

Learning from Arizona's Re-engineering Experience

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Presentation Agenda:

- ◆ Background
- ◆ Current Status
- ◆ Key Challenges
- ◆ Lessons Learned



Background

- ◆ Tax systems were old and inflexible
- ◆ Transaction Privilege Tax had reached its maximum capacity
- ◆ Legacy systems were not integrated vertically or horizontally
- ◆ DOR's business practices were out of date

BRITS-3



Background

So, the goal was to:

- ◆ Build an integrated tax system
- ◆ Re-evaluate/re-engineer all current processes and procedures.
- ◆ Focus on essential, core business functions
- ◆ Use the best practices of other organizations.

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Background

And Brits was created

Business Re-engineering Integrated Tax System

The opportunity to redesign & restructure DOR business processes and their supporting systems to increase Arizona's revenue and greatly improve customer service.

Best Practices

New Tools

New Technology

BRITS-5



Background

Project uses innovative Gain Sharing contract

- ◆ First use of Arizona's new Gain Sharing legislation
- ◆ All work paid for out of additional revenues brought in through the BRITS program
- ◆ Benefit dollars are split 85% Contractor/ 15% State until work is paid for.

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Current Status

January 2004

- ◆ **Integrated Tax System for Transaction Privilege Tax**
- ◆ **AzTaxes.gov website**
- ◆ **Executive Dashboard**

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Key Challenges

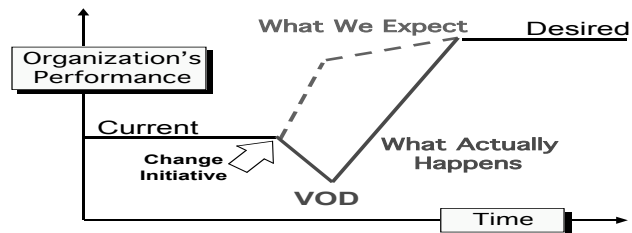
- ◆ **Communication/Training**
- ◆ **Becoming Operational**
- ◆ **Managing Expectations**

BRITS-8



Managing Expectations

Valley of Despair



BRITS-9



Lessons Learned

- ◆ User Involvement
- ◆ Implementation
- ◆ Testing
- ◆ Training
- ◆ Support
- ◆ Manage Expectations

BRITS-10



Lessons Learned

◆ User Involvement

- Requirements / Scope Definition
- Testing Involvement
- Focus on Processes
- Clear and concise communication between user and business partner on the requirements

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Lessons Learned

◆ Implementation

- “Don’t bite-off more than you can chew”
- Phased approach
- Don’t let the schedule be the over-riding factor of the “go/no-go” decision
- Effective communications with business units
- Active involvement/support from Management of business units

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Lessons Learned

◆ Testing

- Involve more users
- Test sufficient volume and levels of difficulty
- Ensure the issues that have risen from testing are addressed prior to implementation
- Ensure that both you and the business partner have the same expectation for testing

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Lessons Learned

◆ Training

- Offer a training environment that reflects the real world
- Plan for refresher classes

BRITS-14



Lessons Learned

◆ Post Implementation Support

- Focus on agency priority processes and functions
- Adequate resources readily available to address issues
- Allocation of resources to priorities

BRITS-15



Lessons Learned

◆ Manage Expectations

- Things won't be perfect
- What are reasonable expectations?
- Share expectations with entire agency

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Questions and Answers:

