



Case Study: South African Revenue Service (SARS) Dashboard

About the Company

The South African Revenue Service Act of 1997 amalgamated the former Inland Revenue, and the Customs and Excise departments, resulting in the formation of South African Revenue Service (SARS). SARS' mandate is to collect and administer national taxes, duties and levies, as well as to protect and support the South African economy by facilitating trade and managing stakeholder relationships. SARS, being in the best position to judge the exchequer potential of the economy, also advises the Ministry of Finance in South Africa on tax reforms, widening tax base, tax simplifications and concessions.

Business Challenges

SARS wanted to monitor the progress of the transformation program through clearly identified objectives, measures, targets, initiatives and accountabilities. However, as true to any large organisation which is in a stage of consolidating the performance measurement system, SARS had its own share of problems.

- Reporting happens in an inconsistent manner, no prescribed format and frequency of reporting by divisions and branches.
- Different interpretations and views of the same performance measure are taken by different reporting entities.
- Completeness of the data is a major issue; in most of the cases tax-type wise and branch-wise details are not available.
- Reviews on the performance measures do not take place regularly; no attempts are made to do causal analysis of the non-performance.
- Initiatives to correct the non-performance are not reported and reviewed regularly.

The above resulted in Commissioner receiving voluminous reports from each division, which focused mainly on reporting the numbers without any analytical inputs. Most of the reports were functional and never had inputs on performance issues, which were cross-functional in nature.

Nihilent's Role

The problems faced by SARS were not insurmountable and required a well thought out phase-wise strategy to implement the metrics program. Nihilent's consultants proposed to establish a Benefits Tracking and Metrics Office at SARS.

Metrics Office was established as part of the Office of the Commissioner (OOC) to monitor the organization performance. Reporting to Commissioner, the unit aimed to promote performance culture through facilitation of performance reviews. Metrics Office monitored the progress on achievement of strategic objectives by tracking the initiatives and the performance on measures.

To begin with, performance reporting was streamlined. This was achieved by defining performance information requirements and communicating to the divisions in standardized format with defined frequency.

The new set of performance reports included Commissioner's Dashboard consisting of 24 key performance measures and a detailed Monthly Metrics report. The reports are accompanied by an incisive analysis of SARS performance with a focus on under performing areas.

- The analysis is based on over 100 measures, which are compiled Objective-wise, and forms the basis for reviews
- The measures are drawn from some 1000 data elements, which are reported monthly by the divisions in pre-defined formats

The Commissioner conducted performance reviews during MANCO (Management Committee) meetings based on the performance reports and inputs received from Metrics Office. Action items were set during these review meetings to correct non-performance, which were tracked by Metrics Office.



Deliverables

- Commissioner's Dashboard
- SARS Metrics report
- Corporate performance review framework
- Master list of performance measures
- Review of divisional reporting
- Divisional dashboards
- Division-wise and objective wise datasheets (Templates for capturing performance data)
- Objective dashboards
- Process view of performance
- List of recommended corporate initiatives
- Prioritised performance improvement areas
- Master list of Key Performance Indicators
- Key focus areas for Division Heads
- KPI roll out
- Metrics Office Web page
- Metrics Office inputs to IT division (On information requirements)
- Metrics Program Roadmap

Achievements

- The review meetings became more focused as the discussions were more analytical and to the point
- The accuracy of reporting from divisions improved significantly within four months of implementing Metrics Office
- There exists a common interpretation of performance measures/statistics for critical issues
- The inconsistencies in data from one-month report to another month report have been ironed out
- Awareness for reporting and review has been created at the division level with some divisions attempting to create GMs dashboard on similar lines to Commissioner's Dashboard
- Availability of performance metrics became useful in determining KPIs and is being used by HR to rollout performance agreements for senior management
- Metrics Office pro-actively gave feedbacks about the inconsistencies in divisional reports to the Finance Ministry and the reports are now more consistent

Business Benefits Delivered

SARS has a clearly defined metrics and measurement structure, which helps in regularly monitoring the progress made toward achievement of strategic objectives.

Technology Used

Dashboard developed by Nihilent uses MSSQL 2000 for Database Management, Analysis Services, Reporting Services