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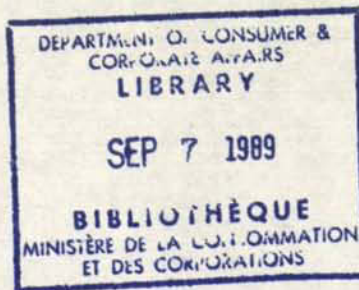
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CCAC CORPORATE PLAN

SEPTEMBER 1987

Canada

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CCAC Corporate Plan

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Introduction

The process of operational and work planning at Consumer and Corporate Affairs Canada is a well established management practice. In 1984 enhancements to the control function were implemented to strengthen operational accountability.

Over the past eighteen months, senior managers in the department have focused their attention on the planning process at the corporate level to identify the most pertinent elements of the environment in which we will have to work, and the key priorities and issues that we will have to address.

During the winter of 1986-87 work was commissioned on five corporate issues, requests were made for Activity Priority Documents for 1987-1991 and an initial corporate plan was issued in March, 1987. During the summer of 1987, the Executive Committee reviewed the work on the corporate issues, the Activity Priority Documents (including the Summary Situation Report) and the 1987-88 Activity Work Plans. Discussions were held with the Minister about what he would like to see achieved in the period to the end of fiscal year 1988-89. This summer review led to a number of refinements to the corporate plan. The draft CCAC Corporate Plan, prepared for discussion at the September 1987 CCAC Annual Meeting, served both as an update to the March plan and a description of the overall accountability framework for the Department.

This document is directed primarily to departmental managers as a reference tool for the preparation of subordinate plans. It will next be reviewed by the Executive Committee in the 1988 Summer Review Meetings, and an updated draft will be issued for discussion at the CCAC Annual Meeting in September 1988.

The Policy Environment

The commitment of the Government of Canada to fiscal restraint, federal-provincial harmonization of program delivery, and increased reliance on the private sector to lead economic renewal provides the essential context for planning in CCAC. In addition, there are a number of general environmental trends which may influence the work of the department.

Corporate activity across national borders is on the rise with changes occurring in the sources of financing. Both portfolio and direct investment are expanding and the result is an internationalization of major business conglomerates. Foreign concerns have increased their Canadian holdings, but at the same time the expansion of Canadian holdings abroad has surpassed this. A growing proportion of the world's trade is taking place with such conglomerates and this may be gradually distorting traditional trading patterns. Such conglomerates have been experiencing takeovers and restructurings. The emergence of a world market in financing is accelerating this trend by allowing easier access to the funds needed to launch takeover bids. More international cooperation will be required to maintain appropriate regulatory supervision as the markets of conglomerates outgrow their legal jurisdictions. Industrial concentration in Canada is likely to remain high in comparison with most western countries, but public concern appears to be diminishing.

The costs of processing and transferring information continue to fall as information and communications technologies improve. This is altering business and consumer financing in profound ways. Companies seeking investment funds are able to bypass banks and go directly into the securities market. Lending institutions which have faced increased competition for loans have had to pursue riskier debt. They have responded with a series of innovations in financial instruments such as the securitization of debt and the transformation of equity into credit. Regulators have lost a degree of control over both capital flows and consumer spending. The transformation of financing continues and will concern the department until it stabilizes.

Further segmentation of mass markets is underway. A macro-economic two-tier consumer market is developing. One tier serves basic physical needs and the other serves psychological needs. The market for physical needs is characterized by price competition and attempts to improve distribution and delivery. The market serving psychological needs is characterized by increased targeting of specialized markets, fine-tuned advertising, advertising ties to other products or to entertainment, innovation and quality. It is often difficult to supply demands for higher level needs by standard one-price, one-quantity market arrangements. Participants in these markets rely more heavily on trademarks and vertical and horizontal integration.

Canadian consumers are getting older and more sophisticated. They are also facing a marketplace environment of increasing complexity because the number of products is growing, the technology which is embodied in the average product is greater, and new services are entering the marketplace. Consequently, it is increasingly difficult to set and enforce standards. Because services only exist at the time they are rendered, they pose special difficulties. There is scope for facilitating consumer choice through the imposition of more appropriate standards which condense product information and also by encouraging market practices which do likewise. On the other hand, certain groups of Canadians -- such as the unemployed and the poorly educated -- remain vulnerable consumers and may continue to require special assistance in the market place.

The increased knowledge component of production is changing both the labour force and market structure. Demand for specialized skills (which are often unavailable) is increasing, while blue collar workers are being displaced into long-term unemployment. Businesses are focusing their competitive energies on the production and application of knowledge. They are preoccupied with protecting exclusive rights in types of knowledge to maintain competitive advantage. This is expected to result in further pressures to provide additional protection for intellectual property. It is likely that marketing practices, market structure and trade secrecy will also be used more extensively for this purpose.

Trade and investment flows are emerging as important and intractable issues. The volume of trade is declining relative to the volume of investment flows. The volume of portfolio investment traded is now twenty-five times that of trade volume. Direct investment is rising, in part due to the globalization of markets, in part as a means to bypass protectionist measures and in part to ease the transfer of knowledge across borders. The changing nature of production is altering traditional trading patterns and creating international trade and finance problems. The need to coordinate initiatives among national jurisdictions is retarding the domestic management of these problems.

Finally, the evolution of markets is causing industries to change their focus. Non-traditional rivals are finding themselves drawn into direct competition. Difficulties are arising because different players are often operating under different rules. The blending of traditionally distinct markets and the establishment of new competitors will trigger new waves of intense competition and demands for new regulation.

CCAC Priorities

The basic mission of the Department of Consumer and Corporate Affairs is to facilitate the fair, effective and efficient operation of the marketplace, primarily by ensuring clear rules, adequate competition and accurate information. Accurate information is also the *raison d'être* for the work of the Registrar General functions. All the Department's current operations have an important role to play in supporting this mission. The overriding priority of all staff in the Department is the efficient delivery of our programs. The following priorities (based largely on the Activity Priority Documents prepared in each bureau) set out the areas of special emphasis established for 1987/88 and 1988/89 to enhance the Department's overall effectiveness in an environment of increasing demands and declining resource levels. The ordering within each category is from general to specific and is not intended to indicate relative priority.

PEOPLE ORIENTATION - (responding to our clients
and our employees)

1. Service, consultation and communications

To place even greater emphasis on providing appropriate service to the public; on consulting with interested parties (other departments, other governments, private sector) during the process of formulating policy recommendations and making administrative decisions; and on communicating the Government's initiatives and policies.

2. Work environment and internal communication

To place even greater emphasis on fostering a people-oriented atmosphere where innovation and two-way communication can flourish in order that CCAC personnel at all levels can contribute to the Department's mission with greater effectiveness and job satisfaction.

EFFICIENCY AND EFFECTIVENESS - (responding to
increasing demands with
fewer resources)

3. Compliance strategy

To determine, for each of the department's programs and policies the best level of private sector compliance to be achieved given the resources available, to identify a range of educational, promotional and sanctioning compliance approaches and criteria for their application and to apply such approaches in order to achieve this level of compliance.

4. Productivity and automation

To improve the productivity of the Department's program delivery through refinements in our operations and systems and to enhance departmental effectiveness through greater use of information technology in both program and administrative operations, (through greater automation of routine operations) while taking into full consideration the interests of Departmental employees.

5. Competition policy implementation

To formulate and implement policy and administrative measures to respond to the scope and spirit of the reform of Canada's competition law, with the resources available.

6. Legislative implementation

To develop and implement the regulations, procedures and institutions required to operate the Department's existing legislation (including the Prime Minister's Conflict of Interest and Post Employment Guidelines) and the recently passed legislation on the Workplace Hazardous Materials Information System (including the Hazardous Products Information Review Commission and federal-provincial arrangements), and proposed amendments to the Patent Act (including the Patent Medicine Prices Review Board and general amendments), and the Copyright Act.

POLICY INNOVATION - (responding to Ministerial initiatives)

7. Legislative renewal

To develop a strategy for successfully introducing and passing departmental framework legislation and to position ourselves for implementation of that strategy which will modernize existing legislation through the passage of amendments to the Patent Act, Bankruptcy Act, Copyright Act (phase II and semiconductor chips), Non-Profit Corporations Act, Trademarks Act and Canada Business Corporations Act and for passing the new Lobbyist Registration Bill.

8. Consumer profile

To enhance the consumer profile of CCAC through policy and public communications initiatives, including: a Consumer Policy Forum, consumer policy seminars, the formulation of a consumer policy framework, a review of consumer legislation, and particular attention to the consumer aspects of other Government initiatives, eg., deregulation, trade and competition law reform.

9. Intellectual property and innovation

To consolidate the Department's analytical leadership in the intellectual property area and to utilize the Department's information base and technical expertise to support the Government's science and technology policy initiatives.

10. Other Government priorities

To provide policy and analysis and support for those Government priorities where CCA expertise is required -- particularly trade negotiations, corporate concentration policy development, and regulatory reform.

The CCAC Planning and Accountability Framework

The CCAC Planning and Accountability Framework comprises the annual priority setting process, the selection and tracking of priority projects and the activity and sub-activity level work plans and reports that cover day-to-day operations.

The chart lays out the principal meetings and reports which together provide the basic elements of the departmental planning and accountability framework for the next two years. The framework has been refined to strengthen the linkage between the annual priority-setting process and the daily work of departmental managers, including the criteria for assessing individual performance.

Detailed activity level planning and control processes are not included in the chart.

The planning and accountability cycle begins with the Summer Review meetings of the Executive Committee which serve to refine the list of CCAC priorities and priority projects, and to adjust resource allocations for the coming fiscal year. Key inputs to these meetings are: discussions with the Minister on what he and the Government would like to achieve in the planning period; the Environmental Assessment (prepared by the Policy Coordination Bureau); and the Activity Priority Documents (prepared by each Activity Centre with a summary Situation Report prepared by Policy Coordination). The meetings also build on the existing planning base: the Work Plans for the current year; the current Corporate Plan and priorities statement; and the most recent list of projects underway.

The Summer Review meetings lead directly to three planning documents: the draft CCAC Corporate Plan (which sets out the CCAC Priorities for the coming period and the processes established to pursue the priorities); the September update of the Priority Projects Timetable (which lists the major projects to be undertaken in the next year, identifies the senior officers responsible, and sets out milestone dates);

and the Multi-year Operational Plan and Main Estimates Submission to the Treasury Board (which identifies the overall resource requirements for the planning period). The first two documents are discussed at the CCAC Annual Meeting (the September meeting of the most senior hundred or so managers, roughly SM and above) and are put in final form after the meeting.

Main Estimates resources and operational realities along with the CCAC Priorities and the Priority Projects Timetable are the principal inputs to the Work Plans prepared by each Activity for the coming year. Activity level summary work plans and Quarterly Accountability Reports are the main accountability documents for commitments listed in the Timetable and for planned operations throughout the Department. Individual officer's Annual Objectives should be directly linked to the Work Plans and to the commitments listed in the Timetable, where applicable. The Annual Objectives section of the current year Performance Appraisal may require revision after the discussion of priorities and projects at the September Annual Meeting. Midyear Objectives Review Meetings may result in amendments to objectives for those officers involved in priority projects, to reflect agreed to changes.

Progress on priority projects and operational targets is the major focus of the Activity Quarterly Accountability Reports. The Departmental Summary of Accountability Reports, prepared by Finance Branch, and the quarterly updates of the Priority Projects Timetable, prepared by the Departmental Secretary, will be presented to the Senior Staff Meetings (meetings of the most senior forty or so managers, roughly director level and above held every three months following the Annual Meeting). Progress on the priority projects and departmental resource utilization will be reviewed on a monthly basis by the Executive Committee using an exception-reporting Monthly Projects Report on deviations from the Priority Projects Timetable from the Departmental Secretary and the Monthly Financial Report from the Director of Finance. The Executive Committee and the Activity Head are kept apprised of progress on specific Audits and Program Evaluations that are undertaken as part of the ongoing cycle or

commissioned to look at specific issues brought to the Executive Committee's attention during the year.

Where deviations from project and operational objectives occur, the reasons will be recorded by the Departmental Secretary for use by the Deputy Minister and Activity Head and taken into account in the Assessment of Performance in the Annual Performance Review.

A handwritten signature in cursive script, appearing to read "H. Plunk", is located in the middle right section of the page.

CCAC PLANNING AND ACCOUNTABILITY FRAMEWORK, 1987-89

