Innovation Action Plan

2014-15

Ministry of Corporate Affairs

Government of India

May 2014

Introduction

The Performance Management Division (PMD), Cabinet Secretariat, Government of India has introduced a result-oriented frame working Ministries/Departments of the Government. The instrument identified for this purpose is the Results-Framework Document (RFD) and its evaluation. The RFD helps Ministries/Departments to identify specific activities required to be implemented during the year and monitor their performance. Through the RFD, PMD aims to inculcate a culture of result-orientation and objective evaluation of the actual performance of the Ministries/Departments.

In addition, PMD has suggested that the RFD shall also be used as an instrument to promote out-of-box thinking in the Ministry/Department. The intention is to generate a culture of obtaining new ideas/suggestions from stakeholders, as well as from within the Ministry/Department that can enable better implementation of policies/Programmes/activities. An Action Plan on Innovation is a mandatory part of RFD 2014-15 of the Ministry of Corporate Affairs, as indicated below.

Actions	Success Indicator	Unit	Weight	Target / Criteria Value				
				Excellent	Very Good	Good	Fair	Poor
				100%	90%	80%	70%	60%
Identify, design and implement major innovations	Timely submission of Action Plan for enabling innovation	Date	2.0%	May 15, 2014	May 17, 2014	May 18, 2014	May 19, 2014	May 20, 2014

The Innovation Action Plan (IAP) 2014-15, for this Ministry is aimed at encouraging culture of capturing and implementing new ideas to be obtained from stakeholders. Last year, the Ministry constituted an Ecosystem Innovation Centre (EIC),and a core team was formed to study how to introduce a system for promoting innovations. The Ministry received 176 ideas/suggestions from various stakeholders in this regard. In the current Financial Year, the Ministry aims to build on this foundation and operationalise an institutional mechanism that would capture new

ideas from stakeholders aimed at improving the overall efficiency in the implementation of activities undertaken by the Ministry.

As per the "Revised Guidelines for Preparing an Action Plan for Innovation in Government Departments in India" issued by PMD in April 2014, the Innovation Action Plan consists of the following sections:

Section 1: Idea Management Process

Section 2: Buzz Creation Process

Section 3: Training and Development

Section 4: Challenges

Section 5: Building the Participation

Section 6: Metric for Measuring Progress in Innovation Journey

Section 1: Idea Management Process

<u>Section 1.1</u> **Source:** <u>From where the ideas will come?</u>

(a)   Internal stakeholders – staff and officers of headquarters, attached and field offices
(b)   Users of online MCA services – Members of Professional Institutes who file documents on MCA-21 portal
(c)   Industry Associations
(d)   Retail and Institutional Investors
(e)   Other stakeholders

<u>Section 1.2</u> **Scope:** <u>What are department's innovation priorities?</u>

The following areas are identified for innovation.

(a)   Improvements in the working and administration of the Companies Act, 2013/LLP Act, 2008 so as to promote corporate growth.
(b)   Improvements to corporate governance and corporate regulations
(c)   Investor Protection
(d)   Investor education and awareness
(e)   Prevention of anti-competitive practices in the market
(f)   Improvements to the productivity of human resources of the Ministry
(g)   Capacity building in the Ministry
(h)   Effective implementation of the Citizens' Charter

Theabove list is only indicative, and not exhaustive. Any idea that can significantly improve service delivery, human resource management or physical resource management of the Ministry and can contribute towards corporate growth can also be considered.

<u>Section 1.3</u> **Stages:** <u>How many stages will an idea move through?</u>

(a)   <u>Technical feasibility scrutiny by Innovation Cell</u>

An 'Innovation Cell' is proposed to be set up in the Ministry by 29.08.2014. Any suggestion received will be first scrutinised on merits by the Innovation Cellof the Ministry. Experience of previous years indicates that suggestionsreceived were mostly in nature of complaints. Such issues will be screened at this stage.

Besides shortlisting the initial ideas received, the Innovation Cell would serve as the Secretariat for implementation of IAP.

(b) Evaluation by the Ecosystem Innovation Centre (EIC)

An Ecosystem Innovation Centre (EIC), headed by the Additional Secretary (AS) is already in place. After the initial scrutinyby the Innovation Cell, specific ideas that have merit and can qualify as an innovation will be passed on to the EICfor detailed scrutiny.The EIC will appraise the idea for its potential benefit, and submit specific proposals for approvalto implement the suggestion/idea,or reject it. The concerned Division(s) of MCA will thereafter be directed to implement such suggestions/ideas through issue of an Office Order that would be placed on the MCA portal.

(c) Supervision of Implementation, Monitoring and Evaluation by the EIC

The EIC will be tasked to monitor and evaluate the implementation of the decision taken and obtain a feedback from concerned stakeholders regarding its efficacy.

Section 1.4 **Technology:** What technology department will use to gather ideas?

The following channels will be used to receive ideas from various stakeholders:

(a) **Idea Box**:
Idea Boxes will be placed in the Headquarters, Field offices, Attached offices and Information Facilitation Centers. The boxes will be placed in the Ministry by 15.07.2014.

(b) **Online Innovation portal**
A link to an Online Innovation Portal is already provided on the homepage of the Ministry inviting stakeholders to post innovative ideas under the format prescribed in the URL - **http://www.mca.gov.in/DCAPortalWeb/dca/ MyMCALogin. do?method=setDefaultProperty&mode=54**. The Infosys team will further improve the contentsand visibility of the webpage.

The weblink will enable regular users of MCA services to offer suggestions/ innovative ideas that can help to improve the implementation aspects of provisions of the Companies Act, 2013, as well as improve the efficiency of services provided by MCA to stakeholders.

(c) **E-mail address**
There is already an email address<iap@mca.gov.in>, provided by the Ministry where innovative ideas can be sent. This email address has already been sent to industry associations, and mentioned in the Monthly Newsletter of the Ministry.

Section 1.5 **Selection**: How will ideas be selected for further development?

The EIC will select those innovative ideas that can improve the functioning of the Ministry and its services based on perceived benefits that will accrue from their implementation.After the ideas are identified for implementation, necessary approval of the competent authority will be required to be obtained.

Section 1.6 **Sponsorship:** What kind of resources will be allocated to selected ideas?

A view will be taken in the Ministry whether it is necessary to provide financial incentives to facilitate receipt of innovative ideas from stakeholders. For this purposeit will be necessary to obtain funds for implementing such an incentive scheme. The EIC will deliberate this issue and recommend a scheme to I.F.D. of this Ministry for allocating required funds for 2014-15.

The following organogram gives the pictorial representation of the processes described above:

<u>Figure 1 : Flow of innovative ideas</u>
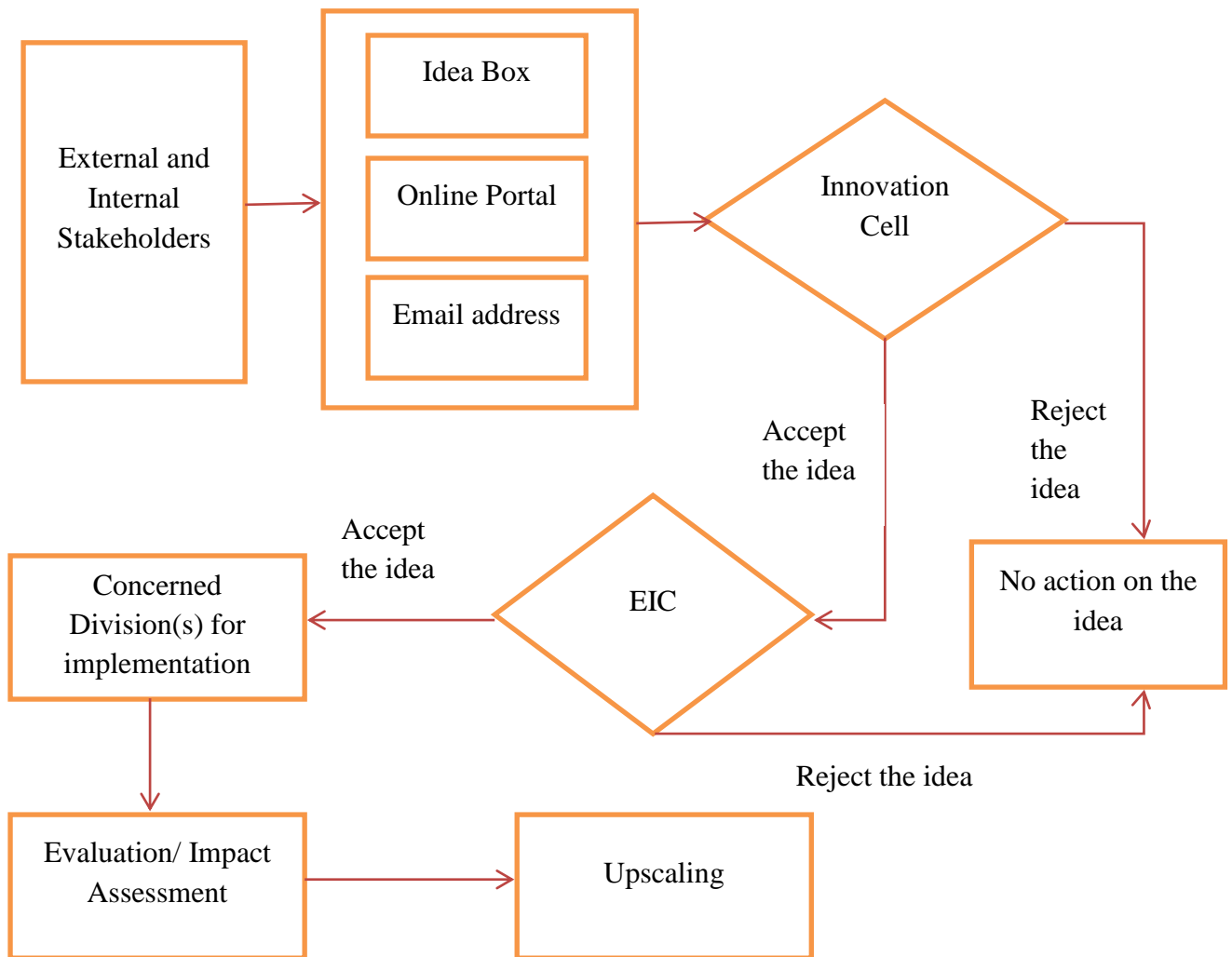
Section 2: Buzz Creation Process

Intra-ministerial campaign and system generated email

For guiding, monitoring and supervising implementation of IAP, an Ecosystem Innovation Committee (EIC) under the chairmanship of Additional Secretary has been formed in the Ministry. An intra-ministerial campaign will be organized under the guidance ofEIC to spread awareness among employees about what is innovation and how can an employee contribute to it. They will also be sent a system generated email to explain about the innovation, how can ideas be properly channeled.

Creation of Innovation cell in the Ministry

An innovation cell would be created headed by an Under-Secretary level officer and supported by an assistant to institutionalize the channels of publicizing and creating awareness about innovation.

Measures to build participation

Several measuresare proposed to be undertaken to enhance stakeholders' participation in innovation plan. The same have been discussed in Section 5 of this Plan.

Section 3: Training and Development Process

Creating an environment conductive for innovation

The most innovative organizations in the world are the ones where there is a culture that promotes communication, discussion among various participants. Generally, matrix organization or organization with less hierarchy is a preferred structure. However, it is not advisable to bring about a change as drastic as making the organization flat/horizontal. But a few steps in the direction of enhancing information and knowledge flow should be taken to promote a culture of knowledge-orientation which is invariably linked to the culture of innovation.

Knowledge Portal of MCA

One small step in this direction will be to ask individual Divisions to prepare a powerpoint presentation / bullet points about the functioning of the Division and upload it on <**the intranet or any internal knowledge-sharing portal**>. All the speeches and presentations made by the Minister and senior officers will similarly be shared on the same portal. Such information sharing keeps the employees abreast with the larger goal of the organization, the views of the top executives about various issues. Further, persons from one Division would be able to better understand and appreciate the functioning and developments in other Divisions and Ministry as a whole. Besides generating ideas, it is expected that the Knowledge portal will help the employees in larger role of improving productivity.

Regular meetings of the Divisions

Regular meetings, where the entire Division sits together with the Head of the Division to discuss the developments in the Division and in the Ministry not only promotes two-way communication but the group activity as a whole brings out synergy of ideas and some new innovative steps may emerge out from the same.

Internal circulars will be issued once in a quarter to all Divisional heads in which officers and staff will be requested to hold brain-storming/group sessions.

External Speakers

External Speakers will be identified and there will be four sessions in the current financial year to organize lectures/workshops about increasing awareness about the innovation.

Section 4: Creation of a challenge book

It is important to keep in mind the challenges ahead of the Ministry. Fast pace of globalization and changing corporate and technological environment is already posing a lot of challenges for the regulatory agencies across the world. To preserve the interest of the investors and nation as a whole, it is important to keep pace with the changing business environment. As the economy grows, the number of registered firm increases, therefore the complications in the transactions grow as well. Gradually,the human and physical resourcesof the Ministry per firm decline. Hence keeping a regulatory watch becomes increasingly difficult. It is therefore suggested that the regulatory organizations must maintain and periodically review their 'Challenge Book' so that they may maintain their relevance in the changing times.

Keeping up with this philosophy in spirit, the following are the challenges that the Ministry is facing and would like to have innovative solutions about:

(a)   Investor Protection
(b)   Investor grievance redressal
(c)   Investor Education
(d)   Monitoring and ensuring effective compliance
(e)   Quality examination and timely disposal of various applications
(f)   Capacity building for IT-enabled team for ICLS cadre to cope-up with the future challenges
(g)   Liquidation of companies
(h)   Co-ordination among various organs- sections/cells/field offices - of the Ministry
(i)   Improvement of the data quality and effective data dissemination
(j)   Early Warning System for discovering potential frauds
(k)   Improvement of internal functioning of the Ministry in the areas of establishment, transparency in procurement etc.
(l)   Welfare and recreational activities of the employees of the Ministry
(m)   Bridging the communication gap between the Ministry and the citizens of the nation

Section 5: Building Participation

Incentive Structure

Incentive structure needs to be set up with a view to elicit as many ideas as possible. There will be separate incentive structure for internal and external stakeholders.

To start with, cash prizes of Rs.50000/- each will be awarded to the six best innovators of the year, out of which three innovators will be from the Ministry and attached/field offices and three others will be selected amongst the external stakeholders. Consolation prizes of Rs.25000/- each will be awarded to the eight other innovators, again four each from internal and external stakeholders. The prizes shall be given in an annual function with a certificate and an appreciation letter.

The ideas that generated large impact shall be given additional award of Rs 15000/- each after their successful implementation.

Publishing the innovations in the News-letter

All the ideas selected by the EIC as "innovation" will be published in the Monthly Newsletter with the photo of the innovator and a brief description of the Project.

Using mass-communication

In case, the innovator is a non-employee, his contribution will be publicized through the leading news channels and newspapers. In the modern era, the impact of mass communication channels on the public is enormous. Such campaigns are not only rewarding for the innovator but can be an excellent publicity campaign for bridging the gap between generating ideas and taking them through formal channel to the Ministry.

Crowd-sourcing the ideas

Many a times, the citizens on the receiving end of the regulation and services have better ideas about the way some services should be provided. Many people take keen interest in sharing the way they think service delivery can be improved. Success of open-source websites like the Wikipedia.org is the leading example that if the energy and the ideas of the people find proper channel of expression, it can create wonders.

As has been earlier mentioned, on the homepage of the Ministry's website, a separate tab can be provided for suggestion. It can be made flashier as well to attract attention of the people.

As soon as stakeholders complete the process of filing application online, a link can be provided for suggestion. So that ideas can be captured before they fade in the minds of the people. It would also help the Ministry in identifying a few more challenges to the Ministry.

Section 6: Metric for Measuring Progress in Innovation Journey

The targets for the current financial year will be:

Table 2: Actions, Targets and Performance Metric

S.No.	Action / Performance Metric	Target
1	Reconstitution of EIC by	02.06.2014
2	Constitution of Innovation Cell by	16.06.2014
3	Creation of an online portal of Innovation and a separate tab in MCA homepage	31.12.2014
4	Positioning of idea box in the Ministry headquarter and attached/field offices by	29.08.2014
5	No. of ideas received:	250
6	No. of ideas from employees in the year:	50
7	No. of employees giving at least one idea each:	20
8	Minimum no. of times EIC would take decisions on ideas received per quarter	1

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