



Madison

# MSATA 2008

Indiana Department of Revenue

# Creating a Customer-Focused Organization

Bill Bahler

Director, Human Resources



*“There are no traffic jams  
along the extra mile”*

Roger Staubach

Businessman, ex-NFL champion quarterback



# It Starts At The Top

Customer service excellence will not exist amongst frontline employees *unless it is first embraced by senior management*

Becoming customer-focused is a *Cornerstone of the INDOR strategy*



# Indiana Department of Revenue

## QUALITY THAT COUNTS

### Vision

#### What we want to become:

The **citizens** of Indiana will look upon the Department of Revenue with respect and confidence that we are achieving with distinction our charged obligations.

### Mission

#### How we will realize the vision:

Administering tax laws in a fair, consistent and efficient manner that supports the State and local budgets, which allow Indiana to be a highly desirable place to live, work and do business.

### Values

#### How we will conduct ourselves:

- **Pride** — Presenting the best of ourselves and our work.
- **Respect** — Treating each other, **taxpayers** and vendors with respect.
- **Highest standards** — Setting the bar in customer service and ethical behavior.
- **Trust** — Doing what we say we will do, and doing it right.
- **Teamwork** — Working in alignment, with pride, respect and trust to achieve the highest standards.

### Strategies

#### What we will do to achieve our mission:

- **Customer focused** — Considering how our actions and decisions affect the taxpayers and the State of Indiana.
- **Efficient operation** — Ensuring we work smart and at the least cost to taxpayers.
- **Effective operation** — Striving to offer the best service and the most beneficial results possible — consistently.
- **Right people, right jobs** — Ensuring Department roles are filled with people who have the best skills and talents for the job.



# How We Started

- In 2005, INDOR launched a 4-Step Customer Service process designed to support Indiana's *Tax Amnesty Program*, tailored to fit our Tax Administration Call Center section
- However, becoming a customer-focused organization required the involvement of our entire agency
- We decided that we needed to change our relationship with the public from “adversarial” to respectful, professional, and knowledgeable

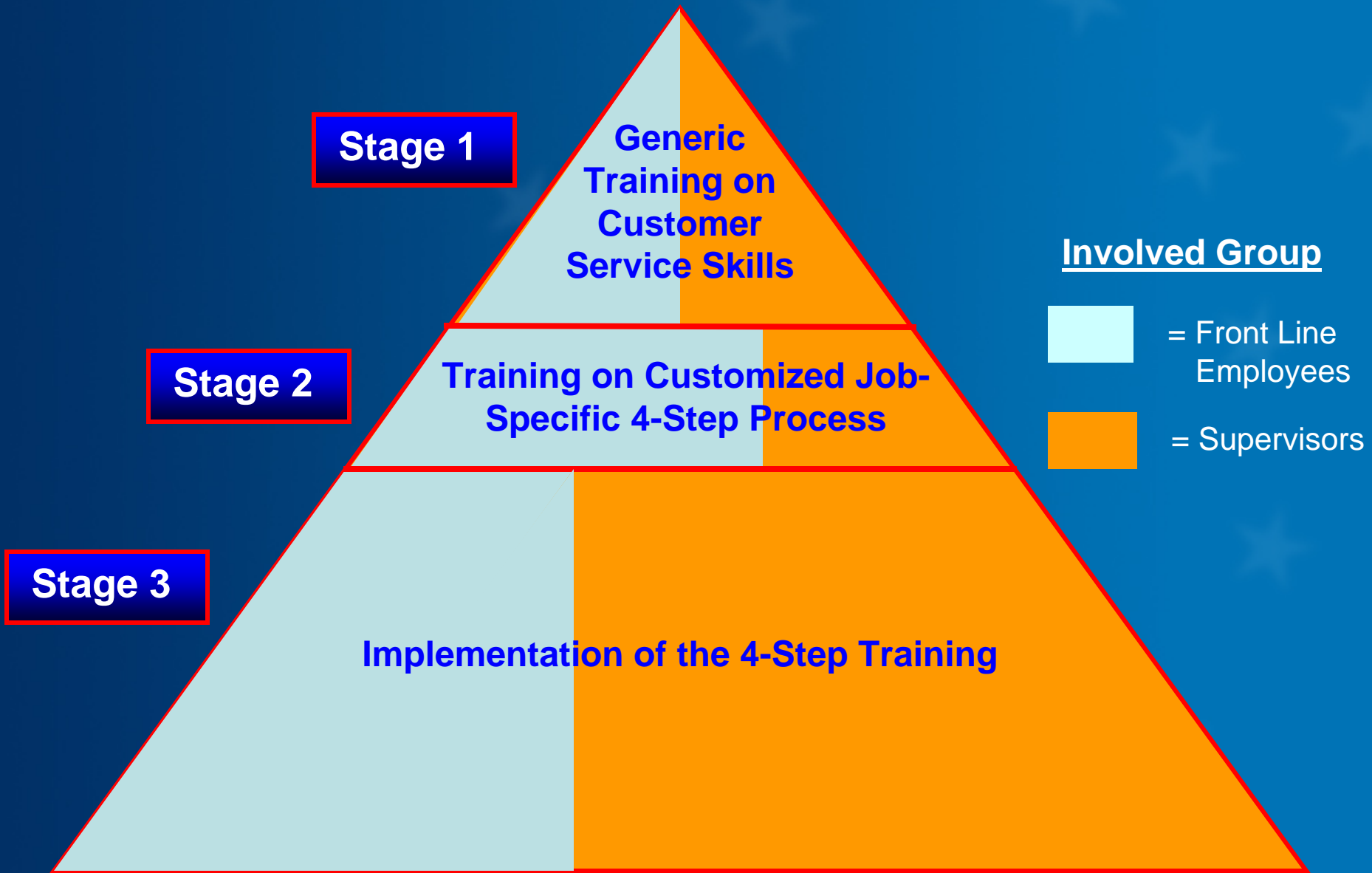


# INDOR's Training Process

To achieve INDOR's mission-vision mandate to become *customer-focused*, our training department developed a **3-stage process** built upon the original 4-Step Amnesty model...



# INDOR's Customer Focused Strategy



# INDOR's Customer Focused Strategy

**Stage 1** - the foundational piece for all Customer Service training

- Very generic, very basic
- Connects customer service to INDOR's mission-vision

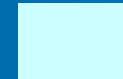
**Stage 1**

DOR  
Mission Vision,  
Values Strategy

Defining and Understanding  
Excellent Customer Service

**Foundation for 4-Step**  
Approx. 4 Hours

## Involvement Group



= Front Line  
Employees



= Supervisors

**Stage 2**

Introduction of Basic 4-Step

**Stage 3**

Implementation of the 4-Step

Ongoing Improvement Culture



# INDOR's Customer Focused Strategy

## Stage 2 – Customized 4-Step

- Very job-specific
- Supervisory involvement
- 4-Step training begins here

Stage 2

Stage 1

DOR  
Mission Vision,  
Values Strategy

- Defining and Understanding  
Excellent Customer Service

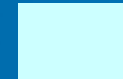
Foundation for 4-Step  
Approx. 4 Hours

Introduction of Basic 4-Step

- Customized
- 0 – 2 months
- Approx. 4 Hours

➢ Roll Out  
Basic 4 Step

### Involved Group



= Front Line  
Employees



= Supervisors

Implementation of the 4-Step

Stage 3

Ongoing Improvement Culture



# Tax Administration Customer Contact and Support 4-Step Process

Step 1 - **Professionally welcome** the customer/client  
("Thank you for calling the Indiana Department of Revenue...")

Step 2 - **Determine taxpayer needs** (ask questions to determine the *real* needs)

Step 3 - **Begin action steps** (provide solutions, answer question/s, or redirect as needed to satisfy real need)

Step 4 – **Professional close** (verify agreed-upon action steps, "Any other questions?," "Thank you for allowing me to serve you today.")



# Outbound Collections Department 4-Step Process

- Step 1 – **Professional Contact** (professional introduction, verify taxpayer identification, sensitively state nature of call)
- Step 2 – **Reach Agreement on Situation** (“For me to handle this for you, we’ll need to work together to fully understand your situation.”)
- Step 3 – **Provide Action Step/s** (“Now that we agree, here’s what we need to do to move this forward...”)
- Step 4 – **Wrap-up/Summarize** (“Before we wrap up, are there any questions about what needs to be done?”)



# The Four Step PSP Process for Setting Up Audits For Class 1 and Class 2 Companies\* *An Overview*



Indiana Department of Revenue

- \* Class 1 < 2 Million in Revenues
- Class 2 = 2 – 20 Million in Revenues

# Primary Goal

The primary goal of this process is to provide audit personnel with means to:

- *effectively and efficiently schedule an audit*
- *reduce the concerns of our customers*
- *provide a clear view of the audit process*
- *encourage cooperation from our customers in the entire audit process.*

# 4-Step Audit Setup Process

At the end of this discussion period, participants will have a better understanding of the Four Step Audit Process, which includes:

1. Establishing professional contact with the customer
2. Address their concerns about the audit process
3. Gather the appropriate information
4. Close the call and set the appointment

# Step 1 – Professional Contact

## A. Introductory Letter:

Should begin with a letter to the customer – keep it positive and encourage cooperation. The letter should address the following questions on the part of the customer:

1. How was I selected?
2. Will my concerns be addressed?
3. Are you confidential and professional.

STATE OF INDIANA  
DEPARTMENT OF REVENUE



August 24, 2005

ABC Corporation  
Tax Manager  
4567 Need Audited Lane  
Fairfax, IN 45390

RE: Indiana Tax Audit

This letter is to respectfully inform you that your business has been selected for a compliance audit by the Indiana Department of Revenue. The audit process involves an examination of your returns and records used to report your Indiana Income Tax, Sales Tax, and Withholding Tax for 2002, 2003, and 2004. These records normally include your income tax returns, sales tax returns, withholding tax returns, employee W-2's, sales invoices, purchase invoices, and exemption certificates.

Compliance audits generally take three days to perform. Your assistance in providing the requested information will enable the audit to be conducted in the most efficient, confidential, and accurate manner possible. In addition, the result of the audit will either be that tax has been underpaid, tax has been paid correctly, or that tax has been overpaid. Interest charges apply to any underpayment or overpayment of tax. It is to your advantage that the audit process is expedited to either stop the accruing of interest, to receive your refund faster, or eliminate normal anxiety associated with an audit.

You may have someone represent you during any part of this examination. If you want someone to represent you, I will need a completed Power of Attorney form. I can provide you with this form or direct you to the place to obtain it.

Please be assured that audits by the Department of Revenue are treated as sensitive and confidential. I will be calling you within the week to discuss any of your concerns and to schedule your audit appointment. You are welcome to contact me at 765-289-6196 or email me at [sally@dor.in.gov](mailto:sally@dor.in.gov) prior to my call, as well.

Thank you, in advance, for your cooperation.]

Sincerely,

Joe Auditor  
Field Examiner

# Introductory Letter

# Step 1 – Professional Contact

## B. Opening of initial phone call:

Once the letter has been developed and sent, the next step is the initial phone call. This should also be positive and should begin with:

- A warm greeting
- Asking the customer if they have a few minutes to speak with you
- Asking the customer if they have received your letter

# Step 2 – Address Their Concerns

## A. Address initial phone call concerns.

Before a positive discussion can begin, we should “flush out” the overt and hidden concerns our customers may have. This shows that you desire to assist them and promote effective communication. Suggested example:

Example: I find most of my clients have concerns about my involvement and the actual audit process. Would you mind allowing me to address whatever concerns you currently have?

(If none are forthcoming after a lengthy pause, you might offer up a starter “common concern”.)

Before moving on ask, “are there any other concerns at this time?”

# Step 2 – Address Their Concerns

B. Be thorough-identify and answer concerns.

As a service professional, your questions are the most valuable tool you have to determine the real concerns of your customers. Ensure you address each one before moving on.



# Step 3 – Gather Information

Move from addressing concerns to professionally getting the information you need.

Example:

"May I ask you a few questions to better understand your business to be able to complete your audit as efficiently as possible?"

# Step 4 – Close Call/Set up Appointment

- 4A. Start to wrap up, move towards professional closure.
- When you have been provided the background information you need, it's time to wrap things up and schedule the appointment. Things to consider:
    - Ensure terminology is mutually understood
    - Discuss the reports that you will need in the audit process
    - Establish the location where the customer would like you to work
    - Who will you be reporting to?
    - Discuss what personal needs you may have (desk/chair/outlets)

# Step 4 – Close Call/Set up Appointment



4B. Finalize with facts and sincerity.

Close your conversation showing you appreciate your customer. Also remind them of date for audit and let them know a confirmation letter will be coming to them.

# Step 4 – Close Call/Set up Appointment

4B. (continued)

Example for closing your conversation:

“Again, I’d like to thank you for your cooperation. I’ll be at your Salem Street warehouse at 8AM Monday September 15<sup>th</sup>. I’m looking forward to working with your company.

I can be reached at 317-888-help or via my email address, should have any questions.

You’ll be receiving a confirmation letter of everything we’ve discussed in the couple of days; is there anything else I can do for you?”

# INDOR Sections with Customized 4-Step Processes

- Audit Division (previous)
- Bankruptcy Section
- Collections – Inbound
- Collections - Outbound
- Commercial Driver's License
- Compliance Section
- Correspondence (Tax Administration)
- Legal Division
- Tax Administration (Call Center)
- Tax Administration (Processing)



## Stage 2

### Success Keys for Customized 4-Step

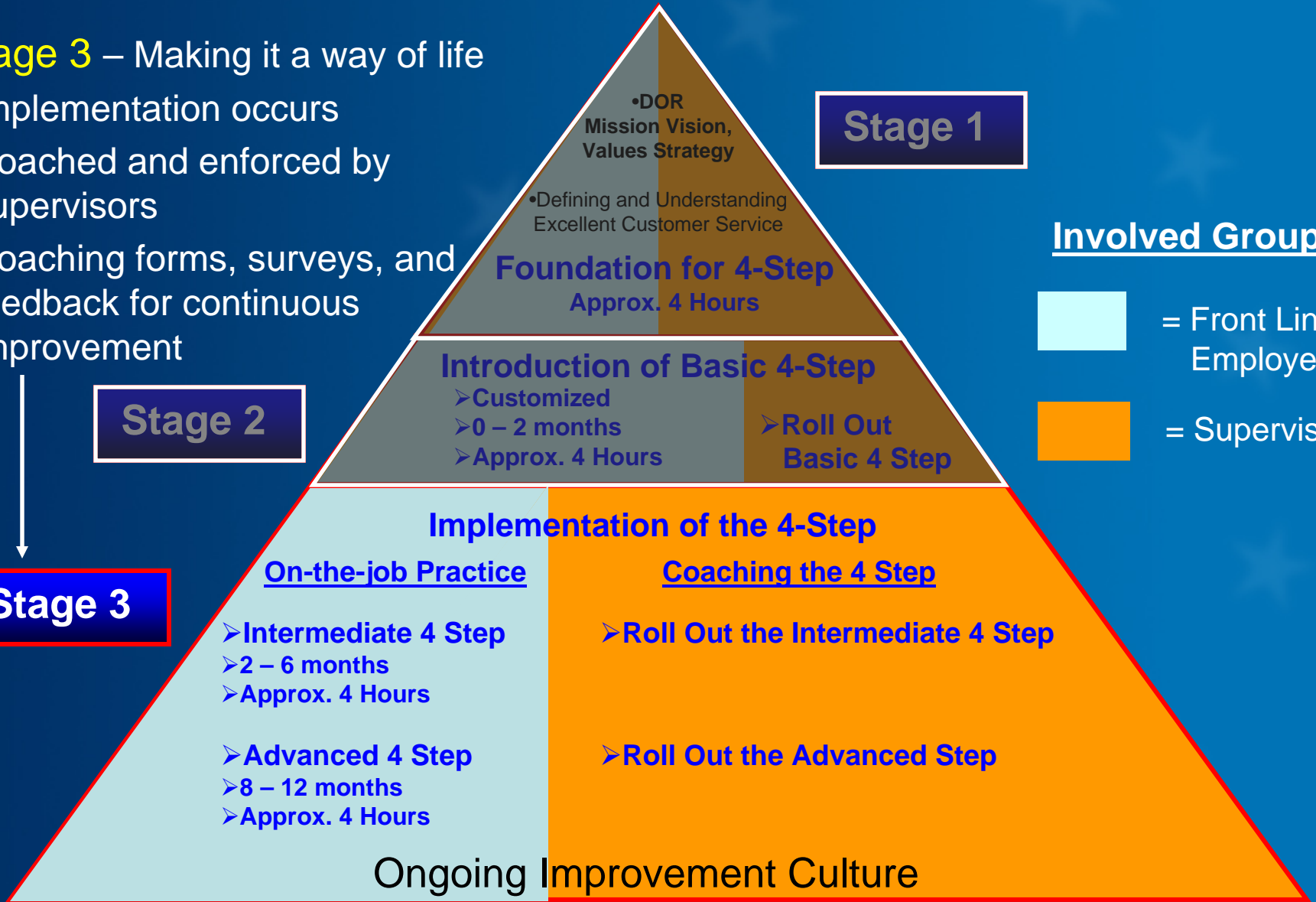
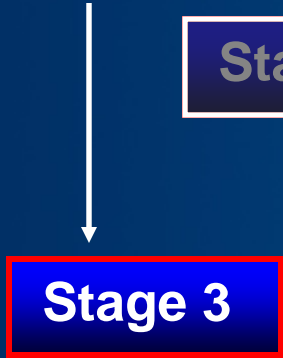
- A customer-focused organization cannot occur unless all levels of management “own” the process
- They will not enforce any type of customer interaction that they do not believe is professionally relevant and/or appropriate for their unique type of customer interactions
- *Consequently, charging the frontline supervisors with the responsibility of the development and delivery of CS training is mandatory*



# INDOR's Customer Focused Strategy

## Stage 3 – Making it a way of life

- Implementation occurs
- Coached and enforced by supervisors
- Coaching forms, surveys, and feedback for continuous improvement



### Involved Group

- = Front Line Employees
- = Supervisors



# Implementing and Coaching

- No training program (regardless how clever) will significantly impact frontline work unless it is uniformly implemented and then “coached” for continuous improvement
- INDOR now evaluates all supervisors/managers on their ability to “coach and direct” their employees (INDOR provides them with training and tools to help them coach effectively)



# Coaching Tools

- INDOR's supervisory Customer Service training provides participants with coaching tools
- The most useful tool for a Customer Service supervisor is to give them a simple means of assessing the quality/effectiveness of employee interactions with the public



# Coaching Form

**Coaching Customer Service Excellence**

Employee Name: \_\_\_\_\_  
Supervisor/Rater: \_\_\_\_\_  
Date: \_\_\_\_\_

**Scoring**  
5 pts E = Excellent no improvement recommended  
3 pts A = Acceptable but suggested room for improvement  
1 pt I = Improvement area

**Step 1.0 - Professionally Greet Customer/Client** \_\_\_\_\_  \_\_\_\_\_

1.1 Appropriate tone of voice \_\_\_\_\_  15 max  
Notes: \_\_\_\_\_

1.2 Welcome statement (Thank you for calling...) \_\_\_\_\_   
Notes: \_\_\_\_\_

1.3 Provided name & agent ID \_\_\_\_\_   
Notes: \_\_\_\_\_

**Step 2.0 - Understanding Customer/Client Needs:** \_\_\_\_\_  \_\_\_\_\_

2.1 Transition statement (May I ask you a few questions to best help you?) \_\_\_\_\_  20 max  
Notes: \_\_\_\_\_

2.2 Appropriate questions (ask the right things) \_\_\_\_\_   
Notes: \_\_\_\_\_

2.3 Clarity/effectiveness of questions \_\_\_\_\_   
Notes: \_\_\_\_\_

2.4 Identified real needs \_\_\_\_\_   
Notes: \_\_\_\_\_

**Step 3.0 - Action: Provide Alternatives/Options** \_\_\_\_\_  \_\_\_\_\_

3.1 Transition statement (I believe I have enough information to help you...) \_\_\_\_\_  15 max  
Notes: \_\_\_\_\_

3.2 Appropriate action recommended \_\_\_\_\_   
Notes: \_\_\_\_\_

3.3 Explained action professionally \_\_\_\_\_   
Notes: \_\_\_\_\_

**Step 4.0 - Summarize Call & Action Items** \_\_\_\_\_  \_\_\_\_\_

4.1 Transition statement (Before we close, let's review ..... ) \_\_\_\_\_  20 max  
Notes: \_\_\_\_\_

4.2 Thorough review/summary of action \_\_\_\_\_   
Notes: \_\_\_\_\_

4.3 Confirm taxpayer's satisfaction \_\_\_\_\_   
Notes: \_\_\_\_\_

4.4 Appropriately professional closing statement \_\_\_\_\_   
Notes: \_\_\_\_\_

Overall Comments: \_\_\_\_\_  70 max

- INDOR uses coaching Evaluation Forms, like this one, for supervisors to assess employee performance
- Individual steps (and sub-steps) allows for *very specific* coaching



# Feedback

- Continuous improvement requires hearing from our customers: Indiana Taxpayers
- INDOR uses surveys that mirror the Coaching Forms (administered by a 3<sup>rd</sup> party) to collect feedback on how well our agency uses the 4-Step Customer Service process (see handout)
- This feedback enables INDOR to re-focus its training and coaching to ensure **continuous improvement**



# Conclusion

*“Well done is better than well said.”*

Benjamin Franklin

