

DERREG WP 1 Task 1-2: Structured Interview with SME:s

A: Preparing for the Interview

1. Documents:

When you carry out the interviews you will need:

1. A copy of the Interview Structure (p5-6 of this document)
2. A copy of the answers to the electronic survey which were returned by the firm/entrepreneur which you are interviewing.
3. A copy of the “Actors List” (attached in a separate Excel File), filled in with the most important actors for the firm, (based on the responses to the electronic survey).
4. A blank copy of the “Actor Map” document (attached in a separate Excel File) *preferably printed in A3 size.*

2. Choosing interviewees

15-20 interviewees should be carried out with firms/entrepreneurs which have at least *some* international contacts, preferably those which in the analysis of the first survey are classified in the “strongly global”, or “International Interfaces” groups. If you are unable to identify 15 firms with international linkages among the respondents to the electronic survey, it is suggested that you seek assistance of regional agencies and representative bodies who may be able to provide contacts¹.

3. Preparing the Actor List

The focus of the interview is on the most important groups of actors for the development of the firm, the roles these actors play, and the nature of the relationship with these actors. We are especially (but not exclusively) interested in knowing more about contacts with actors in other countries.

The starting point of the interviews is the set of actors given most importance in the electronic survey. Before each interview, you should prepare the interviewee’s Actor List, based upon a review of the answers given in the electronic survey. You should pick out the actors/groups of actors given most importance under the headlines “Customers and Suppliers”, “Collaboration with other firms”, “Support from institutional actors” and “Sources of financing”. As a rough guide you should include the actors given at least one score of “3” or “4” – although you may need to use your judgement as regards the precise “cut-off”.

In order to ensure our focus on international/external contacts of the firm, in case there are many ‘threes-and-fours’, you should prioritize the ‘World’ actors, then the ‘European’ ones, then the ‘National’ ones and finally the ‘Regional’ ones’. In the interview the interviewee will be asked to indicate the role and importance of each of these actors in the Actor Map (See example on p4). If there are more than eight important actors print two copies of the Actor Map (but beware of extending the interview too much!).

¹ If these agencies come up with suggestions of firms which you did not include in the electronic survey it will be necessary to ask them to fill in the electronic questionnaire as a first step.

“Actors” are defined as combinations of:

1. *The nature of organization:*
Customer/supplier, Bank/financial institution, Representative organisations, Research institutions etc...
2. *Their geographical location/level :*
Regional, National, European, World

Each possible combination is allocated a code as follows:

Customers and suppliers	Cooperation with other businesses	Support from institutional actors	Sources of financing	Membership in business associations and clubs
1 Customers 1a Regional 1b National 1c European 1d World	Small and medium-sized enterprises 3a Regional 3b National 3c European 3d World	6 Governmental advisory bodies 6a Regional 6b National 6c European 6d World	11 Shareholders/ Owners 11a Regional 11b National 11c European 11d World	15 Cooperative 15a Regional 15b National 15c European 15d World
2 Suppliers 2a Regional 2b National 2c European 2d World	4 Large firms 4a Regional 4b National 4c European 4d World	Industry/ sector representative organizations 7a Regional 7b National 7c European 7d World	Banks and other financial institutions 12a Regional 12b National 12c European 12d World	16 Professional or trade association 16a Regional 16b National 16c European 16d World
	5 Multinational companies 5a regional 5b National 5c European 5d World	8 Research institutions 8a Regional 8b National 8c European 8d World	13 Public support programmes 13a Regional 13b National 13c European 13d World	Chamber of commerce (or other regional associations) 17a regional
		9 Business consultants 9a Regional 9b National 9c European 9d World	Other (In case other is specified by interviewee in electronic survey) 14a Regional 14b National 14c European 14d World	18 Sports or leisure club 18a Regional 18b National 18c European 18d World
		Other (In case other is specified by interviewee in electronic survey) 10a Regional 10b National 10c European 10d World		Other (In case other is specified by interviewee in electronic survey) 19a Regional 19b National 19c European 19d World

NB Category 11 (Shareholders and Owners) should only be used if there are shareholder/owners who are separate from the entrepreneur/manager of the enterprise – i.e. they are exogenous to the local firm. It makes no sense to treat the local manager/entrepreneur as an actor in the firms (external) network!

Other background Information from the Electronic Survey:

When you review the answers to the electronic survey, try to get an impression:

- whether the firm/entrepreneur seems to interact frequently with other members of the business community (see under heading “Cooperation with other businesses” in the survey),
- and if the company/ manager of the company is a member of different business associations or clubs (See under heading “Membership in business associations or clubs” in the survey).

This will help you when asking about the roles of informal and formal networks and organizations.

B: The interviewing process:

The interviews should be recorded, and subsequently summarized in a word document.

Although the interview should be informal (rather than like a questionnaire) it will be helpful if you can follow a broadly consistent structure.

A set of guideline questions is provided on pp5-6 below. It is not necessary to follow all of these in sequence – some are intended more as prompts for an informal but structured discussion.

- The interview should begin with some general questions on the development of the company (Section 1 on p5 below).
- Section 2 (p5-6) focuses on completing the Actor Map. This section of the interview is iterative, you need to repeat the same sequence of tasks for each of the actors in the Actor List:
 - Ask the interviewee to locate the actor on the Actor Map, in those activity categories in which they play an important role (e.g. “providing you with job” or “Reacting to competitors”..). In other words ask them to write the “Actor Number” (from the Actor List) in the relevant column. More guidance on this (crucial) part of the interview can be found on the next page.
 - To help you to get more background explanations you can use the questions/prompts listed under section 2.1. The focus is upon making sure we understand exactly why each actor is considered important to the entrepreneur.
 - It is also important to have a short discussion about the origins and nature of the relationship using the questions/prompts in section 2.2.
- When all actors in the Actor List have been discussed, and plotted on the Actor Map, discuss the questions in Section 3 (p6).
- If the survey and interview shows that the firm is mainly in contact with regional/national actors and markets, then ask the questions in Section 4 (p6).

Note: *Our pilot interviews in Sweden took between 1 and 1 ½ hours. This reflects the generally cooperative attitudes of the interviewees. It may be necessary to try to keep them shorter if there is a degree of “survey fatigue”...*

Some Additional Guidance on Filling in the Actor Map

The ten categories of interaction (columns) in the Actor Map are intended to reflect the main aspects of the development activities taking place in the firm. The Actor Map provides a profile (across the interaction categories) of the linkages between the interviewee firm and the groupings of actors in its Actor List. For instance, in terms of Bringing in New Business “Customers, National” (Code 1b) could be the most important, whilst in the context of Compliance with Rules and Regulations “European Advisory Bodies” (3c) might be more important.

Interaction Category definitions:

Category	Description
Bringing in new Business	Interaction directly related to new orders or acquisition of new business
Awareness of competition	Interactions which provide market intelligence specifically related to competitive threats
Improving market position	Interactions with service providers or other actors which help the firm to increase their market share (within its existing market area).
Finding new markets	Interactions with service providers or other actors which help the firm to find and access new markets (i.e. new geographical areas).
Improvement of production process	Interactions to provide technical support to reduce costs or increase efficiency of production
Developing new products	Interactions which provide information (technical and marketing) which results in development of new products
Improving existing products	Interactions which provide information (technical and marketing) which results in improvements of existing products
Reacting to buyers needs	Direct interactions with customers which result in changes to products or services
Securing capital for investments	Interactions with sources of capital (either working capital or major investments)
Compliance with rules and regulations	Interactions with other actors which help the firm to comply with regional, national or EU legal requirements.
Other	

It is important to remember that **groupings** or **types** of actors, and not individual actors, should be placed on the Actor Maps. However, the interviewee may well illustrate their answers by reference to individual actors. Whilst this information cannot be entered directly into the Actor Map, it could nevertheless be of interest for us at a later stage, as part of the narrative of the firm's business network, and should be retained for future reference, by recording of the interview, and the writing of the summary.

It will probably be helpful to begin Section 2 of the interview by showing the Actor List and the Actor Map to the interviewee, and explaining to them how the actors were selected. Give them the opportunity to use the "other" rows if they feel that a key actor should be added.

Start with the first actor and work your way through the categories (i.e. across the columns) of the Actor Map. Let the interviewee place the Actor Code where appropriate within the scale in each column (category) for which the Actor is "applicable". There will be some activity/actor combinations which are "not applicable" – for example "improving products" + "banks" – in these cases the actor code should be left out of the column. (NB a score of 0 is not the same as a blank – zero indicates relevant but unimportant).

Then go on to the second actor, and so on.

You may need to help the interviewee through the process of making the Actor Map. There are some suggestions for prompting questions in section 3.1 of the Interview Structure below. There is a specific space in the Reporting Fiche to record any interesting or useful information which you pick up in the process.

There will be a tendency for some interviewees to place most of their actors in the middle (score 4-6), others will tend to use the 0 and 9 score rows "too much". This is inevitable (given human psychology!), but you may be able to steer them into making some more subtle distinctions...! This will help you to get cobweb diagrams (see below) which are easier to describe and interpret.

As you work on the Actor Map with the interviewee you may be able to gather useful information about the relationships with the different actors. Some prompt questions are provided under 3.2 in the Interview Structure below. There is a specific space to record this information in the Reporting Fiche.

An Example of an Actor List

Most important actors EXAMPLE

Name and code: 1c Customers, European

Name and code: 1d Customers, World

Name and code: 2 b Suppliers, National

Name and code: 4a Industry/sector representative organisations, Regional

Name and code: 5c Research institutions, European

Name and code: 9b Banks and other financial institutions, National

Name and code: 10a Public support programmes, Regional

An example of a completed Actor Map:

Interview Number: 01

The role and importance of different actors in your network

Score	The role and importance of different actors in your network										Score	
Unimportant 0			5c	9b			10a	5c				0
1			2b	2b		4a	1d			1c, 1d		1
2	4a	1c, 1d				1c, 10a	5c					2
3	2b		1d		4a	2b	4a			4a		3
4			1c, 4a		1c, 10a		2b		10a			4
5		2b		4a	2b	1d						5
6		4a			1d			2b				6
7	1d			1c			1c					7
8				1d					9b			8
Very important 9	1c											9
	Bringing in new business	Awareness of competition	Improving market position	Finding new markets	Improving production process	Developing new products	Improving existing products	Reacting to customers' needs	Securing investment capital	Compliance with rules and regulations	Other	

C: Interview Structure:

It will be very helpful for you to familiarise yourself with the Reporting Fiche before you begin interviewing!

1. Basic facts about the Enterprise:

The first section on the Interview Report Fiche is a very simple brief description of the enterprise, what it produces, or the service it offers, how/when it was set up, anything you think is helpful background information regarding the market it operates in, the characteristics of the entrepreneur etc. NB – you probably will not need to ask specific/formal questions in order to complete this section (you may “pick up” the information from observation, or from the electronic survey) – or you may just want to ask a couple of informal “icebreaker” questions...

2. Development of the Enterprise and Experience of the Recession:

Again – it is better to talk informally round the following questions than to read them out as you would in a formal questionnaire...

- How has your company developed during the last 5 years? (both in terms of turnover and employment)
- When did you start doing business on the international market? Was it a natural step in the development of your business?
- What impacts has the crisis had on your company? (ditto)
- Has the crisis changed the way you interact with other actors? E.g. have you started focusing more on working more closely with a smaller group of actors? Has it forced you to develop a broader, more international customer base, or has it forced you to focus on a more local core customer base.

3. Mapping the Firm Network:

Completing the Actor Map helps us to assess the level of importance of each type of actor for the 10 different firm development activities listed. Work through the Actor List, following the guidelines above.

N.B. Encourage the interviewee to use the full range of scores, and to score all actors in each column, except where the actor is clearly irrelevant (otherwise the cobweb diagram (see reporting fiche) will not work very well!

3.1 Supplementary questions which might be useful when filling in the Actor Map

If the interviewee is not sure how to place the Actors on the Actor Map you may need refer to the definitions in the table at the top of p4. Alternatively you could prompt them or guide them, using questions like those suggested below. Their replies will not be placed on the Actor Map itself, but it will be recorded and subsequently (if you think its interesting/helpful) summarised on the Reporting Fiche. The questions below are thus intended as prompts to assist in the process of compiling the Actor Map, they are not a set of rigid questions to be asked in sequence:

How does the actor contribute in terms of:

-Bringing in New Business?

(Does this actor ever put you in contact with new customers, or do other things which help you get additional orders?)

-Reacting to competitors?

(For example when competitors have developed new innovative products/ processes)

-Improving your market position?

(Through for example increase in market share/maintained market share)

-Finding new markets?

- (Is the actor/group of actors providing you with contacts to new customers/ suppliers/ markets?)*
- Improving the production process?
(Through for example increase in production speed/ reduction of costs/ Improvement of delivery speed/ improvement in product quality/ solving technical problems?)
 - Developing new products?
(Through for example solving technical problems/ having new technical ideas?)
 - Improving existing products?
(Through for example solving technical problems/ having new technical ideas?)
 - Reacting to buyers needs?
(When customers ask for new products or production processes)
 - Securing capital for investments?
(How?)
 - Reacting to rules and regulations?
(For example when new rules or standards are applied)

3.2 The origin/nature of the relationship with the actor/group of actors:

As you discuss the Actor Map with the interviewee you may also be able to gather useful information about the nature of the relation between the firm and the different types of actors, especially regarding the origin, frequency and the degree of formalization of the interaction. Again the questions below do not need to be asked in sequence – it would be more efficient if they are simply covered in the course of the discussion – i.e. treat them as “prompts”.

- How did the relationship start?
- When?
- Is it built on common projects/ contracts/owners/other?
- Are you both part of the same formal network?
- How often are you in contact with the actor/group of actors?
- Do you meet in person / call/ send e-mails?
- Is the contact formal/ informal?

There is also a space on the Reporting Fiche for you to note interesting or useful information.

4. Some further aspects to be explored:

If the interviewee has indicated in the electronic survey that they are part of formal networks/organizations or that informal interaction with other firms is important explore these aspects with the following questions:

- What role do informal networks play? At what geographical level?
If important, you may wish to add them to the Actor List and the Actor Map!
- What role does formal networks/ organizations play? At what geographical level?
If important, you may wish to add them to the Actor List and the Actor Map!
- What role does Internet play in regard to the ten categories of activities in the Actor Map? (Is it particularly important in any of the categories?)
- Are there any important actors in your network, which have not yet been mentioned? If yes, describe them, their role, your relationship with them.
You may also wish to add them to the Actor List and the Actor Map!
- Would you say that your own role (in relation to other firms) is especially important in any of the categories of activity?
- Are there any actors you would like to start working more closely with? Why? Why are you currently not cooperating with them?

5. Potential barriers to making contact with actors outside the region/ country

If the survey and interview shows that the firm is mainly in contact with regional/national actors and markets, try to find out why, using the following questions as a starting point:

- Are you interested in working more internationally (or nationally) – i.e. expanding your network to other countries (regions)?
- What are the barriers preventing you from doing this?

D: Analysing and Reporting the Interviews as part of Deliverable D1.2

Analysis and reporting of these interviews comprises three stages:

- (a) Completing the Actor Map spreadsheet (scoring the actors in order to generate the cobweb diagrams). A blank spreadsheet is provided (attached).
- (b) Filling in a Reporting Fiche for each interview. A copy of the Reporting Fiche is inserted at the end of this document.
- (c) Writing a brief overview/discussion of the findings (based upon summarising and comparing the fiches). Nordregio will provide further guidance on this after completing this task for the Swedish case study.

These tasks contribute to D1.2 as follows:

- The Reporting Fiches (b) will form an appendix to Deliverable 1.2.
- The overview/discussions (c) will form part of the main text of Deliverable 1.2.
- Nordregio will provide a general introduction to the interviews and a comparative discussion section for Deliverable 1.2.
- The overall structure of Deliverable 1.2 (including the reports on the Electronic Survey) is shown in the accompanying file "*Deliverable 1.2 Outline.doc*".

The timetable for these tasks is as follows:

(a) and (b) by **17th September 2010**

(c) by **15th October 2010**

If we stick to this timetable it should be possible to deliver D1.2 by the end of October (as promised in the mid-term progress report).

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Interview Report Fiche Ver 1, 11 August 2010

Guidance notes:

- This fiche should be completed after the interview, on the basis of the recording of the conversation, and notes taken.
- It will be necessary to complete the Actor Map and Cobweb Diagram spreadsheet in advance, so that the Map and diagram can be pasted into the fiche.
- The fiche is intended to be a relatively concise document, not more than 4-6 pages.
- Delete blank lines at the end of each "box".

Case Study Region:

Interview Number:

1. Short Description of the Enterprise

(Example from Sweden)

This is a small limited company with 45 employees. The company was started in the beginning of the 1950's in the same place as it is now located. It produces sawn and planed timber and is today is the single largest employer in the municipality.

Since the quality of their products is based on the strength of the slow growing woods in the northern parts of the Nordic countries the suppliers are all from the region. Most of them come from Sweden but some are also situated in northern Finland. Some of the suppliers are private land owners but the main part is made up of larger companies. The customers are also both small and large actors. The firm sells part of their products on an international market. The export share has increased during the last couple of years partly due to the Internet and increasing language skills. They are helped to find customers by agents in a number of countries. The firm has though exported a considerable part of their products to countries around Europe and to northern Africa for decades. As the interviewee puts it:

"The Swedish market is limited and considering all the raw material in the form of the large forests with exceptionally good quality that we have here, exporting has sort of been incorporated in the concept for a long time now." (Owner of company, Övre Norrland, Sweden)

The main owner is a middle aged man who has been at the company for many years. Together with the sales manager he takes part in the interview. The latter stresses the important role of the owner in the development of the firm and in the fact that the firm is still located where it is:

"Without a locally rooted owner who is personally interested in the region and the business this kind of companies newer last, they are either closed down or moved to more central places" (Sales manager, Övre Norrland, Sweden)

2. Development of Enterprise and Experience during the Recession:

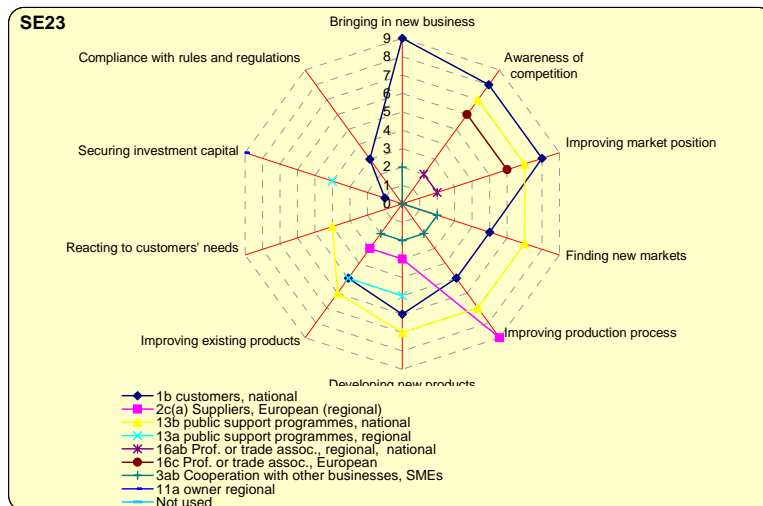
Please provide a brief summary of your discussion of the questions listed in the second section of the Interview Structure:

3: The Actor Map and Cobweb Diagram

(Copy from spreadsheet, paste special as enhanced metafile)

Score	0	1	2	3	4	5	6	7	8	9	Score	
Unimportant		3ab	3ab								0	
	1								1b		1	
	2	3ab	16ab	16ab	3ab	3ab	3ab	3ab			2	
	3					2c(a)	2c(a)			1b	3	
	4							13b	13a		4	
	5			1b	1b	13a	1b, 13a				5	
	6		16c	16c		1b	13b				6	
	7		13b	13b	13b	13b	13b				7	
	8		1b	1b							8	
Very important	9	1b			2c(a)				11a		9	
		Bringing in new business	Awareness of competition	Improving market position	Finding new markets	Improving production process	Developing new products	Improving existing products	Reacting to customers' needs	Securing investment capital	Compliance with rules and regulations	Other

1b customers, national	9	8	8	5	5	6	5		1	3	
2c(a) Suppliers, European (regional)					9	3	3				
13b public support programmes, national		7	7	7	7	7	6	4			
13a public support programmes, regional						5	5				
16ab Prof. or trade assoc., regional, national		2	2						4		
16c Prof. or trade assoc., European		6	6								
3ab Cooperation with other businesses, SMEs	2	0	0	2	2	2	2				
11a owner regional									9		
Not used											



Commentary on/description of, the Actor Map:

No set structure; the following are simply "prompts"

-Dominant/key actors?

-Missing actors?

-Differences/similarities between the 10 columns (the axes of the cobweb diagram)?

-How local/regional/national/global is the network?

-Any aspects of the actor map show particular networking strengths or weaknesses?

-Can you think of a simple descriptive term for this kind of network?

3.1 Additional Information relating to the Actor Map

Note any interesting comments made by the interviewee as you discuss where to place the Actors on the Actor Map.

3.2 Additional Information on the Origin and Nature of the Relationships with Actors

Note any interesting comments made by the interviewee as you discuss where to place the Actors on the Actor Map.

4. Further Aspects to be Explored:

For example....

Formal and Informal Networks

The role of the Internet

Special role in formal or informal networks for this enterprise in relation to any particular aspect/activity?

Aspirations to work more closely with particular actors...?

5. Barriers to making contact with Actors from outside the Region/Country