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ASSESSMENT OF THE CENTER FOR TRADE & INVESTMENT SERVICES

Final Report

U.S. Agency for International Development

**Prepared for: USAID Center for Trade
and Investment Services**

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EXECUTIVE SUMMARY

Background. Established in September 1992, the Center for Trade and Investment Services (CTIS) serves as the central point of contact at the U.S. Agency for International Development (USAID) for U.S. businesses, non-governmental organizations, and individuals interested in business opportunities in developing countries. Operationally, CTIS's mandate upon establishment focused on four objectives: (i) providing trade and investment information to U.S. and developing country businesses; (ii) establishing and utilizing existing data sources and information networks; (iii) promoting and strengthening USAID's unique trade and investment support capabilities; and (iv) organizing a credible, user-friendly, centrally-based trade and investment information service. Since 1994, CTIS also has disseminated environmental technology opportunities notices through the Environmental Technology Network for Asia (ETNA), a program operated in conjunction with the U.S.-Asia Environmental Partnership (USAEP).

Purpose and Methodology of the Report. This report is intended: (i) to document and describe CTIS's activities and successes; and (ii) to identify issues for consideration as the center moves through its fourth year of operation. In conducting the assessment, the team interviewed 92 individuals, including representatives of CTIS and ETNA, other USAID offices, private firms, other U.S. government agencies, and "multiplier" organizations such as chambers of commerce and other membership associations. The team also reviewed numerous documents including, *inter alia*, the CTIS project paper, the institutional contractor's scope of work, and previous client surveys.

Findings Related to the Center for Trade and Investment Services. The assessment confirmed that: (i) the large majority (80%) of CTIS clients are private organizations (defined as private companies, non-governmental organizations, and private voluntary organizations); (ii) the center has achieved broad geographic coverage; and (iii) CTIS appears to serve mainly small- and medium-sized firms. Among its primary clientele (i.e., private organizations) as well as among USAID officials, the center has gained a reputation for timeliness, efficiency, effectiveness, breadth and quality of information, ability to tailor responses to specific requests, and a dedicated, knowledgeable and skilled staff. Representatives of other federal agencies also generally held a positive view of CTIS, but most were cautiously positive, mainly because they typically felt they did not know enough about the center to comment definitively.

Two issues that impede CTIS's operations were mentioned frequently. The first issue is name recognition. Even among companies and other organizations that spoke positively of the center's services, the name "Center for Trade and Investment Services" was not recognized widely. Similarly, while all USAID officials interviewed knew CTIS by name, several stated that they believed many other Agency staff were not familiar with the center and its services. Second, some interviewees noted that, while they were pleased with the materials and counselling they had received, they were not familiar with the center's overall services.

Recommendations Regarding CTIS. The assessment team identified five areas in which specific actions (described in the main report) could be taken to improve CTIS's operational effectiveness and to address the issues outlined above. These areas include:

- Improving organizational name recognition among its clients;
- Broadening clients' knowledge of the center's overall services and products, which in turn may result in increased utilization;
- Developing new CTIS-specific products (depending on the allocation of additional resources);
- Expanding its client base and focus; and
- Improving follow-up with clients as a means to better ascertain results.

Findings Related to the Environmental Technology Network for Asia. The assessment team found that ETNA had succeeded in reaching its target audience, i.e., small- and medium-sized firms and companies headquartered throughout the United States. Specifically, 82% of ETNA's clients are small companies, while 11% are medium-sized firms and 7% are large companies; 33% of these firms are located in the West, 22% in the Midwest, 22% in the South, and 23% in the East. The companies contacted for this assessment were extremely enthusiastic regarding the ETNA trade lead program -- regardless of whether or not they had completed a sale as a result of an ETNA trade lead. Moreover, the firms' positive perception of ETNA's usefulness and effectiveness crossed the boundaries of size of firm, geographic location of firm, and (to a lesser extent) type of firm (i.e., product manufacturer or consulting/engineering services providers).

Companies contacted for the assessment mentioned three ways in which the ETNA trade opportunity notices helped their businesses. First, many companies use the trade leads to glean up-to-date, difficult-to-obtain information about market demand in the countries that ETNA serves. Second, interviewees commented that they keep track of which Asian companies had requested U.S. services or products through ETNA -- regardless of whether they responded to a specific trade opportunity notice -- in order to develop databases of companies that they might target in future marketing efforts. Third, company representatives stated that ETNA's services help their companies through the network's overall purpose, i.e., by disseminating information about sales opportunities that are not widely advertised.

Some firms contacted for the assessment mentioned areas in which program improvements might be made. First, several representatives of U.S. firms viewed some of the trade leads as attempts by Asian companies to learn more about American environmental products for the purpose of planning future projects and purchases, rather than for immediate needs. Since many U.S. companies in the ETNA network also use the trade leads to build market knowledge, many of the firms saw no harm in Asian companies doing the same. Within firms that used the trade leads primarily to complete sales in the short-term, company representatives reported that they could quickly sift through the leads to answer only those they believed represented immediate opportunities. Second, although company representatives recognized that they needed to take the lead in pursuing ETNA-related opportunities, some companies suggested that USAEP field

representatives follow-up on a more active basis once they had responded to a specific lead and notified the USAEP country representative of that response. Third, on the issue of leads that are unrelated or only tangentially related to the products or services that a company provides, several firm representatives commented that ETNA's recent revision of its coding system and re-registration of companies would likely minimize or completely eliminate the number of unrelated leads received in the future.

Recommendations Regarding Environmental Trade Opportunities. As mentioned above, company representatives interviewed for the assessment relayed three concerns regarding ETNA's operations. Specific recommended actions relating to these issues include:

- Re-emphasizing to USAEP country representatives the quality of the leads matters as much or more than the quantity of leads submitted;
- Exploring and possibly developing options to assist U.S. companies in follow-up; and
- Continuing ETNA's efforts to better match trade opportunity notices and environmental companies.

Overall Conclusions. CTIS and ETNA have developed a significant reputation and following among segments of their target audiences. A more mature organization, CTIS is now poised to strengthen and expand its client base and operations, based on the track record revealed in the assessment. As an emerging organization, ETNA is in the position to polish its current activities, prior to evaluating additional areas. By continuing their current activities and exploring and implementing new ones, CTIS and ETNA can encourage U.S. organizations to develop sustainable, mutually-beneficial linkages with their counterparts in developing countries, thereby furthering the Agency's overall development aims.

I. INTRODUCTION

A. Goals and Background

Established in September 1992, the Center for Trade and Investment Services (CTIS) serves as the central point of contact at the U.S. Agency for International Development for U.S. businesses, non-governmental organizations, and individuals interested in business opportunities in developing countries. The long-term goal of CTIS is to increase trade and investment between the United States and developing countries. Operationally, CTIS's mandate upon establishment focused on four objectives:

- Providing timely and relevant trade and investment information for businesses in the United States and developing countries;
- Establishing a cost effective system building on existing data sources and information networks;
- Promoting and strengthening USAID's unique trade and investment support capabilities; and
- Organizing a centrally-based trade and investment information service for business that is credible and user-friendly.

CTIS planned to attain these objectives through a four-step process, as described below.

Step 1: **Standard Orientation Service:** a standard country profile and fact sheet describing the economic and business conditions in all USAID-assisted countries.

Step 2: **Trade and Investment Clearinghouse Service:** A response from a USAID business specialist who clarifies the inquiry, interprets need, provides available information, and makes referrals to appropriate sources of assistance.

Step 3: **Business Advisory Service:** A personalized service that ensures interaction with USAID-sponsored and other business advisory services in developing regions and countries.

Step 4: **Business Transaction Service:** A personalized service that guides the business person to appropriate USAID, U.S. government, or international donor financial services and assistance.

At project initiation, it was anticipated that these services would be directed primarily towards U.S. businesses, developing country businesses, USAID missions, other U.S. government agencies, as well as associations, state development agencies, and universities. The following sections on "Description of Activities" and "Findings" will detail how the emphasis among these

target audiences has emerged in practice as well as how the four-step process described above has evolved to meet the needs of CTIS's clients. In addition, the "Description of Activities" section will cover CTIS's newest service, environmental trade opportunity notices provided by the Environmental Technology Network for Asia (ETNA), which is operated jointly by CTIS and the U.S.-Asia Environmental Partnership (USAEP) and which is housed within CTIS.

B. Purpose and Methodology of this Report

This report is intended to document and describe CTIS's activities and successes and to identify issues for consideration as the center moves through its fourth year of operation. To meet this purpose, the assessment will concentrate primarily on qualitative, rather than quantitative, data, a focus that follows appropriately from the center's mandate to provide information services (which necessarily are measured qualitatively) rather than services related to individual transactions.

In conducting the assessment, the team interviewed 92 individuals: 8 CTIS and ETNA staff members (including both USAID direct hires and contractor staff); 19 USAID officials from various bureaus and offices; employees of 46 private firms, including 24 companies that are CTIS clients and 22 companies that receive ETNA Trade Opportunity Notices; 11 officials at other U.S. government agencies; and 8 representatives of "multiplier" organizations such as chambers of commerce and other membership associations. The team also reviewed numerous documents including, *inter alia*, the CTIS project paper, the scope of work for the institutional contract, and results of previous client surveys.

The team for the assessment consists of Torge Gerlach, Vice President of The Services Group, Lynne Manrique, Senior Associate with Coopers & Lybrand L.L.P., and Robert Rauth, Senior Consultant with The Services Group. All team members participated in interviews and analysis; Ms. Manrique wrote the assessment, with input from Mr. Rauth.

II. DESCRIPTION OF ACTIVITIES

A. Business Counseling

From CTIS's inception, it was expected that direct counseling -- from CTIS analysts to businesspeople -- would form the major part of the center's activities. As illustrated in the table to the right, for instance, the contract negotiated for assistance to CTIS specified that counseling and responding to general business inquiries would comprise over 60% of the contractor's total work load. In practice, in any given week, CTIS analysts typically respond to three distinct types of inquiries: (i) general queries regarding USAID or USAID-assisted countries, (ii) targeted (i.e., very specific) inquiries related to the Agency or the countries in which it operates, and (iii) inquiries beyond USAID's sphere of activities. Each type of inquiry, and the related counseling CTIS staff provide, are described below.

TABLE 1:
ANTICIPATED DISTRIBUTION OF
CTIS CONTRACTOR WORK LOAD

Task	Percentage of Work Load
Counseling	54%
General Information Requests	6.5%
Marketing	20%
Product Development & Dissemination	7%
Information Systems Design & Maintenance	6.25%
Management	6.25%
TOTAL	100%

1. General Inquiries

For tracking purposes, CTIS defines general information requests as inquiries to which an analyst can respond in fewer than thirty minutes. While the range of general inquiries is wide, typical topics include, for instance, basic economic or trade data on a particular USAID-assisted country, general information about the USAID procurement process, or an overview of Agency priorities and programs. Normally, callers with general inquiries are new-to-international markets, are often small businesses, and use the CTIS "800" number as an exploratory, first step into new areas.

As indicated in Table 1, it was anticipated that responding to such requests would total approximately one-tenth (6.5%) of the total time (60.5%) devoted directly to clients. In fact, analysts estimate that up to one-third or even one-half of the calls they receive are general inquiries and non-USAID related inquiries (described below). The amount of time that analysts devote to general inquiries appears to take away from the time available for more targeted counselling efforts, described next.

2. Targeted Inquiries

CTIS was established expressly to provide counseling to businesses regarding detailed, specific inquiries. As mentioned in the "Goals and Background" section above, the project proposal

outlined three anticipated categories for the center's targeted counseling -- trade and investment clearinghouse services, business advisory services, and business transaction services. Project implementation has confirmed the demand for such services. For example, analysts estimate that up to two-thirds of the time spent responding to phone calls is directed toward such services.

By definition, "specific" or "targeted" questions relate directly and particularly to a given business' strategies and activities. Nevertheless, a few broad categories for this type of counseling can be described. For instance, CTIS analysts frequently receive calls regarding a specific USAID procurement, e.g., when a request for proposal is expected to be made public or how to join a consortium for a large procurement (a question often asked by smaller firms). Many callers also ask if or how they can qualify for 8(a) or Gray Amendment status. Likewise, businesspeople often call CTIS with questions regarding the applicability of USAID financing to projects they are developing. Alternatively, because they focus on a particular region or country, companies may request information only on a specific USAID-assisted country. In sum, CTIS's in-depth counselling responds to companies that have moved beyond preliminary, general interest in developing countries' markets to specific strategies for involvement in those regions. An example of CTIS's tracking of in-depth counselling is provided in the box on the next page.

3. Non-USAID Related Inquiries

CTIS analysts receive many inquiries unrelated to either Agency programs or USAID-assisted countries; as mentioned above in point 1 (general inquiries), combined with general requests, non-USAID related inquiries comprise up to an estimated one-third or even one-half of all requests for information. Rather than turning such callers away immediately, however, CTIS has distinguished itself by its ability to direct callers to individuals in other agencies or organizations that have the responsibility for that sector or country.

For instance, the CTIS analyst responsible for Asia receives many requests for information regarding China and Vietnam, two countries in which USAID provides little or no assistance.¹ In these cases, the analyst ascertains the caller's need, provides as much information as is readily available at CTIS, and refers the caller to a specific individual at a relevant organization, such as the Department of Commerce, the Overseas Private Investment Corporation (OPIC), or the Trade and Development Agency (TDA). Likewise, CTIS analysts responsible for all regions receive calls from a wide variety of potential exporters. However, since USAID's involvement in export promotion is very limited (confined mainly to commodity import programs in a handful of countries), analysts refer callers to officials in more export-oriented organizations, such as the Department of Commerce or the Export-Import Bank. Accordingly, in this capacity, CTIS serves as a true clearinghouse for not only USAID but also U.S. government information.

¹ USAID provides no assistance to China; it provides limited humanitarian assistance to Vietnam.

**CENTER FOR TRADE AND INVESTMENT SERVICES
INFORMATION REQUEST**

MIS #: CT0012812
CHIEF: JOED

RECEIVED: 11/14/95

NAME: Ms. Katrina Keller
TITLE:

PHONE: (206) 441-1500
FAX: (206) 448-0828
INTL PHONE:
EMAIL:

COMPANY: Lamb Hamson Appraisal Assoc.
ADDRESS: 2819 1st Avenue, Suite 360
Seattle, WA 98121

OWNERSHIP: U.S.

INTL EXPERIENCE: Yes

How did you hear about CTIS?: U.S. Department of Commerce

INDUSTRY SELECTIONS: Agricultural Services & Agribusiness

COUNTRY SELECTIONS: Russia

INTEREST SELECTIONS: Export

RESPONSE SELECTION: CTIS Brochure
AID Commodity Import Program
AID Country Information
AID OSDBU Guide

RESPONSE MEDIA: Mail Reply

CLIENT SIZE: Small
CLIENT TYPE: Product Firm
SOURCE: Phone Inquiry
ACTION: Completed

LAST HANDLED BY: JDUNCAN

RESPONSE DATE: 11/14/95

NOTES:

Company wants to export agricultural equipment to Asia. Is looking for a grant to evaluate the feasibility of building cold storage facilities in Russia.

Sent the "Guide to Business Assistance Programs in Agriculture," USAID procurement plans, Asia country profiles, Russia country profile, USAID mailing list application, information on USAID's West Coast Outreach program, information on Asia flash fax and on the Asia business center.

B. Information Dissemination

1. CTIS Innovations

In order to fulfill its information dissemination mandate, CTIS has relied heavily on the creativity of its staff to utilize technological advances. For instance, CTIS stands at the forefront of the Agency in terms of using the internet both to gather and disseminate information. In particular, the center was the first entity in USAID to establish a World-wide Web site, which allows clients to access CTIS's sector guides (described below) as well as other pertinent USAID information. Similarly, with electronic access to 120 databases, CTIS boasts a range of information that is among the most comprehensive in Washington, D.C. These databases also allow analysts to easily and quickly find and distribute information to the center's clients. Another "first" in the Agency was CTIS's "800" number, which permits ready and inexpensive access to CTIS's services to firms around the country. CTIS staff also pioneered the Agency's use of broadcast faxes; specifically, analysts routinely fax clients "Business Opportunity Bulletins" (BOBs), which are notices of events, procurement opportunities, etc., that analysts believe might be of interest to a targeted group of clients. An example of a BOB, in this case one that might have been faxed to companies that had expressed interest in trade or investment in Africa, is provided on the next page.

CTIS staff also aim to develop and provide information that is "ahead of the curve" within the sectors and countries where USAID operates. For instance, CTIS staff researched and wrote comprehensive guides to business assistance programs in the sectors of agriculture, energy and the environment, and housing and construction; a draft guide for the telecommunications sector currently is being reviewed prior to publication. Likewise, CTIS designates specific staff members to follow issues in key countries, where USAID is likely to become involved, so that it can respond immediately to requests for information.

For example, prior to the re-installation of President Aristide in Haiti, a CTIS analyst had been tracking events in the country, meeting with members of the Haitian-American community, and consulting with USAID officials in the Bureau for Latin America and the Caribbean. Following President Aristide's return to Haiti (and the renewed and significant USAID assistance that his return entailed), CTIS's preparatory efforts "paid off" through its ability to smoothly and quickly handle calls generated by the intensive media coverage of Haiti. Currently, CTIS is providing information to U.S. defense contractors to help them to re-package and apply their skills and knowledge (now in less demand domestically due to reductions in U.S. military expenditures) to resolving environmental problems in Asia related to defense. These are just two examples of how CTIS is forward-thinking and -acting in terms of the types of information that businesses may require in the future.

EXAMPLE OF A BUSINESS OPPORTUNITY BULLETIN (BOB)

The International Investment and Development Committee, Subcommittee on African Trade and Investment, invites you to a panel discussion on:

**PUBLIC FINANCING OPPORTUNITIES FOR TRADE, INVESTMENT AND
DEVELOPMENT PROJECTS IN AFRICA**

Democratizing African countries have implemented major reforms in the past few years, instituting free market economics. U.S. and multilateral institutions in Washington, D.C. have allocated millions of dollars for businesses to assist in the economic development of those countries. Come and meet representatives of these institutions, as well as members of the African diplomatic community, at this evening presentation. Detailed materials and applications will be distributed.

DATE: Thursday, January 26, 1995
TIME: 5:30 to 7:30 p.m.
PLACE: The University Club
1135 16th Street, N.W. (between L and M streets)
FEES: \$30 for section members; \$35 for others

Wine and cheese reception following program.

Speakers

*Charles D. Toy
Vice President and General Counsel
Overseas Private Investment Corporation*

*Richard Rutherford
Senior Investment Officer
Sub-Saharan Capital Markets Division
International Finance Corporation*

*Etienne Linard
Business Affairs Advisor
The World Bank*

*Heide B. Malhotra, Ph.D.
Business Development Officer
Export-Import Bank*

*Jill Jones
Country Manager, Southern and Eastern Africa
U.S. Trade and Development Agency*

*Abdul Rahman Awl
Head, Private Sector Development Unit
African Development Bank*

The following ambassadors will be present:

*His Excellency Butswletski K. Sebele Rajaonarivelo, Ambassador of Botswana
His Excellency Moise Koffi Koumoue, Ambassador of Cote d'Ivoire
His Excellency Adamou Seydou, Ambassador of Niger
His Excellency Pierrot, Ambassador of Madagascar
His Excellency Kossivi Osseyi, Ambassador of Togo*

2. USAID Information

CTIS also serves as the central point for disseminating information generated by other parts of the Agency. For example, CTIS routinely distributes information such as:

- USAID Congressional Presentations (on a country-by-country basis);
- Abstracts describing specific USAID projects and project activities; and
- Agency or bureau publications such as the "Guide to Doing Business with USAID" and the "Financing Guide for Central and Eastern Europe."

By doing so, CTIS serves not only the general public (which calls CTIS directly for such information) but also other Agency staff, who refer to CTIS calls that they cannot answer immediately. As a result, CTIS saves both the caller and the USAID staff person time, because CTIS staff can readily access such data.

3. Non-USAID Information

As part of its effort to end the "run-around" that businesspeople believe they sometimes receive from government officials, CTIS gathers and maintains up-to-date information on numerous governmental and non-governmental programs and utilizes on-line data services to answer callers' questions. For instance, CTIS staff frequently access the National Trade Database (NTDB) to respond to requests for basic trade data. Likewise, CTIS's regional analysts stay in periodic contact with staff of specialized programs such as:

- The Department of Commerce's Business Information Service for the Newly Independent States (BISNIS);
- The Department of Commerce's Asia Business Information Center (ABIC);
- The Department of Commerce's "Eastern Europe Looks for Partners" program (part of the department's Central and Eastern Europe Business Information Center, CEEBIC);
- The World Bank's Africa Enterprise Fund; and
- The Overseas Private Investment Corporation's Middle East Fund.

Analysts' abilities to explain such programs to callers prior to referring them to the appropriate organizations helps not only the callers, who gains personalized attention, but also the other federal organizations, who then interact with more informed clients.

C. Outreach and Networking

As indicated in Table 1, it was anticipated that CTIS contractor staff would spend 20% of their time on marketing, defined contractually as outreach to and liaison with private businesses (through conferences and service demonstrations), USAID bureaus and missions (including one international trip per year per analyst), and other U.S. government agencies. While it is difficult to estimate the actual percentage of time spent on outreach and marketing, there is no doubt that CTIS staff vigorously pursue linkages both outside and inside the Agency and with both private and public sector actors. For example, CTIS staff participated in approximately three major conferences or seminars per month during fiscal year 1995. Indeed, several interviewees reported that they found out about the center as a result of an analyst's participation in a conference or of an analyst's outreach during an overseas trip.

CTIS's outreach has produced two important results. First, CTIS staff's presence -- at events such as private sector-oriented conferences and inter-governmental workshops, at USAID missions through annual field work and through frequent e-mail interaction, etc. -- has led to a degree of name recognition among parts of its target population (namely, some U.S. businesses, USAID, and other U.S. government agencies). However, as discussed in the section "Perception and Knowledge of Services," this may be one area to which CTIS might devote additional attention.

CTIS's outreach efforts appear to have had an even greater "spill-over" effect onto its day-to-day operations and efficiency than they have had on establishing the center as visible entity within and outside USAID. Specifically, the fact that CTIS as an organization is responsible for maintaining liaison with a broad spectrum of organizations gives its staff the incentive -- and the opportunity -- to seek out and set up the formal and informal meetings with a wide variety of trade- and development-oriented professionals. Many other USAID (and other federal) officials probably would like to conduct such meetings but must consider them peripheral to their main responsibilities due to time constraints. The contacts and networks that CTIS staff establish through such interaction later "pay off" in terms of time saved when an analyst can quickly obtain information because he or she knows the programs and individuals at different agencies and organizations. Thus, the networking that CTIS staff conduct has a dual purpose: information gathering in the short term; and linkages that help prepare them for future questions.

D. Environmental Technology Opportunities

Developed under the auspices of the U.S.-Asia Environmental Partnership (USAEP), the Environmental Technology Network for Asia (ETNA) promotes one of the four USAEP goals, namely technology cooperation. Through the technology cooperation component, USAEP assists private sector marketing and business development in order to promote adoption and purchase of U.S. environmental goods and services in Asia and the Pacific. ETNA's role is central to this aim. Because ETNA also contributes significantly to CTIS's overall goal of increasing trade and investment between the United States and developing countries, the network is housed within CTIS.

The ETNA program operates as follows. Relying on their contacts with local government officials, local businesspeople, and indigenous business networks and on their knowledge of each country's environmental concerns, USAEP representatives in Hong Kong, India, Indonesia, Malaysia, the Philippines, Singapore, South Korea, Taiwan, and Thailand identify trade opportunities for U.S. companies. ETNA staff link U.S. environmental services and product firms with USAEP representatives (and ultimately Asian companies), by faxing trade leads to U.S. companies that are able to respond to the opportunity. An example of an ETNA trade opportunity notice is provided on the next page.

Currently, ETNA's database of companies exceeds 3,500, and, through anticipated outreach, it is expected to grow further. Recently ETNA completed a re-registration of companies in order to improve its computer matching process, i.e., to ensure that leads are faxed only to companies that are capable of responding to the lead. In the future, ETNA expects to expand its services to include: information on a variety of subjects, such as Asian environmental laws and regulations; Asian trade laws and regulations; Asian import regulations; on-line environmental technology information systems; and a "800" number so that U.S. companies can easily request clarification or additional information regarding ETNA trade opportunity notices.

USAEP TRADE LEAD -- KOREA -- TON #951124S045

ENVIRONMENTAL CONCERN: Daejo Engineering Corporation, a wastewater treatment plant engineering service and equipment supply company, wants to import automatic backwashable cartridge filters from the United States. The filters will be used to remove various particles prior to the reverse osmosis treatment. No further information is available at this time. Please contact Daejo directly for detailed information.

USAEP Product Codes: B02.04: Industrial Waste Treatment -- Reverse Osmosis; B01.03: Filters.

COMPANY BACKGROUND INFORMATION: Daejo Engineering Corporation is a manufacturer established in 1992. It has 34 employees with annual sales of US\$8,000,000.

COMPANY: Daejo Engineering Corporation
8th Floor, Namjo Building, #53-4
Chungdam-dong, Kangnam-ku
Seoul, Korea
Telephone: (from U.S. dial) 011-82-2-515-0680
Fax: (from U.S. dial) 011-82-2-515-1464

CONTACT: Mr. Moon, Tae-Sick, General Manager

BANK REFERENCE: Commercial Bank, Chungdam Branch

FURTHER INFORMATION: The market for major water pollution control equipment reached US\$407 million in 1991 and US\$526 million in 1992. The water pollution control market is expected to grow at an average annual rate of 25% for the next three years, reaching approximately US\$1 billion in 1995.

FACTORS INFLUENCING PURCHASE:

Service Contract Needed.
Payment Terms: Letter of Credit.
Shipping Terms: Not available.
Type of Commitment: Irregular purchase based on best price and terms available.
Time Frame: Will purchase in short term (2-6 months).
Competition: Japan.
Funding: Available.

RESPONSE REQUESTED: U.S. manufacturers should respond directly to Daejo via fax with: catalog.
Respond by: 12/25/95

In addition, please send a copy of cover letter to USAEP's Korea Representative:

Mr. Chi-Sun Lee, Director
USAEP
146-1, Susong-dong
Chongro-ku
Seoul, Korea
Telephone: 82-2-734-6558; Fax: 82-2-734-6559

**This service provided through USAID's Asia Environmental Partnership
The Environmental Technology Network for Asia
For any additional questions, please phone 202-663-2695 or fax 202-663-2760.**

III. FINDINGS

A. General Trade and Investment Services

1. Client Profile

From its inception in June 1992 through September 1995 (the end of fiscal year 1995), the Center for Trade and Investment Services responded to nearly 12,000 requests, including 3,675 in fiscal year 1995 (FY95) alone. Over the years, CTIS's clients have been predominantly "firms," a category that in CTIS's terminology includes private companies (in both the services and manufacturing sectors) as well as private voluntary organizations and non-governmental organizations. As indicated in Table 2 (on the next page), this category composed 80% of CTIS's clients in FY95.² In addition, CTIS provides information and services to federal agencies (including USAID itself) and international organizations, among other clients, though such clients composed only one-fifth of all individuals served during fiscal year 1995.

While the center has fairly broad geographic coverage, as indicated in Table 2, nearly two-fifths of its clients are located in the eastern United States.³ Of the thirty-one firms (i.e., private companies and PVOs/NGOs) interviewed for this assessment, 54% were based in the East, 13% in the South, 10% in the Midwest, and 23% in the West. As also demonstrated in the table, CTIS responds to requests regarding every region where USAID operates.

Though comprehensive figures on the size of CTIS's private clients were not available, the general perception is that CTIS serves primarily small- and medium-sized businesses. The survey of companies undertaken for this assessment confirmed this generalization: 63% were small companies; 11% were medium-sized firms; and 26% were large enterprises.⁴ However, within the category of "small companies," which includes firms that have up to 100 employees, the CTIS clients interviewed tended sharply toward the lower end of this range. In fact, companies that employed fewer than 20 staff members comprised 53% of the survey sample,

² A detailed breakdown of the overall category of "firms" was not available, so it is not possible to define how much of the 80% represents services firms versus manufacturing firms versus PVOs/NGOs.

³ Geographic categories are defined by CTIS as follows. The West includes Alaska, Arizona, California, Hawaii, Idaho, Nevada, Oregon, Utah, and Washington. The South includes Alabama, Arkansas, Florida, Georgia, Kentucky, Louisiana, Mississippi, New Mexico, North Carolina, Oklahoma, South Carolina, Tennessee, Texas, Virginia, and West Virginia. The Midwest is defined as Colorado, Illinois, Indiana, Kansas, Michigan, Minnesota, Montana, Nebraska, North Dakota, Ohio, South Dakota, Wisconsin, and Wyoming. The East includes Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and Washington, D.C.

⁴ CTIS uses the Small Business Administration's definitions of size, which are as follows: small firms -- 100 or fewer employees; medium-sized firms -- 101 and 500 employees; and large companies -- over 500 individuals. The percentages cited above refer only to the service and manufacturing companies interviewed, not to the PVOs/NGOs included in the survey.

while firms that employed between 21 and 100 staff made up the remaining 10% of "small companies."

2. Perception and Knowledge of Services

a. Overall Perception of Services

As described above, CTIS's clients are varied, though the great majority are private organizations. Because each type of client offered a slightly different perspective regarding CTIS's services, the reactions are described separately below.

Private Companies. Based on this assessment's survey, CTIS's main target audience -- U.S. private enterprises -- is pleased with the center. Clients compared CTIS favorably to other federal information centers as well as state economic development agencies, and noted that CTIS's services tended to be more tailored and more specific to the firms' needs. Information and services provided prompted many clients who were surveyed to call the center repeatedly; while most estimated that they called CTIS once a month or once a quarter, some clients reported calling once a week for limited periods of time. In particular, clients repeatedly mentioned:

- The center's timeliness (e.g., in several cases clients noted that their questions were answered within minutes of calling);
- The center's efficiency and effectiveness, with a number of clients commenting on the staff's ability to "work" the Agency's bureaucracy to find answers to esoteric questions;

TABLE 2: CHARACTERISTICS AND INTERESTS OF CTIS CLIENTS

Type of Client	Percentage of Clients (FY95)
Firms	80%
USAID	4%
Other U.S. Government Agencies	5%
International Organizations	1%
Other (e.g., students)	10%
USAID Region of Client Interest	
Africa	14%
Asia	12%
Eastern Europe	12%
Latin America & Caribbean	22%
Near East	9%
Newly Independent States	14%
Global	17%
Geographic Location of Client	
East	41%
South	26%
Midwest	14%
West	19%

- The range of information to which CTIS has access, both in terms of publications and of contacts with U.S. and foreign officials and businesspeople;
- The quality of information provided;
- The quantity of information provided, with clients noting that the center refrains from forwarding generic materials and focuses instead on that which is pertinent to each particular question; and
- The dedication, knowledge, and skills of CTIS's staff.

As a gauge of the value placed on CTIS's information and services, interviewees at private companies were asked if they would be willing to pay a fee for the services. Reactions to this question varied. The largest proportion of clients -- 47% -- said that they would not be willing to pay for the services, primarily because information that CTIS provides is available for free elsewhere. Nevertheless, 41% of interviewees stated that they would consider paying some sort of fee, depending on how it were structured. For instance, some clients suggested that they would pay a modest (e.g., \$10-\$25) annual fee; others preferred to pay for specific publications or on a call-by-call basis; still others noted that they would be willing to pay if CTIS expanded its information base and range of services. Finally, 12% of clients said they would definitely pay for CTIS's services, with one person mentioning a possible annual fee of \$300-\$500. Accordingly, the majority of clients interviewed either definitely or possibly would be willing to pay for CTIS's services; however, this majority is slim. The "pros" and "cons" of establishing a fee structure are outlined in the box on the next page.

Private Voluntary Organizations and Non-Governmental Organizations. As with private companies, private voluntary organizations (PVOs) and non-governmental organizations (NGOs) had mainly favorable comments regarding their interaction with CTIS. In general, PVOs and NGOs tended to access CTIS's services as frequently as the private companies surveyed, with the PVOs and NGOs reporting that they typically called at least once or twice a month. From these organizations' perspectives, the greatest strength of CTIS is that it can -- and is readily willing to -- provide information about PVO/NGO activities to CTIS clients. This ability and willingness helps PVOs/NGOs access what they describe as a different network, comprised mainly of small- and medium-sized companies, that may be interested in and benefit from their activities. Likewise, interaction between CTIS and PVOs/NGOs bolsters the center's ability to provide expanded information about PVO/NGO programs that may assist CTIS's main clients, U.S. businesses.

Other Federal Agencies. In general, staff at other U.S. government agencies have a positive view of CTIS. However, the "tone" of the comments from other U.S. government officials was more cautiously positive than the responses described above; indeed, the majority of the individuals contacted stated that they did not know enough about the center to provide definitive answers to the survey questions. Only two of the individuals interviewed (from a total of

eleven) professed extensive knowledge of the center and stated that they frequently and actively exchanged information with center staff. Given this background, the following are typical comments:

- CTIS is well organized and gathers and disseminates a lot of information with a small staff.
- While there seem to be gaps in CTIS's coverage of USAID opportunities (particularly with respect to field-based procurement opportunities), CTIS has proven a valuable link between USAID and businesses because its staff understand both the Agency and the needs of the private sector. However, better ties between CTIS and the rest of USAID would improve CTIS's ability to serve as liaison, particularly regarding upcoming procurements.
- There is some danger that CTIS may attempt to fill a role that other agencies are mandated to perform and believe they are better able to perform. Officials who mentioned this possibility were concerned mainly that CTIS might expand its assistance beyond USAID procurement opportunities and Agency information to providing trade and investment transaction or match-making services. However, several officials noted that even if CTIS provided trade and investment services beyond USAID-related activities, it would not be duplicative *per se*, since private sector demand for such services is greater than the level that existing federal agencies can provide.

**CHARGING FEES FOR CTIS'S SERVICES:
"PROS" AND "CONS"**

"PROS":

- ▲ *Adds revenue that could be "recycled" into other CTIS initiatives.*
- ▲ *Decreases the relatively large number of "non-serious" callers, i.e., those who may not be able to enter international markets but call CTIS anyway, because it is free.*
- ▲ *Allows analysts to devote more time to clients that demonstrate significant potential, thus boosting CTIS's tangible results.*
- ▲ *Increases the program's credibility; in the words of one client, "a free business advisory service is an oxymoron."*

"CONS":

- ▼ *Unless the fee were annual, may be difficult or costly to structure and administer in a way that is client-friendly and consistent.*
- ▼ *Contradicts the predominant philosophy of government organizations, i.e., equal access to service for all citizens.*
- ▼ *May alienate some clients; in the words of one business person, "I already pay [for CTIS] through my taxes."*

Specific examples of client comments are provided in the box on the next page.

USAID Officials. Responses from USAID officials regarding the center were uniformly positive. Virtually all of the interviewees mentioned CTIS's helpfulness or responsiveness. Several noted the knowledge of the staff and its ability to understand and "work" the USAID bureaucracy. The USAID officials interviewed had worked with CTIS staff on a range of activities, such as: USAID programs (e.g., "Lessons without Borders"), organization of itineraries for foreign visitors to the United States, and identification of environmental opportunities for U.S.

companies in the former Soviet Union. Representative comments by USAID staff include: "CTIS has a 'can-do' philosophy that is unusual in government" and "CTIS has made innovative use of technology."

Despite an overall positive evaluation, however, several USAID staffers mentioned that the center is not well-known even within the Agency. According to these officials, this low profile inhibits USAID staff's use of CTIS and lessens the amount of information that Agency staff forward to the center, thus making CTIS's information dissemination and gathering role more difficult, and ultimately decreasing the information available to CTIS's primary clients -- the U.S. private sector.

In addition, many USAID staff commented that CTIS had strayed from its original (pre-project paper) purpose, which would have involved CTIS more directly in matching and facilitating non-USAID related opportunities and transactions between U.S. companies and businesses in developing countries. According to staff who mentioned this difference between CTIS's "original" and current focus, the modification occurred because of the change of administration and the subsequent de-emphasis of private sector activities in general and of business-to-business linkages in particular. As a result of the change in focus, some USAID staff believe the center has been less able to demonstrate "hard" results in terms of, for instance, number of joint ventures facilitated, numbers of distributorships established and subsequent sales completed, etc. Moreover, the center has not been able to encourage the kind of business-to-business relationships that foster economic growth without further donor involvement.

CLIENT COMMENTS ...

... on CTIS's timeliness: "I was very pleased with their responsiveness. They are very much in 'service mode' -- not like the typical government agency."

-- a business development director for a large consulting firm

... on CTIS's efficiency and effectiveness: "It's unusual to find a government agency that can respond quickly and effectively, as CTIS did to my request."

-- the executive director of a chamber of commerce

... on the quality of information: "I have unparalleled confidence that the businesses I refer to CTIS will have their questions answered consistently and with high quality."

-- a Department of Commerce official

... on CTIS's staff: "I know [a particular analyst] is good, so I call her regardless of what country I have a question about."

-- a partner in a small trading firm

b. Knowledge of and Concerns with Program and Services

Two issues that impede CTIS's operations arose repeatedly. First, even among companies and other organizations that spoke positively of the center's services, the name "Center for Trade and Investment Services" was not recognized widely. For instance, a few interviewees thought that CTIS was part of the Department of Commerce. Similarly, while all USAID officials interviewed knew CTIS by name, several stated that they believed many other Agency staff were not familiar with the center and its services.

In conducting this assessment, interviewees from private companies and NGOs/PVOs often did not remember the name "Center for Trade and Investment Services" and wondered why they were being asked to participate in a survey regarding the center. In order to refresh their memory of contact with CTIS, interviewees were reminded of the name of the particular analyst who had supplied materials and advice, the type of information the center had provided, or the approximate date of contact; normally, interviewees were then able and willing to answer questions such as those contained in the Annex of this report. In part, this lack of familiarity with the center's name *per se* reflects the fact that most businesspeople do not care where they get information, as long as they get the information they need. In addition, the name recognition enjoyed by individual analysts reflects the emphasis CTIS places on providing tailored, personalized services. Overall, however, CTIS's lack of instantaneous organizational identification prevents CTIS and USAID as a whole from gaining understanding and appreciation for its efforts to link the U.S. and developing countries' private sectors for the benefit of both.

In addition, interviewees often noted that, while they were pleased with the materials and counselling they had received, they were not familiar with the center's overall services. Many businesspeople, NGO/PVO representatives, and other government officials were reluctant to comment on CTIS's strengths and weaknesses or provide suggestions for service improvement; such interviewees stated that they simply did not know the center well enough to do so. The fact that many clients are unfamiliar with the range of CTIS's services indicates that the center is missing opportunities for deepening its client base by better notifying clients of center services.

3. Impact

It is difficult (if not impossible) to estimate quantitatively the impact that CTIS has had on the clients surveyed for this assessment or, more generally, for all clients served by the center. The difficulty in measuring CTIS's overall impact stems mainly from the fact that the information that CTIS provides is one element of a company's decision to pursue trade or investment activities in developing countries, just as, for example, information on contraceptives provided by a USAID-funded family planning clinic is one part of a woman's or couple's decision regarding family size and child-spacing. In both cases, it is fairly simple to monitor the actual services provided, e.g., both types of organizations can track the number of clients served, the number and type of materials disseminated, etc. However, relating the services to definitive impact is more difficult and speculative in CTIS's case than in the clinic example. Once the clinic has provided contraceptive information and contraceptives to a woman or couple, its staff can measure the impact in terms of a single, objectively-verifiable variable -- number of pregnancies.

The results related to CTIS's services, by contrast, are multiple⁵ because a company may use CTIS information and materials to achieve a variety of purposes. For instance, a firm may use

⁵ They may also be objectively-verifiable, although verification may be more difficult due to the number of different types of results that may occur.

CTIS information to prepare a strategy for international expansion; such a strategy has impact on the company (e.g., in terms of affecting its decision-making process), but does not have impact that can be measured quantitatively, at least in the short term. Alternatively, a company may ask CTIS for possible business contacts in a USAID-assisted country in order to follow-up with these people during an overseas trip; in this case, the result may be a face-to-face meeting, which, though not possible to value quantitatively, is often thought to be the best way to spark potential transactions. These two examples demonstrate that the results from CTIS's services are diverse and often non-quantifiable. Moreover, unlike many field-based projects, CTIS has no formal mechanism or allocated resources for follow-up, a fact which significantly impedes calculation of results.

Nevertheless, interviewees highlighted a number of success stories, demonstrating tangible impacts. For instance, one law firm reported that CTIS information had led to the sale of software and water filtration systems in Latin America. Another client credited CTIS with matchmaking assistance that has resulted in the establishment of a locally televised distance learning program in Zimbabwe; this commercially-sponsored program will teach business skills to adults, with a potential audience of approximately one million. Likewise, the center provided information that led to a distribution agreement between a U.S. firm and an Indian company; U.S. sales to India are estimated to total \$100,000 in the agreement's first year, with technology transfers between the two companies to follow in future years. Finally, a food trading firm that supplies hotels in the Caribbean stated that CTIS is "totally responsible" for annual exports of \$500,000.

B. Environmental Trade Opportunities

1. Client Profile

The large majority -- 82% -- of ETNA's clients are small companies, while 11% are medium-sized firms and 7% are large companies. The geographic locations of the companies are less concentrated. In fact, the clients' geographical distribution is fairly even, with 33% of companies located in the West, 22% in the Midwest, 22% in the South, and 23% in the East.

As indicated in the table on the next page, the characteristics of the firms surveyed for this assessment somewhat parallel the overall profile of companies registered with ETNA. This sample forms the basis of findings reported in the following section.

2. Perception and Knowledge of Services

a. Overall Perception of Services

In general, the companies contacted for this assessment were extremely positive regarding the ETNA trade lead program. (Only two companies provided negative comments regarding the overall trade lead program.) Somewhat surprisingly, companies responded enthusiastically regardless of whether or not they had completed a sale as a result of an ETNA trade lead.

Moreover, the firms' positive perception of ETNA's usefulness and effectiveness crossed the boundaries of size of firm, geographic location of firm, and (to a lesser extent) type of firm (i.e., product manufacturer or consulting/engineering services).

Companies generally cited three ways in which ETNA's trade leads helped their businesses. First, many companies used the trade leads to glean up-to-date, difficult-to-obtain information about market demand in the countries ETNA serves. That is, many of the individuals interviewed commented that, while their companies may respond to only a few of the trade leads they receive, they appreciate receiving all of the leads, since it gives them a ground level view of "who is doing what and where." Several interviewees noted that they used the background information provided in the trade leads to develop or update their own market profiles of the respective countries. In other words, companies have found that ETNA's trade opportunity notices have value beyond their stated intent, which is to publicize an immediate sales opportunity. Namely, companies appreciate the trade leads as an information source in and of themselves, and in many cases have incorporated the ETNA information into their marketing analyses, strategies, and databases.

Second, other interviewees commented that they keep track of which Asian companies had requested U.S. services or products through ETNA -- regardless of whether they responded to a specific trade opportunity notice -- in order to develop databases of companies that they might target in future marketing efforts. These interviewees noted that in the environmental services and product sector (as in other sectors), sales and contracts often are a long term efforts, that companies (both in Asia and the United States) prefer to deal with people they know, and that they do not necessarily expect that their first contact with an Asian company through an ETNA trade lead will generate a sale or contract in the short term (though most were optimistic that at some point sales indeed would result). In short, several companies have fully integrated ETNA information into their long-term business development strategies, a phenomenon that will continue to produce results into the future. The box on the next page illustrates one company's view of the long-term nature of the environmental services market and how that company has applied ETNA trade opportunity notices to its long-term business development strategies.

TABLE 3: CHARACTERISTICS OF ETNA COMPANIES SURVEYED

Geographic Location	Number of Companies	Percentage of Sample
West	5	23%
Midwest	5	23%
South	5	23%
East	7	31%
TOTAL	22	100%
Size of Company	Number of Companies	Percentage of Sample
Small	14	64%
Medium	5	23%
Large	3	13%
TOTAL	22	100%

ETNA TRADE LEADS AND LONG-TERM BUSINESS PROSPECTS IN ASIA

When asked if ETNA trade leads had generated sales for the company, the executive vice president of a medium-sized environmental products manufacturer in the Midwest related the following anecdote to illustrate the long "lead times" that characterize transactions in the environmental products and services sector. Specifically, in 1987, the vice president met with a Chinese businessperson to describe his companies' products; in the last quarter of 1995, he negotiated a contract with the businessperson. He used this example to illustrate the fact that for environmental businesses every contact counts -- and that the fact that eight years elapsed between the initial meeting and the sale did not diminish the value of the ultimate transaction.

In accordance with this philosophy, the company responds to nearly every lead it receives from ETNA, so that its name and products become as widely known as possible in Asia. The company varies the nature of its responses depending on how closely the trade opportunity notice relates to the companies' services. If the lead is very closely related to the firms' products, the company will expend extra effort -- perhaps sending product design information, product drawings and specifications, as well as brochures describing particular products. If the lead is less closely related, the company nevertheless introduces itself and sends a general brochure describing its products. In this manner, the company anticipates that the ETNA leads will generate multiple sales opportunities in the future.

The third way that ETNA's services help U.S. companies is through the network's overall, stated purpose: disseminating leads regarding direct sales opportunities that are not widely available by other means.⁶ Several companies confirmed that they could trace sales or contracts directly to ETNA's trade opportunity notices:

- A small consulting company based in Minnesota reported conducting a \$30,000 pollution control training consultancy in India;
- A small Hawaiian exporting firm had completed sales in India and South Korea that totaled \$500,000; and
- A small, Florida-based wastewater products intermediary company traced between \$3-5 million in sales to ETNA trade leads.

Other companies, reflecting the optimism with which most companies view the program, spoke of having established good contacts with Asian companies and, thus, having projects in various stages of negotiation. For instance, the president of a small California consulting firm that focuses on wastewater treatment and pollution control indicated that he was close to signing an agreement for consulting services for a project in Thailand and that he had other projects "in the talking stages" in Indonesia, the Philippines and Thailand. Several companies also reported that they forward the trade opportunity notices to their Asian distributors, who then follow up

⁶ Most companies confirmed that the ETNA trade leads were not replicated in other publications or information sources. A few companies had seen the leads disseminated by ETNA in other places, but this duplication was not viewed negatively.

directly with the Asian buyers in order to sell the U.S. products they are authorized to distribute. The box below provides an example of an American distributor's success with the ETNA program.

b. Knowledge of Program and Services

Despite the generally positive comments about the services it provides, ETNA (like CTIS) appeared to lack "name recognition" with its clients. Interviewees almost invariably referred to the program as "the USAEP program," rather than by the distinct program name or acronym. This close correlation between USAEP and ETNA is not surprising, given that the acronym "USAEP" is more prominently placed on the trade opportunity notices than is "The Environmental Technology Network for Asia." (A sample trade lead is provided on page 11.)

The lack of demarcation between ETNA and USAEP is probably not particularly detrimental to ETNA or its effectiveness. However, should its "host" or "parent" organizations (i.e., CTIS and USAEP) want to advertise ETNA as a component of their services, it might be beneficial for ETNA to have a clearer identity with its clients.

c. Concerns with Program and Services

Companies expressed three concerns regarding the ETNA program. First, many companies expressed skepticism about the seriousness of some of the trade leads. These doubts about whether or not the leads represented real business opportunities produced varying reactions among the companies. Some companies viewed the non-serious leads as indications that Asian firms were "just fishing" for general information on U.S. products and services; since many U.S. companies in the ETNA network also utilize the trade leads to build market knowledge, many of these firms saw no harm in Asian companies doing the same. Other firms responded by carefully screening the leads received and answering only those that they deemed serious.

LINKING U.S. PRODUCTS WITH MALAYSIAN ENVIRONMENTAL NEEDS

In describing its own operations, a small, Connecticut-based export management company illustrates how ETNA's trade leads have ripple effects on potential U.S. product sales. This company serves as the export intermediary between U.S. companies that produce pollution control products and local distributors of such products around the world. In fact, the Connecticut export management company has 38 distributors of American products in 30 different countries around the world; its distributors in Asia are located in Hong Kong, India, Korea, Malaysia, Singapore, and Taiwan.

The company's Malaysian distributor is its newest -- and the company found the distributor thanks to an ETNA trade lead. While this is the first distributor the Connecticut businessperson has not met face-to-face (they mostly use faxes to communicate), relations between the U.S. export management company and the Malaysian distributor have gone well. In the six months since they established the formal distribution agreement, the Malaysian company has completed approximately six local sales of the twelve U.S. products that it distributes. Because of the success so far with the Malaysian distributor, the U.S. company is actively scanning ETNA trade leads with hopes of identifying distributors in Indonesia and the Philippines, thereby opening those markets to the twelve U.S. manufacturers it represents.

However, at the most negative end of the spectrum, one company reported that after receiving and responding to many ETNA trade leads, it had come to view the leads as "fairy tales" and no longer answered any of the ETNA notices.

The second frustration that companies mentioned was the apparent lack of follow-up from USAEP and ETNA. While companies recognized that they needed to take the initiative in pursuing business, many expected that the USAEP representatives would follow up with Asian companies when the representatives received notification that a U.S. company had responded to a trade lead. From the companies' perspective, such follow-up seemed to be the purpose of ETNA's request that the USAEP representatives receive copies of communications with Asian firms.

Finally, companies noted that they frequently receive leads that are unrelated or only tangentially related to the products or services they provide. This comment was most common among service-oriented firms, which often received product-oriented trade leads. However, even when they noted that not all of the ETNA leads were "on target" for their particular focus, they frequently added that the volume of leads received was not a problem and that they had learned to quickly scan the ETNA leads to identify those that were relevant. Likewise, several individuals complimented ETNA on its re-registration effort and expected that the re-registration would help to decrease the number of irrelevant leads received.

3. Impact

As with the general trade and investment information services provided by CTIS, it is difficult to estimate the overall quantitative impact of ETNA's trade opportunity notices from this assessment's survey. However, USAEP has confirmed \$6 million in sales as a result of ETNA trade opportunity notices since inception; the actual figure is undoubtedly higher since this amount includes only six of the nine countries that ETNA targets.

Moreover, the "flavor" of the interviewees' comments (as described above) indicates that the program's overall impact is clearly positive. As mentioned previously, companies in the ETNA network use the trade opportunity notices for a variety of purposes, most of which they would be unable to pursue in the absence of the ETNA program. Likewise, as mentioned earlier, company representatives spoke positively of the program regardless of whether or not the company had sold goods or services as a result of a trade lead. As importantly, company representatives expressed optimism that they would achieve sales in the future because of the ETNA leads.

IV. CONCLUSIONS AND RECOMMENDATIONS

A. General Trade and Investment Services

1. Conclusions

Three important and positive conclusions regarding CTIS can be made as result of this assessment.

- First, CTIS is clearly fulfilling the objectives outlined in the project paper that framed the center's establishment. Specifically:
 - CTIS provides timely, relevant, and high quality information to businesses, primarily in the United States and to a limited extent overseas;
 - The center has constructed its operations to effectively use existing data sources and to establish networks for gathering information quickly;
 - CTIS has strengthened the Agency's ability to support trade and investment with developing countries, as exemplified by the confidence with which USAID officials speak of the center as a "one-stop shop" for Agency information on the subject; and
 - CTIS's information is considered by many clients as valuable and easy to obtain.

However, in addressing these objectives, CTIS has concentrated on USAID opportunities, rather than the broader range of business opportunities (e.g., direct transactions between U.S. and developing country companies) envisioned in the pre-project paper stages of CTIS design.

- Second, among portions of its target audience, CTIS has established a good reputation for promptly and efficiently providing the information and counselling needed.
- Third, CTIS has accomplished the most difficult aspect of institutional development -- creating a dedicated, capable, and professional staff with a true customer mentality. For a private sector organization establishing such a mentality is not an easy task; for a public sector entity it is a rare achievement.

2. Recommendations

Despite the overall positive conclusions listed above, several actions could be taken to further improve CTIS's operational effectiveness. Five areas that deserve particular attention are described below.

First, CTIS should attempt to improve organizational name recognition among its clients. While it is a credit to individual analysts' efforts and capabilities that clients refer to them rather than to the center as a whole, it is to the detriment of CTIS's long-term "health," since analysts undoubtedly will come and go. In order to garner the recognition that it and, more broadly, USAID legitimately deserve, a number of simple, routine steps should be considered to make the Center for Trade and Investment Services a "brand name" among its current clientele and to increase awareness of the center among potential users of its services.

One modest and uncomplicated option for doing so is developing a stamp or label to be placed on every document sent or faxed from CTIS. This stamp or label should highlight prominently the USAID logo and the CTIS name and acronym, along with wording such as "this information supplied by CTIS" and with information on how to contact CTIS in the future. By clearly marking what organization supplied the information -- regardless of which organization produced the information -- CTIS can ensure that clients remember their interaction with the center every time they refer to that document. Alternatively (or additionally), CTIS might consider developing a bookmark or "flag" that could be included or stapled to every document sent to businesses or other organizations. Either a bookmark or a flag should contain written descriptions highlighting CTIS's services and, again, would serve as a permanent reminder of the sender of the information. One model for such a bookmark or flag is that used by ETNA, which includes space for short written notes as well as for a business card. Such simple promotional materials would reinforce CTIS's name and purpose in its clients' minds, much as some of its initial promotional efforts (such as the popular "Rolodex" card) helped to launch its activities and begin to establish its reputation.

Second, CTIS should attempt to broaden clients' knowledge of the center's overall services and products. For as many calls as possible, analysts should market services additional to those specifically requested by the caller, much as restaurants routinely market side dishes and drinks and as up-scale department stores provide personal shoppers to coordinate and take care of all of a client's needs. For instance, if a caller is interested in the environmental field and an analyst plans to send him or her CTIS's "Guide to Business Assistance Programs in Energy and Environment," the analyst should note, both verbally and in writing, that this guide is available through CTIS's World-wide Web site and provide the site's address. It should be noted that, because contractors are evaluated primarily in terms of the number of clients served, the incentive to market additional services in this manner is limited, since additional time spent on each call may mean fewer calls answered; thus, to encourage better marketing and broader knowledge of services, CTIS may need to re-think this evaluation focus.

Third, if it were to obtain additional resources, the center should develop new CTIS-specific products. For example, several clients mentioned that they would appreciate the ability to use CTIS's web site to search for information on their own. If such an option is not feasible, CTIS should add to the information currently available, since the information now provided is introductory and not detailed. Similarly, several clients mentioned that they would appreciate pro-active, periodic up-dates on USAID ventures (particularly regarding the status of future procurement opportunities) and CTIS activities. Accordingly, CTIS might develop short,

informal, periodic (perhaps quarterly) bulletins that it could post on its web site or fax via the BOB system to targeted clients. So that such bulletins do not duplicate the information contained in the Commerce Business Daily, CTIS might focus on emerging procurement opportunities, to the extent that it is appropriate for the center to provide such information given procurement regulations. Alternatively (or additionally), CTIS might post the West Coast Office's monthly newsletter on the World-wide Web site or fax parts of the newsletter to targeted clients, since some of this bulletin's articles respond to information that interviewees requested.

Fourth, CTIS should consider expanding its client base and focus. The center currently serves a very small "slice" of the U.S. business community -- primarily those companies interested in providing services or goods to USAID itself. Given the sensitivity of some federal organizations to the possibility of CTIS overstepping USAID's mandate, any expansion of the center's client base and focus would need to be well defined and carefully structured. However, CTIS has achieved its four initial objectives (as expressed in the activity's project paper) of providing comprehensive trade and investment information services. A logical next step to this accomplishment would be to add to its information services, and logical additional services would be transaction-based services between American companies and firms in USAID-assisted countries. Clearly, if CTIS were to take this step, the center's resources would have to be increased or reallocated, since its staff presently operates at capacity with the current level and nature of calls and activities. As mentioned earlier, one means for raising resources for such activities would be to charge fees, which are particularly appropriate for transactional assistance. Were it to develop and implement such services, CTIS definitely should continue to serve its primary role as a (free) information clearinghouse. However, by moving into services related to specific transactions, CTIS can increase its tangible contributions to the Agency goal of achieving broad-based, sustainable economic growth in developing countries.

Finally, CTIS should improve its follow-up with clients. Follow-up would improve CTIS's ability to serve its clients, because analysts would find out directly which materials clients found especially useful, how clients used the materials, and what additional information they would have liked (thus giving CTIS ideas for improvement and expansion of services). Moreover, follow-up would allow CTIS to track its clients' progress toward the types of quantifiable impact that the Agency generally utilizes as well as towards intermediate stages that do not necessarily generate quantifiable data but that represent movements towards the clients' goals. In order to improve CTIS's ability to follow-up with clients, CTIS's management information system would need to be modified so that it allows disaggregation of clients according to several characteristics that are already collected. Specifically, CTIS should be able to track clients by: (i) type of firm (e.g., service firms, products firms, and PVOs/NGOs), rather than consolidating the bulk of its clients into one category; (ii) size of organization (so that the center can demonstrate comprehensively that its clients represent an underserved group); and (iii) type of information requested. With such data readily accessible, CTIS could periodically perform follow-up with specific segments of its clientele.

B. Environmental Trade Opportunities

1. Conclusions

As indicated in the "Findings" section above, a number of very positive conclusions regarding ETNA can be made. Specifically:

- ETNA is reaching clients that probably would have difficulty entering Asian markets without the program's assistance. In particular, ETNA's clients are widely dispersed geographically and consist primarily of small companies (which generally have fewer resources to devote to overseas research, marketing, and contacts).
- Companies surveyed for this assessment relayed extremely positive comments regarding the program, whether or not they had completed a sale as a result of an ETNA trade lead.
- ETNA's trade opportunity notices provide environmental companies with an inexpensive, up-to-date source of market and contact information, a fact that companies appreciated and noted frequently.
- Based on the survey sample, ETNA's trade leads already have produced direct sales of products and services, and companies predict that they will result in additional sales in the future.

2. Recommendations

As mentioned in the "Findings" section, despite their overall positive ratings of ETNA, companies related a number of concerns with the program. First, some companies doubted the seriousness of some of the trade leads disseminated by ETNA, although the firms' responses to this issue differed significantly. While many companies were not bothered that they had to sift through the leads to answer only those they considered authentic, other companies -- perhaps "burned" by too few responses from Asian companies -- had lost a degree of faith in the program. Because the survey sample for this assessment is not necessarily representative of all companies registered with ETNA, it is uncertain if this concern resonates among all firms. However, if a certain percentage of ETNA trade leads were not in fact direct opportunities for sales or services, ETNA's primary target audience -- small- and medium-sized companies -- would be affected most, since they generally do not have the resources to devote to pursuing unrealistic business opportunities, especially those that involve international courier, fax, and phone costs in addition to expensive promotional materials and staff preparation time. Thus, ETNA should re-emphasize to USAEP representatives that the quality of the leads matters as much as or more than the quantity of leads submitted.

A second concern mentioned previously was the perceived lack of follow-up by USAEP/ETNA staff on proposals that companies submit in response to trade opportunity notices. The

possibility of responding to this issue rests mostly with the USAEP representatives and depends significantly on their current work load, since companies believe the responsibility for follow-up lies with them (due to the fact that the trade opportunity notices request that companies send copies of materials submitted to the representatives); recommendations regarding the USAEP representatives are beyond the realm of this assessment. However, ETNA should explore and possibly develop options that would assist U.S. companies in follow-up (while taking into consideration the limited time available for such activities by current ETNA staff). For instance, ETNA might more actively highlight its "800" number as a means for companies to follow-up on proposals submitted, assuming ETNA staff could obtain such information upon request.

Finally, because the companies surveyed mentioned that they still received leads that were unrelated or distantly related to their companies' focuses, ETNA should continue its efforts to better match trade opportunity notices and environmental companies. Since most companies that mentioned receiving less relevant notices were environmental consulting and engineering services companies, particular attention should be paid to reducing the volume of product-oriented leads mistakenly sent to such firms. However, as mentioned earlier, several companies noted that they had seen a decrease in the number of unrelated leads after ETNA's re-registration effort; hence, this concern may already have been addressed substantially.

* * *

As indicated by the conclusions and recommendations above, CTIS and ETNA have developed a significant reputation and following among segments of their target audiences. A more mature organization, CTIS is now poised to strengthen and expand its client base and operations, based on the track record revealed in the assessment. As an emerging organization, ETNA is in the position to polish its current activities, prior to evaluating additional areas. By continuing their current activities and exploring and implementing new ones, CTIS and ETNA can encourage U.S. organizations to develop sustainable, mutually-beneficial linkages with their counterparts in developing countries, thereby furthering the Agency's overall development aims.

ANNEX

**QUESTIONNAIRES DEVELOPED TO CONDUCT
THE ASSESSMENT**

QUESTIONS FOR SERVICE AND MANUFACTURING SECTOR CLIENTS OF CTIS

1. What kind of business are you in?
2. How many employees are in the company?
3. What percentage of the company's business is international?
4. How did you learn about CTIS?
5. How often have you used CTIS's services?
6. What kind of information did you request from CTIS?
 - a. Did the information respond to your request?
 - b. If not, what kind of information would you have liked to receive?
7. Was the information provided in a timely manner (how long)?
8. Have you pursued any activities/projects/procurement opportunities in areas related to your request?
 - a. If so, what was the outcome?
 - b. If so, what was the impact (e.g., sales, exports, finance, joint venture partnership)?
9. What other types of information services do you use?
 - a. How does CTIS compare?
 - b. How is the information provided by CTIS different?
10. What is the major strength of CTIS and its services?
11. What is its greatest weakness?
12. What other types of assistance would you like to receive from CTIS?
13. Would you be willing to pay for CTIS's services?
14. How could CTIS improve its services?

QUESTIONS FOR ASSOCIATIONS AND OTHER "MULTIPLIERS"

1. What are the main goals and activities of your organization?
2. How did you first learn of CTIS?
3. What is the nature of your organization's (or your) interaction with CTIS? (E.g., what kind of information is exchanged, do you meet at conferences, do you share contact information, etc.)
4. How frequently do you and CTIS interact? Which direction does the contact usually take, or is it even?
5. What do you see as the strengths and weaknesses of CTIS as an organization?
6. How do you view CTIS's activities *vis-a-vis* the activities of your organization? Are they complementary (if so, how)? Are they duplicative? How are the activities different?
7. What changes do you think would improve CTIS operations?

QUESTIONS FOR USAID OFFICIALS

1. What is your position within USAID?
2. How did you learn about CTIS?
3. How have you used CTIS?
4. How often have you used CTIS's services?
5. What kind of information did you request from CTIS? Did the information provided respond to your request? If not, why?
6. Was the information provided in a timely manner (how long)?
7. Have you been asked to supply information to CTIS? Explain.
8. What was the outcome/impact of the information requested (e.g., sales, exports, finance, joint ventures, etc.)?
9. How does CTIS compare to other types of information sources that you use? Is the information provided by CTIS different?
10. What do you see as the strengths/weaknesses of CTIS and its services?

QUESTIONS FOR OFFICIALS AT OTHER GOVERNMENT AGENCIES

1. What is the name and function of the specific office you work in and/or what is your role in the office? (if not clear from reference)
2. How did you first learn of CTIS?
3. What is the nature of your office's (or your) interaction with CTIS? (E.g., what kind of information is exchanged, do you meet at conferences, do you give names of officials at your agency/department, etc.)
4. How frequently do you and CTIS interact? Which direction does the contact usually take, or is it even?
5. What do you see as the strengths and weaknesses of CTIS as an organization?
6. How do you view CTIS's activities *vis-a-vis* the activities of your agency/department? Are they complementary (if so, how)? Are they duplicative? How are the activities different?
7. What changes do you think would improve CTIS operations?

QUESTIONS FOR COMPANIES REGISTERED WITH ETNA

1. How many employees does the company have?
2. Does the company have previous experience in Asia or internationally? If so, what type of experience? If not, have the ETNA trade leads encouraged the company to consider entering the Asian market? How so?
3. What are the other factors or organizations that have influenced the company's decision to enter the Asian market? How do any other influencing factors (particularly other organizations) compare to ETNA trade leads?
4. What other means does the company use to develop business leads in Asia (or other international markets)? How do these compare to ETNA?
5. How many of the trade leads received are closely related to the product or service the company offers?
6. Approximately how many leads per week does the company receive? How many does the company respond to?
7. How many responses has the company received from Asian companies?
8. Have any sales been completed that stemmed directly from an ETNA trade lead? What is the approximate value of such sales and the nature of sales (e.g., for what country, type of product or service, etc.)?
9. ETNA's primary mission is information dissemination -- i.e., dissemination of trade leads that are not "broadcast" by any other means. Do you think ETNA fulfills this mission? Are there any other areas you would like to see added to this mission?
10. What is the most positive aspect of the ETNA trade lead program? What is the most disappointing aspect?