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(iii) Internal Communication

A Good Product needs Good Communication to Succeed¹

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Background

The Statistics Department (STA) of the International Monetary Fund (IMF) is responsible for the collection and dissemination of methodologically sound macroeconomic statistics of its member countries. STA currently disseminates data to the public through hard copy publications, CD-ROMs and on-line services. The principal statistical publication, *International Financial Statistics (IFS)*, has been published since 1948. A recent survey of subscribers indicates that the statistics disseminated by STA are widely recognized as reliable and comprehensive.

STA is not the only Fund department that collects and disseminates economic data. Area Departments, which are organized by geographical regions and conduct country surveillance, also collect data directly from country authorities for their surveillance work; these data underpin economic policy advice and cover many of the same indicators collected by STA. Operational work of area departments requires timely information of record, as well as unpublished data for recent periods, while analytical work requires information of record for long time series. Fund area departments, because of their regular contact with member country authorities, often are the most timely institutional source for the most current data on macroeconomic aggregates and other indicators, such as price statistics, for operational work. STA does a good job of capturing revisions and compiling long historical series for analytical work, but has, until recently, had a slower data capture channel than the area departments.

The issue of better coordination of data collection from our member countries and easier data sharing within the Fund are long standing issues. Addressing these issues would require better collaboration across departments and a willingness to adapt work practices.

¹ The views expressed herein are those of the author and should not be attributed to the IMF, its Executive Board, or its management.

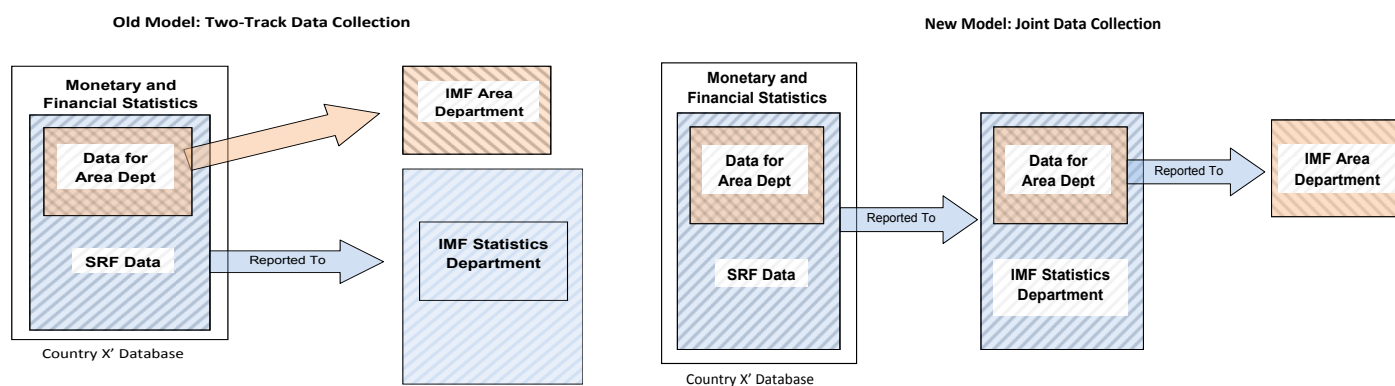
Objectives

This paper shares the experience and challenges STA has faced in promoting internal usage of its data and fostering more cross-departmental collaboration on data collection. It considers a specific case study in the area of monetary and financial statistics (MFS), whereby STA recently has made progress on timeliness and comprehensiveness exemplified by monetary data reported in Standardized Report Form (SRF) format; these data often are as current and more comprehensive than the data the area departments can capture in this area. Notwithstanding the advantages offer by STA data, including the fact that data collection could be organized to meet the needs of both STA and Area Departments, uptake of this source by the area departments has not been instantaneous. The adoption of a joint data collection process for MFS would not only enhance effectiveness and efficiency of data collection within the Fund, but would also provide transparent data flows from the source data of reporting countries to the Fund and reduce the reporting burden on our member countries.

Case Study: STA's joint data collection initiative for MFS

The joint data collection initiative for MFS (hereafter referred to as the Initiative) was launched by STA in late 2004 to provide country desk economists in Area Departments with a set of MFS data suitable for surveillance work. The Initiative leverages STA's comprehensive standardized report forms (SRFs) which member countries use to report data monthly to STA for publications in IFS. The SRFs are compliant with the international standards set forth in the Monetary and Financial Statistics Manual (2000) (MFSM2000) which allow for cross-country data comparison.

The Initiative was designed to support joint data collection with Area Departments, to facilitate an understanding of the methodological differences underlying the various analytical presentations, and to provide a consistent set of MFS. Under this Initiative, a country reports data to STA using the SRF; STA validates the data and produces a presentation of MFS that is suitable for the surveillance work of an Area Department country team and for publication in a staff report.



A key benefit of the Initiative is that a country sends a single set of monetary data to the Fund which serves the needs of multiple Fund departments. Other benefits of joint data collection include: i) reduced reporting burden for the country; ii) reduction in the number of different databases to be maintained; iii) enhanced consistency in the data disseminated by the Fund in various reports and publications; iv) increased transparency of monetary statistics; and v) potentially improved data

accuracy. Moreover, if the data presentation underlying the SRF also is used by a country to disseminate its MFS data to the public, this would ensure consistent data presentation and facilitate comparison between the data that the Fund disseminates and the data that the country disseminates in its bulletins and websites.

Slow Adoption of the Initiative

The Initiative provides a product designed to meet the needs of Fund desks at a relatively low cost for area departments; it has benefits beyond the time and resource savings for the Fund as mentioned above. So, why has the adoption of the Initiative by area departments been somewhat limited? This section examines some factors that have contributed to the slow uptake of the Initiative within the Fund.

Currently, 125 member countries have comprehensive data reporting to STA through SRF, but only about 30 percent of these data reports are used by Area Department country teams for their surveillance work. During the first few years of the Initiative, the acceptance rate was reasonably good due in part to strong leadership from a dedicated champion in STA, an actively implemented communication plan, and a dedicated team to support the work. The rate of adoption has declined in recent years for a variety of reasons: high turnover of area department economists, changes in work processes in some Area Departments, increased availability of commercial data, and the fact that communications around the Initiative has all but ceased. A 2011 Users Survey documented the need for more education and awareness of the Initiative, the need to further improve timeliness of STA's MFS, and the need to update the delivery channels from Excel-based to direct database feeds.

Lessons from a success story

This section reviews some good practices in communication and collaboration that increase the chance for a successful introduction of a new product and new work processes. In 2009, the Fund's Executive Board mandated that the presentation of fiscal statistics of all Fund publications should follow the presentational framework described in the current international standard for government finance statistics—the *Government Finance Statistics Manual (GFSM 2001)*. This mandate implied the need for data transformation from the older standard—*GFSM1986* to *GFSM2001*—as well as an update in the manner that fiscal analysis is conducted to take full advantage of the additional information provided by the statistics based in the *GFSM2001* standards. The necessary changes were implemented successfully, guided by a good communication strategy which included a long-lead period and a comprehensive package. Staffs were provided the necessary documentation, an operational road map, technical support by a dedicated team to ensure a smooth transition, including through examples of country data transformations. Furthermore, senior managers across a number of departments worked together to communicate the importance of the initiative; this resulted in the approval and adoption of the change across the organization. With these ingredients, staffs across the Fund are now working to ensure that the new fiscal data presentation appears in all staff reports effective since May 2011.

A new opportunity has recently arisen to re-launch the Initiative.

The Fund is looking for efficiency gains and quality improvements in its data management operations, as the need for data has skyrocketed as highlighted by the financial crisis, while at the same time, Fund staffing levels have decreased due to a pre-crisis downsizing. A task force has been organized to look at data management work processes and IT systems across the organization and to develop a holistic implementation plan for updating data management in the Fund. The attention on more efficient work processes and the need for greater collaboration provides an excellent opportunity for STA to re-launch the Initiative.

The new focus on data operations provides STA with official channels of communication with staff across the Fund to better understand the data needs of other departments and look for areas to increase collaboration. Despite the potential benefits of joint data collection, there are pockets of the organization that need to be convinced of the advantages of common sourcing, as there will be an implied loss of their control over data collection and increased dependence on STA. Some staff are concerned that STA may not provide the level of data timeliness they require. STA must find ways to address these concerns if the Initiative is to be successfully re-launched.

Going forward.

STA has developed a work program that considers expanding the Initiative to additional countries and developed a cost benefit analysis to demonstrate the savings to staff in other departments. The two key components of the work program involve: a) communications and training, and b) collaborating with Area Departments to ensure that the product better responds to their needs. With respect to communications, STA would establish agreements with departments governing joint data collaboration; STA would host informational workshops, provide training and identify key support staff to answer questions. Among the improvements that are needed, STA would look at ways to improve data timeliness, in collaboration with country authorities and Area Department staff; STA would add delivery channels that are better integrated with how country desk teams currently manage their data; and STA would provide hands-on assistance to help teams change their work processes. STA successfully leveraged the organization's focus on improving its data management operations, to re-examine its own data Initiative and to build consensus and support within the organization to renew and expand its Initiative.

Effective communications between STA and area departments have already yielded some benefits that should increase the chance of success. STA was able to advertise other important add-on data that were recently added to the Initiative, specifically macro-financial ratios and balance sheet analysis. These add-on data are relevant to financial surveillance, and are of keen interest to area department economists.

Better collaboration between STA and desk economists could help convince member countries to provide more timely and comprehensive data to the Fund, via STA. The success of the Initiative in monetary statistics could lead to more joint data collection in other sectors.

Conclusions

This paper makes the case that a good product alone is insufficient to ensure its acceptance by an institution, in particular when it involves a change of a work process. An effective communication strategy with a long-lead time and with sufficient collaboration among stakeholders is critical success factors for product acceptance. A successful implementation would not only support the product's usage but could pave the way to potential development of new products.