Holistic Response Management of Business Surveys at Statistics Canada

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Abstract

Statistics Canada (STC) has adopted a strategy for better managing its relationships with business survey respondents while at the same time improving the quality and timeliness of the data received. The approach is predicated on a relationship management plan that segments the business population into four tiers based on complexity, importance to estimates and eligibility for tax replacement. This approach has allowed the Agency[1] to target business collection resources to initiatives aimed at the business population most critical to its survey processes and where it stands to achieve the greatest return on investment.

Keywords: Enterprise-centric, relationships, profiles, collection, non-response, coherence, Unified Enterprise Survey

1. Introduction

Statistics Canada (STC) has adopted a Holistic Response Management Strategy (HRMS) to manage large and small business response. Understanding that different types of respondents should receive different levels of intervention and having learnt the value of employing an 'enterprise-centric' approach to managing relationships with important, complex data providers, STC has embraced a response management strategy that divides its business respondents into four tiers based on size, complexity and importance to survey estimates. Thus segmented, different response management approaches have been developed appropriate to the relative contribution of the segment. This allows STC to target resources to the areas where it stands to achieve the greatest return on investment.

- Tier I represents the largest, most important businesses in Canada and is managed through an Enterprise Portfolio Management Program.
- Tier II represents businesses that are smaller or less complex than Tier I but still significant in developing accurate measures of the activities of individual industries. A Strategic Response Program deals with problematic cases and proactively manages response issues with the businesses within this tier.
- Tier III includes more medium-sized businesses, those that form the bulk of survey samples. Here STC continues to concentrate on reducing reporting burden by reducing sample sizes through the use of tax data and contact is primarily handled by the Agency's central collection area. Response rates are managed through the use of a collection management tool that prioritizes collection units (called the Score Function[2]). Complaint resolution is handled by a Respondent Relations Team.
- Tier IV represents the smallest businesses which are excluded from collection; for these STC relies entirely on tax information.

This paper will deal with the HRMS approach to Tier I and Tier II, the areas where non-response can have the greatest impact and where we stand to achieve the greatest reward for the respondent relation effort.

2. Tier I

An Enterprise Portfolio Management Program (EPMP) has been set up within STC in order to manage its relationship with Canada's largest, most important businesses so as to ensure the collection of timely, accurate, relevant and coherent data. At the same time the program endeavors to manage response burden and demonstrate the relevance of STC data requests.

The EPMP is an evolution by merger of two former programs: the Key Provider Manager Program (KPMP) that was responsible for issue resolution

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[1] Statistics Canada is the Agency

[2] The Score Function identifies collection units that are most important for follow up due to their impact on estimates by province and by industry. In this way the Score Function ensures that limited follow up resources are used effectively to reach levels of quality.

with key non-respondents and the Large Business Profiler Program (LBUS) that was attached to the Agency's Business Register division and was responsible for the profiling activity for Canada's largest, most complex enterprises. These two programs had been in place in STC for many years and had each achieved a high level of success in there own areas of expertise. However, often problems related to the corporate profiles on the Business Register (BR) were found to be the source of the non-response issues being dealt with by the KPMP. The LBUS profilers were not in tune with the reporting issues that a BR profile could sometimes cause, and the Key Provider Managers were not experts as to why a company profile was structured as it was for the BR. This was found to be confusing and frustrating to the companies involved in discussion with the two areas and also recognized by STC as an area that could be made more efficient and cost effective, so it was decided to merge the two programs into one and call it the Enterprise Portfolio Management Program.

The program is responsible for managing all aspects of an ongoing relationship with (initially) Canada's 350 largest and most complex businesses. This involves relationship management; organizational profiling (legal and operating); survey collection management and coherence analysis. In addition, the program provides the return of valuable corporate and industrial knowledge.

2.1 Relationship Management

The EPMP function is managed through a team of individual Enterprise Portfolio Managers (EPMs) where each member is responsible for proactively establishing and sustaining relationships with a sub-set of Tier I enterprises.

The EPMs serve as a window for internal and external clients. They assist respondents in navigating the multitude of data demands placed on them providing explanation of STC concepts and definitions. For STC, the EPM provides valuable insight on the companies within their portfolios including their structure, their business, their reporting capability, as well as evolving issues and practices that may affect industrial data quality. Because they are responsible for understanding the workings of the entire enterprise, EPMs are uniquely positioned to provide STC with the 'big picture optic.'

Although they are tasked with establishing relationships, the EPMs are responsible for ensuring a proper balance. They are there to help if needed, listen, explain (or arrange for explanation) and problem-solve but, at the same time, they are tasked with the responsibility of ensuring that the respondent understands that data is required from them, and required within a certain time frame. Their contact represents, by definition, a Tier I enterprise, a unit considered critical to Statistics Canada's business survey program. If necessary, an unresolved 'delinquent' case will be escalated and legal prosecution under *the Statistics Act* is possible.

2. 2 Profiling

If there is a beginning to the cycle of deliverables by the EPMP, it lies in the profiling activity. Complete, accurate and up-to-date profiles are essential to the understanding of a company's corporate structure as well as its reporting capabilities. From the profile, collection entities are derived and questionnaires sent for collection. Eventually, the accuracy of the profile can positively affect response rates, help relieve response burden as well as ensure the collection of coherent, quality data.

Regular profiles are carried out by a personal visit and can be updated as a result of a variety of signals. Updates are triggered from media reports, internet research, telephone calls to the company contact, and signals from current surveys. As well, profiles can be mailed to the respondent for confirmation when a visit is not deemed necessary by the EPM.

2. 3 Collection

There are a number of influences that affect response rates and response burden. As previously mentioned, conducting a thorough and accurate profile is one of them. Additionally, the collection process itself has a profound influence on these two measures. From mail out to follow up, the effectiveness of the collection process will determine the success or failure of the survey.

Through the KPMP, it was found in the past that a mainstream collection process was not suited to the large and complex enterprises that were receiving many surveys. Regular collection at STC follows a model whereby the majority of survey areas contract with a central collection division for the mail out, follow up and initial processing of their survey data. There are, however, a few survey areas that handle

the collection process by themselves. Each survey is managed independently of the others in this process and even if the same company or respondent receives several different surveys, the current collection systems do not support the sharing or integration of this information. As a result, the person responsible for STC survey completion within an enterprise receives multiple calls from multiple collectors. Not only can this be an issue for a respondent but also irritating is the fact that collection staff do not have the scope or ability to field questions for other than the particular survey they are dealing with. What was found was that large business respondents expected the STC representative to be able to address issues or answer questions across the broad spectrum of business surveys that they were receiving; they wanted a single point of contact for collection and issue resolution, i.e. an enterprise-centric approach. Acting in this role, EPMs are able to bridge this service gap for their enterprises and meet the need for a more enterprise-centric collection model.

The EPM manages the collection process; they are not necessarily required to handle all of the collection activities themselves. In some cases they delegate certain tasks to a special support team that works closely with the EPMP; in other cases a subject matter area handling the collection of its own survey(s) will enlist the help of the EPM if problems arise. From time to time a large data provider will insist on a single point of contact for all STC surveys necessitating a co-ordination role by the EPM to ensure compliance. Ultimately however, each EPM is responsible for ensuring timely, high quality survey responses for his/her enterprise portfolio, regardless of who is actually involved in doing the collecting.

The EPMP approach with respect to mail out has been to target the EPM contact. Cover letters identify the individual the EPM holds responsible for the completion of the particular survey form. This is stated in the body of the correspondence. This targeted approach is made possible by the understanding the EPMs have of the enterprises within their portfolio and the relationships they have built with the respondent(s) within the enterprise. The EPM, unless otherwise instructed by the respondent, targets a mail-out that falls just short of three months after the corporate fiscal year end. This is done in an effort to maximize impact and have the survey questionnaire in the hands of the survey respondent(s) at optimal time for completion – just when the year-end is complete and while the information is readily available and fresh in the mind of the respondent.

In terms of collection methods, the EPM is able to offer the respondent more reporting options than the regular collection area is currently able to provide. As a result, a significant number of respondents within the program use EXCEL versions of questionnaires which they report makes life easier for them and helps to reduce response burden.

With reference year 2006, the EPMP is in its third reference year of operation. As collection for RY2006 was not yet final at the writing of this paper, Table 1 provides response rates from 2002 to 2005 showing the evolution from the KPMP to the EPMP. As can be seen, response rates for the enterprises in the program, have been continually improving.

Table 1.	Reference Year (RY)	# of Enterprises	# of Questionnaires	Weighted Response Rate
KPMP	2002	145	430	61%
KPMP	2003	160	475	78%
EPMP	2004	210	720	78%
EPMP	2005	350	1,065	85%

Although not yet complete, collection for RY2006 is well ahead of where it stood at the same time, previous year. For example, as of August 2007, 75% of the annual UES questionnaires were 'received', compared to 50% for RY2005, in August 2006.

2. 4 Coherence

The EPMP is also responsible for the coherence analysis of the enterprises within Tier I. A special unit within the program, the Coherence Analysis Unit (CAU), is mandated to identify and resolve incoherencies in the data collected from the Tier I enterprises. The EPM is made aware of any incoherence within one of his/her enterprises and with the aid of the CAU, works towards resolution.

In looking for incoherence, the CAU will compare:
(1) Annualized monthly survey data to annual survey data, by **establishment**;
(2) Annual survey data for all establishments of a legal entity with other federally provided data for the same **legal entity** (e. g. tax data);
(3) Annual survey data for all establishments of all legal entities of an enterprise with annualized quarterly survey data at the **enterprise,** consolidated level.

After transactions between affiliates (inter-corporate accounts) have been taken into account, if a material incoherence is found then the unit will do further research and together with the appropriate EPM, work with the enterprise to resolve the problem.

The major reasons for incoherencies can be grouped in two major categories:
i) **Respondent:** misunderstanding STC requirements; differences between requirements for national accounting and the variables tracked in business accounting systems; unawareness that reported data for the entire enterprise should be coherent; more than one person filling out different questionnaires; how the business organizes itself not necessarily aligning with the industrial statistical model.
ii) **Statistics Canada:** collection incoherence due to inaccurate profile; differences in SNA concepts as compared to what data is available from the respondent.

When an incoherence in a major player in an industry is resolved, the findings are often very useful in resolving those of the other key players within the same industry. In the near future, the unit will also start investigating this fourth level of coherence analysis: the comparison of the treatment and interpretation of the data collected from the major key players within an **industry**.

3. Tier II

Through the KPMP, it was clear that building relationships and providing a single point of entry capable of issue resolution was invaluable in addressing response issues and improving the quality and timeliness of the reported data.

With Tier I scoped to approximately 300 enterprises, it was decided to try and extend this proven approach to address critical non-response in Tier II, adopting a less costly model more appropriate to these less complex but none the less important data providers.

Two former members of the KPMP were asked to do a "proof of concept," developing a cost-appropriate model that would address non-response to the STC annual business survey program – the Unified Enterprise Survey (Brodeur and Ravindra, 2007). The Strategic Response Program (SRP) began as this pilot project

The universe from which these delinquents were selected contained high priority enterprises in each industry/province cell, as identified in consultation with stakeholder divisions. These enterprises were generally less complex than their counterparts in Tier I, tending to operate primarily in one sector of the economy. However, their data was considered key to individual surveys.

The companies that were part of the original pilot were all "chronic" non-respondents, meaning they had not reported to the survey for several years. Since contact via the regular collection stream (mail out, phone, fax follow-up) had not proven effective, the SRP team had to first find a way to differentiate themselves from what was perceived on the part of the company contact, to be the regular "harassment" of the standard collection cycle. Based on their experience, they began by engaging these respondents to determine what issues were underlying their non-response. First a letter was sent to introduce the program and let them know that a Business Relations Manager in the SRP would be contacting them in the next few days to listen to their issues and concerns with regard to reporting to STC surveys. Extensive research was also done prior to the letters being sent to ensure the manager contacting the company had information at their fingertips covering the company's overall response history, business structures and the latest information from the corporate website.

The approach proved effective — some of these chronic refusals actually called the SR manager upon receipt of the letter, the first indicator that these were not 'problem' companies but rather companies that were looking for an opportunity to have their concerns addressed. Other contacted respondents were not even aware that they were considered as a delinquent reporter by STC.

Once staff in the SRP began talking with these 'problem' respondents, the findings of the KPM and EPM programs were reinforced: the majority of the time the 'problem' was not the data providers, but rather the way we were approaching the overall collection process with these multi-survey recipients.

The key to getting these respondents to discuss their issues and negotiate solutions was the SRP manager's ability to demonstrate early in the conversation that they were well informed about the respondent's situation – they knew which surveys the respondent received, understood the questionnaire content and data priorities, and could appreciate that

there was aspects of the collection process that were problematic to the respondent. Furthermore, the SRP manager had to convince these respondents that they were in a position to do something to resolve the situation and would take ownership of the process through to the end. Concerns by subject matter survey managers that they might have to compromise and give up units to their survey as a by-product of the negotiation between the SRP and the non-respondent proved unfounded. In reality, very little compromise was required since respondents did not generally have problems providing the data, as much as they had issues with our approach to collecting it.

The following table (Table 2) shows achieved resolved rates[3] for the SRP since its inception for survey reference year 2004.

Table 2. SRP Resolved Rates			
Reference Year	# of Cases	# of Questionnaires	Resolved Rate
2004	55	55	100%
2005	145	300	93%
2006	205	505	N/A[4]

4. Conclusions

The EPMP and SRP approach has been very effective and well received by stakeholders within STC as well as by the respondents themselves.

For Tier I: By assigning to one person (an EPM) the responsibility for building relationships, maintaining accurate, current legal and operating structures on the BR, as well as ensuring the receipt of timely, accurate, unduplicated, coherent survey data for the enterprises within their portfolio, significant improvements in response rates and data quality have been achieved. As well, valuable knowledge and insights have been returned to STC.

For Tier II: The SRP has been very successful in converting key delinquent respondents thereby improving the quality of industry estimates. Furthermore, the program has demonstrated the benefit of extending a coordinated, enterprise-centric collection model beyond Tier I to include other important respondents.

In conclusion, why the EPMP and SRP are effective:
1. Both programs address the gap in mainstream collection by providing an enterprise-centric approach to response management.
2. Both programs are mandated to address cross-cutting issues that no single area has the scope or mandate to address.
3. Both programs troubleshoot problems before they escalate into across the board refusal.

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[3] 'Resolved Rates' indicate the percentage of mailed out questionnaires for which an appropriate resolution has been achieved. This includes those deemed to be 'out of scope,' 'out of business,' etc, as well as those for which a completed questionnaire was received.

[4] Collection not yet cutoff for RY2006

4. Both co-ordinate collection and, when
    necessary, prioritize survey response.

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