




BRITS - Lessons Learned

Federation of Tax Administrators

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Presentation Agenda:

- ◆ What is BRITS
- ◆ Why BRITS
- ◆ Brits Overview
- ◆ Current Status
- ◆ Key Issues
- ◆ Lessons Learned
- ◆ Project Accomplishments
- ◆ Questions and Answers

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What is BRITS?

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

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Why BRITS?

- ◆ **Tax systems are old and inflexible**
 - Transaction Privilege Tax System initial implementation was in 1980
- ◆ **Transaction Privilege Tax System has reached its maximum capacity**
- ◆ **Legacy systems are not integrated vertically or horizontally**

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Why BRITS?

- ◆ **DOR's business practices are out of date**
 - Collections cannot accept EFT payments
 - Individual and business taxpayers are difficult to locate, contact, and track
 - No consolidated view of taxpayer across account types
- ◆ **Arizona budget is tight**
- ◆ **Previous requests for funding new systems had been denied or triggered by revenue collections**

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BRITS Overview

BRITS primary objective is to improve customer service.

- ◆ Build an integrated tax system with components to assist employees in providing better customer service.
- ◆ Re-evaluate/re-engineer all current processes and procedures.
- ◆ Focus on essential, core business functions and how DOR can meet the needs of its customers.
- ◆ Use the best practices of other organizations.
- ◆ Inspire organizational creativity and employee involvement.

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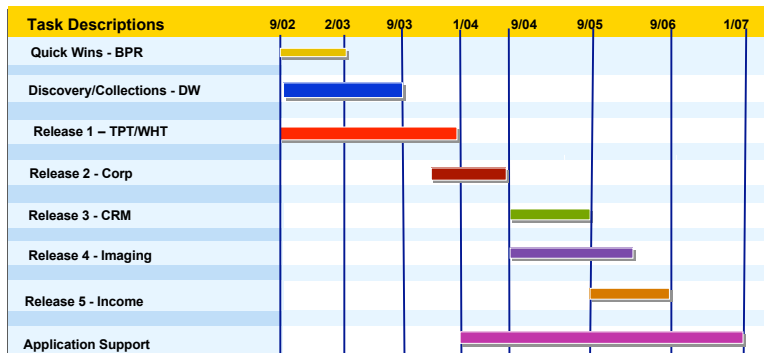
Project uses innovative Gain Sharing contract.

- ◆ First use of Arizona’s new Gain Sharing legislation
- ◆ 10 year contract – 4-5 year implementation schedule
- ◆ All work paid for out of additional revenues brought in through the BRITS program
- ◆ Benefits pool used to accumulate additional revenue dollars
- ◆ Benefit dollars are split 85% Accenture / 15% State until work is paid for.



Proposed Schedule

BRITS Release Schedule





Key Issues

1. Getting all core functions operational

Issue: Difficulty in getting the core functions (billings, refunds, delinquencies, month-end financial closes, including reports) operational

Status: These processes have been executed in production but some have only been done in small volumes but still require manual intervention and substantial programmer support

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Key Issues

2. System Investigation Request (SIR) resolution process

Issue: Getting SIRs resolved – the right ones, on a timely basis

Status: A revised SIR resolution process has been implemented

- ◆ A BRITS Internal Oversight Committee, made up of agency ADs and chaired by the Deputy Director, has been established to set priorities and review status

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Key Issues

- ◆ New processes in place to use DOR Business Analysts to work with user groups. Great success in getting substantial involvement of department personnel to help resolve issues, test changes, and communicate with department personnel.
- ◆ Application support group maintains and works from a rolling 3 week plan that shows all high priority work to be done, resources assigned, and estimated and actual completion dates.

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Key Issues

3. Impact on future

Issue: Decision was made to delay the March conversion date of Withholding Tax to give time to get operations stabilized

Status: The conversion of Withholding was originally scheduled for Sept., '04. This was rescheduled for the end of March and the current goal is to implement at the end of June

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Lessons Learned

◆ Data Conversion

- “Less is better”
- Separate test plan that goes over and over the data
- Data purification before, during AND after conversion

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Lessons Learned

◆ User Involvement

- As many as possible/ Utilize SMEs
- Requirements / Scope Definition
- Testing Involvement
- Focus on Processes
- Consistency across tax types on functions
- Clear and concise communication between user and business partner on the details of requirements
- Manage the business partner/vendor

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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
- 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

- Stabilize training environment
- Require training attendance
- Plan for refresher classes

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Lessons Learned

◆ Post Conversion Support

- Sufficient help desk coverage
- Process in place to address SIRS efficiently and effectively
- Focus on agency priority processes and functions
- Adequate resources readily available to address issues
- Allocation of resources to priorities

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Lessons Learned

◆ **Manage Expectations**

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

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Project Accomplishments As of 05/31/04

- ◆ **AzTaxes.com**
 - Over 5,000 businesses registered to use the site
 - Over 3,400 TPT and WHT tax returns filed on-line
 - Over 1,000 TPT returns filed for the processing month of May
 - Average more than 50 new users a day
- ◆ **New Collection Tools**
 - Powerful skip tracing capability
 - Discovery programs / automated collection programs
 - Receivables analysis tool implemented
- ◆ **Over \$14M in benefits generated**
- ◆ **Over 500 of DOR users on the new integrated tax system**
- ◆ **2 new operational data warehouses**
 - Compliance activities
 - Management Reporting
- ◆ **Expanded imaging application**

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Questions and Answers:

