

On the Case: TCS – Indian Passport Office

Transforming public sector services through process re-engineering and digitization

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SUMMARY

Catalyst

Complex public sector projects always present risks due to the transformation happening in the public sphere and multiple stakeholders trying to influence coverage of the project. These risks are often magnified in emerging markets, as social structures are more fluid and vested interests are more fragmented. Within this context, Tata Consultancy Services' (TCS's) flagship Indian e-governance passport project for the Ministry of External Affairs is an example of a successful public-private partnership (PPP) that delivered on all its milestones on time and on budget.

Key messages

- The successful rollout of the PPP project with the Ministry of External Affairs is a strong reference point for TCS's public sector capabilities.
- One of the key success factors of the partnership is the joint management of passport centers by government officials and the private sector, following clearly defined process steps along isolated and secured information flows.
- By leveraging straight-through processing and through integration with external stakeholders such as the police and the Indian Post, the project significantly reduced costs.
- Although TCS is highly selective in its commercial models, the combination of upfront investment by TCS and the use of a transaction-based pricing model allows the Indian government to deal with expected asymmetrical flows of applicants due to demographic shifts.

Ovum view

TCS's passport project with the Ministry of External Affairs stands out from public sector procurement reforms that have taken place in many mature markets and from mixed experiences with PPP models.

Beyond the transformation and funding aspects of the project, which have gone very smoothly, the project stands out for the way public servants and TCS associates are working alongside each other in the passport centers. Rather than transferring full responsibility to the service provider, the government retained accountability, particularly the right to approve passports.

Despite the process risk that this shared responsibility poses, the success of the project comes down to the fact that the entire process of passport applications was re-engineered and digitalized. Most notably, the introduction of digital photographs and signatures significantly reduced fraud and time delays caused by intermediaries. Furthermore, the capture of biometrics and the use of digital signatures has brought in accountability, further enhanced the security of the process, and enabled applicants to securely log in from any device, allowing them to check the status of their applications in realtime. This has drastically reduced the time it takes to handle an application, and has helped the government to manage its resources. By introducing online payments and taking responsibility for reconciling accounts, TCS was able to further cut operating costs.

It is too early to judge the interoperability of the project with other government departments, but the scalable and extendable model will be a big advantage in an economy with exploding demographics where citizens are taking advantage of their newfound social mobility. By enabling appointments to be booked online, the project will ensure citizens in remote and rural areas are included, and that overcrowding of public places, which is endemic in many emerging markets, is a thing of the past. It was a humbling experience to visit a passport center in an emerging market that is significantly more efficient than most centers in the developed world. This case study demonstrates what can be achieved if process re-engineering, digitalization, and innovative ways of partnering come together. With the necessary modifications to suit the respective countries' frameworks, this experience and solutions could be crucial in transforming public services in other emerging and developed countries.

RECOMMENDATIONS FOR ENTERPRISES

What type of customer could benefit from this IT service?

India's e-Governance Plan is a good example of a holistic way to re-define government services. Needless to say, emerging markets usually have less to worry about in terms of legacy systems and practices, but the scope and complexity of the project make the rollout an insightful reference point for transformation projects in the public sector and for successful public-private partnerships.

Looking back on the implementation, chief passport officer Muktesh Pardeshi stated the main lesson learnt was that technology is just the enabler, and that organizations should build out robust governance processes. He also pointed to the importance of change management. A legacy system was present in this project, and effective change management helped with the transition to a new system. Robust governance also included the attention that was paid to the recruitment process. The complexity of this process alone is highlighted by the fact that 35,000 candidates were interviewed within eight months.

Technology helped to cut out the middlemen and thus malpractice. For example, digital photographs cut out harassment around photo booths and the need for agents to attend appointments. However, technology was only an enabler for process re-designs, and the physical or practical side in the

processing centers was just as important. One of the overriding success factors was the efficient co-existence of the front and back office under one roof, by the private and public sector respectively.

CUSTOMER CASE FILE

IT Services Data Sheet: TCS Indian Passport Office Project

Table 1: Data sheet

Vertical Industry	Public Sector	Key SLAs	Service time, response time, system availability
Customer size	Indian population 1.23 billion Passport holders 52 million	Chief benefits	Dealing with the growing demand for passports and related services; meeting heightened expectations of citizens with respect to service delivery; managing these fast growing services with limited financial resources.
Priority issues	Migration of legacy records; redesign of passport centers; implementation of straight-through processing.	Competitive bid	Yes: other providers were considered.
Types of service	Consulting, ADM, infrastructure and BPO (process and voice)	Contract type	PPP, transaction-based pricing
Length of contract	Six-year contract, two-year option for extension, time for implementation		

Source: Ovum

Additional metrics of the implementation's achievements include:

- 77 passport centers rolled out
- 90 million records migrated from legacy systems
- More than 13 million passports issued to date
- 40,000+ applicants handled every day
- 19,000+ calls daily
- 17 languages supported

Background

In 2006, the Indian government initiated the National e-Governance Plan (NeGP) – its vision to share core and support infrastructure, enable interoperability through standards, and present a seamless view of government to citizens. The goal was to provide digital access to services, and reach out to diverse ethnicities and rural and disenfranchised sections of society. The Passport Seva scheme was one of the government's first projects under the NeGP, and it achieved flagship status through its sheer scale and subsequent strong media attention. In 2007, the Ministries of External Affairs and Information Technology issued a request for proposals (RFP), leading to a public competitive procurement process that resulted in TCS signing the contract in October 2008, for duration of six years with a two-year

option for extension. The final project requirements were signed off in June 2009, and the first project milestone – the setup of the data center and disaster recovery center – came in August of the same year.

The scope of the Seva project included:

- a tier 3 data center and disaster recovery center
- a central passport print facility
- a network operations center
- a contact center operating in 17 languages, using IVRS/agent support and providing information helpdesk services
- a security operations center
- leasing, equipping, and managing 77 passport offices
- the design, development, and maintenance of the passport issuance application and portal
- data migration from the legacy system
- collection of fees and reconciliation of accounts
- change management, training, and communication management
- citizen feedback and grievance management
- coordination with various stakeholders such as the police, India Post, and Security Printing Press.

The three main criteria for TCS winning the competitive tender were technical strength, domain knowledge, and an innovative financial proposition, with TCS suggesting the lowest transaction cost. Moreover, government officials also cited softer cultural aspects, such as TCS showing "dynamism" when discussing the RFP and SLAs by coming up with new suggestions. These recommendations led to a brainstorming workshop during the final contract negotiations, which the government views as having enhanced the quality of the rollout.

Implementation and results

Due to the complexity of the project, a multitude of methodologies and approaches were used. Central to the success of the scheme was the combination of process design issues with technical solutions, and the phased rollout. One of the most critical issues was to design the flow of applications to move in a single direction, as when coupled with an electronic queue management system this would regulate entry to the passport offices. This would prevent an overflow of people causing overcrowding and raucous scenes, which are commonplace in many public offices in India. The speed of the flow of applicants was further enhanced by providing an online portal, which granted realtime access to up-to-date information and status updates, and by establishing self-service kiosks to aid form-filling and status-checking for people without access to computers. These kiosks significantly improved the form-filling process and status-checking.

The design also ensured the physical separation of the front office (managed by TCS) and the back office (managed by government officials). The back office verifies documents and grants passport letters. The information systems mirror this setup. TCS has no direct access to the data, which is only granted to government officials through a dual password system. Moreover, integration with the

systems of the police (for verification) and the Indian Post (for delivery and online-tracking) has reduced the time taken to deliver the passports, to an average of four days for urgent requirements to about 45 days following an appointment at the passport office for regular applicants. However, every applicant learns whether they have been granted a passport or not before leaving the passport office on the day of their appointment.

The phased rollout saw the first four passport centers launched in the state of Karnataka in May 2010. Based on the feedback from these pilots, the countrywide rollout began in June 2011. By May 2012, all 77 designated passport centers were operationally ready. Consequently, certification and operations commenced in June 2012. As part of the improvements developed jointly with TCS, a mobile application was launched in March 2013, followed by the online payment system in June 2013.

A total of 27 SLAs provided the basis for the transaction-based pricing model.

Table 2: Project SLAs

Parameter	Number of SLAs	Type of SLAs
External efficiency(public facing)	6	Service time, waiting time, turnaround time, portal time
Internal efficiency(employee facing)	2	Response time
External effectiveness	4	Availability, response time
Internal effectiveness	4	Availability, timeliness
Technical effectiveness	3	Availability of systems and security
Environmental parameters	4	Cleanliness, comfort, personnel, ambience
Customer relations	4	Courtesy, guidance, domain knowledge, exception-handling

Source: Ovum, TCS

No direct problems or areas where TCS could improve were mentioned during our discussion with government officials. The officials pointed to a feedback process from both users of the services and from the media. As a result, the government steering committee worked with TCS, agreeing improvements such as delivering services through mobile and smartphone extensions, building an online payment system, and offering the option for SMS alerts. With the benefit of hindsight, chief passport officer Muktesh Pardeshi suggested the only thing he would do differently does not relate to TCS, but to having more centers with a better regional spread from the start. This statement is indicative of the good working relationship with TCS, as is the lack of negative reports in the Indian press.

APPENDIX

"On the Case"

On the Case is a premium case study produced by Ovum's IT Services team. These case studies highlight IT services and outsourcing engagements based on a series of criteria, including innovation (a unique component in either service engagement or delivery, or the deployment of cutting-edge technology), proven business benefit or impact, and demonstrable ROI. On the Case is designed to

provide insight to enterprise customers looking to implement similar IT services or outsourcing engagements and/or to provide lessons learned on how to work and interact with the IT services/outsourcing vendor profiled in each case study.

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People Interviewed

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