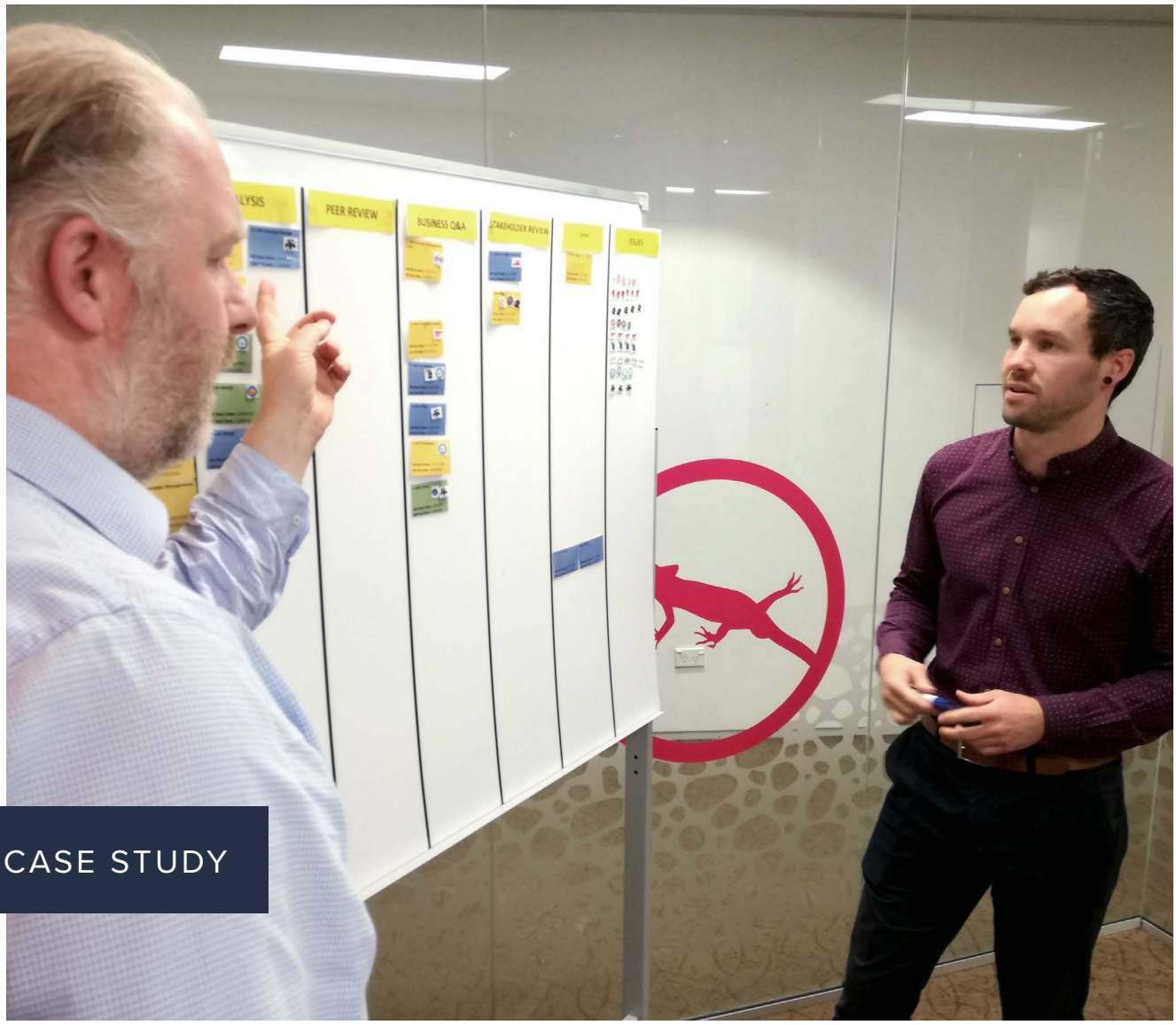
Business transformation: How Inland Revenue amplifies the voice of the customer



CASE STUDY

As it rolls out one of the nation's biggest ever business transformation projects, Inland Revenue has taken extensive measures to put its customers at the centre of every digital service. With the support of Assurity Consulting, IR has introduced Customer Interaction Testing (CIT) to increase the voice of its customer in the design process to provide world class taxation services.

Inland Revenue (IR) plays a critical role in improving the economic and social wellbeing of New Zealanders, collecting 80% of Crown revenue, as well as collecting and disbursing social support programme payments and providing the government with policy advice. Since 2014, IR has embarked on a $1.8-billion business transformation project to make it simpler and faster for New Zealanders to pay their taxes and receive their entitlements.


Rogan Clarke, Director of Digital Change, Inland Revenue

Situation

As IR rolled out the first stage of its transformation project, it acknowledged shortcomings in the traditional approaches to IT delivery, which follows a 'design, build, test, deliver' process – but with testing predominantly from a systems perspective. This can result in products delivered which aren't fit for purpose from a customer's point of view despite meeting technical specifications.

With Assurity Consulting engaged to provide testing services across the transformation project, IR and Assurity worked together to find ways for IR's customers – tax agents, individuals, businesses, third party software providers and more – to play a direct role in influencing systems design (and development) based on real customer testing.

"A central pillar of IR's transformation is customer centricity, but the challenge is taking this high-level statement and finding practical ways of implementing it in a fast-moving development process," says Rogan Clarke, IR Director of Digital Change.

"The complexity for us lay in finding activities that could dovetail into these backbone development processes - iterative development is very structured and if you want to augment it in any way, you have to do so without disrupting the established processes."

In an approach which was both radical and eminently sensible, the suggestion from Assurity was that real customers should get access to newly developed functions as they became available and be asked to perform critical actions and tasks using their own data. This would gather the 'real life' experiences of customers at every iteration of development, allowing for developers and technical staff to maintain constant contact with the people for whom the systems are being designed in the first place.

It's radical because it exposes customers to an as-built function as early as possible and way in advance of the entire interface being close to completion. But it's sensible, because there is no better test of system design or indeed user experience, than actual rather than simulated data.

The approach therefore rested on Assurity meeting IR's security standards when exposing production-like data externally.

"By designing in a certain way, we realised we could evaluate the impact of services provided to end users and shape them before finalisation," explains Clarke.

Solution

Employing the ethos of shift-left engagement, Assurity developed an early Design Engagement model, strengthening the voice of the customer in the delivery process. 'Shift-left' seeks to find and prevent defects early in the software delivery process, improving quality by testing earlier in the software development process.

Assurity engaged in Agile sprints to define key functional areas to expose the IR product to the identified customer segments such as tax agents, individuals, and businesses. A security-controlled Beta environment was created to support customer engagement, with key objectives and user stories.

"The model we gravitated to was CIT, which gives us the ability to incrementally gauge progress across functional points as we developed them. The background process is highly incremental, with blobs of functionality steadily added. Involving customers directly with each point of progress is a great method to do a reality check from an 'outside in' perspective."

Getting customers involved, Clarke notes, turned out to be easier than initially imagined. "There's a genuine interest in participating. The fact is everybody needs to deal with tax, and we found that the people we reached out to were generally very willing to play a part in getting it right," he says. Assurity gathers feedback in sprint reports on design issues, defects, observations, and customer experience.

With the CIT design from Assurity, Clarke says IR was provided with an easy mechanism for individuals to log in using existing myIR credentials. Customers were allocated a timeslot and asked to sign on to the Beta environment to achieve a task goal, using their own defined data.

"And when a customer evaluator logs in, despite any changes or updates, it feels somewhat familiar so there's continuity in the experience."

Clarke says using the customer's own information rather than meaningless data makes testing more relevant and contextually correct for the individual. "It's a powerful tool that keeps aligned with a realistic customer perspective of what we're doing. It puts a customer-centric lens on a complex development process."

Assurity gathers feedback in sprint reports on design issues, defects, observations, and customer experience. The resulting reports are issued to Executives to inform potential design changes or mitigating actions.

He describes the approach as 'a high level of pragmatic innovation'. "It's that simple – but making things simple is always the hardest challenge we have."

Results

Through CIT, thousands of end-users were engaged, providing detailed management information on customer interaction. As a result, Assurity has helped IR identify hundreds of design improvements for resolution in advance of system testing.

A significant volume of design changes were identified and implemented, positioning IR services for positive public feedback; Clarke says customers have enthusiastically responded to early engagement resulting in an amplified participation, and awareness of the service outcomes.

"CIT has proved highly effective because it combines 'hard' and 'soft' perceptions. This means we don't just check on the customer's ability to execute, but we also gauge sentiments: Does the customer feel we are facilitating their task efficiently and giving them what they need to get it done? Do they have the assurance that once completed, they have got it right?" says Clarke, noting that one of any customer's biggest concerns with IR engagements is that they might make a mistake or leave something unfinished. "Some of our processes are complex, so we want customers to feel assured."

He credits CIT with underpinning a basic philosophy of compliance at IR. "We want to make it fast, easy and convenient for customers to do their tax. This drives up compliance and it means we don't have to be an ambulance at the bottom of the cliff trying to restore people to compliance. Doing that is exceptionally wasteful, for the individual and for the tax authority."

The development of all IR's digital channels, he adds, has mirrored the 'shift-left' approach, making it far easier for people to stay connected with their tax position in much the same way a quick login to internet banking works.

"We're going from a purely 'transact' engagement, to 'snack, manage and transact', where the snack action is a quick peek just like online banking, where you login and get a summary of your position to feel confident. And in fact, we've gone from around 2 percent accessing myIR on mobile to 36 percent as customers' behavioural patterns have changed."

Clarke further notes the role of CIT in helping IR to live by the ethos important to it. "In two words, that ethos is customer centricity. We have a duty of care for every customer and to the country itself. That's ultimately our target market, and how our target market responds to what we get out there is crucial to us. With CIT, we get better designs and improved long-term compliance."

At a glance

Inland Revenue
Te Tari Taake

Company:
Inland Revenue

Industry:
Public Sector

Requirements:
Co-developed with Inland Revenue (IR) to introduce Customer Interaction Testing (CIT) to increase the voice of its customers (tax agents, individuals, businesses, third party software providers and more) in the design process of IR's system to provide world-class taxation services.

Solution:
Proposed a radical and eminently sensible approach to allow real customers to get access to newly developed functions as they became available and be asked to perform critical actions and tasks using their own data. This approach also meant Assurity needed to meet IR's security standards when exposing production-like data externally.

Services provided and outcomes achieved:

- Gathered 'real life' experiences of customers at every iteration of development, allowing for developers and technical staff to maintain constant contact with the people for whom the systems are being designed in the first place
- Helped place a customer-centric lens on complex development process
- Engaged in Agile sprints to define key functional areas to expose the IR product to the identified customer segments e.g. tax agents, individuals and businesses
- Collected feedback in sprint reports on design issues, defects, observations, and customer experience
- Engaged thousands of end-users, and provided detailed management information on customer interaction
- Helped IR identify hundreds of design improvements for resolution in advance of system testing
- Identified and implemented significant volume of design changes and positioned IR for positive public feedback