

Establishment Factoryless Goods Producers (FGP) Concept Early-Stage Scoping DRAFT PROTOCOL

Heidi St.Onge
Kristin Stettler

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This protocol is a guide – the questions presented here will not necessarily be asked exactly as worded in the protocol or in this order. It is important to note that not all questions will be asked in every interview.

Note: As much information about interview participants and enterprise/establishments should be obtained prior to the interview as possible. Conduct background research on each enterprise/establishment prior to each interview. In some cases probing may need to be adjusted based on the background research that was conducted.

Part A - Introduction (5 minutes)

1. Introduce observers and their background

2. Purpose of visit:

Thank you very much for your time. Let me start by telling you a little about what we will be doing today. We have been reaching out to some respondents who completed the Economic Census in the past. This survey is completed every five years and collects information from businesses throughout the United States. We are in the process of learning about a few concepts that we are considering adding to the current form. Our ultimate goal is to use the information that we have learned and create questions that will hopefully be less burdensome by using the terms you use and asking for the information in a way that will be easy for you to gather.

I want to encourage you to think aloud during our conversation and share your immediate thoughts and/or reactions. It is ok if you are not sure or do not know about some of the things we discuss. If this is the case just let me know.

3. Permission to audio record discussion? Have R sign consent form.

Before we get started, I would like to audio record this interview so I don't have to rely on my memory later. This session is confidential. Only persons connected with this project will have access to your recording. If that is all right with you, please sign this consent form. It also tells you about the confidentiality of this session.

Part B – Background Information (15 minutes)

1. Respondent Background

Before we start with more specific questions, I would like to ask you a few questions about this company and your role in it. For today, we will be focusing on this location -- (NAME).

1. (For each person in the room) What is your formal job title?
 - a. Could you tell me a little about your role and responsibilities?

2. Background

1. What would you consider to be the main activity of this company? (e.g., manufacturer, manufacturer with other companies producing products, wholesaler, service, etc.?)
2. What would you consider to be the main activity of this location? (e.g., manufacturer, manufacturer with other companies producing products, wholesaler, service, etc.?)
3. Does this company have any other locations?
 - a. Where are they located?
 - b. How many are in the US?
 - c. How are they organized? (e.g., by business group, product line, function, other?)
2. Does this location manufacture products?
 - a. (If no) Could you tell me a bit more about what this location does? (note: continue probing if R does not believe they are a manufacturer and they are classified this way).
3. What role, if any, does your company headquarters play in manufacturing?

3. Definition of Product throughout meeting

1. What does the word “product” mean to you?
2. When you think about the term “products” are you generally thinking about final/end use products or are you also including component/input products?

During this meeting I will repeatedly be referring to products. For the purpose of this discussion this will mean both final/assembled products as well as input/component products.

Part C – Testing of FGP related content (45 minutes)

Now I'd like to discuss a handful of specific data items.

Note: If a respondent answers "I don't know" to any of these questions follow up with these probes:

- Who in your company would know about that?
- What is their title?
- Do they work at this location?
 - o (If no) Where are they located?

1. Transformation Activity (if applicable) (10 minutes)

1. Tell me about the products your location has manufactured by another company or affiliate. (what types of products)?
 - a. (If another company) Is this other company part of your company?
 - b. Where are they located (within or outside the US)?
 - c. Could you describe this process to me in a bit more detail?
 - d. What happens after a product is manufactured?
 - i. Are there any products that your location has manufactured that your location makes changes to once you receive them? Could you tell me a bit more about that?
 1. Do you assemble components?
 2. Do you add anything to the products (e.g., labels, jackets, coats, or dresses)?
 3. Do you paint, add your logo, or otherwise decorate the product?
 4. Do you consider the changes your company makes manufacturing?
 - ii. Is this product used as an input for any other manufacturing products?
 - iii. Is this product sold?
 1. (If yes) To whom? (End users, other manufacturers, etc.)
 2. (If yes) By whom? (your location, another location, an affiliate, another company)
 - e. Is there an official contract in place?
 - i. (If yes) Who created this contract/agreement?
 - ii. Who oversees the contract/agreement?
 - f. What types of records are kept relating to the products manufactured by another company?
 - i. How are the records relating to the products manufactured by another company organized? (By product? By manufacturer? Other?)
 - ii. Are different records kept in different ways (e.g., revenue vs. employment)? Are they kept in different departments?
 - g. Do you have access to these records?
 - i. (If no) Who would be the person who would know about this?

- a. What is their title?
- b. Do they work at this location?
- c. (If no) Where are they located?
- ii. (If yes) Would you be able to report revenues separately for each of the different products that are manufactured by other companies?
- iii. (If yes) What information would you have?
 1. Is a total amount available for all products that are manufactured by other companies?

2. Control IP Design (10 minutes)

For the following questions, think only about products that are manufactured for your location by other companies (give examples from conversation when necessary).

1. Does your location design the products that are manufactured by another company?
 - a. (If yes) What do you mean by that?
 - b. Is this for all or some of the products/product lines?
 - c. Where are these products designed?
 - d. Could you describe this process to me?
 - e. What happens after a design is created?
2. What does "owns the design" mean to you?
3. What does "controls the design" mean to you?
 - a. Would you say your location owns or controls the design for all or some of the products/product lines?
 - b. How do you make this determination?
 - c. What terms do you use to describe owning or controlling the design of a product?
 - d. What information would you have in your records about this?
4. Who makes decisions about how the product(s) should be designed? (i.e., your location, your company, or someone else?)
5. Does your location own any intellectual property or patents for your products?
 - a. For all or some of the products?
 - b. Could you tell me a bit more about that? Would these be end use final/assembled products or input/component products or both?
 - c. How are they owned? (e.g., designed in-house, purchased, leased, other?)
6. (If some) For what percentage of the products or components you have manufactured by another company does your location own IP or patents?
 - a. Are you considering end use final/assembled products or input/component products, or both?
 - b. Do you know how many products?
 - c. What records would you have available on this? Where would they be located?

- i. Would you be able to give or find out the amount of revenue associated with the products that your location controls the IP/design for?
- d. Is this for the final/assembled product only or for the input/component products or both?
- e. (if input/component products) For all or some of the input/component products?

3. Control the Production (5 minutes)

Again, think only about products that are manufactured for your location by other companies

1. What does the term "control the production" mean to you?
2. For the products that are manufactured for your location, who makes decisions about (e.g. your location, your company, or someone else) what supplies/materials are used to make these products? Could you tell me more about that?
 - a. Does your location have control over:
 - i. The materials that are used?
 1. Is that for all/some of the materials?
 - ii. The cost of the materials used?
 - iii. The specifications of the materials used?
 1. Who owns the materials?
 - iv. How much is made and when?
 - v. Is this for all/some of the products/product lines?
3. What information would you have in your records about the products your location controls the production for? Would you have specific contracts related to these products? Would you have information on the cost? The structure? Other things?
4. Would you be able to report the amount of revenue associated with the products that your location controls the production for?
 - a. What information would you have in your records about the revenue from these products?
 - i. Would you have information on the cost? The structure? Anything else?
5. Would you be able to report the amount of revenue associated with the products that your location controls the production for?
 - a. What information would you have?
 - b. Where are these records stored?

4. Control the Sale (5 minutes)

Again, think only about products that are manufactured for your company by other companies.

1. For the products another company manufactures on behalf of your location, who makes decisions about (e.g., your location, your company, or someone else):
 - a. Where the product will be sold?
 - b. How much the product will be sold for?
 - c. Is this for all or some of the products? Could you tell me a little more about that?
 - d. How do you describe these decisions (e.g., who makes the decisions about where a product is sold how much it will be sold for)?
 - e. If we were going to ask a question about how these decisions are made (e.g., where and how much products that are manufactured on your behalf will be sold for) how should we phrase it?
 2. What does the term “control the sale” mean to you?
 - a. Do you use any other words or terms to describe this?
 3. What percentage of your products does your location make these decisions about?
 4. Would you be able to report the amount of revenue associated with the products that are manufactured on your behalf which your location controls the sale of?
 - a. What types of information would be available?
 - b. Where in your location would these records be held?
 - a. Are different types of records on this in different departments?
 - b. Is there a person or department at this location that would handle this? Where are they located?
- Is this enterprise responsible for selling these products or does some other entity sell them on your behalf?

5. Entrepreneurial Risk (5 minutes)

1. Have you heard of the term “entrepreneurial risk”?
 - a. What does this term mean to you?
2. If a product that your location has another company manufacture goes unsold, who loses money?
 - a. Is this for all or some of the products/product lines?
3. If a product that your location has manufactured is returned because a customer is unsatisfied, who loses money?
4. Who is responsible if there are legal problems related to products that another company manufactures for your location?

6. Other Contacts (10 minutes)

1. If we were to ask questions like these on the Economic Census (which is establishment based), at the company level, how would they react?
 - a. Would responses be different at the company level versus the establishment level?

- i. Would there be differences from establishment to establishment?
 - ii. Could you tell me a bit more about this??
 2. Where would be the best location in your company to collect data on who controls the design of the products that are manufactured by another company? Would this be captured at your location? At another location? At headquarters? Or somewhere else?
 - a. How is this information organized?
 - b. What information would you have in your records about this?
 - i. Is this for all or some of the products/product lines?
 3. How are establishment level forms handled for things like the Economic Census?
 - a. Are they completed at the individual locations?
 - b. Are they completed at headquarters?
 - c. Is there some other method you use?
 4. Could you provide us with some contacts at other locations that would have access to data on the revenue associated with the products that were manufactured for you by another company to follow up with and get their input on this topic?
 5. Is there a central office or person that tracks information about the revenue produced by each major product line?
 - a. (If yes) Would you be able to provide us with a contact person who might be able to help us answer our questions?

Part D – Sample Questions (skip depending on time) (10 minutes)

At this point I am going to show you a draft of a few new questions regarding products that other companies manufacture for you. I would like you to go through these questions and answer them as if we weren't here. Please let me know what you're thinking as you are reading through them.

Hand respondents each an individual copy of the draft questionnaire (attached).

Part E – Terminology Flash Card (skip depending on time) (10 minutes)

Thank you for your help so far! I'd like to show you a sheet with a few terms, which you may or may not be familiar with. This will help us figure out how best to word the questions on our survey. *Note: Only probe on items that were not covered previously.*

(Probe as necessary for each item):

1. Have you heard of _____ before?
2. What does _____ mean to you?
3. Does _____ relate to your company?
 - a. (If yes) How?

List of Terms

- a) Contract manufacturing?
- b) Contract manufacturing services?

- c) Products for 'resale'?
- d) Non-proprietary?
- e) After-market products?
- f) Subsidiaries vs. affiliates?
- g) Control the IP?
- h) Control the design?
- i) Arrange for the production of?
- j) Outsourcing?
- k) Offshoring?
- l) Intellectual property?
- m) Material inputs?

Part F – Wrap Up (5 minutes)

Thank you for your help, we are almost done. As you may have gathered from my questions, we are trying to understand the relationship that manufacturing companies may have with contractors. Specifically, there are some types of companies who are responsible for the manufacturing of products – they control the design and all the materials used to make them – but they do not physically make all of the products or components themselves. This is a phenomenon that the US government does not currently measure, but would like to as it could be very informative about the US economy. *Note: Follow up on any content that was not resolved earlier.*

1. How would you describe this in your own words?
 - a. How do you talk about this concept?
 - b. What terms might you use to describe this activity?
2. Do you think your location falls into this group?
 - a. Why or why not?
 - b. What about your company?
 - c. In part or in whole?
3. Overall, how could we write a question (or questions) about this topic to make it easy for a respondent like yourself to understand what we are asking?
4. Do you have any other thoughts about this concept?
5. I heard you mention “X” earlier, could you tell me a bit more about this?
 - a. What does that mean to you?
6. Any other comments/questions?
7. (To the observer) Did you have any other comments or questions?

Thank you for your help today!