

Appendix indicators

Guide for the empirical analysis¹

Main variables, influencing the firms' behavior during the 1990s:

This guide, together with questionnaire that follows, is designed as a manual for the interviewer. It provides reference points, helps steer the conversation in the desired direction and avoid insinuations and interpretations of the story of the interviewee. The indicators were used also during the secondary analysis of available economic statistics.

1. *Initial assets of the firm*

A) Basic competences: *technological* - knowledge/skills and experience in given technology of production; *managerial* - knowledge/skills and experience in organizing the entire sphere of firm's activities – production, supply, marketing, management of personnel, etc.;

B) *Material and non-material assets* – initial investment, non-movable assets (buildings and other production infrastructure), production equipment, access to raw materials, etc.;

B) *Social capital* – existence of key partners in the business and outside it (in production, in supply, in trade, in government offices, etc.).

2. *Evolution of firm's human capital* – leave of key partners/co-owners; brain drain – leave of key specialists attracted by concurrent firms in the country or abroad; head-hunting – firm hunting for specialist among the competitors, research establishments, government offices, etc.; training and qualification of personnel, including in R&D and management; relationships with universities and other institutions of higher learning.

3. *Evolution of firms' business environment* and its influence on the firms' activities – contractual and informal relationships with partners and competitors, with suppliers and customers.

4. *Technology dynamics* – evolution of technologies used by the firm; product specialization; key contracts with vendors selling firms' products, which push development of the firms in certain direction. Stages in firms; development, related with introduction of specific technologies and products, systems for quality management, etc.

5. *Societal dynamics and its influence on the firms' activities*. How the firms have been influenced by the ongoing process of economic reforms in the country:

- Influence in the changes in legal regulation of business activities, especially process of privatization;
- Changes in import-export regime;
- Changes in financial environment (access to credit and other financial resources);
- Possibilities for foreign investment in the firms and appearance of foreign firms in the local market;
- Political interference in firms' activities. Government intervention in the sector and its forms.

These five groups of indicators are outlines the scope of questions for the unstructured interview with firms' managers and guide the search of information in economic statistics and other sources.

¹ This *Guide* is based on the five domains of firms' interactions as outlined in *Research report, part II*.

Innovative SME in Bulgaria after 1990
(Case study of the firms in the sectors of in “Perfumery and Cosmetics” and
“Information and communication Technologies”)

Questionnaire for unstructured interview with firms’ managers

1. How could you describe the establishment of your firm – people that have created it, the initial profile of the firm (main product and services provided)? What were the material assets of the firm in the beginning? Who were the first customers?
2. How could you describe the main stages in firm’s development? Could you look at these stages from the point of view of technologies used and products produced? Do you invest in applied research and new technologies?
3. Кои са най-важните постижения и успехи на фирмата през този период? Каква е ролята на въвежданите от Вас нови продукти и технологии за тези успехи?
4. What were the biggest difficulties and problems your firm has to cope with? Are there some problems that are specific for the innovative firms in the sector?
5. Are there some partners of the firm, which has special contribution for the firm’s development (business partners, customers, financial institutions, R&D establishments, etc.)?

What are your expectations from the you branch association? Do you have other forms of collaboration with the firms in the sector? What is general the role of collaboration between companies in the sector?

6. Are there any peculiarities in the competition among the firms in the sector? Where is the most severe competition (market access / winning customers, in tenders, in attracting the best specialists, in getting access to technologies and raw material, etc.)?
7. How can you specify the export profile of the firm – are you working mostly for export or for domestic market? Do you feel any differences when working for domestic market and for the export?
8. During the existence of your firm, what event in your economic and social environment influenced the firm’s activities most?
 - Macro-economic situation in the country (financial stability, inflation, access to credit, taxation and custom duties, regulations and standards, expenses in your relationships with administration/corruption, crime, etc.);
 - Technological development and related improvement of standards of production, etc;
9. In the light of above questions, are there any ‘turning points’ in the development of your firm? What are your expectations for the future of your firm?

Thank you for the interview!

I guarantee for the correct use of the information obtained!

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