



Case Study: South African Revenue Service (SARS)

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

The Minister of Finance of South Africa said, "The central motto of the new South African public service is Batho Phele - People First. To give the motto meaning, we need to transform the relationship between the public sector and the citizens they serve. The SARS team has taken the lead in transforming their organization into one that prizes efficiency above bureaucracy, customer relations over authoritarianism, and assistance above obfuscation."

To convert the motto into reality, SARS launched Siyakha, its own transformation process in February 2000. SARS' challenge was to monitor the progress of the transformation program through clearly identified objectives, measures, targets, initiatives and accountabilities.

Nihilent's Role

Nihilent proposed to establish a Benefits Tracking and Metrics Office at SARS to look at the following functions using Nihilent's patented MC³ framework:

- Setting the corporate objectives
- Establishing Balanced Scorecards
- Defining measures and metrics that need to be captured with the target values
- Defining Key Performance Indicators (KPIs) for key roles with the Key Responsibility Areas (KRAs)
- Data Collection and storage mechanisms

Nihilent's consultants helped SARS in documenting and formulating the strategic objectives, setting measurable goals for each operating (strategic) unit and drilling the same down to the level of key managers. These measures and metrics were to be analysed at the SARS corporate office to provide the MIS for monitoring progress and performance.

The Data collection was done through various workshops with the top management, group leaders and operational heads.

The Benefits tracking and Metrics Office tracks and reports the progress against SARS's strategic initiatives across the organization.



Deliverables

- Listing of Strategic Objectives at the corporate level
- Measures and metrics that need to be captured
- Targets values for the measures and metrics
- Templates for data capture
- Mechanisms for data capture
- Templates for reports to management
- Review mechanisms
- Data Storage mechanisms (Record keeping)
- Reporting and Feedback mechanisms

Business Benefits Delivered

SARS has a clearly defined metrics and measurement structure that links the success of all its initiatives and projects to that of the company.