

**SB/SE Field Exam Taxpayer Experience Improvement Project**  
**Field Exam Taxpayer Focus Groups**  
**Moderator Guide**  
**OMB Supporting Statement**  
**IRS Small Business/Self Employed**  
**Field Exam Taxpayer Experience Improvement Project**  
**TAXPAYER EXPERIENCE FOCUS GROUPS**  
**March, 2010-May, 2010**

## **Background**

As part of its Balanced Measures, the IRS has been measuring customer satisfaction since 1998 and SB/SE has been measuring it since 2000. The SB/SE Field Exam organization has seen relatively flat satisfaction scores over several years despite continuous efforts at training and process reengineering. At this time senior management is committed to identifying breakthrough improvements in the field and office exam audits that will streamline operational processes and improve taxpayer satisfaction, while maintaining the required level of productivity and compliance. They believe that success is more likely if the effort includes a very strong orientation toward customer perspective and customer experience as well as a robust appreciation of how technology can help.

Field Exam has assembled a taxpayer satisfaction improvement team to accomplish this mission. This group will map out the current customer experience based on an understanding of the customer needs and goals and uncover how current processes contribute or detract from the ideal customer experience. The team will then develop creative solutions, alternate work processes and other ways to address the taxpayer experience. This includes best practices around specific customer-facing interactions, data gathering and analysis and process redesign. The third phase of the project is the development of the business case, a comprehensive document outlining the team's recommendations with rationale, benefits, costs and risks. The most promising solutions will be validated via pilot testing and the final recommendations are targeted for completion in December 2010. This project is based on experience from other improvement projects conducted since FY 2004 in other program areas within SB/SE.

As part of this improvement project, the Field Exam improvement team has determined that additional qualitative data on customer's perceptions of the field and office exam audit experience are needed to supplement the existing quantitative data gathered in the SB/SE transactional survey. To gather this additional information from field exam customers, a private vendor will conduct three focus groups with taxpayers to gain more specific information about their experiences. These focus groups will help the improvement team create an improvement plan that will address taxpayer satisfaction.

## **Research Methodology**

Focus groups use interview and discussion techniques, in a small group setting, to capture qualitative information. While these discussions are not representative of any particular population, they are useful in identifying areas of concern and in gaining a better understanding of quantitative survey data. Field Exam taxpayers will be recruited by private recruiting facilities from a list provided by the Field Exam improvement team. The focus groups will take place between April 5 and May 31, 2010.

## **Data Collection Timeframe**

Recruiting will occur in March 2010 and the focus groups will be held in April or May, 2010.

**SB/SE Field Exam Taxpayer Experience Improvement Project**  
**Field Exam Taxpayer Focus Groups**  
**Moderator Guide**

The Field Exam Improvement Project Team is aware that these focus groups would be running concurrently with the U.S Census. The team believes that the recruiting would not pose additional burden or confusion on the taxpayer population because the number of taxpayers involved in the recruiting is a very limited and they will be recruited using a list provided by the IRS. The recruiting is specific to those who have been audited in the past two years.

**Justification for Nonstandard Honoraria**

SB/SE plans to conduct three in-person focus groups among field exam taxpayers, two at an east coast location and one on the west coast.

Traditional honorariums at the Service are \$50-75. However, people are less likely to agree to participate in an in-person group because of the additional time and cost to travel to the group. In addition, taxpayers are often reluctant to discuss their tax problems in-person and may prefer the anonymity of a telephone group. Successfully delivering an improvement plan in time to influence Field Exam's improvement strategy depends on the timely completion of these focus groups. This short timeframe makes recruiting even more difficult. Therefore, for this project, we recommend a \$100 in-person honoraria to make it possible to recruit the desired number of people with a broad range of perspectives on customers' concerns in a short amount of time.

Our experience with previous SB/SE customer satisfaction focus groups with small business and self-employed taxpayers has shown that the OMB approved \$100 honoraria yielded the minimum number of participants desired for in person focus groups. In the current project, we will follow that successful model and offer a \$100 honoraria for the groups.

**Estimated Burden Hours**

Participant Screening

Participant screening for the three focus groups is expected to take 38 hours. This estimate is based on the recruiting firm confirming 15 participants to ensure that at least ten participants attend the three in-person group. This assumes that 10 contacts will need to be made to secure one confirmation for each type of group. Each contact should average five minutes per interview.

$$(15 \text{ participants} \times 10 \text{ contacts} \times 5 \text{ minutes} \times 3 \text{ groups}) / 60 = 37.5 \text{ hours}$$

Focus Groups and Travel

30 participants are expected to show up for the two-hour in-person focus groups, plus one hour for travel.

$$\begin{aligned} (30 \text{ participants} \times 2 \text{ hour group}) &= 60 \text{ hours} + \\ (30 \text{ participants} \times 1 \text{ hour travel}) &= 30 \text{ hours} + \\ \text{Total} &= 90 \text{ hours} \end{aligned}$$

**SB/SE Field Exam Taxpayer Experience Improvement Project**  
**Field Exam Taxpayer Focus Groups**  
**Moderator Guide**

Grand Total

38 hours—participant screening  
60 hours—focus group participation  
30 hours—travel  
128 hours total burden

Estimated Cost: \$19,000

**Privacy, Security, and Disclosure**

All participants will be subject to the provisions of the Taxpayer Bill of Rights II during this study and the contractor will ensure that all participants are treated fairly and appropriately.

The security of the data used in this project and the privacy of taxpayers will be carefully safeguarded at all times. Security requirements are based on the Computer Security Act of 1987 and Office of Management and Budget Circular A-130, Appendices A & B. Physical security measures include a locked, secure office. Notes are stored in locked cabinets or shredded. Data security at the C-2 level is accomplished via the Windows NT operating system. Systems are password protected, users profiled for authorized use, and individual audit trails generated and reviewed periodically.

The IRS will apply and meet fair information and record-keeping practices to ensure privacy protection of all taxpayers. This includes criteria for disclosure—laid out in the Privacy Act of 1974, the Freedom of Information Act, and Section 6103 of the Internal Revenue Code—all of which provide for the protection of taxpayer information as well as its release to authorized recipients.

The focus group materials will not contain tax return or taxpayer information. Focus group participants will not be identified in any of the documents or files used for this project. We will limit and control the amount of information we collect to those items that are necessary to accomplish the research questions. We will carefully safeguard the security of data utilized as well as the privacy of the respondents. We will apply the fair information and record-keeping practices to ensure protection of all respondents. The criterion for disclosure laid out in the Privacy Act, the Freedom of Information Act, and section 6103 of the Internal Revenue Code provides for the protection of information as well as its releases to authorized recipients.

**Contact**

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