Inland Revenue
Te Tari Taake

Business Transformation

Customer Readiness Approach

Prepared by BT Organisation & Customer Change Management and Training

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Customer Readiness Approach

This document outlines the Release 4 approach on how to measure our customer readiness.

- The customer readiness assessment is a component of the overall Readiness Framework for START release 4 which also assesses programme readiness, business and people readiness.

- Customer readiness determines “where we expect customers to be” by customer segment. It also includes criteria which is critical for go-live and other criteria which will provide indicators to inform decisions for customer change treatments and/or business resourcing and response. It informs both business readiness and programme readiness, which, along with customer readiness, is assessed at pre-determined checkpoints.

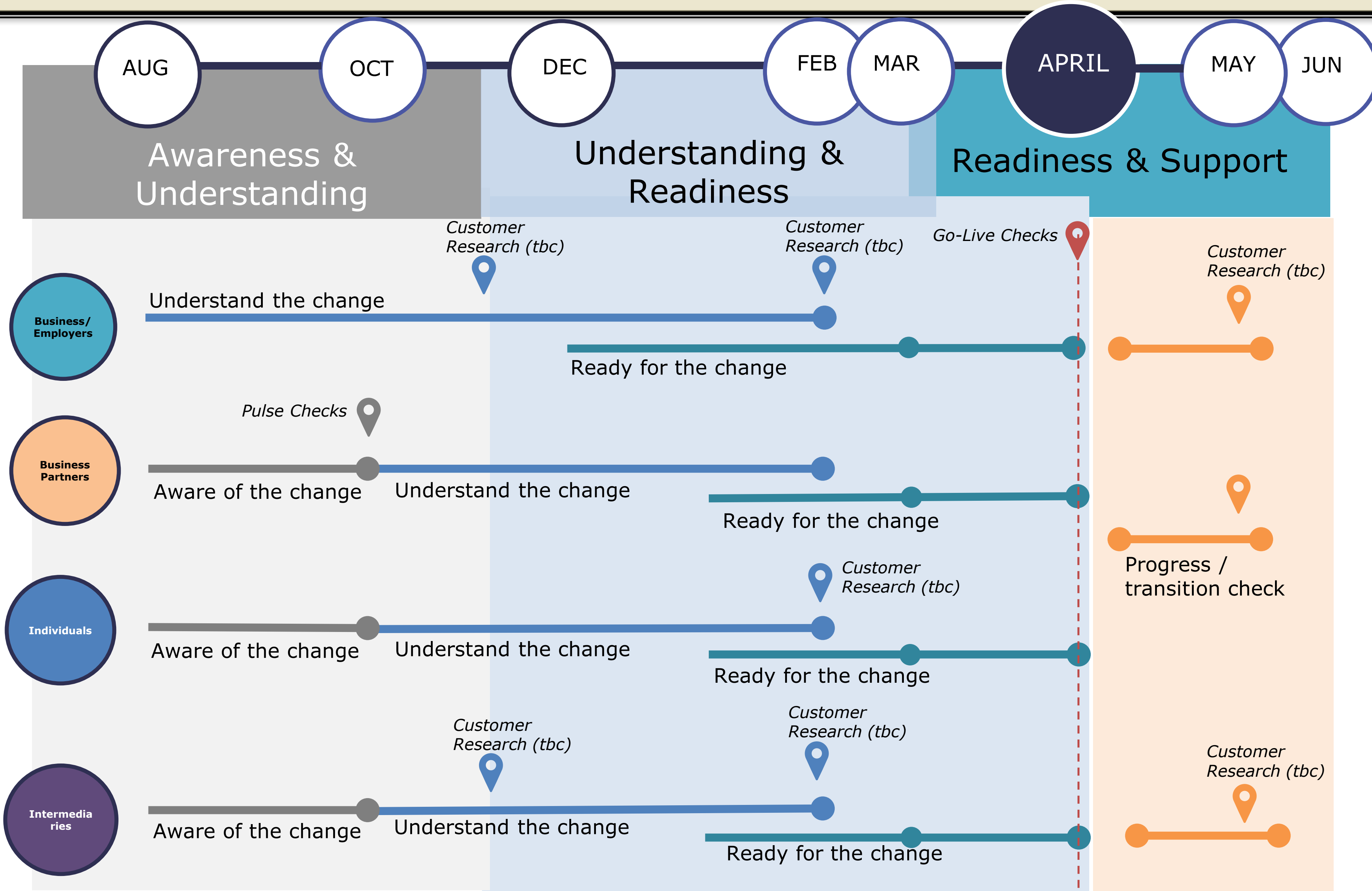
- The approach summarises how we will engage with our customers (up to 4 times) to understand how ready they feel for release 4 and how we can help support and better prepare them for the impending changes.

While START release 3 impacted most people in New Zealand in some capacity and many were very highly impacted, Release 4 has a more direct impact on specific customers, including 713,606 customers with student loans, 2,938,003 KiwiSaver members and 204,840 Employers who are highly or moderately impacted. Other areas of moderate to low change in Release 4 include tax on income, Working for Families Tax Credits and Research & Development Tax Incentive.

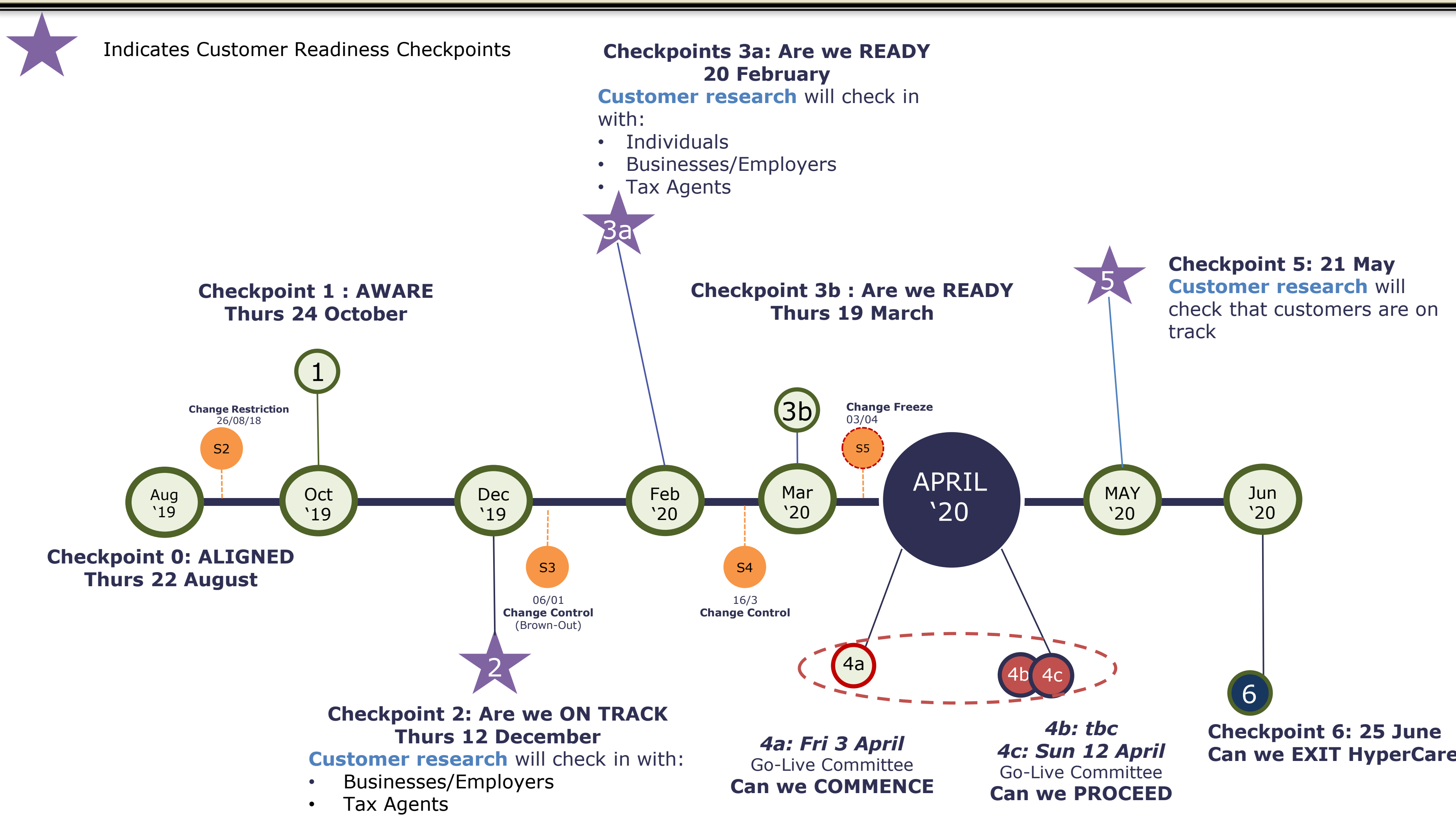
A monthly report on customer readiness will be prepared for PGC. In addition, the results of surveying our customers will assist the wider business with implementation planning through briefings with relevant leads and management advisors.

Due to the broad range in scope for Release 4, we will use a combination of customer surveys and leveraging off other activities happening across IR with our customers.

Purpose of Customer Readiness Checkpoints



Checkpoints for Customer Readiness surveying



Seven (7) components make up the Customer Readiness Assessment Approach

The Customer Readiness Approach reflects lessons from prior releases and is based on the approach used in Release 3:

1. **Use metrics and data from marketing and communications activities**, for example, reach of direct mail, social media and advertising.
2. **Incorporate other research findings** such as the results of 'exit' surveys' run after Community Compliance seminars and the "Customer reactions to R4 Changes" research.
3. **Use metrics and data collected by the Areas of Focus teams.**
4. **Reports via Account Managers** (BT, External Relations and Community Compliance) against specific criteria on the readiness status of the intermediaries, service partners and government agencies they engage with.
5. **Report insights from Customer Design Validation** into customers' expectations of eServices, including ease of use.
6. **Leverage three major waves of market research** commissioned by Marketing and Communications to be conducted by third party research agency (tbc). This research will measure against the agreed criteria and measures of impacted customers between November 2019 and May 2020. Customer segments/sub-segments will be surveyed including businesses/employers, Intermediaries (including Tax Agents and Bookkeepers) and Individuals.
7. **Assessments by the Customer Segment leads** via the BT R4 External Stakeholder Engagement Working Group to (a) agree the high level assessment criteria based on "where we expect to be" for each checkpoint, and (b) endorse the assessment report for each checkpoint, including any 'go to green' plans.

Customer Readiness Process

The customer readiness assessment will be completed through a four step process following a 'simple as possible' principle

1 Readiness Criteria

Determine and agree "where we want customers and third parties to be" at specific points in time.* Criteria to be specific, measurable and trackable over time.

Example (PTS Intermediaries)

Release 3 example

- ✓ **Aware** that proposed legislation will remove the need for PTS going forward.
- ✓ **Understand** the options in relation to existing the market or continuing as a Tax Agent.
- ✓ **Ready**
  - ❑ Confirm business decision in relation to exiting market or not.
  - ❑ Transfer customers' contact details to IR.
  - ❑ Delink personal tax summary customers.

** Some 'Ready' criteria may be after go-live*

2 Collect Evidence

- Metrics collected through account managers reporting.
- Metrics collected relating to marketing & communications activities.
- Metrics collected through 3 waves of market research measuring awareness, confidence, positivity and readiness between November 2019 and May/June 2020.
- Other research findings, such as 'exit' surveys after Community Compliance seminars.
- Insights from Customer Design Validation.
- Reporting via Account Managers (BT, External Relationships, Community Compliance, Significant Enterprises) and the BT R 4 External Stakeholder Engagement Working Group.

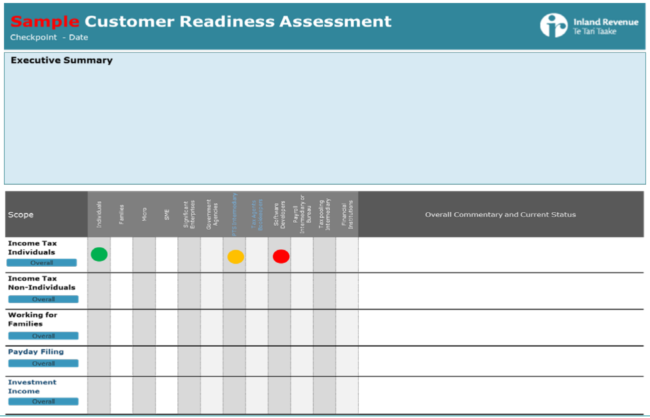
3 Assess

Conduct assessment of evidence against each criteria before each checkpoint, including reasons if not green and go-to-green plan.

CP	No.	Criteria	Date	Reported By	Assessed By	Checkpoint 1	Reasons for the status NOT GREEN?	Go To Green Plan (Activities planned or underway)	Residual Risk (Please use Enterprise Risk Matrix, provide the risk and [consequence / likelihood]	Action Owner
1	49	Customer Change Education Plans in place Completed	25-Oct-18	Steve Crump	Donald Snow	LA	Customer "Education activities" are being developed as part of the ACE Plans and the Integrated Change Plan.	Circulate customer education plans for review and endorsement. Commence activities on planned dates.		Steve Crump
1	50	Customer Change Management Plan	25-Oct-18	Sue MacArthur	Dianne Saker	LA	OCMT recently assumed for this Customer Change & Readiness Workstream, and is currently re-planning this deliverable.	Develop project plan to deliver to November PGC.		Sue MacArthur
1	61	Development & update of all Content is underway and progressing to schedule (this includes manual and auto letters, returns, forms and guides, web content and customer help texts)	25-Oct-18	Matt Strik	Rogan Clarke	LA	Delays due to iterative changes to design, late design decisions and programme change requests.	Replanning and use of overtime to catch up.		Matt Strik
1	61	Content dragons den challenge sessions completed and resulting adjustments to scope made.	25-Oct-18	Matt Strik	Rogan Clarke	LG				Matt Strik
1	77	3rd Party solutions and interfaces - On boarding approach for Release 3 Service Providers agreed and action underway to establish processes.	25-Oct-18	Matt Strik	Rogan Clarke	LG				Matt Strik
1	86	Customer Impact Assessment Completed	25-Oct-18	Steve Crump	Rogan Clarke	LR	Delayed to PGC because of iterative changes identified and extent of review required.	Executive summary currently being agreed with the aim of achieving November PGC.		Steve Crump
1	89	Legal and Technical signoff for content has commenced	25-Oct-18	Matt Strik	Rogan Clarke	G				Matt Strik
1	77	3rd Party solutions and interfaces - On boarding approach for Release 3 Service Providers agreed and action underway to establish processes.	25-Oct-18	Matt Strik	Rogan Clarke	LG				Matt Strik
1	50	Customer Change Management Plan	25-Oct-18	Sue MacArthur	Dianne Saker	LA	OCMT recently assumed for this Customer Change & Readiness Workstream, and is currently re-planning this deliverable.	Develop project plan to deliver to November PGC.		Sue MacArthur

4 Report

Assessment and report prepared for each checkpoint by the BT R 4 External Stakeholder Engagement Working Group, including any 'go to green' plans.



Next Steps – during September 2019

Step	Description
Create customer readiness criteria and measures	Change and Marketing teams will develop criteria and measures for customer readiness. This will be shared with the BT R4 External Stakeholder Engagement Working group (includes representatives from CCS and BT) to ensure visibility and awareness of the core criteria to determine 'where we expect our customers and third parties to be' by customer segment across checkpoints (awareness, ready, on track).
Define approach and scope	Change team, Marketing and CI&E will identify and define approach, scope and timings for each customer segment according to changes that are being made.
Execute engagement approach	Work alongside BT R4 External Stakeholder Engagement Working group and the wider business to identify existing and planned engagement activities that can be leveraged for customer readiness. Identify if a customer working group is required and understand who the representatives would be.
Planning	Develop a detailed plan and timeline to co-ordinate all of the readiness activities and dependencies.
Deliverable	PGC paper will be created to be populated before each checkpoint with the data.
Continuous engagement	Regular engagement and updates to the BT External Stakeholder Engagement group about what we 'know' from the customer.

The change treatments support each of the customer segments, each delivered through multiple channels and by networked teams

	Hot Spots/ Proposed ACE team	Business-led Tactics	Account Management	Customer Education	Via Third Party	Advertising, Social Media, Media	Direct Marketing	Website, myIR and online services	Voice Channel
Individuals	-	✓	-	-	✓	✓	✓	✓	✓
Individuals: Student Loan Customers	-	✓	-	-	✓	✓	✓	✓	✓
Individuals: KiwiSaver Members	-	-	-	-	✓	✓	✓	✓	✓
Individuals: Families	-	-	-	-	✓	-	-	✓	✓
Businesses: Micro and SME (includes employer impacts)	✓ TBC	✓	✓	✓	✓	✓	✓	✓	✓
Businesses: Significant Enterprises (includes employer impacts)	✓ TBC	✓	✓	✓	✓	✓	✓	✓	✓
Intermediaries: Payroll Intermediaries and Bureaux, Tax Agents, Bookkeepers, Tax Pooling Intermediary	-	✓	✓	✓	✓	✓	✓	✓	✓
Business Partners: Software Developers	-	-	✓	-	-	-	-	✓	-
Business Partners: Financial Institutions	✓ TBC	-	✓	-	✓	-	-	✓	-
Business Partners: KiwiSaver Providers	✓	-	✓	-	✓	-	-	✓	-
Business Partners: Government Agencies (impacted by Release 4)	-	-	✓	-	✓	-	-	✓	-

Business-led Tactics:
Outbound calling, inserts with forms and returns, compliance campaigns, tactical planning.

Account Management:
Via BT Account Managers, CCS External Relationships, Significant Enterprises and Community Compliance.

Customer Education:
Webinars, seminars and Community Compliance visits.

Via Third Party
Information received from a tax agent, bookkeeper, software service provider or other influencer.

Advertising, Social Media, Media
Google search, online, print, radio, advertising, social media, proactively provided articles and content.

Direct Marketing:
Personalised emails and letters.

Website, myIR and online services:
Content on IR website: news items, campaign pages, promotional and instructional videos, banner messaging and new functionality. Gateway Services and B2B channels.

Voice Channel:
IVR messaging and functionality, dedicated 0800 lines, call-flow enhancements, contact centre-provided education.

Customer Readiness Risk Table

	NOT APPLICABLE - This customer sub segment by product/feature combination is not applicable
	NOT REQUIRED - At this checkpoint, no readiness assessment is required for this customer segment and/or product
	NOT PROBLEMATIC – The representative sample of customers/service providers are at the desired phase and have no issues
	NOT PROBLEMATIC – The representative sample of customers/service providers are tracking to achieve the desired phase - there may be minor issues but these are under control
	PROBLEMATIC IN DEFINED AREAS – The representative sample of customers/service providers are lagging behind the desired phase but it's under active management and is showing signs of heading to green
	PROBLEMATIC – The representative sample of customers/service providers are lagging behind the desired phase due to not meeting the planned readiness criteria. It requires focus to ensure the readiness activities are ramped up to get back on track
	PROBLEMATIC – The representative sample of customers/service providers are lagging behind the desired readiness phase and require a management refocus of Customer Readiness engagement approach/activities
	HIGHLY PROBLEMATIC – The representative sample of customers/service providers are lagging behind the desired readiness phase and will not be ready on time for Go-live.