

Survey Instrument – Manufacturers Currently Exporting

Introduction:

Hello, my name is _____ and I'm calling from Pacific Market Research on behalf of the United States Department of Commerce's U.S. Commercial Service.

May I please speak with Mr./Ms. _____? Or "Can you tell me the name of the person who manages or leads your company's international business?" (Could be a director, vice president of international sales or president/CEO).

WHEN YOU HAVE THE CORRECT CONTACT PERSON ON THE PHONE:

Hello, Mr./Ms. _____, my name is _____ and I'm calling from Pacific Market Research on behalf of the United States Department of Commerce's U.S. Commercial Service. The Commercial Service assists U.S. companies in exporting their products and services around the world.

We are speaking with companies that have exported products in the past 12 months, and would like to include your perspective in the research. This research will provide the U.S. Commercial Service with information that will assist them in improving their services to U.S. exporters. This is your opportunity to provide input, describe your experiences, and make recommendations for change, so that the U.S. Commercial Service can help U.S. companies to grow globally. Your name and company will remain completely confidential from the U.S. Commercial Service. This survey will take approximately 30 minutes to complete. We recognize your time is valuable and the government appreciates your participation.

When would be a convenient time to participate in this research? _____

I. Information from Database – List

Company Name:

Contact:

Address:

Mfrs/Wholesaler/Service Company:

SIC/NAICS:

Employment:

II. Company Information – Screening

Before we get started, let me confirm some information with you.

Exporter?	<ul style="list-style-type: none"> ♦ Have you exported your product outside the U.S. in the past 12 months? 1. Yes 2. No (thank and terminate call) ♦
U.S.-based?	<ul style="list-style-type: none"> ♦ Is your firm majority U.S.-owned? 1. Yes 2. No (thank and terminate call) ♦
Title/Role	<ul style="list-style-type: none"> ♦ Which of the following would best describe your title or role within the company? 1. President, CEO or Owner 2. VP/Director or Manager – International Sales 3. VP/Director or Manager –Sales and Marketing or Business Development 4. Other VP/Director or Manager 5. Other: _____ (If not executive or management, find another contact at executive/management level. Avoid shipping department contacts or export operations managers.)
Business Description	<ul style="list-style-type: none"> ♦ Would you classify yourself as a: 1. Manufacturer 2. Wholesaler

	<p>3. Export trading company or broker</p> <p>4. Export management company (If none of the above, thank and terminate call)</p>
Size/Employment	<p>♦ How many employees do you have company-wide?</p> <p>_____ Employees (Record actual number)</p>
International Sales	<p>♦ In the past 12 months, approximately what percentage of your annual revenue was from countries outside the United States?</p> <p>If 0%, thank and terminate call. Interviewer: If unsure, suggest: Is it less than 5%? Over 10%? If they are still unsure, thank and terminate call.</p> <p>_____ % (Record actual number))</p> <p>♦ What percentage of these international sales is exported from the United States, as opposed to manufactured in foreign markets?</p> <p>_____ % (Record actual number)</p>
International Growth	<p>♦ What was your company's growth rate in international sales for 2008 (or most recent fiscal year)?</p> <p>_____ % (Record actual number or enter "DK" for don't know)</p> <p>♦ What was your company's growth rate in international sales for 2007 (or 2 years ago)?</p> <p>_____ % (Record actual number or enter "DK" for don't know)</p>
III. Company Information – Background	
Type of Company	<p>♦ Which of the following best describes your company: Choose <u>one</u>.</p> <ol style="list-style-type: none"> 1. Manufacturer of a finished product, or OEM 2. Supplier of components/materials 3. Job shop/contract manufacturer 4. Wholesaler / Broker / Trading Company / Export Management Company
Customers/Markets	<p>♦ Do you sell your products to any of the following end-markets or supply chains? (Y/N)</p> <p>Defense / Aerospace Automotive Medical, Health Care or Pharmaceuticals Computer , Information Technology or Telecommunications Food and Beverage Furniture Apparel / Textile products Agricultural and Construction Equipment Industrial / Commercial Machinery or Equipment (e.g. metalworking, HVAC, material handling) Construction Materials or Building Products Consumer Appliances and Housewares Energy, Power Generation and Distribution Other</p>
Ownership	<p>♦ Which of the following best describes the ownership of your company? Please select <u>one</u>:</p> <ol style="list-style-type: none"> 1. Subsidiary of another company 2. Family-owned and managed 3. Management owned, but non-family 4. Investor-owned company 5. Sole proprietor
Revenue Growth	<p>♦ What was your company's growth rate for <u>total revenue</u> in 2008 (or most recent fiscal year)?</p>

	<p>_____ % (Record actual number or enter "DK" for don't know)</p> <p>♦ What was your company's growth rate for <u>total revenue</u> in 2007 (or two years ago)? _____ % (Record actual number or enter "DK" for don't know)</p>
IV. International Business – Overview	
Regions	<p>♦ I am going to read a list of world regions. Please tell me which ones you sell to: (Check all that apply)</p> <p>Canada and/or Mexico (NAFTA Countries) Brazil Other countries in Latin America and the Caribbean, beyond Mexico, Brazil Western Europe Eastern Europe, excluding Russia Russia China India Other countries in Asia, beyond China, India Middle East Africa - Australia and New Zealand</p> <p>♦ Of the regions you mentioned, which is your top market in terms of revenue? (Select <u>one</u>)</p>
Number of Countries	<p>♦ How many countries do you currently export to? (Choose <u>one</u>)</p> <ol style="list-style-type: none"> 1. 1-2 2. 3-4 3. 5-10 4. 10-20 5. More than 20
Years Exporting	<p>♦ _____ How many years ago did you start selling internationally? _____ Years (Record actual number or enter "DK" for don't know)</p>
Time 'til Expansion	<p>ASK ONLY OF COMPANIES ANSWERING 3 OR MORE IN NUMBER OF COUNTRIES CURRENTLY EXPORTING TO</p> <p>♦ After you started exporting, how many years did it take for you to reach the point where you were selling to 3-4 markets or more? _____ Years (Record actual number or enter "DK" for don't know)</p>
V. International Business - Attitude	
Planning	<ul style="list-style-type: none"> ♦ Do you have international revenue targets? (Y/N) ♦ Have you identified specific target countries and markets for expansion? (Y/N)
Export Growth Orientation	<p>♦ Which <u>one</u> of the following statements best characterizes your approach to exporting?</p> <ol style="list-style-type: none"> 1. We would like to aggressively grow export sales 2. We would like to modestly grow export sales 3. We would like to maintain current export sales 4. We do not actively solicit export sales, and primarily respond to foreign customer inquiries
Path from Moderate to Successful	<p>ASK ONLY OF COMPANIES DEFINED AS "SUCCESSFUL" IN SECTION II</p> <p>♦ What are the key factors that drive your success in global markets? I will read a list of factors. For each one, please tell me whether it is a <u>key</u> driver of your success in international markets – yes or no.</p>

	<ul style="list-style-type: none">- Quality of your product or service- Rapid growth of your market- Low price of your products versus competitors' solutions- Patented product or technology- Better service than competitors- Aggressiveness in selling and marketing internationally <p>♦ What caused you to become more aggressive about pursuing international sales? Again, I will read a list of factors. For each one, please tell me if it explains why you became more aggressive internationally – yes or no.</p> <ul style="list-style-type: none">- Arrival of new top management at your company- Arrival of an experienced international sales manager- Gradual shift in mindset as you gained international experience- Shipping to overseas locations of U.S. customers jump-started your exports (and made you more aggressive)- Strong demand from foreign customers- Government information and assistance programs
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VI. Export Business Practices

Dedicated Employees	<p>♦ How many employees do you have, if any, who are dedicated to international business? _____ Employees (Record actual number)</p> <p>(Include all dedicated employees, not FTEs. Those handling both domestic and international are not dedicated)</p>
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Sales Channels/ Go-To-Market	<p>♦ Who primarily handles sales and distribution in foreign markets for your products? (Choose <u>one</u> only)</p> <ol style="list-style-type: none">1. Foreign distributors2. Foreign reps or agents3. Direct sales – U.S. based sales people or executives4. Foreign sales offices (company-owned)5. U.S.-based export management company, export trading company, or broker6. Joint venture partners7. Other (No need to specify)
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VII. Top Priority Assistance Areas

Top Priority Assistance Areas	<p>Now we want to zero in on those aspects of the export business where you face your greatest challenges.</p> <p>♦ I am going to read a list. Please assess your effectiveness in managing each of these areas on a scale of 1-5, where 5 is “extremely effective” and 1 is “ineffective” or “face major difficulties.”</p> <table style="margin-left: auto; margin-right: auto;"><tr><td>1</td><td>2</td><td>3</td><td>4</td><td>5</td></tr><tr><td>Ineffective</td><td></td><td></td><td></td><td>Extremely Effective</td></tr></table> <ul style="list-style-type: none">- Developing an international business plan or strategy- Conducting market research or identifying the most attractive foreign markets- Finding, or conducting due diligence on, foreign distributors, reps and other partners- Marketing and selling internationally (e.g. tradeshow, sales-calls, marketing materials)- Shipping and preparing export documentation- Managing payment and financing- Ensuring sufficient production capacity to support exports- Protecting intellectual property- Ensuring compliance with U.S. or foreign laws, regulations and standards	1	2	3	4	5	Ineffective				Extremely Effective
1	2	3	4	5							
Ineffective				Extremely Effective							

**Interviewer: Follow up on the 2 areas that ranked as least effective
(Programming to select 2 lowest ranked areas may exclude low priority service areas, and may also require**

some random selections)	
Planning/Strategy	<p>One challenging area you identified was “international planning/strategy.” Let me ask you some follow-up questions in this area.</p> <ul style="list-style-type: none"> ♦ I am going to read a list of topics. Please select the <u>one</u> aspect of international planning which your company finds the most challenging. <ol style="list-style-type: none"> 1. Developing a written plan, with clear objectives and strategies 2. Identifying key sources of growth – countries, products, sales channels 3. Defining marketing efforts 4. Determining pricing 5. Developing a budget and/or pro forma P&L
Market Research/ Attractive Markets	<p>One challenging area you identified was “market research or identifying attractive markets.” Let me ask you some follow-up questions in this area.</p> <ul style="list-style-type: none"> ♦ I am going to read a list of market information or analysis you might want about foreign markets. Let me ask you some follow-up questions in this area. Please select the <u>one</u> type of information that is the most difficult for your company to obtain. <ol style="list-style-type: none"> 1. Intelligence on competitor products and services 2. Lists of specific customers or prospects 3. Customer needs/wants in foreign markets 4. Pricing levels 5. Market demand, size or growth 6. Country business climate
Partners	<p>One of the challenges you identified was “finding and conducting due diligence on foreign distributors, reps and other partners.” Let me ask you some follow-up questions in this area.</p> <ul style="list-style-type: none"> ♦ Which aspect of dealing with partners does your company find the most challenging? Please select <u>one</u> of the following: <ol style="list-style-type: none"> 1. Finding distributors or reps that can sell your product 2. Conducting due diligence and credit/financial checks 3. Managing partner relationships 4. Handling legal and contractual issues
Marketing and Selling	<p>One of the challenges you identified was “marketing and selling internationally.” Let me ask you some follow-up questions in this area.</p> <ul style="list-style-type: none"> ♦ Which of the following marketing methods do you employ in foreign markets? I will read the list, and as I go through them, please say “yes we use this method” or “no we don’t.” <ul style="list-style-type: none"> - Trade shows - Trade missions - Catalog marketing - Advertising - Marketing materials adapted or translated for foreign markets - Website – your own or a distributor/rep/partner’s - Direct sales calls by U.S. salespeople or executives - Sales calls by distributors, reps or partners - Seminars or other customer events - Gold Key or other government matchmaking program - Word of mouth or referrals from existing customers <ul style="list-style-type: none"> ♦ Which of these is your top source of new business (in terms of revenue)? (Choose <u>one</u>)
Shipping & Documentation	<p>One of the challenges you identified was “shipping and export documentation.” Let me ask you some follow-up questions in this area.</p>

	<ul style="list-style-type: none"> ♦ Does the customer arrange for shipping, or do you? ♦ I am going to read a list. Which of these aspects of shipping and documentation does your company find the most challenging? Please select <u>one</u>: <ol style="list-style-type: none"> 1. Documentation requirements and procedures 2. Evaluating and selecting freight forwarders, carriers 3. Identifying the proper HS Code Classification for your product 4. Understanding foreign customs requirements 5. Understanding Incoterms (international commercial terms) 6. Interpreting Rules of Origin
Payment & Financing	<p>One of challenges you identified was “payment and financing.” Let me ask you some follow-up questions in this area.</p> <ul style="list-style-type: none"> ♦ For <u>new</u> customers, how do you generally get paid? (Choose <u>one</u>) <ol style="list-style-type: none"> 1. Advanced payment, or partial advance payment 2. Letter of credit 3. Documentary collections 4. Open account/invoice ♦ Once a <u>customer is established and has a track record</u>, how do you generally get paid? (Choose <u>one</u>) <ol style="list-style-type: none"> 1. Advanced payment or partial advance payment 2. Letter of credit 3. Documentary collections 4. Open account/invoice ♦ Do you purchase credit insurance under the Export-Import Bank Program? (Y/N) ♦ Do you currently have a line of credit from a bank to provide working capital for your international business? (Y/N) ♦ In a more typical credit environment, is cash flow or working capital an issue when taking international orders? (Y/N) ♦ Have you used the Export-Import Bank’s or SBA’s Working Capital programs? (Y/N) ♦ In a more typical credit environment, do your foreign customers have difficulty getting their purchases financed? (Y/N)
Production Capacity	<p>One of the challenges you identified was “ensuring sufficient production capacity.” Let me ask you follow-up questions in this area.</p> <ul style="list-style-type: none"> ♦ Do you currently have sufficient production capacity to support export sales for the next two years? (Y/N) ♦ To support export sales, are you planning to expand? (Y/N) ♦ Are you currently applying lean manufacturing principles in the plant? (Y/N)
Protecting IP	<p>One of the challenges you identified was “protecting intellectual property.” Let me ask you some follow-up questions in this area.</p> <ul style="list-style-type: none"> ♦ I am going to read a list of topics related to protecting intellectual property. Please select the <u>one</u> area that your company needs to better understand. <ol style="list-style-type: none"> 1. How and when to file for patent protection in foreign markets 2. How to employ other legal mechanisms, such as designs and trade secrets 3. How and when to file for trademark protection 4. Protecting IP from infringement by China and other low-cost countries 5. Building IP protection into legal agreements and contracts

<p>Compliance – US & Foreign (combined)</p>	<p>One of the challenges you identified was “compliance with U.S. and foreign laws.” Let me ask you some follow-up questions in this area. Which <u>one</u> of the following aspects of compliance does your company find the most challenging?</p> <ol style="list-style-type: none"> 1. Complying with <u>U.S.</u> export controls and standards, administered by the Departments of State, Commerce, Agriculture and other agencies 2. Complying with <u>foreign</u> market laws, product standards, and certification requirements, such as CE Mark, testing requirements, RoHS-WEE, REACH
<p>VIII. Use of Outside Services and Purchasing Behavior</p>	
<p>Use of Outside Services</p>	<p>♦ I am going to read another list of areas within international sales. As I read them, please tell me whether you have obtained outside assistance or expertise in each area during the last 3 years. (Y/N)</p> <ul style="list-style-type: none"> - Developing an international business plan or strategy - Conducting market research or identifying the most attractive foreign markets - Finding, or conducting due diligence on, foreign distributors, reps and partners - Marketing and selling internationally (e.g. tradeshow, sales-calls, marketing materials) - Shipping and preparing export documentation Managing payment and financing Ensuring sufficient production capacity to support exports Protecting intellectual property Determining price, factoring in shipping, duties and other costs Ensuring compliance with <u>U.S. or foreign</u> laws, regulations and standards <p>♦ For those areas where you received outside assistance, can you tell me what organization provided the assistance? (Open-ended short answer to be coded)</p>
<p>Purchasing Decision-Making</p>	<p>♦ Of the organizations you mentioned above, which was the <u>one</u> most valuable export assistance provider you worked with? _____</p> <p>♦ What type of organization is this? (Choose <u>one</u>)</p> <ol style="list-style-type: none"> 1. Consultant 2. Trade Association 3. Bank 4. Non-profit 5. Freight Forwarder 6. FedEx, UPS or other express delivery service 7. Federal government agency or program 8. State government <p>♦ Which <u>one</u> of the following statements best describes why you selected this organization versus other export assistance organizations?</p> <ol style="list-style-type: none"> 1. They had the best qualifications, expertise, and reputation 2. They were low cost compared to the value of services provided 3. We were not aware of other organizations that provided this type of service 4. They understood our industry or market 5. We had a personal connection, or previous experience with this organization <p>♦ How did this organization reach you, or how did you find out about them? Tell me which <u>one</u> of the following statements best applies:</p> <ol style="list-style-type: none"> 1. We found them on the Web 2. We found them by asking around, getting recommendations/referrals 3. We saw them mentioned in a publication – article or advertising 4. We met them at a seminar, conference or tradeshow 5. We already knew them 6. They found us through a cold call, direct mail or networking 7. Other or can't remember

	<p>What publications do you regularly read to keep on top of international markets and how to do business globally? (Open-ended, to be coded)</p>
<p>Awareness and Positioning</p>	<ul style="list-style-type: none"> ♦ Have you worked with the U.S. Department of Commerce, which includes the Commercial Service, U.S. Export Assistance Centers and commercial officers in foreign embassies or consulates? (Y/N) ♦ If yes, which <u>one</u> of the following statements best describes your decision to work with them? (Select the one most important factor) <ul style="list-style-type: none"> 1. Their qualifications and expertise were impressive 2. They had specific services we needed, such as matchmaking or market research 3. Their services were low or no cost 4. They understood our industry or market 5. They were recommended by a trusted source or another company 6. We had a personal connection or previous experience with them ♦ If no, which <u>one</u> of the following statements best describes your decision to not work with them? (Select the one most important factor) <ul style="list-style-type: none"> 1. We were unaware of the U.S. Commercial Service 2. We didn't understand how they could help us 3. We don't need outside assistance in international sales 4. They don't understand our business or industry 5. They are too bureaucratic or unresponsive 6. They don't have the required expertise 7. Their Web site was not helpful
<p>Need for Outside Services</p>	<p>What is the most important area where you need outside help to grow your international business? (Open ended, answers to be coded)</p>