Anytime, Anywhere, Any Device: A case study in Efficiency and Effectiveness

Judy Hurditch, 12/08/2013

Client Services Transformation at DIAC

At a time where many jurisdictions are swearing off big projects, the stellar success of the Department of Immigration and Citizenship's (DIAC) Client Services Transformation – on time and on budget, underpinned by bipartisan support for the legislation and 70 ICT and other enabling projects – indicates that large and complex projects can and do succeed in the Government domain.

Marie Johnson outlined the transformation in an address to the Technology in Government conference on 25 July as the then Head of Client Services and Strategy at DIAC. She has since left DIAC to commence her own consultancy, the Centre for Digital Business, and elaborated on the Transformation projects in a subsequent interview with *Intermedium*.

"We had a very tight governance process, which we did not stray from", said Ms Johnson. Progress was reported monthly to the DIAC executive and reported to the central agencies regularly.

There could be no slippage, because the new visa pricing mechanisms were legislatively mandated to start on 1 July 2013.

"This external pressure kept everyone focussed, and we started immediately. The project received its funding through the November 2011 Mid-Year Economic and Financial Outlook," said Johnson.

The MYEFO allocated the project $100 million in Operating ($60m) and Capital ($40m) Expenses, against revenue targets over the forward estimates of $613 million – subsequently revised in the 2012-13 Budget to $700m.

Time and motion studies conducted over three years were also flagged to strip $30 million out of operating expenses per annum.

Ms Johnson said that moving from a position where DIAC's business model was product centric to one where it was client centric was the only way that DIAC could respond to the fiscal pressure of rapidly increasing costs, and ongoing reductions in funding.

The agency's decision to move in this direction was informed by projections of the likely demand on it by 2020, particularly in the face of the growth of traveller movements in countries such as India and China, which now constitute 27 per cent of the emigrating pool to Australia and where citizens have high per capita use of mobile devices.

A key component of the Client Services Transformation was the Visa Pricing Transformation initiative.

DIAC's international benchmarking on visa pricing and services found that it was atypical in not creating different visa products at different price points, and in not using price as a mechanism to drive clients to the (least-cost) online channel.

Ms Johnson said "it found that it could increase revenue and reduce cost without impacting demand".

In the 19 months from announcement of funding to the 1 July 2013 global launch date of the new visa pricing regime, DIAC transformed from an agency with product and process focused business systems and localised operational procedures with high cost and high touch points to an agency which will allow its clients to interact 'anytime, anywhere, and on any device'.

While a series of advisors were involved, including PWC and Booz and Co., DIAC managed the project and had a large team of non-technical people involved.

"The legal and policy work entailed in this transformation was significant", said Johnson. The conversion of the information on the new website into Plain English with the subsequent legal review of the newly drafted material for legislative consistency involved up to 40 people, she stated.

The overarching Client Services Transformation entailed a number of projects, some of which had ICT-related elements.

As per DIAC's preferred model for Systems for People, the ICT projects were also managed internally and utilised a contingent labour force model for the additional ICT resources it required.

The project put in place the web services and other technologies to interface with mainframe based Systems for People business systems, so that significant business outcomes could be achieved.

Time and motion studies and business process standardisation activities have taken place in different parts of the business every year over the past three years and as a result of the studies, DIAC reduced its client services operations by around $30 million per year.

"The important point here is that digital services and a digital operating model needs to include a pretty radical look at processes – and simplify things – to achieve maximum benefits," said Ms Johnson.

DIAC conducted a segmentation analysis, and built up a team within the Department to do that. These people had a variety of internal, external, marketing and online backgrounds.

Professor Mark Ritson of the Melbourne Business School worked with DIAC and advised it on the framework which draws on commercial industry best practice.

"Mark Ritson considered this detailed segmentation analysis for government was a world first," said Ms Johnson. The segmentation analysis looked at 260,000 applications and did 300 'voice of the client' interviews. The study found that 76 per cent of all enquiries that commenced with its previous website resulted in multiple emails or calls from the client, despite client satisfaction being recorded at 80 per cent.

"Clearly client satisfaction ratings were not correlating with efficiency", said Ms Johnson.

37 client touch points were identified, but only one generated satisfaction – the advice of the granting of an Application to Sponsor.

It was found that DIAC's advice was so legalistic that many clients then contacted DIAC for clarification. Even the touch point 'notify decision' caused confusion because of the legalistic terminology, and hence people didn't identify this as a point of satisfaction. "This is why reviewing correspondence and other information provided into plain English is so important", said Ms Johnson

Underpinning Projects

A number of key projects were part of the client services transformation / Visa Pricing Transformation change program.

"These projects are not classified as ICT projects and were not managed by IT – they were managed by the client services transformation / VPT change program and included policy, communications, business process review, intergovernmental consultation and legislation", Ms Johnson emphasised.

She indicated that the projects are enablers to the 2020 digital services strategy and have fundamentally changed DIAC's operating model. The projects include:

- A new website based on client segments rather than products;
- eLodgement modernisation and self-service;
- Implementation of a mandatory online account;
- Business process reengineering to eliminate procedural variability in the network and unnecessary procedures;
- Online booking for interpreter services;
- An eMedical system; and
- The mapping of program linkages and dependencies.

Two Speed IT

Johnson noted that DIAC is now evolving to an environment of 'two speed IT'. By this she means that the mainframe business systems require care and maintenance and long cycle times for upgrades, enhancements and maintenance, and will have to coexist with the digital dynamic of 30, 60 or 90 day cycle times.

"While it is not yet in place, this is clearly the new rhythm required to manage the mainframe and digital timeframes," she said.

Data and Digital are the two legs on which DIAC's business model now stands and DIAC is now able to take "a data and risk centric approach to operational decision making as a result of the transformations to date", said Ms Johnson.

What's next for DIAC? The 2020 Strategy is the next phase and will build on the Client Services Transformation and the Visa Pricing Transformation.

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