

1997-98 SESSION
COMMITTEE HEARING
RECORDS

Committee Name:

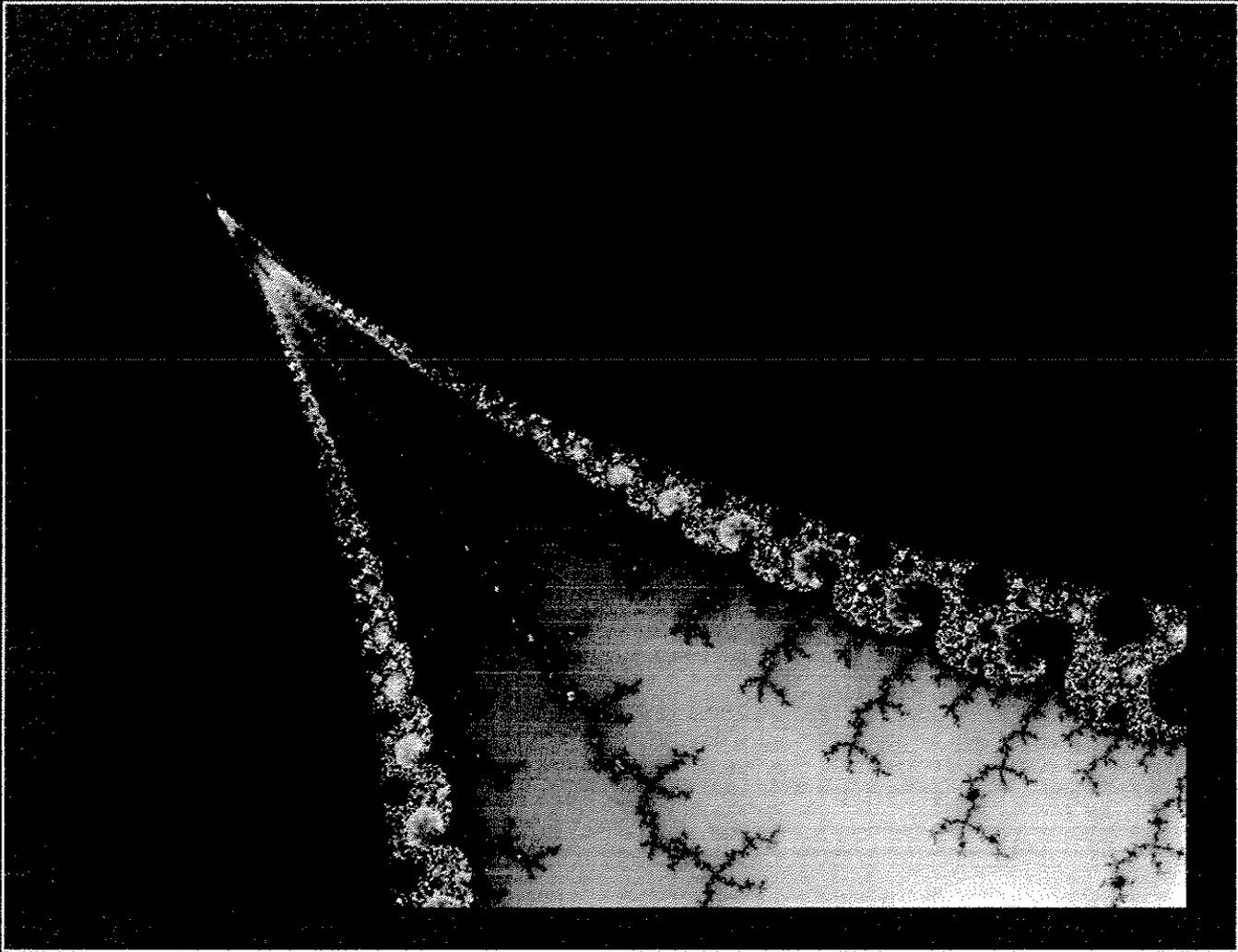
Joint Committee on
Finance
(JC-Fi)

Sample:

- Record of Comm. Proceedings
- 97hrAC-EdR_RCP_pt01a
- 97hrAC-EdR_RCP_pt01b
- 97hrAC-EdR_RCP_pt02

- Appointments ... Appt
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- Clearinghouse Rules ... CRule
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- Committee Hearings ... CH
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- Committee Reports ... CR
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- Executive Sessions ... ES
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- Hearing Records ... HR
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- Miscellaneous ... Misc
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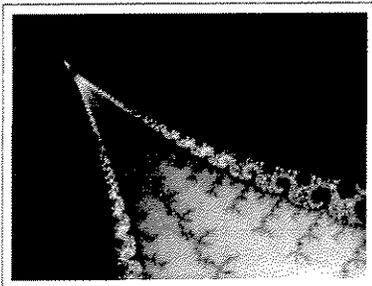
Strategic Business Plan
Wisconsin Department of Revenue
1997

Dedication

*To the past and present employes of the Wisconsin Department of Revenue who have guided
our commitment to excellence for more than 100 years.
You are our greatest asset.*

Acknowledgment

*We celebrate the partnership of our employes and customers in developing this document.
Most of its recommendations are from employes who served on our quality improvement
teams, and from employes and customers who participated in our strategic planning focus groups.
Their comments and ideas were invaluable in evaluating our operations
and developing a strategic plan that will make us an even stronger, more effective agency.
We encourage our employes and customers to continue
sharing their ideas openly and often.*



About the Cover:

The fractal presented on our cover is a creation of Benoit Mandelbrot, a Polish mathematician who is largely responsible for fractal geometry. Fractals are the product of a mathematical formula used to visually display structure and organization behind seemingly complex entities. Our strategic business plan is intended to give structure and organization to the complex operations of the Wisconsin Department of Revenue.

A Message From Secretary Zeuske

The Department of Revenue has seen substantial change in the past few years, requiring a comprehensive update of our strategic business plan. New tax laws have been enacted and expectations by the public have increased, while resources have become more limited. The potential for information technology to enhance our customer services has grown rapidly. We now administer the Wisconsin Lottery. Several management changes have also occurred.

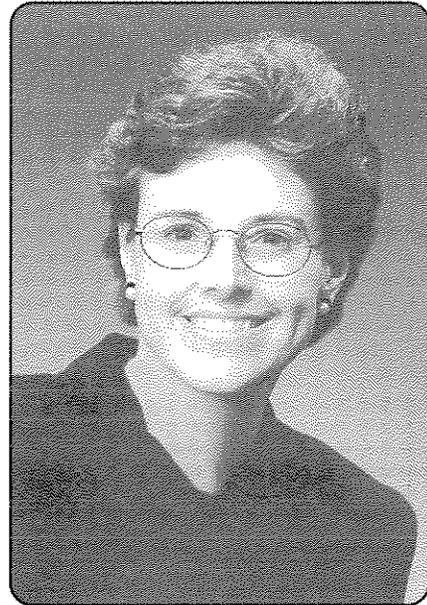
Responding to change requires regular and thoughtful planning. One of the most important things we can do together to ensure our continued success is reflect on where we are today, define where we want to be in the future, and then set the course we will take to get there.

While much of our previous strategic plan has been retained, this plan responds to our new challenges and opportunities. It provides high-level guidance to the department as we carry out our programs and go about our daily work.

Our strategic business plan is our core management document. While the department's direction remains relatively constant, our goals and challenges evolve and change over time. That is why reviewing and updating this plan on an annual basis is essential.

I will be scheduling sessions to discuss the updated plan with employees. I look forward to working with you toward its implementation.

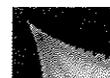
*Thank you for your
contributions to Revenue. I look
forward to our new opportunities!*



“One of the most important things we can do together to ensure our continued success is reflect on where we are today, define where we want to be in the future, and then set the course we will take to get there.”

A handwritten signature in cursive script that reads "Cate".

Cate Zeuske, Secretary



Our mission statement describes our fundamental purpose and reason for existence and was developed in conjunction with our customers and employees.

Our Mission

The Wisconsin Department of Revenue advises on tax policy and administers the state's tax laws and lottery to fund state and local government operations.

Our Values

Providing the best customer service is our highest priority. The department focuses on the customer, responds to customer needs and treats customers fairly. We understand that we exist to serve our customers.

Employees are our most valued asset. The success of the department depends on our employees. We provide the training people need to do their jobs, develop the full potential of employees, foster diversity in the work force, and provide the quality work environment and tools people need to be successful. We treat all employees with respect.

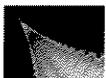
We are cost effective and constantly strive to provide value to the taxpayers. We recognize resources are limited and constantly work on meeting customer needs as efficiently as possible.

We are innovators and not content with the status quo. We recognize that our environment is constantly changing and that we must be relentless in our pursuit of better ways of doing business. We are aggressive in using

Our value statements lay out the ideals for which we strive. They provide long-term and high-level direction for where we are going and are intended to push us to do better. Our success depends on our ability to live up to our values.

information technology, quality improvement efforts and other innovations to achieve our strategic goals.

We encourage teamwork and participation within an environment of clear goals, effective planning, open communication, progress monitoring and celebration of success. We believe a systematic and comprehensive approach to managing the work of the department is essential. Our management systems help support and assist our employees in a focused effort to achieve our strategic goals.



Evaluating our Environment

Internal Challenges

Because we are a data-driven agency, aggressive use of high-performance technology is essential to our efficiency and effectiveness. With modern technology to drive our operations, clearly-defined performance measures will help us evaluate our progress and implement necessary changes to ensure efficiency at all levels. Achieving the necessary financial resources to maximize the use of available technology requires us to be more proactive with the legislature and rigorous in defining the cost-benefit of programs.

Also key to our success is regular and open communication through all levels of the organization and in the public arena as well. Greater cooperation between and within our working units will encourage a team approach and foster positive working relationships throughout the organization.

Employees are our greatest asset. Greater investments in current and future employees will increase our ability to retain and recruit a skilled work force. Education, training, internships, mentoring programs and reward systems are essential to this effort. Greater diversity in our workplace will empower us to draw from the talents of many people to better understand and be more responsive to the varying needs of our customers.

See Attachment 1 for a detailed discussion of the challenges facing our agency.

External Challenges

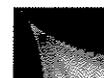
Further increasing the efficiency of our internal operations requires stronger relations with our external customers. We must be proactive in seeking policy changes and financial support from the legislature to accomplish our goals. We must draw from the expertise of local officials, trade associations, tax experts and other customers in developing tax policy. Our ability to be more responsive to the concerns of our customers will also be enhanced with the increased use of modern technology.

Technology will enable us to outperform current and future private sector competitors by expanding our range of services. As we work toward our goals, we must also keep in mind that our competitiveness, effectiveness and responsiveness can be impacted by fluctuations in the economy.

Meeting expectations for property tax relief through the lottery will continue to be a significant challenge. Creative and innovative business decisions that fit within the scope of statutory and constitutional requirements are essential to increasing lottery profits, which translate into property tax relief.

Finally, as we move through the age of technology, decisions must be made regarding the appropriate taxation of new information technologies and services. Any new policies should offer equitable tax treatment of electronic commerce without adversely impacting its potential for economic growth and job creation.

How do we view ourselves and how do our customers view us? An open and honest look at who we are and what we do gives us direction and determination to seize new opportunities.



Our Goals

The department has identified eight high-level goals that express the outcomes we seek to achieve. Reaching our goals should be the focus of our activity at all levels in the department. They are broad and encompass nearly every operation of the department. Our daily work should further the achievement of these goals.

1. Increase voluntary compliance

Most people want to comply with tax laws. Voluntary compliance reduces the cost of collecting tax revenue, allowing funds to be used for the government services for which they were intended. Closing the tax gap will occur through increasing voluntary compliance *and* expanding enforcement. Fair and simple tax laws, along with aggressive education of taxpayers, aid in achieving voluntary compliance. Audit and delinquent tax collection efforts ensure that persons who are not voluntarily complying are made to pay their fair share.

2. Improve efficiency and fairness in collecting and distributing tax revenues

Our environment is constantly changing. Every employe must be empowered to pursue better ways of doing business. Accuracy, timeliness and fairness should be given the highest priorities in collecting and distributing tax revenues.

3. Increase external customer satisfaction

Every aspect of our agency must make our customers the primary focus. We can largely determine how we're doing by asking our customers. Inquiring about customer satisfaction must be a regular practice by all employes. Customer feedback will gauge if we are being responsive.

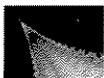
Reaching our goals will assure the highest degree of customer confidence in our integrity, efficiency, productivity and fairness.

4. Improve effectiveness of our employes and the quality of their working environment

Agency managers must focus on providing employes with the training and tools to be successful. Agency leaders must advocate to the legislature for modern, efficient, secure and well-maintained work areas and equipment for all employes.

5. Increase property tax relief through the lottery

The Wisconsin Constitution requires that lottery proceeds be used for property tax relief. Running the lottery as an efficient and effective business, within the bounds of constitutional and statutory guidelines, is essential to maximizing the amount of revenue generated for property tax relief.



Measuring Our Performance

Performance measures are an essential part of strategic planning. They provide the feedback necessary to determine if we are making progress toward achieving our goals. Measurement at all levels is a key part of the way we must manage our agency.

Performance measures must define both what to measure and the specific goal that we want to achieve. Some examples of performance measures are: 1) Increasing the ratio of taxes collected voluntarily to total taxes collected by 10 percent by the Year 2000; 2) Reducing the department's ratio of administrative costs to completed assessments by 20 percent by the Year 2001.

Developing meaningful measures that the department will strive to attain is not a simple task or one to be taken lightly. An internal

Collecting information from measures will tell us how we're doing -- whether we're performing up to standard and whether we're meeting our goals. Measuring our performance challenges us to question our experiences and open up new opportunities.

work group will be formed to recommend performance measures for all of the department's goals. The work group will seek to complete its activities later this year. The group will recommend what will be measured, as well as the numerical goal we should set. The performance goals should be attainable, yet challenging enough to encourage innovation.

6. Continue to provide policymakers and citizens with information to make tax and lottery policy decisions

The legislature, governor and the public depend on us for information to make tax and lottery policy decisions. A continued focus on providing timely and accurate information will ensure that the public and our policymakers are well informed about existing and proposed state laws.

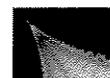
7. Increase participation in developing tax and lottery policies

Strengthening our role in tax and lottery policy development must occur on two fronts. First, we must actively engage our customers

in internal working groups and other forums that advise and direct the department in policy development. Second, we must become more aggressive in advocating for tax policies that are fair and easy to administer, along with lottery policies that increase profits available for property tax relief.

8. Improve efficiency in establishing property values

Commercial and residential construction has increased the amount of property that the department must consider when establishing equalized and manufacturing values. As the property tax base expands, we must look for more efficient and effective methods for establishing values.



Our Strategies

Six specific strategies are necessary to accomplish our goals. All divisions should adopt these strategies as the means to achieve their goals. There are, of course, many other important and effective strategies that we should employ. However, the strategies listed here are particularly important to the department and deserve our primary attention.

1. Aggressive use of information technology

The department works primarily with information, most of which is financial in nature. Our processes are generally very well defined, stable and routine. This is an ideal environment to benefit from the aggressive use of information technology. We should develop information technology strategies in all business units to better serve our customers, improve access to information, and to reduce or control costs. These strategies might range from developing an integrated tax system to using an electronic assessor's manual. We must be creative and aggressive in pursuing these strategies.

2. Redoubling quality improvement efforts

We have a long history of using quality improvement to refine our processes. This has served the department well and has allowed us to provide quality customer service in the face of severe resource constraints. We need to

continue and redouble these efforts. We need to look at incremental as well as revolutionary change. Combined with information technology as a facilitator, process change and reform is critical to the future of the department.

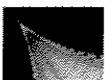
Keeping pace with the technology revolution allows new solutions to fix old problems. With high performance computers, we can rapidly catalog, store, sort and analyze millions of tax records -- moving us to a higher level of efficiency and customer satisfaction.

3. Sharpening our focus on communication, education and training

We must first look to education as an effective strategy to achieve our goals. Much of our work depends upon the voluntary actions of taxpayers. Most people want to comply with the laws the department enforces.

Active education and communication can greatly increase the voluntary actions of our customers.

Communication, education and training is also an important internal strategy. Department employees need to have the skills and knowledge to do their jobs. We need to be proactive in providing training and technical support in our core skill areas. Good communication both within the department and up and down the organizational structure should be standard practice.



Plugging into Technology

Plugging into state-of-the-art technology will further increase our efficiency and effectiveness. To this end, a department-wide information technology plan is being developed with the participation of many of our employees. Its proposed goals are:

1. Be a national leader in the effective use of information technology.
2. Impress customers with responsive technology solutions delivered on time and within budget.
3. Maximize productivity by providing employees with the dependable and well-supported information technology tools they need to be successful in their jobs.
4. Provide effective electronic communications to facilitate transactions and tax reporting, solicit customer feedback, improve business processes, enhance education and training, and increase

participation from our customers in developing tax and lottery policies.

5. Create a strategic focus that maximizes technology's use, develops core areas of strength, improves the efficiency of programs we administer, facilitates our ability to respond to change, and keeps pace with new technology in the marketplace.
6. Provide access to comprehensive, quality data and other information that is easily stored, sorted and analyzed for use in making internal business decisions, and for determining the impact of tax and lottery policy proposals.

Legislative approval of additional funding will enable us to increase our overall use of technology and begin building an integrated tax system. An Intranet will provide a communication link for our employees to share information and reduce paperwork by automating internal processes.

4. Building partnerships

Many people and organizations have a stake in the business of the department. Local governments, businesses, trade organizations, assessors, other state agencies and the legislature are only a few. The department can be more effective by working with stakeholders and building meaningful partnerships to get our work done. We need to actively develop these partnerships and make them successful.

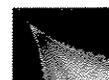
5. Researching and meeting customer needs

A focus on our customers is a fundamental department value. We must consistently and comprehensively examine what our customers expect and need. Every business area should have mechanisms in place to solicit customer reactions and expectations and to assess how we are meeting these needs. This customer research will ensure that problems do not go

undetected and will help us maintain a customer focus.

6. Increasing continuity within our management systems

The department has adopted team work, planning and systematic management as core values. These values set the foundation for managing the department's work. Strategic plans for the department and the divisions are part of the management system. We need to make sure that all the other elements of successful management are in place throughout the department. We must maximize core management competencies to ensure organizational leaders are well-equipped to advance the agency's strategic plan and develop a blueprint within their units for meeting our mission. Without a well understood and practiced management system, our commitment to team work and support of employees would be hollow.



Overview of Our Internal and External Challenges

Internal Challenges

1. Our effectiveness increases with investments in appropriate modern technology.

Modernizing our computer systems will offer compatible systems for all employees and will increase flexibility. It will also allow us to integrate our numerous tax programs into one efficient system. New technology is less costly to support and maintain and offers the opportunity to capture additional tax revenue. A strong commitment by top management is essential to obtaining legislative support for the substantial financial investment necessary to advance our use of modern technology.

2. Reliable, accessible and timely data will improve our ability to make sound management decisions and policy recommendations.

Investments in state-of-the-art technology will enhance our ability to integrate systems and share data throughout the department. Better data collection and storage will allow for more effective internal decision-making by equipping managers and staff with accurate data to evaluate our strengths and weaknesses, and anticipate outcomes from process changes.

3. Effective communication will create a participatory decision-making process, where managers draw from the ideas of well-informed employees. Celebrating our successes will promote the pride we share in our employees and our work.

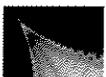
Increased communication between managers and employees will result in a more effective decision-making process and better services for our customers. Participation in and knowledge about decisions means employees will be

better informed and more enthusiastic about embracing program changes that they helped develop. Communicating the successes of the department and our employees with the public, the legislature and the news media will strengthen morale and pride within the agency.

4. Greater investments in current and prospective employees will make us a more attractive employer and will increase our ability to recruit and retain a skilled workforce.

Investing in our employees enhances our ability to recruit and retain talented, skilled workers. A more comprehensive, coordinated training program will improve the ability of existing and future employees to effectively do their jobs. Classroom training, internships and mentoring programs will offer employees opportunities to gain the skills and knowledge necessary to advance within the agency. More aggressive recruitment will lead to more timely hiring of skilled employees. Greater rewards and recognition of employees' achievements will create incentives for superior performance and productivity, and will give employees a greater intrinsic purpose for building a career with our agency. Demonstrating appreciation for the efforts of employees can occur through multiple approaches, including publicity in internal and external publications, greater compensation, and job promotion.

5. Cooperation between and within divisions will result in more consistent implementation of policies and procedures and will encourage a team approach toward timely completion of work assignments.



Operating as an integrated agency, rather than as five separate divisions, will build consistency and continuity into the rules and procedures that are applied between and within divisions. Collaboration and information sharing between divisions will lead to faster completion of projects and a more thoughtful and thorough work product.

6. Performance standards will enable us to measure our progress.

Establishing well-defined performance standards will allow us to gauge the relative successes or shortcomings of projects intended to improve operations, and determine if certain process modifications will generate greater cost-benefits and/or efficiencies.

7. A modern, efficient and secure work environment will increase our effectiveness and make us a more attractive employer.

A new facility with enhanced security will eliminate cramped, inefficient and outdated work stations, and will instill a greater sense of

safety for employees. Lottery, Building L and district employees will feel more connected with the rest of the agency if more functions are physically located within one building.

8. A diverse work force will make us more responsive to our diverse customer base.

Ambitious recruitment, retention and promotion of men and women of varying racial, ethnic, cultural and socioeconomic backgrounds, along with persons who are physically challenged, will enable us to better understand and meet the diverse needs of our customers.

9. Fair allocation of resources between divisions is critical to each division's effectiveness.

A more equitable resource distribution system will foster greater trust and cooperation between divisions. Any new system must incorporate efforts to make employees more aware of the functions and priorities of all divisions.

External Challenges

1. A proactive relationship with the legislature will help ensure that laws are drafted appropriately and within our administrative framework.

Being vocal advocates for the agency with the legislature will enable us to make positive improvements to pending legislation. The more understanding legislators have of our challenges as tax administrators, the more likely they will be to provide the budget and policy resources necessary to operate effectively.

2. Greater solicitation of public input will result in more effective and broadly supported tax and lottery policies and will enhance our image with the public and the legislature.

Developing tax policy recommendations should occur within a participatory process. Creating advisory groups and encouraging interaction with customers through our Internet home page will enable us to gather input from trade associations, legislators, taxpayers and practitioners.



As a result, our customers will be more involved and better informed about policy issues, and we will be viewed as more responsive to the public's concerns.

3. Additional resources from the legislature will ensure more effective administration of new and existing tax laws.

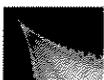
Effective administration of existing and future tax laws will require us to provide convincing evidence to the legislature that we are no longer able to do more with less. New and modern resources, such as an integrated tax system, are essential to effective tax administration and our ability to maximize potential revenue collections. This message must be strongly communicated to the legislature by agency leaders.

4. Greater use of modern technology will enable us to be more responsive to our customers.

The sophisticated use of technology is resulting in more demand for paperless transactions. Replacing our current outdated equipment with modern technology will allow us to be more responsive to our customers.

5. Constant attention to our efficiency and effectiveness will allow us to continue outperforming private sector competitors.

Staying ahead of private sector competition requires constant attention to the efficiency of our operations. Legislators and the governor will continue to scrutinize our operations as they look for areas where the private sector can provide services more effectively and efficiently than government, such as in the area of delinquent tax collection.



The lottery will continue to compete with other gambling venues and other forms of entertainment.

6. Our overall effectiveness is impacted by changing economic conditions.

Our challenges as a state agency are often driven by the strength or weakness of the economy. A tight labor market restricts our ability to recruit and retain skilled employees. The legislature's willingness and ability to invest in new resources for the department, such as technology, are dependent on revenue collections. An economic downturn could further increase the legislature's need for alternative sources of tax revenue without providing additional resources to do the job.

7. Offering a wider range of services will help meet varying customer expectations.

As more of our customers become technologically savvy, we must respond with faster, better and more modern services, such as the ability to file taxes through the Internet. However, not all customers are moving at the same pace toward technology, and many will always depend on the paper-based way of doing business. Meeting these varying expectations requires us to offer our customers a wider range of choices.

8. Meeting expectations for property tax relief requires creative, innovative business decisions that are consistent with existing constitutional and legislative restrictions.

The Wisconsin Lottery operates under the most rigid constitutional restrictions of all state lotteries and a loosening of these rules is not an option. Therefore, maximizing profits for

property tax relief requires creative and innovative approaches that will maintain or increase ticket sales, while aggressively seeking necessary legislative changes that give the lottery greater flexibility to operate like a business.

9. Keeping pace with technology's impact on tax administration will enable us to quickly respond to changes in our taxing authority.

Decisions must be made regarding the appropriate taxation of newly emerging information technologies and services.



A Look at Our Progress and Innovations

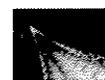
At the Wisconsin Department of Revenue, our employees have put innovation to work. The application of thoughtful and regular strategic planning has been instrumental in achieving progress in many areas. Here are just some of our many success stories.

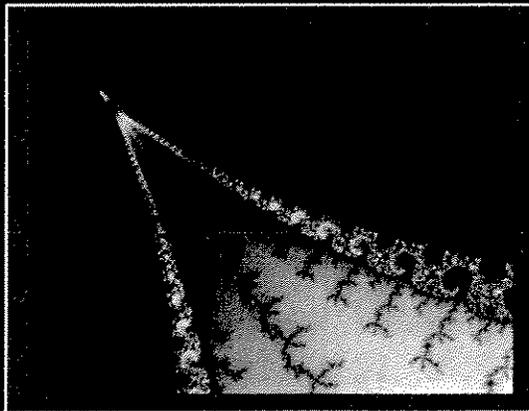
- ✓ A Wisconsin Department of Revenue home page is available on the World Wide Web at www.dor.state.wi.us.
- ✓ A Wisconsin Lottery home page has been launched on the World Wide Web at www.wilottery.com.
- ✓ State income tax forms can now be downloaded off the department's web site.
- ✓ A fax-a-form document retrieval system has been implemented.
- ✓ State income taxes can be filed electronically.
- ✓ WI-Z income tax forms are now stored electronically, rather than as paper files.
- ✓ Automated remittance processing systems have been developed in cooperation with the state's banks.
- ✓ Automated income tax refund inquiry systems have been implemented in Madison and Milwaukee.
- ✓ The sales tax system has been modified and expanded.
- ✓ Systems for the Milwaukee exposition center and stadium taxes have been developed and implemented.
- ✓ A sales tax system to check vehicle sales between private parties was implemented.
- ✓ The motor fuel tax system has been redesigned.
- ✓ A lottery market segmentation study has been completed.
- ✓ Data capture and transmission functions have been automated.
- ✓ Approximately 75 percent of our employees have personal computers at their work stations.
- ✓ A local area network (LAN) is operating within each division.
- ✓ An information technology training center has been created.
- ✓ A central help desk is now available in the Bureau of Information Systems.
- ✓ Divisions have been given flexibility in reallocating budget funds for purchasing information technology resources.
- ✓ A comprehensive supply inventory system has been developed.
- ✓ Consistent operating rules for the decision-making process have been formulated.
- ✓ The redesign of the corporate tax system is complete.
- ✓ The individual income tax processing system has been modified and expanded.
- ✓ The Tax Incremental Finance (TIF) system has been automated.

*We point proudly
to our many
success stories
that have occurred
since we first
began strategic
planning in 1992.*



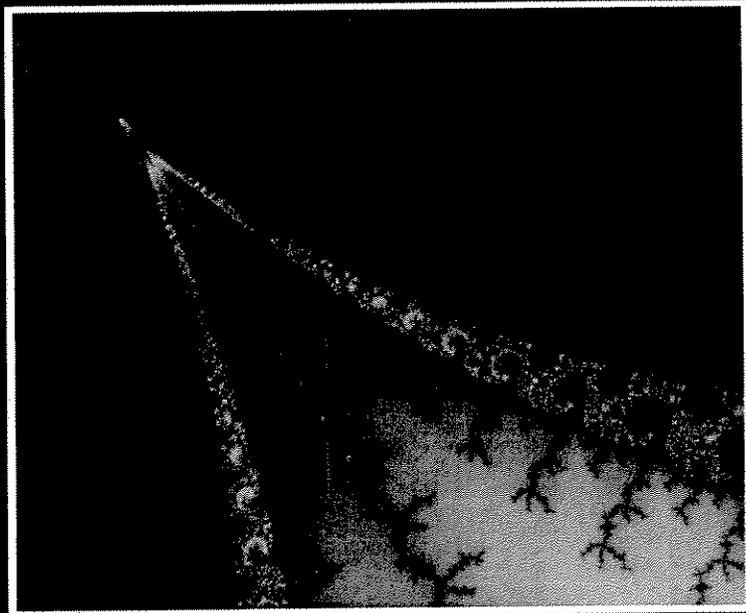
- ✓ The assessor certification process has been automated.
- ✓ Systems for the temporary recycling surcharge have been implemented and modified.
- ✓ An Information Systems Section for the lottery has been created.
- ✓ The taxpayer file request function has been automated and a file checkout system has been developed.
- ✓ The applications development organization has been restructured to focus on project team staffing.
- ✓ An applications development technical support unit has been established.
- ✓ A data administration support unit has been established.
- ✓ Fourth generation computer languages have been acquired and their use has expanded.
- ✓ Computer Aided Software Engineering (CASE) software to develop applications has been acquired.
- ✓ More efficient word processing capability has been established throughout the department.
- ✓ Statistical and survey software has been acquired.
- ✓ Phase 1 of the integration of the Lottery Division's computer operations into a single system is complete.
- ✓ The department has organized a discovery unit and used new audit methods, including self-audits and industry target audits, to improve voluntary tax compliance.
- ✓ Many industry-specific tax publications have been developed to improve voluntary tax compliance.
- ✓ A Central Collection Section has been created to accelerate delinquent tax collections.
- ✓ A delinquent tax collection fee has been implemented to finance delinquent tax collections and to remove the cost of collecting delinquent taxes from people who comply with paying taxes.
- ✓ In cooperation with many counties, delinquent tax warrants and satisfactions are electronically filed with many county clerks of court.
- ✓ In cooperation with the department of Regulation and Licensing, occupational licenses are not renewed when a licensee owes delinquent taxes.





Wisconsin Department of Revenue
125 S. Webster St.
P.O. Box 8933
Madison, WI 53708-8933
608-266-6466
www.dor.state.wi.us

**1997-98
Information Technology
Strategic Plan**

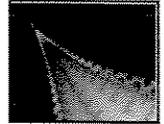


**WISCONSIN
DEPARTMENT OF REVENUE**

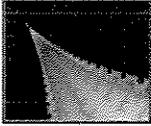
Dedication

To our greatest asset — *our employes* — whose energy, perseverance, resourcefulness and creativity empower us to be boundless in our pursuit of excellence through technology.

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A Message From the Secretary



In the spring of 1997, several hundred of our employees attended a conference to begin defining how we can use technology to our best business advantage. The overall process took several months and from it emerged the Department of Revenue's Information Technology Strategic Plan.

Our technology plan is ambitious. That's because it reflects the dedication and devotion of the many employees who developed it and are committed to its full implementation. It strives to elevate us to a national leader among state revenue agencies. It does so by using technology to maximize our effectiveness and efficiency, and by enhancing our ability to retain and attract top-rated employees.

Securing adequate funding is key to the success of our Information Technology Plan. The State Legislature, with the strong backing of Governor Thompson, has approved a record financial commitment that will allow us to begin implementing much of the plan. Computer upgrades are already underway. We have also begun developing an Integrated Tax System, where state-of-the-art technology will connect our 130 tax processes into one, efficient system.

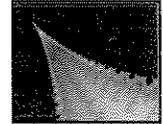
“Our technology plan is ambitious. It reflects the dedication and devotion of the many employees who developed it and are committed to its full implementation.”

Making progress toward technology depends on divisions working as a team. For this reason, attaining the goals set forth in our technology plan requires a shift in our internal business philosophy. Rather than viewing ourselves as five separate divisions, we must unite as one agency where resources and information are shared and we are collectively focused on a common vision. We have a tremendous amount to gain under this philosophy and I am asking that we all embrace it and practice it.

My thanks and congratulations go out to the many employees who made this plan possible. I look forward to working with all department employees toward its successful implementation.

Cate Zeuske

Why Technology?



In today's marketplace, technology is not an option. It's a requirement. Businesses of all sizes are using technology to be more efficient, competitive and responsive to their customers. Computers are becoming a mainstay for people at home.

As tax customers become more dependent on technology, it's not enough to merely keep pace. The Department of Revenue must stay ahead of its customers by offering new and innovative services that simplify tax filing and compliance. It must anticipate changes and challenges that affect customers, and proactively respond with new and practical technology solutions.

The use of technology is already making a big difference for the department's customers:

- More than 230,000 individual income taxpayers filed their taxes electronically in 1997.
- A new digital computer network that links nearly every lottery retailer with the lottery headquarters is improving customer service to retailers and lottery players.
- Electronic scanning of real estate transfer returns will soon reduce paperwork for local governments and the department.
- The refund hotline helps roughly 280,000 taxpayers each year who call about the status of their income tax refunds.
- The Quick Refund program has cut tax refund turn-around time from 10 weeks to 2 weeks, to the benefit of more than 300,000 filers a year.
- In 1998, Tele-File will be launched for a targeted group of taxpayers. Many filers of the WI-Z Form can file right from their home telephones.
- Electronic scanning is rapidly reducing the volume of paper files that must be stored.
- The lottery's electronic data warehouse provides accurate and efficient analysis of game and marketing strategies.

The Department of Revenue must celebrate its technology accomplishments, while seizing new opportunities that continue to make voluntary tax compliance easier. The possibilities are endless:

- Technology can simplify the process of filing taxes on time and without error.
- Technology can cut in half the time it takes to process income tax refunds.
- On-line filing through the Internet can make it easier and quicker to file taxes.
- Paperwork can be further reduced by offering Tele-File to more taxpayers and by expanding the scanning system.
- With technology, shared revenue and other state aid payments can be made electronically to local governments.
- Local levy, property value and other information can be submitted electronically by local governments.

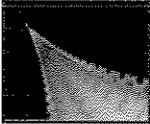
• Technology will eventually allow for around-the-clock customer service.

Governor Thompson has signed into law a major funding plan that is allowing several new technology initiatives to advance. A major project already underway is development of an Integrated Tax System (ITS), which offers numerous opportunities:

- The department's efficiency will greatly increase as its 130 different tax processes become one.
- The state can better identify and pursue collecting unreported taxes.
- The department will be able to more quickly respond to calls from legislators regarding the tax concerns of their constituents.
- The department will enhance its ability to effectively respond to tax policy proposals and changes from the Legislature.

The Department of Revenue manages more data than any other agency in state government. That's why its success depends on technology. But moving business functions onto the electronic highway will take many years and millions of dollars. Continued pursuit of technology will enable the department to make further progress toward a simplified tax system for Wisconsin citizens.

Technology means simplification. It means quicker tax refunds, faster answers, less paperwork and less time spent complying with our tax laws.



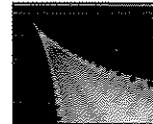
Executive Summary, Part 1

Our *Technology Vision*

The Department of Revenue ...

The vision statements describe what we would like to be. The success of the Department of Revenue in using technology depends on making these statements real.

- 1. Leads state revenue agencies in the effective use of information technology.**
By being the best, we retain and attract highly skilled and talented employees.
- 2. Delivers responsive technology solutions on time and within budget that meet customer and user expectations.**
Meeting customer expectations on time and within budget is what counts. The department creates strong relationships and partnerships between developers and users.
- 3. Provides employees with dependable and well-supported information technology tools.**
Information technology tools are essential for our employees to be successful. Information technology professionals have up-to-date tools and the training to use them.
- 4. Uses electronic communications effectively.**
We recognize that our customers and employees want to interact electronically for many purposes. Electronic communication improves business processes, enhances education and training, and increases participation from our customers.
- 5. Maintains a strategic focus on information technology.**
The department's business plan emphasizes information technology as a strategy. Our information technology functions are aligned with our business goals and maximize effective technology use.
- 6. Provides access to comprehensive, quality data.**
The department understands the value of the data it collects and provides the data structure and tools to easily store, retrieve and analyze data for all appropriate department functions.



Our Technology Goals

- 1. Position the department as an organization that quickly responds to information technology opportunities.**

The department is willing to take calculated technology risks and uses technology to improve productivity, quality and customer service.

- 2. Manage the total cost of providing technology solutions.**

The department will be vigilant in considering long-term costs when making information technology decisions. Expanding use of the Internet and Intranet and adopting cost saving technical standards will be key to achieving this goal.

- 3. Adopt and rigorously apply a project management and application development methodology.**

The department will adopt and consistently apply an application development and project management methodology for information technology projects. This approach will increase success rates for projects, reduce development time and increase customer and user satisfaction. A methodology will be adopted for use with the integrated tax system project.

- 4. Provide reliable, up-to-date networked computers to most employees by July 1999.**

The department's infrastructure enhancement project is underway and will expand a reliable network to nearly all employees. It will include a standard office software suite, access to the Internet and web technologies.

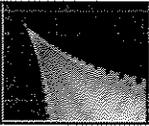
To achieve the vision, the department has set high priority and broad goals for the information technology function. These are supported and augmented by more specific strategies under four separate areas of technology architecture. The goals do not include specific application development projects. Instead, they address infrastructure and architecture issues needed to create and support business applications.

- 5. Enhance network and Internet security.**

The department depends on the public's confidence that sensitive information is adequately protected. The department will conduct a thorough review of network security and implement recommendations.

- 6. Improve access to data through a data warehouse.**

The department will acquire the tools, structure and skills to make effective use of the department's data. The scope and priority of the data warehouse project will be governed by its importance to the integrated tax system project, business requirements, and cost effectiveness.



Highlights of Our Technology Strategy

1 Application Architecture

Definition: The computer programs our employees write and use to administer programs, deliver services and perform other business functions.

1. Integration should guide all systems architecture, uniting common functions with supporting data.

The department's integrated tax system project is the cornerstone for the department's application architecture.

2. Systems should be designed to respond to changes.

There are three components to applications: (1) information processing; (2) data collection and storage; and (3) the manner in which software appears on computer monitors. Designing each component separately will allow us to more easily accommodate changes in technology and business requirements.

3. Browser-type graphical user interfaces (GUI) should be used for the presentation layer in future applications.

The department will develop the tools and techniques to produce applications with browser GUI interfaces. This will achieve the combined benefits of more satisfied users and reduced support and installation costs.

4. Acquire and maintain the development tools that best fit the platform, environment and function.

The department will begin evaluating the current software development tools and implement recommendations.

2 Data Architecture

Definition: Tax and other information collected by the department. Data architecture is the framework for integrating, managing and using data.

1. Incorporate a structured approach to mapping data requirements into application development.

The department will develop procedures to assure that the benefits of a well-conceived data architecture are realized and maintained as applications are developed.

2. Strengthen data administration functions.

Develop policies, standards and procedures for data administration, and specifically for data sharing.

3. Develop a document management strategy.

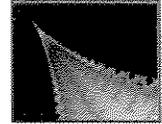
The department will develop the structure, policies and procedures to begin managing documents in a manner that achieves the same sharing and access goals set for data.

4. Develop a data warehouse for better data access and decision making.

The department will develop a complex data structure with data from various existing databases. This warehouse will allow for more sophisticated queries for analyzing data.

5. Strengthen security of data.

A strong and reliable data security system must be developed.



Our strategies define what we will do to achieve our technology vision and goals. Four architecture work groups were created to define our strategies. The highlights of their recommendations are presented here.

3 Technical Architecture

Definition: The type and structure of hardware and software used to operate our computer systems.

1. Implement Microsoft Exchange messaging throughout the department.

By July 1999, most department employees will have the same messaging software for purposes of e-mail and scheduling.

2. Develop and implement a network design that meets mainframe standards for reliability and response.

The department will develop a detailed network design based on a set of standards. Specific attention will be paid to providing highly reliable equipment and efficient network management tools.

3. Develop reliable mid-range server computer capability.

The options for providing reliable, secure and full-featured mid-range computers for databases, applications, and web functions will be analyzed. Recommendations will be developed and implemented.

4 Organizational Architecture

Definition: The framework of information technology. It maximizes the talents and expertise of all employees to ensure efficient and effective use of technology.

1. Increase the availability of information technology training.

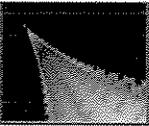
The department will upgrade the computer training room, assure that employees are appropriately trained on desktop software, provide alternative training options, and ensure that application developers are thoroughly trained on the software tools they utilize.

2. Implement guidelines for working with consultants and contractors.

The department will develop and apply guidelines that promote effective partnerships and joint development, and ensure a transfer of necessary skills from consultants and contractors to department employees. The purpose is to provide guidance on when to use contractors, to ensure contracts are appropriately managed, and to develop effective working relations between contractors and department employees.

3. Focus resources on meeting the agency's core competencies.

Information technology core competencies have been identified and the department must establish a structured organization to meet them.



Work Group Issues & Strategy Details

1 Application Architecture

Applications are the programs people use to do their work. The application architecture is the structure and high-level master plan for developing the department's information technology applications. It establishes:

- An applications development process.
- The desired characteristics for each application.
- The strategic, technical direction for applications.
- The technical environment for creating applications.
- A responsive approach to department and division business needs.

Issues

- **Cataloging our projects and priorities.**

Information technology projects are integral parts of the department's and each division's strategic business plans. All divisions are required to prepare a list of IT projects as part of their plans.

- **Defining an effective user interface strategy.**

The interface strategy defines how IT applications look and interact with users. The user interface affects how well applications work for users, the structure of the physical infrastructure to deliver the application, and the cost of deploying and maintaining applications.

- **Developing a department-wide approach to project management and application development.**

How the department manages the development and implementation of IT projects is key to the success of an information technology strategy.

- **Increasing efficiency through a data capture strategy.**

A data capture strategy is important because collecting data is costly. It also impacts efficiency and quality.

- **Defining database requirements to effectively gather, store, sort and analyze data.**

Most of the department's information resides on databases. The ability to access and manipulate data is fundamental and the department needs a strategic direction on the types and features of the databases.

- **Maximizing productivity with proper application development tools.**

Proper application development and management of tool selection can increase productivity, reduce development time and control maintenance costs.

Vision

Department applications should be:

- **Integrated.**

Independent applications are designed to work together with shared data based on the principle of connectivity.

- **Function-based.**

Applications are developed to correspond to business functions rather than to organizational structure.

- **Multi-platformed.**

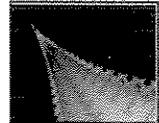
Applications can be implemented across one or more platforms including mainframe, PC, LAN, client-server or Internet.

- **Developed in partnership with others.**

User and development staffs work in partnership to develop and support systems.

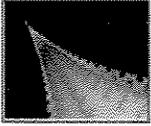
- **Supported with modern tools of technology.**

A well-chosen array of modern tools is provided to develop and support systems. Tools are kept current.



Strategies

- **Adopt and apply effective project management and application development methodologies.**
- ✓ Pilot projects should be used to prototype and test systems, tools, and methodologies.
- ✓ New projects should be “right-sized” into manageable modules to ensure timely and successful completion.
- ✓ Project planning should include a statement of purpose, identify the problem to be solved, list the resources needed, identify the sources of information, itemize the tasks and estimate a time line for each task.
- ✓ A balance must be developed that allows support, development and research for existing, new and future technologies.
- **Set priorities when selecting and completing projects.**
- ✓ A structured process integrated with strategic business planning should be used to identify projects and set priorities.
- ✓ High priority projects should be completed before new projects are initiated.
- **Integrate applications.**
- ✓ Integration should guide all system architecture.
- ✓ The integrated tax system project should be the cornerstone of our applications architecture.
- **Acquire and maintain current application development tools.**
- ✓ Tools that best fit the platform, environment and function should be developed and maintained.
- ✓ Development tool workbenches for the larger projects should be used.
- ✓ Development tools should be evaluated on a regular basis.
- ✓ Appropriate database applications should be used for individual and work group based applications.
- ✓ Necessary extensions and upgrades should be acquired to enable Internet/Intranet-based applications.
- ✓ Ongoing support agreements with vendors should be established for all major development tools.
- ✓ A regular training schedule for development tools should be established.
- ✓ Evolving statewide standards should be implemented as they are established.
- **Design responsive, modular systems.**
- ✓ Systems should respond to changes in technology, programming, and personnel.
- ✓ The presentation, logic, and data access components of applications should be designed as separate elements to more easily accommodate changes in technology.
- **Adopt database standards and assure consistent, supportable database applications.**
- ✓ Mainframe and client-server database applications should be based upon the DB-2 family and development should be managed by applications staff, in cooperation with our business customers.
- ✓ PC database applications should be based upon Microsoft or DB-2 database products.
- ✓ Complex and mission-critical LAN and PC database applications should be developed by either application staff and/or technically advanced users, while considering business needs and while following standard application development methodologies.
- ✓ IMS and Wang applications should be converted as soon as practical to appropriate platforms.
- **Simplify data capture and enhance data access.**
- ✓ Data access tools for both internal and external stakeholders should be acquired.
- ✓ Forms should be designed so that applications can (a) use any printer; (b) display on any monitor; and (c) interactively capture data.
- ✓ Data should be captured interactively and as close to the source as possible.
- **Adopt Graphic User Interfaces (GUI) that are similar to Windows.**
- ✓ A browser-type interface should be used for the presentation layer in future applications.



Work Group Issues & Strategy Details



Data Architecture

Data architecture provides the framework by which all department data is integrated, managed and utilized. The agency's environment demands a data architecture that is responsive to our business needs and goals, and allows for data integration, accessibility, data sharing, and data integrity. The elimination of data redundancy in capture and storage will become increasingly important for the department.

Issues

- **Building a strong, secure architectural foundation for quality data.**

A weak data architecture results in reduced efficiency and effectiveness for the department. Areas that need to be strengthened include data management policies and procedures, document management strategies, data administration and security functions, data standards and application development methodology. The acquisition of a data repository is critical to managing the agency's data.

Moving toward better data integration, data accessibility, data integrity, and data sharing will require major technical and cultural changes within the department. Necessary technology must be acquired and resources must be invested to implement an effective data architecture strategy.

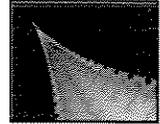
- **Committing to a new philosophy of sharing data and information.**

Perhaps the most important cultural adjustment for employees is changing how data is viewed. To be successful, top management, developers and users must support the basic notions and values presumed in data modeling, a repository, and a data warehouse. The benefits of data integration and sharing must be emphasized throughout the agency.

- **Educating employees on the benefits of quality data.**

Employees must be educated on the benefits of supporting a strong data architecture so that we work towards achieving the department's strategic business goals. With a better understanding of data, employees will:

- ✓ Value the existence of a strong data administration function, including an understanding of the importance the management of forms, records and documents has as part of data administration.
- ✓ Accept the responsibility that goes along with new data architecture.
- ✓ View data as a sharable, re-usable asset.
- ✓ Be willing to provide for the ongoing maintenance and documentation of data and metadata (information about data).
- ✓ Accept that data modeling is a useful tool for application development, and a vehicle for maintaining the department's enterprise data model.
- ✓ Address on an agency-wide basis the security concerns related to data sharing.



Strategies

- **Create and implement uniform data standards.**

The data architecture must establish data standards for using and defining the department's data. Policies and procedures must be established for data sharing, including the creation of value-added data and the use of it for the benefit of the department.

- **Increase data efficiency through a document management system.**

A document management strategy must be developed to maximize the efficiency of creating and sharing documents, including forms and reports. Uniform publication standards will benefit electronic documents, including forms. A central document repository will encourage consistency across the agency.

- **Integrate our data environment.**

Future applications should be integrated and incorporated into a coherent enterprise data environment. A disciplined approach should be developed to applications development methodology, including the consistent use of data modeling to support a more integrated data environment. A data modeling tool that integrates with the data repository should be obtained.

- **Empower the data administrator to ensure all data-related goals are met.**

A strong data administration function is necessary to provide the coordination, coaching and training necessary to meet information data requirements.

- **Strengthen data security.**

A strategy to improve data security must be developed and implemented.

- **Establish a repository to store and organize information about data.**

A data repository will store and organize information about programs, files, data sources and data elements into one central location. It will serve as an important tool for managing the department's data, by integrating and coordinating information about the department's data. It will enhance communication and understanding of department data.

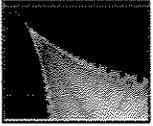
A data repository is a catalog of information about the location, owner and type of data we possess.

A data warehouse allows us to offer immediate access to data from desktop computers for analysis and reporting.

- **Create a warehouse for ensuring quality, reliable data.**

Essential to the architectural foundation is a data warehouse. A warehouse is a set of databases that will have several benefits, including:

- ✓ Improved access to data.
- ✓ The ability to better query, analyze and present information.
- ✓ A catalyst for the development of the department's data architecture.
- ✓ An important revenue generating process for the department.
- ✓ Improved department activities, such as sampling, fiscal analyses, and "what-if" analyses.
- ✓ Help with highlighting weaknesses in the department's current system.



Work Group Issues & Strategies

3 Technical Architecture

The technical architecture sets the hardware and software direction for the department. It defines the current structure of desktop computers, servers, wiring and standard software. Considering the business and application needs of the future, it describes how the IT technical infrastructure should look and lays out the basic steps to get there.

Issues

- **Planning for our network structure.**

The department needs a network design to meet future computing needs and a multi-year plan to achieve the design.

- **Providing network reliability.**

Use of the department's network to deliver applications has been hampered by concerns about reliability. Developing strategies to improve reliability is critical.

- **Increasing network capacity.**

There is concern that the existing network will not handle expanding electronic traffic. There are already capacity problems in certain parts of the network.

- **Controlling costs through improved network management.**

Growing network management costs are problematic. There is also concern that current staffing levels are insufficient to support a larger and more heavily used network. Strategies to improve network management and control network costs are necessary.

- **Developing a platform strategy to support future needs.**

New technologies and the client/server strategy are affecting the computing platforms the department needs. Strategies provide the computing platforms to support existing and future applications. A direction for desktop computers is also needed.

- **Developing the right strategy to maximize the use of specialized technology.**

The department has begun to use specialized information technologies, such as integrated voice response (IVRs) and scanning. These technologies must be reviewed in light of technology trends, data capture strategies and program needs. A strategy for their appropriate use and support must be developed.

- **Streamlining diverse operating systems and desktop software.**

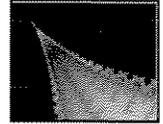
The department has several network operating systems and desktop operating systems. It also has a variety of word processing programs and other standard desktop software. The diversity of systems causes support, maintenance and file conversion problems.

- **Creating a single messaging system.**

The department has many different messaging systems that do not work well together. Agency-wide scheduling, sharing of documents and electronic collaboration is not available.

- **Strengthening security of tax information.**

The department has high security needs due to confidential tax information. The rapidly growing network has raised questions about security.



Strategies

- **Improve reliability of network.**

- ✓ Adopt reliability standards and procedures for server and network equipment, such as RAID disks, server mirroring, uninterruptible power supplies, improved backup hardware and procedures.

- **Enhance network management capabilities.**

- ✓ Acquire better network management tools and software, and train staff to use them.
- ✓ Establish personal computer specifications that will enhance network management.

- **Develop multi-platform capability to provide options for application development.**

- ✓ Use the mainframe when it is a cost-effective platform for many applications.
- ✓ Develop recommendations to provide mid-range server capacity.
- ✓ Adopt an 'ideal-weight' client (not too thin or too fat) considering network reliability and business system needs.
- ✓ Expand remote access to the department's personal computer network.

- **Improve network security.**

- ✓ Develop and implement a comprehensive security plan that includes safety tools, such as firewalls and encryption.

- **Expand department capability to use the Internet and Intranet.**

- ✓ Establish and widely promote an Intranet to enable our employees to access internal information.
- ✓ Continue to develop information distribution services, such as Folio Views, to get information to our employees in a simple, usable format.
- ✓ Extend Intranet access to all department employees.

- **Migrate to standard network operating systems and desktop office suite.**

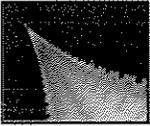
- ✓ Develop and implement a plan to migrate all network operating systems to the Microsoft NT server.
- ✓ All new workstations should have NT and all existing desktop operating systems should migrate to NT. Current personal computer hardware investments should be extended by substituting Windows 95 for NT when necessary.
- ✓ Develop and implement a plan to migrate all department desktop software to the Microsoft Office Suite.
- ✓ Web browser selection should be based on the operating system.

- **Adopt Microsoft Exchange as the department's messaging platform.**

- ✓ Migrate Microsoft Mail Servers to Microsoft's Exchange Server. Use Microsoft Outlook as the messaging client on NT/Windows 95 platforms and on OS/2 if compatibility issues are resolved.

- **Integrate the Wisconsin Lottery with the rest of the department.**

- ✓ Develop and implement a plan to identify opportunities for integrating lottery operations with the department's information systems efforts, while continuing to serve the lottery's specialized needs.



Work Group Issues & Strategy Details

4 Organizational Architecture

- Organizational architecture is the human resource framework of information technology.
- It maximizes the talents and expertise of *all* employees towards efficient and effective use of technology.
- It defines an organizational process that fulfills the business goals of the other IT architecture strategies.
- It prioritizes how we utilize our valuable human resources and equips employees with the knowledge and skills to accomplish our goals.

This approach ensures effective use of scarce resources and efficient development and implementation of projects. Consultants and contractors should be selectively used and carefully managed to complement the work of department experts. Additionally, IT strategic planning should be imbedded in our ongoing planning efforts.

Issues

- **Positioning and training staff to support IT core competencies.**

IT core competencies are functions that demand a high level of skill and expertise to support our key business strategies. It becomes increasingly important to support the efficient and effective use of technology as the department integrates it into its various business functions, such as auditing, research and analysis, and tax processing. **The organization will work toward supporting the following IT core competencies:**

✓ Security

Security is critical to the department because of the sensitive nature of data. The security process must be closely monitored. Consequently, the department must be skilled in nearly all aspects of security, from using monitoring tools to setting internal security procedures. This may include developing an internal audit function to review the security process and its implementation. Federal regulations demand a strict level of security; therefore, a more elaborate system of security may be required.

✓ Help desk functions

The department must offer a quality, well-managed computer support and problem resolution process. The help desk must be staffed with people capable of efficiently resolving first-level computer and network problems. Staff must be proficient in monitoring the networks; managing help desk calls; and tracking, solving and preventing problems. All staff should have access to and use a department-wide problem tracking system.

✓ Desktop computers and networks

The department must have the technical ability to provide the second level of network and desktop support. Department staff must be able to consult with users and the statewide network team in order to resolve problems.

✓ Internet/Intranet

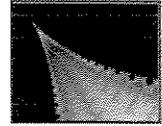
Internet technology is the foundation for connecting the department's infrastructure. The Internet will play an increasingly important role in applications development and will be the preferred means of doing business with customers. The department must develop a document management strategy that links its data, documents and Internet web pages.

✓ Data

The department must enhance its expertise in data and database administration, as well as data utilization. This includes data modeling, data warehousing and data standards. The department must excel at monitoring data usage and ensuring data is accurate and consistent.

The department must develop a document management strategy that includes identifying the data and documents that exist, the format and storage of documents, and the link between the data and documents (including electronic forms) to the management of the Internet web pages.

Organizational Architecture



✓ Applications

The department must be highly skilled in developing custom applications, purchasing appropriate software and determining when to develop its own customized software, versus when to purchase software. Staff must be skilled at monitoring and maintaining both custom applications and purchased software. Application developers must be skilled in all aspects of developing custom applications. This includes extensive knowledge and experience with a variety of application development methodologies. They must also be skilled in the use of specific tools necessary for particular projects. Tools will change over time and the department must provide technical support for the major application tools, supplemented with skills and expertise that can be offered through vendor contracts.

The department must also utilize an application development methodology for internally managed projects, as well as for those that utilize external contractors.

✓ Production

All production functions must be performed competently. Functions include scheduling jobs; monitoring production; performing backups, recoveries, and acceptance testing; and moving applications from test to production. As more work is done on-line, the volume of batch production transactions will be reduced.

✓ Data Capture

The department must expand its methods of interacting and transacting with its customers, and must focus on the key technologies that best serve its customers. Some technologies to consider are the Internet, scanning, integrated voice response (IVR), Telefile and electronic filing. The department must focus on ways to capture data electronically and closest to the user, with a high degree of simplicity and efficiency.

✓ Information Technology Strategic Planning

The department must periodically update its strategic plan, which may include obtaining input from an IT architectural advisory council. Periodic updates will ensure that the technology strategy is consistent with the department's overall business strategy. Strategic planning is best done

with department staff, with minimal guidance from outside vendors.

• Providing a training strategy.

Resource constraints may require reassignment and training of staff to support critical areas, such as security, data administration and project management. A strong training strategy is necessary to facilitate the success of such transfers. The department recognizes the benefits of investing in its employees and the need to enhance its overall training methodology.

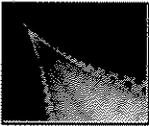
• Effectively managing projects.

The department must effectively manage assignments to deliver projects on time and within budget. A project management methodology provides for a consistent approach to developing and implementing projects. A software program selection and development methodology should complement the overall project management approach.

• Making appropriate use of consultants.

The pace of and demand for technology make it difficult for the department's existing technology staff to keep pace. The use of consultants and contractors can help extend our resources; but they must be managed wisely and targeted appropriately. It is particularly important that we effectively utilize existing staff and offer opportunities for them to develop new skills when consultants or contractors are assigned to projects. When funding is available, the department should consider hiring consultants and/or contractors for project and services when:

- ✓ The project or service requires skills or experience that are limited or not available from within the agency;
- ✓ The department has higher priorities for internal staff;
- ✓ The department could acquire knowledge and expertise in a core competency;
- ✓ The project or service functions are not core competencies and can be economically delivered by contractors. This could include application maintenance, personal computer installation, and software upgrades.



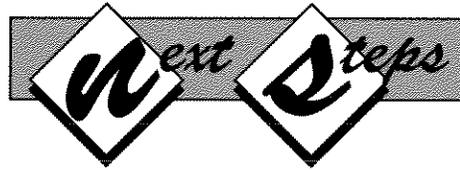
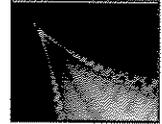
Organizational Architecture

Strategies

- **Make investments in enhancing the department's overall training methodology.**
 - ✓ Review and develop a training strategy to meet future business needs and align the skills of agency staff with necessary IT and management core competencies.
 - ✓ Upgrade and maintain the training center to enable effective training on statewide IT standards and other software.
 - ✓ Develop a training program to ensure that all employees are trained within three weeks after receiving new software or personal computers. Require staff to complete available on-line tutorials, including the Internet, before receiving additional technology training.
 - ✓ Pursue alternative technology venues for training, such as the Internet, Intranet, videos, video conferencing, computer based training (CBT) and multimedia.

- **Develop a strong project management strategy.**
 - ✓ Develop a project management strategy for the department that clearly outlines an application selection and development methodology.
 - ✓ Determine the best project management tool package that is within budget and most appropriate to meet the department's needs.
 - ✓ Develop guidelines for a thorough cost-benefit analysis that includes a list of tangible and intangible costs and benefits, assesses project risk, and analyzes business impact.
 - ✓ Outline a decision-making process to determine when to proceed with internal application development, versus when to purchase an application package or contractor services.
 - ✓ Develop a method to prioritize department projects and resources.
 - ✓ Establish project templates that are accessible to developers and users to avoid starting each project from scratch.

- **Create and utilize guidelines for working with consultants and contractors that cover the following topics:**
 - ✓ Consultants should be utilized primarily for large-scope projects and should be selected according to established criteria.
 - ✓ Project scope, objectives, duration and outcomes must be clearly communicated to consultants.
 - ✓ To ensure expectations are met, contracts must be closely monitored and managed through the use of appropriate record-keeping and reporting. Recourse must be available when contractual obligations are not met.
 - ✓ The department should consider hiring a contract manager who is well-versed in contractual management techniques.



The department will move quickly to implement the strategic directions provided in the plan. Following are the high priority projects and target dates for completion.

1. Continue top management's firm commitment to implementing an enhanced IT architecture.

Management must continue to pursue additional technology funds by educating state legislators as to the benefits of technology for taxpayers. Internal education of management, application developers and other key users must also occur to ensure a firm understanding of the meaning and the benefits of the proposed IT architecture.

2. Develop a comprehensive long-term training strategy for employees.

The success of our IT plan depends on providing employees with the training and education they need to perform well in their jobs. A strategic training plan will be developed and implemented.

Target Completion Date: March 31, 1998

3. Utilize new funds to further enhance and provide computer equipment for employees.

New funding from the Legislature and Governor enables us to upgrade the department's network and provide computer to nearly all employees. A coordinating committee for the Infrastructure Enhancement Project has been formed and work is well underway to complete this assignment.

Target Completion Date: June 30, 1999

4. Focus resources to support agency's core competencies.

Financial resources must be committed to ensure managers, IT professionals, and most employees pos-

sess the high-level skills and expertise necessary to meet our key business strategies.

5. Increase capability of the help desk.

The help desk should acquire newer tools to facilitate customer service. We must further develop procedures to address the increased support responsibilities outlined in the core competencies, the escalation procedures, follow-up procedures and communication with staff regarding the status of their problems.

Target Completion Date: December 31, 1998

6. Determine the most appropriate IT tools.

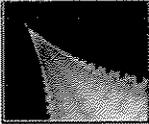
A work group will be created to research and adopt specific tools for application development, including developer tools, end user tools and "middleware." The group will prepare preliminary recommendations on tool sets by February 28, 1998. Recommendations will be reviewed with the vendors selected for the integrated tax system.

Target Completion Date: May 1, 1998

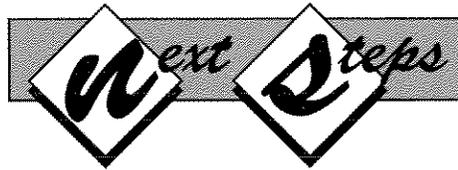
7. Develop broad policies, standards and procedures for data sharing.

Standards must be consistent with the department's mission and business needs, while upholding confidentiality, privacy and open records requirements. A work group will develop recommendations.

Target Completion Date: June 30, 1998



Next Steps, continued



8. Implement the guidelines for working with consultants and contractors.

Guidelines have been developed through the IT planning process and are being implemented.

9. Review and update the Information Technology Strategic Plan annually.

An annual review enables us to assess the success of our technology strategies. If necessary, we can update our strategies to ensure continued progress toward meeting our goals.

10. Develop a project management and application development methodology.

A work group will be formed to develop and adopt a department-wide project management and application development methodology. Results will be reviewed with the integrated tax system vendors before full implementation.

Target Completion Date: February 28, 1998

11. Develop a mid-range server computer strategy.

The department will analyze the need for mid-range computer capacity and develop strategies to provide needed capacity. A study team will be created and recommendations will be made.

Target Completion Date: March 31, 1998

12. Review and enhance security.

The department will conduct a thorough review of department security procedures, technology and management. A security review team will be formed to conduct the review and prepare recommendations.

Target Completion Date: February 28, 1998

13. Create a short and long-term document management strategy.

A work group will develop a comprehensive document management strategy. The group will initially address immediate document management issues related to Folio Views and the Internet. Initial recommendations will be made.

Target Completion Date: March 31, 1998

14. Review and update current network support and management policies.

A comprehensive review will be made of maintenance procedures, procurement, and consolidated data network processes. Recommendations will be made.

Target Completion Date: June 30, 1998

15. Develop a data warehouse.

The warehouse is essential to enhancing our efficiency and effectiveness and will be developed.

Target Completion Date: June 30, 1999

16. Plan and implement a data repository.

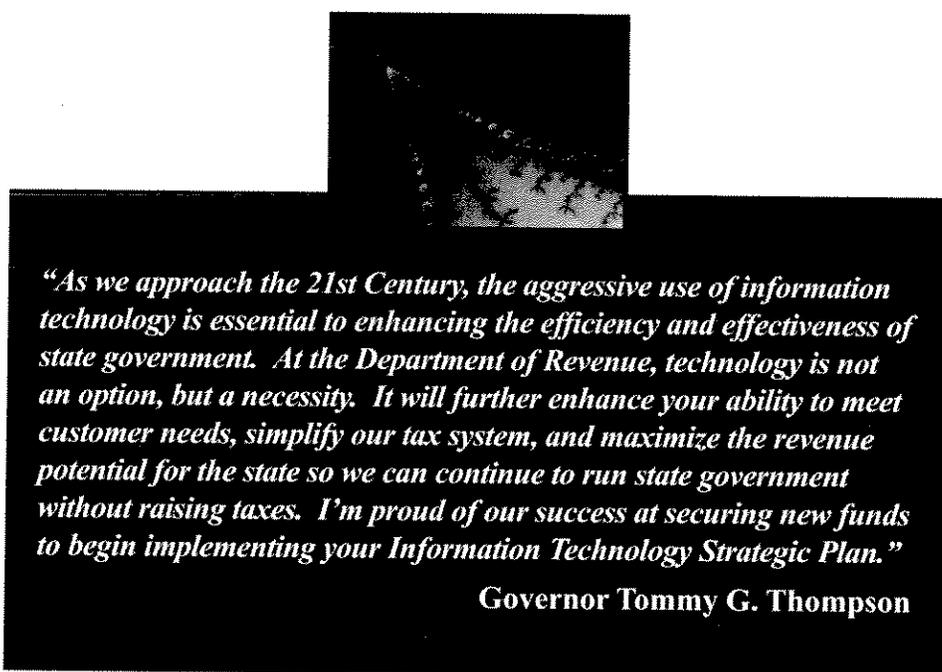
A thorough review and documentation of all current data is necessary to determine what will be placed in the repository.

Target Completion Date: December 31, 1998

17. Develop data administration standards and guidelines.

A work group will develop data standards and guidelines for implementation.

Target Completion Date: June 30, 1998



“As we approach the 21st Century, the aggressive use of information technology is essential to enhancing the efficiency and effectiveness of state government. At the Department of Revenue, technology is not an option, but a necessity. It will further enhance your ability to meet customer needs, simplify our tax system, and maximize the revenue potential for the state so we can continue to run state government without raising taxes. I’m proud of our success at securing new funds to begin implementing your Information Technology Strategic Plan.”

Governor Tommy G. Thompson

Wisconsin Department of Revenue
125 S. Webster St.
P.O. Box 8933
Madison, WI 53708-8933
608-266-6466
www.dor.state.wi.us