BLANE CANADA LTD.

Step-by-Step:

Business Retention Survey Evaluation

This evaluation procedure allows the comparative evaluation of a draft business retention survey instrument. The comparison is against results of a national study of business retention surveys and benchmarks established by Blane, Canada Ltd.

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Step-by-Step Business Retention Survey Evaluation

The following procedure has been developed by Blane, Canada Ltd. to help economic development professionals improve the strategic value of the information gathered through the business retention process. This evaluation focuses on the nature and quality of the questions posed in the business retention survey instrument. It provides a frame of reference for deleting and adding questions to add value to the interaction with area business executives.

Benchmarks

Business Retention Survey Benchmarks					
	National Averages[1]		Ideal Benchmark[3]	Local Instrument	
Question Type	Number	Percent	Percent	Number	Percent
Confirmation (CQ)	16.0	53.2 %	0		
Assistance (AQ)	3.5	10.6	0		
Problem Identification (PIQ)	8.0	25.0	25%		
Predictive (PQ)	1.0	4.3	15%		
Industry Intelligence (IIQ)	0	0.6	35%		
Company Intelligence (CIQ)	1.5	5.2	12%		
Buyer/Supplier Linkages (BSLQ)	0	1.1	3%		
Marketing Intelligence	na	na	10%		
Total Number of Questions	30	100.0%	100.0%		
Maximum/Minimum Count	54 / 15		36		
Est. Average Survey Time[2]	60 min.		50 min.		

[1] Blane, Canada Ltd. analysis of a random sample of survey instruments from U.S. and Canada.

[2] Assumes a casual, conversational interview style.

[3] The Ideal Benchmark has been set by Blane, Canada using the analysis of over 30,000 executive interviews conducted over multiple years in hundreds of communities using Synchronist Suite software. Background information is gathered in advance and not included in the interview process. By incorporating the issues likely to create problems, it is unnecessary to ask assistance questions. Opportunities become evident in the course of the conversation. These changes bring the focus on the conversation to the most important issues.

8 Step Survey Analysis Procedure

a) Obtain a copy of the local business retention survey instrument.

b) Using the definitions and abbreviations on the back of this sheet, categorize every question by type and note the appropriate abbreviation in the margin by the question. Ignore questions with subparts, i.e. the company name and address block should be counted as only one confirmation question (CQ).

c) Count the number of each type of question and enter the number in the appropriate column above.

d) Add the numbers for a total.

e) Calculate the percentage represented by each question type for the survey instrument and enter the number in the appropriate column below.

f) Compare the local survey with the national averages provided in the table.

g) Count the number of compound (requiring more than one answer) and open ended questions on your survey. Circle the first word of each compound/open question. Count the number of compound and open ended questions.

h) For every question over #30, add two minutes to the average (i.e. 34 questions, +8 minutes). If fewer than 30 questions, subtract 2 minutes for each question under 30 to a maximum of -16. For every compound and open ended question, add two minutes to the total time (i.e. 6 open/compound questions, +12 minutes). In this case, the survey with 34 questions of which 6 were compound or open would be expected to take at least 60 minutes. Of course, the actual time will depend on the amount of elaboration the interviewee provides and the interviewer's skill at keeping the conversation moving.

Question Type Definitions	
Confirmation (CQ)	Confirms basic company information already known or easily known.
Assistance (AQ)	Offers to help resolve problems, provide information, facilitate third party help.
Problem Identification (PIQ)	Identify specific problems and rate overall satisfaction with community services.
Predictive (PQ)	Explore management actions to assess attitudes toward the company's growth potential.
Industry Intelligence (IIQ)	Identify trends include; demand, product innovation, markets, competition.

Company Intelligence (CIQ)	Gather information about the company's markets, activities, and plans.
Buyer/Supplier Linkage (BSLQ)	Assess changing relationships with key customers and or suppliers.

Survey Evaluation

Confirmation Questions should be minimized on the survey. Information about parent company, products, employment, union, wages, real estate, etc. should be gathered in advance of the personal interview or survey. This background information can be collected from a variety of company employees with a simple phone call, thereby freeing up time with the executive for more important issues.

Assistance Questions often lead to awkward moments and frustration. For example, to solve traffic problems often requires both local government and perhaps state government. Since these are not under direct control of the EDC, others must initiate corrective action. If they choose not to act or cannot for whatever reason, even after being asked, the EDC fails in the eyes of the business executive. This is true of many of the "assistance offers" made by development organizations. Therefore, assistance questions should be minimized on the survey and those that are raised should be under the direct control of the interviewer's organization.

Problem Identification Questions are an important part of the EDC's purpose in conducting company interview/survey programs. The average number of these questions, eight, as shown in the benchmark table on the first page, is a reasonable percentage of total questions posed (25%). Sample: "Are there any barriers to your company's expansion in this community?"

Predictive Questions are woefully inadequate on all surveys evaluated. The only predictive question, if asked, is "Does the company plan to expand?" This is an important question, but not the only important question that should be raised. Predictive questions should help the EDC anticipate both positive and/or negative changes that could impact the company. True predictive information requires a combination of questions. For example, R&D activity, new product introductions, future market opportunities, and emerging technology are topics related to growth and risk. In combination these questions can help the economic

> **Business Intelligence**
>
> Industry, Company, and Supplier questions are business intelligence questions. Traditional BR|E interviews have included very few business questions. This model assumes business risk is driven by community issues. In reality, only 30% of business risks are attributable to local issues. Plus, business intelligence is essential for predicting future potential. Therefore, today approximately 55% of the survey instrument questions should be business intelligence questions.

development professional to begin identifying companies with growth potential or possible risk of job loss. Sample: "As a percentage of sales, how much does the company invest in research and development?" "Has the company introduced new products in the past two years?"

Industry Intelligence Questions help an EDC understand the competitive environment in the industry where the company competes. It is important to have at least three industry intelligence questions to explore industry trends, international competition, overseas production and other issues. Sample: "Is overseas production by competitors increasing, stable, or decreasing?"

Company Information Questions should constitute nearly 30 percent of the survey questions to learn about the company and its operations. Management practices, markets, new products, and technological changes are all important issues which should be explored. Many of these questions will be related to predictive questions to help understand where a company is going in the future. Sample, "What is the company's fastest growing geographic market?"

Buyer/Supplier Linkages Questions have been talked about for years in economic development. Yet, the vast majority of survey instruments fail to ask about potential buyers or suppliers that could be approached for investing in the community. One or two questions of this type should be in every survey instrument. Sample: "Are there any buyers or suppliers that could benefit from being located closer to your operation?"

Survey Length must be carefully controlled. Clearly, a survey of 54 questions like the maximum in our survey sample is too long. Executives value their time, and the EDC must respect this. Based on Blane, Canada Ltd.'s experience with on-site and telephone interviews, using a casual interview style, the average 30 question survey will require about 40 minutes for an on-site interview or 30 minutes for a telephone interview. The interviewer's skill and the interviewee's desire to elaborate will, of course, dramatically affect the length of time required to complete an interview. Use the guide on page one to help estimate the time required for the survey instrument.

NOTE: Additional information and other sample questions are provided in the article, "Locked in the Twilight Zone: Business Retention Fails the Strategic Value Test!" Includes excerpts from the book *Economic Development: Marketing for Results!* by Eric P. Canada (out of print)

Additional Information

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