Odyssey Respondent Research
Record Keeping Study

Odyssey Program Seminar

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Outline

- Current Collection Strategy
- Research Goals and Methods
- Respondent Profile
- Preliminary Findings and Conclusions
- Next Step Recommendations

CURRENT Collection Strategy: Industry-based

HYPOTHETICAL COMPANY

ASM	AWTS	ARTS
• For each **Manufacturing** Plant -- • Revenue • Expenses • Inventory	• For the **Wholesale** portion of the Enterprise • Revenue • Expenses • Inventory	• For the **Retail** portion of the Enterprise • Revenue • Expenses • Inventory

Research Goals

- **DEFINITION**: How do companies define data items based upon their charts of accounts and financial reporting requirements? Can we determine a harmonized definition that aligns with company records?
- **UNIT**: What data are available at what level? (e.g. establishment, company, industry, state)
- **TIMING**: When are the data available? Are different data items available at different times? If so, what and when?
- **BURDEN**: How readily available is the information we are asking? Are some items easier? Harder? Why?

Research Methods

- Created interview guide with exploratory questions, for example:
  - *Definitions*: In what industry do you classify your business?
  - *Unit*: At what level is the data available?
  - *Timing & Burden*: How much time does it take and how many people or data sources are involved?
  - *Burden*: How much manipulation of data in business records is involved in order to provide data that meets Census Bureau requirements
- Interviewed 28 “medium size” companies August 5 – November 14, 2019, in 4 cities in the Northeast and Southern regions

Respondent Profile

- All companies were sampled in at least two in-scope surveys
- Nearly all interviewed companies were in at least 2 sectors
- 13 companies had over 50 establishments
- 17 companies operated in more than 5 states
- 4 public for-profit companies, 6 not for-profit companies
- Over 70 different 6-digit NAICS

Preliminary Findings: Definition

- All companies followed a general chart of accounts, the difference was in the detail
- At least 7 companies may have been **misclassified** <u>or</u> may not have understood our **distinction** among classifications
  - Different questionnaires = different industries (4- or 6-digit NAICS)

Generic Chart of Accounts

Account Category	Account Code
Current Assets	1000
Property, Plant & Equipment	1100
Other Assets	1800
Current Liabilities	2000
Long Term Liabilities	2100
Equity	3000
Revenue	4000
Direct Program Costs	5000
Fringe Benefit Costs	6000
Overhead Costs	7000
General & Administrative (G & A) Costs	8000
Unallowable Costs	9000

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Preliminary Findings: Unit

- Companies do not use the term “establishment”
  - Region, Office, Location
  - Cost center, Department, Business segment
- “Establishment” level data:
  - For some companies, revenue was not easily attributed to individual locations
  - If location is meaningful to management decisions, records were kept to support that
  - Some companies track information by “establishment” for budget purposes
- For almost all of the companies, their product details did not align with our categories

Preliminary Findings: Timing

- 17 of the companies had fiscal years that were approximately calendar year
- Almost all companies said June was a good time for survey response
- 50/50 split among respondents between reporting survey data all at once and staggering it
- Want some type of "reporting calendar" so they know what is coming and when and what is the due date

Preliminary Findings: Burden

- Nearly all companies said they had to ask internal colleagues for information to complete the surveys
- Census surveys do not match up to internal reporting
  - Management reports
  - Financial reports
  - Regulatory reports
- Respondents do not like to make decisions on how to manipulate their data to match our requests

Conclusions

- Sources of burden:
  - Identifying the portion of their company to report for (on different forms)
  - Interpreting the meaning of our questions
  - Allocating their data to what (they think) we're asking for
- From the respondents' perspective, NAICS classifications tends to be artificial
  - They don't recognize our distinctions across forms
  - Confused when we only ask for data about a <u>piece</u> of their company

➢ **Our lack of a holistic view of their company in data collection causes respondents confusion in responding to our surveys, which impacts:**

- **Data quality**
- **Reporting burden**

Next Step Recommendations

- Create proof of concept instrument that:
  - Starts with consolidated figures (e.g., “top level numbers”)
  - Asks for breakdown of data by:
    - Location?
    - Business segment?
    - Cost center?
  - Follows major categories of an Income Statement or Balance Sheet
- Conduct cognitive testing of multiple alternatives
  - Which data are readily available at what level?
  - How to help respondents “map” their data to our requests?
    - Nature and degree of discrepancies

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Proof of Concept PROPOSED Collection Strategy: Topic/Account-based

HYPOTHETICAL COMPANY

Total Revenue

- *Enterprise Level for:*
  - **Manufacturing**
    - *For each plant (?)*
  - **Wholesale**
  - **Retail**

Total Expenses

- *Enterprise Level for:*
  - **Manufacturing**
    - *For each plant (?)*
  - **Wholesale**
  - **Retail**

End-of Year Inventory

- *Enterprise Level for*
  - **Manufacturing**
    - *For each plant (?)*
  - **Wholesale**
  - **Retail**

Proof of Concept PROPOSED Collection Strategy: Topic/Account-based

HYPOTHETICAL COMPANY

Total Revenue

- Enterprise Level for:
  - Manufacturing
    - *For each plant (?)*
  - Wholesale
  - **Retail**
    - ***Details***

Total Expenses

- Enterprise Level for:
  - Manufacturing
    - *For each plant (?)*
  - Wholesale
  - Retail

End-of Year Inventory

- Enterprise Level for
  - Manufacturing
    - *For each plant (?)*
  - **Wholesale**
    - ***Details***
  - Retail

Thank you!

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