

2013 Program Report Card: CONNSTEP, Inc. (DECD)

Quality of Life Result: All Connecticut working age residents have jobs that provide financial self-sufficiency.

Contribution to the Result: Funding for CONNSTEP is used to offer affordable services to CT manufacturers and other small businesses. Programs for operational efficiencies identify areas for waste reduction. This allows companies to operate more efficiently, making them more competitive, financially sound, and able to retain employees. Further our programs for Growth offer opportunity for expansion, new technology, products and markets and ultimately the creation of new jobs.

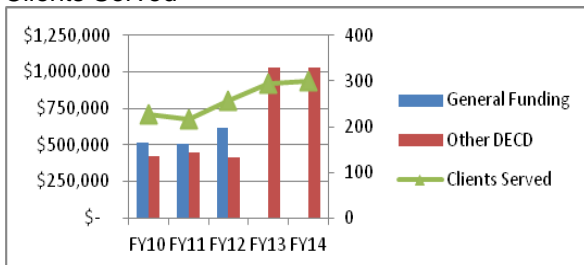
Program Expenditures	State Funding - General	DECD Funding - Other	Federal Funding	Other Funding	Total Funding
Actual FY 12	\$ 613,700	\$ 413,789	\$ 1,027,489	\$ 0	\$2,054,978
Estimated FY 13**	\$ 0	\$ 1,027,489	\$ 1,027,489	\$ 0	\$2,054,978

****State funding proposal pending approval**

Partners: CT Agencies including: DOL, CI/CDA, CTC, SBIR, and OWC, as well as State Universities and Community Colleges, CT Light & Power, CBIA, New Haven Manufacturing Assoc., Manufacturing Alliance of CT, CT Manufacturing Coalition,

How Much Did We Do?

Clients Served



Year	General Funding	Other DECD	Clients Served	State per Client
FY10	\$ 518,889	\$ 426,511	227	\$4,165
FY11	\$ 511,437	\$ 448,563	215	\$4,465
FY12	\$ 613,700	\$ 413,789	257	\$3,998
FY13	\$ -	\$1,027,489	295	\$3,483
FY14	\$ -	\$1,027,489	300	\$3,425

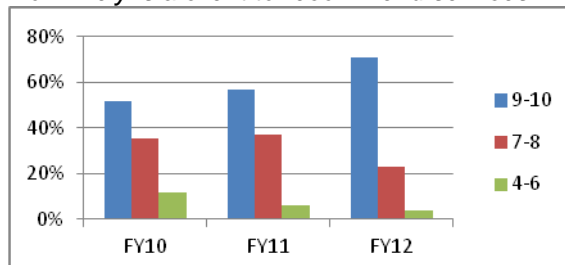
Story behind the baseline:

The increase in clients served for the same level of state funding is an upward trend. It shows we are managing our resources and costs effectively, choosing programs that work best for what the market needs.

Trend: ▲

How Well Did We Do It?

How likely is a client to recommend services:



Customer Ratings	FY10	FY11	FY12
9-10	52%	57%	71%
7-8	36%	37%	23%
4-6	12%	6%	4%

Story behind the baseline:

Per independent third party survey.

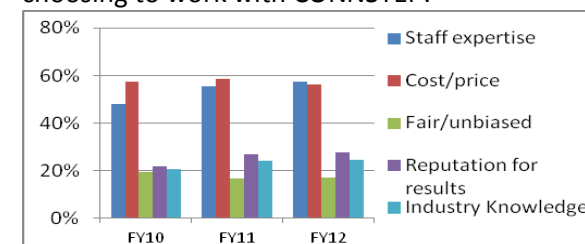
Satisfied customers are likely to make recommendations to their network. These clients tell success stories, thus supporting a strong business climate in the state.

Trend is up which also points to value being recognized.

Trend: ▲

How Well Did We Do It?

Two most important factors for the client choosing to work with CONNSTEP:



Factors in Decision	FY10	FY11	FY12
Staff expertise	48%	55%	57%
Cost/price	57%	59%	56%
Fair/unbiased	19%	17%	17%
Reputation for results	22%	27%	28%
Industry Knowledge	20%	24%	24%

Story behind the baseline:

Per independent third party survey.

A significant factor to customers is cost and staff expertise. Positive response to the criteria assist CONNSTEP with internal staff development and alignment of program services and their pricing.

Trend indicates client motivators are being addressed appropriately.

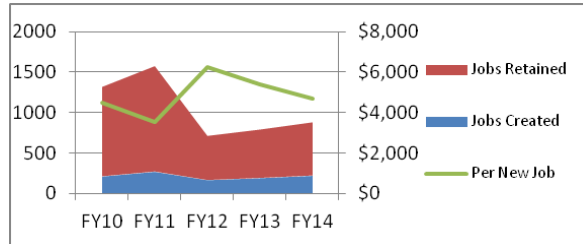
Trend: ◀▶

2013 Program Report Card: CONNSTEP, Inc. (DECD)

Quality of Life Result: All Connecticut working age residents have jobs that provide financial self-sufficiency.

Is Anyone Better Off?

Jobs Created or Retained



Year	Jobs		Funding Average Per New Job
	Created	Retained	
FY10	211	1,108	\$ 4,481
FY11	270	1,306	\$ 3,556
FY12*	164	547	\$ 6,265
FY13*	190	600	\$ 5,408
FY14*	220	660	\$ 4,670

Story behind the baseline:

Data per independent third party survey.

With a focus on growth and innovation, we are tracking funding on new jobs created.

The hardest hit in job decline is reflected in FY12 (2011) when surveyed client projects reflected the significant manufacturing business decline. We see new jobs on the rise per metrics reported the first quarter FY13, by 30%. This agrees with our strategy on services for new sales and revenues adding capacity under operational efficiency programs. In predicting continued gains out to FY 14, indication is that we will recover back to where we were prior to the hardest decline.

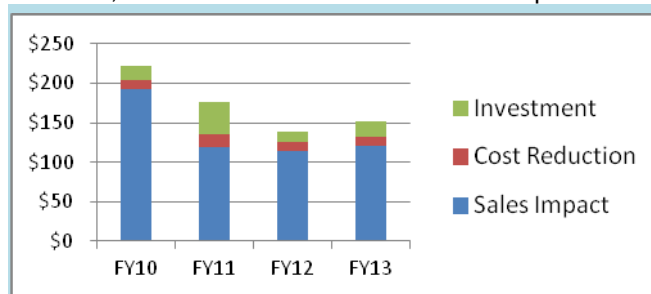
Trend is in line with state and national projections.

Trend: ▲

Rev. 4 (10/17/11)

Is Anyone Better Off?

Sales, Cost Reduction and Investment Impacts



Financial Impacts (Millions)				
Year	Sales Impact	Cost Reduction	Investment	Total Impact

FY10	\$192	\$12	\$18	\$221
FY11	\$119	\$16	\$41	\$177
FY12	\$115	\$10	\$14	\$139
FY13	\$125	\$10	\$14	\$149

Story behind the baseline:

Impact data per independent third party survey.

Again in these metrics, the forecast that sales are rising and returning to more solid trends as they were in prior years. As companies remain consistent with cost reduction impacts, this indicates the shift to top line programs to level out from prior concentration only on bottom line focus.

We would expect to see investment on the rise in future periods out as companies look for expansion on facilities and equipment.

Trend reflects recent strong upward growth in Sales impacts.

Trend: ▲

Trend Going in Right Direction? ▲ Yes; ▼ No; ◀▶ Flat/ No Trend

Proposed Actions to Turn the Curve:

Our strategic plan is to provide not only operational training, but to add programs, currently underway, for top line growth and revenue generation. This will not only provide clients with tools to identify waste and strengthen their bottom line, but to leverage those measures that create excess capacity with new sales. Tackling the financial climate with additional sales from new markets, products, and clients will move in a positive direction and certainly prevent it from getting worse.

Continuing programs like "train the trainer" will not ignore the need to have expertise inside the organization to ensure sustainability.

For our organization to remain fiscally stable, the development of programs for other businesses and market sectors is important for revenue generation. Markets such as healthcare are seen viable as need exists for programs similar to Lean in manufacturing.

Data Development Agenda:

As CONNSTEP implements new programs for growth and innovation strategies, consideration is given to tracking measures. These results will be from longer term engagements rather than point of service projects which are collected in a much shorter period of completion. This will become part of our future balanced scorecard in conjunction with quantifiable measures. We have recently added new software and analytical tools for capturing metrics.