INDIANA TAX

Project Highlight

"This project touched every employee, every process, every interface, every partner–and it was a tremendous success."
– Bob Grennes, DOR Commissioner

January 31, 2023 — The joyous tones of Pharrell Williams' "Happy" play on the overhead speakers as employees of the Indiana Department of Revenue (DOR) mingle, chat, and greet each other before their all-department meeting. The music quiets and DOR Commissioner Bob Grennes steps to the middle of the stage. He and many of the other DOR leaders proudly sport polos with the DOR logo on the chest and "Top Workplaces" embroidered on the sleeve. "Hello and welcome, friends," Bob says with a big smile. The audience erupts into cheers.

Ten years prior, the Indiana DOR team was just beginning their transformation into the enthusiastic, high-performing, and efficient agency they are today. Workshops and gap analyses, a modernization study with a third-party consultant, and a major cultural shift propelled this transformation, which included the implementation of a new, unified tax administration system.

Front row, left to right: Cristen Reed, Matt Ogden, LuAnn Pelsor, Dani Mowery, Laurie Mendez; Middle row, left to right: Roger Sharritt, Terri Livingston, Emily Wann, Kyle Flamm, Prasad Nair; Back row, left to right: Bob Grennes, Kevin Gulley, Jeff Hancock, Myles Larson, Andy Ribits, Sam Faust

Cultural Transformation

When Bob Grennes joined the Indiana DOR team in 2017, the agency was on the verge of starting its software modernization but had miles to go to prepare for the journey. "Our entire team committed to fully preparing the organization for a successful modernization. This included a modernization of our leadership, our culture, our behavior, our collaboration, and our relationships with everyone we worked with and served. We went to work on doing that while we were starting to build the NextDOR project," Bob said. Around the same time, Terri Livingston also joined the DOR, where she helped to form the new Business Systems Support (BSS) team to bridge the gap between the technical and business portions of the DOR. "If you really want to modernize and truly take advantage of the new system, you have to change," said Terri, who is now Executive Director of Agency & Business Systems Support.

And change they did. In 2017, the Indiana DOR team implemented new core values and a customer service-based mission and vision for the agency. They also changed the dialogue around the work they perform, including referring to their constituents as *customers*—not just *taxpayers*. "A lot of it was about making people's daily work life better," explained LuAnn Pelsor, Business Analyst on Project NextDOR. Kevin Gulley, CIO and longtime DOR employee, talked about the transformation and its effects: "It was not only important to redirect our focus, but to bring the fun back in. We painted walls, we put up pictures of team members—there was a cosmetic element to our cultural transformation when you walked into the office, but there was also a very real element to it where you could feel the culture changing and you can continue to see it go in a positive direction today."

By the time Project NextDOR began in earnest in September 2018, the DOR staff was well on its way to being ready. Cristen Reed, another Business Analyst for Project NextDOR, said, "We knew what questions to ask and where we wanted to go before we even started this project."

> I know that behind the scenes, I have effected change for anyone who lives in the state of Indiana.
> –Cristen Reed, Business Analyst

Technological Transformation

Between September 2018 and July 2022, the Indiana DOR partnered with Fast Enterprises (FAST) to implement a modern, unified tax administration system. Dubbed the Indiana Tax System (ITS), its implementation was part of the larger Project NextDOR, which focused on the transformation of DOR's organizational capability, service delivery, culture, and tax systems.

Prior to Project NextDOR, the Indiana DOR's main tax administration software had been in use since 1995. "Our legacy system had served us well for almost 25 years, but Indiana's tax volume and complexity, along with customer expectations and business needs, required new technology," explained Bob Grennes, DOR Commissioner. Bob continued, "The age and complexity of our legacy systems created challenges for our team members and our ability to deliver high levels of service." The DOR also used an assortment of disparate systems to support smaller tax programs or functions. "It was tricky to navigate as a user," said Matt Ogden, Business Analyst. Some work was done completely outside of the legacy systems, explained Laurie Mendez, Business Analyst, "We had a lot of good accountants doing a lot of manual labor on spreadsheets."

As these systems aged, it became clear that it was time for something new. "We were starting to see some of the issues that can rear their heads when a system is aging," Matt said. The systems were getting difficult to maintain and costly to support as volume increased and new legislation was passed.

"Our legacy system environments were old. It was risky from a change management standpoint," explained Kevin Gulley, DOR Chief Information Officer (CIO). Emily Wann, Project Manager for Project NextDOR, also cited issues caused by the legacy systems' reliance on antiquated coding languages, "Supporting the systems required staff with knowledge and skills that were in declining supply."

The obvious solution was modernization. The Indiana DOR gathered experts from their ranks to form a modernization team, dubbed the *Mod Squad*, and tasked them with launching the project and procuring a project vendor. As the Mod Squad researched, wrote, and coordinated an RFI and RFP, the agency began the hard work needed to prepare for a project of this magnitude. Bob explained, "While that was going on, we went to work on getting the organization ready."

Project Timeline

SEPTEMBER 17, 2018

PROJECT START

ROLLOUT 1 — SEPTEMBER 3, 2019

- Aircraft Dealer
- Aircraft Excise
- C Corporation
- Financial Institution
- Nonprofit
- Partnership
- S Corporation
- Utility Receipts

ROLLOUT 2 — SEPTEMBER 8, 2020

- Consumer Use
- County Admissions
- County Innkeeper
- Food and Beverage
- Heavy Equipment Rental Excise
- Indianapolis Motor Speedway
- Motor Vehicle Rental
- Retail Sales
- Tire Fee
- Utility Services Use
- Wireless Prepaid Cards
- Withholding

ROLLOUT 3 — SEPTEMBER 7, 2021

- Charity Gaming Excise
- Controlled Substance
- Fiduciary
- Firework Public Safety Fee
- Individual Income
- Pari-Mutuel Wagering
- Type 2 Gaming
- Wagering

ROLLOUT 4 — JULY 18, 2022

- Alcohol
- Alternative Fuel Decal
- Aviation Fuel
- Cigarette
- Employment Agency
- Fuel Inventory
- Gasoline Use
- Motor Fuels
- Other Tobacco Products
- Petroleum Severance
- Rail Car Tax
- Special Fuel
- Terminal Operator
- Transporter License
- Vehicle Sharing Excise

System Transformation

The DOR's cultural transformation set the stage for their implementation of the Indiana Tax System (ITS), but the true test of their mettle still lay ahead. A project of this magnitude required teamwork, flexibility, and hard work. To achieve these high standards, DOR knew they needed to enable staff to focus on the project. "We knew a dedicated team was absolutely one hundred percent needed for the success of the project," said Emily Wann, Project Manager for Project NextDOR. DOR staff were selected from across the agency to work full-time on the project. "The DOR leadership team picked some really good people to be a core part of that project team—smart, tenured, driven people," Terri said. Each team member's individual strengths and unique background lent insight to the team. "I can't imagine how you would do a project like this without that mindset—you need to bring in people with a wide variety of experience," Business Analyst Craig Hurst said.

However, simply putting the right team members in a room isn't enough to ensure success. The team needed to actively participate, ask questions, and make decisions, so the Indiana DOR encouraged and empowered project team members to do that and more. "One of the things that was drilled into me was that you have to be open to change," Business Analyst Craig Hurst said. This openness to change enabled DOR and FAST staff to have collaborative, meaningful, and productive discussions, which led to quality decisions and consistent progress. Sam Faust, FAST Project Architect, said, "We had a lot of really effective meetings because people weren't afraid to make decisions." Each decision brought the team one step closer to completing the transformation.

> *We wanted to be top-tier and to provide the kinds of services that our customers were seeing other places.*
> *–Emily Wann, DOR Project Manager*

![Project NextDOR logo]
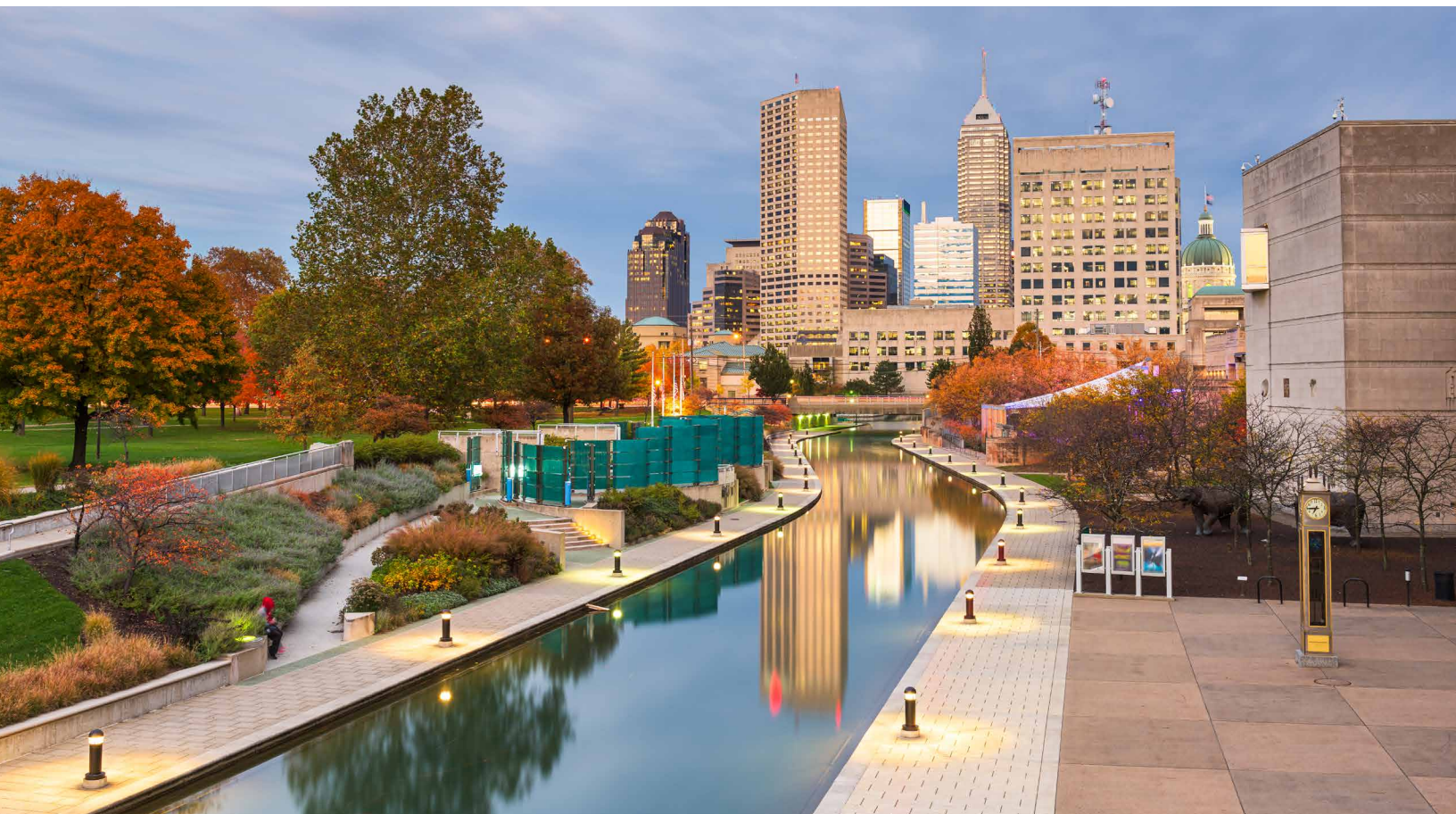
Challenges

Trusting the Process

When asked what made Project NextDOR successful, Business Analyst Matt Ogden said, "The first word that popped in my head was *trust*." Prior to partnering with FAST for the project, representatives of the Indiana DOR gathered feedback from other agencies that had previously worked with FAST. From these conversations emerged a consistent piece of advice: trust the methodology. "From the very beginning, we were told to trust the process, to trust FAST," Matt said.

Emily Wann, Project Manager for Project NextDOR, agreed, "You've got to trust the process, methodology, and each other. That's hard for a lot of people, but we just said we're going to commit to it."

However, this trust was not given blindly. "The idea was not just to go with the flow— we cared, and we wanted to question things and understand—but there were plenty of things to deliberate without arguing every single point that doesn't matter," Matt explained. Kevin Gulley, DOR Chief Information Officer (CIO), said that this trust paid off, "FAST brought a process that worked. When you're in 26 plus states and you've been successful, you have the recipe."

Left to right: Terri Livingston, Kevin Gulley, Bob Grennes, Myles Larson, Emily Wann

Pandemic

Throughout Project NextDOR's first rollout, Indiana DOR and FAST staff worked side by side in the same office, continuing to build trust. "The team built these relationships that were outstanding. They became friends. They knew how to communicate," Kevin said. However, March 2020 came right in the middle of the project's second rollout, and the COVID-19 pandemic forced the teams to go home. "We were all worried about sickness and health and isolation, we're wiping groceries down, and we were dealing with all of that while we were going 'Okay, how are we going to keep Project NextDOR going?'" said Bob Grennes, DOR Commissioner.

While the pandemic provided an additional level of difficulty, the Project NextDOR team met these challenges with grace and poise. "There was never a talk about a single date change," said Myles Larson, FAST Project Manager. The team transitioned to working remotely, developed new communication methods, and adapted their rollout, training, and testing plans to new formats. "We were able to leverage and benefit from that trust that was built by working together with very effective relationships," Kevin said. LuAnn Pelsor, Business Analyst on Project NextDOR, agreed, "We sure didn't let it slow us down."

Benefits

Before starting Project NextDOR, the DOR developed a list of benefits they wanted to gain. "These were basically their rallying cry—the things that they wanted to get out of the project," explained Myles Larson, FAST Project Manager. "We revisited these every single rollout." When asked if the benefits had been achieved by the project, CIO Kevin Gulley said, "I can't think of a single one that wasn't."

Enhanced Customer Service

Improved customer service was at the top of the list of benefits and through this project, customer service has improved by almost every measure. A large part of this goal was achieved through INTIME, their online self-service platform. Craig Hurst, Business Analyst, said, "We offer more online options now than we ever did for our customers and partners." Customers also benefit from easier interactions with agency staff thanks to INTIME. "You can contact us, and it gets to the right person. Communication is the best part of INTIME," explained Business Analyst Cristen Reed.
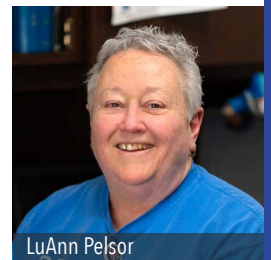
Bob Grennes   Craig Hurst   Kevin Gulley   Cristen Reed   LuAnn Pelsor
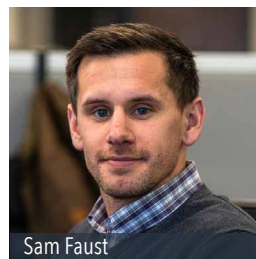
Laurie Mendez   Roger Sharritt

Myles Larson   Terri Livingston   Emily Wann   Sam Faust   Matt Ogden

Set Up for Success

With important improvements for DOR staff, customers, and everyone involved in Indiana's tax administration world, the five-year modernization effort was a tremendous success. "The project hit every deliverable and milestone, while being on schedule and on budget throughout," explained DOR Commissioner Bob Grennes. He continued, "This success was due to tremendous teamwork and contributions by everyone involved, including Indiana DOR and FAST team members." With a strong foundation that will support success for years to come, DOR staff are prepared and eager to continue refining their business processes and exploring new functionality. Roger Sharritt, Business Analyst for Project NextDOR, said, "That is one thing I am proud of—that we are still in the process of constant incremental improvement."