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A GLOBAL REVIEW

of the Industrial Subcontracting and Partnership Exchanges (SPXs) Established by UNIDO

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A GLOBAL REVIEW

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Survey statistics and questionnaires received are available upon request.

Introduction

With the objective of enhancing, surporting and promoting small and medium enterprises (SMEs), mainly in developing countries, the UNIDO Industrial Subcontracting and Supply Chain Management Programme has been establishing Subcontracting and Partnership Exchanges (SPXs) on a worldwide basis since 1985. These Exchanges constitute the meeting point between supply and demand of industrial subcontracting activities. When the SPXs are run according to certain guidelines, they have proved[1] to be beneficial to all participants:

- The subcontractors can boost their productivity, create employment opportunities, enhance manufacturing processes through technology transfer and upgrading, improve their competitiveness, expand their market share, introduce new products, establish quality measures to produce under better standards and increase their return on investment through appropriate new investments and full capacity utilization.
- By outsourcing, main contractors can gain the flexibility that today's business environment demands from them. When they subcontract their non-core activities, they are able to concentrate on their strategic competencies while being able to fulfil, at competitive market standards, the complex needs of their supply chain.
- Finally, host institutions (Chambers of Commerce and Industry, government agencies or small business promotion institutions), find in the SPXs the operational set-up that enhances their knowledge of the region's relevant industry sectors, pushes the development of SMEs, sets the required mechanisms to cope with the challenge of globalization, promotes the country's output in foreign markets and works on the substitution of imports for domestic goods.

This paper presents the results of a survey that covered 70 per cent of the operational SPXs that have been established by UNIDO under the Industrial Subcontracting and Supply Chain Management Programme. Two main objectives are pursued in the way the report is organized. First, it attempts to analyse the progress made in operational performance of the SPXs by taking as its basis a study done by the Organization in 1996.[2] It tries to confirm or redirect the findings of the study while at the same time, it tries to evaluate how the implementation of the recommendations made at that time have impacted on the operation of the Exchanges. Second, it takes a closer look at the SPXs internal operational procedures, in terms of standardization of processes and in terms of other relevant services that contribute to the operational budget of the Exchanges.

[1] Garrigós-Silva, and de Crombrugghe. *Practical Case Studies on Industrial Subcontracting and Partnership*. UNIDO.

[2] González-Herández, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Programme Evaluation*. UNIDO, October 1996.

1. Methodology

Before presenting the results of the analysis, a few methodological issues will briefly be addressed. These issues refer to the content of the questionnaire and to the selection of respondents.

1.1. Content of the questionnaire[3]

In order to be able to make the results comparable to those obtained by the survey conducted in 1996, part of the questionnaire had to be similar to the one applied at that time. The main challenge for us this time was to find a way to conduct a long distance or remote survey aimed at comparing its results with the ones coming from a field study. That is why the questionnaire this time had to be shorter and designed for straightforward answers. The previous questionnaire consisted of 12 sections, which aimed at obtaining detailed information about the operation of the SPXs. For this study, the questionnaire consisted of six sections, out of which two (the ones intended for comparison) were kept basically the same. These similar sections were: SPX general information (operations, finance, promotion, effectiveness and diversification) and software for data management.

The sections included in this survey that were not part of the previous one, reflect mainly the second objective of this study. In order to identify the internal operational procedures followed by the SPXs, we organized the following headlines: *quality within the* SPX *and external quality services.* These sections aimed at analysing the SPXs internal processes and other relevant services that contribute to its operational budget.

Finally, the rest of the relevant information was incorporated under different headings. One of them included the classification and appreciation of the SPXs resources, and the other section inquired about the four most important industrial sectors for the Exchanges.

1.2. Selection of respondents and rate of response

The questionnaire was sent, via e-mail or fax, to all the SPXs that have been established under the UNIDO Programme and that are listed in the Directory 2000. Additionally, one Exchange that does not belong yet to the UNIDO SPX Club, was incorporated into the data analysis because it operates in a very similar way to those established under UNIDO methodology. Also, it has shown interest in joining the UNIDO SPX Club in order to exploit the benefits of regional networking.

Out of the 52 questionnaires that were sent to different SPXs, 59 per cent of them arrived on time for the information to be processed. Considering the number of responses and the activity level of the SPXs where they were coming from, this survey's results are significant. Jordan, Saudi Arabia and Ecuador are counted as operational and they received a copy of the questionnaire, although the status of the SPXs in those countries has been changing. That is why, for practical purposes and considering that three questionnaires arrived very late and could not be considered, the active involvement of SPXs in UNIDO activities was 71 per cent.

[3]See annex 1 for the original version of the questionnaire.

Selected associate members also received a slightly modified version of the questionnaire. The objective was to compare the operational performance between the SPXs that have been established by UNIDO and those that have not.

The response rate among associate members was not significant, and hence we did not do any data analysis aimed at comparing the operations of the Exchanges established independently and those established by UNIDO.

Table 1. Established and Operational Industrial Subcontracting and Partnership Exchanges under the UNIDO Industrial Subcontracting Programme

Country	*Established SPX*	*Operational SPX*	*Questionnaire available*
Algeria	4	4	2
Argentina	3	3	1
Bolivia	2	2	1
Brazil	4	3	1
Chile	1	1	1
Colombia	7	8	4
Costa Rica	1	1	1
Côte d'Ivoire	1	1	1
Cuba	1	1	1
Czech Republic	2	1	1
Ecuador	1	1	0
Egypt	1	0	0
France	1	1	1
Guatemala	1	1	1
India	3	3	2
Iraq	1	0	0
Jordan	1	0	0
Kenya	1	0	0
Madagascar	1	1	1
Morocco	1	1	1
Mauritius	1	1	0
Mexico	7	8	6
Paraguay	1	1	1
Peru	3	2	2
Poland	1	0	0
Russian Federation	1	1	1
Saudi Arabia	1	1	0
Slovakia	1	1	1
Tunisia	1	1	1
Turkey	1	1	1
Uruguay	1	1	1
Venezuela	2	1	0
Total	**59**	**52**	**34**

2. A global review of the Industrial Subcontracting and Partnership Exchanges (SPXs) established by UNIDO

2.1. Main industrial sectors

Over the years that UNIDO has worked to enhance and promote industrial subcontracting, the main industrial sectors where this production sharing activity takes place have not varied a lot. In fact, when a new SPX is going to be established, the recommendation is to start in the metal-mechanic, plastic-rubber and/or electric-electronic sectors. This is due to the fact that they constitute a solid base for the SPXs since they are naturally predisposed for subcontracting activities. For this reason, they provide the SPX with enough workload and experience in order to later expand its operations to sectors or services.

In this survey, the SPXs were asked to prioritize the most important industrial sectors for their operations and to give the number of companies registered in their database for each one of them. Table 2 indicates the relevant industrial sectors for the SPXs and their respective NACE code ("Nomenclature des Activités Economiques de la Communauté Européenne"). The metal-mechanic is the most important and accounts for 81 per cent of the respondents. 5,912 companies in total were registered in this sector among the 32 respondents (out of 10,355 companies registered with all SPXs in all four relevant sectors).

After a certain period of operations, 56 per cent of the respondent SPXs mentioned to have included new industrial sectors not originally served. The textile sector and industrial services (which includes activities such as equipment maintenance and engineering), have been mentioned by 20 per cent of the respondents, to be the sectors where the SPXs normally expand their coverage after the Exchanges have reached a certain maturity. This is the reason why they hold a significantly by higher percentage in the middle of table 2.

Table 2. Main industrial sectors covered by the SPX operations

NACE code	*Industrial sector*	*SPX operating in this sector (percentage)*
28	Metal-mechanic	81
285	Plastic-rubber	64
31, 32	Electric-electronic	47
74	Industrial Services	33
17	Textiles	31
	Other	14
34	Automotive	11
014	Agroindustry	11
15	Food	6
18, 19	Leather	6
20	Wood	3
24	Chemicals	3
29	Machinery	3
36	Furniture	3

2.2. Legal and financial status of the SPXs

The legal status of the recently established SPXs is normally linked to the status of the UNIDO counterpart that initially hosted the project. Normally, those Exchanges that classified themselves within the private sector have the Chamber of Commerce or the Chamber of Industry as a backup. Those under public status, are sponsored or supported by any kind of governmental body such as an Industrial Development Agency or a Ministry. Finally, the mixed ones, in table 3, are normally in a mature stage and they have reached total/partial financial independence or decision-making autonomy (they were initially hosted by a private or public institution, but they have been successful in attracting different sources of income to support their operation).[4]

Table 3. The legal and financial status of 31 SPXs established by UNIDO

(as a percentage)

	SPX legal status
Public	13
Private	49
Mixed	37

In the previous study,[5] it was outlined that "an association with a Chamber of Industry/Commerce seems to be the most desirable institutional setting for an SPX". This pattern has been supported by the findings in the present study. Table 3 considers not only the surveyed SPXs, but all the operational ones. A total of 45 per cent are private, being most of the time even within the physical infrastructure of Chambers of Commerce/Industry.

Thirteen per cent of the actual SPXs are now a department of a public body and 37 per cent of them operate under a mixed status. This last status means that the Exchanges can be officially registered as public or private, but in fact they are financed by both (with/without the contribution also of their own self-generated income) or they are totally able to build their operational budget.

The most appropriate setting according to UNIDO experience is when the Exchange is initially hosted by a Chamber of Commerce/Industry and the SPX manager knows that this may not be sufficient or that the support will not be permanent. In this situation, he/she is obliged to work towards the financial independence of the Exchange (by mobilizing funds through the SPX activities, fees and/or complementary services), and there are great possibilities for the SPX to have very successful operations. This is the case in four of the surveyed Exchanges (in the next section we will explain how they have accomplished this financial autonomy).

Also, according to the survey's findings, it is interesting to note[6] that in most of the cases where the SPXs do not depend completely on one source of finance (either public or private), it has reached this status before the sixth year of operations. In addition, it is obvious to observe that having a self-financed operation or at least mixed contributions, is the least risky option. If the SPX is completely financed by a public body, it can happen that in the medium/long term (as the public administration changes) the priorities are redefined and the support to the SPX is not considered any longer. If a private Chamber finances the Exchange, then that risk is greatly reduced

[4]More details about the sources of income that allow the SPXs to be financially independent will be given in section 2.3.

[5]González-Hernández, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Programme Evaluation*, UNIDO, October 1996. p. 21.

[6]See graphic I, Sources of operational budget, in annex 2.

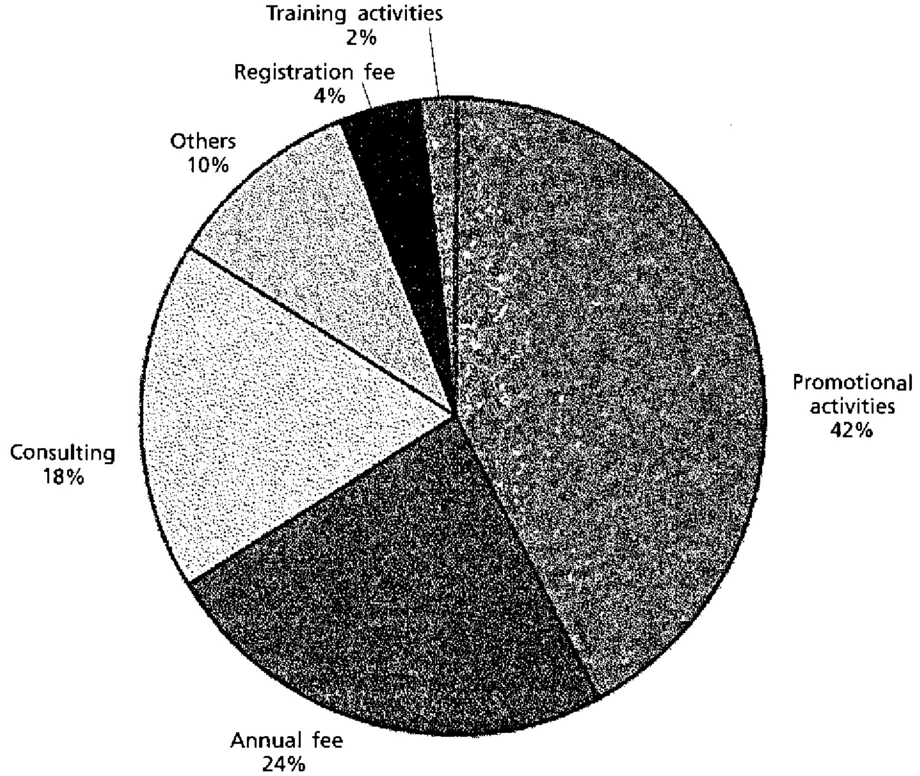
(even though it theoretically still exists). In fact, it was observed that 100 per cent private funding is the only option besides own funding once the SPX is older than eight years. The reason is because the Chamber of Commerce/Industry does generally find the activities of the SPX relevant for their members and hence decides to include them in the service package they offer to their members.

2.3. Sources of income for the SPX

In the survey, we also asked the respondents how the income that they are able to generate through their activities was composed. The objective was to observe which activities have allowed SPXs to reach financial autonomy and which ones contributed most to their operational budget. The general categories of income that the SPX were able to raise were: promotional activities (which included participation and/or organization of fairs and exhibitions), fees (registration and/or annual membership), consulting services, and training activities (experience has shown that these normally cover quality and supplier development related topics).

Figure 1[7] gives a comprehensive view of the activities that the respondent SPXs mentioned as their main sources of income. Besides the fact that promotional activities are the main contributing activity to the SPX budget (42 per cent of the total), they are also the most important sources of direct contacts that influence the capacity of the Exchange to match contractor needs with subcontractor capacities.[8]

Figure 1. Relative importance of fund generating activities as sources of income for the SPXs



[7]To analyse the results in this section of the questionnaire, it was not considered proper to work with the average contribution of certain activity to the SPX self-financed budget because there was too much disparity in the percentages related to certain activities between the SPXs. Instead, we decided to weight the contribution percentage and then add them up in order to see the relative importance of every source of income.

[8]Further analysis on this issue will be developed in section 2.5.

UNIDO experience in the industrial subcontracting field indicates that a well-organized fair can contribute up to the equivalent of an annual budget. This was confirmed by seven of the respondent SPXs who mentioned that promotional activities constituted the total source of their income. For example, one SPX in North Africa has one of the most important subcontracting fairs in the region. This fair, organized once every two years, contributes up to 40 per cent of its annual budget (it is important to note that this SPX is one of the largest in the world with 13 employees and 858 registered companies).

The cost structure of organizing a fair includes as main income the selling of exhibition space and entrance fees to special events. For example, organizers of the next international fair in Latin America (which besides the exhibition section, is offering bilateral negotiation, bulletin board of opportunities, technological show, buyers' exhibits and presentations) are selling exhibition space for between US$ 1,344 and US$ 4,500 (according to how many square metres the stand covers). Also, they are charging between US$ 100 and US$ 200 for entrance to the negotiation/buyers' area. Among the expenditures, some 40 per cent of them can be related to promotion, which at the same time constitutes the cornerstone for the success of the fair; also a significant cost is the leasing of the exhibition pavilion. Finally, it is important to note that before arriving at the bottom line (profit), sponsorship should be considered since this can greatly reduce the cost and hence increase the financial gains (by assuming partial costs of promotional activities and/or by reducing the pavilion-leasing fee).

The second most important source of income is the annual fee that some SPXs charge to their members. Normally the Exchanges that are totally financed by a public body, or those that work completely under a Chamber of Commerce or Industry, do not charge any kind of fee to their members (in this case, it is already included in what the associates pay to the Chamber). Nevertheless, for the rest of the Exchanges, 24 per cent of their self-financed income comes from this category.

Figure 2. Registration and annual fees charged by the SPXs

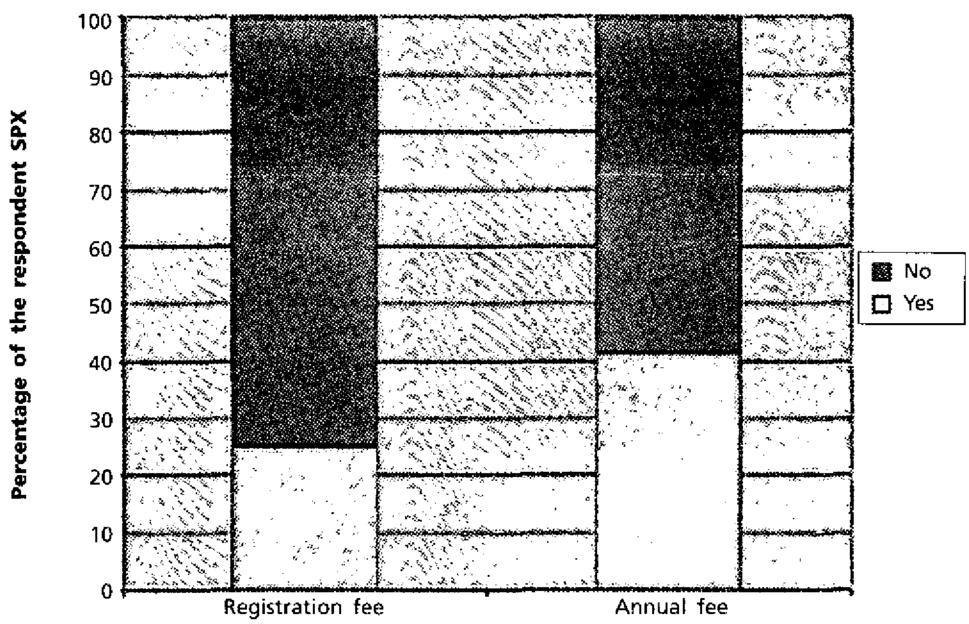


Figure 2 shows that 25 per cent and 41 per cent of the surveyed SPXs charge membership and/or annual fees, respectively. We found that almost all the SPXs that claimed to be an independent entity are charging some kind of fee. For two Exchanges, the annual fee was mentioned to account for as much as 80 per cent of the annual operational budget. We recorded a fairly common average on the registration fee: US$ 120. In this study, we were able to support what was written in the 1996 report on the programme evaluation: "the number of participating companies is increasing also in countries where a membership fee is requested". Very different amounts for annual fees were mentioned. The last ones are not comparable since they reflect mainly the specific country's industrial structure. One interesting point made by one of the SPXs was the use of a very fair tariff system for the calculation of the annual fee. In other words, they charge different amounts to different companies according to their size. This has been a UNIDO recommendation over time (as outlined in the SPXs Guide), but it has rarely been followed (other variables for this tabulation can be for example, the number of employees, or the turnover or the capital invested).

Finally, the last most important source of income for the SPXs is with respect to consulting services that they provide to their members. These assistance or extension services represent 20 per cent of the total self-financed income (which is in fact very close to the percentage represented by the annual fees). Consulting services were mentioned to account for as much as 60 to 90 per cent in three of the respondent SPXs.

2.4. The SPX personnel

In the UNIDO handbook for the establishment and operation of Industrial Subcontracting and Partnership Exchanges,[9] three different approaches have been considered relevant regarding the number of employees working for the SPX. What is considered optimal is to have three, five or seven people depending on the size of the Exchange. Also, the methodology outlines three basic functions: manager, engineer and assistant.

In the survey conducted this time, we asked the SPX to tell us how many people are working for the Exchange, what their positions are and if they have or do not have additional duties. The main objective was to establish if a correlation exists between the number of people working for the Exchange and the number of companies registered. We also wanted to know the average number of people working for the Exchanges in order to confirm our idea of the optimal number of people that the Exchanges find appropriate in practice.

We did not find a direct correlation between the number of employees and the number of registered companies.[10] Instead, we found that the average number of people that work for the Exchange is between three and five, without being in proportion to the effectiveness of the SPX (effectiveness depends mainly on the capacity and initiative of the personnel and not on the number). This finding is encouraging because we can conclude that more coverage and effectiveness can be obtained with fewer people if they have the correct profile and motivation for the job.

As numerical examples, there is one Exchange with 13 employees and 858 companies registered in its four main industrial sectors. They have so many people because beside the basic SPX functions, they provide awareness seminars on outsourcing issues. Efficiency figures reveal that 90 per cent of their members have received work through the SPX and they organize subcontracting fairs once every two years. Even when they have considerable fixed costs (personnel), they are able to self-finance 45 per cent of their annual budget. On the other hand, there is one SPX that has two employees (manager and assistant), and they manage 650 companies in their database. Although they are totally financed by the Chamber of Industry, they received 320 requests last year and 40 per cent of their members have received work through the SPX.

[9] Cuny and de Crombrugghe, "Guide for the Creation of Industrial Subcontracting and Partnership Exchanges", UNIDO, Vienna, 2000.

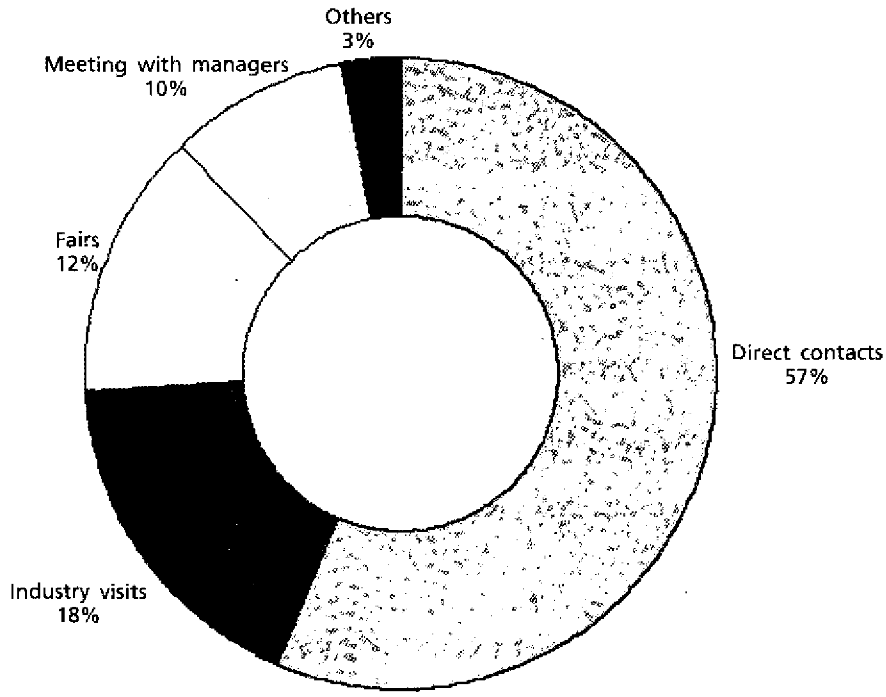
[10] Graphic II in annex 3. To analyse the results of this section of the questionnaire, it was not considered proper to work with the average number of employees since the contribution of a manager is of course very different from one of an assistant (indeed both are important). Instead, we decided to weight the number of employees and then add them up in order to have a more reliable parameter.

2.5. Matchmaking and effectiveness

The whole objective of the SPX is to bring together the main contractor's requirements and the subcontractor's capacities in order to close a business deal. Additional support services and activities are just the means to support the main function and to build the public relations that would enhance the matchmaking activity of the SPX.

Figure 3 shows four main categories as a source of contacts for matchmaking: direct contacts (inquiries received by phone, fax or e-mail), industry visits, fairs and meetings with managers. As can be observed, direct contacts constitute the most important resource for the SPX in order to match supply and demand of subcontracting services. Then come, in this order, industry visits, fairs and meetings with managers.

Figure 3. How do the SPXs conduct the matchmaking process?



It is more important to note in this case that most of the contacts named by the SPXs come from the relationships built during fairs and exhibitions. In other words, fairs and exhibitions really pay off when looking at enhancing the effectiveness of the SPX. For example, one SPX reported that in the period between 1993 and 1997, around 70 per cent of its matchmaking activities was done through fairs and industry meetings. Now, they report that around 90 per cent of the matchmaking activity is done through personal contacts. Considering that it is the same SPX in both cases, it is logical to presume that the relationships built in fairs and industry meetings in the past, are now paying off because the SPX is directly contacted by people aware of its existence and effectiveness.

Personal plant industry visits are an excellent way to build awareness of the SPX operations and to keep up-to-date regarding changes in the regional industrial setting. The Exchanges have reported that during these personal industry visits, inquires are made to them regarding supply/demand of subcontracting services. The best case is an SPX that has a 45 minute personal annual contact with 100 per cent of its registered companies (370 in the four main sectors). Last year they received 80 requests (40 per cent of them during industry visits). The main result: 70 per cent of these requests resulted in successful contracts.

UNIDO has been observing all these events and we believe that there is a close interrelationship and chain effect among them. By organizing fairs and dedicating a significant effort to its promotion, the SPX is able to build contacts and awareness of its existence among the industrial community while at the same time providing an important source of income. Later on, through these contacts, industry visits will be enhanced, allowing the Exchange to increase its effectiveness in matchmaking. Finally, through all these activities, all the knowledge developed in the industrial environment will permit the SPX to diversify its focus and to include in its service package: consultancy, market studies, private fairs organization, etc. At the end, all this will give to the SPXs financial autonomy, which means they have very high chances of success.

Table 4. Promotional activities and networking

(as a percentage)

	Organized fairs	*Participated in international fairs*	*Member of regional SPXs Association*
Yes	75	66	57
No	25	34	43

Seventy-five per cent of the respondent SPXs have organized subcontracting fairs during the last two years and the majority (two thirds) of them have participated in international fairs. With the objective to bring each region's subcontracting supply outside their geographical coverage, the SPXs actively participate in these events abroad (international fairs are often publicized through networking among the SPXs). Fifty-seven per cent of the respondent SPXs report that they belong to a regional association, and most of them have participated in an international fair. From this analysis, we can conclude that belonging to an active regional association enhances the ability of the SPX to promote its members outside its geographical borders. A numerical example can be taken from the specific case of the Latin American SPXs Association (ALABSUB) where out of the members that took part in the survey, only seven said they had not participated in an international fair. Looking at the present analysis and at previous experiences, UNIDO regards networking among the SPXs as an important tool to enhance the operation of the Exchanges.

In the survey conducted, we also tried to look at how effective the matchmaking process had been. In other words, we wanted to know the rate of actual contracts resulting from the matchmaking, the involvement of the government as a main contractor and the number of companies that have obtained work thanks to a contact developed by the SPX. Unfortunately we were unable to establish reliable indicators in this respect because, as outlined in the programme evaluation report from 1996,[11] "the Exchanges themselves do not want to spend time on the follow-up of the matchmaking because they consider that in any case the figures obtained are not reliable". In the present survey, this issue was easily noticeable in the response rate of the SPXs as more detailed questions were asked on the efficiency of the matchmaking. Initially we asked how many matchmaking requests they had received last year, then we asked how many of them resulted in successful contracts and finally we inquired on the value of those contracts. The number of responses out of the 32 questionnaires that we received decreased progressively in the same order as the questions were asked: 29, 27, 21. Even though this declining tendency indicates that there is not a strong follow-up of the matchmaking process, a significant improvement has been observed, which means that the recommendation made in 1996,[12] has had some effect, since the Exchanges interviewed were at least able to provide certain figures. Recently, three major patterns have been applied by the SPXs in this respect: *(a)* the SPXs report just the results that they know; *(b)* they organize an inquiry for a predetermined sample out of the total members; *(c)* they just report the number of inquiries received and the matchmaking process initiated, without

[11]González-Herández, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Programme Evaluation.* UNIDO, October 1996 p. 34.

[12]González-Herández, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Programme Evaluation.* UNIDO, October 1996. p. 38.

looking further at its success or failure; and *(d)* they do not follow any matchmaking related issues at all. The most observed behaviour is normally *(a)* or *(c)*.

With respect to the question regarding the number of requests received last year, we did not establish any average number because it would have considered different issues under the same parameter (number of companies registered per Exchange, industrial sectors covered by the SPX and the particular industrial setting of the country). The value generated by the contracts can also not be measured by an average because it depends on the price indexes of the particular countries. One parameter is that 47 per cent of registered companies of which the Exchanges are aware, have received any kind of work through a contact developed by the SPX. We should assume that this percentage should be in reality higher, since as noted earlier, either the SPXs do not totally follow the negotiation process, or they can be informed that a negotiation was not successful when in fact it was. Theory indicates that, when the SPX is managed in the appropriate way (with excellent knowledge of the industry environment, an updated database and correct promotional activities), around 66 per cent of the companies get work though the Exchange.[13]

One important suggestion made in the programme evaluation report of 1996[14] regards public procurement. It was stated that "the role of SPX in stimulating participation of SMEs in the government procurement schemes should be enhanced". We can not evaluate the progress made in this area since in 1996 it was only outlined that "the participation of SPX in public procurement was relatively low". In any case, currently 22 per cent of the SPXs are offering services to the government and just three of them have reported that their members have any kind of contract with a public institution. The programme coordination believes that any SPX should be able to disseminate public procurement in an efficient, more targeted way, since it is an important source of subcontracting jobs.

2.6. The SPX resources: actual situation and appreciation

This was one of the sections in the present survey that had not been included in any of the previous studies. Our objective was to establish what issues should UNIDO experts, SPX managers and host institutions focus on, in order to set a solid basis for the SPX (to enhance its operations, to prolong its life and to expand its benefits).

A fixed set of the most important resources for the operation of an SPX was given in the questionnaire and we asked the SPX managers to classify them in four categories, according to their actual situation. Figure 4 deserves a cautious analysis because it contains a lot of important information organized in a compressed way. The resources shown on the left side, have been listed in an increasing order (from the ones that require more attention, at the top, to the ones that are relatively in good shape, at the bottom).

It was considered that those resources classified by the SPX managers as excellent or good are those where they find themselves competent or those that they feel are in good condition. The survey detected that among them are: knowledge of industry, personnel capabilities and initiative, Internet connection, office infrastructure and support from the private sector. On the other side, those that are classified as bad or regular, are the ones where they do not feel competent enough or where they lack certain capabilities. These are the ones that we suggest to take proper action on: cooperation with other SPXs (the importance was already discussed in the previous section) and transportation means (which are vital for plant visits), and external sources of funding.

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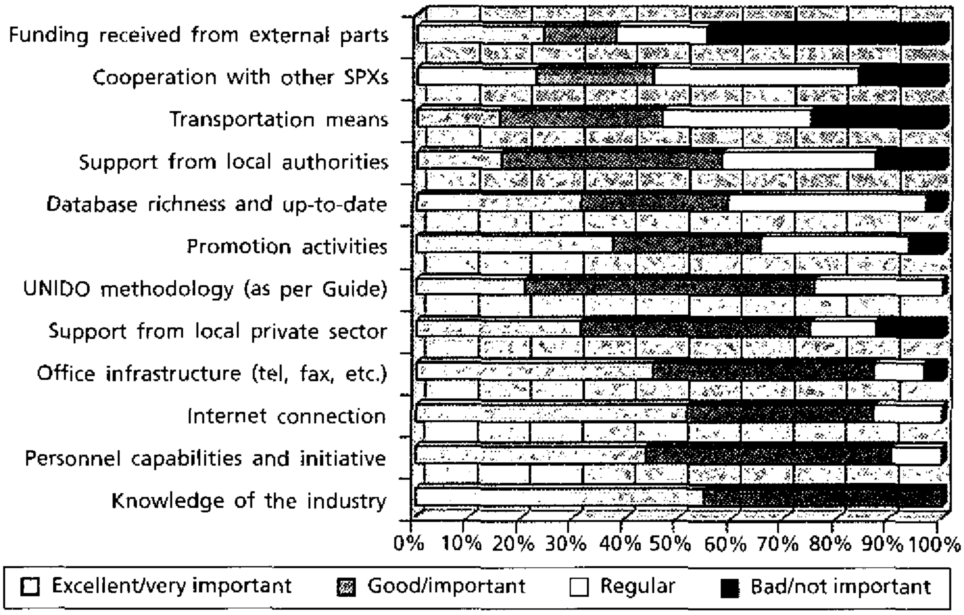
[13] De Crombrugghe, André. *Presentation on the global SPXs network.* 1997.

[14] González-Herández, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Programme Evaluation.* UNIDO, October 1996. p. 38.

Figure 4. Actual situation of SPXs resources



Finally, through the survey we detected three major alerts that are fundamental for the operation of an SPX and that even when they are not among the worst classified resources, they are of vital importance (40 per cent of the SPXs regard these two issues as being regular or bad). Database richness/update and support from local authorities; the first regards everyday operations and the second one influences the initial stage. Regarding the database issue, UNIDO is currently working on the development of new software that aims at making data management more user friendly while more comprehensive and adapted to the Internet era. We expect this tool will push SPXs to work on their databases and update them frequently. Regarding the support from the public sector, we suggest the implementation of a sustained awareness plan for government bodies. As mentioned before, personnel in these positions are constantly rotating (according to the federal or regional government), so awareness of the activities and benefits of the SPX should be continuous in order to count on their support.

From 1996,[15] some of the changes that have taken place are:

- As recommended, a Guide for the operation of Industrial Subcontracting and Partnership Exchanges has been edited by UNIDO. This contains a comprehensive view on the importance of subcontracting and on UNIDO methodology regarding SPXs.
- An important improvement has been made regarding office computing infrastructure[16] since all Exchanges now reported Internet access (just 3 out of 50 do not have internet access and some of them have a web page). This means that they have drastically upgraded their systems, thus facilitating the installation and operation of the new software.
- In contrast with the previous findings,[17] in this case, only five Exchanges mentioned having excellent transportation facilities.

In the next part of the inquiry, once the SPXs decided where they ranked a particular resource, they were asked to evaluate its importance in their operations. The

[15] González-Heréndez, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Programme Evaluation*. UNIDO, October 1996.

[16] In 1996, "only 3 SPXs have modern Pentinum PCs and 4 rely on obsolete 386 powered PCs".

[17] The lack of proper transportation means do not affect the operations of the SPX because "even when the SPX does not have its own car, arrangements are made to have access to transportation".

difference between figures 4 and 5 is that one ranks the actual situation of the resources for the SPX and the other ranks the appraisal of these by the managers. It is very interesting to see how both figures complement each other and to observe the pattern in figure 5.

Figure 5. Appreciation of operational resources by SPXs

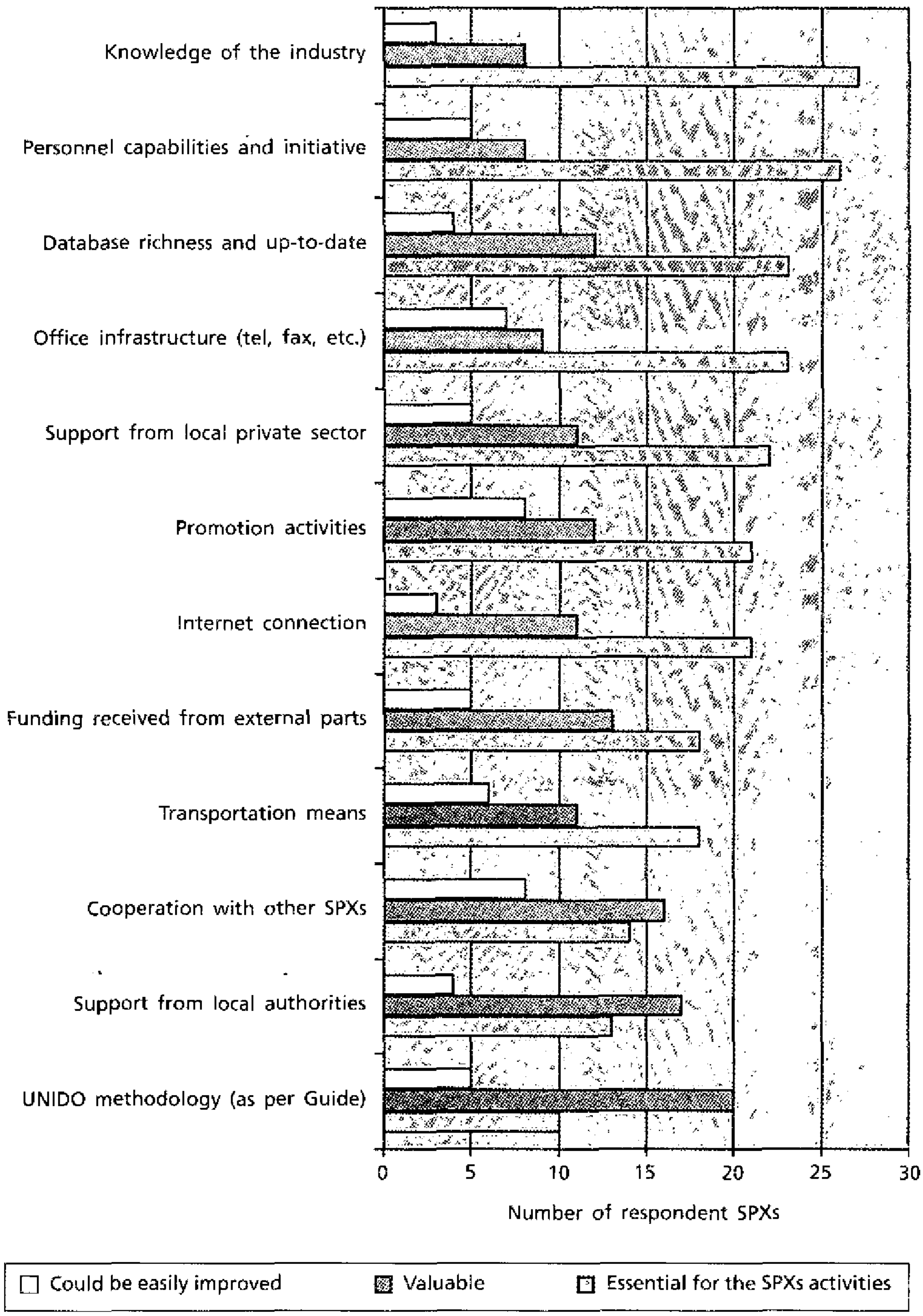


Table 5 shows the analysis of figures 4 and 5. It is encouraging to observe that almost all the resources that are functioning well in the SPX are also regarded as essential for their activities.

Table 5. Analysis of figures 4 and 5

(as a percentage)

Resource	*Status (Figure 4)*	*Appreciation (Figure 5)*
Personnel capabilities	90	66
Knowledge of the industrial environment	100	71
Internet connection	87	60
Office infrastructure	87	58
Support from the private sector	75	57

Another important issue coming from the analysis of both figures shows that transportation means and support from local authorities is considered essential for at least 40 per cent of the SPXs and they are aware of their weakness in these issues.

Finally, the way the resources have been arranged in figure 4, differs from figure 5 because the objective was to make visible the pattern of the appreciation of resources. In figure 5, the point that catches one's attention at first sight is that UNIDO methodology is the resource classified as the least essential, but at the same time it is classified as the more valuable. This indicates that an SPX can be established without formal technical assistance, but that to have it is really appreciated by the SPX managers because it brings experience, expertise and methods that have proven successful. Another issue to note is the alert already mentioned before regarding the database richness and actualization. As can be observed in figure 5, it is classified as essential for 58 per cent of the SPXs and as valuable for 30 per cent of them, while at the same time it is the one that only 31 per cent of the respondents are said to find to be excellent.

Cooperation with other SPXs was the resource that was outlined to be more easily improved, and the second one that they value the most. It is obvious that those SPXs that have strong networks between them, value these contacts and hence they would like to strengthen them and to expand their coverage. Mechanisms for this purpose, such as videoconferencing have been suggested since the programme evaluation report 1996.[18] Today, the Latin American Association of Subcontracting Exchanges (ALABSUB) is pushing this idea; they also launched, in conjunction with UNIDO, an e-mail group list aimed at enhancing communications among the members and circulating inquiries regarding supply and demand of subcontracting services in the region. All these mechanisms will in fact respond to the demand noted in the survey to improve cooperation with other SPXs.

2.7. Extra services provided by the SPXs

After the SPXs have reached a certain maturity and due to the need to adapt their activities to the industrial trends or because they need to reach financial autonomy, it has been noted that they normally get involved in activities upstream and downstream from subcontracting. In 1996,[19] emerging opportunities were identified for the SPXs in terms of training and consultancy services, including topics such as: improvement of the supply chain, quality management and cost controls. Table 6 illustrates the current service package that some SPXs offer. Consulting services refer to continuous assistance in a certain topic for a period of time, awareness seminars are considered to be approximately a half day long and training seminars range from one day to one week.

[18]"The programme should also observe the evolution of the information technology to exploit its potential not only for the promotional activities but also for facilitating the contractor-subcontractor communications. The range of foreseeable applications is very large, from very simple measures (such as e-mail) to the possibility of videoconferencing at low cost.

[19]González-Herández, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Programme Evaluation*, UNIDO, October 1996.

Table 6. Extra services provided by the SPXs

(as a percentage)

	Consulting	*Awareness*	*Training*
Total quality	41	31	28
ISO 9000	32	41	27
General management	48	36	27
Supplier development	34	77	45
Production management	42	55	32
Continuous improvement	33	50	41
Business practices	44	32	9

Each figure in table 6 indicates the percentage of the respondent SPX that provides a particular service on a certain topic. We can observe that the most common fields where the SPXs offer their services are supplier development, total quality and production management. From there, it is obvious to note that all three of them have a close relationship with subcontracting/outsourcing issues.

Most SPXs offer these services in order to support their operations. In section 2.3, we indicated that three SPXs mentioned that they build 90 per cent of their annual operational budget through training and consultancy services. We also asked the respondents to state an approximation of how much they charge for these services so we could use the amount as a guideline for the SPXs that are considering this source of income. Awareness and training seminars, have a similar pricing pattern, being between US$ 50 to 70 per hour. To establish an average cost of consultancy services is definitely adventurous given that each country has different economic conditions and the contracts have different time-frames (however, a range between US$ 2,000 and US$ 15,000 was identified in this survey).

Another interesting possibility for SPX services was identified in a recent study conducted by UNIDO early this year. There, and as recommended in the programme evaluation report from 1996, cooperation between two UNIDO programmes was addressed (the National Cleaning Production Centres and the Industrial Subcontracting and Supply Chain Management). The idea came from the observation that subcontractors are just starting to get involved in environmental issues because of pressure to comply with national environmental laws or to comply with minimum requirements from the main contractor. The conclusions of that report establish that "there is a significant overlap between the SPXs main industries and the industries that NCPCs have been providing with environmental services"[20] and hence, SPXs and NCPCs can cooperate to expand their current service packages. This proposal is to be tested in Mexico and Slovakia.

2.8. Quality within the SPX

The second point that has not been included in any of the previous surveys refers to internal procedures that SPXs follow for their operations. This set of points was considered important because by having predetermined standards, the personnel who work for the SPX can perform daily activities efficiently (while minimizing the resources available). Also, we believe that by following predetermined standards, matchmaking activities can be improved and the member companies will become familiar with certain operational procedures that are always followed when dealing with requests.

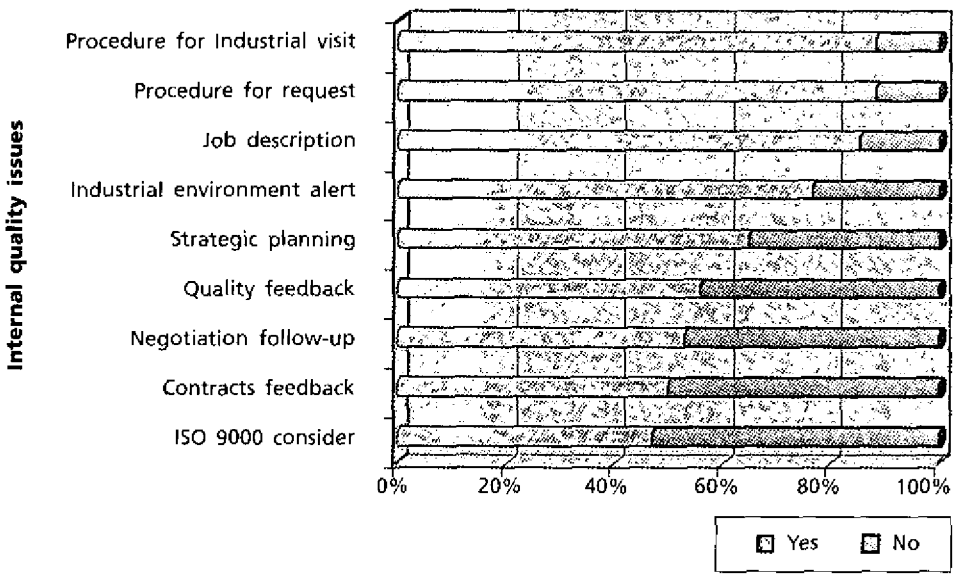
We found that SPXs in general follow their own predetermined standards on issues that are considered very important for their operations. Almost 90 per cent of

[20]Nielsen, de Crombrugghe, Clarence-Smith. "The Demand for Environmental Services within the UNIDO SPX Network", UNIDO. June 2000.

them have a standard procedure on how to manage a request or conduct an industry visit. Also, 85 per cent of them mentioned having a formal job description assigned to each one of the employees. Finally, 76 per cent of the Exchanges agreed that it was essential to keep up-to-date with the changes in the industrial environment that surrounded them. This is mainly done because they belong to a Chamber of Commerce/ Industry, so the guidelines and the industrial trends of the region are set by these institutions. They also mentioned fairs and exhibitions, meetings, magazines and the Internet as the main sources of identifying new opportunities and/or developments in other industrial fields.

Figure 6 shows in decreasing order (those figures at the bottom should be addressed first) the quality related issues we referred to in the survey.

Figure 6. Quality within the SPX



We consider that it is very important for an Exchange to follow the guidelines of a strategic planning session, where the goals are clearly established regarding where does the SPX want to be by the end of the year. By doing this, they will have clear objectives that will allow them to focus their activities in order to reach, for example, financial autonomy, decision-making authority, organized promotional activities, expansion of service package, etc. We found that 35 per cent of the respondent SPXs said that they did not have any kind of strategic planning, which leads us to conclude that they operate in an "automatic" repetitive way, taking (and not creating) opportunities as they went along.

As a final comment in this section, we identified one alert point that can be easily improved by the SPXs. Only 55 per cent of them mentioned having a system in place in order to receive feedback on how well the members perceive their operation and/ or to suggest improvements. We consider this a very simple aspect to implement, and also a key one. Most of the SPXs that have a procedure established, manage it through simple questionnaires (one page only) where they ask their members if they consider that the activities of the SPX have benefits for their company, if they have any interest in any particular industrial issue, etc. Under this scheme, the Exchanges could be able to evaluate how they are perceived by their customers and what their clients demand from them; designed in this way, feasible improvements to enhance their operation, which at the end will provide better results, in turn will show as financial profits.

2.9. Data management systems

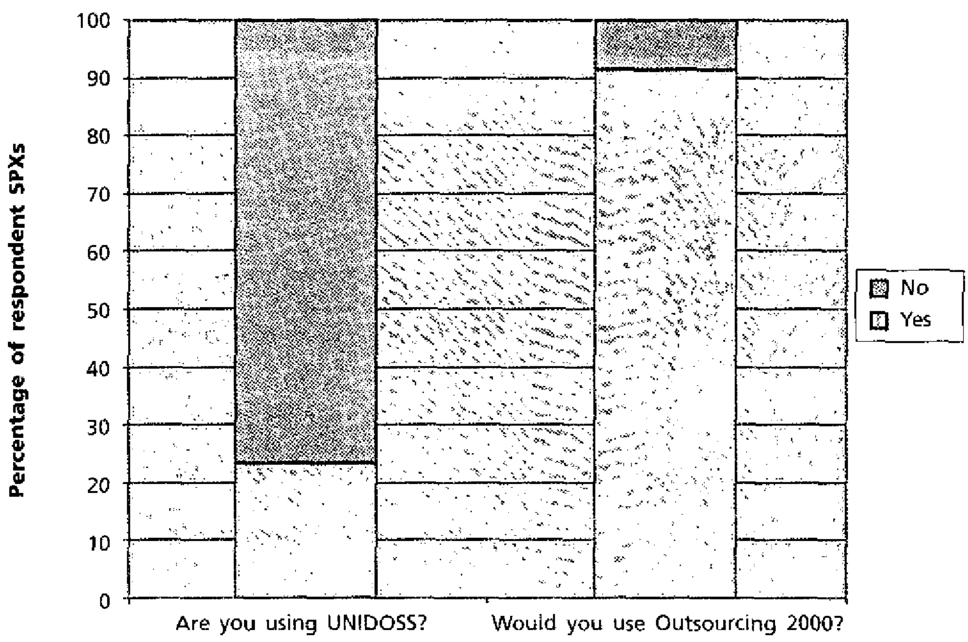
In the last section of the survey we attempted to follow-up on what previous studies had found regarding data management within the SPX. It was of particular importance for the programme coordination to know how many of the SPXs were actually using the software called UNIDO Subcontracting System (UNIDOSS). In 1996,[21] it was outlined that "only a few SPXs are using all potential (functions) of UNIDOSS and some SPXs are not using the software at all". Currently, as can be observed from figure 7, only 22 per cent of the Exchanges are still using it. From that 22 per cent, none uses all the capabilities that the software offers. All these Exchanges use it for information storage (as a database), and only 18 per cent use it for supplier selection, SPX promotion and diffusion of information.

The database is a very important tool for a Subcontracting Exchange. Following the recommendations made in 1996 to upgrade and make the software more user friendly, UNIDO reacted with revised updates to UNIDOSS (the latest version, 2.3d, was installed in all SPXs between 1997 and 1999). Our survey indicates that, although they were progressively better, the SPXs did not adopt it in full for their activities. The most important reason for this, as some respondents outlined, was that they still found it difficult to use.

Considering this, and aware of the importance of a good data management system, the Organization has been working on the development of a new software called OUTSOURCING 2000. This new software, that works in an MS-Windows environment under Access, is designed to be user friendly and hence to overcome the main weak points of UNIDOSS. Also as a way to adapt to the current technological changes and aimed at taking advantage of the Internet to promote subcontracting supply, offers and requests, the software will allow the users to upload data to the Internet server of their preference (including to the UNIDO server).

Figure 7 illustrates the percentage of respondent SPXs that are currently using UNIDOSS and the percentage of them that are willing to incorporate OUTSOURCING 2000 to their operations. It is very impressive to see the difference between the two

Figure 7. SPX data management



[21]González-Herández, Navratil, Marchich and Ziliotti. Quality Assurance and Evaluation Branch General Management, *Report of the Prgramme Evaluation*. UNIDO, October 1996, p. 5.

columns. This obviously reflects the Exchanges' need for a tool that would improve their data management capabilities and would allow them to hook up to the Internet server, which many of them already have.

UNIDO is planning to launch OUTSOURCING 2000 in November 2000 during the world's largest subcontracting exhibition. From there it will be promoted among all the SPXs expecting a usage level very close to around 90 per cent. This conclusion is reached after observing that out of the SPXs that answered completely to this survey's section, 46 per cent mentioned being interested in attending the exhibition (at their own cost), and 28 per cent mentioned being interested but being unable to because of a lack of funds.

3. Conclusions and recommendations

We have presented a comprehensive view on the different issues involved in the operation of an Industrial Subcontracting and Partnership Exchange (SPX) under the methodology developed by the United Nations Industrial Development Organization (UNIDO). Over the years, this programme has proved to be sustainable and successful in the promotion of small and medium enterprises in developing and transition economy countries.

As analysed in previous papers[22] and as outlined in the Introduction, among the positive aspects that the SPX operations influence are:

- create employment opportunities
- boost productivity
- enhance manufacturing processes through technology transfer and upgrading
- improve competitiveness
- expand market share and introduce new products
- increase return on investment through appropriate investments and full resources usage
- establish quality measures to produce under better standards

These benefits have not only been seen in evaluation papers; the SPXs have in reality proved to be a concrete valuable tool, the actions of which reflect in the bottom line of the member company's financial results. It is satisfactory, for the programme coordination, to see that because the SPXs are considered an efficient way to promote industrial activity, in some countries once the UNIDO programme has established some Exchanges, these have multiplied to expand the geographical coverage (for example in Colombia, India and Mexico) or to cover a selected particular industrial sectors (such as the case in Argentina). That is why, besides all that can be said and written, we consider this fact to be the most tangible proof of the SPXs effectiveness and their ability to enhance industrial development.

We will briefly conclude and formulate recommendations on each of the points that we analysed in the previous sections. In doing so, we will outline the trends that the surveyed Exchanges are following, while at the same time consider their major concerns and the experience and expertise that the programme coordination has reached over the operation's time-frame of the UNIDO Industrial Subcontracting and Supply Chain Management Programme.[23]

- *Main Industrial Sectors.* As is well-known, the industrial sectors that better support the operations of an SPX are the metal-mechanic, plastic-rubber, and electro-electronics. Hence, when establishing a new SPX, the approach followed to date, of first working within these industrial sectors should be encouraged in order to provide practical operational experience and workload to the SPX, at its early stage. Afterwards, we recommend exploring the regional capacities and even other relevant sectors, especially textiles, industrial services and even agroindustry.

[22]Garrigós-Silva, and de Crombrugghe. *Practical Case Studies on Industrial Subcontracting and Partnership.* UNIDO.

[23]Since the following are straightforward conclusive statements, for complementary information the reader should refer to section 2.

- *Legal and Financial Status of the SPX.* UNIDO methodology recommends that SPXs be autonomous entities since this status implies financial and decision-making independence, hence high probabilities for a long and successful operation. Through the present study we concluded that the most desirable setting is for the SPX to be initially hosted (the first three/four years) by a Chamber of Commerce/Industry and then, to work under the Chamber's service package but as an independent entity. We recommend the currently operational SPXs to work towards their financial autonomy, independently from their host institution (public or private). We strongly encourage mixed financing, at least during the initial operational period of the SPXs since it is the most feasible way to accomplish, in the medium term, complete autonomy.

- *Sources of Income for the SPX.* The survey conducted this time, leads us to conclude that the most feasible way for the Exchanges to reach financial autonomy is to create services and/or activities that would end up being sources of income. Promotional activities and services diversification are the main ones identified through the present study. We recommend all SPXs to organize fairs and exhibitions on a regional basis and to participate in international ones. These could be the main contributions to the operational budget of the Exchange as well as the best source of personal contacts, which in turn, will increase the effectiveness of the SPX, allowing it to charge an annual fee (the second identified most important source of self-generated income).

- *The SPX Personnel.* As outlined in previous UNIDO documents, the optimal number of employees for an SPX ranges between three and seven. In the present study we found that most Exchanges work with two to five employees. In the conclusion on this topic, we found that the number of employees has little relationship with the number of companies registered in the SPX, but it has a direct influence on the extra activities that the SPX undertakes. Personnel capabilities and initiative are considered by SPX managers the second most essential resource, hence job motivation is very important. We recommend SPXs to constantly monitor employee satisfaction and to allow them to develop their own initiatives.

- *Matchmaking and Effectiveness.* Several points were covered under this heading. We will briefly analyse each one of them.

    Matchmaking. We concluded that the most mature SPXs carry their matchmaking activities through the personal contacts that they have developed in the past (during fairs and exhibitions and industry visits). Young Exchanges are just starting to develop personal contacts and hence they first need to build awareness of their existence and their purpose and they have to yield results that prove their effectiveness. In general terms, we recommend organizing fairs and exhibitions, and see them as a source of contacts, spending a considerable amount of resources in their promotion. In the medium term, it is proved that this effort will pay off. We also encourage SPXs to have (at least once a year), company visits with as many member companies as possible, looking also at developing contacts and getting on-site requests.

    Effectiveness. As has been observed in the past, very few SPXs get involved in the negotiations process. Therefore, giving conclusive figures on how effective they are and how much value they generate is adventurous (even though it has been estimated in 1997 that on average 66 per cent of the registered companies have got a contract through the SPX).

    Networking. What we can establish, however, is that belonging to an active regional association enhances the ability and effectiveness of the SPX to promote its members outside its geographical borders. We recommend promoting the creation of these regional associations and once they operate, encouraging continuous communication between the members in a coordinated effort with UNIDO.

Government procurement. It has been outlined as a good source of subcontracting activities and, through this survey, we found that not many SPXs have approached public institutions to promote their members. Even though most SPXs work under the private sector, having few contacts with the public one, we urge Exchanges to build continuous awareness (as administrations change) among government dependencies to promote the participation of SMEs in public operations and procurement.

- *The SPX Resources. Actual Situation and Appreciation.* In this section we identified weak and strong points in the SPX operations. Among the resources that SPXs consider essential and/or valuable and that they consider themselves to be in excellent and/or good condition are: knowledge of industry, personnel capacities and initiative, UNIDO methodology, office infrastructure and Internet connection. Their weak points where we recommend action from SPX managers are: transportation means (having an SPX vehicle), database richness and updating (through plant visits), support from local authorities (by promoting awareness and establishing steering committees) and cooperation with other SPXs.
- *Extra Services Provided by the SPX.* We found that industrial sectors diversification occurs mainly as an adaptation of the SPX activities to the industrial trends of their regions. Service diversification also obeys the need to keep up to date with the industry environment, but mainly to the opportunity of finding alternative sources of income that would allow the SPX to reach autonomous decision-making. The main field of incursion for the SPX to provide consulting services and/or training seminars are the following topics: supplier development, total quality control and production management. We recommend young SPXs and those that have not contemplated these possible service packages, to conduct a survey in order to analyse the feasibility of expanding in these directions their activities and sources of income.
- *Quality within the SPX.* We concluded that most SPXs have operational standard procedures to handle subcontracting requests, industry visits, job descriptions and industrial environment updating. On the other hand, we recommend taking action to establish a way to receive feedback from the member companies on the demand for services, inquiries received, matchmaking processes and even contracts concluded. A possible way is to design a one-page questionnaire on service quality. Finally, we strongly encourage SPX managers to call for an annual meeting to define the year's goals and strategies.
- *Data Management.* Many SPXs are not using the software that UNIDO developed to standardize the operation of the Exchanges because they do not consider it to be user friendly. But we also found that almost all of them would be willing to instal and use a new application (also developed by UNIDO) that overcomes this issue.

In general terms and after careful analysis of the results from the present survey, the Industrial Subcontracting and Partnership Exchanges (SPXs) that UNIDO has established under its programme are considered by the programme coordination to be in good shape and meeting their objective to promote industrial development. The future steps are to update and enrich the databases, to increase public awareness and promotion (especially with the large buyers and main contractors) and to overcome geographical borders by reinforcing regional networks. All this with the purpose of establishing a feasible setting that would enable the SPXs to be successful in promoting SMEs competitiveness on a global scale.

Annex 1. Questionnaire

UNITED NATIONS INDUSTRIAL DEVELOPMENT ORGANIZATION

SURVEY ON THE OPERATION OF THE "SUBCONTRACTING AND PARTNERSHIP EXCHANGES" (SPXs)

Objective

We want to follow up on the evaluation conducted by UNIDO in 1996 in order to analyse how the SPXs created under the Organization's programme operate. The results obtained from this survey will be used to:

- ❑ Suggest improvements, either at the local level or at the global level (UNIDO), regarding the common methodologies used to establish/run the SPXs.
- ❑ Look at feasible ways to cooperate and/or integrate other related programmes (especially quality related) into the SPXs activities.
- ❑ Formulate an agenda aimed at reinforcing the global SPX network.

We appreciate your cooperation

Please return the questionnaire to Mr. André de Crombrugghe

ade-crombrugghe@unido.org

Fax: +43-1-26026-6805

Please be so kind as to return it before 11 August

1. SPX background information

1.1. Name of SPX ______________________________

1.2. Country ______________________________

1.3. Respondent ______________________________
Name of the person who fills out the questionnaire

2. Industry background information

2.1. Which are the main industrial sectors covered by the SPX?

Industrial sectors	*Number of companies registered*	*Number of inquiries/year*
1.		
2.		
3.		
4.		

2.2. Which are the characteristics in each of the above sectors regarding subcontracting?

	please answer P or T	***please answer M or F***	***please answer S, T or B***
In this sector, normally	*Subcontracting relationships are: Permanent (P) or Temporary (T)*	*The contractor has: Many sub-contractors (M) or just a Few (F)*	*The subcontractor offers: Standard products (S), Tailor-made (T), Both (B)*
Sector 1			
Sector 2			
Sector 3			
Sector 4			

3. General information

3.1. The SPX was established in: ______________________________

3.2. Today the SPX is:

Check the appropriate box with an "X"

3.2.1. An office or a department or a branch of a public office ☐

3.2.2. An office or a department or a branch of a private institution ☐

3.2.3. An independent entity ☐

3.3. Financing

Y/N

3.3.1. Is your SPX charging a registration fee to its members? ☐

*How much is this fee (equivalent US$)? ______________

Y/N

3.3.2. Is your SPX charging an annual membership fee to its members? ☐

*How much is the registration fee (equivalent US$)? ______________

3.3.3. By charging a subscription or membership fee, has the number of members . . .

Please mark the appropriate option

Increased ☐ Decreased ☐ Stable ☐

3.3.4. The 1999 budget was financed by:

Institution name	Percentage (100% total)
	%
	%
	%
Income generated by the SPX through services	%

3.3.5. The income generated by the SPX came from

Activity	Percentage (100% total)
Registration fee	%
Annual membership fee	%
Promotional activities (fairs, market surveys, etc.)	%
Training activities	%
Consultancy	%
Other (specify)	%

3.3.6. Is the financial autonomy of the SPX satisfactory? Y/N ☐

3.4. Regarding the SPX personnel, please indicate the following

	Number	Full time Y/N	Other duties beside SPX? Y/N	If yes, which ones?
Manager	1			
Engineer(s)				
Secretary(ies)				
Other(s)				

3.5. Promotion

Y/N

3.5.1. In the last two years, did the SPX organize any subcontracting fair? ☐

3.5.2. In the last two years, did the SPX organize the participation of local subcontractors or suppliers in foreign fairs or exhibitions? ☐

3.5.3. Please list the channels through which the SPX is mainly receiving the inquiries

Channel	Percentage (100% total)
Direct requests (telephone, fax, e-mail)	%
Subcontracting fairs	%
Industry visits	%
Meetings with product managers	%
Other (specify)	%

Y/N

3.5.4. Is your SPX part of a regional/international SPXs association? ☐

If yes, has this association helped your SPX to promote its members outside your country and to increase international matchmaking? ☐

If no, do you think there would be support from other SPXs in your region to create a regional association? ☐

3.6. Effectiveness

3.6.1. How many inquiries did you receive last year? ________

3.6.2. How many of them resulted in a successful matchmaking? (approx.) ________%

3.6.3. **Estimate** the value generated by those contracts ________________US$

3.6.4. What is the **approximate** percentage of registered companies that have got subcontracts or work through the SPX? __________%

Y/N

3.6.5. Is the SPX involved in public procurement? ☐

If yes, what is the approximate percentage of its members involved in public procurement? _______

3.7. Diversification

Y/N

3.7.1. Has the SPX expanded its action to other industrial sectors since its creation? ☐

If so, to which ones? ______________________________

Y/N

3.7.2. Has the SPX expanded its action to other service activities since its creation? ☐

If so, to which ones? ______________________________

4. The SPX resources

4.1. How do you consider the following resources within the operation of the SPX?

	please mark with an "X" **just one** *of the following boxes*				*please mark with an "X"* **as many** *boxes as appropriate*		
	SPX actual situation . . .				These resources are . . .		
	Excellent/Very important	Good/Important	Regular	Bad/Not important	Essential for the SPX activities	Valuable	Could be easily improved
UNIDO methodology (as per Guide)							
Office infrastructure (tel, fax, etc.)							
Transportation means							
Internet connection							
Support from local authorities							
Support from local private sector							
Cooperation with other SPXs							
Knowledge of the industry							
Database richness and up-to-date							
Personnel capabilities and initiative							
Promotion activities							
Funding received from external parts							

5. External quality service

5.1. Does the SPX provide the following services?

please mark with an "X" ***as many*** *boxes as appropriate*

	Total Quality Management	ISO 9000 Certification	Technical/Managerial Upgrading	Supplier Development Programmes	Lean Production Management	Kanban (continuous improvement)	Fair Business Practices	***The average cost of these services is (US$ equivalent)***
Consulting Services								
Awareness (1/2 day)								
Training (1 day-1 week)								

6. Quality within the SPX

Y/N

6.1. Do you have a standard procedure on how to manage a request? ☐

6.2. Do you have a standard procedure on how to conduct an industry visit? ☐

6.3. Do you follow up on matchmaking activities through the negotiation? ☐

6.4. Do you have a well-defined job description for each SPX staff member? ☐

6.5. Do you follow a strategic planning process that includes clear objectives? ☐

6.6. Has your SPX ever considered becoming ISO 9000 certified? ☐

6.7. Do you have any means in place to receive feedback from your members regarding successful contracts/agreements? ☐

6.8. Do you have any means in place to receive feedback from your members regarding other SPX services? ☐

If so, which ones are they? ____________________

6.9. Do you have any means to keep track of changes in the industrial environment of your region? (technology and economic trends for example) ***Y/N*** ☐

If so, which ones are they? ____________________

____

6.10. Approximately, with how many of the companies registered in your database, do you keep frequent personal contact (a visit every 12 months) ________ %

6.11. How much time do you invest, on average, while visiting an industry (not including transportation) ________ hrs

7. The SPXs software for data management

7.1. Are you using UNIDOSS software for data management? Y/N ☐

If yes, you use it for: ***Y/N***

Company information storage			Promote the SPX/ exhibitions	
Selection of potential suppliers or subcontractors			Monitor matchmaking activities	
Circulation of the inquiries to selected companies			Prepare analytical reports	
Monitor inquiries received			Share regional information	

7.2. How often do you update your database?
(UNIDOSS or the one you are using?) ____________________

7.3. UNIDO is in the process of developing a new software on Access, called "OUTSOURCING 2000". It will replace UNIDOSS. It will be user friendly, especially designed for SPX activities and also it will allow you to export non-confidential company information on an Internet server of your choice.

Y/N

7.3.1. Are you interested in installing and using the new software in the SPX? ☐

7.3.2. Are you interested in linking it up with the UNIDO server? ☐

7.3.3. A demonstration will be made, at the French SPX (COSTEP), during the MIDEST FAIR (7-10 November 2000 in Paris)

Y/N

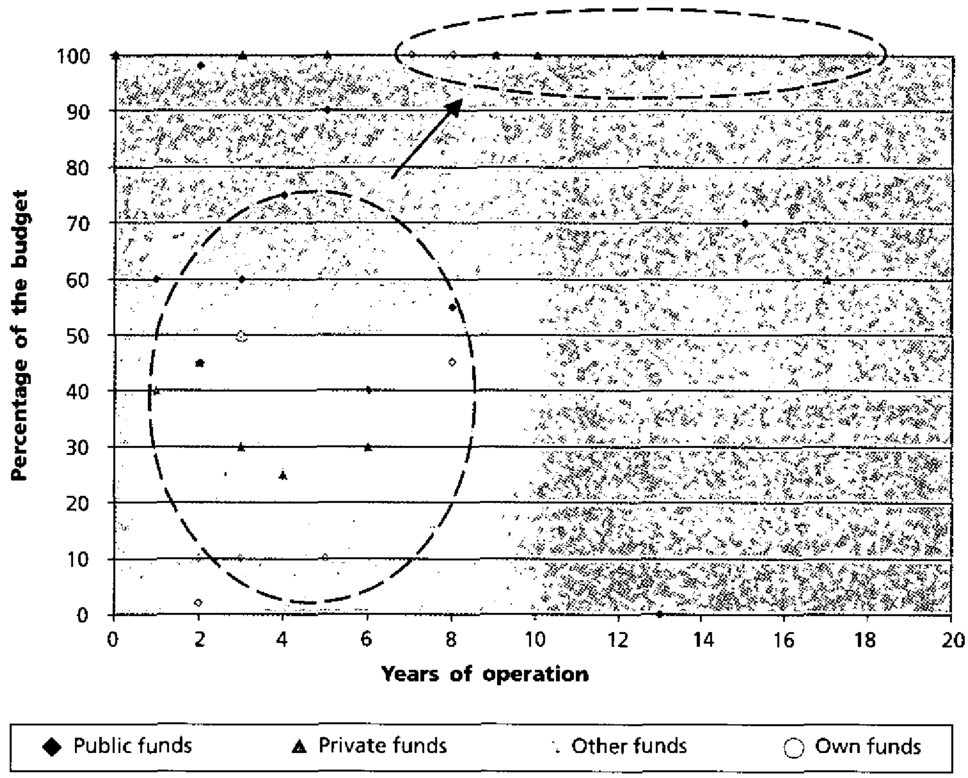
Are you interested in participating at your own expense?[24] ☐

We appreciate your cooperation

[24] Lufthansa and Iberia together with MIDEST are offering discount packages (up to 60 per cent discount on airplane tickets). Visit http://www.midest.com.

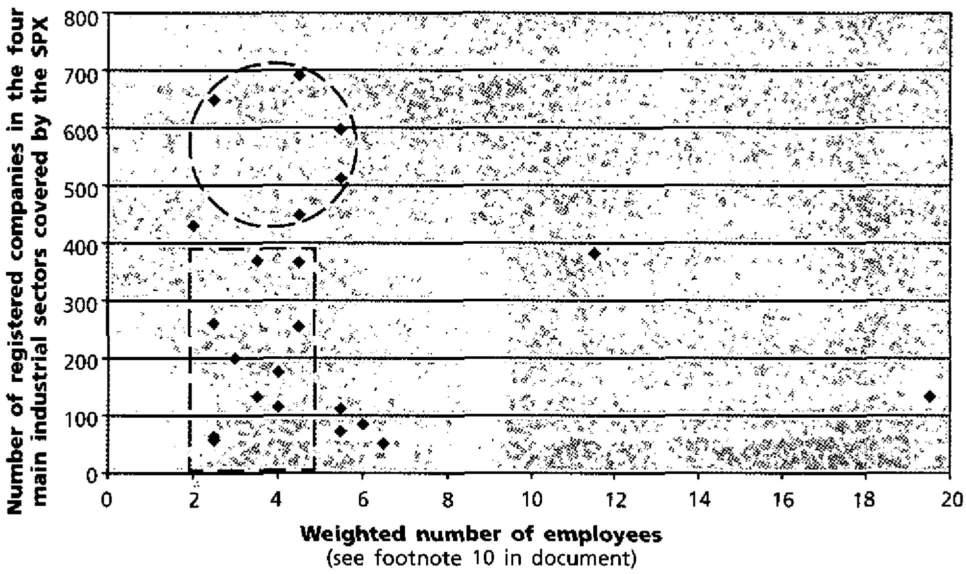
Annex 2.

Graphic I. Sources of operational budget



Annex 3.

Graphic II. SPX operations personnel



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