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**CALIFORNIA INNOVATION CORRIDOR (CIC)
WORKFORCE INNOVATION IN REGIONAL ECONOMIC DEVELOPMENT
(WIRED)
Project Deliverable**

Project: International Competitiveness

Project Organization: California Space Authority (CSA)

PROGRAM DESIGN AND STANDARDS

I. PROGRAM OVERVIEW:

According to the *2006 National Export Strategy* released by the Trade Promotion Coordinating Committee, the level of U.S. business participation in the global economy has flattened in recent years. This is worrisome considering that one in five manufacturing jobs depends on exports. To enable small- to medium-sized entrepreneurs to compete successfully in the global market-place by exporting, entering into global supply chains, and/or expanding the number of markets currently served by these companies, the California Space Authority (CSA) leveraged its work under the Aerospace Export Training and Enabler program (AETEP) and its sponsorship of the International Satellite and Communications exchange (ISCe) to facilitate an international business matchmaking program linking California companies with potential international partners.

As originally conceived, international company representatives from the ISCe conference would be engaged in the program, U.S. Commercial Service would encourage its overseas offices to send agents/distributors to the conference, and CSA would leverage its relationships with the Farnborough Aerospace Consortium (FAC), Asia Pacific Satellite and Communications Council (APSCC), Canadian Trade Commissioners office, and others to attract foreign buyers to the program. U.S. companies attending the ISCe conference and recruits from the AETEP would comprise the U.S. suppliers. Interested companies registered for the matchmaking program by completing an on-line profile, which was hosted on CSA's website. The information contained in the profile was used to make the matches. (Copies of the profiles are attached.)

In total, 25 companies (16 U.S. companies and 9 international companies) registered for the program by completing the profile. Three one-hour, face-to-face matchmaking meetings took place in a dedicated room on the margins of the ISCe conference, which was held June 5-7, 2007 at the Hilton San Diego Resort at Mission Bay in San Diego, California. The Canadian firm, MacDonald Dettwiler & Associates (MDA), met with Seaspace (Poway, CA), a provider of satellite ground stations and processing software for remote sensing applications and high performance Low Earth Orbiting satellite tracking antenna systems, Cristek Interconnects (Anaheim, CA), a manufacturer of electronic connectors for the military, aerospace and biomedical markets, and Newpoint Technologies (Sacramento, CA), a manufacturer of products and services for managing communications infrastructure. Seaspace, Cristek, and Newpoint are classified as small-



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to- medium sized enterprises as defined by the Small Business Administration. Additionally, sixteen introductions between U.S. suppliers and potential international partners were facilitated via email with at least one resulting in a request for quote.

The remaining companies that registered for the program did not participate in the program for the following reasons: 1) the company representative did not see an appropriate match from the pool of registered companies, 2) the company representative decided not to travel to the conference, or 3) the company representative did not respond to the program manager’s communications and was, therefore, not considered to be a serious participant.

II. PROGRAM OUTLINE:

To summarize, the program partners met and decided upon the parameters of the program. A three phased outreach plan was developed and executed. Phase one consisted of a formal letter sent via email to Hannover Fairs USA, Inc.’s database of approximately 32,000 contacts. This was followed by a “want” ad type of flyer that was distributed to Hannover Fairs contacts two times, about one month apart. Lastly, profiles of the registered companies were created based on the information provided in the profile and sent to selected contacts for recruitment purposes. (Copies of the outreach materials are attached.) Program registration closed about one month prior to the program enabling the program manager to match the companies. Registrations received after the deadline were accepted, however. The individual company profiles were analyzed and compared for appropriate matches. Emails were sent to the companies with recommendations and requests for input. Schedules were developed from the input received. See the attached program outline for more details.

III. PROGRAM BUDGET:

Program Budget

Supplies (printing/ mailing flyers, phone calls)	\$1,250
Cost of Executive Suite and Refreshments	\$600
Travel	\$800

IV. PROGRAM EVALUATION:

Desired Outcomes: (1) an increase in the level of participation of the small- to medium-sized entrepreneurs in the global economy either through increased exports, entering global supply chains, and/or expanding the number of markets currently served by these companies, (2) an expansion and enhancement of international business development opportunities for small- to medium-sized companies and entrepreneurial ventures, and (3) an improvement in the linkages between California Innovation Corridor companies and the international community.



Outcomes Realized: International business development opportunities for the three participating California companies (plus the eight others that were introduced to international companies via email) were enhanced through the execution of the international business matchmaking program. Only time will tell whether these meetings will lead to increased exports for these the participating companies.

Program success is judged by two factors: 1) matching U.S. suppliers with potential international buyers either through face-to-face meetings or other email introductions, and 2) whether or not these meetings/introductions result in increased exports, the entering into global supply chains by U.S. suppliers, and/or the expansion of the number of markets served by the U.S. suppliers. The ISCe International Business Matchmaking program conducted during the June 2007 conference was successful in facilitating the matches. The program manager will follow up with the participating companies in about six months to see if the meetings resulted in increased international business.

Problems encountered:

Programmatic outreach to the targeted audience proved to be more difficult than anticipated. The program was seeking buyers/agents/distributors from the international marketplace. Outreach materials appear to have reached primarily those with business development interests. In other words, those seeking to expand market share in the United States, while the intent of the program was to recruit buyers of U.S. goods and services. More U.S. suppliers may have been attracted to the program if the participation of a major international prime and/or tier two supplier had been secured early in the process to serve as a draw.

Travel costs and time considerations may have been another factor in the low recruitment of international buyers/agents/distributors. One company representative that made plans to travel to the United States for the matchmaking program failed to secure a travel visa at the last minute. As a result, six matchmaking meetings that had been scheduled were cancelled. E-mail introductions of the six U.S. companies to the international agent were facilitated instead of the face-to-face meetings.

Suggestions for Future Matchmaking Programs:

The matchmaking program could be conducted in a variety of ways ranging from random selection to specifically targeted meetings depending on the type of results desired.

- A. Speed-Dating Scenario: International and domestic companies sign up for the program. Matches are not arranged in advance. International company representatives/buyers/procurement officials would be seated at tables in a large room. U.S. suppliers have the opportunity to meet with the international company representative for a ten to fifteen minute meeting. A bell rings and the U.S. company representative moves to the next table. This gives each company representative an opportunity to introduce him/herself to the other, quickly determine compatibility, and make arrangements for follow up.



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- B. Targeted Matching: International and domestic companies register for the program by completing a profile that requests information regarding each company's capabilities, needs and/or requirements. Matches are pre-arranged after program organizers review capabilities. Schedules of meetings are distributed prior to event. Meetings would be conducted for a predetermined amount of time (i.e., ten minutes to one hour).
- C. Prime Recruitment: Recruit approximately three to five international prime contractors in advance to participate in the matchmaking program. Use recruitment of the primes to market the program to interested U.S. suppliers. U.S. suppliers register for the program and indicate with which prime(s) it would like to meet. Meetings would be arranged in advance and would be conducted for a predetermined amount of time (i.e., ten minutes to one hour).
- D. Specific Matching: International primes are recruited in advance and provide details of upcoming requirements. Requirement information provided would be used to recruit the U.S. suppliers. Matchmaking meetings are arranged in advance of the event. Meetings would last for a predetermined amount of time.

Other matchmaking programs have been established and could be used as models. For example, matchmaking programs linking domestic primes and suppliers are offered at the Navy Small Business Opportunity Conference (Gold Coast) and the Vandenberg Small Business Conference. The Canadian Government offers an international business matchmaking service as part of its trade shows.

Summary:

What worked?:

- The three phased outreach approach disseminated to the Hannover Fairs USA, Inc. database generated interest in the program. New companies registered each time new material was distributed to these contacts.
- The web-based registration worked well. Information entered into the registration page was forwarded via email to the program manager. The program manager was able to use this information to match appropriate companies to one another.
- CSA's relationship with the Canadian Trade Commissioners office yielded three recruits.
- The international business matchmaking concept was well received.
- Positive feedback was received from those companies that participated in the one-on-one meetings.

What did not work?:

- The programmatic outreach did not reach the intended audience. As a result, participation by the international companies was limited.
- Registration of U.S. companies was impacted by the slower than anticipated recruitment of companies into the AETEP.



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What to do differently?:

- Incorporate the matchmaking program as part of the overall conference program as opposed to a side event.
- Alternatively, the concept (linking U.S. suppliers to international buyers) could be accomplished virtually by connecting capabilities databases of similar organizations.
- Automate the scheduling process by having an on-site sign up board and/or other mechanism.
- Work with the U.S. Commercial Service to organize a reverse buyer delegation to the conference and the matchmaking program.
- Enlist targeted foreign trade offices to organize a trade delegation to participate in the conference and the matchmaking program.

Other considerations:

- It is difficult to gauge the caliber of companies registering for the program. The U.S. Commercial Service partners in this program were able to vet the international participants.
- Post event follow up is necessary to determine whether the meetings lead to business deals.
- Participation by the U.S. Commercial Service or international trade service provider is necessary in order provide credibility to the program.
- Determine whether companies value this program enough to pay for it.
- Determine whether the cost and staff time is worth the outcomes.



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