



NEW ZEALAND
IMMIGRATION

IMMIGRATION NEW ZEALAND'S VISION 2015 PROGRAMME

**AN INDEPENDENT ASSESSMENT
OF LESSONS LEARNED**

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INNOVATION & EMPLOYMENT**
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TABLE OF CONTENTS

1.0 INTRODUCTION	2
2.0 SCOPE AND OBJECTIVES	2
3.0 OVERALL CONCLUSIONS	3
4.0 LESSONS FROM THE PROGRAMME	5
Programme initiation (pre-2012 reset)	
Governance and executive leadership	
Programme leadership and management	
Vendor management	
Programme execution	
External stakeholder management	
Organisational readiness	
Benefits management	
Risk management and assurance	
5.0 LESSONS FOR THE SYSTEM	12
APPENDIX: LIST OF INTERVIEWEES	14

REPORT OF THE INDEPENDENT REVIEWERS

1.0 INTRODUCTION

The Vision 2015 programme has been a major commitment for Immigration New Zealand (INZ) over the past several years, from its early conceptual beginnings in the mid-2000s, through to its formal establishment as a transformation programme in October 2013. The programme is now substantially complete and in the process of its transition to business as usual ownership. The final elements of its planned initial scope are scheduled for delivery in the middle of 2016.

Once Vision 2015 is fully rolled out, 100 per cent of immigration documentation will be managed electronically, and 80 per cent of transactions will be handled online. The scale of this transformation of immigration services is nationally significant and will deliver enhanced services and support to a wide range of stakeholders, and also improved border security.

As is typical of all programmes of this nature, progress has not always proceeded smoothly or as initially planned. Unforeseen issues have arisen, changes of scope and approach have been necessary, and tensions have occurred. Nonetheless, the programme is expected largely to achieve its objectives and deliver a materially improved and contemporary visa operating model.

INZ has rightly been keen to understand the lessons that it has learned on its Vision 2015 journey; what went well, what didn't; and what would be done differently if confronted with a similar challenge in the future.

To capture those lessons the Immigration New Zealand Vision 2015 Lessons Learned Report has been prepared. As part of this process INZ also commissioned this independent assessment of the lessons learned.

2.0

SCOPE AND OBJECTIVES

The main purpose of the independent assessment was to identify high level themes that could inform lessons to be drawn from the programme. In particular there was a focus on obtaining views from a variety of stakeholders.

The independent assessment involved interviews with programme participants and contributors, senior Ministry of Business, Innovation and Employment (MBIE) and INZ leaders, external stakeholders, including the Minister, vendors and partners, business representatives and customers. A full list of those interviewed is set out in the Appendix to this Report. We also examined a number of programme deliverables and reviewed the final draft of the Immigration New Zealand Vision 2015 Programme Lessons Learned report.

Our independent assessment of the lessons learned is not a review of the programme itself, nor does it look closely at whether or not the programme has met its objectives. Neither is it a review of the INZ Lessons Learned Report. That stands on its own. This independent assessment should be read alongside the full INZ report.

3.0 OVERALL CONCLUSIONS

Vision 2015 was adopted in 2012 as a transformation strategy for INZ, following several years of efforts to design and build a new technology platform for the agency. Those earlier efforts had not gained proper traction, and success of the original approaches had been far from assured. Significant funds had been expended, for modest gain. The 2012 reset from a technology-focussed portfolio approach to a business transformation strategy completely re-shaped INZ's business strategy and associated subsequent investments. Ministers signed off the revised INZ business case, to bring about the Vision 2015 Programme, in October 2013.

As at the time of this report, substantive elements of Vision 2015 have been successfully delivered, broadly on time and within budget, with the principal remaining element (the biometric identification system, IDme) due for completion by the middle of 2016. In concrete terms, student, work and visitor visas can now be applied for and issued online, and medical clearances likewise are handled electronically, world-wide. These are major improvements, with benefits to applicants, businesses, agencies and the broader Crown.

The experience in the early stages of INZ's new technology projects, up to 2012, was problematic. It exhibited many

of the issues we had observed during the Novopay Ministerial Inquiry. The reset to a business transformation programme in 2013 demonstrated, however, that many of the lessons of Novopay had been learned, and acted upon.

From the launch of the new programme in October 2013, Vision 2015 had to grapple with a series of difficult issues. That is typical of such large-scale initiatives. These included strategy, capability, finances, governance, leadership, vendor relationships, business transformation and buy-in. Nonetheless, through sustained focus from senior leadership; improved and robust governance; the drawing in of appropriately experienced and skilled resources; and ensuring appropriate assurance activities, the key issues were able to be resolved, the programme was able to be kept broadly on track to deliver the required outcomes. The specific lessons are elaborated in subsequent sections of this Report.

The experience with Vision 2015 has identified a number of lessons for the wider public sector, as Novopay did. These are set out in section 4 of this Report. Overall we were struck by the consistency of the comments made about Vision 2015 from those we interviewed. While there were some differences in emphasis, there were very few outliers. We were also impressed by the conscious efforts senior and programme leadership made to learn from previous experiences in the public sector, and to learn and adapt continuously throughout the course of the programme.

While the lessons we identify have been gleaned from the interviews we conducted, as well as documents we reviewed, we have also seen the lessons set out in the INZ Lessons Learned Report. We endorse them in broad terms as relevant to programmes of this nature.

As a final observation, amongst all the lessons identified, we would identify active senior leadership as the single most decisive factor in the success of the programme to date.

SUMMARY OF KEY LESSONS

- › Engaged, active and decisive senior leadership throughout the programme is critical to successful outcomes
- › Be willing to take advice and build a culture of continuous learning
- › Understand the level of maturity within the agency and obtain the right expertise before programme initiation. It is unlikely small agencies will have the necessary capabilities to successfully execute transformation programmes
- › Properly structured governance, including the use of independents, adds significant value
- › Do not spend too long in programme conceptualisation
- › Utilise private sector expertise and develop effective vendor management strategies
- › Develop the desired operating model before the technology solution
- › Invest early and continuously in building ownership by the business
- › Establish constructive relationships with external stakeholders. Build confidence with Ministers and Central Agencies, and engage proactively with customers
- › Invest significantly in building organisation readiness for change
- › Plan early for benefit management and ensure a sustainable focus on realisation after the transfer of accountability to the business
- › Using the concept of “earned autonomy” evolve the scope of assurance as programmes progress to focus more on value-add

4.0 LESSONS FROM THE PROGRAMME

4.1 PROGRAMME INITIATION (PRE-2012 RESET)

As indicated above, before the initiation of the Vision 2015 programme, the former Department of Labour/ Immigration Service had spent around six years on efforts to stabilise and reshape its technology base and processes. These efforts included conceptualisation of a new approach, business casing, initiation, vendor selection and on-boarding phases, as well as launching and pursuing a technology-focussed project. Eventually it was acknowledged in 2012 that what was required was a significant business transformation programme. There was undoubtedly regrettable expenditure (that is, expenditure with little or no future value) during this period.

Strong leadership is crucial to lay the foundation for success.

Strong leadership intervention in 2012 was crucial to laying the foundation for the successes that have been achieved to date. This involved developing clarity of vision, moving from a project portfolio to a transformation programme, recruiting appropriate capability and resources, and re-setting the governance structure. This experience reinforces a number of important lessons:

- › Leadership time needs to be invested early to understand what business outcomes are being sought. Only once that is defined, will it be possible to establish the vision for the programme
- › Similarly, time needs to be taken to understand the level of maturity of the agency to manage and execute the required programme
- › The level and nature of resources needed must be very deliberately assessed and key senior roles established/acquired/deployed before commencing execution. As previously described, it is most unlikely agencies will have all the requisite experience in-house
- › Sound and clear governance structures and leadership accountabilities must be established
- › When concerns arise, quick responses are necessary
- › An agreed future operating model for the transformed business must be developed before vendor selection and development of technology roadmaps.

The experience with the Vision 2015 reset illustrates how leadership and resource intensive it is to reshape in-flight programmes.

4.2 GOVERNANCE AND EXECUTIVE LEADERSHIP

Our review of Vision 2015 has reinforced the critical importance of having senior agency leadership engaged to support the programme. In this case it was evident that both the Chief Executive of MBIE and the Deputy Chief Executive – Immigration were very focussed on the importance of Vision 2015, and recognised its importance for MBIE, INZ and their customers and stakeholders, and the wider Crown. They were both totally committed to ensuring its success. There was clarity of expectations and accountability.

We noted the following positive aspects of senior leadership:

- › Commitment to clarity and ownership of the vision
- › On-going engagement with the programme, including with vendors at the most senior levels
- › Commitment by the Chief Executive and senior MBIE colleagues to programme support, governance and leadership
- › Willingness to seek and take advice and adopt learnings from outside and within the programme
- › Willingness to bring appropriately experienced resources to bear
- › Commitment by the Senior Responsible Officer (SRO) to be highly visible across the organisation and through a variety of channels.

Similarly, the importance of good governance has been demonstrated. In particular:

- › Recognising the need to reset governance arrangements following clarification of the vision and formation of the business transformation programme
- › The use of appropriate independent expertise within the governance structure. A well-constituted Board for a programme like this, with good external expertise, can add enormous value

- › Development of senior INZ leadership to provide clarity between leadership/management and governance through tailored training in 'Good Governance, the Board's Role and Effective Boardroom Practice' and exposure to Lord Browne of Madingley's paper "Getting a Grip: How to improve major project execution and control in government."

The result of this emphasis on good governance, the engagement of senior leadership, and the acquisition of appropriately experienced resources was that when issues arose throughout the programme, as they inevitably do, they were able to be properly understood and managed. They were not always resolved completely or correctly on the first occasion, but they were managed sufficiently actively and effectively so that the programme could continue to make progress against its objectives.

4.3 PROGRAMME LEADERSHIP AND MANAGEMENT

Once the Vision 2015 programme approach had been established, it was necessary to reshape the programme management structures and ensure that appropriate expertise was introduced. The pre-2012 work had taken place in a somewhat siloed environment, without the necessary level of programme expertise.

Equally, the overall leadership of the pre-2012 business technology and portfolio approaches had not been as clear or coherent as required, something that was also able to be addressed with the establishment of the programme and its revised approach and governance model.

The lesson is that the correct project management structure, and expertise, is required from the very start of a programme. This will normally be provided – in part at least – by a degree of external capability. It is important that agency staff are aware of the need for this external, professional resource, and are encouraged and persuaded to actively and willingly engage with, and learn from, the new members of the programme team.

Correct project management structure, and expertise, is required from the very start of a programme.

Integration and robust decision-making processes are key drivers of success.

Another critical aspect of a sound business transformation programme is that it cannot be completed successfully without strong business ownership and leadership, and broad buy-in from agency staff directly involved. Business transformation is about designing and delivering a change programme within an agency, in this case with a strong technology component. The programme is designed to, and will, deliver changes to staff roles, responsibilities, working environments, and teams. Drawing on those who have experience and expertise in leading and managing programmes like this is key.

Our assessment is that, following the reset, programme management for Vision 2015 has been strong. Good leadership and governance have played an important role, but effective integration of all parts of the programme, and sound and robust decision-making processes, have been key drivers of progress to date. Critically, financial performance has been sound even though some additional resources had to be sought (they were provided).

4.4 VENDOR MANAGEMENT

Engage the expertise of private sector suppliers when undertaking business transformation or technology projects.

One of the defining characteristics of technology change projects, or business transformation programmes with a large technology component, is that they depend fundamentally on external commercial entities to deliver. As can be seen from the Novopay report, Government agencies are simply not able to undertake major transformation programmes or technology projects – or indeed operate – without the support of private sector suppliers.

Managing external providers can be complex and is often difficult as the potential for tension exists if incentives are not aligned. This throws the matter of vendor management into the very forefront of successful programme delivery.

In the early stages of Vision 2015, vendor management and relationships were not well founded. There were challenges over the scope and cost of what was being

contracted for, including in part from poor definition of requirements. The model for engagement of the principal external vendor was more in the nature of a time-and-materials contract, which led to a range of frustrations.

Challenges in the early period led to an adversarial relationship developing, which had to be reset once the revised programme approach was adopted. This proved to be a much more successful model, with a layered pattern of engagement involving senior figures on both sides from the respective Chief Executives down. This new relationship model provided clear paths for escalation of points of difference, but also provided a framework for different players on both sides to demonstrate that their contributions were being effectively managed.

As was observed to us, in a long-running and ambitious programme such as Vision 2015, “you know things are going to get a bit challenging at some point, so it is much better to have good relationships in place before you need them”. Those relationships are of course between two parties. They require trust, honesty, accommodation of both sides’ interests, and some give and take on occasion. The partnership approach which was built, eventually, with the main vendor to deliver Vision 2015, laid the foundations for the successes the programme has achieved. It has been the common purpose of both sides to achieve their shared target that has underpinned its progress.

These observations reinforce the importance of developing a considered vendor management and relationship strategy as part of the programme initiation phase. This strategy can be adapted to the particular strengths and operating approaches of vendors as choices are made.

With hindsight, it is apparent that the programme might have been able to draw rather more than it did, in the early stages, on the commercial negotiating expertise of MBIE, and thereby avoid some of the tensions that arose with the vendors earlier on.

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Develop a vendor management and relationship strategy as part of the programme initiation phase.

4.5 PROGRAMME EXECUTION

Once the reset had been effected and the programme governance, leadership and management strengthened, execution was largely as planned. Appropriate external expertise was sought and governance and leadership structures proved sufficiently robust to manage the issues that arose.

Reviewing execution of Vision 2015 reinforced the importance of:

- › The use of appropriate fit-for-purpose, programme and project methods
- › Devoting sufficient leadership resource and time to building effective relationships with internal business customers
- › Constant attention to the management of programme scope
- › Periodic reassessment of governance, leadership and programme structure arrangements.

The programme made good use of the Minimum Viable Product (MVP) concept to assist with scope management. We did note that some elements of the initial scope were ultimately omitted. While not imperilling programme objectives in this case we do note that the MVP concept should be carefully applied. It does carry a risk that as time and cost pressures mount the MVP becomes the de facto solution, thereby potentially compromising the transformational elements of programmes.

MBIE's own Lessons Learned Report has a number of detailed observations on the execution phases of the programme and we believe these are relevant considerations for those embarking on similar programmes.

4.6 EXTERNAL STAKEHOLDER MANAGEMENT

One of the characteristics of this programme has been the importance given to constructive engagement with external stakeholders. All of the external parties we spoke to commented favourably about the level of communication and engagement the programme had provided, in particular by the SRO.

Ministerial engagement was regular. Risks, issues, finances and progress were regularly reported. That is not to say there were not challenges, but confidence was generated that they were being dealt with appropriately. An indication of the nature of Ministerial comfort is the fact that when additional funding of \$28m was sought to complete the programme largely as had originally been scoped, Ministers signed off the additional resources.

External stakeholders such as the universities and business groups spoke highly of communications flows and engagement, and also the new services that were being provided, which they saw as enabling them better to serve their clients. Attracting quality human capital and short term visitors or students to New Zealand is a very competitive business. For New Zealand, lifting the customer experience for those who use the immigration service was seen as an important means of maintaining or improving our place in the market.

Vision 2015 has reinforced the importance of early and on-going engagement with external customers.

Other stakeholders such as government agencies have indicated that they have seen a lift in Immigration New Zealand's contribution to, for example, the Border Agency group. Vision 2015, when completed, is seen as having worthwhile benefits for other agencies as well, including in the national security domain.

Vision 2015 has reinforced the importance of early and on-going engagement with external customers.

4.7 ORGANISATIONAL READINESS

The deployment of the various components of the Vision 2015 programme has, at the time of writing, proceeded smoothly - although it is important to emphasise the rollout is not yet complete.

The new Visa Processing Operating Model (VPOM) is the critical foundation stone of the entire Vision 2015 business transformation programme. The VPOM distinguishes the programme from the previous efforts by the Department of Labour to address service delivery challenges in the Immigration Service. Successful rollout of the new VPOM – and indeed the entire Vision programme – is dependent not only on a well-designed and tested new operating model, and underpinning technologies, but also on having staff and managers within MBIE and its offshore operations fully prepared and trained for working in new ways.

The VPOM, as is set out in artefacts contained in the MBIE report, includes major new operating systems and principles in four key areas – customer facing, design and control, operations, and monitoring. All staff working within the Immigration Service will be impacted by its rollout.

All of those we interviewed assessed that INZ is well prepared for the deployment and operation of the new operating model. Contributing factors have been the staged approach to programme rollout, along with comprehensive internal communications and training programmes. In turn, this had been based on a strong sense of business ownership of the change programme and its objectives, and programme leadership.

We were told that in recent assessments undertaken in Auckland and offshore, high levels of staff readiness (and motivation) had been apparent. There had been a sense of anticipation at the opportunities the new VPOM would provide staff to deliver better customer service, improve border security, work more efficiently with partners and stakeholders, and meet compliance requirements.

On the other hand, because the IDme capability has not yet been completed, a final assessment of readiness of the full system is not yet possible. Equally, full benefit realisation will only be achieved once the new VPOM is completely rolled out, and associated changes to business resource levels implemented. Changes to the domestic and international network of offices, and the levels of staffing in those offices, is yet to be assessed. Successful deployment of the new electronic systems will for example offer scope for transactional work to be allocated more efficiently across the entire network, including between New Zealand and offshore (see below).

4.8 BENEFITS MANAGEMENT

The programme has produced detailed Benefit Realisation Plans and Benefit Management Strategies. The benefits identified in the early business case work have been substantially revised, and in some areas reduced. We note that no benefits that accrue to customers have been included in the benefits analysis – this understates, probably materially, the benefits the programme will yield.

We observe that the accountability for benefits transferred formally to the business in December 2015. This is important as ultimate accountability for benefit realisation must sit with the business units and be embedded in their business plans and budgets.

We note that it is likely that there are material further benefits available once the new technology and transformed business processes are fully implemented. This will require a further structured programme of work led by the business.

The lessons to be reinforced are to plan early for benefits, have clear traceability as programme scope evolves, plan for transition of ownership to the business, and to assign clear accountabilities for on-going benefit realisation.

Plan early for benefits which includes the transition of ownership to the business.

4.9 RISK MANAGEMENT AND ASSURANCE

The programme had extensive processes for risk management. Risks were clearly identified and periodically reassessed. External facilitators were used to facilitate some of the risk workshops and this was seen as a positive initiative.

Assurance activities were also extensive, with external providers being utilised. There were some views that questioned the extent of value-add relative to cost of some of these activities.

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Reassess assurance activities as programmes progress to ensure they remain fit-for-purpose.

Our experience suggests that there is always a tension between the programme and the business with assurance. The processes in place for Vision 2015 reflected the state of the programme at the time of the reset, and as a result were thorough and comprehensive. They were balanced more towards compliance than value-add.

The lesson is that the governance of programmes should reassess assurance activities as programmes progress applying a concept of earned autonomy. That is, begin with comprehensive assurance scope, but as the programme progresses and assurance outputs demonstrate milestones are being effectively achieved, consider refining assurance scope to focus on key risks. This will see a shift from compliance to value-add. As always, new issues, changes to programme leadership, scope and timing changes and the like should result in a reassessment of assurance activities.

5.0 LESSONS FOR THE SYSTEM

Few agencies will have the necessary skills and experience on hand to undertake an enterprise-wide business transformation programme of any significance. This implies that a priority for agency leadership when embarking upon a significant transformation is the identification and acquisition of appropriate external and experienced resources to undertake the work. Furthermore, it is almost certain that significant full-time senior leadership will be required. Incorporating transformational leadership roles as part of a business as usual role is unlikely to be successful.

As has been noted earlier as part of the reset process INZ recognised the need for specific training on effective governance and in particular the difference between leadership/management and governance. This helps set expectations and clarify roles and has significant benefits as transformation programmes evolve. Executive teams, particularly those embarking on such programmes for the first time, would benefit from structured support.

Agencies should be encouraged to leverage the capabilities that exist within other agencies and will undoubtedly need to draw on the skills of the private sector. This should be recognised at the outset. Any suggestion that a significant transformation programme can be led and executed with internal resources alone should be challenged immediately.

**The role of SRO
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Strong
leadership
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required.**

The Vision 2015 programme benefitted significantly from the specific expertise it was able to access from outside INZ, within the wider MBIE. In our view, it would not have been possible for Vision 2015 to be delivered successfully, or perhaps at all, in the pre-MBIE structure.

The programme was already in-flight during the creation of MBIE. While ultimately the expertise available in the wider MBIE was critical, the discontinuities in leadership at the Immigration level associated with the former Department of Labour, and Immigration Service being integrated within the new Ministry, undoubtedly impacted the programme. The inevitable re-set of the programme was probably delayed around 12 months and programme timelines and costs were adversely affected by the MBIE merger, which took effect from 1 July 2012.

Significant organisational changes are often implemented during long-running programmes. The lesson is to ensure that the impacts of structural changes on in-flight programmes are fully understood as part of the impact assessment of agency restructuring, with appropriate risks understood and mitigation steps with clear accountabilities, identified.

The role of SRO is definitive. While we are aware of informal SRO networks across the public sector, there is an opportunity to support more formal mentoring and sharing of best practice – perhaps supported by the GCIO – when new programmes are embarked upon. There is also an opportunity to provide sample tool kits to assist SROs, particularly those who are new to the role, such as sample governance structures, reporting and accountability documents.

The programme initiation issues experienced by INZ prior to 2012 highlight the length of time it can take to understand the nature and scale of the business challenge being faced; to define a response strategy properly; and then to complete and receive agreement for a sound business case. All of this preparatory work has critical influence on the potential for success of any programme, and requires significant leadership involvement.

We observed here, and in our previous work, an undue focus on precision at the early stages of the portfolio/ programme. An approach of this type does not provide the most helpful starting point as it is unlikely to be able to handle the many changes and challenges that will undoubtedly arise during the life of the programme. Large business transformation programmes always require re-assessment and reshaping. The key therefore is to provide opportunities to reassess processes, governance and strategy to ensure they are fit for purpose for the specific programme envisaged. As a general observation, agencies spend far too much time in conceptualisation and programme initiation. Focussed leadership attention in this phase will yield benefits. We note particularly the length of time it takes to complete business case development and believe there is room for efficiencies to be made to this process.

Independent assurance is an important component of effective governance of large transformation programmes. It is always a challenge to balance a focus on compliance with processes, methods and governance arrangements, with the opportunity for assurance activities to add value to the programme. Assurance activities should follow a risk based approach and be periodically reviewed for fit. There is an opportunity to adopt an “earned autonomy” approach to assurance, shifting the balance from compliance to value-add and tailoring effort as programmes demonstrate strong performance and milestone achievement.

APPENDIX: LIST OF INTERVIEWEES

Suri Bartlett	Independent Board member
Mark Bermingham	Business Integration Director, INZ
Nigel Bickle	Deputy Chief Executive, INZ
Bruce Burrows	Assistant General Manager, INZ
Prof Jenny Dixon	Deputy Vice-Chancellor, Auckland University
Stephen Dunstan	General Manager, INZ
Mark Dwight	Former Chief Financial Officer, MBIE
Charles Finny	Chair, Education NZ
Ian Fitzgerald	Independent Board member
Nicola Hogg	General Manager, INZ
Adrian Littlewood	Chief Executive, Auckland International Airport
Peter Martin	Assistant Commissioner, SSC
Colin MacDonald	Chief Executive and GCIO, Dept of Internal Affairs
Steve McGill	General Manager, INZ

Grant McPherson	Chief Executive, Education NZ
Phil O'Reilly	Chief Executive, Business NZ
Greg Patchell	Deputy Chief Executive, Market Services, MBIE
Wayne Pincott	Senior Analyst, The Treasury
Phil Royal	Partner, PwC
Warren Shera	Former Chief Information Officer, MBIE
David Smol	Chief Executive, MBIE
Steve Stuart	General Manager, INZ
Carolyn Tremain	Chief Executive, New Zealand Customs Service
Alastair Turrell	Former Director, Datacom
Hon Michael Woodhouse	Minister of Immigration

