

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

- For each **Manufacturing** Plant --
 - Revenue
 - Expenses
 - Inventory

AWTS

- For the **Wholesale** portion of the Enterprise
 - Revenue
 - Expenses
 - Inventory

ARTS

- 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** or 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
<i>Current Assets</i>	1000
<i>Property, Plant & Equipment</i>	1100
<i>Other Assets</i>	1800
<i>Current Liabilities</i>	2000
<i>Long Term Liabilities</i>	2100
<i>Equity</i>	3000
<i>Revenue</i>	4000
<i>Direct Program Costs</i>	5000
<i>Fringe Benefit Costs</i>	6000
<i>Overhead Costs</i>	7000
<i>General & Administrative (G & A) Costs</i>	8000
<i>Unallowable Costs</i>	9000

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 piece 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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ARTS

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 - Revenue
 - Expenses
 - Inventory

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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