

NTIS Advisory Board Meeting Minutes
19 April 2013
Held at 5301 Shawnee Road, Alexandria, Virginia 22312

1. Welcome/Opening Remarks

Bruce Borzino, Director, NTIS and John Regazzi, Chairman, NTIS Advisory Board opened the meeting welcoming the board members and NTIS senior staff and recorder. The Chairman indicated that the main purpose of this meeting was a review of NTIS operations and performance for the prior year and to discuss the key operational strengths and issues facing the organization. A more strategic review of NTIS will take place at its Fall meeting. The following board members were in attendance: John Regazzi, Robert Friedenber, Jose-Marie Griffiths, Judith Russell and MacKenzie Smith (via teleconference).

2. NTIS Organization

The NTIS organization structure remained unchanged from the prior meeting. The Director indicated that during the Calendar Year 2012, NTIS offered 2 rounds of VERA (Voluntary Early Retirement Authority) and VSIP (Voluntary Separation Incentive Payment) to restructure the NTIS federal workforce. The results were that ten (10) employees retired under VSIP and one (1) employee retired under VERA in 2012.

3. NTIS Financial Performance

The NTIS Chief Financial Officer (CFO) presented information on financial performance from FY 2009 through 2nd Quarter, FY 2013. Board members reviewed the FY 2013 Lines of Business Budget Plan and FY 2013 Lines of Business financial performance through the 2nd Quarter. There was discussion on Office of Federal Services (OFS) projects that were awaiting funding or with a current operating loss, and CISPUB - Elan System Upgrade cost. The Board indicated that NTIS needs to decide how and when to discontinue products and services that are not profitable. The Board was satisfied when informed about the NTIS decision process to discontinue unprofitable products and services.

NTIS is working on the development of the NTIS Investment Roadmap FY 2014 – FY 2016. The roadmap will be incorporated into the NTIS FY 2014 budget formulation process and presented to the Board at the next meeting.

4. Status of Board Recommendations

This session addressed how NTIS has addressed issues and recommendations from previous board meeting.

Status of GAO Reports Involving NTIS

GAO Report 13-99, November 2012, National Technical Information Service's Dissemination of Technical Reports Needs Congressional Attention. GAO was mandated by Congress to update aspects of its 2001 report on NTIS. As a result of its review, GAO recommended that Congress should consider examining the appropriateness and viability of the fee-based model under which NTIS operates for disseminating technical information to determine whether the use of the model should be continued. The Secretary, Department of Commerce (DOC) stated continued support

for NTIS, its mission and current financial model. To date, Congress has not taken any action in response to the GAO report.

There were discussions on GAO-13-279SP, 9 April 2013, GAO 2013 Annual Report: Actions Needed to Reduce Fragmentation, Overlap and Duplication and Achieve Other Financial Benefits, Section 10, “Dissemination of Technical Reports”. This report regarding NTIS reiterates the same conclusions and recommendation as the November 2012 report.

Roundtable Discussion: Open Access and Scientific Data Management

The Associate Director (AD), Office of Product Management and Acquisition (OPMA), conducted an open discussion between the board members and NTIS senior staff on the recent Office of Management and Budget (OMB) guidance from the Office of Science and Technology Policy (OSTP) regarding open access to the results of unclassified research arising from Federal funding. The purpose of the roundtable were to share general knowledge from the perspectives of federal, academic and corporate on open access and scientific data management, and to identify strategies for new opportunities and business strategies for NTIS as the policy is implemented. A summary of the main discussion points are as follows:

- Academia does not want to provide research data to publishers and then pay to buy the data back from publishers.
- Board members felt that NTIS will incur increased costs without revenue if it makes more STEI available for free. Demand and costs will increase, and revenue will decline. How can NTIS monetize the value of its STEI collection to cover its costs?
- It was recommended that NTIS continue development of the Federal Science Repository Service (FSRS) and focus on repositories and portals services. There is a need for NTIS to assist other federal agencies in the development of agency institutional repositories and to expand object types supported by FSRS. Board members recommended that NTIS continue to develop its repository services to meet the federal market needs, and that an analytical engine be included in the FSRS program.
- The Board recommended that NTIS consider the “velocity of transformation”, market demand, market segment, business model and tool kit before making an investment. How will NTIS distinguish itself from the market place?
- Board members also recommended that NTIS increase market penetration into U.S. corporate and international business segments.
- NTIS must look to develop integration solutions across silos to reduce duplication and overlap.

In summary, board members recommended that NTIS conduct further analysis prior to proceeding with increased open access to its STEI products and metadata. Also, NTIS needs to determine if increased access to free STEI products will drive increased demand for the historical data products (prior to 1989) in the NTIS repository collection.

Status of Prior Board Recommendations

The Board was provided with information and status on each of the following recommendations:

- Methodology on how and when NTIS decides to discontinue products and services that are unprofitable.

- STEM Marketing Plan to address support for STEM education. The Board recommended that NTIS outreach to the STEM Council.
- Analyses of technical product customers, competitors and markets.
- Information on how NTIS is building the NTIS brand. Board members recommended that NTIS:
 - Analyze the shape of the demand tail for order STEI products: how fast does demand fall off for older STEI products.
 - Determine the demand for STEI reports digitized on demand: was the digitized report viewed or purchased after digitization?
 - Identify if there is increased access if improved/increased metadata is associated with a STEI report.
 - Determine the demand in use and revenue for the STEI products in its collection that are unique and found only in the NTIS repository. What is the demand from public and subscribers for these unique reports?
 - Build the case for relevancy for researchers to research the NTIS collection.
- Compliance with NTIS statutory authorities for federal services and projects. A board member recommended that NTIS monitor the sales funnel to determine statistics on number of projects needed in the sales pipeline to ensure continued growth. The member recommended that NTIS consider project analytics offered by LeanKit.
- Update on revised Federal Energy Data Management program.
- Information on cost of goods sold with a breakout of direct, indirect and allocated costs of STEI products. Board members recommended that NTIS:
 - Determine if NTIS services margins are lower than similar services provided by federal contractors. NTIS needs to determine if it can reduce the costs in federal services' lines of business with low operating margins.
 - Terminate or restructure programs that are operating on negative margin unless required by mission or statute. However, the Board also recommended that if the current service or product supporting a mission or statutory requirement is operating with a negative margin, NTIS must restructure the program or identify replacement products or services to accomplish the mission or statute requirement that will be more profitable.
 - Board members recommended identifying and introducing new STEI products at lower price points to encourage demand with the view that it is better to sell four subscriptions at a lower price than one large subscription.
- Risk mitigation regarding "Availability of Free STEI Products".
- Review of National Technical Reports Library (NTRL) program.
 - Board members cited NTRL as a product that has added a limited number of new customers while continuing to operate with steady costs and negative contribution margin.
 - A board member opined that NTRL will not substantially grow because few universities will afford to enter into a new subscription service at full price. The member recommended that academia library clients might consider NTRL subscriptions starting at a lower price point for less than a full subscription, and then if satisfied with the service, the libraries would be more inclined to buy a full subscription.

- The Board also recommended that NTIS endeavor to create an environment where STEI reports are searchable and accessible, and analytics can be easily obtained.
- Board members were uncertain if making biographic data free for public access and increasing number of digitized STEI reports will result in sales and revenue growth vice loss of revenue from NTIS subscribers who lease and sell the biographic information as part of their research services.

5. Associate Director Updates

Office of Product Management and Acquisition

The AD, OPMA provided the Board with program updates on the Federal Science Repository Service (FSRS), Social Security Administration (SSA) Death Master File (DML), and World News Connection. Quad charts on the following programs were also provided to the board members as information: Full Text Reports, NTIS Bibliographic Database, Selective Research Products, Drug Enforcement Agency (DEA) Registry File, National Correct Coding Manual, and Export Administration Regulations.

After much discussion, the Board indicated that NTIS should focus on creating new products focused on unique aspects of the NTIS collection.

- NTIS and the Board agreed that the NTIS needs better analytics of its customers and STEI products, focus on customer segments where demand is greatest for STEI reports, and monetize new and unique products from the NTIS collection.
- The Board Chairman recommended that this discussion be continued through the next meeting when NTIS will present its multiyear product roadmap. The Chairman recommended the following topics for discussion at the next board meeting:
 - Address the decision-making process on continuing products (and services), modifying products, and discontinuing products.
 - Identify new product offerings based on the recommendations discussed above, including product modification, patron driven business model, products arising out of analytics, etc.
 - Focus on repository services and growth of repository services; less focus on NTRL and subscription products.

Office of Federal Services

The AD, OFS provided the Board with program updates to Web hosting and Federal Cloud LOB, Distribution and Fulfillment LOB, Digitization and Scanning LOB, Federal Energy Management LOB, and E-Training and Knowledge LOB.

The AD discussed risks and concerns which included the fiscal cliff, business development and funding, invoicing, resources (staffing, space allocation, CRM and process management tools), web and marketing, and agency budget reductions.

The Chairman was concerned about invoicing and receivables issues. He was informed that these issues were unique to the individual programs themselves, and not as a result of sequestration or a cash flow problem. It was agreed that NTIS needs to conduct better reviews of its project cost estimates and pricing strategies to ensure that projects are not underpriced. As mentioned previously, NTIS will review the contribution margins of select services LOB's.

Office of Chief Information Officer (CIO)

The NTIS CIO addressed the status of the CISPUB – Elan system upgrade and the need for the upgrade due to significant risk caused by the unsupported CISPUB software and the need for Elan system enhancements that will enable NTIS to evaluate and implement process and business model changes. The CIO reviewed the Elan upgrade project schedule, addressed upgrades to other NTIS business systems, and discussed the overall improvements to order processing, warehouse management, inventory control, and financial components. The milestone date for the full implementation of Elan and supporting business systems upgrades is 30 September 2013.

The Board was also updated on the status of the NTIS plan to apply for FedRAMP certification from the General Services Administration (GSA). Federal Risk and Authorization Management Program (FedRAMP) is a government-wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. The NTIS goal is to be designated a FedRAMP certified Cloud Service Provider initially offering Infrastructure-as-a-Service (IaaS). A project plan is in development for accomplishing the FedRAMP certification in 2013.

6. Public Forum and Comments

No member of the public attended the meeting.

7. Next Advisory Board Meeting

The Board decided that the next meeting will be scheduled for Friday, 1 November 2013 at NTIS.