

Why GAO Did This Study

Recognizing the potential of increased exports to drive economic growth and create jobs, President Obama in 2010 launched the National Export Initiative (NEI), aimed at doubling the dollar value of U.S. exports by the end of 2014. As requested, GAO examined the extent to which (1) the goals and activities of the U.S. and Foreign Commercial Service (CS) support the NEI, (2) CS performance measures accurately reflect its activities and align with the NEI, and (3) CS incorporates relevant data in allocating resources to help achieve its strategic goals.

GAO interviewed Department of Commerce (Commerce) officials, particularly from CS, and CS staff and officials at six overseas posts. GAO analyzed the NEI's priorities, and documents and data related to CS activities and performance.

What GAO Recommends

GAO recommends that the Department of Commerce (1) take steps to improve the CS customer-service survey response rate and include customer-service-related data in its performance measures, (2) take further steps to achieve greater cooperation by CS clients in reporting the dollar value of export successes, (3) review CS's Overseas Resource Allocation Model to determine whether its variables and structure best incorporate available indicators of potential U.S. exports, (4) include commercial diplomacy and advocacy data in evaluating cost-benefit ratios of CS locations, and (5) systematically include activity data in making resource allocation decisions.

Commerce welcomed and generally agreed with the overall findings and recommendations in the report.

View [GAO-11-909](#) or key components. For more information, contact Loren Yager at (202) 512-4347 or yagerl@gao.gov.

NATIONAL EXPORT INITIATIVE

U.S. and Foreign Commercial Service Should Improve Performance and Resource Allocation Management

What GAO Found

CS's goals and activities generally support NEI priorities by, for example, arranging trade missions, assisting U.S. exporters with trade problems, and advocating on behalf of U.S. firms competing for foreign government contracts. The NEI has not required CS to undertake new activities; however, it has prompted CS to direct more of its efforts toward certain markets, activities, and sectors and to shift its focus from firms that are new to exporting to firms already exporting, as firms exporting to new markets or increasing exports to markets in which they are already active produce the greatest share of export successes (see figure).

Share of CS Export Successes by Type of Firm, Fiscal Years 2008-2010



Source: GAO analysis of CS data.

In fiscal year 2012, CS will implement revised performance measures that align more closely with the NEI. Although CS did not meet four of its six performance targets in 2010, it achieved increases in most of its measures as it shifted to address NEI priorities. CS's revised performance measures for fiscal year 2012 address some past weaknesses; however, some weaknesses will remain—for example, the lack of a measure for customer-service satisfaction and the clients' underreporting of export successes, especially with regard to dollar value. CS's new measures necessitate that export success data be complete and accurate; otherwise, CS's efforts to support the NEI goal will be undervalued and policymakers will not have an accurate picture of CS's performance.

CS's resource allocation management process does not make full use of relevant information to guide its decisions. CS is using a data-driven process to prioritize foreign markets (and domestic locations) and to help it allocate staff and other resources to meet its performance goals and support NEI objectives. GAO's analysis of the quantitative parts of the process, however, found that there may be opportunities to reallocate overseas resources to better reflect NEI priorities and better achieve CS's new performance goals. The overseas model, designed to reflect export potential of partner countries, currently gives greater weight to historical variables that have a high degree of overlap with the other historical inputs in the resource allocation process. Also, the process does not systematically consider important available data on commercial diplomacy and advocacy, which are related to CS performance goals, and program activity data on how CS staff divide their time. Including such data in the process would help Commerce managers make decisions informed by the best available information.