



## *Electronic Tax Administration: Trends, Directions & Issues*

**John Goggin**  
Vice President  
Government Strategies  
META Group



## **Goals for State Tax Administration**

### **Constituent - Elected Official**

**Governor, Legislators, Judges**

- Reduce Taxes
- Enact no new Tax laws
- Reduce operating costs
- Increase cash flow
- Promote on line tax filings

**Get Self Re-Elected**

## Goals for State Tax Administration



### Constituent - Employees

#### Directors, Staff, Partners

- Reduce operating costs
- Increase cash flow
- Promote on line tax filings
- Simplify compliance, reduce errors
- Decrease taxpayer contacts
- Reduce audits - promote education

**Improve Morale**

## Goals for State Tax Administration



### Constituent - Taxpayer

#### •Individuals, Businesses

- Pay fair share and not a penny more
- Seamless government
  - No barriers between local-state-federal
- Utilization of public / private best practices

**Leave me alone !**

## Strategic Direction Decided



**Who, What, When, Where, and How  
automation will be applied ?**

**Strike a balance between;**

- Automating all existing service offerings
- Extending existing service offerings to existing technologies
- Enabling new service offerings

## Organizational Structures Created



**Established project management offices**

Assigned roles and responsibilities

**Created Governance models**

Prioritization rules, processes and timetables

Funding sources & spending authorizations

**Documented the savings and satisfaction**

Calculated the baseline and tracked the improvement

Focus groups and surveys

Business cases and ROI / ROV required

**You have come a long way but  
now you have some tough questions...**

## **The Next Question Set**



### **Role of Tax and Revenue in 5 years**

Regulate & control or  
Partner in innovative government transformation

### **Long term cultural impact**

e.g. Political implications of seamless government

### **Economic impact**

Private vs. Public *revenue*  
Competitive positioning (global, states)  
New revenue sources for government

## **Did you consider ?....**



**Technology Innovation**

**Technology Obsolescence**

## ***Did you consider ... Public Sector Trend 2002***



*During 2002, public sector **sourcing strategies** will become closely coupled with **Human Capital Management (HCM)**. Recruitment and retention of high-demand skills will become problematic, leading to increased use of both **'point' sourcing** and **Systems Integrators** for application development and project management. By 2005/06, early successes at comprehensive **HCM/sourcing strategies** will become mainstream, with nearly 40%+ of government jurisdictions utilizing **HCM skill inventories** to determine sourcing requirements.*

## ***Did you consider Public Sector Trend 2002***



*The necessity of creating **cross 'silo' governance models** (as a response to terrorism and legislation mandating increased cooperation and data sharing) will require **CIOs** hone their **negotiation skills** and interface with public policy makers creating governance and implementation strategies. By 2005/06, these models will mature, enabling wide spread cooperation beyond the requirements of public health and safety.*

## ***Did you consider Public Sector Trend 2002***



*The **tension between security and right to privacy** for citizens will become increasingly significant in 2002. In the near term, securing IT assets and developing a comprehensive security and privacy architecture will become the focus for 80%+ of CIOs. By 2005/06, CIOs will establish comprehensive security architectures across the jurisdiction facilitating data sharing in line with both physical and digital security requirements driven by federal, state and local task force and terrorist response initiatives.*

## ***Did you consider Public Sector Trend 2002***



***Content management** coupled with business intelligence tools and data modeling initiatives will **enable portal redesign to increase the use and effectiveness** of government portals. *Collaboration, document management, application integration and citizen personalization (including metrics) will change existing government portals and citizen interaction in the 2005/06 timeframe for 40%+ of government jurisdictions.**

## ***Did You Consider Our newest Constituents ...***



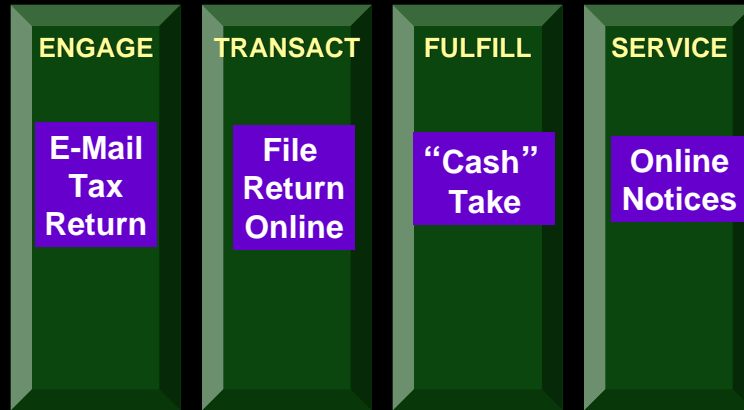
- t** Were born after the IBM shipped its first PC
- t** They may never have used an encyclopedia
- t** They don't understand the phrases "8mm", "beta", or "Black & White TV"
- t** They can't identify a grooved, plastic disk approximately 12" across and 1/16<sup>th</sup>" thick
- t** Never knew 'life before cable', or television before Fox
- t** Grew up on remote control TV – most can't change the channel without a remote control
- t** Believe there were always mobile phones, video games, e-mail, AOL chat rooms and the Internet

## ***Did you consider Public Sector Trend 2002***

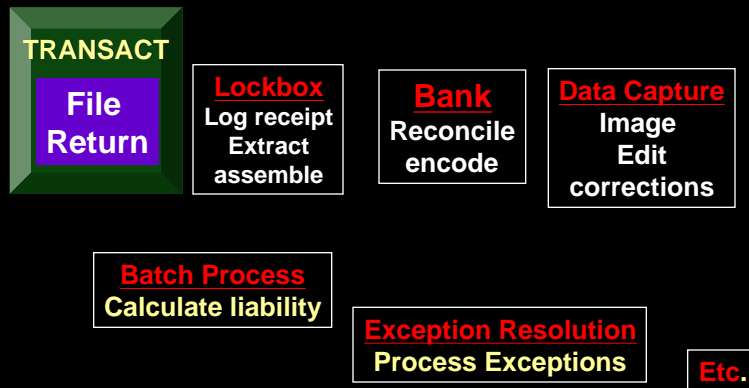


***Emphasis on **Constituent Relationship Management (CoRM)** deployment will increase significantly in 2002. Reevaluation of **call center initiatives** to support public health and safety and greater service to citizens will lead to rearchitecting call centers, **enabling constituent feedback loops and deployment of a 'virtual' single point of contact for citizens within a jurisdiction.** By 2005/06, leading edge governments (e.g. those with greater than 70%+ of government services online) will construct the architecture and deployment strategy for CoRM enabling improved service, greater customization and design for alternate points of interaction (POI's) such as wireless and mobile computing.***

## Process Life Cycle



## Channels-Organizations & Functions *the processes required to complete a transaction or service*



## Did you consider Public Sector Trend 2002

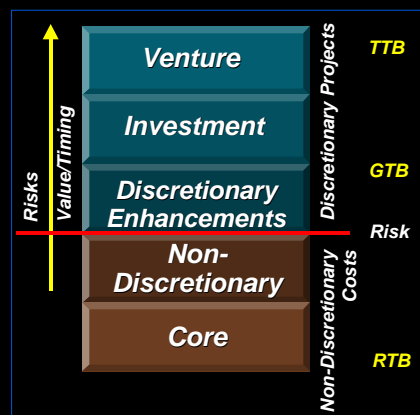


*Funding strategies for government service delivery will take on increasing importance in 2002 given resource scarcity. Elected officials will mandate CIOs develop comprehensive value and portfolio management in the near term, resulting in new investment strategies (shared risk reward models, contract incentives). By 2005/06, these strategies will become mainstream with portfolio and value management rationalizing IT investment.*

## Protecting your legacy Portfolio Management



### Investment Categories



# META Trends 2002/03

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## Electronic Government Strategies

1. In 2002, public-sector sourcing strategies will become closely coupled with human capital management (HCM). Recruitment and retention of high-demand skills will become problematic, leading to increased use of both “point” sourcing (e.g., contracting for a specific skill set) and systems integrators for application development and project management. By 2005/06, early successes at comprehensive HCM/sourcing strategies will become mainstream, with **nearly 40%+** of government jurisdictions using HCM skill inventories to determine sourcing requirements.
2. During 2002, fragmented program/project management office (PMO) initiatives within single government agencies will expand to enterprise-level initiatives (e.g., across the entire jurisdiction). Enterprise CIOs will lead governance structures that effectively measure risk, progress, and cost, as well as conformity to jurisdictional initiatives. By 2005/06, these initiatives will become mainstream, used by 80%+ of jurisdictions as the method to manage public policy and limited resources.
3. Emphasis on constituent relationship management (CoRM) deployment will increase significantly during 2002/03. Rearchitecting call center initiatives to support public health/safety and greater service to citizens will enable constituent feedback loops and deployment of “virtual” single points of contact for citizens within a jurisdiction. By 2005/06, leading-edge governments (e.g., those with more than 70% of government services online) will deploy CoRM strategies for improved service, greater customization, and alternate points of interaction such as wireless and mobile computing.
4. During 2002/03, XML development for cross-jurisdictional functions will expand to enable sharing of critical public health and safety information. Led by public-sector interest groups (e.g., National Association of Counties, National Governors’ Association, **Search**), data-sharing requirements will help drive these standards. By 2005/06, these evolving standards, combined with component APIs, will enable increased functionality and commonality for middleware services as well as more rapid data exchange.
5. In 2002/03, traditional application service provider (ASP) models (e.g., EDS, IBM) will evolve, enabling leading-edge jurisdictions to either source or provide application services across jurisdictions. A lack of IT talent and mandate to contain costs for increased application and infrastructure will necessitate adoption of leading-edge ASP infrastructure and application service models (e.g., San Antonio, Westchester County). By 2005/06, these ASP models for cross-jurisdictional services will enable cost containment and improved service delivery for shared applications and infrastructure in 40% of government jurisdictions.
6. During 2002/03, jurisdictions with a pervasive portal presence and infrastructure to facilitate online government will begin strengthening citizen ties to government, creating increased public policy collaboration. Early e-democracy initiatives will cement citizen-to-government and citizen-to-citizen communities of interest, enabling greater citizen participation by 2005/06.
7. The tension between citizens’ security and right to privacy will become increasingly significant in 2002. Securing IT assets and developing a comprehensive security and privacy architecture will become the focus for 80%+ of public-sector CIOs. By 2005/06, CIOs will establish comprehensive security architectures across their jurisdictions, facilitating data sharing in line with both physical and digital security requirements driven by federal, state, and local task-force and terrorist-response initiatives (e.g., National Infrastructure Protection Center).
8. Content management, coupled with business intelligence tools and data modeling initiatives, will enable portal redesign to increase the use and effectiveness of government portals. Collaboration, document management, **application and integration and citizen personalization** (including metrics) will change existing government portals and citizen interaction during 2004-06 for 40%+ of government jurisdictions.
9. The necessity of creating “cross-silo” governance models will require CIOs to more closely interface with public policymakers and create governance and implementation strategies for potential scenarios affecting public health and safety. By 2005/06, these models will mature, enabling widespread cooperation beyond the requirements of public health and safety.
10. Funding strategies for government service delivery will assume increasing importance in 2002, as elected officials mandate that CIOs develop comprehensive value and portfolio management programs, resulting in new investment strategies (e.g., shared risk/reward models, contract incentives). By 2005/06, these strategies will become mainstream, rationalizing IT investment.