North Central Superpave Center
Steering Committee Minutes
January 9, 2007

Chairman Michael Heitzman opened the meeting. Members and guests introduced themselves. Those members in attendance included:

Michael Heitzman, Iowa DOT
Curt Turgeon, Mn/DOT
Cliff Hobson, Kansas DOT
Ron Walker, INDOT
David Lippert, Illinois DOT
Will Stalcup, Missouri DOT
Lee Gallivan, FHWA
Allan Forde, Fred Carlson Co, LLC
Jill Thomas, Minnesota Asphalt Pavement Assn
Wade Culwell, Kansas Asphalt Pavement Assn
Lloyd Bandy, Asphalt Pavement Assn of Indiana
Noël Fortier, Payne and Dolan
Wayne Jones, Asphalt Institute

The guests in attendance included:

Judith Johnson, FHWA
Dennis Bryant, Missouri DOT
Mike Kvach, Asphalt Paving Assn of Iowa
Jan Olek, NCSC
Linda Pitstick, NCSC
Gerry Huber, Heritage Research
Joe Schroer, Missouri DOT
Rebecca McDaniel, NCSC
Ayesha Shah, NCSC

Heitzman asked for questions or changes to the agenda (attached). Hearing none, he proceeded to the main topic of discussion – the NCSC Marketing Plan. Heitzman reviewed the history that led to development of this plan. The Steering Committee has deliberated approximately every two years on the NCSC program. Following the program review in September 2005, the Marketing Subcommittee was formed to examine the NCSC and its role in the region. (The Marketing Subcommittee consists of Heitzman, Noël Fortier, Lloyd Bandy, Gerry Huber, Lee Gallivan, Jill Thomas, Will Stalcup and the NCSC permanent staff.)

Noël Fortier reported on a survey of Steering Committee members at the meeting in January 2006. That survey showed that awareness of the center was pretty low. More rigorous marketing of the center would be needed if the center was to remain in operation. Lee Gallivan helped to secure FHWA resources to assist in developing the marketing plan. The Marketing Subcommittee met with Judith Johnson, FHWA Marketing and Communications, in March 2006. Johnson worked with the subcommittee, the NCSC, and others to develop the plan that was distributed to all the Steering Committee members in December. Heitzman then turned the floor over to Johnson to review the marketing plan (presentation attached).

Johnson reviewed the highlights of the marketing plan and outlined some key decisions that need to be made and actions that should be taken. One reason for the need to develop a marketing plan is that the needs of the region have changed over the 11 years since the NCSC was formed. Originally there was one focus (Superpave) and a built-in customer base. As states in the region have adopted Superpave, become more comfortable with it and developed in-state expertise, their reliance on the center has decreased. The center has tried to adapt to these changes, as reflected by a change in

the mission and vision statements, but customers need to be aware of that change and encouraged to take advantage of the resources available at the center. Competition for limited state resources has increased.

Johnson outlined six marketing goals that were established for the center, including:

1. strategic planning based on a business model,
2. establishing a new image for the center.
3. increasing customer relations,
4. determining programs and services for target markets,
5. building awareness and interest, and
6. increasing visibility of the NCSC.

The marketing plan details strategies and tactics to meet these goals and includes a three-phase timeline for the next 18 months.

There are a number of resources available to help address the goals including marketing assistance from FHWA and Purdue; the NCSC staff perhaps with a new person hired to work on marketing; or a marketing consultant. Typical marketing budgets amount to 9-12 % of an organization's budget.

Johnson closed by outlining the decisions and actions needed. Heitzman opened the floor to comments and questions. Gallivan added that the subcommittee has worked hard on the plan but would like everyone's input.

Ron Walker asked where we will end up? Will the center be a regional NCAT, Asphalt Institute or what? Fortier said we do not know yet; that is one of the big questions. Walker commented that he has worked with the International Center for Aggregates Research (ICAR) for years; as a national (or international) center ICAR was looking for research projects that affect all states, not regional issues. He suggested that the NCSC might focus on issues that affect our region and are largely climate driven. Heitzman added that we have to maintain our current customer base but also expand.

Cliff Hobson said he has gotten questions from his management. He asked if pooled funds would be used for marketing and if that is the best bang for the states' bucks. He said Kansas has also wondered if they can submit research topics and who establishes the research priorities. Heitzman responded that the Steering Committee members would not be there if they did not think the center was important; they may need to invest something to keep the center viable. Gallivan added that it is cannot use the funds for marketing; FHWA may be able to contribute some funds.

Walker asked if there is some thought of providing services that would require the lab be accredited. He thought there might be a niche, but that distance could be a problem. Fortier agreed there is a market. Payne and Dolan sends samples to NCAT to test that could as easily go to the NCSC, if it were accredited. McDaniel noted that there are sometimes requirements on NCHRP research, for example, that the performing lab must be accredited, but these are not yet being uniformly enforced. It does seem like a requirement that will be increasingly in place.

Heitzman said that one thing we need to do is determine what we can do and what we cannot do, since we cannot be everything to everyone. McDaniel agreed and mentioned a recent PBS program called *Good to Great* that examined the characteristics of companies that excelled compared to competitors who did not. One of the things the key researcher said was that the great companies had a Not To Do list to accompany their To Do list. More information on this fascinating program is available at www.jimcollins.com.

Jan Olek mentioned that he believes we are still in business because we have maintained our regional focus. He added, though, that we cannot sustain the center on only a regional basis, so we need to look at bringing in national funding, perhaps by having a focus on recycling or noise. He went on to say that most of our funding comes from the pooled fund and research. He thinks 10% of the total budget is too much to invest in marketing, because we cannot honestly charge marketing efforts to research accounts unless there is an item in the proposal for that purpose (which is unlikely). Perhaps 10% of the base funding would be a more appropriate level. Olek added that Pitstick's salary is now being paid by the School of Civil Engineering so we essentially have her services for free. He also added that we are considering adding an engineer to the staff who could assist with technical issues and marketing efforts, including accreditation. In our discussions so far, we have looked at requiring that this new engineer generate half of their salary after the first year by writing proposals and securing the funding.

Heitzman then asked for verbal affirmation to adopt the plan or not. He went around the table asking for votes and comments.

- Mike Heitzman voted in favor.
- Lloyd Bandy agreed.
- Ron Walker agreed, saying there are too many resources at the center not to take advantage of.
- Allan Forde said he has established working relationships with the center and would like to continue.
- Wade Culwell agreed that we are going the right direction with this and added that Kansas' universities cannot do everything, so there may be potential for subcontracts.
- Cliff Hobson agrees that we should start Phase I and discuss the other phases later.
- Jill Thomas voted yes and said it was good to get the engineers and marketing people together.
- Curt Turgeon said we either need to do this or close. We need to strengthen ties to joint efforts like the low temperature cracking study. He commented that getting the base funding in Minnesota has been tough.
- Noël Fortier voted yes. She said she looked at the list of accredited labs and found only two, one of which is in this region (Michigan Tech); that could strengthen joint ventures. She added that she was pleased to see the NCSC staff took the initiative to come back and suggest how they could work towards this plan.

- Lee Gallivan said yes and said the feds would come to the table; he thought he could secure funding for the face-to-face state visits as well as accreditation. He asked about the potential for industry contributions.
- Dave Lippert indicated Illinois had had the same sort of discussions as Minnesota; the NCSC needs to make some sort of change to justify continued funding.
- Will Stalcup said yes, it needs to be done. We need to look at what the states in the region need and how the center can help them. The NCSC is in a unique situation and should capitalize on it.
- Gerry Huber agreed and said the center should run more like a business. He asked if there were issues that are regional in scope that state and industry would support, adding that industry support is possible but they have to see a need.
- Wayne Jones noted that the Asphalt Institute went through a crunch about three years ago. The members said this is how much money we will give; how much institute will that buy? Their lab is accredited and doing third party testing, though most is for their own members. Jones added that Shad Sargard at Ohio University wants his center the Ohio Research Institute for Transportation and the Environment (ORITE) to be the NCAT of the North.

Bandy and Heitzman encouraged the rapid implementation of the marketing plan.

Olek asked about the potential name change. He stressed that he feels we should retain the North Central to emphasize the regional nature. Turgeon supported retaining the name and logo but possibly adding something to show we had moved beyond just Superpave. Gallivan asked about the other Centers' names; McDaniel responded that all were like ours except the Northeast, which was the Northeast Center of Excellence for Pavement Technology. Fortier mentioned the term "Superpave" had some bad connotations, especially for locals. This is a topic the Steering Committee and Marketing Subcommittee will have to consider more in the future.

Olek also asked what would be appropriate performance measures for the center and who would check if they were being met. Johnson indicated these performance measures would be determined as the marketing plan was implemented; the plan currently does not include fundraising or performance measures. Heitzman added that the Marketing team would likely monitor these.

Olek gave an abbreviated financial report (copy attached). This report shows that without continued support from the states, the center will go in the red in FY 2008. The committee discussed the finances and how best to go about securing base funding. It was strongly suggested that the basic memo with the request would not be adequate. At the very least, the letter should state who the state's representative on the Steering Committee is so that the administrators will know who the local champion for the center is. The NCSC will get with the state Steering Committee members to verify who to send the letter to. They will copy as many people as the Steering Committee member wants copied. Hobson suggested making sure everyone understands what is going to happen with the marketing plan and how the state will benefit. Heitzman commented that the one-page Benefits of Participating flyer should be updated and expanded to reflect

recent discussions. Bandy suggested adding that the Marketing team is working to better address the region's needs.

In the interests of time, McDaniel handed out copies of the usual update on center activities (copy attached), but did not present it. She added that she would be happy to answer any questions about specific activities or projects at any time. She also outlined the somewhat different approach to the update that she will present tomorrow at the NCAUPG Conference. This year she intends to try to clarify the differences between the NCSC and the NCAUPG since the marketing efforts have revealed some confusion about that. She added that she would present our on-going research only in broad topic areas, not specific projects. She asked if anyone objected to taking a different approach this year. No one voiced any objection.

McDaniel also asked if there is still a need to hold the routine Binder and Mix Design training classes in Indianapolis or if there were additional topics that should be developed into training courses. Heitzman had suggested a training course for technicians running the Superpave Performance Test. She will contact Steering Committee members after the meeting to assess the training needs for the coming season.

Heitzman asked if there were any further comments of questions. Hearing none, he then adjourned the meeting with thanks to all for participating.