

# 2011 Microbusiness Innovation Science and Technology Survey

Dear Small Business Owner,

You are part of a vital but often unrecognized part of the economy – the small business community – and the National Science Foundation (NSF) wants to hear from you.

NSF, an independent government agency, is surveying all types of businesses in the U.S. to measure the extent of innovation and R&D activities in our nation. At NSF, we are tasked with examining U.S. competitiveness in science, engineering, technology, and research and development. This survey focuses on the smallest businesses in the U.S. Your answers will help policymakers address issues such as how small businesses are affected by the rapid changes in our economy and what the smallest businesses are doing to be competitive.

Please complete the questionnaire and return it to the address below. A postage-paid envelope is provided for your convenience.

National Science Foundation  
 c/o Westat, Room xx  
 1600 Research Blvd  
 Rockville, MD 20850

Your responses are confidential under law. See the statement at the bottom of this page for more details.

Contact us at xxx-xxx-xxxx OR by e-mail at xxxxxxxx.xxx.

Thank you for contributing to our study of our nation’s smallest businesses.

## A. OVERALL COMPANY INFORMATION

1. Did your company have any revenues in 2011?  
 Yes → Go to Question 2.  
 No → **Stop here and return the survey form.**
2. Did another company own more than 50 percent of your company at any time during 2011?  
 Yes → **Stop here and return the survey form.**  
 No → Go to Question 3.
3. How important to you are each of the following reasons for owning your company?

	Very important	Somewhat important	Not important
a. Wanted to be my own boss	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Flexible hours	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Opportunity for greater income	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Best avenue for my ideas/products /services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Had to start company to find work	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

f. Please list any other important reasons

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This information is solicited under the authority of the National Science Foundation Act of 1950, as amended. All information you provide is protected under the NSF Act, the Privacy Act of 1974, and the Confidential Information Protection and Statistical Efficiency Act of 2002; it will be used only for statistical purposes. Any information publicly released (such as statistical summaries) will be in a form that does not personally identify you or your company. Your response is voluntary and failure to provide some or all of the requested information will not in any way adversely affect you or your company. Pursuant to 5 CFR 1320.5(b), an agency may not conduct or sponsor, and a person is not required to respond to an information collection unless it displays a valid OMB control number. The OMB control number for this collection is 3145-0174 (exp. May 31, 2013). Public reporting burden for this collection of information is estimated to average 15 minutes per response, including the time for reviewing instructions. Send comments regarding this burden estimate and any other aspect of this collection of information, including suggestions for reducing this burden, to: Suzanne Plimpton, Reports Clearance Officer, Facilities and Operations Branch, Division of Administrative Services, National Science Foundation, Arlington, VA 22230.

4. For the pay period including March 12, 2011, how many people worked for your company?  
Include both full-time and part-time workers as well as yourself.

Please count each person only once.

	Number of people
<b>Owners</b>	
a. Owners who received a W-2 issued by our company for salary or wages	<input type="text"/>
b. Other owners (paid or unpaid)	<input type="text"/>
<b>Non-owners</b>	
c. Employees who received a W-2 issued by our company for salary or wages	<input type="text"/>
d. Individuals who received payment in other ways (e.g., contractors/consultants/temporary workers who received a 1099 or payment from another company)	<input type="text"/>
e. Unpaid individuals who worked for our company (e.g., interns, friends, family members)	<input type="text"/>

5. Not counting those listed in question 4, which of the following were key people you used as advisors for your company during the past year?

	Yes	No
a. Scientist or technical expert	<input type="checkbox"/>	<input type="checkbox"/>
b. Financial expert	<input type="checkbox"/>	<input type="checkbox"/>
c. Business expert	<input type="checkbox"/>	<input type="checkbox"/>
d. Marketing expert	<input type="checkbox"/>	<input type="checkbox"/>
e. Individual who offered general advice	<input type="checkbox"/>	<input type="checkbox"/>
f. Regulatory or compliance expert	<input type="checkbox"/>	<input type="checkbox"/>
g. Other _____		

6. During the last three years how would you best describe the skills of the last full time or part time person your company hired?

*(Mark the answer that best applies.)*

- Does not apply: have not hired employees
- Broad or general skills
- Marketing or sales expertise
- Finance or business expertise
- Researcher or scientist
- Software or programming expertise
- Information technology or hardware expertise
- Other (specify) \_\_\_\_\_

7. What year did your company start?  
Give the year your company first obtained an EIN (Employer Identification Number) or first filed a tax return, whichever is earlier.

Please answer for the firm identified.

Year company started

**B. Financial Information**

8. What were your company’s 2011 revenues, excluding income from grants?

(Enter number.)

\$

9. Approximately what share of your company’s 2011 revenues came from the following?

(Enter percentage; total should equal 100%; if none, enter zero.)

Source of revenues	Percent
a. Selling <u>goods</u> to customers, including other companies	<input type="text"/> %
b. Selling <u>services</u> to customers, including other companies	<input type="text"/> %
c. Other (please specify) _____	<input type="text"/> %
<b>TOTAL 100%</b>	

10. Approximately what percent of your revenues for 2011 were domestic (sold to customers in the United States and its territories)?

(Enter number; if none, enter zero.)

%

11. During the last three years, did your company earn any revenue from customers in the following locations?

	Yes	No
a. Within our state	<input type="checkbox"/>	<input type="checkbox"/>
b. Other states or U.S. territories	<input type="checkbox"/>	<input type="checkbox"/>
c. Canada or Mexico	<input type="checkbox"/>	<input type="checkbox"/>
d. Other countries besides Canada or Mexico	<input type="checkbox"/>	<input type="checkbox"/>

12. During the last three years, did you use any of your personal funds (e.g., credit cards, home equity loan, personal savings) for your company?

- Yes
- No

13. During the last three years, did your company try to get any funding (e.g., loans, investments, or gifts) from the sources in the list below?

	Yes, got funding	Yes, tried but did not get funding	No, did not try
a. Banks or credit unions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Other companies as investors	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Family and friends	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Angel or venture capital funding (financial support in return for equity or stock in our company)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Federal government's Small Business Technology Transfer Program (STTR) or Small Business Innovation Research Program (SBIR)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. You may add other sources here.	<hr/> <hr/> <hr/>		

### C. INNOVATION

14. Did your company have any products (goods and services) on the market during the last three years?

- Yes → Continue to Question 15.  
 No → Go to Question 18.

15. During the last three years, did your company do any of the following regarding the products (goods and services) your company offers?

- Do not include adaptation or customization of your product for a specific client's needs.

	Yes	No	Does not apply
a. Put a new product on the market that no company has ever offered before	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Put a new product on the market that our company has never offered before	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Improved our product's performance by making changes in materials, equipment, components, or software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Developed a new use for our product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Added a new feature to our product	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Made it easier for customers to use our product ( e.g., easier access, more user friendly)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

16. During the last three years, did your company do any of the following regarding products (goods and services) your company offers?

	Yes	No	Does not apply
a. b. Used a new way of purchasing, accounting, computing, maintenance, inventory control, or other support activities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. d. Reduced our costs by changing the way we distribute the product we offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. f. Upgraded our techniques, equipment, or software to significantly improve the services we offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. h. Made significant improvements in our techniques or processes by increasing automation, decreasing energy consumption, or using software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. j. Decreased our production costs by improving the materials, components, or software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Changed our methods to deliver our product faster or more reliably	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

17. During the last three years, did your company do any of the following related to marketing or design?

	Yes	No	Does not apply
a. b. Made significant changes to the design or packaging of a good or service other than changes that alter how the product is used	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. d. Promoted our product in a new way (e.g., the first time use of a new type of advertising, a new brand image, introduction of loyalty cards)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. f. Used new ways to sell our product (e.g., first time use of franchising or distribution licenses, direct selling, exclusive retailing, new concepts for product presentation)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. h. Used new pricing methods (e.g., first-time use of pricing by demand, discount system)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i. j. Created or opened up a new market for our company's goods or services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
k. Told our customers about a new way they can use our goods or services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

18. During the last three years, did your company do any of the following related to your organization?

	Yes	No	Does not apply
a. Implemented new methods to improve internal processes or deliver products (e.g., introduce supply chain management systems or business re-engineering, lean production and quality management systems )	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Applied new methods or processes to improve workplace organization (e.g., education and training systems improve learning and sharing, implement changes in workplace responsibilities or authority of managers and employees)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Started a new way of interacting with other firms or organizations (e.g., alliances, partnerships, outsourcing, subcontracting)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>



**INTELLECTUAL PROPERTY**

19. How many U.S. patent applications, if any, does your company currently have pending? (Enter number; if none, enter zero)

Patent applications currently pending

20. How many U.S. patents does your company currently own? (Enter number; if none, enter zero)

Number of patents

21. Please indicate whether or not your company did any of the following during the last three years. (Mark one for each row.)

	Yes	No	Does not apply
a. Transferred intellectual property (IP) to others not owned by our company through participation in technical assistance or "know how" agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Received IP from others not owned by our company through participation in technical assistance or "know how" agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Participated in cross-licensing agreements—the agreements in which two or more parties grant a license to each other for the use of the subject matter claimed in one or more of the patents owned by each party	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Allowed free use of patents or other IP owned by our company (e.g., allowing free use of software patents by the open source community)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Made use of open source patents or other freely available IP not owned by our company	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

22. During the last three years, how important were the following for protecting your company’s intellectual property? (Mark one for each row.)

	Very important	Moderately important	A little important	Not at all important	Does not apply
a. Utility patents (patents for inventions)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Design patents (patents for appearance)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Trademark	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Copyrights	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Trade secrets	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Nondisclosure agreements	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Please list other important ways you protected your company’s intellectual property.					
_____					
_____					

## D. SCIENTIFIC AND ENGINEERING RESEARCH AND DEVELOPMENT (R&D)

23. During 2011, did your company do any of the following?

Include activities that:

- You performed
- Others paid you to do
- You paid others to do.

	Yes	No
a. Conducted work that might lead to a patent.	<input type="checkbox"/>	<input type="checkbox"/>
b. Developed and tested prototypes that were derived from scientific research or technical findings	<input type="checkbox"/>	<input type="checkbox"/>
c. Produced findings that could be published in academic journals or presented at scientific conferences	<input type="checkbox"/>	<input type="checkbox"/>
d. Applied scientific or technical knowledge in a way that has never been done before	<input type="checkbox"/>	<input type="checkbox"/>
e. Created new scientific or technical solutions that can be generalized to other situations	<input type="checkbox"/>	<input type="checkbox"/>
f. Conducted work to discover previously unknown scientific facts, structures, or relationships	<input type="checkbox"/>	<input type="checkbox"/>
g. Conducted work to extend the understanding of scientific facts, relationships or principles in ways that could be useful to others	<input type="checkbox"/>	<input type="checkbox"/>

**If you answered “yes” to any activities in Question 23, these are your 2011 R&D activities for the following questions.**

→ Continue with Question 24.

**If you answered “No” to all activities in Question 23**

→ Go to Question 30.

24. What was the total cost in 2011 for the activities you reported in Question 23? Please include all costs:

- Salaries, wages, fringe benefits
- Equipment, materials, supplies, software
- Rent, utilities
- Consultants, contractors

**This is your total R&D cost for 2011.**

25. How much of the amount in Question 24 was for purchasing R&D services from others?

**This is the cost of R&D you paid others to do in 2011.**

26. Please subtract Question 25 from Question 24 and enter the amount here.

**This is your cost for the R&D you performed in 2011.**

27. Of the total R&D amount you reported in Question 26, what percent was for each of the following types of costs?

a. Salaries, wages, and fringe benefits for company’s employees  %

b. Equipment  %

c. Software purchases and licenses  %

d. Other costs (e.g., consultants, contractors, travel, rent)  %

TOTAL    **100%**



28. Of the total R&D amount you reported in Question 26, how much was paid for by the following sources?

	Percent
a. Our company	<input type="text"/> %
b. Another U.S. company	<input type="text"/> %
c. U.S. university or college	<input type="text"/> %
d. U.S. non-profit organization	<input type="text"/> %
e. U.S. federal government (including R&D grants)	<input type="text"/> %
f. U.S. state or local government (not including state universities)	<input type="text"/> %
g. Other (please specify) _____	<input type="text"/> %

TOTAL **100%**

29. How many people worked on the R&D activities you reported in Question 23 for the pay period that included March 12, 2011?

	Number of people
a. Owners	<input type="text"/>
b. Employees	<input type="text"/>
c. Other paid workers (e.g., contractors, consultants, temporary workers)	<input type="text"/>
d. Unpaid workers	<input type="text"/>
e. Total	<input type="text"/>



## E. YOUR COMPANY STRATEGIES

30. How important is each of the following in how your company seeks a competitive advantage?

	Very important	Moderately important	A little important	Not at all important	Does not apply
a. Our low prices	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. The quality of our goods/services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Our unique goods/services	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. The convenience we offer	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Our reputation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Other ( <i>please specify</i> )					

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31. How important is each of the following to your company's strategy?

	Very important	Moderately important	A little important	Not at all important	Does not apply
a. Updating or improving an existing good or service	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Developing a good or service that will save customers money	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Developing a good or service that will improve current customers' experience	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Having a formal business strategic plan in writing	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Partnerships with other businesses	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Partnerships with one or more universities	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

32. During 2011, how important was each of the following in moving your company forward?

	<b>Very important</b>	<b>Moderately important</b>	<b>A little important</b>	<b>Not at all important</b>	<b>Does not apply</b>
a. Cutting costs enough to make a profit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b. Keeping up with demands for our products	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c. Finding new customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d. Keeping current customers	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e. Finding people with the right job skills	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f. Getting access to funds	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g. Getting access to facilities and equipment	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

33. Where would you like your company to be in five years?

- Company will have a larger number of employees
- Company will have about the same number of employees as it has currently
- Company will be purchased by another company
- Uncertain
- Other (please specify)

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## F. ABOUT THE OWNER

If your company has more than one owner, answer for the owner with the most responsibility for the direction of the company.

34. Is this the first company you started?

- Not applicable: I did not start this company* → Go to Question 36.
- Yes → Go to Question 36.
- No → Go to Question 35.

35. What is the status of the **previous** company you started?

	Yes	No
a. Company is still in business and I still own it	<input type="checkbox"/>	<input type="checkbox"/>
b. Company is no longer in business	<input type="checkbox"/>	<input type="checkbox"/>
c. Company was purchased by another company	<input type="checkbox"/>	<input type="checkbox"/>
d. Company was purchased by another individual	<input type="checkbox"/>	<input type="checkbox"/>
e. Other (please specify)		
_____		
_____		

36. Approximately, how many hours each week do you work at this company? Include all hours whether paid or unpaid.

(Enter number.)

Number of hours

37. What is the highest level of education you completed?

- Less than high school
- High school graduate
- Some college
- Bachelor's degree
- Master's degree
- Professional degree (e.g., JD, LLB, MD, DDS, DVN)
- Research doctorate (e.g., PhD, DSc, EdD)
- Other (specify)
- \_\_\_\_\_

38. What was the major field of study for your highest degree?

- Business management/administration
- Communication
- Computer science
- Education (includes research and administration, and teaching)
- Engineering
- Humanities (includes history, foreign languages and literature, and letters)
- Life Sciences (includes agricultural sciences/natural resources, biological/biomedical sciences and health sciences)
- Mathematics
- Physical sciences (includes astronomy, atmospheric science and meteorology, chemistry, geological and earth sciences, ocean/marine sciences, and physics)
- Psychology
- Social sciences
- Other (please specify)
- \_\_\_\_\_

39. Are you Hispanic or Latino?

- Yes
- No

40. What is your race?

*(Please select one or more.)*

- American Indian or Alaska Native
- Native Hawaiian or other Pacific Islander
- Asian
- Black or African-American
- White

41. Are you male or female?

- Female
- Male

42. Where were you born?

- Inside the U.S.
- Outside the U.S.

43. Are you a U.S. citizen?

- Yes
- No

44. Please give a brief description of your company's industry.

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### G. CONTACT INFORMATION

45. Please provide the following information for the person we may contact regarding the answers to this survey.

**Name**

**Title**

**Telephone**

**Extension**

**Fax**

**Extension**

**E-mail address**

46. Enter any comments below.

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**Thank you for your participation in this survey.**

Please return your completed questionnaire to Westat, Room xx, 1600 Research Blvd, Rockville, MD 20850.