

Attachment D: Industry Interview Guide

FGP – Industry Protocol

Industry Background

Association Name: _____

Location: _____

Industry Represented: _____

Primary Contact Name: _____

Primary Contact Title: _____

Primary Contact Ph#: _____

Other Attendees (Name/Title): _____

Introduction

- Thank participant(s)

Thank you for taking the time to speak with us today. We've set aside one hour for our discussion as we understand your time is important.

- Introduce research staff (Westat/BLS personnel) and ask for introductions of industry representatives (note names/titles for each)

Westat is working with the Bureau of Labor Statistics in order to better understand how changes due to globalization, technology, and other factors affect the quality of industrial statistics collected in the United States across different industries, like the one your represent. As stated in the background materials we provided, we are interested in learning how to identify companies that have economic ownership over a product but do not manufacture every part of it; that is, they outsource manufacturing or use some other arrangement for at least part of the product.

- Discuss goals/topics for discussion

As I just mentioned, we would like to talk to you today about concepts that describe companies that design, but may not manufacture all their products. These include:

The general topic of economic ownership which may differ from legal ownership of a product. Some of the characteristics of economic ownership that economists have identified include:

- Owning or controlling the design or ideas of a product
- Having the ability to independently change the product design
- Exerting control over the process for developing the product, for example, controlling the inputs, product lines, and production levels
- Determining the price of the final product and final ownership
- Arranging for the sale of the product
- Assuming any financial or legal risk associated with manufacturing the product
- Being able to report about the financial costs and revenues of the production process

There are also other topics we will want to explore. Our discussion may also naturally evolve based on things we learn that will help us better understand your industry. We are interested in everything you have to say and encourage you to speak openly.

Unfortunately there may be times where I interrupt in order to ensure all of the topics we are interested in are appropriately covered.

- Complete consent form

Before we start I'd like to cover your rights as participant(s) in this research

- o In person interviews: Complete consent form – have lead representative contact sign for in-person
- o Telephone Interviews:
 - The BLS, its employees, agents, and partner statistical agencies, will use the information you provide for statistical purposes only and will hold the information in confidence to the full extent permitted by law. In accordance with the Confidential Information Protection and Statistical Efficiency Act of 2002 (Title 5 of Public Law 107-347) and other applicable Federal laws, your responses will not be disclosed in identifiable form without your informed consent.
 - We estimate it will take you an average of 90 minutes to participate in this research.
 - During this research you may be audio and/or videotaped, or you may be observed. If you do not wish to be taped, you still may participate in this research.
 - The OMB control number that this research is being conducted under is 1220-0141, and it expires April 30, 2018.

General Background—Company Structures/Business Models

I'd like to start out by having you tell me a little about companies within the {NAME} industry. That is, describe for me a typical company, or if variation is more common, the different types of companies, that are involved with [NAME] industry?

PROBES:

- Are companies within this industry generally single unit companies, large multi-unit companies, or something in-between?
- How do companies generally go about developing and producing products or goods? That is, what are the processes or stages for product development?
- In terms of production or product development, how have companies responded to changes, for example due to technology, increased globalization, or consumer demand?

Manufacturing—Definition, Process, and Location

I'd like to focus more on manufacturing activities. Economists refer to these as “transformational activities,” or the process of taking materials and physically changing them to create a new product. What kind of manufacturing is done in this industry? Where do these activities usually take place?

PROBES

- What is the term that is used within this industry for manufacturing-like activities?
- Are the products produced ‘final’ products, that are ready for sale, or ‘intermediate’ products, that are used as inputs into other manufacturing processes?
- Do companies perform these activities domestically or in other countries?
- Do companies typically contract out manufacturing, or is manufacturing typically done by facilities owned by these companies?
 - Does this vary by company or product? How?
 - What is this relationship called? [May say something like “outsourcing”. Use their provided term in place of “contract manufacturing” in the rest of the protocol.]
 - Are there ongoing legal relationships, like contracts, between the company and the manufacturer? Or is the manufacturing done on an ‘order-by-order’ or more temporary basis?

Intellectual Property—Definition, Source, and Control

What about the design or the ideas behind a product. What can you tell me about how companies in the [NAME] industry control these?

PROBES

- How do companies in this industry refer to the designs or ideas for their products? IF NEEDED PROMPT WITH INTELLECTUAL PROPERTY
- Do companies usually come up with their own designs or specifications? If not, from where are they sourced?
- Who has ownership or control over the design or ideas (intellectual property) for the products?
- In the case of contract manufacturing, do the contract manufacturers have any input or control over the design?
 - If they have any control, who has final approval over the design?

Financial Responsibility for Inputs and Sales

Let's think about purchasing and sales for companies in the [NAME] industry. There are several components we are interested in, first:

PROBES

- Who is responsible for purchasing, obtaining, or providing the materials used in manufacturing?
 - For [OUTSOURCE ACTIVITY], is it the company or the contract manufacturer?
- When you think about the final sale price of the product (WHETHER AN INTERMEDIATE OR FINAL PRODUCT), what first comes to mind?
 - Who controls or usually sets the final sale price?
- For companies in this industry, who is typically the customer or target for sales?
 - Is this businesses, direct sales (to customer/public), or to wholesalers?

Entrepreneurial Risk—Responsibility

Now I want you to think about how companies in [NAME] industry handle the risk of doing business. For example, how do they handle losses associated with unsold or defective products, product liability, or customer dissatisfaction?

PROBES

- Is there a term for this business risk that you or companies in this industry usually use? IF NEEDED PROBE WITH ENTREPRENEURIAL RISK
 - What does their term include? What does it exclude?
- Do contract manufacturers bear any responsibility for this? What about once the products are sold?
- Are there other economic or financial risks, specifically associated with manufacturing that company's face in this industry?

Revenue Tracking and Product Value

- What can you tell me about how companies in [NAME] industry track product value or revenue?
 - If another company does the manufacturing, how is the value of that work accounted for internally?

- If certain locations are responsible for only sub-components of the total manufacturing process, how does the value of their work get accounted for within their company?
- Does your association track revenues for [NAME] industry?
- Do you provide companies you represent with information on changes in revenue by different manufacturing types (e.g., in-house vs outsourced)?>
- For companies with more than one location, does each individual location track their own revenue? Does the headquarters location also track revenue? If so, by location, by product line – what is the level of revenue information that could be available.

Inference on Conceptual Knowledge within Companies

Keeping in mind the objective that we hope to be able to identify companies who outsource some or all of their manufacturing, either domestically or internationally. Ideally, we'd do this with a survey. Within companies in your industries who would be the best person to provide information about the contract manufacturing process?

- What department would we want to send the survey to?

PROBES

- Does this differ for single companies or multi-unit enterprises?
- For multi-unit enterprises do you feel individual worksites would be able to provide this information?

Industry Thoughts/Reactions

Finally, based on our discussion today, do you have any additional thoughts or concerns that you would like to share?

Closing

Thank you for your time today. The information you have provided will help shape how BLS works with companies in this industry to measure contract manufacturing.