

# Competition and Markets Authority

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## **Agency Effectiveness – early plans for the Competition and Markets Authority**

Antitrust Enforcement Symposium  
Pembroke College, Oxford  
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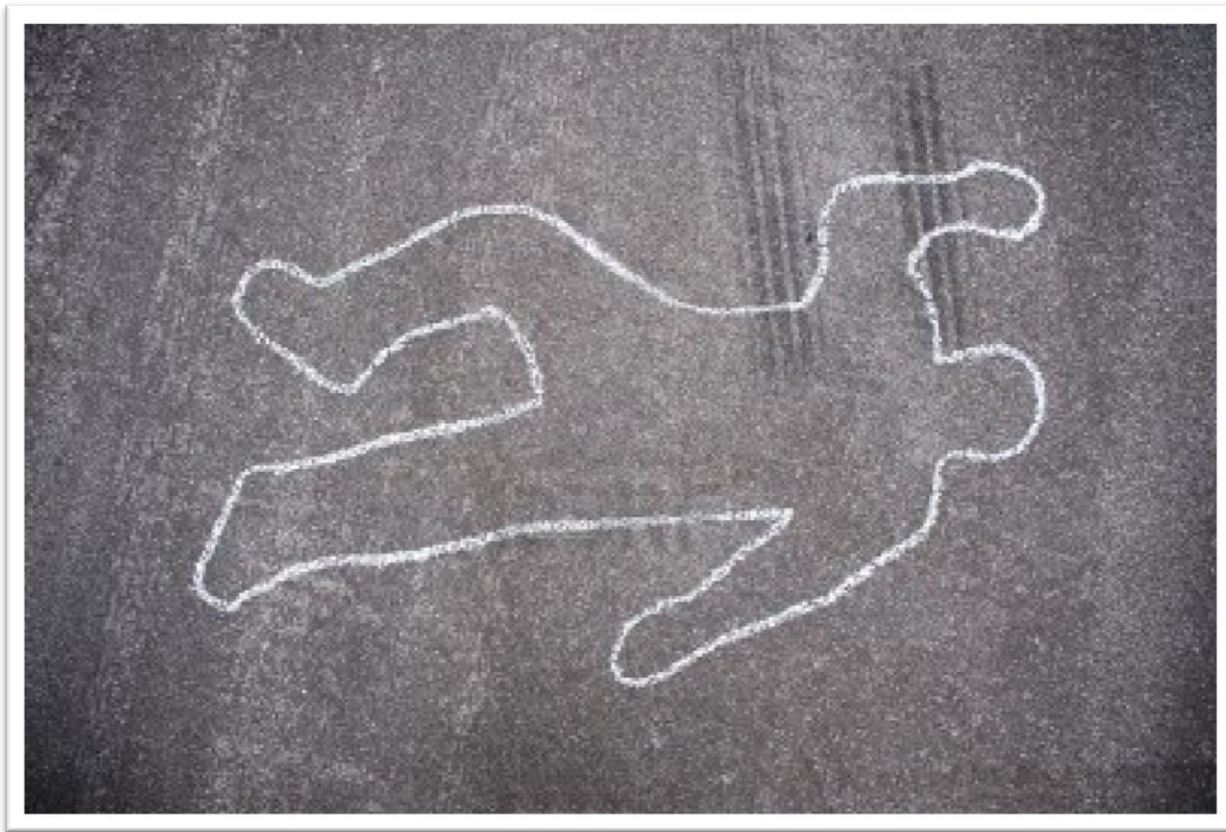
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## 4 questions today

- What does an effective agency look like?
- How can we measure effectiveness?
- What contributes to effectiveness?
- What might this mean for the CMA?

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What does an effective agency look like?



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## Negative inferences from the fallen (and falling)\*

- Executive excess, vanity projects, poor ER
- Industry blow-ups on your watch
- Legal defeats and software failures
- Regulatory capture (or perceptions thereof)
- Diminishing outputs and outcomes
- Mission creep, obsolescence or irrelevance

\* International examples drawn from outside competition/consumer domain

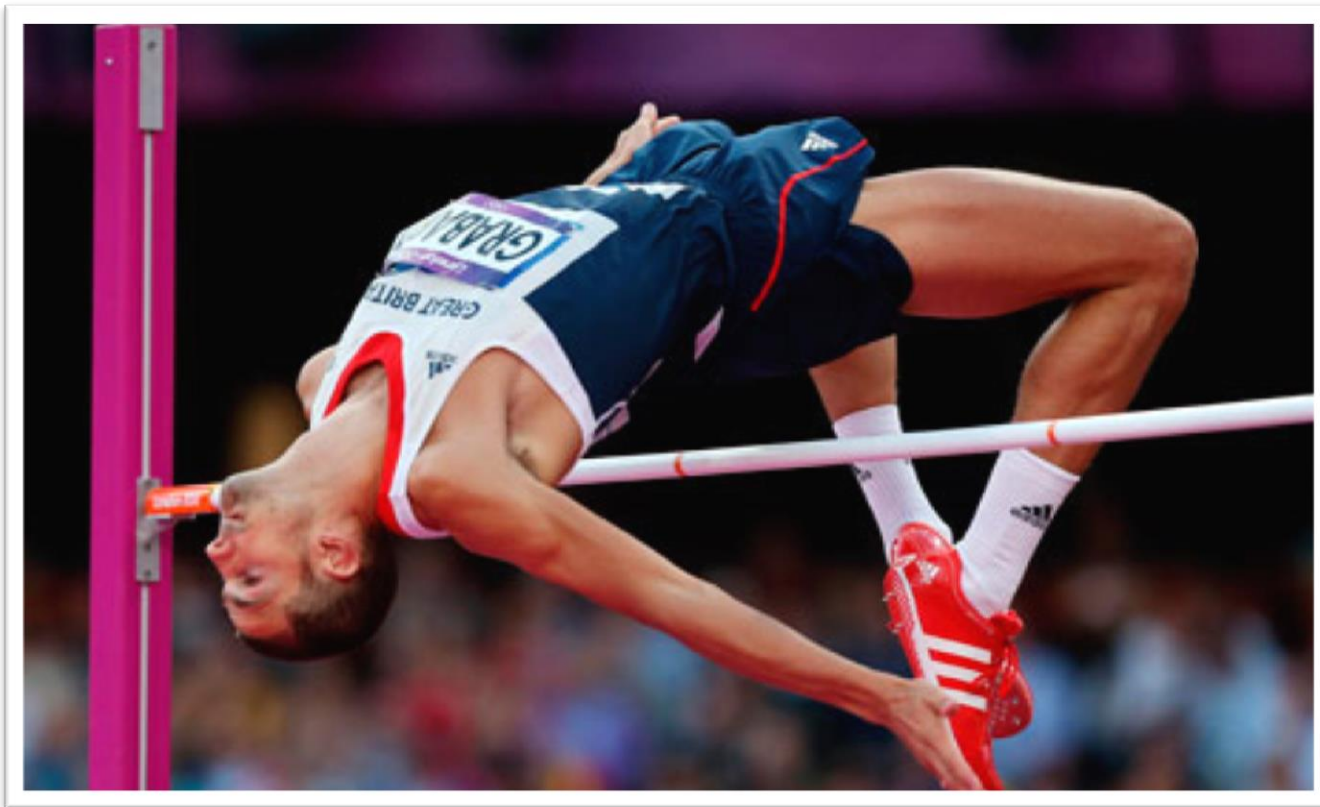
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## Some desirable attributes of effective NCAs

- Clear mission and narrative of achievement
- Strong record in enforcement
- Transparent, fair, autonomous procedures
- Consistent and rigorous economic analysis
- Reputation as good place to work
- Readiness to engage and adapt

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How can we measure effectiveness?



## Value of clear agency performance metrics

- Democratic accountability for unelected elite
- Align organisational activity to stated goals
- Facilitate benchmarking with like agencies
- Protect vs improper interference / criticism
- Enable ex-post evaluation
- Encourages continuous performance

## Hazards of clear agency performance metrics

- Incentive for agency to negotiate soft metrics
- Throughput measures jeopardise quality / impact
- Inputs vs outputs vs outcomes
- Resource gravitates to measurable areas
- Contextual changes not considered in evaluation
- Inflexibility to respond to new demands / circs



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What contributes to effectiveness?



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## Need good coordination **internally**

- Recruit and retain appropriate professional talent
- Integrate and motivate multi-disciplinary teams
- Checks and balances effective without being onerous
- Project team accountability to Executive/Board – without being bureaucratic / shifting responsibility
- Staff understand how their part contributes to whole
- Feedback loops and knowledge management

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## Need good coordination **externally**

- Partnership with like agencies – national / international
- Understanding with key political stakeholders
- Support from multiple interests – consumer, business
- Communicate convincing narrative to media
- Withstand / learn from judicial scrutiny
- Evolve best practice through international bodies

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What does this mean for the CMA?



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## How to survive the journey

- Mission motivates staff and invokes positive support
- Talented, committed, resourceful, adaptable people
- Coalitions of support to maintain momentum
- Ready for future challenges – legal / media / political scrutiny
- Robust structures and rigorous evidence base
- Readiness to engage and to learn

## Early statement of CMA intent

- Speeches e.g. Burrell Lecture 24 April, Law Society 16 May and UEA CCP 7 June
- External meetings and dialogue – CEO 60 in 14 weeks
- Internal staff engagement – CMA ‘Cafe sessions’ and 121s with the Top 60
- Recruitment of Board and senior positions
- CMA Guidance: Tranche I – 15 July / Tranche II – 16 Sept
- Draft mission / strategy Oct 2013, operating plan Jan 2014

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## Multiple perspectives to achieve CMA effectiveness

- Enforcement success promotes compliance culture
- SLC mergers correctly remedied, non-SLC despatched
- Series of problematic markets restructured/reformed
- Competition 'primacy' becomes more of a reality
- Effective new consumer role within reformed landscape
- Merger of OFT and CC seen as creating a stronger as well as more efficient institution

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What success might look like

