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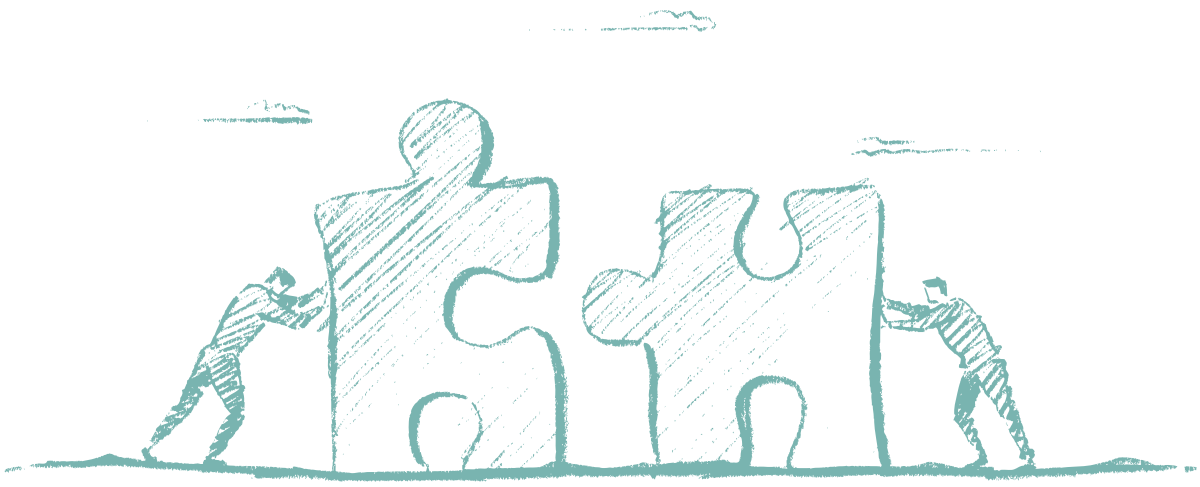
EDITORS

PARUL SETH KHANNA
WILLIAM PRICE
GAUTAM BHARDWAJ

23
DELIVERING THE REFORMS: THE CENTRAL ROLE FOR A **MISSION OFFICE**

DR ALOK PANDE
DEPUTY DIRECTOR GENERAL,
INDIA POST, GOVERNMENT OF INDIA

DARREN RYDER
DIRECTOR, AUTO-ENROLMENT,
THE PENSION REGULATOR, U.K.



INTRODUCTION

This chapter looks at the experience of three countries in developing and delivering ground breaking pension reforms. Two of the countries, India and the U.K., have individual country chapters in this volume. Whereas, experience gained in New Zealand, the third country, was critical to the success of the U.K. reforms. As with the other chapters in this volume a key message is that reformers must think of a wider range of issues if they want to gain the maximum advantage in expanding pension coverage and financial inclusion. The focus on the Mission or Program Office is not an incidental part of successful reforms, in fact, it can be fundamental, and the approaches compared and contrasted below all have a common core that can greatly assist reformers to achieve the goals to which they aspire.

Around the world pension supervisory authorities, tax authorities, and other government agencies play an important role in facilitating the change from concepts, theories, and legislation to operational capabilities in the endeavour to reach the policy aims. Increasingly, these days, in order to realize the policy objectives, these authorities resort to complete the task in a Mission or Program mode with increased attention, energy, and resources for a defined time frame.[1]

The appointed Mission Office plays a central role in turning policy in to success. As the name itself suggests, the Mission Office has a specific Mission that is to be achieved in a clear time frame. It is different from the traditional government offices in terms of the execution of the task assigned.

A Mission Office resembles a project organisational structure starting at the senior level with an Executive sponsor (Mission Head), through to team members. They all play key roles in the success of a project and, therefore, it is important their roles are well defined. However, the Mission is much more than a project. A Mission is undertaken as a national priority--there is an emotion attached to it. Thus, while the principles of project management are employed in the running of a Mission Office, the office provides the backbone for executing an important national task. These Mission Offices can look different, for instance, in New Zealand, with the introduction of KiwiSaver in 2007, it saw the Inland Revenue (Tax Authority) design and implemented a central administration model, which undertook processes, such as member enrolment, opt outs, payment transfer to schemes, to enforcement for non compliance. The U.K. has implemented a model under the overall program leadership from the Department of Work and Pensions (DWP) where the Pensions Regulator has more of a supervisory role, educating employers on what to do and enabling them via engagement with market suppliers, such as payroll software companies or scheme providers to undertaking compliance enforcement should employers choose not to comply. In India, in order to implement the largest

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[1] In Outcomes Based Assessments for Pensions: A Handbook the authors for perhaps the first time integrate key implementation factors as part of the assessment framework. See Price, Ashcroft and Hafeman (2016).

Financial Inclusion drive in the world, the Mission Office played a crucial role. It helped in integrating the efforts of banks and insurance companies in one place, guiding them towards implementation, aggregating their own Management Information Systems (MIS) to share the overall results with all stakeholders, and mitigating customer problems wherever banks and insurance companies were found wanting.

While in U.K. and New Zealand, the Mission Offices have successfully introduced pension reforms resulting in increased levels of retirement savings, in India the Mission Office was instrumental in bringing more than 120 million people into the formal banking system within a small time frame of less than five months.

The rest of this chapter is structured as follows: We first look at the setting up of the Mission Office including roles of the various teams followed by the expected outcomes from the Mission Office like data and results within the tightly defined timelines. Before concluding we summarise the overall challenges and risks.

OWNERSHIP

WHERE SHOULD THE MISSION OFFICE RESIDE?

The answer to which government department or organisation should take on this central role is not an easy one. In short, it depends on a number of factors that need to be considered when choosing the right department to take the lead such as:

Reputation: It is important to consider the existing reputation and 'brand' that the selected organisation has. If it is strong it will give external parties confidence and the design and deployment will be well considered and undertaken. Questions to consider while assessing organisations are for example:

- Does the organisation have a reputation for delivering 'big' projects?
- What are the internal capabilities, from staff to systems?
- Do they have the capacity to take on additional responsibilities, or are they stretched already?
- Do they have a good relationship with government, ministers, and stakeholders?

Existing remit: It is also important to consider the existing remit of each organisation. If the customer base is similar to the new customer base, then a level of relationship will easily be formed. There will also be other benefits, such as existing customer data/information (contact details) for engagement. Questions to consider while assessing the division of responsibilities are for example:

- Who is their 'sponsoring' minister-- Minister of Finance (FM)? Minister of Business Development??

- What is the engagement base at present, does it match the new one?
- What data do they hold?
- What would have to be obtained, and from where?
- Does it align to the organisation's main objectives?

Finally, the key decision on the ownership of the Mission Office rests on the strategic objectives that are to be achieved. These need to be in tune with the reputation as well as remit of the organisation that will own the Mission Office.

It is important that the right organisation is selected to undertake the Mission Office. The closer this organisation is to the customer base, stakeholders, and government, the easier it will be to build confidence and participation in delivering the reforms.

In New Zealand, for instance, Inland Revenue already interacted with employers, individuals, payroll software companies, accountants, and other stakeholders. The FM was the overall sponsor for ensuring that KiwiSaver reforms would progress and be funded to do so. Inland Revenue has a high reputation for delivering major projects successfully, such as child maintenance, student loans, therefore the government and stakeholders were confident with Inland Revenue's ability to deliver. Similarly in India, the responsibilities were given to the Ministry of Finance, as they had been the champions of an earlier financial inclusion programme.

MISSION **OFFICE SETUP**

The degree of the setup phase will depend on whether the mission Office is a new start up organisation or if it is to be integrated within an existing one. The task, however, will still be complex and challenging, some of the main areas in the setup phase that will need to be undertaken are:

- Programme/Project setup
- Organisational structure and role definition
- Recruitment
- Infrastructure setup
- Governance model

PROGRAMME/PROJECT SETUP

The initial phase will be the establishment of a project. PRINCE2, which is the de facto project management methodology in use in the U.K. government and other countries, defines a project as:

A temporary organisation that is created for the purpose of delivering one or more business products according to an agreed business case.

It further identifies common reasons for the project to fail:

- Lack of clear business case
- Lack of ownership at the executive
- Lack of support from the top of the organisation
- Results to be produced not defined sufficiently or unequivocally
- Lack of acceptance criteria and quality criteria
- Lack of clarity of roles, responsibilities and authority
- Lack of structure and specific checkpoints
- Change of specification or lack of a working change control
- Lack of commitment from the users from the start of the project

BUSINESS CASE

Having a well defined business case is important from the outset. A business case will typically cover.[2]

- Reasons – why the project is necessary and how it will contribute to the corporate/ programme strategies and objectives.
- Business options – in terms of 'what are we going to deliver' not the how. Generally business options are compared to the 'do nothing' or zero option.
- Expected benefits – benefits should, where ever possible, be identified for both financial and non-financial, and the benefits should be linked to the overall project objectives and results expected to be delivered.
- Expected disbenefits – the disbenefits also need to be specified. So this maybe something that will be disadvantaged or lost as a result of the option taken.
- Time scales – this will cover the time the investment will be made for and the time in which benefits will be achieved.
- Costs – the costs of producing the deliverables.
- Investment appraisal – assessment of the development cost versus the maintenance and usage costs during the lifespan of the project. It will identify a break even or payback period.
- Major Risks – identify what the most important risks are.

In India, for the financial inclusion drive in August 2014, the business case was well encapsulated by the Mission Office team in the form of a Mission document that would act as a guiding star in times to come.[3] The Mission document clearly outlined: why the financial inclusion drive was necessary; how it was different from the previous efforts made in this direction; what will be the key strategic drivers to achieve the objectives; the risks involved; and the expectations from the different players.

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[2] Project management based on PRINCE2 2009 edition
[3] https://www.pmjdy.gov.in/files/E-Documents/PMJDY_BROCHURE_ENG.pdf

MISSION OFFICE ROLES AND RESPONSIBILITIES[4]

Typical roles of a Mission Team include:

1. **Mission Head** – this role will be given to a senior member of the organisation with a relevant area of responsibility that the change will affect. He or she will be the project 'champion' and will commission others to deliver the required stages. It is important the person is involved from the start and play an important role in defining the project. This person will play a leading role in navigating the project through tricky diplomatic areas.

   Some of his or her key responsibilities are:

   - The delivery of planned benefits associated with the project.
   - Ensures resolution of issues escalated by the project manager or the project board.
   - Sponsors the communications programme; communicates the programme's goals for the organization as a whole.
   - Makes key organisation/commercial decisions for the project.
   - Assures availability of essential project resources.
   - Approves the budget and decides tolerances, on areas such as budget, timeframes, scope, and risk
   - Leads the project board.
   - Has ultimate authority and responsibility for the project.
   - Provides clear direction for the project and how it links with the organisation's overall strategy
   - Ensures the project is on time, on budget and on scope

2. **Project Board** – The broad remit of the project board is to support the executive sponsor in providing overall direction and management for the project and to make key decisions including commitment of resources. The board will generally include management grade personnel. It will have board members that can represent the interests of users, both internal and external, as well as suppliers to ensure resources are available, as well as to challenge feasibility of plans and ideas.

   Some of their key responsibilities are:

   - Championing the project and raising awareness at senior level.
   - Approving strategies, implementation plans, project scope, and milestones.
   - Resolving strategic and policy issues.
   - Driving and managing change through the organisation.
   - Prioritising project goals with other ongoing projects.
   - Communicating with other key organisational representatives.
   - Holding the project accountable to its projected scope and time.

[4] Project management based on PRINCE2 2009 edition

In India, the project board was called the Steering Committee and besides the FM who was the Mission Head, it had members of the Central Bank and other stakeholders who were crucial for the delivery of the project.

3. **Mission Director** – The Mission Director's role is the overall responsibility for the successful planning, execution, monitoring, control, and closure of a project.

   This person is responsible for developing, in conjunction with the Mission Head, a clear definition and deliverables of the Mission. They will then ensure that the Mission is accomplished on time, to budget and to the required quality standard (within agreed specifications). The Mission Director is also responsible for managing the work of consultants, allocating, and utilising resources in an efficient manner and maintaining a co-operative, motivated, and successful team.

   Some of their key responsibilities are:

   - Managing and leading the Mission team.
   - Recruiting Mission Office staff and consultants.
   - Managing co-ordination of the partners and working groups engaged in Mission work.
   - Detailed planning and control including: project plans, managing deliverables, risks and issue management. Resolving cross-functional issues at project level.
   - Managing project scope and reordering control and escalating issues where necessary.
   - Monitoring project progress and performance.
   - Providing status reports to the project sponsor.
   - Managing project training within the defined budget.
   - Liaises with, and updates progress to, project board/senior management.
   - Managing project evaluation and dissemination activities.
   - Managing consultancy input within the defined budget.
   - Final approval of the design specification.
   - Working closely with users to ensure the project meets business needs.
   - Definition and management of the User Acceptance Testing programme.
   - Identifying user-training needs and devising and managing user-training programmes.

MISSION OFFICE TEAMS

Depending on the scale of the project, the project will usually be made up of a number of teams consisting of a range of skills and capabilities. These teams will have a mixture of consultants, contractors, business representative, business analysts, IT developers, system testers, and media/communications experts.

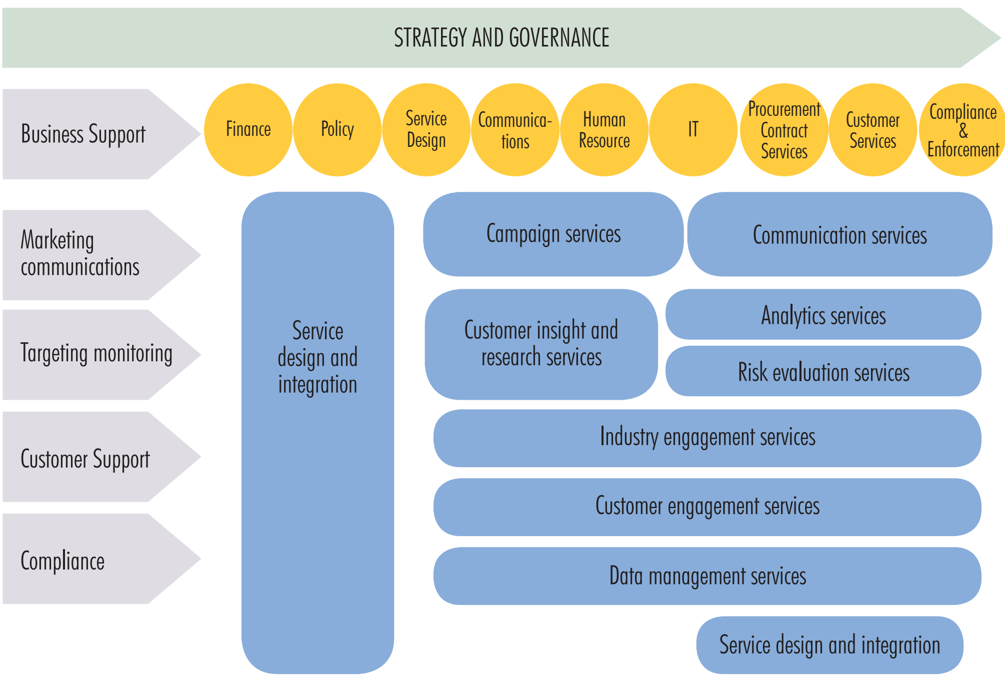
The Pensions Regulator was accountable for the design and implementation of the new automatic enrolment workplace pension reforms, Figure 23.1 is an illustration of the various business areas and teams set up to undertake this task. Chapter 3 on the overall reforms provides additional information on the overall pension reform agenda in the U.K. and the roles of some of the other key players, such as the (DWP. In this chapter the focus is on the lead implementation agency which was the Pension Regulator.

Starting with business support, a wide range of business teams were required to provide support and input to the design. Ultimately, these business teams would have a variety of ongoing responsibilities they would have to implement.

For instance: the finance team to assist with business case financial analysis and bids; human resources to assist with defining roles and recruitment; and IT, not only involved in systems design, but also required to provide tools and access to systems.

The regulator then formed a programme of work establishing a number of project teams. The creation of these teams required drawing on a variety of resources across the regulator's business. The teams formed within the programme were:

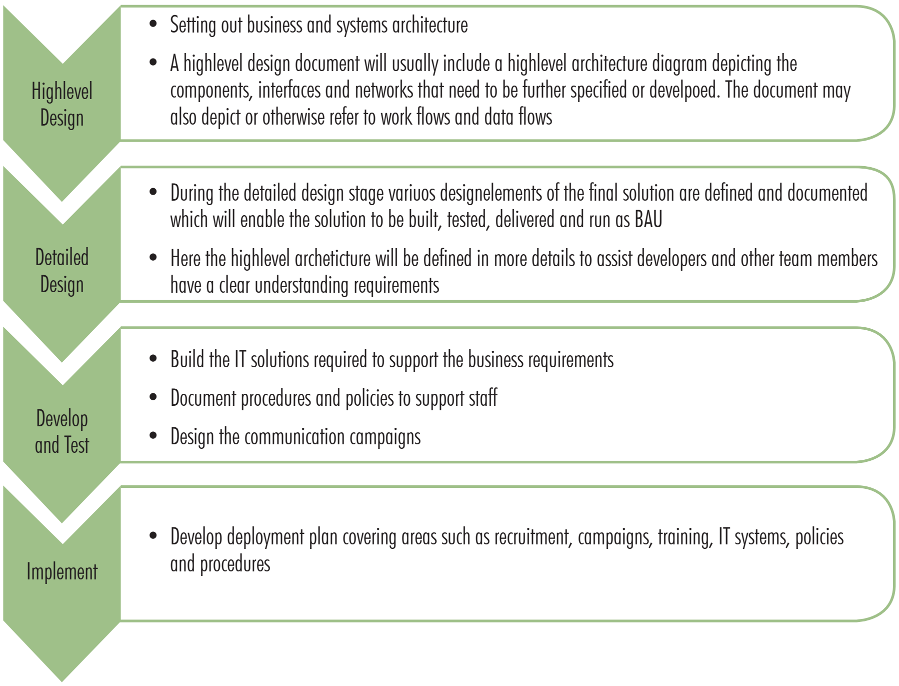
Figure 23.1
Overall Business and Systems Architecture



DESIGN TEAM

The design team will work through a series of stages starting with a comprehensive design that will set out the overall business and systems architecture (see Figure 23.2. They will then move to the next phase of defining in more detail the requirements at systems, policy and procedural, and organisational structural level. Once resources and funding are secured they will then move on to the development and testing phase. For the IT team this could be done through the use of off the shelf software solutions or more bespoke solutions depending on the organisation's existing systems. The final stage will then see the implementation, which will start with areas such as staff recruitment and training, and commencement of communications campaigns through the deployment of the systems and procedures.

Figure 23.2
End to End Design Phases



REFLECTIONS ON SETTING UP A MISSION OFFICE

According to one of the participants in the Indian experience, "The choice of the Mission office coordinator which was so critical was left to me. In fact, the designation of the Mission office coordinator came much later. Initially it was just the Control room in charge. The person whom we chose was Mr LPR to head the control room which was meant to coordinate various activities required for the inauguration function by the Hon'ble Prime Minister.

LPR was a retired officer of the country's largest bank-State Bank of India. However his youthful looks defied those of somebody close to retirement. He had a good understanding of the Financial Inclusion Eco-system in the country, was energetic and

> had fire in the belly to contribute. Luckily for us, he was a good leader too and was articulate enough to convey his point of view in an alien territory. I just rang up LPR and asked him to come over to head the control room initially. Since, there was hardly any time, I had kept my seniors informed, and we had decided that approvals from the Mission Head as well as the necessary paper work could be taken up later, after the Mission gets formally launched by the Prime Minister.
>
> Banks and insurance companies slowly sent us the rest of the team members. I made it a point to interview each one of them, despite the constraints of time, knowing fully well that these team members were going to be the backbone of the Mission office structure that we had in mind. The interview was also to gauge their willingness to work on something so big. Some of them agreed to work only till the launch of Pradhan Mantri Jan Dhan Yojana (PMJDY). That was fine with us. We did not want unwilling team members because we thought that we needed tremendous energy to carry forward the task at hand. Most of the team members were however, a fine blend of energy and expertise to take on the challenge. We formed two teams -the first used to work from 8 in the morning till about 4 in the evening, the second team used to arrive by 2 pm and work till 10 pm. For about a month in the Mission office, we just forgot about Saturdays and Sundays. We of course, took care to substitute one for the other if someone reported sick or had a family emergency. Otherwise, it was all work for us. Data collection from the banks and coordination with the 676 districts in the country was our prime job. The Prime Minister had asked all his colleagues including Ministers and Members of Parliament (MPs) to reach out to people in the 676 districts and get their bank accounts opened. So the Mission office, in its initial days, used to get a number of requests asking for data in the respective constituencies of the MPs. It was only after three months that we could design a portal where everyone could view the data district wise. ”

In India, the Prime Minister reached out to all bankers by email soliciting their support in ensuring the success of the Mission (Modi, 2014).

INDIRECT COMMUNICATION

National and regional indirect communications campaigns are essential to ensure a wider coverage of citizens. These are in the form of advertising through TV, radio, bulletin boards, newspaper, web, and social media.

The U.K. used extensive messaging to gain high levels of awareness of the reforms. It is important that campaigns are simple, clear, and targeted at the right level for the audience. In the U.K. the first employers to undertake the new duties were large employers so campaigns were designed using high profile large business entrepreneurs. They popularized the message that said, 'I'm in' – this acknowledged they will be undertaking the duties and will be 'in' the new pension system. The campaign then changed as the duties rolled out to small and micro employers, changing to introducing employers, such as nannies and motor mechanics.

Figure 23.3
U.K. Marketing Campaigns, source the pensions regulator

New Zealand smartly used the term KiwiSaver, which resonates very well for citizens as they are proud of the Kiwi brand. They also ran a campaign across a wide range of channels from radio, television to direct mailing, developing a strong logo brand.

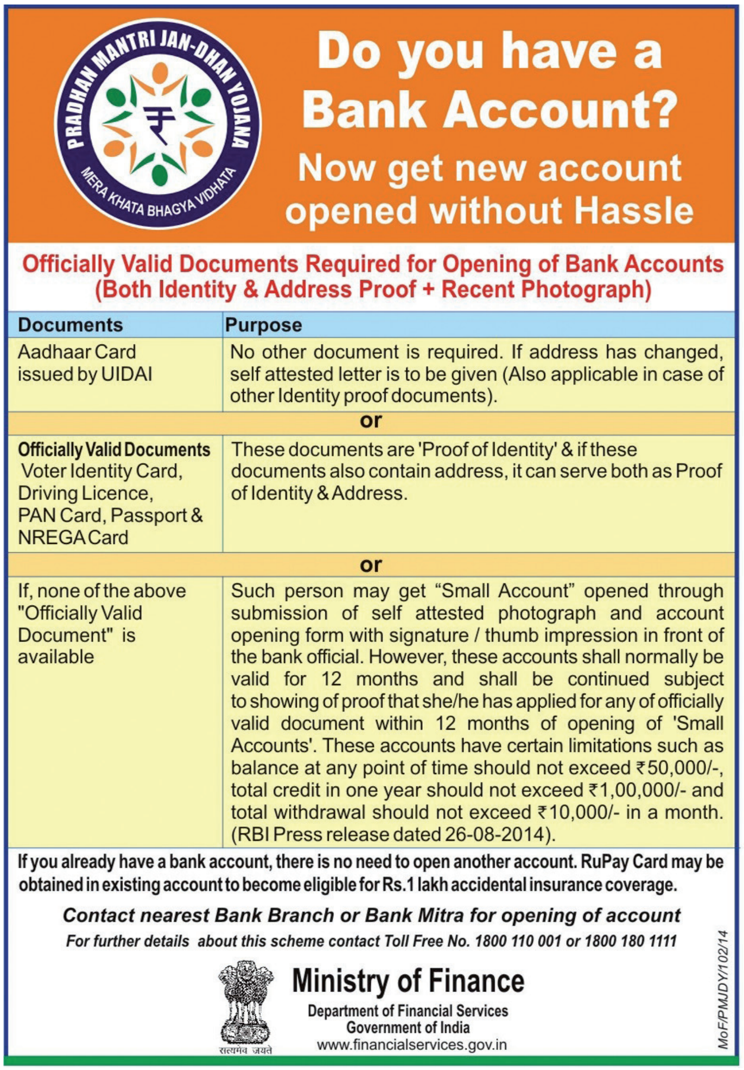
KiwiSaver™
Poua he Oranga

In India too, the Financial Inclusion Mission, needed to reach out to the most deprived sections of society. Hence, communicating with the security guards, maids, drivers, vegetable vendors, and many others in a language that they could understand became very important. Since there are 22 recognized languages in India, all communications in the media were translated into regional languages to reach the target audience.

An important factor to be kept in mind is the cost benefit analysis. While mainstream media in the Television and print is often needed to ensure that there is a sufficient degree of awareness, it is often very costly. In the Indian context, the Financial Inclusion Mission had to reach out to the masses, particularly in the villages. While the Prime Minister's appeal, made a lot of difference, local level politicians too played a very constructive role in reaching out. Besides these, wall paintings, street plays, advertising in the inter-state buses, and such other initiatives at the local level, ensured that the message reached the people at affordable costs.

Marketing campaigns are usually conducted by specialized agencies and, therefore, the selection of the agency becomes very important. The agency to be selected should not only have experience in the specific field but they should also be willing to commit resources considering the timelines of the Mission.

Figure 23.4
India New Account advertising Flyer [5]



[5] INR 1 Lakh is INR 100,000 or USD (1,500).

REFLECTIONS ON MARKETING AND LAST MINUTE ADJUSTMENTS

According to one of the participants in the Indian experience, "The entire marketing campaign needed to use the name, logo and tag line of the Mission. However, although the campaign was to start on the 25th of August, the logo and tagline was yet to be decided with just ten days to go. This was because a decision was taken that the name, logo and tagline was to be selected by crowd sourcing. A competition was launched across the country for a period of two weeks with prizes to be won. The designs were to be submitted on a portal.

The strategy behind this decision was not only to involve the people in the design but also to create the pre marketing buzz around the soon to be launched Mission. The competition evoked great response. We received more than 6,500 entries from across the country. There was a high level committee which had to make about 10 recommendations for the final selection. We decided to first shortlist about 500 entries from the 6,500 received based on pre-announced parameters. This itself was a task. Besides the Mission office team of 20 members, we involved additional 30 officers from 6 pm to 12 midnight to complete the shortlisting. Next day the high powered Committee recommended the 10 designs to the Prime Minister's office and within the next few days we were able to finalise the name, logo and tagline.

Once this was done, it had to be communicated to rest of the country for the printing of banners and posters for the launch. Fortunately for us, technology helped and while the Mission office uploaded the heavy design files, they could be downloaded flawlessly even in the remotest corners of the country. On the day of the launch of the scheme, the Prime Minister himself gave away awards to the winners of the design contest".

CUSTOMER SUPPORT

Often organisations fail to recognise the need to set up customer support operations early on. Although at times the changes may not be fully designed or implemented, citizens will try to understand what is happening and when. The establishment of a customer contact centre as early as possible is important. Additionally, the early introduction of webpages to reiterate the message will also help provide some level of awareness for people. The U.K. and NZ both had some level of web services and a customer contact centre in place at least six months prior to the 'go live' implementation of the reforms.

In India, two national level toll free numbers were set up to answer queries and also redress the grievances of the people. In addition 25 toll free numbers were set up, one in each state capital to do the same job in regional languages.

TARGETING AND MONITORING

At the outset of the Mission it is important to do thorough research to gain an understanding of what people know already, along with what are their attitudes to saving and change. This research will help to gauge the levels of marketing required, whether it be direct or indirect.

However, sometimes, the start of the Mission itself is a political decision and, therefore, there might not be enough time for pre-Mission research. In India, for instance, the target was to provide at least one bank account per household. However, there was no data on the exact number of households, which had/did not have a bank account. Hence, this data collection was done concurrently. The entire country was divided into wards in urban areas and into sub-service areas in rural regions. The responsibility of ascertaining the exact number of households without bank accounts was given to one bank while a bank account could be opened in a bank of the customer's choice. Therefore, while one bank was responsible for one duty the other banks shared the other.

New Zealand and the United Kingdom both gauged the awareness and understanding the citizen had around the reform changes. They also tracked the level of public acceptance. This research and tracking is important and helps the Mission Office design what level of education will be required across the nations. They also set a target of gaining around 85% awareness and understanding levels.

COMPLIANCE

The establishment of a compliance team will also be essential as inevitably there will be some who choose not undertake their duties. The U.K. Pensions Regulator set out clearly the compliance strategy[6] that it would adopt, which is to educate, enable, and enforce.

It is important the government does put in place punitive powers for use as a first resort. These powers may ultimately be needed to encourage compliance. They may range from issuing financial penalties to undertaking criminal charges through the courts. The Pensions Regulator in the U.K. introduced three stages to the compliance journey for the employer. The majority of employers who had not complied on time have resolved this position shortly after the receipt of a compliance notice. The issuing of a financial penalty is a last resort.

In India, the compliance was enforced in a unique way. The Mission team would have a weekly Video Conference (VC) with the participating banks and insurance companies. The agenda papers including the weekly progress made by the banks would be collated by the Mission Office and shared with all at least a day in advance. The VC participants were also informed in advance about their strong and weak points and during the VC they were asked to explain the remedial action taken by them. Initially some of the participants used to come ill-prepared at the VCs. However, gradually they realized that the VCs were data driven and they could not escape the tight scrutiny. So Wednesdays, 11 am -1 pm became the appointed time during which no other tasks were scheduled from both sides and the progress made in the Mission was in large part due to this commitment shown.

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[6] http://www.thepensionsregulator.gov.uk/docs/pensions-reform-compliance-and-enforcement-strategy.pdf

PROGRAMME GOVERNANCE

GOVERNANCE

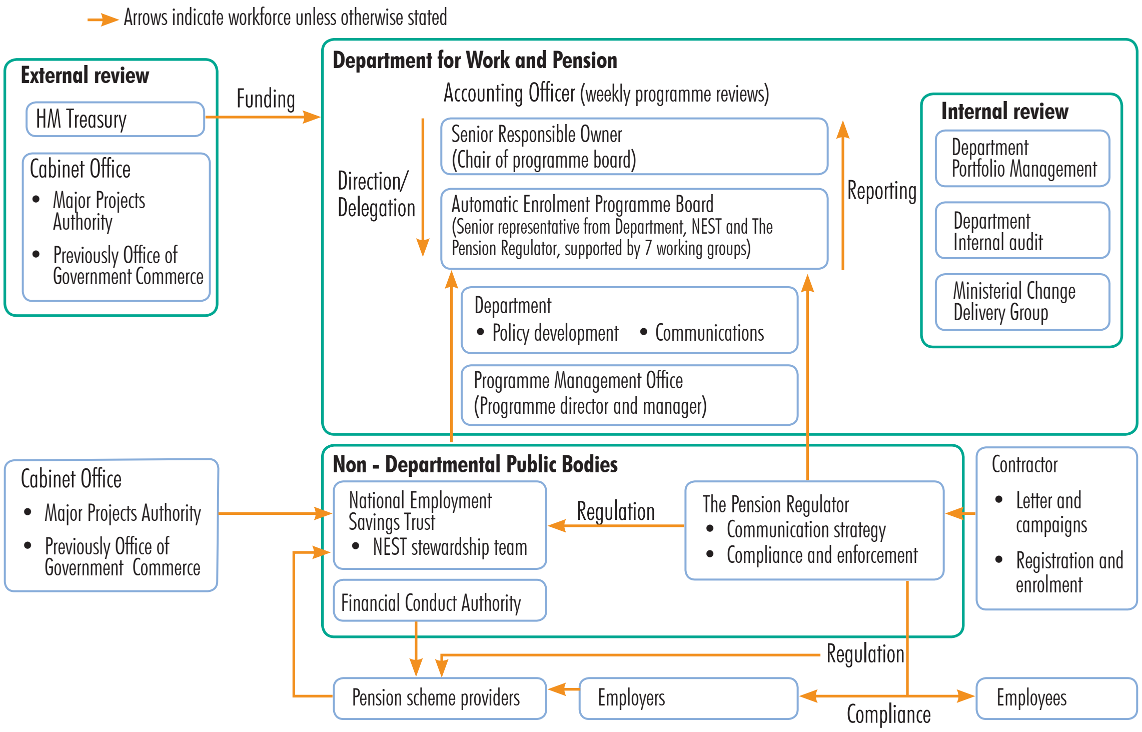
Inevitably the design and implementation of any reforms will be cross-governmental adding a level of complexity.

While a range of governance models, structures in resources material, such as PRINCE2 or MSP Managing successful projects is available,the important point is to have good governance in place.

For example, the U.K. programme oversight[7] was through the DWP. A programme board was formed, chaired by the senior responsible officer (SRO) accountable for the overall delivery of the programme. Membership was formed with the Pensions Regulator, responsible for implementing the duties across employers and industry supplies, such as scheme providers, payroll professionals, and National Employment Savings Trust (NEST), which was the scheme provider set up by the U.K. government with a public service obligation of accepting all employers.

The setup of a mission Office requires a high level of taxpayer funding, therefore, it is important a good governance framework is in place monitoring the programme of work is being done to scope, budget, and time.

Figure 23.5
Oversight of the programme



[7] National Audit Office report on Automatic Enrolment in the U.K. https://www.nao.org.uk/report/automatic-enrolment-to-workplace-pensions/

In the Indian context, the Union Finance Minister (FM) was the Mission Head overseeing the entire Mission's progress. Although the day to day progress was monitored by the Mission Office team, it was important to have the FM as the Mission head to ensure full cooperation from all stakeholders. The Mission in India needed convergence with the Ministry of Rural Development and the Ministry of Communications in particular. Given that the bureaucracy can sometime find ways to go slow, it was important that the FM headed the High level monitoring committee, which also included the ministers of the two ministries. In addition, the role of the Central Bank as the independent regulator of the banks was very important. Therefore, the Governor of the Reserve Bank of India (RBI) was also a member of this committee.

Besides this high level governance structure, it was ensured that the Mission succeed at the grassroots level. India has 676 districts. A district is a basic governance unit, almost equivalent to a small town comprising several hundred villages. Bigger cities can have several districts. The district is headed by a District Collector (also known as District Magistrate) for the purposes of governance. In order to ensure the success of the PMJDY Mission, district level committees were formed in each of the 676 districts, which comprised representatives of banks, insurance companies, and those of the local bodies. These committees were reviewed by the state level committees on a regular basis.

INTERNAL AND EXTERNAL REVIEWS

During the life cycle of the setup phase of the mission office, it will be necessary to undertake a series of internal and external reviews. Reviews will ensure a level of transparency and accountability.

Project reviews will look at areas such as:

- Business case -- valid, viable, worthwhile
- Project planning -- critical path, completeness, suitability
- Change management – adherence of control, timeliness
- Risk and issue management – depth, coverage, resolution
- Project costs – actual vs. budget
- Sign-off and criteria for stage gates
- Approach to vendor management – contracting, dependencies
- Business readiness – pre-'go-live'
- Project communications -- accuracy, detail, honesty

They will provide a level of assurance that the project is on track to scope, time, cost, and within the quality agreements.

MANAGING STAKEHOLDERS

Stakeholder engagement is the process by which an organisation involves people or key people with other organisations who may be affected by the decisions it makes or can influence the implementation of its decisions. Stakeholders may support or oppose the change being undertaken. They may play a very important influential role within the organization or within the community, therefore, it is important that key stakeholders are identified and a strategy to manage them implemented.

The Mission Office will play a major role engaging with key stakeholder groups. There are a number of models to assist with the identification of stakeholders, (see Table 23.1)[8]. There is a standard model Deloitte sets out that assess the degree of impact on the stakeholder. In Table 23.1 on the left hand side is the influence of the organisation on the stakeholder. If the stakeholders have high impact and high influence, the greater the stakeholder engagement you will need to manage.

Table 23.1
Stakeholder Priority Setting Matrix

		Stakeholder influence on organisations			
		No Influence	Low Influence	Some influence	Formal power/high influence
		Stakeholder's support for the business has little or no impact its success		Stakeholder's support for the business can highly impact the business' success	
Organisation impact on stakeholder	Stakeholder is highly dependent on organisation – no choice	Treat fairly – honour commitments to these stakeholders in line with policy, regulations and industry norms. Otherwise endeavour to keep stakeholders satisfied insofar as balance of cost and benefits allowed		Strategic threat or opportunity – invest in engagement process to understand concerns and develop solutions	
	No direct impacts – stakeholders have broad range of choice	Low priority – provide access to general channels of information and feedback		Keep involved and informed, but ensure balance between concerns or high influence stakeholders and those people actually impacted by decisions	

[8] https://www2.deloitte.com/content/dam/Deloitte/za/Documents/governance-risk-compliance/ZA_StakeholderEngagement_04042014.pdf

For key stakeholders, for the introduction of pension reforms, you will need to consider what your engagement strategy will be.

Government: Various members of parliament will play an influential role in the success of the project delivery. This will be through their constituency representation or portfolio, e.g. minister for finance, minister of business, etc. This will be dependent on government office roles. If cross-party support exists for the reforms, this will play a large factor in the successful introduction. However, typically this will not exist unilaterally. But it is a worthwhile aim given that pension reforms will require multiple electoral periods to be delivered, run, and finally lead to future pension payout.

Industry Suppliers: There will be a number of areas in the supply chain that will require engagements. These stakeholders are very important to the success of the mission's implementation and ongoing achievement of overall policy objectives.

For instance, depending on the model design, software developers engaged for the mission play a role in enabling employers to have automated systems to accurately meet the legislative requirements such as, in the case of the U.K., assessing workers eligibility to be enrolled, as there are age and income criteria conditions; calculate the contribution rates to be deducted from a workers' wages; and distribute memberships and payment schedules to scheme provider/s. It is important technology is developed to support the legislation, this will limit the risk of employers' unintentional non compliance.

Engagement with professional bodies is also an important area to plan for and undertake. These groups will often play the role of 'watchdogs' on a number of government reforms and activities, so working closely with these groups will help mitigate adverse public commentary and garner greater support. There will be opportunities through the design and roll out phases to work with these groups through areas such as member group sessions to test design concepts till the final products, through shared communication to members.

A number of main stakeholders that should be engaged:

- Scheme providers
- Banks
- Insurance companies
- Payroll software developers and payroll bureaus
- Middleware[9] software developer
- Business advisors
- Individual financial advisors

[9] Middleware is computer software that provides services to software applications beyond those available from the operating system. It is software that enables communication and management of data in a distributed manner, to one or more different systems.

There are also other professional bodies that should be engaged, such as:

- Federation of small business
- Institute of chartered accountants
- Bookkeepers society
- Home carer groups
- Unions

Initial and ongoing engagement with these groups is crucial not only to assist with the design and implementation, but also to gain acceptance, support, and enable public support. This in turn will assist the overall implementation. It is important to note that some of these may be very non-traditional when the aim is to expand pension coverage to groups not usually covered. It is important to go beyond those normally associated with the pension debate.

DATA

Data will play an important role through the design, implementation, and ongoing operational stages.

At the design stage the collection of data through research will be important to gauge insights from the audience with whom you are, or will soon be, engaging. For instance, in New Zealand they undertook employer and market research to gauge an understanding of employer or industry attitudes and support for the introduction of the KiwiSaver policy, and gauged the levels of current awareness and understanding that employers have of requirements of them once implemented.

Data on individuals and employers will also be gathered and maintained in a central database for communication and ongoing customer service. Usually customer data is held in a central customer relationship management system (CRM). Data sources could be varied. In the U.K., employer information, such as name, address, and number of employees is regularly fed to the Pensions Regulator electronically from Her Majesty's Revenue and Customs (HMRC). Companies' House provides company registration numbers. In India, the source of the data were the Core Banking systems of the banks involved in the Financial Inclusion Mission. However, as mentioned earlier, the data was needed district-wise since a district is a basic administrative unit in India. Since there are several banks in a district, the Mission Office used to collect the district-wise data from all banks, pool it, and then get the complete picture of the district.

It is important to establish the equilibrium between customer privacy issues and the data needed in the Mission office. Other than customer grievances, the data needed by the Mission Office is mostly on an aggregate basis to ascertain the progress made. However, it is still vital to understand the individual customer journeys to optimize design and implementation.

RESULTS

To assist with the successful delivery of the reforms it is advisable to ensure that there are robust monitoring and tracking mechanisms in place. This may be through the use of clear Critical Success Factors (CSFs), as in the case of the U.K..

CSFs are the essential areas of activity that must be performed well to achieve the mission. By identifying CSFs, one can create a common point of reference to help direct and measure the success of the Mission.

As a common point of reference, CSFs help everyone in the team to know exactly what's most important. And this helps people perform their own work in the right context and so pull together towards the same overall aims.

As mentioned above, in the Indian context, the CSFs were the district-wise households where at least one member had a bank account.

Some other examples of CSFs are;

- The Mission Office is able to commence its duties on time within budget.
- Delivery of the communications strategy within budget and planned timeframes.
- Prior to the duties coming into effect, employers are aware of them and how to discharge them.
- Providers and advisers have sufficient knowledge to provide products and services that are fit for purpose to enable employers to comply with their duties.
- X% of employers comply with their duties on time.
- By the end of the implementation stage the increase in the number of savers is in line with programme projections.
- A majority of savers are saving persistently.
- Opt out rates are in line with programme assumptions.

To illustrate this, Figure 23.6[10] highlights some of the areas the automatic enrolment programme monitored to see if it the programme was successfully achieving the success criteria. For instance, the levels of awareness and understanding were originally set at 95% and 80%, which through the delivery phase reached achievement rates of 96-99% and 87-89%. Similarly, opt out rates were much lower that originally assumed.

One of the areas New Zealand monitored success through was also the take up of enrollments, which continues to show a steady increase in membership overtime, with now over 2.5 million members enrolled against a total country population of 4.7 million.[11]

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[10] https://www.nao.org.uk/report/automatic-enrolment-to-workplace-pensions/

[11] http://www.kiwisaver.govt.nz/statistics/

Figure 23.6
Selected performance assumptions

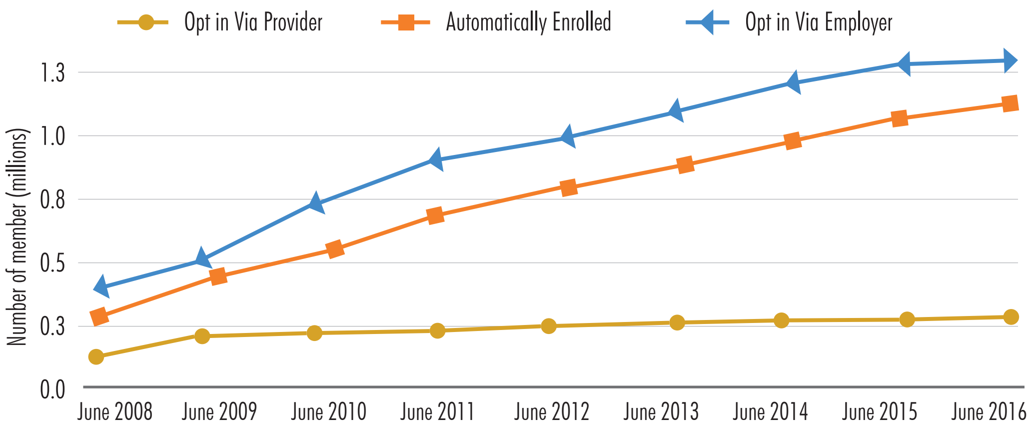
opt-out and noncompliance are lower than expected

	Assumption	**Original estimate**	**Out turn (revised estimate)**
Notification (depending on staging data)	Number of employers to declare compliance	1.3 million	1.8 million
	Proportion of employers with eligible workers	Not measured	65%
Joining window (6 weeks)	**Employer knowledge:**		
	Awarenes	95%	96%-99%
	Understanding	80%	87%-89%
Compliance (5 months)	Opt-out rates	28%	8%-14%
Re-enrolment (every 3 years)			
Exit or transfer (as needed)	Persistency of saving (3 out of 4 consecutive years)	>50%	78%(2014)

Source: https://www.nao.org.uk/wp-content/uploads/2015/11/Automatic-enrolment-to-workplace-pensions.pdf

Figure 23.7

Number of active/ provisional KiwiSaver members, by enrolment method



RESEARCH AND EVALUATIONS

While critical success factors help track the short to medium term success, one should consider the value of a programme of research and evaluations throughout the lifecycle of the initial setup phase.

Undertaking evaluations are important to ensure the legislative objectives are being met. In New Zealand the KiwiSaver programme undertook a series of research activities during the implementation phases along with annual evaluations over an eight year period.

The primary legislative objectives of KiwiSaver are to:

- encourage a long-term savings habit and asset accumulation by individuals who are not in a position to enjoy standards of retirement similar to those in pre-retirement
- Increase individuals' wellbeing and financial independence, particularly in retirement, and to provide retirement benefits.

New Zealand also looked at compliance costs borne by employers, as this was an area for which the government was criticized. With the changes from one system to another placed a high administration cost and burden on employers. Research undertaken showed that while administering KiwiSaver, any advisory assistance and time taken to learn about KiwiSaver reduced the employer's compliance cost; from NZD 770 annual average cost in 2009 to NZD 661 in 2013.

The U.K.[12] also undertook a series of surveys across employers and intermediaries. This research programme assessed areas such as levels of awareness and understanding of the policy requirements. As illustrated below, awareness of the reforms grew overtime for micro employers from 61% in spring 2013 to 79% in spring 2016. This research helped to gauge the success levels of the campaigns and direct mailing on increasing awareness. A survey[13] was undertaken with employers to ascertain the ongoing duties costs they incur. Among those using external advisers/providers, the median monthly cost reported ranged from GBP 42 for micro employers to GBP 100 for small employers and GBP 175 for medium employers.

[12] Research papers can be found - http://www.thepensionsregulator.gov.uk/doc-library/research-analysis

[13] http://www.thepensionsregulator.gov.uk/docs/employer-automatic-enrolment-ongoing-duties-survey-2017.pdf

Table 23.2
KiwiSaver New Zealand Evaluations[14]

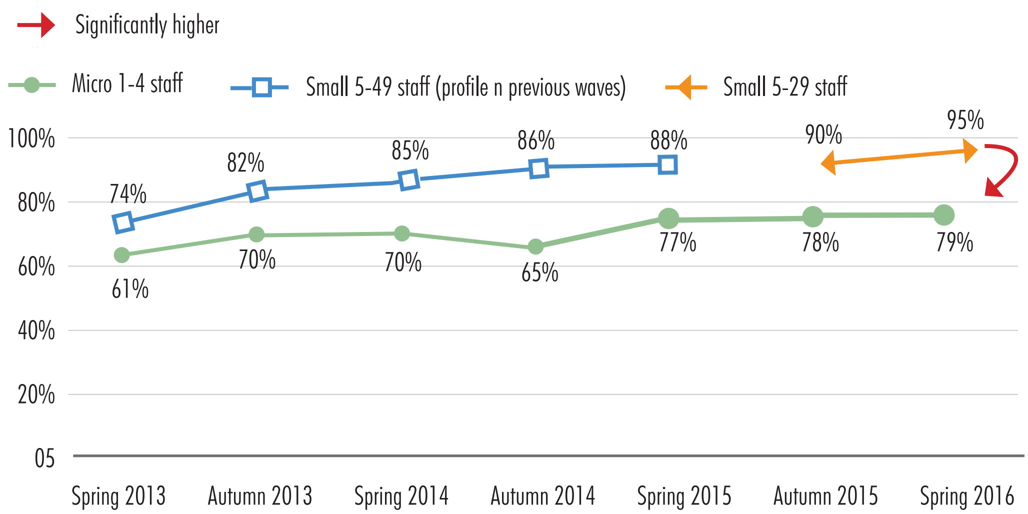
Research Reports	
Early retirement withdrawal research with providers	The purpose of this research is to find out how KiwiSaver providers are communicating with their members eligible or becoming eligible to withdraw their KiwiSaver savings for retirement purposes. The research also looks into the options, information, and advice KiwiSaver providers are giving their members.
Provider feedback	Documents findings from research with KiwiSaver scheme providers. The research looks at the effectiveness of the engagement between Inland Revenue and providers during the roll-out of KiwiSaver.
Employer survey	Examines awareness, understanding, and reactions to KiwiSaver amongst employers, and assesses whether they felt informed about their obligations under KiwiSaver.
Individual survey	Documents findings from research with members of the public. The research looks at the awareness and understanding of KiwiSaver amongst the general public and the extent to which KiwiSaver communications activities have assisted individuals to make informed decisions about membership.
Who is enrolling in KiwiSaver?	Summarises the key trends and demographic profiles from the analysis findings of the SoFIE (Survey of Family, Income and Employment) and Inland Revenue KiwiSaver administrative linked data set.
Phase 2 employer panel	Presents findings from the second phase of research with a panel of employers. The purpose of the panel research is to understand how employers are implementing KiwiSaver in the workplace.
Phase 1 employer panel	Presents findings from the first phase of research with a panel of employers. The purpose of the panel research is to understand how employers are implementing KiwiSaver in the workplace.
Auto-enrolment report	Documents the findings from qualitative research with employers and employees about the KiwiSaver auto-enrolment process.
KiwiSaver conclusions report	This report independently reviews The Treasury's Draft Paper, "KiwiSaver and the Accumulation of Net Wealth" ("Draft Paper"). This review is discussed in the KiwiSaver Evaluation: Final Summary Report.
Qualitative research	This research provides insights from KiwiSaver members and non-members regarding their attitudes and behaviours towards savings. It also helps give an understanding of the positive and negative implications of KiwiSaver for employers and individuals.
Additionality and substitution	This study gauges KiwiSaver members' perceptions about the amount of new savings they have made as a result of KiwiSaver. The study also quantifies KiwiSaver members' perception of how much of their savings has been diverted to Kiwisaver from other forms of saving.
Early retirement withdrawal survey	On 1st July 2012, the first KiwiSaver members who were 65 years of age and had been in the scheme for five years became eligible to withdraw their savings. This report describes the savings-related characteristics, experience, intentions, and drivers of those KiwiSaver members eligible to withdraw their savings.

[14] http://www.ird.govt.nz/aboutir/reports/research/previous-research-evaluation-reports.html

Evaluations	
Government retirement savings incentives in New Zealand: do they provide value for money?	This Value for Money analysis reviews the KiwiSaver programme from its inception to the last available full year's data (2012-13). It looks at value for money from both an annual and cumulative basis over that time. The focus of this analysis is upon the direct fiscal cost and the direct savings effect.
KiwiSaver evaluation: Survey of Individuals	A technical report that presents data and analyses from a survey of KiwiSaver members and non-members.
KiwiSaver evaluation: Survey of Individuals (summary report)	Synthesises data from the technical survey report and discusses the implications of the survey findings.
SME tax compliance costs 2009: KiwiSaver compliance costs evaluation report 3	This report looks at small and medium enterprises (SMEs) self-reported KiwiSaver compliance costs provided as part of a 2009 survey measuring 1,728 SMEs tax compliance costs across a range of tax types.
KiwiSaver evaluation: Follow-up survey of SME employers	This report provides findings of follow-up research to the 2009 SME tax compliance costs survey (above). This research asked SME employers to report on a range of other costs (including making changes to remuneration approaches and other workplace-based superannuation schemes) associated with meeting their KiwiSaver obligations.
KiwiSaver evaluation: Opting-out and taking contributions holidays report	Presents the key trends and characteristics of those people who have opted-out of KiwiSaver or taken a contributions holiday over a four-year period since the scheme inception to 30th June 2011.

Figure 23.8

Awareness of automatic enrolment by size, over time



In India, because of the tight timelines, the evaluations were carried out by external agencies in close coordination with the Ministry of Finance. The evaluations were very useful in course correction and devising better strategies for more effective implementation.

TIMELINE

The setup and implementation timelines will depend on a number of factors such as:

Overall remit or scope the Mission Office has been given

- **Scale:** The targeted population size, for instance, New Zealand overall employer population is around 170,000, while the United Kingdom has approximately 1.5 million employers. In India the estimated target was 75 million bank accounts that was later revised to 100 million. Given the scale was not excessive in New Zealand they opted for a 'big bang' approach and implemented a 'go live' for all employers on 1st July 2007. The U.K. opted for a staging profile that brought employers in to the system month by month over a 56 month period starting with the largest employers working through to the small and micro size employers (with one to four employees)
- **Delivery target date:** This will play a huge factor in the speed at which a mission office will need to work through each stage. Often governments set unrealistic timeframes for when the legislative change or reform will take effect. From the drafting and enactment of the KiwiSaver legislation, New Zealand had less than two years to design, build, and implement all factors of the programme from mission office set up, procurement of resources and tools, IT systems development, and recruitment of staff. In India, too, the timelines were very stiff. The Mission started on 28th August, 2014 and was given a completion deadline of 26th January 2015 -- a time span of less than five months.
- **Procurement:** Countries will vary in their procurement approach, however, there will be requirements to publically seek tenders for areas such as IT systems, offices, tools, and media campaigns. Procurement can be simple and quick. However, for high cost tenders, you will typically see a period of two to six months for the process of: request for tender; evaluation of the tenders; and any due diligence that may be required.
- **High level and detailed design requirements:** The Mission Office will work through a series of design workshops to set out the requirements from systems, procedures, operating models, and educational material. It is becoming more common now to build and deploy operations in an agile project management approach. This method of building and deploying in stages is important to address the needs of the operations at that time. For instance, educational campaigns, material, website services, and contact centre support will be required early before a 'go live' date. Whereas, full IT systems and client relationship management capability may not be required until closer to when any reform or requirements are placed on citizens or employers. These stages can range for anywhere between six to nine months.

Typically from the establishment of a mission office to design, building, and implement change, one will need a minimum of nine to 18 months, although this is dependent on the scale of the change. Once deployed, the Mission Office, depending on the setup, will hand over the operations and material and integrate the operating model to the core organisational structure. This would be managed by a scaled down Mission Office team over a three to four month window to ensure a smooth transition.

OVERALL CHALLENGES **AND RISKS**

Working through the various stages, the mission office will face a number of challenges and risks. These will be in areas such as:

- **People capability** - It will be critical to recruit the right people with the right expertise for a variety of roles. A mix of international and domestic personnel may be required. A good lesson is to identify and source experienced people who have undertaken similar duties in other jurisdictions. This will assist with making sure lessons they learned are applied to the present mission and the same mistakes are not repeated. Sometimes, there might be situations when one can't wait for the perfect team member to turn up. So, one might have to do a little trade-off between waiting and getting the tasks at hand executed. One can think of out sourcing in such cases. For instance in the Indian context, there was a need for generating quick MIS and the Mission office staff in the initial days were not equipped to provide this. Therefore, one of the prestigious consultancies was hired for three months to execute the task on an immediate basis.
- **Staff retention -** It is important to maintain stability of personnel from setup to deployment. This will ensure that productivity is not lost through having an ongoing training requirement, reviewing of past decisions, and design approach and, thus, to allow teams to remain focussed on timelines and delivery.
- **Political consensus** - If there is cross-party support this will mitigate the need for an ongoing defensive approach. If there is not, there may be ongoing public debates, discussions, and challenges at every stage of the Mission Office's programme. There is a risk that governments will make changes throughout the build and deploy stages which will make the delivery more challenging. If political parties undertake public support messaging this will go a long way to making the delivery phase a 'softer' landing for citizens and employers. In the Indian example, the new government in power improved in scale and delivery what the previous government had tried to do, with limited success. This led to the opposition claiming all along that the Mission was "old wine in new bottle". However, with the right kind of information dissemination programs, gradually a broad consensus was built that the Mission was finally for the benefit of the underprivileged.
- **Funding** - It is important to secure the right level of funding for the Mission office. It is also important through the funding bid stage to build in contingencies and post

deployment funding for remedial work. Typically, timeframes will be challenging. Therefore it is important for funding to be set aside to enhance systems, fix systems defects with which the programme goes live, and to change materials through ongoing learning.

- **Balancing the old world order with the new** - managing the stakeholders: As has been mentioned earlier, Mission offices bring about disruptive changes in the execution of tasks assigned to them. This may bring anxieties for the traditional systems, stakeholders, and teams who were used to working in a particular fashion till now. It is the job of the Mission Director to balance the change from the old to the new. The Mission Directors should be encouraged to be placed in the hierarchy of the traditional teams also so that they can fulfil this role of transition.

CONCLUSION

Mission or Program offices should be set up when the Political Executive has clarity on the goals to be achieved in a specified time frame and is ready to commit the monetary and other resources for the Mission Office. This chapter has attempted to highlight some of the steps that might be helpful in the Mission Offices' journey in the accomplishment of the public policy goals. Mission Offices act as nerve centres with increased attention, focus, and clarity and are, therefore, essential when old policy objectives which couldn't get renewed attention. As with other chapters in this volume the focus on the Mission Office is important because getting the implementation right is not incidental, but fundamental to success. However, in almost all texts on pension reform and policy these issues are overlooked. It is hoped that the reformers of the future will find this chapter useful so that they know what they will need to have in place, and also understand the broader range of staff and capabilities for the reform process.

USEFUL LINKS

KiwiSaver evaluation reports http://www.ird.govt.nz/aboutir/reports/research/#08

Financial markets authority NZ - https://fma.govt.nz/consumers/kiwisaver/

KiwiSaver statistics - https://www.kiwisaver.govt.nz/statistics/ks-stats-index.html

The Pensions regulator reports - http://www.thepensionsregulator.gov.uk/doc-library/research-analysis.aspx#s16185

www.sorted.org.nz

www.ccfc.org.nz

www.pensionsadvisoryservice.org.uk

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Modi(2014), https://www.pmjdy.gov.in/pm-communication letters dated 25 August and Oct 6, 2014