



Inland Revenue
Te Tari Taake



Our Corporate Strategy - *Customer*

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UNCLASSIFIED

Customer: Executive Summary

What is our strategic approach to customers?



We put the customer at the centre of everything we do

What does that mean?

Putting customers at the centre means that we...

- Understand our customers
- Make it easy to deal with us
- Provide personalised customer service
- Anticipate and address our customers' needs
- Design around the customer

Why does that matter?

Being customer-centric will enable us to improve the customer experience and decrease the burden of dealing with tax and social policy. We will increase the effectiveness of our activities – making better use of our resources to achieve value and better outcomes for New Zealanders. We will foster trust and confidence in Inland Revenue and the integrity of the tax and social policy system, which will serve us in the long run, and improve compliance by helping customers get it right from the start.

How will we implement this approach?

Organise ourselves around customers

- Create an organisation that centres on customers, not products and services
- Build the people capabilities we need to understand our customers and design the right customer experiences
- Align our accountabilities and measures to customers' outcomes, rather than our outputs.

Use customer insights to continuously inform and improve our activities

- Make use of analytics, data sharing, and direct engagement so we better understand our customers and how they interact with us
- Use these insights to improve what we do, with a continuous learning loop for improvement.

Design the right customer experiences

- Build compliance right from the start
- Anticipate key events in customers' lives and provide proactive support
- Partner with others to design and deliver integrated services that make tax and social policy easy
- Enable self-management and provide certainty
- Tailor our services to the needs of different customer groups.

This will enable us to provide customer experiences that are...

Seamless - integrated across government and other business partners

Timely - we anticipate and act at the time we can add most value

Tailored - personalised to the needs of the customer

Easy - services are easy to access and use, and obligations fit into what customers already do

Professional - services are efficient, knowledgeable, and respectful

- ✓ I know what I need to do, and can do it quickly and easily
- ✓ I get the support I need when I need it
- ✓ I know when I've done the right thing



What are our main vehicles for change?

Programme	Initiative	Description of contribution
BT	Organisation Design	Implementation of organisational structure requirements.
	Customer Experience Blueprint	Development of processes, tools and architecture to build customer-centric services.
BT/BAU	Information Sharing	Improved legislative foundations for information sharing. Strategic, tactical and operational initiatives to share information safely with other government agencies.
	Customer Value Workstreams	Development of an advanced analytical platform, closed loop learning process, customer-centred managed information and enhanced ways of working.
BAU	Compliance Approach Integration	Guidance to staff on facilitating compliance.
	Culture Approach Integration	Development of a customer-centric culture.

How will we measure our success?

Source	Layer	Description
Performance Management Framework	Outcome	Revenue is available to fund government programmes through people meeting payment obligations of their own accord
		People receive payments they are entitled to, enabling them to participate in society
	Impact	Customer effort is reduced over time
	Integrity	The integrity of the tax system is protected

Purpose and Strategic Alignment

Purpose and Scope

The purpose of this document is to outline our strategy for becoming a **proactive and customer-centric** organisation. It sets out the approach that we will use to implement the strategy, and the foundational enablers needed to support it. This is intended to be an enduring artefact which will guide us as we transform.

The Customer Strand has been developed to unify and update our thinking on compliance and creating **value and better outcomes for New Zealanders**. The Strand provides guidance which will inform our planning process and measures to assess the successful implementation of our customer thinking.

Strategic Alignment

This Strand is a key enabler of our **three strategic objectives**:



Grow voluntary compliance by making it easier for people to get it right



Reduce compliance costs



Make Government policy changes faster and more cost effectively

It sets out the approach we will follow in order to deliver these objectives and how we will:

1. Make more intelligent use of information by using customer analytics and insights to continuously improve our services and design for the right outcomes
2. Fit tax and social policy seamlessly into people's lives by building understanding of our customers and their key events, and designing compliance right from the start
3. Link our systems across government agencies and the private sector to provide cohesive support to customers and produce the right outcomes.

The Strand utilises the six shifts outlined in **Inland Revenue's Future State Organisation** and aligns with the **Target Operating Model** business capabilities, with strong links to the themes within Understand Customer, Build Social Norms, Assist and Inform.

The Strand also draws on the **Compliance Model**, which sets out our approach to facilitating compliance, and the **Inland Revenue Charter**, which outlines the principles of how we interact with customers. It has been informed by and aligns to the **Customer Experience and Intelligence Led Blueprints** that guide the Business Transformation Programme, and harmonises existing functional strategies.

The Customer Strand forms part of the Corporate Strategy, and closely links with the other 5 strands:



The **People Strand** is a key enabler – setting out how we will develop and maintain the workforce with the skills, knowledge, experience and attitudes required to meet our goals.



The **Digital Strand** also plays an important role, as our technology infrastructure will shape the design of customer experiences and support an analytics capability to inform customer understanding.



The **External Collaboration Strand** sets out how we will collaborate and engage across government, service providers, and other partners to deliver seamless experiences and the right outcomes for customers.



Intelligence and analytics are an input into customer understanding. The **Information and Intelligence Strand** supports the approach to effectively building, sharing, and using customer and performance information.



Policy is a lever for customer experience and outcomes. The **Policy Agility Strand** supports an agile and integrated process of policy design based on customer understanding and environmental scanning.

Our Customer-Centric Future



We put the customer at the centre of everything we do

What does being customer-centric mean?

For Inland Revenue, being customer-centric starts with **understanding our customers** – their environment, what drives their behaviour, and their life events and needs – both now and in the future. Once we understand our customers we can:

- Make it easier for them to interact with us and to comply
- Provide personalised services – based on their profile and needs
- Anticipate and proactively support the key events in their lives with activities at the right time
- Design products, processes and services that fit into their lives, rather than our internal process requirements.



What will it achieve?

Adopting a customer-centric approach will have benefits for customers, Inland Revenue and the Government.



Our services will become more effective as we increasingly understand our customers – making it easy for them, providing personalised and proactive services, and designing around their needs.

- ✓ This will enable us to help customers get it right from the start, **improving customer experiences** and **reducing compliance cost and effort** – so customers spend less time dealing with their tax and social policy obligations.
- ✓ It will support improved targeting and earlier intervention, to prevent issues arising and reduce our costs. We can make more **effective use of our resources**, realising a greater return on our investments.
- ✓ It will help us to foster **trust and confidence in Inland Revenue**, and protect the integrity of the tax and social policy system.
- ✓ It will support us to **improve compliance**, making sure people pay the taxes and get the entitlements they should.
- ✓ It will help us to organise not just ourselves, but wider government, around customers – to provide **cohesive government services** that enable value and better outcomes for New Zealand.

Approach

How do we become customer-centric?

Organise ourselves around customers

We will build our foundations to focus on customers and outcomes rather than products and outputs. Our people culture and capabilities will support understanding our customers and designing the right customer experiences.

Use customer insights to inform our activities

We will build our understanding of our customers, and embed the use of customer insights throughout Inland Revenue. We will use a continuous learning loop to refine our activities, improving as we go.

Design the right customer experiences

We will design customer experiences that reduce customers' compliance cost and effort, and positively influence their personal and social norms and trust in Inland Revenue. The experiences we provide will be personalised, timely and seamless – and delivered with service excellence.

Implementation

Organise ourselves around customers

Our people are the heart of our organisation. To become truly customer-centric, understanding and consideration for our customers should be ingrained in every person in the organisation, from front line staff to senior leaders – and be reflected in how we organise, recruit, manage, and develop our people. We will do this by building:

An organisation that centres on customers, not products and services

We will implement a structure based on customer groupings and events, rather than products and services, and staff this with multi-disciplinary teams that can effectively target and maximise value. We will foster a culture that supports collaboration to improve customer outcomes and the overall value delivered.

People capabilities to understand our customers and design the right customer experiences

We will continue to develop our internal capability to analyse customers, design customer experiences, and deliver proactive services – investing into building the skills, knowledge, experience and attitudes that underpin what we want to achieve.

Accountabilities and measures aligned to customers outcomes, rather than Inland Revenue process output

We will design measures effective in driving the right behaviours in staff, moving away from Inland Revenue process output measures to measuring what we want to improve – outcomes to customers, efficiency and agility. Accountabilities will cross over functions, and measures will align to customer outcomes and maximising value.

Key Enablers

- *Leadership that consistently communicates, demonstrates and champions a customer-centric culture and mind-set*
- *Organisational design and change management to embed enhanced ways of working*
- *An enterprise-wide performance management system that aligns to customer outcomes and value*



Implementation

Use customer insights to continuously inform and improve our activities

Being customer-centric means understanding our customers – their context, behaviour, and preferences – and applying this understanding to better achieve outcomes. We will invest in developing the foundations for an effective, integrated organisational system to generate intelligence and action it for improvement. This requires building the capability to:

Understand our customers and the customer experience

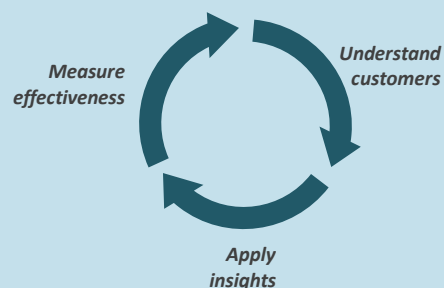
We will increase our understanding of customers and customer experiences by:

- Directly engaging with customers
- Developing effective processes and channels to capture and share the range of customer intelligence that is spread across the organisation and to create a cohesive view of customers
- Investing in an advanced analytics platform and capability that can make sense of data and information from a range of sources and test hypotheses
- Understanding the many elements that define, drive and impact on our customers, both now and in the future, by behavioural analysis, customer impact assessment, environmental scanning, and research and evaluation.

Use these insights to improve what we do, with a continuous learning loop for improvement

We will embed the use of customer insights across the organisation to allow us to identify opportunities to create value, and to inform everything we do – from policy design to education to audit.

We will invest into understanding the effectiveness of what we do, with clear measures and feedback mechanisms to assess the value of our actions. We will treat every intervention, engagement, success, and failure as an opportunity to learn. This will help us to make better decisions, refine our activities, and continuously improve customer experiences.



Key Enablers

- *A technology platform and infrastructure to enable analytics and information sharing*
- *A culture and environment that incentivises testing and learning what works, reinforced by performance management and incentives that support continuous learning*
- *People with the skills, knowledge and experience needed to develop, apply and learn from insights*
- *Commitment from leadership to champion change, learning, and the use of intelligence*
- *Organisational agility and flexibility to respond efficiently to insights and implement change*
- *Data and information available from a range of sources, and the infrastructure to capture and share it*



Implementation

Design the right customer experiences

Our people capabilities and customer understanding will enable us to design customer experiences that reduce customers' compliance cost and effort, and positively influences their personal and social norms and trust in Inland Revenue. We will do this by:

Building compliance right from the start

Building compliance right from the start means that we help customers get their obligations and entitlements right upfront. Our insight and understanding will be applied to design customer experiences where compliance is the natural result of the customers' actions – it will be easy to comply and difficult not to. This will involve a range of activities including:

- Integrating compliance requirements into processes and systems that customers already use
- Providing education and support so that customers know what they need to do and how to do it
- Designing legislation that is easy to comply with and is based on an understanding of customers – their environment, behaviour and what impact legislative change will have
- Removing opportunities for errors, fraud and evasion
- Enforcement activity to correct non-compliance and establish future compliant behaviour.

Anticipating key events in customers' lives and providing proactive support

We will understand the lifecycles of our customers, and identify key events in our customers' lives – changes that impact on a customers' obligations and entitlements. These might include entering the workforce, having a baby or starting a business. We will identify opportunities to add value, and develop proactive and tailored activities to improve compliance and customer outcomes. Our activities will be designed to intervene at the "right-time" – at the time which optimises value.

Partnering with others to design and deliver integrated services that make tax and social policy easy

We will collaborate with other Government departments and private providers to fit tax and social policy seamlessly into customers' lives and deliver integrated services that result in better outcomes for customers and government. We will use customer input to understand customer needs and improve customer experiences.

Enabling self-management and providing certainty

We will enable customers to manage their own affairs through channels of their choice and, where appropriate, provide confirmation that they have done the right thing.

Tailoring our service to the needs of different customer groups

We will use customer understanding to inform what services we offer to customers based on their profile and needs. We will have a flexible suite of interventions and channels, and our staff will know how to tailor their approach based on the needs of the customer.

Key Enablers

- *Technology infrastructure that is useable, accessible, and flexible to support changing customer expectations and preferences*
- *Cooperation and collaboration across government and with business partners to integrate processes and systems*
- *Digital channels that enable self-management and the provision of certainty to customers*
- *Intelligence and insight to understand customer lifecycles, key events, and futures*
- *Culture and attitudes targeted towards proactive services, right time activities and service excellence*
- *An agile policy function that enables legislative change based on customer understanding*
- *Policy foundations and administrative processes for collaboration and information sharing across Inland Revenue, Government and the private sector*



Delivery

Vehicles for delivery/change

Programme	Initiative	Description of contribution
Business Transformation	Organisation Design	KDD 1 - The processes, technology and capability to understand customers' lifecycles and intelligence to support increasingly proactive customer experiences.
		KDD 2 - Implementation of an organisational structure based on customer groups and staffed with multi-disciplinary teams.
		KDD 3 - Establishment of an Information & Intelligence Hub which will consolidate information from across the organisation and embed customer insight into the organisation.
		KDD 9 - People capabilities to analyse customers, develop insights, design customer experiences, and deliver proactive services (linked to the implementation of the Workforce Strategy).
		Organisation Design Blueprint – Delivery of supporting capabilities – see the Chapters on Organisation Capability, Accountabilities & Responsibilities, People Capabilities, Culture, Leadership, Organisation Outcomes and Governance
	Customer Experience Blueprint Implementation	Development of processes, tools and architecture to build a flexible suite of services and channels which are designed with the customer at the centre and enable increased self-management.
Business Transformation / Business as Usual	Customer Value Workstreams	Development of an advanced analytical platform, closed loop learning process, customer-centred managed information and enhanced ways of working to maximise customer value.
	Information Sharing	Improved legislative foundations for information sharing through changes to the Tax Administration Act 1994. Strategic, tactical and operational initiatives to share information safely with other government agencies.
Business as Usual	Integration of the Compliance Approach	Guidance on customer behaviour and approaches to facilitating compliance which will contribute to the design of the desired customer experience
	Implementation of the Culture Approach	Development of a customer-centric culture that supports pro-active and innovative activity, and collaboration to improve customer outcomes.
	Corporate Strategy Set	Delivery of people, collaboration, policy, digital, and information and intelligence capabilities.

Risks

The high-level strategic risks for the Customer Strand are outlined below. These risks cover the implementation, delivery and post-delivery stages of the Strand, as well as unintended consequences.

- There is not sufficient investment into and/or prioritisation of delivery vehicles.
- Inland Revenue's existing culture inhibits a shift in ways of working.
- The speed of implementation of the Strand is not fast enough and Inland Revenue cannot adapt to a changing environment.
- Technological and people capabilities required to deliver the Strand can not be sourced or developed.
- Legislative and administrative restrictions limit opportunities to share information and partner with other Government departments and private providers.
- The individual success of the Strand cannot be measured as it only contributes to the achievement of Performance Measurement Framework measures and initiatives are not sustained.
- Changes to Inland Revenue's role, the regimes it administers or the customers it serves happen at a faster rate than the Strand can be adapted.
- Increased proactive activity based on deeper understanding of customers results in a decrease in trust in Inland Revenue and less engagement with the tax and social policy system.

Measures of success

Successful implementation of the Customer Strand will result in customer experiences that are:

Seamless - integrated across government and other business partners

Timely - we anticipate and act at the time we can add most value

Tailored - personalised to the needs of the customer

Easy - services are easy to access and use, and obligations fit into what customers already do

Professional - services are efficient, knowledgeable, and respectful

- ✓ I know what I need to do, and can do it quickly and easily
- ✓ I get the support I need when I need it
- ✓ I know when I've done the right thing



The Customer Strand contributes to the achievement of the following measures:

Source	Layer	Description	Measures
Performance Management Framework	Outcome	Revenue is available to fund government programmes through people meeting payment obligations of their own accord	Distribution of total system revenue
			Percentage of assessed revenue paid on time
		People receive payments they are entitled to, enabling them to participate in society	Percentage of tax refunds paid to customers which are both accurate and on time
			Percentage of social policy customers receiving payments which are both accurate and on time
	Impact	Customer effort is reduced over time	Average percentage of customers who find it easy to comply
			Average customer time spent on compliance activities
			Average customer satisfaction – ‘Overall accessibility and convenience’
	Integrity	The integrity of the tax system is protected	Percentage of customers who have trust and confidence in Inland Revenue