



**MINISTRY OF BUSINESS,  
INNOVATION & EMPLOYMENT**  
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# **Vision 2015**

## **Benefits management strategy for BSD2**

Version 1.0

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## 1. Document control

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### Version history

Date	Version	Author	Description of change
07/09/2015	0.1	Paul Madlung	First Draft
10/09/2015	0.2	Paul Madlung	Version 1.0 for sign-off
14/09/2015	1.0	Paul Madlung	Amended according review of Sarah Kemp

### Document approval

Role	Name	Date Approved	Approval status
Director Vision 2015	Catriona McKay		
Benefits Monitor & Organisational Alignment	Sarah Kemp		

### Document review

Role	Name	Date Reviewed	Review status
Director Vision 2015	Catriona McKay		
Benefits Monitor & Organisational Alignment	Sarah Kemp		
BA Team Lead	Nicola Kilkelly		

### Reference documents

These are the artefacts created and amended during the definition of the expected benefits enabled by the projects delivering in BSD2.

Document	Date	MAKO ID*
BRM-BMS - Benefit management strategy for BSD2.docx	10/09/2015	<a href="#">28518943</a>
BRM-BRP - Benefit realisation plan for BSD2.docx	10/09/2015	<a href="#">28525809</a>
BRM-BRP - Benefit realisation plan for BSD2.xlsm	10/09/2015	<a href="#">26743999</a>



Document	Date	MAKO ID*
BRM-BRP - BSD2 - AD2.xlsx (Benefits calculations)	10/09/2015	<a href="#">28303882</a>
BRM-BRP - BSD2 - C9.xlsx (Benefits calculations)	10/09/2015	<a href="#">28305070</a>
BRM-BRP - BSD2 - MR15.xlsx (Benefits calculations)	10/09/2015	<a href="#">28296172</a>
BRM-BRP - BSD2 - SV24(j).xlsx (Benefits calculations)	10/09/2015	<a href="#">28296658</a>
BRM-GUIDE - Guide to benefit realisation management.docx	10/09/2015	<a href="#">25311453</a>
BRM-KPI - KPI Definitions - BSD2 - AD2 - eVisa.docx	10/09/2015	<a href="#">26790609</a>
BRM-KPI - KPI Definitions - BSD2 - AD4 - Skilled Migrant Category End to End Review.docx	10/09/2015	<a href="#">28570803</a>
BRM-KPI - KPI Definitions - BSD2 - C6 - Centralised Onshore Lodgement and Counter Review.docx	10/09/2015	<a href="#">26370807</a>
BRM-KPI - KPI Definitions - BSD2 - C9 - Customer Interaction Model.docx	10/09/2015	<a href="#">26333952</a>
BRM-KPI - KPI Definitions - BSD2 - MR15 - Triage & Verification Frameworks.docx	10/09/2015	<a href="#">26341218</a>
BRM-KPI - KPI Definitions - BSD2 - SV24(i) - Work and Visitor Forms.docx	10/09/2015	<a href="#">26341556</a>
BRM-KPI - KPI Targets - BSD2 - AD2 - eVisa.docx	10/09/2015	<a href="#">26796151</a>
BRM-KPI - KPI Targets - BSD2 - C9 - Customer Interaction Model.docx	10/09/2015	<a href="#">26345039</a>
BRM-KPI - KPI Targets - BSD2 - MR15 - Triage & Verification Frameworks.docx	10/09/2015	<a href="#">26339216</a>
BRM-KPI - KPI Targets - BSD2 - SV24(i) - Work and Visitor Forms.docx	10/09/2015	<a href="#">26344442</a>
BRM-MAP - Benefits map.xlsm	10/09/2015	<a href="#">29073399</a>
BSD2 - Benefit Realisation Plan handover memo.doc	10/09/2015	<a href="#">28519737</a>



## Contents

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<b>1. Document control</b> .....	<b>2</b>
Version history.....	2
Document approval .....	2
Document review.....	2
Reference documents.....	2
<b>2. Introduction</b> .....	<b>5</b>
<b>3. Overview</b> .....	<b>5</b>
Overarching Assumptions.....	5
Data-mart.....	5
Performance indicators tables.....	6
Principles of approach .....	8
Tolerance level.....	9
<b>4. BSD2 Benefits Plan notes</b> .....	<b>10</b>



## 2. Introduction

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While the BSD2 Benefits Plan provides a view of how benefits can be achieved by meeting the intermediate and final targets, the Benefits Management Strategy (BMS) outlines the approach, rationale and considerations that were applied in developing the BSD2 Benefits Plan.

In this strategy, the key assumptions and criteria used to plan the realisation of the benefits enabled by the projects of BSD2 are outlined.

It also sets out the rules for engagement on how to identify, map, monitor and review benefits.

## 3. Overview

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This strategy was developed using the instructions and guidelines provided by the **BRM - Guide to benefit realisation management**. Please refer to the BRM-GUIDE for further details on the approach taken to produce this benefits management strategy.

### Overarching Assumptions

The overarching assumptions for the BSD2 Benefits Plan are:

- Projects will deliver on time/ as planned for in the BSD2 schedule
- Volumes of applications in scope will increase as currently forecasted by Visa Services
- Online take up rates will be as forecast by projects
- Process efficiencies will be achieved as forecasted by projects.

Linked to the above, there is an overarching assumption that the Benefits Plan is a living document and will evolve over time. In particular, it will need to be changed if the projects' assumptions are not correct or change e.g. levels of online take up.

### Data-mart

A data mart was created to capture the volume of applications from FY13/14 to FY16/17. Key data of related entities such as Visa Services offices, FTEs wages, roles and numbers of FTEs per VS office are also captured in this data-mart. The data regarding volume of applications until FY14/15 was collected from the Enterprise Portal. The data from FY15/16 onwards was obtained from the forecast model maintained by Visa Services.

This data mart was used to define:

- Volume of applications based on a selection of applications type, stream and sub-stream;
- Volume of applications based on Visa Services offices, city, country and zone
- "Share rate" of the selected volume (i.e. proportion of visa application in scope within the overall volume of visa applications)



- Growth rate of the selected volume of applications
- Cost of FTEs per location

A **scope coefficient** was used to allow the data-mart forecasting information to be applied. The following criteria were used for this:

- For each baseline volume of applications provided by the projects, the ratio between the baseline provided and the most suitable selection in the data mart was calculated as a **scope coefficient**.
- That scope coefficient was used to update the baseline volumes with the data of the data-mart to estimate the growth rates in the future fiscal years.
- For the fiscal years FY18/19 and FY19/20 the growth rates from FY17/18 were used.

## Performance indicators tables

The targets for each performance indicator were calculated using standard templates. The benefits are defined as follows:

1. **FTE reduction BSD2:** Number of FTEs that can be released in a specific year by using the baselines provided by the projects (2013/14 data) and the assumptions that were captured during this exercise. It sets out the final target for that performance indicator.
2. **FTE reduction (flat):** Number of FTEs that can be released from FY14/15 to FY19/20 by using the most recent actual volumes data (2014/2015 data). It sets out the benefits enabled **without** using the forecasted volumes of visa applications.
3. **FTE reduction (used in the plan):** Number of FTEs that can be released from FY14/15 to FY19/20 by using the **forecasted volumes** data.
4. **Cost reduction BSD2:** Cost that can be reduced in a specific year by using the baselines provided by the projects (2013/14 data) and the assumptions that were captured during this exercise. It sets out the final target for that performance indicator.
5. **Cost reduction (flat):** Cost that can be reduced from FY14/15 to FY19/20 by using the most recent actual volumes data (2014/2015 data). It sets out the benefits enabled **without** using the forecasted volumes of visa applications.
6. **Cost reduction (used in the plan):** Cost that can be reduced from FY14/15 to FY19/20 by using the **forecasted volumes** data.

Note: The volumes of applications will have a big impact on benefits. For example for Performance Indicator PI004, over the 4-year realisation period the benefits:

- Increased by 15% using the updated actual data for 2014/15
- Will potentially increase by 88% based on forecasted growth data.

If volumes decrease there will be a corresponding negative impact on benefits.





## Principles of approach

In developing the BSD2 Benefits Plan the principles of the approach included:

- Acknowledgment of the underlying constraint that a drop of a **full FTE** is required before it can be included in the plan (no 'rounding up' was applied)
- For **process efficiency** benefits a 20% tolerance was allowed for implementation in the first year (i.e. assumed 80% of benefits will be the minimum benefit target)
- For **direct cost savings** (e.g. reduced storage or printing costs) no implementation tolerance has been applied
- In allocating FTE reductions from process efficiencies across Visa Services offices the following approach was applied:
  - In the first instance only Visa Services offices in scope of the relevant Performance Indicators have been included (e.g. some BSD2 Performance Indicators relate to benefits for onshore offices only)
  - Only VS area offices have been included in the BSD2 Benefits Plan – not VS market offices. The assumption is that it will be for Area Managers to determine whether to distribute any FTE reductions more widely across market VS offices in their region.
  - Specialist offices (i.e. Business Migration Office, Immigration Profiling Office and the Immigration Contact Centre) have not been included in the BSD2 Benefits Plan.
  - Similarly VS area offices identified for review have not been included in the BSD2 Benefits Plan – on the basis that they will either remain as (smaller) VS market offices or close. The exception to this is NADO.
  - While specialist VS offices and VS area offices identified for review have not been included in the BSD2 Benefits Plan, when the plan is reviewed the Visa Services Leadership Team (VSLT) may determine it is appropriate to allocate some FTE reductions across these other VS offices on a case-by-case basis.
  - Where the annual FTE reductions are small (e.g. 1-2 FTE) FTE reductions will generally be allocated to the larger VS area offices in scope.
- It is assumed the Benefits Monitor/VSLT will review the allocation of FTE reductions across Visa Services offices at least annually (and adjust these where appropriate).
  - Linked to the above, the focus of the allocation of FTE reductions across VS offices in the BSD2 Benefits Plan was on the immediate/upcoming year (rather than out years).
  - This reflects the assumptions that both the BSD2 Benefits Plan and allocation of FTE reductions across VS offices will likely need to be reviewed/ adjusted in out years.



## Tolerance level

The tolerance level determines whether the actual results are deemed acceptable or should be escalated for an investigation.

Acceptable results fall within the range set by the tolerance level. If the results exceed the tolerance range then it is deemed not acceptable and an alert must be sent to the Benefits Monitor.

When an investigation is triggered one of the first actions is a business analysis exercise on the assumptions and calculations that were used to set up that target. Once the root cause of the exceeded variance of the result is understood, then the Benefit Monitor should decide either to retain the plan as it is and justify this non-compliant result or revisit the targets that were set for that performance indicator.

Although the BSD2 Benefits Plan sets targets in a yearly basis, monthly and six-month targets could be defined by simply dividing the yearly target by 12 and 2 if there are no other criteria.

Period of target	Tolerance level
Monthly	±10%
Six-month	±7.5%
Yearly	±5%



## 4. BSD2 Benefits Plan notes

The following tables highlight the relevant aspects that were considered while defining the targets and associated benefits for each performance indicator. For further details, please refer to the KPI definitions and targets that were signed-off for each project.

SV24(i) - Work and Visitor Forms	
<b>PI004</b>	<b>Estimated variation of effort for lodging visa applications - Temporary - Paper based - Immigration online</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up 20% in 14/15; 40% 15/16; 60 % 16/17; 80% 17/18</li> <li>• Overall related tasks take 7 minutes less than before the implementation</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Applies to onshore VS offices only (as offshore VACs do this task)</li> <li>• Benefit Plan 20% implementation allowance for process efficiency in the first year</li> </ul>
<b>PI005</b>	<b>Variation of the costs with files storage services</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up as above (in PI004)</li> <li>• \$4.58c storage per application per annum (ongoing)</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Savings to come out of Visa Services total (onshore) storage budget</li> <li>• VS Finance to allocate across onshore VS offices as a percentage cut</li> </ul>
<b>PI007</b>	<b>Variation of the costs with printing services</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up as above (in PI004)</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Savings to come out of Visa Services total (onshore) printing budget</li> <li>• VS Finance to allocate across onshore VS offices as a percentage cut</li> </ul>
<b>PI021</b>	<b>Estimated variation of effort for returning failed lodging visa application - Work &amp; Visitor - Paper based</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up as above (in PI004)</li> <li>• Overall related tasks take 13 minutes less than before the implementation</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Applies to onshore VS offices only (as offshore have VACs)</li> <li>• Benefit Plan 20% implementation allowance for process efficiency</li> <li>• Palmerston North is not included because it will be covered in BSD1</li> </ul>



## MR15 - Triage & Verification Frameworks

PI010

### Estimated variation of effort to perform verification - Temporary

**Key assumptions**

- Only low risk applications are impacted
- 95% of low risk applications decided without verifications checks
- Overall related tasks take 10.4 minutes less than before the implementation

**Benefit plan note**

- Applies to offshore (excl. Pacific) & Wellington VS offices only
- Benefit Plan 20% implementation allowance for process efficiency in the first year
- Assumption that Bangkok and London would see benefits sooner than China & India (higher % triaged as low risk from new rules)
- These benefits relate to the interim MR15 implementation and will be replaced by the smart triage in BSD5.

PI011

### Estimated variation of effort to triage visa application - Temporary

**Key assumptions**

- Only low risk applications are impacted
- Volume of **tendered** applications
- Overall related tasks take 1.9 minutes less than before the implementation

**Benefit plan note**

- Applies to offshore (excl. Pacific) & Wellington VS offices only
- Benefit Plan 20% implementation allowance for process efficiency in the first year
- These benefits relate to the interim MR15 implementation and will be replaced by the smart triage in BSD5.

## AD2 - eVisa

PI019

### Estimated variation of effort for finalising approved visa applications - eVisa - Visa labels

**Key assumptions**

- Online take up 20% in 14/15; 40% 15/16; 60 % 16/17; 80% 17/18
- Initially the impact will be mostly felt onshore
- Overall related tasks take 4 minutes less than before the implementation

**Benefit plan note**

- Benefit Plan 20% implementation allowance for process efficiency in the first year
- eVisa cohort will grow generally, including high risk and high volumes markets such as China and India.

PI006

### Variation of the costs with postal services

**Key assumptions**

- Online take up as above (in PI019)
- Onshore courier cost is \$2.90

**Benefit plan note**

- Savings to come out of Visa Services total (onshore) postal budget
- VS Finance to allocate across onshore VS offices as a percentage cut.

PI007

### Variation of the costs with printing services



<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up as above (in PI019)</li> <li>• Cost of a secure label is \$ 0.44</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Savings to come out of Visa Services total (onshore) printing budget</li> <li>• VS Finance to allocate across onshore VS offices as a percentage cut.</li> </ul>

## C9 - Customer Interactions

<b>PI016</b>	<b>Estimated variation of effort to prepare notification for declining visa applications - Temporary</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up 20% in 14/15; 40% 15/16; 60 % 16/17; 80% 17/18</li> <li>• Overall related tasks take 2 minutes less than before the implementation</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Benefit Plan 20% implementation allowance for process efficiency in the first year</li> <li>• eVisa cohort will grow generally, including high risk and high volumes markets such as China and India.</li> </ul>
<b>PI017</b>	<b>Estimated variation of effort to prepare notification to acknowledge lodged application - Temporary</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up as above (in PI016)</li> <li>• Benefit Plan 20% implementation allowance for process efficiency in the first year</li> <li>• Overall related tasks take 3 minutes less than before the implementation</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Savings to come out of Visa Services total (onshore) storage budget</li> <li>• VS Finance to allocate across onshore VS offices as a percentage cut</li> </ul>
<b>PI007</b>	<b>Variation of the costs with printing services</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up as above (in PI016)</li> <li>• Cost to print a letter is \$0.10</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Savings to come out of Visa Services total (onshore) printing budget</li> <li>• VS Finance to allocate across onshore VS offices as a percentage cut</li> </ul>
<b>PI006</b>	<b>Variation of the costs with postal services</b>
<b>Key assumptions</b>	<ul style="list-style-type: none"> <li>• Online take up as above (in PI016)</li> <li>• Letters cost \$0.40 to post.</li> </ul>
<b>Benefit plan note</b>	<ul style="list-style-type: none"> <li>• Savings to come out of Visa Services total (onshore) postal budget</li> <li>• VS Finance to allocate across onshore VS offices as a percentage cut.</li> </ul>

## AD4 - SMC End to End Review

<b>NIL</b>	<b>No monetary benefits were identified by the project team.</b>
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**C6 - Review of Onshore Counters Services**

**NIL**

**No monetary benefits were identified by the project team.**