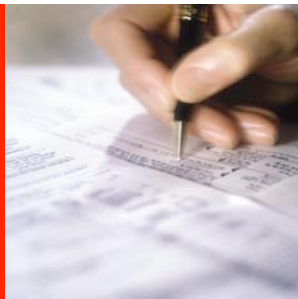


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Transformation in Revenue Management

Andre van der Post
Tax Global Business Unit

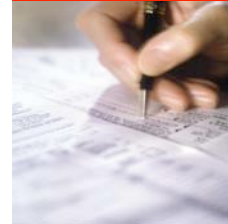
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Program Agenda

- Overview of the global market
- Drivers and elements of transformation
- Supporting transformation with technology
- Current experiences
- Questions



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Strategic Factors Affecting Revenue Management Agencies

COMPLIANCE

- How can revenue from existing taxes be maximized?
- What controls are needed to ensure equity?
- What communications and marketing efforts will increase tax compliance?
- What changes are needed to achieve harmonization?
- How is risk profiling managed?

SYSTEMS

- What is needed to address new tax functions in consideration?
- How can tools support multiple tax functions?
- What is needed to become more agile when statutes and/or regulations change?

CUSTOMERS

- What approach to customer care will maximize both revenue and citizen satisfaction?
- What mix of customer service channels will maximize service and minimize time to serve?

COST

- How can the marginal cost of tax administration be minimized?
- What processes will enable increases in cost-efficiency?

How can revenue management agencies become more effective and efficient?

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Customer Service and Access

- Improving access to services and information
- Reducing the cost and effort of voluntary compliance
- Making it easier and less stressful to interact with the Revenue Authority
- Being able to adapt quickly to the changing demands of your constituents and the legislation

- Improves the image and standing of the Revenue Authority in the eyes of the constituents
- Leads to improved compliance and better collections

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New Policy and Procedural Challenges

- Changes to the Taxation environment
- The impact of the declining economy
 - Drive for greater compliance
 - Improvements in collections and time to collect
 - Changes to tax rebates and concessions
- New Taxes
 - Environmental Taxes
 - Gas and Mineral Taxes
- Rationalized Collections and Revenue Accounting
 - Social Benefits – UI, Child Support, Alimony
 - Licenses and Duties
 - Government Savings/Retirement funding Schemes
 - Property Tax (on behalf of Counties/Cities)

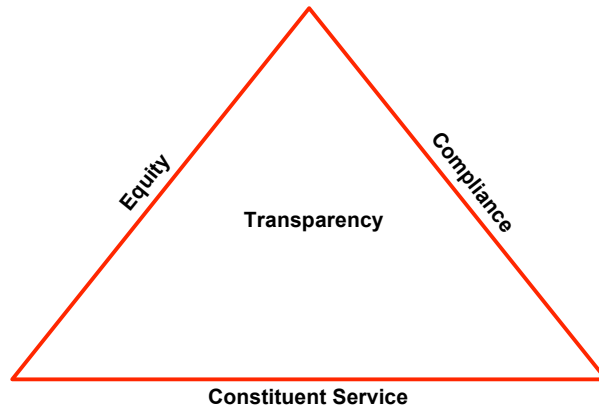
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New Policy and Procedural challenges

- Systems Sourcing and Management
 - Business Process Outsource (BPO)
 - Shared and hosted systems
 - On-demand access to capability
- Policy Assessment and Execution
 - Highlighting ambiguities in complex legislation
 - Documentation and analysis of policy
 - Automated execution and agility

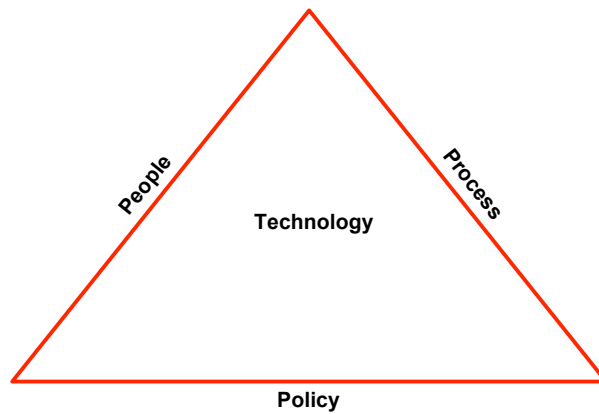
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The Primary Drivers of Transformation



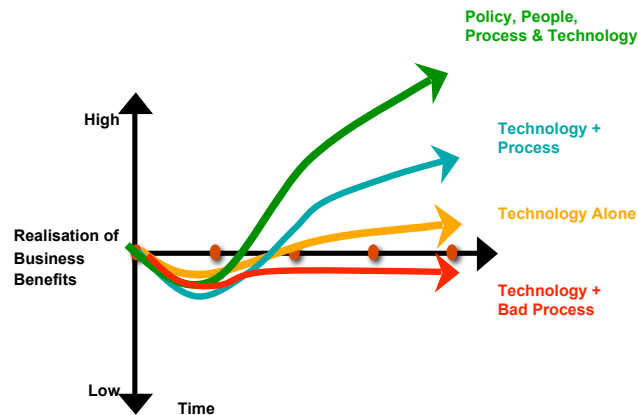
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The Primary Elements of Transformation



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How to Achieve the best Return on Transformation (ROT)



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Source: Gartner Group

Key Principles for Transformational Systems

- Support and inform Government IT strategies
- Provide leverage and reusability across different government ministries
- Provide core capabilities required by tax and other revenue management administrations
- These core capabilities must be implemented in a reusable fashion across specific projects
- There must be a single governance framework overseeing all systems related projects
- Rationalize cost and complexity by simplifying Integration scope and delivery

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The Architectural Realities of Revenue Administrations

- Non-linear, process oriented organizations
- Cannot be described through traditional “value-chains” and process architectures
- Matrixed organizations with many layers
- Requirement for flexibility and agility in respect of its IT solutions
- Systems complexity and cost reduction is critical

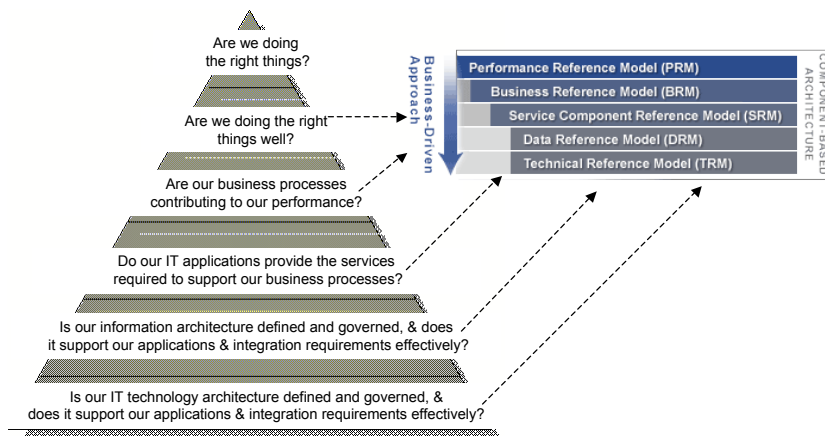
Architectures must be based on capabilities, not processes

Systems must be comprised of “generic” functional components

Systems must be implemented through processes

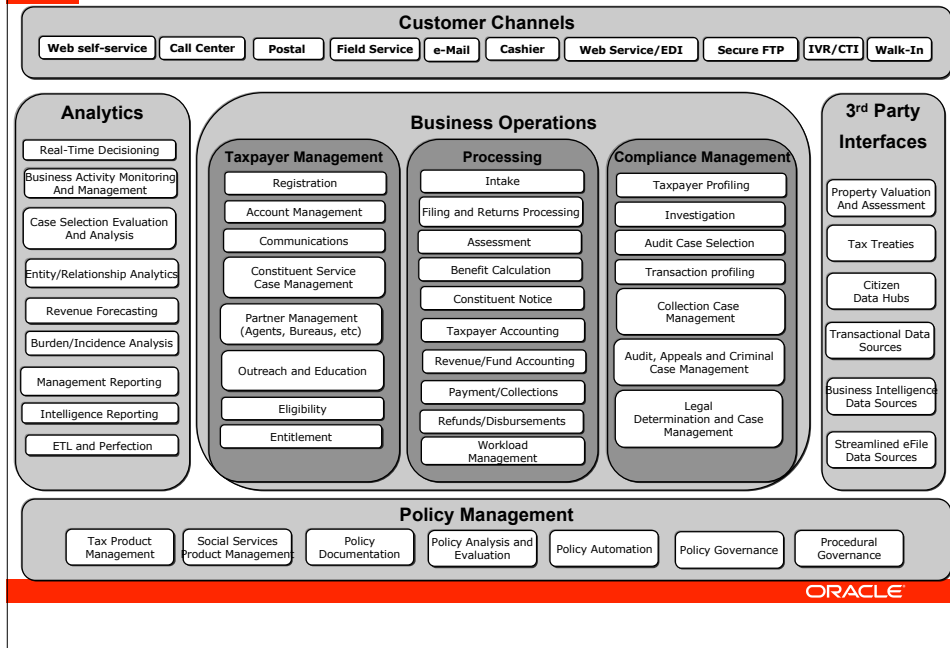
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Components: Different Business Issues and Value Chains at Each Level of the Architecture

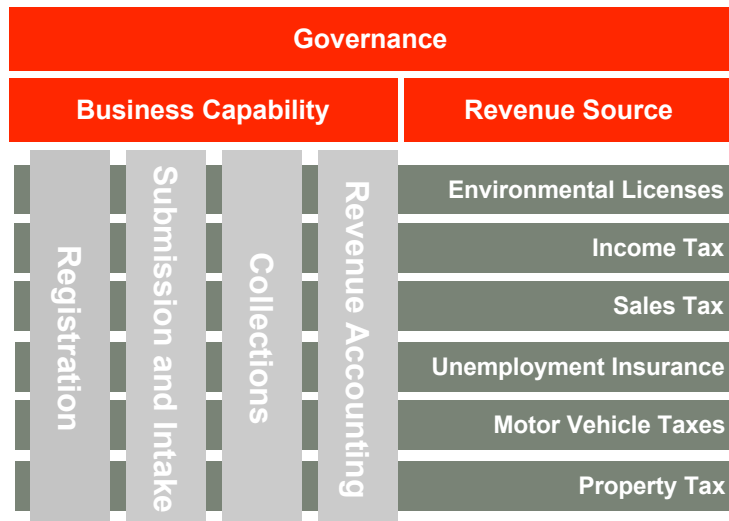


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Revenue Authority (Tax and UI) – Service Component Model



Solution approach – Leveraging IT Investments

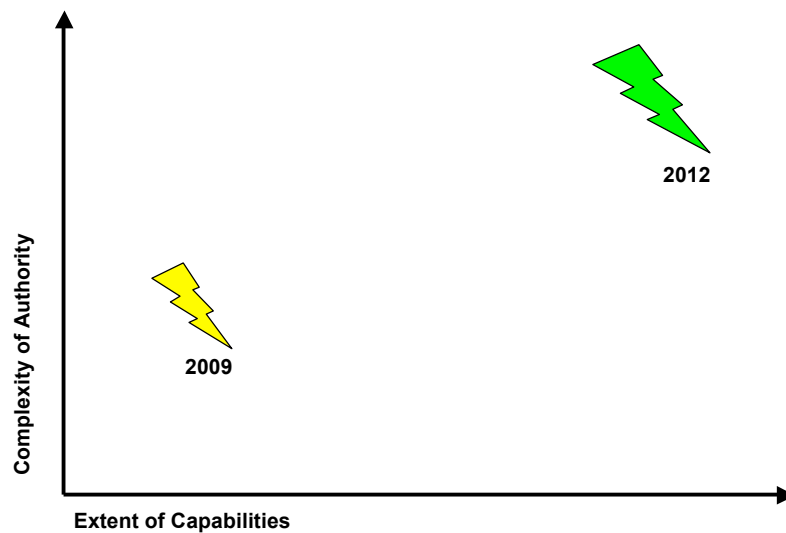


Systems Architecture - Guiding Principles

- Either a “best-of-breed” or a “best-of-suite” approach to the systems architecture
- The choice of approach is dependent on:
 - Existing technology preferences or investment
 - Complexity of the authority
 - The number of capabilities that need to be provided
- There is a method to move from “best-of-suite” to “best-of-breed” as the requirements grow

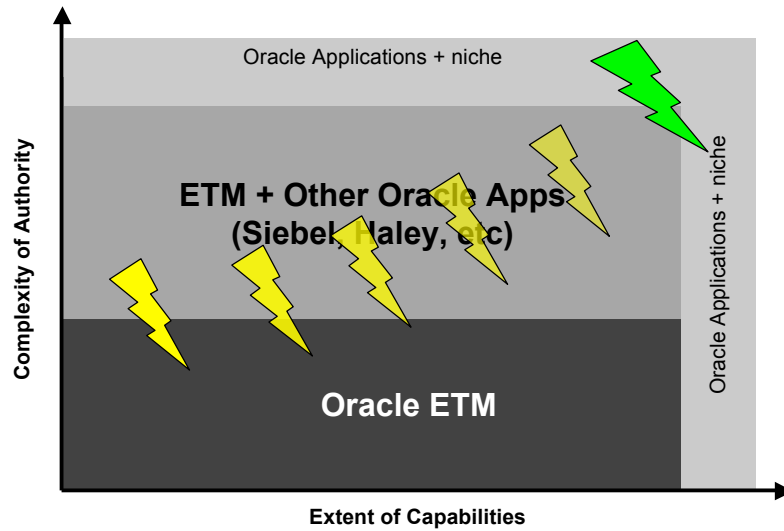
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Where to Start?



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Phased Approach



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Lessons Learned Through Our Experiences

- Strategy
 - Business and IT strategy need to be integrated
 - Accountability for delivery **MUST** remain with the client
 - Set expectations of stakeholders carefully and without prejudice
- Approach
 - Choose a sourcing strategy that suits the environment
 - Make use of "Sister" organizations experience
 - Adopt a phased approach where immediate value is delivered to the greater organization
- Effort
 - Don't underestimate the costs
 - Be prepared to dedicate people to the project (incl. executives) for extensive periods of time
- Outcomes
 - Be realistic about your timeframe
 - Beware change fatigue and the impact of continuous change
 - Be outcome focused but input driven

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For More Information

Visit Our Website:

www.oracle.com/industries/government/oracle-enterprise-taxation-management.html

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