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**Internal Revenue Service: Automated Collection System, Case 6**

CIS 410-50

**Executive Summary**

The Internal Revenue Service works for the United States government to cumulate revenue for them. They allocate service to taxpayers to effectively collect tax earnings. They have accumulated over nine hundred and thirty five billion dollars from more than one hundred and ninety four million tax returns. Additionally, they have functioned with over eighty three million taxpayers to accommodate them and contribute information for them so they could file and pay their taxes to the government. The Internal Revenue Service presently has over one hundred twenty thousand personnel and over seven hundred offices worldwide. The central headquarters is in Washington D.C. and has over twenty regional offices. They store their taxpayer files, bills for unpaid taxes, and notices in services headquarters. Technology is a considerable part of the organization owing to the fact that of its significant impact it forges to enhance effectiveness and supplement benefits for the Internal Revenue Service.

**Problem Description**

The Internal Revenue Service contrived Automated Collection Service (ACS), an Information Technology structure delineated to transition the Internal Revenue Service into a more efficient collection method than its present Collection Office Function (COF) structure. Tim Brown, Assistant Commissioner, has obtained early report statistics on the new ACS network, which pointed to comprehensive issues with the enforcement of the new Information Technology, in particular, the operation accompanying motivational problems amidst the personnel, prompting high turnover.

**Major Stakeholders**

US Government – Since the Internal Revenue Service dispenses the principal means of tax revenue collection for the United States Government, this makes the government a considerable stakeholder, and should anticipate a level of favorable outcome in the Internal Revenue Service to carry out its responsibilities.

Management: Hendrix and Eubanks, top management: The communication problems that have been transpiring menace their work. Hendrix, specifically, is disappointed by communication problems, as a insufficiency of acceptable communication provokes him to function as the receiver for criticism and feedback, together with a fair quantity passed outside the chain of order.

IRS employees – The establishment of the ACS has directed to job discontentment and motivational factors for personnel, who should anticipate a non-biased, encouraging assessment on job performance distributed in a prompt practice, as well as job enrichment and job growth.

Taxpayers – influenced by Internal Revenue Service verdicts that impact effectiveness of tax collections. They should be able to anticipate an administration that delivers sensible tax rectification at a low cost.

**Industry Competitive Analysis and the Role of IT**

Porter’s Five Forces:

Competitive Rivalry - Low: The Internal Revenue Service is the only tax revenue collector for the United States Government, in view of the fact that it is a government-operated institution, all of the technology is modulate by the government as well.

Threat of New Entrants - Low: All United States citizens are subject to pay their taxes to the Internal Revenue Service. The IRS was initiated by the United States government and this is currently the only bureau dealing with taxes collection from American citizens.

Threat of Substitutes - Low: Internal Revenue Service really has no competitors. Being run by the government, they have total monopoly in this industry.

Bargaining Power of Suppliers - High: Internal Revenue Service exclusively relies on the new ACS to contribute the most cost-effective routing in regards to the basic responsibilities of contact, inquisition, and exploration, which are essential for locating cases, following up on cases, and managing incoming calls.

Bargaining Power of Customers - Low: No other option customers can switch to.

**Alternative Courses of Action and Impact on Stakeholders**

Option #1: Do Nothing- If the Internal Revenue Service comes to a resolution in the mind as a result of consideration to do nothing, subsequently their turnover rate will relentlessly be high. Moreover, the circumstances in which the personnel work in will unremittingly be malevolent and unbearable for most personnel. Presently, they have improved their efficiency and standard of service by using ACS, but personnel are not motivated. A high turnover rate suggests the organization will have to spend more money to train their personnel instead holding onto long term employees.

Option #2: Restructure the ACS’s work into semi-autonomous teams- If the Internal Revenue Service considers to strengthen the ACS’s operation into semi-autonomous groups, then personnel would be able to work with each other and see cases from beginning to end. In order to do this, it is imperative to finance one million to change the institution in a way that could operate this kind of work. Additionally, it would recommend that all the pay spectrums be made the same since it would consolidate contact, investigation, and examination which would inflate the wage bill. Shareholders would not be happy with this choice owing to the fact that the organization is presently high-yielding and the standard has advanced and with this commitment it would cost the organization money.

Option #3: Retrain ACS employees to handle all aspects - If the Internal Revenue Service decides to retrain personnel to be more adaptable and able to maneuver all situation of the collection function, the pay scale would be required to enhance in order to recompense for their new skills. Customers will not be content with this choice for the reason that the price that they pay the Internal Revenue Service for their assistance will multiply in response to the employee’s pay increase.

Option #4: Change the way the system is managed/monitored - If the Internal Revenue Service decides to change the way the present arrangement is used by executives to supervise personnel, then the personnel’s work conditions will improve. Shareholders will be happy with this choice seeing that it will save the organization money.

**Normative Recommended Course of Action**

The best course of action in this case is for the Internal Revenue Service to keep the organizational configuration the same but change the way that it’s overseen. This allows them to keep the advantages of greater productivity and still dispenses enough supervision to authorize managers to give the personnel valuable feedback. Having a signification of autonomy and experiencing this feedback are both ways to increase efficiency. This will ameliorate the turnover issues because inspired personnel are less likely to leave. Transforming the organizational composition isn’t the best choice ni view of the fact that it is costly and could possibly result in the loss of some of the productivity that the present administration provides. Doing nothing isn’t the best choice either seeing as it doesn’t solve the issues that the Internal Revenue Service is having with excessive turnover.

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