



**NEW ZEALAND
IMMIGRATION**

LESSONS LEARNED

**IMMIGRATION NEW ZEALAND'S
VISION 2015 PROGRAMME**



**MINISTRY OF BUSINESS,
INNOVATION & EMPLOYMENT**
HĪKINA WHAKATUTUKI

New Zealand Government

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FOREWORD



In early 2012 Immigration New Zealand (INZ) launched its Vision 2015 strategy. The aim was a more flexible, risk-based, customer-focused, consistent and cost-effective service, enabled by new technology. INZ obtained an investment of close to \$140m to deliver Vision 2015.

This report takes you through our three-year change journey. It explains how we set up and ran our programme, designed and built our new operating model, and managed implementation of the technology that made the new model possible. Critically, it also shows how we took our staff and key stakeholders with us, keeping them at the centre of our business transformation.

Like all major change exercises of this type, it wasn't all plain sailing. This report covers what went wrong along the way, what we learned and how we adjusted. The learnings are summarised at the outset – many apply to any major business change exercise, while others are more specific to a long-term programme of technology and business process change like ours.

Before Vision 2015, INZ was not set up to realise the full potential of immigration to contribute to a more productive and competitive economy, which is a key government goal. Immigration is an important economic driver – one in four New Zealand workers are migrants, and migrants have made up 60 per cent of workforce growth in recent years. New Zealand competes globally for skilled and talented migrants, and a properly functioning immigration system is critical to winning that race.

We faced serious roadblocks to delivering better services. The immigration ICT system had been designed and built in the early 1990s, in the pre-internet era – it was expensive to maintain and an unsuitable platform for future online services. We had a large bricks-and-mortar global branch network and paper-based visa application processing, limiting our ability to respond quickly to shifting volumes and rising customer expectations.

There were growing risk-management challenges with the significant migrant volume growth from new and emerging markets, along with heightened security threats and displaced people. New Zealand shares

immigration information and advice with a small group of partner countries, and our identity and security systems need to be fully compatible with theirs.

Also, immigration had been in the spotlight and subject to external reviews following high-profile management and performance failures in the mid-2000s. These reinforced the importance of programme design and governance arrangements capable of delivering results that everyone involved could have confidence in.

Vision 2015 has delivered incremental change over three-years, including new online services and a new way of working. We now have a flexible, risk-based, customer-focused and future-proofed operating model that allows us to scale up or down quickly to respond to changing demands and customer needs. We are also better placed to focus on targeting the high-value, low-risk clients who will contribute to economic growth and improved productivity.

I can't understate the hard work, commitment and focus that went in to delivering Vision 2015. As Senior Responsible Officer (SRO), I thank everyone who contributed so much while continuing to deliver outstanding immigration services during a period of significant volume growth and heightened risk.

I am incredibly proud of the work we do and of the contribution that immigration makes to our communities, the economy and our international reputation. Vision 2015 has positioned INZ to meet the challenge of gaining even greater value for our country from immigration.

I hope that our Vision 2015 experience can provide some useful learnings for other public sector agencies that are considering their own business transformations.

Regards



Nigel Bickle

Deputy Chief Executive, Immigration New Zealand
Senior Responsible Officer, Vision 2015

GLOSSARY OF ACRONYMS

All acronyms are explained at first use – following is a list of those that appear throughout the report:

AMS	Application Management System – Immigration New Zealand's original information technology system, developed in the mid-1990s.
BAU	Business as usual.
BSD	Business Solution Delivery – “bundles” of capability change, usually including both technology and business process changes. There were four BSDs during the Vision 2015 programme.
CFO	Chief Financial Officer.
CIO	Chief Information Officer.
ICT	Information and communications technology.
IGMS	Immigration Global Management System – the information technology project that enabled the wider Vision 2015 programme of change. It began as a stand-alone project before being absorbed into the wider Programme.
INZ	Immigration New Zealand.
MBIE	Ministry of Business, Innovation and Employment – Immigration New Zealand is a business group within MBIE.
MVS	Minimum Viable Solution – see section below.
PDG	Programme Decision Group.
RFP	Request for proposals.
SOPs	Standard Operating Procedures.
SME	Subject matter expert.
SRO	Senior Responsible Officer – for Vision 2015, this role was held by the Deputy Chief Executive (head) of Immigration New Zealand.
VACs	Visa Application Centres – private providers that accept visa applications and supporting documents on behalf of Immigration New Zealand, on a user-pays basis.
VPOM	Visa Processing Operating Model – Immigration New Zealand's new business model, or way of working, developed as part of the Vision 2015 programme.

EXECUTIVE SUMMARY

Immigration New Zealand's (INZ's) Vision 2015 programme (the Programme) was a business transformation delivering a new, customer-focused and cost-effective way of working, underpinned by new technology. The new operating model required investment to be fit for purpose, future proofed and supportive of the Government's economic growth and border security objectives.

The previous INZ business model was paper based, relying on people and physical offices to receive and process visa applications. INZ's ICT (information and communications technology) system was struggling to meet demands. There were inconsistencies in processes, service delivery, operating models and assessments of value and risk. INZ responded to demand growth by increasing staffing and offices. The overall approach was not sustainable – this became evident in 2011 when, following the Global Financial Crisis, revenue fell significantly less than costs. The memorandum (fees) account was in deficit by \$40m.

A business case with options to resolve immigration system constraints was developed in 2010. Cabinet approval to invest in a new technology project, the Immigration Global Management System (IGMS), was given in 2011 following a refined business case.

Vision 2015 commenced in early 2012. Following reviews, including an external review of governance arrangements, the IGMS project was absorbed into a programme structure established in mid-2013. The programme approach was influenced by and validated through several lenses, including independent assurance providers, external contractors and Gateway reviews. Lessons were learned along the way and are summarised below.

- › Transformational change programmes need to be business led, with a focus on strategy and a consideration of the full range of options to meet business needs.
- › It is critical to define the future operating model at the outset. A clear plan outlining the steps to achieving the strategic direction of the business is necessary for both action by and clarity for the business and the programme.

- › A significant business transformation programme requires a multifaceted approach. The individual components needed to establish and run a successful programme are all interconnected – time and effort should not be focused on one area to the detriment of others.
- › Success depends on the right governance and management structures, but strong governance arrangements can only be effective with the right capabilities and expertise. Taking the time up front to identify and appoint people with the right skills ensures effectiveness and action from the outset. At times, utilising contractor or consultant skills is invaluable.
- › Strong and stable leadership is required at all times. A business transformation project needs to be leader led. Leaders must be able to act and deliver beyond their day-to-day roles.
- › The business must lead and maintain ownership of the transformation, with the programme providing an effective vehicle to achieve the deliverables. Large business transformation programmes require bespoke structures removed from business as usual.
- › Discipline is key to maintaining accountability and quality, especially around scope changes and delivering requirements on time and within budget (the Programme adopted a Minimum Viable Solution approach to this).
- › To ensure accountability and budget certainty, strong commercial discipline and contract management must be established and enforced. At times this will require courage and intense engagement with vendors to resolve issues.
- › Adopting a targeted assurance approach focused on high value and risk management generates the greatest benefit for a programme and avoids duplication of assurance activities.
- › To maintain business buy-in, a well-planned change process needs to be established and understood by the business. Regular and targeted communication and stakeholder engagement is required to bring affected staff and internal and external stakeholders on the journey.
- › Handover to the business needs to be organised well, with the business configured and resourced to accept the new operating model and to protect, maximise and extract dividends from the investment.
- › Making it stick takes planning, the right capacity and discipline. Without these, benefit will not be realised and the investment will become a stranded asset.

LESSONS LEARNED

1

PART ONE

ESTABLISHING AND RUNNING A PROGRAMME

GOVERNANCE

- › Governance and management arrangements must be established at the outset to ensure key members understand their roles and responsibilities.
- › Appoint the best people with the right skills and experience to ensure the Board is optimally configured to fulfil its role.
- › Board composition must change to meet the changing needs of the programme throughout its life cycle.
- › Governance layers need to be clearly defined and regularly communicated across the programme and business to ensure effectiveness.

LEADERSHIP AND MANAGEMENT

- › Highly visible and engaged sponsorship, combined with stable, consistent senior leadership driven “from the top”, contributes significantly to business buy-in and sets the tone for delivery during the programme’s life cycle.
- › The programme function must not underestimate the challenge of achieving genuine business buy-in – in part, this requires strong business links with the Programme Director, ideally through a direct report by a senior business representative.
- › A business transformation project needs stand-alone management, distinct from the business.

PROGRAMME MANAGEMENT

- › A large programme requires a dedicated management office to support reporting and monitoring requirements and provide guidance and support across the projects.
- › A programme management office needs to be appropriately established and resourced from the outset. This ensures a structure with the right capabilities, processes and resources to support effective management and delivery.
- › A robust and accurate programme foundation document is needed, with supporting plans, strategies, roadmap, diagrams, templates and processes, including monitoring and reporting.
- › Invest in planning up front to develop a clear and coherent strategy, explaining what is required to achieve it and how to get there.
- › New technology should be seen as an enabler of business transformation, not an end in itself – it must fit within and support the business change strategy.
- › Develop processes to support integration between the programme and the business.

ASSURANCE

- › Appoint a specialist manager responsible for assurance planning and execution.
- › Identify and engage an independent quality assurance provider early to enable them to build their knowledge and deliver targeted and fit-for-purpose reviews.
- › Focus external assurance on activities driven by value and/or risk rather than compliance.
- › Avoid duplicating reviews where earlier findings have been accepted and are being addressed.
- › Engage central agencies from the beginning to clarify expectations and build support.
- › Keep up to date with the external assurance environment and implement learnings where relevant.
- › Avoid excessive assurance as an investment in programme success, as it can slow programme momentum.

SCOPE CHANGES

- › Establish robust controls to manage scope changes that include processes, tools and templates.
- › Require sign-off of all scope changes by the SRO and associated reporting to the Board.
- › Develop principles to ensure appropriate control around scope.
- › Use approved artefacts such as a programme management plan, programme business case and operating model to guide scope discussions.
- › Changes to an established way of working need to be well communicated and reinforced to ensure people understand the intent and where responsibilities lie.

FINANCIAL MANAGEMENT

- › Rigorously monitor and report on project progress and finance, applying best-practice financial management principles.
- › Effective communication and rigorous oversight is necessary to achieve best-practice financial management.
- › Implement a “no purchase order, no payment” rule to enforce compliance.
- › Employ appropriately qualified and skilled people to provide confidence and assurance that numbers are correct and reporting is accurate and timely.

COMMERCIAL MANAGEMENT

- › Spend time socialising the contract in draft stages with the delivery team, vendor and customer, to ensure that delivery of the project scope is achievable.

- › Define roles and responsibilities of the supplier and vendor.
- › Opt for fixed pricing to the greatest extent possible to ensure certainty of cost and risk minimisation.
- › Introduce tight controls for variable-price invoicing.
- › Establish a robust process for accepting deliverables, with release of payments tied to milestone achievement.

VENDOR MANAGEMENT

- › Specialist commercial management is required throughout a programme's life to ensure vendors and clients behave as expected and quickly resolve contractual or commercial challenges.
- › Maintain discipline and rigour in managing vendor contracts.
- › Avoid any departure from formal contracts through informal or implied actions.
- › Constructive and effective relationships maximise the prospects of successful resolution of commercial tensions and minimise the risks to effective delivery.
- › Do not spend too much time and effort trying to resolve unresolvable conflicts.
- › Ensure that pre-engagement referee checks of potential vendors include the ease of dealing with them.

PEOPLE CAPABILITY AND EXPERTISE

- › Invest appropriately in skills to support the programme.
- › Maintain direct management of contractors and consultants to ensure the programme controls its outcomes.

WIDER ORGANISATIONAL SUPPORT

- › Form strong relationships with internal stakeholders, particularly the Chief Financial Officer and Chief Information Officer, to expand the knowledge base supporting the programme.
- › These relationships do not lessen or replace the obligations and accountability of the programme to deliver fit-for-purpose products.

COMMUNICATIONS

- › Ensure communication activities are well resourced and located within the programme.
- › Identify and understand the business's key stakeholders and their information and engagement needs.
- › Tailor communications for specific audiences – a one size fits all approach is never as effective.
- › To minimise change fatigue on a lengthy change journey, be innovative and do not over-communicate – try to confine

communications to points when you have something new and useful to say, rather than being locked in to regular output cycles that may have you scrambling for content.

- › Involve staff in communications – their experience will resonate across the business.
- › Survey stakeholders regularly to test and refine communication activities.
- › The communication of operational changes should focus on “what does this mean for me?”.

GENERATING BUSINESS BUY-IN

- › Identify staff from different levels of the business to support the project/programme life cycle at each stage.
- › Develop relationships with senior leaders within the business and the wider organisation, meet regularly, provide meaningful updates and seek their input to solutions.
- › Check in with the business regularly to test the effectiveness of engagement tools.
- › Define roles and responsibilities and adjust as necessary during the programme’s life cycle.

BUSINESS OWNERSHIP

- › Engage different parts of the business at different levels to generate business ownership.
- › Develop a structure to identify the varying levels of ownership required by the business at each stage of the programme.
- › Business ownership needs to be consistent and constant throughout a programme’s life cycle.
- › Business involvement is critical from the outset of a programme. Different levels of involvement in areas such as delivery and decision-making should be defined, and desired resources identified for both seconded and part-time roles.
- › Business involvement must cover design, planning, approach and timing for implementation and change management.

BUSINESS ANALYSTS

- › Build in the ability to scale up and down to manage the demands of the programme and ensure this limited and valuable resource is secured.
- › Co-location of business analysts with the programme enhances their understanding of links and dependencies across projects.
- › Build in discipline around the allocation of business analysts in response to project requests – focus on delivery requirements.

2

PART TWO

DESIGN, BUILD AND DEPLOYMENT

TECHNOLOGY BUILD

- › Do not stand up the full programme and vendor teams until there has been enough planning to ensure the first project can proceed smoothly.
- › Before starting development and environment set-up, the business needs to agree the solution requirements and the vendor must agree the high-level design.
- › Deployment to a stable and tested infrastructure environment is necessary to forecast costs and time, building delivery confidence and reducing risk.
- › Consider an organisation-wide change freeze before, during and immediately after a major new deployment.
- › Enter time-and-materials based contractual arrangements with eyes wide open. Fixed-price contracts appear more expensive, as they include a risk cost, but they provide focus and clarity of expectations.
- › Limit changes to the agreed commercial arrangements and follow established processes for agreeing scope changes.
- › Consider purchasing software licences just in time, rather than in advance.
- › Be very clear on the defect-management process and severity classification definitions - specify who is liable for fixing them and what acceptance looks like at each stage of the test process.
- › Define entry criteria for production deployment and what a successful deployment looks like.

OPERATING MODEL

- › The operating model definition should always precede and inform development of future processes and requirements and provide the basis for testing design decisions.
- › The operating model is a necessary input in guiding investment decisions, understanding areas of benefit realisation, and uniting and mobilising business and programme staff around clear goals.

DELIVERING ON TIME, WITHIN BUDGET

- › The Minimum Viable Solution (MVS) approach provides a useful mechanism to guide scope decisions.
- › MVS must be applied at project and integrated operating model levels.
- › MVS gives more certainty on delivery of the required elements of the operating model and budget.
- › Mechanisms such as workshops should be used to ensure that the wider business implications of MVS decisions made at project level are properly taken into account.

BUNDLING CHANGE

- › Bundle deployments to minimise deployment risk and enable the business to manage the scale of change.
- › Communicate with the programme and business when timeframes shift to manage expectations and any impacts on other deliverables.
- › The management of dependencies needs to be carefully planned. Developing an agreed approach early is essential to effective management.

BUSINESS PROCESS DESIGN

- › The delivery of end-to-end process designs at programme level is critical to a connected solution.
- › Avoid silo design teams.
- › Well-developed process designs, at the appropriate level of detail, help with understanding the impacts of different choices when deciding on a preferred build.

TESTING

- › Rigorous testing is critical to ensuring products are fit for purpose.
- › Applying an operational perspective early in the process helps ensure quality and best fit.
- › Testing needs to cover all aspects of business transformation, not just the ICT components.
- › To test significant business process change, consider running a full simulation of the end state through a process test office.

IMPACT ASSESSMENTS

- › Establish a dedicated team to focus on impact assessments.
- › Impact assessments are not a one-time activity – they need to be done at various points during a programme life cycle, to varying degrees of detail.
- › Develop templates and outline clear processes to create a disciplined and consistent approach.
- › Where possible, build in additional time to manage risks to delivery and customer expectations.
- › Assess thoroughly the unintended consequences of planned change deliverables.

CHANGE MANAGEMENT

- › From the outset, identify the parts of the business that will be most impacted by change.
- › Consider establishing a stand-alone change team in highly-impacted business branches.
- › Specify clearly the roles and responsibilities of a stand-alone change team.

DEPLOYMENT

- › Deployment is a joint activity involving business leaders and staff who intimately understand the current state of operations as well as project and change resources.
- › Articulate clearly the roles and responsibilities of the programme deployment team relative to any business deployment team that might be established.
- › Assess deployment options from the perspective of the end user, not the activity streams driving the change. A process-only change may have greater impacts and need more deployment planning and support than a technology-driven change.

DETAILED OPERATING INSTRUCTIONS

- › Secure technical writers early for Standard Operating Procedures (SOPs), so they can spend sufficient time understanding the role of the front-line.
- › Allow sufficient time for the business to review SOPs to ensure quality and prevent rework.
- › Ensure that consultation on SOPs involves staff who are most impacted, and that the thoroughness of consultation matches the level of impact.
- › Establish leader-led processes for bedding-in SOPs across the business.

TRAINING

- › There are advantages to contracting a specialist training company to develop training materials, preferably for the life of the programme.
- › Ensure tight management of review and approval processes within the business, as well as timely production of detailed operational information, so that staff can be properly trained before deployment.
- › The business needs dedicated staff to manage post-implementation training and maintain training materials.

- › Establish a change champion at each office to deliver training and ensure consistency while also taking account of the local market.
- › Training needs to be bespoke and delivered “just in time” so that staff are able to apply the learning soon after completing training.

BUSINESS AS USUAL CHALLENGES

- › Retain flexibility to adjust the content and timing of business as usual (BAU) releases if necessary. This can be helped by providing clear advice to senior management and ministers about constraints on BAU and relative priorities.
- › Clear communication is needed with stakeholders about potential BAU constraints, acknowledging that trade-offs are necessary.
- › Ensure staffing can be scaled up, including by contracting, when this is required to meet the twin demands of a programme and BAU.
- › The business needs to engage fully with the programme to get a thorough and early understanding of any requirements for obtaining expertise from the business.
- › The ability to fulfil BAU demands is a prerequisite to business readiness for deployment. This needs to be well planned and responsive to the business's overall capacity.

3

PART THREE

EMBEDDING CHANGE

HANDOVER

- › Programme handover must be collaborative and well planned.
- › Business overlap with the programme on design is needed to ensure investment in systems, processes and people is protected and maintained.
- › Businesses must have the resources, capacity and capabilities to manage a new operating model.

SKILLS TRANSFER

- › Create a product library, including programme methodologies, tools, templates, strategies and plans, to ensure momentum is maintained and knowledge is retained.
- › The business's role in receiving and managing the new operating model must be clearly articulated and agreed.
- › Ensure that skills transfer from programme to business is well planned and delivered.

MAKING IT STICK

- › Structural change, including foundational project management and strategic design, should be completed well ahead of handover.
- › Incremental handover of the operating model allows time for the business to prepare appropriate staff and resources.
- › Communicate roles and responsibilities to the front-line thoroughly and often.
- › Ensure there is a good system to gather staff feedback and respond to issues, minimising the risk of offices creating their own processes.

PROTECTING THE INVESTMENT

- › Articulate early the parts of the business that will be responsible for maintaining and refining the operating model.
- › Staged delivery of processes and technology allows the business to progressively test and improve its capacity and knowledge to manage the new operating model.

ONGOING ASSURANCE

- › Early and ongoing discussions between the programme and the business are necessary to agree on key elements of the quality assurance model and performance measures.

- › Business owners need to have a clear view of the difference between the current state and the future operating model in order to drive project activity effectively.
- › It is important to recognise where there is insufficient internal expertise and to bring in targeted outside advice early.

BENEFITS

- › A formal benefit-realisation approach needs to be defined early, with clear roles, responsibilities and realisation triggers, to enable planning and ensure consistency and discipline in achieving key performance indicators and targets.
- › Employ a flexible benefit-management approach, and be prepared to change as needed to align with changes in the programme and the wider business environment.

INTRODUCTION

VISION 2015 BACKGROUND

Immigration New Zealand's (INZ's) Vision 2015 programme (the Programme) was a \$140m multi-year business transformation that enabled delivery of a more flexible, risk-based, customer-focused, consistent and cost-effective service.

Specific deliverables of the Programme included:

- › Deployment of Immigration ONLINE, a major, multi-stage technology upgrade that allows online applications for Student, Work and Visitor visas. It also enables third parties such as immigration agents to apply online for visas on behalf of others, and it includes a Chinese language online application form for Visitor visas.
- › Standardised business processes, including a new triage and verification model that allows risk-based streaming of visa applications consistently across INZ.
- › eMedical, which allows visa applicants and medical practitioners around the world to record and securely upload health assessments required with visa applications.
- › eVisas, which allow many applicants to apply for a visa without having to send in their passports to INZ.
- › Global roll-out of Visa Application Centres.

In addition, a new identity-management system was built, enabling more reliable assurance of identity information provided by persons intending to enter New Zealand. The system is based on biographic and biometric (face and fingerprint) data matching, and will be implemented in 2016.

To deliver their full benefits to INZ, these new online-based services and associated business process changes were underpinned by a new Visa Processing Operating Model (VPOM). The VPOM – INZ's new way of working will deliver consistent, quality outcomes for customers. Arguably it will have the greatest long-term impacts for INZ's business and staff around the world.

60%

OF VISA APPLICATIONS
CAN NOW BE MADE
ONLINE

Visa Application Centres – third party providers that accept applications on behalf of INZ.

The Visa Process Operating Model integrates technology, people and processes.

PURPOSE OF THE REPORT

This report captures the learnings from this major business transformation. Like other programmes of this scale, Vision 2015 had to deal with unexpected obstacles and challenges, and these affected delivery.

By sharing our experiences we hope to help other agencies successfully deliver their own business transformation projects. The report identifies strategic learnings as well as operational-level learnings that may be useful to agencies undertaking similar change. This report does not assess the success of the Vision 2015 programme, nor does it provide a step-by-step guide to undertaking a business transformation project.

S Strategic

O Operational

APPROACH TO THE REPORT

This report has been informed by the views of people involved with Vision 2015, including members of the project team, INZ staff and key stakeholders.

The report also reflects the findings of Independent Quality Assurance New Zealand (IQANZ) survey of 123 people including Programme team members, members of governance bodies, business leaders and subject matter experts (SMEs) associated with the Programme. They responded to an anonymous survey between 14 and 21 October 2015. The survey had a high response rate of 68 per cent.

Further, workshops and teleconferences were held with front-line staff from 12 INZ onshore and offshore offices in December 2015 and February 2016.

External consultants Sir Maarten Wevers and Murray Jack carried out structured interviews with key stakeholders and provided strategic oversight of the development of this report.

STRUCTURE OF THE REPORT

There are three parts to this report. The first discusses the requirements for delivering a successful business transformation programme. The second covers the design, build and deployment phase, and the third deals with embedding the changes. Key lessons learned are summarised above and within each section. Useful background documents (artefacts) are accessible online, with links at the end of each section.

AT A GLANCE



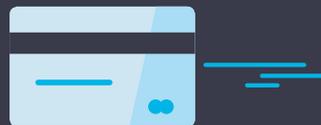
3.2M

VISITORS ARRIVED IN
NEW ZEALAND IN THE
YEAR TO FEBRUARY 2016



100K

STUDENT VISAS WERE
APPROVED IN 2014/15



\$8.7B

WAS THE TOTAL
INTERNATIONAL VISITOR
SPEND FOR 2014/15



\$1.2B

IS THE TOTAL INVESTED BY
BUSINESS INVESTOR MIGRANTS
SINCE 2009

CONTEXT

IMMIGRATION AND THE ECONOMY

Immigration is a vital contributor to economic growth. Migrants create jobs and build diverse communities – they bring skills and talent that help make a wide range of local firms more productive and globally competitive. New Zealand competes internationally for skilled migrants, students and visitors, but increasing migration has placed growing pressure on border security and the integrity of the immigration system.

New Zealand has one of the highest per-capita inflows of migrants in the OECD. One in four of all workers are migrants; in Auckland the figure is 44 per cent. Immigration supports tourism and international education, two key export-earning sectors.

The statistics below show the contribution immigration makes to New Zealand:

- › 3.2 million visitors arrived in New Zealand in the year to February 2016, the highest-ever annual total. The total international visitor spend was \$8.7b in 2014/15.
- › More than 100,000 student visas were approved in 2014/15. International education is worth \$2.85b to the economy each year and supports 30,000 jobs.
- › Business investor migrants have invested \$1.2b since 2009.

INZ'S BUSINESS

INZ is a major global business that was based within the Department of Labour until 2012 and since then has been part of the Ministry of Business, Innovation and Employment (MBIE). INZ is funded by a mix of fees (71 per cent), levies and Crown funding. The total appropriation for the Immigration Portfolio in 2015/16 was \$270.5m.

INZ's key functions include:

- › deciding visa applications for potential temporary and permanent migrants
- › maintaining the integrity of the border and enforcing compliance through investigations
- › resettling refugees through the Refugee Quota Programme.

Immigration volumes increased by 51 per cent in the three years since 2011/12 and are expected to rise further.



One in four of all workers are migrants; in Auckland the figure is 44 per cent.

1,400

INZ STAFF IN 13 ONSHORE AND 18 OFFSHORE OFFICES, INCLUDING 400 STAFF OFFSHORE, MORE THAN ANY OTHER NEW ZEALAND AGENCY.

654K

IMMIGRATION DECISIONS INVOLVING 925,000 PEOPLE IN 2014/15.

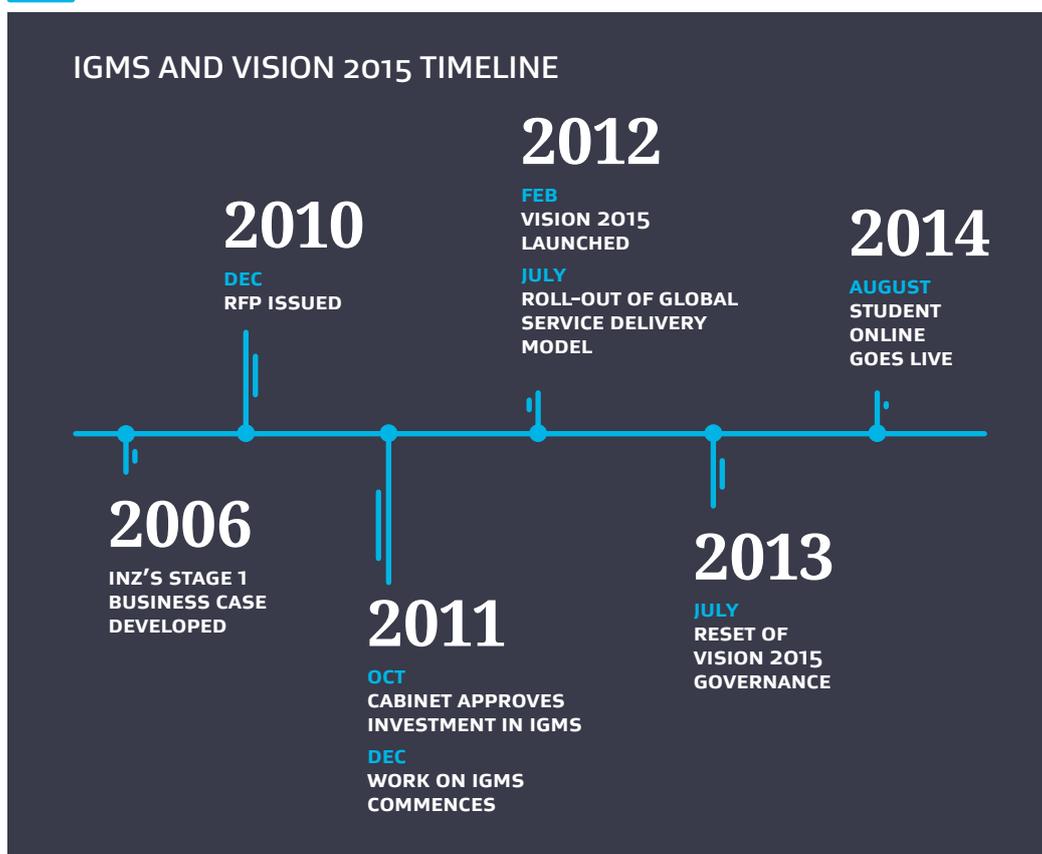
INZ'S CHALLENGES

INZ's previous business model was cumbersome, outdated and inflexible – it was a major “handbrake” on the potential contribution of immigration to New Zealand's economic growth.

Key features constraining INZ's performance included:

- › **Inflexibility:** INZ operated an expensive global office network with paper-based processing of visa applications. This meant INZ could not respond quickly to market changes, such as volume shifts in different countries, leading to competitive disadvantages for New Zealand employers, education providers and tourism operators.
- › **Cost:** The service delivery model was no longer fiscally sustainable, with costs increasing faster than revenue at the rate of \$20m a year – the memorandum (fees) account was \$40m in deficit.
- › **Technology constraints:** INZ's key ICT systems were outdated, inflexible and expensive to maintain. The Application Management System (AMS) was largely developed in the mid-1990s and was unable to provide effective online services. INZ's ICT systems were poorly integrated due to the system being extended in piecemeal fashion over many years.
- › **Business focus:** INZ concentrated on visa-processing activities to manage risk, rather than on attracting and keeping high-value migrants, students and travellers.
- › **Competitive investment:** New Zealand's competitor countries, such as Australia, Canada and the United Kingdom, were making significant investments in their immigration ICT systems, delivering services online leading to more effective and efficient customer services. New Zealand was finding it difficult to compete with these countries for skilled migrants, students, tourists and investors.
- › **Security:** INZ was falling behind the increasingly sophisticated immigration risk, identity management and security requirements of Australia, Canada, the UK and the United States, with which it cooperates closely on border security under the Five Country Conference partnership.

Investment in a modern, efficient and flexible system was required to support economic growth, improve customer service, and to identify and exclude people who did not meet New Zealand's requirements.



THE IGMS SOLUTION

INZ developed a stage 1 business case known as Immigration Business Transformation in 2006. Further iterations followed, and in 2010 Cabinet agreed to a new strategic direction for immigration policy and set aside a \$30m capital contingency to replace INZ's core ICT system with a purpose-built solution known as the Immigration Global Management System (IGMS).

IGMS would remove INZ's reliance on physical branches, paper application forms and manual processing. It would allow the retirement of legacy systems, reduce the resourcing needed for current visa-processing volumes and increase INZ's capacity to handle larger volumes, add new and enhanced capabilities such as biometrics, and raise the quality and consistency of immigration services.

The Department of Labour issued a request for proposals (RFP) in December 2010 and prepared an investment business case for IGMS. Responses were received in April 2011 and a preferred supplier was chosen after a competitive dialogue process that continued until September 2011.

In October 2011 Cabinet approved the business case for an investment to deliver IGMS and enable a future operating model for INZ. Work to develop and deliver IGMS commenced in December 2011.

INZ'S VISION

In early 2012 a new Immigration Leadership Team launched Vision 2015, its strategy to drive change and ensure business buy-in. The Vision 2015 goal was that ***in 2015 we are recognised as a trusted partner, delivering outstanding immigration services and bringing the best people New Zealand needs to prosper***. Vision 2015 provided INZ with a clear direction that was succinct and relevant to INZ, customers and stakeholders.

While IGMS was being developed, the business structure was reviewed to prepare for efficiencies to be realised once the business moved substantially online. A new Global Service Delivery Model was implemented in 2012, based on a review of INZ's global office network, identifying some offices for closure and consolidating services in remaining offices.

In the past visa applications had been accepted at INZ offices or at the Ministry of Foreign Affairs and Trade's embassies and high commissions. This was progressively changed so that visa forms and accompanying documents submitted outside New Zealand are now taken by third-party service providers (VACs) in 43 locations worldwide. Applicants pay fees to use VACs. Other countries such as Australia and the UK have also moved to using VACs.

TRANSITION FROM PROJECT TO PROGRAMME

Initially IGMS was managed as part of a portfolio of projects within INZ led by an external project director. It became apparent that the portfolio approach was inefficient and ineffective, lacking the disciplines and capabilities needed for the scale of business transformation that was envisaged. The projects were developed in silos and delivered within existing baselines, capabilities and capacity. There were loose governance arrangements and difficulties in meeting timeframes within budget.

A key failing, later recognised, was the absence of a clear definition of the future operating state, with new technology being only one part of the solution. People and process considerations are at least as important as technology.

INZ responded by carrying out a review of the portfolio structure in early 2013, facilitated by PwC, which resulted in the establishment of the Programme. New governance arrangements were adopted following a further review by Sir Maarten Wevers in mid-2013, drawing on experience of reviewing the Novopay Project.

This change is now widely recognised as a significant turning point for IGMS and Vision 2015. The Programme structure included strong governance, the right capabilities, enhanced accountability, the integration of all projects, and a clear and consistent methodology.

A key failing, later recognised, was the absence of a clear definition of the future operating state, with new technology being only one part of the solution.

New governance arrangements were adopted which is widely recognised as a significant turning point.

1

PART ONE

ESTABLISHING AND RUNNING A PROGRAMME

S GOVERNANCE

Governance arrangements were reviewed and fine-tuned throughout the life of the Programme.

After the Programme was established, the Immigration Leadership Team members were all initially appointed to the Programme Board to ensure business buy-in and support. The Leadership Team collectively undertook Institute of Directors training in governance, risk and finance to strengthen their capabilities as board members. Two deputy chief executives from MBIE were also members, as was an independent member with strong skills in risk, governance and board behaviour.

The governance arrangements built in clear linkages with the array of assurance providers covering MBIE Risk and Assurance, central agencies and external independent assurance (see Assurance section).

The role, responsibilities and decision-making rights of the Board and its members were articulated in charters, along with operational guidelines. Charters also covered the supporting governance mechanism of the Programme Decision Group (PDG), including when acting as a project board.

The Board composition was changed as the Programme moved from start-up and early build and deployment to intensive deployment and benefit realisation. Several managers with deployment and benefit-realisation roles in the business vacated the Board and became permanent attendees with clear accountabilities. An additional independent member was added with skills in intensive programme building and deployment. As the Programme progressed to implementation and benefit realisation, MBIE's Chief Financial Officer (CFO) was included to broaden Board capacity on commercial issues.

Learnings

Governance and management arrangements must be established at the outset to ensure key members understand their roles and responsibilities.

Appoint the best people with the right skills and experience to ensure the Board is optimally configured to fulfil its role.

Board composition must change to meet the changing needs of the programme throughout its life cycle.

Governance layers need to be clearly defined and regularly communicated across the programme and business to ensure effectiveness.

Feedback

Assurance reviews noted that a willingness to adapt and change structures and, at times, people helped the Programme develop a strong and effective governance structure.

The survey found that the multiple layers of governance and changes during the Programme created some confusion, in particular as to how the reporting lines and structure worked.

PDG was responsible for aligning the Vision 2015 projects with business requirements. It also acted as the project board for each of the 29 separate projects.

The respondents reinforced that the establishment of the Programme provided a business-first focus that was fundamental given the new way of operating.

74% of survey respondents agreed or strongly agreed that the sponsorship, management and governance roles in the Programme were clearly defined and executed.

68% of survey respondents rated Programme governance as above average or good, with 6% rating it below average or poor.

Artefacts

- › Vision Board Structure and Charter.
- › Programme Structure (page 5 of the Project Management Plan).
- › Programme Decision Group Charter.

S LEADERSHIP AND MANAGEMENT

Strong and stable leadership is essential to driving a business transformation project while maintaining BAU. It helps to address resource contentions, conflicting priorities, changes in direction and loss of momentum.

INZ sustained the Vision 2015 programme while also managing significant changes to the business, including new personnel, major application volume increases from new and emerging markets, and the shift from the Department of Labour to MBIE. INZ's management through these unplanned disruptions helped the agency re-establish the Government's confidence in its ability to operate.

The Programme successfully responded to challenges by attracting high-calibre staff, aided by strong, consistent championing of the Programme by the Senior Responsible Owner (SRO – the Deputy Chief Executive/head of INZ), who was actively and visibly involved from the outset. The continuity of the SRO, Immigration Leadership Team and Programme Director was critical to the effective operation of Vision 2015.

Vision 2015 was accompanied by a positive shift in INZ's culture, following a report by the Office of the Auditor-General in 2009 that found a silo culture, poor management practices and a reluctance among staff to raise workplace concerns. The culture shift was partly due to the organisation's success in delivering its core business, along with strong and effective leadership. In the three years from 2011/12 INZ effectively managed a 51 per cent application volume growth while also ensuring the integrity of the immigration system and completing its business transformation project. This was no small feat.

There was a concerted effort from the Leadership Team to provide a rationale for the transformation, giving purpose and meaning for staff. Staff surveys showed good understanding of the Vision 2015 objectives and support for the organisation's direction. There



51%

**VISA APPLICATION
VOLUME GROWTH
SINCE 2011/12.**

was appreciation from staff for the high level of contact from the SRO, including through monthly video messages updating staff on Programme developments.

The shift to a programme approach meant that a purpose-specific management structure was required, separate from the main business. A professional, highly experienced Programme Director was brought in, with linkage to the business retained through a direct report to him by a senior INZ manager. Together they formed the Programme Executive.

The Programme Director's role included the overall integration of the business transformation, oversight of budgets and timeframes, high-level vendor interface and engagement with the business to ensure its requirements were met and issues were raised and resolved in a timely manner. The Programme Director reported directly to the SRO, having peer status with INZ general managers and reflecting a true business partnership.

The Project Management Office (PMO – see section below) was a key component of the Programme, providing the critical support necessary for informed decision-making.

There were reports to the Programme Director from other work streams. The IGMS (ICT) Manager reported directly, as did the Director, Vision 2015, who had oversight of business processes and requirements, business solution delivery (covering project management, business transition, impact assessments and training) and communications.

Learnings

Highly visible and engaged sponsorship, combined with stable, consistent senior leadership driven "from the top", contributes significantly to business buy-in and sets the tone for delivery during the programme's life cycle.

The programme function must not underestimate the challenge of achieving genuine business buy-in – in part, this requires strong business links with the Programme Director, ideally through a direct report by a senior business representative.

A business transformation project needs stand-alone management, distinct from the business.

Feedback

77% of respondents either agreed or strongly agreed that the goals of Vision 2015 were clearly defined, frequently repeated and regularly kept in focus by the Programme.

Survey participants noted the high visibility of the SRO. The involvement of a senior INZ manager as Vision 2015 Director was highlighted as a positive aspect.

Artefact

- › Vision 2015 blueprint.

O PROGRAMME MANAGEMENT OFFICE (PMO)

The Programme did not have the luxury of setting up its own PMO – instead, it inherited the PMO set up for the IGMS project, which was focused solely on technology. This brought with it all the problems of trying to build a plane while already flying, including:

- › adapting established IGMS processes and learned behaviours among staff
- › unclear roles and responsibilities of PMO staff, with gaps in resource planning and programme capabilities
- › transfers of some projects to the Programme that had previously been managed within INZ
- › disconnections between processes, templates, documents and tools due to the disparate nature of the projects.

These issues were resolved through a reset and refocus of the PMO. This involved:

- › reviewing and updating roles and responsibilities, with clear definitions and expectations
- › mapping the capabilities required to deliver the Programme
- › establishing processes for engaging with the business and supporting business integration
- › aligning and reviewing all Programme and project artefacts, documents, tools and processes to provide clarity and consistency and enable effective governance support
- › establishing a forward agenda for key governance forums to ensure effective management
- › developing a Programme roadmap, giving an overview of the Programme and links with the business.

The reset ensured the PMO was fit for purpose, able to inform decision-making and support the Programme deliverables. Based on this, a significantly refreshed and revised Project Management Plan was developed.

Configuration management was a fraught area for the PMO. Organisational change through the life of the Programme resulted in documents being stored in three repositories, with inconsistent naming conventions and version control. The PMO had to ensure Programme team members were following correct documentation processes and using correct templates. Staff turnover within the PMO and project teams demanded ongoing diligence.

Learnings

A large programme requires a dedicated management office to support reporting and monitoring requirements and provide guidance and support across the projects.

The programme function must not underestimate the challenge of achieving genuine business buy-in – in part, this requires strong business links with the Programme Director, ideally through a direct report by a senior business representative.

A robust and accurate programme foundation document is needed, with supporting plans, strategies, roadmap, diagrams, templates and processes, including monitoring and reporting.

Invest in planning up front to develop a clear and coherent strategy, explaining what is required to achieve it and how to get there.

New technology should be seen as an enabler of business transformation, not an end in itself – it must fit within and support the business change strategy.

Develop processes to support integration between the programme and the business.

Feedback

63%

of survey respondents felt that the overall project management of Vision 2015 was average or above average.

62%

of survey respondents felt the Programme controls were appropriately tailored for Vision 2015 and were well managed at the project level.

Nearly 35% of respondents felt that internal dependencies were not sufficiently understood, tracked or monitored.

Artefact

- › Project Management Plan.

0 ASSURANCE

It was recognised early on that a specialist Assurance Manager was required given the scope, scale and complexity of the Programme and the investment in it.

The Assurance Manager provided advice and assurance oversight at all levels of the Programme and maintained oversight of the interface with assurance bodies. The Programme also contracted the independent assurance provider IQANZ, as well as engaging with central agencies and being subject to Gateway reviews (see box 1 below for an explanation of Gateway and related assurance methodologies and principles). These assurance activities contributed to the success of the Programme.

The initiation and procurement phases of the IGMS project were well governed and had strong, independent assurance oversight, including through Gateway. As a transformational project it adopted a PRINCE2 delivery methodology, although it would have been better served by being acknowledged as a transformational programme at the outset and utilising Managing Successful Programmes principles.

Through the Assurance Manager the Programme identified lessons from the wider government sector relevant to a business transformation. Notably these came from the Ministerial Inquiry into the Novopay Project, the Treasury Gateway Unit's Lessons Learned Reports and the Government Chief Information Officer's ICT Projects and Programmes Top 10 Lessons Learned. These inputs ensured that the Programme used best-practice assurance activities to identify and manage any risks to deliverables.

A Gateway 0 review of the Programme in April 2015 recommended a review and refocus of assurance activities. In response, an integrated assurance plan was developed that took a more responsive approach, with a focus on unforeseen and emerging risks. The updated document was well received by Central Agencies and GCIO ICT Assurance in particular.

Initially the external independent quality assurance provider's efforts overlapped the Assurance Manager's activities. In response the external assurance provider's reviews were changed to target areas of concern and risk. The outcomes were high-value, user-friendly and timely reviews with recommendations that the Programme could implement quickly.

The Programme benefited from using split or two-part external assurance reviews. For example, the first stage focused on the deployment approach followed by a stage two review of deployment readiness. This enabled the Programme to focus on the delivery stage to extract maximum value and make necessary adjustments.

A challenge of ongoing assurance was managing the demands it placed on the Programme. It is important that reviews always offer tangible value, and their timing and frequency need to be carefully managed. Overlapping independent and compliance-oriented reviews should be challenged to ensure they are necessary and fit for purpose, and that the findings do not become outdated or superseded. The greatest benefit came from focused reviews that used an outcome rather than an audit approach, so that changes could be made before projects were deployed.

The Programme held monthly team meetings with central agencies, with SRO involvement quarterly. It benefited from continuity of staff at central agencies, as this allowed for effective, meaningful engagement and advice. Time spent engaging with central agencies earlier to understand their needs would have been beneficial, as the Programme would have been able to streamline its engagement and avoid duplication. There was value in socialising the review outcomes with central agencies, as this was a channel for advice on performance and risks. It was also an effective means of involving agencies in the journey and gaining support where required.

It is important that reviews always offer tangible value, and their timing and frequency need to be carefully managed. Overlapping independent and compliance-oriented reviews should be challenged to ensure they are necessary and fit for purpose, and that the findings do not become outdated or superseded.

Assurance terminology

- › Gateway is the assurance methodology for major investments developed by the UK Office of Government Commerce (OGC) in 2001. Gateway reviews are Cabinet mandated for programmes and projects assessed as high risk on completion of the Treasury's Risk Profile Assessment
- › The PRINCE2 delivery methodology was also developed by the UK OGC and is a preferred New Zealand government framework.
- › Managing Successful Programmes, also developed by the UK OGC, comprises 12 principles and supporting programmes for delivering strategic business transformation.
- › Gateway 0 is one of six types of Gateway review – level 0 is the strategic assessment.

Learnings

Appoint a specialist manager responsible for assurance planning and execution.

Identify and engage an independent quality assurance provider early to enable them to build their knowledge and deliver targeted and fit-for-purpose reviews.

Focus external assurance on activities driven by value and/or risk rather than compliance.

Avoid duplicating reviews where earlier findings have been accepted and are being addressed.

Engage central agencies from the beginning to clarify expectations and build support.

Keep up to date with the external assurance environment and implement learnings where relevant.

Avoid excessive assurance as an investment in programme success, as it can slow programme momentum.

Artefacts

- › IQANZ Benefits Management Review – May 2015.
- › Internal Audit – Assurance Plan Review – June 2015.
- › IQANZ Monthly memos – samples from August 2013 to December 2014.
- › Integrated Programme Assurance Plan – September 2015.
- › Report of the Ministerial Inquiry into the Novopay Project – June 2013.
- › Gateway Unit Lessons Learned Reports.
- › GCIO ICT Projects and Programme Top 10 Lessons Learned.

0 SCOPE CHANGES

Scope changes are expected in any business transformation project, especially those with a large ICT component, and strong controls must be established to ensure quality and oversight. Throughout Vision 2015 the Programme worked through several scope iterations, such as adopting Infrastructure as a Service (IaaS), implementing enhanced security and privacy standards and retaining the AMS legacy ICT system.

Once the Programme was reset, a robust change-management strategy was developed to manage scope changes and meet technology and business process needs. Major scope changes were managed through business case approvals. Every change request required approval by the SRO, and all requests were reported monthly to the Board.

The Vision 2015 strategy, combined with the new Visa Processing Operating Model (VPOM – see section below) and the Minimum Viable Solution principles (MVS – see section below) enabled a disciplined approach to scope changes.

A notable development was the establishment of a Change Authority and a self-assessment template that allowed project managers to determine whether a change request should be raised. The template included an audit trail for minor changes that did not need to go to the Change Authority. This disciplined approach contributed greatly to preventing budget blow-out and ensuring the Programme investment supported the agreed operating model.

Accountability was a critical component of scope management. The Change Authority was the body that considered whether change requests aligned with the requirements of the new VPOM within MVS principles. It comprised a forum of voting members, members and attendees, with members including senior programme, business analyst, system owner, business and technology representatives. The commercial manager also attended to ensure that scope changes resulting in amended commercial agreements were managed in a controlled and considered way. Approval from the SRO was required when capital funding was needed.

The Programme had oversight of 29 individual initiatives to bring the VPOM to life. Confusion often resulted from the varied nature of the ICT and business transformation projects with different policy frameworks, size, complexity and risk. On reflection, the Programme would have been better served by grouping the 29 initiatives into fewer sub-projects.

Learnings

Establish robust controls to manage scope changes that include processes, tools and templates.

Develop principles to ensure appropriate control around scope.

IaaS – where capital is leased rather than owned.

29

INDIVIDUAL INITIATIVES TO BRING THE VISA PROCESS OPERATING MODEL TO LIFE.

Use approved artefacts such as a programme management plan, programme business case and operating model to guide scope discussions.

Changes to an established way of working need to be well communicated and reinforced to ensure people understand the intent and where responsibilities lie.

Artefacts

- › Vision 2015 Programme Change Control Process.
- › Change Request Self-Assessment form.
- › Change Matrix.
- › Change Request Workflow.
- › Change Request Template.
- › Change Request Completion Process Map.

0 FINANCIAL MANAGEMENT

Rigorous control and tight processes are vital for financial management. The initial financial management approach was generating risk in terms of accountability and budget blow-out.

The Programme inherited disconnects, inconsistencies and lack of understanding of financial management, including:

- › different numbers being reported by individual projects but not reflected in the Financial Management Information System (FMIS)
- › project and cost reporting being maintained in spreadsheets but not reconciled to FMIS
- › poor communication and a lack of clarity around roles and responsibilities between the projects, the Programme and the INZ finance team
- › delegated financial authority poorly understood – it was unclear which positions had delegated authority, to what levels and for what types of expenditure.

Changes were made throughout the Programme to align with best financial management practice. To provide clarity on the financial position, detailed costings were reconciled with both the Programme budget and individual projects.

Improved coordination and communication between projects, the Programme and the INZ finance team ensured detailed and high-level reporting of actual and forecast expenditure was reconciled to and accurately reflected in the FMIS. An added benefit of coordination was access to skills and expertise within the business – a programme cannot manage its finances in isolation or by individual projects. Implementing checks and balances across the system and applying them consistently contributed to Programme members and contractors following best practice. They also ensured accurate forecasting and reporting to senior business managers.

Manual processes led to inconsistencies and inaccuracies. The implementation of system purchase orders enabled the budget to be controlled closely and monitored actively, with improved accountability. The mantra “no purchase order, no payment” quickly took effect. System purchase orders meant that costs were recognised in the same month that goods and services were provided.

An additional layer of scrutiny over variable-priced charging was introduced to hold vendors to greater account. Vendors became aware that timesheets would be reviewed and questions asked, and that supporting documentation or evidence might be requested. The use of timesheets ensured that vendor time was efficiently costed to the projects being worked on by the people doing the work. Further, all contracted spend was controlled as purchase orders were set up to match the work and cost schedules outlined in statements of work, sub-project plans and contracts for services. For example, a purchase order for a contractor might be created for the number of hours or days contracted at the agreed rate.

Learnings

Rigorously monitor and report on project progress and finance, applying best-practice financial management principles.

Effective communication and rigorous oversight is necessary to achieve best-practice financial management.

Implement a “no purchase order, no payment” rule to enforce compliance.

Employ appropriately qualified and skilled people to provide confidence and assurance that numbers are correct and reporting is accurate and timely.

0 COMMERCIAL MANAGEMENT

The appointment of a specialist manager, commercial contracts enabled stronger management of commercial relationships and contracts.

The commercial management of the relationship between MBIE and the primary contractor was initially loose due to unclear role and responsibility boundaries. There appeared to be an over-reliance on the vendor to carry out functions that ought to have been the customer’s responsibility, such as defining business requirements. Further, the involvement of multiple contracted parties with a mixture of sub-contract and third-party arrangements had led to confusion and an “all care, no responsibility” response when issues were identified.

Variable-priced contract components had led to ambiguity, making it difficult to manage the project budget. A transition to maximising the fixed-price components of contracts ensured budget certainty and improved management and control of the relationships. Fixed-

Fixed-price milestones allowed suppliers to be held to account to deliver to the agreed scopes for fixed prices, mitigating risk.

price milestones allowed suppliers to be held to account to deliver to the agreed scopes for fixed prices, mitigating risk. Where variable-priced charging could not be avoided, it had to be tightly managed to hold the suppliers to account, as noted in the Financial management section above. A clear acceptance process mitigated any ambiguity.

Contracts need to specify who is responsible for the cost of fixing defects at all stages of projects. This includes discovery of defects before they go live, early life support (assistance to the business immediately following deployment) and warranty periods.

Regular formal engagement with vendors proved valuable, as these sessions allowed issues to be scrutinised and resolved. Governance forums included in a contract must be formally managed to maximise potential advantages and protections.

Learnings

Spend time socialising the contract in draft stages with the delivery team, vendor and customer, to ensure that delivery of the project scope is achievable.

Define roles and responsibilities of the supplier and vendor.

Opt for fixed pricing to the greatest extent possible to ensure certainty of cost and risk minimisation.

Introduce tight controls for variable-price invoicing.

Establish a robust process for accepting deliverables, with release of payments tied to milestone achievement.

S VENDOR MANAGEMENT

Suppliers, particularly larger firms, are experienced in formulating and interpreting commercial contracts. But this is not core business for public sector agencies – although most agencies have procurement capabilities for standard, repeated purchases, they are not always equipped to handle high-value, bespoke and complex contract negotiations.

The importance of ensuring contractual clarity with suppliers became increasingly clear as the Programme progressed. This involved engaging private sector expertise as well as using internal legal, commercial and procurement capabilities.

Areas of high focus validated through hindsight were:

- › scopes of work
- › clarity of requirement
- › critical milestones
- › dependencies
- › issue escalation
- › quality measures and defect benchmarks relevant to key project stages
- › warranty rights
- › clarity of work falling within scope of variable costs.

The discipline around commercials applies through the whole programme life cycle, not just to contract execution. Good commercials require rigorous monitoring of project quality, the acceptance of products and services based on agreed scope of work and requirements, and calling out problems as soon as they become apparent. This requires diligence and, at times, courage.

Formal commercials can quickly become distorted by verbal agreements or the use of other non-contract instruments to effectively change a contract deliverable (e.g. email or meeting notes), or not formally clarifying when there has been a waiving of contract rights.

Financial circumstances can change during a project, with consequences for both purchaser (e.g. a budget blow-out) and vendor (e.g. reduced profit or a loss). Often this reflects the risks each party carries with a project – if they are outside the contract terms they should not be imposed on the other party as a problem to be shared. The commercial arrangements should be clear about the way forward and where respective liabilities fall.

The initial commercial structures demonstrated the need to understand how different contractual approaches drive different behaviours, and to match this with organisational needs. Despite what might be specified in a contract and subsequently confirmed by independent legal advice, the vendor through their own counsel can take an opposite view.

At these times the programme must choose whether to seek legal redress or to resolve the matter through commercial negotiations. The choice will be informed by issues such as financial quantum, foregoing scope or affecting timelines. These must be balanced with the possibility of quality risks as corners are cut to rein in costs, and reduced staff morale as tensions develop within the project.

If the relationship between the parties is professional and respectful, there is a strong foundation for resolution that suits both parties. Building this requires sustained engagement, with regular and open communication and calling out issues early and with honesty. Relationships should be nurtured at multiple levels, from chief executives down. This takes effort and commitment, but if done well it puts the business in good stead to resolve issues. But despite strong relationships, the effort to achieve resolution can become disproportionate to what is at stake – in these cases the result can be counterproductive, with residual long-term impacts.

When selecting vendors, the ease of dealing with them should be weighted highly in pre-engagement referee checks.

Learnings

Specialist commercial management is required throughout a programme's life to ensure vendors and clients behave as expected and quickly resolve contractual or commercial challenges.

Maintain discipline and rigour in managing vendor contracts.

Avoid any departure from formal contracts through informal or implied actions.

Constructive and effective relationships maximise the prospects of successful resolution of commercial tensions and minimise the risks to effective delivery.

Do not spend too much time and effort trying to resolve unresolvable conflicts.

Ensure that pre-engagement referee checks of potential vendors include the ease of dealing with them.

Feedback

The lack of strong commercial management early on was noted by survey respondents. Many commented that it felt as though MBIE was not in charge of the technology direction.

53%

of respondents rated the overall relationship with the vendors as average or above average.

○ PEOPLE CAPABILITY AND EXPERTISE

A complex business transformation project requires a variety and depth of skills. Key areas include: programme management, project management, communication, business analysis, impact assessment, training, testing, commercial and legal, business transformation, operating model and business process design, organisational design, change management, system architecture and internal assurance.

Investing in these capabilities is an investment in programme success. Some capabilities may exist within the business – if utilised, the people involved need to be freed up from regular work and assigned to the programme. If this does not occur, conflicting priorities will normally be determined in favour of BAU.

Most of the Programme's expertise was acquired through contractors and consulting firms. Good selection is more important than usual because programmes are relatively short term with demanding timelines. Referee checks provide assurance in the selection process, but not all selections work out. There is limited time to develop expertise, and programmes do not have the luxury of carrying under-performing staff. It is best to replace them as soon as possible.

Defining roles, responsibilities, deliverables and clearly outlining expectations to contractors provide clarity and cannot be left to chance. Workstream leads provide this direction, alignment and integration, and it is important that they are chosen well.

Consulting firms are a rich source of expertise and can package a mix of capabilities to provide quality services to support different stages of the programme life cycle. A key aspect of the Programme's success was the intellectual capital provided by consultancy firms in developing the new operating model and advising on business transformation.

But reliance on a consulting firm should never imply shifting the risk of delivery accountability to that firm. Consultancy expertise and the responsibility for associated outputs must be under the direct control of the programme, including their work, resource allocation, methodology, quality standards and required outputs. This approach does not necessarily sit well with consulting firms, but they do not carry the risk of programme failure.

The exception to this approach was the acquisition of technology services. This needed to be a partnership, as the Programme defined its business needs at both the requirement and the build stages and the IT provider was charged with developing an integrated, fit-for-purpose solution. The IT provider still needs to be held to account for delivering a solution that meets business needs. The emphasis here is outcome, not input.

Learnings

Invest appropriately in skills to support the programme.

Maintain direct management of contractors and consultants to ensure the programme controls its outcomes.

Feedback

Survey participants noted that some projects were managed by staff who were inexperienced with project disciplines. It was suggested that business resources should lead the projects, supported by experienced project managers.

Finding the right balance of contract/supplier resources and business resources was a challenge noted by survey respondents. It was recognised that the Programme could not have been delivered without the involvement of suppliers and seconded contract resources.

Nearly 60% of respondents felt the project managers had the appropriate skill sets, knowledge and experience for their roles.

Nearly 65% of respondents felt that individuals within projects understood their roles and that clear expectations were set by the Programme.

0 WIDER ORGANISATIONAL SUPPORT

While the Programme sought to acquire all the skills it needed to operate effectively, there were other experts within the wider organisation with invaluable skills. In particular, MBIE's Chief Information Officer (CIO) and CFO were significant partners. This partnership did not detract from the formal organisational roles held by these people, such as operating within delegations, following financial guidelines, and complying with system architecture attributes.

The CFO provided additional commercial acumen in contract negotiations and contract issue resolution. The position was invaluable in guiding and supporting budget movements between financial years, in developing business cases seeking funding, and in the progressive draw-down of capital. The CFO utilised their relationship with The Treasury to assist the Programme.

The CIO helped to negotiate and manage the contracts associated with IT projects. The position has experience in resolving and advising on issues arising from design, build and deployment. A strong relationship lays the foundation to access this experience and knowledge without detracting from the obligation of a programme to run projects successfully.

The CIO accepted the Programme's IT system as part of the broader organisational environment and ran, controlled and managed the infrastructure and support services under a Service Level Agreement with a third-party provider. CIOs usually have relationships with the same suppliers used by a programme, and their support can be invaluable in resolving issues.

Learnings

Form strong relationships with internal stakeholders, particularly the CFO and CIO, to expand the knowledge base supporting the programme.

These relationships do not lessen or replace the obligations and accountability of the programme to deliver fit-for-purpose products.

0 COMMUNICATIONS

Communications initially focused on the IGMS project team, although the shift to a programme and business transformation focus moved communications targeting towards the wider business and stakeholders.

Recruitment of dedicated communications staff for the Programme and, later, the Visa Services change team, led to more effective communications. The change team focused on "deep-dive" messaging for staff directly involved with implementation, while the Programme promulgated overarching key messages across the business and to key stakeholders.

Frequent communications are an effective tool for generating business buy-in, but tone and frequency must be carefully balanced with managing expectations and change fatigue. The approach taken was to communicate as and when required, without over-promising and under-delivering. The key to messaging was ensuring staff and impacted stakeholders (internal and external) knew and understood:

- › the impacts, by audience, of specific changes – how am I affected?
- › the rationale for change
- › the end state for INZ

- › what was changing and how and when
- › status updates on change implementation, including success stories.

The Programme managed production of a series of monthly Vision 2015 staff videos to support the change journey. This was time and resource intensive but was seen as the most effective means of delivering timely messaging to all impacted staff in a large, disparate, global organisation.

The videos enabled the SRO to take a highly visible change-advocacy leadership role with staff. Each video also included insights from key change players and the views of front-line staff, to demonstrate practically to staff at all levels how the changes represented a new way of working and a better customer experience.

Staff feedback indicated that they felt part of the change journey rather than having change imposed on them, and the videos contributed to that sense of involvement. The videos ranged from six to 30 minutes long, although normally were around 10-12 minutes – shorter, tightly edited videos tended to be most popular.

Typically, messaging was prepared by communication specialists in the Programme and the change team and delivered by managers. For example, the videos were not sent directly to staff – rather, links were sent to managers, who were then encouraged to assemble their staff, play the videos and discuss the content.

The manager-led approach did require people managers in the most impacted areas of the business to cascade and engage. This did not always happen effectively. The quality of communication from managers to staff and stakeholders varied across the globe. The problem was recognised and partly resolved by creating “change champions” in individual offices to supplement managers’ efforts.

The importance of gathering reliable and consistent feedback via “pulse-checks” to ensure consistency of messaging and timing was not understood until well down the track. A more granular understanding was needed of where stakeholder relationships were owned, along with regular contact with external stakeholders – the end receivers of the new INZ products and services – to ensure information gaps were identified early and messaging was consistent and aligned for all impacted sector groups. A series of surveys of external stakeholders in mid-2015 helped to guide an amended approach to disseminating information.

External audiences received timely information tailored to their needs, along with engagement at regular intervals (for example, presentations and seminars with immigration agents and education agents). This gave them as much notice as possible of what was coming when, how they were affected and how they might benefit. This process was more difficult in earlier Programme phases, when there was a demand for information but the timing and specifics of deliverables were less certain than they became later.

Communication increased in the implementation phase of Vision 2015. Programme-based communications staff were critical, as INZ did not have sufficient communication resources to develop and deliver information while dealing with their regular workloads.

Engagement with external stakeholders is critical to ensuring their buy-in to and uptake of introduced changes – but they need to be part of the change journey. There was a heavy reliance on INZ relationship holders – usually market managers and area managers – to engage effectively with stakeholders and deliver the communications and collateral developed by the Programme, including presentations, information flyers, videos and web material.

Early and ongoing engagement between the business and the Programme communications team was important in developing timely and tailored, audience-appropriate information. It also would have been useful to gain feedback from stakeholders about the content and their desired frequency and modes of communication.

Learnings

Ensure communication activities are well resourced and located within the programme.

Identify and understand the business's key stakeholders and their information and engagement needs.

Tailor communications for specific audiences – a one size fits all approach is never as effective.

To minimise change fatigue on a lengthy change journey, be innovative and do not over-communicate – try to confine communications to points when you have something new and useful to say, rather than being locked in to regular output cycles that may have you scrambling for content.

Involve staff in communications – their experience will resonate across the business.

Survey stakeholders regularly to test and refine communication activities.

The communication of operational changes should focus on “what does this mean for me?”.

Feedback

74%

of respondents rated the Programme's overall communications as average or above average and 10% rated the communications as good.

55%

of respondents agreed or strongly agreed that as stakeholders they were well engaged with and adequately informed by the Programme.

62%

agreed or strongly agreed that the business handled communications in conjunction with the Programme effectively.

The survey identified that stakeholder engagement and communications was an area where the Programme performed well. It was noted that communication activities were initially patchy and the resources were insufficient.

Many respondents commented on the monthly videos fronted by the SRO as a strength. They provided staff with a sense of connectedness to INZ and the change journey, helping them to keep track of what was being delivered.

Survey respondents and comments from front-line staff indicated that the layered, manager-led communications approach generally worked well but was not always effective, as it relied on individual managers.

Staff commented positively on the communication of the purpose of Vision 2015. The drivers for change and the design concept were well understood. The communication of operational changes, however, could have been enhanced on the “what does this mean for me?” message.

Managers noted that the communication material was not always properly tailored for stakeholders or pitched at the right level, sometimes requiring a rework of materials. They noted that managing expectations was difficult with shifting timeframes, and that they had learnt to keep messages targeted to what the changes were and the impacts.

Artefacts

- › Communications - how to guide.
- › Communications and Stakeholder Engagement Strategy.
- › Transition Communications plan.

S GENERATING BUSINESS BUY-IN

Successful delivery of a business transformation programme is wholly determined by working in partnership with the business, to ensure it has the necessary capabilities and capacity from design through to implementation and handover.

Effective business buy-in throughout any programme life cycle takes constant focus and effort. But buy-in will occur in different ways, through different people at different levels within the organisation, depending on the stage of the programme.

In the initial two years of the Programme, wider business buy-in was low and difficult to achieve because business input was limited to a small number of people involved in the design. As the Programme progressed there was greater clarity about the business's role in change management and implementation, and buy-in broadened and deepened among staff.

The business's direct involvement in the Programme helped achieve buy-in. INZ staff were seconded to the Programme for solution

design, building and testing, to utilise their practical knowledge of INZ processes, staff requirements and customer needs. The size and structure of the business required people to be engaged at different levels.

The formal approach the Programme took was:

- › dedicating SMEs from the business to teams involved in solution design, building and testing
- › engaging a wide range of business people in design workshops, user acceptance testing, piloting and testing, governance arrangements, deployment and as subject matter reference groups.

There must be clarity and a shared understanding of the respective roles and responsibilities of a programme and a business. The programme needs to be conscientious about supporting the business by bringing supplementary expertise and capacity, rather than undertaking tasks that belong to the business. This support role is critical in the implementation stages and requires close working relationships – the business must accept responsibility for the implementation and success of changes. The Business ownership section below sets out further detail.

Promoting a co-design approach also helps to achieve business buy-in. The Programme took the lead on the highest-risk and most problematic issues, or where business agreement was unclear. Otherwise, the Programme provided support and discipline.

As recipients of the programme deliverables, staff need to be taken on the change journey and buy in to the changes. As noted in the Communications section above, the monthly video series helped bring Vision 2015 to life by explaining the benefits of deliverables to staff and customers.

As noted, business buy-in can vary at different stages of a programme. Regular pulse-checks and lessons-learned sessions with the business are recommended to understand the effectiveness of engagement, communication and training and allow for adjustments.

Relationship-building can contribute greatly to business buy-in, particularly at senior leadership levels in the wider business and with external stakeholders. The SRO met weekly with the Programme Director and IT Director, and fortnightly with the Change Director and business owners. The Programme Director met fortnightly with the Immigration Leadership Team. This regular engagement ensured a greater understanding of progress, risks and issues with deliverables.

Other Programme members had regular forums with business owners, reference groups and leadership teams. The development of effective working relationships proved useful in enlisting support to seek solutions to problems and identifying implementation approaches.

Learnings

Identify staff from different levels of the business to support the project/programme life cycle at each stage.

Develop relationships with senior leaders within the business and the wider organisation, meet regularly, provide meaningful updates and seek their input to solutions.

Check in with the business regularly to test the effectiveness of engagement tools.

Define roles and responsibilities and adjust as necessary during the programme's life cycle.

Feedback

56%

of respondents rated the level of business involvement in Vision 2015 as above average or good, with a further 30% rating it as average. Only 4% of respondents thought the business involvement was below average.

Survey respondents highlighted the visibility of business leaders as a positive in generating staff buy-in.

Survey respondents noted that it was apparent the Programme was learning from its experience and altering its approach to engaging with the business.

Survey respondents highlighted the use of SMEs in projects as a strength of the Programme.

S

BUSINESS OWNERSHIP

The Programme supported and facilitated business ownership because of its importance to successful delivery.

Initially a small number of senior business representatives were seconded full-time to the Programme. Their role was to lead and direct the business requirements and design thinking. Secondment had some advantages in the early part of the Programme, in terms of design. But once the foundation capabilities had been developed and the wider operating model agreed, the cross-INZ business input to deployment thinking and associated business change implementation was not initially addressed.

At first there was a generic change approach that required tailoring by each business group. This resulted in a limited business understanding of the impacts and ownership of the roles and the business change journey. Over time this was resolved by establishing a change-implementation team in the most-impacted business unit, Visa Services. This led to the establishment of better lines of communication between the Programme and the key impacted users, with impacts identified early and the business engaged more actively in deployment planning.

Business involvement requires different skills from business representatives depending on the activity. Additional dedicated resources may need to be bedded in with the most affected user groups, rather than sitting within the programme itself.

There was a dedicated, full-time senior INZ representative working across the Programme throughout. This was critical to business

understanding and ensuring that the Programme deliverables were credible for the business. The effectiveness of this role improved when it took over direct oversight of deployment and implementation.

This role was supplemented in three ways. The first was the appointment of a business sponsor from the Immigration Leadership Team to each initiative within the Programme. Secondly, a fourth-tier manager was appointed as the business owner, with a critical role in ensuring that the initiative met the required outcomes and delivered the expected benefits. They both had to ensure that the Programme understood the business strategy and that this was clearly reflected in project documentation and design thinking. The business owner identified the subject matter expertise required and kept the sponsor updated with progress, including key decisions and issues.

Thirdly, a reference group of all business owners was established. This forum allowed the business to identify points of integration, dependency and handover between initiatives and features of the complete Programme scope. This group was identified by the business, the Programme executive and sponsors as making a positive contribution to business ownership. It focused on the new business operating model and the impacts of phased deployment, and advised on how technology, process and people changes could come together to achieve benefits. It also understood what would be required to maintain and enhance new capabilities.

Learnings

Engage different parts of the business at different levels to generate business ownership.

Develop a structure to identify the varying levels of ownership required by the business at each stage of the programme.

Business ownership needs to be consistent and constant throughout a programme's life cycle.

Business involvement is critical from the outset of a programme. Different levels of involvement in areas such as delivery and decision-making should be defined, and desired resources identified for both seconded and part-time roles.

Business involvement must cover design, planning, approach and timing for implementation and change management.

Feedback

There was a view among respondents that the business was not initially well organised to provide both resources and a consolidated view of business needs.

Artefacts

- › Roles and responsibilities of sponsors and business owners.
- › Business Owner Reference Group terms of reference.

O BUSINESS ANALYSTS

Business analysts were critical to the Programme in all phases, including assess, design, build, test and deploy. They translated strategic decisions into detailed requirements and process designs. This required high competencies and the ability to work closely with staff at all levels, from senior management to front-line.

A small number of business analysts for the Programme were sourced from the business through secondments, with the majority from the wider MBIE and external contractors.

The secondment of INZ staff to the Programme was hugely valuable, providing access to subject matter expertise, well developed relationships and an understanding of how decisions affected the front-line. But the number of analysts available from the business was limited and they were often over-utilised. In the last year of the Programme projects were further supported through an allocation of dedicated SMEs, which helped to ease the pressure.

Internal expertise was supplemented by external contractors, who provided capabilities to support the Programme and business teams as the focus of work changed.

The co-location of business analysts helped to avoid projects working on designs in silos, as the analysts were exposed to conversations and encouraged to collaborate. The team had a sound understanding of the links and dependencies between the projects, and it was important that they had regular opportunities to share this knowledge with their wider teams and the PMO. This was done in both ad-hoc and structured ways, for example through informal meetings that the wider Programme could attend.

The Programme relied heavily on the business analyst team. Clear definition and regular revisiting of their deliverables was critical. The team lead took a disciplined approach to resourcing requests for projects, and “owned” the allocation and reallocation of staff. This led to a shift from projects asking for a set number of business analysts to project managers clearly explaining the deliverables they were working, the capability or capabilities required and their critical paths. Moving from a one-to-one allocation model improved team utilisation as well as recruitment and retention.

Learnings

Build in the ability to scale up and down to manage the demands of the programme and ensure this limited and valuable resource is secured.

Co-location of business analysts with the programme enhances their understanding of links and dependencies across projects.

Build in discipline around the allocation of business analysts in response to project requests – focus on delivery requirements.

Artefacts

- › Resource requests.
- › Business analyst role – activity – responsibility.

2

PART TWO

DESIGN, BUILD
AND DEPLOYMENT

O IMMIGRATION GLOBAL MANAGEMENT SYSTEM (IGMS)

The IGMS technology build was challenging. Considerable time was needed to design and elaborate the business requirements – some decisions were made too early, creating ongoing challenges with the build and delivery and in the relationship between the business and the vendor.

The full project team was established before business requirements were agreed, incurring unnecessary costs, and some key decisions were made before the design elements were fully agreed. An example was the early purchase of software to take advantage of supplier discounts, which later became redundant as the design was finalised. Other software should have been purchased nearer to go-live to delay the start of software maintenance.

Business change can also complicate long-running technology projects – an example was with IDme, a complex, multi-year project upgrading INZ's identity-management capability. The requirements were defined at the outset but design gaps arose from many changes over time, including to the organisation, business processes and the technical environment. Regular requirement updates were made, but key personnel changes resulted in misunderstandings not being found until the testing stage.

Before issuing an RFP, a business needs to carefully consider the capabilities it requires from a vendor. INZ undertook a sound procurement process, but the due diligence in developing INZ's high-level business requirements was not sufficiently robust. Throughout the IGMS development there were repeated reminders of the importance of clear business requirements for engaging the vendor, meeting timeframes, ensuring appropriate scope and curbing cost increases. It also became clear that the business needed a strategic partner, but had a solution developer.

To be successful, the vendor, business and ICT teams all need to be engaged at the outset. INZ had initially planned to replace its legacy AMS completely, so it was thought that MBIE's ICT team and technical experts in AMS would not be needed when the new solution requirements were defined. However, as the project progressed it was realised that a full replacement of the legacy system was not needed or justifiable, so the scope changed and the Programme sought wider expertise and support.

The Programme would have benefited from utilising existing knowledge sooner. SMEs from the business were involved, but they should have been freed up from their substantive roles for the Programme to get the full benefit of their input. SMEs were eventually seconded from the business, which helped improve decision-making and understanding.

A further challenge was agreeing the most appropriate operational service levels for the new solution. A pre-RFP business team was assembled, which agreed on an aspirational set of non-functional

requirements for the new system that were included in the RFP. While highly desirable, these did not reconcile the service level, operational cost and business needs. Ongoing operational costs were higher than expected once solutions were delivered, causing a relook at the cost drivers; they were mainly linked to the non-functional requirements.

As solutions were developed and tested, different expectations emerged from the Programme and the vendor on what constituted acceptable code quality and requirements for fixing defects. Greater contract clarity would have helped manage and avoid project conflicts and delays that required lengthy negotiations. Definitions of defect severities, responsibilities to fix and the quality gate for go-live need to be established from the outset. The controlled set-up of formal project structures helped minimise rework, saving time and money. The establishment of a Programme governance structure and tighter controls brought stability and clarity of roles, responsibilities and decision-making.

To ensure that development effort and timelines were optimised, the Programme closely managed the scope through the governance process. An MVS approach (see section below) was adopted to delivering the business benefits. All change requests were reviewed against the original scope and MVS.

The move of INZ from the Department of Labour to MBIE caused significant change; this resulted in additional scoping and rework, which in turn affected the project timelines and budget. The move affected the transition to a new service provider, new system management tools and changed technology standards. An organisation-wide technology change freeze should be considered on common services when delivering new major systems, to avoid conflicts and delays.

Critical to IGMS was careful consideration of the security requirements and the need to build security into the solution. A dedicated team was established to work on identifying and addressing risks. The security risks and requirements changed throughout the project, so this aspect needed constant review and early engagement of external security experts to peer-review risk analysis and threats.

The design and build phase was slow to mobilise due to the Programme's difficulty in confirming requirements with the business on how the new solution should work. Because of this, after several false starts it was decided to adopt an "agile" development approach, which helped decision-making for the first Programme deliverable, Student ONLINE. But this approach had drawbacks, such as a lack of clarity on the length of the build and finding a need for new functionality late in the project. The vendor also struggled to keep multiple teams working in step to a common plan.

Without a fully defined set of requirements the vendor had no way of confirming costs, so by default a time-and-materials contracting approach was used for Student ONLINE under a robust project contracting agreement. The time-and-materials approach did not address the requirement for vendors to manage estimates at completion. Re-forecasts of dates and costs became a constant theme, compounded by changing requirements.

Organisational and technological stability is essential for controlling programme costs and timelines.

To overcome these issues the Programme moved in later technology projects to a mainly fixed-price contracting model using the more traditional “waterfall” design and development approach. It adopted capped time and materials for requirements’ elaboration, providing a good understanding of delivery requirements for both the business and the vendor. This enabled the vendor to cost against a known scope and the business to review whether MVS had been achieved.

Once MVS was agreed, the build, integration and test stages were covered by a fixed-price arrangement, with variable pricing where deliverables depended on activities outside the vendor’s control, such as testing. A ratio of 85:15 fixed:variable was achieved.

Learnings

- Do not stand up the full programme and vendor teams until there has been enough planning to ensure the first project can proceed smoothly.
- Before starting development and environment set-up, the business needs to agree the solution requirements and the vendor must agree the high-level design.
- Deployment to a stable and tested infrastructure environment is necessary to forecast costs and time, building delivery confidence and reducing risk.
- Consider an organisation-wide change freeze before, during and immediately after a major new deployment.
- Enter time-and-materials based contractual arrangements with eyes wide open. Fixed-price contracts appear more expensive, as they include a risk cost, but they provide focus and clarity of expectations.
- Limit changes to the agreed commercial arrangements and follow established processes for agreeing scope changes.
- Consider purchasing software licences just in time, rather than in advance.
- Be very clear on the defect-management process and severity classification definitions - specify who is liable for fixing them and what acceptance looks like at each stage of the test process.
- Define entry criteria for production deployment and what a successful deployment looks like.

S THE OPERATING MODEL

Vision 2015 involved switching from primarily manual to fully online systems, with some automation, for visa applications and processing. This required significant technology and business change for staff, customers and business partners.

The Vision 2015 strategy, developed in 2012, provided a rich description of the desired future operating model, but it did not include a

An operating model bridges the gap between an organisation’s strategy and its operational resources.

“roadmap” or articulate the steps the business needed to take. All components of the VPOM required assessment, including systems, products, channels, customer offerings, business capabilities and performance metrics. This provided clarity on the level of change in each component and the business capabilities needed to bring it to life.

A consulting firm led the business transformation work and development of the VPOM. The operating model approach helped identify impacts across the business and ensured that changes to each component were accounted for.

The consultants worked alongside SMEs, business representatives and leaders to define the VPOM. Highly consultative workshops and a structured methodology were critical, resulting in all stakeholders understanding the December 2015 end state for each business capability and the prioritisation of work packages required to get there.

As a result, 29 projects were developed, collectively forming the transformation roadmap for INZ. The VPOM united Programme and business stakeholders in delivery.

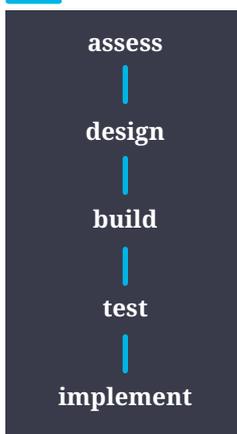
The VPOM:

- › described how INZ’s visa-processing system would operate from December 2015, taking account of new and existing technology, process standardisation and people change
- › provided guidance on delivering the detailed design components, along with the Integrated Delivery Plan
- › captured key relationships between the business functions, processes and roles required to achieve Vision 2015
- › highlighted changes to key components of the business, covering customer-facing elements, design and control, operations and monitoring.

The VPOM helped to shift the focus from the IGMS technology project to the business integration programme. This helped to build business awareness, buy-in and ownership – it sheeted home that Vision 2015 was not solely about online forms, but signalled a much bigger transformation for all of INZ.

A problem was starting the VPOM assessment and design mid-way through the build of fundamental technology components, after some requirements had already been defined. For example, work was done on a Student visa operating model to attempt to “catch up” with the already-developed Student ONLINE form. The operating model was the “glue” that held everything together – without it, there was no clear view of what everyone was designing to. Further, teams worked in silos on technology elements, which were only part of the picture.

An interim operating model was developed once the scope of IGMS was reined in from being a full replacement of the AMS legacy system. While helpful in refocusing people on how the new end state would look, the VPOM was more effective in uniting and mobilising people, with clear delivery dates for all new capabilities.



This phased approach provided clarity for all parties about the size and deliverables of each project.

Learnings

The operating model definition should always precede and inform development of future processes and requirements and provide the basis for testing design decisions.

The operating model is a necessary input in guiding investment decisions, understanding areas of benefit realisation, and uniting and mobilising business and programme staff around clear goals.

Feedback

Survey respondents noted that, given the opportunity to start over, the initial focus should be on the operating model and business process components. They would also be less reliant on technology to solve problems.

Artefacts

- › 2015 Visa Processing Operating Model.
- › 2018 Operating Model.

0 MINIMUM VIABLE SOLUTION (MVS)

A programme must deliver solutions that meet business and stakeholder needs within budget and on time. This is no small challenge. The Programme adopted an MVS approach to achieving the desired future state while minimising development and build time and costs. MVS ensured that rigour and focus were applied to scope and timing discussions. It was adapted from “agile” development methodology.

The Programme developed several MVS principles (see artefact) that were applied at individual project and operating model levels.

MVS helped business owners and the Programme ensure that discrete deliverables from disparate projects were integrated, to:

- › deliver sustained business improvement
- › meet minimum customer and stakeholder expectations
- › provide a platform for further improvements once the organisation and customers had worked with the new products and processes.

MVS ensured that development and deployment timeframes were optimised, development costs were targeted to key features, and investment was tied to features providing the greatest benefits for the business and its customers. MVS drew attention to how individual components fitted together and integrated with INZ operations. It also allowed for value and benefit discussions to be held at different levels within the Programme.

Being rigorous about MVS allowed INZ to decide how long to sustain particular solutions before investing in improvements, while still implementing capabilities early. An example was implementing a manual process ahead of an automated business rules engine for

triage and verification (risk classification) of visa applications. Rather than leaping straight to a technology solution, the manual process meant the business rules engine and automation requirements were informed by a “live” experience of the new process. The business gained a greater understanding of the process changes needed to support a new way of working, through front-line input into rule development and enhancements. This led to early benefits at, arguably, lower cost.

MVS allowed the business to drive change at its own pace. It was primarily focused on technology, benefits, costs and business needs. A customer perspective was implied, although not explicit, but became more relevant as solutions became operational. The customer impact needs to be an explicit input to a business transformation, with trade-offs clarified and accepted by the business.

There are two main risks with the MVS approach. Firstly, MVS decisions can be made at a component or project level without understanding the implications for the wider operating model. For example, a new technology feature might be deemed unnecessary because a viable process option is available, but the cumulative impact of this and other decisions might create an unsustainable burden on people and processes. This risk was managed by keeping business owners focused on the VPOM MVS. Specific workshops were held for key deliverables to ensure that a wider MVS lens was applied.

The second major risk is that MVS requires an ongoing commitment to obtaining customer and user feedback about required improvements, followed by rapid and frequent investment.

MVS was a new way of managing assets for INZ. It required different thinking about capital planning, capturing field and customer feedback, then prioritising and funding improvements. It proved effective in delivering key operating model features, but will require an ongoing focus following handover.

Learnings

The MVS approach provides a useful mechanism to guide scope decisions.

MVS must be applied at project and integrated operating model levels.

MVS gives more certainty on delivery of the required elements of the operating model and budget.

Mechanisms such as workshops should be used to ensure that the wider business implications of MVS decisions made at project level are properly taken into account.

Artefact

- › MVS Principles information sheet.

O BUSINESS SOLUTION DELIVERIES (BSDS)

Once the scale of change encompassed by the new operating model was fully understood, it became clear that deployments would have to be “bundled” to minimise risk and enable INZ to manage them. The bundles were called business solution deliveries (BSDs) – they were based on a logical integration of new technology and business process capabilities to ensure that changes were fit for purpose, measurable and manageable. This also allowed for a gradual building of business-management capabilities, adding to the understanding and acceptance of ongoing benefits.

Four BSDs were packaged, with each managed as a mini-programme with an integrated plan covering impact assessments, implementation planning, deployment, communications and training.

BSD implementation was phased in over 18 months, providing four significant advantages:

- › Clearer communication about the change journey, including how the new operating model would be delivered through linked but stand-alone implementations.
- › An understanding of business changes in terms of specific implementation timings, rather than by project life cycle. This aided business readiness and change management.
- › Better prioritisation of scarce Programme resources, especially for business impact assessments, deployment, communications and training.
- › Streamlining Programme monitoring and reporting and more effective risk and issue monitoring. Lessons learned could be captured and applied for future implementations.

At times the large number of projects made management of dependencies difficult. The sequencing was challenging, especially when it was unclear whether delays would impact on other projects. As one or more project timeframes changed, the BSD planning and impact assessment work, communication and training materials had to be reworked, sometimes multiple times. Key messages required constant revision and re-communication, leading to confusion about exactly what was being implemented, and training materials having a very short window for development and review.

The key learning from this was that while bundling for delivery was critical, not all project activities had to be bundled because of the variable impacts that projects had on end users. This led to the establishment of different streams within later BSDs – one stream aligned projects delivering change to front-line offices, while another aligned projects changing management controls across the organisation.

Learnings

Bundle deployments to minimise deployment risk and enable the business to manage the scale of change.

Communicate with the programme and business when timeframes shift to manage expectations and any impacts on other deliverables.

The management of dependencies needs to be carefully planned. Developing an agreed approach early is essential to effective management.

Feedback

In general the BSD solution was considered useful, although survey respondents noted initial confusion around their introduction and the different responsibilities of BSD managers and project managers.

Artefact

- › Programme Management Plan.

0 BUSINESS PROCESS DESIGN – LEVEL 4/7

Business analysts were responsible for gathering high-level business requirements for the Vision 2015 technology changes. The requirements, along with an overview of the new and impacted processes, were captured in a standard template developed with the business and the vendor to ensure that the information was sufficient for sign-off and further elaboration. The vendor developed concepts from the requirements documents down to a detailed level referred to as "level 7".

It became clear that the level 7 requirements documents were too detailed for the Programme and the business to see the wider picture and maintain traceability between requirements. The requirements documents were examined in silos and decisions made without consideration of the impacts on the wider process.

After development of the VPOM, a new, more practical process design approach was adopted that enabled an end-to-end view. While requirements continued to be captured in the standard template, processes were designed more holistically. The business analyst team used good-practice business process modelling notation and a new hierarchy that traced designs from the VPOM down to a new, less detailed "level 4".

Process design documentation was updated several times during the Programme. The documents informed deployment, training and change teams as well as the technical writers who developed the standard operating procedures (SOPs).

Learnings

The delivery of end-to-end process designs at programme level is critical to a connected solution.

Avoid silo design teams.

Well-developed process designs, at the appropriate level of detail, help with understanding the impacts of different choices when deciding on a preferred build.

Artefacts

- › Manage applications.
- › Business process design template.

0 TESTING

The technology stream within the Programme used well understood project practice for technology (software and system) testing, but there was less clarity on how to test business changes that did not include technology elements. A process test plan was developed to determine the best test approach for each project or project bundle, taking into account complexity and risk.

Testing approaches such as process walkthroughs were sufficient for projects delivering low to moderate change. Stakeholders gained a solid understanding of the impacts and confidence that the changes would integrate well.

Later in the Programme there were larger deliveries involving multiple projects and moderate to high levels of business process change. In these cases pilots or full simulations were used for pre-deployment testing, involving teams of stakeholders and experts in process and change. Involving front-line staff in testing contributes to business buy-in, as staff become change advocates, but they need to be involved early to allow time for any modifications.

The largest test phase was a full simulation of the end-state business process – this was named the Process Test Office. It included testing workload management processes, tools, management reports task and role changes in a “real-life” environment, with all work being digitised for the test. Criteria were developed for a suitable location for the Process Test Office, including team size, risks and product profiles and whether offices were hitting peak times. It included considering whether there was a sufficient scale and variety of work, ensuring that volumes would be manageable without jeopardising operational outputs, and having sufficient space to house the project team for the test period. Capability and cultural aspects that were not easily measurable were also taken into account. This meant the test outcomes could inform planning for implementing changes globally.

The project team came together at a core location (Bangkok office), with staff from multiple locations in INZ's global network testing the standardisation of inter-office processes, as well as processes for allocating and managing work in a global queue. Focusing resources on one location was a valuable exercise. The process design learnings became almost secondary to what the teams learnt about different behaviours and cultures. These learnings informed both design and implementation planning.

Learnings

Rigorous testing is critical to ensuring products are fit for purpose.

Applying an operational perspective early in the process helps ensure quality and best fit.

Testing needs to cover all aspects of business transformation, not just the ICT components.

To test significant business process change, consider running a full simulation of the end state through a process test office.

Artefact

- › Process Test Planning.

0 IMPACT ASSESSMENTS

Disciplined and well documented impact assessments were critical during implementation. The Programme established a stand-alone team to focus on impact assessments, deployment management and early life support. The team was led by a senior contractor with significant experience in ICT deployment. There was the capacity to update and improve templates and processes with each business solution delivery.

Key implementation artefacts developed through impact assessments included:

- › business readiness tasks
- › communication plans
- › training plans
- › handover plans
- › change management plans
- › implementation plans.

Each impact assessment started at a high level to identify impacted stakeholders, timeframes and scope. Detailed impact assessments were done once there was sufficient quantitative data. The assessments identified who would be impacted by the changes, how they would be impacted, and what needed to be done to prepare for implementation.

This approach meant that each project was responsible for identifying impact assessments, and it allowed the cumulative impact of changes from different projects to be assessed as an integrated change. Both the Programme and the business had clear timeframes and milestones for impact assessments that formed part of each business solution delivery.

Despite this, more work could have been done on unintended consequences, and some projects failed to consider wider impacts. For example, the Immigration Contact Centre and front-line staff were underprepared for the impacts of changes resulting from eMedical, the project that moved immigration medical assessments online from a paper-based system, using approved "panel" physicians in New Zealand and globally. Informed scenario planning would have allowed for the unintended consequences to be considered, and for improvements to training materials and stakeholder communications.

The Programme had to manage tension between early planning and having the information needed for detailed planning, compounded by the number of projects in each impact assessment. Project delays or scope changes meant assessments had to be delayed or redone, creating frustration, especially in the implementation, communication and training teams. It also delayed the development of aligned material.

Over time the business recognised the value of impact assessments as a key input to assessing change impacts and, later, preparing for business readiness, while often complaining that they were late. The Programme had to increase resources to meet the business's additional demands.

Learnings

Establish a dedicated team to focus on impact assessments.

Impact assessments are not a one-time activity – they need to be done at various points during a programme life cycle, to varying degrees of detail.

Develop templates and outline clear processes to create a disciplined and consistent approach.

Where possible, build in additional time to manage risks to delivery and customer expectations.

Assess thoroughly the unintended consequences of planned change deliverables.

Artefacts

- › Deployment approach.
- › High-level impact assessments.
- › Detailed impact assessments.

0 CHANGE MANAGEMENT

The VPOM identified changes to processes, technology and people. Much of the impact was on Visa Services, the front-line branch with about 1100 of INZ's 1400 staff, distributed across 31 offices.

Visa Services established its own change-implementation team in January 2015, responsible for:

- › planning and implementing business changes arising from the 29 work packages defined in Vision 2015
- › overseeing the piloting and implementation of process changes
- › designing supporting frameworks, tools and collateral to support manager-led change across the business and in the field, including communications and stakeholder engagement
- › monitoring the change readiness of Visa Services staff through periodic assessments.

Establishing the change team meant that change could be planned and implemented at a pace that suited business needs, taking into account peak periods (change was delivered before peaks to minimise disruption and allow sufficient time for training). The team comprised external consultants who led the VPOM development, seconded business representatives familiar with front-line visa processing, and a dedicated internal communications specialist.

The change team and the Programme used consistent approaches, including manager-led change and changes in bundles, not bombardment. A global change network was set up, ensuring that front-line managers had timely messages for their staff and could monitor implementation and engagement.

A challenge was striking a balance between face-to-face information provision and virtual engagements, as well as between visual and written support materials. Staff feedback about the change team was variable – it was responsive when shortcomings were identified, but some offices had limited interactions with the team.

The Programme's impact assessments helped the change team prepare communication plans, stakeholder engagement plans and readiness activities.

Learnings

From the outset, identify the parts of the business that will be most impacted by change.

Consider establishing a stand-alone change team in highly-impacted business branches.

Specify clearly the roles and responsibilities of a stand-alone change team.

Feedback

Feedback from front-line staff indicated that the change was managed well, aided by effective, regular communications. Staff commented that the staged rollouts enabled change to embed and learnings to be incorporated – for example, after Student ONLINE went live in August 2014 staff became confident and competent in the online system, so that the larger Work and Visitor rollout in 2015 had minimal impacts.

Managers said the “change checkpoints” were a valuable forum for discussing the impacts of change on staff, and for deciding how best to manage and deliver change.

Managers valued checklists provided by the change team, as they made expectations, actions and timeframes clear and helped in the allocation of roles and responsibilities.

Artefacts

- › Change Strategy.
- › Change Implementation Team – Project Initiation Document.
- › Change Readiness Survey 1 (March 2015).

O DEPLOYMENT

A Programme deployment team was established to manage the deployment of change in the business, working in parallel with the business change team. Clarifying roles and responsibilities early on was challenging because of the varying levels of understanding of change management, business readiness and the impacts of change.

Initially the deployment focused on technology-related change, but later it became more important to focus on the impacts of all the changes being implemented at the business front-line. The overall deployment approach adopted by the Programme was leader-led change – this meant the Programme and the business had to work together to understand the impacts for users then determine how deployment would take place.

An example of leader-led change was the decision to deploy business process change through the Visa Services change team when the impact was confined to the business front-line, without support from the Programme deployment and business readiness teams. But there were perceived overlaps in accountabilities between the Programme deployment team and the Visa Services change team, which meant that some readiness activities were not identified or monitored for change deployments outside BSD rollouts.

The staged rollout to managers of the new triage and verification model was a successful example of the leader-led approach. It enabled managers to build confidence in their own skills to deliver and lead change locally. It involved assessing the degree of impact on each site, then applying a high or low-touch implementation model accordingly. High-touch sites had on-site change support personnel working with local leaders to deploy change and assist them through early life support, while low-touch sites implemented change through the established change networks, with central support provided by the project team.

Learnings

Deployment is a joint activity involving business leaders and staff who intimately understand the current state of operations as well as project and change resources.

Articulate clearly the roles and responsibilities of the programme deployment team relative to any business deployment team that might be established.

Assess deployment options from the perspective of the end user, not the activity streams driving the change. A process-only change may have greater impacts and need more deployment planning and support than a technology-driven change.

Artefacts

- › Change Implementation Team – Project Initiation Document.
- › Triage and Verification Implementation Plans.
- › Triage and Verification Post-Implementation Review.

O STANDARD OPERATING PROCEDURES (SOPS)

Before Vision 2015 many INZ offices had developed their own work processes tailored to their particular market needs and risks. Moving to more consistent ways of working across the business required a standard set of processes and procedures.

SOPs were used to translate the business transformational changes into operating instructions for front-line staff, setting the foundation for standard processes around the globe.

Developing the SOPs was challenging due to the scale and complexity of immigration front-line procedures. It was recognised that more time up front was needed to understand the complexities and challenges of front-line operations. Writers had to become familiar with a lot of detailed technical information quickly, making it difficult to ensure that language, pitch and content were fit for the front-line. Other considerations not taken into account included writing for markets where English was a second language, and ensuring sufficient review and socialisation time by the business.

Operational staff needed to be more involved in developing the SOPs, to better understand the impacts and manage potential impacts. The consultation period was insufficient given the intent, size and impacts of SOPs on daily operations – as a result, some SOPs were not fit for purpose and needed rework. Consultation needs to be at the right point, involve the right people, and include representation from those who are most impacted.

An ongoing challenge will be embedding the SOPs so that all offices follow them to maintain consistency. This will require ongoing reinforcement from the top down.

Learnings

Secure technical writers early for SOPs, so they can spend sufficient time understanding the role of the front-line.

Allow sufficient time for the business to review SOPs to ensure quality and prevent rework.

Ensure that consultation on SOPs involves staff who are most impacted, and that the thoroughness of consultation matches the level of impact.

Establish leader-led processes for bedding in SOPs across the business.

Feedback

The Immigration Contact Centre, INZ's customer response service, was positive about the introduction of SOPs, as they gave it consistent information for customers that applied throughout INZ, overriding local processes.

O TRAINING

The training development and delivery strategy was determined early in the Programme. Key features were:

- › leader-led training rather than a centralised classroom approach
- › a blend of paper-based and online modules
- › mainly self-paced training, with manager instructional information
- › training modules delivered “just in time”, usually immediately before change implementation
- › “change champions” at each office or work group, responsible for ensuring that all relevant staff completed the training and understood the process changes
- › “super users” to support training at each location and provide post-training advice on using new technology tools
- › tailored training for user groups with special requirements (for example, specific modules were developed for the Immigration Contact Centre).

A specialist training company was retained throughout the Programme to ensure consistency. This allowed for continuity, build-up of aligned training material and the ability to scale resources up and down as required. Challenges included developing fit-for-purpose training material for globally dispersed staff, many with English as a second language, in a field with many technical and organisation-specific terms. The specialist company was able to meet these requirements.

The long and close association of the training developers with the Programme team gave them a good understanding of the drivers and benefits of Vision 2015, which was reflected in the design, development and delivery of training materials.

Training was action oriented rather than informational. Context and overview were included to ensure that staff understood the reasons for change, but the focus was on changes to tasks. Managers and change champions reinforced the wider context and how the new processes and tools integrated with existing work.

Although high-quality training material was developed, the VPOM emphasis on consistency and the standardisation of new processes meant there was little opportunity for training to be tailored to individual locations. Therefore managers and change champions had critical roles in ensuring that staff understood the changes as applied in their local contexts. The training material allowed staff to understand how new tools and processes were supported by new detailed tasks set out in SOPs – these were essential to developing the material.

There were often challenges in getting training material ready on time, as there was a heavy reliance on SOPs being ready, as well as reviewers and approvers being available in the Programme and the business. Timeframes for training development, review, approval, publication and release were often very tight. Training needed to be done during the two weeks before each deployment, so any delays in developing

inputs were difficult to manage. Again, it was useful having a dedicated external provider that could scale up and down as necessary to respond to schedule changes or delays.

The capability and confidence of local managers to support training activity varied across the global network. This was due to the varying impacts of change on specific sites given their size, product mix and the levels of experience of individual managers, as well as their involvement in project activities. For example, managers at sites involved in testing or piloting activities, or where key staff were involved in user acceptance testing, were more confident about taking a lead role in supporting their staff through implementation. For consistency it was essential that managers were briefed and supported to provide on-the-job training to prepare their staff for change. The success of training depended on the engagement of managers.

Training was primarily through online modules, with face-to-face training and early life support provided by the Programme deployment team and business change teams working together. This approach worked well with triage and verification rollout, when on-the-ground training was provided through hubs world-wide.

In some cases training was not delivered on time, such as for eMedical deployment. Some of the initial training was “one size fits all”. The Student ONLINE training was designed for processing roles, but specific training for the Immigration Contact Centre was not developed, although this was addressed in later deployments.

Learnings

There are advantages to contracting a specialist training company to develop training materials, preferably for the life of the programme.

Ensure tight management of review and approval processes within the business, as well as timely production of detailed operational information, so that staff can be properly trained before deployment.

The business needs dedicated staff to manage post-implementation training and maintain training materials.

Establish a change champion at each office to deliver training and ensure consistency while also taking account of the local market.

Training needs to be bespoke and delivered “just in time” so that staff are able to apply the learning soon after completing training.

Feedback

Staff said the online modules allowed them to understand the changes coming and the rationale for them. They said the training packages worked well, and they found the workshops of most value, as the changes could be discussed, issues resolved and information absorbed more easily.

Artefacts

- › IGMS training strategy document.
- › BSD2 training needs analysis.
- › Training approach.

O BUSINESS AS USUAL CHALLENGES

Close engagement between the business and the Programme gave the business a good understanding of the Programme's likely requirements. Establishing dedicated project managers within the Programme was beneficial, but it should have been done earlier to allow resources to be earmarked sooner.

BAU challenges occurred in three key areas:

- › Systems maintenance and enhancement: Environment scheduling had to be done thoroughly and kept up to date, so that any issues were dealt with without unduly affecting either the Programme or BAU releases.
- › Business adviser capacity: The expertise of advisers from the business was called on for the Programme, requiring careful management and flexibility.
- › Deployment demands: Programme deployments impacted the business as it responded to testing, piloting, training, implementation and change.

Good communication between the Programme and the business enabled staffing needs to be managed, particularly in relation to technology deployment. A release prioritisation group was formed early on, with MBIE ICT, INZ, Programme and vendor representation. This group met weekly to ensure there were no scheduling conflicts and that testing environments were well managed for both Programme deliverables and BAU releases.

The staged delivery of new processes and technology meant that staff could be managed without large ebbs and flows of demand, particularly for expert input. Involving staff expertise in the Programme helped with the transition, and especially with requirements' elaboration and documentation review, but caused constraints elsewhere. Early identification of staff requirements helps with planning and budget decision-making.

It was challenging for front-line staff to maintain BAU while implementing changes. The business needs to allow time for staff to prepare properly for business process changes and new technology.

Learnings

Retain flexibility to adjust the content and timing of BAU releases if necessary. This can be helped by providing clear advice to senior management and ministers about constraints on BAU and relative priorities.

Clear communication is needed with stakeholders about potential BAU constraints, acknowledging that trade-offs are necessary.

Ensure staffing can be scaled up, including by contracting, when this is required to meet the twin demands of a programme and BAU.

The business needs to engage fully with the programme to get a thorough and early understanding of any requirements for obtaining expertise from the business.

The ability to fulfil BAU demands is a prerequisite to business readiness for deployment. This needs to be well planned and responsive to the business's overall capacity.

Feedback

Staff commented on the constant pace of change, saying they could deal with change provided there was support and planning.

Managers said that the time and resources needed to implement change should not be underestimated. Checklists with clear timeframes enabled them to be prepared, clear about expectations and able to deliver change while maintaining BAU. They observed that front-line staff coped well with change given the significant volume increases being managed.

Artefact

- › An example of the release schedule.

3

PART THREE

EMBEDDING
CHANGE

S HANDOVER

The handover and transition approach was based on early collaboration between the Programme and the business. The scope of responsibilities must be clear, notably:

- › **What** is being handed over. This included Programme products, the integrated operating model, and Programme intellectual capital. The Programme was responsible for documenting material.
- › **When** material will be handed over. Products and associated oversight and management activities such as training, communications, and enhancement were handed over on deployment. The timing of handover was a joint responsibility agreed between the Programme and business, but the Programme was primarily responsible for timing.
- › **Who** material and responsibility are handed to. The business decided this, helped by the Programme providing advance clarity on what was being handed over when.
- › **How** handover and transition takes place. This included any skills transfers and temporary additional transition arrangements. The Programme and the business agreed on this after determining the what/when/who answers.

Through the Transition Planning Team the Programme engaged closely with the business, including the Immigration Leadership Team and the Service Design and Performance branch (SDP), which was responsible for embedding change. The transition planning team focused on how INZ was to configure itself for enhancement work in 2016 after the Programme ended.

Options for a blended (Programme and business) approach to delivering the 2016 enhancements were considered by the Transition Planning Team, recognising the impending closure of the Programme and the need to ensure that intellectual property was successfully transferred to the business. The Transition Planning Team also worked with the business on how the VPOM would be handed over.

Early engagement is necessary given the amount of work required for handover and transition. Some early challenges included varying levels of commitment in business units to collaborating on handover and transition. This creates a risk that knowledge might only transfer to a single part of the business rather than being evenly shared.

Another challenge has been the capacity of current staff to work on handover and transition. Key staff in core national office teams are already extended on implementing change and learning how to maintain the VPOM.

Learnings

Programme handover must be collaborative and well planned.

Business overlap with the programme on design is needed to ensure investment in systems, processes and people is protected and maintained.

Businesses must have the resources, capacity and capabilities to manage a new operating model.

Artefacts

- › Handover approach.
- › Handover and transition diagrams.

S SKILLS TRANSFER

The approach to skills transfer was adjusted to reflect changes during the Programme. Initially staff were seconded to the Programme to work directly on designing, building, testing and delivering components. The secondees were mainly business analysts, project managers and technology testers.

This approach became less effective as the Programme progressed and the focus shifted to business process design, piloting and implementation. Staff seconded for more than two years lost connections with their substantive teams and sought permanent roles to capitalise on their experience gained in the Programme.

A product library was established to support effective skills transfer. This involved documenting and collecting Programme “know-how” and key artefacts. “Know-how” included both the Programme products and the processes for developing them (e.g. strategies and plans).

The product library contained one or two-page information sheets and approach documents for more substantial topics. These were supplemented with an analysis of the degree of change within each business capability that formed the VPOM, to show the operating capabilities and capacity needed to deliver ongoing benefit.

This information is important to determining the degree of skills transfer required. The handover process has two main drivers – ensuring that the business is ready to receive programme deliverables, and that the handover supports any skills transfer that might be needed.

The Transition Planning Team ensured detailed handover and transition planning, including skills’ transfer options. The team included both business and Programme resources, carrying out enhancement projects to ensure that when the Programme ended INZ had the base level of capability needed to maintain and improve the integrated learning system developed by the Programme.

Learnings

Create a product library, including programme methodologies, tools, templates, strategies and plans, to ensure momentum is maintained and knowledge is retained.

The business’s role in receiving and managing the new operating model must be clearly articulated and agreed.

Ensure that skills transfer from programme to business is well planned and delivered.

S MAKING IT STICK

Embedding the new VPOM was crucial to realising the Vision 2015 benefits. INZ's SDP Branch has ongoing responsibility for maintaining and improving the model, in partnership with other INZ branches.

SDP was established before the VPOM was handed over to the business, giving the new branch sufficient time to work on business readiness and ensure it had the capabilities to "make it stick". Close engagement with the Programme throughout allowed a good understanding of the VPOM and SDP's roles and responsibilities post-handover.

The staged delivery of new processes and technology was also useful, allowing a gradual build-up of capacity and knowledge within SDP, and bedding in deliverables so that problems could be identified and addressed with minimal business disruption while continuing to deliver BAU.

A process-management framework was developed to govern process change in the VPOM. The framework was delivered early, included in training and communication material, and highlighted by the Visa Services change team. But staff awareness of the framework and how to use it was initially patchy. Front-line staff expressed frustration that the feedback they provided about products went to a "black hole", reinforcing that the business must be able to effectively respond to issues raised by staff – otherwise offices may adopt their own processes and work-arounds, creating inconsistency.

Developing a customer insights framework and ongoing work to monitor system health will enable early troubleshooting and identification of improvement opportunities. A channel uptake strategy will guide actions to increase the use of online visa application forms.

Business-readiness activities need to be in place as early as possible to ensure adequate resources and planning. This also helps to ensure there is sufficient time to bed in changes and allow for incremental adjustments.

The introduction of the eMedical system as part of Vision 2015 had unintended consequences and impacts for staff. eMedical moved the provision of immigration health assessments from paper-based forms to online through approved health providers (panel doctors) in New Zealand and world-wide. An Immigration Health Team was established within SDP to improve the management of immigration health status information and related policies, tools and supporting processes. A Health Assessment Team was established within Visa Services to manage the operational delivery of health assessments.

Staff deal with eMedical queries from clients, panel doctors and medical professionals, but they did not initially receive the necessary support to manage issues with the system and direct customers to appropriate channels. Support and information provision has been improved with the establishment of the Immigration Health Team. The experience exemplified the value of early face-to-face engagement between specialist teams and operational staff.

SDP is responsible for ongoing process management. This would have been aided by more thorough communication with the wider business during rollout of the process-management framework, as an investment in staff buy-in.

Learnings

Structural change, including foundational project management and strategic design, should be completed well ahead of handover.

Incremental handover of the operating model allows time for the business to prepare appropriate staff and resources.

Communicate roles and responsibilities to the front-line thoroughly and often.

Ensure there is a good system to gather staff feedback and respond to issues, minimising the risk of offices creating their own processes.

Artefacts

- › SDP decision document.
- › Customer Insights Framework.
- › Channel Uptake Strategy.
- › Process Management Framework.

S

PROTECTING THE INVESTMENT

The establishment of INZ's SDP Branch was an important protection of INZ's investment in Vision 2015. SDP built the capacity it needed to "own" the systems and processes making up the VPOM, including strategic design, analysis and project management, and ICT systems ownership.

Systems overseen by SDP that help protect the Vision 2015 investment include:

- › the process management framework, which governs process change
- › the Immigration Health Team
- › the channel uptake strategy
- › the development of an INZ-wide assurance framework
- › the customer insights framework
- › the quality framework.

At the time of writing some of these systems were still being developed or refined. There was also considerable focus on ICT system initiatives, including an INZ ICT systems blueprint and roadmap to guide future ICT investments out to 2022. This will ensure that ongoing development of technology is driven by business needs.

An INZ strategic ICT systems steering committee provides governance for implementing the INZ ICT systems roadmap. This encourages the

business to engage closely with vendors on system maintenance and improvement.

The staged delivery of new processes and technology has worked well. SDP has gradually increased its capacity and knowledge, allowing deliverables to be in while problems with deployed systems and processes are identified and addressed with minimal business disruption. A prioritisation framework helps guide decision-making, and the customer insights framework enables early troubleshooting and identification of opportunities to improve the model.

Some issues arose, mainly from the deployment of non-IT systems, including:

- › insufficient operational input, particularly in handling exceptions to standard operating processes, leading to significant post-deployment transaction processing issues
- › a need to revisit some architecture and design issues following deployment
- › difficulties with embedding the Immigration Health System support model and IT system due to the nature and complexity of the solution
- › security design decisions diverging between releases, but decisions not being advised to those responsible for security accreditation and business systems transition.

Learnings

Articulate early the parts of the business that will be responsible for maintaining and refining the operating model.

Staged delivery of processes and technology allows the business to progressively test and improve its capacity and knowledge to manage the new operating model.

0 ONGOING ASSURANCE

SDP's ongoing responsibility for operating model assurance includes measuring the quality of visa decisions and of the model itself, using learnings to improve performance. Flexible performance measures were required to monitor the health of the visa processing system, measure performance expectations and support the new business processes.

A challenge was designing and building new assurance tools when the VPOM was being significantly redeveloped. SDP worked closely with the Programme to gain data and insight on the best metrics. In particular, SDP worked closely with the projects developing the new triage and verification system and visa assessment tools, as they would deliver standardised processes and have a major bearing on visa decision-making quality. There was also a need to understand the key measurable touch points that could provide assurance that the system was working as intended.

It was clear new metrics would be needed, but there was uncertainty about the reporting levels in some projects. Also, established high-level assurance reporting on the quality of visa decision-making needed to be retained for external reporting purposes. The existing quality assurance tool was modified as an interim measure to provide some assurance that processing staff were complying with the new processes and systems.

In hindsight, one of the key constraints to timely development of new assurance tools was the challenge for business owners in understanding the end-to-end impacts of the new operating model, and therefore appreciating the impact on existing management controls. The project staff working in the Programme understood the scale of change required, but the quality project should have been started earlier to allow better consideration of the tools needed and the investment required.

Closer, more timely discussions between the Programme Executive and business owners would have helped in defining the scope, recognising the need for external advice early, and obtaining consensus on the types of quality tool and performance measures required in the future-state operating model. Also, spending more time early with key business owners on the integrated model, and less on specific project activities, would have been beneficial.

Learnings

Early and ongoing discussions between the programme and the business are necessary to agree on key elements of the quality assurance model and performance measures.

Business owners need to have a clear view of the difference between the current state and the future operating model in order to drive project activity effectively.

It is important to recognise where there is insufficient internal expertise and to bring in targeted outside advice early.

Artefact

- › Quality Review Terms of Reference.
- › Quality Review Project Plan.

0 BENEFITS

Initially a traditional project-oriented methodology for benefit management was adopted, focused on financial and technical benefits. This involved technical specifications, baseline time-and-motion mapping, complex modelling and identification of specific benefits across the extended network.

Changes during the Programme rendered this benefit-management approach unhelpful. The first was the shift from technology-driven product deployments to combining technology with business process changes. Secondly, the Programme's long life meant that the original

benefit profiles changed as the business responded to significant application volume growth, legislation and other policy changes. Also, BAU pressures meant that processes, structures and workload configurations had to change.

The Programme developed a new benefit-realisation approach. A few high-level profiles were developed to show the components of the full Programme scope that would be expected to deliver tangible financial benefits. Emphasis was placed on top-down benefit profiling and on bottom-up key performance indicator (KPI) and target identification, aligned with specific capabilities adopted over time.

Other features contributing to a strong benefit-management culture were:

- › identifying roles
- › integrating bottom-up and top-down approaches
- › developing clear tools and templates for project teams to develop specific deliverables, and consistently categorising and defining KPIs and targets for project deliverables
- › ensuring traceable key assumptions and realisation plans, through business cases to BSD benefit plans
- › clearly documenting handover points and formalising handovers of benefit plans when BSDs were implemented
- › agreeing up front when realisation triggers were expected to be reached and how they would be monitored.

A detailed framework with associated guides, tools and templates created a disciplined approach and helped benefit owners monitor realisation. The Programme team worked closely with benefit owner representatives to help them achieve core KPIs and targets. This meant that benefit monitoring and ongoing realisation could be built in to the business's day-to-day resource and financial modelling.

Working closely with the business meant that at handover benefit-realisation plans were fit for purpose, reflected the current state of operations, and outlined achievable, measurable KPIs and targets. The Programme maintained responsibility for tracking individual realisation plans and aligning them with overall programme targets.

Learnings

A formal benefit-realisation approach needs to be defined early, with clear roles, responsibilities and realisation triggers, to enable planning and ensure consistency and discipline in achieving key performance indicators and targets.

Employ a flexible benefit-management approach, and be prepared to change as needed to align with changes in the programme and the wider business environment.

Feedback

50% of respondents believed that the framework set up by the Programme for monitoring benefits was robust and fit for purpose.

The survey consensus was that the initial benefits identified were not well defined and assumptions were not tested early during project and Programme changes. Survey participants commented that there was an insufficient focus on “softer” benefits.

Artefacts

- › Benefit Realisation Plan – Board Paper November 2014.
- › Benefit Management Guide – July 2015.
- › Benefit management Strategy – August 2015.
- › Benefit Realisation Plan – August 2015.

Appendix:

List of artefacts

1. Vision Board Structure and Charter.
2. Programme Structure (page 5 of the Project Management Plan).
3. Programme Decision Group Charter.
4. Vision 2015 blueprint.
5. Project Management Plan.
6. IQANZ Benefits Management Review – May 2015.
7. Internal Audit – Assurance Plan Review – June 2015.
8. IQANZ Monthly memos – samples from August 2013 to December 2014.
9. Integrated Programme Assurance Plan – September 2015.
10. Report of the Ministerial Inquiry into the Novopay Project – June 2013.
11. Gateway Unit Lessons Learned Reports.
12. GCIO ICT Projects and Programme Top 10 Lessons Learned.
13. Vision 2015 Programme Change Control Process.
14. Change Request Self-Assessment form.
15. Change Matrix.
16. Change Request Workflow.
17. Change Request Template.
18. Change Request Completion Process Map.
19. Communications - how to guide.
20. Communications and Stakeholder Engagement Strategy.
21. Transition Communications plan.
22. Roles and responsibilities of sponsors and business owners.
23. Business Owner Reference Group terms of reference.
24. Resource requests.
25. Business analyst role – activity – responsibility.
26. 2015 Visa Processing Operating Model.
27. 2018 Operating Model.
28. MVS Principles information sheet.

29. Programme Management Plan.
30. Manage applications.
31. Business process design template.
32. Process Test Planning.
33. Deployment approach.
34. High-level impact assessment.
35. Detailed impact assessment.
36. Change Strategy.
37. Change Implementation Team – Project Initiation Document.
38. Change Readiness Survey 1 (March 2015).
39. Change Implementation Team - Project Initiation Document.
40. Triage and Verification Implementation Plans.
41. Triage and Verification Post-Implementation Review.
42. IGMS training strategy document.
43. BSD2 training needs analysis.
44. Training approach.
45. An example of the release schedule.
46. Handover approach.
47. Handover and transition diagrams.
48. SDP decision document.
49. Customer Insights Framework.
50. Channel Uptake Strategy.
51. Process Management Framework.
52. Quality Review Terms of Reference.
53. Quality Review Project Plan.
54. Benefit Realisation Plan – Board Paper November 2014.
55. Benefit Management Guide – July 2015.
56. Benefit management Strategy – August 2015.
57. Benefit Realisation Plan – August 2015.

