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Price Waterhouse



Fiji Trade and Investment Board

Diagnostic Study

Contents

| | |
|---|----|
| Executive summary | 3 |
| 1.0 Introduction | 7 |
| 1.1. Background | 7 |
| 1.2. The Diagnostic Study of FTIB | 8 |
| 1.2.1 Terms of Reference | 8 |
| 1.3 Study Methodology | 9 |
| 1.3.1 Stage One: Development of a Corporate Plan | 9 |
| 1.3.2 Stage Two: Organisational Restructuring | 9 |
| 1.3.3 Stage Three - Management information | 10 |
| 1.3.4 Stage Four - Finance/Accounting System | 10 |
| 1.3.5 Stage Five - Performance Management | 10 |
| 1.3.6 Stage Six - Policy | 10 |
| 2.0 FTIB Operating Environment | 11 |
| 2.1 Fiji - Economic Overview | 11 |
| 2.1.1 Incentives for Investment in Fiji | 11 |
| 2.1.2 The Cost of doing Business in Fiji | 11 |
| 2.1.3 Increasing Competition from other Countries | 12 |
| 2.1.4 Trade and Deregulation | 12 |
| 2.1.5 Trade and Investment Policy and Procedures | 13 |
| 2.1.6 Opportunities | 13 |
| 2.2 FTIB Operational Issues | 13 |
| 2.2.1 Legislation, Policy and Procedure | 14 |
| 2.2.2 Funding | 18 |
| 2.2.3 Overseas Representation for FTIB | 21 |
| 2.2.4 Research and Promotions | 22 |
| 2.2.5 Non-Value Adding Activities | 22 |
| 2.2.6 Registry System | 23 |
| 2.2.7 Transportation | 24 |
| 3.0 The FTIB Corporate Plan | 25 |
| 3.1 The Corporate Planning Process | 25 |
| 3.2 Outputs of the Corporate Planning Workshop | 25 |
| 3.2.1 Vision Statement | 25 |
| 3.2.2 Mission Statement | 25 |
| 3.2.3 Values | 25 |
| 3.2.4 Goals | 26 |
| 3.2.5 Objectives | 26 |
| 3.2.6 Strategies | 26 |
| 4.0 Organisation Structure | 31 |
| 4.1 Background | 31 |
| 4.2 Current Structure | 32 |
| 4.2.1 Shortcomings of the New Structure | 33 |

| | |
|--|----|
| 5.0 Performance Management System | 38 |
| 5.1 Performance Measurement | 38 |
| 6.0 Management Information System | 41 |
| 6.1 Management Information | 41 |
| 7.0 Personnel | 45 |
| 7.1 Issues | 45 |
| 8.0 Action Plans | 47 |
| 8.1 Investment Project Process Improvement | 47 |
| 8.2 Meetings | 47 |
| 8.3 Performance Awards | 48 |
| 8.4 Staff Performance Appraisal and Training Needs | 48 |

Appendix I

 Project Approvals

Appendix II

 Key Performance Indicators

Appendix III

 Survey Forms

Appendix IV

 Staff Appraisal Forms & Procedure

EXECUTIVE SUMMARY

The terms of reference of the study were:

- carry out an analysis of the organisational and functional structure of the FTIB;
- establish a performance management system;
- introduce an appropriate management information system;
- recommend the structure that best meets FTIB's needs;
- develop policy guidelines to enhance essential skill development; and
- develop a three year corporate plan

The major findings and recommendations are:

1. FTIB Operational Issues

(a) Legislation, policy and procedure

- | | |
|-----------------|---|
| Findings | <ul style="list-style-type: none">- the legislation under which FTIB was established continues to function and describes a wide mandate for the FTIB but it does not give the FTIB the powers to achieve that mandate- up to 40% of project officers' time is spent processing project applications that do not and are not likely to proceed- division officers spend up to 50% of their time obtaining project information to enable submission of the project for approval- the implementation rate for 1994 was only 20% of project proposals received |
| Recommendations | <ul style="list-style-type: none">- actively pursue the drafting and enactment of an Investment Act for Fiji- develop a specific checklist for each main type of project to initially assess the likelihood of a project being approved- compile a project application form specific to each main type of project, with explanatory notes |

- Benefits**
- make eligibility transparent
 - significantly reduce non value adding processing
 - reduce Project Review Committee workload
 - higher percentage of projects approved and implemented
 - increased speed of project implementation.

(b) Funding

- Findings**
- insufficient trade and investment promotion funding
 - the current level of Government funding suggests that FTIB is not seen as a high priority for funding
- Recommendation**
- the Government of Fiji to fully fund the FTIB

(c) Overseas Representation for FTIB

- Findings**
- a program of accelerated trade and investment promotion is in place for Australia, New Zealand, the Far East and South East Asia
 - overseas representation in key locations is essential to the effective operation of trade and investment agencies
 - successful marketing and selling is dependent on continuity of contact and consistent follow up over an extended period
- Recommendation**
- establish a network of Trade Commissions in the above identified locations

(d) Research and Promotions

- Findings**
- poorly targeted investment promotions
 - ad hoc research
- Recommendation**
- identify the information required to effectively target investment and trade development promotional activities
 - develop a research plan

(e) Non-value adding activities

- | | | |
|----------------|---|--|
| Findings | - | FTIB is given work by Government Ministers which does not fit in with FTIB's strategic focus |
| Recommendation | - | FTIB management should strongly resist pressure to undertake these non-value adding activities |
| Benefits | - | reduced drain on FTIB's limited resources |

2. FTIB Corporate Plan

A series of interviews were held with internal and external stakeholders of FTIB to obtain their views of the present and future role and directions of FTIB. A one day workshop was convened with FTIB management. A corporate plan was drafted for FTIB.

3. Organisation Structure

Major recommendations are:

- create an expanded Research and Marketing division
- the management team is to oversee the activity in the research and marketing area
- greater delegation of responsibility and accountability for short to medium term decisions and activities to divisional managers
- authority limits need to be determined and formalised
- accrual accounting basis to be adopted, provided that there is an adequate level of accounting skills at FTIB
- greater use of monthly budgets and cashflows for management's monitoring of performance

4. Performance Management System

Major recommendations are:

- develop budgets at division levels
- develop and implement a Key Performance Indicator reporting package
- conduct a Trade Development Effectiveness Summary
- conduct a customer satisfaction survey
- conduct staff performance appraisals annually

- record and monitor project progress from proposal to implementation

- develop standard project plans

5. Management Information System

Major recommendations are:

- design, develop and implement a comprehensive information database that has easy access for users; has CD ROM interconnection for loading information; has connections with other databases; able to handle remote connections via modem; has Internet connection capability

- contact other countries' trade organisations to identify the information available and required for mutual exchange

6. Personnel

Major recommendations are:

- assess staff positions and compare remuneration levels with other organisations in Fiji

- either the Government fully establish the link between FTIB and Public Service Commission awards or the Government fully fund the FTIB based on its budget submission, including staff payment and break the link to the PSC entirely

- link the staff appraisal system to pay increases and promotion

7. Implementation

- FTIB to develop action plans for the implementation of report recommendations

- Price Waterhouse to assist FTIB in a monitoring role to facilitate the implementation process.

1.0 Introduction

1.1. Background

The Economic Development Board established the Fiji Trade and Investment Board (FTIB) as a statutory body (EDB) Act No. 11 of 1980 to promote, stimulate and facilitate the economic development of Fiji.

Under the EDB Act, a ten-member independent Board governs FTIB and, subject to the provisions of the Act, has the power to regulate its own procedure. In this respect, while the FTIB is a statutory agency of Government, it operates along private sector lines.

An annual appropriation from Parliament primarily funds the Board. This covers its recurrent expenses (salaries, accommodation, etc.). Apart from an additional \$145,000 from Government for promotional activity, FTIB relies on donor funds to carry out its trade and investment promotions. It does not generate revenue from its activities.

In the discharge of its functions the Board has the power:

- (a) to promote investment in and development of industries, ventures or enterprises that enhance employment opportunities, increase exports, reduce imports, or are otherwise beneficial to the economy of Fiji;
- (b) to assist other persons or bodies in the establishment or expansion of any such activities;
- (c) to undertake product and market development and research either alone or jointly with any other person;
- (d) to act as the agent for Government on such matters as may be delegated to it;
- (e) to advise on policies that would further the economic development of Fiji;
- (f) to advise the Minister on appropriate administrative machinery to facilitate economic development;
- (g) to make grants for purposes related to the discharge of its functions under this Act;
- (h) generally to do such thing as may be incidental to or consequential upon the exercise of its powers or functions under the Act.

The Board has a very broad brief about how it can act to promote, stimulate and facilitate the economic development of Fiji.

Within this very wide brief, the FTIB is primarily focussed on the following areas of activity

- seeking and encouraging local and offshore investment in Fiji
- the processing of project applications through which potential investors seek approval to set up business in Fiji

- ▶ assisting investors to implement projects for which they have approval
- ▶ monitoring progress and assisting in the removal of any obstacles investors may face in the day to day operation of their business
- ▶ promoting trade and export
- ▶ advising Government on investment and trade promotion.

1.2. The Diagnostic Study of FTIB

The Board initiated the present Diagnostic Study of FTIB because of a concern that FTIB had begun to face certain financial, managerial, advisory and consultancy constraints in carrying out its functions.

The main objective of the project was to improve the overall effectiveness and economic performance of FTIB.

The Board intended the project to:

- ▶ upgrade the present FTIB structure
- ▶ identify management and staff areas requiring attention
- ▶ make recommendations for the types of assistance needed by FTIB to fulfil its mandate under the EDB Act.

1.2.1 Terms of Reference

The terms of reference for the Study required the Consultants to:

- (1) Carry out a diagnostic analysis of FTIB covering among other things the organisational and functional structure of FTIB and its needs for improvements;
- (2) Develop restructuring strategies based upon the diagnostic analysis and develop recommendations and an implementation procedure and plan to establish a performance management system that supports the strategic needs of the FTIB;
- (3) Introduce an appropriate management information system for decision making by the management staff of FTIB;
- (4) Through diagnostic and restructuring analysis:
 - recommend the type of structure which best meets the role of FTIB within the confines of existing resources;
 - prepare job descriptions and reporting details to enable FTIB to effectively operate under the recommended structure
 - develop policy guidelines that will enhance the essential skill development needs of the employees, including sponsorship and training available through Government and other sources;

- (5) Taking into account the functions of FTIB as stipulated in the Act and its vision and mission, develop a three-year corporate plan for the organisation.

We also agreed, as part of the terms of reference, to consider,

- ▶ revenue-generating options for FTIB
- ▶ finance/accounting system and delegation of powers
- ▶ representation and networking overseas
- ▶ FTIB's present and future focus of activities
- ▶ FTIB's vision and mission statements.

1.3 Study Methodology

Price Waterhouse consultants carried out the Diagnostic Study in six stages as detailed below.

1.3.1 Stage One: Development of a Corporate Plan

A series of interviews was held with internal and external stakeholders of FTIB to obtain their views on the present role and future directions of FTIB. A one-day strategic planning workshop was then convened with the FTIB management team. From this process the consultant drafted a Corporate Plan for FTIB that contained the following sections:

- ▶ Introduction from the Minister
- ▶ Introduction from the Director/CEO
- ▶ Role and Dimensions of FTIB
 - an organisation chart
 - number of employees
 - budget
- ▶ Vision and mission statements
- ▶ Values statement and Goals
- ▶ Operating environment
- ▶ Objectives and Strategies
- ▶ Performance indicators and targets.

The FTIB will finalise and publish the draft Corporate Plan outlined in section 3 of this report.

1.3.2 Stage Two: Organisational Restructuring

Price Waterhouse consultants carried out a review of the present organisation structure through a series of interviews with FTIB management. We considered the appropriateness of the present structure based on the outputs of the strategic planning workshop and responses from external interviews.

From this process we recommended some changes to the organisation structure for FTIB and an implementation procedure was outlined.

1.3.3 Stage Three - Management information

Interviews were conducted with FTIB managers and officers to identify the information used and required to effectively achieve the corporate objectives. We also reviewed the computer systems capability to deliver the required information. Recommendations for a relevant management information system were made.

1.3.4 Stage Four - Finance/Accounting System

The current finance and accounting system and staff skills were reviewed with respect to the current accounting requirements and a future accrual-based accounting approach. Recommendations were made to upgrade both the accounting software and accounting skills within FTIB.

1.3.5 Stage Five - Performance Management

Interviews were conducted with management and staff to determine current performance management. A hierarchical set of performance indicators were developed based on corporate objectives, strategies and key processes. These measures provided a balance between monitoring strategic initiatives and identifying problems in the organisation.

A project management system was also proposed to enable tracking of projects and to quickly identify delays.

A staff performance appraisal system was developed to provide feedback on staff performance and to identify training needs.

1.3.6 Stage Six - Policy

The consultants developed policy guidelines and/or procedures to cover areas of FTIB that were not being adequately addressed. These included a number of performance monitoring and appraisal items together with organisational and personnel issues.

2.0 FTIB Operating Environment

2.1 Fiji - Economic Overview

Fiji is still very dependent for its economic well-being on two main sources of revenue - sugar and tourism - with tourism being the leading foreign exchange earner. However, the 1995 budget shows that the Government of Fiji considers export orientated "manufacturing" industries to hold the key to sustained economic growth, supported by the sugar and tourism industries. The Government is also looking to private sector investment in these "labour intensive, export led" industries to solve the employment problems that Fiji will experience if new jobs are not created for the estimated 70,000 school leavers coming on the job market by the year 2000.

Recent foreign trade figures show that Fiji's exports have grown by 96%, from \$408.6 million in 1987 to \$800.5 in 1994. The stated goal of Government is to foster growth in the private sector to continue this trend. To this end a National Economic Summit (involving Government, industry leaders, and employer and employee groups) was held in May 1995 to discuss ways in which to perpetuate this growth. A series of recommendations came out of that Summit, and Government is currently studying the recommendations and intends to develop a comprehensive action plan to follow up on the recommendations.

A key concern within Fiji, and one expressed at the Summit, is that the "bullish" period of investment and growth that Fiji experienced in the late 1980s and early 1990s has now tapered off, and levels of investment and growth appear to have flattened out. Presently no sign of the "second wave" of investment on which Fiji must rely for economic growth is evident.

2.1.1 Incentives for Investment in Fiji

The existing incentives for investment in Fiji, such as the Tax Free Factory/Zone (TFF/TFZ), have shown they are not attractive enough to bring in the level of investment required for Fiji to progress economically. (TFF investment projected for projects approved in 1993 was only 20% of that for non-TFF projects). The range of available industry incentives is currently under review by the Government. A report by the IMF of this issue is also under consideration.

The Government must consider its options in offering incentives to investors. It needs to come up with a range of incentives that will attract a level of investment sufficient to secure Fiji's economic future.

2.1.2 The Cost of doing Business in Fiji

Allied to the incentives issue is the cost of doing business in Fiji. Presently this is too high and acts as a disincentive to investment. Comparing Fiji to neighbouring New Zealand and Australia, to whom Fiji must still look for a substantial amount of investment.

- ▶ rents and building costs are higher
- ▶ electricity costs are higher (24c per k/hr compared with 8c per k/hr in Sydney)
- ▶ telephone charges are higher
- ▶ the cost of banking is higher
- ▶ insurance costs are higher

Besides these factors:

- ▶ much of the infrastructure required by industry is absent (eg, suitable factory space is scarce, and factory operators often have to fund their own transformer to provide three-phase power to their plant at a cost of approximately \$60,000)
- ▶ the cost of compliance with the regulatory environment in Fiji is high
- ▶ while labour is relatively cheap, productivity is low and this usually cancels any cost of labour advantage for manufacturers
- ▶ changing technologies coupled with skill shortages in Fiji often means industry must source specialist labour from overseas at high cost, and send machinery and equipment overseas for repair
- ▶ the very small local domestic market compared with the huge domestic markets offered to investors in Asian countries
- ▶ Fiji is fairly isolated and remote from the major markets, and this contributes to a low frequency of transport connections and high cost of freight
- ▶ access to markets are not as attractive as they first seem under current preferential trade agreements, such as SPARTECA; local content/cost of manufacturing ratio requirements can constrain manufacturing efficiencies and therefore profitability.

The result of all the above for current and prospective investors is that return on investment in Fiji now is low, and therefore the opportunity cost of any capital invested is high. This has led some existing and probably many potential investors to look elsewhere for locations to invest their funds.

As it presently stands, investors gain no significant advantages from investing in Fiji.

2.1.3 Increasing Competition from other Countries

In contrast, the packages offered by Fiji's competitors in Asia, such as Malaysia and Singapore are very attractive to investors. Packages offered include:

- ▶ land at a nominal cost
- ▶ complete provision of the infrastructure, including all utilities connected
- ▶ interest-free loans to build plant
- ▶ guarantee and fast-tracking of approvals
- ▶ duty-free import of machinery and equipment
- ▶ broad tax concessions.

The message for Fiji in this is that in today's world, technology and capital are mobile. Investors will invest in a stable business environment where they can get the highest return on their investment.

2.1.4 Trade and Deregulation

The Government is moving to deregulate trade in Fiji. This is exposing local businesses to competition to cheap imports and placing some businesses in jeopardy. Ironically, while local businesses are being subject to the easing of trade restriction, for some potential investors to Fiji it is the inability to access markets because of the conditions of preferential trade agreements such as SPARTECA that is discouraging their investment.

Further, the increasing trend to liberalisation of trade is eroding the benefits accrued to Fiji from existing preferential trade agreements. They no longer represent the incentive to investors they once were.

However, while in some areas tariff restrictions are being lifted, the financial markets are still closely regulated in Fiji. Land and fishing rights issues are still firmly locked in legislative constraints. The result of this situation is that access to finance for investors, and the needed access to land and fishing for some is difficult to obtain. These factors also act as a disincentive to potential investors.

2.1.5 Trade and Investment Policy and Procedures

At present, a lack of clarity around trade and investment policy exists. Policy is distributed across many Acts; embedded in the practices of various Ministries; and sometimes represented by prevailing practice or "rule of thumb"

This makes it very difficult for potential investors to gain a clear understanding or assurance of their position with respect to eligibility for concessions. Investors also face a very complex and time-consuming process in obtaining the various approvals they need to proceed with a project.

These issues are a source of frustration for investors who are looking to the authorities to give them assurance in their planning, and streamline the applications and approvals process. Fiji needs an encompassing and enabling piece of legislation in the trade and investment arena, and an Investment Act is presently under consideration.

2.1.6 Opportunities

Nevertheless, opportunities still exist for Fiji if the Government can put together attractive incentives packages and ease the passage to implementation for potential investors. The continuing reduction of tariffs in New Zealand and Australia, and the increasing access to those markets of manufactured goods from Asia and China, will mean that some manufacturers will have to go offshore to survive. Fiji should be asking itself right now, "what do we need to do to attract those manufacturing operations".

In the highly competitive investment climate that exists in the region Fiji must seek out niche areas in which it can be competitive and successful. This means targeting industry sectors and even wooing individual investors and entrepreneurs.

If the economic future for Fiji depends on "labour intensive, export led manufacturing" then Fiji must identify the industry sectors within this category that it should target. It must then go out and aggressively promote itself as a destination for those industries.

2.2 FTIB Operational Issues

Besides the environmental constraints outlined above, several operational constraints exist to the effective operation of FTIB.

The major operational constraints are

- the legislative, policy, and procedural framework under which it operates

- funding
- lack of overseas representation.

We also identified several other lesser inefficiencies from the diagnostic study.

2.2.1 Legislation, Policy and Procedure

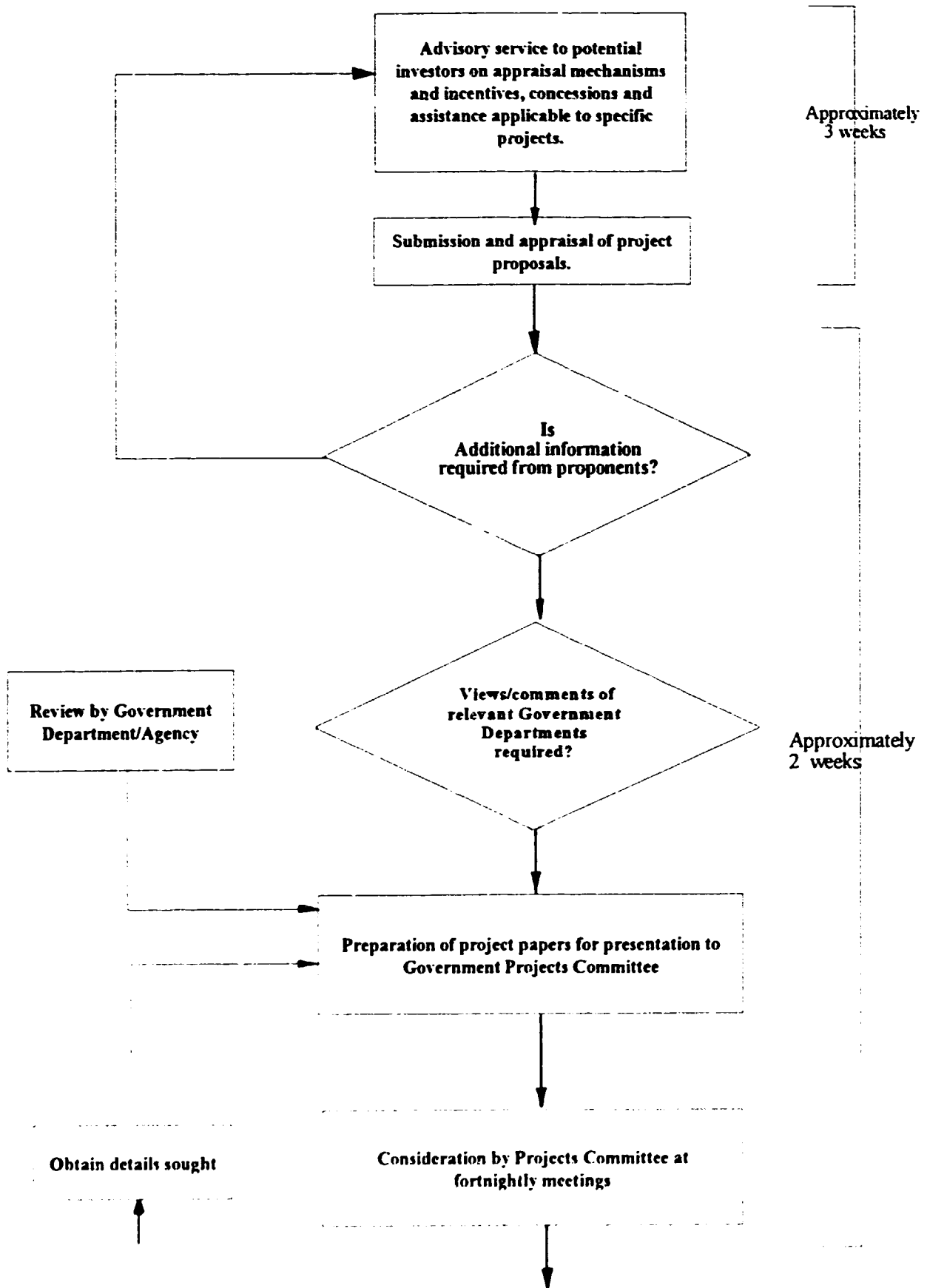
Findings

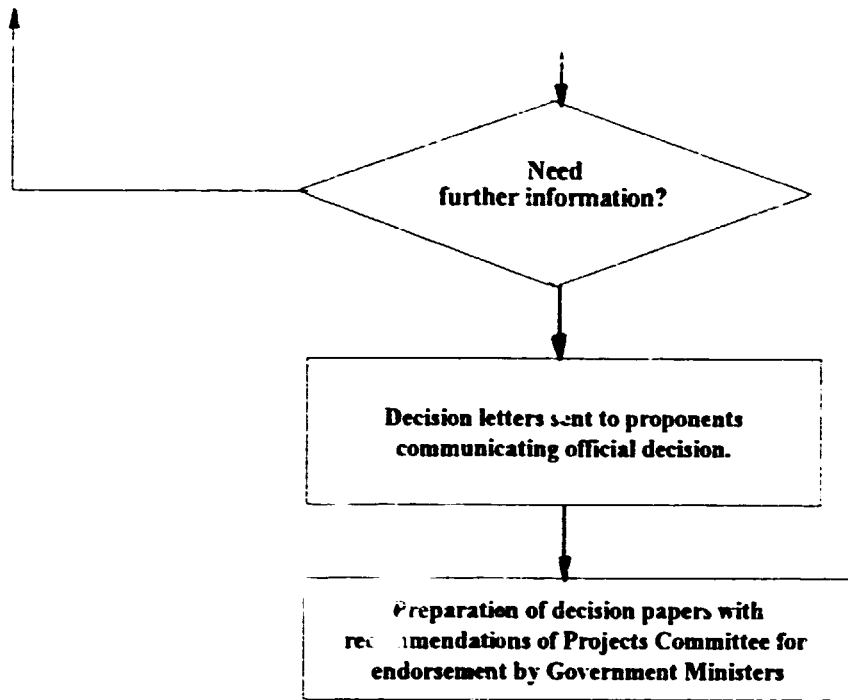
While the legislation under which FTIB was established, continues to function and describes a wide mandate for the organisation, it does not give FTIB the powers to achieve that mandate. It is clearly the case of FTIB having "all the responsibility but none of the power". FTIB has perhaps best captured this all encompassing role in their own slogan in which it describes itself as the "one stop shop". Unfortunately this motto has built up the expectation that FTIB can deliver all things to all people. It has become the focus for some discontent when not able to perform against these expectations.

As it presently stands the legislative powers that impinge on the trade and investment areas are spread across many pieces of legislation, and several Government Departments administer the policies. Policies are tied up in the legislation, the practices of various Ministries, and embodied in the prevailing "rule of thumb" applied in Government agencies.

One principal role of FTIB is to process project (investment/business) applications, and the situation described has produced the very bureaucratic machinery in which FTIB functions. A simple perusal of the number of Government approvals required to set up a business venture (see Appendix I) highlights the cumbersome nature of the Government machinery. All proposed investment projects in Fiji have to be processed through the FTIB on a Project Appraisal Information Form. The process through which a project application must flow is represented in figure 1.

FIGURE 1: Project Appraisal and Approval Flowchart





Approximately
3 weeks

This procedure has led to three identified problems:

- ▶ the volume of applications and subsequent demand on FTIB resources
- ▶ the timeliness of the process
- ▶ the lack of certainty of an outcome inherent in the process.

- ▶ **Non value added processing of projects that are never implemented.** Up to 40% of project officers' time is spent processing project applications that do not and are not likely to proceed. No up front screening process is used to eliminate applications that are unlikely to be approved before further processing.

- ▶ **Excessive time in obtaining appropriate information.** Division officers can spend up to 50% of their time following up with investors to obtain the appropriate information required to submit the proposed project for approval. This is often due to investors not understanding the information requirements or the criteria for approval of projects. Applicants, when they enter the process, are often unable to have a high level of confidence that they will be successful. The foremost criticism of the process is that policy is either not published and readily discernible, it changes too frequently, and/or it is not applied consistently in the process. Additionally, proposal application forms do not adequately suit most types of projects nor is the information required on this sheet clearly explained.

- ▶ **Low Project Implementation Rate.** The implementation rate for 1994 was only about 20% of project proposals received. This low implementation rate appears to be due to two interrelated factors. First, investors having gained project approval then need to obtain further government and other organisations' approval, licenses, clearances, land etc. before the project can be implemented. This is very difficult for foreign investors as they have little knowledge of what to obtain, who to see, how to obtain these and in what order they must be dealt with. This leads to significant frustration and often postponement or cancelation of the project in Fiji (some examples exist in current outstanding projects not implemented). Secondly, FTIB officers are currently spending 80% of their time focussed on processing project proposals through to the approval stage only. Very little time is spent assisting investors with going through the bureaucracy to implement their projects.

Recommendations

- ▶ Actively pursue the drafting and enactment of the Investment Act for Fiji that should:
 - outline Government policy
 - prescribe criteria for investment project approvals
 - describe conditions for eligibility for concessions or preferential treatment (and detail the mechanisms for gazetting any changes to the above)
 - delegate specific decision making powers to the Government's Project Committee and/or the Director of FTIB

- ▶ Develop a check list specific to each main type of project, for officers to initially assess the likelihood of a project being approved. Projects that do not pass the check list should be returned to investors with reasons why the project is unlikely to be approved and not processed further

- ▶ Compile a project application form specific to each main type of project

- ▶ Document an accompanying description of the information required on these forms

- ▶ Document the criteria to obtain project approval and included with the above information.
- ▶ List the available range of concessions in the above information.
- ▶ Document the implementation requirements for each main type of project type, such as:
 - what must be obtained
 - who to see
 - how to obtain it
 - and in what order the above should be done.
 Include this information in a booklet with the other information from above. This booklet would take investors from the beginning to the establishment of a project.
- ▶ FTIB officers to spend much more of their time (at least 50%) following up and assisting investors implement their projects. Fiji gains the benefit from implementation of projects. Assisting implementation is the real value adding activity that FTIB can provide.

Benefits

- ▶ Make eligibility transparent, eliminate any perceived bias in the processes and give investors assurance in planning their projects.
- ▶ Significantly reduced amounts of non value adding processing by division officers enabling more time for value adding activities, such as active assistance with project implementation and research of viable opportunities for investment
- ▶ Reduced Project Review Committee workload enabling more detailed examination of remaining proposals with a reduction in barriers and hurdles faced by investors.
- ▶ Higher percentage of projects approved of those submitted to the committee.
- ▶ Higher percentage of projects implemented of those approved.
- ▶ Increased speed at which projects are implemented.

2.2.2 Funding

Findings

- ▶ **FTIB Operational Deficit.** The FTIB is facing difficulties in funding its operations. As previously stated, recurrent expenditure is funded through an annual budget allocation from Government. The following table shows the shortfall in funding from the Government.

| YEAR | BUDGET SOUGHT | AMOUNT GRANTED | ACTUAL EXPENDITURE | SURPLUS/ (SHORTFALL) |
|------|---------------|----------------|--------------------|----------------------|
| 1990 | N/A | 708,138 | 675,035 | 33,103 |
| 1991 | N/A | 729,012 | 835,965 | (106,953) |
| 1992 | N/A | 939,100 | 960,964 | (30,864) |
| 1993 | 1,030,380 | 937,300 | 1,119,528 | (182,228) |
| 1994 | 1,480,790 | 1,037,300 | 1,362,805 | (325,505) |
| 1995 | 1,559,300 | 1,055,100 | 1,298,902 | (243,802) |

As can be seen from these figures, FTIB is currently running at a significant operational deficit, which if allowed to continue, will threaten its operational viability in the near future.

- ▶ **Insufficient Trade and Investment Promotion Funding.** The situation concerning the funding of trade and investment promotions activity is equally unsatisfactory. The Government's contribution of \$145,000 to this activity is insignificant in terms of the funding required to mount an effective program in this area (the present funding from the European Community was in the order of \$5 million over a five year period). The dependence of FTIB on donor funds is tenuous, cumbersome and restrictive. Donor grants are usually tied in some form and severely restricts the ability of FTIB to be flexible and responsive to market needs in its planning and operations.
- ▶ **Alternative Funding.** The current level of budget allocations from Government suggests that the FTIB, with its role to develop trade and investment for Fiji, is not seen as a high priority for funding. This raises the question whether this is a signal from Government that the FTIB should be exploring alternative funding options.

This issue of funding is a contentious one for trade and investment promotion agencies of Government, as the notion of charging a fee for service in many respects runs counter to the mandate of attracting investment and promoting trade. The national trade and investment promotion agencies in countries such as Australia, New Zealand, Canada, Indonesia, Malaysia and most other countries are funded by the Government from consolidated revenue.

These agencies are funded in this manner because of strong disadvantages of charging a fee for services that include:

- **Agencies are in a competitive situation** in which they are vying for investment dollars. The onus is on them to put together incentives that will attract investment and work with their industries to develop markets. Charging for services is a disincentive to engaging an investor or bringing an exporter on board for a trade promotion. It puts the organisation at a competitive disadvantage. The intensely competitive nature of the trade and investment promotion activity internationally means that no organisation can afford to give another country an advantage, no matter how minor it may seem.

- **The practice sends the wrong signal to the market.** After all, the agency is principally promoting the overall interests of the country, not the individual, and is working to develop the economy. It is not appropriate on the one hand to charge the individual a fee, and on the other hand to say that as an organisation you have the national interest first. Once you take the money, there is an obligation, both contractually and morally to align yourself more closely with the interests of the client. The client has an entirely different expectation of the relationship. Fee for service compromises the independence of the organisation and its ability to work impartially for the broader objectives.
- **Governments are reluctant to expose themselves to the political criticism** that is likely to follow from any decision to charge for such services. After all, many prospective investors and all the exporters are taxpayers who are contributing to the revenue base of the country and have the right to expect some services in return. They can rightly argue that the Government should be investing in this activity as the benefits of investment and expanded trade are also realised by the Government in terms of increased revenue and contributions to other political and economic goals such as increased employment.
- **Who to charge for what is a complex issue.** Do you charge a flat fee, a fee based on time engaged, or a fee based on a percentage of investment or export orders realised? Each method has its own drawbacks and the whole area is an administrative and political minefield.
- **Usually not a viable method of significantly supplementing funding** because the level of fees that can reasonably be charged for such a service is offset by the cost of administering the collection of fees.

The advantages usually cited for charging fees are that a fee will act as a screening tool to sort out those investor applicants who are serious from those who are simply "flying a kite", as most agencies end up wasting a lot of time and effort on the latter category of client.

However, this issue is best addressed by more stringent pre-qualification requirements such as the need for a formal feasibility study and business plan rather than by charging a fee. Such a requirement is unlikely to discourage a genuine investor, but does not have the problems associated with a fee.

In summary, there is a very strong case for not charging fees for the type of service FTIB is providing.

Other options for FTIB such as setting up a separate consulting business unit to conduct feasibility surveys, carry out market research, write business plans, etc are fraught with problems. There is no good rationale for FTIB getting into this market when a viable local market for this type of service already exists. The Government and FTIB should not be in competition with the private sector. It would also open the organisation to criticism of conflict of interest no matter how structurally and operationally independent such a business unit was established from the main FTIB organisation.

The question that should be asked relating to the funding of FTIB is not how the organisation can find alternative sources of funding, but whether the Government is serious about promoting investment and trade in Fiji. If so, the Government is in the position of every other Government in the region in that it should fund this activity at an appropriate level from consolidated revenue.

Recommendation

- ▶ The Government of Fiji to fully fund the operation of the Fiji Trade and Investment Board with an annual budget allocation from consolidated revenue.

2.2.3 Overseas Representation for FTIB

Findings

- ▶ **Government through the FTIB has embarked on a program of accelerated trade and investment promotion** both with countries having traditional trading and investment relationships with Fiji, such as New Zealand and Australia, and with new and emerging economies, particularly those in the Far East and South East Asia.
- ▶ **For any trade and investment agency to operate effectively in these markets it must have overseas representation in key locations.** At present FTIB does not have overseas offices or commercial representatives in Fiji's Embassies. This lack of overseas representation is a problem, as it is simply not possible for FTIB to build the extensive local knowledge, wide network of contacts, and close working relationships necessary to effectively "work" an overseas market from a base in Fiji, and with a strategy of sporadic overseas trade and investment missions as donor funds allow. At present, FTIB is reliant on indirect follow-up on trade and investment missions through Fiji's Embassies or international organisations and consultants.
- ▶ **Successful marketing and selling is dependent on continuity of contact and consistent follow-up over an extended period** to achieve the results. This can only be achieved by having representatives in situ in targeted overseas markets who can build and maintain a profile for Fiji, and follow-up personally on potential investors or importers. FTIB is presently restricted in this regard as it does not have the network of overseas representatives to allow it to optimise its promotional activity.

This factor has been recognised by Government, and there is presently a budget proposal tabled for the establishment of Trade Commissioners in Auckland, Taipei, Brussels, Tokyo, Malaysia, Hangzhou and Los Angeles, with initial representation at 3 locations.

Recommendation

- ▶ Establish a network of overseas Trade Commissioners in the above identified locations.

2.2.4 Research and Promotions

Findings

- ▶ **Poorly Targeted Investment Promotions.** This was found to be largely due to a lack of research into products, services and industry sectors where Fiji offered opportunities for successful business enterprises. Additionally, potential investors (such as well known hotel chains) have not been specifically targeted with specific projects in mind.
- ▶ **Ad hoc Research.** Research is done on an ad hoc request basis with no prioritisation or planning of work. This undoubtedly is adversely affecting the promotional activities of FTIB and the overall effectiveness of obtaining investment in Fiji. It is also showing up through inquiries from international and local investors about Fiji product, service and industry profiles where often FTIB officers are unable to provide the relevant information.

Recommendations

- ▶ Identify the information required to effectively target investment and trade development promotional activities. The management team to then develop a prioritised list of research projects to obtain the information.
- ▶ Develop a research plan to obtain the relevant information identified above.

Benefits

- ▶ A systematic approach to researching appropriate information starting with the highest priorities.
- ▶ More effective promotions with greater returns in terms of investment and trade development.

2.2.5 Non-Value Adding Activities

Findings

- ▶ FTIB is given work from Government Ministers which does not fit with FTIB's strategic focus. This includes items such as the "Clean up" Fiji campaign and preparation of reports that have nothing to do with FTIB. The FTIB is already running with a financial deficit and operating with limited resources. Undertaking these types of unbudgeted and unfunded activities further reduces the effectiveness of FTIB in fulfilling its key roles of obtaining foreign investment and developing export trade.

Recommendation

- ▶ FTIB management should strongly and forcefully resist pressure to undertake these non-value adding activities. If this pressure is not able to be resisted then the Minister responsible must make the decision of what work FTIB will forego to undertake the non-value adding activity.

Benefits

- ▶ Reduced drain on FTIB's limited resources.

2.2. Registry System

Findings

Review of the registry system identified a number of problems such as long delays in delivering incoming mail and files not being able to be located when needed.

- ▶ **Delays in Delivering Incoming Mail.** The major factor causing delays is the initial routing of all mail through the Director. This places unnecessary non-value added work on the Director and depending on his availability can cause significant delays in delivering mail to the appropriate person. This can delay the project approval and implementation processes and at worst lose potential investors. A lesser cause of delays stems from the registry clerks running errands when the messengers are not available.
- ▶ **Files Not Able to be Located when Needed.** There appears to be two factors contributing to files not being able to be located. The first is the person who has booked out the file passing it onto somebody else or somebody else borrowing it without updating the registry card system. This can only be addressed by the individuals who borrow the files ensuring they update the card system and promptly return files to the registry storage area. The second cause relates to the registry clerks running errands and not being available to retrieve files for support staff or officers. Both of these can cause a lack of credibility of FTIB in the eyes of investors and unnecessary delays in the approval and possibly implementation processes.

Recommendations

- ▶ Send mail direct to the most appropriate person. The registry clerks to initially decide who is likely to be the most appropriate person without sending mail through the Director. A list of each officer's responsible area held in the registry area would probably assist in this task.
- ▶ Train all FTIB personnel in the correct use of the registry file borrowing card system and how to locate files when the registry clerks are not available.
- ▶ Investigate installing the file borrowing and tracking system onto the network and any benefits that may be achieved.
- ▶ Investigate the possibility of using a PC based bar coding system to register mail and track file location. The benefits of such a system would need to be weighed up against the cost to purchase, install and maintain such a system. This is not seen as a high priority area for improvement.

2.2.7 Transportation

Findings

- ▶ **Lack of Transportation Available for Staff.** Not to be able to meet investors or exporters at times due to a lack of transport causes embarrassment and adversely affects the image and effectiveness of FTIB. Two vehicles are currently available and if used efficiently would probably meet most of FTIB's needs. The areas where inefficiencies exist include:
 - numerous mail deliveries to various government departments through out each day
 - ad hoc errands to deliver and obtain a range of items
 - inappropriate use of vehicles, the Suva central business district is compact and most places are within easy walking distance from FTIB
 - use of FTIB vehicles for non-FTIB business

Recommendations

- ▶ Develop a strict mail delivery and pick up schedule to various government departments with at most two trips per day to a government department. The mail delivery and pick up schedule to be widely distributed to all FTIB personnel and relevant government departments. These mail rounds could be made on foot.
- ▶ Designate a time during the day when minor errands would be run. Inform all FTIB personnel.
- ▶ Assign responsibility for vehicles to a single person who would hold the keys and ensure the log books are completed.

3.0 The FTIB Corporate Plan

3.1 The Corporate Planning Process

A series of interviews were held with internal and external stakeholders of FTIB to obtain their views on the present role and future directions of FTIB, after which a one day strategic planning workshop was convened with the FTIB management team. As a result of this process a Corporate Plan was drafted for FTIB which contained the following sections:

- ▶ Introduction from the Minister
- ▶ Introduction from the Director/CEO
- ▶ Role and Dimensions of FTIB
 - organisation chart
 - number of employees
 - budget
- ▶ Vision and mission statements
- ▶ Values statement and Goals
- ▶ Operating environment
- ▶ Objectives and Strategies
- ▶ Performance indicators and targets.

The vision, mission statement, values, goals, objectives and strategies developed for the draft FTIB Corporate Plan are outlined below.

3.2 Outputs of the Corporate Planning Workshop

3.2.1 Vision Statement

"By the turn of the century, the Fiji Trade and Investment Board (FTIB) will be a dynamic force in the creation of economic wealth and prosperity for the people of Fiji".

3.2.2 Mission Statement

"To be a dynamic force in the creation of economic wealth and prosperity for the people of Fiji, the Board will promote increased investment, stimulate the development of industries, ventures or enterprises that enhance employment opportunities and facilitate sustained economic growth."

3.2.3 Values

- Excellent customer service and high quality products
- To work in partnership with the Government and the community
- To promote a positive image for Fiji
- Teamwork
- Accountability

3.2.4 Goals

- To promote investment in Fiji
- To enhance employment opportunities
- To promote export growth
- To facilitate sustained economic growth

3.2.5 Objectives

- To identify, attract and secure a level of investment for Fiji sufficient to sustain economic growth
- To identify, promote and secure a market for Fiji's products and services and optimise foreign exchange earnings
- To create awareness of and provide assistance for the development of export oriented marketable products and services
- To provide Government with timely, accurate and comprehensive advice on investment and trade policy issues
- To provide up-to-date, accurate and comprehensive trade and investment information to clients
- To identify and promote the development of the industry skill and training needs of Fiji's workforce
- To improve the overall business climate in Fiji

3.2.6 Strategies

Objective 1

To identify, attract and secure a level of investment for Fiji sufficient to sustain economic growth

Strategies

- To target investment in industries for Fiji that:

- (a) are labour intensive and offer employment opportunities
 - (b) have an export focus
 - (c) are resource based
-
- To work closely with local industries that have the potential to expand
 - To identify and focus on industries and areas where Fiji has a competitive advantage
 - To develop a network of overseas representatives of FTIB to carry out investment promotion activity
 - To develop a screening mechanism for project application that addresses the low implementation rate of projects
 - To investigate ways to fast-track the project approvals process and lobby Government for changes in this area
 - To work more closely with investors post-approval to assist them to implement projects

Objective 2

To identify, promote and secure a market for Fiji's products and services and optimise foreign exchange earnings

Strategies

- To conduct regular, systematic market research to identify export opportunities for products and services from Fiji
- To develop a network of overseas representatives of FTIB to collect market information
- To identify niche markets in which Fiji can compete, and focus trade promotions planning and activity based on analysis of market information
- To develop an information database on the availability of products and services in the Pacific and Asia regions
- To disseminate information on market opportunities to potential and existing exporters

- To assist local exporters to develop marketing plans
- To develop stronger links with the local industry associations and business councils
- To develop expertise on trade agreements in order to gain more effective access to markets for exporters

Objective 3

To create awareness of and provide assistance for the development of export oriented marketable products and services

Strategies

- To promote awareness in the community about the importance of exports for Fiji's economic future
- To promote awareness and understanding in the community of FTIB's role in the promotion of exports
- To work closely with industry sectors to identify marketable products and services
- To assist with the development of representative groups for emerging industries
- To assist potential marketeers to source funds and expertise
- To assist exporters attain international quality accreditation

Objective 4

To provide Government with timely, accurate and comprehensive advice on investment and trade policy issues

Strategies

- To act as an interface and channel of communication between Government and the private sector on trade and investment issues
- To inform and advise the Government on market trends in the areas of trade and investment

- To advise Government on legislation and policy issues relating to trade and investment
- To respond to requests for information from Government on any matters relating to trade and investment

Objective 5

To provide up-to-date, accurate and comprehensive trade and investment information to clients

Strategies

- To develop and maintain databases containing comprehensive information on trade and investment issues
- To provide clients with a trade services directory containing information on publications and on-line access to a range of trade information
- To provide business advisory services to industry
- To provide a referral service for clients to other agencies, trade commissions, embassies, etc to which they may need access for information and assistance
- To develop and maintain a project management system which will provide clients with up-to-date information about the status of their applications

Objective 6

To identify and promote the development of the industry skill and training needs of Fiji's workforce

Strategies

- To monitor feedback from clients on the skills and labour resources they required for their businesses, and the availability of those skills and resources
- To consult with industry associations and business groups on the present and future skill requirements for industry in Fiji
- To liaise with and advise educational and training agencies on the industry skill and training needs of Fiji's workforce

Objective 7

To improve the overall business climate in Fiji

Strategies

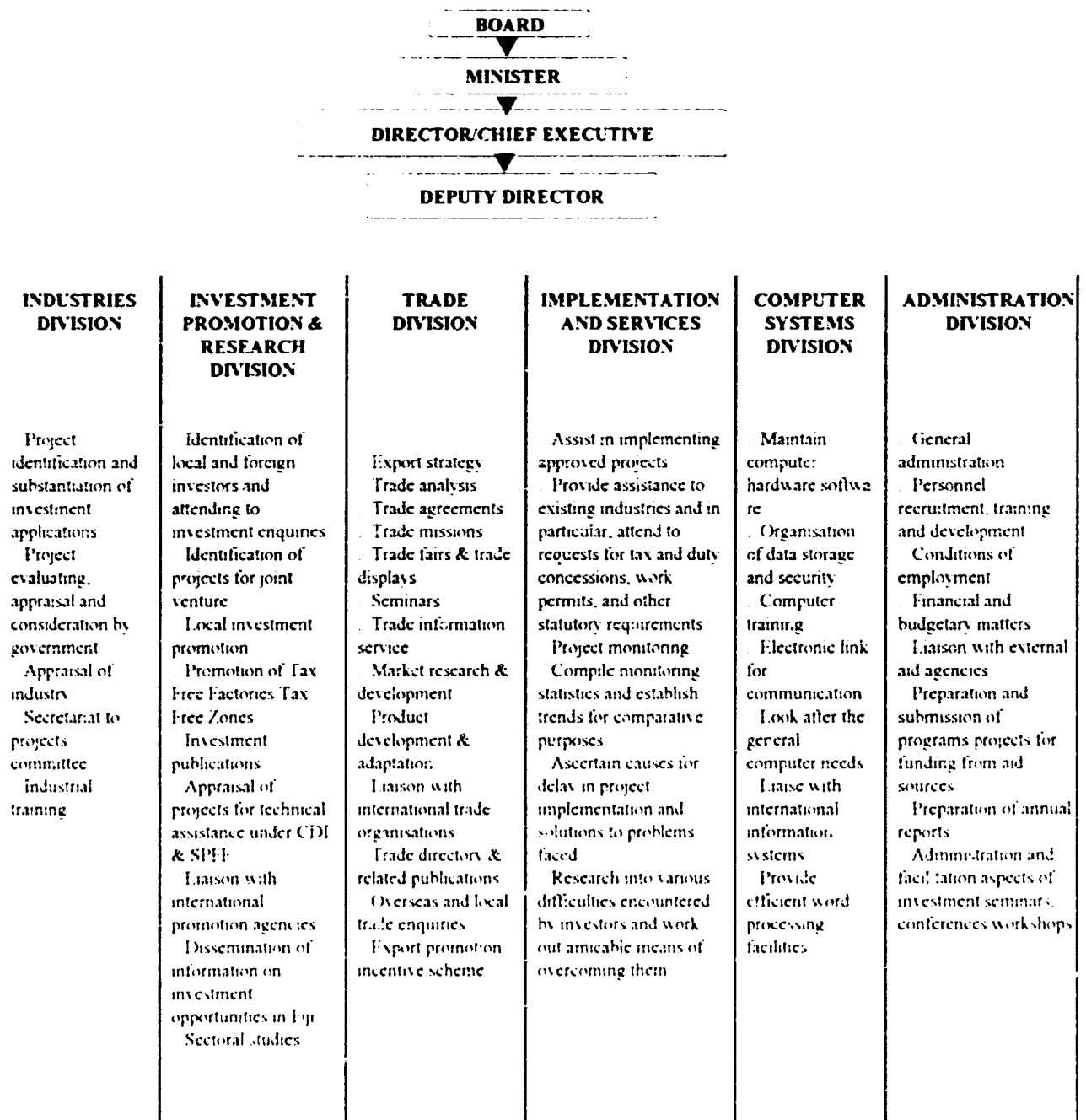
- To lobby Government for the introduction of an Investment Act for Fiji that will serve as an encompassing and enabling legislative base for economic development
- To lobby Government for a review of the present range of incentives for investment, and the development and introduction of attractive incentives packages for industry
- To promote a common goal across business and Government to work together to develop the economic well-being of Fiji
- To work with Government to facilitate and expedite investment and trade activities in Fiji
- To encourage Government and business to develop the infrastructure necessary to attract investment, and to more effectively manage the cost of doing business in Fiji
- To promote economic development in Fiji that contributes to a sustainable environment and quality of life for all Fijians

4.0 Organisation Structure

4.1 Background

Prior to May 1995 the FTIB had an organisation structure which segmented its activities according to the key functional roles it carried out. There was an Industries Division which focussed on the Project identification, evaluation and processing role, an Investment Promotion and Research Division, a Trade Division, an Implementation and Services Division, and the support Divisions (see Figure 2)

FIGURE 2: STRUCTURE OF FTIB AND ORGANISATION OF ACTIVITIES



4.2 Current Structure

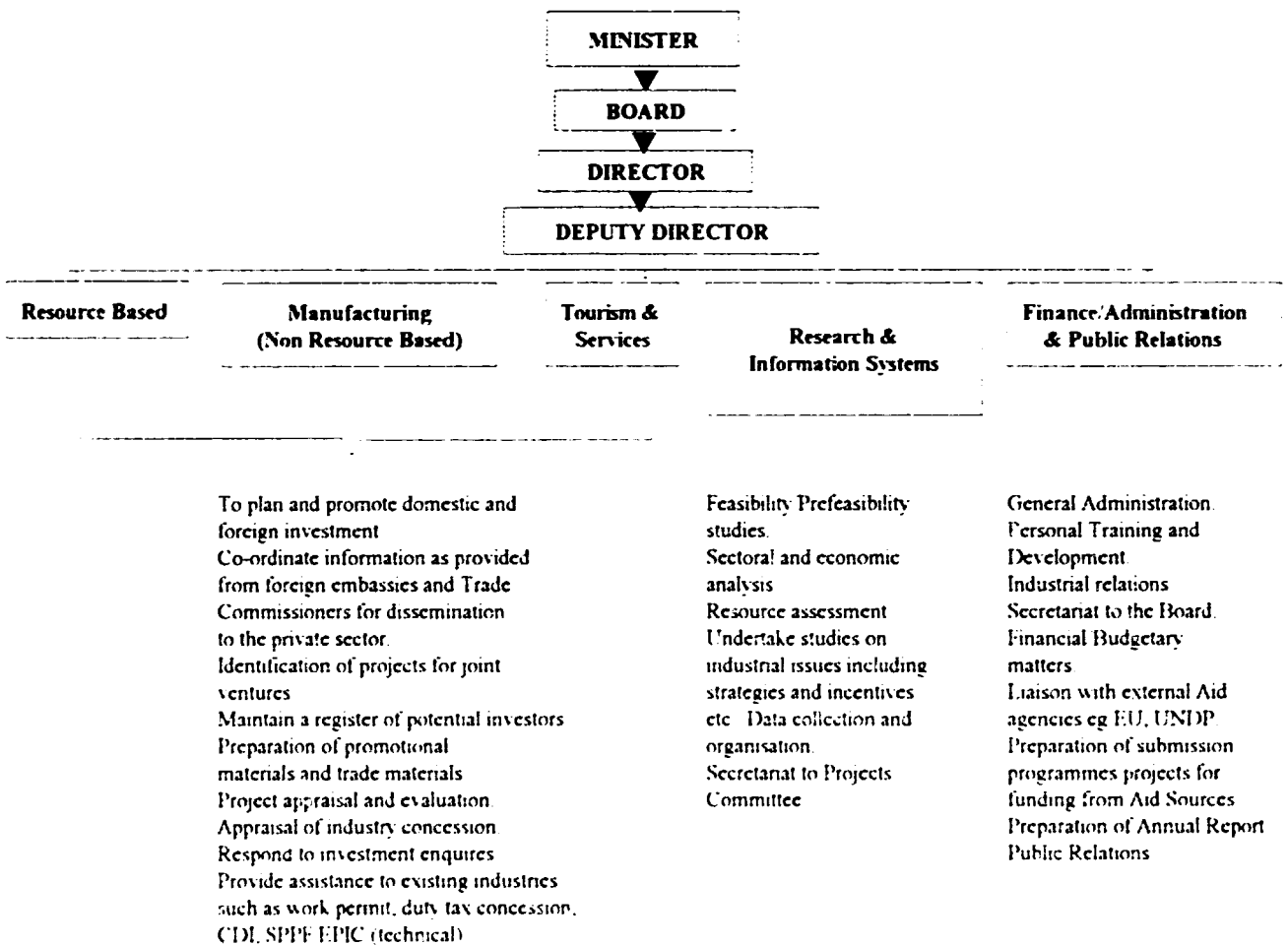
This structure was superseded in May 1995 by one which was more aligned with sectors (see Figure 3) and required divisions taking on both investment and trade responsibilities for those sectors. The three sector/divisions which were created are:

- ▶ Resource Based
- ▶ Manufacturing
- ▶ Tourism and Services.

Two staff divisions were created incorporating:

- ▶ Research and Information Systems
- ▶ Finance, Administration and Public Relations.

FIGURE 3: CURRENT STRUCTURE OF FTIB



The rationale for the new structure was to become even more focused on and knowledgeable about the needs of the investor, and to more readily assist projects through to implementation. The new organisation structure is entirely consistent with current management theory on organisation design which is underpinned by the need for staff ownership of the core business process, and a customer focus.

The new structure is very customer focused in that the customer (investor) is dealt with by one Division and probably one person throughout his relationship with FTIB through the various stages of application, project implementation, and post-implementation support. In this situation FTIB staff are able to build up an understanding of the business needs of the investor and build a relationship with the person that allows them to provide an enhanced level of customer service.

The FTIB officer also has full ownership of the total process which also promotes accountability for the outcome and usually leads to the person taking more care with and responsibility for their servicing of the customer's needs.

This accountability aspect is particularly important given the problems experienced within FTIB and of bringing projects through to implementation. It is critical that the key outcome for the staff at FTIB is seen to be an implemented project where investment is realised and employment created. In reviewing the performance of both individuals and the three sector Divisions, rates of implementation of projects is a fundamental measurement criteria.

While it could be argued that many of the impediments to implementation are outside the auspices of FTIB, it is none-the-less the role of the FTIB Officer to assist the investor to identify and overcome those obstacles.

4.2.1 Shortcomings of the New Structure

The reasoning behind the new organisation structure was sound, however, the structure on implementation has been found to have some inherent deficiencies.

- ▶ **Lack of Investment and Trade Promotion Activities.** In theory investment and trade promotion activities can reside within the three key sector divisions; in practice it is not being carried out. This can in part be explained by the volume of work being carried out in these divisions in the processing of project applications. However, even if the staff in these divisions were not constrained by time and resource demands, it is unlikely they would be able to adequately address the promotional aspects of the role. The splitting of this activity across the three divisions fragments the potential resource application and disperses the effort. Due to the size of FTIB, promotional activities to be effective needs to be centralised into a dedicated resource. This dedicated resource should also be able to call for the assistance from the divisions as required for input to promotions.
- ▶ **Confusing of the Two Main High Level Activities of FTIB** It can also be strongly argued that as the structure presently stands, the two main activities of project processing (including evaluation, processing through approvals and assisting project implementation) and trade and investment promotion are becoming unnecessarily confused.

The investment promotion activity can best be regarded as an input into the project activity rather than a part of the core process, and the trade promotion becomes important post- implementation of projects. From a functional standpoint they naturally fall out into separate areas, and probably should be separated out in the organisation structure.

- ▶ **Under Resourcing of Information Services (IS).** FTIB is highly dependant on good computer systems for its operation. Not only does it need good accounting systems, but for its core business to function effectively it needs good information databases and an effective project management system.

While presently FTIB has the hardware to develop these systems it needs the specialist skills required for designing and implementing the systems.

- ▶ **Inefficient Levels of Responsibility and Authority.** A review of the roles and responsibilities of the different levels of management indicated that a significant proportion of the short to medium term activities resided with the Director. These included such activities as:
 - receiving, reading and directing all incoming mail
 - approving employee leave
 - approving all manner of relatively minor requisitions etc

This has resulted in the Director being required to process a large amount of detailed information and paper work which detracted from his ability to focus on the higher level strategic issues. Significant delays in the mail delivery system and day to day decision making occur, particularly if other duties require him to be absent from the office for extended periods.

Responsibility for cost management of normal operational expenditure and specific donor funded projects resides in the finance and accounting division, whereas the money is spent in the other divisions. Effective cost management is not an outcome of this situation.

Division managers perceived rightly or wrongly that they have no authority to deal with poor performance of their direct reports, in areas such as attendance, productivity, attitude to work etc. As such these matters are not being adequately addressed and adversely impacts on all staff morale.

- ▶ **Cash basis of accounting.** The FTIB presently accounts for its operations on a cash basis. This basis of accounting is not conducive to the matching of costs and revenues with services provided. The most acceptable means of accounting to enable this matching is through accrual accounting. Accrual accounting involves:

- recognising costs of services as they are incurred and included in the reporting period in which the service was provided;
- recognising revenues specifically earmarked for particular projects when earned and related to the costs of the those services;
- the surplus or deficit for any reporting period should be the difference between revenues earned or granted and the cost of services provided in the same period.

- ▶ **Lack of accounting skills.** The person in the position of Accountant at FTIB is not qualified and does not have experience in accrual accounting. The Accountant has to have an adequate level of accounting knowledge to properly implement accrual accounting at FTIB.

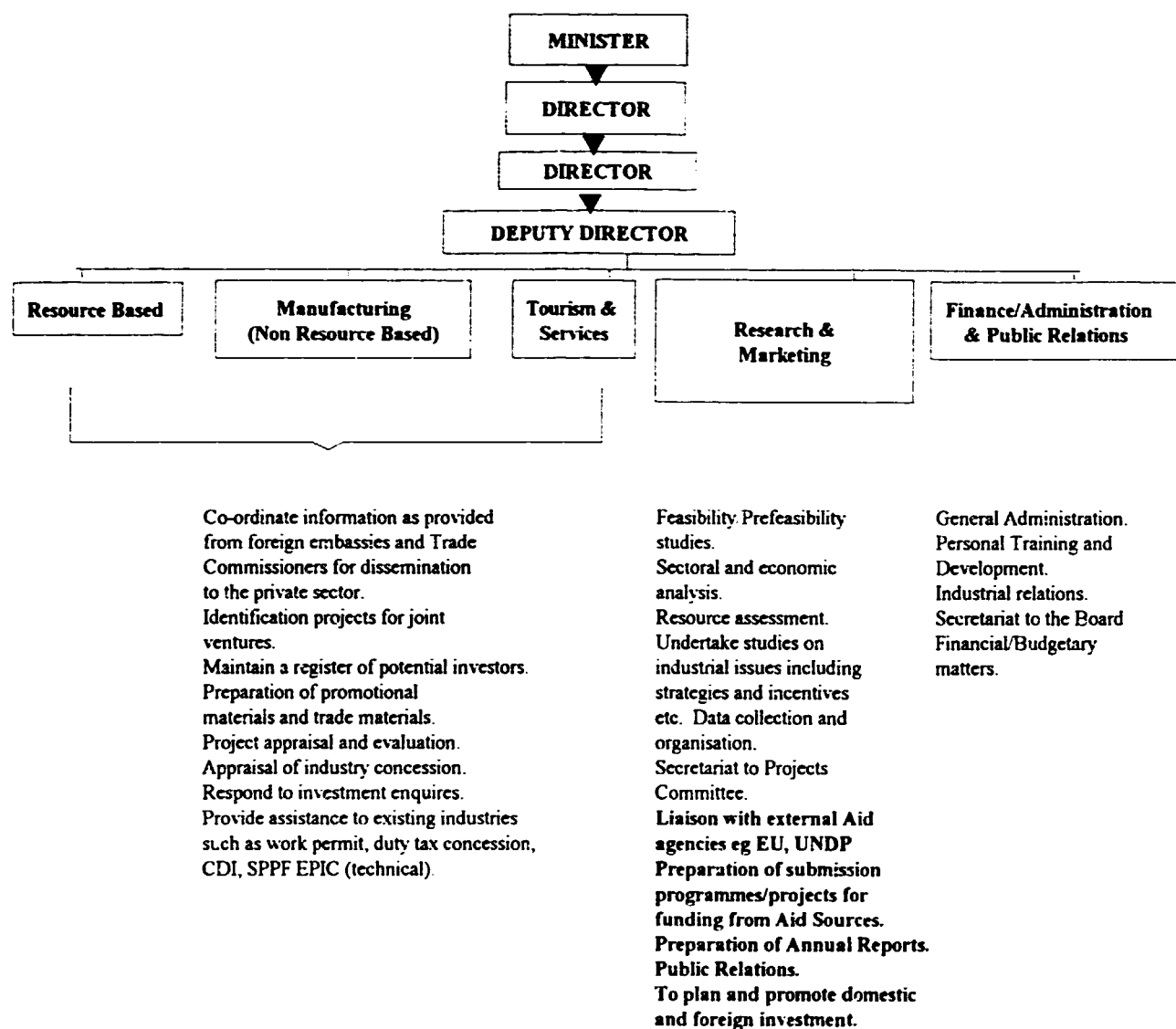
- ▶ **Lack of monitoring of budgets.** Budgets are prepared annually. However, there is minimal input from divisional managers in the preparation of FTIB's budget. The budgets are also not allocated to divisional managers for monitoring.

- ▶ **Lack of cash flow forecasting.** Cash flows are only prepared when the bank requires them. There is no regularly prepared cashflow information for management decision making purposes.

Recommendations

- ▶ Create an expanded Research and Information Systems Division which would be retitled the Research and Marketing Division. The structure is outlined in Figure 4

FIGURE 4: PROPOSED RESTRUCTURE OF FTIB



The Division would have additional resources in the form of two new positions focused on trade and investment promotions, and a new Information Services (IS) position. The Public Relations(PR) position would also be transferred across from where it presently sits in Finance/Administration.

The new IS position should be established at around the FTIB3 or 4 level and should have specialist skills in the establishment and maintenance of databases, and sound programming skills .

The new promotions positions should be established at around the FTIB4 or 5 level and should have sound marketing and promotional experience and skills.

The rationale for bringing promotions into this division rather than create a separate division is two-fold.

- Research and Promotions are closely linked in their activities - research is an input into promotional activity, and in turn provides information from its activity to the research area. Similarly, the PR role is closely linked to these activities, and all three are core users of the IS service. Bringing them all together creates a very functional mix of activities and they can work in an integrated manner.

- The second reason is one of scale. A small Promotions Division standing on its own would struggle to make progress with its limited resources. Bringing the above areas together creates a multi-skilled team which can flexibly deploy resources against priority activities.
- ▶ Establish a management team composed of all the Divisional Managers and the Deputy Director to oversee activity in the research and marketing area. The activities of the total Research and Marketing Division group should not be guided and determined solely by its manager. It is important that the resources of this Division are deployed in activities that are priorities for FTIB rather than one interest group. The staffing of a trade mission should be determined by who in the organisation is most suited to the task because of their experience and skills, rather than have a small select group monopolising this activity.

The role of the promotions people is to co-ordinate, plan and set up the promotions activity rather than to staff it, although there are likely to be circumstances where they will be the most suitable people to be involved.

- ▶ Delegate responsibility and accountability for short to medium term decisions and activities to division managers. Table 1 outlines the roles and responsibilities recommended for the various levels of management in FTIB.
- ▶ Expenditure authority levels need to be determined for each level of management in the organisation. This can probably best be determined internally within FTIB through a workshop involving all management to decide jointly the appropriate levels.
- ▶ The FTIB should adopt the accruals basis of accounting. In this regard, the FTIB should acquire a computerised accounting software package to assist them in the transition from cash based to accruals based accounting. The FTIB's action plan should include:
 - Determining the suitability of software packages;
 - acquisition of the most suitable software package;
 - obtaining training on the software package;
 - ensure adequate accounting skills exist in FTIB;
 - implement accrual accounting in a planned, controlled manner over a period of time.
- ▶ The FTIB should ensure that there is an adequate level of accounting skills to ensure proper implementation of accrual accounting, budgeting and cashflow forecasting.
- ▶ Detailed monthly budgets should be prepared by the divisional managers for their divisions and incorporated into an overall FTIB budget. The divisional managers should have control over their own budgets, including aid funds for projects managed by their division. Monthly monitoring of actual income and expenditure against budget should also be implemented, with explanations for major variances noted.
- ▶ Regular FTIB cashflow forecasts should be prepared by the Accountant for the Deputy Director and Director to assist with decisions on the timing of expenditure and the need for banking facilities.

ROLES AND RESPONSIBILITIES

BOARD OF DIRECTORS (*LONG TERM FOCUS*)

- Overall Policy Guidelines

DIRECTOR (*STRATEGIC LONG TERM FOCUS*)

- High level liaison with:
 - Ministers
 - Government Heads
 - Business Council Leaders
 - Industry Association Leaders
 - Counterparts in other countries
 - Major Potential and Existing Investors
- Keep the above informed of what FTIB is doing and trying to achieve
- Develop efficient and effective working relations with the above
- Lobby senior government ministers for appropriate resources to achieve the objectives of FTIB
- Monitor the overall performance of FTIB

DEPUTY DIRECTOR (*MEDIUM TO LONGER TERM FOCUS*)

- Internal operations of FTIB including:
 - Administration and Management
 - Implementation of Policies and Improvement Plans
 - Overall Budget preparation and Cost Management

MANAGERS (*SHORT TO MEDIUM TERM FOCUS*)

- Budget, monitor and manage division expenditure
- Ensure customer needs, wants and expectations are met and exceeded
- Continuously meet work performance standards of quantity, accuracy and timeliness
- Communicate information fully and swiftly throughout the organisation
- Promote and encourage multi-disciplinary groups to work together to solve problems and meet work targets
- Coordinate and approve staff leave
- Conduct performance appraisals of direct reports
- Manage employee relations

Table 1 Recommended Roles and Responsibilities

5.0 Performance Management System

5.1 Performance Measurement and Appraisal

With delegation of responsibility must also come accountability. This can be achieved through a performance monitoring and reporting system. A system of performance measures, reports and regular formal meetings provides quality summarised information to management to monitor performance of strategic initiatives and highlight problems within the organisation. It also provides feedback to employees as to their individual performance.

Findings

A review of FTIB's performance management system identified a number areas where improvement can be achieved.

- ▶ **Financial Performance Measures.** Budgets are currently prepared for FTIB as a whole for submission to the Government to gain funding for operations for the year. Actual expenditure is reported against budget as part of each board meeting. However, budgets are not prepared at division level by the managers by which to manage costs nor do they have the responsibility for managing costs of donor funded projects that fall into their division's area of operations.
- ▶ **Non-financial Performance Measures.** These measures are more developed than the financial indicators and focus mostly on projects received, approved and implemented together with export trade. Some areas that are not well covered include:
 - the effectiveness of promotional activities
 - customer satisfaction with the service provided by FTIB
 - efficiency of internal processes
 - efficiency and effectiveness of officers

A hierarchical set of key performance indicators was developed that focussed on the corporate objectives and strategies together with the key processes in FTIB. (Hierarchical KPIs attached as Appendix II)

Customer Satisfaction and Trade Development Effectiveness Survey forms were developed for use in collecting information for the above set of KPIs. (Survey forms are attached as Appendix III)

- ▶ **Staff Performance Appraisal.** Staff performance appraisal forms are completed by staff each year but they do not receive feedback as to their performance. This has raised the question of why these are being completed and is one factor contributing to low staff morale.

Modified staff performance appraisal sheets were developed that focus on the attributes, skills, competencies and attitudes that relate to the corporate objectives and strategies. An accompanying procedure has been developed to guide appraisers through the process. (Forms and procedure attached as Appendix IV)

- ▶ **Formalised Performance Review.** Formal performance review and communication meetings are conducted in some instances within FTIB. However these are not consistently held, nor are they consistent across the organisation

- ▶ **Project Tracking.** The ability to inform investors of the status of their projects depends on the officer handling the project knowing what is happening to projects. Some managers have instigated a summarised manual tracking system. However, no mechanism is employed to monitor and report on each stage of project progress or to highlight projects which are unduly delayed and where action needs to be taken.

Recommendations

- ▶ Develop budgets at division levels and report actual costs compared to budgeted figures on a monthly and year to date basis.
- ▶ Develop and implement a Key Performance Indicator reporting package using Excel or Microsoft Access (existing FTIB software). This package would collate and generate a combined set of graphical and tabular reports to be generated on a monthly basis for distribution to Officers, Division Managers, Deputy Director and Director, and included in the Board Report.
- ▶ Conduct the Trade Development Effectiveness Survey on a 12 monthly basis targeting Business Councils, Industry Associations, companies and individuals that have or have had contact with FTIB in the export trade development area. Collate these results, identify areas where improvement is indicated and instigate corrective action plans. Widely publish the results (perhaps in the newspaper), both areas where FTIB is effective and areas where effectiveness is low together with the plans to address these issues.
- ▶ Conduct a customer satisfaction survey on an ongoing basis by asking all people who have contact with FTIB to complete the form attached in Appendix III. Collate the data on a monthly basis and include as an input into the KPI reporting package.
- ▶ Conduct staff performance appraisals on a yearly basis as per the procedure developed.
- ▶ Develop a schedule of regular performance review meetings which include:
 - Monthly Management Performance Review Meeting involving the Deputy Director and Managers. This meeting will review those cost items which are significantly over or under budget, reasons for this and action plans (if appropriate) to rectify over budget expenditure. Major variations in non-financial KPIs to be addressed in terms of reasons for improvements or deterioration and action plans developed to address these. The main items will be included in the Monthly Board Meeting report.
 - Monthly Divisions Meetings involving the Division Manager and Division staff. This meeting will review division performance as a whole, communicate information, address staff issues and identify areas for improvement.
 - Weekly Managers Meeting involving all management. This meeting among other items will review specific issues relating to project approval and implementation, and develop action plans to address these.
- ▶ Record and monitor project progress from the receipt of the proposal through to implementation through use of a project management package (such as Microsoft Project).
- ▶ Develop a standard project plan for each type of project with time frames defined for each stage. These to be used as a template for each new project so the plan does not need to be developed each time, only the dates and project names need to be changed.

- ▶ Update the progress of each project at least once per week.
- ▶ Prepare a weekly summary report for each division indicating:
 - the current status of each project
 - the progress compared to the plan
 - reason for delays of projects that are behind schedule
 - the actions being taken to rectify delays.
- ▶ Prepare a weekly combined Divisions projects progress report for the Director and Deputy Director, with indications where high level intervention is required by the Director to overcome delays that can not be addressed by an officer or the officer's manager. This report could also be copied to the Minister to highlight the work being done by FTIB and the problems being encountered.
- ▶ Enter the status of each project into the network database. An additional field may be required to indicate this status. Codes could include: received, project papers complete, processed by the Project Review Committee, approved or rejected, being implemented, business continuing or ceased operations.

Benefits

- ▶ Improved cost management and control
- ▶ Effective means to monitor performance of strategic initiatives and organisation performance. Improved performance of staff members and the organisation as a whole through use of a highly visible regular feedback mechanism.
- ▶ Improved performance and morale of FTIB staff through the performance based appraisal system.
- ▶ Accountabilities for performance reemphasised through formal performance review meetings.
- ▶ Quick response to inquiries from investors
- ▶ Problems and hold ups quickly identified and dealt with
- ▶ Recurring problems and hold ups can be identified
- ▶ Shorter time for approvals and implementation
- ▶ Up to date summary information available to managers and director

6.0 Management Information System

6.1 Management Information

FTIB requires comprehensive and easily accessible information to effectively achieve its corporate objectives of developing export trade and attracting investment to Fiji. This information can best be provided through a computerised database held within FTIB and eventually linked to other information sources.

Findings

► **Two Broad Categories of Information** Interviews with staff and review of documentation defined the information requirements which fell into the two broad categories:

- export trade development information
- project and investment information.

Project and investment information is further broken down into:

- project feasibility information
- project approval information
- project implementation information

The Tables 2 and 3 summarise the above information requirements.

► **Information Available but Not Accessible** A significant proportion of this information is available. However access to it is difficult, often time consuming and not in a format that allows easy use of the information. This information resides in many different places, such as the FTIB database, Fiji's Bureau of Statistics, Fiji Reserve Bank, other various Fiji Government departments and within the systems of other countries.

► **Exchange of Trade Related Information** A number of different countries' trade organisations are willing to provide product, sector and company information to Fiji in exchange for similar Fiji data. These organisations include Singapore's Economic Development Board and the Chamber of Commerce in Perth Australia (which has recently set up a database to collect this information and has arranged with Malaysia, India, Hong Kong and others for information exchange by CD ROM).

► **Lack of Base Data** The lack of base data resulting from ad hoc research and difficult access to existing data is adversely impacting on the effectiveness of FTIB in its day to day operations. Promotional activities are not well focussed. Investor inquiries are often not able to be adequately answered or significant delays occur in providing information. At worst investors may look elsewhere for opportunities.

| Project Feasibility | Project Approval |
|--|---|
| <p>Economy Macro economic indicators Growth sectors Priority sectors for locals and foreigners Sector profiles Product and services profiles Project profiles Government Policies and Incentives Macro economic policies Guidelines on equity participation Incentives Local borrowing Regulations Customs Immigration Inland Revenue Reserve Bank of Fiji Cost of Doing Business Land and Constructi Native Land Title Freehold Land prices Rent/lease/rates/business licence costs Cost of construction costs Duty rates Infrastructure Availability, capacity and standard of installed infrastructure Water and sewerage costs Electricity costs Communications costs Port and transportation costs Labour Availability of skills Training facilities available and their costs Wages and salaries at various skill levels Labour force availability Unions and industrial relations Labour regulations and minimum wages Funding Sources of funds Cost of funds Local borrowing Repatriation</p> | <p>Procedure and Criteria Procedure guidelines Financial backing Local equity TFF Criteria Environmental Impact Timeframes for approval Project Application Status</p> <p style="text-align: center;"><u>Project Implementation</u></p> <p>Approvals, licences etc. to be obtained Where to obtain approvals licences etc. Procedures for gaining approvals, licences etc. Reporting requirements Timeframes for implementation Project implementation status</p> |

Table 2 Investment Information Requirements

Export Trade Development

Markets (by Target Country)

Product profiles
Sector profiles
Company profiles
Trade Statistics
Macro economic policies and indicators
Packaging and quarantine requirements
Quality assurance requirements
Contacts for trade
Opportunities for export

Fiji Assistance Schemes

EPIC
CDI
SPPF
Forum Secretariat

Joint Ventures

Guidelines
Possible joint venture partners

Trade Agreements

SPARTECA
GSP
LOME IV
Bilateral agreements
Double taxation agreements

Transportation and Administration

Available transportation and timing
Administration procedures for export and transportation

Table 3 Export Trade Development Information Requirements

- ▶ **FTIB Database Not User Friendly** The current FTIB database has been developed in Microsoft Foxpro. This database holds some useful information but has not been developed to enable easy access by users unfamiliar with FoxPro. This greatly restricts its accessibility and usefulness.
- ▶ **Electronic Access to Information** One of FTIB's corporate objectives is to provide a comprehensive information source for investors and potential exporters of products and services. To achieve this, connection to other databases and the ability to access FTIB's database remotely will probably be required. Possible Internet connection for promotional, information gathering and electronic mail purposes has also been discussed. The FoxPro database functionality is at the low end of the PC database range of functionality. This functionality may not be adequate for the requirements mentioned and could severely limit FTIB's future information system.

Recommendations

- ▶ Design, develop and implement a comprehensive information database that will provide the functionalities of:
 - easy access by users, utilising a “Windows” style front end that includes “point and click” and “pull down menu” facilities
 - CD ROM interconnect for loading of information
 - interconnection to other databases
 - the ability to handle text and numbers for data storage and extraction
 - remote access through telephone and modem connections with access limits to protect sensitive company information
 - Internet connection capability

This should be done through a specialist database design organisation.

The above capability and functionality will probably require the use of a PC database at the higher end of the functionality range such as FQL Server (which has recently been acquired by Microsoft) and access software such as SQL Server.

- ▶ Contact other countries’ trade organisations, such as those mentioned previously, to identify the type of information available and required for mutual exchange. Arrange with these organisations for regular exchange of information.
- ▶ Investigate the usefulness of accessing the United Nations suggested internet trade network.

Benefits

- ▶ Rapid access to information for:
 - undertaking targeted promotions (investment and export development)
 - identifying opportunities for investment projects in Fiji
 - identifying export opportunities
 - provision of information for investor and export inquiries

7.0 Personnel

7.1 Issues

Findings

The interviews conducted with the staff of FTIB identified a number of personnel issues that were adversely affecting morale. This low level of morale is highlighted by a high staff turnover rate, 10 out of 38 people have resigned in the last 12 months, most of these have not been replaced. The issues raised included:

- ▶ **Inappropriate Remuneration Levels.** There was a wide spread dissatisfaction with the level of remuneration due in part to a lack of increments over the last few years. Staff indicated that their levels of experience, qualifications and duties had increased but was not matched by increases in pay levels. A cursory comparison of pay levels for support staff and officers were made to a recent survey conducted by Price Waterhouse in Suva which comprised 16 private and public sector organisations. In most cases pay rates fell in the lower half or lower quarter of organisations surveyed.

There appears to be an incongruity in the way FTIB staff pay is provided by the Government. FTIB is not seen as a government organisation, yet staff are still paid by the Public Services Commission. Because FTIB is not seen as a government organisation regular increments and upgrading of positions does not automatically attract the extra funding by the Public Service Commission.

- ▶ **Lack of Recognition for Work Well Done and Performance Feedback.** Staff indicated that little or no recognition was given for work well done and no feedback was provided as to their performance. This has tended to instill the attitude that it doesn't matter what or how the staff perform their work. Most of these aspects are addressed by the KPI system, regular division meetings and staff performance appraisal system recommended previously.
- ▶ **Lack of Interesting and Challenging Work.** The current situation of only being able to concentrate on processing project proposal papers has developed into very routine and uninteresting work. Opportunities to become involved in more interesting work should be created by the streamlining of the project approval process recommended previously. This will enable more time to be spent by officers on implementation of projects and in research of investment opportunities.
- ▶ **Poor Internal Communication.** Feedback from Board Papers prepared and actions arising together with points of interest raised in the Board Meeting was seen to be lacking. General communication of information, such as training courses, people on leave and other general issues affecting FTIB was seen as ineffectual. Additionally, a forum to raise and discuss possible improvement ideas does not exist.
- ▶ **Lack of Systematic Staff Development.** Training needs identification of staff was found to be lacking. Training tended to be very ad hoc and often poorly targeted. As a result staff development is ineffectual.

Recommendations

- ▶ Assess staff positions through a systematic approach to enable accurate comparisons of remuneration levels with other public and private organisations. Based on the findings review the existing remuneration levels.

- ▶ Lobby the Government to fund FTIB fully, based on its budget submission including staff payment and break the link to the Public Service Commission entirely. Consequently, FTIB should proceed with liaising with its own staff members to negotiate an agreement regarding terms and conditions of employment. The link between the FTIB and the FPSA will no longer be required if the FTIB breaks its link with the PSC.
- ▶ Link the staff performance appraisal system to pay increases and promotion.
- ▶ Establish a reward system based on non-financial rewards, that rewards employees for outstanding performance. These could be on the basis of employee of the month selected by the management team and a gift presented by a senior member of management or the Board.
- ▶ Include in the monthly division meeting agenda items to provide Board Meeting feedback, the opportunity to raise improvement suggestions, general information and issues. The meeting should be chaired in rotation by members of the division.
- ▶ Identify the areas where employees need improvement through the staff performance appraisal system and document these training needs on the appraisal form. Division Managers and Deputy Director to develop a training plan for direct reports for the year, then organise the training.

Benefits

- ▶ Increased staff satisfaction with a resultant decrease in turn over rate.
- ▶ Increased development and retainment of skills and experience which should provide greater effectiveness in obtaining investment in Fiji and developing export trade.

8.0 Action Plans

8.1 Investment Project Process Improvement

| ACTION ITEM | WHOM TO ACTION | PERSON RESPONSIBLE | MILESTONE | WHEN DUE |
|---|-----------------------------------|--------------------------|-------------------------|----------|
| Check List Criteria for Project Proposals | Officers | Manager of each Division | | 2/12/95 |
| Check List High Level Financial Viability | Director | Director/Deputy Director | | 2/12/95 |
| Project Application Form for Each Type of Project | Officers | Manager of each Division | | 31/12/95 |
| Investor Guide Booklet | Senior Officers as part of a Team | Deputy Director | First Draft 31/11/95 | 31/12/95 |

8.2 Meetings

| MEETING | FREQ. | PERSON RESPONSIBLE | WHEN | AGENDA ITEMS |
|-----------------------|-------------|--|--|--|
| Managers Meeting | Weekly | 1. Director 2. Deputy Director 3. Assigned Mgr | Tuesday 2.30 pm | Yes Performance Award (3rd week of the month) |
| Divisional Meetings | Monthly | Division Mgrs Deputy Director | Tourism - Fri Non Res - Thurs Resource - Wed Research - Tues Admin - Mon (Week after the Board Meeting) | Division Performance Project Papers Constraints Board Outcomes Trade Develop. Issues Possible Improvements Staff Issues |
| Board Meeting Minutes | Monthly | Deputy Director | Friday after Board Meeting | |
| Staff Meeting | Two Monthly | Director | Friday | Yes |

8.3 Performance Awards

| ACTION ITEM | FREQ. | PERSON RESPONSIBLE | WHEN DUE |
|--|--------------|--|---|
| Managers Meeting to decide who awarded | Monthly | Director Deputy Director Division Mgrs | 3rd Week of Mnth (1 week before Board Meeting) |
| Announce Performance Awards | | Director | Friday 1/12/95 at Staff Meeting |
| Presentation | Monthly | Director | |

8.4 Staff Performance Appraisal and Training Needs

| ACTION ITEM | PERSON RESPONSIBLE | WHEN DUE |
|--|---|-----------------|
| Develop Appraisal Forms and Procedure | SMT- Price Waterhouse | Done |
| Announce Appraisal System | Director | Done |
| Appraise Staff and Identify Training Needs | Managers Deputy Director Director | 6/11/95 |
| Develop Training Plan | Managers/Personnel Officer | 15/11/95 |
| Develop Training Effectiveness Review Form | SMT - Price Waterhouse | Done |

APPENDIX I

PROJECT

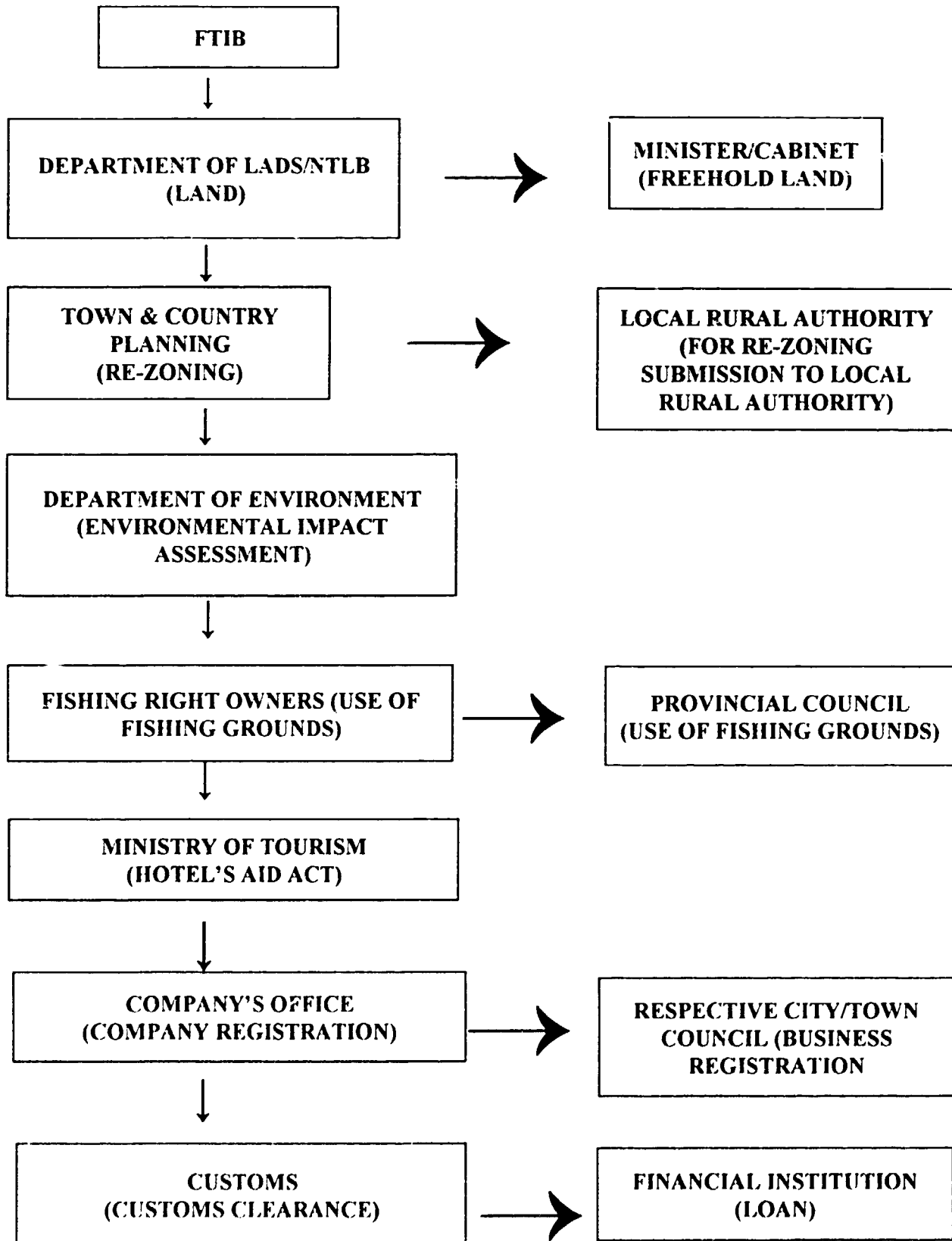
APPROVALS

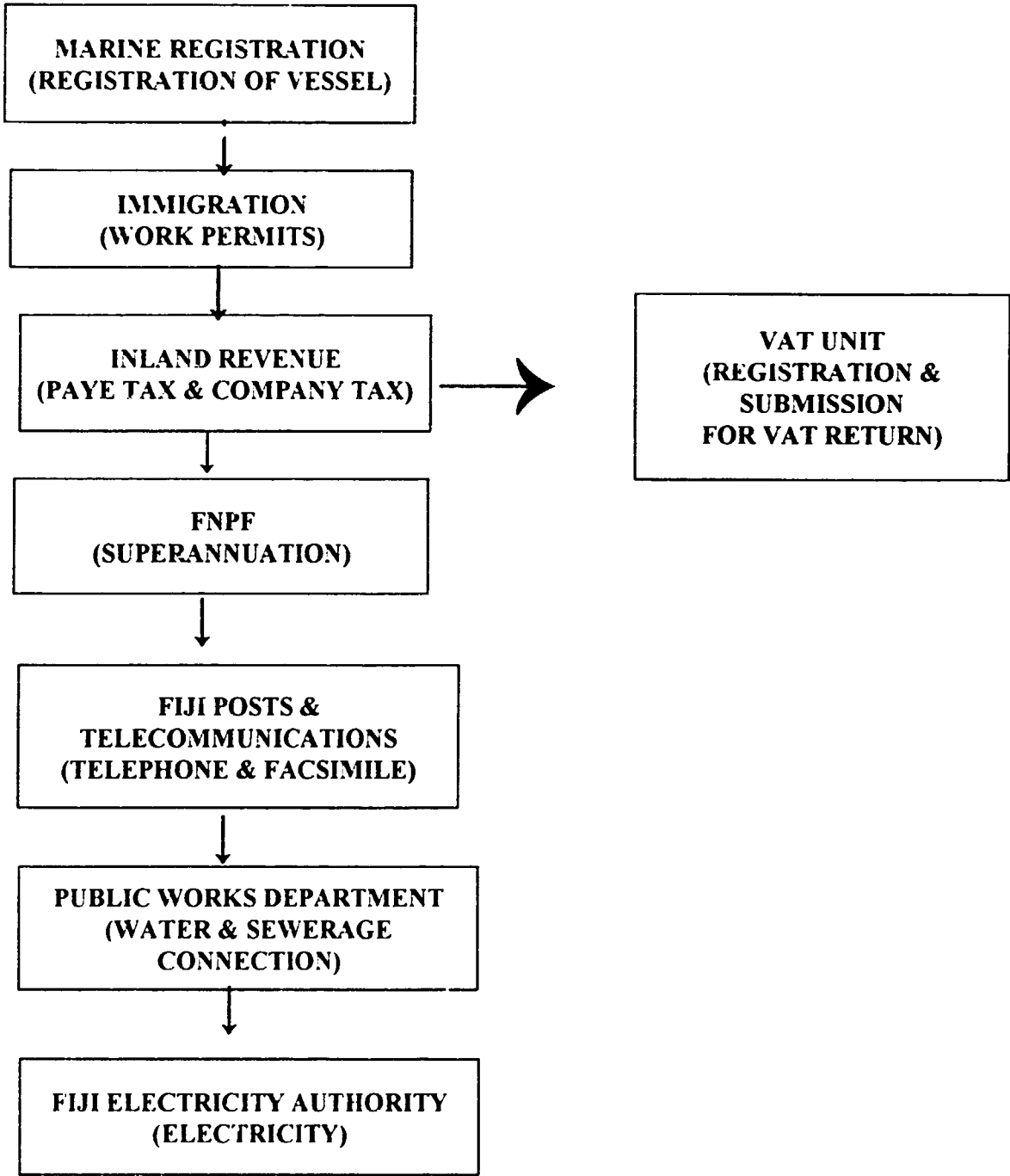
REQUIRED

Appendix I

| | TOURISM | MANUFACTURING | RESOURCE BASED |
|--|--|--|---|
| Government Approvals | <ol style="list-style-type: none"> 1. Project Approval 2. Work Permit approval 3. Issue of Shares to non-residents 4. Duty Concessions 5. Tax concessions | <ul style="list-style-type: none"> - FTIB - Immigration Department - Reserve Bank of Fiji - Customs Department - Inland Revenue Department | |
| Other Nationals etc/ Local Government Approvals/Licenses | <ol style="list-style-type: none"> 1. Company registration 2. Liquor Licence 3. Business Licence 4. Health Permit 5. Building Permit 6. NLTB approval for land ease 7. Approval of Director of Lands if foreshore land is to be used. 8. Ministry of Town and Country Planning. Planning for approval of planning schemes 9. Approval from Ministry of Tourism to utilise Hotels Aid Act 10. Exchange control approval 11. FNPF registration 12. Fishing rights approval | <ol style="list-style-type: none"> 1. Approval to purchase land from Lands Department 2. Business licence 3. Export licence 4. Bldg plan approval 5. Building permit 6. Zoning approval 7. VAT Registration 8. TFF Registration 9. FNPF Registration 10. Exchange Control Approval 11. Pure Food Clearance 12. Health Approval for Factories | <ol style="list-style-type: none"> 1. Company Registration 2. VAT Registration 3. Inland Revenue Registration 4. FNPF Registration 5. Logging licence 6. Sawmilling licence 7. Approval for appropriate zoning where zoning is necessary from Town & Country Planning 8. Forestry concessions from NLTB 9. Landowners consent 10. Licensing of vessels by Marine Department 11. Approval for factory bldgs 12. Export licence from Fisheries Department 13. Quarantine clearance 14. Approval of land issue from NLTB and Land Dept 15. Businesses licences 16. Export licences 17. Zoning approval from local Governments |
| Utilities | <ol style="list-style-type: none"> 1. Phone/fax 2. Electricity 3. Water Supply | | |

VARIOUS DEPARTMENTS WHICH INVESTORS LIAISE WITH FOR RESPECTIVE APPROVALS FOR RESORT/HOTEL DEVELOPMENT





APPENDIX II

KEY PERFORMANCE

INDICATORS

Key Performance Indicators

FTIB as a whole

- As for Division
- Industry sector export growth
(1 year)
(2 year rolling average)
- Implemented investment in Fiji (by country) (\$ & employment)
(1 year)
(2 year rolling average)
- Return on marketing investment
(Foreign investment \$ implemented/marketing expenditure \$)
(by country or region)
(1 year)
(2 year rolling average)
- Number of projects implemented and ongoing after 1, 2, 5 and 10 years
- Survey results of industry associations and business councils assessment of FTIB effectiveness
(1 year)

Division

- ▶ Target for investment \$ vs actual (by month and year to date)
- ▶ Target for export development \$ vs actual (by month and year to date)
- ▶ Average implementation time (1 year rolling average) (by month)
- ▶ % of projects received that are implemented
(rolling 1 year average) (by month)
(rolling 2 year average) (by month)
- ▶ % of projects approved that are implemented
(rolling 1 year average) (by month)
(rolling 2 year average) (by month)
- ▶ Actual costs vs budget costs (by month and year to date)
- ▶ Value of investment implemented

- ▶ (rolling 1 year average) (by month)
- ▶ % of projects received that are approved
(rolling 1 year average) (by month)
- ▶ Backlog of project applications (by month)
- ▶ Average project approval time (1 year rolling average) (by month)
- ▶ Return on investment for trade displays
(value of orders received from trade display/cost of trade display)
- ▶ Return on investment for investor marketing
(value of investment proposals/cost of investor marketing)
- ▶ Customer satisfaction survey results (by month)

Officers

- ▶ Target for investment \$ vs actual (by month and YTD)
- ▶ Target for export development \$ vs actual (by month and YTD)
- ▶ % of projects received that are implemented
(rolling 1 year average) (by month)
(rolling 2 year average) (by month)
- ▶ % of projects approved that are implemented
(rolling 1 year average) (by month)
(rolling 2 year average) (by month)
- ▶ Customer satisfaction survey results (by month)
- ▶ Value of investment projects implemented
(rolling 1 year average) (by month)
- ▶ % of projects received that are approved
(rolling 1 year average) (by month)
- ▶ Average officer hours per project papers submitted for approval

Registry Clerks

- ▶ Average time from receipt of incoming mail to delivery of mail to recipients (by month)
- ▶ Number of files lost (by month)

APPENDIX III

SURVEY FORMS

FIJI TRADE AND INVESTMENT BOARD
CUSTOMER SATISFACTION SURVEY

To assist in the improvement of service provided to customers, could you please complete the following questionnaire.

1. Company or Organisation Name:

Name of Person completing the Survey Form:

Nationality:

Date of Contact with FTIB:

2. What was the Nature of Contact with FTIB?

Project Proposal

Project Implementation

Export Development

Information Query

Investment Advice

Other

Other

Please specify:.....

3. What sector did the contact involve?

Manufacturing

Tourism & Services

Resource Based

(ic. Fisheries, Agriculture, Forestry etc.)

4. Who was your contact with in FTIB?

.....

5. Please rate the following aspects of your contact with FTIB on a scale of 1 to 5.

- 1 = Failed to meet your needs
- 2 = Somewhat failed to meet your needs
- 3 = Met your needs
- 4 = Somewhat exceeded your expectations
- 5 = Exceeded your expectations

Responsiveness 1 2 3 4 5
|_| |_| |_| |_| |_|

Helpfulness 1 2 3 4 5
|_| |_| |_| |_| |_|

Accuracy of Information 1 2 3 4 5
|_| |_| |_| |_| |_|

Completeness of Information 1 2 3 4 5
|_| |_| |_| |_| |_|

Knowledge of the Area of Concern 1 2 3 4 5
|_| |_| |_| |_| |_|

Follow Up 1 2 3 4 5
|_| |_| |_| |_| |_|

Politeness 1 2 3 4 5
|_| |_| |_| |_| |_|

6. Overall, how would you rate FTIB on a scale of 1 to 5?

1 = Responsive and helpful 1 2 3 4 5
5 = Slow and bureaucratic |_| |_| |_| |_| |_|

7. What was the best aspect of your contact?

.....
.....
.....

8. What was the worst aspect of your contact with FTIB and what needs to be improved?

.....
.....

FIJI TRADE AND INVESTMENT BOARD
TRADE DEVELOPMENT EFFECTIVENESS SURVEY

To assist in the improvement of trade development, please complete the following questionnaire.

1. Organisation.....

Name of Person completing form:.....

Date:

2. What industry sector does your organisation cover?

Manufacturing

Tourism & Services

Resource Based (ie. Fisheries, Agriculture, Forestry)

3. Please rate the following aspects of FTIB on a scale of 1 to 5.

1 = Not effective

2 = Somewhat effective

3 = Effective

4 = More effective than expected

5 = Very effective

Able to provide detailed product, service
and company information

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to provide up to date product service
and company information

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to provide product, service and company
information quickly

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to identify export opportunities

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to assist with finding overseas
contacts for export

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to provide information on quarantine, packaging and quality requirements of export destination countries

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to provide information on trade agreements

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to assist in identifying sources of funds for export development

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to provide information on quality accreditation for international standards organisation

1 2 3 4 5
|_| |_| |_| |_| |_|

Able to specifically target opportunities with trade promotions

1 2 3 4 5
|_| |_| |_| |_| |_|

4. Overall, how would you rate the effectiveness of FTIB in developing export trade?

- 1 = Not effective
- 2 = Somewhat effective
- 3 = Effective
- 4 = Quite effective
- 5 = Very effective

1 2 3 4 5
|_| |_| |_| |_| |_|

5. In what areas do you see that FTIB needs to improve to increase its effectiveness in developing export trade?

.....
.....
.....
.....

APPENDIX IV

STAFF APPRAISAL FORMS

&

PROCEDURES

FIJI TRADE AND INVESTMENT BOARD

PROCEDURES FOR STAFF APPRAISALS

Introduction

The evaluation process provides an opportunity for an individual to both give and receive feedback on his/her performance. This should be conducted once a year.

The process is designed to:

- Link FTIB's objectives to individual objectives
- Improve individual performance where necessary
- Improve organisational efficiency by enabling identification of strengths and weaknesses within the FTIB
- Provide systematic analysis of training and development needs
- Improve training and development opportunities
- Promote and encourage good management

The evaluation system has 2 elements:

1. Appraisal Form
 - (i) Professional Staff Appraisal Form - designed for all professional staff
 - (ii) Support Staff Appraisal Form - designed for all support staff
2. The Counselling Discussion - where the content of the forms and related matters are discussed between the Appraiser and the staff member.

Stages of the Evaluation System

In December each year, the appraisal forms are circulated to all managers and the Director and Deputy Director.

The person conducting the counselling discussion will arrange a date for the discussion.

Completing the Appraisal Form

The form is for evaluation of a staff member by those for whom he/she works.

The evaluation form asks for ratings and comments under a number of main areas. This allows individuals to focus on related attributes and consider appropriate methods of developing performance where necessary.

Each of the areas are broken down into subheadings. The appraisees performance level should be considered and one of the following ratings should be entered into the box on the form:

1 Performance FAR EXCEEDED target(s)

- ▶ Results clearly exceeded all the agreed objectives by a significant margin.
- ▶ Very high standards of professional and personal skills demonstrated.
- ▶ Direction and guidance (eg from Director, Deputy Director, Manager, peers) required only occasionally.
- ▶ Usually anticipated change and responded appropriately.
- ▶ Proficiency recognised by others.

2 Performance EXCEEDED target(s)

- ▶ Results achieved met all and often exceeded the target objectives.
- ▶ High standards of professional and personal skills demonstrated.
- ▶ Some direction and guidance required (eg. from Director, Deputy Director, Manager, peers).
- ▶ Very good response to change, usually anticipated and responded appropriately.

3 Performance MET target(s)

- ▶ Results achieved met all the agreed objectives.
- ▶ Professional and personal skills demonstrated to the standard expected of an experienced manager.
- ▶ Direction and guidance required in more complex areas.
- ▶ Areas of improvement are marginal only.
- ▶ Responded well to change.

4 Performance DID NOT MEET target(s)

- ▶ Objectives were not achieved.
- ▶ Serious deficiencies demonstrated in professional and personal skills.
- ▶ Direction and guidance frequently required.
- ▶ Failed to respond sufficiently to performance improvement measures.

NOTE 1: A rating of 3 represents ability normally expected of a staff at his/her level of experience.

NOTE 2: Overall Assessment ratings are an overview evaluation providing the opportunity to weight individual factors, and are not an average of the ratings.

The lines for "comments" might include:

- specific examples evidence, comments, on a particular area
- further training required, job description updated, or any other action needed to be taken
- reference to skills which the appraisee may have which do not appear of immediate benefit to FTIB eg. expertise in a particular area, involvement in voluntary or charitable activities
- areas where the job/role might be developed
- development possibilities other than training

The Counselling discussion

At the counselling discussion the job responsibilities should be discussed to ensure that there is agreement on these. The extent to which previous objectives have been achieved should also be discussed.

Key action points should be agreed at the discussion. The appraisees aims and objectives within the FTIB and objectives for the next 6-12 months should be discussed. They should be specific, measurable, agreed, realistic and time related.

“Appraiser Comments” should be completed when the appraiser has read the form. He/she may wish to take the form away and complete this section after the counselling discussion, returning the form to the appraiser within a short time frame.

If there is disagreement on the ratings given, the reason for the disagreement should be made clear on a separate sheet of paper and attached to the appraisal form. The form should be signed, but the words “Read but not agreed” written beside the appropriate signature.

If necessary, an interim counselling discussion date should be arranged. This will not be a full appraisal, but a guided discussion on progress in meeting the objectives and other issues arising.

After the Counselling Discussion

The forms are to be collated and sent to the Director for signature. The forms are then sent to the Personnel Officer and used:

- to underlie salary review proposals and decisions
- for career development planning
- for planning of training
- for central review and monitoring

HELPFUL HINTS ON APPRAISING STAFF

Start by reading the form through to familiarise yourself with its contents and format. Then prepare to complete it. You will need background information:

- the job description
- last year's form
- details of performance since the last appraisal

Allow yourself enough time to complete the form.

Common pitfalls in rating performance

| | | |
|----------------------|---|--|
| Harshness | - | rating too low |
| Leniency | - | rating too high |
| The Halo effect | - | where the known good performance in one area colours judgement in another area |
| The Horn effect | - | where the known weak performance in one area colours the judgement in another area |
| The Recency effect | - | where the most recent performance is considered rather than performance since the last appraisal |
| The Central tendency | - | where the same rating appears all the way through the form |

Setting Objectives

Objectives should be jointly agreed. They are specific targets to help improve performance in the job. Wherever possible objectives should be measurable and the methods of measuring effectiveness agreed. For each objective set you need to decide how you will know that the objective has been achieved.

Objectives should be SMART

Stretching/specific
Measurable
Achievable/agreed
Realistic/relevant
Time related/trackable

Preparing for the Counselling Discussion

What you need to do: **PLAN, SET OBJECTIVES, CONSIDER**

- Objectives set previously and standards achieved
- Past records
- Knowledge, experience, level of training, future potential, development needs
- Have a factual record handy
- Having completed the form restudy it. Be completely clear why you have written what you have
- Make sure sufficient time is allowed to cover the ground and allow for meaningful discussion
- Give yourself time to prepare. At least one week's notice before the counselling discussion
- Agree the purpose and format of the meeting

FIJI TRADE AND INVESTMENT BOARD

APPRAISAL FORM
PROFESSIONAL STAFF

Issue Date

Return Date

On Current Grade

(Staff member - Print name)

By Date promoted to grade

(Appraiser - Print name)

Period covered by appraisal: 19 to 19

Evaluation of Performance Criteria

In relation to the staff member's grade, level of responsibility and experience, rate him/her on each of the following attributes as:

- | | |
|-------------------------------------|--------------------------------------|
| 1 Performance far exceeds target(s) | 2 Performance exceeds target(s) |
| 3 Performance met target(s) | 4 Performance did not meet target(s) |

Performance Rating Scale

When discussing performance, the reviewer/s should use the following categories to indicate performance against indicators and targets:

- | | |
|--|---|
| <p>1 Performance FAR EXCEEDED target(s)</p> <p>Results clearly exceeded all the agreed objectives by a significant margin. Very high standards of professional and personal skills demonstrated. Direction and guidance (eg from Director, Deputy Director, Manager, peers) required only occasionally. Usually anticipated change and responded appropriately. Proficiency recognised by others.</p> | <p>2 Performance EXCEEDED target(s)</p> <p>Results achieved met all and often exceeded the target objectives. High standards of professional and personal skills demonstrated. Some direction and guidance required (eg. from Director, Deputy Director, Manager, peers). Very good response to change, usually anticipated and responded appropriately.</p> |
| <p>3. Performance MET target(s)</p> <p>Results achieved met all the agreed objectives. Professional and personal skills demonstrated to the standard expected of an experienced manager. Direction and guidance required in more complex areas. Areas of improvement are marginal only. Responded well to change.</p> | <p>4. Performance DID NOT MEET target(s)</p> <p>Objectives were not achieved. Serious deficiencies demonstrated in professional and personal skills. Direction and guidance frequently required. Failed to respond sufficiently to performance improvement measures.</p> |

NOTE 1: A rating of 3 represents ability normally expected of a staff member at his/her level of experience.
NOTE 2: Overall Assessment ratings are an overview evaluation providing the opportunity to weight individual factors, and are not an average of the ratings.

Signature of Appraiser Date

Section 1 - Knowledge of FTIB

| | | | |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
|---|---|---|---|

(Tick the appropriate box)

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Interest in understanding of FTIB's operations | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Sense of urgency to needs of board management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ability to provide quality advice to board management | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ability to prospect for new clients | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ability to improve the standard of services for internal external customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Understanding of and willingness to support current FTIB strategy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Generation of ideas | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments

Overall Assessment of knowledge of FTIB

(Must be completed - see note 2)

Section 2 - Technical Proficiency

Technical Knowledge

| | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Technical knowledge (own area) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Technical knowledge (other fields) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Application of technical knowledge (e.g. identifying key issues and any complex technology) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comment on technical aspects of assignments carried out during the appraisal period and state which particular areas are good, average or require improvement.

Industry Knowledge

| | | | | |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Technical knowledge (own area) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
|--------------------------------|--------------------------|--------------------------|--------------------------|--------------------------|

Comment on whether knowledge is detailed in relation to specific industries or whether general in nature.

Professional Ability

| | | | | |
|---------------------|--------------------------|--------------------------|--------------------------|--------------------------|
| Research Capability | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Computer Literacy | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Overall Assessment of Technical Proficiency

(Must be completed - see note 2)

Section 3 - Personal Skills

| | | | |
|---|---|---|---|
| 1 | 2 | 3 | 4 |
|---|---|---|---|

Professional Characteristics

(Tick the appropriate box)

| | | | | |
|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Ability to plan, organize and complete work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Reliability and consistency in work quality | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Productivity | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Timeliness in producing work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Documentation of work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Commercial approach to work e.g. time spent in relation to problem | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Personal Characteristics | | | | |
| Motivation, attitude to work | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Self confidence and drive | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Maturity, judgement, responsibility | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Initiative | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ability to handle pressure | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Interpersonal Relationships | | | | |
| Ability to maintain/develop goodwill with internal/external customers | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Ability to get along with staff at all levels | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Communications | | | | |
| Standards of written expression | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Standard of oral expression | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments:

Overall Assessment of Personal Skills
(Must be completed - see note 2)

Section 4 - Management Skills

| | | | | |
|--|--------------------------|--------------------------|--------------------------|--------------------------|
| Supervision of staff/including effective delegation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Attention to staff development and motivation | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Administration ability- overall planning, organization and control | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Independence and impartiality of mind | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Leadership Demonstrated | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Comments:

Overall Assessment of Management Skills
(Must be completed - see note 2)

Potential for Advancement

Assuming the staff member's performance during the period of this appraisal is typical of his/her overall abilities, how do you rate his/her potential to accept more responsibility?

Yes _____ No _____

Strong qualities demonstrated:

Areas for improvements:

Other general comments:

Training

| Training need identified | Responsibility | By when |
|--------------------------|----------------|---------|
| | | |
| | | |
| | | |
| | | |
| | | |

Staff member's comments

Staff member's Signature _____

MANAGER'S COMMENTS

(If changes have been made to the appraisal they must be discussed with their staff member)

Please confirm this has been done.

Comments:

Yes

No

N/A

FIJI TRADE AND INVESTMENT BOARD

APPRAISAL FORM
SUPPORT STAFF

Issue Date

Return Date

On Current Grade

(Staff member - Print name)

By Date promoted to grade

(Appraiser - Print name)

Period covered by appraisal: 19 to 19

Evaluation of Performance Criteria

In relation to the staff member's grade, level of responsibility and experience, rate him/her on each of the following attributes as:

| | |
|---|--|
| <p>1 Performance far exceeds target(s)</p> <p>3 Performance met target(s)</p> | <p>2 Performance exceeds target(s)</p> <p>4 Performance did not meet target(s)</p> |
|---|--|

Performance Rating Scale

When discussing performance, the reviewer/s should use the following categories to indicate performance against indicators and targets:

| | |
|--|---|
| <p>1 Performance FAR EXCEEDED target(s)</p> <p>Results clearly exceeded all the agreed objectives by a significant margin. Very high standards of professional and personal skills demonstrated. Direction and guidance (eg from Director, Deputy Director, Manager, peers) required only occasionally. Usually anticipated change and responded appropriately. Proficiency recognised by others.</p> | <p>2 Performance EXCEEDED target(s)</p> <p>Results achieved met all and often exceeded the target objectives. High standards of professional and personal skills demonstrated. Some direction and guidance required (eg. from Director, Deputy Director, Manager, peers). Very good response to change, usually anticipated and responded appropriately.</p> |
| <p>3. Performance MET target(s)</p> <p>Results achieved met all the agreed objectives. Professional and personal skills demonstrated to the standard expected of an experienced manager. Direction and guidance required in more complex areas. Areas of improvement are marginal only. Responded well to change.</p> | <p>4. Performance DID NOT MEET target(s)</p> <p>Objectives were not achieved. Serious deficiencies demonstrated in professional and personal skills. Direction and guidance frequently required. Failed to respond sufficiently to performance improvement measures.</p> |

NOTE 1: A rating of 3 represents ability normally expected of a staff member at his/her level of experience.

NOTE 2: Overall Assessment ratings are an overview evaluation providing the opportunity to weight individual factors, and are not an average of the ratings.

Signature of Appraiser Date

| | | 1 | 2 | 3 | 4 |
|------------------------------|--|----------------------------|--------------------------|--------------------------|--------------------------|
| | | (Tick the appropriate box) | | | |
| Knowledge of FTIB | Demonstrates knowledge of FTIB's operations, of own position, division and other appropriate areas of FTIB. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Team Work | Contributes to the team effort; involves working with colleagues to meet the agreed objectives of FTIB. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Client Knowledge | Demonstrates an interest in FTIB's clients and their needs. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Client Service | Provides internal and external clients with high quality service and is perceived to do so (internal clients include Director, Deputy Directors, managers, and officers). | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Proactivity | Thinks outside the normal boundaries of the position; initiates proactive ideas that may improve the job or FTIB. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Interpersonal Relationships | Relates well with management and staff; sensitivity to others. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Initiative/ Responsibilities | Includes asking for information, being alert to the work environment, being self confident, taking the initiative, volunteering to assist; creates opportunities and takes on additional responsibilities. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Professionalism | Includes conformity to the standards of the FTIB in terms of appearance, dress and business etiquette; working to capacity within agreed limits; has good attendance and timekeeping records. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

| | | 1 | 2 | 3 | 4 |
|---------------------------|---|--------------------------|--------------------------|--------------------------|--------------------------|
| Enthusiasm/ Motivation | Displays enthusiasm and energy and a willingness to undertake assigned tasks, includes willingness to set own performance targets, take responsibility for own workload, to seek self development. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Communication | The skills to write and/or speak effectively; listens, establishes rapport, influencing, negotiating, either one-to-one basis or with groups of people. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Telephone | Uses a courteous, clear telephone manner, answers phone calls using FTIB standards, picks up other phones in area. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Quality Control | Reviews own (or that of others) work to ensure quality meets or exceeds the FTIB's standards; exhibits pride in work; takes responsibility for work done. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Organization | Ability to manage time; works systematically, handling a variety of tasks effectively; determines priorities, allocates time effectively, requests guidance and assistance as required to meet deadlines; ability to work under pressure. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Decision Making | Includes the ability to sift, analyze and organize information and using it to decide on a particular course of action, with reference to other people where appropriate. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Technical | The specialist skills needed to perform the job; effective use of technology, equipment etc. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Computer Skills | Seeks opportunities to make effective use of microcomputers; keen to learn new skills and maximize the effectiveness of FTIB's technology investment. | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| | Knowledge and use of practice support software (where applicable): <ul style="list-style-type: none"> - Word processing - Spreadsheets - Other | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |

Potential for Advancement

Assuming the staff member's performance during the period of this appraisal is typical of his/her overall abilities, how do you rate his/her potential to accept more responsibility?

Yes _____ No _____

Strong qualities demonstrated:

Areas for improvements:

Other general comments:

Training

| Training need identified | Responsibility | By when |
|--------------------------|----------------|---------|
| | | |
| | | |
| | | |
| | | |
| | | |

Staff member's comments

Staff member's Signature _____

MANAGER'S COMMENTS

(If changes have been made to the appraisal they must be discussed with their staff member)

Please confirm this has been done.

Comments: Yes No N/A
