZATION CHART



Field Engineers

What do they do?

- Visit manufacturers
- Analyze their problems
- Develop proposals to solve their problem
(consulting, training, new equipment/software, marketing)
- Find best resources to solve the problem
- Manage project
- Establish and manage industrial networking programs
- anything else the customer needs

Profile of typical Field Engineer

- Eight or more years industrial experience
- Engineering degree (some also have MBA's)
- Two years hands-on manufacturing experience
- Two years sales experience
- Understanding of project management
- Results oriented



Regional Offices

Great Bend Dodge City Garden City	Western Kansas Technology Corporation
Lenexa	Tech-Industry Consultants, Inc.
Manhattan	Advanced Manufacturing Institute (Kansas State University)
Pittsburg	Center for Technology Transfer (Pittsburg State University)
Wichita	Center for Technology Application (Wichita State University)
Kansas City, MO	Missouri Center for Manufacturing Technology (University of Missouri - Kansas City)

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Organizational Management

- Field Engineer selection
- Field Engineer training
- Performance objectives and regular evaluations for:
 - Regional Office Directors
 - Field Engineers
- Client Tracking
- Accounting
 - All payments and reporting through State
 - Regular audits
- NIST reports, visits, and evaluations



Funding Sources

	<u>FY 92</u>	<u>Estimate FY 93</u>
NIST	1,500	3,000
State of Kansas	1,000	1,000
KTEC	1,038	1,000
Other	619	1,000
Total	4,157	6,000



Progress Report

	Date	
	<u>Obj</u>	<u>Act</u>
Hire 11 Field Engineers	12/16	12/16
Develop Field Engineer Training Program	12/1	12/1
Full Staffing of Headquarters	12/31	12/31
Reporting and Accounting Procedures	11/1	1/10
Missouri Office Proposal Requirements	10/23	10/24
Initial Marketing Work	12/31	1/10
Regional Office Contracts	9/30 12/31	9/16 12/31



Information Network Of Kansas

SENATE ECONOMIC DEVELOPMENT COMMITTEE

THE INFORMATION NETWORK OF KANSAS

Presented By Jeff Fraser, General Manager

February 12, 1992

Introduction:

The Information Network of Kansas (INK) is a State of Kansas government instrumentality created in the 1990 Legislature for the purpose of providing electronic access to State and other information required by Kansas business and citizenry. INK is unique in that it is based upon a private business / government service model. Policy for INK is administered by a 10 member board appointed by the Governor and specified by legislation, and includes the Secretary of State and Revenue and representatives from Kansas professional associations. No State funds are appropriated for the operation of INK, it is entirely funded and operated by a private network manager, the Kansas Information Consortium (KIC) which was created by a group of Kansas banking, insurance, legal and information professionals for this sole purpose. The network manager was chosen through an extensive competitive evaluation and bidding process lasting over ten months in which KIC prevailed as the best choice to create, develop, manage and market The Information Network Of Kansas.

INK Board of Directors:

William F. Bradley, Chairman
Attorney
Hinkle, Eberhart & Elkouri

Mark Beshears, Vice Chairman
Secretary of Revenue
State of Kansas

Charlotte Shawver, Secretary
Register of Deeds
Riley County

Marvin Maydew, Treasurer
C.P.A.
Kennedy & Coe

Michael Johnston
Secretary of Transportation
State of Kansas

Charles Warren
President
Kansas, Inc.

Don Morris
President
Morris & Assoc. Insurance

Jean Turner
Director of DISC
State of Kansas

Bill Graves
Secretary of State
State of Kansas

Leroy Gattin
Director
Hutchinson Library

INK Network Management Contacts:

Jeff Fraser, General Manager -

Mr. Fraser was one of the original founders of the Kansas Information Consortium. He reports directly to the INK Board of Directors and is responsible for all operations of the Information Network of Kansas. Mr. Fraser previously held several executive marketing and management positions for AT&T and holds a B.S. in Business Administration and a M.S. in Information Systems from Friends University in Wichita.

Bill Arnel, Director of Marketing -

Mr. Arnel was also one of the original founders of the Kansas Information Consortium. Mr. Arnel's primary responsibilities are to develop INK's marketing strategy in support of the goals of Kansas professional organizations and INK customers. Bill was previously CEO and still serves as Chairman of the Board of Earth Data Corporation, an environmental information company which serves over 65,000 subscribers worldwide with up to the second weather information.

INK - Model Legislation For Economic Development:

The Information Network Of Kansas legislation is a "model" for public/private cooperation in that it has successfully created a government service which is administered for the good of the public, but benefits from the entrepreneurial zeal found only in private business. The result is a service which gives Kansas businesses and citizens a decisive competitive advantage while saving the Kansas taxpayers thousands of dollars, and requires **no State appropriations, no grants and no public subsidies of any kind.**

INK is essential because to be successful in today's economy of 3 week product life cycles and foreign "knock-off" competition, Kansas businesses must have immediate access to information from a variety of sources, so they can make the best decisions possible as quickly as possible. In turn, information in the public domain must be administered for the public good. INK does both.

INK is successful because it provides the businesses and citizenry of Kansas **equal access** no matter where they reside to information specific to their requirements so they can be more productive. INK accomplishes this task by simply using a tried and true business development strategy, we find out what our customers want, we build it and we continually improve it to increase their satisfaction and usage. Since January, INK has engaged "Strategic Task Forces" with members from Kansas banking, legal, insurance, manufacturing, media, accounting, engineering and construction industries combined with participation from the Commerce Department, Secretary of State and county officials to develop information access solutions for the benefit of all.

By increasing the efficiency of Kansas government at all levels and improving the productivity of Kansas businesses and requiring no appropriation of public funds, INK is an economic development model which provides Kansans an advantage over competitors in 49 other States.

INK - What Is It That They Do?:

Since January 2, 1992, we have been creating a computer network which provides access to Kansas public information and links Kansas businesses together. A brief synopsis of current and future service development are described below:

Kansas Legislative Services Module

Currently, this module includes interactive remote access to the Legislative Bill Tracking System maintained by the Reviser of Statutes. By the 1993 session we will provide on-line electronic access to Full Text Bills and Statutes, Administrative Rules and Regulations, House and Senate Journals, House and Senate Daily Calendars and Supplemental Notes. In addition, access to U.S. Congressional Bill Tracking may also be available.

Kansas Business To Business Network Module

In conjunction with the Department of Commerce, the Department of Transportation and State and local Chamber of Commerce's, INK is developing a Kansas Business Network that will make it more convenient and cost effective for Kansans to do business with Kansans. This network will then be used to increase export opportunities for Kansas firms. Other services included in this module are the Commerce Business Daily, Construction Bidding Lists and Electronic Mail for when FAX is not fast enough.

Kansas Bankers Network Module

In conjunction with the Kansas Bankers Association, The Society of C.P.A.s and the Secretary of State, INK is providing Kansas bankers, lending institutions and public accountants an electronic network which provides access to UCC and Corporation Information Filings maintained by the Secretary of State, news and correspondence between member banks and other users of INK. In addition, banks will have access to numerous other Kansas State, County and Local information sources and the ability to conduct research from millions of information sources throughout the nation and the world. In the near future, we hope that an improved electronic information filing service designed to banker specifications will be available for filing required financial information at the County and State level.

Kansas Legal Network Module

In conjunction with the Kansas Supreme and Appellate Courts, District Courts throughout the State, and the U.S. 10th Circuit and Bankruptcy Courts with the support of the Kansas Bar Association, INK will provide access to Supreme and Appellate Slip Opinions, Attorney General Opinions, on-line access to the K.S.A.s and an electronic notification and verification system between the Appellate court and case attorneys. Calendars and dockets from several Kansas counties and the U.S. Courts are also scheduled for implementation.

Kansas Insurance Network Module

In conjunction with the Kansas Insurance Associations and the Department of Revenue, INK is developing on-line agent access to MVR records. Other projects include electronic filing of Workman's Compensation Reports and industry news.

Kansas Research and Education Module

In conjunction with the Kansas Library Network, Kansas Board of Regent Libraries, the Kansas Board of Regents and the Kansas Research and Education Network (KREN), INK will be providing access to a variety of services from card catalog searches for high school students to affordable world wide super computer access for small Kansas manufacturing concerns. INK will be providing services both to and from most Kansas educational and research institutions.

How Do Subscribers Use The Network?:

All a customer needs is a PC or Macintosh and a modem to use The Information Network of Kansas. We provide all software and training required at no charge and network access is always provided through a (800) toll free number. In addition, we will work with individual customers as required to integrate INK into their current and future computer platforms.

How Much Does It Cost To Use The Network?:

It costs each customer \$50.00 to subscribe to the network and \$.40 per minute to access INK services from anywhere in the United States. This is less than the average Intra-Lata telephone call in Kansas. INK services are available 24 hours a day, 7 days a week, and support from our staff is available anytime toll free at 1(800)4-KANSAS.

A Mission Of Discovery:

As mentioned previously and stated in our brochure, our goal is to with an open mind, search out and find out what Kansans' information needs are, and to provide solutions for the betterment of all. We are interested in your ideas and

those of your constituents. Please give me a call at 296-5154, or stop by our office at #106 Capitol Tower.

Conclusion:

The most exciting aspect of being associated with INK is the enthusiasm that both customers and State employees have for the service. Practically every customer that subscribes to the network will offer additional ideas for enhancements. State officials and employees are recognizing the benefits of increased accessibility and lower maintenance costs that INK will offer them.

The short-term conclusion that can be drawn from the input we have received is that both the consumers and providers of State information are pleased. Their cost/benefit analysis is indicating the Network will be a tremendous asset to them. With the current taxpayer resistance to more government programs and spending the Information Network of Kansas will help Kansas business improve productivity, more precisely evaluate business risk and offer innovative products and services without spending one dime of taxpayer money.

By authorizing the Information Network of Kansas the legislature has improved the State's business infrastructure and has provided a key component toward the advancement of economic development in Kansas.