Trailblazing with CorbettPrice Podcast – Series 2, Episode 2

Transcription

INTRO: Welcome to Trailblazing with Corbett Price, where we present new and fresh perspectives that challenge how you approach change to solve some of the biggest challenges faced by business and government leaders today. Here's our host, Andy Corbett, to introduce the second episode in our series on embracing organisational change.

ANDY CORBETT: Hi, everyone. Andy Corbett here, Managing Director of CorbettPrice. Thanks for joining us again for our second podcast series on embracing organisational change. In this series, we're speaking with Trailblazers on ways organisational leaders can approach, manage and embrace uncomfortable but very necessary change. And we've had some great conversations so far.

In our first episode, I spoke with Steve Brady from TAFE NSW on how leaders must shift their mindsets and lead to empower their employees. During this invaluable discussion, Steve shared how TAFE NSW continues to embrace change and adapt to the evolving needs of its customers, as well as his key thoughts to other leaders on keeping a positive mindset when facing and adapting to organisational change.

And so today we'll tackle a pivotal change facing organisations in their quest to gain more efficiency. To do this, we'll be discussing how an operating model approach can really help achieve operational efficiency that drives better service delivery outcomes for customers. And according to [McKinsey](#), the top four root causes of organisational inefficiency are complex structures, unclear roles and responsibilities, unwieldy governance models and redundant activities. And as organisations seek to remedy these causes by changing their structures and redeploying their resources, they walk a fine line between making significant improvements and alienating their staff and customers.

So what's the best approach? Well, here to discuss how operating model approaches help organisations gain a clear picture of the operating environment and achieve operational efficiency is Dan Bowes. Dan is Revenue New South Wales Executive Director of Taxes and Grants Products, leading the team of 700 people working in business taxes, property taxes and duties. And as you will know, Revenue NSW is part of the very successful department of customer service. The team raise over $35 billion of revenue annually and distribute vital grants to support communities and businesses. Dan has a background in banking and process improvement and has previously held business development and strategy roles at Revenue NSW. Dan, thank you for joining us today on this podcast.

DAN BOWES: Thanks, Andy. Nice to be here.

ANDY CORBETT: So, Dan, to begin with, a lot of the work that Revenue NSW does is obviously extremely complex. Given the fact that you're a regulator, you're dealing with multiple issues in a rapidly changing environment, at the same time striving to be the world's most innovative and customer centric revenue agency. I've just spoken through the top four root causes identified McKinsey of organisational inefficiency. They include complex structures, unclear roles and responsibilities, unwieldy governance models, and also redundant activities. So how does your area ensure that you're efficiently delivering all customers?

DAN BOWES: Thanks, Andy. So, Revenue NSW has a really broad customer base. So obviously I work in the taxes and grants area. We also have fines area. And so whether you're a company or a person or a big company or a small company, you'll probably be one of Revenue NSW's customers at some point or other. And so in my area, we mainly deal with big companies. We deal with mining companies, we deal with supermarkets. We also deal with lots of people, ordinary people who buy houses.

So for us, it was really important that we figure out how we can make sure we're aligned with what our customers actually need from us. And so the way we're structured reflects that. And we did a piece of work a few years ago where we consciously reviewed how we were organised and thought about lots of different options. So were we going to be aligned by type of customer, whether you're a business or whether you're a person? Would we be aligned by process? Would we have a team that just did new accounts, a team that just did customer service? Actually, what makes sense for us is to be aligned in the groups you talked about. So business taxes, we deal with big businesses, generally, property taxes, we tend to deal with other kinds of businesses or people. And then in our duties area, of course, we're dealing with kind of complex property transactions. And so we don't have much crossover between those different revenue streams of customers. And so it makes sense for us to organise ourselves like that.

I think the key to that is that our role as a revenue agency is quite simple in a sense that we're here to give people accurate tax assessment or to help them accurately self-assess. And on the grant side of things, we're here to make sure that people get paid the right amount of money that they're allowed to or entitled to and under the law. But to do those things is actually quite a complex process and I think we have to reflect the complexity that's there in real life. So if you're a big company, you've probably got quite a complex arrangement in place. If you are one of our land tax

customers, which is tax on properties that people don't own and live in, they tend to have quite complex arrangements as well. So it's really important that we're able to reflect the complexity of real-life and help people match that or we match it to the complexity of the tax legislation because it can be quite complex. And so by really thinking about what it is we need to help customers do, we're able to boil it down to quite a few things that we actually focus on, which is what our operating model really helps us do.

So we focus on being accurate. That's probably what most people would expect from a revenue organisation. And because we're dealing with large amounts of money, we try and be as quick as we can to let people know what their tax assessment is or to confirm they self-assess the right amount. And of course, if you are eligible for a grant, you probably want that in a nice, timely, speedy fashion as well. So those are the two things we try and focus on, as well as thinking about the broader impact of the work we do on everyone in New South Wales. All the businesses and all the people. We don't just think about interacting with those customers directly, we think about, well, how does that impact everybody else? So try and obvious point be as fair and impartial as possible.

And so I think that's what our key strength is, I think, is the way we're organised allows real ownership of the teams that work in revenue for those customer groups. It allows them to really think about what customers need. And we have all sorts of mechanisms these days for finding that out. Lots of customer focus groups do lots of design, thinking, and all sorts of stuff. And so we try and build the knowledge of the people in those teams to understand what customers need and to really kind of self-organise and design the work so it meets those customer expectations.

ANDY CORBETT: Yeah, absolutely. A lot of organisations have really experienced a lot of success in having a more customer-centric operating model. And it sounds like Revenue NSW has enjoyed a lot of success as well with their particular operating model. Could you just describe some of the improvements that you've seen through implementing your approach?

DAN BOWES: Yeah, like I said, I see our main job as helping customers comply with their obligations and so making it easy to comply in the first place. And I know as a normal person who has to work with the ATO to pay my own income tax, it's very daunting. And so what we over the years is probably the same as lots of other organisations in terms of improving how our website works, the information we provide. We do a fair amount of customer education, so seminars, web seminars, lots of outreach as well. And I guess important for us as well is we're not just working with the end customer, we work quite a lot with intermediaries, so whether solicitors, tax agents, conveyance statute and things like that. So there's a lot of effort we put into that.

And I think behind the scenes, we're going through a massive revolution. We deal with large amounts of data, large amounts of information that customers give us, large amounts of information that we get from other mechanisms, whether we get it directly from the ATO, we have lots of kind of external data sources which we use to build a picture of what our customers' situations are. And that really helps us make sure that customers are getting their tax assessments accurately, as quickly as possible. And that has massively changed over time. I think. If you think back to the many decades ago where everything was manual, you'd probably write and tell us

something once a year, we'd update our records. Once a year. We are trying to keep pace with the modern world, reflect the increasing complexity of customers arrangements, reflect the kind of expectations of straight through digital processing from our online customer experience, and making sure that's all backed by kind of a seamless flow of data. That's making sure we are as accurate as possible when we are either checking someone's self-assessment or actually creating a bill ourselves.

ANDY CORBETT: Yeah, excellent. That's great. So I guess as part of identifying, designing and implementing your strategy at Revenue NSW, you must have come across some challenges. Could you describe what challenges you did come across and how did you successfully collaborate within and across these teams and functions to solve them?

DAN BOWES: So as well as collecting revenue during the COVID period and actually, probably before that, with a lot of the bushfires and floods and things, we turned into much more of a grants organisation than we ever have been before. I think during COVID the number, exact number is somewhere around $10 billion, 10 billion that we gave out in grants in conjunction with Service NSW and other kind of forms of relief. And that was a very challenging time for everyone and challenging for us, of course.

But one of the good things that came out of it was our ability to work with Service NSW massively accelerated. So I'd been at Revenue pre that period and I'm still there now. And in the olden days, we never found it quite challenging to work with organisations across government much more challenging than we do now. But I think having that pressure cooker of having to do things very quickly, particularly with Service NSW, building a seamless online experience so you can go through service straight to us for fines and for the tax part of the business. I don't think we would have got to where we are now if we hadn't had that experience of having to deliver very complex things at high speed.

And so recently we've launched a new Land Tax Online experience. I think previously we had a very small number of land tax customers who could come directly to us through Service NSW, and now all customers can purely because of the kind of the architectural patterns and all the rest of it, but actually, really, it's about ways of working. So connections in the organisation, expectations that we'll do things a certain way and kind of building the muscle memory so we're able to rapidly work with service to do a proper end-to-end understanding of the customer journey, which bits they're really good at, which bits we're really good at. And that's a kind of rinse and repeat pattern that we've used over and over again now over the last few years.

So it can be very complicated to work with other parts of government, other parts of any organisation, and even complicated to work within an agency like mine. We're not massive, but we're big enough, I think, for it to be difficult sometimes. And so I think what that taught me, the whole COVID thing was something that we thought was difficult and could be a pain sometimes, actually just kind of reached that breakthrough moment where it became just the way we work. And I always thought that was a little bit a cliché in the past, that kind of whole thing around DNA to the way we work. But I've been through that experience down here where it really is different to how it used to be just a few years ago.

ANDY CORBETT: Yeah, excellent. That's great. Thanks, Dan. My next question is really on this idea of employee engagement as a key outcome of the approaches that you just mentioned there. So I guess one of the significant outcomes I see in organisations that have increased their efficiency in delivering customer service through an operating model approach is that it helps to really enhance employee engagement. Can you explain how the entire team's role is essential to improving customer processes and outcomes?

DAN BOWES: Yeah, that's a great question. It's one that I have thought about a lot over my career, actually. And I've worked in lots of different places. I worked in India for a few years, worked in the UK, obviously, and here. And the one thing I've always thought is the people who are doing the work that you're trying to improve every day, the people who already know how to improve it. And that's exactly the same as it is at Revenue. I was really impressed when I first started there. Like, genuinely impressed at people's customer service ethos. They really wanted to help customers of each customer they spoke to.

We hire people at Revenue who like getting into the detail. That's what makes them good tax people who work in a tax agency. And they love it. I mean, they love getting into the complexity of a customer's arrangements and trying to figure something out. And they're always trying to get to the accurate result. They've got a real focus on nothing else, just trying to get it right, take it very seriously. And I think the way we're organised in our kind of product teams, as I said earlier, is great because it allows them not to just kind of think about the customer in front of them, but to think about all the customers that they deal with and think about it as something that they can kind of mentally, we get their arms around. Whether you're the Director of Business Taxes or whether you're someone working in tax operations, you've got the opportunity to think about what's experience like for all these customers and every day they're seeing the things that can be improved.

Some people describe it as a culture of innovation. I think that's quite hard to measure and quite hard to you can't compare a government agency to someone like Google and say, well, they've got culture of innovation, why can't we? They're just different people, different circumstances. What you can do is make sure that you are listening to what people are telling you about what they're seeing and what things are wrong and what things can change. And you can think about all the latent skills that people have in those teams and how else they can bring them to bear on process improvement or customer improvement.

And one of our real challenges at Revenue is we've got a, you know, it takes a long time to become a skilled assessor for us. You know, like I said before, tax legislation can be quite complex. Customer affairs and arrangements are very complex a lot of the time. And so being able to piece that all together is quite a skilled job. So people come to us, we train them. It takes a while to get fully competent, and then there's another job to do, which is, how does that all work compared to the complexity of just running an organisation? So we've got complex revenue processes, we've got complex digital processes and all the rest of it.

And so the next step, I think, once you've kind of got people understanding what customers want, what their experience is, like, understanding some of the complexity around the work, is then how

do they then get the opportunity and the skills to start improving the work? And it can be very complicated building. Like I said, we launched a Land Tax New Customer Portal a few months ago. It's an incredible amount of work to do that highly complicated new technology, optimised for the cloud. We have to have a whole load of business SMEs who can work on that long time digital SMEs. And so I think that's the way to get a culture of innovation, is listen to your customers. Lots of ways to do that, but the people who are talking to customers every day know the pain points, know what we need to do to improve.

How do you lift their ideas up and how do you get them involved? Whether it's a small change or whether it's a large change to kind of harness the powers that they have, people will come and be a Land Tax Assessor, but will actually be really good at understanding data. Or people will be a Land Tax Assessor and actually be amazing Test Analysts and go work in Digital. There's a lady we've got who has turned out to be this amazing Project Manager who's kind of helped run this really complicated digital change. And no one knew. No one knew that she had that skill. She probably didn't know herself. But give people the opportunity, and plenty of them all rise to the price for challenge and do an amazing job.

So I think, in summary. Like a great culture is one of the precursors, isn't it, for process improvement and customer outcome improvement. And how you get that, I think, and I've seen a few times, is you just harness the skills that everyone has. We're turning people into Data Scientists sometimes, who would never have thought that they will be able to do it. And for us, that's really important because there's only a few people in the world who understand New South Wales Tax Legislation. And so you don't want someone sitting there for 40 years just doing the same thing and looking for a Digital Program Manager who understands tax legislation on the market, because there probably aren't any, or there's very few, or it costs a fortune. And so it's up to us to kind of give people the opportunity to become those people themselves.

ANDY CORBETT: Yeah, excellent. Love that. So, before we close our conversation today, Dan, do you have top three tips that you can share with our audience around if they're looking to implement changes to improve how they deliver efficiently and effectively for their customers? From your experience, whether it from Revenue or before that, what would your top three tips be for those people?

DAN BOWES: So these are my personal top three tips from my experience. So I think the first one I'll talk to here is that there's always someone there who knows what to do and how to make things better. There is a lady called Alyssa who works on our Land Tax Team, who understood, been there for a few months and she said something to me and it was like a light bulb moment. It's one of those classic I'm like, oh, I understand what one of our big opportunities is now. And for her it was just, yeah, that's obvious. But for me, being new, it was like this amazing sun came out from behind the cloud.

And so my top tip number two is I think there's always a light bulb moment. Wherever you are, whatever job you're doing, I think there's always some amazing thing that you can do that will transform the way it works. Every job I've had, that's always been the case. You just got to think about your customer needs. We've all been through human-centered design and agile and

previously in Six Sigma, and they all say the same thing. Listen, try and find out what your customer needs and find out how well you're doing it, find out what the big opportunities to improve. And generally, it's not very complicated answer, people already know it. You just got to go and speak to the right people.

And then I think once you understand what the big thing is you can try and do to change it's, having a destination in mind, I think that's where operating model is important. So not only think about how the processes, the cells will look. You got to think about all the systems and structures that support that. So whether it's your design, whether it's the kind of people you want in the roles that you're designing, or whether it's kind of some of the incentive systems that sit behind it, or some of the governance processes, all of that's really, really important. And having an ability to kind of paint the picture of where you're going to go is the thing that will motivate people, try and help you. And so great to have an idea, got to get the right people helping you. And I guess for all of that, you want to think about what's the culture that you want to try and engender that underpins all of that change.

So I think three things. Listen to the people who are talking to customers every day because they'll know what you need to do. I think always be confident that there's something you can do that will make a massive difference. And I think the third thing then is think about all the things about the future in lots of different ways, how it needs to look. Paint that picture, set the destination, and like I said, it helps bring the team with you.

ANDY CORBETT: Love that. Thank you, Dan. It's always important to really paint that picture of the vision and make sure everyone's really aligned on what that vision is. I think that's a really excellent tip there. And thank you very much for all your insights today, all the answers you provided. Appreciate you coming on the podcast and we will speak again soon.

DAN BOWES: Thanks.

ANDY CORBETT: We hope you enjoyed listening to Dan today and found his examples and approaches valuable. A full transcript of this episode is available to download from our website, which is www.corbettprice.com.au/podcast . That's www.corbettprice.com.au/podcast .

Please tune in next week as we talk with Julie Etchells. Julie is the Chief Human Resources Officer at the Department of Child Safety, Seniors, and Disability Services in the Queensland Government. And we'll be talking to Julie on our third transformational change of realising diversity, equity and inclusion aspirations. Thanks for listening, everyone, and speak next time.