Service Design & User Experience in FBR Services

A System Study and an Organizational Assessment

REMIT | Revenue Mobilisation, Investment & Trade

Preface

Tax administration increasingly happens through screens, not counters. Every year, millions of taxpayers, tax agents and tax officers meet the Federal Board of Revenue (FBR) through its websites, IRIS, mobile applications, helplines and notices. For most of them, these touchpoints are the tax system. Yet the question this study asks is simple: when a taxpayer tries to do something as basic as registering, can they? This study was prepared under the Revenue Mobilizzgiton Workstream of the REMIT programme.

Over four weeks, the team examined FBR's service ecosystem, which includes more than 600 services, dozens of software applications and IRIS modules, and more than fifteen delivery channels. It worked in three tracks: a system assessment of how the applications perform against defined business processes, an organizational assessment of the capabilities needed to design and improve services, and a pilot redesign of the account creation journey. The findings are direct. Many systems are functional but hard to use, and several gaps are linked to missing integration between modules. The usability sessions were the clearest signal: none of the first-time users we observed completed income tax registration.

That result reflects how services are designed and governed, not the effort of the officers who run them. It also points to an opportunity. FBR already has strong systems and a clear mandate to broaden the tax base and raise revenue. A service design approach can help those goals by making compliance simpler for the people FBR wants to bring into the system. I am grateful to FBR's IT Wing, Regional Offices, PRAL technical staff, and the tax consultants and taxpayers who gave their time. I hope this study serves as a practical starting point for building the people, processes and standards that a citizen-centred tax administration requires.

Akbar Mayo
Tax Lead, REMIT
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I. WHAT IS A SERVICE?

A service refers to an intangible offering that is provided to customers to meet their needs or address a problem. Services are typically performed or delivered by people, and they can encompass a wide range of activities, such as consulting, healthcare, education, transportation, hospitality, financial transactions, and many others.

Services are distinct from tangible products, as they are not physical objects that customers can possess, but rather experiences or performances that are consumed or utilized in the moment. Services are often characterized by their intangibility, perishability (i.e., they cannot be stored or inventoried), variability (i.e., they can vary in quality and consistency), and inseparability (i.e., they are typically produced and consumed simultaneously).

Services are typically designed and delivered with the aim of meeting customer needs and creating value for customers. They may involve interactions between customers and service providers, and may also rely on the use of technology, processes, and systems to enable service delivery. Successful service design and delivery often require understanding customer expectations, managing service quality, addressing customer feedback, and continuously improving the service experience.

Examples of services include consulting services, healthcare services, transportation services (such as ride-sharing or delivery services), banking and financial services, entertainment services (such as streaming platforms), hospitality services (such as hotels or restaurants), government services and many others.

II. SERVICES AS SYSTEMS

A service can be considered as a system. Services are often composed of various interconnected components, such as people, processes, technology, and resources, that work together to deliver value to customers. These components interact with each other in a coordinated manner to achieve the desired outcomes and meet the needs of customers. This interconnectedness and coordination among the components of a service can be viewed as a system.

A service system can be conceptualized as a set of interconnected and interrelated elements that work together to provide a service. These elements can include inputs (such as customer requirements, resources, and information), processes (such as activities, tasks, and workflows), outputs (such as service deliverables), and feedback loops (such as customer feedback or performance data). The elements of a service system are often influenced by the context in which the service operates, including factors such as customer expectations, market conditions, regulatory requirements, and technological capabilities.

Services can be complex systems with multiple stakeholders, multiple touchpoints, and various interactions and dependencies among the components. Understanding and managing the system dynamics, structure, and demands are essential for designing and delivering effective services that meet customer needs and deliver value. This system perspective is often emphasized in service design approaches.

III. INTRODUCTION TO SERVICE DESIGN

Service Design is a customer-centric, human-centered and holistic approach towards creating products and services that covers the end-to-end customer journey. It covers multiple service delivery channels and touchpoint, integrating people, processes and technology to create seamless customer experiences.

IV. BENEFITS OF SERVICE DESIGN

Service design provides the following benefits:

- Seamless customer experiences
- Improves delivery of services
- Creates stakeholder value

V. COMPONENTS OF SERVICE DESIGN

A service design approach consists of the following components:

- People
- Processes
- Artifacts

E. People

This component includes anyone who creates or uses the service, as well as individuals who may be indirectly affected by the service. Examples include:

- Employees
- Customers
- Fellow customers encountered throughout the service
- Partners

F. Processes

These are any workflows, procedures, or rituals performed by either the employee or the user throughout a service. Examples include:

- Withdrawing money from an ATM
- Getting an issue resolved over support
- Interviewing a new employee

- Sharing a file

G. Channels / Props

This component refers to the physical or digital artifacts (including products) that are needed to perform the service successfully. Examples include:

- **Physical:** storefront, teller window, conference room, etc.
- **Digital:** websites, mobile apps, blogs, social media, etc.

VI. FRONTSTAGE & BACKSTAGE COMPONENTS

Service components are broken down into frontstage and backstage, depending on whether the customers see them or not.

A. Frontstage

Frontstage components include:

- Channels
- Touchpoints
- Interfaces

B. Backstage

Backstage components include:

- Policies
- Technology
- Infrastructures
- Systems

VII. SERVICE DESIGN APPROACH

A mature service design approach will be holistic, systems thinking, performance-oriented, customer-centric, context-aware, and flexible nature, making it a unique and effective way for designing services that meet customer needs and deliver value.

A. Holistic Approach

Take a holistic approach to service design, considering not just the visible aspects of a service, but also the underlying structure, dynamics, and demands that shape its performance. This approach emphasizes the need to understand the complexity and interconnectedness of various components of a service system, and how they influence each other.

B. Systems Thinking

Incorporate principles of systems thinking, which involves understanding how different parts of a service system interact with each other to create the overall behavior of the service. There is a need to consider the interdependencies and feedback loops among different elements of the service system, rather than viewing them in isolation.

C. Performance-oriented

Be performance-oriented, focusing on how a service system performs in terms of meeting customer demands and achieving desired outcomes. Consider the importance of measuring and analyzing performance data to inform service design decisions and continuously improve the service.

D. Customer-centric

Place a strong emphasis on understanding customer demands and designing services that meet those demands effectively. Service designers are encouraged to take a customer-centric approach, involving customers in the design process and aligning the service with their needs and expectations.

E. Context-aware

Services operate in specific contexts, and the design of a service must take into account the unique characteristics of that context. There is a need to understand the social, cultural, economic, and technological context in which a service operates, and tailor the service design accordingly.

F. Flexibility

Be flexible and adaptable, allowing for customization and iteration based on the specific requirements of a service and its context. Do not prescribe a fixed set of tools or techniques, but rather guiding principles and concepts that can be applied in a flexible manner.

VIII. SERVICE DESIGN & DIGITAL TRANSFORMATION

Service design is a critical component of digital transformation, helping organizations to create and implement digital solutions that are customer-centric and effective in meeting user needs.

Service design and digital transformation are closely related, as both are concerned with improving the delivery of services to customers and stakeholders.

Service design is a user-centered approach to designing services that meet the needs and expectations of customers. It involves understanding user needs and behavior, creating service blueprints and prototypes, and testing and refining services to ensure they are user-friendly and effective.

Digital transformation, on the other hand, is the process of using digital technologies to fundamentally change how organizations operate and deliver value to customers. It

involves integrating digital technologies into every aspect of an organization's operations, from marketing and sales to customer service and operations.

Service design is an important aspect of digital transformation, as it helps organizations identify and prioritize the digital solutions and tools that will have the greatest impact on the customer experience. By focusing on user needs and behavior, service design can help organizations design digital solutions that are intuitive, user-friendly, and effective.

IX. ANALYSIS & RECOMMENDATIONS

A. Project Strategy

The project strategy adopted by the Service Design & UX team consisted of a 3-track approach:

- **Track 1:** System Assessment (original project scope)
- **Track 2:** Organizational Assessment (additional project scope)
- **Track 3:** Pilot Project (additional project scope)

Track 1: System Assessment – High-level system study

Track 1 was designed to cover the original scope of the REMIT BPA assignment. This involved conducting a high-level system study covering situational analysis and gap analysis of FBR's current service systems. The objective of Track 1 was to cover the breadth of FBR's service system.

The system study covered the following main lines of inquiry:

- Business processes - Are there well-defined business processes or not?
- Software functionality - Does software functionality exist against defined business processes?
- Usability & User Experience - Is the software useful and easy-to-use?

Track 2: Organization Assessment – High-level organizational study

Track 2 was designed to assess the organizational capabilities and setup with regards to service design, digital product design and user experience. This study was not part of the original REMIT scope but was added by the Service Design & UX Team as it was felt that the study would be incomplete without understanding this aspect.

The organizational study covered the following main lines of inquiry:

- What is the current state of the organization's capabilities that impact the delivery of services and customer experience
- What are the organizational areas where improvement is required?

Track 3: Pilot Project – Detailed analysis and redesign

It was felt that Track 1 (System Assessment) and Track 2 (Organizational Assessment) in itself would not be sufficient, therefore the Service Design & UX Team decided to add Track 3 whose objective was to conduct a pilot project, thereby acting as a proof-of-

concept that would potentially demonstrate the value of a service design approach to all key stakeholders. Track 3 involved going into a deep-dive analysis of a certain aspect of FBR's service, reconceptualizing and redesigning it for improved service delivery and a better customer experience for taxpayers.

X. FBR & REMIT PROGRAMME

A. FBR Strategic Goals

Generally speaking, FBR has the following two main strategic goals on an ongoing basis:

- Collect the Due Revenue
- Facilitate Taxpayers

By employing a service design approach in FBR's digital transformation initiatives, FBR will be able to more effectively achieve these strategic goals.

B. REMIT BPA Programme Aim

Under the umbrella of the Service Design & UX, the REMIT programme aims to create world-class services and experiences for taxpayers, tax agents and tax officials in Pakistan through technical assistance.

A service design approach can contribute significantly to creating world-class experiences for taxpayers by placing their needs and expectations at the heart of service delivery. By involving taxpayers in the design process, using tools like service blueprinting, iterating through prototypes, and adopting a human-centered approach, organizations can design and deliver services that are efficient, effective, and customer-centric.

Here are some ways in which service design can contribute to creating exceptional experiences for taxpayers:

- **User Research:** Service design begins with a deep understanding of taxpayers' needs, expectations, and pain points. By conducting user research, such as interviews, surveys, and observations, service designers can gain insights into taxpayers' behaviors, preferences, and challenges. This helps in designing services that are tailored to meet their specific needs and expectations, resulting in a more personalized and relevant experience.
- **Co-creation and Co-design:** Involving taxpayers in the design process through co-creation and co-design approaches can lead to more effective and user-friendly services. Service designers can engage taxpayers in workshops, focus groups, and other collaborative activities to gather their input, feedback, and ideas. This helps in identifying areas of improvement, co-creating solutions, and ensuring that the services are designed with taxpayers' perspectives in mind.
- **Service Blueprinting:** Service blueprinting is a visual tool used in service design to map out the entire service experience, including all the touchpoints, interactions, and processes involved. By creating a service blueprint, service designers can identify pain points, bottlenecks, and opportunities for improvement in the taxpayer journey. This helps in streamlining processes, optimizing interactions, and creating a seamless and efficient service experience.

- **Iterative Prototyping and Testing:** Service design emphasizes an iterative approach, where prototypes are created and tested with taxpayers to gather feedback and insights. This helps in identifying issues, making improvements, and validating the effectiveness of the services. By continuously iterating and refining the service design based on feedback, organizations can ensure that the services meet taxpayers' evolving needs and expectations.
- **Multichannel Service Delivery:** Taxpayers interact with government agencies through multiple touchpoints, including online portals, call centers, in-person visits, and more. Service design can help in creating a consistent and seamless experience across these channels, ensuring that taxpayers can access services through their preferred channels and have a consistent experience regardless of the touchpoint they use.
- **Human-Centered Design:** Service design is fundamentally human-centered, focusing on designing services that are intuitive, user-friendly, and meaningful to taxpayers. By prioritizing human needs, emotions, and behaviors, service designers can create services that are empathetic, accessible, and inclusive, leading to positive taxpayer experiences.

XI. PROJECT COLLABORATION

The REMIT Programme study covered the span of 4 weeks. During the course of the BPA REMIT system study, the Service Design & UX team interacted and collaborated with various FBR-related entities.

Service Design & UX Team embedded itself within the Business Process Re-engineering Team (BPR) initiative and through the official forum provided by the BPR initiative, it reached out to other FBR-related entities.

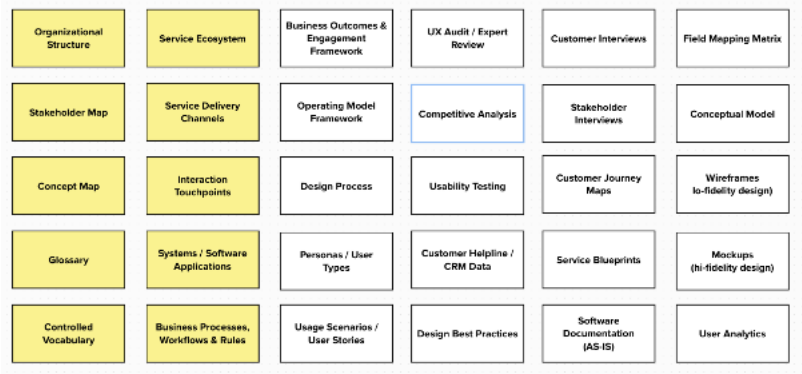
Some of the entities the project team collaborated with are listed below:

- FBR BPR Team
- FBR Regional Offices
- Taxpayers
- Tax Consultants
- PRAL Technical Staff
- FBR IT Wing
- FBR Tax Officials
- FBR FATE Wing
- FBR IT Executives

XII. TRACK 1: SYSTEM ASSESSMENT

A. Methodology

The methodology employed in the organizational assessment study is illustrated in the diagram below.



The methodology items highlighted in yellow in the original diagram were employed in the organizational assessment study.

B. FBR Services & Ecosystem

FBR is a service provider. It provides various services to taxpayers, tax agents and tax officers through a vast and diverse ecosystem consisting of both physical and digital components. Listed below are some salient features of this ecosystem:

- 600+ services
- 34 Software Applications
- 45 IRIS Modules
- 15 Special Initiatives
- 15+ Service Delivery Channels

C. FBR Service Delivery Channels

The FBR service ecosystem consists of, but is not limited to, the following service delivery channels:

- FBR Website
- Software Applications
- IRIS Web App
- Tax Mobile App
- SMS
- Email
- Helpline
- Social Media
- Google Search
- Tax Offices
- Newspaper Ads
- Posters & Campaigns
- Knowledge Management System
- Etc.

D. System Study & Analysis

FBR digital ecosystem contains the following types of software applications:

- Software Applications (Active)
- Software Applications (Legacy)
- IRIS Modules (Implemented)
- IRIS Modules (Under Implementation)
- Special Digital Initiatives

E. IRIS Modules Assessment Matrix

Since IRIS is the core system for providing tax services, this was assessed in detail. The table below provides a high-level assessment against the following three main high-level criteria:

Table 1. IRIS Modules Assessment Matrix

Criteria	Question to be answered
Business Process	Is the business process fully defined? (Yes / No)
Functionality	Does software functionality exist against a defined business process and does it serve the purpose?
Usability / UX	Is the software usable (intuitive, useful, easy-to-use, efficient, effective) and result in a good user experience?

NO.	ITEM	SERVICE DESIGN & UX ASSESSMENT MATRIX		
		BUSINESS PROCESS	FUNCTIONALITY	USABILITY / UX
	IRIS MODULES (ACTIVE)			
1	Registration Management	Y	N	N
2	Income Tax Return	Y	N	N
3	Sales Tax Return	Y	N	N
4	Exemption Management (EXPM)	N	N	N
5	Withholding Tax Management (WTM)	N	N	N
6	Audit Management	N	N	N
7	Appeals Management (APLM)	N	N	N
8	Litigation Management System (LMS)	NA	NA	N
9	Designated Non-Financial Businesses and Professionals (DNFBP)	Y	N	N
10	MIS - Tax Payer and Collector	NA	NA	N
11	Rectification Management	N	N	N
12	CPR Correction	N	N	N
13	Amendment / Adjudication Management	N	N	N
14	Broadening of Tax Base (BTB)	Y	N	N
15	Centralized Income Tax Refund (CITRO) – Refund Management	N	N	N
16	Token Management System	NA	N	N
17	Registration through Survey	N	N	N
18	Agreed Assessment	N	N	N
19	Builder / Developer Registration for Tax Amnesty	NA	NA	N
20	Advance Tax Management System	Y	N	N
21	Video Conference (e-Hearing Module)	NA	NA	N
22	Default Surcharge Module / Process	N	N	N
23	Assessment Management System (AMS)	N	N	N
24	Workflow Management System (WMS)	Y	N	N
25	Enforcement / Recovery Management	N	N	N
26	Correspondence Managment	Y	N	N

F. Software Applications (Active)

Table 2. Software Applications (Active)

S#	Name	Function / Purpose	Gap Analysis
1	IRIS	Implemented to cater all requirements of IRIS	• System Administration module is missing and should be implemented. As a result of missing module, it is hard to track the changes. • Alert / Notification Management module is missing and should be implemented. As a result of missing module, manual effort increased. • Hierarchy & Authorization Management System is missing and should be implemented. As a result of missing module, it involves manual work and hard to track changes. • Validation & Verification checks mechanism is missing and should be implemented. As a result of missing module, it involves manual & redundant efforts. • System Administration reports are missing and should be implemented. As a result of missing reports, real time analysis can not be made. • System Users feedback / suggestion recording module is missing and should be implemented. As a result of the missing module, system improvements can not be made.
2	Tax Mallumat	Assets Inquiry system, that shows the Taxpayer Assets details.	• Functionality of Real time information is missing and should be implemented. As a result of missing functionality, taxpayers can not see the updated information. • Functionality of data synchronization is missing with IRIS and should be implemented. As a result of missing functionality, taxpayers can not see the one & true view of information.
3	Point of Sale System (PoS)	An online real time system for documentation of sales that connects the computerized sales system of -1 retailers to FBR's system through internet.	[Out of our scope – this under scope of POS Consultant]
4	ORACLE BI	Dashboard for Collections and other revenue related information for officers.	[Out of our scope – this under scope of Data Team]
5	MIS	Iris MIS system	[Out of our scope – this under scope of Data Team]
6	DNFBP Web Portal and Mobile App	To regulate DNFBPs	[Duplicated here – covered in IRIS implemented modules]

7	TaxRay	Using TaxRay, FBR maintains information of more than 53 million citizens about all of their assets, income, and expenditures. FBR also updates the information regarding salary and banking transactions in the TaxRay portal in real-time using the accurate fiscal year format.	[Out of our scope – this under scope of Data Team]
8	Third Party Data Integrations	Data integration and communication of FBR with external entities comes into these categories. In this regard FBR is collecting as well as sharing data with externals national identities.	Functionality of real time data fetching from external entities is missing and should be implemented. As a result of missing functionality, tax officers can not have one & true view of taxpayer's data.
9	Payment Gateway for online Payments	Payment Gateway for online Payments using ADC channel.	[Covered with PaySys]
10	Customer Relationship Management (CRM) for Taxpayers' Complaint Management	Taxpayer support has been strengthened with Cisco based call centre integrated with CRM Dynamics. CRM Dynamics and Cisco Based Call Centre have brought appreciable improvement and ease for the taxpayers to communicate with FBR for complaints / queries	• System integration with IRIS is missing and should be implemented. As a result of missing integration, taxpayers can not get the one & true view of their complaints. • Customer Support Center operations are not as per industry standards/ best practices and should be implemented. As a result of missing standards/best practices, taxpayers lose their trust in the organization. • User Experience needs to improve.
11	FATF	A Website for The Financial Action Task Force (FATF) system is required to be launched to combat money laundering and terrorist financing	[Not part of FBR – external project]
12	Online Services / API like ATL, Taxpayer Profile etc	Online services provide realtime access of related information to tax officers and taxpayers.	• Functionality of taxpayers profile update is missing and should be implemented on mobile apps. • Functionality of viewing status of claims & demand is missing and should be implemented on mobile apps. • Alert / Notification of Return submission is missing and should be implemented.
13	Tax Asaan App for iOS, Android	• It is a Smart Application developed for the taxpayers to use the tax features by App that were available on the FBR's Website. The features currently available in Tax Asaan App are as follows: • Easy Wizard-based Income Tax Return Filing (Salaried & Normal Return)	• App functionality is not synced with the IRIS registration process of Income & Sales Tax and should be synced. • Complaint Management System data is not synced with IRIS and should be made synced. • User Guidance module needs improvement for user satisfaction.

		• Income Tax Registration (Signup) • Sales Tax Registration • Online Verification Services (ATL, Profile Inquiry, Exemptions/Notices/Orders and more) • e-Payment (Income Tax, Sales Tax and Federal Excise Duty) • Withholding Deduction(s) Data • Forgot Password	
14	Broadening of Tax Base (BTB)	Main purpose of BTB is to bring the non-tax /nonfilers into the tax net. System starts with data collection from different sources like Motor vehicle registration, Excise & Taxation, Land Record etc. After the analysis of data, notices are issued to persons liable to be registered. This starts the workflow and communication with nonfilers. A comprehensive MIS reporting and dashboard is part of BTB to show progress and status of cases.	[Duplicated here – covered in IRIS implemented modules]
15	ITMS	It evolved through the primitive system called "Mahasil" to address automation needs of the Income Tax processes	[Retired / Legacy System]
16	FASTER for Refunds	Fully Automated Sales Tax Refund (FASTER) was designed to replace STARR.	[Retired]
17	CREST	Computerized Risk-based Evaluation of Sales Tax Return. This System was used to cross match the data in monthly sales tax return of registered persons.	[Retired]
18	RCAPS (Reconciliation of CAP)	It's a Payments receipts reconciliation system based on physical Bank documents of Challan and Scrolls using electronic computerized payment receipts. System is used to verify Income Tax Refunds and monthly Revenue Collection of all the regional office.	[Retired]
19	e-DOX	e-Dox is corresponding system for FBR which covers complete end to end tracking of documents, letters and files. Users can send/receive documents and files from other departments and from field offices of FBR. The users have options to create new documents, files and can manage them in e-	[Retired]

		cabinets. A dedicated mode is running for R&I section of FBR for bulk receipts	
20	Human Resource Information System (HRIS)	This system caters to the requirements of the HRM / Administration wing to the extent of data entry of the Performance Evaluation Reports, Asset Declarations, Postings / Transfers and Personal Profile of the Officers and Staff of the IRS and Customs Wings including field formation.	[Retired]
21	eFBR	This software was meant to generate PSIDs and other payment related functions.	[Retired]
22	Knowledge Based System	Knowledge Based System is developed & designed in a way that help the taxpayers to get instant help about various ICT systems, implemented business processes and SOPs.	• Knowledge Base for Taxpayer's guide/help is available. • Content Management Process is missing and should be implemented. As a result of the missing process, users can not get the updated information / articles. • Knowledge Base needs to attach to the right place to provide the instant guide to Taxpayers.
23	MPR	Monthly Performance Report is available to field offices to enter their monthly performance which is available to head office.	• Business process exists but require standardisation. • System integration with IRIS is missing and should be implemented. As a result of missing integration, it involves manual work and hard to track the record.
24	PaySys	PaySys is an online system that provides taxpayers an option to prepare PSIDs and then pay via ADC	System integration with IRIS is missing and should be implemented. As a result of missing integration, it involves manual work and validation of data / amount entered by taxpayers is impossible.
25	CSTRO	Centralized Sales Tax Refund Office system is developed for disbursement of ST refund	• Business process exists. • Business process implementation is missing and should be implemented. • Currently this module is under review along with ERS/FASTER system to develop one and improved system.
26	ERS	Expeditious Refund System was developed to process ST refund quickly	[Under Review & Development]
27	RIMS	Restaurant Invoice Management system is an old system that has been replicated into PoS.	[Replaced with POS]
28	AEOIS-CBC	System implemented for country-by-country reporting of information for Pakistani citizens	[Out of reach due to restricted access]

		having registered incorporation in foreign countries	
29	STRIVE	Sales Tax Real-Time Invoice Verification System was developed to resolve In-put / output adjustment issues	• Business process exists. • Current functionality only provides facility to verify B2B transactions. • Functionality to validate items against transaction is missing and should be implemented. As a result of missing functionality, it involves manual work and no authenticity of data.
30	Risk Based Audit Management System	Risk Based Audit Management System was developed for selecting cases for Audit through ad hoc queries but not implemented in field offices.	• Business process exists but requires standardization / clarification, for evaluation criteria and processing of cases. • Current functionality only provides facility of case selection. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work and hard to track the cases.
31	VOSS (Virtual One Stop Shop), Integration with SECP	Real time data fetching is missing and should be implemented. As a result of missing functionality, data does not sync with SECP.	
32	WRIT	Withholding Realtime Information Tracker was developed to keep track of withholding collections & deductions.	[Out of our scope – this under scope of Data Team]
33	AEOIS-CRS	System to ensure compliance of AEOI data reporting standards by financial institutions and monitor reporting operations	[Out of reach due to restricted access]
34	DOT Website	Dot Website was designed & developed by PRAL	[Just a website]

G. Software Applications (Legacy: Retired / Being Retired)

Table 3. Software Applications (Legacy: Retired / Being Retired)

S#	Description	Function / Purpose	Remarks
1	RCAPS (Reconciliation of CAP)	Reconciliation of CAP: It's a Payments receipts reconciliation system based on physical Bank documents of Challan and Scrolls using electronic computerized payment receipts. System is used to verify Income Tax Refunds and monthly Revenue Collection of all the regional office.	Should be shelved once ADC / electronic payments are fully implemented

2	Human Resource Information System (HRIS)	The software has been developed in bits and pieces and does not provide a complete solution for the Human Resource Management function within the FBR. No documentation is available for this product developed by PRAL. It is desirable to conduct a thorough need analysis and develop the HRIS module on a new platform to make it user friendly and interactive.	This system captures the information relating to the transfer / postings, asset declaration, performance evaluation and profile of the officers and staff posted in the headquarters and field formations.
3	Integrated Tax Management System (ITMS)	The system does not meet the current and future needs of the IRS wing. Most of the functions of this system have been transported to the Iris except for a few. It is felt that there is a need to develop the remaining functionalities in the Iris system and to retire this system at the earlies.	ITMS evolved from its precursor called “Mahasil” and later new modules were added to this system to cater to the evolving needs of the IRS wing of the FBR, especially its field formations.
4	FASTER Refunds	It is a positive profiling refund system that needs to be updated and merged into a holistic system	It is felt that there is a need to merge multiple systems of refund into a holistic module to address the needs of the industry and Inland Revenue department. The system is planned for retirement.
5	Sales Tax Automated Refund Repository (STARR)	This system has become old and requires a complete overhaul despite the fact that it has led to the development of similar systems e.g. STREAM and FASTER	It is felt that there is a need to merge multiple systems of refund into a holistic module to address the needs of the industry and Inland Revenue department. The system is planned for retirement.
6	eFBR	This software was meant to generate PSIDs and other payment related functions.	Most of the functionality of this system has been shifted to Iris. It is suggested to retire the system completely. It is in the retirement phase.
7	CREST	Computerized Risk-based Evaluation of Sales Tax Return	Already being retired
8	eDOX	It is felt that this system has to be retired to provide for a better holistic system that could provide for electronic files and movement thereof. An office solution is demanded by the field offices and headquarters to replace this software with the ability to take care of the manual correspondence and electronic movement and submission of files and other type of correspondence throughout the offices.	This is a file movement software that was designed to keep a track of the physical files. This system was developed with the objective of replacing the inward outward register of the manual operations.

H. IRIS Modules (Active)

Table 4. IRIS Modules (Active)

S#	Name	Function / Purpose	Gap Analysis
1	Registration Management	This module developed under Iris provides for registration of new taxpayers (Individuals / AOPs / Companies) and changes in the particulars of registration of the existing ones.	• Business process exists. • Functionality to take the correct address of taxpayers is missing and should be implemented. As a result of missing functionality, the system does not assign the correct jurisdiction to taxpayers. • Authorization process to change the jurisdiction of taxpayers is missing and should be implemented. As a result of missing functionality, there is no trail record of changes. • Registration process needs to improve in a way to facilitate the Taxpayer for easy registration. • User Guidance / Tooltip is missing and should be implemented. As a result of missing functionality, users got confused to enter the correct value in the field.
2	IT Return	This module deals with the filing of the income tax return.	• Business process exists. • Functionality of pre-populate and calculating the data automatically (where needed) is missing and should be implemented. As a result of missing functionality, it takes valuable time of taxpayers to input data. • 3rd Party data source integration (like banks, utilities) is missing and should be implemented. As a result of missing functionality, the tax officer has to request manually for required data. • Mechanism to check the data authenticity entered by taxpayers is missing and should be implemented. As a result of missing functionality, it involves manual work to verify the data. • For agriculture returns, taxpayers are filing it to provinces. Mechanism is required to combine IT return & agriculture return at one place.
3	ST Return	Sales Tax Return allows taxpayers to file their ST return on FBR.	• Business process exists. • Functionality to validate the data entered by taxpayers is missing and should be implemented. As a result of missing functionality, the tax officer has to do a lot of manual work. • 3rd Party data source integration (like banks, utilities) is missing and should be implemented. As a result of missing functionality, the tax officer has to request manually for required data.

			• Single Sales Tax return should be implemented to avoid submitting return on multiple places (provincial level).
4	EXPM (Exemption Management)	EXPM provides for online filing of the request by the taxpayer and decision by the tax Officer possessing jurisdiction	• Business process exists but requires standardization / clarification, for evaluation criteria and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work, decision making is not accurate and hard to track the case.
5	WTM (Withholding Tax Management)	This module provides for receiving declarations / statements from the withholding agents	• Business process exists but requires standardization / clarification, for evaluation criteria and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work, decision making is not accurate and hard to track the case. • There should be a filtering criteria which should show data of WH Taxpayers and WH Tax Agent separately.
6	Audit Management	This module provides for selection of the taxpayers for audit, issuance of notices, recording of the particulars of audit report and orders issued against such notices	• Business process exists but requires standardization / clarification, for evaluation and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should be implemented like calculation and analysis of data. As a result of missing functionality, it involves manual work, decision making is not accurate and hard to track the case.
7	APLM (Appeals Management)	This module has recently been developed to cater to the needs of the Commissioner (Appeals) taxpayers e.g. issuance of notices, recording of the hearing, issuance of the Appellate Orders and communication thereof	• Business process exists, which requires standardization / clarification, for evaluation and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should

			be implemented. As a result of missing functionality, it involves manual work, decision making is not accurate and hard to track the case. • 3rd party / external system integrations like Tribunal, High Court, Supreme Court are missing and should be implemented. As a result of missing functionality, it is hard to track the case.
8	Litigation Management System (LMS)	Litigation Management system was developed to manage legal departments internal processes and details of litigation cases in the courts of law.	[Under development]
9	Designated Non-Financial Businesses and Professions (DNFBP)	Under the Anti-Money Laundering Act, the Federal Board of Revenue is responsible for ensuring that designated nonfinancial businesses and professions (DNFBPs) including real estate agents, dealers in precious metals and stones, and FBR-supervised accountants comply with anti-money laundering and counter financing of terrorism obligations. In order to implement these obligations a module has been developed under Iris to empower the officers posted by FBR to address their requirements. DNFBP portal & mobile app use risk-based approach to categorise DNFBPs as Very High, High, Medium and Low Risky DNFBPs. It further allows department to register DNFBPs (Real-estate, Lawyers, Jewellers and Accountants)	• Business process exists. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work, decision making is not accurate and hard to track the case.
10	MIS – Taxpayer and Officer	MIS reports provided in the system does not address entire needs of the taxpayers and tax Officer.	[Out of our scope – this under scope of Data Team]
11	Rectification Management	This module is meant to cater to the requirements of rectification in the orders issued by the tax Officers	• Business process exists but require standardization / clarification, for evaluation and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work, decision making is not accurate and hard to track the case.

			• Functionality to record the taxpayers reply/response is missing and should be implemented. As a result of missing functionality, tax officers can not do the analysis and process/rule can not be enhanced / modified as per taxpayer's scenarios.
12	CPR Correction	This module caters to the requirements of rectifications in the Computerized Payment Receipt (CPR) in respect of the mistakes of the taxpayers. However, the system lacks the process for rectification of the mistakes made by the banks subject to the provisions of the treasury rules	• Business process exists but require more clarification / standardization for evaluation and processing of cases. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work and hard to track the case. • Corrected CPR issuance to taxpayers is missing and should be implemented. As a result of missing functionality, taxpayers don't have proof of corrected CPR. • Mechanism to see line by line record of each amount in WH Tax CPR is missing and should be implemented. As a result of missing functionality, it is impossible to identify each amount against each WH taxpayers.
13	Amendment / Adjudication Management	This module provides for issuance of notices, recording of the hearings and issuance of the Adjudication Orders by the tax Officers	• Business process exists but require standardization / clarification, for evaluation and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work and hard to track the case. • Intelligent Section selection as per case is missing and should be implemented. As a result of missing functionality, it is hard to track the case against Sections.
14	Broadening of Tax Base (BTB)	Main purpose of BTB is to bring the non-tax /non-filers into the tax net. System starts with data collection from different sources like Motor vehicle registration, Excise & Taxation, Land Record etc. After the analysis of data, notices are issued to persons liable to be registered. This starts the workflow and communication with non-filers. BTB to show progress and status of cases.	• Business process exists. • Functionality to calculate income of prospective taxpayers who made any transactions in the excise department, bank or land department is missing and should be implemented. As a result of missing functionality, the tax base is not broadening.

15	Centralized Income Tax Refund (CITRO) Refund Management	This software module has been developed under Iris to provide for centralized refund management for income tax with a view to facilitate the taxpayers by releasing income tax refund payments directly into their bank accounts in an expeditious and transparent manner.	• Business process exists but require standardization / clarification, for evaluation and processing of cases. • Current functionality only provides the correspondence facility like issuance of refund amount. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work, decision making is not supported & accurate and hard to track the case.
16	Token Management System in Iris	Token management system in Iris to resolve taxpayers' iris related issues/complaints.	• Single view of taxpayer's all complaints is missing and should be implemented. As a result of missing functionality, taxpayers have no way to track his complaints status. • Webportal (IRIS) and Mobile App (TaxAsaan) data is not synced and synchronization should be implemented.
17	Registration through Survey	This module provides for registration of the new taxpayers in consequence of the physical survey carried out by the field formation. This is a facilitation utility to register the new taxpayer after identification during a physical survey by a team of Field Formation.	• No business process exists. • Business process is missing and should be implemented.
18	Agreed Assessment	Section 122D allows taxpayers to offer a settlement amount that shall be agreed by the committee and close the audit proceedings	• Business process exists but require standardization / clarification, for evaluation and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality for evaluating and processing a case is missing and should be implemented. As a result of missing functionality, it involves manual work, decision making is not accurate and hard to track cases.
19	Builder / Developer Registration for Tax Amnesty	FBR introduced amnesty scheme in which the taxpayers shall declare the undertaken projects to legalize undeclared money	[Retired]
20	Advance Tax Management System	This module helps in identifying the taxpayers that are liable to for the payment of advance tax and provides for effective recovery thereof and systematically calculate advance tax and issue necessary advance tax notices as per the ordinance.	• Business process exists. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Functionality of Advance Tax Calculation is missing and should be implemented. As a result of missing functionality, it involves manual work.

21	Video Conference (eHearing Module)	This module caters to the virtual hearings, especially during the difficult times of pandemic. It was developed with a view to facilitate the tax payers and tax practitioners. A plug in was purchased and integrated in the existing system	• This facility needs to integrate with the system. • User guidance is missing and should be implemented.
22	Default Surcharge Module / Process	This module calculates the default surcharge and provides for the charging the same from the taxpayers in the event of nonpayment of the adjudged tax liability.	• Business process exists but require standardization / clarification, for evaluation and processing of cases. • Current functionality only provides the correspondence facility between taxpayers and tax officers. • Calculation as per business process is missing and should be implemented. As a result of missing functionality, it involves manual work.
23	Assessment Management System (AMS)	AMS provides for issuance of notices, recording of the responses and hearings and assessment	• Business process exists but require standardization / clarification, for evaluation and processing of cases. • Business process of Sales Tax is missing and should be implemented.
24	Workflow Management System (WMS)	WMS has been developed to cater to the different types of workflow e.g. issuance of notices, recording of the hearings and issuance of orders in consequence thereof	• Business process exists. • Functionality of making changes in workflow is missing and should be implemented. As a result of missing functionality, it involves manual work to make the changes and hard to track changes.
25	Enforcement / Recovery Management	This module is developed to manage the Enforcement and Recovery.	• Business process exists but require standardization / clarification, for evaluation and processing of cases. • Ledger maintenance is missing and should be implemented. As a result of missing functionality, it is really cumbersome to track the record of taxpayers.
26	Correspondence Management	This module provides for effective management of the day to day correspondence	• Business process exists. • Alerts / notifications are missing and should be implemented.

I. IRIS Modules (Under Development / To Be Developed)

Table 5. IRIS Modules (Under Development / To Be Developed)

S#	Description	Function / Purpose	Remarks
1	Iris SWAPS	Synchronized Withholding Agents Payment System shall record real time withholding deductions & payments through "Raast" services of SBP	Under development

2	Demand Register	This is to allow FBR officers to maintain demand register electronically and baseline the ledger for future reference	It was developed but not implemented properly
3	Taxpayer Ledger	This allows FBR to get holistic picture of taxpayer's ledger. Each transaction that has impact on taxpayer's or FBR's account appears in the Taxpayer's Ledger.	It was developed but not implemented
4	Compliance Management System	It will help the tax officers with necessary alerts that shall make it more convenient for the officers to keep track their tasks.	Under development
5	Business Rules / Calculation Rules Management	Currently, the complete Iris Business Rules / Calculation rule engine is manual. Proper analysis is required to automate this functionality and handed over it to FBR Policy department.	No development is done so far
6	Iris System Administration / Configuration	Iris Admin Panel / Control Panel is manual. DBA is managing all the stuff from back-end. Needs immediate analysis and automation	No development is done so far
7	Prosecution Management	FBR internal process which hasn't been configured / implemented yet in Iris	No development is done so far
8	Risk Management System	Iris Risk Management system shall use AI based algos to help FBR officers in processing their official matters.	Not fully developed / implemented
9	MPR through Iris	Iris is configured in a way that MPR will be generated systematically in Iris.	Developed but not implemented, need to review it again thoroughly
10	Iris – Authorization of Official Visits	Mobile App which allows to record complete proceeding of the official visit to taxpayer's premises	Developed but didn't implement fully across FBR
11	Iris – Property Valuation System	It allows the department to determine the revenue leakage by cross-matching the tax paid against immovable property and fair market value. This shall further help department to align DC rate with fair market value	No development so far
12	Iris – Load Management & Jurisdiction Management	Currently, jurisdiction is being managed by local DBs & PRAL, which needs thorough analysis to give full control to field offices	No development so far
13	Internal Audit Management System	To track & monitor the progress of cases marked by Internal Audi to FBR	No development so far
14	Sales Tax Audit Management	This allows the officers to perform Sales Tax Audit processes electronically as per Sales Tax Law	Process to be reviewed and signed off before development
15	Sales Tax Enforcement	This allows the officers to perform Sales Tax Enforcement processes electronically as per Sales Tax Law	Process to be reviewed and signed off before development
16	Sales Tax Appeals	This allows the officers to perform Sales Tax Appeals processes electronically as per Sales Tax Law	Process to be reviewed and signed off before development

17	Sales Tax Refund – CSTRO	There are various systems in place for sales tax refund. They need to analyse and convert into 1 system.	Process to be reviewed again
18	Iris – Payment Management (Linked with ADC)	Payment system is independent of Iris. It needs to be made part of Iris so that taxpayers pay their outstanding dues directly from iris	Under development
19	Iris – POS – Invoice Risk Management	Invalid Invoices, duplicate invoices and other suspicious invoices related issues are identified / managed in this system.	Under development
20	I&I Monitoring System	To track & monitor the progress of cases marked by I&I to FBR.	No development so far

J. Special Digital Initiatives

Table 6. Special Digital Initiatives

S#	Description	Function / Purpose	Owner
1	Iris – POS – Invoice Risk Management	Invalid Invoices, duplicate invoices and other suspicious invoices related issues are identified / managed in this system.	Directorate General of Digital Initiatives
2	Point of Sale System (PoS)	FBR Point of Sales system records every invoice generated by integrated retailers' POS and share information to FBR central server	Directorate General of Digital Initiatives
3	Track and Trace		Directorate General of Digital Initiatives
4	Iris SWAPS	Synchronized Withholding Agents Payment System shall record real time withholding deductions & payments through "Raast" services of SBP	Directorate General of Digital Initiatives
5	Compliance Risk Management System (CRM)	The objective of the Compliance Risk Management System is to have an efficient and reliable software that will use Risk Based Approach to filter Very High, High, Medium & Low risk taxpayers and assist FBR officials to take necessary measures to deal with such cases.	Directorate General of Compliance Risk Management
6	Third Party Data Integrations	Integrating third party systems to get details of withholding tax deducted at source would help FBR to increase Tax Revenue & Tax Base.	Business Domain Team
7	MIS – Taxpayer and Officer	Iris MIS needs improvement to incorporate AI based algorithms and self-generated reports to highlight possible revenue leakage and other factors that increases officer's efficiency	Business Domain Team
8	Single ST Return	To allow taxpayers to use one system to submit their ST Return for all revenue authorities	Business Domain Team
9	Single Registration	This system is aimed at design and development of single registration of taxpayers across all revenue authorities (FBR and PRAs)	Business Domain Team
10	Single IT Return	This system is aimed at design and development of single IT return of tax across all revenue authorities (FBR and BORs)	Business Domain Team
11	IRS Academy Website	This project was to facilitate DOT for managing DOT officers with their internal procedures	Director General IRS Academy

12	FATF	A complete content management system required for FATF. At the moment a static website has been developed.	Director General FATF
13	Payment Gateway for online Payments	Payment gateway helps taxpayers to create PSIDs only on FBR portal and then to pay through any banking web portal. Functionality is required where taxpayers can pay directly from FBR portal.	Business Domain Team
14	DNFBP	DNFBP portal & mobile app use risk-based approach to categorise DNFBPs as Very High, High, Medium and Low Risky DNFBPs. It further allows department to register DNFBPs (Real-estate, Lawyers, Jewellers and Accountants)	DNFBP
15	Human Resource Information System (HRIS)	HRIS is in house developed system that manages FBR's HR related matters.	Admin/HR Wing

XII. TRACK 2: ORGANIZATIONAL ASSESSMENT

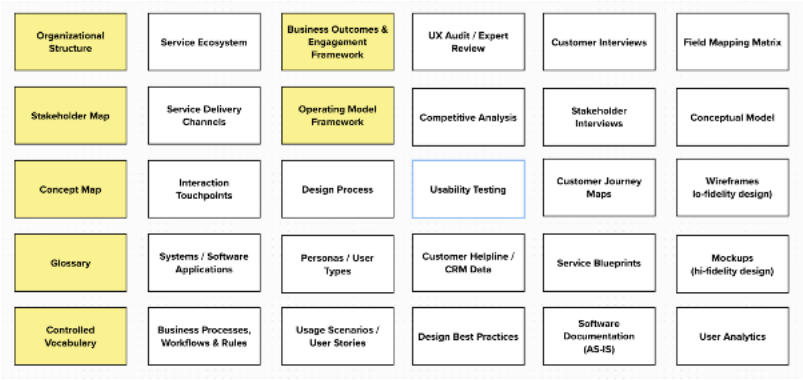
The organizational study covered the following main lines of inquiry:

- What is the current state of the organization's capabilities that impact the delivery of services and customer experience
- What are the organizational areas where improvement is required?

Along with an analysis of FBR's software applications, it is imperative to assess the FBR's organizational aspects because the quality of FBR's service delivery and customer experiences is a direct result of its organizational setup and capabilities. For this purpose, the Business Outcomes & Engagement Framework was used.

A. Methodology

The methodology employed in the organizational assessment study is illustrated in the diagram below.



The methodology items highlighted in yellow in the original diagram were employed in the organizational assessment study.

B. Business Outcomes & Engagement Framework

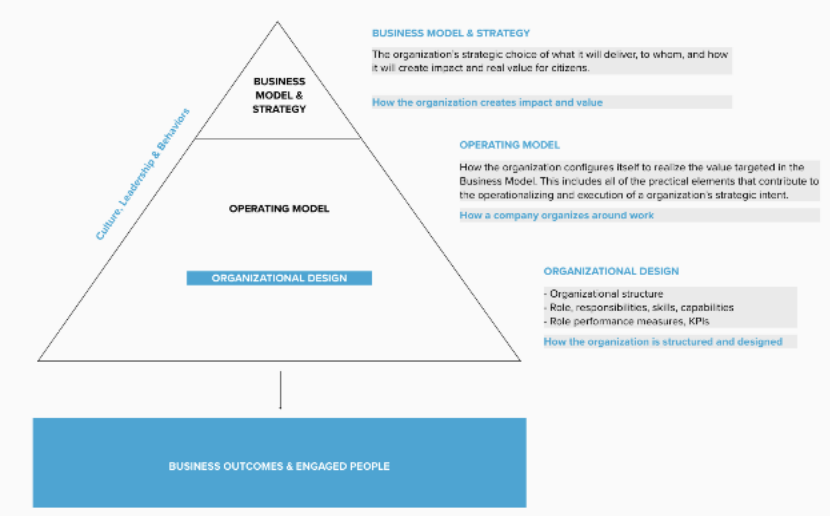
The Business Outcomes & Engagement (BOE) Framework is a strategic plan or blueprint that defines how an organization's operations should be structured and managed to achieve its strategic objectives. It outlines the desired state of an organization's operations, processes, and functions, and provides a roadmap for how these components should work together to deliver value to customers or stakeholders.

The BOE typically includes various elements such as organizational structure, roles and responsibilities, processes, technologies, governance, performance measures, and culture. It is designed to align an organization's operations with its strategic goals and priorities, and serves as a guiding framework for decision-making and resource allocation.

The BOE usually involves a thorough assessment of the current state of an organization's operations, identifying gaps and areas for improvement, and designing a future state that supports the organization's strategic direction.

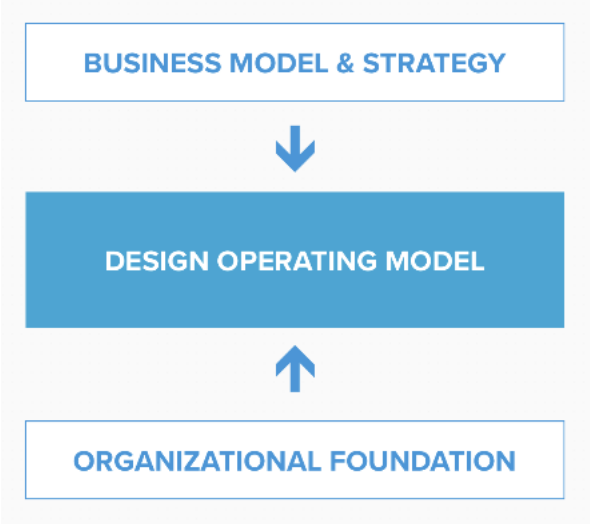
FBR was assessed against this BOE / Design Operating Model framework. Findings of this assessment are provided below. The BOE Framework consists of the following components:

- Business, Design & Organization Dynamics
- Organizational Foundation
- Business Model & Strategy
- Design Operating Model



C. Business, Design & Organization Dynamics

The Design Operating Model in an organization is influenced and affected by two main phenomena: (1) The Business Model & Strategy, and (2) The Organizational Foundation. Details of these phenomena are provided in subsequent sections.



D. Organizational Foundation

i. Core Values

NOTE: The below assessment is within the context of service design and customer experience.

Table 7. Core Values

Criteria	Assessment
Core Values	FBR should define its core values. Part of these values should adopting a customer-centric culture and holistically looking at the end-to-end customer experience.

ii. Leadership, Culture & Behaviors

NOTE: The below assessment is within the context of service design and customer experience.

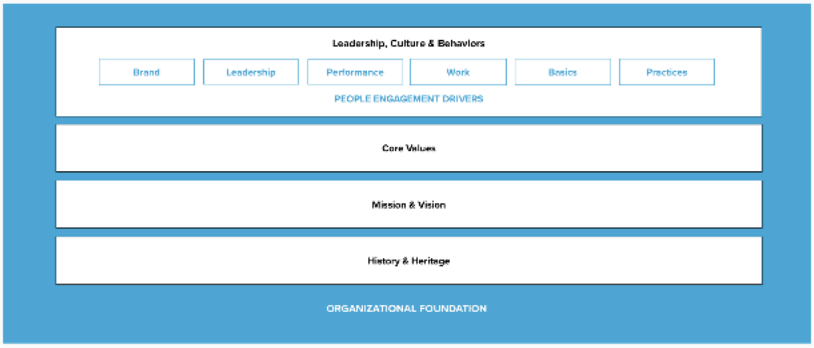


Table 8. Leadership, Culture & Behaviors

Criteria	Assessment
Brand	• **Reputation:** Poor • **Employer value proposition:** Poor • **Corporate responsibility:** NA • **Organizational style:** NA
Leadership	• **Senior leadership:** NA • **Business unit leadership:** NA
Performance	• **Career opportunities:** Not available

	• **Learning and development:** Not available • **Performance management:** Not available • **People management:** Not available • **Rewards and recognition:** Not available
Work	• **Collaboration:** Not available • **Empowerment/autonomy:** Not available • **Work assignments/tasks:** Not available
Practices	• **Communication:** NA • **Customer focus:** Not available • **Diversity and inclusion:** NA • **Enabling infrastructure:** Not available • **Talent and staffing:** Not available • **Norms and attitudes:** Not available • **Decision-making:** NA
Basics	• **Benefits:** NA • **Job security:** NA • **Work environment:** NA • **Work/life balance:** NA

FBR's branding and design of its digital service delivery channels, such as the FBR website, IRIS, etc., create a poor brand perception.

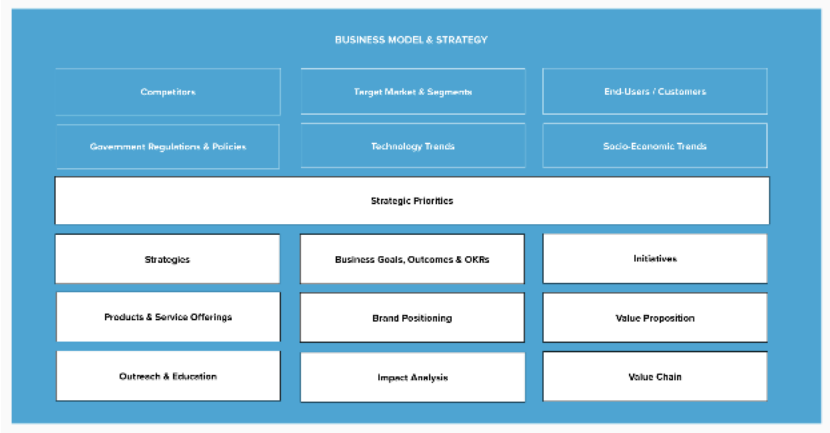
FBR's leadership is actively engaged in furthering strengthening the service ecosystem with initiatives such as the Business Process Reengineering (BPR) initiative. However, the area of service design & customer experience is currently ignored and needs to be established as a function.

Currently at FBR there are no employment and career growth opportunities within the field of service design and customer experience.

FBR currently lacks the collaboration environment for enabling creative work such as service design and customer experience work.

FBR / PRAL staff currently lack a customer-centric mindset. As a result, while FBR digital services are 'functional', they are severely crippled in terms of their usability (intuitive, easy-to-use, effective).

E. Business Model & Strategy



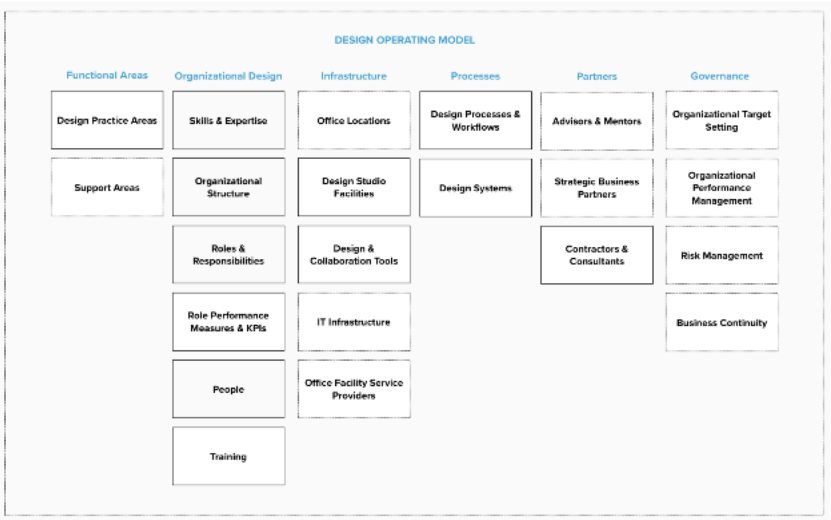
NOTE: The below assessment is within the context of service design and customer experience.

Table 9. Business Model & Strategy

Criteria	Assessment
Competitors	FBR is a monopoly and hence does not have any competitors. As a result of a lack of competition and a lack of a customer-centric culture, there is a very poor customer experience.
Target Market & Segments	NA
End-Users / Customers	Over 7 million citizens are registered as taxpayers. Hence the impact of improved service delivery and customer experience is enormous.
Government Regulations & Policies	Every year, more stringent policies and regulations are bringing more people into the tax net, therefore there is a need to facilitate the taxpayers through better customer experiences.
Technology Trends	The proliferation of ICT-systems, and easy-to-use, intuitive smartphones and mobile devices has raised expectations amongst people for better customer experiences. Currently, digital solutions implemented by FBR do not follow global design best practices.
Socio-Economic Trends	NA
Strategic Priorities	Priorities such as broadening the tax base (BTB) and increasing tax revenues can be supported and better achieved through a service design approach.
Strategies	NA
Business Goals, Outcomes & OKRs	Business KPIs for all FBR departments and teams should be defined and tied to quality service delivery and customer satisfaction which can be achieved through a service design approach.
Initiatives	FBR's leadership is actively engaged in furthering strengthening the service ecosystem with initiatives such as the Business Process Reengineering (BPR) initiative. However, the area of service design & customer experience is currently ignored and needs to be established as a function.
Products & Service Offerings	FBR currently provides 600+ services. By adopting a service design approach, these services can become more efficient and effective.
Brand Positioning	FBR can significantly improve its brand positioning. While FBR as an organization has a strong brand identity, the branding and design of its digital service delivery channels and such as the FBR website, IRIS, etc., is very poor.
Value Proposition	NA
Outreach & Education	Initiatives for taxpayer awareness should be undertaken and highlighted through the FBR website and social media.

Impact Analysis	All aspects of the digital service ecosystem must be put through an impact analysis which is missing. Small improvements in service design will lead to significant societal impact on a national level.
Value Chain	NA

F. Design Operating Model



NOTE: The below assessment is within the context of service design and customer experience.

Table 10. Design Operating Model

Criteria	Assessment
Functional Areas	• **Design Practice Areas:** Not available • **Support Areas:** Not available
Organizational Design	• **Skills & Expertise:** Not available • **Organizational Structure:** Not available • **Roles & Responsibilities:** Not available • **Role Performance Measures & KPIs:** Not available • **People:** Not available • **Training:** Not available
Infrastructure	• **Office Locations:** Not available • **Design Studio Facilities:** Not available • **Design & Collaboration Tools:** Not available • **IT Infrastructure:** Not available
Processes	• **Design Processes & Workflows:** Not available • **Design Systems:** Not available
Partners	• **Advisors & Mentors:** Not available • **Strategic Partners:** Not available • **Contractors & Consultants:** Not available
Governance	• **Organizational Target Setting:** Not available • **Organizational Performance Management:** Not available • **Risk Management:** Not available • **Business Continuity:** Not available

FBR does not have any practice areas in service design or digital product design. Since the concept of service design and customer experience as business functions do not exist, currently there is no organizational structure around these areas. Currently service design and customer experience related infrastructure is not available. Currently design processes and design systems required for service design and digital product design work is not available. FBR currently has not engaged any partners in the field of service design and customer experience on an ongoing basis. Currently governance regarding service design, digital product design and customer experience does not exist at FBR.

XVI. TRACK 3: PILOT PROJECT

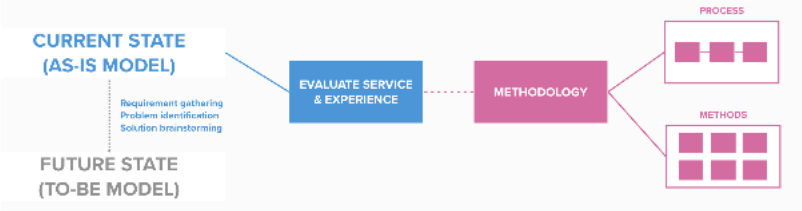
It was felt that Track 1 (System Assessment) and Track 2 (Organizational Assessment) in itself would not be sufficient, therefore the Service Design & UX Team decided to add Track 3 whose objective was to conduct a pilot project, thereby acting as a proof-of-concept that would potentially demonstrate the value of a service design approach to all key stakeholders. Track 3 involved going into a deep-dive analysis of a certain aspect of FBR's service, reconceptualizing and redesigning it for improved service delivery and a better customer experience for taxpayers.

A. Scope

The scope of the pilot project was to analyze and redesign the 'Create Account' phase.

B. Design Approach

The approach followed in the pilot project (Create Account / Registration) is illustrated in the diagram below:

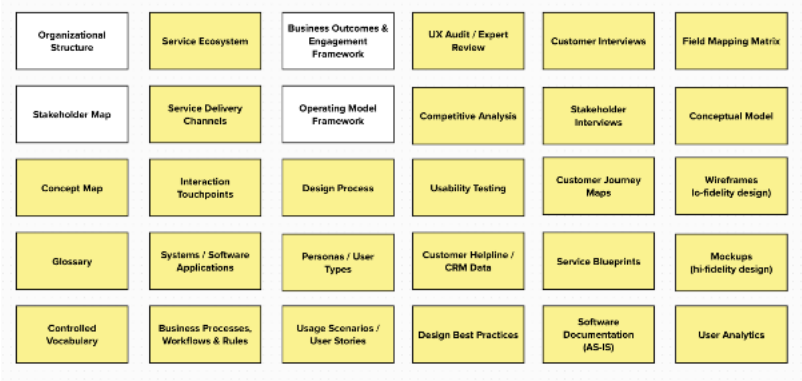


The approach involved the following steps:

- Analyse and evaluate the current state of the service and experience
- Identify problems, requirements, areas of improvement
- Reconceptualise and redesign the future state of the service and experience

C. Methodology

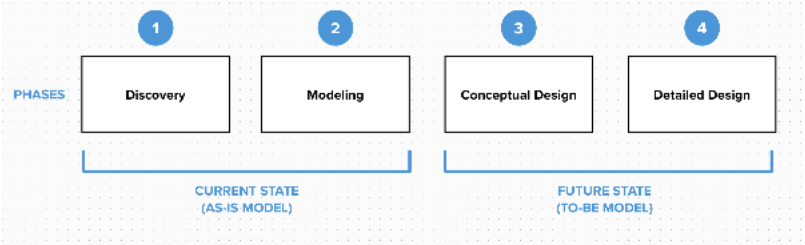
The methodology employed in the pilot project is illustrated in the diagram below.



The methodology items highlighted in yellow in the original diagram were employed in the pilot redesign project.

D. Design Process

The process followed in the pilot project (Create Account / Registration) is illustrated in the diagram below:



1. Discovery Phase

The discovery phase in design refers to the initial stage of a design project where the focus is on gathering information, conducting research, and understanding the problem or opportunity at hand. It is a critical step that sets the foundation for the entire design process, providing insights and inputs that inform subsequent design decisions.

The following techniques and methods were used in this phase:

- User experience (UX) audit
- Competitive analysis
- Stakeholder interviews
- User interviews
- Usability testing
- Customer helpline / CRM data

2. Modeling Phase

Research conducted during the discovery phase generates valuable qualitative insights into human behavior and needs, along with business requirements. In order to make sense of this research data, it is put into a more structured format. This is known as the modeling phase.

The following techniques and methods were used in this phase:

- Customer journey maps
- Service blueprints

3. Conceptual Design Phase

The conceptual design phase involves creating conceptual representations of the envisioned service and experience. This involves creative brainstorming, looking at usage scenarios, user flows, information structuring, creating low fidelity screens and more.

The following techniques and methods were used in this phase:

- Field mapping matrix
- Conceptual models
- Wireframes (lo-fidelity UI design)

4. Detailed Phase

The detailed design phase, the conceptual model is further elaborated to create high-fidelity screen designs, interactions, schematics in a form that can be handed off to developers for implementation.

Some techniques and methods used in this phase are:

- Mockups (hi-fidelity UI design)
- Design system

E. Key Artifacts

1. UX Audit

A UX audit was conducted that spanned multiple service delivery channels, such as:

- Google search
- FBR website
- IRIS software
- FBR helpline

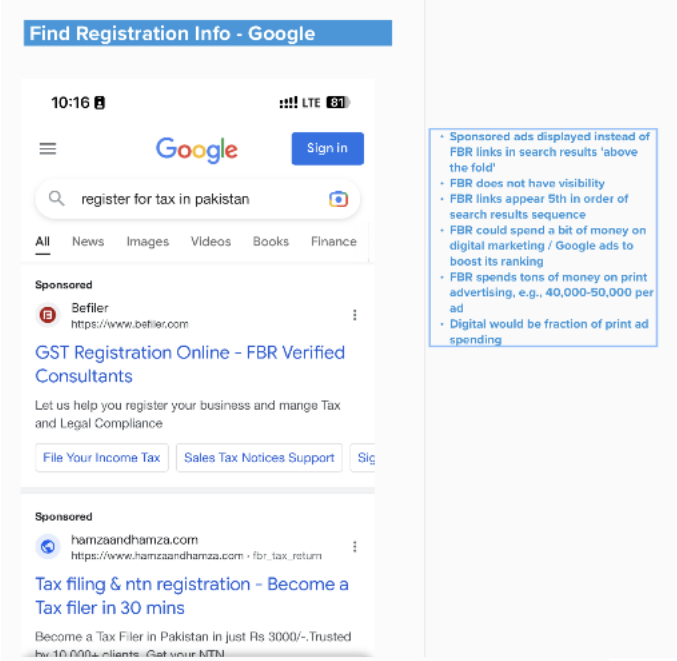
The detailed analysis from the UX audit is provided as an Annexure (PDF).

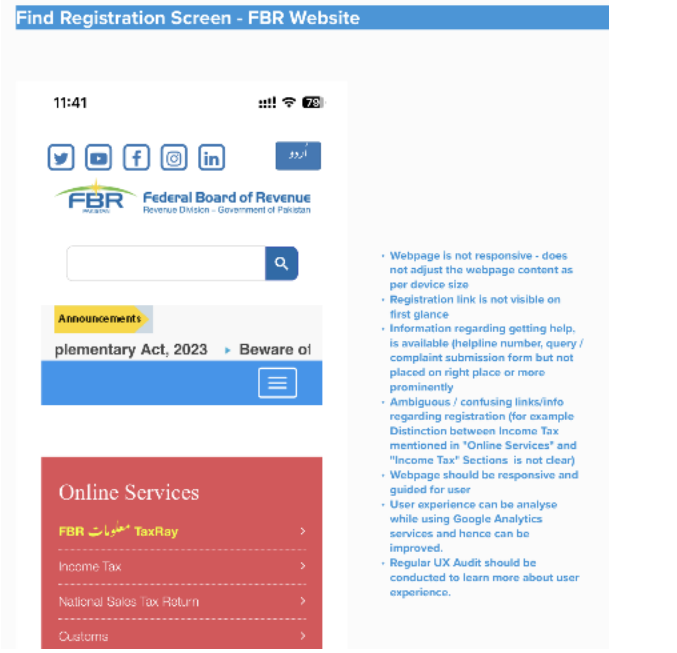
2. Usability Testing

Usability test sessions were conducted to get behavioral insights. 6 user test sessions were conducted in which first-time users were given the task of registering for income tax. All participants failed to complete the tax registration process, thus resulting in 100% failure rate. The usability test sessions were video recorded along with interviews is provided as an Annexure (PDF).

3. Conceptual Model & Wireframes

The redesigned Create Account phase of the tax registration was created by developing a conceptual model and wireframes which are provided as an Annexure (PDF).





XV. KEY FINDINGS, RECOMMENDATIONS & ROADMAP

This section provides a summary of the key findings arising from the REMIT BPA Project (Track 1, 2, 3).

A. Key Findings

1. Service Design Organizational Function

Despite having such a vast and diverse service ecosystem, FBR lacks the essential and critical ingredient to create a seamless customer experiences across these disparate

service delivery channels: a service design function. The service ecosystem consists of disparate service delivery channels, such as:

- FBR Website
- Software Applications
- IRIS Web App
- Tax Mobile App
- SMS
- Email
- Helpline
- Social Media
- Google Search
- Tax Offices
- Newspaper Ads
- Posters & Campaigns
- Knowledge Management System
- Etc.

However, despite this vast and diverse service ecosystem, the service design function that can connect these touchpoints to create a seamless experience does not exist. Systems and service delivery channels are available, but they exist in silos. As a result, taxpayers currently face a fragmented, highly unsatisfactory experience.

2. Service Design Organizational Headcount

A good measure of the importance and status of a function within an organization can be measured by the headcount in a specific area.

Despite the multitude of digital solutions and extensive services provided by FBR / PRAL, currently, there are no practitioners and personnel within the field of service design, digital product design and user experience within FBR / PRAL.

Therefore, the current headcount ratio between business/technology to service design is currently 2000:0 based on the current headcount.

3. Service Design & UX Ownership

Since neither a proper functioning service design and UX function, nor is there any design leadership role within FBR, therefore, currently the area of service design and user experience lacks ownership within the organization which needs to be addressed.

4. Service Design Operating Model

In order to create a successful design operating model, the following areas, which are currently non-existent, need to be developed with immediate effect:

- Customer-centric leadership and culture
- Design practice areas
- Design structure, team and roles
- Design processes
- Design system

B. Recommendations

In order to create a successful design operating model, the following areas, which are currently non-existent, need to be developed:

Table 11. Recommendations

Service Design Area	Recommendation
Organizational Culture	There is a need to develop customer-centric culture based on the key trait of empathy within FBR.
Organizational Mandate	The function of service design and UX should be given a mandate in the form of a 'service design office' to manage the entire FBR service ecosystem so that it can improve service delivery and break down silos and enable seamless customer experiences.
Organizational Design	A service design and UX team needs to be developed / recruited with clearly defined roles to serve the needs of FBR and its service ecosystem. There needs to be a role for a senior design leader and experienced design practitioner who can lead the service design transformation initiative.
Design Infrastructure	Facilities such as a design studio facilities and collaboration tools, which currently do not exist, need to be made available within FBR.
Design Processes	Design processes need to be defined and a design system needs to be developed to ensure smooth and efficient collaboration, thus resulting in improved FBR service delivery and better customer experiences.
Design Partners	Qualified design practitioners from the industry should be engaged to ensure best practices and design thought leadership can be provided to FBR.
Design Governance	KPIs, risk management, target setting and performance monitoring criteria should be developed and implemented to ensure improved service delivery and customer satisfaction at FBR.
Digital Branding	The branding of FBR's digital solutions is poor and needs to be significantly improved. FBR's brand perception within the public conscious also needs to be improved to create trust.

C. User Experience Framework

The below user experience framework can be used in design planning and operations, including determining the type of skills, expertise and roles that may be required for FBR.

D. Design Team Roles

The table below specifies some of the key roles required in the area of service design and UX work.

Table 12. Design Team Roles

#	Role	Area of Expertise
1	Chief Design Officer	Design thought leadership, design transformation, service design & UX strategy
2	Principal Designer / UX Architect	Service design, digital product design, UX
3	Design Manager	Design operations
4	Service Designer	Service design and conceptualization
5	Digital Product Designer	Digital product design and conceptualization
6	User Researcher	User research, usability testing
7	Information Architect	Taxonomies, controlled vocabularies, semantic models

8	UI Designer	Digital product design, UI design, prototyping
9	Visual Designer	Visual design, illustration, infographics
10	Content Writer	Copywriting, content strategy

E. Design Maturity Model

A design maturity model is a framework or a tool that helps organizations assess and improve their design capabilities and practices. It provides a structured approach to evaluating the level of maturity of an organization's design processes, tools, and culture, and identifies areas for improvement.

Design maturity models typically consist of multiple levels or stages, each representing a different level of maturity in design practices. These levels are often characterized by specific characteristics or attributes that organizations should strive to achieve. As an organization progresses through the different levels of the maturity model, it is expected to have more advanced and refined design capabilities.

Design maturity models can be used by organizations of all sizes and across different industries to assess and improve their design practices. They can help organizations understand their current state of design maturity, set goals for improvement, and track progress over time. They can also provide guidance on best practices and areas that need attention to enhance design effectiveness and efficiency.

Table 13. Design Maturity Model

Maturity Level	Description
No Design	Design has no function. At this level design not exist as a conscious, deliberate, organized function and activity resulting in very poor service delivery and customer experiences. Decisions and planning at this level is deliverable / output-based.
Design as Styling	Design as an aesthetic function “make it pretty”. At this level design exists, but only in its most superficial sense. Screens are made to look pretty using visual design techniques, but there is no, or very little, emphasis on catering for user needs and usability.
Design as Process	Design as part of the development process. At this level, design is closely integrated into the planning and development of products and services ensuring usability, good customer experiences.
Design as Strategy	Design as part of the business. At this level, design is an integral of business strategy, planning and decision-making with design-specific roles existing at the senior management level. Decisions and planning at this level are outcome-based.

1. Assessment of FBR’s Design Maturity

FBR currently lies at the very bottom “No Design” level in terms of design maturity. As a result, the current design of FBR’s service delivery channels and touchpoints, and its customer experiences, are extremely poor. Therefore, there is a dire need for FBR to develop and strengthen its design functions so that it gradually starts progressing towards the Strategic Level.

APPENDIX

Acronyms

Table 14. Acronyms

Acronym	Description
AEOI	Automatic Exchange of Information
AI	Artificial Intelligence
AMS	Assessment Management System
AOP	Association of Persons
APLM	Appeals Management
BOE	Business Outcomes & Engagement
BPR	Business Process Re-engineering
BTB	Broadening of Tax Base
CITRO	Centralized Income Tax Refund
CPR	Computerized Payment Receipt
CREST	Computerized Risk-based Evaluation of Sales Tax Return
CRM	Customer Relationship Management
CSTRO	Centralized Sales Tax Refund Office
DNFBP	Designated Non-Financial Businesses and Professions
ERS	Expeditious Refund System
EXPM	Exemption Management
FASTER	Fully Automated Sales Tax Refund
FATF	Financial Action Task Force
FBR	Federal Board of Revenue
HRIS	Human Resource Information System
ITMS	Integrated Tax Management System
KPI	Key Performance Indicator
LMS	Litigation Management System
MIS	Management Information System
MPR	Monthly Performance Report
OKR	Objectives and Key Results
PoS	Point of Sale
PRAL	Pakistan Revenue Automation Limited
RCAPS	Reconciliation of CAP
REMIT	Revenue Mobilisation, Investment and Trade
SBP	State Bank of Pakistan
SECP	Securities and Exchange Commission of Pakistan
ST	Sales Tax
STARR	Sales Tax Automated Refund Repository
STRIVE	Sales Tax Real-Time Invoice Verification System
SWAPS	Synchronized Withholding Agents Payment System

UX	User Experience
VOSS	Virtual One Stop Shop
WMS	Workflow Management System
WRIT	Withholding Realtime Information Tracker
WTM	Withholding Tax Management