

Administrative Council for Economic Defense

STRATEGIC PLAN

2013 - 2016



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SUMMARY

Acronyms.....	5
Introduction.....	6
Strategic Reference Framework.....	8
Statement Of Mission.....	8
Statement Of Vision	8
Values	8
Strategic Map	9
Strategic Plan.....	11
1. Results Perspective.....	11
Strategies.....	11
2013 Goals.....	11
Deferred Goals.....	12
Priorized Projects.....	12
Indicators.....	12
2. Clients Perspective	13
Strategies.....	13
2013 Goals.....	13
Deferred Goals.....	13
Priority Projects	13
Indicators.....	13
3. Internal Processes Perspective.....	14
Strategies.....	14
2013 Goals.....	14
Deferred Goals.....	14
Priority Projects:.....	14
Indicators.....	14
4. People And Infrastructure Perspective	15
Strategies.....	15
2013 Goals.....	15
Deferred Goals.....	15

Priority Projects 15
Indicators..... 15
Bibliography..... 16

ACRONYMS

Asscom – Communication Unit
Assint – International Unit
Assplan – Project Management and Planning Unit
BSC – Balanced Scorecard
CADE – Administrative Council for Economic Defense
CGU – Union General Controlling
DA – Administrative Directorate
DEE – Economic Studies Unit
DPDE/SDE/MJ – Economic Protection and Defense Unit, from the extinct SDE
Enacc – National Anticartel Strategy
Endec – Competition Defense National School
EPPGG – Public Policy and Governmental Management Expert
GCR – *Global Competition Review*
PDTI – Information Technology Plan
PGPE – Executive Power General Plan
PinCADE – CADE’s Exchange Program
PPA – Multiannual Plan
Prodoc – International Cooperation Project with UNDP
SBDC – Brazilian Competition Policy System
SDE – Secretariat of Economic Monitoring
Seae/MF – Secretariat of Economic Monitoring, Ministry of Finance
Sic-CADE – Citizen Information System
Siscade – Procedural System
SG – General Superintendence
UNDP – United Nations Development Program

INTRODUCTION

“[Only a mission] can avoid the most common degenerative disease that affects the organization: the fragmentation of its resources always limited by initiatives that are ‘interesting’ or ‘apparently lucrative’ in order to concentrate them in a reduced number of productive efforts.”

–Peter Drucker (2001: 41)

This document is a strategic benchmark for the Administrative Council for Economic Defense – CADE for the 2013 - 2016 period, it is the result of a reflection by the leaders after the changes brought by the Law no. 12.529, November 30th, 2011. This Law, implemented on May 29th, 2012, restructured the Brazilian Competition Policy System and imposed some challenges to the autarchy.

The first challenge is the institutional reformulation of New CADE. The Council incorporated the instruction phase of the merger filings (assigned previously to SDE, which integrates the Ministry of Justice), as well as the anticompetitive practices (assigned previously from the SDE). This institutional reformulation required some actions: (i) organizational reformulation; (ii) the extension and preparing of the workforce; (iii) the adequacy of the physical structure, equipment and infrastructure of the Autarchy; (iv) and the review of budget limits.

The second challenge is the adoption of the previous notification in merger filings proceedings. This change removes Brazil of the short list of countries that analyses mergers and acquisitions after their conclusion. The new legal framework imposed to CADE holds not only the incorporation of SEAE and SDE competences but also the duty to analyze merger filings prior to their concretion, which represents a substantial change in the “*modus operandi*” of analyses and it requires bigger agility in the instruction and judgment of such cases.

The third challenge is to meet the deadlines. The Initiation Procedure for an Administrative Investigation now has to be concluded in 30 days. The Administrative Investigation can transact in the General-Superintendence for a maximum of 180 days, extendable for 60 more days when the process has a difficult elucidation. The process of merger filings analyses must be concluded in 240 days, extendable for 60 upon request from the parties of the business, or for 90 days upon request from the Tribunal. It is noticeable that those deadlines present a big challenge when compared to the past periods of administrative process analyses in general.

The goals in this document are results from the work of the CADE Strategic Planning Workshop, held on February 4 – 7, 2013. *The workshop was structured to consolidate a balance in the activities developed in 2012 and, based on the results achieved in the first months of the New Law, point projects and actions to be priorities to CADE in the next few years.*

It is important to highlight that the Strategic Map, approved by the Tribunal in 2011, was not modified.

It is also important to highlight that this plan is aligned to Brazil's four-year governmental plan - PPA 2012-2015 – *“Plano Mais Brasil”*, particularly with Program 2020 (Citizenship and Justice), Objective 0870: improve and strengthen the Brazilian Competition Policy System (SBDC) through structuring the New CADE, partnership institutionalization with other governmental institutions and international organisms, enhancement of repressive and preventive procedures for competition enforcement, adoption of educational practices for society and through the promotion of competition policy.

STRATEGIC REFERENCE FRAMEWORK

The Strategy Map was approved during a Council session on August 31st, 2011¹. This framework was reviewed in February 2013, during CADE's strategic planning meeting. The *Balanced Scorecard* (BSC)² is the methodology supporting the framework.

The option for using BSC reflects CADE's efforts to reach a balance between long term and short term goals, financial and non-financial measures, between tendency and occurrence indicators and, also, between internal and external perspectives.

This broad set of objectives relies on a management and measurement system through which organizational performance assessment relies on four perspectives: a) Results; b) Clients, c) Internal Processes and d) People and Infrastructure. Thus, CADE has been working on indicators to enable the follow-up of its final results by monitoring, at the same time, the progress on capacity building and acquisition of intangible assets needed for future growth.

The reference framework is composed by the statements of mission and vision and by the strategic map, its strategic objectives and indicators.

STATEMENT OF MISSION

To strive for the maintenance of a healthy economic environment, preventing and repressing actual and potential acts against the economic order, observing the due process of law in its material and formal components.

STATEMENT OF VISION

To be recognized as an essential institution for the well functioning of the Brazilian Economy.

VALUES

Ethics
Justice
Effectiveness
Independence
Professionalism

¹ Based on [Order 115/2011/PRES/CADE](#).

² **Balanced Scorecard** is a measuring and management methodology developed by the professors Harvard Business School, [Robert Kaplan](#) e [David Norton](#), in 1992.

STRATEGIC MAP

The People and Infrastructure perspective is at the base of the map. It assembles objectives related to the human and material resources and to information and integrated usage, all necessary to improve CADE's performance. This perspective is directly connected to the Pluriannual Plan (PPA) 2012-2015, initiative 03KL, which reads: to restructure the Brazilian Competition Policy System through New CADE's implementation and functioning, provided with adequate structure and technical body needed to fulfill the demands and procedures stated by Law Project nº 3937/2004, included the new merger notification procedure.

The Internal Process perspective is about efficiency on work and communication processes inside the autarchy and to its external public.

The Clients perspective has its focus on who is affected by CADE's activities, internally and externally. CADE's clients are: business society, lawyers, students, other Public Organs and international organs.

The Results perspective represents the impact expected from CADE's activities. This perspective basically depends on the good result from the others perspectives, especially the Clients'. It is also related to the PPA 2012-2015, 03KK, initiative: increase the effectiveness and efficiency of the Brazilian Competition Policy System, prioritizing sectors that have a big social and economic impact, partnership with public administration and international organs, encouraging the competition and strengthening the combat to anticompetitive practices.

STRATEGIC MAP OF THE ADMINISTRATIVE COUNCIL FOR ECONOMIC DEFENSE - CADE

STATEMENT OF MISSION

To strive for the maintenance of a healthy economic environment, preventing and repressing actual and potential acts against the economic order, observing the due process of law in its material and formal components.

STATEMENT OF VISION

To be recognized as an essential institution for the well functioning of the Brazilian Economy.

RESULTS

To ensure technical, independent and swift decisions

To establish and implement Competition Defense Policies

To diffuse Competition Culture in Brazil and to become an international reference

To represent Brazil's interest before international forums and other competition agencies

CLIENTS

To ensure the provision of quality services to society

To maintain high level of technical interaction with other international organizations and bodies of the Brazilian Public Administration

To execute demands of servers and internal employees properly

INTERNAL PROCESSES

To enhance work and management work in order to reach excellence

To improve internal and external communication

PEOPLE AND INFRASTRUCTURE

To ensure human resources that are capable and adequate to the CADE's needs

To ensure logistic support that is adequate to CADE's needs

To promote the integrated use of information

STRATEGIC PLAN

1. RESULTS PERSPECTIVE

There are four objectives on this perspective:

To ensure technical, independent and swift decisions

To establish and implement Competition Defense Policies

To diffuse Competition Culture in Brazil and to become an international reference

To represent Brazil's interest before international forums and other competition agencies

STRATEGIES

1. Invest on Procedural Follow Up System to ensure: meeting of deadlines and efficient management of cases stock;
2. Make sectorized judgments to consolidate the Council's agreements;
3. Sign Cooperation Agreements with Regulatory Agencies and others Brazilian Public Organs to access databases that contribute to studies and cases analyses;
4. Make researches to evaluate the economic effects of the economic defense policy;
5. Restore the National Anticartel Strategy (Enacc);
6. Reassess offsetting entry policy for the investment on regional laboratories for cartel investigations;
7. Increase efficient decisions, encouraging solutions based on agreements;
8. Cooperate with foreign anticartel agencies;
9. Strengthen International Unit and increase CADE's participation on international events about competition defense, developing its regional leadership role;
10. Establish International Cooperation Agreements focused on the instruction of proceedings, information and document exchange;
11. Approach clients for the institution of mechanisms to prevent infractions against the economic order;
12. Encourage academic work and debate about competition; and
13. Strengthen international cooperation projects with the United Nations Development Program (UNDP).

2013 GOALS

- Finalize backlog of mergers under former Law 8.884/94;
- Try at least 71 anticompetitive practices proceedings;
- Alter Internal Regulation , with revision of settlement agreements norms;
- Review of the Horizontal Mergers Guidelines;
- Operate a Workshop with the Judiciary to debate the competitive defense policies in the administrative and judicial spheres;
- Release CADE's Fiftieth Commemorative Book;
- Reinstate CADE's Exchange Program (PinCade) ;

- Publish biannually CADE's new Journal edition;
- International PinCade;
- Sign 5 (five) new International Cooperation Agreements; and
- Sign 5 (five) new Cooperation Agreement with Regulatory Agencies and others authorities.

DEFERRED GOALS

- Implement Procedural Follow Up for notification and monitor the administrative proceedings System (CADE without paper *) ;
- Review the Compliance Program*;
- Implement, at least, 2 new cartel analysis and investigation laboratories in North and Midwest regions*;
- Open the Competition Defense National School (Endec)*;
- Open CADE's Intelligence Laboratory; and
- Elaborate Vertical mergers guidelines.

PRIORIZED PROJECTS

1. CADE without paper;
2. Intelligence Laboratory;
3. Endec;
4. PinCADE and International PinCADE;
5. Restructure International Unit; and
6. International Cooperation Project with United Nations Development Program (UNDP) - (Prodoc BRA/11/008).

INDICATORS

- Number of stars obtained by CADE in the *Global Competition Review* (GCR) Magazine;
- Average period of processing per process type in CADE (Days);
- Number of students in CADE's Exchange Program;
- Number of signed International Agreements between CADE and other antitrust authorities;
- Number of signed Cooperation Agreements between CADE and Regulatory Agencies or other organs from Public Administration;
- CADE's participation on Annual Conferences of International Organs;
- Number of anticompetitive practices judged by CADE (indicator PPA 2012-2015); and
- Number of agreements signed annually (Leniencies, Cease and Desist agreements and Agreements in merger files).

* Goal of PPA 2012-2015

2. CLIENTS PERSPECTIVE

There are three objectives:

To ensure the provision of quality services to society

To maintain high level of technical interaction with other international organizations and bodies of the Brazilian Public Administration

To execute demands of servers and internal employees properly

STRATEGIES

1. Invest on Procedural and merging filings notification Follow Up System;
2. Improve the process of supply of examination and copies;
3. Set exchange with Regulatory Agencies and other Public Administration Organs;
4. Invest on welfare of CADE's human resource;
5. Structure a General Ombudsman and the Citizen Information System (Sic-CADE); and
6. Follow up public contest for new servers for CADE alongside the work of the Ministry of Justice and the Ministry of Planning.

2013 GOALS

- Internal ruling for the supply of edited digital copies; and
- Primary version of the new Procedural System (Siscade) being produced at this moment.

DEFERRED GOALS

- To conclude Electronic notification of merger filings;
- To conclude Digital copy supplying; and
- To implement Ombudsman System.

PRIORITY PROJECTS

1. Siscade (part of the CADE without paper project); and
2. Work welfare and Citizen Server Appreciation.

INDICATORS

- Number of appeals registered by the Sic-CADE; and
- Citizen servers' satisfaction (under construction).

3. INTERNAL PROCESSES PERSPECTIVE

There are two objectives for this perspective:

To enhance work and management work in order to reach excellence

To improve internal and external communication

STRATEGIES

1. Review and improve critical workflows;
2. Improve accountability process;
3. Improve the management of data and review indicators;
4. Implement the sustainable management plan;
5. Reformulate CADE's website, in order to make it interactive e multiplatform;
6. Create a relationship strategy with national and international medias;
7. Enhance citizen access, through the creation of more space on radio, TV and regional vehicles; and
8. Institutionalize intranet.

2013 GOALS

- Agreed plan with the Federal Inspector General Office (Achieved) and all recommendations for an internal audit (Achieved);
- To Implement the sustainable management plan;
- To Map and review the main workflows; and
- Course of media Training for CADE's Authorities (Achieved).

DEFERRED GOALS

- To conclude CADE's new website; and
- To conclude CADE's corporative Intranet.

PRIORITY PROJECTS:

1. To structure Communication Unit;
2. Operation excellence in the Administrative Directorate;
3. Social and Environmental Sustainability;
4. Indicators review; and
5. Open Government Agenda.

INDICATORS

- Number of reference to CADE on on-line and print media; and
- Pending recommendations from controlling organisms.

4. PEOPLE AND INFRASTRUCTURE PERSPECTIVE

There are three objectives for this perspective:

To ensure human resources that are capable and adequate to the CADE's needs

To ensure logistic support that is adequate to CADE's needs

To promote the integrated use of information

STRATEGIES

1. Increase the number of effective civil servants;
2. To monitor the selection process for appointment to offices of Specialists in Public Policy and Government Management;
3. To create a training policy;
4. Invest in Information Technology infrastructure and management;
5. Negotiate the expansion of CADE's budget and suggest new financial sources; and
6. Structure the Acquisition Plan.

2013 GOALS

- Public Selection Process conducted for filling the vacant positions of the General Plan of the Executive Branch (PGPE);
- To structure Information Technology's Unit;
- To form the IT steering committee and to approve a new Master Plan for Information Technology (PDTI);
- To maintain high level of budget execution (above 95%);
- To publicize training policy; and
- New training plan was published.

DEFERRED GOALS

- To institute competence management in CADE.

PRIORITY PROJECTS

1. To structure CADE's IT unit;
2. Padlock (Physical and information security); and
3. SisCade (module of the CADE without paper).

INDICATORS

- Number of capable human resource;
- Percentage of scanned processes;
- Percentage of executed budget.

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