

IBM solution gives Sogei security and CRM solution

The office of Sogei — the society that manages the IT function for Italy's Ministry of Finance — is more secure than most major airports. A maze of cameras. Manned check points. X-ray devices. Security card access. It is unthinkable that anyone would ever attempt unscrupulous behaviour against an organisation as sophisticated as this one, but fraud and tax evasion continue to be pressing concerns.

Italy's Sogei recently added another weapon to its security arsenal, a business intelligence solution which helps the society work behind the scenes to study trends in taxpayer behaviour. Understanding the patterns will help the society pinpoint fraud, curb tax evasion and ultimately enable the society to provide better customer service.

Security in numbers

The massive financial and legal network Sogei manages for the Ministry is mind-boggling — 200 million documents. The firm handles statistics on audits, taxpayers, econometric models, society personnel, tax registry, office automation, customs, the Euro, and telemetric connections with other administrations. The firm also handled Y2K concerns. What's more, the system impacts seven different areas of the society's business: assessment of new technology, cus-

toms, personnel management, interchange between different public external boards, customs officer management, monitoring and control, land registry, and maps and territory.

"In implementing this solution, our goal was twofold — to learn how to detect patterns of good and bad behaviour among various taxpayer

segments and to use that information to develop more positive relationships with taxpayers," says Dr. Antonio Sisti, data warehouse manager. Study of the mass of data managed by Sogei will enable the Ministry of Finance to deliver a kind of Customer Relationship Management (CRM) between the government and the people. Using actionable information gleaned from





Dr. Antonio Sisti, data warehouse manager, Sogei

the masses of data in the warehouse, Sogei can determine where problems exist — in the structure of the tax form, in deciphering the different sections of the form or in filing the form — and take actions to correct these issues. At the same time, the insight about taxpayers will help Sogei and the Ministry see negative patterns, unexplainable trends, or other occurrences which may signify taxpayers attempting fraud. Having this kind of knowledge represents more to Sogei and the Ministry than simple economics. “Developing good rapport with the public impacts everything from filing delays and filing errors to the percentage of on-time payments received,” Sisti says. He continues, “Better, more efficient interactions help counteract taxpayer frustration and may actually diminish the urge to exercise bad behaviour. In the end, all of these things affect the bottom line.”

Currently, many of Italy’s banks and post offices already use the IBM S/390 platform for tax filing. The next step is for tax information to be available to tax preparers and the mayor. By 2002, Sogei’s team expects the same benefits enjoyed by these agencies — speed, ease of filing and accuracy — to be extended to taxpayers via Internet thanks to the society’s solution. Taxpayers not only will be able to file electronically, but also they will have on-line access

to much-needed information. “My tax form from a previous year, for example, will be available to me for reference,” says Sisti. Sogei already has begun the process of providing user-friendly services to make paying taxes easier by implementing Videotel, self service counters and Fisco on-line.

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– Dr. Antonio Sisti,
data warehouse manager

IBM, a safe choice

Sogei had a number of reasons for selecting IBM to supply its new solution. First, IBM’s image as a stable and reputable company was important to the society, which historically has chosen IBM solutions to meet its technology needs.

Secondly, the IBM S/390 platform and the IBM DB2 Universal Database, both cornerstones of Sogei's business intelligence solution, were key selling points. "For the Ministry of Finance, and for the taxpayers served by the Ministry, security is an important issue. The S/390 environment is better for security than other potential choices, especially as we will provide customer Internet access to data in the future," notes Sisti. "For Sogei, security and privacy of taxpayer information was a key concern."

Sogei's team also felt that the S/390 platform's ability to centralise information — thus eliminating the need to transfer information to peripheral hardware — was a real plus. "For Sogei, two other things came into play: scalability of the platform, and the fact that our IT team was highly skilled in its use," says Sisti.

A third reason why the IBM solution was also appealing was that Sogei had an already-existing large IBM DB2 database. The data contained there was slated to be used for the data warehouse and for data mining. "We had a great deal of experience with DB2," emphasises Sisti. "There was no reason to change platforms, databases or suppliers." He continues, "DB2 also has a positive effect on data in general, because the database is more robust and powerful than many competitor products." With DB2, Sogei can add new databases because the necessary infrastructure already exists.

Overview

■ **The Challenge**

In order to detect fraud and tax evasion and at the same time provide better service to taxpayers, Sogei needed to consolidate many different types of data into one enterprise-wide system.

■ **Application**

Customer Relationship Management (CRM)

■ **The Solution**

A comprehensive IBM business intelligence solution which includes advanced analytics

■ **IBM Checklist**

*IIBM DB2® Universal Database™ for OS/390®
IBM DB2 Universal Database for NT
IBM Intelligent Miner™ for Data
IBM Warehouse Manager
IBM S/390, 1200 MIPS,
Parallel Sysplex,® 500GB DASD (raw data)*

Sogei's system resides in the S/390 environment and includes information about different kinds of taxes, such as income, VAT, registry tax and so on. "When we move data, we're always keeping it within that same environment," says Sisti. "In addition, DB2's capabilities help us with managing, building, extending and accessing that data."

Full implementation of the solution spanned two years — from April 1998, when Sogei undertook a data mining study and the construction of data marts — to December 2000, when the

entire team was fully functional on the system. At present, the Sogei system already is in production. For this project, three Sogei technology groups worked together, the IT group, the Data Warehouse Group and the Applications Group.

The massive network includes over 3,000 servers for peripheral offices, 15 mainframes, and 40,000 workstations with 4 million daily on-line transactions. Today, 70,000 employees in the fiscal administration, 65,000 employees in the tax police and 38.1 million taxpayers all are positively affected by the new technology.

About Sogei

Sogei, part of the Gruppo Telecom Italia — Finsiel, is the software and service company set up by the Italian Ministry of Finance to build and maintain the ministry's information systems. Sogei's 1,500 employees in Italy are charged with keeping up with changes in legislation, technological developments and the needs of the government and the citizens. The society is integral in the modernisation of the major processes of financial administration for Italy.

A secure future

Sogei's long-range plan includes capitalising on the power of the S/390 platform for electronic filing. In addition, the team will work to refine its use of the advanced analytical capabilities provided by IBM Intelligent Miner for Data.

Ultimately, Sogei also will enhance the data warehouse with new capabilities such as capture and storage of images — property maps and video files. These new functions will truly make the data warehouse multidimensional. In addition, this will mean that even more types of information will be accessible to taxpayers, tax preparers, the Ministry and the mayor via Internet applications.

For now, however, there's only one dimension that concerns the team, and that's knowing more about the taxpayer. With the advent of business intelligence technology, Sogei's experts are closer to the public than they've ever been before. For the society, that's a very secure feeling.

Want to know more?

For more information regarding IBM business intelligence solutions, contact your IBM client representative or visit our Web site at <http://www.ibm.com/bi>.



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