



Implementing a COTS Integrated Tax Solution

August 4, 2009



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Agenda

- What is a COTS?
- Costs of a COTS implementation
- Developing a COTS Mindset
- Minimize Customizations
- Unlock the Opportunity
- Knowledge Transfer
- Q&A



2

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Commercial Off the Shelf Solution (COTS) *Definition*

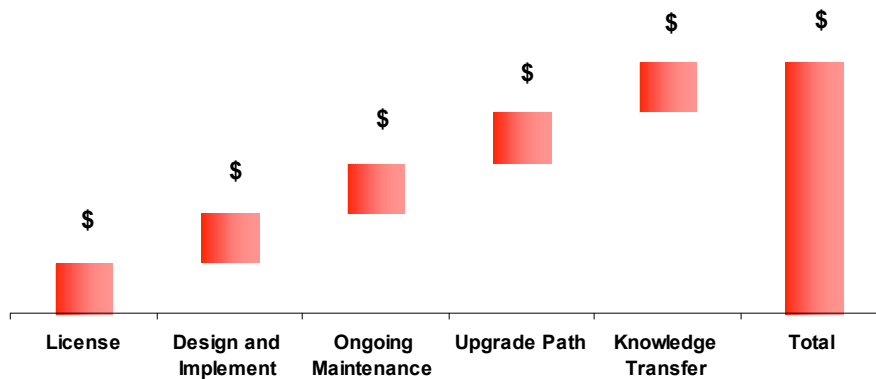
- Typically used for application software that performs one or more functions
- Can be a large end-user application performing robust functions
 - Integrated Tax System that performs registration, accounting, correspondence, workflow and case management
 - Collection system that performance case management, correspondence and workflow
- Can be business applications that perform a few functions
 - Image capture application that reads text and provides workflow around that function
 - Customer relationship application that has workflow and case management capabilities
- Can be specific applications that perform targeted functions
 - Address Normalization
 - Skip Tracing/Locate Services
 - External Security Authentication



3

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What are the costs?



4

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Developing a COTS Mindset

- ✓ Use the base
- ✓ Adapt processes
- ✓ Minimize customizations
- ✓ Flexibility (the good news and the bad news)
- ✓ Focus on the outcome; not the how



5

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Adapt Processes

- Many tax agencies have not made significant changes to processes in years
- Changes in technology are great opportunities to update processes
- COTS products work in a certain way – suggesting a certain process
- Best practices are often built in
- One size does not fit all – but the principles may apply

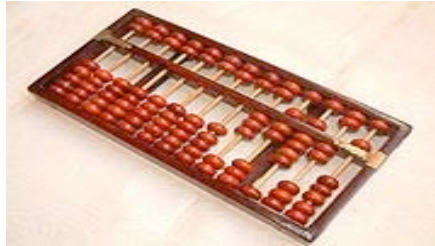


6

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Technology and Tax Administration

Abacus



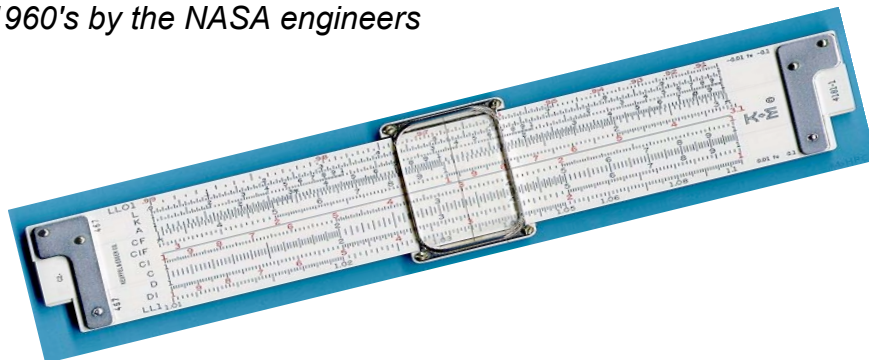
7

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Technology and Tax Administration

Slide Rule

First built in England in 1632 and still in use in the 1960's by the NASA engineers



8

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Pascaline

In 1642 Blaise Pascal, at age 19, invented the Pascaline as an aid for his father who was a tax collector.



9

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Desktop Adding Machines



10

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Calculation Aid

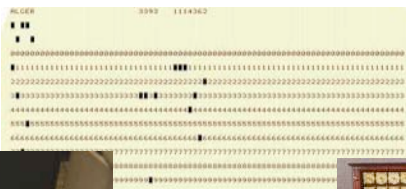
Required paper record storage



Technology and Tax Administration

Punch Cards

Store and Mill (memory unit and CPU)



Technology and Tax Administration

IBM Mainframe and similar computers



13

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Unlock the Opportunity

- Determine what existing processes do not fit with the technology solution
- Determine what processes the technology solution suggests
- Implement processes that meet the business needs and leverages the technology
- Use technology as the agent for change



14

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Minimize Customizations

- Implementation cost ↓
- Implementation risk ↓
- Implementation duration ↓
- Long-term maintenance ↓
- Use what comes with the product if it:
 - Satisfies your legal requirements
 - Accomplishes the desired result
 - Does not unreasonably increase your operational costs
 - Does not unreasonably decrease customer satisfaction



15

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Knowledge Transfer

- ✓ Fewer customizations = less to learn
- ✓ Actively participate in process design
- ✓ Review designs (functional and technical)
- ✓ Participate in configurations and customizations
- ✓ Test, Test, Test – business and technology staff learn how the system works and why



16

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Contact Information

ISO 9001 Certified



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About the Presenter

- *20 years of tax experience (18 in a tax agency)*
- *Former Tax Director*
- *Experienced in integrated tax and collection system implementations*
- *Experienced in process improvements*
- *Experienced in team and agency-wide quality programs*



17

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