

## It starts with me

We are publishing today DTI's response to the Capability Review of the Department that was carried out earlier this year. Our response reflects discussions with the Review Team, Ministers, our Board, including our independent board members and very many of our own staff.

Some clear messages have come through. DTI is recognised as having many strengths, above all an impressive record of analysis and use of evidence, and of delivery, not only through its agencies and other delivery partners but also in policy areas, and in driving efficiency in its corporate centre. That is reflected in the detailed assessment of the Department's capability.

DTI's role as an economic Department is acknowledged in the report, as are its responsibilities for science and innovation, trade and inward investment, skills and markets, energy and handling EU issues. This is a wide and complex brief, which DTI delivers through both its headquarters and its delivery partners.

The underlying purpose of the Capability Review was to identify the areas where we need to improve if we are to meet the challenges that lie ahead, because we can be sure the challenges will differ from those we have dealt with successfully in the past. We recognise the case for action in these areas: after all, we helped the Review Team identify them. The impact of the Capability Review has been to make us focus our activity more strongly.

We need to improve understanding of our clarity of purpose. Specifically, we must ensure that our objectives are understood in DTI and outside and that they drive our activities; we need leaders at all levels who understand and can communicate about our aims; who lead and motivate their staff and recognise that "it starts with me"; we need to be clear about what performance standards we expect of ourselves and how we will monitor individual, team and departmental performance against them; and we need to ensure that we are working effectively with our delivery partners.

This implementation plan sets out what we believe the Department needs to do to achieve its full potential, the action we are taking, the impact we believe it will have and how we will measure whether we have achieved it. We have aimed at a limited number of actions in each of the key areas – clarity of purpose, leadership, standards and responsibilities and, ultimately, delivering services to all of those we work with. As a Board we are committed to delivering them and our names appear against the areas we shall focus on personally.

We do not intend the plan to be a static document. It will change as DTI changes. But it is the basis for achieving a change in the way we do things in DTI, to make a difference to what we deliver and to ensure that, for all of us, "it starts with me".

Brian Bender ———— Jim Athy ———— ~~John~~ ~~Col~~  
Mark Ashin ———— Douglas ———— Mark Gibson ———— ~~Mark~~ ~~Mark~~  
Anthony Ingle ———— Keith O'Connell ———— ~~John~~ ———— Willy Rickett

# **DTI Capability Review Implementation Plan**

**13 December 2006**

**1. Achieving clarity of purpose.** [Leads: Matthew Hilton (Director of Strategy and Communications), Keith O’Nions (Director General Science and Innovation), Vicky Pryce (Chief Economic Adviser and Director General, Economics)]

<p><b>Success looks like:</b></p> <p>Staff and customers sharing pride in a confident DTI.</p> <p>DTI leaders setting a clearer strategic agenda for customers and staff. The Board’s decisions matching this agenda, determining priorities in agreement with Ministers and ensuring resources follow priorities.</p> <p>There is a clear, line of sight from the Department’s vision, its Public Service Agreement (PSA) targets and Departmental Strategic Objectives (DSOs) to the work of DTI units and individuals.</p> <p>This agenda is supported by all staff, demonstrated through shared commitment, consistent delivery and core messages that are known, understood and can be communicated by staff.</p>	<p><b>In 6 months:</b></p> <p>We will have a set of comprehensive, clear and deliverable Public Service Agreement (PSA) and Departmental Strategic Objectives (DSOs) targets.</p> <p>We will have clarified the relationship between the PSAs, DSOs and Departmental business planning.</p> <p>We will have begun an agenda of greater strategic engagement with Government Departments and other interested parties.</p> <p><b>Action:</b></p> <p>Ensure that our evidence base is driving our strategy and underpinning PSA negotiations.</p> <p>Agree fewer, simpler PSAs that are deliverable and are clearly linked to our stated vision and purpose - as an outcome of the Comprehensive Spending Review (2007).</p> <p>Develop a set of DSOs that drive the totality of DTI business.</p> <p>Reflect DSOs &amp; PSAs in Departmental business planning.</p> <p>Develop performance indicators (and,</p>	<p><b>In 12 months:</b></p> <p>We will have reached a point in our leadership programme at which the Board and senior leaders are instilling confidence in customers and staff about the direction of the Department and the strength of its core messages.</p> <p>The structure of PSAs and DSOs will support decision-making against priorities.</p> <p>Overall resource allocation fully reflects departmental priorities.</p> <p><b>Action:</b></p> <p>Align budgets and management responsibility and relate business planning to Group structures.</p> <p>Put unit-level business plans in place that match delivery of Departmental objectives and cascade through to teams and individuals in line with new approach to corporate performance management.</p> <p>Ensure we are communicating corporate messages <u>effectively</u> across the Department.</p>	<p><b>In 24 months:</b></p> <p>The Department as a whole will better demonstrate a strategic and customer-oriented approach to its policy and delivery agenda and will be operating with clarity and clout.</p> <p><b>Action:</b></p> <p>Establish regular review of priorities to maintain strategic focus.</p> <p>Ensure that we are making full use of our already strong analysis and evidence base to drive our future strategy and put us in a better place for the next round of Spending Review negotiations.</p> <p>Review corporate communications to ensure that these continue to reflect priorities and ensure that staff continue to project accurate corporate messages.</p> <p><b>Impact and metrics:</b></p> <p>Priorities reviews mean that the Department is maximizing its potential and strategic impact.</p> <p>Staff are supportive of prioritization decisions and the overall corporate position, even when this is at the</p>
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	<p>where appropriate, targets) capable of being monitored and influenced by DTI actions and its delivery chain.</p> <p>Hold Board-level meetings with Whitehall partners and deepen our relationship with key companies.</p> <p>Provide communication tools needed for all staff to be more effective representatives and ambassadors for DTI and its messages, including an “elevator script” summary about the work of DTI.</p> <p><b>Impact and metrics:</b></p> <p>Coherent model of relationships between PSAs / DSOs / performance indicators.</p> <p>The new approach to our PSAs and DSOs will be well-understood and employed by SCS.</p> <p>This work will begin to develop a more effective message about the work of DTI.</p> <p><b>Risk:</b></p> <p>Clarity lost through concentration on improving performance management systems – focused on process rather than substance.</p>	<p>2008-09 business planning drives implementation of CSR settlement, including resource prioritisation.</p> <p><b>Impact and metrics:</b></p> <p>Other Government Departments have a clearer perception of DTI’s role and purpose. They are engaged in working with us to deliver our key objectives.</p> <p>Feedback from customers demonstrates that they can more clearly see the links between various aspects of DTI’s family.</p> <p>Our Staff Survey shows an improved rating for key tests on clarity of messages, such as understanding of staff roles in delivering DTI’s success.</p> <p>More staff are consistent in their use of core DTI messages – particularly the “elevator script” – these are beginning to be quoted back to us. Staff not only understand and convey these high level messages but are also clearer about their personal contribution to the overall message.</p> <p><b>Risk:</b></p> <p>Still too much complexity in the Departmental model / lack of discipline about corporate behaviour.</p>	<p>expense of their own objective delivery.</p> <p>As a result of a more focused and strategic approach, the Department is consistently able to measure that it is delivering on time and to budget.</p> <p>External perceptions of the value of the Department and its extended family are improved.</p> <p>Staff survey continues to shows an improved rating for key tests on clarity of messages. It also demonstrates an overall improvement in staff “pride in DTI”.</p> <p>The Survey of Independent Board Members indicates a perceived change in DTI’s clout and clarity of mission across Whitehall and the business and science communities.</p> <p><b>Risk:</b></p> <p>Others’ views always have a subjective element – may be skewed by other issues.</p>
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**2. Developing a strong, confident leadership.** [Leads: Anthony Inglese (Director General Legal Services), Hilary Douglas (Chief Operating Officer)]

<p><b>Success looks like:</b></p> <p>Customers and partners recognise DTI as a confident and effective Department that delivers.</p> <p>The Board and senior managers are perceived by staff to provide effective collective leadership. Team leaders are inspired to adopt best practice and values in local teams.</p> <p>There is a culture throughout the Department which recognises and rewards good leadership, and addresses weak performance.</p> <p>Everyone with leadership roles in DTI acknowledges that “it starts with me”.</p>	<p><b>In six months:</b></p> <p>DGs and HMUs will be clear about expectations of them as leaders and will have a common framework for addressing development needs. Current role models will be recognised and emulated.</p> <p><b>Action:</b></p> <p>Board members will complete their programme of team Development workshops.</p> <p>Directors General will lead follow-on workshops with HMUs and other senior leaders that report directly to them.</p> <p>Development programmes will be launched for new Heads of Management Unit, and continued for new members of the SCS.</p> <p>Decisions from the SCS Assessment Centre and any higher level moves and promotion will reflect the leadership agenda.</p> <p>Range 10/11 talent programme will be launched.</p> <p>The internal communications strategy will reinforce visible leadership and promote this to all leaders in the</p>	<p><b>In 12 months:</b></p> <p>All DTI managers will have substantially improved their understanding of the leadership behaviours expected of them, and staff will show increased confidence in their leaders.</p> <p><b>Action:</b></p> <p>Reinforcement workshops on performance management will be held for all Heads of Management Units, and followed up within Directorates.</p> <p>Coaching support will be provided to the SCS in accordance with need.</p> <p>We will complete our review of skills needs for the future and ensure that these are reflected in recruitment retention and talent management strategies.</p> <p>A more professional approach will be evident in our corporate communications.</p> <p><b>Impact and metrics:</b></p> <p>2007 staff and stakeholder surveys demonstrate increased satisfaction.</p>	<p><b>In 24 months:</b></p> <p>There will have been a step change in the perceived quality of leadership, in particular collective leadership.</p> <p>We shall be confident of our strategy for meeting future skills needs, and thus for delivery of the Department’s objectives.</p> <p>We will have made significant progress in improving the diversity profile of the workforce and delivering our diversity strategy.</p> <p><b>Action:</b></p> <p>We will review and extend the leadership programme and coaching model through all of the SCS and Band C.</p> <p>We shall review the use of regular 360 degree feedback in leaders’ performance assessments.</p> <p>We shall revisit the competency expectations of staff, and the way that competencies and behaviours are judged in the annual performance assessment.</p>
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	<p>Department.</p> <p>Diversity 10 – Point Plan will be taken forward with renewed commitment.</p> <p><b>Impact and metrics:</b></p> <p>Dipstick (sample) staff surveys indicate improved perceptions of leadership at various levels within the Department.</p> <p><b>Risk:</b></p> <p>That, in responding to immediate pressures, we do not set aside sufficient time to get this initial stage right and it undermines the ongoing process.</p>	<p>All staff recognise a difference in leadership throughout the organisation, including at a local level.</p> <p><b>Risk:</b></p> <p>Failure of top leaders to demonstrate the agreed leadership behaviours results in loss of buy-in further down the Department.</p>	<p><b>Impact and metrics:</b></p> <p>2008 surveys demonstrate further increased satisfaction.</p> <p>Board is aware of increasingly high quality in candidates for leadership positions.</p> <p><b>Risk:</b></p> <p>Leaders become complacent and the changes fail to be embedded into the Department.</p> <p>We fail to capitalise on our success and to recognise skills required in the future and do not maximise the potential of DTI staff.</p> <p>Staff fail to support leaders within the Department to deliver their objectives.</p>
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**3. Operating by agreed corporate standards and responsibilities.** [Leads: Willy Rickett (Director General Energy), John Alty (Director General Fair Markets), Mark Clarke (Director General Finance and Strategy)]

<p><b>Success looks like:</b></p> <p>A DTI that is clear about the outcomes it wants and has the capability it needs to deliver, through developing the three 'Cs':</p> <p><b>Consistency</b></p> <p>Living by the values and corporate behaviours we have agreed. Operating to clear, simple and stable corporate processes with well understood governance arrangements. Embedding adherence to corporate standards and responsibilities in the Department's personal performance management system.</p> <p><b>Communication</b></p> <p>These changes will visibly and relentlessly cascade from the Board down to all levels. Targets, standards and expected behaviours will be kept simple and limited to real priorities.</p> <p><b>Consequences</b></p> <p>A culture of consequences, where performance matters: Taking action where performance is off track. Celebrating success and good</p>	<p><b>In six months:</b></p> <p>2007-08 business planning round delivers step change improvement by:</p> <ul style="list-style-type: none"> <li>• Commitment to fewer, smarter objectives and targets at Departmental and Unit level, with well-understood links between them and with individual objectives</li> <li>• Establishing clearer and simpler accountability for delivery</li> <li>• Active performance management against the Plan, led from the Board down</li> </ul> <p><b>Action:</b></p> <p><u>Corporate Performance Management</u> Implement new, simpler business planning approach, with fewer, clearer success measures. Design systematic performance review process at Board and Group level. New DTI Balanced Scorecard in place.</p> <p><u>Corporate Minimum Standards</u> Board agrees and communicates a small number of corporate minimum standards for all staff, and corporate services, to meet (such as completion of key corporate documents on time and with SMART measures i.e. Performance and Development Reviews (PADRs) and business planning). Board agrees priorities for simplifying</p>	<p><b>In 12 months:</b></p> <p>Effective mid-year reviews of corporate performance have taken place up to Board level, and at individual level through performance and development reviews. Action taken and communicated as a result.</p> <p>Corporate minimum standards understood and being effective at driving changed behaviour.</p> <p><b>Action:</b></p> <p><u>Corporate Performance Management</u> Performance review process fully implemented, outcomes widely communicated.</p> <p>Implement programme to develop planning and performance management competences.</p> <p><u>Corporate Minimum Standards</u> Process simplifications to be incorporated into Finance Excellence and HR simplification programmes. Budget management best practice to be widely disseminated and understood. Development of information systems to track performance on corporate minimum standards.</p>	<p><b>In 24 months:</b></p> <p>Systematic and effective performance reviews at all levels with visible consequences for good and poor performance. Consistent good management of people in the assessment of performance. Improved financial management: budget holders managing within agreed tolerances using fit-for-purpose financial information; clear policies implemented for managing pressures.</p> <p><b>Action:</b></p> <p><u>Corporate Performance Management</u> Business planning, Board Balanced Scorecard and performance reporting system embedded as "business as usual". Board communications continue to emphasise importance of performance outcomes and new culture of "consequences".</p> <p><u>Corporate Minimum Standards</u> Progress on minimum standards being tracked and reported; actions taken on areas of slippage. HR and financial minimum standards widely achieved and maintained.</p>
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<p>practice.</p> <p>Success will be measured by staff survey results on:</p> <p>Pride in DTI. Whether we are high performing. Whether we understand &amp; meet standards of performance. Whether we learn.</p>	<p>internal corporate processes. First checks on compliance with corporate minimum standards put in place.</p> <p><u>Personal Performance Management</u> Communicate intended strategy of consequence through personal appraisal, particularly for compliance with corporate minimum standards.</p> <p><b>Impact and metrics:</b> 10% sampling of PADRs at all levels to assess quality of objective setting. Post-implementation review of new business planning approach.</p> <p><b>Risk:</b> Targets do not properly capture the Department's objectives and so do not drive performance. No action or "consequences" flow from the performance management process, so it does not improve performance or create a high performance culture. The action and consequences are not sufficiently communicated, leading to the same result.</p>	<p><u>Personal Performance Management</u> Details of new approach to personal appraisals finalised; communicated for implementation in April 2008</p> <p><b>Impact and metrics:</b> Visible improvements in areas covered by corporate minimum standards. 2007 staff survey shows confidence in decision-making. Corporate and group performance data being used to support decision-making.</p> <p><b>Risk:</b> Process becomes an end in itself and doesn't improve performance. Improvements in corporate systems prove to be prohibitively expensive. Insufficient/ineffective training/coaching of staff results in review process that lacks rigour and fails to pose genuine challenge.</p>	<p><u>Personal Performance Management</u> Effectiveness and impact of new approach to personal appraisals assessed; approach modified where necessary and then embedded as "business as usual".</p> <p><b>Impact and metrics:</b> Rigour in objective setting, planning, budget and performance management will lead to improved performance. Stronger Board lead will enable cascading of new corporate behaviours. Regular management information on compliance with corporate minimum standards. 2008 staff survey continues to show confidence in decision-making.</p> <p><b>Risk:</b> Senior managers don't live by behaviours – meaning that new behaviours don't cascade down through the organisation. Difficulties of measurement lead to inappropriate targets.</p>
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**4. Strengthening our model for delivery.** [Leads: Mark Gibson (Director General Enterprise and Business Group), Andrew Cahn (Chief Executive UK Trade & Investment)]

<p><b>Success looks like:</b></p> <p>DTI customers able to understand how to get the most out of the services and products that are delivered by the whole family. It will be easier for them to see the links between them and how to access them.</p> <p>DTI delivery agents sharing a common purpose through better strategic interaction between DTI and its delivery partners.</p> <p>There will be greater clarity around business models – generally looking to place policy at the centre and delivery with partners, unless there are good operational reasons not to do so.</p> <p>Greater use being made of the delivery strengths we have across the DTI family – sharing best practice, particularly between agencies or other delivery partners that have closely linked customer interests.</p> <p>Delivery success being celebrated more widely across the whole DTI family.</p>	<p><b>In six months:</b></p> <p>Customers will begin to be more familiar with the linkages between the various elements of DTI’s wide-ranging family.</p> <p>We will have already got better at sharing and celebrating the successes of our delivery partners.</p> <p><b>Action:</b></p> <p>Take steps to achieve greater strategic engagement with our delivery partners.</p> <p>Use more inclusive language – e.g. “DTI family” and “delivery partners” - to acknowledge our wide mix of partners and sometimes complex delivery chains.</p> <p>Seek more opportunities to demonstrate publicly that DTI recognises and values all its delivery partners. As a first step, include a Who’s Who guide in the central DTI staff newsletter (DTI News).</p> <p>Progress existing plans to reinvigorate the current network of agency sponsors within DTI and develop a forum to facilitate sharing ideas and operational know-how – a community of practice.</p>	<p><b>In 12 months:</b></p> <p>More regular interaction is taking place between DTI and its delivery partners to the benefit of DTI customers.</p> <p>DTI agencies are learning from each other and, as a result, customers find fewer barriers to accessing key information. Services that we provide as a DTI family feel more joined up to customers.</p> <p><b>Action:</b></p> <p>Run the first of a series of new twice-yearly conferences of all the DTI family to support better interaction between delivery partners.</p> <p>Engage directly with senior managers of delivery partners to ensure two-way learning and sharing of successes.</p> <p>Assess significance of different delivery partners so as to develop a menu of options for strategic engagement.</p> <p>Conduct a dialogue with our delivery partners about alignment of business processes, performance and priorities within the DTI family.</p>	<p><b>In 24 months:</b></p> <p>DTI will be better placed as a whole to act on the outputs of the Cabinet Office’s Transformational Government work, with all our delivery partners engaged.</p> <p>We will routinely share best practice and celebrate success within the wider DTI family.</p> <p><b>Action:</b></p> <p>Keep delivery model/s under review and have an agreed process for doing so.</p> <p>Leverage the strengths of the DTI family to develop DTI’s position on delivery and its relevance to Government services as a whole.</p> <p><b>Impact and metrics:</b></p> <p>There is evidence of greater interaction and exchange of people and ideas between DTI and its delivery partners.</p> <p>Stakeholder survey data is more positive about the relationship between DTI and its delivery partners.</p>
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	<p>Celebrate delivery successes explicitly, and include the agencies and other delivery partners, for example including more examples of individual success in the DTI News and with better linkages from our internet pages.</p> <p><b>Impact:</b></p> <p>Early actions are delivered and visible. DTI staff are routinely referring to our agencies and non-Departmental public bodies as being our delivery partners, who are recognised as members of a wide reaching DTI family.</p> <p>More strategic dialogue is taking place between DTI and its partners and agencies are beginning to share best practice between themselves.</p> <p><b>Risk:</b></p> <p>The business models become overly complicated and so do not support better interface with customers.</p> <p>Poor communication about new language leads to confusion about the DTI family and those linked to it.</p>	<p><b>Impact and metrics:</b></p> <p>Feedback from customers demonstrates that they are clear about the best routes to take to get the greatest support from the Department.</p> <p>Greater effort is made by senior staff (including the Board) in DTI to set aside time to build on relationships with the most significant delivery partners e.g. the RDAs.</p> <p>Important, cross-cutting, delivery issues are tackled in an open and inclusive way across Government.</p> <p>Ministers and stakeholders recognise the wider delivery successes linked to DTI.</p> <p><b>Risk:</b></p> <p>After an initial period of action, there is a lack of sustained support for maintaining relationship development between DTI and its partners.</p> <p>There is a lack of follow through of the relationship development at working level either in DTI or within its delivery partner organisations.</p> <p>Actions agreed are not given sufficient priority and are therefore not delivered.</p>	<p><b>Risk:</b></p> <p>After raising expectations, delivery partners don't actually feel more involved and DTI's credibility suffers.</p> <p>DTI fails to keep up the initial level of strategic engagement and "talking shop" syndrome takes over.</p> <p>Delivery models are not customer focused despite the work carried out to strengthen links between DTI delivery partners.</p>
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