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- DOR’s business practices were out of date

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.
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

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.
### Current Status

**January 2004**
- Integrated Tax System for Transaction Privilege Tax
- AzTaxes.gov website
- Executive Dashboard

### Key Challenges
- Communication/Training
- Becoming Operational
- Managing Expectations
Managing Expectations

Valley of Despair

Lessons Learned

- User Involvement
- Implementation
- Testing
- Training
- Support
- Manage Expectations
Lessons Learned

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

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
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

Lessons Learned

◆ Training
- Offer a training environment that reflects the real world
- Plan for refresher classes
### Lessons Learned

#### Post Implementation Support

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

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#### Manage Expectations

- Things won’t be perfect
- What are reasonable expectations?
- Share expectations with entire agency
Questions and Answers: