



COUNCIL
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Agenda item 13

C 90/13
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CHANGE MANAGEMENT PROGRAMME

Note by the Secretary-General

SUMMARY

Executive summary: This document provides a report on the implementation of the Secretary-General's Change Management Programme (CMP), further to his last report to Council (C 89/11 and Add.1 and Add.2)

Action to be taken: Paragraph 13

Related documents: C 89/11 and Add.1 and Add.2, C 88/12(a) and Add.1 and Add.2

Introduction

1 Since the successful launch of the Change Management Programme (CMP) in 2002 and the Secretary-General's progress report to the last Council, there have been four immediate priorities:

- (i) reform of the accounting, financial and budgetary control systems;
- (ii) human resources reforms;
- (iii) leadership and management programme; and
- (iv) technical co-operation.

This document provides a status report on the above projects. The Secretary-General will report on further developments in an addendum to this document.

Status of CMP projects

Reform of the accounting, financial and budgetary systems

2 The Council will recall that at its November session in 2002, it did not take a decision on the Secretariat's recommendation, supported by Deloitte & Touche (D&T), for an integrated accounting and budget control system (based on SAP), pending further clarification of an offer made by the Government of Brazil to provide a customized budgetary control and financial system based on applications and systems in place in the Brazilian Navy. On 16 December 2002, the Government of Brazil was provided with the documentation on IMO's technical functionality requirements. A reply to this Phase 1 was requested by 21 February 2003, allowing two months for submission of a response. At the same time, the detailed scenario requirements for three

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scripted demonstrations for Phase 2 were also provided, allowing thirteen weeks for preparation of the demonstrations. The target date for the completion of Phase 2, including the Secretariat's assessment, was 28 March 2003. The timetable was set with the aim to issue a document to Council by no later than mid-April to allow adequate time to review the documentation. In selecting these dates, the Secretariat consciously departed from the tight deadline which had been set for the commercial companies who were given one month to prepare and submit their proposals for Phase 1 and subsequently, to the final three bidders who were given three weeks in which to prepare scripted demonstrations for Phase 2.

3 The Government of Brazil on 17 January 2003 informed the Secretariat that the requested submissions and demonstrations could not be delivered by the requested dates as budgets were restricted severely, the manpower and resources had not been anticipated, and the timing coincided with Brazil's annual holidays. The Secretariat has held a number of discussions with the Brazilian authorities in London concerning the scope of the Organization's requirements and the timing of the submission. The Secretariat has therefore advised the Brazilian officials that to help the Council in its decision-making, a submission for Phase 1 was required no later than 21 March 2003. This timing is necessary to enable the Secretariat to evaluate the Phase 1 proposal in preparation for the scripted demonstrations which take place in Phase 2. Phase 2 provides the opportunity for the Secretariat to evaluate in detail each of the components of the Brazil proposal by the users and assess the extent to which the proposal effectively addresses IMO's requirements.

4 Phase 1 has been received and is in the process of being evaluated. The revised timetable for the scripted demonstrations, as proposed by the Government of Brazil, is 22 to 24 April 2003. Thus, the Secretariat's assessment of the Brazilian offer will be issued in an addendum to this document, and it is the Secretariat's objective to submit this assessment to the Council by the middle of May 2003.

5 A key element in the success of the reform of any accounting, financial and budgetary control system is the involvement of all users to engender a sense of ownership and commitment to the new work flows and processes. Some 50 IMO staff were extensively involved in the procurement process last year, and in particular in defining their requirements and the development and assessment of the scripted demonstrations. This resulted in the buy in and commitment of staff at all levels to the CMP. The Secretariat has thus taken steps to ensure that the momentum which was built up in 2002 is sustained and that the Council can be assured that the final decision on a replacement system can be delivered effectively and to budget. An interim solution has been put in place to provide low-cost, shorter-term system improvements pending the introduction of a new system. Over the coming months, the Secretariat will be preparing to implement a new system, whatever form it might take, and the implementation of new processes will have to take account of the new system. An external appointment has been made to provide the expertise and focus for this work and to provide continuity for the implementation of the new system.

6 The reorganization of the Finance and Budget Section has now been made in line with the recommendations of the MANNET report. The Budget Unit has been re-named the Management Accounting Services (MAS) and the Head of MAS appointed. The budget process for 2004-2005 has been launched on a new management-led basis, following recommendations from D&T. All Directors and their senior staff have been involved in a zero-based budgetary approval process. The aim is to inspire ownership and commitment to the budgeting process, and to help promote management accountability as part of the CMP.

7 The Finance Unit has been reorganized and renamed Financial Services following the review by D&T which yielded a structure which separates the functions of Transaction Processing and Approval from the Accounting, Financial Management and Cash Management functions. New roles and responsibilities have been drawn up for the various posts. The review of the functions of the former Finance Unit have also resulted in the introduction of procedural improvements.

Human resources reforms

8 In the first half of 2003, human resources (HR) reforms, including performance management, will be a priority. There are two linked aspects to this project:

- (i) the reform process is designed to promote clearer management accountability for results, including “managing people”. The delegation of budgetary control has that aim in mind;
- (ii) to help achieve the HR reforms, the aim is to change the emphasis of the Personnel function, from an “allowance-based” verification culture, to a more results-oriented service in which the HR function supports management and helps the staff develop their competencies.

9 An immediate priority has been to introduce a performance management system so as to provide a basis on which to better address individual performance and identify staff strengths and areas for development. This process will also serve to identify specific training and development needs. The new system is currently being piloted in the Technical Co-operation Division and the Publishing Service. Results will be evaluated in April and, in the light of experience, the scheme will be extended to all Divisions.

Leadership and management programme

10 The CMP continued to focus on securing the engagement of all staff at all levels in discussing how and where organizational changes can and should be made. Since the 89th session of the Council, eight further workshops on “Leadership, change management and personal effectiveness” were held for Professional and General Service staff. The workshops were designed to generate practical, durable results by strengthening management competencies, improving communications at all levels and helping staff to “add value”. All staff were given the opportunity to participate in the workshops which were completed in March. The workshops covered such subjects as:

- (i) management and staff roles and styles in IMO;
- (ii) the influence of personality on work styles in the office;
- (iii) communication in the office; and
- (iv) organizational culture.

The Secretary-General has re-focussed senior management meetings and pressed for improved vertical and lateral improvements in communication.

Technical co-operation

11 The implementation of the new technical co-operation (TC) measures, which were approved under the CMP in October 2002, is based on the introduction of advanced management and finance structures for TC. The financial aspects of the TC processes are central to the success of the new measures and will be based on an integrated TC information and data-retrieval system. They will be linked to the introduction of an integrated accounting and budget control system. Work is ongoing to develop a database (TC PROMIS 2) to meet the short-term reporting needs of IMO's TC stakeholders, both internal and external. The development of the database reflects the fact that TC PROMIS, the system's predecessor, no longer meets the needs of the various parties, particularly with regard to the provision of financial information, and also that the introduction of the Programme structure from 2002 has led to a fundamental change in the structure of the data being collected and reported. The system, which is an in-house development, will support the periodic upload of relevant financial information from the IMO's core accounting package. TC PROMIS 2 is due to be tested in late April 2003, with a target go-live date of early June 2003.

12 The development of TC PROMIS 2 is a short-term piece of expenditure necessitated by the delayed Council decision on an integrated accounting and budget control system or a comparable replacement system which will ultimately provide more effective tools for managing the Organization's TC programmes. Whilst a significant improvement on the existing system, TC PROMIS 2 remains a relatively unsophisticated development and is an interim solution being used primarily as a data repository rather than as a day-to-day management tool.

Action requested of the Council

13 The Council is invited to take note of the information contained in this document and to comment or decide as appropriate.
