

REPORT ON THE PROGRESS ON  
THE STRATEGIC REALIGNMENT PROGRAM  
TO THE WIPO AUDIT COMMITTEE

I. BACKGROUND AND INTRODUCTION

1. In September 2008, the Member States of WIPO appointed a new Director General. In his acceptance speech, the Director General outlined the key challenges in the external environment that the Organization would need to address in discharging its mandate, and highlighted the need to widen the horizon of the intellectual property (IP) system to make its mission more attuned to the needs of the international community as a whole, and in particular to those of the developing and least developed countries (LDCs) that the Organization serves.

2. Some of the specific challenges which will need to be considered in formulating WIPO's future programs include the need to:

(a) Ensure that the international framework for IP continues to serve public policies that foster innovation and creativity and contribute to the orderly functioning of markets.

(b) Ensure that a multilateral solution constructed on the foundation of the Patent Cooperation Treaty (PCT) is found to address the growing problem of backlogs within the patent system.

(c) Place WIPO at the center of the debate on how to face the growing technological challenges in area of protection of creative works.

(d) Reduce the knowledge gap and increase participation of developing and LDCs in the benefits of innovation through the translation of the development agenda into effective and concrete projects.

(e) Have WIPO play a central role in the construction of a global knowledge infrastructure which will contribute to sharing the social benefits of IP systems.

(f) Increase the effectiveness of WIPO's service delivery in the area of capacity-building.

(g) Achieve concrete outcomes in the area of protection of traditional knowledge and cultural expression.

(h) Ensure that WIPO engages more actively in contributing to policies to address global challenges such as climate change, desertification, epidemics, access to health care, food security and the preservation of biodiversity.

3. To achieve its objectives and address these challenges, the Organization needs to be well-functioning with trustworthy communications between the Secretariat and the Organization's Member States and large body of constituent stakeholders.

4. Taking cognizance of the Member States' strong desire to see improvement in the Organization's functioning and performance, the Director General launched a Strategic Realignment Program (SRP) to cover the Organization's corporate culture and values, the efficiency of its business processes, and the alignment of its programs, structure and resources to the Strategic Goals. The SRP will incorporate the key recommendations of the Desk-to-Desk assessment which the Secretariat has been mandated to implement by its Member States, and which will replace the Organizational Improvement Program established by the previous Administration in this regard. The SRP is envisaged to take place in a measured, systematic and professional manner, spanning two-three years, with full and transparent communications between the Secretariat and its Member States, and internally with the WIPO staff itself.

## II. THE REVISED STRATEGIC FRAMEWORK

5. The Strategic Realignment Program began with the redefinition of WIPO's Strategic Goals, a review and alignment of its programs in relation to those goals, and an initial redistribution of resources between programs, all within the context of the Revised Program and Budget which was approved by Member States in the forty-sixth session of the Assemblies of WIPO held on December 13, 2008. This approval of the revised strategic framework empowered WIPO management to take forward the process of organizational change.

6. Key changes in the revised strategic framework include the reformulation of the previously existing goals to reflect better the orientation of the Organization, and the addition of four new goals focusing on: (a) the construction and co-ordination of global IP infrastructures; (b) the sharing of knowledge ('a World Reference Source'); (c) building respect for IP; (d) global public policy challenges; and (e) responsive communications.

7. The revised strategic framework and the new strategic goals remain the basis for the proposed draft Program and Budget 2010/2011. The Secretariat has further initiated the process of developing the Medium Term Strategic Plan for the period 2010-2015. The nine Strategic Goals will be broken down into expected results at a level commensurate with planning the work of the Organization in the medium term and measuring progress made. These objectives will form the heart of the Medium-Term Strategic Plan and will be the basis for the Program and Budget proposals of the Organization in the period 2010-2015.

## III. OBJECTIVES OF THE STRATEGIC RE-ALIGNMENT PROGRAM

8. The SRP has three primary objectives, each with its own stream of work. These streams have several interrelationships, and the overall outcomes being targeted through the SRP will be achieved only through an integrated and coherent approach that considers these interrelationships in the planning and execution of the work undertaken by the SRP. The objectives are to:

(a) **Establish a stakeholder, customer service and performance focused corporate culture.** This objective will be the focus of the first stream of the SRP which will address Corporate Culture and Change Management. The key corporate values to be established are "customer service orientation", "value for money" and "performance". This

stream is intended to result in considerably and visibly improved communications between the Organization and its Member States and other stakeholders, including its users of Global IP services. Internal communications (both horizontally and vertically) will be enhanced and performance management processes and systems (organizational, programmatic and individual staff) will be strengthened.

(b) **Ensure WIPO's core administrative and management processes are efficient, service-oriented and cost-effective.** This objective will be addressed by the second stream of the SRP which will: (i) review and update key human resources (HR) and administrative policies and the regulatory framework; (ii) review WIPO's core administrative business processes and identify opportunities for simplification and improvement; (iii) support the re-engineered business processes through best-practice based Information Technology (IT) solutions; and (iv) ensure that the processes and systems established are fully compliant with the regulatory framework of the Organization.

(c) **Re-align programs, organization structure and resources to the Strategic Goals.** This objective will be addressed by systematically assessing the different functional areas of the Organization (at the level of division, department or sector as appropriate to render the assessment meaningful) and their mandates *vis-à-vis* the Strategic Goals, and identifying any changes needed in those areas. The assessment will be driven by the strategic direction set by the Director General in the context of the new Strategic Goals. This stream of work will determine the human and financial resources needed, and identify any gaps in these and the means to address such gaps. In complement to the improved objective setting for functional areas of programs, the implementation of an enhanced performance management system will provide management of these re-aligned programs with the tools necessary to evaluate the performance of their human resources against programmatic objectives.

#### IV. TARGETED OUTCOMES AND PROGRESS SO FAR

9. The overall timeframe for the SRP is expected to be approximately two–three years. The following paragraphs set out the targeted outcomes and the progress made so far under the three streams of work. There are several inter-relationships between the streams of work and care is being taken to address these in the planning and execution of the work. It is important to note that this document does not provide an exhaustive list of planned and identified initiatives. A more detailed SRP plan illustrating the timelines and the linkages is currently being developed.

10. Under the Corporate Culture and Change Management stream, the SRP will:

(a) Establish **a strong management culture** within the Organization and improve management accountability throughout the Organization. This is a key recommendation made by the Desk-to-Desk assessment final report in respect of strengthening leadership and management.

Progress so far:

(i) The Director General's proposal to Member States (WO/CC/61/2) on the Senior Management Team (Deputy Directors General and Assistant Directors General) is based on an assessment of skills, experience and competencies of the candidates

proposed required to lead the successful development of WIPO's Programs to deliver the results expected by the Member States within the new strategic framework and to work closely with the Director General as part of his Senior management Team in addressing current and future challenges for the Organization. The establishment of such a team will lay a good foundation for the building of a management culture in the Organization.

(ii) The Director General has established a structured Senior Management Team process whereby the Director General meets with the Senior Management Team members once every two weeks to communicate on priorities, discuss key issues and upcoming events and meeting of strategic importance and decide on policy/organization and management matters. The meetings have a planned agenda and document decisions (along with responsibility) taken for follow-up purposes. Meetings typically commence with a review of previous decisions and follow-up action taken.

*Baseline 2008: Regular SMT meetings were not convened in 2008.*

(iii) Work has begun to devise a management reporting system that will enable the Director General and his office to have visibility into progress being made in different sectors in a more consistent manner.

*Baseline2008: Reporting was primarily through annual and biennial PPRs for Member States.*

(iv) A financial disclosure policy is being established (WO /CC/61/4) and the Director General has recently assigned responsibilities of the Ethics Officer to the Office of the Legal Counsel.

(b) Establish a **customer service culture** through consistent and coherent handling of the public interface of WIPO's core business functions; **enhanced and intensified communications to Member States and all key stakeholders**; and an improvement in service levels from WIPO's internal administrative business processes.

Progress so far:

(i) The Communications sector has been reviewed, regrouped, and re-aligned to ensure adequate focus and resources on better communications and customer service improvement (See OI No. 44/2008 ). While the target structure and resources levels will be realized in slower time (over the next biennium), additional resources have been dedicated to this sector to get some of the top priority initiatives underway. A presentation on the realignment and target structure of the sector was made to the Audit Committee during their last session.

*Baseline 2008: Communications activities were scattered throughout the Organization with no integrated management or strategy. Customer service operations, with the exception of some help units in specific services, did not exist.*

(ii) The switchboard handling incoming calls has been moved under the Communications sector (Customer Service Section) to ensure standard centralized handling of incoming inquiries. Switchboard availability and coverage in terms of

hours has been extended, now operating Monday-Friday from 8:00 a.m. to 6:00 p.m. CET, non-stop.

*Baseline 2008: Telephone switchboard frequently closed for periods due to lack of adequate staffing.*

(iii) A new, comprehensive and user-friendly Contacts page has been launched on the website to provide visitors with complete and categorized lists of specific areas of enquiry, presented in a logical, progressive fashion, with e-mail contact forms, links to relevant websites, key telephone numbers, etc.

(iv) The page is backed-up by identified individuals in each area responsible for ensuring that enquiries are responded to in a prompt and efficient manner.

*Baseline 2008: The Contact page on the website – a key entry point for WIPO clients and stakeholders seeking information or assistance – was out of date, and essentially non-functional with no “back-up” behind the page.*

(v) A key element, and precursor, of this effort was the establishment of customer service focal points from each sector of the Organization. This group provided important input into the development of the contact page, and will provide the foundation on which to build subsequent customer service efforts. It also represents the initial steps in building an Organization-wide customer service culture.

*Baseline 2008: Contact information, particularly in some service areas, was out of date, unavailable, or in error.*

(vi) A customer service unit has been established for the Madrid and Hague Registration Systems to ensure coherent, consistent, and responsive handing of information or assistance requests. The unit will report directly to the Director of Operations in the Madrid; optimum structure, staffing, and supervision is ongoing as part of the strategic realignment process in the Marks area.

*Baseline2008: No centralized tracking of WIPO customers or customer service satisfaction outside of the PCT.*

(vii) Initial evaluation of automatic call distribution products, call tracking software, and customer relationship management software packages has been launched; evaluations will proceed in this order of progression in order to begin compiling the necessary data to successfully assess CRM needs.

(viii) New media strategy under development; initial steps include revamping, shortening of press releases, reducing frequency, and developing alternative means of communicating WIPO news to key targets.

*Baseline 2008: Lack of coherent media strategy; press releases were long and undifferentiated.*

Member State Communications:

(ix) The Director General has established a strong, open and two-way channel of informal communications with Member States at multiple levels. This approach was highly appreciated by Member States during the preparations for the revised program and Budget 2008/09 which was approved by Member States in December 2008.

(x) The Director General's Cabinet now plays a central role in managing the relationship and communications with Member States and has been tasked by the Director General to ensure, over the next year, that a consistent process for briefings and consultations with Member States prior to major meetings is followed by all substantive sectors. Special attention will be paid to more timely preparation of documents for meetings and this will be addressed over the coming months.

(xi) The Director General has established an observatory in response to the economic crisis to share key financial parameters and trends with the Member States.

(xii) The Director General has decided to undertake a comprehensive review of the policy on languages and language support for meetings, documents and the website will be developed for the consideration of the Member States.

*Baseline 2008: Limited consultations with Member States. A comprehensive policy on language support does not exist.*

Staff Communications:

(xiii) A formalized plan for staff communications has been developed which includes regular staff briefings by the Director General every two months, meeting with the Directors every two or four months (under discussion), and meetings of a cross section of staff for an informal dialog with the Director General. The Director General has been meeting with staff every two months as planned. The first Directors meeting was held on June 1, 2009, and the next one is planned for September 3, 2009.

*Baseline 2008: No regular staff meetings were held until October 2008.*

(xiv) Regular written communications from the Director General addressed, on matters of relevance and interest, to all staff. The most recent of these communications sets out the distribution of responsibilities within the Office of the Director General.

(c) Establish performance as a key corporate value through improved objective setting at the Organizational and strategic levels that then clearly cascades to program level objectives and through the establishment of monitoring and evaluation systems that enable better data collection on the achievement of expected results.

Progress so far:

– The Director General supported by Program Managers is developing a draft Medium Term Strategic Plan which will establish longer-term direction, strategies and expected results by strategic goals, which can then be cascaded into successive biennial program and Budget proposals. This Medium Term Strategic Plan will be discussed

with Member States in July 2009. The introduction of baselines within the Program and Budget 2010/11 will facilitate better measurement of progress. The 2008 PPR has undergone an independent and objective validation of the performance indicators and data used on a random sampling basis.

*Baseline 2008: The medium term strategic plan was a short document that did not contain expected results and performance indicators that could serve as a basis for developing future Program and Budget proposals and facilitate the measurement of progress towards the strategic goals.*

(d) Support the establishment of a performance culture through the introduction of a Performance Management and Staff Development System (PMSDS) that will enable evaluation of employee performance on the basis of agreed objectives, and which will empower managers to improve performance of their human resources through enabling policies which provide appropriate tools and incentives to address good and poor performance.

Progress so far:

(i) A new performance management and staff development system (PMSDS) has been launched: the first phase which was launched in April 2009, by the Director General, included two major improvements as compared to the previous system of periodical reports, namely the introduction of an enhanced scale for overall rating and a mandatory meeting between staff and supervisor to discuss performance. Deployment of further functionality of the PMSDS, which will be synchronized with the annual Program work planning and evaluation exercise, will comprise individual staff objective setting for work and development cascaded from objectives for the program/unit, and detailed staff performance evaluation based on the previously agreed objectives. In preparation for this deployment, staff and supervisors will be trained on objective setting and evaluation in the autumn of 2009.

(ii) Approximately 80% or more of the employees of the Organization have been evaluated under the new PMSDS phase I and these employees have had a formal communications session with their supervisors. The target date for completion is June 2009.

*Baseline 2008: The periodical report system did not allow for sufficient differentiation between performance levels and had no possibility of ensuring that supervisors met with staff to discuss and review their performance. Furthermore, no objectives were set at the individual level. In fact, it could be observed that on many occasions the periodical report was treated merely as an administrative formality.*

(e) Establish a “value for money culture” by ensuring that Program Managers are fully responsible and accountable for the utilization of resources and for evaluating all proposals on their value and contribution to the expected results of their programs.

Progress so far:

(i) The travel policy of the Organization has been tightened to align it better to that of the UN and its specialized agencies;

(ii) Guidelines for participation in meetings, including the increased use of video-conferencing, have been issued;

(iii) A workplan review process has been established to ensure that the activities undertaken have a clear link to the expected results of the programs;

(iv) In the context of the economic crisis, a crisis management group led by the Director General has been established to monitor income and expenditure closely.

*Baseline 2008: Travel policy was more generous than other agencies within the common system. No structured guidelines existed for participation in meetings. The workplan review process was limited and did not consider links to expected results.*

(f) Ensure that WIPO makes definite progress towards carbon neutrality and improved accessibility of the Organization's facilities and resources to people with disabilities (including visually impaired persons).

Progress so far:

(i) WIPO's Carbon Neutrality Project was launched by the Director General in February 2009. The project will identify, develop, coordinate, catalyze and implement initiatives within WIPO to minimize the environmental impact of our activities. As a first step, the project will assess the Organization's environmental impact to identify ways to promote optimal use of resources and reduce wastage. This will serve as a basis for us to develop a longer term plan to determine where we want to be and what we have to do to get there.

(ii) A director level staff has been identified as the focal point for improving accessibility to the organization's premises, facilities and resources to people with disabilities.

11. The second stream of the Strategic Re-alignment Program related to administrative policies and re-engineering of the core administrative processes of the Organization will:

(a) Establish a comprehensive set of enabling HR policies and tools which will include:

- Contract Reform: Proposal to streamline contract types and align these to best practice within the UN common system;
- Voluntary separation plan;
- Promotion and Re-classification policy.

Progress so far:

(i) A Contract Reform Working Group has been set up. The working group comprising administrative and programmatic representatives has reviewed the status and documents of contract reform in other agencies, and has identified key changes and modifications to the regulatory framework that would be needed to implement a contractual framework that better reflects the needs of the Organization and one that is more streamlined.

(ii) In order to facilitate the restructuring of the Secretariat and the adjustments to headcount in the context of the program and budget 2010/2011 implementation, the Secretariat has developed a voluntary separation plan which will be submitted to Member States (Coordination Committee) in June 2009. The approach to implementing the restructuring and adjustments will be structured and will include a planning and preparation component and an execution component.

*Baseline 2008:*

*Contract Reform: WIPO has over 250 temporary employees including general service short-termers, special labor contract holders (SLC), Consultants, Special Service Agreement holders (SSAs). As pointed out by the PwC report, a large number of temporary employees are performing core functions.*

*Voluntary Separation: The need for reskilling of the Organization in line with its mandate had already been identified, inter alia, in the PwC report.*

(b) Undertake a comprehensive review of, and modify appropriately, the Staff Regulations and Rules (SRR) of the Organization. The Financial Regulations and Rules (FRR) which have recently entered into force, will need to be further supported by Office Instructions and Procedures/Manuals some of which will be developed through the FRR/IPSAS implementation project.

Progress so far:

(i) The review process has revealed that the existing staff regulations and rules, which have evolved over several years of changing and patching, now require very significant modification. The Director General has therefore mandated the contract reform working group to undertake such modification so that a comprehensive (as opposed to piecemeal) proposal on the SRR can be submitted to Member States in September 2009.

(ii) A draft of the revised SRR has been developed and is being reviewed by the working group together with each stakeholder group, namely Budget, HRMD, Program Managers, Staff Council, ODG and the OLC.

*Baseline 2008: WIPO Regulatory framework for staff comprises the regulations rules and several office instructions. The framework is not well-structured and it is difficult to navigate through it. In some cases procedures which should be the subject of administrative manuals are embedded within the staff regulations and rules.*

(c) Establish an enhanced IT System to support the Performance Management and Staff Development process.

Progress so far:

(i) A new IT system to launch and support the PMSDS has been implemented and reports are electronically established;

(ii) The paper report continues to be established pending the final decision on electronic signatures for this purpose;

(iii) Subsequent phases will be fully automated;

(iv) A system of compliance reporting and statistical analysis has been developed to provide management information to the Director General and to Program Managers.

*Baseline 2008: The periodical report system was entirely manual. No compliance review or reporting was undertaken.*

(d) Implement FRR and International Public Sector Accounting Standards (IPSAS) and strengthen the internal control system in accordance with best practice.

Progress so far:

– A comprehensive report on this initiative was provided to the Audit Committee during their last session by the CFO and his team. The project to implement the procurement and asset management systems which will ensure full implementation of FRR and IPSAS is well on track with the design phase underway and expected to be completed according to the plan provided within the Project Initiation Document (PID). The key challenges are change management and communications, and special attention is being paid to these areas by the Project Manager and the Project Board.

*Baseline 2008: Procurement and Asset Management are largely manual/semi manual processes in this Organization. The Secretariat was mandated to implement the new FRR and IPSAS but without the mandate to implement the system, processes and tools required to support these. Approval was finally obtained in December 2008.*

(e) Establish a best practice-based Administrative and Management Structure in accordance with RAA principles (Responsibility, Authority and Accountability), and one that enables the implementation of policies and procedures in a consistent and cohesive manner.

Progress so far:

(i) The new senior management structure that will be established in December 2009 includes the consolidation of the administrative and management sectors under the responsibility of a single senior management team member. This structure will ensure a coherent view of resource management and an effective implementation of administrative policies.

*Baseline 2008: The administrative sector had within it one DDG, one ADG, the HRMD Director, Legal Counsel, IAOD Director all reporting directly to the Director General.*

(ii) The new management structure which includes the director level positions will be more streamlined with only the minimal number of direct reports to the Director General.

*Baseline 2008: the DG has approximately 40 (some due to vacancies and absences within the senior management structure) direct reports.*

(f) Ensure that the administrative and management processes are re-engineered and then fully supported by an integrated modern best practice-based Enterprise Resource Planning (ERP) system that will provide enhanced management information, facilitate effective resource management and increased productivity within the administration.

(i) The implementation of the procurement and asset management modules by March 2010 will be a significant improvement over the current largely manual status of these processes and systems. The design phase is underway and expected to be completed on time and within budget.

(ii) The Staff Regulations and Rules and the supporting Office Instructions and administrative manuals for the HR regulatory framework are now being reviewed with a view to submitting a proposal to Member States; this regulatory framework will provide a sound basis for the implementation of the third and final wave of the ERP which will address integrated resource management, human resource management, payroll management and program management and reporting.

12. The third stream of the SRP to re-align programs, structure and resources to the new Strategic Goals will undertake a review sector-by-sector to re-align program content, structure and resources. This review is currently underway and in the first phase will primarily align program content to the Strategic Goals and effect priority structural changes.

Progress so far:

(a) The Department of Finance, Budget and Program Management was streamlined under a single Director. A new Program Management and Performance Section was established to strengthen the RBM framework (OI No. 29/2008).

(b) The Development Agenda Coordination Division was created under the direct supervision of the Director General to focus on the implementation of the Development Agenda recommendations. Significant progress has been made since through a structured approach to planning and implementation of the projects, the mainstreaming of development activities, and the assimilation of the Development Agenda principles within the work of the Organization (OI No. 34/2008).

(c) The Division for Global IP infrastructure was created to bring together key WIPO units dealing with classification, office modernization and standards between IP offices (OI No. 2/2009).

(d) A new Patent Division was established incorporating the former Patent Law Section and the Section for Innovation Promotion and Technology Transfer (OI No. 3/2009)

(e) The Communications Division was re-organized and a Customer Assistance Unit was established in the trademarks area. (See OI No. 44/2008).

(f) The following sectors are currently being reviewed by the Director General: Trademarks and Industrial Designs, Copyright, World Wide Academy, Technical Assistance and Capacity building. The review of these sectors will be completed by September 2009.

(g) A comprehensive review of the detailed structure with the administrative sectors will be undertaken in the last quarter of this year.

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