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Tax and Revenue – Supporting Local Government

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Today's agenda

- A little background
- An argument for return to centralization
- Business and functional needs
- Technology
- Business case
- Q&A

Argument for return to centralization

- Taxes are assessed and collected at the local level
- In today's tax climate improved assessment and collection are needed and there are solutions available to help deliver improved revenue streams
- Sharing the cost of infrastructure and solutions will save \$\$\$
- Technology is available that makes this feasible and practical
- This is a business model and there are risks and issues
- Leadership is needed and revenue agencies and IT departments need to step up to the table

Aligning Business and Functional Needs

- Integrated view of the taxpayer
- Business process improvements
 - Accounting
 - Assessment
 - Collections case management
 - Revenue management
 - Compliance, discovery, audit, appeals
- Business process and workflow management
- Content management
- Channel management

Functionality Driving Solution Modernization

- Integration with related solutions
 - Mass appraisal
 - Recording
 - Mapping
 - Field work
 - Financial
- Better valuation methods
- Better taxpayer relations
- Taxpayer management including self management

Available Business Improvement Services

- Workflow and business process management
- Case management
- Enterprise content management (ECM)
- Web services
- Data management and warehousing
- Security management
- Managed services

Business Issues – Obstacles or Opportunities

- Security
- Change management
- Tax types reported/assessed and collected locally may vary
- Equalize property valuation
- Inter-jurisdictional requirements
- Inter-jurisdictional politics
- Replacing retiring workforce
- Legislated requirements change business rules

A Range of Players – Obstacles or Opportunities

- Taxpayers
- Tax administration – revenue departments, finance departments, treasurers, tax collectors
- Property valuation – recorders, clerks, appraisers, assessors, boards of equalization
- City and county planners
- Business partners and other third parties

Managed Services Issues – Obstacles or Opportunities

- Security
- Telecommunications providers
- End user computing
- Business continuity
- Service levels
- Delivery
- Available infrastructure
- Gaining clients

Technology is Available

- The Net – inter, intra and extra too
 - Delivery of services to different target audiences
 - ASP/SaaS models
 - Service providers
 - States provide hosted solutions today
- Web capable solutions
 - Tax management
 - Collections
 - Assessment
- Services based delivery
 - Designing unique services
 - Integrating ubiquitous services

Technology Issues – Obstacles or Opportunities

- Security
 - Operations
 - Access
 - Data protection
 - Audit
- Complexity and variety of the legacy base
- Infrastructure variety
- Large jurisdictions may have their own sophisticated IT capabilities
- Technology in transition –what is today and what is next
- Multiple, aging, hierarchical systems need to be replaced

What Services Should Be Provided

- Operation and management of the systems
 - Solution software and hardware
 - Prepared space – raised floor, cooling, power
- Systems include the users
 - Managed services
 - Help desks
- Systems must be reliably available – there whenever anyone needs access to it
 - Disaster recovery
 - Business continuity
 - Redundancy
- Security
 - Physical
 - Operational

Business Case – Sharing Down the TCO

- License costs
- Maintenance costs
 - COTS maintenance linked to license cost
 - Internal maintenance of one set of application solutions
- Improved resource usage
- Shared upgrades
- Consolidated buying power
- Reduced number of data centers requiring DR and continuity capabilities
- Benefits funded

Where Shared Savings Come From

- Staff
 - Automation
 - Right-staffing approach
- Hardware
 - Consolidation
 - Refresh
- Software
 - Consolidation
 - Standardization
- Facilities
 - Shared in state model
- Processes
 - Methodology reuse
 - Centralization
 - Standardization



Business Model

- Take your delivery lessons from outsourcers
- Run it like a business
- Do not mandate, but offer a better mousetrap
- Clients and partners
- Give them a voice
 - Service level agreements
 - Participation on steering committees
 - Input for change and improvement
 - Client advisory committees
 - How much voice is appropriate
 - What input is appropriate

Business Model

- Invest in marketing
- Think through and plan the opt in options
- And the opt out options
- Require contracts
 - Onboarding services
 - Participation commitments
 - Service level agreements
 - Offboarding services
- Be prepared to compete for their business

Challenges

- Key challenges
 - Proving savings
 - Capability and expertise
 - Geographic coverage
 - Quality
 - Agility
- Understanding infrastructure
 - How much investment has been made in technologies over the last 3 – 5 years?
 - Any preferred suppliers?
- Capability to deliver regardless of size

Options

Establish the business case first then:

- Host from state
 - Establish the requirements
 - RFP for project to complete the business solution
 - Consider a benefits funded project
 - Implementation
 - Opting in and out
- Work with an outsourcer
 - Establish the requirements and include outsource requirements like transition plans
 - RFP for hosted solutions
 - A benefits funded project could work with an outsourcer
 - Onboarding and offboarding – co-managed at the state

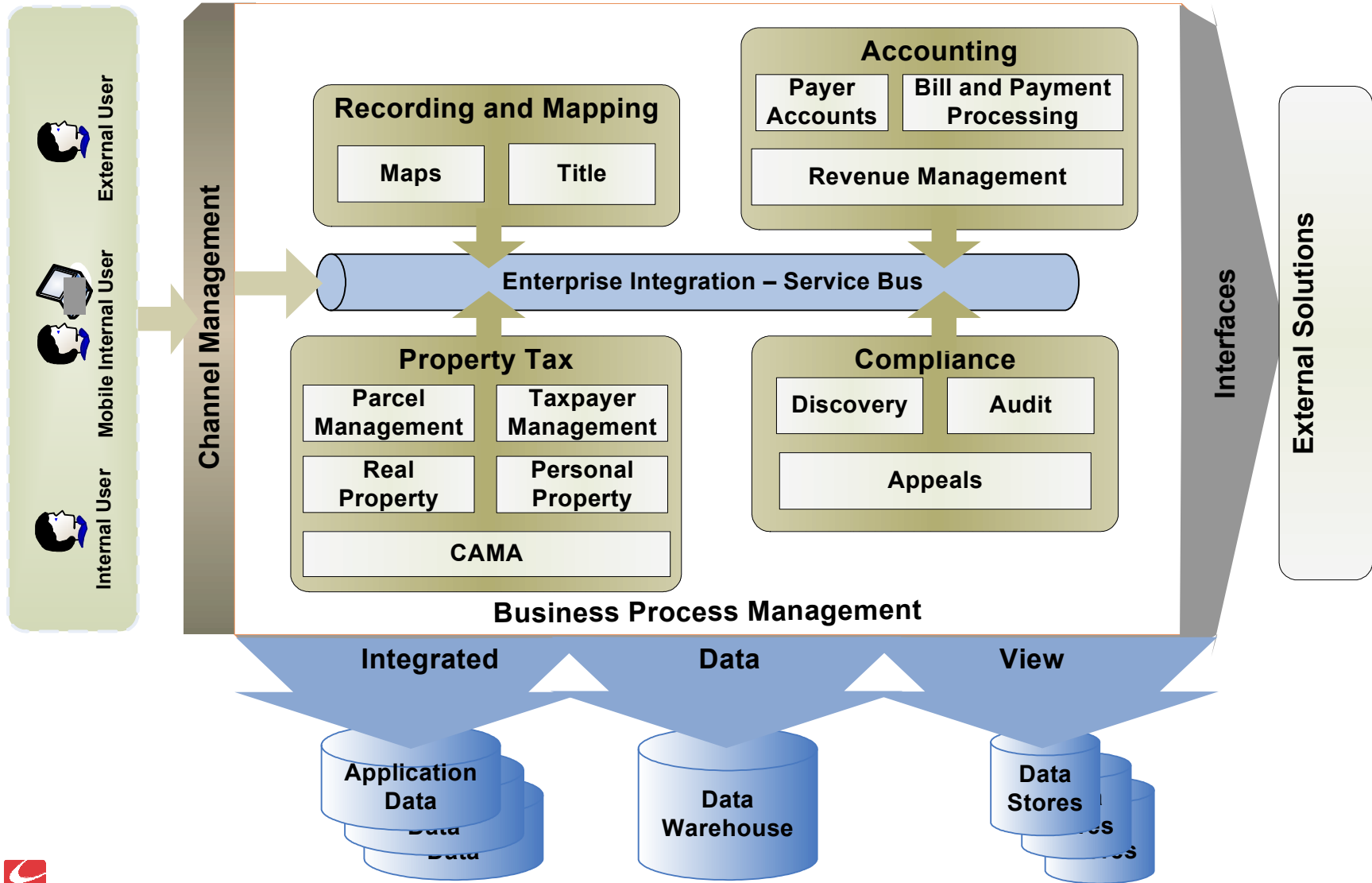
Why Outsource?

- Lower cost through leveraging size
 - Lower cost for hardware, software and third parties through enterprise agreements
 - Shared infrastructure elements
 - Right skill set for the each job function through resource pools
 - Consolidated data center infrastructures
- Service Levels
 - Committed and guaranteed service levels
 - Service level reporting
- Better processes and tools
 - Leveraging continuous improvements in processes, best practices and tools

Why take this approach

- Improve tax administration at all levels in your state
- Provide jurisdictions a way to afford modern, integrated solutions
- Gain local governments as business partners to merge buying power and reduce the total cost of ownership
- Eliminate redundant and expensive infrastructures
- The technology is available to host web delivered solutions that meet broad tax and revenue needs
- Minimize financial, operational, and political disparities

Local Government Tax and Revenue Architecture



Q & A

Thank you for your time...



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