

## SECTION C: PRODUCTS AND BUSINESS PROCESSES

The following section collects information on the business's introduction of a new or improved product (goods or services) or business process that differed significantly from the business's previous products or processes.

The products (goods or services) or business processes must have characteristics or intended uses that are new or which provide a significant improvement over what was previously used or sold by the business. However, they can fail or take time to prove themselves.

The products or business process need only be new or improved for the business. It could have been originally developed or used by other businesses or organizations.

The following section asks about the three previous years including the calendar year 2018 instead of one year as in other sections of this questionnaire.

### NEW OR IMPROVED GOODS OR SERVICES

During the three years 2016 to 2018, did this business introduce to the market any new or improved goods or services that differed significantly from the business's previous goods or services?

**Select one for each row.**

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| a. Goods. ( <i>Exclude the simple resale of new goods and changes of a solely aesthetic nature.</i> ) A good is usually a tangible object such as a smartphone, furniture, or packaged software, but also includes digital goods such as downloadable software, music and film. | <input type="checkbox"/> | <input type="checkbox"/> |
| b. Services. ( <i>Exclude the simple resale of new services.</i> ) A service is usually intangible, such as retailing, insurance, educational courses, air travel, consulting, etc., and also includes digital services.  | <input type="checkbox"/> | <input type="checkbox"/> |

If 'No' is selected for a. and b., skip to 'PROCESS INNOVATION'

## NOVELTY OF NEW OR IMPROVED GOODS OR SERVICES

During the three years 2016 to 2018, did this business introduce any new or improved goods or services that were:

*Select one for each row.*

**New to the market?** This business introduced a new or improved product (good or service) that was not previously offered by any of your competitors (it may have already been available in other markets)

Yes

No

**New only to this business?** This business introduced a new or improved product (good or service) that was identical or very similar to products already offered by your competitors

## NEW OR IMPROVED GOODS OR SERVICES AS PERCENT OF TOTAL SALES

Using the definitions in the previous question, what percentage of this business's 'A.11 DOMESTIC SALES AND REVENUES' in 2018 sales and revenues were attributable to or originated from domestic operations:

- a. New or improved goods and services introduced during 2016 to 2018 that were **new to your market.** \_\_\_\_\_ %
- b. New or improved goods and services introduced during 2016 to 2018 that were **new only to this business.** \_\_\_\_\_ %
- c. Goods and services that were unchanged or only marginally modified during 2016 to 2018 (include the resale of new goods or services purchased from other companies) \_\_\_\_\_ %

Total sales in 2018  
100%

## EXPECTATIONS

As of December 2018, did the new or improved products introduced during 2016 to 2018 meet your business's expectations?

- Yes, expectations were exceeded
- Yes, expectations were met
- No, Expectations were not met
- Too early to tell

## SOURCES OF NEW OR IMPROVED GOODS OR SERVICES

Who developed these new or improved products (goods and services)? **Select all that apply**

- This business by itself
- This business together with other businesses, universities, research institutes, nonprofits, or other organizations
- This business by adapting or modifying products originally developed by other businesses or organizations
- Other businesses or organizations

## PRODUCT COOPERATION PARTNERS

(This question should be asked only of respondents who selected option 2 or 4 of the above question.)

During the three years 2016 to 2018, did this business cooperate with any of the following partners in developing new or improved goods or services?

	Yes	No
a) Parent, affiliated, or subsidiary business	<input type="checkbox"/>	<input type="checkbox"/>
b) Suppliers of equipment, materials, components, or software	<input type="checkbox"/>	<input type="checkbox"/>
c) Clients or customers from the private sector	<input type="checkbox"/>	<input type="checkbox"/>
d) Clients or customers from the public sector	<input type="checkbox"/>	<input type="checkbox"/>
e) Competitors or other businesses in your industry	<input type="checkbox"/>	<input type="checkbox"/>
f) Consultants and commercial laboratories	<input type="checkbox"/>	<input type="checkbox"/>
g) Universities, colleges or other higher education institutions	<input type="checkbox"/>	<input type="checkbox"/>
h) Government, public or private research institutes	<input type="checkbox"/>	<input type="checkbox"/>
i) Non-profit organizations	<input type="checkbox"/>	<input type="checkbox"/>
j) Households or individuals	<input type="checkbox"/>	<input type="checkbox"/>

Where were these businesses or organizations located? **Select all that apply**

[NOTE: Question below is populated only with yes responses from above]

	United States	Canada or Mexico	Rest of World
a) Parent, affiliated, or subsidiary business	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
b) Suppliers of equipment, materials, components, or software	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
c) Clients or customers from the private sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
d) Clients or customers from the public sector	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
e) Competitors or other businesses in your industry	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
f) Consultants and commercial laboratories	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
g) Universities, colleges or other higher education institutions	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
h) Government, public or private research institutes	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
i) Non-profit organizations	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
j) Households or individuals	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

### MOST IMPORTANT INNOVATION

Think about the most important good or service your company introduced during 2016 to 2018, was that good or service new to the market or new only to your business?

	Yes	No
<b>New to the market</b> - This business introduced a new or improved product (good or service) that was <u>not previously offered</u> by any of your competitors (it may have already been available in other markets)	<input type="checkbox"/>	<input type="checkbox"/>
<b>New only to this business</b> - This business introduced a new or improved product (good or service) that was <u>identical or very similar</u> to products already offered by your competitors	<input type="checkbox"/>	<input type="checkbox"/>

## MOST IMPORTANT INNOVATION AND SALES

What percentage of this business's domestic sales and revenues in 2018 were attributed to your company's most important innovation?

\_\_\_\_\_ %

## NEW OR IMPROVED BUSINESS PROCESSES

During the three years 2016 to 2018, did this business introduce any of the following types of new or improved business processes that differ significantly from your previous business processes?

	Yes	No
a. Methods for producing goods or providing services (including methods for developing goods or services)	<input type="checkbox"/>	<input type="checkbox"/>
b. Logistics, delivery or distribution methods	<input type="checkbox"/>	<input type="checkbox"/>
c. Marketing methods for promotion, packaging, pricing, product placement or after sales services	<input type="checkbox"/>	<input type="checkbox"/>
d. Information and communication systems (including hardware, software and data processing)	<input type="checkbox"/>	<input type="checkbox"/>
e. Administration and management activities (including decision-making, human resource management, and methods for accounting or other administrative operations)	<input type="checkbox"/>	<input type="checkbox"/>
f. Product and business process development activities (including activities to identify, develop or adapt products or processes)	<input type="checkbox"/>	<input type="checkbox"/>

If 'No' is selected for a. - f., SKIP to 'INNOVATION ACTIVITIES'

## IMPROVED BUSINESS PROCESS DEVELOPERS

Who developed these new or improved business processes? **Select all that apply**

- This business by itself
- This business together with other businesses, universities, research institutes, nonprofits, or other organizations
- This business by adapting or modifying business processes originally developed by other businesses or organizations
- Other businesses or organizations

**ACTIVITIES FOR NEW OR IMPROVED PRODUCTS OR BUSINESS PROCESSES**

During the three years 2016 to 2018, did this business have any of the following types of innovation activities? Include all developmental, financial and commercial activities that were intended to result in a new or improved product or business process that differed significantly from your previous products or processes.

	Yes	No
a. <b>Research and development:</b> creative and systematic work undertaken in order to increase the stock of knowledge and to devise new applications of available knowledge	<input type="checkbox"/>	<input type="checkbox"/>
b. <b>Engineering and design activities:</b> planning of technical specifications, testing, evaluation, setup and pre-production for goods, services, processes or systems; installing equipment, tooling-up, testing, trials and user demonstrations; and activities to extract knowledge or design information from existing products or process equipment. Also include activities to develop a new or modified function, form or appearance for goods, services, or processes	<input type="checkbox"/>	<input type="checkbox"/>
c. <b>Marketing and brand equity activities:</b> include market research, market testing, methods for pricing, product placement and product promotion; product advertising, the promotion of products at trade fairs or exhibitions, and the development of marketing strategies	<input type="checkbox"/>	<input type="checkbox"/>
d. <b>Intellectual Property (IP) related activities:</b> protection or exploitation of knowledge, often created through R&D, software development, and engineering, design and other creative work, including all related administrative and legal work	<input type="checkbox"/>	<input type="checkbox"/>
e. <b>Employee training:</b> activities that are paid for or subsidized by the firm to develop knowledge and skills required for the specific trade, occupation or vocation of a firm's employees	<input type="checkbox"/>	<input type="checkbox"/>
f. <b>Software development and database activities:</b> in-house development and purchase of computer software; collection and analysis of data in proprietary computer databases and data obtained from publicly-available reports or the Internet; and activities to upgrade or expand the functions of IT systems, including computer program and databases	<input type="checkbox"/>	<input type="checkbox"/>
g. <b>Acquisition of machinery, equipment and other tangible assets</b>	<input type="checkbox"/>	<input type="checkbox"/>
h. <b>Management related to innovation:</b> Activities to plan, govern and control internal and external resources	<input type="checkbox"/>	<input type="checkbox"/>

How much did this business spend on the innovation activities selected in the previous question in 2018? *Note that this question refers only to the year 2018 and not 2016 - 2018.*

\$Mil. Thou. Dol.

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## R&D FOR ACTIVITY COSTS

Of the 'ACTIVITY COSTS' reported, how much was for research and development (creative and systematic work undertaken in order to increase the stock of knowledge and to devise new applications of available knowledge) in 2018?

\$Mil. Thou. Dol.

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## GOVERNMENT SUPPORT

During the three years 2016 to 2018, did this business use any of the following types of government programs (federal, state, or local) to aid the following innovation activities?

- Research and development
- Engineering and design activities
- Marketing and brand equity activities
- Intellectual Property (IP) related activities
- Employee training
- Software development and database activities
- Acquisition of machinery, equipment and other tangible assets
- Management related to innovation

- |   | Yes                      | No                       |
|---|--------------------------|--------------------------|
| a. <b>Government tax incentive or tax credit programs:</b> Include programs intended to support innovation activities such as research and development or capital expenditures  | <input type="checkbox"/> | <input type="checkbox"/> |
| b. <b>Government grants and contributions programs:</b> Include programs intended to support innovation activities such as research and development, business development or commercialization of intellectual property | <input type="checkbox"/> | <input type="checkbox"/> |
| c. <b>Government training and hiring programs:</b> Include programs intended to support innovation activities such as hiring and training of researchers, interns or other personnel                                    | <input type="checkbox"/> | <input type="checkbox"/> |
| d. <b>Government procurement:</b> Include programs intended to support innovation activities such as the procurement of new or improved goods, services or businesses processes   | <input type="checkbox"/> | <input type="checkbox"/> |
| e. <b>Other government programs:</b> Include programs and activities not included elsewhere such as access to facilities, export incentives, technical assistance, market information or loans                          | <input type="checkbox"/> | <input type="checkbox"/> |

