



## RTL Executive Summary<sup>1</sup>

CDOR engaged RTL Networks, Inc. (RTL) as an outside consultant to perform a four-week assessment of GenTax and DRIVES. We performed this assessment by evaluating existing materials, conducting employee interviews, interviewing other states, and evaluating materials from Fast Enterprises, the software developer for GenTax and DRIVES. We received excellent support from CDOR leadership and staff, but only limited technical documents for review.

We found a strong, mission-centered organization culture and committed employees. However, the organization is experiencing significant challenges with the current tax system and processes. Deficits of the current system negatively impact tax payer experiences and employee morale, and detract from organizational efficiency. Further, many of those we interviewed believe or fear this situation seems to be getting worse. There are numerous reasons for this poor performance. They include:

- Poor scoping and execution of the original projects
- Inadequate training, documentation, and support to manage the system
- Inadequate developers to support the software change (SQR) process
- CDOR middle-management skillset deficiencies
- The current prioritization process for SQRs
- Challenges with Fast Enterprises contract management
- Inadequate access to data
- Technical concerns relating to a potentially outdated Fast Enterprises software architecture and poor user interface
- Highly proficient users overworked due to testing and training on top of their regular jobs
- End-users overworked due to manual workarounds and system inefficiencies
- Lack of communication to end-users

Based on our analysis, it is our opinion that replacing the existing system and starting over would be very expensive and would not address the issues CDOR is attempting to address. We also believe that maintaining the status quo is not sustainable. We recommend addressing change in two categories.

### CATEGORY #1: Low Cost/No Cost Changes:

- \* Improve training and documentation

- \* Reorganize management structures to better value technical skillsets
- \* Improve SQR (change management) processes
- \* Improve contract management of Fast Enterprises
- \* Improve employee morale with executive communication

**CATEGORY #2: Focused Additional Investment:**

- \* Hire additional internal developers as soon as possible
- \* Develop a business plan to evaluate cost/benefit of comprehensive investment in GenTax/DRIVES/Revenue Online
- \* Implement a change management project to better execute future improvements
- \* Conduct a more comprehensive technological assessment with full cooperation from Fast
- \* Create a comprehensive evaluation of GenTax and DRIVES user experiences to improve user interface
- \* Restructure or replace the Revenue Online tax system

These changes will require change in organizational direction, financial investment and a new level of collaboration with Fast Enterprises. We are confident that if these changes are made, Colorado can reap the benefits of a 21<sup>st</sup> century tax system. These benefits include substantial organizational efficiencies, improved customer service for Colorado taxpayers and residents, and a great place to work for CDOR employees.

**DOR plan going forward**

The RTL assessment re-enforced the challenges identified by DOR Internal Audit and the Governor's Office of Information Technology (OIT) audit and gave DOR additional insight. In particular resource needs, process improvement and communications, and contract management were highlighted.

From DOR's perspective, we can break the recommendations up into 3 main areas: things we have done already, things we are doing now, and things that will require additional investment.

What DOR has done already

Recall that in response to an internal audit and subsequent OIT audit, our number one priority in FY19/20 was to secure new resources for GenTax. This included six OIT developers (with an additional seven in FY20/21) and an additional six FTE on the DOR/Tax side representing business analysts, trainers, a statistical analyst, technical writer, and systems operational lead (with an additional six business analysts coming on board in FY20/21). These new resources for FY19/20 were hired, onboarded, developers are training and new employees on the DOR/Tax side are getting trained.

Since the restructure of IT in Colorado government ten years ago CDOR has been lacking internal technology expertise. This has manifested itself in the lack of support for our critical IT

systems. In addition to the new resources listed above, the Department has realigned staffing priorities within existing resources to create a new section within the Executive Director's Office to focus on technology management. The Business Innovation Group (BIG) partners with OIT and other technical providers to lend agency expertise and clearly establish goals and priorities for the department's IT projects. The Senior Director of BIG will be taking over contract management with FAST, the vendor for both GenTax and DRIVES.

#### What CDOR is doing now

The new DOR resources acquired in FY19/20 were intended to level set resources and address deficits such as: system documentation, process mapping, data mapping and training. The new FTE are hired and working toward solutions.

#### Category 1 highlights:

**Improve training and documentation.** Training materials are being developed and a training plan is being developed to ensure yearly training is provided to existing staff and new staff are trained consistently as part of the onboarding process.

**Reorganize management structures to better value technical skillsets.** There has been a significant re-organization with the GenTax System Support Office (SSO) and the BIG group. SSO was moved back under Tax. Additional training is being developed for middle management.

- There has been a reorganization of the GenTax governance body, now called the Production Solutions Team (PST). This team is focused on work ticket/SQR backlog and allocation of resources.
- The PST created the Integrated Support Team (IST), a group of veteran subject matter experts within each of the business groups, is designed to put the prioritization of operational issues in the hands of the business to provide transparency into the process and improve communication. The IST will allow much of the work ticket/SQR prioritization process to be decided by the users of the system.
- The Taxation Division is restructuring the Super User (SU) role to represent each section and division impacted by a change to ensure a more holistic approach to work tickets/SQRs.
- Division and section directors coordinate with their respective Super Users (SUs) to confirm their priorities for the next 3, 6, 9 and 12 months.

**Improve work ticket/SQR (change management) processes.** A new governance structure has been established to address changes needed in the system. We will be using a Scrum/Agile framework.

- Training has started and will be ongoing.
- Projects and roles are being identified to facilitate the transition into blended development teams.

- Products to create the transparency necessary to allow inspection and drive adaption are being pursued, i.e. Jira and Trello.

**Improve contract management of Fast Enterprises.** The BIG director will now be contract manager with the priority of gaining FAST's cooperation on a more comprehensive technology assessment as recommended by the assessment and internal users. This will assist in heading off any potential issues learned from GenTax that may or could impact DRIVES.

**Improve employee morale with executive communication.**

- A web portal has been set up on the intranet where any user may ask questions and get regular updates; the current work ticket/SQR work plan is available to view on a transparent dashboard.
- A monthly newsletter has been developed to provide consistent and useful information.
- An online survey has been developed and implemented to solicit regular user feedback.

Category 2 highlights:

**Hire additional developers as soon as possible.** Additional developers (and Business Analysts) will be hired in July/August 2020 per the 2019/20 decision item.

*Outstanding item: The report highlighted that DRIVES does not have dedicated state developers and we are in danger of repeating mistakes made with GenTax. DOR/DMV is evaluating that resource need and whether existing resources could be realigned, at least in part, to mitigate that need. We will likely be asking for additional developer resources next year.*

**Develop a business plan to evaluate the cost-benefit of comprehensive investment in GenTax/ROL.**

*Outstanding item: A more comprehensive assessment of the system is needed to determine what the appropriate level of investment in the system should be made. We know DOR and the state want additional reporting. At this point we don't know what data analytical tool(s), hardware and/or software would be the best investment. We expect to know the resources we need by next summer and expect to pursue a decision item at that time.*

**Implement a Change Management Project to better execute future improvements:**

*The Change Management Project will encompass three key areas, leadership, business, and methodology.*

**Leadership:**

New leadership will be tasked with providing a cultural shift in both the business and the Software Support Office (SSO). This approach will create a higher degree of collaboration, communication, and clarity of work. The intent is to increase the employee experience so that a higher customer experience is achieved. In addition, significant and in-depth measures to move the FAST vendor relationship from a task relationship to a partner relationship.

***Business:***

The business groups will shift the culture to a Super User culture that other States have embraced with success. This will require a new workflow alignment and Super User Training.

***Methodology:***

The business and technical environment will shift to an Agile Scrum methodology that will include a roadmap, monthly sprints, and a higher stakeholder involvement. The methodology will be supported with an Agile Workflow tool.

**Conduct a more comprehensive assessment with full cooperation from FAST.** The CDOR Director of BIG will be taking over contract management of FAST. We believe more dedicated contract management with technical expertise will lead to more streamlined greater accountability.

**Create a comprehensive evaluation of GenTax and DRIVES user experiences to improve user interfaces.** Internal users now have the web portal as a tool. We are evaluating how best to solicit external customer feedback.

**Restructure or replace the Revenue Online (ROL) tax system.** A Revenue Online project has begun: first, soliciting user feedback, second creating a plan.

- A six month survey (April - September 2019) has been conducted. Most common issues included: trouble logging in, inadequate customer service, payment issues, and the system is not user friendly.
- Engaged with OIT's Usability Experts through a series of usability labs and focus groups to solicit feedback.
- Some issues identified may be included in the GenTax version 12 (v12) upgrade. The timing of this upgrade is currently under negotiation. We are working with the vendor.

Further investment expected to be needed for improved reporting and DRIVES developers.

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<sup>i</sup> The Executive Summary is copied directly from the RTL Critical Software Systems Assessment.  
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