

**Evaluation of the
International Business
Opportunities Centre (IBOC)**

Final Report

International Trade Canada

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EXECUTIVE SUMMARY

IBOC was established in 1995, as an inter-departmental partnership between primarily the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada (IC), as well as Agriculture and Agri-Food Canada (AAFC).

IBOC's mandate is "to identify and match Canadian companies with international business opportunities received from trade officers ... [and] to contribute to increasing Canada's exports by raising awareness and disseminating export opportunities particularly to small- and medium-sized enterprises."

The purpose of the evaluation of IBOC is "to examine the management and performance of the Centre since its inception." The evaluation objectives were to determine the continued relevance of IBOC services as compared to needs, to document what results have been achieved, and to provide specific recommendations or options on how IBOC should be configured and positioned to continuously improve its overall effectiveness.

Findings and Conclusions

IBOC effectively has two types of clients and objectives. This reflects the Centre's two-department management arrangement between Industry Canada (IC) and the Department of Foreign Affairs and International Trade (DFAIT). IBOC considers its main clients to be international trade officers, but its beneficiaries to be small- to medium-sized Canadian businesses. Despite this, its strategic objective and the majority of its expected outcomes are articulated in terms of benefiting Canadian businesses, with relatively little mention of trade officers.

A minority of the IBOC leads that were the subject of this evaluation culminated in a deal, and few Canadian companies said they had been encouraged into exporting by IBOC. However, these outcomes must be seen in light of the fact that only one company out of up to five or six that received a lead has a chance of negotiating a deal as a result of it. As well, no results targets were specified against which the significance of these results could have been assessed.

Currently, IBOC carries out follow-up with businesses three months after confirmation of interest in responding to export the respective product identified in the lead. This is to learn about the further outcomes of their experience with IBOC.

Moreover, IBOC did achieve many of its other intended outcomes. Businesses reported that IBOC contributed to increased awareness by Canadian companies of international business opportunities, reduced search costs, increased export capacity, and expanded markets. Further, each of these outcomes may be expected *down the road* to lead to increased export business for Canadian companies, the expected long-term outcome of the Centre; however, this evaluation did not collect this type of data, nor do such data exist.

Most people consulted for this evaluation believe there is a need for IBOC, especially among small businesses and small missions. The absence of IBOC would have a negative impact on responsiveness to foreign organizations' requests for Canadian services and products. Only the industry sector representatives (e.g., officials from industry associations) had a differing view, saying that the impact of IBOC's absence would not be great, apart from the fact that some international business opportunities would be lost and the workload of DFAIT, IC and other employees would increase to deal with the enquiries that would still come in.

With respect to IBOC delivery, the main strength identified by internal and external stakeholders is the value added that IBOC officers provide through the research and corroboration when searching for Canadian companies to match foreign business opportunity leads. However, some reservations were mentioned about leads concerned their accuracy and appropriateness, particularly e-Leads, with which less information is supplied. Also mentioned as a suggestion for improvement is to drop general leads because the potential value was too low.

While most trade officers who are aware of IBOC expressed satisfaction with the Centre, some concerns were raised about the knowledge of IBOC officers in particular sectors. Conversely, IBOC officers expressed some concern with the degree to which trade officers vet the foreign business and supply sufficient information in leads provided to IBOC. IBOC is already contemplating to adopt a sector-based approach whereby IBOC officers are assigned particular sectors of specialization.

Recommendations

The following recommendations are offered, drawn from the evidence and findings presented:

1. ***Assessing the Objectives:*** It is recommended that IBOC's stated objective and expected outcomes be re-evaluated to include a focus on trade officers as clients. Though trade officers are considered to be the main clients of IBOC, the Centre's strategic objectives and expected outcomes are articulated in terms of meeting the needs of businesses.
2. ***Establishing Results Targets:*** In order to be in a stronger position to demonstrate its success in the future, IBOC should consider the establishment of specific results targets for the range of its expected outcomes.
3. ***Re-Contacting Businesses:*** It is recommended that IBOC contact businesses participating in the survey again one year from now. The follow-up IBOC currently carries out with businesses three months later is insufficient to truly assess the scope of impact that the contact with IBOC may have had.
4. ***Dropping General Leads Service:*** The evaluation results support the decision to drop general leads and have them directed through the Virtual Trade Commissioner. Recognizing resource constraints, this decision will free up money to permit greater resourcing to focus on specific leads as well as improving the performance monitoring data system and the physical space in which IBOC staff work.
5. ***Increasing Accuracy and Appropriateness of Leads:*** It is recommended that there be a focus on improving the accuracy of the leads and the appropriateness of matches. Upgrading IBOC officers' research skills and enhancing IBOC networks and gathering more information about Canadian companies may help. At the same time, better training of international trade officers in missions may be needed, as concerns were expressed about the accuracy and amount of information they provide in leads they direct to IBOC.

6. ***Introducing Sector-Based Model:*** The evaluation results support the initiative to introduce the sector-based model to IBOC for improving efficiency and development of sector-specific expertise.

7. ***Enhancing Administrative Data:*** It is recommended that IBOC's Case Management System (CMS) be enhanced to produce automatically the processing, productivity, and quality-of-service data necessary for management decision making.

1. INTRODUCTION

This report presents the results of the evaluation of the International Business Opportunities Centre (IBOC). In this chapter, IBOC is briefly described, along with the evaluation methodology and the issues addressed in this evaluation.

1.1 Description of IBOC

IBOC is an inter-departmental partnership between primarily the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada (IC), as well as Agriculture and Agri-Food Canada (AAFC). It forms part of Team Canada Inc (TCI), which is “a network of 22 federal (government) departments and agencies working with provinces, territories and other partners to help Canadian business prepare for the global marketplace.” IBOC was established in 1995 as part of the Memorandum to Cabinet on International Business Development (IBD) Strategy.

1.1.1 IBOC Objectives

IBOC’s current published mandate, as it appears in the *IBOC Annual Report 2001*, is “To identify and match Canadian companies with international business opportunities received from trade officers, [as well as Team Canada partners, foreign embassies in Canada, and foreign companies]. As the sourcing centre for Team Canada Inc, the Centre’s role is to contribute to increasing Canada’s exports by raising awareness and disseminating export opportunities particularly to small- and medium-sized enterprises.”

A number of operational objectives have been set for IBOC, as revealed in its Evaluation Plan and apparent in the evaluation issues matrix presented in Appendix A of this report. In the current evaluation, the extent to which these objectives have been attained will be assessed based on evidence gathered from the clients (trade officers in Canadian missions overseas) and the beneficiaries (Canadian businesses in receipt of IBOC leads), as well as testimony gathered from internal stakeholders (e.g., IBOC officers) and external stakeholders (e.g., representatives of

industry associations) in interviews and focus groups. The short-term, medium-term and long-term objectives of IBOC are as follows:

- ❑ *short-term objectives:* to increase awareness of international business opportunities by Canadian firms and Team Canada Incorporated (TCI) partners; to increase awareness of Canadian products and services by foreign businesses; and to increase awareness of TCI services by Canadian firms;
- ❑ *medium-term objectives:* to reduce Canadian firms' search/marketing costs; to increase matches of international business opportunities and Canadian firms; to assist (by referral) Canadian firms in receiving TCI support and services; to open new foreign markets and expand existing foreign markets for Canadian firms; to increase the number of Canadian exports; and to provide information to foreign businesses to enable them to make decisions about dealing with Canadian businesses; and
- ❑ *long-term objectives:* to increase international business for Canadian companies.

1.1.2 IBOC Resources

In 2002/03, the total costs incurred by IBOC were \$1,503,924, of which 61 per cent was to be spent on salaries, 20 per cent on O&M, 10 per cent on accommodation and other services, and about two per cent on capital. Of the total costs, two-thirds (68 per cent, or \$1,025,647) was to be contributed by DFAIT, 28 per cent (\$416,150) by IC, and four per cent (\$60,127) by AAFC. DFAIT's current share of the budget represents an increase since 1995, when the Department contributed 52 per cent to the approximately \$1.2 million expenditures of IBOC, while Industry Canada's share has fallen from 43 per cent in that year.

IBOC is administered by a total of 24 full-time equivalent positions (FTEs). These consist of 13 DFAIT-funded FTEs, 10 IC-funded FTEs, and one AAFC-funded FTE. The Director's position is funded by IC.

1.1.3 IBOC Services

Most of IBOC's business is comprised of handling leads for foreign business opportunities that come in from trade officers via the case management system (CMS). The 2001 *IBOC Annual Report* indicates that, in 1996, 3,759 leads were processed by IBOC. This number declined to

3,142 in 1998 but jumped to 4,666 in 1999 and then grew steadily to 5,117 in 2001. The largest proportion of leads came from Asia (34 per cent) followed by Africa and the Middle East (23 per cent) and Europe (21 per cent); the success rate (for lead recipients subsequently contacted by IBOC for follow up) – the proportion of leads that led to a sale/contract, distributorship or joint venture – was similar across all source locations, at 12-17 per cent.¹ The majority of the leads (68 per cent) were destined for Ontario and Quebec, mostly in agriculture and manufacturing. It should be pointed out that a lead can go to as many as five or six companies, only one of which has a chance of negotiating a deal. This suggests that the potential success rate for lead received is considerably less than 100 per cent.

The leads are identified by trade officers (or trade commissioners) stationed in overseas trade missions, through their own efforts or when foreign organizations have come to them requesting Canadian suppliers. The trade officer works with the foreign organizations to gather sufficient information to complete the form for entry into the CMS. The trade officer will identify the lead as specific or general, on the basis of how promising he or she thinks it is and on the basis of how much information he or she is able to gather on the lead.

For both types of leads, IBOC officers conduct company research through assorted company databases such as DFAIT's WIN Exports, IC's Canadian Company Capabilities (Strategis), association and trade directories, and a broad network of sources in and outside the government to find potential suppliers of the specific product/service requested in the lead. This results in a list of Canadian firms that may be able to respond to the lead.

What is then done with this list differs according to the type of lead. For *specific leads*, representing 22 per cent of all leads, IBOC officers contact potential Canadian suppliers by telephone to confirm their degree of interest in responding to export the respective product identified in the lead.² Those that are confirmed as ready and interested are sent the lead by the

1. *IBOC Business Leads Analysis: Overview of the Data*, March 2003. The success rate results were drawn from subsequent analysis of the data.

2. References to percentages in this section are taken from ARC Applied Research Consultants, "Evaluation Plan for the International Business Opportunities Centre," for Industry Canada, February, 2003.

IBOC officer, who also forwards the list of candidate companies to the respective trade officer and/or potential foreign buyer/partner. Three months later, these same companies are contacted to find out if any business activity took place as a result of the lead.

In the case of *general leads*, representing 19 per cent of leads, research is undertaken but companies are not contacted to confirm interest. The list of matching Canadian companies is provided to the originating mission. Some general leads are transmitted to companies using e-Leads, an electronic dissemination system for Canadian firms that subscribe to the service.³ There is no individual follow-up with companies in receipt of an e-Lead to determine what the result of the lead is. Rather, quarterly surveys are undertaken requesting subscribers to provide feedback on business activity resulting from any of the leads they received.

Other services offered by IBOC include the following:

- Tenders*: opportunities that are in the form of a tender, representing 30 per cent of leads processed by IBOC, are not researched, but are summarized and electronically disseminated using e-Leads to Canadian companies whose profile matches the opportunity;
- Company checks*: IBOC may be asked by a trade officer or a foreign buyer/partner for a check of the contact information of a Canadian company (company checks represent 22 per cent of leads received by IBOC);
- Bona fide and Investigative requests*: IBOC may be asked by a trade officer for financial background information on Canadian companies which is provided via a Dun and Bradstreet business information report; IBOC also responds to requests for investigative research of companies of a “dubious” nature.
- Partnerships*: this is an upgraded general leads pilot service entailing contacts with potentially interested companies;
- Compiling lists for trade shows*: IBOC will compile lists of companies that might be interested in attending trade shows and business seminars, but the degree of interest is not confirmed;
- Referrals*: IBOC officers refer Canadian firms in need of export assistance (e.g., information on export financing and market conditions in the prospective country) to Team Canada Inc partner departments and agencies (e.g., Export Development Canada).

3. Canadian companies desiring to receive leads for international business opportunities can subscribe to the Centre’s e-Leads service (on the IBOC website). They are also encouraged to register in the WIN Exports/VTC and the Canadian Company Capabilities (Strategis) databases.

Over the years, IBOC's case management system (CMS) has become linked with other DFAIT information systems, especially WIN Exports. Currently, there is an initiative to have the e-Leads service integrated into the Virtual Trade Commissioner (VTC) system so that all e-Leads will be disseminated via VTC, and at a later date to integrate CMS and e-Leads into a wide-ranging client relations management system (eCRM).

1.2 Evaluation Objectives

According to the Statement of Work, the purpose of the evaluation of IBOC is "to examine the management and performance of the Centre since its inception." The over-arching objectives guiding the evaluation are the following:

- ❑ Determine the continued relevance of IBOC in light of evolving Canadian exporter and trade officer needs as well as existing alternatives to service delivery (i.e., partners, information sources and technology).
- ❑ Document what results have been achieved (i.e., what changes have occurred within Canadian companies having received a business lead through IBOC).
- ❑ Based on the multiple lines of evidence, provide specific recommendations or options on how IBOC should be configured and positioned to continuously improve its overall effectiveness and consider future directions and/or potential adjustments in service delivery.
- ❑ Document any lessons learned, best practices or opportunities for improvement which have been identified as part of the evaluation.

An Evaluation Framework was developed in March 2003 in which a comprehensive set of evaluation issues and questions was identified. These issues and questions are presented in Appendix A and were used to guide the development of all instruments for this evaluation. *It should be noted, however, that the scope of the evaluation prevented us from ultimately addressing all of the evaluation issues.*

In implementing the evaluation plan, the evaluation objectives were translated into a set of workable evaluation issues, organized in four groups, as follows:

- ❑ *Relevance of IBOC*: e.g., the need for IBOC, relevance of IBOC services as compared to needs, IBOC's position in the international market;
- ❑ *IBOC Results*: e.g., initial response to needs, increased awareness, increased matches to international business leads, new exporters, increased international business for Canadian firms;
- ❑ *IBOC Delivery*: e.g., awareness and marketing of IBOC, optimal use of IBOC services, met needs and satisfaction, adequacy of resources, perceived strengths and weaknesses; and
- ❑ *Alternatives and Cost-effectiveness*: e.g., relative efficiency of IBOC, opportunities for collaboration, appropriateness of sector-based delivery model, perceived cost-effectiveness of IBOC delivery.

1.3 Evaluation Methodologies⁴

Several methodologies were implemented in the conduct of this evaluation:

- ❑ Survey of 482 businesses receiving IBOC leads (175 specific lead recipients surveyed by telephone and 307 e-Lead subscribers surveyed by web);
- ❑ Survey of 22 international trade missions (conducted in two waves of 11 missions each, with two different instruments⁵, by the Audit Division DFAIT);
- ❑ Key informant interviews, in person, with 14 internal stakeholders (three Directors General responsible for IBOC [one current and one former at DFAIT, and one current at Industry Canada]; Director and Deputy Director of IBOC; three IBOC project sourcing officers; and six research and liaison officers, the latter in two triads);
- ❑ Discussion or focus groups (two) with a total of 12 external stakeholders, one group with missions/ITC representatives (Industry Canada International Trade Centre officials, trade officers currently overseas, and returning trade officers) and the other group with industry sector representatives (representing Industry Canada Sector Branches, SourceCAN, and industry associations);
- ❑ Review of documentation on similar organizations in other countries delivering services similar to IBOC; and

4. A fuller description of the methodologies is provided in Appendix B.

5. Additional questions germane to the evaluation were added to the second wave instrument. The first wave was conducted before the evaluation. See Appendix B for a list of the missions responding to the survey.

- ❑ Review of the internal audit of IBOC (*Audit of IBOC*, June 2003) and other internal IBOC documents.

The following limitations of this evaluation should be noted:

- ❑ There were no baseline measures for the outcome indicators nor were result targets specified, against which current performance levels (e.g., awareness, matching of leads) could be compared in order to observe results.
- ❑ The measurement of incrementality (the degree to which an outcome would be attained in the absence of IBOC) is based on perception, owing to the inability to construct a valid comparison of businesses that did not use IBOC. This was not in the terms of reference for this evaluation.
- ❑ There are limitations associated with the survey of missions. These include the small number of respondents (22), the fact that certain questions were asked of an even small number of missions (11), and the fact that the views of the trade officers responding to the survey do not necessarily represent the views of all trade officers since opinions and awareness likely varies among trade officers working for the same mission.

2. RELEVANCE OF IBOC

Evidence is presented in this chapter on the relevance issues of rationale and need for IBOC, relevance of IBOC to needs, use of alternatives, and the technological context.

2.1 Rationale and Need for IBOC

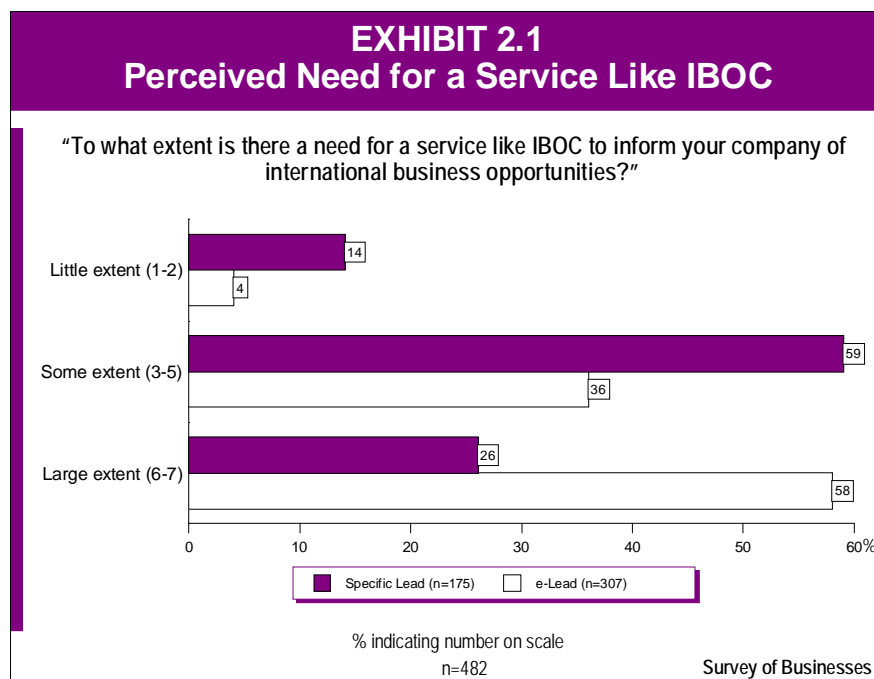
The 2003 *Audit of IBOC* concludes that IBOC addressed a need. According to the Audit report, “the central theme of a 1995 Memorandum to Cabinet was to strengthen the Government’s efforts to help Canadian businesses succeed in international markets through the establishment of an interdepartmental trade opportunities sourcing unit to search for Canadian small-medium sized enterprises to match specific trade leads of unusual urgency, complexity, or where supplier databases prove inadequate.” At that time, there was no centralized service in Canada to which Trade Commissioners could refer business leads. Thus, the Audit finds that IBOC was established to meet a specifically identified need. The Audit indicates as well that the current mandate is in accord with the original intent in the 1995 Memorandum to Cabinet and IBOC’s ongoing objectives and operations are similarly in accord with its original intent.

In the current evaluation, internal IBOC stakeholders who were interviewed indicated there is a need for IBOC. Moreover, as the volume of international trade opportunities rises, IBOC’s services are seen as being needed all the more in the future, particularly by smaller missions, which do not have the human and other resources to find matching Canadian companies for the leads they identify, and by smaller Canadian businesses with less access to the means of finding foreign business opportunities. International representatives participating in focus groups said that IBOC services are relevant now and will continue to be relevant.

Businesses also feel there is need for IBOC. They were asked in the survey to rate the extent to which they believe there is a need for a service like IBOC to inform them of international business opportunities. Overall, most believe to some or a large extent⁶ that there is a need for a service like IBOC to inform them of international business opportunities. Businesses in receipt of

6. In the survey, “extent” was measured on a 7-point scale, ranging from 1=to no extent, up to 7=to a great extent; reported here are 3-5=some extent and 6-7=large extent.

e-Leads perceive the overall relevance of the service provided by IBOC more highly than do those in receipt of specific leads. Over half the e-Lead recipients (58 per cent) stated that the service provided by IBOC is needed to a great extent, 36 per cent said it is needed to some extent and very few (four per cent) stated it is not particularly needed. On the other hand, only one in four specific lead recipients (26 per cent) perceive that there is a strong need for a service like IBOC. Overall, regardless of type of lead received, small companies (with 10 employees or less than \$6 million in revenues) were more likely to have said that there is a great need for a service like IBOC than larger companies.



The 2003 *Audit of IBOC* suggested that, while IBOC’s objectives are aligned with the objectives of its two main supporting partners (DFAIT and IC), administratively it is more closely allied with DFAIT. According to the audit, the objectives set out for IBOC in the founding agreement support both IC and DFAIT’s International Business Development goals (i.e., disseminating business leads to Canadian companies, increasing the participation of small- and medium-sized enterprises (SMEs) in international trade) and providing sourcing services in Canada to trade commissioners (trade officers) abroad. IBOC’s main interaction with IC is with the International Trade Centres in the regions, not with IC Headquarters in Ottawa. On the other

hand, by virtue of its being housed within DFAIT's IBD headquarters and its connectivity with DFAIT communications systems, IBOC is well placed to provide direct support to trade commissioners abroad. As the Trade Commissioner Service (TCS) has evolved into becoming the dominant factor in its operations, IBOC's planning and development have been oriented towards trade mission needs. As a result, IBOC is viewed by DFAIT as being one of its TCS support divisions. Also as indicated, DFAIT contributes a large proportion of IBOC expenditures, and IBOC's data systems are closely linked with DFAIT's.

A review of the documentation for this evaluation confirms IBOC's alignment with DFAIT and IC, as well as Team Canada Inc (TCI). IBOC's mandate, as presented in the Evaluation Plan and Annual Report, clearly indicates that IBOC serves the interests of IC and DFAIT's Trade Commissioner Service (TCS), specifically businesses and trade officers. Through its sourcing services, IBOC also contributes to the TCS's "New Approach @ Work" principles by freeing up trade officer time, which allows them to more proactively identify export opportunities locally. Moreover, the documentation confirms that IBOC's objective is aligned with TCI's objective, which is "to assist Canadian companies with their export ventures". Moreover, while IBOC is clearly serving the interests of TCI and its expected outcomes are also directed at this initiative, the TCI website (Exportsource) has no direct link to the IBOC website, and visa versa.

In the focus groups, industry sector representatives (e.g., industry associations) differed from mission and ITC representatives in their views about what would happen if IBOC did not exist. On the one hand, mission and ITC representatives concluded that, in the absence of IBOC, there would be fewer and slower responses to requests from foreign organizations for the services and products of Canadian companies while the work load of other DFAIT and IC personnel would increase to handle these requests. On the other hand, industry sector representatives said that the impact of IBOC's absence would not be great. They suggested that other ways would most likely be found to identify Canadian firms to match with international business opportunity leads, though opportunities would still be lost; however, these individuals did not specify what those other ways would be.

Finally, nine of 11 missions that were asked the question in the Survey of Missions said the impact on their overall ability to source if IBOC did not exist would be very or moderately negative.

2.2 Relevance of IBOC Services to Clients'/Beneficiaries' Needs

Individuals participating in the interviews, focus groups and surveys were asked to indicate who they felt the clients and beneficiaries are of IBOC and what their needs are.⁷

Internal stakeholders and participants in focus groups (industry and international representatives) were in general agreement about who IBOC's beneficiaries and clients are and what their specific needs are. They agreed that IBOC's main clients are trade officers (or their posts or embassies) whose primary need is for the names of Canadian businesses able to supply the product or service sought by a foreign organization named in the lead the trade officer has forwarded to IBOC. Similarly, key informants identified Canadian businesses as the main beneficiaries of IBOC services; their primary need is for the identification of foreign organizations with whom to engage in a business relationship. It was pointed out that IBOC was designed to be the intermediary or match-maker between clients and beneficiaries.

Most key informants and focus group participants emphasized that the information sought by clients and beneficiaries had to be accurate and timely. It is deemed important for a lead to be accurate (and therefore useable) both with respect to the legitimacy of the foreign buyer/partner and the business opportunity it presents, and with respect to the desire and ability of the Canadian businesses to meet the foreign organizations' specific need. Furthermore, Canadian beneficiaries need accurate additional information on the lead, for example, on the potential foreign buyer/partner and the product or services being sought, as well as on the market being entered, specifically financial considerations (e.g., insurance) and market conditions in the foreign country which IBOC officers do not supply, though they do refer businesses to sources of such information). Timely information is needed as foreign requests are typically time-dated.

The need for information and assistance varies considerably with the characteristics of the client and the beneficiary. For example, larger missions in larger countries typically have their own

7. The extent to which those needs are actually met by IBOC are considered in the chapter on IBOC delivery.

information sources to rely on to find Canadian businesses to match to the foreign opportunity that they have identified, as well as sufficient staff such that some are dedicated solely to certain specific aspects of this matching. Similarly, the size and sector of potential Canadian business beneficiaries affects the degree of need for IBOC services.

Turning to IBOC beneficiaries, the Survey of Businesses asked companies to identify their two most urgent needs in terms of identifying and pursuing international business opportunities. Again, there are some differences in the needs identified by recipients of the different type of lead (Exhibit 2.2).



Recipients of specific leads most often identified market intelligence (29 per cent) and awareness of leads (26 per cent) as urgent needs. Timely and accurate leads (17 per cent) and referrals for further information/advice/support (13 per cent) were identified as urgent needs by fewer specific lead recipients. Financial assistance, advertising to buyers, and information on logistics/procedures to follow were identified as urgent needs by less than 10 per cent of these companies.

Recipients of e-Leads most often identified awareness of leads (53 per cent) and timely and accurate leads (48 per cent) as urgent needs (Exhibit 2.2). Other needs identified by a significant proportion of e-Lead recipients include market intelligence (24 per cent), financial assistance (21 per cent), and advertising to potential buyers (19 per cent). Needs identified by a smaller number of recipients of e-Leads include referrals for further information/advice/support (11 per cent), and information on logistics/procedures to follow (eight per cent).

Small companies (less than 10 employees) that were recipients of e-Leads were more likely to have identified financial assistance as an urgent need, while larger companies (51 employees or more) were more likely to have identified market intelligence as urgent. The same pattern holds true using revenues as a measure of company size: firms with revenues of less than \$6 million were more likely to have identified financial assistance, and those with greater revenues, market intelligence. There were no sub-group differences among recipients of specific leads.

2.3 Use of IBOC Alternatives

Internal IBOC stakeholders consulted for this evaluation were of the opinion that, in the face of growing competition from other similar services, there is still no service like IBOC in Canada. They said that there are several other public and private sector organizations issuing international business opportunity leads, but none offers the value added that IBOC provides with respect to a “personal touch” and the researching of appropriate matches among Canadian companies; according to key informants, this is what makes IBOC unique.

The 2003 internal audit of IBOC suggests that trade officers increasingly have access to the tools IBOC officers are using. It notes that “the sourcing tools available to IBOC have become more widely accessible [to] ... and easily usable by officers ... in missions abroad, which will ... continue to have a significant effect on the way that IBOC conducts its business” (page 10 of *Audit of IBOC*).

The Survey of Missions (n=22) solicited trade officers’ views on where IBOC stands with respect to other services that they use to find suitable Canadian suppliers for the leads they

identify. It should be re-iterated that the views presented do not necessarily represent the views of all trade officers, as not all missions participated in the survey and views and usage likely vary among officers within missions.

The survey results indicate that, though IBOC is not always used by trade officers to find Canadian suppliers, it is ranked highly by them. First the missions surveyed sent on average about half (46 per cent) of the leads they identified to IBOC. Second, 55 per cent of the missions said they do an initial search in WIN (or an alternative) and, if unsuccessful, then they go to IBOC; 36 per cent go to IBOC directly, and 14 per cent source the lead themselves.⁸ Third, trade officers are as likely to use WINONLINE and their own sources as they are to use IBOC. Specifically, when asked to rank IBOC and other sourcing tools and practices in terms of frequency of use, the three top ranked instruments — IBOC, directly contacting known suppliers, and WINONLINE — were ranked first about the same number of times (8-9) and had a similar mean rank (1.9-2.2).

Turning to IBOC beneficiaries (Canadian companies), results of the survey conducted of businesses indicate that a wide range of products and services are being used by Canadian companies to identify international business opportunities. Survey respondents were asked to identify which products or services they have used in the last two years. Recipients of specific leads were more likely to have said they relied uniquely on IBOC (59 per cent did *not* use any other products or services), while most businesses receiving e-Leads said they made use of other products and services (none did *not* use any alternatives in the last two years (Exhibit 2.3)).⁹ Not shown in the exhibit is the fact that larger firms were significantly more likely to have said they use no other service, than smaller firms were.

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8. Trade officers' sourcing their own needs appears to run counter to the Trade Commissioner Service's "New Approach@Work" which was implemented to provide "more consistent client focused and results-oriented services to Canadian clients." Trade officers are urged to use already-established contacts with Canadian companies to match leads, and, as a best practice, they are encouraged to contact IBOC to ensure a broad and equitable reach across all regions.
 9. Part of the difference in results may be explained by the different methodologies used to gather evidence from recipients of the two types of leads. Specific lead recipients were asked, in the telephone survey, an entirely open-ended question, Where other e-Lead recipients were provided, in the web survey, with a list of alternatives.

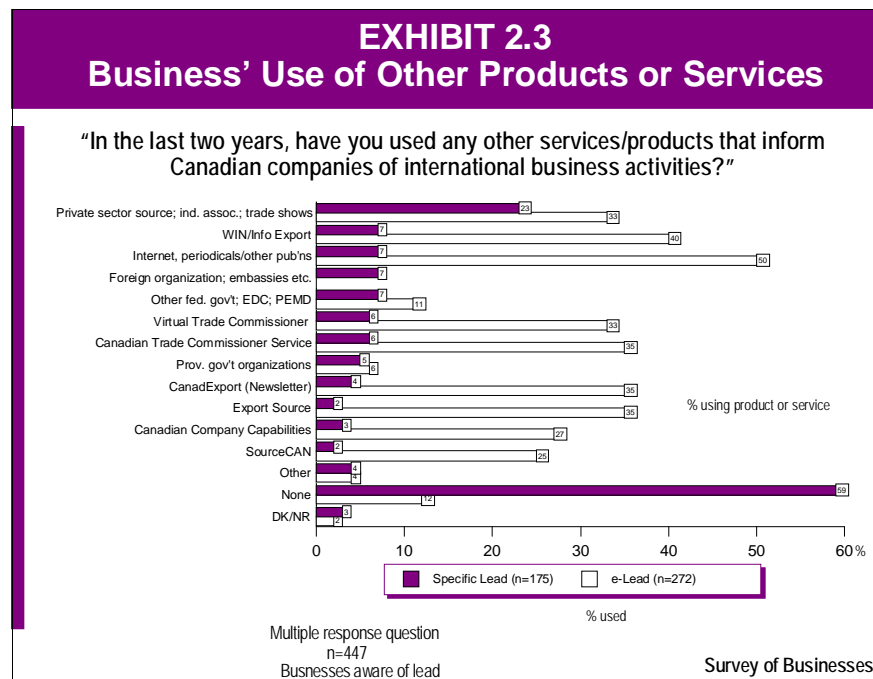


Exhibit 2.3 indicates that a quarter or less of specific lead recipients have used a particular product or service in the last two years. These companies are, by far, more likely to use private sources, including industry associations and trade shows (23 per cent) to find international business opportunities. As for e-Lead recipients, larger proportions (up to 50 per cent) used another particular service to identify international business opportunities in the last two years.¹⁰ Specifically, e-Lead recipients said they were most likely to use Internet searches¹¹ including periodicals and other publications (50 per cent), WIN/InfoExport (40 per cent), the Canadian Trade Commissioner Service (35 per cent), CanadExport (35 per cent), Export Source (35 per cent), the Virtual Trade Commissioner¹² (33 per cent) or private sector sources, including industry

10. Again, this could be partially due to the different methodologies, as noted in the previous footnote.

11. Please note the overlap between Internet searches and other alternatives such as Virtual Trade Commissioner (an online service) and private sector sources (which include private online matching services).

12. It should be pointed out that e-Leads are in fact transmitted by the Virtual Trade Commissioner.

associations and trade shows (33 per cent). A significant number of recipients of e-Leads have also used Canadian Company Capabilities/Strategis¹³ (24 per cent), and SourceCAN (25 per cent).

2.4 Technological Changes

Internal IBOC stakeholders indicated that rapid technological change, including the development of new software and search engines as well the growing use of the Internet, is contributing to an increased volume of electronic leads, as well as to the capacity of individual officers to deal with the leads, in terms of numbers as well as ability to identify Canadian businesses. Internal stakeholders reported that IBOC keeps abreast of technological developments, equipping staff with the latest technologies and software to increase productivity and efficiency in matching leads to Canadian businesses. More and more business is being conducted over the web, but at the same time there is a perceived need for some human input as well — a niche IBOC fills and which no other Canadian service does.

The majority of missions and ITC representatives participating in the focus groups could foresee no technological developments in the near future that would affect IBOC. Industry sector representatives had little to say about this issue.

13. It should be noted that the Canadian Company Capabilities database does not offer international business opportunities, although companies subscribing to the e-Lead service are invited to register with Canadian Company Capabilities.

3. IBOC RESULTS

In this chapter, evidence mainly from the Survey of Businesses is presented on the results of IBOC, particularly on the leads disseminated. Results considered include the response to the lead, the impacts on awareness, the impacts on exporting, and the impacts on international business for Canadian firms.

Results are presented together for specific leads and e-Leads because the issues addressed and outcomes expected (e.g., a sale) are the same for the two types of leads, even though the dissemination approach is different. The final chapter presents the results separately for specific leads and e-Leads. As well, it should be re-iterated that there have been no points of comparison specified for IBOC (i.e., baseline measures, results targets), with which the significance of the observed results could be assessed.

3.1 Response to Leads

The actions initiated by businesses once an IBOC lead was received and the outcome of that action were explored through the surveys of business clients. The focus of the surveys was on the most recent lead received from IBOC. Note that the results in this section are based on respondents who could recall the lead (n=447), which is comprised of all specific lead recipients and all but 35 e-Lead recipients.

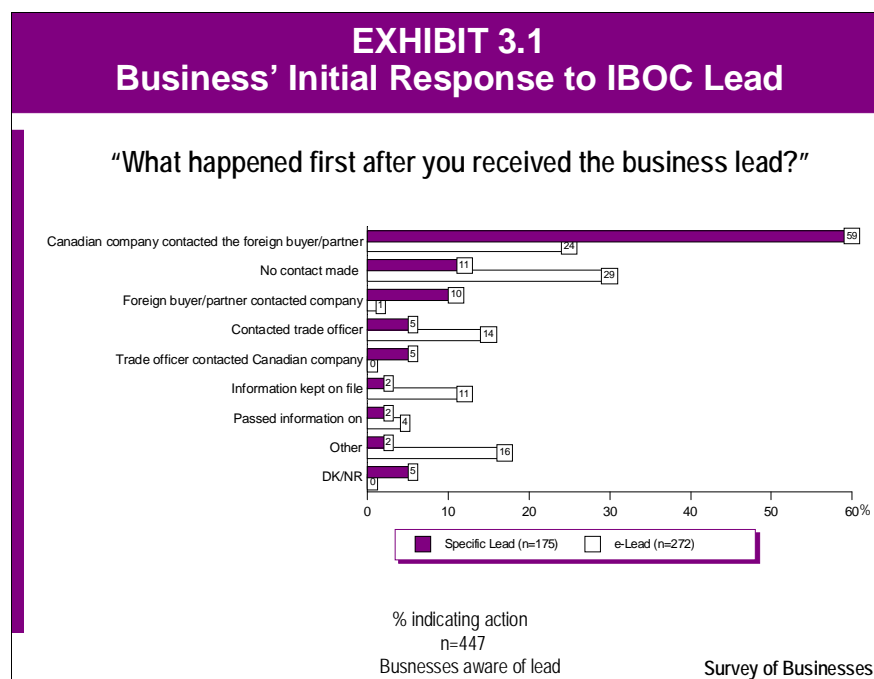
3.1.1 Requests for Additional Information/Referrals

First, the companies surveyed were asked whether they requested any additional information from IBOC once they received the lead. Survey results indicate that about one-fifth (21 per cent) requested further information from IBOC in the context of the lead received (such as the legitimacy of the foreign organization, how to prepare for exporting, export financing, market intelligence, etc.). Of the businesses that requested information, 43 per cent were referred to another organization for the information requested. This group of firms were then asked to indicate what organization they were referred to. Companies were most often referred to an international trade officer (59 per cent), an International Trade Centre (33 per cent), or Export Development Canada (18 per cent). Others were referred to another federal or provincial government

organization (eight per cent) or another organization (13 per cent). The majority of clients referred agreed that the referral was either moderately useful (59 per cent) or very useful (31 per cent).¹⁴ One in ten (10 per cent) did not find the referral useful.

3.1.2 First Contact

Survey respondents were asked to indicate whether their company initiated contact with the foreign buyer/partner or trade officer following the receipt of the IBOC lead or if the foreign buyer/partner or trade officer contacted their company first. Results indicate that, overall, contact was initiated more often by the Canadian company than by other parties. Exhibit 3.1 indicates that the initiation of contact varies for recipients of specific leads versus e-Leads, with the recipient of a specific lead more than twice as likely to contact the potential foreign buyer/partner than an e-Lead recipient (59 versus 24 per cent, respectively). No contact at all was much more likely in the case of e-Lead recipients than specific lead recipients (29 versus 11 per cent, respectively). This is understandable given the type of leads (primarily tenders) that are disseminated via e-Leads/VTC. Precise matching is difficult due to the limited information provided in the e-Leads.

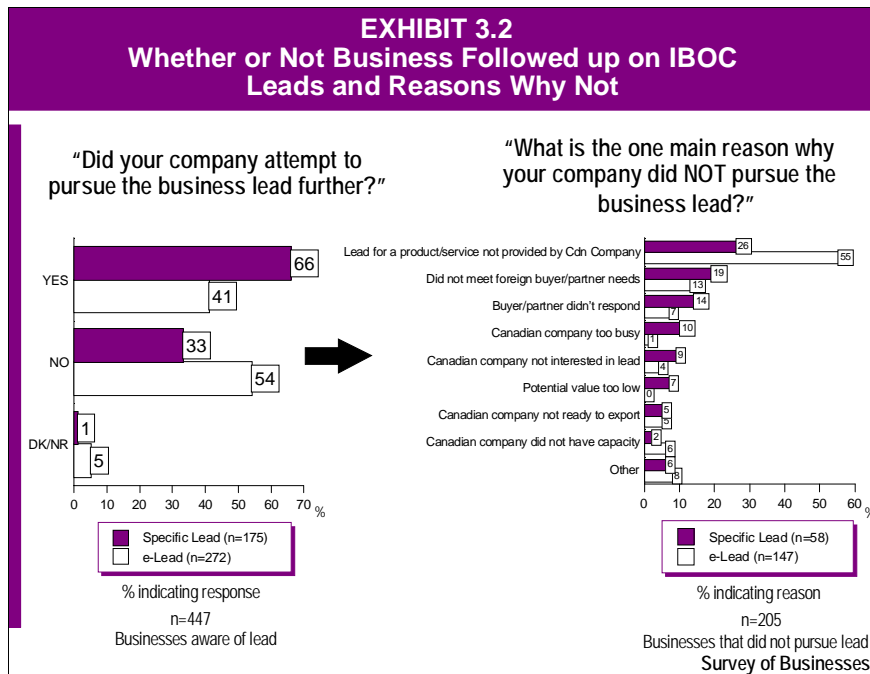


14. Moderately is 3-5 and very is 6-7 on the 7-point scale.

Exhibit 3.1 further indicates that in the case of specific leads, one tenth (10 percent) were contacted by the buyer/partner, no contact was made in 11 per cent of cases, and a smaller proportion contacted a trade officer (five per cent) or were contacted by a trade officer (five per cent). So, overall, 79 per cent of specific leads had some form of contact following receipt of the lead. Less than one quarter of e-Lead recipients contacted the foreign buyer/partner (24 per cent) or a trade officer (14 per cent). So, overall, 39 per cent of e-Lead recipients had some form of contact following receipt of the lead. In a small number of instances, businesses kept the information contained in the lead on file for future reference (two and 11 per cent of specific and e-Lead recipients, respectively).

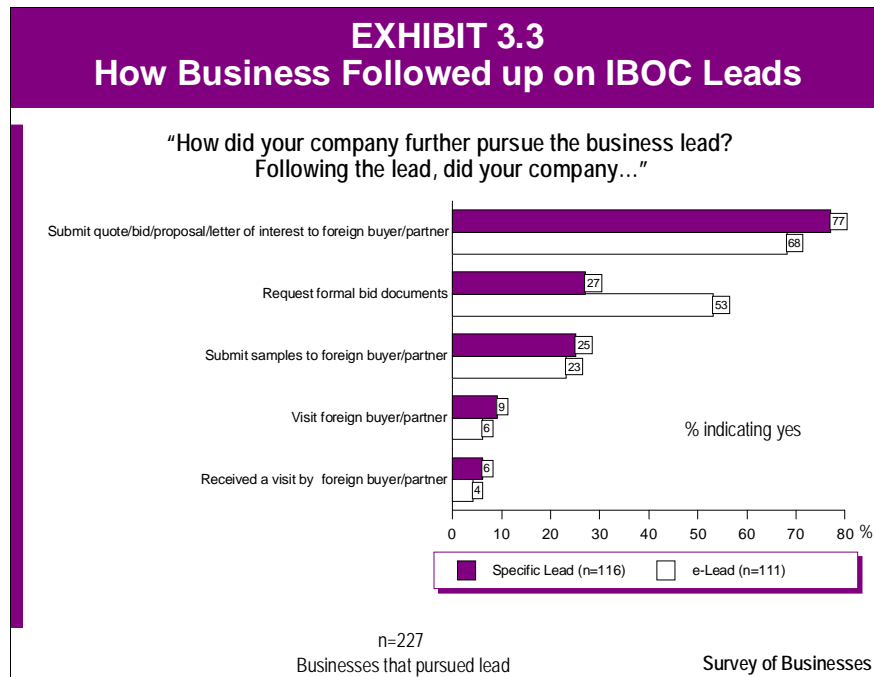
3.1.3 Pursuing Leads

Following the receipt of the lead and, for some, the initial contact with the trade officer or potential foreign buyer/partner, businesses surveyed were asked whether they chose to pursue the lead further, and if so, how. Overall, roughly half the businesses surveyed (51 per cent) chose to pursue the lead further. Two-thirds of companies receiving a specific lead (66 per cent) attempted to pursue the lead further, versus 41 per cent of those who received an e-Lead.



The main reason why the lead was not followed up, especially by e-Lead recipients, was that the lead was not for a product or service the Canadian company offered. About one-quarter of specific lead recipients that did not pursue the lead (26 per cent) compared to 55 per cent of e-Lead recipients identified this as the main reason they did not pursue it (Exhibit 3.2). The second and third most frequently mentioned reasons were that the company would not be able to meet the potential foreign buyer's/partner's needs (19 and 13 per cent of recipients of specific leads and e-Leads, respectively) and the potential foreign buyer/partner did not respond to the Canadian firm's attempt to contact it (14 and seven per cent, respectively). In a small number of instances, the firm did not pursue the lead because it was too busy (ten per cent of specific leads and one per cent of e-Leads); not interested in it (nine and four per cent for recipients of specific leads and e-Leads, respectively), the potential value was too low (seven and zero per cent, respectively), the firm was not ready to export (five per cent for recipients of specific leads and e-Leads), or it did not have the capacity (two and six per cent, respectively). Recipient of e-Leads with revenues of less than \$6 million were more likely to have said that the Canadian business was not able to meet the foreign organization's needs, while those whose revenues exceed \$6 million were more likely to have said the value of the lead was too low.

Those businesses that chose to pursue the lead further were asked to indicate how they did so. Exhibit 3.3 indicates that over two-thirds of recipients of specific leads (77 per cent) and e-Leads (68 per cent) submitted a quote, bid, proposal or letter of interest to the foreign buyer/partner. The second most frequent action taken was to request formal bid documents, which recipients of e-Leads were twice as likely to do than recipients of specific leads (53 versus 27 per cent, respectively). The reason for this wide gap is that tender notifications of government procurements arrive only via e-Leads. Third, about one-quarter of businesses submitted samples to the potential foreign buyer/partner (25 and 23 per cent for specific lead and e-Lead recipients, respectively). Much smaller proportions visited the potential foreign buyer/partner (nine and six per cent for specific lead and e-Lead recipients, respectively), or were visited by the foreign buyer/partner (six and four per cent for specific and e-Leads, respectively).



Just over one-third (34 per cent) of recipients of e-Leads or specific leads who pursued the lead further identified, in a follow-up question, other actions taken to pursue the lead (not shown in Exhibit). Among those individuals responding positively to the follow-up question (n=77), the most frequently taken action was further contact with the prospective buyer/partner, by phone, fax, or e-mail (77 and 40 per cent of recipients of specific leads and e-Leads, respectively). Other actions taken were sending catalogues (20 and 12 per cent, respectively) and requesting further information (nine and 19 per cent, respectively).

3.2 Short-term Results: Impact on Awareness

Evidence of IBOC’s impact on awareness of international business opportunities, IBOC and other services and Canadian products and services, presented in this section, is drawn mainly from the survey of businesses that have used IBOC services. Internal IBOC stakeholders were also asked about IBOC’s role in increasing awareness, although they, for the most part, indicated that IBOC had contributed positively in this respect, there was no real evidence offered to corroborate these views. Moreover, it should be noted that there is no baseline measure of awareness to

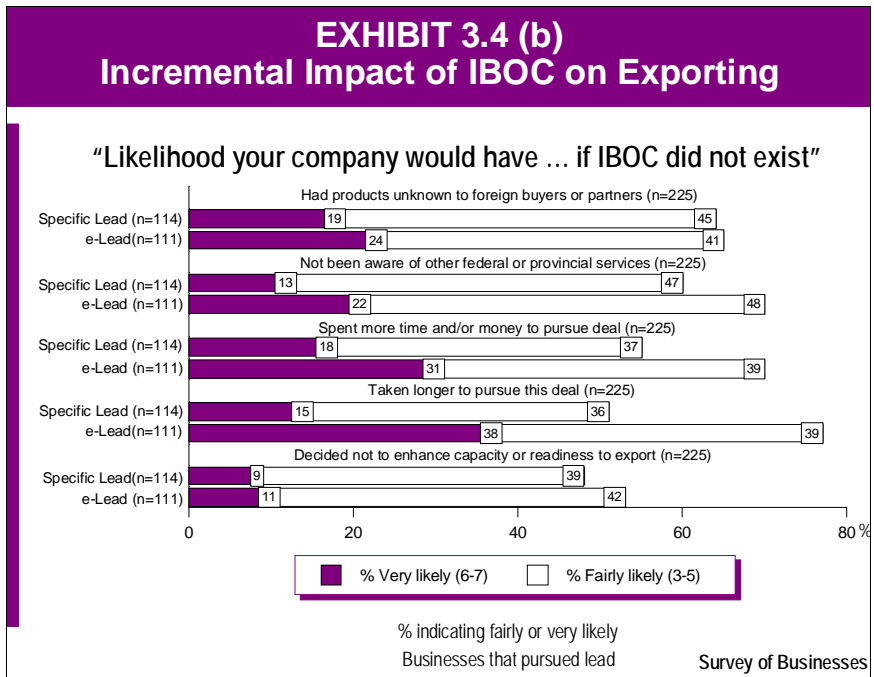
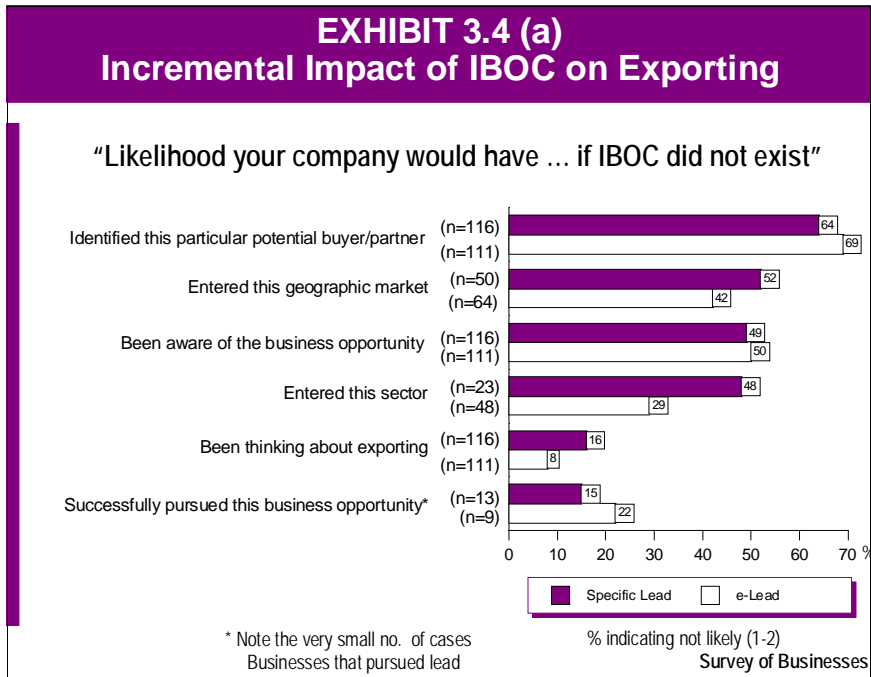
compare current awareness levels to (a point also raised in the focus groups). Therefore, it is not possible to objectively determine whether or not real progress has been made by IBOC in increasing awareness.

3.2.1 Increased Canadian Businesses' Awareness of International Business Opportunities

Most international representatives who participated in the focus groups felt that Canadian firms and TCI partners are more aware of international business opportunities as a result of IBOC.

Businesses were asked in the survey to indicate the likelihood that, in the absence of IBOC, they would have identified and pursued the business opportunity identified in the most recent lead they received from IBOC. Survey results (first and third sets of bars in Exhibit 3.4a) reveal that, without IBOC, a significant number of firms said that it was not likely that they would have identified the particular foreign buyer/partner (64 and 69 per cent of those receiving specific leads and e-Leads, respectively) or have been aware of this particular business opportunity (49 and 50 per cent, respectively)¹⁵.

15. All results from Exhibit 3.4(a) are reported as follows. Responses to the original question were provided on a 7-point scale, where 1=not likely to 7=extremely likely, and were aggregated as follows: 1-2=not likely, 3-5=fairly likely, and 6-7=very likely. Reported here is the proportion indicating not likely (1-2).



3.2.2 Increased Foreign Businesses' Awareness of Canadian Products/Services

Almost two-thirds of the business survey respondents said that, without IBOC, their products would likely not be known to foreign buyers/partners. The survey results (Exhibit 3.4(b)) indicate that 64 and 65 per cent of specific lead and e-Lead recipients, respectively, said it is fairly or very likely that their products and services would not be known by foreign businesses in the absence of IBOC.¹⁶ However, it should be pointed out there are other ways a Canadian firm's products can be made known to overseas buyers/partners (e.g., other directories). Thus, the Canadian firm is not likely to know definitively by which route foreign firm's learned about its products or services.

Industry sector and mission/ITC representatives participating in the focus groups could not really answer the question of whether or not awareness of Canadian products was rising or what role IBOC was playing in that.

3.2.3 Increased Canadian Businesses' Awareness of TCI and Other Government Services

Industry and international representatives participating in focus groups really could not answer the question but did say that Canadian firms' awareness of TCI services must, to some extent, be due to IBOC. As for the businesses themselves, Exhibit 3.4(b) indicates that a majority of businesses (60 and 70 per cent of those receiving specific leads and e-Leads, respectively)¹⁷ indicated that, it was fairly or very likely that they would not have been aware of other federal or provincial services if IBOC did not exist.

16. Unlike the previously reported result based on the same survey question, results reported in Table 3.4(b) are for businesses indicating fairly likely (3-5 on the 7-point scale) or very likely (6-7), because these measures are in the opposite direction to the previous measures. The figures cited in the text are the sums of fairly likely and very likely, i.e., 64=19+45 and 65=24+41.

17. Again, for these figures, we combined fairly and very likely; 60 per cent=13+47; 70 per cent=22+48.

3.3 Intermediate Results: Impact on Exporting

The results in this section are based primarily on the survey of businesses that have received IBOC leads, or, in many cases, those that have pursued those leads.

3.3.1 Reduced Search/Marketing Costs

The business survey results indicate that IBOC is reducing the time and money spent by Canadian companies on pursuing foreign business arrangements, particularly for recipients of e-Leads. Table 3.4(b) (third and fourth sets of bars) shows that the majority of businesses surveyed indicated that without IBOC, it is fairly or very likely it would have taken longer to pursue the deal (51 and 76 per cent of specific lead and e-Lead recipients, respectively), or that they would have spent more time and/or money to pursue this deal (54 and 80 per cent, respectively).¹⁸ In particular, regardless of the type of lead received, smaller businesses (i.e., with revenues of \$5 million or less) were more likely to have said in the survey it is very likely they would have taken longer to pursue the deal in the absence of IBOC.

3.3.2 Increased Matches of International Opportunities to Canadian Firms

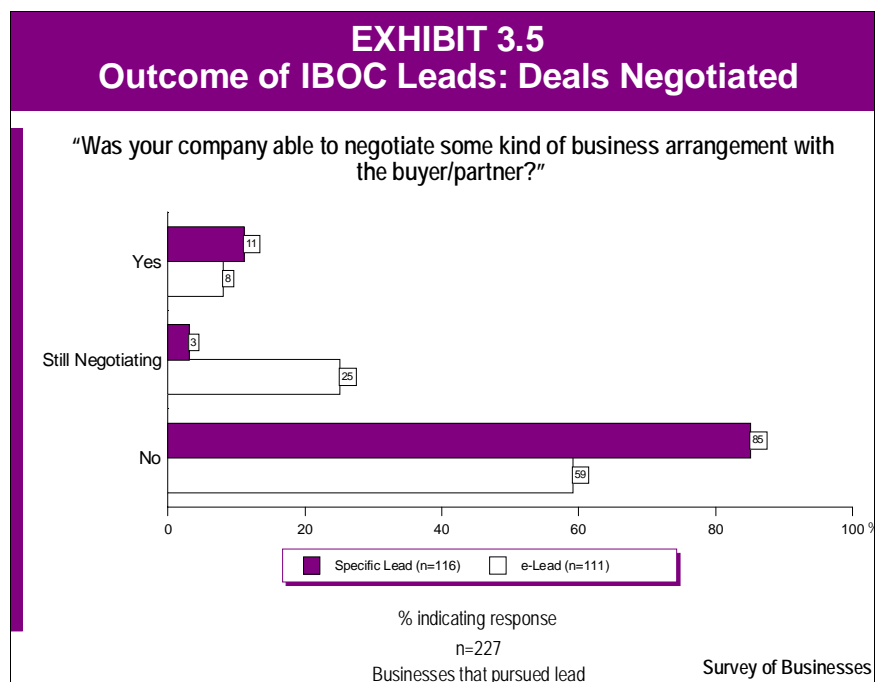
As observed above in the discussion of the perceived need for IBOC, some industry sector and mission/ITC representatives said some leads for international business opportunities would likely lapse if IBOC did not exist. It was said that, while other information sources would be found and used to find Canadian companies that would be a match for some opportunities, some requests from foreign organizations would be left unfilled.

The Survey of Businesses also examined the outcomes of the leads received by respondents (the most recent IBOC lead received by their company). The analysis in this sub-section is based on the 227 businesses that pursued the lead provided to them. It should be pointed out that the results presented should be considered in light of the fact that all leads received can not culminate in a deal, as they are distributed to as many as six companies.

18. Again, note that these are the sums of the proportions of businesses that indicated 6-7 (very likely) or 3-5 (fairly likely) on the 7-point scale, ranging from 1=not likely to 7=extremely likely.

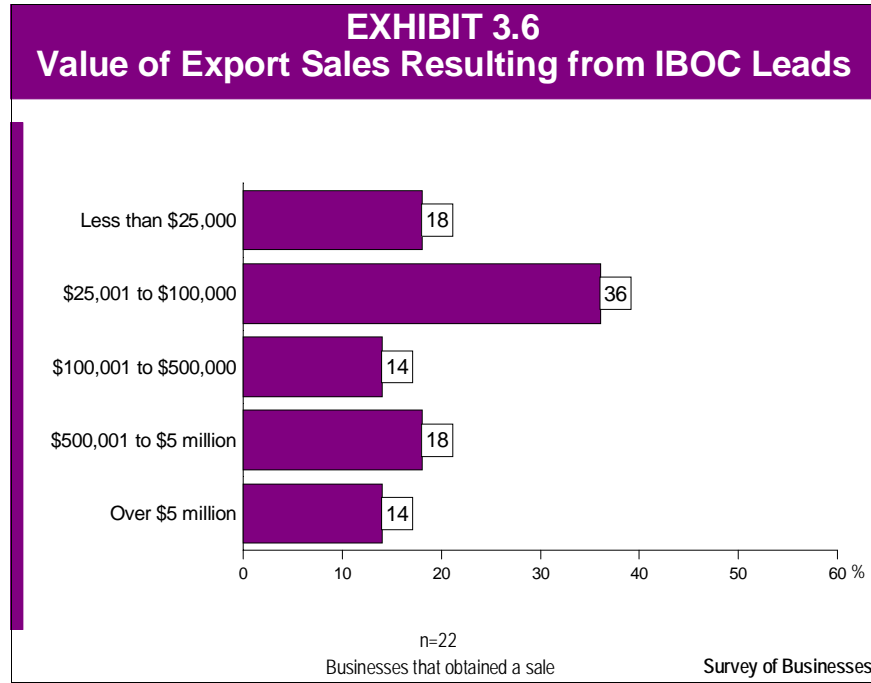
Survey results reveal that one in ten businesses (10 per cent) that pursued the lead provided by IBOC ended up successfully negotiating a business arrangement. Of those businesses pursuing the lead, 11 per cent of those receiving a specific lead and eight per cent of those that received an e-Lead succeeded in negotiating an arrangement (Exhibit 3.5). One quarter of e-Lead and three per cent of specific lead recipients indicated that they were still in negotiations at the time of the survey.

Of those who negotiated an agreement (n=22), most obtained a sale or contract. All recipients of specific leads that negotiated an agreement indicated that the arrangement was a sale



or contract. Recipients of e-Leads that negotiated some kind of arrangement, on the other hand, obtained a sale/contract (67 per cent), licensing agreement (11 per cent), joint venture (11 per cent), or other type of agreement (11 per cent).

Exhibit 3.6 indicates that the value of export sales resulting from successful deals negotiated from leads varied significantly. The value of deals ranged from less than \$25,000 (18 per cent) to as high as \$5 million (14 per cent), with the largest proportion falling in the range of \$25,001 to \$100,000.



3.3.3 Increased TCI Support for Canadian Firms

Little information could be gathered in this evaluation to address this issue. The IBOC website has links to other sources (Export Development Canada (EDC), a TCI partner; ExportSource, the TCI information resource; and WIN/Info Export, the information resource of DFAIT's Trade Commissioner Service), but it was not within the scope of this evaluation to follow-up with individuals who went to a TCI destination to determine if the support provided proved to be useful.

In the Survey of Businesses, the limited evidence on this question indicates that, of the 39 businesses referred to another organization for information, 18 per cent (or seven) were referred to the EDC. Of these seven businesses, all found EDC assistance at least somewhat useful (reporting 3-7 on a 7-point scale where 1=not at all useful and 7=extremely useful), with most finding it very useful (6 or 7 on the scale).

3.3.4 New/Expanded Markets for Canadian Exporters

An important objective of IBOC is to open up new markets for Canadian businesses. Evidence to determine whether or not this objective was attained was gathered from interviews with internal stakeholders and the Survey of Businesses. First, internal IBOC stakeholders were fairly unanimous in their view that IBOC had opened up new markets and expanded existing markets for Canadian exporters. However, key informants could provide little quantitative evidence corroborating claims of success.

Second, businesses that pursued the lead provided to them were asked in the survey to indicate whether the IBOC lead enabled their company to enter new markets or led to a new foreign buyer or partner. Overall, survey results indicate that IBOC leads provided many companies with their first experience in exports to particular sectors, countries, buyers and in exporting particular products or services.

Specifically, Exhibit 3.7 indicates that IBOC leads were more likely to have resulted in the company being involved with a new foreign buyer or partner, than with a new country, sector, or a product/service. This is particularly true for businesses that received specific leads, as 89 per cent indicated that the IBOC lead received involved a new foreign buyer or partner (versus 66 per cent of recipients of e-Leads).

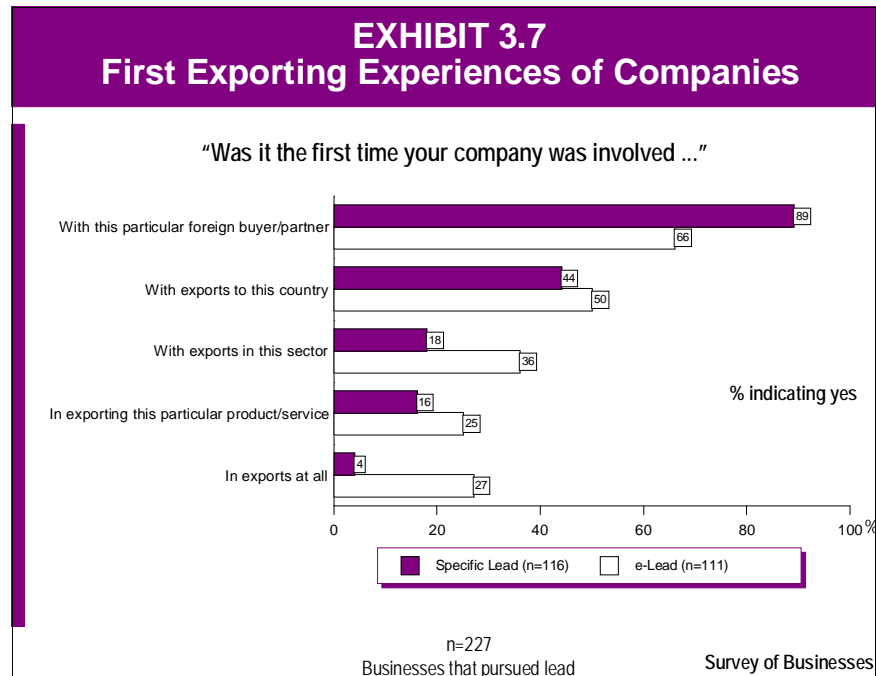


Exhibit 3.7 shows that a large proportion of businesses indicated that IBOC leads involved exporting to a new country (44 and 50 per cent of recipients of specific leads and e-Leads, respectively). A significant number of IBOC leads involved an industry/sector in which the firm has never exported (18 and 36 per cent of clients of specific leads and e-Leads, respectively), or product or service they had never exported (16 and 25 per cent, respectively).

Companies with revenues of \$5 million or less were more likely to be exporting to a new sector or a new country as a result of the IBOC lead. Not surprisingly, those companies for which exports represent 25 per cent or less of their revenue were more likely to have stated that this is the first time they exported into this sector (34 per cent) or to this particular country (56 per cent), or the first time they exported this particular product or service (29 per cent).

There is also evidence that IBOC’s impact on exporting was to some extent *incremental*. Exhibit 3.4(a) indicates that two of the 13 businesses that successfully pursued a specific lead (15 per cent) and two of the nine businesses that successfully pursued an e-Lead (22 per cent) believe that it is unlikely (reporting 1 or 2 in the 7-point scale) that they would have successfully

pursued this business opportunity in the absence of IBOC.¹⁹ Exhibit 3.4 indicates that IBOC had an incremental impact on businesses exporting to new geographic markets and sectors: without IBOC, 26 and 27 of the 50 and 64 recipients of specific leads and e-Leads (50 and 42 per cent), respectively, who said they entered a geographic market for the first time; said they would have been unlikely to enter this particular geographic market, 11 and 14 of the 23 and 48 recipients of specific and e-Leads (48 and 29 per cent), respectively, said in this sector.

3.3.5 Increased Number of New Canadian Exporters

An objective of IBOC is also to introduce Canadian firms to exporting. In a smaller number of instances, IBOC leads provided businesses with their first ever experience with exporting. As Exhibit 3.7 indicates, businesses who pursued an e-Lead were much more likely to have indicated that this lead represented their first experience in the export market at all (27 per cent of firms receiving e-Leads versus four per cent of those receiving specific leads).

A number of significant differences in the results were observed according to firm characteristics, as the following indicates:

- ❑ Very small companies (less than 10 employees) that received e-Leads were more likely to have indicated that this is their company's first involvement in the export market.
- ❑ Companies with revenues of \$5 million or less were more likely to be getting involved in the export market for the first time.

The survey results suggest that IBOC is playing a very small incremental role in initiating businesses into the export market. The results (Exhibit 3.4a) indicate that a minority of businesses (16 and eight per cent of recipients of specific leads and e-Leads, respectively) stated that they would not likely (reporting 1 or 2 on the 7-point scale) have thought of exporting had IBOC not introduced the opportunity to them.²⁰ On the other hand, about half the businesses said it was fairly or very likely that they would not have decided to enhance their capacity or readiness to export in

19. Note that this result is based on the small number of businesses that negotiated a deal (n=22).

20. It should be re-iterated that there are no results targets or baseline measures specified for the Centre, which would have enabled the assessment of the significance of this result.

the absence of IBOC (48 and 53 per cent of firms receiving specific leads and e-Leads, respectively).

3.3.6 Enhanced Ability to Identify Canadian Suppliers

The Survey of Missions revealed that about half of the 11 Missions asked the question indicated that not having IBOC would have a negative impact on their ability to find Canadian suppliers for the foreign business opportunity leads they receive. Another 36 per cent said it would have a moderately negative impact and only 18 per cent said it would have no impact. This would suggest that IBOC services are having an incrementally positive effect on trade missions' ability to find Canadian suppliers for the international business opportunities they identify.

3.4 Long-Term Result: Increased International Business for Canadian Firms

Most internal stakeholders and international and industry representatives said that they believed IBOC was contributing and would contribute to increased business for Canadian firms. Many pointed out there are not data to corroborate the attainment of this expected outcome.

4. IBOC DELIVERY

This chapter presents evaluation findings on a number of delivery issues, including awareness and marketing, the extent to which needs are met, satisfaction with the delivery, views on the mix/number of services, appropriateness of delivery standards, adequacy of resources, and perceived weaknesses, strengths and suggestions for improvement. As noted in the previous chapter, because the delivery issues addressed were the same for specific leads and e-Leads, the results for the two types of leads are presented together, despite differences in the dissemination methods. Results are presented separately in the concluding chapter. As well, there are no points of comparison against which observed results could be compared.

4.1 Awareness and Marketing of IBOC

IBOC often does training sessions at DFAIT headquarters to educate trade officers about the Centre. Trade shows involving trade officers are another way of raising awareness about IBOC.

All IBOC internal stakeholders interviewed stated that awareness of IBOC among trade officers is generally very high. A few interviewees also pointed out, however, that some trade officers are oblivious to IBOC, choosing to use their own sources of Canadian companies to match with the leads they (the trade officers) uncover.

Only just over half of the mission officers responding to the Survey of Missions indicated they were aware of IBOC services. The survey results indicated that six of the 11 missions asked the question said they were aware of IBOC services and four said they were not; one did not respond to the question. Note, however, the small number of observations (n=11) on which this finding is based. It should also be noted that, as awareness of IBOC likely varies *within* a mission, the mission survey results may not be necessarily representative of awareness among *all* trade officers.

Internal stakeholders interviewed were asked to comment on whether or not IBOC is being strategic in the search/matching market. Responses were varied. A few key informants said that, as IBOC's market consists of trade officers, which is in effect a captive market, there is no need to market to this group. One of these key informants pointed out that providing high-quality matches for leads sent by trade officers would enhance IBOC's profile in trade missions. Two internal stakeholders thought that IBOC could do a better job of actively marketing itself, with one of these saying the organization does not have sufficient resources to do so.

Finally, marketing to businesses may be needed. As will be indicated in the discussion of suggestions for improvement, better marketing and awareness raising about the services IBOC offers was a frequently-made suggestion for improvement, according to respondents to the survey of businesses.

4.2 Usage of IBOC Services

Internal stakeholders interviewed generally believe trade officers are not using IBOC services as much as they could or should. This is corroborated to some extent by the finding in the previous section that a number of trade officers were not aware of IBOC.

Many of the larger posts do not use IBOC because they have their own sources and contacts. Smaller posts have fewer resources and contacts and so must rely on IBOC more. One official pointed out that frequent usage of IBOC by a mission is not necessarily good, as this could indicate the respective trade officers are either not as energetic as they should be, or under-equipped to do searches on their own, being located in a smaller mission with fewer resources. In this official's mind, IBOC was not meant to be a clearinghouse of *all* leads for international business opportunities: it is acceptable for trade officers to turn directly to already-established contacts in Canada to find matches for leads. As a best practice however, trade missions are encouraged to contact IBOC to ensure a broad and equitable reach across regions.

A wide range of barriers to IBOC use was identified by internal stakeholders, but there was no real consensus on the prevalence of any particular barrier. The barriers mentioned by at least two officials each are the following:

- technological barriers (narrow bandwidth, slowness in accessing forms, losing the connection, country not connected);
- language barriers (having to translate the leads lengthens response time);
- customs, geography and market conditions of a particular country; and
- trade officers (ignorance of IBOC services, reluctance to use IBOC services, insufficient information accompanying lead).

One official believed that the main barriers to using IBOC services were internal to DFAIT, and were related mainly to resources, though several other key informants in other questions noted IBOC's lack of funding as an obstacle as well. First, there is the physical restraint of not being able to expand IBOC because of space limitations in the building. Second, the view was expressed that, because Industry Canada (co-funder of IBOC) has not been keeping up with DFAIT in contributing to IBOC, DFAIT does not feel compelled to put any more money into IBOC. The result is a perception that IBOC is under-funded and therefore limited from fully responding to leads — thus discouraging usage of IBOC by trade officers.

Missions/ITC and industry sector representatives also identified language as an important barrier to using IBOC. Poor communications between IBOC and the missions and insufficient promotion of IBOC were also identified by focus group participants.

Internal stakeholders' suggestions for how barriers could be overcome correspond to the barriers they identified. Thus, the suggestions include: increasing funds for translation, strengthening the relationship with Industry Canada, training trade officers regarding IBOC's services and how to fill out the CMS form, and improving connectivity between trade missions and IBOC.

4.3 Met Needs, Satisfaction and Perceived Usefulness

4.3.1 Extent to which Needs are Met

Internal IBOC officials who were interviewed for this evaluation indicated that client needs are being met but not entirely so. The main barrier to completely meeting client needs was a perceived lack of human resources at IBOC in the face of a rising volume of leads. Another identified barrier concerns the lack of information accompanying leads received from some trade officers, as well as the fact that the foreign organizations are not fully vetted by some trade officers. This has had a negative impact on the appropriateness and timeliness of some leads issued by IBOC to Canadian businesses and thus, on the extent to which IBOC is able to meet beneficiaries' (Canadian businesses') needs.

Some issues were raised with respect to the legitimacy of both Canadian and foreign organizations identified in the matching process, which has had a negative impact on how needs are met. As noted, internal stakeholders interviewed identified the fact that trade officers do not always thoroughly vet the foreign organization, which means that a lead does not always turn out to be viable and a deal is therefore not struck. Conversely, mission/ITC and industry sector representatives participating in the focus groups indicated that the Canadian companies identified by IBOC officers as matching the lead are sometimes not suitable²¹, which means a foreign business opportunity is missed and the reputation of the trade office may suffer.

Evidence from the Survey of Businesses cited in the previous chapter (Exhibit 3.2) suggests that a portion of the Canadian firms being identified by IBOC officers as potential matches to the lead are not appropriate. As observed, the top two reasons why recipients of specific leads and e-Leads did not pursue the lead provided to them were that: (1) the lead was for a product or service that the Canadian firms did not supply, and (2) the Canadian company could not meet the potential

21. Clarification of the type of lead (specific or e-Lead) was not sought at the time. The reference was likely to e-Leads for which there is no telephone follow-up to confirm suitability.

foreign buyer's/partner's needs.²² This suggests that the lead is not meeting the needs of a proportion of businesses.

The Survey of Missions indicated that, of the 11 missions asked the respective question, eight (73 per cent) indicated that IBOC's services and products met their (trade officers', i.e., IBOC clients') needs. Three missions said the services did not meet their needs and one did not respond to the question.

4.3.2 IBOC/Trade Officers' Satisfaction with Service Delivery

The Survey of Missions indicated that the majority of trade officers are satisfied with the service provided by IBOC. A few reservations were expressed with respect to timeliness of the lead and knowledge of a specific sector, however. Also, one key informant cited past surveys of trade officers indicating a high approval rating of IBOC services by trade officers.

Conversely, industry sector and mission/ITC representatives participating in the focus groups focused on the quality of the services provided by IBOC. For them, IBOC officers need to better research Canadian companies in response to the leads, in terms of ensuring the company can in fact meet the foreign request for a product or service. It was acknowledged that this is a labourious process, but it is necessary in order to maximize performance.

Internal IBOC stakeholders expressed two major concerns with trade officers' delivery of leads. First, the trade officer does not always provide enough information with the lead, which increases the IBOC officer's workload as he or she is forced to go back to the trade officer to obtain more complete information about an opportunity. Second, as noted, sometimes trade officers do not vet the foreign business as thoroughly as they should, which means it ends up not being suitable for Canadian businesses. It was not indicated by internal stakeholders how they discovered that all trade officers may not be thoroughly vetting all potential foreign buyers/partners.

22. The fact the first reason was identified significantly more often by e-Lead recipients than specific lead recipients is not surprising given the different nature of distribution process for the two types of leads.

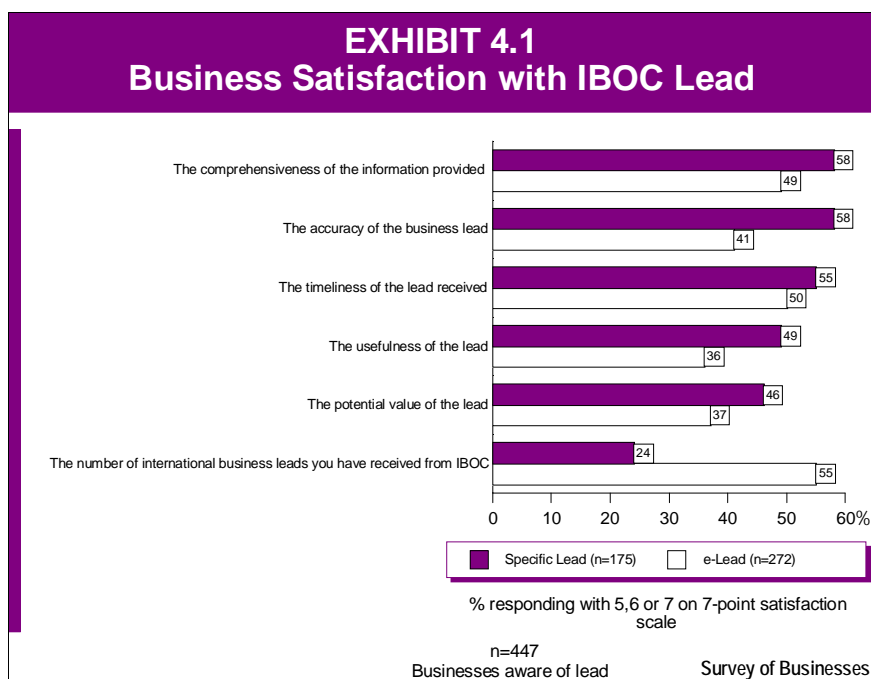
4.3.3 Businesses' Satisfaction with IBOC Leads/Delivery

Generally, modest majorities of businesses surveyed expressed satisfaction with various aspects of the business lead they received from IBOC and any additional information or support they received from IBOC in the context of that lead. Businesses that received specific leads demonstrated greater levels of satisfaction than those that received e-Leads on all aspects of the leads examined, except with regard to the number of leads received. The results presented should be considered in light of the limitations posed by the amount of resources in the trade offices abroad to generate leads, as well as the technology used to conduct keyword searches for matching companies, particularly with regards to e-Leads.

Exhibit 4.1 indicates that just over half of businesses that received specific leads were satisfied with the accuracy of the lead (58 per cent), the comprehensiveness of the information provided with the lead (58 per cent), and its timeliness (55 per cent).²³ Close to half were satisfied with the usefulness of the lead (49 per cent), and its potential value (46 per cent). Less than one quarter (24 per cent) of businesses receiving specific leads were satisfied with the number of leads received.

Satisfaction levels of businesses receiving e-Leads were somewhat lower. Roughly half or less expressed satisfaction with the number of leads received (55 per cent), their timeliness (50 per cent), and the comprehensiveness of the information provided (49 per cent). These businesses were less satisfied with the accuracy (41 per cent), potential value (37 per cent), and usefulness (36 per cent) of the lead. A significant proportion were dissatisfied with various aspects of the e-Lead received (up to 42 per cent of e-Lead recipients were dissatisfied with the usefulness of the lead, not shown in Exhibit). Given the nature of e-Leads (no value-added provided), this is not surprising.

23. Businesses were asked to indicate how satisfied they were with particular aspects of IBOC lead, using a 7-point scale, where 1=extremely dissatisfied, 4=neither dissatisfied or satisfied, and 7=extremely satisfied. Results were then aggregated to 1-3=dissatisfied, 4=neutral, and 5-7=satisfied, with the proportion indicating the latter being reported here.



Businesses referred to another organization by IBOC were asked to rate their satisfaction with the knowledge of the IBOC officer providing the service as well as with the usefulness of the referral itself. Close to half (49 per cent) of businesses that were referred elsewhere for information indicated that they were satisfied with the knowledge of the officer, while 20 per cent were dissatisfied. Of those firms that acted on the referral provided, three in five (61 per cent) were satisfied with the usefulness of this referral, and 17 per cent were dissatisfied.

4.3.4 Views on Services Offered by IBOC

Generally speaking, internal IBOC stakeholders did not see a need to change the number or mix of services that the Centre offers. A small number did mention as desirable the addition of having IBOC provide assistance in matching Canadian companies to other Canadian companies as partners on potential foreign business deals. One key informant suggested that IBOC become a centre for international business assistance, to help business “navigate through the export loops”, though it was noted that this would require upgrading officers’ skill sets. A small number also suggested IBOC drop tenders and e-Leads, or at least put less emphasis on these services, mainly because these are seen as having little value.

It should also be pointed out that IBOC has considered dropping the general leads service of providing potential supplier lists back to trade officers, and instead disseminating all general leads via the e-Leads/VTC service only. However, eight out of 11 missions surveyed said they would *not* be in favour of this.²⁴

Industry sector and mission/ITC representatives participating in focus groups focused on the quality of the services IBOC provides rather than their mix and their views were provided earlier in this document.

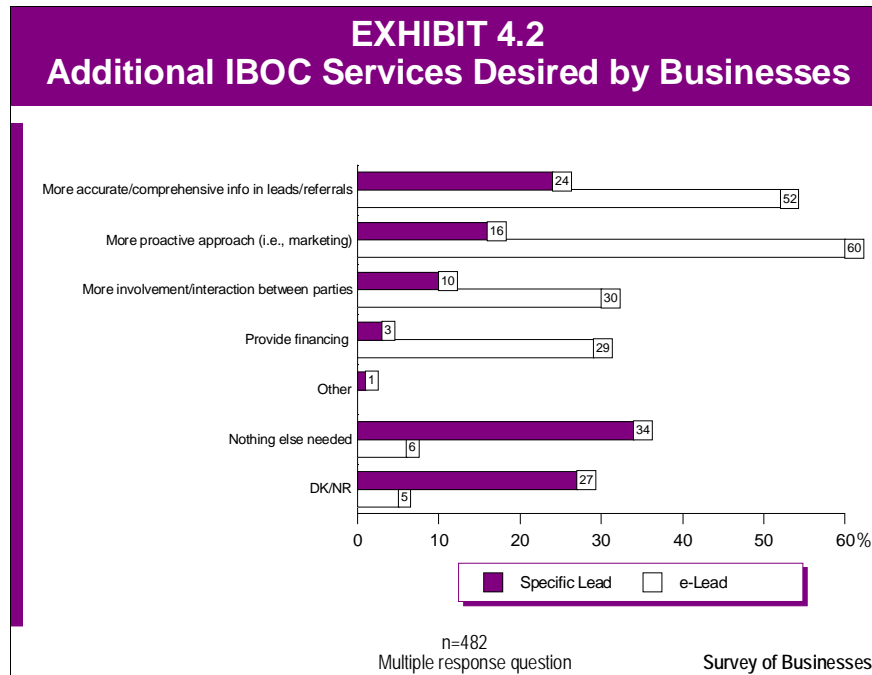
Businesses surveyed were asked to identify any additional services or supports IBOC could offer to better meet the needs of their company or industry. Companies identified a number of additional services or supports. In general, recipients of e-Leads made more suggestions than did recipients of specific leads, which is not surprising given the greater value added (e.g., research) associated with the latter. Exhibit 4.2 indicates that specific lead recipients were more likely to have stated that nothing else is needed (34 per cent) or to have provided no response (27 per cent) than e-Lead recipients (six and five per cent, respectively).²⁵

Recipients of specific leads were most likely to express a desire for greater accuracy or more comprehensive information in leads (24 per cent). More proactively promoting and describing IBOC by, e.g., marketing and seminars was the second most frequently offered suggestion (16 per cent) made by specific lead recipients. However, recipients of e-Leads most frequently suggested a more proactive approach for IBOC (60 per cent) followed by greater accuracy in leads or referrals

24. However, it is possible that the survey question was misunderstood. It read: "IBOC is considering disseminating all General Leads through Virtual Trade Commissioner. IBOC would no longer provide lists of Canadian companies. Would you favour this?" It may be that missions thought that there would be no lists of companies with any type of lead, including specific leads.

25. However, it should be noted that this result, as with the result regarding use of alternative services discussed earlier, may be a product of the differing survey methodologies used to gather information from recipients of specific leads and e-Leads. It is possible that it would have been easier for specific lead recipients who were surveyed by telephone by a "live" interviewer, who did not read the options, to have simply said they do not know or that nothing was needed (as their question was entirely open-ended). E-Lead recipients, on the other hand, were surveyed using a self-administered web survey in which a list of options was presented from which they could choose their response.

(52 per cent). Other suggestions were for more involvement or interaction between parties (30 per cent), and the provision of financial assistance in exporting (29 per cent). *Note that the suggested additions are in some cases not new services but a desired enhancement of existing services (e.g., more accuracy in leads or referrals, improved marketing).*



Significant differences emerged according to firm characteristics, as the following indicates:

- ❑ Small companies (10 employees or less) and companies with revenues of \$5 million or less that have received e-Leads were more likely to have suggested the provision of financing as an additional service.
- ❑ Companies entering a new market as a result of an IBOC lead were more likely to have requested the provision of financing, better marketing/awareness of IBOC services, and more seminars/education as valuable additions to the array of services IBOC provides.

4.4 Profile of IBOC Beneficiaries

A profile of businesses receiving IBOC leads based on the survey evidence (see Exhibits in Appendix A) reveals the following:

- ❑ *Canadian company size (employees and sales):* Specific lead organizations tend to be larger than e-Lead recipients, in terms of sales revenues (Exhibit C.1b). However, Exhibit C.1a indicates little difference in company size between recipients of e-Leads and specific leads.²⁶
- ❑ *Export-orientation of foreign organization:* Specific lead recipients are more export-oriented than general lead recipients (Exhibit C.2).
- ❑ *Industry:* E-Lead recipients are much more likely to be in agriculture or manufacturing technology than specific lead recipients (Exhibit C.3 a and b).

Other results drawn from a separate analysis of some 13,000 IBOC specific leads and company checks²⁷ revealed the following:

- ❑ *Origin (region):* Reflecting the number of trading countries, the largest proportion of leads originated in Asia Pacific (34 per cent), followed by Africa and the Middle East (23 per cent) and Europe (21 per cent). Much smaller proportions came from Latin America (14 per cent) and the US (seven per cent). The proportion of leads culminating in a sale or contract, a distributorship or joint venture was similar across the regions.²⁸
- ❑ *Destination (region in Canada):* Reflecting relative size of the economies of the regions, the largest proportions of the leads were sent to Canadian companies in Ontario (44 per cent) and Quebec (24 per cent). Much smaller proportions of leads were sent to companies on the Prairies (15 per cent), BC and the Territories (11 per cent), and the Atlantic Province (seven per cent).
- ❑ *Number of companies informed of and receiving leads:* About 40 per cent of leads went to one Canadian company, 45 per cent went to two to four companies, and 15 per cent went to five or more companies. The majority of companies (73 per cent) received just one lead.

26. Those responding with “don’t know” or no response were excluded from these computations because of the large difference between recipients of e-Leads and specific leads in this respect.

27. *IBOC Business Leads Analysis: Overview of the Data*, March 2003. The period covered was 1996 to 2002, the last year having partial data.

28. Based on subsequent analysis of data used in the preparation of “IBOC Business Leads Analysis” (cited in the previous footnote) but not presented in that report.

4.5 Appropriateness of Delivery Standards

IBOC officers have set a standard of five days to respond to trade officers, except when a lead is marked urgent (deadline is near), in which case a one to two-day turnaround is set as the standard. Almost all missions surveyed said the five-day response time to leads received from trade officers is reasonable, but did propose a shorter timeframe for some types of requests (which is in fact already the case for urgent leads). Timely response to leads was said by missions to be an important factor in their decision to use IBOC or not.

The IBOC Audit examined procedures around this delivery standard. It was recommended that lead processing standards be developed and monitored, so that accurate measures of response time could be obtained. It also pointed out that the Case Management System had to improve to enable the effective monitoring of services delivery standards adherence.

4.6 Perceived Adequacy of Resources

Internal stakeholders were asked for their views on the adequacy of resources, both with respect to skills and resources generally.

4.6.1 Perceived Adequacy of Skills

The most frequently mentioned skills that IBOC officers need, in descending order of frequency of mention, are as follows:

- research skills, including knowledge of information sources;
- judgment/thinking skills (e.g., to know when to stop pursuing a lead);
- communication and interpersonal skills; and
- knowledge of the industry and of business needs.

Other less frequently identified skills include: efficiency and ability to multi-task; ability to ask the right questions of trade officers; energy/tenacity and good work ethic; knowledge of mandate; creativity; autonomy and flexibility; and ability to speak English and French.

Internal IBOC stakeholders participating in the key informant interviews were fairly evenly split with respect to their views on whether or not present skill levels among IBOC officers are adequate to meet current and future demands. Two key informants pointed out that skill levels vary among IBOC officers. One pointed out that skills may be adequate now at IBOC, but does not know what the future will hold in this respect: the nature of the business could change and therefore also the skill requirements. Another pointed out that the shift to a sector-based delivery model (considered in the next chapter) will require IBOC officers to upgrade their knowledge of particular sectors.

The main implications of inadequate skills, as indicated by internal stakeholders, are the inability to meet the five-day service standard and the generation of poorer Canadian matches to international business opportunity leads.

4.6.2 Perceived Adequacy of Resources

Internal IBOC stakeholders were almost unanimous in their belief that IBOC was under-funded. Some indicated that more sourcing officers were needed, but others pointed out there was insufficient physical space in the building to expand the IBOC workforce. Others talked about the lack of money to upgrade staff skills (as well as being unable to accommodate staff departures to go on training) and the need to rely on contract workers. The implication of the lack of funds was that current demand is barely being met, and that IBOC will be unable to meet any increased future demand should that occur (as expected), which could result in trade officers becoming reluctant to use IBOC.

4.7 Perceived Strengths/Weaknesses and Suggestions for Improvement

4.7.1 Perceived Strengths

It should be noted that, in response to a number of other questions, internal IBOC stakeholders and focus group participants alluded to the value-added IBOC provides in the processing of international leads. For many consulted in this evaluation, the research and corroboration IBOC carries out sets it apart from other services.

Internal stakeholders were asked to identify the strengths and weaknesses of the current delivery mechanism. The most frequently identified strength was the IBOC officers themselves, specifically their clear understanding of their role and the process, and their skill in contacting and counseling Canadian companies. It was pointed out by one officer that the Progressive Excellence Program (PEP) (National Quality Institute) has been implemented in IBOC, which enables continuous quality improvement as well as staff who clearly understand their responsibilities and their process.

As for industry sector and mission/ITC representatives participating in focus groups, they agreed with internal stakeholders that IBOC officers are its strength. Specifically mentioned strong points were officers' ability to know who to call and get the job done, their overall motivation, their quick turnaround, and, generally, the assistance they provide to trade officers. Also mentioned was IBOC's national focus.

4.7.2 Perceived Weaknesses

The main weakness identified (and mentioned on several occasions) in the interviews with IBOC stakeholders concerned the trade officers, which is not in the scope of IBOC, but does affect its ability to effectively deliver services. Specifically mentioned were trade officers not always properly identifying (or incorrectly categorizing) leads as specific and the lack of information they provide with the leads they send to IBOC. It was also pointed out in this regard that the fact that Canadian companies typically consider the IBOC lead to be legitimate by dint of the fact that it comes from the federal government is problematic because, in fact, not all leads trade officers deliver to IBOC are verified.

Other weaknesses identified by internal stakeholders more than once concerned:

- ❑ *Lack of sector-specific knowledge among IBOC officers:* Officers were said to need greater expertise in particular sectors, so that they would be aware of the businesses' needs and sourcing opportunities. This would be addressed if the sector-based model were implemented, as is currently being considered (see next chapter).
- ❑ *Lack of resources:* This was mentioned as a source of some of the other difficulties identified. It was said that a lack of funds has led to a number of shortcomings, including use of contract workers, the inability of officers to increase knowledge of particular sectors and resources to

consult in finding Canadian matches, the inability to meet the volume of leads, and the inability to visit trade shows to get the message out about IBOC and for sector training.

The IBOC Audit also identified the lack of resources as a problem and attributed this lack to problems in the dual-department administrative arrangement for the Centre (see next section for more on this). These problems have led to, among other things, a lack of data system upgrades.

4.7.3 Suggestions for Improvement

Internal stakeholders were asked for suggestions regarding internal procedures and processes to improve IBOC's overall efficiency and effectiveness. The responses are as follows:

- ❑ The most frequently mentioned suggestion was to adopt a sector-based approach (considered in next chapter and something that IBOC is already contemplating) whereby IBOC officers are assigned particular sectors of specialization.
- ❑ Also mentioned more than once as a suggestion for improvement was to consider cutting back on the services IBOC provides, specifically to drop tenders and "extras" that IBOC often takes on. It was said that this would free up time and money to deal with specific leads.
- ❑ Other suggestions made include: capitalizing on information gained by having IBOC officers share it with other trade-related areas of DFAIT, where appropriate; increasing funding and office space; automating follow-up on leads; and better educating trade officers on IBOC officers' information requirements regarding leads.
- ❑ Also considered was the two-department management model (DFAIT and IC) currently in place for IBOC, but the views on this were split: one official suggested that there should be just one department overseeing IBOC because the two-department model has resulted in under-funding and certain inefficiencies in, for example, staffing, whereas another official indicated that this has increased IBOC's visibility and so it should be maintained.

The 2003 *Audit of IBOC* (page 4) took the view that IBOC's interdepartmental governance structure may be impeding to the Centre's future development. According to the Audit, the fact that IBOC has separate DFAIT/IC finance, human resource and planning systems means there is no total funds sharing arrangement between the two departments. Moreover, the Audit points out the Directors General (DGs) responsible for IBOC in the two departments had not, as of March 2003, met formally and regularly to consider IBOC as a separate entity, though the testimony from a few internal IBOC stakeholders interviewed in this evaluation suggests that there have been fruitful discussions between the two DGs. The Audit concludes this has resulted in there being no

comprehensive business plan and no mechanism by which such a plan can be submitted to obtain funding of such improvements as expanded office space and data system upgrades.

Regarding system data, the Audit also identified the Case Management System (CMS), via which leads are transmitted to IBOC officers, as a constraint to the Centre's future development. While the Audit found the CMS to work well, the system did not supply sufficient performance data to monitor service standard adherence, resource consumption, objectives achievement, and thus to enable the fine-tuning of services and the mounting of effective business cases. Currently, CMS information is gathered manually by random sampling, which is time consuming and not comprehensive. The Audit recommended upgrading the CMS "to produce automatically all processing, productivity, and quality-of-service data necessary for management decision making" (page 4 of the Audit).

Another line of questioning sought lessons that internal stakeholders have learned regarding IBOC. In addition to lessons embodied in the strengths, weaknesses and recommendations for improvement identified above, some officials suggested the following for IBOC (noting there was no real consensus on any of them):

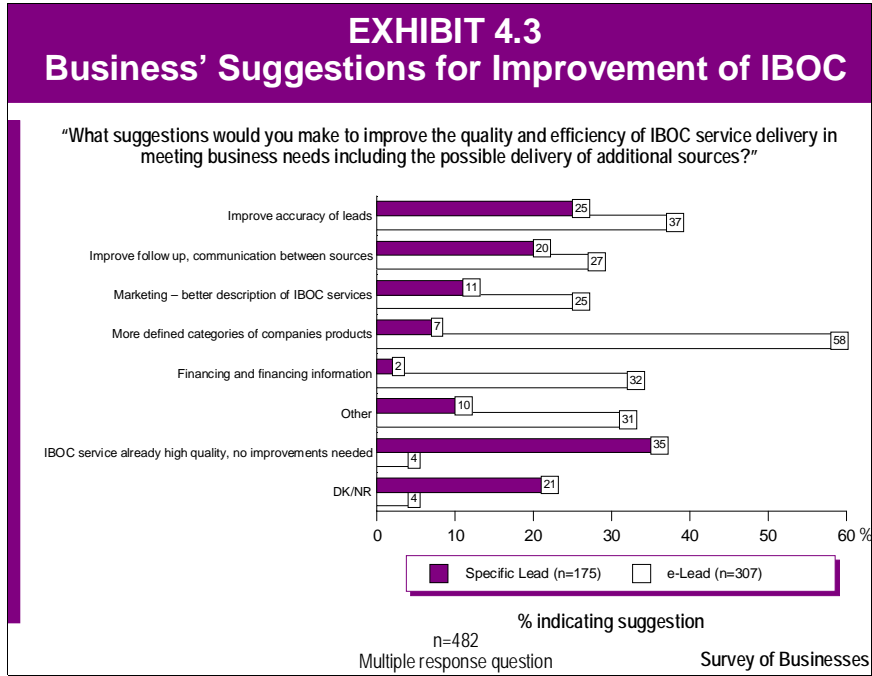
- increase awareness of IBOC in trade missions by visiting them more;
- appoint somebody to ensure quality-assurance standards are met;
- hire officers who have the "right" personality and skills for the position and environment;
- implement a "buddy" system to provide support and training for new hires;
- train officers to determine whether leads for international business opportunities are serious and promising or not;
- encourage officers to avoid making promises to Canadian companies responding to leads;
- provide greater feedback on and recognition of officers' performance; and
- enhance the physical space of IBOC, including improving the ventilation and getting rid of the open-concept system because it is distracting to officers, who are always on the phone.

Industry sector and mission/ITC representatives participating in the focus groups focused on the need for IBOC to improve the list of matching Canadian companies they provide in response to leads. This goes hand in hand with the comments made with regard to satisfaction with the quality of the matches in Section 4.3 above. Specifically, they said there was a need for IBOC officers to get better qualified firms and up-to-date contact information. To improve the quality of the matches, these individuals suggested that IBOC officers need to gather more specific information from trade officers, to be more specific in their filtering for the appropriate Canadian companies to match the lead, and to follow-up on the lead more.

Other suggestions, more directed outside IBOC, included: ensuring that foreign organizations are better educated about what Canada produces; and better coordinating the various databases of companies held by various federal departments, even to have a central database of Canadian companies and their products/services, which will make it easier for foreign organizations to find the product or service they are looking for.

Businesses surveyed were also asked if they had any suggestions as to how to improve the quality and efficiency of IBOC's service delivery to better meet their needs. Recipients of e-Leads provided more suggestions for improvement; specific lead recipients were more apt to have stated that no improvements are needed to IBOC (34 per cent versus six per cent for e-Lead recipients). This is not surprising given the higher level of service provided with specific leads.

Exhibit 4.3 indicates that specific lead recipients most frequently suggested the accuracy of leads be improved (25 per cent). The second most frequently made suggestion was to improve the follow-up or communications with the parties (20 per cent). As for businesses that received e-Leads, Exhibit 4.3 indicates that well over half of these firms (58 per cent) suggested more defined categories of companies, products or industries would improve IBOC service delivery. Over one-third (37 per cent) suggested that IBOC improve the accuracy of the leads, while close to one-third (32 per cent) suggested the provision of financing and/or financing information. One-quarter suggested improving marketing of IBOC services (25 per cent). Another suggestion for improvement that was provided fairly frequently (27 per cent) was to improve follow-up or communication between sources, which is really beyond the scope of IBOC to carry out alone.



5. ALTERNATIVES AND COST-EFFECTIVENESS

Considered in this chapter are the evaluation issues of perceived relative efficiency, opportunities for collaboration, appropriateness of other delivery models, cost-effectiveness, and approaches in other countries.

5.1 Perceived Relative Efficiency of IBOC Delivery Mechanisms

Evidence to address this issue was drawn from three sources. First, industry and sector and mission/ITC representatives participating in focus groups indicated that some foreign organizations have informed them that Canada stands out with respect to the speed with which it responds to foreign requests for sourcing information on services and/or products.

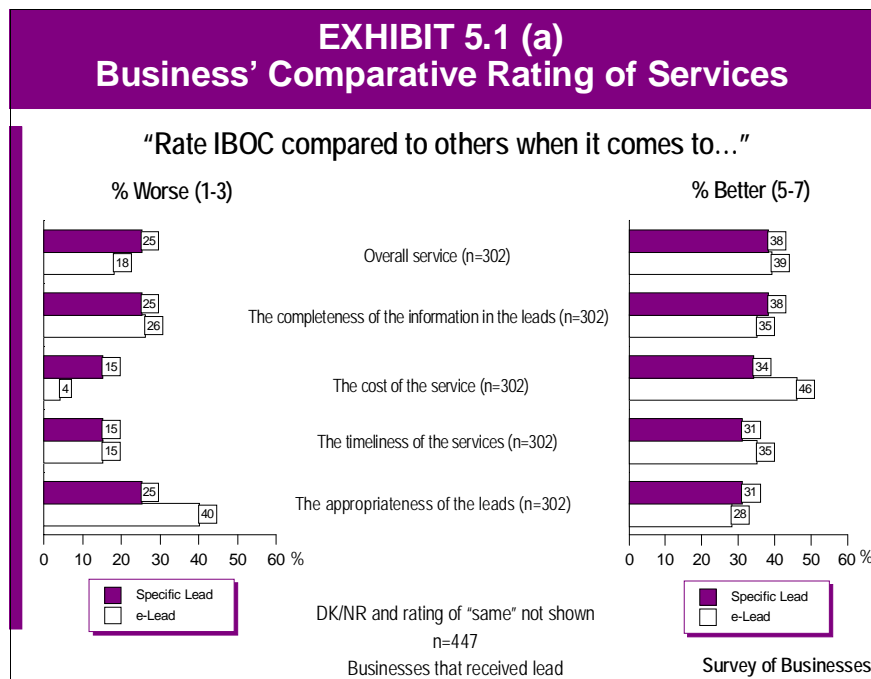
Second, missions surveyed were asked to rate IBOC as worse than, the same as, or better than several other tools/practices in terms of usefulness and timeliness. The survey results indicate that direct contact with suppliers is seen as being more useful and faster than IBOC, while WINONLINE is seen as being faster. Of the 11 missions asked the question, nine missions indicated direct contact with suppliers was better than IBOC in terms of usefulness; six said it was better in terms of timeliness. WINONLINE was seen by six Missions as better than IBOC in terms of timeliness, the rest seeing it as the same as or worse than IBOC. On the other hand, six Missions also saw WINONLINE to be worse than IBOC in terms of usefulness. Trade officers were much more likely (1) to consider all other tools and practices listed (TCI partner departments, Mission WIN, ITCs, Strategis, Canadian Commercial Corporation and SourceCAN) to be worse than IBOC, than they were (2) to consider these tools and practices to be better than IBOC.

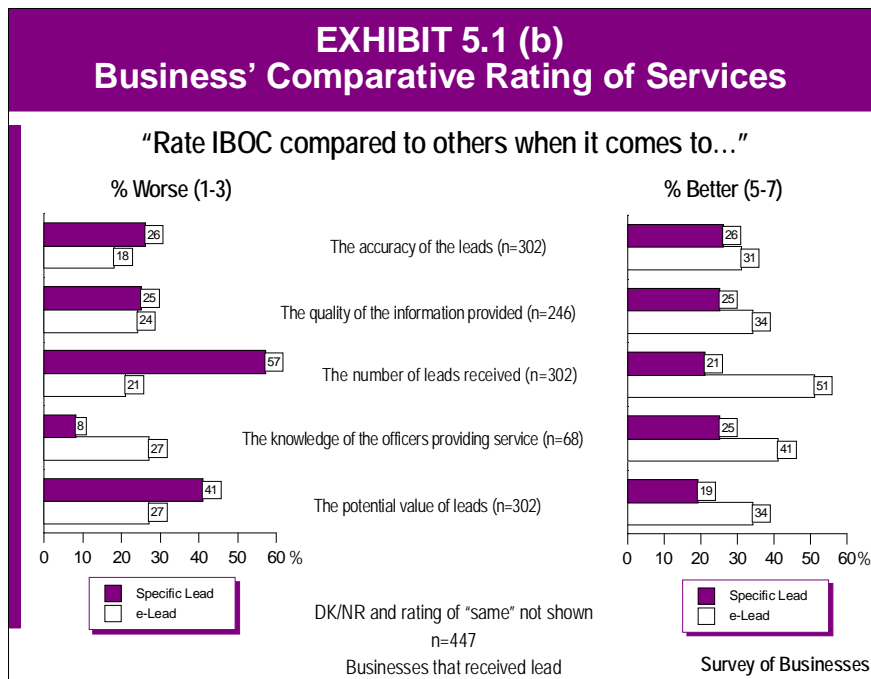
Third, businesses surveyed were asked to rate IBOC compared to all other services they have used to inform their company of international business opportunities; they were not asked to compare IBOC one-on-one to each service they have used. Firms provided mixed opinions as to how IBOC compares to alternative products and services. Generally speaking, larger proportions of businesses rated IBOC better than other services, than rated IBOC worse. On only three counts – number of leads²⁹ and potential value of leads among specific recipients, and appropriateness of

29. It should be noted that the number of leads received is a function of TCS resources and trade officer activity.

leads, among e-Lead recipients – was IBOC more likely to be considered worse compared to the other services than it was to be considered better than them. The details follow.

On most counts, larger proportions of specific lead recipients rated IBOC better compared to other services used than rated IBOC worse. Exhibit 5.1a indicates that about a third of these companies rated IBOC better with regard to: the completeness of the information in the leads (38 per cent), the overall service (38 per cent), the cost of the service (34 per cent), the appropriateness of the lead (31 per cent), and the timeliness of the service (31 per cent). Exhibit 5.1b indicates that between a quarter and a fifth rated IBOC better with respect to: the accuracy of the leads (26 per cent), the knowledge of the officers providing the service (25 per cent), the quality of the information provided (25 per cent), the number of the leads received (21 per cent), and the potential value of the lead (19 per cent).





As for e-Leads, again, larger proportions of this type of recipients of this type of lead rated IBOC better compared to other services used than rated IBOC worse (Exhibits 5.1a and b). About one-half of these businesses rated IBOC better with regard to: the number of leads (51 per cent) and the cost of the service (46 per cent). Somewhat lower proportions rated IBOC better with respect to knowledge of the officers (41 per cent) and the overall service (39 per cent). Finally, about one-third of e-Lead recipients (28-35 per cent) rated IBOC higher in terms of: the timeliness of the service, completeness of the information included with the lead, the quality of the information, the potential value of the lead, its accuracy, and the appropriateness of the lead.

The small number of firms (35) referred to other organizations for additional information were asked to compare the usefulness and appropriateness of these referrals to referrals from other services (this information is not shown in Exhibit 5.1 because of the small sample size). About half described the usefulness and the appropriateness of the referral(s) from IBOC as better than others (46 and 51 per cent, respectively).

Finally, it should be noted that views on IBOC's service are related to how businesses respond to the lead received. Recipients of e-Leads who described the service of IBOC as worse than others were more likely to have stated that they did not pursue the lead because it was not suitable. Those that rated the service of IBOC as better than others were more likely to have initiated contact with the foreign buyer/partner or trade officer.

5.2 Opportunities for Cooperation/Collaboration/Partnership

A wide assortment of organizations and services were suggested by internal IBOC stakeholders and industry sector and mission/ITC representatives as existing or potential co-collaborators or partners of IBOC. These include:

- *federal departments and agencies*: there are several examples of collaboration here, e.g., visitors to IBOC website are invited to register with Canadian Company Capabilities (Industry Canada) and Virtual Trade Commissioner (DFAIT); there are links on the IBOC site with DFAIT's InfoExport, Team Canada's ExportSource, and the Export Development Corporation (EDC); IBOC refers information requests from Canadian businesses to the TCS, and other organizations; IBOC has worked with the Canadian International Development Agency; AAFC and IC are IBOC partners and are copied on specific leads that are sent out; IBOC has worked with the Department of National Defence on tenders from the US;
- *provincial/territorial governments*: it was noted that provincial/territorial governments are already subscribers to IBOC; it was suggested that there be close ties with provincial trade officers and greater federal/provincial government collaboration on company databases.
- *private sector trade and industry associations*: these are and would be a good source of company names and sector knowledge, though many of them are not truly national or equipped to supply names; it was also said that more time should be spent with provincial trade organizations to ensure that member companies are in the Canadian Company Capabilities database; and
- *international organizations*, such as financial organizations (e.g., IBOC officers are alerted to opportunities from the World Bank about lending money to developing countries for capital projects, and officers pass these onto Canadian companies) and country trade organizations (e.g., Japan Export Trade Organization and Hong Kong Development Organization).

Industry and international representatives made two main points regarding collaboration, both of which are really outside the control of IBOC. First, in any future enhanced collaboration, they said that IBOC should retain its important role for adding value to leads — researching

Canadian companies and packaging company information to international businesses. Second, they identified a need for greater consolidation of, and reducing overlap among, company data sets and directories, which would make it make less frustrating for foreign organizations to find a Canadian supplier on their own.

5.3 Appropriateness of Other Service Delivery Models

According to internal communications reviewed for this evaluation, it was determined by IBOC from feedback received from trade missions abroad and from IBOC officers that there is a strong desire to develop an enhanced knowledge within IBOC of Canadian sector capability. Therefore, in order to optimize the knowledge and expertise developed by IBOC staff, and to continue to build on that knowledge and expertise, IBOC has been considering a reorganization within IBOC based on sector teams.³⁰

Almost all internal IBOC stakeholders favoured a sector-based model. Currently, according to these stakeholders, officers are required to be generalists which means they cannot be knowledgeable about all sectors in which leads occur. Having a sector-based approach would bring efficiencies in terms of identifying matching firms in particular sectors with which officers are specializing in. A region-based model was not seen as needed, as trade officers are already specialists in a particular region and what they feel is really needed is sector expertise.

The main disadvantage with a sector-based delivery model, as identified by internal stakeholders, concerned the concentration of sector knowledge in one officer and the difficulties arising from the absence or departure of that sector-expert. There would be a need for some sector back-ups under this model. Another disadvantage noted by one key informant was the issue of workload balance, in situations where several consecutive leads come in for the same sector.

The results from the Survey of Missions indicates that 16 of 22 missions surveyed (73 per cent) said they would be better served if there were sector-specific teams at IBOC.

30. It was recognized by IBOC that there would be organizational, workflow and human resource implications to a redesign along sector-based lines. As such, IBOC has hired a consultant to analyze the redesign, determine impacts and recommend options.

5.4 Cost-Effectiveness of IBOC Delivery

Internal stakeholders interviewed indicated that IBOC is cost effective, though the evidence offered of this was necessarily only qualitative and anecdotal.³¹ Indicators of IBOC's cost-effectiveness that were identified included: the use of the Internet has enabled officers to be more productive (i.e., more leads can be handled per officer); IBOC officers' salaries are lower than the salaries of Commerce Officers who were doing the kind of matching the officers now do (before IBOC), which also suggests that, in the absence of IBOC, the costs of handling international business opportunities would be higher; the costs of alternative services were said to be higher; and, considering the net benefit of IBOC to the economy at large, the resulting increased sales of Canadian companies resulting from IBOC activities (i.e., weighing the increased sales of companies benefiting from IBOC against its cost) were thought to indicate that IBOC is cost-effective and providing a net benefit to Canada.

5.5 Approaches in Other Countries

A review of what foreign organizations are doing along the same lines as IBOC revealed few similar services. Most countries rely heavily on the Internet to make matches and few provide the human contact that IBOC does. A review of what other countries were doing along the same lines as IBOC indicated that few other models use the follow-up mechanism that IBOC uses so comparison with other models is limited. The different countries' approaches can briefly be described as follows:

- The Hong Kong Trade Development Council (HK TDC), a statutory organization set up to promote Hong Kong trade, houses the HK TDC Link Trade Enquiry Service (TES), on which IBOC was modeled. The TES comprises 60 officers dedicated to identifying, contacting and matching Hong Kong companies with business leads received from the 50 HK TDC branch offices around the world. As the cornerstone of the sourcing and matching system, the HK TDC Link database, containing over 250,000 entries, allows branch officers to perform searches in response to enquiries directed by phone, fax, email or in person from prospective buyers and partners in the local market. A lead that is uncovered is entered into a template and submitted to the matching system (database) for processing. If a number of matches (companies) can be identified, the lead is automatically disseminated to these companies. If not, the lead is referred to TES staff, who conduct complex and comprehensive "manual"

31. The collection and analysis of hard data to quantitatively measure cost-effectiveness of IBOC was not in the terms of reference for this evaluation.

searches for domestic suppliers, involving the use of other resources, notably non-HK TDC directories and government and private sector experts; once located, suppliers are contacted to confirm their interest in the business opportunity. Leads that are “exceptional,” in that an electronic match could not be made at the branch office (as just noted) or the enquiry is of such a high quality or complexity that it requires staff intervention, are transmitted to headquarters through the HK TDC electronic network. Headquarters staff respond to exceptional leads, as well as leads received directly from foreign buyers and from local Hong Kong and mainland China suppliers seeking foreign markets. TES staff are divided into three main group organized along regional and product lines. In addition to its Internet system, the TES offers SME Service Stations (regional access to contacts and leads); and phone/fax information services (customized searches delivered to clients).

- ❑ The United Kingdom has an Internet-driven system called the ESLS with no human contact. The system allows trade officers in the posts to direct business leads to the central unit in London for electronic processing, matching and dissemination to British subscribers by way of e-mail. The philosophy of Trade UK is the promotion of exports by e-commerce and to have minimal government intervention in matters of business.
- ❑ Australia’s Austrade (Australian Trade Commission), includes “Austrade Online”, the website which allows Australian companies to register with “Australia on Display”, a searchable database of Australian companies, products and services. The Export Advisory Market Unit (EAMU) of Austrade and its Export Opportunities System match overseas buyers to Australian exporters. The database is said to have “export-ready companies” but the degree to which Austrade officers confirm export-readiness (as IBOC officers do) is not clear.³² Austrade also has a Major Opportunities Group, which, in the case of larger foreign business opportunities, brings together sector-focused teams of Australian firms to pursue these opportunities. Each year, Austrade delivers 4,000 potential sales (leads) to Australian firms. Australia identifies its main client as Australian companies and, to some degree, foreign buyers of Australian goods and services.
- ❑ Singapore is in the process of changing its system to a more electronic one in hopes of enhancing its ability to handle foreign requests: the goal is to increase the current 6,000-7,000 enquiries per month to 10,000 per month. Also, Singapore conducts an annual survey of subscribers to follow up on individual companies after their receipt of a lead.
- ❑ Mexico and Korea have primarily web-based foreign lead matching services but continue to provide limited in-person support. Mexico offers supports to businesses to determine if an enterprise is export-ready or needs export assistance and provides links to public and private sector organizations involved in foreign trade. Korea collects trade enquiries from foreign buyers and disseminates them to Korean exporters via the Internet, email or fax, as does IBOC, but provides very little human contact.
- ❑ United States focuses its efforts to serve US exporters, which are considered to be its clients (unlike IBOC which considers trade officers to be its primary client). The US appears to have a fair amount of the human “touch.” US staff provide counseling, which is considered to be particularly helpful for new exporters. Also, to ensure that a lead is reliable, the US has an assessment/screening mechanism for US companies, by which thorough, confidential background reports on prospective trading partners, buyers and agents are provided. The

32. To be clarified – still awaiting response from Australia.

report assesses the reputation of an overseas company and recommends to the American company whether or not to conduct trade with that overseas company. The report is developed from research conducted by overseas commercial offices. Each report is estimated to cost US \$125.

Within Canada, internal stakeholders were aware of other services but none that provided the value-added that IBOC officers provide in terms of looking for appropriate Canadian matches to the lead, as officers do with specific leads. No stakeholder was able to say whether or not other approaches are more efficient than IBOC, though one did say that IBOC is cheaper than the alternatives.

6. SUMMARY OF FINDINGS AND RECOMMENDATIONS

6.1 Summary of Findings

6.1.1 Relevance

Rationale: The original rationale for IBOC is sound. At its inception, there were large numbers of leads for foreign business opportunities coming into the country and no central mechanism to handle these leads and match them to Canadian businesses who could potentially respond.

Continued Need: There continues to be a perceived need for the services IBOC provides, both by trade officers and Canadian businesses. Trade officers, the main clients of IBOC, need to be able to obtain lists of companies able to supply the products and services foreign organizations are seeking. A large majority of missions surveyed said the loss of IBOC would have a negative impact on their ability to source. Canadian businesses, the main beneficiaries of IBOC, desire legitimate foreign buyers/partners for their goods or services. IBOC is seen as relevant to these needs.

The need for the type of assistance IBOC provides varies according to the size of the trade mission and Canadian business. Trade officers in smaller missions are typically less well equipped to conduct searches for Canadian companies on their own and hence have a greater need for IBOC. Similarly, smaller businesses do not have the contacts and resources to find foreign buyers/partners on their own.

Uniqueness: IBOC is considered unique. While there are numerous company databases and a smaller number of services that match Canadian companies to foreign business opportunities, none could be identified that offers the value added – the human contact and comprehensive company research – that IBOC provides. Without IBOC, there would be a pronounced increase in workload for DFAIT, IC, AAFC and other TCI partners (NRCan, Heritage) personnel to handle the international business leads that would still come into the country.

Alignment/Articulation of Objectives: IBOC's stated mandate clearly suggests alignment with its two governing departments – IC and DFAIT – and that it is serving the interests of two main sets of clients – Canadian businesses and foreign trade officers. However, the Centre's strategic objectives and expected outcomes are focused on Canadian businesses. Moreover, though IBOC's mandate is aligned with TCI's objectives, there are no explicit links between the respective websites.

6.1.2 Results

Pursuing the Lead: Specific lead recipients (66 per cent) were more likely to pursue the IBOC lead than e-Lead recipients (41 per cent), which is not surprising given how the two types of leads work. The main reason the lead was not pursued, particularly for e-Lead recipients, was that it was for a product or service the company did not supply. This, plus the fact that the second most frequently identified reason was that the Canadian company did not meet the foreign buyer's/partner's needs, suggests that a portion of the matches are not accurate.

Increased Awareness of International Business Opportunities: The evidence is strong that IBOC is contributing to increased awareness by Canadian businesses of international business opportunities and buyers/partners. About two-thirds of businesses indicated that, without IBOC, it was not likely they could have identified this potential buyer/partner, and about half said they would not have been aware of the business opportunity.

Increased Awareness of Canadian Products Overseas: IBOC is thought to be contributing to increased awareness of Canadian products and services abroad. Two-thirds of businesses (both recipients of specific leads and e-Leads) said that it was likely that, in the absence of IBOC, their products would not have been known to foreign buyers or partners.

Reduced Search Costs: IBOC may be reducing search costs, particularly among e-Lead recipients. About 80 per cent of e-Lead recipients and just over half of specific lead recipients said that without IBOC, it would have taken them longer or cost them more to pursue this deal.

Increased Export Sales: One-tenth of businesses that pursued the lead were successful in negotiating some kind of arrangement, the majority of which constituted a sale. This should be seen in light of the fact that one lead may go to up six businesses, only one of which may be successful in making deals as a result of the lead. The proportions were similar for recipients of specific leads

and e-Leads, though a quarter of the latter were still in the midst of negotiations at the time of the survey. Over half (54 per cent) of the sales made were for \$100,000 or less. About one-fifth of those who negotiated a deal said it was not very likely they could have done it without IBOC, suggesting 20 per cent of the deals were incremental. Note that for these and other outcomes, results targets were not specified, which would have enabled the assessment of the significance of the results observed.

New Exporters Encouraged: IBOC is introducing some Canadian businesses to exporting. Of those that pursued the lead (n=227) (both e-Leads and specific), 15 per cent (overall) said it was their first experience in exporting, with e-Lead recipients being much more likely to say this. A minority said it was not likely they would have been thinking of exporting without IBOC.

Increased Export Capacity: IBOC may be encouraging firms to increase their capacity and preparedness for exporting. A large proportion said it was likely they would not have decided to enhance export capacity and readiness without IBOC.

Broadened Markets: A large majority of businesses said this lead represented their first experience with the particular buyer/partner (89 and 66 per cent of recipients of specific and e-leads). Minorities said it was their first experience in the particular country or sector, or with this product/service.

Increased Export Businesses: The lack of adequate long-term data prevented the measurement of the extent to which IBOC has contributed to increased export business for Canadians firms.

6.1.3 Delivery

Increased Awareness of TCI/Government Services: It was perceived by industry sector and mission/ITC representatives as well as businesses that IBOC has had a positive impact on businesses' awareness of TCI and other government services in the export area.

Increased Matches: It was perceived that some leads for international business opportunities would go unfilled if IBOC did not exist. Similarly, the majority of trade officers indicated that the

absence of IBOC would have a negative impact on their ability to find suitable Canadian businesses to meet foreign organizations' needs for Canadian goods and services.

Awareness of IBOC Services: Internal IBOC stakeholders believe that awareness of IBOC services is generally high, though the level of awareness varies across missions. Evidence from the Survey of Missions indicates that a sizeable minority of trade officers are not aware of IBOC services. Some internal stakeholders felt there was no need to be marketing IBOC services as their market (trade officers) is in effect a captive market. Still, IBOC does make an attempt, through training sessions, to inform trade officers of its services.

Use of IBOC: Generally speaking, internal stakeholders believe that IBOC is not being used as much as it should or could be. Still, it was pointed out that IBOC was never intended to be the clearinghouse for all leads and it is acceptable for trade officers to rely on their own contacts to find Canadian companies. Indeed, the New Approach@Work encourages trade officers to rely on already established contracts with Canadian companies, though not to search for new ones, as matches to the leads. Smaller trade missions with fewer resources are more likely to rely on IBOC than larger missions.

Barriers to Usage: A wide assortment of barriers were identified to greater use of IBOC, including narrow bandwidth, barriers associated with language and customs, trade officers' reluctance to use, or ignorance of, IBOC services. A lack of resources and physical space limitations were also cited as barriers to expanded IBOC use.

Met Needs: The main view was that needs were generally being met, but not entirely so. Again, a lack of resources was cited as the reason needs were not being met more. Also working against needs being met was the lack of information about leads and a lack of vetting of foreign organizations by trade officers.

By the same token, representatives of industry and the international community suggested that IBOC officers do not always vet the Canadian businesses that they identify as being able to meet the foreign organizations' need. On the other hand, results from the Survey of Missions indicates that trade officers believe that IBOC's services meet trade officers' needs.

Evidence from the Survey of Businesses indicates that businesses' needs are not always being met and that matches are not always accurate. The top two reasons why firms did not pursue an IBOC lead were that the lead was not for a product or service the Canadian firm could supply, and that the Canadian company could not meet the foreign organizations' needs, with e-Lead recipients considerably more likely than specific lead recipients to mention the first reason, which is understandable given the differences in the nature of the two types of leads.

Business Satisfaction with Leads: Satisfaction with international business leads was moderate, with specific lead recipients more likely to be satisfied than recipients of e-Leads. Satisfaction was highest with respect to the timeliness of the lead and the comprehensive of the information provided with it, though only about a one-half of businesses were satisfied with these aspects of service delivery. The gap in opinions between recipients of specific leads and e-Leads was greatest with respect to the number of leads: satisfaction was lowest among specific lead recipients for this aspect of IBOC delivery, but highest among e-Lead recipients.

Views on IBOC Services: Internal IBOC stakeholders generally thought the number and mix of services IBOC provides are suitable. Still, a few new services were suggested for consideration, for example, finding Canadian businesses to partner with other Canadian businesses to take advantage of an international business opportunity. A minority of internal stakeholders suggested dropping e-Leads and tenders because IBOC really does not add value to them. Businesses and representatives of mission/ITC and Industry sector generally suggested the enhancement of existing IBOC services rather than new ones.

Appropriateness of Delivery Standards: Missions believed the five-day response time from IBOC to the leads they send to the Centre is appropriate.

Adequacy of Resources: The skills indicated as those which IBOC officers need the most are research, communication and judgment skills, plus a knowledge of industry and sources. Views are split among internal IBOC stakeholders as to the adequacy of IBOC's officers' skills. Internal stakeholders were almost unanimous in their views that IBOC is under-funded and short of space. The lack of resources is expected to severely limit IBOC's ability to meet future demand.

Perceived Strengths: IBOC's two chief strengths were identified as its human resources, specifically officers' understanding of their roles and their skill in contacting and counseling Canadian companies; and IBOC's added value in researching Canadian companies to meet foreign businesses' needs, which no other Canadian service provides.

Perceived Weaknesses and Suggestions for Improvement: Most frequently mentioned was the lack of sector expertise at IBOC. It was suggested that adopting a sector-based model would go some way to satisfying the need for greater awareness of businesses' needs and sector sources. Also mentioned was the need for more up-to-date contact information on and vetting of Canadian companies identified as potentially meeting the foreign organizations' needs. A lack of resources was also identified as limiting IBOC's effectiveness. The IBOC Audit found that insufficient resources, partly attributed to a lack of funds sharing arrangements between the two departments (DFAIT and IC) that manage the Centre, have limited improvements to the performance monitoring data system (CMS) and to the physical space IBOC is located in. Dropping some of the services where IBOC does not add much value, such as general leads and tenders, was suggested by a minority of internal stakeholders as a means of freeing up resources.

Among other suggestions for improving IBOC were: increasing awareness of IBOC in trade missions; hiring an officer to ensure quality standards are met; training officers to determine whether leads are promising; providing feedback and recognition of officers' performance; and enlarging the physical space and providing closed offices at IBOC.

6.1.4 Alternatives and Cost-Effectiveness

Relative Efficiency of IBOC: Mission-based trade officers indicated that direct contact with Canadian suppliers is more useful and faster than IBOC. This appears to run counter to the Trade Commissioner Service's "New Approach@Work" which discourages trade officers from doing their own sourcing (matching) of leads (though they are encouraged to use already established contacts with Canadian suppliers). As a best practice, however, trade officers are encouraged to contact IBOC to ensure a broad and equitable reach across regions. While WIN ONLINE was seen as faster than IBOC, IBOC was seen as better than any other services trade officers use. Generally speaking, businesses were more likely to rate IBOC as better than other services on various counts, than they were to rate IBOC as worse.

Opportunities for Collaboration: Internal IBOC stakeholders, as well as industry sector and missions/ITC representatives, indicated there is much collaboration already occurring, though the potential exists for more. There was strong support for the retention of IBOC's value-added role in any such collaboration.

Appropriateness of Other Service Delivery Models: There was strong support for a sector-based delivery model for IBOC as it is thought that this would enhance efficiencies and optimize knowledge. The implementation of such a model would necessitate upgrading officers' skills and providing back-ups for sector experts in the event of their absence.

Cost-Effectiveness: Qualitative evidence suggests that IBOC is perceived as a cost effective service.

6.2 Summary of Findings by Type of Lead

Evidence for both types of leads was presented together throughout the report because the issues addressed and the expected outcomes are the same for both types of leads. However, as the leads have different delivery mechanisms, there is value to presenting findings separately for the two types of leads.

6.2.1 Specific Leads

Regarding delivery of specific leads, about half the recipients (46-58 per cent) were satisfied with the lead's accuracy, the comprehensiveness of the information provided with it, its timeliness, its usefulness, and its potential value. Only about a quarter, however, were satisfied with the number of leads received. On most aspects of leads, specific lead recipients were more likely (in some cases much more likely) to rate IBOC higher than other services used than they were to rate it lower. The only exceptions were with regard to the number of leads and potential value of leads, on which specific lead recipients were much more likely to rate IBOC *lower* compared to other services used, than they were to rate it higher.

Regarding suggestions for improving IBOC services, recipients of specific leads were most likely to express a desire for greater accuracy or more comprehensive information in leads (24 per cent), and more proactive promotion and description of IBOC (e.g., through marketing and seminars) (16 per cent). Significant proportions stated that nothing else is needed (34 per cent) or provided no response (27 per cent).

With respect to outcomes, most recipients of specific leads (79 per cent) had some form of contact following receipt of the lead (i.e., company contacting buyer/partner or trade officer, or the trade officer contacting the company). Two-thirds attempted to pursue the lead further. The most frequently identified reasons for not pursuing the lead (among those who did not) were that it was for a product or service the Canadian company did not offer (55 per cent), it would not be able to meet the potential foreign buyer's/partner's needs (19 per cent) and the potential foreign buyer/partner did not respond to the Canadian firm's attempt to contact it (14 per cent).

IBOC appears to be benefiting a good proportion of specific lead recipients in a number of ways. Without IBOC, a notable proportion said that it was not likely that they would have identified the particular foreign buyer/partner (64 per cent), or have been aware of this particular business opportunity (49 per cent). About two-thirds (64 per cent) said it is fairly or very likely that their products and services would not be known by foreign businesses in the absence of IBOC. About half the businesses indicated that without IBOC, it is fairly or very likely it would have taken longer to pursue the deal (51 per cent) or that they would have spent more time and/or money to pursue this deal (54 per cent).

Regarding expanding markets, the vast majority of specific lead recipients (89 per cent) indicated that the lead involved a new foreign buyer. A large proportion of businesses indicated that IBOC leads involved exporting to a new country (44 per cent). Smaller numbers said leads involved an industry/sector in which the firm has never exported (18 per cent), or product or service they had never exported (16 per cent). Without IBOC, 26 of the 50 recipients of specific leads (52 per cent) who said they entered a geographic market for the first time said they would have been unlikely to

have entered this particular geographic market, and 11 of the 23 recipients of specific leads who entered a sector for the first time (48 per cent) said they would have been unlikely to have entered this sector.³³

Of those businesses pursuing a specific lead, 11 per cent succeeded in negotiating a sale. Two of the 13 businesses that successfully pursued a specific lead (15 per cent) believe that it is unlikely that they would have successfully pursued this business opportunity in the absence of IBOC.

Very few businesses who pursued a specific lead indicated that this lead represented their first experience in the export market (four per cent). Similarly, the results suggest that IBOC is playing a very small incremental role in initiating businesses into the export market, as only 16 per cent stated that they would not likely have thought of exporting had IBOC not introduced the opportunity to them. On the other hand, about half the businesses said it was fairly or very likely that they would not have decided to enhance their capacity or readiness to export in the absence of IBOC (48 per cent).

6.2.2 E-Leads

About half of e-Lead recipients (49-55 per cent) were satisfied with the number of leads received, their timeliness, and the comprehensiveness of the information provided with them. Smaller proportions (36-41 per cent) were satisfied with their accuracy, potential value, and usefulness of the lead. For most aspects of leads, e-Lead recipients were more likely to rate IBOC higher compared to other services used than they were to rate it lower. The only exception was with regard to the appropriateness of the leads, on which e-Lead recipients were more likely to rate IBOC lower compared to other services used, than they were to rate it higher.

The vast majority of e-Lead recipients of (96 per cent) offered suggestions for improvement of IBOC, when asked. Most frequently made suggestions were for a more proactive approach for IBOC (60 per cent), followed by greater accuracy in leads or referrals (52 per cent). Other

33. The actual numbers of recipients are shown here because of the small numbers being dealt with (n=50 or less).

suggestions were for more involvement or interaction between parties (30 per cent), and the provision of financial assistance in exporting (29 per cent).

Overall, 39 per cent of e-Lead recipients had some form of contact following receipt of the lead (i.e., company contacting fewer buyer/partner or trade officer, or the trade officer contacting the company). Forty-one per cent of businesses receiving an e-Lead attempted to pursue the lead further. The most frequently identified reasons for not pursuing the lead (among those who did not) was that it was for a product or service the Canadian company did not offer (55 per cent), and the company would not be able to meet the potential foreign buyer's/partner's needs (13 per cent).

Without IBOC, a significant number of firms said that it was not likely that they would have identified the particular foreign buyer/partner (69 per cent) or have been aware of this particular business opportunity (50 per cent, respectively). About two-thirds (65 per cent) of e-Lead recipients said it is fairly or very likely that their products and services would not be known by foreign businesses in the absence of IBOC

IBOC is reducing the time and money spent by e-Lead recipients on pursuing foreign business arrangements. The majority of businesses surveyed indicated that without IBOC, it is fairly or very likely it would have taken longer to pursue the deal (76 per cent), or that they would have spent more time and/or money to pursue this deal (80 per cent).

Two-thirds (66 per cent) of e-Lead recipients indicated that the lead involved a new foreign buyer. A large proportion of businesses indicated that IBOC leads involved exporting to a new country for them (44 per cent). A significant number of IBOC leads involved an industry/sector in which the firm has never exported (36 per cent of clients), or product or service they had never exported (25 per cent). IBOC had an incremental impact on businesses exporting to new geographic markets and sectors: without IBOC, 27 of 64 recipients of e-Leads (42 per cent) who said they entered a geographic market for the first time said they would have been unlikely to have entered this particular geographic market; 14 of the 48 recipients of e-Leads (29 per cent) said they would have been unlikely to have entered this sector.

Eight per cent of those that received an e-Lead succeeded in negotiating an arrangement, mostly a sale. Two of the nine businesses that successfully pursued an e-Lead (22 per cent) believe

that it is unlikely that they would have successfully pursued this business opportunity in the absence of IBOC.

IBOC is playing a very small incremental role in initiating e-Lead recipients into the export market. The results indicate that a small minority of businesses (eight per cent) stated that they would not likely have thought of exporting had IBOC not introduced the opportunity to them. On the other hand, about half the businesses said it was fairly or very likely that they would not have decided to enhance their capacity or readiness to export in the absence of IBOC (53 per cent).

6.3 Conclusions and Recommendations

6.3.1 Conclusions

IBOC effectively has two types of clients and objectives. This reflects the Centre's two-department management arrangement between Industry Canada (IC) and the Department of Foreign Affairs and International Trade (DFAIT). IBOC considers its main clients to be international trade officers (which come under the purview of DFAIT), but its beneficiaries to be small- to medium-sized Canadian businesses (which are a target group of both Departments). Despite this, its mandate and the majority of its objectives are articulated in terms of benefiting Canadian businesses, with relatively little mention of trade officers.

Results with respect to IBOC success were mixed. A minority of the IBOC leads that were the subject of this evaluation culminated in a deal, and few Canadian companies said they had been encouraged into exporting by IBOC. However, these outcomes must be seen in the light of the fact that only one company out of up to five or six that received a lead has a chance of negotiating a deal as a result of it. As well, no results targets (expected outcomes) were specified, so it is not possible to assess the significance of the observed outcomes.

Currently, IBOC carries out a follow-up with businesses three months after confirmation of interest in responding to export the respective product identified in the lead. This is to learn about the further outcomes of their experience with IBOC.

Moreover, IBOC did achieve many of its other intended outcomes. Businesses did report that IBOC contributed to increased awareness by Canadian businesses of international business opportunities, reduced search costs, increased export capacity, and expanded markets. Moreover,

each of these outcomes may be expected *down the road* to lead to increased export business for Canadian companies, the expected long-term outcome of the Centre; however, this evaluation did not collect this type of data, nor does such data exist.

At the same time, most people consulted for this evaluation believe there is a need for IBOC, especially for small businesses and small missions. This is based on testimony gathered from internal stakeholders and businesses. Further, the majority of the small number of mission representatives participating in the survey and the mission and ITC representatives participating in the focus groups suggest that the absence of IBOC would have a negative impact on responsiveness to foreign organizations' requests for Canadian services and products. Only the industry sector representatives (e.g., officials from industry associations) had a differing view, saying that the impact of IBOC's absence would not be great, apart from the fact that some international business opportunities would be lost and the workload of DFAIT, IC and other employees would increase to deal with the enquiries that would still come in. Essentially, information requests (particularly from smaller missions without large trade officer resources or networks) would continue to be made and IBOC provides a centralized place for their disposition.

The main strength of IBOC identified by internal and external stakeholders is the value added provided through the research and corroboration that IBOC officers provide in searching for Canadian companies to match foreign business opportunity leads. Greater proportions of businesses rated IBOC as better than other services, than rated the centre worse than the other services, though some concerns were expressed with accuracy of leads, particularly by e-Lead recipients. Also mentioned as a suggestion for improvement is to drop general leads because the potential value was too low.

While most trade officers who were aware of IBOC expressed satisfaction with it, some concerns were raised about the knowledge of IBOC officers in a particular sector. Conversely, some concern was expressed by IBOC officers regarding the degree to which trade officers vet the foreign business and supply sufficient information in leads provided to IBOC. IBOC is already contemplating to adopt a sector-based approach whereby IBOC officers are assigned particular sectors of specialization.

6.3.2 Recommendations

The following recommendations are offered, drawn from the evidence and findings presented:

1. ***Assessing the Objectives:*** It is recommended that IBOC's stated objective and expected outcomes be re-evaluated to include a focus on trade officers as clients. Though trade officers are considered to be the main clients of IBOC, the Centre's strategic objectives and expected outcomes are articulated in terms of meeting the needs of businesses.

Management response: The IBOC Operational Plan for 2004/05 is currently being prepared. As part of this process, a review of the stated objectives and expected outcomes will be undertaken and trade officers will be included as clients. It is anticipated that the operational plan and the review of stated objectives and expected outcomes will be completed by September 2004.

2. ***Establishing Results Targets:*** In order to be in a stronger position to demonstrate its success in the future, IBOC should consider the establishment of specific results targets for the range of its expected outcomes.

Management response: While in the process of reviewing and developing stated objectives and outcomes, as outlined above, IBOC will review and establish where possible, specific results for its expected outcomes. Anticipated completion date is September 2004.

3. ***Re-Contacting Businesses:*** It is recommended that IBOC contact businesses participating in the survey again one year from now. The follow-up IBOC currently carries out with businesses three months later is insufficient to truly assess the scope of impact that the contact with IBOC may have had.

Management response: Since the majority of the companies that participated in the survey received their leads, at minimum, two years ago, it is believed that the overall result of such exercise would be negligible. IBOC is, however, in the process of implementing a Business Leads Report module within the existing Case Management System. This module will automatically send e-mail requests,

at predetermined times, to Canadian companies which received Specific Leads to acquire results data. Results data received will enable IBOC to report on the impact and outcomes of its one-on-one business leads service. The scheduled completion for this module is September 2004. As well IBOC plans to implement a similar electronic e-Leads report module within the Virtual Trade Commissioner(VTC) which will capture results from VTC clients about e-Leads that they received from IBOC. The data captured from this process will enable IBOC to report regularly on the outcomes resulting from its electronic (e-Leads) distribution service. Anticipated completion date is March 31, 2005.

4. ***Dropping General Leads Service:*** The evaluation results support the decision to drop general leads and have them directed through the Virtual Trade Commissioner. Recognizing resource constraints, this decision will free up money to permit greater resourcing to focus on specific leads as well as improving the performance monitoring data system and the physical space in which IBOC staff work.

Management response: To ensure that IBOC services continue to meet the needs of its primary clients, it is felt that additional feedback is required before implementing this recommendation. In Fiscal year 04/05, IBOC will undertake to acquire that feedback through various outreach activities. A decision to modify or not, the general leads service, will be made based on that feedback. Anticipated completion date is March 31/2005.

5. ***Increasing Accuracy and Appropriateness of Leads:*** It is recommended that there be a focus on improving the accuracy of the leads and the appropriateness of matches. Upgrading IBOC officers' research skills and enhancing IBOC networks and gathering more information about Canadian companies may help. At the same time, better training of international trade officers in missions may be needed, as concerns were expressed about the accuracy and amount of information they provide in leads they direct to IBOC.

Management response: Developed a comprehensive training deck to train trade officers about the sourcing services that IBOC offers and about the need for detailed and accurate information on the leads that they provide to IBOC. As well, IBOC initiated the implementation of a sector team approach which will enable the development of sector knowledge/expertise among sourcing officers.

IBOC identified sectorial and industrial trade shows where it is deemed that sectoral knowledge can be gained by IBOC staff.

6. ***Introducing Sector-Based Model:*** The evaluation results support the initiative to introduce the sector-based model to IBOC for improving efficiency and development of sector-specific expertise.

Management response: The implementation of sector-based teams within IBOC will begin in September 2004.

7. ***Enhancing Administrative Data:*** It is recommended that IBOC's Case Management System (CMS) be enhanced to produce automatically the processing, productivity, and quality-of-service data necessary for management decision making.

Management response: The Case Management System's (CMS) reports page is being revised to include a section called Management Reports . These reports will provide processing and productivity data. These reports will be available to IBOC managers by June 21, 2004. As well, IBOC is investigating the possibility of putting in place a mechanism to track and report on client (trade officers in posts) service satisfaction through an automated system which will acquire feedback on the quality of service that IBOC provides in response to trade officers' business leads enquiries. The development of this system is dependent on available funding.

APPENDIX A
Matrix of Issues and Questions

Appendix A: Evaluation Matrix of Issues and Questions³⁴

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed		
<i>Relevance</i>											
1.1 How large is the market for international business leads in which IBOC operates?	<ul style="list-style-type: none"> • Views on characteristics of market for international business leads • Role/fit of IBOC/others within market • Alternatives 	<ul style="list-style-type: none"> • IBOC Staff • TCI Partners • Beneficiaries • Non-beneficiaries 	1.1						1.2		
1.2 For what percentage would search/matching be needed to bring buyer and seller together?											
1.3 How significant is IBOC in this search/matching market?						1.3	1.3		1.3		
1.4 What alternatives to IBOC exist?						1.4	1.4	1.4	1.4		
1.5 How significant are these alternatives in the search/matching market?						1.5	1.5	1.5	1.5		
1.6 What do non-IBOC clients in need of search/matching services do?											1.6
1.7 What would IBOC clients do in the absence of the program?						1.7	1.7				

34. Adapted from “Evaluation Plan for the International Business Opportunities Centre, February 10, 2003, ARC Applied Research Consultants and presented in the Evaluation Workplan of June 25, 2003. Please note that due to instrumental length constraints, not all questions were covered as indicated in this matrix..

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
2.1 Is the external market in which IBOC operates changing? 2.2 How? 2.3 Is IBOC keeping abreast of changes?	<ul style="list-style-type: none"> • Views on changes/ external pressures • Views on suitability of IBOC adaptation 	<ul style="list-style-type: none"> • Program documents • IBOC Staff • TCI Partners • Beneficiaries 		2.1 2.2 2.3		2.1 2.2 2.3	2.1 2.2 2.3	2.1 2.1	
3.1 Is the internal market in which IBOC operates changing? 3.2 How? 3.3 Is IBOC keeping abreast of changes? 3.4 That is, what is the current and expected strategic positioning of IBOC relative to other similar services which may be undertaken by Trade Missions and TCI partners themselves?	<ul style="list-style-type: none"> • Views on changes/ internal pressures • Views on suitability of IBOC adaptation 	<ul style="list-style-type: none"> • Program documents • IBOC Staff • TCI Partners • Beneficiaries 				3.1 3.2 3.3 3.4	3.1 3.2 3.3 3.4		
4.1 To what extent are IBOC and its services relevant now and in the future? 4.2 Are services offered in the right mix? 4.3 Are there other services IBOC should be offering? 4.4 Are there some that should be dropped?	<ul style="list-style-type: none"> • Views on correctness of services relative to need • Views on unmet needs for services • Views on services not needed 	<ul style="list-style-type: none"> • Program documents • IBOC Staff • TCI Partners • Beneficiaries 		4.1 4.2 4.3 4.4	4.3	4.1 4.2 4.3 4.4	4.1 4.2 4.3 4.4		

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
4.5 What other services or grouping of services should be provided?									4.5(covered by 4.3)
4.6 Not to be provided?									4.6
Results									
<i>What results have been achieved by IBOC (intended, unintended, positive, negative)</i>									
<p>In the short term related to:</p> <p>5.1 Increased awareness of international business opportunities by Canadian firms/TCI Partners through IBOC?</p> <p>5.2 Increased awareness of Canadian products and services by foreign businesses through IBOC?</p> <p>5.3 Canadian firms more aware of TCI services through IBOC?</p>	<ul style="list-style-type: none"> • Level/increase in awareness of international business opportunities by Canadian firms/TCI Partners • Level/increase in awareness of Canadian products and services by foreign businesses • Level/increase in awareness of TCI by Canadian firms. • Attribution of level/change to IBOC 	<ul style="list-style-type: none"> • Program documents • Files/management systems • IBOC Staff • TCI Partners • Beneficiaries • Case studies 		5.1			5.1		
				5.2			5.2		
				5.3			5.3		

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
In the medium term related to: 6.1 Reduced search/marketing costs through IBOC? 6.2 More matches of international business opportunities and Canadian businesses through IBOC? 6.3 Canadian firms getting support/services through TCI after IBOC referral? 6.4 New markets for Canadian exporters? 6.5 Expanded markets for Canadian exporters? 6.6 New Canadian exporters involved in international business? 6.7 Foreign firms use information to make decisions	<ul style="list-style-type: none"> • Saving in costs/time • Views on number of successful matches • Support through TCI after referral • Number/dollar value of new markets for Canadian exporters • Number/dollar value of expanded markets for Canadian exporters • Number/dollar value of first time exporters • Number of cases of information being used/dollar value of resulting sales • Attribution to IBOC 	<ul style="list-style-type: none"> • Program documents • Files/management systems • IBOC Staff • TCI Partners • Beneficiaries • Case studies 		6.1			6.1		
				6.3			6.2		
				6.4			6.3		
				6.5					
				6.6					
									6.7

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
<p>In the long term related to:</p> <p>7.1 Increased international business for Canadian companies?</p> <p>7.2 Respecting Canadian commitments to sustainable development—that development meets the needs of the present without compromising the ability of future generations to meet their own needs.</p>	<ul style="list-style-type: none"> • Canadian companies benefiting from international business that would not otherwise occur in terms of: <ul style="list-style-type: none"> ◦ Number of cases/ dollar value ◦ Number of Canadian firms involved by size, geographic distribution, sector, value added of service ◦ Views on degree to which activities respect Canadian sustainable development commitments 	<ul style="list-style-type: none"> • Program documents • Files/management systems • IBOC Staff • TCI Partners • Beneficiaries • Case studies 		7.1			7.1		7.2
8.1 What other results occur through IBOC?	<ul style="list-style-type: none"> • Other results identified through research 	<ul style="list-style-type: none"> • Program documents • Files/management systems • IBOC Staff • TCI Partners • Beneficiaries • Case studies 		8.1		8.1	8.1		

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
9.1 Are potential beneficiaries (i.e., missions and exporters) aware of IBOC? 9.2 If not, how could awareness be improved? 9.3 Are beneficiaries using IBOC to the extent they could/ should? 9.4 If not, why not?	<ul style="list-style-type: none"> Views on awareness levels Methods in place to increase awareness If aware, how became aware/If not aware Views on extent of unmet demand Reasons if unmet demand exist Number of leads processed Number of firms registered on e-Leads 	<ul style="list-style-type: none"> Program documents File review--#/ location of training/ tradeshow IBOC Staff TCI Partners Beneficiaries Non-beneficiaries Industry/Trade Associations (at National level) 	(Partially covered by audit)			9.1 9.2 9.3 9.4	9.1 9.2 9.3 9.4		(Note: these questions may fit better under Relevance)
10.1 To what extent are clients satisfied with the services received? 10.2 What are client needs in terms of services and to what extent does IBOC meet those needs?	<ul style="list-style-type: none"> Views on client satisfaction Views on needs Views on extent IBOC meets needs 	<ul style="list-style-type: none"> Program documents Files IBOC Staff TCI Partners Beneficiaries Non-beneficiaries 	10.1 (missions)	10.1			10.1 10.2		(Note: 10.2 similar to 4.2, 4.3,4.4)
11.1 Which services are most useful? 11.2 What would clients be willing to pay for the services they receive from IBOC?	<ul style="list-style-type: none"> Views on usefulness of services Value derived by services 	<ul style="list-style-type: none"> Program documents Files IBOC Staff TCI Partners Beneficiaries Non-beneficiaries 		11.1			11.1 11.2		(Note: similar to questions under issue #4)

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
<i>Delivery/alternatives (likely addressed through internal audit only)</i>									
12.1 How many outputs (by type) does IBOC produce?	<ul style="list-style-type: none"> • Number of lists/ number on lists by activity which generated them • Number of opportunities/for how many Canadian firms by activity which generated them 	<ul style="list-style-type: none"> • Internal audit • Program documents • Files/management systems • IBOC Staff 	12.1						
12.2 How many Canadian businesses benefit?	<ul style="list-style-type: none"> • Number of confirmations of contact and other information on specific company provided. Resulting number of alerts of potential international business opportunity 		12.2						
12.3 Which industry sectors benefit?	<ul style="list-style-type: none"> • Number of preliminary investigation findings disseminated • Number of Dunn & Bradstreet reports disseminated 		12.3						

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
13.1 Is IBOC's 5-day turnaround reasonable? 13.2 Should different standards be set by type of lead?	<ul style="list-style-type: none"> • Views/estimate of the current achievement against standard by type of lead • Views on reasonableness of standard, by type of lead 	<ul style="list-style-type: none"> • Internal audit • Program documents • IBOC Staff • TCI Partners • Beneficiaries • Foreign experience 	13.1 13.2						
14.1 Are resources adequate to meet the current/future demands for services? 14.2 Are resources correct in terms of skills/research level?	<ul style="list-style-type: none"> • Views on adequacy of resources • Perception of ability to meet 5-day turnaround target • Perceptions on the quantity and quality of resources 	<ul style="list-style-type: none"> • Internal audit • Program documents • IBOC Staff • TCI Partners 	14.1 (objective) 14.2 (objective)			14.1 (subjective) 14.2 (subjective)	14.1 (subjective) 14.2 (subjective)		

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
<i>Delivery/alternatives</i>									
15.1 Is IBOC well-delivered?	<ul style="list-style-type: none"> Views on strengths/weakness of delivery mechanism Views on more efficient delivery mechanism Views on need/value in treating leads differently depending on their potential value to Canadian business or some other measure 	<ul style="list-style-type: none"> Program documents IBOC Staff TCI Partners Beneficiaries 		15.1		15.1	15.1		
15.2 What are the strengths and weaknesses of the current delivery mechanism?			15.2	15.2	15.2				
15.3 Is there a more efficient delivery mechanism?			15.3	15.3	15.3				
15.4 For example, should incoming business leads be subject to increased screening/streaming/prioritization? If so, by whom?			15.4	15.4	15.4				
16.1 Can improvements be made in interdepartmental cooperation among (Agriculture and Agri-Food Canada, Department of Foreign Affairs and International Trade Canada, and Industry Canada)? If so how?	<ul style="list-style-type: none"> Views on changes/possible improvements in reporting relations 	<ul style="list-style-type: none"> Program documents IBOC Staff TCI Partners Foreign experience 	16.1					16.1	
17.1 To what extent is there overlap or duplication with other programs?	<ul style="list-style-type: none"> Evidence of overlap/duplication Views on collaborative opportunities 	<ul style="list-style-type: none"> Program documents IBOC Staff TCI Partners Beneficiaries Foreign experience 		17.1		17.1	17.1	17.1	
17.2 With the private sector?			17.2	17.2	17.2	17.2	17.2		
17.3 Do opportunities for collaboration exist?			17.3	17.3	17.3	17.3	17.3		

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
17.4 Do opportunities exist to partner with other organizations?						17.4	17.4	17.4	
17.5 Link with provincial trade offices?						17.5	17.5	17.5	
17.6 Should IBOC be a stand-alone agency/differently located, a private sector organization?						17.6	17.6	17.6	
18.1 What other models of delivery exist?	<ul style="list-style-type: none"> • Alternative delivery mechanisms • Views on strengths/ weakness relative to IBOC 	<ul style="list-style-type: none"> • Program documents • IBOC Staff • TCI Partners • Beneficiaries • Foreign experience 				18.1	18.1	18.1	
18.2 Are there advantages/ disadvantages with a delivery model focussing on sectors/ regions?								18.2	18.2
<i>Cost-effectiveness</i>									
19.1 Is delivery of services by IBOC cost-effective?	<ul style="list-style-type: none"> • Views on cost effectiveness • Costs per opportunity • Costs per match • Costs per dollar of foreign business generated 	<ul style="list-style-type: none"> • IBOC staff • Program documents • File/management system review 	19.1 (efficiency)			19.1 (subjective)			19.1 (objective)
20.1 Are there opportunities to improve the cost-effectiveness of delivery?	<ul style="list-style-type: none"> • Views on improvement possibilities 	<ul style="list-style-type: none"> • IBOC staff • Internal audit • Evaluation findings 				20.1			

Issue and Evaluation Question	Indicator(s) (data/information that can be used to answer the evaluation question)	Data sources	Covered by audit OR other evaluation work	Survey of Business Clients	Survey of Missions	Internal Interviews	Discussion Groups with Stakeholders	Review of Foreign Organizations	Not to be Addressed
21.1 What are other jurisdictions doing?	<ul style="list-style-type: none"> • Views on improvement possibilities 	<ul style="list-style-type: none"> • Foreign experience 						21.1	21.1
21.2 What could/should IBOC adopt from others' experience to improve its cost-effectiveness?									21.2
<i>Lessons Learned/Potential Improvements</i>									
23.1 What lessons can be learned/ best practices to benefit IBOC/ others?	<ul style="list-style-type: none"> • Best practices • Lessons to avoid 	<ul style="list-style-type: none"> • Program documents • IBOC Staff • TCI Partners • Beneficiaries • Case studies • Foreign experience • Internal audit • Evaluation findings 		23.1		23.1	23.1	23.1	

APPENDIX B
Technical Description of Methodologies

Technical Description of Methodologies

The evaluation of the International Business Opportunities Centre (IBOC) was based on the following methodologies:

- Survey of businesses that received IBOC leads;
- Survey of Missions;
- Interviews with “internal” stakeholders;
- Discussion group with “external” stakeholders;
- Review of material on services offered by similar foreign organizations; and
- Review of other documents, including the Audit of the International Business Opportunity Centre, and the Annual Report.

A description of the first four methodologies is presented below.

a) *Survey of Businesses*

The focus for consultations with businesses that received IBOC leads was on their experience with IBOC, what happened as a result of the lead, the other sources of leads they utilize, and what would have happened in the absence of IBOC. Suggestions for improvement were also addressed.

The external consultants hired to conduct the evaluation were sent a population file of some 13,000 companies in receipt of international business opportunity leads from IBOC. The type of lead was not indicated in this file. To identify specific lead recipients, the companies in the file were matched with a file containing the names of companies issued the follow-up survey which is sent to specific lead recipients. Only entries from 2001 were selected. The year 2001 was chosen to allow for companies to have had recent enough experience to maximize respondent recall, while still allowing enough time following the lead to have potentially realized benefits from the lead. The rest of the businesses were assumed to be general lead recipients, but as the year was not indicated, all were considered in the population for purposes of the survey. The result of the match was two groups of businesses: 1,159 specific lead recipients in 2001, and 11,890 companies assumed to have received a general lead at any time.

The survey completion target was set at 175 specific lead recipients and 40 general lead recipients and the sampling ratio was set at 3.5 to 1. Thus, 750 introductory letters were sent, 610 to specific lead recipients and 140 to what were assumed to be general lead recipients. The purpose of the letter was to advise potential respondents of this research and assure them of its legitimacy.

As it turned out, however, more sample had to be drawn because the targeted number of completions with recipients of specific leads was not reached using the initial sample. Thus, the introductory letter was sent to these additional firms. In total, 1,060 company names were drawn and sent a letter.

About five days after the first wave of introductory letters was sent, a pre-test was conducted. The pre-test resulted in a few corrections to the wording and skip logic of the questionnaire and, in concert with the client, the elimination of some less-important questions in order to reduce in the survey length to something closer to the targeted 12 minutes.

It was determined at some point in the survey that the assumptions made around identifying general lead recipients were not appropriate. So, a decision was made in consultation with the client to focus on attaining the targeted number of completions with specific lead recipients (175) using the existing sample and then conduct a separate survey of businesses that subscribe to the e-Lead service.

Details on the survey of specific lead recipients are as follows. The telephone survey began August 27, 2003 and continued until September 18, with a mean interview length of 13.8 minutes. The survey was conducted by the consulting firm's survey centre, using Computer Assisted Telephone Interviewer (CATI) technology and a bilingual survey team to ensure that respondents were able to complete the interview in their official language of choice. Quotas were set to ensure proportional representation from the provinces.

Of the total number of specific lead recipients called (936), 160 were removed from the sample, due to attrition (mainly because the telephone number was not in service). Of the remaining companies, i.e., the functional sample (n=777), 320 could not be contacted, mainly because there was no answer or only the answering machine was reached (n=175) or the telephone number was retired after eight or more times called (85). Of those contacted and reached (n=448), there were 70 refusals (a 15.6 per cent refusal rate), 203 (or 26.4 per cent) screened out mainly

because they could not recall receiving the lead, and 175 completions. This represents, for specific lead recipients, a 22.5 per cent response rate as a proportion of the functional sample.³⁵

Given the increasing use of the e-Leads service, it was decided that a separate survey of this group be conducted in lieu of the original general leads portion of the telephone survey. A database of e-Lead subscribers was provided, containing the contact information for all businesses that had signed up for this service. Note that these were not necessarily in receipt of a lead. A web-based methodology was chosen as the survey medium given that this was the mechanism for all their contact with IBOC.

The questionnaire used in the telephone survey of specific lead recipients was adapted for the web-based medium. There were two differences between the surveys. First, available responses to most open-ended questions that the interviewer did not read to the respondent in the telephone (CATI) survey were provided to the respondent completing the web version of the survey. This has implications for comparisons between responses to the two surveys, with web-survey respondents more likely to indicate a particular response than the telephone-survey respondents. The second difference was in the initial screening question. In the telephone survey, respondents were asked if they recalled receiving a (specific) lead in 2001 and were exited out of the survey if not (these are the 203 screened out respondents discussed above). In contrast, in the web survey, respondents were asked if they had received an e-Lead (since it was possible they did not) and, if not, they were skipped to questions near the end of the survey on the perceived need for leads and characteristics of the company.

At total of 5,375 e-Lead subscriber businesses were sent, on September 22, 2003, an invitation letter by e-mail, which contained the web address of the survey and a Personal Identification Number (PIN). The target was set at 300 completions. A total of 631 invitations did not reach their destination (“bounced back” due to an invalid e-mail address), meaning that 4,574

35. The survey in fact was conducted with the full set of companies (1,060) including those assumed to have been general lead recipients. Described in the text was the response for just specific lead recipients. The full survey proceeded as follows. Note that the figures cited here include six companies thought to be general lead recipients which in fact turned out to be specific lead recipients.

businesses did receive an invitation. Of these, 307 companies submitted their completed survey responses by the end of week one. Including the 175 completions to the telephone survey, this makes for a total of 482 companies responding to the surveys.

For specific lead recipients, considering a population of 930, the 175 survey completions have a sampling error of +/- 6.7 per cent, which means the survey sample will generate estimates that are accurate to approximately +/- 6.7 19 times out of 20. For e-Lead recipients, the sampling error can not be computed because of the non-randomness of the “sample”.

b) Survey of Missions

Several missions were surveyed in March of 2003 during the DFAIT Audit of IBOC (report released in June 2003 and reviewed for this evaluation). However, there were still evaluation issues not addressed in the survey that needed to be addressed. Therefore, a second wave of the survey was conducted in September 2003, also by the DFAIT Audit Branch, using an enhanced list of questions. A decision was made not to survey missions surveyed in the first round.

DFAIT conducted preliminary analysis of the surveys and the consultants undertook additional analysis and incorporated the results in this evaluation report. Two datasets were analysed, corresponding to the two waves of surveys, each of 11 missions, for a total of 22. Note again, however, that many of the relevant questions for purposes of the evaluation are based on the responses from 11 missions participating in the second wave, for which questions were added.

Missions that responded to the survey are as follows:

- Dusseldorf
- Moscow
- Mexico
- Dublin
- Sao Paulo
- Abu Dhabi
- Johannesburg
- Athens
- Bucharest
- Paris
- Canberra
- Shanghai
- Guangzhou
- Chongping
- Tapei
- Singapore
- Jakarta
- Stockholm
- Santiago
- Warsaw
- New York
- Chicago

c) *Interviews with Internal Stakeholders*

Interviews were conducted in person with a total of 14 representatives the Department of Foreign Affairs and International Trade (DFAIT) and Industry Canada (IC) responsible for IBOC. The internal stakeholders interviewed were the following:

- ❑ Directors General (DG) responsible for IBOC: one DG from Industry Canada, one current and one former DG from DFAIT (three in all);
- ❑ the Director and the Deputy Director of IBOC (two);
- ❑ IBOC sourcing officers (three); and
- ❑ IBOC research and liaison officers (six).

The interviews were conducted in person by members of the consulting team. Individual interviews were conducted with all but the research liaison officers and lasted 60-75 minutes in length, whereas the interviews with the latter were conducted in two triads (groups of three) and lasted about two hours in length each. Triads introduce some efficiencies over individual interviews, provide the opportunity for ideas to feed off one another, and, in this case, took advantage of synergies among individuals who work with each other, while still helping to ensure a comfortable environment in which people feel free to offer their insights and observations from their own perspective.

d) *Discussion Groups with External Stakeholders*

Discussion groups were conducted with two groups of six external stakeholders each. External stakeholders are persons not immediately involved in IBOC but who have knowledge of and/or experience with the Centre. The two groups were convened at DFAIT offices and lasted two hours each. The issues addressed included organizational issues, positioning relative to alternatives, suggestions for improvements, and lessons learned.

The two groups consisted of the following persons:

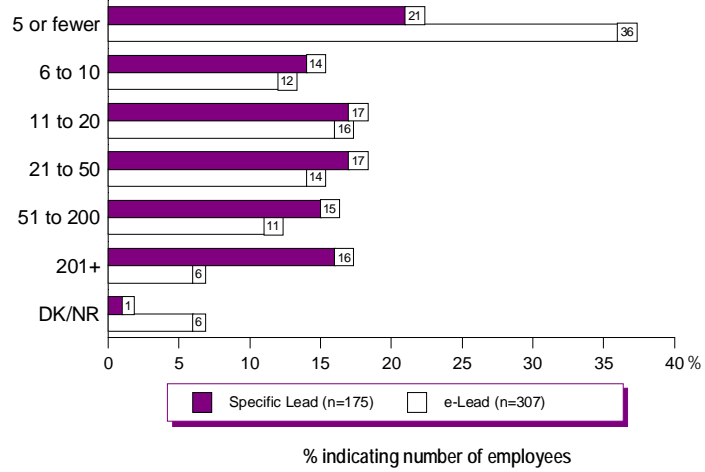
- ❑ “Mission/ITC representatives”: Industry Canada International Trade Centre officials, DFAIT trade officers currently overseas (connected by speakerphone during the group discussion), and returning DFAIT trade officers.
- ❑ “Industry sector representatives”: Industry Canada Sector Branches, Natural Resources Canada, SourceCAN, and industry associations.

d) *Review of Material on Services offered by Similar Foreign Organizations*

An extensive series of interviews were carried out by IBOC prior to the evaluation. These interviews were conducted with organizations providing a similar service in: Singapore, New Zealand, Mexico, Korea, Hong Kong, Australia, United Kingdom, and the United States. The detailed notes from these interviews were used as a data source for this evaluation, replacing the intended conduct of the interviews.

APPENDIX C
Company Profile:
Supplementary Exhibits

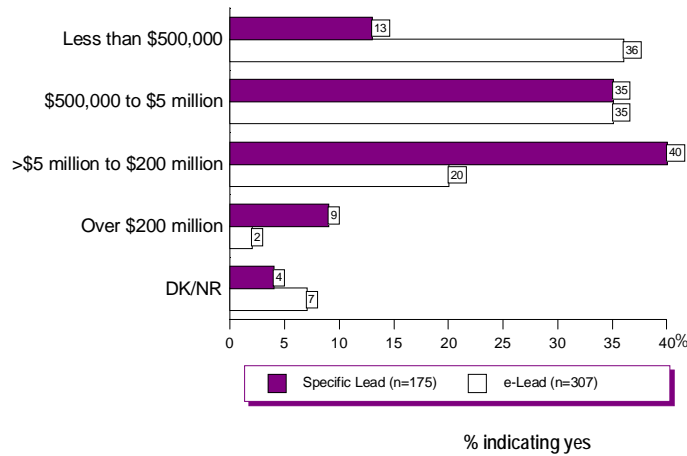
EXHIBIT C.1 (a)
Size of Business Receiving IBOC Leads – Number of Employees



n=482

Survey of Businesses

EXHIBIT C.1 (b)
Size of Business Receiving IBOC Leads – Total Sales in Last Fiscal Year



n=482

Survey of Businesses

