



## Benefits-Funded Projects Case Studies

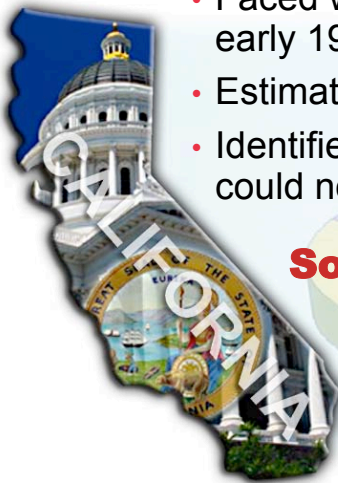
Ted London, Vice President, CGI

June 2, 2009



experience the commitment™

### Franchise Tax Board Case Study



- Faced with significant budget gaps in the early 1990's (Sound familiar?)
- Estimated tax gap of \$2.7 Billion
- Identified significant opportunities, but could not get approval to proceed

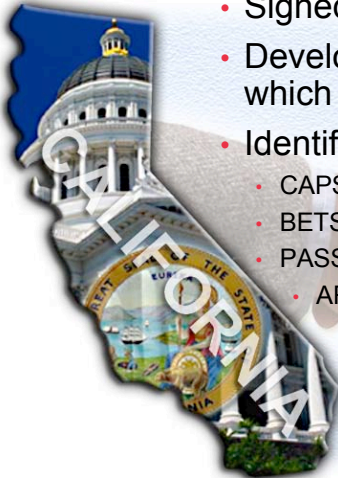
**Solution: Look for strategic partners to share the risks and rewards**



2

Confidential

## Benefits-Funding Opportunities



- Signed long-term strategic partners
- Developed a set of partnership principles which vendors were required to sign
- Identified five projects:
  - CAPS: Business Collections and Decision Analytics
  - BETS: Business Tax Accounting System
  - PASS: Audit Data Warehouse
  - ARCS: Personal Collections and Decision Analytics
  - INC: Integrated Nonfiler Compliance Project
- Each procurement allowed for discovery of benefits



3

Confidential

## Success Highlights



- **CAPS - \$37 M** in first year, paid for itself in 45 days
  - Supported more than 300 staff
- **BETS - \$11 M** in new revenue
  - Added important data sources for FTB's Compliance Programs
- **PASS - \$176 M** in increased revenue for California
  - Supports more than 800 staff
  - Reduces pre-audit data collection from 6 months to 10 minutes
- **ARCS - \$570 M** in increased revenue for California
  - Supports more than 1,700 staff
  - Utilizes risk models to maximize staff effectiveness
- **INC - Generates annual revenue increases in excess of \$36 M per year**
  - Transformed FTB's Nonfiler Compliance Program



4

Confidential

## Client Case Study

### Virginia Department of Taxation



#### Client Situation

- Poor public image – critical state auditor report
- Aging infrastructure
- Lack of efficiency
- Inflexible, obsolete tax administration software tools
- Severe budget constraints

**Unable to support customer-centric vision for revenue and collections management**

#### CGI's Progress For VA To Date

- Over \$231 million in recovered revenues and continue to accrue
- More than 50% of all new businesses register on-line
- \$4.5 billion in payments received on-line
- 96% of refunds issued in 12 days or less (99% of electronic returns)
- 11 national and state awards, incl. FTA, NASCIO, and Governor's Technology Award

#### End State Vision and Strategy

- Seven-year program to re-engineer all business processes, applying technology where appropriate
- Integrated end-to-end program strategy:
  - Internet and channel management
  - Budget, financial, revenue mgmt systems
  - Org. design, change management, & training
- Benefits funded through improved collections:
  - Risk/behaviour modelling and development of decision analytics via Strata
  - CACS-G for collections case management

**New customer-centric practices reinforced with next generation technology**



5

Confidential

## Client Case Study

### Hawaii Department of Taxation



#### Client Situation

- Aging technical infrastructure
- Need to re-engineer DOTAX to achieve the following goals
  - Be more taxpayer-centric
  - Allow taxpayers to more easily comply with tax laws
  - Improve return and payment processing time
  - Treat taxpayers fairly and consistently
- Budget constraints - system must fully pay for itself

#### Outcomes

- ITIMS **exceeded all of its expectations** and has enabled tax administration in Hawaii to dramatically improve
- **Benefits achieved within 4 months** of project start
- New systems successfully implemented:
  - Tax processing system
  - Collections case management system
  - Audit selection system
  - Imaging of tax returns
- **Reorganised department** to better serve the public
- Original project benefits: **\$252 Million**.
- Subsequent project benefits: **\$39 Million over the first 16 months**

**ITIMS was the most successful large IT project in Hawaii State Government**



Confidential

## Contact Information

ISO 9001 Certified



**Ted London**  
Vice President  
Tax and Revenue Solutions

(916) 284-7277  
[ted.london@cgi.com](mailto:ted.london@cgi.com)