

**FIRM SURVEY to be answered by
General manager (owner-manager or professional)**

Question ID: _____

Firm name: _____

Respondent name: _____

Date of interview: ____ Year ____ Month ____ Day

Industry classification : _____

Firm address _____

City _____

Email contact of respondent: _____

Located in industrial development park/district Yes _____ No _____

Interviewer name: 1. Main Interviewer _____ 2. Secondary Interviewer _____

Interview length (time): _____ Minutes

Interviewee agrees to be recorded _____ 1. Yes _____ 2. No

Personal Background

A1 Gender 1. male _____ 2. female _____

A2 When were you born? _____ year

A3 What is your birthplace? _____ province _____ city/county: indicate zipcode _____

A4 Under which *hukou* were you born?
1. Rural _____ 2. urban _____

A5 Did your parents ever own or operate a private business?
1. Yes 2. No

A6 What is the highest education level you reached? (Please show card A6, single choice)
()

- 1) Doctoral degree abroad
- 2) Doctoral degree at home
- 3) Master degree abroad
- 4) Master degree at home
- 5) undergraduate education abroad
- 6) undergraduate education at home
- 7) Junior college

- 8) Vocational school/high school
- 9) Junior high school
- 10) primary school education
- 11) No formal education

A6.1 How many years of formal schooling have you received? _____ years

A7 Did you receive any specialized professional training? 1.Yes 2.No
(If No, go to A8)

A7.1 Which training did you receive? (multiple possible)

- 1) MBA
- 2) eMBA
- 3) public administration
- 4) other, please specify the most important training you've received _____

A8 In which year did you take up the position of general manager / CEO in this firm?
_____ year

A8.1 How many years have you served in the position of a general manager / CEO (including time served as CEO in other firms)?
_____ years

A9 Are you one of the owners of this firm? 1.Yes 2.No
(If No go to A 9.5)

A9.1 Are you the biggest shareholder of the firm?

1.Yes 2.No

A 9.2 Are you a founder of the firm? 1.Yes 2.No
(If No go to A 10)

A 9.3 Is this the first firm you have founded
(If Yes, go to A 10)?

1.Yes 2.No

A 9.4 How many firms did you start before? _____ (Go to A 10 after respondent answered A9.4)

A9.5 Are you hired by the owners?

1. Yes 2.No

A 9.6 When was the first CEO recruited to the best of your knowledge? _____ year

A 10 Does your contract include performance incentives?
1.Yes 2.No

A 11 Where did you work right before serving as CEO of this firm?
(interviewer show card A11, Single Choice!)

- 1) State-owned enterprise, same industry
- 2) State-owned enterprise, different industry
- 3) Non-state firm, same industry
- 4) Non-state firm, different industry
- 5) Research institution
- 6) Higher education institution
- 7) Government office
- 8) Other (specify) _____

A 11.1 Have you ever worked as the manager of a state-owned enterprise?

1.Yes 2.No

A 12 Did you yourself ever have a cadre position in government office?

1.Yes _____ 2.No _____

(If No go to A13)

A12.1 Please indicate at which government level you have worked (Single choice)

- 1. Provincial/Ministerial
- 2. bureau/Municipal
- 3. County/division
- 4. Township/department

A13 Do any of your relatives have a cadre position in government office?

1. Yes _____ 2. No _____

(If No go to A14)

A13.1 Please indicate the highest cadre rank of your relatives (Single choice)

- 1. Provincial/Ministerial (bu)
- 2. Bureau (ju)
- 3. Division (chu)
- 4. Departments (ke)

A13.2 At which administrative level does that relative hold a cadre position?

- 1. Provincial/Ministerial
- 2. bureau/Municipal
- 3. County/division
- 4. Township/department

A 14 In a typical week, how much time do you spend on the following activities?

- 1) reading a domestic newspaper _____ hour _____ minutes
- 2) reading an international newspaper _____ hour _____ minutes
- 3) reading Chinese business books _____ hour _____ minutes
- 4) reading foreign business books _____ hour _____ minutes
- 5) on the Internet _____ hour _____ minutes
- 6) watching the business news on the TV _____ hour _____ minutes

A 15 In a typical month, how much time (in hours) do you spend on events, conferences etc. organized by professional/occupational groups or other business associations where you meet other entrepreneurs and managers?

_____ hours

A16 Are you a Chinese Communist party member?
1. Yes _____ 2. No _____ (If No go to A17)

A16.1 In which year did you join the party? _____

A16.2 What is your current position in the party?
(Don't read the choices. Circle the corresponding answer directly after the inquiry.)

1. Party Committee Secretary
2. Party Committee Deputy Secretary
3. Party Committee Member
4. General Party Branch Secretary
5. General Party Branch Deputy Secretary
6. General Party Branch Committee Member
7. Party Branch Secretary
8. Party Branch Deputy Secretary
9. Party Branch Committee Member
10. Regular Party Member

A 16.3 Have you earlier held a position in the party?
(Don't read the choices. Circle the corresponding answer directly after the inquiry.)

1. Party Committee Secretary
2. Party Committee Deputy Secretary
3. Party Committee Member
4. General Party Branch Secretary
5. General Party Branch Deputy Secretary
6. General Party Branch Committee Member
7. Party Branch Secretary
8. Party Branch Deputy Secretary
9. Party Branch Committee Member
10. Regular Party Member

A 17 Now I want to ask you how much you trust different types of people. On a scale of 1 to 5, where 1 means very distrustful and 5 means very trustful, how much do you trust the people in that category (Show Card A17)?

1. Shopkeeper	
2. Teachers	
3. Local government officials	
4. Banking staff	
5. Central government officials	
6. Strangers	
7. Your own suppliers	
8. Police	
9. Your own customers	
10. Judges and staff of courts	
11. Entrepreneurs/businessmen	

Information about the Firm

Firm History

B1. In which year was the firm registered as a private firm? Year _____

B2. Did the firm exist before it registered as a private firm? 1.Yes 2.No
(If No, go to B3)

B2.1 Under which ownership form did the firm exist before?
(interviewer show card B2.1. Single Choice)

- 1) State-owned enterprises
- 2) Urban collective-owned enterprises
- 3) Rural collective-owned enterprise
- 4) Private firm.
- 5) Other, please specify

B3. In the year the firm was registered as a private enterprise, how many investors were there? _____ (persons)

B4. What was the total number of fulltime paid employees when the firm started? _____ (persons)

B5 What were the annual sales in the year the firm started? _____ 10,000 Yuan

B6. Under which legal status was the private firm founded?
(interviewer show card B6. Single choice.)

- 1) Sole-ownership enterprise
- 2) Joint-ownership enterprise
- 3) Limited-liability corporation
- 4) Shareholding corporation Ltd.
- 5) Subsidiary /division of a domestic enterprise
- 6) Other (please specify) _____

B7. Was there a change in legal status since founding of the private firm?
1._Yes _____ 2._No (If No go to B8)

B 7.1 How many legal changes did the firm have since the founding as a private firm? _____ Times

B 7.2 In which year did the last legal change take place? _____ Year

B 7.3 Which legal status does the firm currently have?
(interviewer show card B7.3. Single choice.)

- 1) Sole-ownership enterprise
- 2) Joint-ownership enterprise
- 3) Limited liability corporation
- 4) Shareholding corporation Ltd.
- 5) Subsidiary /division of a domestic enterprise
- 6) Other (please specify) _____

B 8 Is your firm listed at the stock market (domestic or international)?
1. Yes _____ 2. No

Governance

C1. Do any of the shareholders of the firm also hold management positions in the firm?

1. Yes _____ 2. No _____ (If No go to C2)

C 1.1 How many shareholders hold management positions in the firm? _____

C 1.2 **What** percentage of shares is held by those shareholders in the management positions?

_____ (%)

Organizational structure:

C2. Do you have shareholder meeting in your firm?

(If No go to C3)

1. Yes _____ 2. No _____

C 2.1 How many shareholder meetings are held per year? _____

C.3 Do you have a board of directors in your firm? 1. Yes ___ 2. No ___ (If No go to C4)

C 3.1. How many members does the board of directors have? _____

C 3.2 Does the board of directors have independent members?

(If No go to C3.4)

1. Yes _____ 2. No _____

C 3.3 How many independent directors does the board have? _____

C 3.4 Are there retired executives on the board? 1. Yes 2. No

C 3.5 How often does the board of directors meet every year? _____ Times

C 3.6 Are you also the chairman of the Board? 1. Yes _____ 2. No _____

C 3.7 How many directors also hold ownership shares in other firms you are doing business with? _____ persons

C 3.8 How many directors hold in parallel official positions (board members, board of trustees, management positions etc.) in other firms you are doing business with?

_____ Persons

C4 Do you have a board of trustees in your firm? 1. Yes _____ 2. No _____

C 5. Since the founding of the firm as a private firm, has there been any change in the position of the CEO? (If No, go to C6)

1. Yes _____ 2. No _____

C5.1 How many CEOs have been serving for this firm (including current CEO)?

C 6. Who exerts the major decision making power in the following decision-types?

(interviewer show card C6. Single choice. If the specific activity has not occurred in your firm, write N.A.)

Decision Types	CEO	Largest share-holder	Share-holder meeting	Board of directors	Divisional Manager	other, please specify
1. Labor issues (hiring/firing)						
2. Investment						
3. R&D development						
4. New subsidiaries						

5. Internal organizational reforms/restructuring						
6. Daily operational decisions (price, sales, supply)						
7. Merger / acquisition						

Supplier Relations

Type of Supplier (domestic/international):

D1. In 2005, what percent of your establishment's purchases (including all subsidiaries) of material inputs & supplies were:

1	Purchased from domestic sources	____%
2	Purchased through imports	____%
	TOTAL	100%

Ownership Type of Supplier:

D2. What is the ownership type of your largest supplier? ()

- 1) State-owned Enterprise
- 2) Collective-owned Enterprise
- 3) Private-owned firm
- 4) Foreign (wholly owned) Enterprise
- 5) Joint venture Enterprises
- 6) Cooperation Enterprises
- 7) Other (Specify)

Supplier Information I:

D3. Please provide information on your most important input:

1	2
Please enter the name of the input:	Total number of suppliers you use for this input

Supplier Information II:

D4. Thinking about your main supplier for your main input (same input listed above), may we ask some questions concerning this relationship ?

1	2	3	4
Was the supplier introduced to you through family, relatives, friends or acquaintances? (If Yes, write "1"; If No, write "2")	How long has your relationship with the supplier been? (# years)	Do you buy on credit? (If Yes, write "1"; If No, write "2")	If you buy on credit - number of days before supplier will urge you to pay

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D5. Guanxi with the Business Community:

Please circle the number best describing the extent to which your firm has utilized guanxi connections with suppliers (7-point scale, from very little to very much)

1—2—3—4—5—6—7

Proximity/Regional Distribution of Input Suppliers

D6. Where are your company's important suppliers located? Please give the percentage between the following 4 locations:

- | | |
|---|---------|
| 1) Within the same locality as your company | % _____ |
| 2) Within the same region as your company | % _____ |
| 3) Within China but not within the same province | % _____ |
| 4) Overseas (including Hong Kong, Macao and Taiwan) | % _____ |

Family Relations Between Owner and Suppliers

D7. Do relatives of the owners of your company own any of the suppliers of your company's production materials?

1. Yes 2. No

Dispute Settlement

D8. Have you had disputes with suppliers such as a delay, suspension of payment, return shipment or cancellation of future shipments over the **last two years**?

1. Yes 2. No

(If No, go to D9)

D 8.1 If yes, how many disputes? _____

D 8.2 How does your firm generally handle disputes with your suppliers? (Show card D 8.2. Single choice)

- 1) Ignore;
- 2) Try your best to negotiate, and work it out between you two;
- 3) Bring the matter to local government or administrative authorities;
- 4) Go to court/file a lawsuit;
- 5) Utilize personal connections to resolve;
- 6) Other means (Please specify) _____

D 8.3 how many disputes did you resolve through court over the last two years?

Information on Malfeasance of Supplier

D9.: If one of your suppliers deceives another firm, would you find out? 1. Yes 2. No

Written contracts

D10. What percentage of your total supply volume (value) is based on written contracts with your suppliers? _____%

Choice of supplier

D11. What would you base your decision on, before choosing a new supplier of a crucial input material?.

(interviewer show card D11, Single choice)

- 1) Just rely on my own experience
- 2) good reputation according to long-term business partner
- 3) good reputation according to information from business administration
- 4) good reputation according to information from friends and family
- 5) The quality, price, and the supply time of the product.
- 6) other (please specify) _____

Customer Relations

Distribution of Sales

E1: What's the major market for your main product:

- 1) Your city
- 2) Your province
- 3) China
- 4) Overseas (export)

Ownership Type of (Major) Customer:

E 2 Approximately what percentage of your establishment's domestic sales in 2005 was to:

- 1) the government _____%
- 2) state owned enterprise _____%
- 3) multinationals located in China _____%
- 4) your parent company or affiliated subsidiaries _____%
- 5) large domestic private firms (those with 300+ workers) _____%
- 6) small private firms or individuals _____%
- 7) other (please specify) _____ % _____

Social Contacts

E3 Do you socialize with customers in order to secure a major contract?

1. Yes _____ 2. No _____

(If No go to E4)

E3.1 What percentage of the contract value would you usually spend on banquets / gifts / travel costs etc.? _____%

E4 What percentage of your sales volume accrues to return customers? _____%

E5 How many of your customers do you know in person? (so that you would recognize them on the street and stop for a chat; give proportion)

_____%

E6 Please give us the number best describing the extent to which your firm has utilized guanxi connections with buyers (7-point scale, from very little to very much): _____

1—2—3—4—5—6—7

Average Duration of Business Relation:

E7 On average, how long has your firm done business with customers in your main business line?

- 1) _____ Less than 1 year
- 2) _____ 1 year - less than 2 years

- 3) _____ 2 years - less than 3 years
- 4) _____ 3 years - less than 4 years
- 5) _____ 4 or more years

Proximity (regional distribution) of customers:

E 8 Measured by sales, where are the purchasers of the products in your main business line located? (Give proportion)

- 1) Within the same locality as your company _____ %
- 2) Within the same province/municipality as your company _____ %
- 3) Within China but not within the same province _____ %
- 4) Overseas (including Hong Kong, Macau and Taiwan) _____ %

Dispute Settlement:

E 9 Did you have business disputes with customers over the **last two years**?

(If No go to E 10)

1. Yes 2. No _____

E9.1 If yes, how many disputes? _____

E9.2 How does your firm generally handle disputes with your customers? (Show card D8.2; single choice)

- 1) Ignore;
- 2) Try your best to negotiate, and work it out between you two;
- 3) Bring the matter to local government or administrative authorities;
- 4) Go to court/file a lawsuit;
- 5) Utilize personal connections to resolve;
- 6) Other means (Please specify) _____

E9.3 How many disputes did you resolve through court over the last two years? _____

Written contracts

E 10. What percentage of your total sales volume (value) is based on written contracts with your customers? _____%

Finding customers

E11 Did your firm find the first customer through social contacts?

- 1) Yes
- 2) No (If No go to E12)

E 11.1 If your firm found the first customer through networks, please specify the nature of the connection (multiple possible)

- 1) Family and relatives
- 2) Friend
- 3) acquaintance

E 12 Did the firm find its currently most important (largest sales) customer through social networks?

- 1) Yes
- 2) No (If No go to E13)

E 12.1 If your firm found the currently most important (largest sales) customer through social networks, please specify the nature of the connection. (multiple possible)

- 1) Family and relatives
- 2) Friend
- 3) Acquaintance

E 13 Now I want to ask you some questions on strategic orientation. On a scale of 1 to 7, (where 1=strongly disagree, 7=strongly agree), how much will you rank your firm?

1. In making strategic decisions we constantly seek to introduce new brands or new products in the market;	1—2—3—4—5—6—7
2. In making strategic decisions we quickly respond to signals of market opportunities;	1—2—3—4—5—6—7
3. We search for big market opportunities and favor large bold decisions despite the uncertainty of their outcome.	1—2—3—4—5—6—7

E 14 Give a ranking of the following aspects of sales strategy according to importance for your firm (1 = least important, 7= most important), (Note: except for the value 0, the same rank for more than one item is not allowed, and every item has to be answered. Read first all options and after that let the respondent answer)

(Interviewer show card E14)

	Ranking 0, 1 - 7
1. low price	
2. high product quality	
3. fast delivery	
4. providing seller's credit	
5. sales location	
6. reputation	
7. after sales support	

E 15 Organizational Performance

1. Sales growth rate in 2005: _____

- 1) <5%
- 2) 5<10%
- 3) 10<15%
- 4) 15<20%
- 5) 20<30%
- 6) 30<50%
- 7) >50%

2. Net profit growth rate in 2005: _____

- 1) <5%
- 2) 5<10%
- 3) 10<15%
- 4) 15<20%
- 5) 20<30%
- 6) 30<50%
- 7) >50%

E 16 Thinking back to the founding stage of your firm, Give a ranking of the following aspects of sales strategy according to importance for your firm (1 = least important, 7= most important), (Note: except for the value 0, the same rank for more than one item is not allowed, and every item has to be answered. Read first all options and after that let the respondent answer)

(Interviewer show card)

	Ranking 0, 1 - 7
1. low price	
2. high product quality	
3. fast delivery	
4. providing seller's credit	
5. sales location	
6. reputation	
7. after sales support	

Labor

F1. What proportion of your total staff belongs to each of the categories?

1	2	3	4	
Management staff	Technical staff	Unskilled labor	other	Total
				100%

F2. Which channels do you use on average to hire labor for the following categories? (within last three years)

		Management staff	Technical staff	Unskilled labor
1	Market			
2	Through family or relatives			
3	Through friends			
4	Through acquaintances			
5	From previous enterprise before transformation of ownership			
6	Other, please specify			
	Total	100%	100%	100%

F3 Provide information on the contract types you use (give percentage of total)

	Management staff	Technical staff	Unskilled labor
1. 1 year contract			
2. 2 year contract			
3. 3 year contract			
4. 5 year contract			
5. Other (please specify)			
Total	100%	100%	100%

F4. What was your average labor turnover per annum over the last three years? (# of employees left + # of new hired employees)

1. Management staff	
2. Technical staff	
3. Unskilled labor	

Innovation

Innovation

G1.: Has your establishment (including all subsidiaries) undertaken the following initiatives in the **last two years**? (Tick \checkmark on the corresponding answer)

	Undertaken?	
	Yes	No
1. Introduced a new product		
2. Upgraded an existing product line		
3. Discontinued at least one product (not production) line		
4. Agreed to a new joint venture with foreign partner		
5. Obtained a new licensing agreement		
6. Outsourced a major production activity that was previously conducted in-house		
7. New production process improvements		
8. New management techniques		
9. New quality controls in production		

R&D

G. 2 Does your firm conduct own R&D activities / have a R&D department?

1. Yes___ 2.No___ (If No go to G3)

G.2.1 What is your firm's annual budget for R&D activities?

_____ 10,000 Yuan

Patents

G3. Does your firm hold any patents? (products or technology)

___ 1. Yes___ 2. No

G4. Technological and Managerial Strengths (5-point scale, from lowest 20% to top 20% in the industry):

1. To the best of your knowledge, how does your firm compare to close (direct) competitors in your industry with respect to technological skills and abilities? _____

2. To the best of your knowledge, how does your firm compare to close (direct) competitors in your industry with respect to managerial and organizational skills? _____

SOCIAL GROUPS / INDIVIDUALS

Government Bureaus

Support by Government Bureaus:

entrepreneurs							
5. Other (please specify)							

H 4 Were you a member of the following organizations? At which level was it? (please tick on the corresponding level and then state in detail.)

	1.yes	2.no	Level					State exact position
			1. town and village	2. county	3. municipal	4. Provincial	5. Central	
1. People's Congress								
2. CPPCC (Chinese People's Political Consultative Conference)								
3. All-Commerce Association								
4. association of private entrepreneurs								
5. Other (please specify)								

Shareholder's Government Position:

H5 Do or did any other shareholders other than yourself (If you hold any shares) have a government position?

1. Yes _____ 2. No _____

(If No go to H6)

H5.1 If Yes, indicate the highest cadre rank. (Tick on the corresponding answer. Single choice.)

Rank	Now	Earlier
1. Provincial/Ministerial level or higher		
2. Bureau level		
3. Division Level		
4. Department Level or lower		

Party Organization

H 6 Is there a CCP party organization within your firm?

1. Yes 2. No

(If No go to H7)

H 6.1 Assess the influence of the party committee on the following decisions? (Tick \checkmark on the corresponding answer. Single choice.)

	.No influence	. Moderate influence	Strong influence
1. Labor issues			
2. Investment			
3. Production			

H 7 Do you regularly fund the party's activities? 1. Yes___ 2. No ____ (If No, go to H8)

H 7.1 What is the annual sum you expect to set aside for such funding?
_____10,000 Yuan

Labor union

H8 Does the firm have a labor union? 1. Yes 2. No (If No, go to H9)

H 8.1 Assess the influence of the union on the following decisions? (Tick \checkmark on the corresponding answer. Single choice.)

	No influence	Moderate influence	. Strong influence
1. Labor issues			
2. Investment			
3. Production			

Corporate Political Action:

H 9. Does your firm have any consulting contracts with external experts, who advise the management and board on important firm decisions?

1. Yes 2. No

(If No go to H10)

H 9.1 Indicate the professional background of the contract holders (Multiple possible).

1. Research institutes / institutions of higher education
2. government decision makers and administration office
3. business sector
4. other (please specify)

H 10. Is your firm occasionally asked by government agencies and local administration to provide information on the economic and social development?

1. Yes 2. No

H 11. Does your firm organize social events (e.g. banquets, festivals, or short holidays) to celebrate company anniversaries or major Chinese holidays, such as spring festival?

1. Yes 2. No (If No, go to H12.)

H 11.1 Please indicate, what guests typically attend these events (Multiple possible)

1. employees
2. clients
3. suppliers
4. shareholders
5. local officials
6. local bureaucrats

7. others (specify)

H 12 Guanxi with Government Authorities (7-point scale, from very little to very much 1=very little, 7=very much). Please circle the number best describing the extent to which you and your firm have utilized guanxi connections with different government authorities:

1. with various levels of political governments	1—2—3—4—5—6—7
2. with industrial authorities	1—2—3—4—5—6—7
3. with other government authorities, such as taxation bureaus, banks, industrial and commercial administrative bureaus, and the like.	1—2—3—4—5—6—7

INSTITUTIONAL ENVIRONMENT

Bureaucracy:

Inspections:

I1 How many times **in the last year** was your establishment inspected or were you (or your staff) required to have mandatory meetings with officials of each of the following agencies in the context of regulation of your business? What was the fine imposed on your establishment or what was the value of the goods that were sealed up (in 10, 000 Yuan)?

	Times of inspections	Times of meetings	Fines imposed
1. Tax Inspection			
2. Labor and Social Security			
3. Fire and Building Safety			
4. Environmental protection			
5. Others (Specify)			
6. TOTAL			

State intervention

I2 Do government agencies or officials involve in the following types of decisions by your firm?

	1.Yes	2.No
1. Investment decisions		
2. Employment/lay-off decisions		
3. Sales		
4. Pricing		
5. Merger and Acquisition		
6. Dividends		
7. Location of a subsidiary		
8. Wages		

9. Other (please specify)		
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Organization

J 1 Does your firm development follow any organizational blue-print

1. Yes 2. No _____

(If No go to J2)

J 1.1 Where do you look to develop the organizational blue-print?

(interviewer show card J1.1. Multiple possible.)

- 1) Owners' / founders' ideas
- 2) professional management staff
- 3) firm management educational and training programs
- 4) Self-study / books
- 5) Mimicing successful national firms
- 6) Mimicing successful international firms
- 7) Learning from own failures
- 8) Learning from failures of other firms
- 9) Professional consultants
- 10) others

J 2 Please tell us about the formalization degree of your company organization.

		Regulations within the firm Tick If Yes	Decision Maker(s) <small>Please write down their positions</small>	Year of implementation or institutionalization
1	formal, written organizational rules			
2	formal, written job descriptions			
3	Formal, written performance assessments			
4	Formal, written pay scale			
5	Formal, written promotion procedures			
6	External financial auditing of books			
7	International certification (including ISO 9000, 9001, 9002, 9003, or 9004)			

J3 Please tell us about your firm's major internal organizational changes during the last 5 years.

	Type of change	Tick If Yes	Year of
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			the change
1	change in business mission		
2	Division/department Restructuring		
3	Implementation of new technology		
4	Mergers		
5	Major collaborations		
6	adjustments in firm scale		
7	Outsourcing		
8	new management programs such as Total Quality Management, re-engineering		
9	Other, please specify		

J 4 In general, for how many years do you try to plan in advance in terms of strategic / organizational development of your firm? (single choice)

- 1) No development plan
- 2) 1-4 months plan
- 3) 4month-1 year plan
- 4) 1 year-3 year plan
- 5) 5 year and above

J 5 What was the initial business strategy when your firm was founded? (*Single choice*)

- 1) Creating new products for new potential markets
- 2) Improving upon products to sustain current market shares
- 3) Marketing and distribution of products
- 4) Combining innovation and enhancement in market competitiveness
- 5) Lowering production costs

J 6 Does your firm have the same business strategy today? 1. Yes 2. No
(If Yes , go to J7)

J 6.1 When was the initial strategy changed? _____ year

J 6.2 What is the current business strategy of your firm? (*Single choice*)

- 1) Creating new products for new potential markets
- 2) Improving upon products to sustain current market shares
- 3) Marketing and distribution of products
- 4) Combining innovation and enhancement in market competitiveness
- 5) Lowering production costs

J 7 What was the initial employment model of the firm? (*interviewer show card J7. Single choice.*)

- 1) Trying to minimize employees wage costs

- 2) Maintaining a long-term friendly relationship through a two-way commitment with employees
- 3) Attracting the very best talents in the industry
- 4) Cooperative team building

J 8 Does your firm have the same employment model today? 1. Yes 2. No
(If Yes, go to J9)

J 8.1 In what year did you change your initial model? _____year

J 8.2 What is your current employment model?
(interviewer show card J7. Single choice.)

- 1) Trying to minimize employees wage costs
- 2) Maintaining a long-term friendly relationship through a two-way commitment with employees
- 3) Attracting the very best talents in the industry
- 4) Cooperative team building

J 9 Currently, are the following items important for your firm to attract managerial and technical talents? (Please tick in the corresponding answer. Single choice for each row.)

	1. Not important	2. Important	3. Most important
Salary & benefits			
Attractive work			
Social relations at work			

J 10 Currently, are the following items important for your firm to select managerial and technical talents? (Please tick in the corresponding answer. Single choice for each row.)

	1. Not important	2. Important	3. Most important
Skills			
Potentials			
Fit with the organization's culture			
Social ties to the management			

J 11 Currently, are the following items important for your firm to coordinate managerial and technical talents? (Please tick in the corresponding answer. Single choice for each row.)

	1. Not important	2. Important	3. Most important
Direct supervision			
peer control			
Firm regulations and rules			

J12 Please circle the number best describing the extent to which your firm has utilized guanxi connections with competitors (7-point scale, from very little to very much, 1=very little, 7=very much):

1—2—3—4—5—6—7

Social Status of Entrepreneurs

K1 Imagine social status like a ladder on a scale from 1 to 10, where do you think private entrepreneurs would be ranked by ordinary people? (Show card K1. 1 is lowest, 10 is highest. Single choice.)

Rank _____

K2 Where would you think your firm ranks within your own industry? (1 is lowest, 10 is highest).

K3 What is your annual income you receive from this company (including firm dividends and bonuses)? Please tick the appropriate category.

(interviewer show card K3. Single choice.)

- 1) Less than 100,000 Yuan
- 2) 100,000<250,000 Yuan
- 3) 250,000<500,000 YUAN
- 4) 500,000<750,000 YUAN
- 5) 750,000<1,000,000 YUAN
- 6) 1,000,000<1,500,000 YUAN
- 7) 1,500,000<2,000,000 YUAN
- 8) more than 2,000,000 YUAN

L1 Thanks very much for your time in participating in our survey! Before we finish, we have one more question. If professors from our research team would like to interview you within the year, would you participate? (Please write down the reaction of the respondent)
()

1) Will 2) Will not 3) We will see.

(Please record the CEO interview time length on the first page. Start the clock again for the CFO interview.)

**FIRM SURVEY to be answered by
Chief Financial Officer**

Question ID: _____

Firm name: _____

Respondent name: _____

Date of interview: _____ Year Month Day__

Industry classification : _____

Firm address _____

City _____

Email contact of respondent: _____

Located in industrial development park/district Yes _____ No _____

Interviewer name: 1. Main Interviewer _____ 2. Secondary Interviewer _____

Interview length (time): _____ Minutes

Interviewee agrees to be recorded _____ 1. Yes _____ 2. No

Size (General Information)

Total Assets:

A1 Please provide the information for your firm for the following **three fiscal years**: (If the firm has not been established for more than 3 years, please write NA in the years before the founding of the firm. The same rule applies thereafter.)

	1	2	3
	2005	2004	2003
Value of your total assets (in 10,000 Yuan)			

A2 What was the founding registered capital of this firm? _____ 10,000 YUAN

Employees and wages:

B 1 What is the average number of total employees (including contractual employees) in your firm for the following three years?

	1	2	3
	2005	2004	2003
Average Number of Employees			

B 2 What percentage of your employees are college graduates? _____%

B 3 Please provide the following information for your firm for the following **three years** . (10,000 Yuan); if a firm does not contribute to distinct funds, please record "0"

	2005	2004	2003
Total annual wages			
Retirement Pension fund			
Health insurance			
Unemployment insurance			
Employee general insurance			
Other insurance			

Total Sales and Total Exports:

C1 Please provide the total sales and exports information for the firm for the following **three years**. For all answers, please report in 10,000 Yuan. Enter "0" if a firm did not export in a specific year; enter n.a. if a firm was founded later than reporting period).

	2005	2004	2003
Value of total sales (products and services, including exports)			
Value of total exports (products and services, including sales to export agencies)			

Total Costs of Production:

D 1 Please report the total production costs of your firm for the following three years, either as a percentage of total sales or the actual figure (10,000 Yuan).

	2005	2004	2003
Total costs of production			

Tick one of the following : _____Reported as % of sales _____ Reported as figures

Total New Investment in Fixed Assets:

E1 Please report the value of new investments in fixed assets made by the firm in the following three years. For those categories where investments were not made, please enter "0". Report actual figure (10,000 Yuan)

	1	2	3
	2005	2004	2003
Total New Investments in Fixed Assets			

E.2 What is the average depreciation time (in years) of your new investments in fixed assets?
 _____ Years _____

Travel and entertainment costs:

F1 Please estimate the total annual amount (10,000 Yuan) of travel and entertainment costs of this firm for the following three years.

	2005	2004	2003
Total of Travel and Entertainment costs			

Firm Structure

Subsidiaries:

G1. How many subsidiaries (branch factories, sales, or service outlets) does your firm have in China? _____ (number)

G 2 Does your firm belong to a business group _____ 1.Yes 2. No
 (If No, go to H1)

G 2.1 Please name the business group _____

G.2.2 What percentage of your sales is from business with other firms in the same business group? _____ %

G 2.3 What percentage of supplies comes from other firms in the same business group? _____ %

Ownership

H1. What percentage of your firm's shares is owned by each of the following categories?

		Percentage of shares (%)
1	senior management or their family members	
2	other domestic individuals	
3	domestic institutional investors	
4	domestic state owned firm	

5	domestic private firm	
6	domestic collective firm	
7	domestic banks	
8	foreign individuals	
9	foreign institutional investors	
10	foreign firms	
11	foreign banks	
12	national/central government	
13	provincial government	
14	municipal / county government	
15	other government, including cooperatives and collectives	
Total		100%

H2. What percentage of shares does your largest shareholder hold?
_____ %

H3 If any, what is the percentage of shares held by overseas Chinese including Hong Kong, Macau and Taiwan investors? (Enter 0 if there is none) _____ %

H4 Has the company changed the ownership structure since 2003?
1. Yes _____ 2. No _____
(If No, go to I1)

H 4.1 In what year did your firm's ownership structure change to the current one?
(1) 2003
(2) 2004
(3) 2005
(4) 2006

H 4.2. What percentage of your firm's shares was owned by each of the following categories in the ownership structure before the mentioned change?

		Percentage of shares (%)
1	senior management or their family members	
2	other domestic individuals	
3	domestic institutional investors	
4	domestic state owned firm	

5	domestic private firm	
6	domestic collective firm	
7	domestic banks	
8	foreign individuals	
9	foreign institutional investors	
10	foreign firms	
11	foreign banks	
12	national/central government	
13	provincial government	
14	municipal / county government	
15	other government, including cooperatives and collectives	
Total		100%

Firm Performance

Net Profit:

I 1 what were your company's profits (value in 10,000 YUAN) during the last three years?

	1	2	3
	2005	2004	2003
After Tax Profits			
Earnings before interest payments and taxes			

Long-Term Liabilities:

J 1 what was your company's (including all subsidiaries) total liabilities (value in 10,000 YUAN) during the last three years?

	1	2	3
	2005	2004	2003
Total liabilities			

Competition / Market position

Market Entry Costs:

K 1 How much money would it take to establish a new firm exactly like your current firm?
 _____ 10,000 Yuan

Tax:

Taxes Paid:

L1. How much tax did you pay in the fiscal years ?

	2005	2004	2003
Total tax (10,000 YUAN)			

Tax exemption

L2 Does your firm benefit from any tax exemption programs? 1. Yes 2. No

Finance

Finance structure

M 1 For the year 2005 and the founding year, what percentage of total capital was externally financed? (If the proportion is "0," skip the corresponding M2 part)

	2005	Founding year
Proportion of external finance		

M 2 For the year 2005 and the founding year, please identify the proportion of sources of your external finance.

Types of Loans	2005	Founding year
domestic commercial bank		
Foreign owned commercial bank		
Investment funds / state subsidy		
Trade exportation tax reimbursement		
Loans from family and relatives		
Loans from friends		
Loans from business partners		
Other informal sources (money lenders, informal bank, pawn shop, etc.)		
Others		
Total	100%	100%

M 2.1 What was the total amount of external finance in 2005? _____ 10,000 Yuan
Supplier Credit:

M3 Are you using supplier credit (i.e. accounts payable) to purchase your inputs?

1. Yes 2. No (If No go to M3.2)

M3.1 What percent of your firm's inputs are purchased on credit? _____ %

M3.2 Is it offered to you by your suppliers? 1 Yes 2. No

Payment Conditions / Customer Credit

N 1 On average, what percent of your monthly sales is:

1. paid before delivery	%
2. paid at delivery	%
3. sold on credit	%
Total	100 %

(Please go back to Page 22 to record the CFO interview time length.)