



competitioncommission
south africa

Towards a Fair and Efficient Economy for All

Competition Commission

Strategic Plan
01 April 2011 – 31 March 2016

30 September 2010

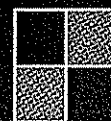


Table of Contents

1. Introduction	1
2. Strategic Planning Process	1
3. Operating Environment	2
3.1. <i>The external environment</i>	2
3.1.1. Global economic crisis	2
3.1.3. Implementation of changes to the Competition Act	3
3.1.4. Strategic engagement opportunities	4
3.1.5. Increasing expectations	4
3.2. <i>The internal operating environment</i>	5
3.2.1. Continued organisational growth and expansion	5
3.2.2. Empowering middle management	5
3.2.3. Leading and managing change	6
3.2.4. Information and knowledge management	6
3.3. <i>Alignment with government outcomes</i>	7
4. Strategic Response	9
4.1. <i>Vision</i>	9
4.2. <i>Values</i>	10
4.3. <i>Strategic priorities and objectives</i>	10
4.3.1. Achieve demonstrable competitive outcomes in the economy	10
4.3.2. Improved competitive environment for economic activity	12
4.3.3. Realised a high performance competition regulatory agency	14
5. Conclusion	15
Annexure A: Strategy Implementation Plan	16
1. Introduction	16
2. Governance, Leadership and Management Structure	16
3. Change management	19
3.1. <i>Critical success factors</i>	20
3.2. <i>Role and responsibilities</i>	21
3.3. <i>Implementation challenges</i>	22
4. Work Breakdown Structure	24

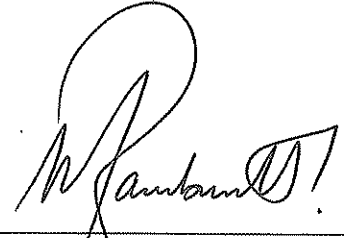
4.1.	<i>Strategic Goal 1: Achieved demonstrable competitive outcomes in the economy through prioritisation of sectors and cases</i>	25
	Strategic objectives and major tasks	25
4.2.	<i>Strategic Goal 2: Enhanced competitive environment for economic activity through strategic partnership, engagement, dialogue and advocacy</i>	27
	Strategic objectives and major tasks	27
4.3.	<i>Strategic Goal 3: Realised a high performance competition regulatory agency</i>	28
	Strategic objectives and major tasks	28
5.	Strategy Implementation Schedule	30

Official Sign-off

It is hereby certified that this Strategic Plan was developed by the management of the Competition Commission under the guidance of the Commissioner, Mr Shan Ramburuth.

Shan Ramburuth
Accounting Officer

Signature: _____



8 March 2011 .

Approved by:

Minister Ebrahim Patel
Executive Authority

Signature: _____

Abbreviations

CMS	-	Case Management System
EDD	-	Economic Development Department
SMC	-	Strategy Management Committee
SPS	-	SharePoint Server
Steercom	-	Strategy Implementation Steering Committee
The dti	-	Department of Trade and Industry
WBS	-	Work Breakdown Structure

1. Introduction

This Strategic Plan establishes the strategic priorities for the Competition Commission for the period 2011 to 2016.

The Strategic Plan 2011 - 2016 governs the Commission's annual business plans so that the key deliverables set out in such business plans will be conceptualized and prioritized through the lens of the Strategy. Thus, the Strategic Plan's key activities and priority areas will be resourced through their integration into the Commission's business plans, and developed annually in the course of the organisation's normal business planning cycle.

This Strategic Plan 2011 – 2016 document provides an overview of the planning process followed, an assessment of the external and internal operating conditions, and charts the strategic response to the overall changing environment of the Commission.

2. Strategic Planning Process

The activities for the strategic planning were kicked off by means of a formal review¹ of the development and implementation of the previous strategic plan (2006 -2009), focusing on the planning process, outputs delivered, as well as the initial outcomes of the strategy. Since then, a three-year strategic plan for the period 2010 – 2013 was developed.

The current 2011 – 2016 strategic plan was developed following a two-day senior management strategic and business planning session. The workshop was designed to consider the significant changes in the external and internal environments, and to assess the progress made since the start of this three-year planning cycle.

¹ See Competition Commission (2009) *Strategic Planning 2006 – 2009: Strategy Implementation Review*

3. Operating Environment

The external and internal operating environments provide the context, and serve as the point of departure for the Commission's strategy formulation process. An assessment of the external environment is necessary to enable the Commission to identify strategic pathways and risks, while an analysis of the internal environment is necessary to identify the organisation's strengths and weaknesses. Although the various trends identified in 2009 remain relevant to the work of the Commission, the way these trends were expected to influence the organisation did not materialise and this plan is adjusted accordingly.

3.1. *The external environment*

A number of factors that are likely to have a significant impact on the organisation and its future were identified through an assessment of the significant trends, critical issues and changes in the external environment in which the Commission operates. These developments are briefly described below:

3.1.1. Global economic crisis

The global economy is now on the road to a slow recovery and the worst, and most immediate, effects of the crisis have past. However, the negative consequences such as job losses will take a while to correct. It was anticipated that large dominant firms would respond by increasing rent seeking behaviour and collusive practices and that cartels or monopolies might try and take advantage of the environment of economic distress, as firms employed more defensive strategies. An increase in merger activity in the medium term was also anticipated, since consolidation is the principle corporate mechanism for increasing pricing power as a response to the crisis.

There is no evidence to suggest that these expectations materialised. Rather, firms have become more aware of the importance of sound corporate governance as a business survival and management issue. This bodes well for the Commission, since a heightened awareness and changes in behaviour in regard to good corporate

governance, which includes avoiding anti-competitive practices, can encourage greater responsiveness to the work of the Commission.

3.1.2. Building a savings culture

Government has placed emphasis on cost efficiencies and building a savings culture. To this end there are budgetary constraints which will impact on the Commission's strategic plans. The Commission has consciously worked at inculcating a savings culture. Managers are continuously prioritising and trying to find ways to make more effective use of scarce resources. Managers have also started to set performance benchmarks and standards against which to allocate and deploy resources.

3.1.3. Implementation of changes to the Competition Act

The anticipated implementation of the amendments to the Competition Act will take place during this strategic planning and implementation cycle. The main implications of the anticipated changes are discussed below.

Firstly, the increase in corporate leniency applications is likely to continue. This appears to be in response to the introduction of personal liability of directors who cause their firms to engage in cartel activities. The implications are twofold. The Commission will need to put in place the capacity to respond to the increase in corporate leniency activities in the short-term. Furthermore, the Commission should make the necessary arrangements with the relevant law enforcement agencies in anticipation of criminal prosecution of directors.

Secondly, the introduction of market enquiries as a mechanism to explore competition issues in selected markets prior to taking action will place additional pressure on Commission resources. It is therefore, important to select the markets carefully, establish teams to undertake the studies, as well as develop plans to follow up on recommendations that result from the enquiries.

The amendments have been signed into law, but the Act is yet to come into effect. This should take place during the course of 2011.

3.1.4. Strategic engagement opportunities

The environment in which the Commission operates has changed significantly since the first cycle of strategic planning was initiated in September 2006. Some of the significant changes include a new administration with a new mandate from the electorate, the changes in the system of government with the establishment of new departments and changing responsibilities of others.

These changes provide new opportunities for strategic engagement on a range of fronts. Dialogue between the Commission and the EDD on the role of competition in industrial policy, among others, will be especially important in these economically challenging times. Participation and strategic engagement in fora (such as the Inter-departmental Task Team established by Cabinet to analyse and identify the factors that contribute toward high food prices as the basis for developing appropriate interventions) established to investigate and formulate sector based interventions in the economy, provides a further opportunity to influence these interventions in a manner that ensures that competition outcomes are achieved. The Commission's capabilities and competencies in information gathering and analysis should form the basis on which these strategic engagements take place.

3.1.5. Increasing expectations

The success of the Commission over the last three years has further raised expectations among stakeholders and the public. Increased expectations have two major implications.

The first major implication of increasing expectations would be the increase in enforcement and exemption cases as businesses become aware of competition law. This will require continued advocacy and education of stakeholders to ensure that cases within the ambit of competition are brought to the Commission's attention, which inevitably leads to an increase in the workload, as already observed.

Secondly, the Commission may also be expected to play a greater role in the region and internationally. Regionally, the Commission may be required to continue and, to

a degree, expand its capacity building role in the establishment of competition policy and institutions in the southern African region. Internationally, the Commission will be expected to continue its leading role in developing competition policy in a developing country context.

3.2. The internal operating environment

The internal operating environment refers to several organisational factors that impact on the performance of the Commission. A brief description of the major internal dynamics set to influence performance is outlined below:

3.2.1. Continued organisational growth and expansion

The Commission is on an upward growth and expansion trajectory driven by two key factors. Firstly, the increase in competition related matters is likely to continue in the short to medium term, notwithstanding slower economic growth as a result of the global recession. Moreover, the Commission's increasing focus on addressing anti-competitive behaviour of firms through enforcement activities in strategic priority sectors has increased the need for staff in this area. Secondly, the anticipated implementation of the Competition Amendment Bill, which seeks to strengthen the powers of the competition authorities, is also expected to impact on the capacity of the Commission.

The Commission will submit a proposal to the EDD to increase its staff complement over a period of three years. The core divisions dealing with enforcement and merger regulation stand to benefit from this additional capacity, while other divisions will benefit in so far as they provide support to the core divisions. This process of expansion will make demands on the already limited management time and resources.

3.2.2. Empowering middle management

A key feature of the additional staff capacity is the introduction of an enhanced management capability within the organisation. This is in response to the need for

developing the necessary management capacity, structures and processes to monitor case throughput and the quality of work within the Commission. This will require the formulation of capacity building programmes and mechanisms to empower middle management. Participation in strategic planning and implementation processes will be especially important, since managers involved in strategic planning are more aware of the strategic priorities and objectives of the organisation and can contribute more effectively to the implementation of the strategy.

The programme has kicked off and anecdotal evidence suggests that managers are thriving in this learning environment.

3.2.3. Leading and managing change

Strategic planning and strategy implementation is fundamentally about a constant process of change. Important lessons² have been learnt through the implementation of the first cycle of strategic planning and implementation. These lessons should form the basis for the development of a more structured approach to leading and managing change resulting from the strategy implementation processes during this planning cycle.

3.2.4. Information and knowledge management

The information management capacity have improved over the last three years, but greater emphasis on the efficient collection, analysis of information and the development of reporting mechanisms that meet the needs of different internal and external stakeholders is necessary.

Information management is closely associated with the knowledge management processes in the organisation. A number of significant milestones have been achieved during the two year period since the knowledge management initiative commenced. A draft Knowledge Management Strategy has been prepared to guide the implementation of a range of knowledge management related activities and projects.

² Refer to the Competition Commission (2009) *Strategic Planning, 2006 – 2009: Strategy Implementation Review*.

A centralised database repository has been established, with considerable improvements to the existing Case Management System/ SharePoint Server (CMS/ SPS) and an upgrade to SharePoint 2007. The CMS/ SPS is used as a repository that supports the work of sector based teams that facilitate cross-divisional collaboration. This momentum needs to be maintained to further strengthen the information and knowledge management capacity of the Commission.

3.3. *Alignment with government outcomes*

Government has adopted an outcomes approach to planning its work. The Minister of Economic Development, the Minister of Trade and Industry and the Minister of Finance are responsible for the outcome of “Decent employment through inclusive growth”. There are several outputs identified that are expected to contribute to the achievement of this outcome:

- A report on the obstacles to faster and sustainable economic growth and the policy adjustments needed to address them;
- More labour absorbing growth;
- A clear, detailed, costed and multi-pronged strategy to reduce youth unemployment;
- Raise competitiveness;
- Advice on the high cost structure of the economy and how to reduce it;
- Review the support for cooperatives and small businesses and to develop a clear plan to improve performance in this regard;
- Contribute to the targets set for the Expanded Public Works Programme.

The Commission will contribute to these outputs through its strategic priorities, as follows:

- Make input on how anti-competitive behaviour retards growth;
- Prosecute cases that raise input costs (chemicals, steel, plastics) preventing the development of a labour absorbing manufacturing sector;
- Approve mergers with conditions, or prohibit such mergers, where appropriate in cases that have an adverse effect on employment, and offer employment opportunities to youth through the Commission’s graduate trainee programme;
- Engage in enforcement and advocacy to change business culture and promote rivalry amongst local firms that will make them globally competitive;

- Prosecute cases that raise costs to the end consumers (food) and businesses (banking and telecommunications). Also, engage in advocacy with sector regulators and government responsible for regulation to ensure pro-competitive regulatory processes that reduce costs;
- Break up cartels and address anticompetitive conduct by dominant firms to open up markets for new businesses to enter and grow;

The New Growth Path sets an ambitious jobs target of 5 million new jobs by 2020 and directs that economic policy should actively pursue job goals. A specific area to address the target is to strengthen competitiveness in the economy and tackling inherent problems of monopolies and price fixing. Responding to new global and domestic conditions in a democracy demands sharper focus on new sources of competitiveness that lie in innovation and productivity, with an adequate base in skills, infrastructure and efficient state action.

The South African economy has been characterised by high levels of economic concentration and collusion on price and market-sharing. Anti-competitive conduct seeks profits from narrow and backward-looking strategies based on inherited positions of market power. It ultimately implies lower output, investment and employment. Specific measures will include the following:

1. Competition investigations should continue to focus on areas of strategic importance, including the food sector, construction and infrastructure, other key input costs, the green economy and the Industrial Policy Action Plan sectors.
2. Law-enforcement agencies will cooperate more actively with the Commission to address pervasive breaches of the competition laws.
3. The Commission will review its procedures to reduce the opportunity for vexatious litigation and speed up competition probes.
4. More consideration should be given to mandating public interest conditions on proposed mergers, particularly in respect of employment and prices.
5. The Commission will involve trade unions more, as provided for in the Competition Act. Unions should develop their capacity to share information and insights on employment issues in mergers and acquisitions.
6. Government will consider draft amendments to the Competition Act to enhance the Tribunal's power to order divestiture where inherited market power permits repeated abuse and to provide mechanisms to address pricing in markets characterised by economic concentration.
7. The Commission will cooperatively identify instances where support for new market entrants is needed to secure more competitive outcomes, in order to combine competition and investment measures.

8. Government will develop guidelines for granting exemptions in terms of the Competition Act for cooperation between producers where it will demonstrably benefit job creation and expansion into export markets.

4. Strategic Response

The Commission's strategic response to the major changes in the external and internal environments was formulated through an iterative process during which the strategic priorities were crafted and refined. The outcome of this process was the prioritisation of the key challenges facing the organisation and the most appropriate responses that are likely to have a significant impact on the performance of the Commission over the next three years.

This strategic response is framed within the ambit of the vision and the core values of the Commission. This section describes the vision and core values and defines the strategic responses in terms of strategic goals and objectives.

4.1. Vision

The vision of the Commission is a South African economy that is moving *towards a fair and efficient economy for all*.³

This Commission is committed to achieving this vision through:

- preventing business practices that are anti-competitive and unfair to consumers;
- enhancing consumer choice and lower prices of goods and services;
- promoting improved access to the economy for all and in particular for small, medium and micro-enterprises as well as historically disadvantaged persons, and
- supporting efforts for promoting employment growth and decent work in the economy

³ See the Preamble and Purpose of the Competition Act No. 89 of 1998.

4.2. Values

The core values that guide the work of the Commission are:

1	To act independently, subject only to the constitution and the law.
2	To strive for an efficient, competitive economic environment.
3	To be objective in balancing the interests of workers, owners and consumers.
4	To create effective collaborations in regulation, service delivery and management.
5	To execute duties with a sense of urgency and in a timely manner.
6	To undertake the work with rigorous analysis, integrity, teamwork, transparency and professionalism.
7	To act impartially without fear, favour or prejudice.
8	To act with respect for all.

4.3. Strategic priorities and objectives

The strategic priorities represent the main areas of work on which the Commission will focus over the next three years, and are logically grouped into three major themes:

4.3.1. Achieve demonstrable competitive outcomes in the economy

Prioritisation has been firmly established as a strategic necessity within the Commission. This approach recognises that the limited resources of the organisation should be directed at high-impact industry sectors, markets and cases. International experience suggests that this often involves balancing potential impact and

significance on the one side, with potential risk and resources on the other side.⁴ The focus for this planning and implementation cycle will be to further deepen prioritisation in sectors and cases to achieve meaningful impact on specific industry sectors of the economy. Efforts will be directed at formulating the necessary guidelines to apply the criteria for prioritisation more effectively. These guidelines will further be extended to include cases involving abuse – dealing with questions on the type of abuse that needs to be focused on.

The Commission's ability to demonstrate the impact it is making is closely associated with prioritisation. Prioritisation is underpinned by decisions regarding high-impact and significance, and as such increases the importance of assessing and evaluating the effectiveness of these divisions. Moreover, the Commission will increasingly be required to account for its contribution to transforming the economy and empowerment in response to past and present exclusions and entrenched positions.

Impact assessment and evaluation are relatively recent innovations for competition authorities, with only a limited number measuring their impact internationally. The Commission will work towards embedding impact assessment and evaluation in work undertaken at industry sector and case levels, notwithstanding the methodological challenges inherent in this type of work. The Commission will place a greater onus on assessing what the competitive outcomes are that it seeks to achieve during the investigations, and assess the extent of the impact and what changes the Commission has brought about after its interventions.

⁴ See International Competition Network, (2009) *Summary Report: Seminar on Competition Agency Effectiveness*, Competition Policy Implementation Working Group, available at: http://www.icn-zurich.org/Downloads/Materials/ICN_CPIWG_Report-for-OIB.pdf, [accessed: 26 June 2009]

The goal and strategic objectives formulated to direct the Commission's activities in respect of prioritisation and impact assessment are the following:

GOAL 1:

Achieved demonstrable competitive outcomes in the economy through prioritisation of sectors and cases

Strategic Objective 1.1:	Continuously prioritise sectors in response to a changing environment
Strategic Objective 1.2:	Develop and implement guidelines for prioritisation of cases
Strategic Objective 1.3:	Undertake market enquiries in selected markets
Strategic Objective 1.4:	Develop the methodologies and capacities to continuously undertake assessments of the impact of the Commission's interventions in markets, sectors and industries.

The Commission has made steady progress in implementing Strategic Goal 1. A document on the prioritisation of sectors and cases has been developed and has been circulated for discussion purposes. A workshop has been organised in view of the development of the Impact Assessment Framework. The outcomes of the workshop will now be documented as the basis for developing a discussion document on experiences elsewhere. Preparations for conducting market enquiries have stalled because the legislation has not yet been promulgated.

4.3.2. Improved competitive environment for economic activity

The Commission recognises that the formulation of appropriate responses to the changes in the environment will require proactive engagement, dialogue and advocacy with a range of stakeholders. The Commission acknowledges that the interconnections and complexity of the underlying economic development and competition policy issues make it increasingly difficult to act alone in crafting appropriate solutions. As a strategic priority, it is prepared to engage, listen to the views of others, and influence and convince stakeholders of the importance of achieving competitive outcomes in the economy.

Communication is the point of departure in strategically engaging with stakeholders. It involves conveying information about the priorities and plans to those the organisation wishes to influence. Consultation takes this a step further in that it takes the views of stakeholders into consideration in formulating plans and making decisions. Dialogue deepens consultation in that it seeks to explore alternatives as the basis for decision-making among stakeholders. Engagement incorporates the full range of the Commission's efforts to understand the social and economic policy priorities for the country, assessing the contribution that competition policy can make to achieving these priorities, and influencing the behaviour and action of stakeholders in line with competition principles.

Strategic engagement, dialogue and advocacy refer to the Commission's activities related to the promotion of a competitive environment for economic activities by means of non-enforcement mechanisms, mainly through its relationships with stakeholders. The Commission has formulated the goal and strategic objectives to harness the organisation's activities in this strategic priority in the following manner:

GOAL 2:

Increased competitive environment for economic activity through strategic partnership, engagement, dialogue and advocacy

Strategic Objective 2.1:	Strategically engage with the key stakeholders in the economy to influence economic policy formulation and decision-making
Strategic Objective 2.2:	Strengthen dialogue and advocacy aimed at ensuring policy, legislative and regulatory consistency with competition principles
Strategic Objective 2.3:	Improve communication and consultation with sector specific regulatory agencies
Strategic Objective 2.4:	Consolidate working partnerships with law enforcement agencies

Little progress has been made within the frame of this strategic goal. The formal process of stakeholder identification with a view to negotiating memoranda of understanding has been overtaken by the approach of informal discussions with strategic stakeholders led by the Commissioner.

4.3.3. Realised a high performance competition regulatory agency

The Commission is moving steadily towards becoming a high performance organisation. High performance organisations are defined in different ways in the organisational development literature, largely depending on the type of organisation, its context, history and development path. There are however, a number of features that are common to high performance organisations. High performance organisations are adept at change in response to the environment; demonstrate empowering leadership and supportive management practices; recognise people as the most important resource within the organisation; provide a professionally fulfilling work environment; are skilful at managing and applying organisational knowledge; learn continuously; set performance standards and are proficient at measuring performance; have effective and efficient business processes that are closely aligned to strategy; and exhibit a strong sense of organisational integrity.

Available measures indicate that staff turnover is down, job satisfaction is up, and perceptions on being recognised in the Commission have improved. The Commission seeks to build on the increasingly positive perceptions of the organisation as an employer and firmly establish itself as a high performance competition regulatory agency. Strengthening and building the leadership and management capability of the Commission, reaping full advantage of the potential benefits of knowledge management, accentuating staff retention, improving the standard and quality of work, and improving decision-making in the organisation were identified as the critical success factors toward becoming a high performance organisation.

The goal and strategic objectives central to achieving this outcome are the following:

GOAL 3:

Realised a high performance competition regulatory agency

Strategic Objective 3.1:	Develop and strengthen distributed management and leadership capability within the Commission
Strategic Objective 3.2:	Implement the knowledge management system and continuously improve the knowledge management culture and practices
Strategic Objective 3.3:	Improve staff retention and put in place succession planning measures
Strategic Objective 3.4:	Enhance effective decision-making in the Commission and improve the quality of work

A management development programme has been designed and is currently being implemented. Delays are once again being experienced in the finalisation of the knowledge management system.

5. Conclusion

The implementation of the Strategy will require commitment from all staff in the Commission. The Strategy provides the framework for the development of the Implementation Plan that will guide the operationalisation thereof. The annual business plans of the Commission will provide the detailed actions and activities for realising the strategic goals of the Commission.

Annexure A: Strategy Implementation Plan

1. Introduction

The strategy implementation process is an iterative process that seeks to build and improve on experienced gained since the implementation of the first strategic planning cycle commenced in 2006. Four important lessons underpin the conceptualisation of the strategy implementation plan.

Firstly, collective leadership and management is crucial to the successful implementation of the Strategy. It is the responsibility of the Commission's leadership to articulate the strategic goals, inspire and motivate others, provide consistent support, remove obstacles, and provide direction in times of uncertainty. Secondly, implementation mechanisms and structures need to be kept simple and whenever possible, activities need to be integrated into the line functions of the different divisions with the relevant expertise. Thirdly, a dedicated strategy implementation function is necessary to coordinate activities, provide implementation support and infrastructure, and to monitor progress. Finally, insufficient attention was paid to change management during the previous strategy implementation cycle. A focus on the context, content and process of change is necessary to integrate the changes that will results from the implementation of the Strategy fully into the Commission.

The Strategy Implementation Plan provides a detailed description of the governance and leadership; implementation structure and organisation, work breakdown structure and deliverable schedule. It serves as a management tool for the effective implementation of the Competition Commission's Strategic Plan 2011 – 2014.

2. Governance, Leadership and Management Structure

The governance structure refers to the coordinating and organising mechanisms that support the implementation of the strategy. It defines the scope of authority of the different structures involved in the implementation of the strategy, and incorporates the roles, responsibilities and procedures. The key governance structures involved in the implementation of the strategy are the Commissioner's Office, the Strategy

Implementation Steering Committee within the Commissioner's Office, and EXCO. A strategy implementation management structure responsible for the management of the strategy implementation process will be established.

The strategy implementation process is led by the Commissioners. The Commissioner and Deputy-Commissioner(s) provide the necessary authority, support and guidance and assume overall accountability for the implementation of the Strategy. The leadership of the strategy implementation process involves taking responsibility for provision of ongoing support and facilitating change within the organisation. The Commissioners need to be active in mobilising people behind the strategic goals and create the environment for sustaining the changes occurring as a result.

The Strategy Implementation Committee (Steercom) within the Commissioner's Office will be established for the purposes of ensuring executive leadership and oversight over the strategy implementation process. The Steercom will comprise the Commissioners, the Advocacy and Stakeholder Relations Divisional Manager and the Strategy Coordinator. The Strategy Coordinator will perform a secretarial function in the Steercom, involving the preparation of the agenda, progress reports, managing communication going out from the Steercom and so forth. The work of the Steercom will focus on:

- Reviewing and evaluating the progress in respect of achieving the planned deliverables.
- Ensuring that content and substantive matters raised are deliberated and appropriately dealt with.
- Ensuring that deliverables are integrated in a sustainable manner into the management and operational environments of the Commission.
- Anticipating and supporting changes resulting from the implementation of the Strategy.

EXCO plays an important oversight, advisory and integration role in the implementation of the strategy. EXCO makes inputs into submissions for decision-making and advises the Commissioner, reviews performance and provides technical and managerial support for the implementation of the strategy. EXCO also signs off on the strategic deliverables before submission to the Commissioner. Once

deliverables are approved, EXCO plays an important role in ensuring that subsequent activities are integrated into the relevant divisions in the organisation.

A Strategy Management Committee (SMC) who takes responsibility for the day-to-day management of activities will be constituted. The SMC will consist of the Strategy Coordinator, and the persons appointed to lead (strategy implementation leaders) the implementation of activities within each of the strategic goals. Project team members may be appointed from time to time for a specific deliverable within a strategic goal.

The Strategy Coordinator will be responsible for the coordination of the day-to-day strategy implementation activities. Primarily, this function will include:

- **Planning:**

The Coordinator will facilitate and support the planning processes for the delivery of the outputs and deliverables in each of the strategic goals. The orderly arrangement and scheduling of activities and resources need to be consolidated into a strategy implementation plan that will be continuously updated. The plan should specify what tasks will be performed; who will perform the tasks; when will the tasks be performed; what resources will be applied to accomplish the tasks; and how the tasks will be sequenced.

- **Coordinating**

The coordination of planning and implementation activities across the organisation forms a major part of the Coordinator's function. The major activities are coordinating workshops, meetings and activities; information sharing and communication; and change management activities.

- **Organising**

The organising function focuses on determining the best ways in which to group activities and ensuring that adequate resources are available for the completion of activities and tasks.

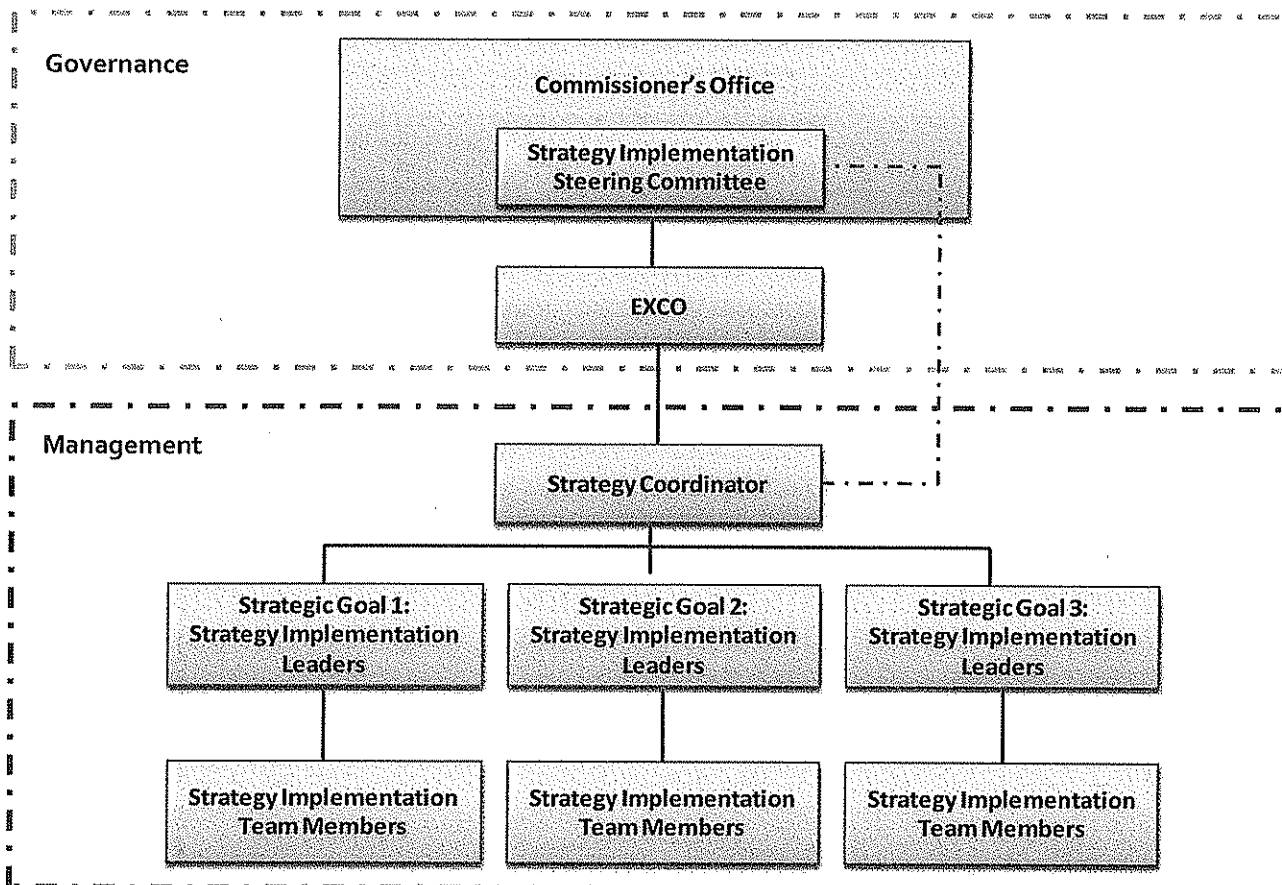
- **Monitoring and reporting**

The Strategy Coordinator will be responsible for monitoring activities in line with the detailed implementation plan and reporting on progress. In addition, the

Coordinator will be responsible for identifying risks and issues and reporting these to the appropriate decision-makers.

The governance and leadership arrangements are illustrated in the diagram below:

Diagram 1: Governance and management arrangements



3. Change management

Change management is a systematic approach to dealing with change at organisational level. It involves defining and implementing the processes to deal with change, and creating an environment to support the anticipated changes. There are number of critical success factors necessary to sustain change. In addition, the leadership and management of the organisation will be expected to perform specific roles. These issues are briefly described below:

3.1. *Critical success factors*

Leadership, communication, participation and capacity building are critical to managing change effectively:

- **Leadership**

Active and visible leadership is required to make strategy implementation work. Leaders use their authority and influence to legitimise the changes that are occurring and create the conditions necessary to sustain the changes. Leadership is most effective when the collective leadership within the Commission is aligned behind a consistent message for change. In so doing, the leadership of the Commission need to explain why the changes are necessary and why staff should be involved. The Commission's leadership need to remain visible, respond actively to challenges that arise, as well as actively work towards solving them.

- **Communication**

Buy-in and commitment to the changes resulting from the strategy implementation process by Commission staff depend on effective communication. Continuous communication about the planned activities and likely changes should be integrated into the communication channels currently in use in the Commission (and where necessary, establish communication channels specifically for this purpose). Communication is a two-way dynamic process and should provide an opportunity for staff to provide feedback on the process. Importantly, the communication activities need to be well coordinated.

- **Participation**

Staff participation across the organisation should be encouraged since it is crucial to building a sense of ownership in the changes taking place. As ownership increases, it is likely to increase the rate at which changes can be integrated into the Commission. There are different ways to encourage staff participation – requesting their participation in teams, delegating tasks, and inviting participation in meetings. Different ways and means to engage increasing numbers of individuals in active participation in the strategy implementation process should be considered. Mechanisms through which staff are encouraged to contribute their ideas, knowledge and expertise should be established.

- **Capacity building**

Changes could impact the job function of staff so that it requires additional skills, new knowledge and expertise to perform their jobs. Opportunities for skills development and capacity building should be identified continuously and the necessary capacity building measures should be implemented in response.

3.2. *Role and responsibilities*

The senior leadership and management in the organisation will be expected to perform specific roles and responsibilities in support of the changes. These are:

- **Commissioners**

The Commissioners should constantly be making the case for change to legitimise the process and imbue it with credibility. This requires proactive communication – they are expected to talk about the strategic goals and the outcomes the Commission seeks to achieve at all times. The Commissioners need to demonstrate their commitment to the strategy implementation process at every opportunity and inspire others to do the same. Conducting strategy implementation feedback sessions as part of the monthly staff meeting could provide a platform for this purpose. They need to recognise staff who make significant contributions to the execution of the strategy and in so doing reinforce behaviour that benefits the strategy implementation process.

- **EXCO / Divisional Managers**

Members of EXCO should use every opportunity to share information on the strategic goals, the implementation process, progress and major milestones achieved. Divisional managers should motivate staff to participate in strategy implementation teams, especially insofar as it relates to potential changes in the division. Divisional managers should make sure that staff who participate in the strategy implementation process have the necessary support and resources to effectively participate in the process. Divisional managers should also encourage staff to share their views, critical or otherwise, to inform the strategy implementation process. The strategy implementation process should be a standing item on the agenda for divisional meetings.

- **Managers**

It is expected that managers will play an important role in the implementation of the strategy. For this reason the active participation of managers in the process has been encouraged from the onset. Managers should take the lead in participating in the project teams who deliver the planned deliverables. Furthermore, managers need to communicate the progress on the implementation of the strategy to colleagues and other staff members and should champion the implementation thereof.

3.3. *Implementation challenges*

A number of challenges to the implementation of the strategy were highlighted during a strategic planning workshop with staff. These are:

- **Capacity and resources**

The availability of the requisite capacity and resources to undertake the activities and produce the intended outputs and outcomes represent a major challenge to the successful implementation of the strategy. Capacity in terms of skills, expertise and experience will fundamentally influence what the Commission will be able to achieve. Resources such as money and time can hinder the implementation of the strategy in significant ways. The onus is therefore, on all stakeholders, but especially those involved in the planning processes, to assess the resource and capacity requirements for undertaking any of the planned activities.

- **Prioritising work**

An important lesson learnt in the previous planning cycle, and major challenge to consider going forward, is how important it is to effectively prioritise work when competition for staff time emerges as a result of the demands of day-to-day operational activities and activities related to achieving the deliverables set out in the strategic plan. These competing demands can lead to unhealthy and unproductive tension, as staff may be unsure how to prioritise between activities involved in the implementation of the strategy and activities that need to be undertaken in the normal course of work. The delegation and allocation of

activities should be made on the basis of careful analysis of existing staff workloads.

- **Roles and responsibilities**

Unless roles and responsibilities are clearly defined and articulated, delegating work and allocating responsibility will be very difficult. This will require a continuous process of reviewing roles and responsibilities and communicating these to the relevant people so that staff understand what is expected of them. At times, this may involve allocating multiple responsibilities to staff, depending on the nature of the activities and tasks.

- **Performance management**

Activities associated with the implementation of strategy activities need to be incorporated in the performance management agreements of staff. This will ensure that staff are fairly recognised for the contribution they are making towards the implementation of the strategy. It will further ensure that performance against the strategy is incorporated into the normal performance management cycles and practices in the organisation.

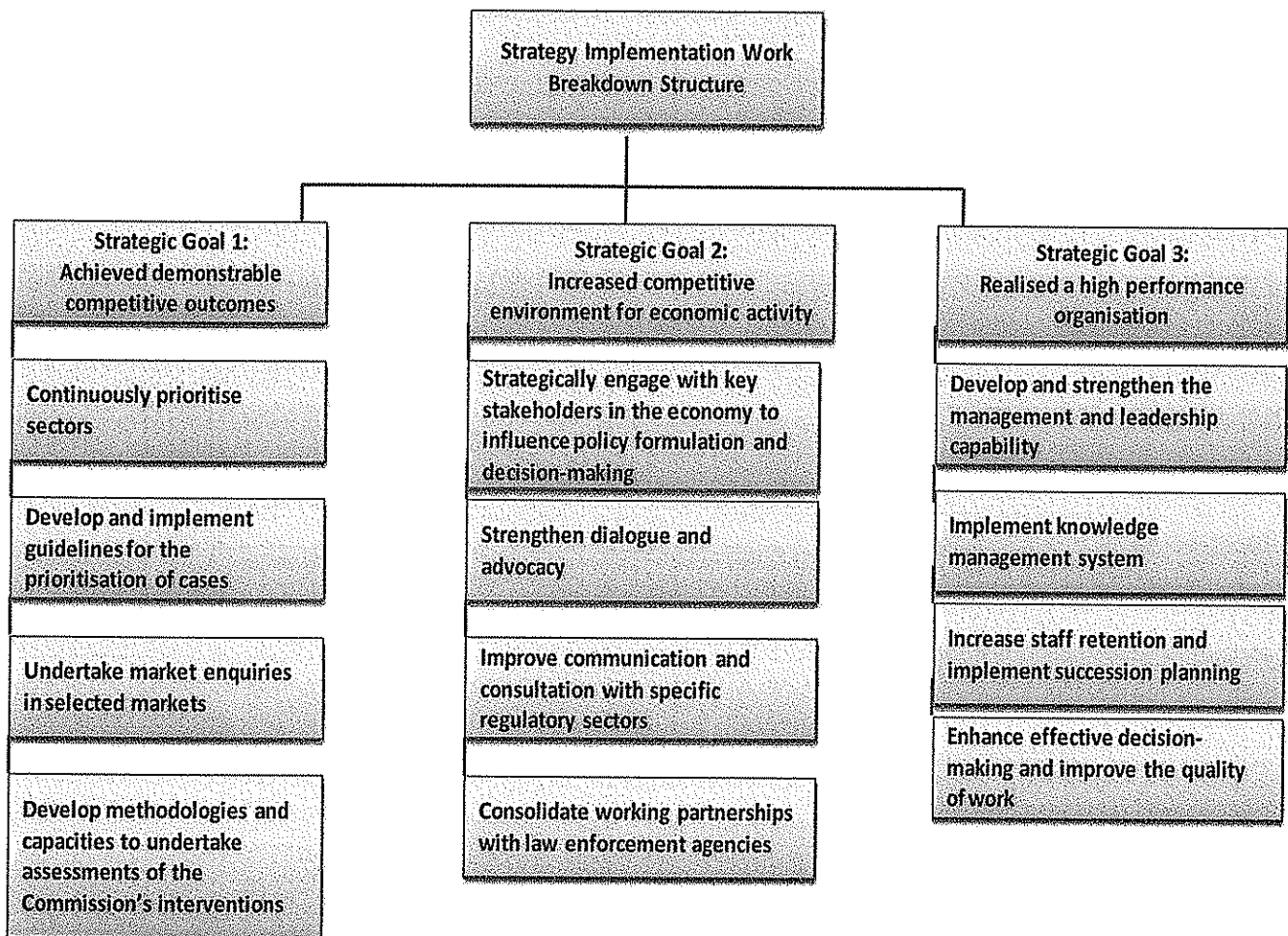
- **Staff buy-in**

Staff buy-in may pose a serious challenge to the implementation of the strategy. Without staff participation and adoption of the changing work content and practices, the implementation of the strategy has limited opportunity for success. Transparency, regular communication, capacity building, and recognition are all measures that can be used to encourage staff buy-in and participation.

4. Work Breakdown Structure

This section describes the organisation of strategy implementation activities according to deliverables and implementation plans. The activities are structured according to a work breakdown structure (WBS). This is a hierarchical representation of all the deliverables, major activities and tasks that the implementation process is comprised of. The WBS is organised as illustrated below:

Diagram 2: Work breakdown structure



4.1. *Strategic Goal 1: Achieved demonstrable competitive outcomes in the economy through prioritisation of sectors and cases*

The Strategic Objectives within this Goal are aimed at embedding two separate, yet related capabilities within the Commission. The work already undertaken with regard to the prioritisation of sectors and cases will be intensified with the development of more detailed guidelines. This work will be extended to developing the mechanisms, methodologies and measures required to assess the Commission's impact on the sectors and cases that have been prioritised.

Strategic objectives and major tasks

Strategic Objectives	Major Tasks
1.1. Continuously prioritise sectors in response to a changing environment	Review the criteria developed for identifying and selecting priority sectors
	Revise and enhance criteria for guidelines identifying and selecting priority sectors
	Develop performance assessment measures and monitoring and reporting mechanisms to determine progress in priority sectors
	Undertake regular reviews to determine continued relevance of selected priority sectors
1.2. Development and implement guidelines for prioritisation of cases	Review international experience
	Develop a discussion document on guidelines for the selection and prioritisation of cases (e.g abuse cases; CLP's, mergers)
	Pilot and review the implementation of guidelines for the prioritisation of cases
	Approve and implement guidelines
1.3. Undertake market enquiries in selected markets	Develop guidelines with criteria and procedures (based on best practice) for the selection of markets in which to undertake market enquiries
	Develop and implement market enquiry resource mobilisation and deployment plan
	Establish market enquiry teams
	Develop and implement market enquiry communication plan
	Undertake market enquiry
	Monitor market enquiry processes and outcomes
	Formulate post-market enquiry advocacy and intervention (where necessary) strategy

1.4. Develop the methodologies and capacities to continuously undertake assessments of the impact of the Commission's interventions in markets and sectors	Conduct an international review of impact assessment frameworks, methodologies and tools
	Prepare a discussion document with proposals and options in regard to the Commission's approach to impact assessment
	Host an international workshop on impact assessment for competition authorities
	Develop an impact assessment framework for the Commission
	Develop the capacity to implement impact assessment framework
	Pilot different aspects of the impact assessment framework
	Review and incorporate changes to framework
	Continuously undertake impact assessment projects

4.2. *Strategic Goal 2: Enhanced competitive environment for economic activity through strategic partnership, engagement, dialogue and advocacy*

The focal point of the Strategic Objectives in this Goal is on improving the ability of the Commission to use engagement, dialogue, advocacy and where necessary, partnership, to create conditions conducive for achieving greater competition in the economy.

Strategic objectives and major tasks

Strategic Objectives	Major Tasks
2.1. Strategically engage with the key stakeholders in the economy to influence economic policy formulation and decision-making	Identify the specific stakeholders (at different levels) involved in policy formulating and implementation in the economic cluster
	Identify the established communication and consultation fora and channels
	Formulate strategic themes based on the priorities of the Commission as the basis for the strategic engagements
	Undertake and monitor strategic engagement processes
	Provide regular feedback to the organisation on the discussions and outcomes of the strategic engagement processes
	Segment the stakeholders in respect of levels of engagement
2.2. Strengthen dialogue and advocacy aimed at ensuring policy, legislative and regulatory consistency with competition principles	Develop the capacity to continuously monitor and review policies, laws and regulations for consistency with competition principles
	Develop proposals for making identified policies, law and regulations consistent with competition principles
	Dialogue with relevant government departments and agencies to adopt proposed changes to achieve consistency with competition principles
2.3. Improve communication and consultation with sector specific regulatory agencies	Identify and initiate consultations with the relevant regulatory authorities
	Establish MoUs that define working relationship with relevant regulatory authorities
	Consult with regulatory agencies to ensure consistency with competition principles in relevant economic sectors
2.4. Consolidate working partnerships with law enforcement agencies in preparation for criminalisation	Develop proposals on the protocols and procedures related to the prosecution of directors contravening the Competition Amendment Act
	Discuss and workshop protocols and procedures with the relevant law enforcement agencies
	Enter into partnership agreements with relevant law enforcement agencies
	Implement and monitor implementation of partnership agreements

4.3. Strategic Goal 3: Realised a high performance competition regulatory agency

The Commission recognises that it needs to continuously improve its performance if it is to make the impact on the economy it is mandated to achieve. In organisational development terms, this means shifting its trajectory even higher towards becoming a high performance organisation. The Strategic Objectives in this Goal seek to make a significant contribution to the Commission's evolution into a high performance organisation.

Strategic objectives and major tasks

Strategic Objectives	Major Tasks
3.1. Develop and strengthen distributed management and leadership capability within the Commission	Review the management and leadership development needs of the organisation in consultation with the executive leadership of the Commission
	Implement the existing Management Development Programme and ensure the prepared curriculum supports the holistic leadership and management objectives as formulated
	Establish and implement a system of coaching and mentorship for managers and leaders in the Commission
	Monitor the implementation of management and leadership development intervention
	Evaluate and improve the management development programme and interventions
3.2. Implement the knowledge management system and continuously improve the knowledge management culture and practices	Finalise and approve the Knowledge Management (KM) Strategy for the Commission
	Implement the Case Management System and its knowledge management functionality
	Implement the change management processes in line with the implementation of the KM Strategy and system, with a specific focus on training
	Communicate the KM policies and protocols
	Implement capacity building measures to support the uptake and use of the system and knowledge management practices
	Include Knowledge Management (CMS and other) formally in all performance contracts, and recognise strong performers accordingly

	Monitor and evaluate the business impact of the implementation of the KM Strategy
3.3. Improve staff retention and put in place succession planning measures	Clearly define career and career pathing opportunities (also investigate the appropriateness of introducing dual career pathing)
	Incorporate career and career pathing opportunities into a retention strategy for the commission
	Implement, monitor and evaluate retention strategy
	Develop a succession planning implementation plan
	Implement and review succession planning
3.4. Enhance effective decision-making in the Commission and improve the quality of work	Identify/ review key indicators or management information required for decision-making
	Identify and agree the timing and format of required management information
	Identify management information sources and appropriate reporting systems (people and technology)
	Identify and communicate expectations in terms of analysis of collected data
	Communicate and implement management reporting systems
	Monitor and evaluate management reporting and decision making capabilities
	Undertake a comprehensive review of all the current cases to establish the status of each
	Make recommendations on case follow up with a view to streamlining the current case load
	Undertake a review of the case management methods, processes and supporting systems in core divisions
	Document the work processes (or review the work processes documented in the knowledge management process mapping exercise) of core divisions and develop quality and performance standards for major work activities
	Develop and formalise case management methodology
	Establish management structures and systems to monitor and evaluate performance against quality and performance standards
	Identify opportunities for peer review and implement peer review mechanisms to improve the quality of work produced
Continuously monitor and improve case throughput	

5. Strategy Implementation Schedule

Work Breakdown of Strategy Implementation Activities	2011/2012				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Goal 1: Achieved demonstrable competitive outcomes in the economy through the prioritisation of sectors and cases												
Strategic Objective 1.1: Continuously prioritise sectors in response to changing environment												
Review the criteria developed for identifying and selecting priority sectors	Completed											
Revise and enhance criteria for guidelines identifying and selecting priority sectors	Completed											
Develop performance assessment measures and monitoring and reporting mechanisms to determine progress in priority sectors												
Undertake regular reviews to determine continued relevance of selected priority sectors												
Strategic Objective 1.2: Develop and implement guidelines for prioritisation of cases												
Review international experience	Completed											
Develop a discussion document on guidelines for the selection and prioritisation of cases (e.g abuse cases; CLP's, mergers)												
Pilot and review the implementation of guidelines for the prioritisation of cases												
Approve and implement guidelines												
Strategic Objective 1.3: Undertake market enquiries in selected markets												
Develop guidelines with criteria and procedures (based on best practice) for the selection of markets in which to undertake market enquiries												
Develop and implement market enquiry resource mobilisation and deployment plan												
Establish market enquiry teams												
Develop and implement market enquiry communication plan												

Towards a Fair and Efficient Economy for All



Work Breakdown of Strategy Implementation Activities	2011/2012				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Undertake market enquiry												
Monitor market enquiry processes and outcomes												
Formulate post-market enquiry advocacy and intervention (where necessary) strategy												
Strategic Objective 1.4: Develop the methodologies and capacities to continuously undertake assessments of the impact of the Commission's interventions in markets and sectors												
Conduct an international review of impact assessment frameworks, methodologies and tools	Complete											
Prepare a discussion document with proposals and options in regard to the Commission's approach to impact assessment												
Host an international workshop on impact assessment for competition authorities	Complete											
Develop an impact assessment framework for the Commission												
Develop the capacity to implement impact assessment framework												
Pilot different aspects of the impact assessment framework												
Review and incorporate changes to framework												
Continuously undertake impact assessment projects												
Goal 2: Enhanced Competitive environment for economic activity through strategic partnership, engagement, dialogue and advocacy												
Strategic Objective 2.1: Strategically engage with the key stakeholders in the economy to influence economic policy formulation and decision-making												
Identify the specific stakeholders (at different levels) involved in policy formulating and implementation in the economic cluster												
Identify the established communication and consultation fora and channels												
Formulate strategic themes based on the priorities of the Commission as the basis for the												

Towards a Fair and Efficient Economy for All



competition commission
south africa

Work Breakdown of Strategy Implementation Activities	20011/2012				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
strategic engagements												
Undertake and monitor strategic engagement processes												
Provide regular feedback to the organisation on the discussions and outcomes of the strategic engagement processes												
Segment the stakeholders in respect of levels of engagement												
Strategic Objective 2.2: Strengthen dialogue and advocacy aimed at ensuring policy, legislative and regulatory consistency with competition principles												
Develop the capacity to continuously monitor and review policies, laws and regulations for consistency with competition principles												
Develop proposals for making identified policies, law and regulations consistent with competition principles												
Dialogue with relevant government departments and agencies to adopt proposed changes to achieve consistency with competition principles												
Strategic Objective 2.3: Improve communication and consultation with sector specific regulatory agencies												
Identify and initiate consultations with the relevant regulatory authorities												
Establish MoUs that define working relationship with relevant regulatory authorities												
Consult with regulatory agencies to ensure consistency with competition principles in relevant economic sectors												
Strategic Objective 2.4: Consolidate working partnerships with law enforcement agencies in preparation for criminalisation												
Develop proposals on the protocols and procedures related to the prosecution of directors contravening the Competition Amendment Act												
Discuss and workshop protocols and procedures with the relevant law enforcement												

Towards a Fair and Efficient Economy for All



competition commission
south africa

Work Breakdown of Strategy Implementation Activities	2011/2012				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
agencies												
Enter into partnership agreements with relevant law enforcement agencies												
Implement and monitor implementation of partnership agreements												
Goal 3: Realised a high performance competition regulatory agency												
Strategic Objective 3.1: Develop and strengthen distributed management and leadership capability within the Commission												
Review the management and leadership development needs of the organisation in consultation with the executive leadership of the Commission	Complete											
Implement the existing Management Development Programme and ensure the prepared curriculum supports the holistic leadership and management objectives as formulated	Complete											
Establish and implement a system of coaching and mentorship for managers and leaders in the Commission	Complete											
Monitor the implementation of management and leadership development intervention												
Evaluate and improve the management development programme and interventions												
Strategic Objective 3.2: Implement the knowledge management system and continuously improve the knowledge management culture and practices												
Finalise and approve the Knowledge Management (KM) Strategy for the Commission												
Implement the Case Management System and its knowledge management functionality												
Implement the change management processes in line with the implementation of the KM Strategy and system, with a specific focus on training												
Communicate the KM policies and protocols												
Implement capacity building measures to support the uptake and use of the system and												

Towards a Fair and Efficient Economy for All



competitioncommission
south africa

Work Breakdown of Strategy Implementation Activities	2011/2012				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
knowledge management practices												
Include Knowledge Management (CMS and other) formally in all performance contracts, and recognise strong performers accordingly												
Monitor and evaluate the business impact of the implementation of the KM Strategy												
Strategic Objective 3.3: Increase staff retention and put in place succession planning measures												
Clearly define career and career pathing opportunities (also investigate the appropriateness of introducing dual career pathing)												
Incorporate career and career pathing opportunities into a retention strategy for the commission												
Implement, monitor and evaluate retention strategy												
Develop a succession planning implementation plan												
Implement and review succession planning												
Strategic Objective 3.4: Enhance effective decision-making in the Commission and improve the quality of work												
Identify/ review key indicators or management information required for decision-making												
Identify and agree the timing and format of required management information												
Identify management information sources and appropriate reporting systems (people and technology)												
Identify and communicate expectations in terms of analysis of collected data												
Communicate and implement management reporting systems												
Monitor and evaluate management reporting and decision making capabilities												

Towards a Fair and Efficient Economy for All



competition commission
south africa

Work Breakdown of Strategy Implementation Activities	2011/2012				2012/13				2013/14			
	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4
Undertake a comprehensive review of all the current cases to establish the status of each												
Make recommendations on case follow up with a view to streamlining the current case load												
Undertake a review of the case management methods, processes and supporting systems in core divisions												
Document the work processes (or review the work processes documented in the knowledge management process mapping exercise) of core divisions and develop quality and performance standards for major work activities												
Develop and formalise case management methodology												
Establish management structures and systems to monitor and evaluate performance against quality and performance standards												