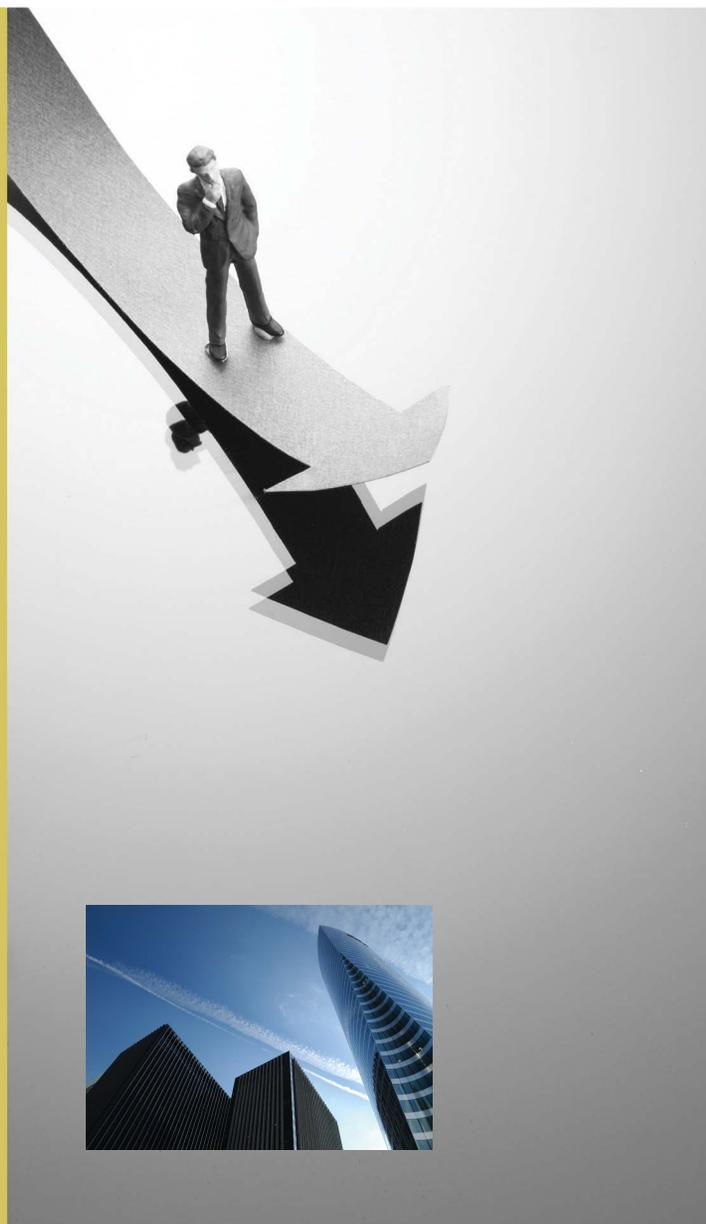


Innovative work processes in IP administration

- The goal of innovative management
- Four innovative management initiatives



Innovative work processes in IP administration

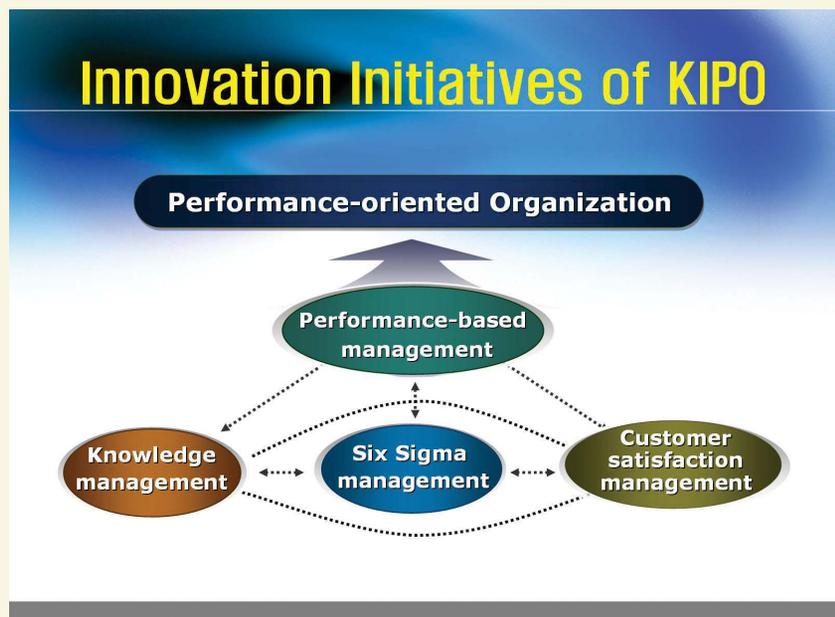
The goal of innovative management



First anniversary of becoming a self-financing executive agency

KIPO's goal of innovative patent administration is to become "the best administrative agency in Korea and the best patent administration agency in the world". To achieve this goal, we have exerted the utmost effort to innovate our work processes through the following four initiatives: performance-based management, the cornerstone of which is the performance management tool called the Balanced Scorecard (BSC); Six Sigma management; knowledge management; and customer-oriented management. As a result of these management initiatives, we received the highest accolade among Korea's 48 central administrative agencies by being awarded the titles of the Most Outstanding Agency for Innovation and the Most Outstanding Agency for Governmental Work, as well as a Presidential Commendation for Performance Management.

KIPO's four major innovative management initiatives



Four innovative management initiatives

Performance-based management

To accomplish our mission and vision, we have been practicing strategic performance management since 2004. The aim of this type of management is to gather data on the capabilities of individual members of staff and to facilitate staff communication. In line with this approach, we established the Performance Management Division in 2006 to manage the performance of all our human resources. In addition, we set up an online performance management system.

Having formulated a basic plan for managing performance, the Performance Management Division monitors the performance of each division in real time so that the basic plan can be efficiently executed. The division generally manages the performance evaluation of each group and each individual.

Our BSC system consists of a management system for group performance and a management system for individual performance, and both systems are linked to an internal network.

In the management system for group performance, we input data and compare the data with a target value. The data is derived from our major operational systems (such as the application, registration, examination and trial systems) and support systems (such as the examination assessment system and the knowledge management system). We then calculate the level of accomplishment for monitoring purposes.

In the management system for individual performance, which is used to assess individual accomplishments, the strategic goal of the group is connected with the performance goal of the individual. Various factors such as capability assessments, multisided assessments, and innovation mileage are accurately and systematically combined and reflected for the purpose of determining individual promotions and remunerations. Feedback on the results of an individual assessment is shared with the individual so that the person can use the information to establish a personal development plan.

As a result of these efforts, KIPO received two special awards in 2006: on June 13, we were awarded the Korea BSC Award; and, on December 21, we were honored with a presidential award for introducing and expanding performance-based management in the public sector. Our successful performance management system was benchmarked by more than 50 agencies inside and outside of the country, including the Agency for Defense Development in Korea and the IP offices of India and China.

Innovative work processes in IP administration

Six Sigma management



Workshop on being a Leader of change

We aim to offer world-class patent administration services by using Six Sigma management to remove the cause of defects found in applications, examinations, registrations and policy implementation processes and by standardizing the relevant tasks through statistical analysis.

Six Sigma management has enabled us to improve our work efficiency because our policies and examination processes are no longer based primarily on experience, intuition, and conventional practices but on rational and systematic administration.

As a result of our distribution management system, we succeeded in reducing the variance in the examination period from 20 months to 5.8 months. We also reduced the error rate with regard to notifications of procedural examinations for applications and registrations from 7.2 percent to 0.8 percent. In addition, a comparison of the technical features of inventions over prior art for international search reports increased from 51.3 percent to 97.0 percent.

In May 2005, we began recruiting excellent human resources and fostering them as essential Six Sigma personnel called “black belts”. We have also endeavored to develop their leadership skills in terms of strategic thinking and various change-oriented and problem-solving tasks. Accordingly, we have been able to strengthen the essential capabilities of our staff on a continual basis.

Through the implementation of seven projects, we trained 1,084 experts and implemented 146 tasks. Those tasks include efforts to reduce the examination period on a first-action basis and to reduce the document transfer time.

By connecting BSC performance management with Six Sigma, we built a general performance management system that can perform core tasks and improve our work processes. We also promote voluntary improvement of work process by providing a form of Six Sigma education called “EZ” (easy). In addition, we will continue to enlist the participation of all employees in Six Sigma management as a means of fostering a more productive organizational culture.

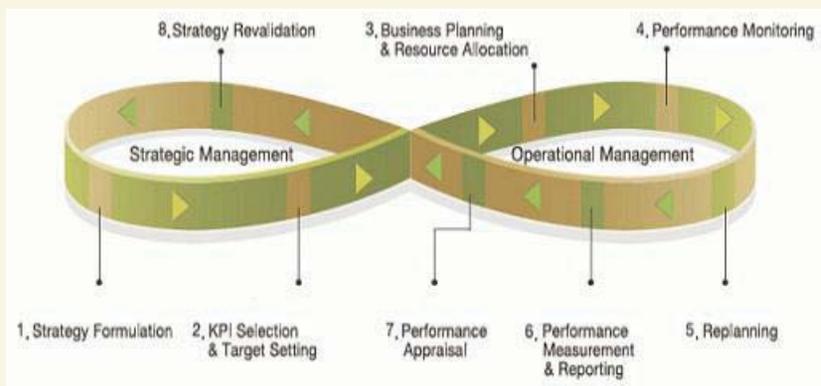
For the benefit of other organizations, we published a report with regard to the introduction and performance of Six Sigma at KIPO, and we began to liaise with private organizations that use Six Sigma management. We also shared our experience of Six Sigma with 41 central and local governmental organizations and other public organizations. Finally, we adopted a change partnership with first class corporations such as Samsung Electronics, POSCO and LG Electronics.

Knowledge management

By systemizing the creation and sharing of knowledge within each division, knowledge management can drastically enhance the ability of each division to solve problems. Hence, we have been practicing knowledge management at KIPO to maximize our work efficiency in examinations and trials, to develop our digital patent information service, and to formulate more effective knowledge-based patent policies.

KIPO has a world-class information infrastructure that we use to administer Korean IPRs. We also lead the way in raising awareness of the importance of creating and using knowledge. Accordingly, we selected knowledge management as an innovative way of improving our problem-solving capability, particularly for the sake of maximizing the creation, sharing and use of knowledge.

Process of strategic management



Innovative work processes in IP administration



The opening ceremony of the Customer Experience Team

In 2006, we upgraded our Knowledge Management System of 2001 and gave it a new name, Knowledge Oasis (KOASIS). In this system, all members of staff can discuss and share knowledge through the bulletin board of the KOASIS Web site. Furthermore, they can use a keyword search function to glean details of every approved document. In short, KOASIS enhances the convenience of our staff in utilizing knowledge.

By the end of 2006, we had set up 56 study groups at KIPO for each policy or technological field. Comprised of KIPO staff and customers from various research institutes and companies, the study groups are essential for fostering the creation and sharing of knowledge and for developing a positive learning environment.

Examiners can use the study groups to improve not only their understanding of various industries but also the quality of their examinations. The research results of each group are distributed to customers through the Web sites of the study groups or through the governmental system called Policy Customer Relationship Management. Moreover, any results that are particularly outstanding are reflected in changes to our actual work processes so that the quality of our policies and systems can be improved.

Knowledge management has clearly reinforced the efficiency of our patent examinations. It has also enhanced the knowledge capability of the general public by providing free access to patent information through commercial Internet portals.

Customer-oriented management

To continually and systematically execute customer-oriented management, we actively implemented a plan to ensure that customers would be impressed with our style of management.

One initiative under that plan was the formation of the Customer Experience Team. The team members endeavor to experience the patent administration service from

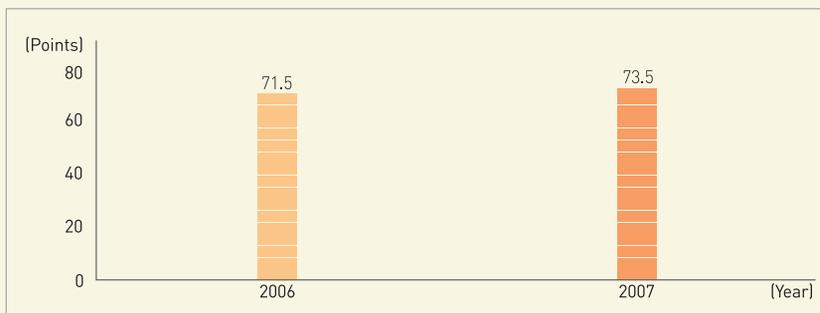
the perspective of customers and, whenever they experience any inconveniences, they try to improve the process. Thus far, they have detected 192 inconveniences, which are in the process of being reviewed and improved.

As a self-financing executive agency funded by customer fees, we are planning to introduce a credit card payment system in April 2008 for the payment of patent fees. This system is expected to greatly minimize the inconvenience of customers.

By establishing various criteria for patent fees, we have succeeded over the past nine years in offering an 11 percent discount for the initial registration fees of patents and utility models as well as the annual registration fees. We also offer fee exemptions to applicants in the following categories: persons of merit, who participated in the May 18 Democratic Movement, patients suffering diseases caused by defoliants, and veterans who performed special duties.

As a result of these efforts, our 2007 survey on customer satisfaction showed an overall satisfaction level of 73.5 points, which represents a 2.7 percent increase over the previous year [71.5 points].

Survey on customer satisfaction (2007)



Not content to rest on our laurels, we will continue to find new ways of improving the patent system: for example, by promoting the participation of customers, listening to their suggestions, making our documents more user-friendly, and reducing the overall burden of required documentation. In short, we intend to keep customer satisfaction at the forefront of our service.



Workshop on customer-oriented management