

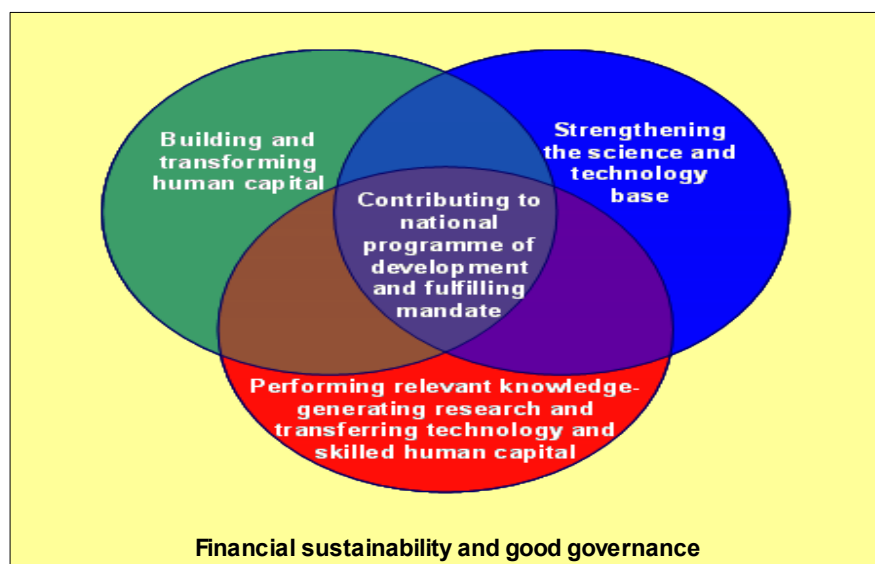
## CSIR Contract R&D Management Unit

### Strategic and operational plan for the 2007/8 to 2009/10 planning cycle

14 December 2006

*“The objects of the CSIR are, through directed and particularly multidisciplinary research and technological innovation, to foster, in the national interest and in fields which in its opinion should receive preference, industrial and scientific development, either by itself or in co-operation with principals from the private or public sectors, and thereby to contribute to the improvement of the quality of life of the people of the Republic, and to perform any other functions that may be assigned to the CSIR by or under this Act.”*

*Extract from Scientific Research Council Act 46 of 1988 as amended by Act 71 of 1990*



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## i Executive summary

- Summarize the overall strategic trajectory over the medium term planning horizon

The tension between securing the desired strategic shape of the CSIR Contract R&D portfolio and achieving short-term financial results needs to be managed. This has both strategic and operational implications.

### Strategic

- Involvement in national and continental strategies is required
- The nature of contract R&D conducted by the CSIR controls the outcomes and impact that result

### Operational

- Contract R&D controls how 60-70% of CSIR resources are utilised
- Adjusting the shape of the contract R&D portfolio is a key point of leverage for CSIR's human capital development
- CSIR's operational results are largely determined by the volume of contract R&D
- CSIR cost structures are relatively fixed

This entails:

- transforming the contract R&D portfolio to support a greater focus on generation of new scientific knowledge with medium to long term commitments from stakeholders as an essential element of the CSIR strategy;
- involvement in national technology and industrial development strategies to enable realisation of substantive impact aligned with established government objectives;
- defining and structuring strategic contract R&D initiatives on a national, continental and international basis, the primary intent of which is to enable the CSIR to conduct research that is both endorsed by the mandate and represents an integral part of the South African government's science and technology strategy;
- contributing to financial sustainability and good governance.

- Identify the critical strategic objectives that will signify success

The three critical strategic objectives of the CSIR Contract R&D Portfolio:

- *contribute to the national programme of development:*  
Facilitate significant R&D strategic initiatives which will enable CSIR contribution to the national programme of development, in collaboration with partners from the public, private, and international sectors;
- *perform relevant knowledge generating research and transferring technology and skilled human capital:*  
Strengthen and manage the strategic contract R&D portfolio by facilitating CSIR contribution to developing a strong and robust innovation chain by strengthening and availing CSIR competencies in support of significant

interventions in national strategies in partnership with partners from the public, private, and international sectors; and

- *strengthen the science and technology base:*  
Develop and strengthen strategic partnerships with to secure multi-year collaborative R&D contracts which contribute to strengthening the S&T base, financial sustainability, and concerted CSIR impact.
- Summarize the three to five key implementation initiatives to be taken during 2007/8, and the intended key outcomes

Priority actions that will be undertaken during 2006/07:

- Put in place operational mechanisms, policies, systems, and processes to optimize the Strategic Contract R&D portfolio.
- Strengthen, develop and manage strategic Contract R&D partnerships with key partners in the public, private and international sectors to form partnerships, in order to pro-actively understand their needs and co-create Contract R&D initiatives with them;
- Facilitate R&D collaboration with public, private sectors in order to secure integrated multi-year R&D contracts; and
- Enable and facilitate CSIR-wide contribution towards the implementation of the Africa S&T strategy.
- Identify the critical indicators of operational performance that will represent the key measures of success

Critical indicators of operational performance indicating progress on these objectives:

- Development of major growth opportunities with CSIR Units and key partners, and facilitate responses to major R&D interventions, mainly across A and B type programmes;
- Facilitation and management of strategic contract R&D partnerships with CSIR key public, private and international partners that involve more than one CSIR Unit;
- Understand CSIR organisational capacity and identify of opportunities in the external context to align and support key national strategies; and
- Consolidate and integrate reporting of organisational performance against planned targets re alignment and support to key national strategies.

**Table 1 Main key performance indicators for support unit**

- To be constructed as provided in the planning template

Priority Area		Main KPIs	Budget 2006/7	Forecast 2006/7	"Meets all requirements" target 2007/8	"Meets all requirements" target 2009/10	"Benchmark" performance level
Operational excellence	Service quality and delivery	Satisfaction of internal customers	Peer review by Contract R&D Forum members indicating that service is value adding and is provided effectively.	Peer review by Contract R&D Forum members indicating that service is value adding and is provided effectively.	Results of 360° review (sample of operations managers, indicate that service is value adding and is provided effectively.	Results of 360° review (sample of operations managers, indicate that service is value adding and is provided effectively.	Results of 360° review (sample of operations managers, indicate that service is value adding and is provided effectively.
		Adherence to service quality standards	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.
Human resource management	Demographic transformation	Percentage of black support professionals	3/7	3/7	3/7	Reflects demographic profile of the country	Reflects demographic profile of the country
		Percentage of female support professionals	3/7	3/7	3/7	Reflects demographic profile of the country	Reflects demographic profile of the country

Priority Area		Main KPIs	Budget 2006/7	Forecast 2006/7	"Meets all requirements" target 2007/8	"Meets all requirements" target 2009/10	"Benchmark" performance level
Financial sustainability	Operational sustainability Full cost of research optimisation	- Total expenditure	3,785,325	3,874,660	4,600,300	-	Save 5% of running expenditure budget
		- Contract R&D unit contracts secured through external income - WAITRO R70,000 - DST R500,000 - EU support actions (STEAP R2,800,000)	438,000	801,198	1,200,000	-	Unit covers operating expenditure by 1/3 as a result of securing own external income
		Total cost of providing support services	88%	80%	75%	2% year on year reduction in real terms	2% year on year reduction in real terms
Corporate governance and responsibility	Corporate governance	Risk management plan	Risk management presentation to Contract R&D Forum	Contract R&D risks identified	Risk management plan in place	Contract R&D risks adequately addressed	Contract R&D risks adequately addressed
	Information Technology platform	Implementation of Open Source software as the basis of CSIR computing	All staff undertake OSS training	All staff undertake OSS training	All staff OSS compliant	CSIR-baseline	To be determined by Vula team
	Corporate citizenship	BBBEE rating	BBBEE active contributor	BBBEE active contributor	CSIR-baseline	CSIR-baseline	Excellent contributor
		Energy consumption	CSIR-baseline	CSIR-baseline	CSIR-baseline	CSIR-baseline	Reduction of 1,2% per annum

## 1 Introduction

- Provide the vision, mission and positioning statement of the Unit: Total length of section 1: maximum 1 page

### 1.1 Vision and Mission

- To have the optimal quality and high value Contract R&D portfolio congruent with the organizational strategy.
- To optimize the CSIR Strategic Contract R&D portfolio by enabling the organization to optimise its resources, core skills, and competencies in support of national goals by leveraging resources and capabilities from the national, regional, and global market.

### 1.2 Positioning Statement

- As part of the R&D Core, the CR&D Group is strategically positioned with regard to its internal stakeholders and external partners through a strategic R&D contract management and partnering interface, supported by science and technology competencies. This is designed to enable clear understanding of the national imperatives and the needs of the industry to optimise the impact of our R&D outputs.
  - CR&D leverages public, private, and international partnerships in support of cutting-edge science, engineering and technology.
  - CR&D facilitates innovative solutions to African problems in the science and technology fields, by contributing to the objectives and goals of NEPAD.
- Describe the Unit's value proposition and explain its competitive advantage, i.e. what is its reason for existence and what makes it different from other organizations in its sector, i.e. the provision of services in support of research operations.

### 1.3 Value Proposition

The Contract R&D Group is in a unique position to add value, enable impact, and to optimize the CSIR Contract R&D Portfolio through its critical mass of multi-disciplinary staff.

Our competitive advantage is the broad understanding, knowledge, experience, and network of relationships across the several sectors. As part of the CSIR R&D Core, the Contract R&D Group is uniquely placed to facilitate access to government, industry and international sectors – we have a good understanding of government policies and implementation strategies, as well as the science and technological competences of the CSIR. We therefore play a leading role in translating these into the national development agenda in collaboration with the public, private and international sectors.

#### 1.4 The CSIR Contract R&D Unit exists to

- Understand CSIR organisational capacity and facilitate opportunities in the public, private, and international environment to align with key national strategies;
- Develop major growth opportunities across CSIR Units and with key public, private and international partners to facilitate major R&D interventions, mainly across A and B type programmes;
- Facilitate and develop strategic contract R&D partnerships with CSIR stakeholders that involve more than one CSIR Unit;
- Facilitate CSIR access to competitive funding streams, by forming strategic partnerships with public, private and international organisations to secure contract R&D contracts which contribute to strengthening the S&T base, financial sustainability, and concerted CSIR impact; and
- Facilitate, drive and consolidate organisational performance against planned targets re alignment and support to key national strategies.

## 2 Situational analysis, growth strategy and overall trajectory

- Describe the key challenges and opportunities that the Unit needs to address over the medium-term horizon

### 2 Situational Analysis: *STEEP*

#### 2.1 External context

The diversity and complexity of the priorities and stakeholders are challenging factors in the external environment of the SP and Contract R&D Unit and are driven by the following *STEEP* factors:

##### *Political, Social, Economic*

Ten years into democracy, South Africa is considered a political and economic success story, especially within the broader context of the African continent. Classified as a middle income country, RSA's per capita Gross National Income is about \$3200 or R22 000. It has a population of 45m, of which 57% is urbanised. Literacy amongst the population > 15 years is 86% and the population growth rate is 1, 4%.

There are still many socio-economic challenges facing SA, and the issues of poverty alleviation and the improvement of the quality of life of all South Africans remain high priorities on the Government agenda for the foreseeable future. The country's human development index (HDI) ranking is 119<sup>th</sup> out of 177 countries and new HIV/AIDS infection rates are about 1800 per day, with 4,2m – 6,2m of the population already infected. Life expectancy consequently dropped from 53 in 1960 to 47 in 2003.

SA has a labour force of 20m (many of whom are under-skilled), and currently only 8m are formally employed with 4m informally employed. The state injects in excess of R3b a month into poor household budgets through social grants, providing support to 10m people, while the expanded public works



programme will pump R20b into the economy over the next five years, with the aim of employing a further million people by 2010.

### *Technological, Environmental*

The science and technology environment in which CSIR operates is determined largely by the National Research and Development Strategy (NRDS), the National Industrial Development Framework (NIDF), and the Accelerated Shared Growth Initiative of South Africa (ASGISA). The Africa Science and Technology Strategy is also an important reference and guide, as are specific strategies such as the National Nanotechnology Strategy, among others.

Total research & development (R&D) spending in South Africa is limited, and totalled about R10,1 billion or 0.81% of GDP in 2003/4.<sup>[1]</sup> Government has set a target R&D spending for South Africa by 2008 as 1% of GDP by 2008. This compares to a R&D intensity in Sweden of 4.27% of GDP and an average of 2.26% in European Union member states. However, compared to other developing countries such as Argentina (0.41%), China (1.22%) and Russia (1.28%), South Africa has a fairly high R&D intensity. Furthermore, South Africa has 25 185 full time equivalent (FTE) R&D personnel including researchers, technicians and other R&D support. About 56% of this (or 14 129 FTE) is comprised of researchers who perform, manage and guide research that leads to new knowledge generation. Most R&D expenditure in South Africa is in the field of engineering sciences (24,8%), natural sciences (21.9%) and medical and health sciences (13.5%). The business sector finances 52% of all R&D in South Africa, with 10% of South Africa's R&D funded by International entities. The South African Government, including the science councils, finances 28% of R&D, compared to an average of between 33.3% (Chinese Taipei) to 74,3% (Argentina) in developing countries, and an average of 28.9% in OECD countries. Altogether about 24% of total R&D in South Africa is spent on basic research.

The 'Consolidated Science and Technology Plan of Action' developed as part of the New Partnership for Africa's Development (NEPAD) articulates Africa's common objectives and commitment to collective actions to develop and use science and technology for the socio-economic transformation of the continent and its integration into the world economy.<sup>[2]</sup>

The role of the CSIR Contract R&D Group, in line with the mandate of the CSIR, is to ensure that its endeavours in scientific and technological excellence support and positively impact national priorities and stakeholders.

International studies over the past two decades have confirmed that high technology-intensive industries of developing countries have grown at rates of twice and four times the rates of medium and low-intensity industries respectively in the same countries. High technology industries thus undoubtedly offer the greatest opportunities for growth. South Africa's challenge is to position itself in the "industries of the future".

Future competitiveness of the CSIR depends to a large extent on its ability to master advanced science and technology domains and to increasingly move South Africa from a raw material-intensive export-base towards knowledge-intensive goods and services.

R&D funding in South Africa lacks focus and critical mass although in monetary terms compares favourably with R&D investment in other developing countries.

It is thus clear that if South Africa intends to grow a globally competitive economy, R&D efforts must be underpinned by increased focus, collaboration and partnerships.

## 2.2 Internal context

Key **internal** issues that shape the CSIR Contract R&D Management strategy

- Demonstration of excellence in CSIR competence areas in science and research in the public, private and international sectors
- Strategic contract R&D relationship management
- Measurement of impact and relevance through 'amalgamated' reporting
- Operational excellence

## 2.3 Summary of SWOT findings

CSIR	Positive factors	Negative factors
<b>External context</b>	<b>Opportunities</b> <ul style="list-style-type: none"> <li>- Growing international focus on R&amp;D/HCD investment in Africa</li> <li>- Build on successes with local funding programmes like THRIP and the NIF</li> <li>- Collaborative research programmes through EU, WAITRO, GRA and other international competitive research funding opportunities</li> <li>- Participation in the CSIR Thematic programme and ERAs to strengthen SET base and ensure growth and impact</li> <li>- Involvement with the NEPAD S&amp;T strategy</li> <li>- Increased investment in public and private sector R&amp;D</li> <li>- S&amp;T Intergovernmental Framework</li> <li>- R&amp;D Tax Incentives</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>- Staff turnover in government departments and implications for securing government contracts, esp. since external income is heavily reliant on government</li> <li>- Time factor involved in redirecting the relationships with current customers to be more R&amp;D focussed</li> <li>- Regular changes in leadership in government departments causing a delay in developing of strategic relationships and loss of quality in some relationships</li> <li>- Low levels of CSIR private sector relationships present challenge to increasing level of strategic contract R&amp;D</li> <li>- Potential of increased competition to conduct R&amp;D from international organisations and universities</li> <li>- Insufficient understanding of the new CSIR contract R&amp;D value proposition by stakeholders at all levels</li> </ul>
<b>Internal context</b>	<b>Strengths</b> <ul style="list-style-type: none"> <li>- Strong leadership in the identification and development of R&amp;D initiatives with relevant government line departments, and in conjunction with the DST</li> <li>- Good relationships with key stakeholders in government and industry which can be leveraged</li> <li>- Existing research networks</li> <li>- Identification of priority industry sectors by government, coupled with strong relationships with key industry players</li> <li>- Using agencies housed/ managed by the CSIR as a good source of alignment, information and foundation for building relationships with stakeholders</li> </ul>	<b>Weaknesses</b> <ul style="list-style-type: none"> <li>- Key challenges facing the science and technology sector in South Africa include the shortage of skills, amalgamation and optimisation of strategies and programmes, and availability of venture capital funds</li> <li>- Skills gaps in terms of new strategic direction</li> <li>- Significant infrastructure (equipment) gaps and needs to support strategy</li> <li>- Lack of a well developed S&amp;T base in a number of competence areas</li> <li>- Imbalance in Type A, B and C research activity</li> <li>- Need to upgrade specific elements of research infrastructure and laboratories</li> </ul>

[1] National Survey of Financial and Human-resource Inputs into R&D, Centre for Science, Technology & Innovation, HSRC 2005

[2] In this Plan it was recognised that Africa's biodiversity is a major source of opportunity for its economic and social transformation. Biodiversity holds enormous potential for transforming the continent's health, agricultural and industrial systems to contribute to economic change and poverty reduction. The unique species of plants and animals as well as ecosystems constitute the continent's natural wealth. However, this diversity is underutilized and is being lost at an alarming rate. Conserving and promoting sustainable use of biodiversity is one of the challenges that African countries have committed themselves to addressing. This is manifested by the number of countries that have ratified the United Nations Convention on Biological Diversity (CBD) and its Cartagena Protocol on Biosafety, as well as such regional treaties as the African Convention on the Conservation of Nature (commonly referred to as the Algiers Convention).

### 3 Strategic and Operational plan – 2007/8 to 2009/10

- Provide a description of the overall strategic trajectory and growth strategy that the unit will follow over the medium term planning horizon taking into account the strategic external and internal contexts.

#### 3.1 Strategic Context

The tension between securing the desired strategic shape of the CSIR Contract R&D portfolio and achieving short-term financial results need to be managed. This has both strategic and operational implications.

##### Strategic

- Involvement in national and continental strategies is required
- The nature of contract R&D conducted by the CSIR controls the outcomes and impact that result

##### Operational

- Contract R&D controls how 60-70% of CSIR resources are utilised
- Adjusting the shape of the contract R&D portfolio is a key point of leverage for CSIR's human capital development
- CSIR's operational results are largely determined by the volume of contract R&D
- CSIR cost structures are relatively fixed

The strategic intent of the CSIR Contract R&D Group is to manage, strengthen, and optimize the CSIR Contract R&D portfolio.

This will be achieved by facilitating strategic contract R&D partnerships in the public, private, and international sectors that will enable the CSIR to leverage its resources and capabilities, which will in turn, enable the organization to optimise its resources, core skills, and competencies in support of national goals.

#### 3.2 Strategic Objectives to be achieved by 2009/10

The three critical strategic objectives to be achieved by 2009/10 by the CSIR Contract R&D Portfolio:

- *contribute to the national programme of development:*  
Facilitate significant R&D strategic initiatives which will enable CSIR contribution to the national programme of development, in collaboration with partners from the public, private, and international sectors;

- *perform relevant knowledge generating research and transferring technology and skilled human capital:*  
Strengthen and manage the strategic contract R&D portfolio by facilitating CSIR contribution to developing a strong and robust innovation chain by strengthening and availing CSIR competencies in support of significant interventions in national strategies in partnership with partners from the public, private, and international sectors; and
- *strengthen the science and technology base:*  
Develop and strengthen strategic partnerships with to secure multi-year collaborative R&D contracts which contribute to strengthening the S&T base, financial sustainability, and concerted CSIR impact.

### 3.3 Key Initiatives for 2007/2008

- Describe the key initiatives that will be implemented in the unit to support fulfilment of the strategy for unit specific objectives.
  - Strengthen, and develop strategic partnerships with key partners in the public, private and international sectors to form partnerships, in order to pro-actively understand their needs and co-create R&D opportunities with them;
  - Facilitate R&D collaboration with public, private, academic sectors in order to secure integrated multi-year R&D contracts;
  - Enable and facilitate CSIR-wide contribution towards the implementation of the Africa S&T strategy;
  - Put in place operational mechanisms, policies, systems, and processes to optimize the Strategic Contract R&D portfolio;
  - Consolidate, monitor and manage organisational performance against planned targets;
  - Quarterly CSIR Strategic Contract R&D Reporting.

### 3.4 Key Actions to be taken include:

- provide institutional leadership and support on emerging national, continental and international strategies on the development of appropriate strategic contract R&D responses by the CSIR;
- structure and facilitate the establishment of new strategic contract R&D initiatives with the public, private and international sectors that draw on the science competences of multiple CSIR units and centres;
- support the establishment of strategic collaborative relationships between the CSIR and contract R&D stakeholders in the public, private and international sectors and coordinate across units;
- structure and facilitate CSIR involvement in key national, continental and international initiatives subscribed to by the South African government, for example those that are evident within ASGISA, national Sectoral plans, the Africa NEPAD S&T plan, IBSA, EU S&T Framework, and other competitive funding streams;
- report on the operational performance being achieved by the CSIR in respect of its contract R&D portfolio on a monthly and quarterly basis to the CSIR Executive; and

- develop and monitor the strategic profile and health of the CSIR contract R&D portfolio and report on a quarterly basis to the CSIR Executive.

### 3.5 Critical indicators of performance indicating progress on these objectives:

- Development of major growth opportunities with CSIR Units and key partners, and facilitate responses to major R&D interventions, mainly across A and B programmes;
- Facilitation and management of strategic partnerships with CSIR key public, private and international partners that involve more than one CSIR Unit;
- Understand CSIR organisational capacity and identify of opportunities in the external context to align and support key national strategies; and
- Consolidate and integrate reporting of organisational performance against planned targets re alignment and support to key national strategies.

### 3.6 Unit Specific Priorities

- Provide any additional unit specific responsibilities that are not adequately reflected in the above sections.

- **Contract R&D support on national strategies**
  - DTI/CSIR Institutional Framework of Cooperation
  - DST/CSIR Institutional Framework of Cooperation
- **Contract R&D involvement formally recognized support of NEPAD**
  - CSIR NEPAD Strategy Implementation
- **Contract R&D funded under multi-year research with public sector**
  - Support to Units as required
- **Contract R&D funded under multi-year research with private sector**
  - CSIR Private Sector Strategy
- **Additional responsibilities include:**
  - Prepare reports for the Department of Science and Technology on expenditure by all government departments through contract R&D conducted by the CSIR;
  - Input to the CSIR Annual Plan and Board Papers on those aspects of the plan relating to the CSIR Contract R&D Portfolio;
  - Ensure that CSIR systems are suited to support the establishment and management of the CSIR contract R&D portfolio;
  - The CSIR Contract R&D Management Forum is chaired by the Group Manager of the CSIR Contract R&D Portfolio;
  - The Group Manager of CSIR Contract R&D functions as domain owner for both the customer relationship management (CRM) and key account management (KAM) modules under PeopleSoft will be responsible for determining appropriate adaptation and customisation for each of the respective domains. The CSIR Contract R&D Portfolio also houses the domain specialist and domain administrator functions

for CRM and KAM. This includes convening a relationship management user group and ensuring that reviews of systems functionality are carried out to ensure that optimal systems support is obtained with minimum unnecessary administrative burden.

#### 4. Building and Transforming Human Capital

- Review the strategic health of the Unit, using quantitative indicators where possible, specifically considering the human resource base, service delivery capacity and cost effectiveness.

##### Demographic composition of Unit staff

		06/07		2008/09 target	
		Professional	Other	Professional	Other
Total number of staff					
Black	Number of staff	3	3	4	4
	% of category				
White	Number of staff	1	2	0	1
	% of category				
Male	Number of staff	2	1	2	1
	% of category				
Female	Number of staff	1	3	2	2

##### Enhancement of efficiency in provision of Unit services

Initiatives to enhance efficiency in provision of support services
<ul style="list-style-type: none"> <li>Increase professional support</li> <li>Increase Professional roles and level of management staff</li> <li>Secure Contract Support Projects through DST, WAITRO, EU: STEAP, ESASTAP</li> <li>Reduce the net cost of services to CSIR units</li> </ul>

##### Strengthening the service quality and delivery capacity

Functional support required	Planned outcome
Communications Support	Efficiency and effectiveness in stakeholder management
Finance Support	Efficiency and effectiveness in budgeting and operational excellence
HR Support	Efficiency and effectiveness in human resource development

## **5. Enhancing effectiveness and maintaining good Corporate governance**

### **Values/Culture/Modus Operandi**

- CSIR will operate as a singular entity;
- Units will be supported to contribute to organization's imperatives;
- CSIR will adhere to the highest quality standards;
- S&T excellence will be marketed;
- Operating processes and systems will assure excellence, synergy and integration;
- CSIR will foster the well-being and growth of its staff through strategic relationships;
- Scientific cooperation and learning will be fundamental;
- Human capital development will be encouraged;
- CSIR will be geared to effective and efficient performance of research;
- "Partnership" principles to be central to business model;
- CSIR will exhibit agility in its decision making consistent with proper governance;
- A well-defined decision rights framework will be in place with key account management principles and systems;
- Decision makers will be empowered and held accountable;
- Team based approaches within a culture of trust and respect for colleagues will be adopted across Units; and
- Openness, transparency and honesty will be fundamental to all professional relationships both internal and external.



## 6. Performance Management and Measures/VBPM Plan and Targets

**Table 2** *Main and supporting key performance indicators for support unit*

Priority Area		Main and supporting KPIs <sup>1</sup>	Budget 2006/7	Forecast 2006/7	"Meets all requirements" target 2007/8	"Meets all requirements" target 2009/10	"Benchmark" performance level
Operational excellence	Service quality and delivery	<b>Satisfaction of internal customers</b>	Peer review by Contract R&D Forum members indicating that service is value adding and is provided effectively.	Peer review by Contract R&D Forum members indicating that service is value adding and is provided effectively.	Results of 360° review (sample of operations managers, indicate that service is value adding and is provided effectively.	Results of 360° review (sample of operations managers, indicate that service is value adding and is provided effectively.	Results of 360° review (sample of operations managers, indicate that service is value adding and is provided effectively.
		<b>Adherence to service quality standards</b>	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.	Contract R&D services and reporting produced timeously and satisfying unit requirements and implemented effectively and efficiently.

<sup>1</sup> Main KPIs are presented in bold and supporting KPIs in a normal typeface.  
Support Units may add unit specific KPIs or declare some KPIs "not applicable"



Priority Area		Main and supporting KPIs	Budget 2006/7	Forecast 2006/7	"Meets all requirements" target 2007/8	"Meets all requirements" target 2009/10	"Benchmark" performance level
Human Resource Management	Quality of CSIR human resource environment	Proportion of black support professionals	3/7	3/7	3/7	Reflects the demographic profile of the country	Reflects the demographic profile of the country
		Proportion of female support professionals	3/7	3/7	3/7	Reflects the demographic profile of the country	Reflects the demographic profile of the country
		Employee satisfaction	To be measured by CSIR ESS	To be measured by CSIR ESS	To be measured by CSIR ESS	To be measured by CSIR ESS	To be measured by CSIR ESS
		Training and development of non-SET skills (days/fte/annum)	Five days per employee	Five days per employee	Five days per employee	Five days per employee	Five days per employee
	Leadership development	Formal training days attended by managers in service units	10 days per manager	10 days per manager	10 days per manager	10 days per manager	10 days per manager
Financial sustainability	Operational sustainability	Total expenditure maintained within budget	3,785,325	3,874,660	4,600,300	-	Save 5% of running expenditure budget
	Full cost of research optimisation	Total cost of providing support services	88%	80%	75%	2 year on year reduction in real terms	2% year on year reduction in real terms
Corporate governance and responsibility	Corporate governance	Risk management plan	Risk management presentation to Contract R&D Forum	Contract R&D risks identified	Risk management plan in place	Contract R&D risks adequately addressed	Contract R&D risks adequately addressed

Priority Area		Main and supporting KPIs	Budget 2006/7	Forecast 2006/7	"Meets all requirements" target 2007/8	"Meets all requirements" target 2009/10	"Benchmark" performance level
	Quality and operational excellence	Certification of organisation to relevant quality standards	N/A	N/A	N/A	N/A	
	Information Technology platform	Implementation of Open Source software as the basis of CSIR computing	All unit staff undertake OSS training	All unit staff undertake OSS training	All unit staff OSS compliant	CSIR baseline	To be determined by Vula team
	Corporate citizenship	BBBEE rating	Active contributor	Active contributor	CSIR baseline	CSIR baseline	Excellent contributor
		Energy consumption	CSIR Benchmark	CSIR Benchmark	CSIR Benchmark	CSIR Benchmark	Reduction of 1,2% per annum
		Environmental stewardship	N/A	N/A	N/A	N/A	Maintain ISO 14001 accreditation
		DIFR	N/A	N/A	N/A	N/A	<0,5 disabling injuries per 200 000 man hours worked



## **Appendix A   Risk Management Plan**

Refer to DMS 138613 (Draft Contract R&D Risk Assessment Plan)

## Appendix B Table Summary of key financial indicators/ Budget

Description	R millions			
	Budget 2006/7	Actual November 06	Forecast 2006/7	Budget 2007/8
Total revenue Public sector revenue: DST WAITRO Contract (R500,000) WAITRO Secretariat Contract (R50,000)	438,000	801,198	801,297	438,000
Parliamentary Grant	-	-	-	-
Total operating costs	-	-	-	-
Running Expenditure	1,375,000	450,620	1,017,573	1,400,000
Direct manpower	2,204,008	1,591,865	2,241,739	2,421,739
Indirect manpower	-	-	-	-
Fixed cost	187,362	124,910	156,136	187,362
Operating margin	-	-	-	-
Depreciation	19,000	12,951	22,300	22,300
Net margin				