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EVALUATION OF THE WEST COAST BUSINESS OUTREACH PROGRAM

FINAL REPORT

*Bureau for Private Enterprise
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Prepared by: Coopers & Lybrand

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PREFACE

The USAID West Coast Business Outreach Program aims to help U.S. firms to gain a better understanding of the business opportunities in developing countries and how to pursue those opportunities. The first of its kind for USAID, the Business Outreach Program established operations in California and Oregon in January 1992.

As part of its mandate to "test" new approaches to private sector development, the Bureau for Private Enterprise provided funding for this new initiative via its Private Enterprise Development Support (PEDS) Project. However, as a "test" effort, the Bureau also recognized the importance of conducting an evaluation of the program. This purpose of this report is to assess the impact of the WCBOP. The evaluation report describes the activities of the program over the past nine months. More importantly, the report assesses the impact of the program upon three major target groups: (i) the U.S. business community, (ii) other U.S. government agencies, and (iii) USAID Missions and the developing countries in which they operate.

This report was prepared by Dennis Smyth of Coopers & Lybrand. The findings of the evaluation are based primarily on a series of interviews with more than forty individuals, including representatives of businesses in California and Oregon, officials from various U.S. government agencies (at the federal, state and local levels), trade development centers, and other public and private sector institutions involved in or affected by the Business Outreach Program. Interviews were conducted largely in person during the week of September 28, 1992. Follow-up interviews were conducted by telephone from Washington, D.C. A complete list of the people interviewed is included in Annex 2 of the evaluation report.

This evaluation could not have been completed without the support of numerous individuals, most notably, the staff of the West Coast Business Outreach Program and the many businesses and government officials interviewed during the course of the evaluation. The C&L team would like to gratefully acknowledge the assistance of these individuals.

EXECUTIVE SUMMARY

Since its inception in January 1992, the West Coast Business Outreach Program has conducted an impressive array and number of activities in support of its overall objective -- to assist small- and medium-sized U.S. firms interested in business opportunities in developing countries. WCBOP's activities have included executive briefing tours, seminars and workshops on a variety of topics, individual business counseling, and information and referral services.

According to the individuals interviewed for this evaluation, the West Coast Business Outreach Program (WCBOP) has produced significant benefits for its target audience, U.S. small- and medium-sized firms, as well as for other U.S. government agencies, USAID Missions and the developing countries in which they work. WCBOP provides three services directly to U.S. firms: information on trade and investment opportunities in developing countries; assistance in working with USAID to develop new business opportunities in developing countries; and information on USAID contracts, grants and procurement opportunities and procedures. WCBOP's effectiveness in providing these three types of services is summarized below.

- ◆ All of the individuals interviewed for this report believe that WCBOP has played a vital role in the dissemination of trade and investment information to businesses on the West Coast; moreover, they believe that access to this type of information is the most valuable type of assistance a business can receive.
- ◆ WCBOP has successfully introduced USAID to small- and medium-sized businesses, producing: increased awareness of USAID programs and how U.S. companies can benefit from them; more positive views of USAID and foreign assistance in general; and specific transactions between companies in the United States and developing countries.
- ◆ WCBOP has familiarized companies with USAID procurement opportunities and procedures as well as helped to address the inexperience of many West Coast businesses in dealing with the Washington bureaucracy.

As mentioned above, the West Coast Business Outreach Program also has produced benefits beyond the U.S. business community. In particular, WCBOP has served to strengthen coordination among the West Coast offices of federal, state and local government agencies, resulting in improved services by all agencies because of their increased knowledge of, and ability to refer businesses to, other relevant government programs. WCBOP has also interacted positively with trade development centers and increasingly with USAID Missions. The USAID Missions that have worked with WCBOP support its activities because it helps them meet their own development assistance objectives by tapping U.S. expertise and technology to address important development problems.

The overall conclusion of this evaluation is that the West Coast Business Outreach Program has proven valuable to both businesses and government agencies. This success is founded on four key factors:

▶ *A Local Presence*

WCBOP's presence in California and Oregon makes it accessible and approachable for small- and medium-sized businesses. Due to its local presence, WCBOP can offer a personalized and hands-on approach that is extremely effective in reaching out to small businesses.

▶ *Dynamic Staff*

WCBOP's strongest asset is its people. The staff are perceived by businesses and government agencies to be dynamic and aggressive in reaching out to small and medium-sized businesses, action-oriented, and eager to work closely with other organizations. These qualities are essential to the success of the program.

▶ *Quick Response to Businesses' Needs*

A number of businesspeople interviewed during the evaluation noted WCBOP's quick response time as a factor in its success. WCBOP is recognized for responding to businesses with the information they need in a timely manner.

▶ *Ability to Network*

WCBOP works closely with a number of government agencies -- at the federal, state and local levels -- as well as trade and business development centers in California and Oregon. As a result, WCBOP has been able to successfully create a network of contacts for sharing information on business opportunities in developing countries. This kind of collaboration not only strengthens each agency's effectiveness, but benefits the business community as a whole.

Part of what has made WCBOP so successful is that it is small and flexible; moreover, the program has little structure, and hence, few bureaucratic constraints. This mode of operation has been effective in the start-up phase of the program. However, over the past few months, the number of businesses contacting WCBOP has grown dramatically. WCBOP staff are increasingly stretched thin due to the growing demand for assistance. The question is: can WCBOP sustain its record in providing quick response and personalized services in light of the rapid and continued growth in requests for business assistance?

WCBOP's continued success hinges on a number of critical issues. The most important of these is the need for a commitment from USAID/Washington to the business outreach effort. At this time, the program's funding is scheduled to cease at the end of January 1993. This creates a great deal of uncertainty about the program's future, not only for the staff of WCBOP, but also for the businesses they serve on the West Coast. The level of uncertainty is exacerbated by the

fact that support for business outreach within USAID seems mixed. On the one hand, those individuals who had a chance to see the program "in action" have become strong supporters. On the other hand, some officials question whether U.S. business outreach is a legitimate function for a foreign assistance agency.

The current uncertain and "temporary" nature of the program is understandable in light of the fact that WCBOP is a pilot program. However, now that the pilot phase is coming to a close, it is important that USAID/Washington make a firm decision regarding its willingness to support business outreach. Based on the results of the program to date, the evaluation report recommends the following key actions:

- ▶ That USAID make a commitment to supporting the Business Outreach Program for at least a two year period;
- ▶ That USAID institutionalize WCBOP in the Bureau for Private Enterprise to reinforce linkages with its recently established Center for Trade and Investment Services;
- ▶ That USAID consider a expansion of the program to one other location (but not at the expense of the California and Oregon programs); and
- ▶ That USAID authorize an increase in support staff and funding for the program so that WCBOP can continue to provide the services that businesses have come to expect.

CHAPTER I

INTRODUCTION TO THE WEST COAST BUSINESS OUTREACH PROGRAM

A. GOALS OF THE PROGRAM

The West Coast Business Outreach Program (WCBOP) is a new initiative supported by USAID's Bureau for Private Enterprise and Office of External Affairs. The purpose of the program is to assist small and medium-sized firms in the United States in three important areas:

- 1) Information and counseling on trade and investment opportunities in developing countries
- 2) Information on how to work with USAID to develop new business opportunities in developing countries, including the export of U.S. products
- 3) Information on USAID contracts, grants and procurement opportunities and procedures

B. ESTABLISHMENT OF THE PROGRAM

The West Coast Business Outreach Program was launched in January 1992 in California and Oregon. The Program is directed by Jim Schill, a Senior Trade and Development Advisor with USAID. Mr. Schill has been a Foreign Service Officer with USAID and the Department of State for 26 years and has served in countries such as Thailand, Laos, Malaysia, Singapore, Indonesia, Egypt and Fiji. The Bureau for Private Enterprise supports the initiative by providing staff and program support through the Private Enterprise Development Support (PEDS) Project. The PEDS Project support to WCBOP is administered and managed by the project's prime contractor, Coopers & Lybrand.

The Business Outreach Program in California and Oregon was based on a successful pilot program in Iowa. In March 1990, the state of Iowa and USAID entered into an agreement which enabled Jim Schill to work with Iowa's Department of Economic Development for a two year period. As part of this agreement, the state of Iowa and USAID shared the cost of Mr. Schill's salary and benefits. The Iowa pilot program resulted in a number of new initiatives for trade, investment and business development. In addition, the program gave businesses an introduction to USAID and other federal programs. As a result of the program, Iowa-based firms are now better able to take advantage of the programs and services offered by U.S. government agencies, including those offered by USAID, the Trade and Development Program (TDP), Overseas Private Investment Corporation (OPIC) and the Export-Import Bank.

C. ACTIVITIES

WCBOP has carried out an impressive number of activities to assist U.S. firms in doing business in developing countries. The four primary activities and services offered by the program are: (i) Organization of Executive Briefing Tours; (ii) Organization of, and participation in, Business Outreach Seminars and Workshops; (iii) One-on-One Business Counseling; and (iv) Informational and Referral Services. Each of these activities is described below.

1. Executive Briefing Tours

a. Business Opportunities in Asia

The Business Outreach Program organized a series of Executive Briefings featuring Henrietta Holsman Fore, the Assistant Administrator of USAID's Bureau for Asia, from May 18 to May 22. The purpose of the briefings was to inform businesses in California and Oregon of new opportunities for selling U.S. goods and services in Asia. In addition, Ms. Fore introduced businesses to the U.S.-Asia Environmental Partnership, a new initiative involving government, business, and academia to address pressing environmental concerns. Following each of the briefings, Jim Schill provided individual counseling sessions to assist firms with specific business opportunities.

This series of briefings drew more than 500 business people in total, including manufacturers and providers of professional services such as finance, engineering services, and legal services. Ten briefings were held in seven different cities over a five day period. California and Oregon were particularly good sites for the briefings because both states have a large concentration of firms with environmental and energy-related products, as well as technical expertise. In San Francisco, for example, a luncheon sponsored by the California Council for International Trade attracted 130 leading policy-makers and executives of major companies, and the local business community expressed a strong desire to work with the U.S.-Asia Environmental Partnership. Other business briefings were held in the following cities: Oxnard, Los Angeles, Irvine, San Diego, Santa Clara, San Francisco and Portland, Oregon.

In each case, the Business Outreach Program worked closely with local businesses and business associations to sponsor the Executive Briefings. For example, the briefing in Irvine, California was sponsored by the Environmental Professionals Organization; the briefing in San Diego was sponsored by the Environmental and International Practice Groups of Luce, Forward, Hamilton & Scripps; and the briefing in Portland was sponsored by the Oregon Environmental Technology Association.

The Business Outreach Program provided an excellent opportunity to introduce the U.S. Asia Environmental Partnership to business communities in California and Oregon; indeed, this was the first major outreach effort for the Environmental Partnership. Environmental firms and other businesses strongly supported the concept of a government-business partnership to expand trade in Asian markets.

b. Newly Independent States of the Former Soviet Union:
Trade and Investment Opportunities

A second series of Executive Briefings focused on trade and investment opportunities in the Newly Independent States (NIS) of the former Soviet Union. This series featured Ralph Blackman, the Assistant Administrator for the Bureau for Private Enterprise, and David Hatcher, Special Assistant to Ambassador Richard Armitage (who leads the NIS Task Force). Five Executive Briefings on the Newly Independent States were held in the following cities: Portland, Oregon; Seattle, Washington; San Jose, California; Ontario, California; and San Diego, California.

Similar to the first series of briefings, the NIS Executive Briefings drew more than 500 attendees. The turnout in all five cities was about 50% greater than the average attendance of events typically hosted by the cooperating organizations. About 25 percent of the participants in each of the workshops are already working in the former Soviet Union. Each of the participants received handouts on U.S. interests in the NIS. In addition, both of the speakers presented information on (i) technical assistance and humanitarian projects in the NIS, as well as plans for future assistance; (ii) information on trade and investment opportunities in the NIS, focusing on energy, defense conversion, nuclear safety, medical supplies and services, and agribusiness development; and (iii) contacts with U.S. government agencies.

The speakers provided individual counseling to more than 100 businesses participating in the seminar series; this enabled firms to discuss their specific interests in the Newly Independent States and strategies for exploring these interests. Firms that received counseling are now in a position to begin networking with USAID, the State Department, the Department of Commerce, the Trade and Development Program and other agencies to create the momentum for eventual trade with the NIS.

The Business Outreach Program requested that participating businesses evaluate the NIS Executive Briefing Series. A total of 119 evaluation sheets were collected in San Jose and San Diego: 50 rated the program excellent; 51 very good; 17 good; and 1 fair. The series also generated considerable interest in WCBOP, resulting in an increased number of phone calls and requests for assistance. Currently, WCBOP receives about 30 to 40 calls per day. Most of these calls are from companies that attended an Executive Briefing and want additional information.

A second series of Executive Briefings on the Newly Independent States took place during the week of October 5th. The briefings took place in Salt Lake City (Utah), Ogden (Utah), Pocatello (Idaho) and Denver (Colorado). The Denver briefing was attended by 150 people. A third series on the Newly Independent States is scheduled for the week of October 26 in the following cities: Des Moines, Chicago, Minneapolis and Milwaukee.

c. Emerging Markets and the U.S. Foreign Assistance Programs

The Administrator of USAID, Dr. Ronald Roskens, travelled to Oregon and Washington during the week of September 16 for a speaking tour. The theme of the tour was *Emerging Markets and the U.S. Foreign Assistance Program*. More than 350 people participated in the formal speaking events, sharing their concerns about the lack of information about USAID and its role in foreign affairs, as well as their difficulties in accessing USAID offices.

The Administrator had an opportunity to speak with local businesses, non-profit organizations, state and local government agencies, academic institutions and private voluntary organizations in three cities. He also visited seven businesses that ranged from wine technology, HIV testing and plant cloning to waste water technology and tunneling machinery for use in developing countries. He also spoke with nearly 100 individuals seeking his thoughts on business opportunities for U.S. companies in the developing world.

2. Seminars and Workshops

In addition to the Executive Briefings described above, the Business Outreach Program has organized and/or participated in numerous seminars and workshops. One of the most important of these workshops was "Aguamex '92", a day-long event held on June 16 at Portland's World Trade Center. Aguamex focused on business opportunities in wastewater treatment in Mexico. The conference brought together more than fifty environmental equipment and service companies with top officials from U.S. and Mexican government agencies, environmental industry associations and environmental engineering firms specializing in wastewater treatment. The conference provided a forum for American companies to begin a business dialogue with their counterparts from Mexico.

Some of the other seminars and workshops led by the USAID West Coast Business Outreach Program include:

- "How to Work with USAID: Trade and Investment Opportunities"
 - Sponsored by the California Central Coast World Trade Association in cooperation with the Export Small Business Development Center
 - Oxnard, California, March 10

- "How to Do Business with Developing Countries"
 - Sponsored by the Export Small Business Development Center of Southern California and hosted by the Mayor's Office of Small Business Development
 - Los Angeles, California, March 12

- "Business Opportunities in the Latin American-Caribbean Region - How to Work with USAID"
 - Sponsored by the Latin Business Association
 - Whittier, California, April 16

- "Export Opportunities: Trade and Investment in Developing Countries"
 - Sponsored by the International Trade Club of Southern California and the Export SBDC
 - Montebello, California, April 21
- "Town Hall Meeting with Al McCandless: Opportunities for U.S. Business in Developing Countries"
 - Sponsored by the Office of Congressman Al McCandless
 - Palm Desert, California, April 23
- "Small Business Procurement and Export Conference"
 - Sponsored by the Office of Congressman William M. Thomas
 - Bakersfield, California, May 4
- "Export Opportunities through USAID Programs"
 - Sponsored by the International Committee of the San Jose Metropolitan Chamber of Commerce in cooperation with the Professional Association of Exporters and Importers
 - San Jose, California, June 17

Jim Schill, the director of the West Coast Business Outreach Program, makes a presentation at each of the seminars, followed by questions and answers. In addition, following the seminar, he provides individual counseling to businesses to address their specific needs. Each of the seminars generates additional follow-up activities for the WCBOP. For example, the Latin Business Association luncheon was attended by 138 persons; it generated 37 requests for procurement applications; 6 individual consulting appointments; and 11 calls for information concerning USAID activities in specific regions.

3. Individual Business Counseling

As noted above, business counseling on a one-on-one basis is an integral part of the services offered by the Business Outreach Program. Jim Schill provides individual counseling to about 35 firms per month in California and Oregon. Counseling sessions focus on how to do business with developing countries and how to work with USAID and other U.S. government agencies.

4. Information and Referral Services

a. The Monthly Newsletter

WCBOP has published a monthly newsletter since February 1992. Currently, approximately three thousand firms receive the *USAID West Coast International Trade News*. Database sharing agreements are expected to increase WCBOP's mailing list to 10,000 in the future.

As one businesswoman from California noted, "The WCBOP newsletter is very helpful in keeping the local business community informed about USAID and other public and private sector activities related to international trade." The newsletter is generally comprised of four sections. The cover story usually describes a specific private sector program funded by USAID, such as the U.S.-Asia Environmental Partnership, the investment program offered by the Bureau for Private Enterprise, or the private sector programs offered by the Office of Energy. The second part of the newsletter highlights an important event under the Business Outreach Program, such as Executive Briefing events. The newsletters also outline all up-coming events sponsored by the program. Lastly, the newsletter provides information on specific procurement opportunities via USAID.

b. Requests for Information

WCBOP receives numerous requests for information on doing business in developing countries and on how to work with USAID. Currently, the office receives 30 to 40 calls per day. About half of these calls are first time requests for USAID services. The volume of calls is increasing rapidly as the availability of USAID business outreach information and counseling services are made known.

* * *

WCBOP has clearly launched an impressive number of activities and services for the West Coast business community in a relatively short period of time. While the program has only been in operation since January 1992, it is important to examine the impact of the program to date in an effort to assess future directions. The question of who is benefitting from the program's activities and services, and in what ways, is explored in the next chapter.

CHAPTER II

IMPACT OF THE BUSINESS OUTREACH PROGRAM

As described in the previous chapter, the West Coast Business Outreach Program aims to assist small and medium-sized firms in the U.S. in three ways. It provides: (i) information on trade and investment opportunities in developing countries; (ii) information and assistance in working with USAID to develop new business opportunities in developing countries; and (iii) information on USAID contracts, grants and procurement opportunities and procedures. This chapter examines the extent to which the program has met each of these three objectives and its overall impact on the U.S. business community.

The program has also had an important impact on two other sets of beneficiaries: U.S. government agencies -- at the federal, state and local level -- as well as USAID Missions and the developing countries in which they work. The benefits for each of these groups of beneficiaries are also discussed below.

A. BENEFITS FOR THE U.S. BUSINESS COMMUNITY

1. Information on Trade and Investment Opportunities in Developing Countries

All of the individuals interviewed for this report -- including representatives of the private sector and government agencies -- believe that WCBOP has played a vital role in the dissemination of trade and investment information to businesses on the West Coast. Moreover, businesses note that access to information about how to do business in foreign markets is the most valuable assistance they can receive. Small businesses, in particular, often do not have the time or resources to gather such information and without it they are reluctant to enter what they perceive to be the uncharted waters and uncertain environment of international trade.

Small and medium-sized businesses -- with or without some form of export experience -- have similar feelings when first considering the prospect of exporting to developing countries: fear of the unknown. These companies have often been successful in developing and marketing their products within the United States. Nonetheless, their desire to reach customers in developing countries is often overshadowed by their perceptions of the potential impediments: red tape; lack of business contacts; lack of knowledge of the market; the marketability of their products in developing countries; and fear of other unknown factors.

Recognizing that government assistance will have little impact or appeal if businesses are afraid to enter new and emerging markets, WCBOP has placed strong emphasis on the dissemination of information on business opportunities in developing countries. Once businesses are able to gain access to the relevant technical and administrative information about doing business in developing countries, they are then able to make an informed decision about whether to pursue

trade and investment opportunities in these countries, as illustrated in the case example below.

As noted in the previous chapter, the staff of WCBOP have organized Executive Briefings focussing on doing business in Asia and the Newly Independent States -- regions which are completely new for many small and medium-sized businesses on the West Coast. The WCBOP staff have also organized and participated in seminars and conferences designed to outline the steps involved in entering foreign markets, especially those related to the export of U.S. products.

An added benefit of the WCBOP's Executive Briefings and seminars is that staff provide counseling to businesses on an individual basis. Over the past eight months, WCBOP staff have provided one-on-one counseling to more than 400 small and medium-sized businesses. A number of business people interviewed during the evaluation felt that this kind of one-on-one advice was helpful. Businesses value the opportunity to meet face-to-face with USAID staff to describe their own experiences and ask questions related to their particular situations

Newport International Newport International Group Corporation represents American firms seeking to invest in Asia. David Gonzales, the Chairman of Newport International, believes that one of WCBOP's strength is its focus on small and medium-sized firms. He notes, "It is good to see that USAID's Business Outreach Program does not focus on large companies since they already have substantial overseas experience. Small and medium-sized companies will lose out on a lot of profitable opportunities if they only sell their products in the United States."

Moreover, Mr. Gonzales believes that business outreach is essential for small and medium-sized firms. While many firms are interested in exporting, they need assistance in identifying and developing new opportunities. Mr. Gonzales notes, "USAID is the only agency to establish a true outreach program ... WCBOP staff are good at getting people excited about exporting because they identify export opportunities, business contacts and provide assistance which highlights what Asia has to offer in terms of the markets for U.S. products."

With the assistance of the Business Outreach Program, Newport International is beginning to explore new opportunities in Cambodia. WCBOP was able to provide valuable information on the recent developments in Cambodia, as well as the names of several contacts in government and business, prior to Mr. Gonzales' first trip to the country. WCBOP also put Mr. Gonzales in touch with representatives from USAID/Thailand, who were able to provide additional information on the region. On the basis of this information, Newport International is now in a better position to assist its clients in developing business opportunities in Asia's emerging markets.

2. Assistance in Developing New Business Opportunities

One of WCBOP's primary goals is to provide information to the U.S. business community on how to work with USAID in developing new business opportunities. In doing so, a necessary first step has been to describe what USAID is. While most of the state and local agencies were somewhat familiar with USAID, a large majority of businesses interviewed indicated they knew little or nothing about USAID before they came in contact with WCBOP. Most of these businesses and business associations found out about WCBOP at a seminar or workshop in their community at which Jim Schill was an organizer, moderator, participant or invited guest. Others were referred to WCBOP from the regional office of another federal agency such as the Department of Commerce or the Small Business Administration. State and local government agencies and trade development agencies also refer businesses to the WCBOP, as do other sources such as Senator Hatfield's office in Portland and Mayor Bradley's office in Los Angeles.

Upon "discovering" the existence of USAID, businesses are interested in finding out more about USAID's network of overseas missions and its sources of assistance and information on business opportunities in developing countries, particularly the opportunities for exporting U.S. products to these countries. Some of these businesses said it is not surprising they did not learn about USAID sooner since news about Washington, D.C programs is not always disseminated "way out here on the West Coast."

The detailed information WCBOP has offered them concerning USAID and its programs has given them a perspective which contrasts sharply with the recent negative media ("60 Minutes" report and newspaper articles) reports about "USAID's assistance in the export of jobs to developing countries." More than one business indicated that their experience in receiving much-needed guidance and assistance in the export of U.S. products to developing countries differed considerably from the message portrayed in these media reports. As one businesswoman from California noted, "many businesses had not heard of USAID prior to the establishment of WCBOP." Other businesses which were somewhat aware of USAID had relatively negative views. The face-to-face contact with WCBOP has done a lot to dispel many of the myths about USAID and foreign assistance in general.

In sum, WCBOP has begun to expose the U.S. business community to a new set of business opportunities for fostering U.S. exports to developing countries. In doing so, it has begun to create something which USAID has never had: a U.S. business constituency. Businesses that USAID can provide benefits to the U.S. business community. As the president of a trade center association noted during the course of the evaluation, USAID has good development assistance programs, but it lacks a domestic "sales force". WCBOP helps to fill that gap.

Interviews with nearly forty public and private sector participants produced numerous examples of cases when WCBOP's assistance has led to promising or productive sales leads. Some of these cases are described below. They have generally resulted from WCBOP staff:

- putting an interested business in contact with a USAID Mission;
- informing businesses of relevant trade missions to and from other countries;
- inviting businesses to seminars and workshops about their product line or service;
- offering contact names and information related to USAID's development programs;
- referring a business to the regional office of a federal or state agency or office which has an existing program dealing with the business's particular need or request; and
- identifying and opening the right doors in Washington, D.C.

West Diesel West Diesel, Inc., a medium-sized company in California, manufactures and markets diesel engines for industrial use. West Diesel first came into contact with WCBOP at a meeting sponsored by the World Trade Center Association of Orange County, where Jim Schill was the guest speaker. Most of the people in the audience had never heard of USAID. Jim described USAID and how it can help businesses in California.

As a result of working with WCBOP, West Diesel has made important changes in its emerging export strategy. For instance, WCBOP played an important role in helping the firm learn how to reduce the risks involved in exporting, most recently, by recommending that the company hire a Mexican law firm to negotiate the export of diesel engines to Mexico.

More importantly, WCBOP helped to create a link between two companies on the West Coast which will help to make them both more competitive in international markets. WCBOP identified a company in Portland that manufactures a water pump used to clean aircraft exteriors; the water pump company needed a steady supply of diesel engines to power its equipment -- precisely the kind of equipment produced by West Diesel. WCBOP brought together the Portland company and West Diesel. As a result, West Diesel is currently negotiating a contract to supply diesel engines for eventual sale to domestic and foreign buyers.

John Dirks, a representative of West Diesel, notes that the WCBOP staff are very effective at networking among the federal and state governments and trade associations. In addition, WCBOP staff follow through on requests for guidance and assistance. Mr. Dirks commented, "Jim Schill keeps after something until he has an answer for you. He knows who to call and he doesn't just call into a country desk or a product desk -- he calls a person."

For instance, West Diesel was thinking of setting up an office in Kuwait to sell U.S.-made diesel engines, and hence, approached WCBOP for information. Within 30 minutes, WCBOP returned his call; WCBOP was able to provide valuable information, in large part, because of its network of contacts and ability to coordinate with the Department of Commerce and the State Department.

Suppliers International Suppliers International identifies suppliers of goods and forms trade consortiums around the world. The firm has two employees and is based in San Diego.

Suppliers International first heard about the Business Outreach Program through a workshop sponsored by the Mayor's office. The function was attended by about 65 local companies. A representative of Suppliers International was impressed by what he heard and soon contacted the staff of WCBOP. They provided additional information about USAID and USAID Missions in developing countries. Most importantly, WCBOP informed Suppliers International of a potential tuna processing opportunity in Tunisia. Based on leads provided by WCBOP, Suppliers International is now working with USAID/Tunisia to further explore the potential for doing business in Tunisia.

InterMarket Company InterMarket Company (IMC) is a one-person company located in eastern Oregon. IMC's president was familiar with USAID, having been a commodities supplier for several USAID projects in the past. The firm is currently involved in animal husbandry projects. IMC first came into contact with Jim Schill over two years ago when he came to speak in Spokane, Washington. IMC's president was also instrumental in working with the Oregon Economic Development Department to bring the Business Outreach Program to Portland, Oregon.

By working closely with the staff of the WCBOP, IMC has been able to assist farmers in Oregon in exporting grass seed to Ecuador. Jim Schill contacted a representative of the International Executive Service Corps (IESC). With the assistance of WCBOP and the IESC, a seed expert is currently spending several months in Ecuador to develop a new seed mixture. More importantly, Oregon farmers represented by IMC are now exporting grass seed to Ecuador.

3. Information on USAID Contracts, Grants and Procurement Opportunities and Procedures

WCBOP also aims to assist small and medium-sized companies by providing information on potential business opportunities with USAID. Many companies on the West Coast are frustrated by the large percentage of USAID contracts awarded to firms based in the D.C. metropolitan area. Even those businesses which have had some experience with USAID indicated that their experience has often been frustrating. The main reason they cite has to do with being located outside what they perceive to be the preferred "inside-the-Beltway group of companies." Another cause of frustration for some businesses is the difficulty they experience in dealing with the Washington, D.C. bureaucracy, as illustrated in the example below. This is partly due to being so far away from D.C. It is also, however, due to the fact that most businesses don't know how to approach or access the bureaucracy. This is yet another area in which the WCBOP has been able to address the needs of businesses on the West Coast.

Air Instruments Air Instruments, Inc. is a manufacturer of environmental analysis equipment used, for example, to measure emissions from industrial smokestacks in order to ensure compliance with national environmental legislation. It also manufactures a transportable environmental testing system designed to collect emission data.

Air Instruments first learned of the WCBOP through the Export Small Business Development Center of Southern California (ESBDC). Air Instruments was faced with a very specific procurement problem. The company had bid on a prospective sales contract in Pakistan through USAID. It was notified that it would get the order; however, the order was contingent on a \$12,000 performance bond and a guarantee to produce the deliverable within 45 days rather than the 70 days contained in the company's proposal. As a small company, Air Instruments could not afford to put up the \$12,000 or cut the delivery time from 70 to 45 days. WCBOP helped Air Instruments contact the right individuals in Washington and Pakistan to resolve the problem expeditiously.

The above example illustrates one of the ways in which WCBOP can work with a business to determine whether the hurdles it encounters are a necessary part of the procurement process or simply a bureaucratic impediment. In addition to helping companies "cut through the bureaucracy," WCBOP has also been helpful in providing information on new procurement opportunities and guiding companies through the early stages of the procurement process. The businesses interviewed during this evaluation believe that Jim Schill is able to give them solid advice on USAID procurement and grant opportunities. He also helps to guide them through the sometimes complicated procurement and grant application processes, as illustrated on the following page.

InterMarket Company Anna Rademacher, the president of InterMarket Company (IMC), notes that the WCBOP staff have been very responsive to questions and requests for information on procurement opportunities; Jim Schill in particular has been able to offer valuable insights into the bidding process on USAID-funded activities. The company's banker attended a seminar at which Jim Schill was a speaker. A subsequent request for \$36,000 in letters of credit was approved, in part, because the banker had become familiar with USAID procurement procedures at the seminar. In addition, with help from WCBOP, IMC has learned a lot about USAID regulations and the bidding process.

B. BENEFITS FOR GOVERNMENT AGENCIES AND TRADE DEVELOPMENT CENTERS

WCBOP has not only been successful in the dissemination of information directly to small and medium-sized businesses. It has also strengthened the capacity of government agencies and trade development centers through its contacts and database of economic development information. Government agencies -- at the federal, state and local levels -- and trade development centers have found WCBOP's network of information sources extremely valuable to meeting the needs of their own clients.

1. Federal Agencies

The physical presence of WCBOP in California and Oregon has led to increased cooperation and coordination with other federal agencies. There is clearly a need for increased collaboration among federal agencies, particularly in providing services to the U.S. business community. However, barring a few notable exceptions, increased coordination and collaboration is often the victim of inter-agency turf battles. The West Coast Business Outreach Program is one of those notable exceptions.

In fact, several individuals interviewed for this evaluation specifically noted that one of the strengths of the staff of the WCBOP is that they do make a special effort to work via other government and business organizations. For instance, Steve Harwood, Business Development Officer and International Trade Specialist for the Small Business Administration's Los Angeles District Office, notes the most impressive thing about the staff of WCBOP is that they are not turf-conscious. They coordinate and cooperate with other federal and state government agencies which, he added, is refreshing to see in a government-funded operation. John Dirks, a businessman in Los Angeles, agrees; he notes, "Jim [Schill] will find someone to help you, even if it is out of his area. He will direct you to the proper government agency or trade association."

There have been numerous occasions when WCBOP, having been approached for a particular type of information request or guidance, has referred a business directly to another federal agency, such as the Department of Commerce, the Small Business Administration, the Overseas Private Investment Corporation or Eximbank.

In addition, the staff of WCBOP coordinate closely with the regional staff of the Department of Commerce and the Small Business Administration. They exchange information and ideas relevant to U.S. businesses' efforts to identify and penetrate international markets. They also participate in and co-sponsor seminars and workshops focussing on exports and other trade issues. The resulting links directly benefit each agency's effectiveness, as well as the U.S. business community as a whole.

Department of Commerce Ms. Benny, a representative of the Department of Commerce in Portland, first came into contact with WCBOP via the Executive Briefings on *Business Opportunities in Asia*, where Henrietta Holsman Fore spoke about the U.S. Asia Environmental Partnership. Building on this initial contact, the regional office of the Department of Commerce provided WCBOP with a mailing list of businesses to be invited to the next series of Executive Briefings focussing on the Newly Independent States.

The relationship between WCBOP and the Portland office of the Department of Commerce is mutually supportive. Ms. Benny notes that WCBOP always acknowledges the presence of the Department of Commerce at WCBOP briefings and seminars and constantly makes the point that export assistance for U.S. small and medium-sized businesses is a collaborative effort. No single agency has the necessary resources and information to meet the diverse needs of the U.S. business community.

Like USAID, the Department of Commerce is interested in developing the region's export potential in environmental equipment. Hence, WCBOP has working closely with the Department of Commerce staff in planning an upcoming mission for the U.S. Asia Environmental Partnership; this mission is tentatively planned for early 1993. In addition, the Department of Commerce has developed a "matchmaker program," whereby selected companies are helped through the export process. The Portland office of the Department of Commerce would like to explore the idea of linking this program with WCBOP in some way.

The Executive Briefings on *Trade and Investment Opportunities in the Newly Independent States* also illustrate the kind of close collaboration WCBOP has helped to nurture between federal agencies. As discussed in Chapter 1, the NIS Executive Briefings have been a series of collaborative speaking engagements involving senior-level representatives from the Department of State and USAID. Local businesses interviewed during the course of this evaluation found the NIS briefings informative and professional. The Executive Briefing series also involved close collaboration with a number of other important government and business institutions, as illustrated in the case example below.

*Senator
Hatfield,
Oregon*

The WCBOP has worked closely with the staff of U.S. Senator Mark O. Hatfield. Initially, the Senator's office was helpful in introducing Jim Schill and the WCBOP staff to members of the local business community. Since then, the mutual cooperation between WCBOP and Senator's office has continued. The Senator's office has referred numerous local individuals, businesses and PVOs to WCBOP and has been very helpful as a liaison to the U.S. Congress and other parts of the federal government.

The Senator's office feels WCBOP has done a good job of making the business outreach program work and is pleased with WCBOP's performance in Oregon. As one of the Senator's staff people noted, Oregon is a long way from the "Beltway." USAID's business outreach efforts have helped to inform the local business community about USAID and the opportunities for U.S. exports to developing countries.

The Senator's office noted that, without WCBOP's perseverance, the Executive Briefings and other events would not have happened. The Senator's staff believe that most federal or state agencies would have been unable to organize such gatherings, either due to time or budget constraints. What WCBOP has lacked in staff and funding it has made up through a determined effort to make the program work.

2. State and Local Government Agencies

The WCBOP, as stated earlier, has organized and participated in numerous seminars relating to international trade and investment. This has served to establish new ties, or strengthen existing links, between USAID and both state and city government agencies. These linkages have a multiplier effect; as state and local government agencies become increasingly familiar with USAID and other federal agencies, they too can help businesses access the services offered by government agencies. These seminars and workshops have also brought about an exchange of information and ideas on how various government agencies -- be it at the federal, state or local level -- can work together to assist the local business community.

Aguamex '92 "Aguamex '92", a notable example of WCBOP's collaboration with state and local government agencies, was a day-long event focussing on business opportunities in wastewater treatment in Mexico. The Aguamex conference brought together more than fifty environmental equipment and service companies with top officials from U.S. and Mexican government agencies, environmental industry associations and environmental engineering firms specializing in wastewater treatment.

Aguamex was a collaborative effort between Oregon's Economic Development Department (one of the host organizations for WCBOP in Portland); USAID's Office of Energy and Infrastructure; the Oregon Environmental Technology Association; the Washington State Department of Trade and Economic Development; the Latin American Trade Council of Oregon; and the Portland Chamber of Commerce. The WCBOP helped these organizations make Aguamex a success. WCBOP staff were instrumental in the choice of Portland as the site of the Aguamex conference; they also provided organizational support, interpreters and speakers from USAID.

Aguamex is an excellent example of how federal, state and local agencies can work together to assist the U.S. business community. As a result of Aguamex, several companies are now close to completing deals with Mexican companies which will result in the export of U.S.-made environmental equipment.

*Office of the Mayor,
Los Angeles* Jim Schill first contacted the Mayor's office about a year and a half ago to discuss the future presence of WCBOP in Los Angeles. Since the establishment of the program nearly nine months ago, the staff of WCBOP and the Mayor's office have worked together on numerous business outreach activities. In a period of diminishing resources in local government, the Mayor's office feels that WCBOP has helped sustain its efforts to provide personalized service to the local business community.

For instance, in March 1992, the Mayor's office hosted a business breakfast and workshop in collaboration with the Export Small Business Development Center of Southern California. The theme of the workshop was *How to Do Business with Developing Countries* and Jim Schill was the featured speaker. In addition, WCBOP has organized several workshops and conferences in cooperation with the Mayor's office. The Mayor's office provides help with mailings and facilities for these events and has taken an active role in promoting what USAID has to offer the business community.

Bill Raphiel, Deputy Director for Business Development Assistance for the Mayor's office, notes that the reception to WCBOP in the Los Angeles area has been remarkable. Many businesses had never heard of USAID and welcomed the opportunity to learn about it. He believes the staff of WCBOP have done a great job in getting the word out to the local business community. As a result of WCBOP, the Mayor's office has been able to become more involved in expanding awareness of the availability of a network of agencies and associations which can provide export assistance to U.S. businesses. WCBOP has helped to strengthen that network by referring local businesses to existing agencies and associations which can provide export assistance.

Office of Economic Development San Jose San Jose's Office of Economic Development co-sponsored an Executive Briefing, *Business Opportunities in Asia*, which was attended by about 50 to 60 people. Based on the success of this first seminar, the Office of Economic Development agreed to sponsor a subsequent Executive Briefing on *Trade and Investment Opportunities in the Newly Independent States* in July.

The Office of Economic Development arranged the location for the briefing, assisted in organizing the event, and handled much of the media relations. Throughout these preparations, the Director and staff of the Office of Economic Development worked closely with the staff of the Business Outreach Program.

According to Joseph Hedges, International Program Officer for the Office of Economic Development, the Executive Briefing was successful from a number of perspectives. Most importantly, businesses benefitted. Many of the participants indicated that, prior to the briefing, they were not familiar with USAID or its mandate. They appreciated the opportunity to meet and talk with Messrs. Schill, Hatcher and Blackman and find out what USAID has to offer. San Jose's Office of Economic Development also benefitted from the Executive Briefings in that many participants have continued to contact the Office for advice and assistance.

3. Trade Development Centers

In addition to working closely with other federal, state and local agencies, the WCBOP has also reached out to key trade development centers in both California and Portland. Trade development centers have, in turn, become major supporters of the program's activities. While the trade development centers in these two states are often supported by a combination of public and private funds, their primary function is assist U.S. businesses in exporting their goods and services in overseas markets.

World Trade Center, Portland The World Trade Center Portland has been in existence for four years. Its goal is to promote international trade and investment. Charles Allcock, President of World Trade Center Portland, believes that USAID should be commended for being the first major federal agency other than the Department of Commerce to establish a local presence in the Portland area. During the National Export Initiative (NEI) tours led by Secretary of Commerce Mosbacher, nearly 20 federal agencies expressed interest in establishing regional offices in the area. To date, USAID is the only agency that has followed through on the commitment made during these meetings.

The World Trade Center has co-sponsored most of WCBOP's seminars and briefings in Oregon. It has also provided publicity for the program through its newsletters. Allcock believes that WCBOP staff have made a great deal of progress in informing the local business community about USAID and the importance of exporting U.S. products to developing countries. In addition, WCBOP has been able to identify export opportunities for local businesses and refer them to other agencies or organizations when appropriate. While recognizing its accomplishments to date, Allcock would also like to see the program stay in the region for some time, and suggested that it might be worthwhile to consider a closer linkage between the outreach program and regional world trade centers in the future.

Center for International Trade Dev., Los Angeles The Center for International Trade Development (CITD) in Los Angeles serves as a clearing house for international business information and business training. Shortly after the Business Outreach Program was established, the CITD in Los Angeles and two other Trade Development Centers co-sponsored a WCBOP seminar in Riverside. The CITDs combined their mailing lists in preparing the list of businesses to be invited and assisted in mailing invitations. In exchange, WCBOP recognized the contributions of the CITD in literature related to the seminar. Since then, the CITDs and WCBOP have coordinated efforts on a number of other activities.

Ralph Jagodka, the Director of the CITD for Los Angeles County, believes that WCBOP has done an outstanding job in disseminating information about doing business in developing countries; in addition, WCBOP staff have provided extensive information on the types of assistance USAID can provide to promote U.S. exports, as well as information on the USAID procurement process. He notes that small businesses appreciate the opportunity to speak with a USAID representative on a face-to-face basis, and that clients of CITD have been grateful

for WCBOP's ability to identify and open the right doors in Washington. In summary, Jagodka attributes the success of WCBOP in California to the following factors:

- WCBOP has communicated and cooperated with other agencies and organizations, remembering that the ultimate goal is to help the local business community;
 - WCBOP done a thorough job of information dissemination about exporting U.S. products to developing countries, despite its limited budget;
 - WCBOP has made excellent use of its contractor staff to cooperate with other agencies and organizations, thereby minimizing the turf battles which could otherwise materialize; and
 - Most importantly, WCBOP has demonstrated to the local business community its commitment to a worthy goal.
-

C. BENEFITS FOR USAID MISSIONS AND DEVELOPING COUNTRIES

The Business Outreach Program is beginning to develop close working relationships with a number of USAID Missions to identify trade and investment opportunities for American firms. Frequently, private sector officers in overseas missions are aware of specific business opportunities in developing countries, but rarely are they aware of potential suppliers in the U.S. WCBOP has been able to assist missions in identifying companies that can meet the needs of businesses in developing countries. WCBOP is working with the USAID Missions in Thailand, Ghana, Tunisia, India, Bulgaria and the Philippines to help in the identification of potential trade and investment partners. The experiences of some of these Missions are summarized below.

1. The Philippines

USAID/Philippines is working with the Business Outreach Program to promote a number of trade and investment initiatives. The Mission strongly supports the establishment of the program; indeed, without a support office in the United States, the Mission feels that it is extremely difficult to develop trade and investment missions and joint ventures. Some of the specific ways in which WCBOP has furthered the Mission's development goals include the following:

- a. Under its new Agribusiness System Assistance Program (ASAP), USAID is facilitating the sale of U.S. commodities in the Philippines. Some of the key opportunities for increased sales are in the following areas: flower and vegetable seeds, agro-processing equipment, environmental equipment and other related products and services. WCBOP has publicized the ASAP Program via its monthly

newsletter, thereby generating interest in the program from businesses in California and Oregon. The sourcing of U.S. commodities has also become easier due to the network that WCBOP has developed on the West Coast.

- b. WCBOP is currently assisting USAID/Philippines in the organization of a trade mission consisting of 12 West Coast companies; this mission is tentatively scheduled to take place in November 1992. It is hoped that this is the first of many such trade missions designed to establish contacts between U.S. and Philippine businesses.

Through WCBOP, USAID/Philippines has been able to gain access to businesses in California and Oregon, as well as the states' export development agencies. The Mission believes it is important to have WCBOP as a coordinator in a region of the United States with which Philippine businesses want to establish links. In sum, USAID/Philippines feels that WCBOP's assistance in linking small and medium-sized businesses in the two countries will have a positive developmental impact.

2. Tunisia

In Tunisia, the tuna fishing industry is suffering as a result of stiff competition from Spain and Italy, and is in need of new equipment and intensive training. WCBOP assisted the National Association of State Development Agencies (NASDA) in identifying skilled individuals in California to travel to Tunisia to discuss the possibility of forming a joint venture to catch tuna for export to Japan. A preliminary visit by two American Tuna Boat Association experts is expected to take place in late November. The Mission's agriculture development officer, Barry Hill, noted that the direct benefits of WCBOP's assistance should be evident once the November visit is completed.

Mr. Hill also noted that, although NASDA placed inquiries about the possible fishing joint venture in several states, including Oregon, Washington, California and the Gulf Coast states, there was no response until WCBOP interceded to explain/promote the possibility of the joint venture.

USAID/Tunisia is looking forward to working with WCBOP in the future, most likely in cooperation with NASDA. The Mission's planned program in agribusiness (\$25 million for FY 93), which includes activities in seafood, dates and cut flowers, could directly benefit from contact with West Coast businesses. Mr. Hill recommended that additional USAID outreach programs be created in connection with state development agencies because they have the potential for boosting U.S. exports of technology, which countries often need and want.

Mr. Hill also identified potential benefits to Tunisia and the United States. He noted, for example, that USAID/Tunisia's upcoming Agribusiness Program provides for: the import of U.S. soybean and other vegetable oils to meet local consumption requirements in lieu of valuable olive oil, which allows for expansion of olive oil exports; balance of payments support for the Tunisian

Treasury which is directly tied, dollar for dollar, to the import of a wide range of U.S. products; and support for the formation of joint ventures between U.S. agricultural firms and fledgling operations in Tunisia in several key products. These joint ventures could give U.S. firms preferential entry into the European Common Market, using Tunisia's existing and future Common Market trade advantages.

3. Thailand

USAID Thailand has worked with WCBOP in preparation for the U.S.-Thai development partnership, a pilot mutual assistance program that the Mission hopes to launch when the United States resumes economic assistance to Thailand. The program aims to address important development problems in Thailand via U.S. expertise, know-how and technology. An important by-product is expected to be job creation in the United States.

Tom Reese, USAID/Thailand's Mission Director, notes that the Mission often needs to identify specific U.S. private sector expertise, and this is where the Business Outreach Program can be of assistance. The Mission notifies WCBOP of a specific problem which requires U.S. expertise, and WCBOP identifies appropriate U.S. sources. In one noteworthy example, USAID/Thailand identified a need for a low-cost HIV/AIDS diagnostic kit. WCBOP put the Mission in touch with Epitepe, a leading biotechnology firm based in Beaverton, Oregon. As a result, a major manufacturer of pharmaceuticals in Thailand is currently conducting clinical trials of the diagnostic kit; they may also purchase equipment from Epitepe in the future.

In summary, USAID/Thailand believes that WCBOP is a perfect complement to USAID's foreign assistance goals in Thailand. When the U.S. economic assistance program is resumed in Thailand, the Mission would consider a buy-in to the program in order to have greater access to U.S. expertise in the resolution of Thailand's development problems.

D. OVERALL IMPACT OF THE BUSINESS OUTREACH PROGRAM

The information and examples provided in this chapter are strong evidence of the Business Outreach Program's success in achieving each of its three objectives aimed at assisting small and medium-sized firms in the United States. The U.S. business community has benefitted from the program's success at providing: (i) information on trade and investment opportunities in developing countries; (ii) information and assistance in working with USAID to develop new business opportunities in developing countries; and (iii) information on USAID contracts, grants and procurement opportunities and procedures.

Moreover, WCBOP has established effective linkages with federal, state and local agencies, trade development centers, USAID Missions overseas, and their host countries. These linkages have produced benefits for all parties concerned, including the U.S. business community.

CHAPTER III

ADMINISTRATIVE CONSIDERATIONS

There are also a number of operational and administrative factors that have had an impact on the success of the Business Outreach Program. This chapter examines three key considerations: (a) the personnel, (b) institutional arrangements, and (c) funding for the program.

A. PERSONNEL

WCBOP's strongest asset is its people. As noted by the Director of the World Trade Center Portland and others, it is the people that make a business outreach program work, particularly in its early stages. The staff are perceived by businesses and government agencies to be hard-working and committed, eager to work closely with other organizations, and most importantly, responsive to businesses' needs. On the other hand, the staff are few in number, and hence, are necessarily stretched thin.

Jim Schill, a Senior Trade and Development Officer with USAID, directs the West Coast Business Outreach Program. The Private Enterprise Development Support Project, which is managed by USAID's Bureau for Private Enterprise, has provided funding for the program's support staff and programs. Coopers & Lybrand, the prime contractor for the Private Enterprise Development Support Project, administers support for the program.

Initially, it was anticipated that the program would require one person working part-time in California. However, the number of activities and the demand for services have increased dramatically since the program was launched in January 1992. It has therefore been imperative to employ additional staff to assist in operating the program.

Currently, there is one full-time person in Los Angeles, Sara Jennings, who is the lead support person for the program. She is assisted by a part-time bookkeeper to handle payments to vendors and monitor all WCBOP accounts. There is also one full-time person in Oregon, Carolyn Kadas. The WCBOP support staff undertake the following functions: they assist in organizing and managing the many events described above; design and circulate the monthly newsletter; respond to requests for information from the business community; provide extensive follow-up to businesses that participate in the Executive Briefings and business seminars and workshops; and manage the program's operations in California and Oregon.

Businesses and government agencies interviewed during the course of this evaluation spoke very highly of the staff. Indeed, most individuals repeatedly referred to the individuals -- Jim Schill, Sara Jennings, and Carolyn Kadas -- as opposed to the program itself. This probably speaks to the fact that the program is very "personalized." The staff are constantly visiting and meeting with the local business community; they are readily available at most times because they are

based in the region. Moreover, the fact that the program has a local phone number (as opposed to a 202 area code number) makes a difference to businesses in California and Oregon. WCBOP is local, and that is important to its success. In sum, the combination of a local presence and a motivated staff has allowed for the development of an effective business outreach program.

Several people interviewed noted that the results achieved by WCBOP in the region are especially impressive considering the fact that its staff is covering a lot of ground with a small number of people. Many of the people interviewed for this report indicated that the information they receive from the Business Outreach Program is valuable and they wish the WCBOP could spend more time with each of them. However, as noted above, the staff are spread thinly; this is not due to any lack of organization on their part but rather due to a lack of budget and staffing equal to the demand for WCBOP's services to the business community. The increasing demand from manufacturers of environmental and industrial equipment based in Washington State has placed additional pressure on WCBOP's existing budget and staff.

Several local government agency officials said that it would be logical to shift more of the responsibility for the day to day activities of WCBOP to local partners (local government agencies and/or trade development centers) once the pilot period is over. They followed this comment, however, with the admission that most local government agencies are currently experiencing or are anticipating budget cuts and trade development centers already have limited budgets. These officials therefore indicated that they hoped the WCBOP budget and staffing level could be increased in order to continue its assistance to local businesses and strengthen local organizations' ability to do the same.

B. INSTITUTIONAL ARRANGEMENTS

Based on the success of Iowa model, USAID sought to establish a relationship with local institutions to host the Business Outreach Program in California and Oregon. As in Iowa, the plan was for the two states to share the costs of Jim Schill's salary and benefits with USAID; in addition, the states would provide office space and equipment. Linking with local partners was anticipated to make the most efficient and productive use of WCBOP's limited staff and budget. In addition, it was hoped that linking with local partners would also create a multiplier effect in terms of the number of businesses benefitting from WCBOP guidance and assistance.

The structure of the WCBOP-local partnership has grown to represent a different form in each of the two states. The California operation began in January 1992 with a local partner; however, it eventually began operating directly with several local trade development agencies and organizations in order to make use of an emerging network of organizations. The Oregon operation also began in January 1992, with the close involvement of two strongly supportive local partners; a close working relationship with these two institutions has continued over the past nine months.

1. California

Beginning in late January 1992, WCBOP was sponsored by the Export Small Business Development Center of Southern California (ESBDC). There are five Small Business Development Centers in the state of California. Last year, the Export SBDC was opened to focus on international trade. It is unique in that it is the only SBDC in the U.S. which focusses on export assistance, as opposed to domestic business guidance and assistance. From January to May, WCBOP operated out of ESBDC's office in downtown Los Angeles.

The sponsoring relationship with ESBDC ended in May 1992 due in part to a difference of opinion as to the independence and geographic coverage of WCBOP in relation to ESBDC. Specifically, the ESBDC expected WCBOP to focus its efforts on the geographic area for which ESBDC was responsible: Los Angeles County. WCBOP, however, discovered that its services were in demand from businesses and trade development centers beyond the boundary of Los Angeles County, involving entities based in other counties (for instance, Orange, Santa Barbara, Ventura and San Diego), as well as the San Francisco Bay Area. WCBOP realized that to effectively serve the export assistance and related needs of these and other areas of California, it would need to end its existing relationship with ESBDC. It was decided that a more effective structure for WCBOP's California presence would be to establish and maintain links with existing businesses and business assistance organizations.

Currently, WCBOP maintains a close working relationship with numerous local government agencies, trade development centers and business associations in California. All of the Executive Briefings, business seminars and workshops mentioned earlier are sponsored by local businesses, government agencies, trade development centers or business associations. In addition to those California businesses with which WCBOP has established direct relationships, the specific public and private sector organizations with which WCBOP maintains links includes: California Central Coast, Orange County and other regional world trade center associations; several regional offices of the state Center for International Trade Development; several regional offices of the Small Business Development Center system, including the ESBDC in downtown Los Angeles and its satellite office in Oxnard; and others.

There have been both benefits and costs to WCBOP's separation from ESBDC. On the one hand, the current arrangement has allowed WCBOP to expand its coverage to include the metropolitan areas of several major California cities. As a result, WCBOP has been able to reach a larger number of businesses. On the other hand, the separation created a hiatus in the numerous support services often provided by a local institution: office space, telephone lines, access to fax and photocopying machines and others. Since May 1992, Jim Schill and Sara Jennings have had to work out of their homes, a situation which is clearly not ideal. This problem should be resolved in the near future. WCBOP has established a relationship with the city of Torrance, which will provide in-kind support such as office space and related support for Jim Schill. However, rent and support for the other WCBOP staff will continue to be funded from the PEDS Project through January 1993.

As a postscript, it is also important to note that relations between WCBOP and the ESBDC remain positive. Ms. Gladys Moireau, who was directly involved in the negotiations which brought Jim Schill to the West Coast, believes that it was an excellent idea to set the business outreach program up in Los Angeles. She notes that the business community in Los Angeles needs what WCBOP has to offer. Moreover, the goal of ESBDC, that is, helping to sell U.S. products overseas, goes hand in hand with WCBOP's mission. WCBOP and ESBDC should continue to exchange information about export assistance and inform clients about the existence of each other's programs.

2. Oregon

In Oregon, WCBOP is hosted by the Oregon Department of Agriculture (ODA) and the International Trade Division of the Oregon Economic Development Department (OEDD). This collaborative program with USAID is the most recent of a number of initiatives undertaken by the state of Oregon to introduce local companies to opportunities in international trade and to provide hands-on assistance.

The tenants of the World Trade Center complex in Portland, including representatives from ODA, OEDD, the World Trade Center Portland, the Department of Commerce and Senator Hatfield's field office, meet bi-weekly to discuss various issues and exchange ideas. At one meeting, OEDD Trade Development Officer Beverly Thacker mentioned that USAID might establish a West Coast presence. An entrepreneur based in eastern Oregon had told Beverly about Jim Schill; she contacted him and they developed a plan whereby a USAID business outreach program would be established in the state of Oregon.

The OEDD and the ODA negotiated and eventually reached a cost-sharing agreement with the Export SBDC in Los Angeles whereby the state of California would pay two-thirds of 50% of Jim Schill's salary (with USAID continuing to pay the other 50%) and the state of Oregon would pay the remaining one-third. OEDD and ODA each agreed to pay one-half of the state's portion of Jim Schill's salary. OEDD also agreed to cover the cost of Mr. Schill's travel within the state as well as his lodging and per diem when he was in Oregon. ODA provides office space, a telephone with several lines, computer and access to a copier and fax machine, all free of charge to the program.¹

Following several months of Jim Schill's travelling from Los Angeles to Portland and Seattle on a regular basis, WCBOP was able to hire Carolyn Kadas through the PEDS Project to staff the WCBOP "desk" at ODA in June 1992. The establishment of a physical presence by WCBOP in Oregon has allowed for more direct and consistent involvement with the local business community, including some located in Washington State. It has also allowed Jim Schill to spend less time organizing seminars and more time meeting and counseling businesses, as well as

¹ Once the funding relationship with the Export Small Business Development Center ended, USAID assumed full responsibility for Jim Schill's salary.

interacting with local government agencies and trade development centers. Lastly, local businesses are pleased that WCBOP has selected a "local" person to staff its Portland office; the fact that Ms. Kadas is from the region is important in their view. The local business community appreciates her business and cultural knowledge of the region as well as her contacts, hard work and business skills.

The structure of the WCBOP operation has been successful for several reasons. One reason has to do with the concentration of a considerable amount of the Pacific Northwest's business activity in and around a few key cities. This has allowed WCBOP to take a "rifle approach" in reaching out to the business community, much of which consists of small and medium-sized manufacturers of industrial and environmental equipment. Having Carolyn Kadas based in Portland has also allowed for better coverage of business needs in Washington State.

Another reason for the success of WCBOP's "Portland Desk" cited by several persons interviewed is its partnership with OEDD and ODA. These two state agencies have taken advantage of the USAID presence in Portland. They have been very supportive of WCBOP and are pleased with the results generated by the link with USAID and other federal agencies.

3. Comparison of the Institutional Arrangements in California and Oregon

The most significant difference between the structures in the two states involves the amount of local institutional support received by WCBOP. For example, the Oregon operation receives strong support from its local host agencies: the Oregon Department of Agriculture and the Oregon Economic Development Department. These two institutions not only provides office space for WCBOP staff, but also several phone lines, a personal computer and access to a fax machine and photocopiers. The support provided by these two agencies has been important for a program that operates with limited budget and staff. It has reduced the amount of USAID funds needed to cover operating expenses.

The California operation, on the other hand, has not had a relationship with a local host organization since it ended its association with the Export Small Business Development Center of Southern California in May 1992. As noted previously, this has had both benefits and costs. While on the one hand, WCBOP has been able to reach out to greater numbers of businesses by working with numerous institutions in California, it has lost the business support services that are often provided by a local host agency. The Bureau for Private Enterprise has therefore had to devote more of its resources under the PEDS Project to cover operating costs that might otherwise be assumed by a host organization, as in the case of Portland.

C. FUNDING

PRE's Private Enterprise Development Support Project has been the primary source of funding to support the Business Outreach Program. As part of its mandate to "test" new approaches to private sector development, the Bureau for Private Enterprise agreed to provide slightly more than

\$100,000 in core funding to support the establishment of the Business Outreach Program in California and Oregon. These funds were to support the program from its inception in January through August 1992.

In July 1992, USAID's Research and Development Bureau provided a \$25,000 buy-in to the outreach activity, thereby increasing the budget to \$126,495. In late August, an additional \$50,000 was approved by USAID's Private Enterprise Bureau to support the program through January 1993.

The total amount of funding under the PEDS Project for Business Outreach is therefore \$176,495. Total expenditures as of September 31, 1992 have been \$116,958. The total amount of funding remaining in the program is \$59,537.

CHAPTER IV

CONCLUSIONS AND RECOMMENDATIONS

The West Coast Business Outreach Program has proven to be valuable to both businesses and government agencies. Businesses on the West Coast have benefitted: they are better informed of the trade and investment opportunities in emerging markets and are beginning to work with USAID to explore these new opportunities. Businesses in developing countries are also beginning to benefit, as WCBOP increasingly works via USAID Missions to link businesses in developing countries and the United States. WCBOP has also helped to develop a strong network of contacts in the business community and in government, which has worked to their mutual benefit.

There are a number of factors that have contributed to the success of WCBOP. This chapter begins by summarizing these "success factors" as a way of delineating some of the key factors which must be retained, regardless of the direction the program takes in the future. Following this discussion, the chapter examines some of the "critical issues" which must be considered as the program expands its activities and services. Lastly, the chapter provides a series of recommendations for future directions.

A. SUCCESS FACTORS

According to businesses and government agencies, the West Coast Business Outreach Program has been a successful pilot effort. Based on interviews with at least 40 individuals in business and government, the evaluation team believes that there are four factors that are at the heart of the program's success. While each of these factors has been mentioned in previous chapters, we believe it is important to highlight these four factors in this concluding chapter. Not only do these factors explain why the program has been a success to date; more importantly, they are characteristics of the program which must be retained if the program is to remain successful in the eyes of business and government alike.

▶ *A LOCAL PRESENCE*

The importance of a local physical presence cannot be underestimated. From the perspective of small and medium-sized businesses, this is what makes WCBOP accessible and approachable. One businesswoman in California noted that many small business owners are somewhat intimidated by dealing with large government agencies. Other businesses noted that they constantly run into a "brick wall" when they attempt to penetrate the Washington bureaucracy.

In contrast, WCBOP offers a personalized and hands-on approach that is extremely effective in reaching out to small businesses. WCBOP is not bureaucratic; indeed, part of its *raison d'etre* is to help businesses penetrate the bureaucracy and open doors to the valuable services that

Washington-based agencies have to offer. A representative of Aeronautics International, a firm based in Oregon, commented, "Small businesses need help from programs like WCBOP to get through the Washington maze. WCBOP has been able to identify opportunities and open doors for the business community." Another businessperson noted, "WCBOP's presence in California has made obtaining information from USAID and other agencies much easier and more efficient."

For many businesses, a local presence implies a commitment to assisting and working with the business community. This kind of commitment is valued by businesses; in addition, it generates positive attitudes about USAID as a government agency. Indeed, as noted previously, USAID is perceived by some businesses as the only agency that has established a true outreach program. Matt Morrison, the Director of the Pacific Rim Institute, summarized the point well: "By having a physical presence in the region, USAID is more accessible to the small business community ... firms were at first skeptical of another big government agency, but WCBOP staff convinced them that USAID can assist. WCBOP has improved the image of USAID and Washington based government agencies in general."

► ***DYNAMIC STAFF***

The strength of WCBOP is its people. While this point has been explored in some detail in the previous chapter, it is particularly important to keep in mind in thinking about future directions of the program. Should USAID choose to continue or expand the Business Outreach Program, the choice of personnel is absolutely critical. The WCBOP staff have been dynamic and aggressive in reaching out to small and medium-sized business. They are "action-oriented" in the words of one California businessperson. These qualities are essential to the success of the program.

► ***QUICK RESPONSE TO BUSINESSES' NEEDS***

The response time of WCBOP is much faster than that of other federal and state agencies, according to Ann Hoch, the Marketing Director of International Product Development, a company in southern California that helps small firms to market and export their goods; she attributes the quick turnaround time to USAID's physical presence in California and the energetic personalities of the WCBOP staff. As a result of the joint efforts of WCBOP and the U.S. Asia Environmental Partnership, International Product Development was able to obtain a list of 25 American companies that could supply environmental equipment to a potential client in South Korea. Ms. Hoch said she's "impressed with WCBOP's quick response time and its results-oriented contacts with the local business community."

As illustrated by a number of the case examples throughout this report, the WCBOP staff are recognized for responding to businesses with the information they need in a timely manner. It is equally important to note, however, that the demand for follow-up work has increased dramatically since the onset of the program. This attests to the fact that the "word is spreading"

about the Business Outreach Program, and more and more businesses are seeking WCBOP's assistance. On the other hand, the demand for assistance may soon outpace WCBOP's ability to provide rapid turnaround. This issue is discussed in further detail below.

▶ ***ABILITY TO NETWORK***

Both businesspeople and government officials believe that WCBOP has been able to successfully create a network of contacts for sharing information on business opportunities in developing countries. Officials in the regional offices of the Small Business Administration and the Department of Commerce, as well as trade and business associations are impressed by the Business Outreach Program. At no time during the interviews did they express concern that USAID was "entering their turf." Indeed, to the contrary, they indicated that the Business Outreach Program is a welcome complement to their own efforts and that the relationship is mutually supportive. This kind of collaboration is noticed and appreciated by the business community. As one California businessperson noted, "WCBOP staff are not turf conscious, and if they do not have an answer, they work very hard to find one. If they know that a particular request would be better served by another government agency, they do not hesitate to refer a company to the proper agency."

B. CRITICAL ISSUES AND RECOMMENDATIONS

Part of what has made the Business Outreach Program so successful is that it is small and flexible; the program has little structure, and hence, few bureaucratic constraints; and the staff have been able to provide personalized services. This mode of operation has been extremely effective in the start-up phase.

Over the past few months, however, the number of businesses contacting WCBOP has grown dramatically. The key question is: **given the rapid and continued growth in the requests for business assistance, can the staff sustain its record in providing quick response and personalized services?** In addressing this question, there are a number of critical issues to be considered. This concluding section of the report examines each of these issues and provides recommendations for future directions.

▶ ***A CLEAR COMMITMENT FROM USAID/WASHINGTON***

The Issue: Since January 1992, the Bureau for Private Enterprise (PRE) has supported the establishment of the West Coast Business Outreach Program as part of its mandate to test new approaches to private sector development. Initially, the Bureau agreed to fund WCBOP's activities through August 1992; it then increased its funding to cover the program's activities through January 1993. The fact that funding may well cease in a few months creates a great deal of uncertainty for the business community. It is not clear how long businesses can count on the services of the Business Outreach Program.

As illustrated throughout this report, businesses and government agencies in California and Oregon wholeheartedly support the activities of the West Coast Business Outreach Program. They feel that the program is providing a valuable service that complements, rather than duplicates, the activities of other public and private organizations in the region. As a side benefit, these services have begun to have a positive impact on people's attitudes toward USAID and foreign assistance in general.

Nonetheless, support for business outreach within USAID seems mixed. On the one hand, those individuals who have had a chance to see the program "in action" have become strong supporters: for example, USAID's Administrator, Ronald Roskens; the Assistant Administrator for the Bureau for Asia, Henrietta Holsman Fore; the Assistant Administrator for the Bureau for Private Enterprise, Ralph Blackman; and others. On the other hand, some officials question whether U.S. business outreach is a legitimate function for a foreign assistance agency.

This question is clearly beyond the scope of this evaluation. Nonetheless, it is important to reiterate that the benefits of the West Coast Business Outreach Program do extend beyond the borders of the United States. The WCBOP targets its assistance toward small and medium-sized businesses in the United States; however, the ultimate aim is to encourage the use of U.S. technology and expertise to address important development problems. These problems often touch areas of basic human needs, such as health, agriculture, energy and environment, as illustrated in the following examples.

- As a result of the West Coast Business Outreach Program, a major Thai pharmaceuticals firm is currently conducting clinical tests of a low-cost HIV/AIDS diagnostic kit produced by a firm in Oregon.
- While based in Iowa, WCBOP organized a trade mission for eight agribusiness companies to Singapore, Thailand and Malaysia, which benefitted both U.S. companies and these developing countries. The mission resulted in an estimated \$6 million in immediate sales for U.S. companies and generated discussions on two possible joint ventures. In addition, the trip set the stage for a reverse trade mission, whereby a group of Malaysian businesspeople travelled to Iowa to explore technologies for swine production.
- SGI International, an energy technology firm based in California, is working with the Electric Generating Authority of Thailand to carry out its clean-coal refinery development program. This is a direct result of working via WCBOP and USAID/Thailand.
- As a result of collaboration between WCBOP and the International Executive Service Corps, a seed expert from Oregon is providing assistance to Ecuador's Ministry of Agriculture to develop a new grass seed mixture for the country.

The USAID Missions that have worked with the Business Outreach Program support its activities because it helps them meet their own development assistance objectives. The Mission Director for USAID/Thailand, for example, noted that "business outreach is a perfect complement to what we want to do with foreign aid in Thailand." A representative of USAID/Philippines pointed out that the mission wishes to establish more business relationships, trade and joint ventures between the United States and the Philippines; WCBOP "has provided valuable assistance to both the Mission and its projects' contractors in accelerating these activities." USAID/Tunisia noted that the WCBOP "directly complements our planned program in agribusiness."

In summary, business outreach can generate benefits for both U.S. businesses and developing countries. In establishing ties between small and medium-sized firms in the United States and developing countries, WCBOP helps to create commercially viable linkages -- that is, linkages that are sustainable and not dependent on foreign assistance in the future.

Recommendation: The current uncertain and "temporary" nature of the program is understandable in light of the fact that WCBOP is a pilot program. However, now that the pilot phase is coming to a close, it is important that USAID/Washington make a firm decision regarding its willingness to support business outreach. The evaluation team recommends that USAID make a commitment to supporting the Business Outreach Program for at least a two year period. This commitment necessarily entails three other considerations: (i) an institutional locus; (ii) personnel; and (iii) funding. Each of these considerations is examined in greater detail below.

The Business Outreach Program is still young, but it has already generated considerable benefits for U.S. businesses, U.S. government agencies, USAID Missions and the developing countries in which they work. The fact that WCBOP has begun to develop collaborative working relationships with a number of USAID Missions is a positive trend, which we believe should be continued and expanded in the future. Building strong relationships with the USAID Missions will help to strengthen the developmental impacts of the program, while continuing to generate benefits for U.S. businesses. Mission management and private sector officers should be encouraged to contact, or preferably, visit the Business Outreach staff when they return to the United States on home leave or TDY in order to find out how the program may complement their own projects overseas.

► ***AN INSTITUTIONAL BASE IN USAID***

The Issue: Several bureaus in USAID/Washington support the Business Outreach Program, most notably, the Bureau for Private Enterprise, the Bureau for External Affairs and the Bureau for Research and Development. WCBOP staff keep in close touch with senior staff from these bureaus and report their activities on a regular basis. Nonetheless, at this time, the WCBOP has no institutional base within USAID. If WCBOP is to move beyond this initial pilot phase, it must be supported in a consistent manner from USAID Washington. This calls for institutionalizing the program in a way that would provide on-going support and resources.

Recommendation: Should USAID make a commitment to continue the Business Outreach Program, the evaluation team recommends that it institutionalize the program within the Bureau for Private Enterprise. The goals and activities of the Business Outreach Program are closely aligned with the PRE's objectives and services, particularly its new Center for Trade and Investment Services (CTIS). Moreover, WCBOP has already begun to develop a close working relationship with CTIS; WCBOP and CTIS staff share information and contacts, and WCBOP staff actively encourage West Coast businesses to use the CTIS "hotline".

This is not to diminish the importance of the support provided from the Bureau for External Affairs and the Bureau for Research and Development. It is not clear the West Coast Business Outreach Program could have been launched without the support of External Affairs. Nonetheless, "public relations" is not a objective of the Business Outreach Program; rather, it is a by-product of the program's activities and services to the U.S. business community. While the Bureau for Research and Development actively promotes private sector initiatives, this is not its primary mandate, as is the case for the Bureau for Private Enterprise.

▶ ***REGIONAL EXPANSION***

The Issue: News of WCBOP and its objectives has spread to several regions of the United States via word of mouth among businesses, government agencies, and trade development centers. Assuming USAID institutionalizes the Business Outreach Program, it may wish to consider expanding the business outreach concept to other regions of the United States where there is a desire for similar business outreach services.

Recommendation: Based on the success of the Business Outreach Program in California and Oregon, the evaluation team recommends that USAID consider expanding the program to one other region in the United States. We do not believe, however, that the program should be expanded to more than one region at this time. The program is still young and has yet to be institutionalized within USAID. We recommend that USAID expand "carefully," thereby helping to ensure the continued success of the program.

The location of the program should depend on several factors: (i) the potential for promoting exports of U.S. products and services to developing countries, and (ii) the willingness of state and local agencies to support the program. Similar to WCBOP, the new region might encompass two states and will need to be managed by a full-time USAID employee. The amount of contract support required will depend on the level of support to be provided by the local host organization. Another approach that USAID may wish to consider in expanding the program is to encourage local organizations, such as business and trade development centers, to act as "satellite offices" of the Business Outreach Program.

Any move to expand the Business Outreach Program should not be done at the expense of the program on the West Coast, particularly since the program has been operational for only nine months. The success of the pilot outreach program in Iowa was due to the level of trust which

developed between USAID and local beneficiaries over nearly a two year period. For WCBOP to have a lasting impact, it too should remain operational in California and Oregon for at least two years, if not longer, given the wide array of businesses in these states. For this reason, when considering regional expansion, USAID must be careful not to drain the already limited resources allocated to WCBOP or to stretch the geographic boundaries of WCBOP beyond the capacity of its staff and budget. Either one of these actions would result in the loss of confidence and support from businesses in California and Oregon and would severely constrain any attempt to make the business outreach concept succeed in other regions.

► ***PERSONNEL***

The Issues: The WCBOP staff are stretched to their limits at this time. As the Business Outreach Program becomes better known, its staff have had to respond to increasing numbers of requests for information and business counseling. Concurrently, WCBOP staff have continued to plan, implement, or participate in the Executive Briefings, seminars and workshops that have raised its visibility among the Californian and Oregonian business communities. The staff have also had a number of requests for assistance from USAID/Washington in organizing business outreach events. Fulfilling increasing demands in the timely and efficient manner that businesses have begun to expect is beyond the capacity of WCBOP's already strained staff.

A second issue is that the success of the program relies heavily on the energetic personalities of its present employees. Indeed, this is often cited by businesspeople as one of the assets of the program: it offers personalized, rather than bureaucratic, service. While a determined effort should be made to preserve the commitment and motivation of WCBOP staff, it should also be recognized that any program whose existence is based on the efforts of a few individuals will have little chance of long-term success. If USAID decides to commit firmly to WCBOP, then the program must develop a more formal -- but not bureaucratic -- structure that allows the program to retain the elements that make it successful even after the program's "founders" may have left. This reinforces the need to institutionalize the program.

Recommendations: The personnel issues described above obviously depend on the decisions USAID makes regarding its commitment to the program and a potential regional expansion of the program. These decisions could dramatically change WCBOP's personnel needs. The recommendations that follow represent a "medium ground", aiming only to define the personnel needs of a West Coast Business Outreach Program that continues to operate under much the same mandate and undertake similar activities as the current program. Under this scenario, we recommend that USAID consider adding two additional employees (one full-time and one part-time) to WCBOP, as described below:

Field Staff: We recommend that USAID hire one additional full-time employee to be based in WCBOP's Los Angeles office. This person would assist in this office's overall operations, thereby alleviating some of the strain placed upon the current staff. When

activities in Oregon exceed the norm (i.e. in the event of a particularly large or important Executive Briefing, or series of seminars and workshops), this person could travel to Portland to assist in the preparation for such activities.

Washington, D.C.-Based Staff: The evaluation team believes that WCBOP would benefit from having one staff person who dedicates roughly 50% of his/her time to WCBOP, located within the Center for Trade and Investment Services. Utilizing the resources of CTIS, this person's primary responsibility would be to conduct research and identify appropriate USAID contacts in response to requests fielded by the West Coast offices. With a Washington-based employee serving this function, WCBOP field staff would be required to spend less time conducting costly, cross-country research and, as a result, could spend more time meeting and counseling businesspeople.

This Washington, D.C.-based employee could also act as a liaison between WCBOP staff and USAID/W staff (including apprising WCBOP staff of relevant new USAID programs or activities and addressing logistical problems encountered by WCBOP), gather information regarding the activities of other federal agencies, and coordinate with other federal agencies. The functions of this person, therefore, would be similar to those of a "regular" CTIS employee; as a result, the person could be expected to spend between half of his/her time responding to WCBOP needs, and the remaining half responding to regular CTIS requests.

* * *

The paramount issue facing USAID is whether or not it will make a firm commitment to Business Outreach. As indicated above, the evaluation team recommends that USAID do so, for a term of at least two years. Following this central recommendation, the team notes that USAID must also address the need for an institutional base for WCBOP, may want to consider a regional expansion of WCBOP (but not at the expense of the California and Oregon programs), and will need to augment WCBOP staff so that it can continue to provide the services businesses have come to expect.

ANNEX 1
SCOPE OF WORK

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EVALUATION OF THE USAID WEST COAST BUSINESS OUTREACH PROGRAM SCOPE OF WORK

A. INTRODUCTION

The West Coast Business Outreach Program is a new initiative supported by USAID's Bureau for Private Enterprise and Office of External Affairs. The program aims to help U.S. firms to gain a better understanding of the business opportunities in developing countries and how to pursue those opportunities. More specifically, the program assists small and medium-sized firms in the United States in three areas:

- Obtain information and counseling on trade and investment opportunities in developing countries
- Obtain information and advice on how to work with USAID to develop new business opportunities in developing countries
- Obtain information on USAID contracts, grants and other procurement opportunities

As part of its mandate to "test" new approaches to private sector development, the Bureau for Private Enterprise agreed to provide \$100,000 to support the establishment of the Business Outreach Program in California and Oregon. These funds were to support the program from its inception in January 1992 through August 1992. USAID's Bureau for Research and Development provided an additional \$25,000 buy-in to the PEDS Project to support USAID West Coast Business Outreach activities in July 1992. Most recently, PRE agreed to provide an additional \$50,000 to support the program through January 1993.

B. OBJECTIVES

This purpose of this scope of work is to conduct an assessment of the USAID West Coast Business Outreach Program, as called for in the original PEDS task order for the program. As stated in the task order, "C&L will produce a final report which summarizes the activities of the past year and their impact. The report should assess the benefits of the program to developing countries, U.S. businesses and the U.S. government. It should also provide recommendations for future directions of the program."

C. TASKS

The assessment will focus on the activities of the USAID West Coast Business Outreach Program in California and Oregon. A C&L representative will spend three days in Los Angeles, California, and two days in Portland, Oregon, in order to assess the impact of program's activities in these areas. The C&L representative will carry out the following tasks:

1. **INFORMATION GATHERING:** Conduct a series of interviews with a sample of the relevant institutions and individuals involved in the USAID West Coast Business Outreach Programs:
 - a. **Staff of USAID West Coast Business Outreach**
 - Jim Schill, Director of USAID West Coast Business Outreach
 - Sara Jennings, Consultant to C&L (Los Angeles, CA)
 - Carolyn Kadas, Consultant to C&L (Portland, OR)
 - b. **Selected staff of USAID Washington and Missions**
 - Bureau for Private Enterprise
 - Office of External Affairs
 - USAID missions: India, Thailand, Philippines and Tunisia
 - c. **Sponsoring Organizations**
 - Governor's Office, Office of the Special Assistant, Iowa
 - Export Small Business Development Center, Los Angeles, CA
 - Oregon Department of Agriculture, International Marketing Division
 - Oregon Economic Development Department, International Trade Division
 - Selected organizations that have hosted Executive Briefings/Seminars
 - d. **U.S. Businesses**
 - Selected businesses in California and Oregon that have received assistance from the program, including
 - Executive Briefing participants
 - Seminar and Workshop participants
 - Firms that have received counseling
2. **ASSESSMENT OF OPERATIONS AND IMPACT:** Describe the program's activities and assess their impact on U.S. businesses, the U.S. government and developing countries. Some of the key questions and issues to be addressed in the report include the following:
 - a. Has the USAID West Coast Business Outreach helped to "bridge the gap" between the US business community and USAID?
 - b. What factors have contributed to the success of the program?
What factors have impeded the success of the program?
 - c. The program has different institutional arrangements in California and Oregon. What are the relative advantages and disadvantages of these two institutional arrangements?

- d. Examine changes in the staffing and financial requirements for the program over the past nine months.
 - e. What has been the impact of the USAID West Coast Business Outreach Program on U.S. businesses?
 - What services does the program provide to U.S. businesses?
 - Do U.S. firms benefit from the program, and if so, in what ways?
 - Have U.S. firms made any specific changes in their business strategies or activities as a result of receiving assistance from the program?
 - How could the program improve its services to U.S. businesses?
 - f. What has been the impact of the USAID West Coast Business Outreach Program on the U.S. government agencies?
 - Has the program changed U.S. firms' awareness and/or views of USAID or other U.S. government programs, and if so, in what ways?
 - What are the advantages or possible disadvantages of the program from the perspective of state government agencies? from the perspective of USAID? and from the perspective of other federal government agencies?
 - Does the program promote coordination between U.S. government agencies, and if so, how and to what benefit?
 - Have U.S. firms attempted to work with USAID or other U.S. government agencies after receiving assistance from the program?
 - If so, what has been their experience?
 - g. What has been the impact of the USAID West Coast Business Outreach Program on developing countries?
 - Have U.S. firms explored or developed new business opportunities in developing countries as a result of the USAID's assistance?
 - If so, what types of opportunities?
 - How does the program benefit developing countries?
3. **RECOMMENDATIONS:** Provide a series of recommendations for future directions of the program.
- a. Based on the experience to date, how could the program be strengthened and improved?
 - b. Should USAID consider expanding the program, and if so, in what directions?

ANNEX 2
LIST OF CONTACTS

LIST OF CONTACTS

1. **John Dirks**
Company: West Diesel
Location: Irvine, California
Method of Contact: Meeting at World Trade Center Association of Orange County
Date: 9/28/92

2. **David V. Gonzales**
Company: Newport International Group Corp.
Location: Newport Beach, California
Method of Contact: Meeting at World Trade Center Association of Orange County
Date: 9/28/92

3. **Joseph Hedges**
Organization: City of San Jose, Office of Economic Development
Location: San Jose, California
Method of Contact: Telephone Conversation
Date: 9/29/92

4. **Shawn M. Gallegly**
Assistant Director
Organization: California Central Coast World Trade Center Association (CCCWTCA)
Location: Oxnard, California
Method of Contact: Meeting at CCCWTCA office in Union Bank building in Oxnard
Date: 9/29/92

5. **Bill Raphiel**
Deputy Director, Business and Economic Development
Organization: City of Los Angeles, Office of the Mayor
Location: Los Angeles, California
Method of Contact: Meeting at City Hall
Date: 9/30/92

6. **Ann Hoch**
Director of Marketing
Company: International Product Development
Location: La Mirada, California
Method of Contact: Meeting at La Mirada office of International Product Development
Date: 9/30/92

7. **Ralph F. Jagodka**
Director
Organization: Center for International Trade Development (CITD) - Los Angeles County
Location: Pomona, California
Method of Contact: Meeting at Pomona office of CITD
Date: 9/30/92

8. **Dick McPherson**
Director of Development
Company: SGI International
Location: La Jolla, California
Method of Contact: Telephone Conversation
Date: 9/30/92

9. **Beverly Thacker**
Trade Development Officer - Latin America
Organization: Oregon Economic Development Department, International Trade Division
Location: Portland, Oregon
Method of Contact: Meeting at OEDD office in World Trade Center, Suite 300
Date: 10/1/92

10. **Karla L. Valness**
Office Manager
Organization: Oregon Department of Agriculture (ODA), Agricultural Development
and Marketing Division
Location: Portland, Oregon
Method of Contact: Meeting at ODA office in World Trade Center, Suite 240
Date: 10/1/92

11. Marie Rietmann
Field Representative
Organization: Office of U.S. Senator Mark O. Hatfield
Location: Portland, Oregon
Method of Contact: Meeting at Senator Hatfield's field office in One World Trade Center, Suite 1420
Date: 10/1/92

12. Charles E. Allcock
President
Organization: World Trade Center Portland
Location: Portland, Oregon
Method of Contact: Meeting at One World Trade Center, Suite 250
Date: 10/1/92

13. T. Benny
Organization: USDOC, Bureau of Export Administration (BXA) and International Trade Administration (ITA), Portland Regional Office
Location: Portland, Oregon
Method of Contact: Meeting at One World Trade Center, Suite 241
Date: 10/1/92

14. Glenn Ford
Director
Organization: Oregon Economic Development Department (OEDD), International Trade Division (ITD)
Location: Portland, Oregon
Method Of Contact: Meeting at One World Trade Center, Suite 300
Date: 10/2/92

15. Larry B. Warner
Division Administrator
Organization: Oregon Department of Agriculture, Agricultural Development and Marketing Division
Location: Portland, Oregon
Method of Contact: Meeting at One World Trade Center, Suite 240
Date: 10/2/92

16. Tom Doleman
Company: Suppliers International
Location: San Diego, California
Method of Contact: Telephone Conversation
Date: 10/2/92

17. Matt Morrison
Director
Organization: Pacific Rim Institute
Location: Bellevue, Washington
Method of Contact: Telephone Conversation
Date: 10/2/92

18. Steve Harwood
Business Development Officer and International Trade Specialist
Organization: U.S. Small Business Administration, Los Angeles District Office
Location: Los Angeles, California
Method of Contact: Telephone Conversation
Date: 10/2/92

19. Carol Vipperman
Organization: Foundation for Russian-American Economic Cooperation
Location: Seattle, Washington
Method of Contact: Telephone Conversation
Date: 10/2/92

20. Lewis MacFarlane
Senior Vice President
Company: South Asia Resources
Location: Seattle, Washington
Method of Contact: Telephone Conversation
Date: 10/2/92

21. Dan Valentine
Company: Aeronautics International
Location: Eugene, Oregon
Method of Contact: Telephone Conversation
Date: 10/2/92

22. **Harry Lord**
Company: Air Instruments, Inc.
Location: Baldwin Park, California
Method of Contact: Telephone Conversation
Date: 10/2/92

23. **Anna Rademacher**
President
InterMarket Company (IMC)
Location: Hermiston, Oregon
Method of Contact: Telephone Conversation
Date: 10/5/92

24. **Howard Wallace**
Entrepreneur
Location: Los Angeles, California
Method of Contact: Telephone Conversation
Date: 10/5/92

25. **Gladys Moireau**
Organization: Export Small Business Development Center of So. California (ESBDC)
Location: Los Angeles, California
Method of Contact: Telephone Conversation
Date: 10/6/92

26. **Jim Murray**
Organization: Environmental Technology Export Council (ETEC)
Location: La Jolla, California
Method of Contact: Telephone Conversation
Date: 10/6/92

27. **Dick Fritz**
(formerly Asst. Director of Oregon Department of Agriculture's Agricultural Marketing Division)
Company: The Adams Group
Location: Portland, Oregon
Method of Contact: Telephone Conversation
Date: 10/6/92

28. John Steuber
Director of the Des Moines Regional Office
Organization: USDOC Foreign and Commercial Service
Location: Des Moines, Iowa
Method of Contact: Telephone Conversation
Date: 10/14/92

29. Phil Stanhope
Director
Iowa International Development Foundation
Office of the Governor
Location: Des Moines, Iowa
Method of Contact: Telephone Conversation
Date: 10/30/92

USAID:

30. Ralph Blackman
Assistant Administrator
Bureau for Private Enterprise
Date: 10/8/92

31. Pat Lee
Bureau for Private Enterprise, Office of Emerging Markets
Date: 10/8/92

32. John L. Wilkinson
Deputy Assistant Administrator
Bureau for Private Enterprise
Date: 10/14/92

33. Barry H. Hill
Agricultural Development Officer
USAID/Tunisia
Date: 10/5/92

34. Thomas H. Reese, III
Mission Director
USAID/Thailand
Date: 10/6/92

35. Rodger D. Garner
Agricultural Officer
USAID/Philippines
Date: 10/2/92

36. Ram K. Berry
Private Sector Development Officer
USAID/India
Date: 10/14/92

West Coast Business Outreach Staff:

37. Jim Schill
USAID Senior Trade and Development Advisor
West Coast Business Outreach Program

38. Sara Jennings
Consultant to Coopers & Lybrand
West Coast Business Outreach Program, Los Angeles, CA

39. Carolyn Kadas
Consultant to Coopers & Lybrand
West Coast Business Outreach Program, Portland, OR

Others:

40. Peter Gourlay
Manager for Technical Cooperation
United States-Asia Environmental Partnership
(Peter was formerly with USAID Office of External Affairs)
Location: Washington, D.C.
Method of Contact: Meeting at office of US-AEP Secretariat
Date: 9/24/92

41. David S. Cohen
Executive Vice President
E.A. Jaenke and Associates, Inc.
Location: Washington, D.C.
Method of Contact: Meeting at office of E.A. Jaenke and Associates
Date: 9/25/92

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