

Eighth Management Seminar for the Heads of National Statistical Offices in Asia and the Pacific, 3-5 November 2009, New Delhi, India

## **STRATEGIC COMMUNICATION WITH DATA SUPPLIERS**

1 The focus of this paper and the associated presentation is on strategic management by NSOs to achieve effective communication with suppliers of data required by NSOs to produce official statistics. Its purpose is to provide a broad framework for statistical organizations wanting to improve communication with data suppliers as well as set the scene for country presentations and guide work group exercises.

2 Strategic management is management with a purpose to take an organization from its present state to a desired state eg to improve quality or timeliness of data collected. What is considered to be the current state and what is desired should be the result of internal analysis as well as external input from major stakeholders such as key clients, data suppliers, industry bodies and privacy agencies. This analysis should look at strengths, weaknesses, opportunities and threats and distil out the essence of what currently needs improving, and how this can be done by improving weaknesses and exploiting an organization's strengths and new methods and technologies.

3 Note that strategic plans are not forever and the importance of their focus and achievement need to be reviewed from time to time and if necessary new objectives and focus determined.

4 In the case of data communication with suppliers, analysis of the state of play of an organization's communications with data suppliers may for example indicate that improvements need to be made to both the timeliness of receipt and processing of data as well as the building of ongoing capacity of the organization to maintain its operations and take on new collections. For another organization, analysis may indicate that respondent load needs to be reduced along with costs. (This conclusion

may be the result of government directives to reduce respondent load and/or budget cuts.)

5 Once the objective of a strategic plan has been set, strategies need to be developed for moving the organization from its current state to the desired state. For an NSO, These strategies are likely to be in the following areas:-

- sources of data – new sources, better use of existing sources
- methods of data collection & processing
- statistical methods
- communications with suppliers, including relationship management
- organizational arrangements for engagement with suppliers and processing of data received
- legal aspects and policies for data collection (covering security and confidentiality of data, mandatory or voluntary collection, non-response followup, access to administrative data, etc)

6 When considering each of these areas, it will be clear that generally different methods or approaches will be more effective for communications with some suppliers and other methods will be more effective with other suppliers. In other words, different arrangements will best suit different suppliers and/or an NSO. For example, data from administrative sources would be best obtained electronically in accordance with a service level agreement maintained by ongoing relationships with the source agency. For business surveys, the very large businesses are critical and ongoing personal contacts are needed to maintain the accuracy of register information and the collection of data tailored to suit the respondents.

7 Tailoring arrangements to suit each and every supplier, however, is unlikely to be cost effective. Managing too many collection methods increases costs to the NSO and there can be security, support and quality issues with some methods that need special attention. What needs to be done is some basic segmentation of suppliers into broad types, and arrangements developed for best communicating with each broad type of supplier.

8 This is similar to how an organization should be engaging with its many and diverse range of users (see the session on Engagement with Users) and the approach follows the same principles as used in sample survey designs to achieve minimum standard errors at lowest cost. However, the approach to segmentation should be kept simple and only a few different types of suppliers established.

9 For suppliers of data used in business surveys, the experience of NSOs has shown that likely segments for developing different strategies and approaches would be a) providers of administrative data; b) the very large or unique businesses; c) small businesses; and d) the informal sector.

10 For households and social surveys, the likely segments would be a) providers of administrative data; b) urban/rural populations particularly if there is a big disparity in literacy levels; c) special interest groups (eg minority ethnic groups).

11 The aspects that are most likely to be developed to suit particular segments are organisational arrangements for communicating with suppliers and the use of particular collection methods/technology. Many NSOs have moved from *subject matter or collection based* organisational arrangements (where each subject area handles communication, collection and processing of data from suppliers for their particular collections) to *functionally based* arrangements through the establishment of one work group which handles all communication and collection from suppliers for say business surveys. Such arrangements may be organised and managed centrally or in a decentralised manner depending on the situation prevailing in a particular country.

12 The benefits that have been achieved by the Australian Bureau of Statistics from a change to a functionally organised approach for all of its business surveys are outlined in the paper prepared by the ABS for this seminar. The Netherlands, Canada and Statistics New Zealand to name a few others have made similar changes with similar benefits. Note that the benefits have been obtained for communications with both suppliers of administrative data and business respondents to statistical collections.

13 One of the benefits obtained from a functionally based organization is the development and maintenance of capability. This comes about from an increased critical mass of staff responsible for communication, collection and processing compared with a number of much smaller cells which are more vulnerable to staff turnover, etc. NSOs within the region may like to consider if such benefits would also be achieved and assist their efforts to build and sustain capability.

14 Some other matters to be considered when strategically improving communications with suppliers and which are likely to apply across all segments of suppliers relate to legal authority for collection (both from businesses and administrative records) and responsibilities which arise from such legal authority and other legislation (eg confidentiality, privacy, security, archiving). These aspects are usually the basis of an organization's policies and protocols for data collection and communications with suppliers and are used to guide staff in their activities. These matters should not be considered in isolation from other communications with suppliers because how well an organization applies its legal powers and manages say confidentiality, and is seen to do so, has a strong influence on the effectiveness of its operational communications with suppliers.

15 The importance of respondents knowing their rights and responsibilities, and the ready availability of information addressing concerns they may have about for example security of information provided and access to confidential information, has been recognised by many NSOs. These NSOs have available as brochures or from their website FAQs answers and Service Charters for businesses and persons asked to participate in surveys.

16 Finally, and probably more at the tactical level rather than strategic unless addressing a critical problem, communications with suppliers can be made more effective through attention to standards, the collection and maintenance of metadata, the use of unique identifiers (such as business register numbers), units defined for collection and communication as opposed to statistical units used for estimation, and form design. The last mentioned (form design) is a critical factor for achieving good and effective communication with suppliers. The design of forms (whether printed or

electronic) can have a significant influence on the quality of data collected by an NSO. It can also influence respondent levels and influence perceptions held by respondents and the public generally of whether the NSO is a modern organization that pays attention to quality.

17 Making changes to an organization to improve its communications with suppliers can require substantial disruption to ongoing activities, particularly if there are significant organisational changes impacting on staff. Such changes require effective consultation with staff and for some aspects respondents should be kept informed of developments.

18 Changes made in recent years by various NSOs to improve communication with data suppliers indicate that the critical success factors are:-

- clear, achievable vision and plan for the changes required
- ensure foundation such as legislation and data supplier agreements and policies are in place
- significant attention, support and commitment by senior management
- effective communication with staff and respondents at all stages of planning and implementation
- good project management arrangements
- investment upfront for developing new systems and tools
- phased implementation to ensure staged goals can be achieved
- adequate testing of arrangements before live implementation
- effective monitoring of new arrangements against goals

John Cornish  
Consultant  
October 2009