APEC Thailand 2003

Connecting BizAPEC and e-IAP to the Business Community

October 19, 2003

The Marshall School of Business Team

The team consists of 2 faculty advisors and 16 MBAs who have the full support of USC’s Marshall School of Business in this endeavor.

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- Michael Hsu (Japan)
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- Michael Hsu (Japan)
- Tammy Chen (Taiwan)
Request for BizAPEC and e-IAP Review

ABAC has requested Marshall to evaluate BizAPEC and e-IAPs in the context of effective trade and investment promotion.

The questions posed were:

1. Is the BizAPEC and e-IAP website information useful in making business decisions?
2. What improvements would make the information or websites more useful to business?
Executive Summary

**BizAPEC Positioning Recommendation**
1. For business managers
2. One-stop online resource
3. Extensive information on APEC members
4. All stages of trade decision process
5. Credible information
6. Easy-to-use format

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Agenda

1. Project Methodology
2. Assessment of BizAPEC and e-IAP
3. User Analysis
4. Best Practices
5. Member Economy Highlights
6. Recommendations
7. Next Steps & Implementation
Multi-faceted Project

**Project Timeline**

<table>
<thead>
<tr>
<th>Phase</th>
<th>April '03</th>
<th>Summer '03</th>
<th>August - September '03</th>
<th>October '03</th>
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<td>Initial Assessment &amp; Project Planning</td>
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<td>Initial Assessment</td>
<td>In-Country Interviews</td>
<td>Benchmarking Best Practices &amp; Marshall Team Meetings</td>
<td>Finalize Presentation for ABAC and APMC Bangkok, Thailand Presentations</td>
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<td>Benchmarking Other Information Resources</td>
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<td>In-Country Interviews</td>
<td>Benchmarking Other Information Resources</td>
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**Initial Assessment**
- BizAPEC & e-IAPs
  - Reviewed BizAPEC and e-IAPs
  - Created project roadmap

**User Analysis**
- In-Country Interviews
  - Conducted 46 in-depth interviews in over 8 countries
  - Selected professionals from a variety of industries and backgrounds

**Conclusions & Recommendations**

**Best Practices**
- Benchmarking Other Information Resources
  - Examined 51 websites from over 24 economies
  - Chose diverse set of information resources
  - Synthesized best practices

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BizAPEC Has Potential to Meet Its Goal

- Mission is in the right direction

However, a gap exists between mission and implementation...

- **Functionality**
  - Infrequent updates
  - Broken links

- **Level of Detail**
  - Lacking some country and industry specific information
  - Content is static

- **Differentiation**
  - No awareness
  - No distinct advantage over alternative online resources

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e-IAPs Can Be Used More Effectively

- Information provided is useful and detailed
- Unique advantage of progression to Bogor goals

However, strengths are not apparent...

- **Functionality**
  - Difficult to navigate
  - Can only compare 2 economies
  - Lengthy documents

- **Language**
  - Mostly government terms
  - Glossary covers only acronyms

- **Credibility**
  -Peer review process incomplete
  - Concerns about government transparency
BizAPEC and e-IAP Need to Fulfill Their Missions

Mission Guides Implementation

- Functionality
- Level of Detail and Language
- Differentiation and Credibility

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In-Country Interviews

Interviewee Categorization (46 Total)

- Private Sector, 36
- Public Sector, 10

Private Sector Investment Destination

- Asia 43%
- USA 28%
- Europe 14%
- Latin America 7%
- Middle East 4%
- Australia 4%

- In-depth interviews conducted in over 10 countries
- Representation from a variety of industries
- Majority of businesses target Pacific Rim as primary investment destination

Business Investor Needs Differ for Various Investment Stages

Stage 1: Initial Information Needs
- Market Demand
- Labor, Raw Material

Stage 2: If Country is Attractive, Other Factors are Evaluated
- Economic and Political Risk Assessment
- Quality of Infrastructure
- Investment Incentives

Stage 3: Detailed Information Needs
- Government Regulation
- Trade and Tariff Information
- Partners and Relationships
Business Managers Seek Credible Information

- Business managers use private information resources as well as government resources.

- Most investors evaluate countries by using consultants, local contacts and other resources because they are:
  - Trustworthy
  - Knowledgeable
  - Comprehensive
  - Responsive

Business Managers Benefit from Past Examples and Local Connections

- References influence business decisions
  - Testimonials from successful foreign investors
  - Case studies

- Trade associations advance local networks

- Access to local resources facilitate business
  - Legal and accounting firms
  - Financial institutions
  - Logistics
Business Managers Desire Comprehensive Information and Service

- Information needs vary during the evaluation process
- Businesses require credibility and relevance
- Local references and networks connect businesses to necessary services

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Analysis of Benchmark Websites

51 online resources were studied.

- Promotion
  - Highlights reasons to trade or invest in specific economies

- Business to Business (B2B)
  - Facilitates transactions and provides potential partner information

- Syndicated Research
  - Offers third-party research and analysis

### Categories of Online Resources

- Promotion: 74%
- Syndicated Research: 16%
- B2B: 10%

Opportunity to be a One-Stop Resource

- PROMOTION
- BUSINESS TO BUSINESS
- SYNDICATED RESEARCH
Website Best Practices

- Credible
  - Backed by a reputable organization
  - Current
  - Minimal errors

- Easy-to-Use
  - Logical structure
  - Consistent style
  - Ease of data extraction

Benchmark Conclusion

Points of Distinction

- Add a Business to Business component
- Support all stages of decision-making process

Implement Best Practices

- Use advanced technical tools and designs
- Boost credibility and ease of use
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Chile

- **e-IAP**
  - Limited information on future development and planned changes

- **Benchmarking**
  - Chilean trade promotion websites score above average in content and use of technical features

- **Interviews**
  - Confidence in Chilean political stability and economic growth fuels investor optimism

*Chile is an attractive trade and investment destination; the challenge now is to increase promotion.*
China

- **e-IAP**
  - Sections of the e-IAP vary in level of detail

- **Benchmarking**
  - Government sites are useful and well organized

- **Interviews**
  - Investors are driven by opportunities available in China, where relationships are key to success

*Business will go where market demand exists; promotion is less urgent.*

Hong Kong, China

- **e-IAP**
  - e-IAP contains extensive contacts for all areas of business

- **Benchmarking**
  - Websites are useful and well organized for business decisions

- **Interviews**
  - Hong Kong has established infrastructure; investors are interested in market trends and opportunities

*Investors seek better opportunities in emerging industries and new trends.*
Japan

- e-IAP
  - e-IAP provides relevant information with links to government sites for detailed information

- Benchmarking
  - Government-sponsored sites provide detailed information but are not well integrated and not standardized

- Interviews
  - Investors are more interested in market potential and economic conditions, not Japanese rules and regulations

*JETRO is the central resource for investors planning to conduct business in Japan.*

Mexico

- e-IAP
  - e-IAP contains comprehensive legal information

- Benchmarking
  - Websites are not well organized and lack sufficient information

- Interviews
  - Mexico is attractive due to its inexpensive skilled labor, its proximity to the U.S., and NAFTA

*Mexico must leverage trade associations and market more aggressively.*
Singapore

- **e-IAP**
  - Satisfactory level of detail, with comprehensive coverage of required areas

- **Benchmarking**
  - Websites offer abundant demographic data on Singapore market, economy and population

- **Interviews**
  - Singapore is a must-in market for Asia Pacific region but it is difficult to claim a strategic position in certain industries

*Singapore’s challenge is to leverage its competitive advantage to facilitate investment.*

Thailand

- **e-IAP**
  - e-IAP is detailed and contacts for investors are useful

- **Benchmarking**
  - Search engine and external links are important when seeking information

- **Interviews**
  - Business decisions are based on personal connections and networks

*Thailand’s next step is to provide a forum for business opportunities.*
United States of America

- **e-IAP**
  - Policies and legislative direction are supported by links to relevant agencies
- **Benchmarking**
  - A variety of government organizations offer detailed information resources
- **Interviews**
  - U.S. is regarded as the most important market for commercial opportunities

**Government provides raw content that is both broad and deep; however, policies are regarded as being unfriendly to trade.**

Member Economy - Summary

- **e-IAP**
  - Information is generally sufficient, especially where contacts and links are available
- **Benchmarking**
  - Most government websites provide detailed information for individual economies
- **Interviews**
  - Investment decisions are based primarily on market conditions and personal relationships

**A one-stop online resource providing market and economic information as well as links to trade and investment opportunities would be useful to businesses in all member economies.**
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Position BizAPEC as the Resource for Business Community

<table>
<thead>
<tr>
<th>For: Business managers pursuing investment opportunities in APEC economies</th>
<th>We Offer: BizAPEC is a one-stop online resource that provides information on 21 APEC member economies regarding:</th>
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<tr>
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<td>Business partners</td>
<td>Easy-to-use format</td>
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</tbody>
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Integrate BizAPEC and e-IAP to Connect to the Business Community

- BizAPEC is the one-stop online resource for business users
  - Provide timely breadth and depth of information
  - Integrate e-IAP at detailed level

Integrate BizAPEC Links to e-IAP Sections

Linked to specific sections of e-IAP
**Detail Changes are Necessary for BizAPEC and e-IAP**

BizAPEC improvements to bolster information credibility
- Complete economy and industry specific information
- Offer case studies and business contacts
- Provide comparable information database

Integrate e-IAP at detailed level
- Links to specific sections on BizAPEC

Consider business language
- Expand glossary
- Extend peer review process

**Format Changes are Necessary for BizAPEC and e-IAP**

BizAPEC usability ideas:
- Update all links
- Standardized page structure
- Internal & external search engine on every page
- Update technical features

e-IAP usability ideas:
- Ability to compare more than 2 countries
- Consistency of location of information
Increase Awareness to Showcase Integrated Site

Online promotion
- Links to related business sites
- Highlight on search engines
- APEC communications highlight BizAPEC

Member economies
- All online resources link to BizAPEC
- Maintain regular updates

Customer feedback and evaluation
- Continuous understanding of business needs
- Know how users access BizAPEC

Increase Awareness to Showcase Integrated Site

- Google search for “Investment in Asia”
- BizAPEC is not listed

Add link to BizAPEC from economy websites
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**Next Steps and Implementation**

**Short-term**
- Determine and commit resources
- Get links working
- Integrate BizAPEC and e-IAP

**Mid-term**
- Revise structure of BizAPEC
- Improve navigation of e-IAPs
- Maintain regular updates of links & content

**Long-term**
- More detailed and consistent content
- Dynamic content

**Resources Needed**
- Financial resources
- Staff resources
- Negotiation and coordination across organizations
Increase Economic Growth and Prosperity for APEC Member Economies

1994 Indonesia Bogor Goals

Action Plan Monitoring Committee (APMC)

BizAPEC

APEC Electronic Individual Action Plan (e-IAP)

One-Stop Online Resource

International Business Community

Thank You!
Interviewee Categorization

Categorization by Country

- USA, 9
- Japan, 7
- Peru, 2
- Chile, 1
- Singapore, 1
- India, 3
- Thailand, 3
- Taiwan, 3
- China, 6

Categorization by Industry

- Gov’t Instrtit., 10
- Tech, 5
- VC, 5
- Trade Promo. Agency., 7
- Other, 7
- Telecom, 3
- Prof. Services, 9

Methodology: Website Segmentation

- Websites benchmarked:
  - Total of 51 websites, representing all APEC member economies and other countries

- Features and functions:
  - Value to business users
  - Breadth and depth of content
  - Technical features and requirements to view the website

- Quantification
  - Scale of 1-10
  - Qualitative attributes

- Categorization
Sample “Promotion” Website

http://www.investhk.gov.hk

“Drill-Down” Organization

Multi-Language Support

Latest News and Events

Sample “Business-to-Business” Website

http://www.chileinfo.com

Search Engines

Navigation Menu

Contact Information

Company Information
## Analysis of Functional Links in BizAPEC’s “Regional Export Markets” Section

### Sub-sections

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<th>Australia</th>
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- All Links Functional
- Only Some Links Functional
- No Link or Broken Link
- Not Available