

Chapter 2

Framework for evolution of digital self-service

This chapter introduces the proposed framework for the evolution of digital self-service. The framework was initially presented at the TSG conference in Helsinki in September 2013 to inform the scope, intent and objectives of the project on “Increasing taxpayers’ use of self-service channels”. Annex A shows the proposed framework.

The framework illustrates the evolution of digital self-service in the context of a maturing service experience: from static self-service limited to information services, through online interactions and transactions to moving to a new paradigm where self-service is seamless and a by-product of taxpayers' day-to-day activities. The framework further shows that as the service and taxpayer experiences mature, the demand for revenue body services within traditional (i.e. non-digital) channels should reduce, due to provision of integrated and end-to-end services which provide greater opportunities for taxpayers to self-serve. It also shows that as service and taxpayer experiences evolve, so does the overall channel profile: from a fragmented channel mix with a high proportion of traditional (non-digital) channels to the stage in which digital channels dominate and seamlessly converge with non-digital channels.

The framework draws from the five-staged model to analyse the maturity of e-government services developed by the European Commission ("EC") (OECD, 2009b),¹ however it modifies the stages proposed in the EC model to focus on the evolution of self-service. In identifying the final stage in self-service, the framework departs from the EC model and introduces a concept of seamless (invisible) self-service enabled by leveraging **natural systems** of taxpayers.²

The concept of a natural system itself is not new. It describes the environment within which individuals and businesses carry out their daily activities. Leveraging their natural systems refers to the ability to draw from these daily activities and follow their natural flow. It involves identifying and acting upon opportunities that elements of natural systems provide, for instance, as a source of data that can be extracted and shared or touchpoints for transactions and information exchange with third parties, such as suppliers, intermediaries or government agencies.

In the context of service delivery in tax administration, leveraging natural systems of taxpayers means connecting to their natural environment to enable individual or business taxpayers to fulfill their tax obligations as part of their day-to-day activities, rather than via a specific interaction with the revenue body. It means that it is taxpayers' natural system, rather than the taxpayers themselves, that drive the service and deliver their tax obligations. Leveraging natural systems means the elimination of specific services as taxpayers simply no longer need them.

Leveraging natural systems and provision of seamless (invisible) service also means entering a new paradigm in service delivery that requires an entirely new approach to how opportunities to invisibly self-serve are identified and delivered. To effectively leverage natural systems, revenue bodies need to critically examine their operating models and consider how service outcomes can be seamlessly achieved as opposed to how revenue bodies can support taxpayers.

There are early examples of initiatives where revenue bodies have successfully managed to leverage natural systems of their taxpayers. Some of the case studies submitted by the participating revenue bodies provide such examples and are explored in Chapter 4 of this report.

It is worth noting that, while the framework introduces the idea of leveraging natural systems in the context of evolving service delivery, the concept of natural systems is much broader and equally relevant to other aspects of tax administration, such as tax compliance. Recent OECD publications already acknowledged the impact of advancing payment and accounting technologies on the compliance environment and broader dynamics of the tax system (OECD, 2012a; OECD, 2014).

The framework is used in this study as a basis for positioning case studies from revenue bodies on increasing the use of self-service, as well as to assist the revenue bodies in prioritising opportunities for self-service.

Notes

1. The 2009 EC model for assessing maturity of e-government services includes the following five stages: 1) information, 2) one-way interaction, 3) two-way interaction, 4) transaction (full case handling); and 5) personalisation.
2. In some jurisdictions natural systems of taxpayers may be referred to as “ecosystems”.

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