



Swedish Tax Agency simplifies income tax management through process automation and digitization

Swedish Tax's three-year ambition to implement significant business process improvements in the income tax management area have now been fulfilled with help from Capgemini

The Situation

The Swedish Tax Agency (Skatteverket) is viewed as one of the world's leading tax agencies. It maintains a focus both on operational efficiency and on making it fast and easy for companies and citizens to declare their earnings and pay the right tax. For many years, Sweden's taxpayers have had access to an electronic income tax declaration with pre-populated data. However, Skatteverket recognized that the way in which its agents processed the tax declarations needed to be transformed to fully realize the massive business improvements and savings that could be gained through digitization and automation.

The Solution

Already a strategic supplier to Skatteverket, Capgemini was selected to lead the work effort needed to establish a comprehensive three-year implementation plan. This phase was carried out in collaboration with the Tax Agency's business and IT teams.

Initial detailed pre-study work was based on Capgemini's Wide-angle Application Rationalization Program (WARP) model. This aimed to find and describe the best combination of business benefits, new development initiatives, and potential savings through the decommissioning of outdated legacy IT within a given cost budget. The findings and recommendations were set out in a three-year plan that was fully supported by business and IT leaders.

This led to the Taxation in New Application (TINA) program being restarted in early 2011. TINA, one of the Tax Agency's largest Application Development projects, was delivered in three phases and 13 releases over three and a half years. Its purpose was to give tax agents a more efficient way of working by creating electronic files and automating the process. The ultimate goal was to create a totally automated process for all income tax declarations. Intervention by tax agents should only be needed for those declarations identified by the system as requiring a revised tax amount (i.e. to collect additional tax) or to correct formal errors.

Skatteverket had the overall responsibility for the program including program management, legacy adoptions and integration testing. They were also a driving force delivering strong communication and change management within the business implementation.

Capgemini's consultants worked alongside the Tax Agency's own people in a program structure comprising a management team and five cross-functional SCRUM teams. The Agile methodology used in the project enabled continuous planning, transparency, and improvement. This made it easier to respond to changing demands and keep the program on track.

Capgemini delivered all 13 releases on time and the Agile development approach was consistently adopted by all the relevant stakeholders within the Swedish Tax Agency. With the final release delivered, Capgemini handed over the project responsibility to its client, maintaining a number of professionals as resources to support the Tax Agency's operations and any further development.

The Result

Since April 2014, all income tax returns (8.4 million per year) in Sweden have been processed in TINA for citizens, companies, and non-profit associations. The Swedish Tax Agency allows income tax payers to deliver their income tax declaration either on paper or electronically via the web application, SMS, or smart phone application—all connected to TINA.

In 2014, 7,645,651 pre-printed tax returns were sent to Swedish households, and approximately 5,000,000 of them were returned electronically. The TINA program resulted in 90% of the 8.4 million income tax returns being processed, approved, and corresponded to automatically. The remaining 10% are distributed to electronic inboxes within the Tax Agency for further processing in the system. Agents carrying out manual processing of the remaining tax cases are being supported by complex electronic business rules and electronic correspondence within the system.

TINA is automating the entire workflow—from citizens submitting income tax returns to the archiving of tax case files by the Tax Agency itself. TINA is now enabling the distribution of tasks to all the tax agents regardless of their location instead of restricting tasks to where the paperwork is carried out. The digitization is enabling employees to assist more citizens at greater speed. The automation and digitization of documents and information have also reduced the level of tax errors. In the long run, TINA will replace a large number of legacy systems and enable their decommissioning.

The Swedish Tax Agency views TINA as a pioneer project in terms of major Agile development. Its success has inspired the Tax Agency to run even more application development projects using the Agile methodology.

How the Swedish Tax Agency and Capgemini Work Together

This was a highly collaborative digital transformation. The development team led by Capgemini held frequent meetings, discussions, and demonstrations to share progress with Skatteverket's business representatives, the extended Tax Management program team and staff from legacy organizations. This approach ensured total transparency in terms of budget, forecasts, problems, and risks. The Swedish Tax Agency team was responsible for the overall project, as well as for requirements, acceptance, legacy changes, and integration testing. Although Capgemini led the development effort, around 40% of the development team comprised Tax Agency employees. This collaboration was mutually beneficial—it gave the Capgemini team access to business and legacy competence; further, it prepared the Swedish Tax Agency team to take over responsibility for maintenance and continued development at project completion.

For more information on this project, please contact:

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About Capgemini

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