In today’s data-driven environment, nearly every program and initiative is analyzed to determine its effectiveness and overall return on investment. In September, the State International Development Organizations, or SIDO, an affiliate of The Council of State Governments, issued a report on performance metrics for international trade programs.

“This best practice report will help federal and state policymakers better understand the role of state international trade programs and how to measure them,” David Mathe, export director for the state of Delaware and SIDO president, wrote in the report’s foreword.

“The report is also an important starting place to help increase the coordination and reporting requirements among various federal agencies and programs,” he wrote. “Coordinating metrics will help reduce duplication and inefficiencies, while making sure all programs are speaking the same language.”

State trade and economic development offices play an invaluable role in increasing international exports and growing state economies. They support governors’ international trade agendas and are on the front line steering companies through the complex export process and helping them secure the sale.

Those exports account for nearly 13 percent of the U.S. gross domestic product and support millions of direct and indirect jobs. Additionally, exporting firms pay 15-20 percent higher wages on average than nonexporting firms.

State trade offices provide a variety of services, including conducting market research, identifying foreign buyers, organizing trade missions, participating in trade fairs, identifying finance, conducting education and training events, and counseling companies on specific market access issues.

All these services help contribute to the possible export sale, which could take months or years to finally execute. So how do policymakers measure the success of international trade programs? Calculating the return on investment for trade services is not as easy as a simple cost-benefit analysis.

For example, there is no guarantee that a company will have a successful export transaction just because they participated in a trade show or used the state’s services. The state could provide valuable time and resources to prepare the company, but much of the success is determined by the company’s commitment and market conditions.

For years, federal and state leaders have used a variety of indicators to measure trade programs, including number of companies counseled, estimated export sales, jobs created and customer satisfaction surveys. However, metrics have changed frequently and there’s been minimal analysis on how to best measure state international trade programs.
The SIDO report, *Defining Success: Meaningful Metrics to Evaluate Trade Programs*, compared the performance metrics used by federal international trade programs, including the U.S. Department of Commerce and U.S. Small Business Administration, individual state trade programs, and foreign governments, and provided best practice recommendations for states to apply.

The comprehensive report pointed to three key findings and trends for states and how to measure their performance.

1. **Focus on the clients**: Agencies are moving to adopt metrics that are focused on the client and their overall satisfaction with the service provided. They focus on the number of clients served and the percentage of clients who are satisfied with their service and would recommend the trade program to another business. These are the core metrics that are within the agencies’ control and not determined by outside market forces.

2. **Understanding the numbers**: It is important for policymakers to understand what the numbers mean and how they play a part in the overall narrative. Quantitative measures such as the actual dollar value of exports or estimated jobs created are becoming more nuanced and obsolete as the sole metric reported but play a role in the broader narrative of the value the services provided.

3. **Align the program with the overall mission**: International trade is a component of the state’s overall economic development strategy. Aligning the mission, vision and goals with the state’s overall economic development mission will help increase efficiencies in reporting metrics across all agencies. Moreover, having a long-term vision and focus on metrics is key to a successful program.

The full report can be found [here](#).