

OMB Supporting Statement
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IRS Small Business/Self Employed Correspondence Exam Improvement Project
CUSTOMER SATISFACTION FOCUS GROUPS
August 1 – 31, 2008

Background

As part of its Balanced Measures, the SB/SE Correspondence (Campus) Exam organization has been measuring customer satisfaction since 1998. Although customer satisfaction results have tended to be higher than for other IRS enforcement activities, these results have shown little variation over time. Similarly, improvement priorities identified as part of the survey contractor's reports, have been largely unchanged from quarter to quarter or year-to-year.

Correspondence Exam has formed an action planning improvement team to research and implement a customer satisfaction improvement program. This project will build an enhanced capacity for improvement in Correspondence Exam by guiding an improvement project team through a disciplined process of improvement, providing specialized analysis and improvement expertise in support of the teams, and diffusing the learnings that accrue through this experience. This project is based on experience from other improvement projects conducted since FY 2004 in other program areas and an earlier project with Correspondence Exam conducted in FY04.

As part of this improvement project, the Correspondence Exam improvement team has determined that additional qualitative data on customer's perceptions of the different steps of the Exam process is needed to supplement the existing quantitative data gathered in the SB/SE Exam transactional survey. To gather this additional information from Exam customers, a private vendor will conduct four focus groups, two in person and two by phone, to gain more specific information from Exam customers about their experiences. These focus groups will help the improvement team create an improvement plan that will address customer satisfaction.

Research Methodology

Focus group interviews use interview and discussion techniques, in a small group setting, to capture qualitative information. While these interviews are not representative of any particular population, they are useful in identifying trends or areas of concern and in gaining a better understanding of quantitative survey data. Correspondence Exam customers will be selected by private recruiting facilities from a list provided by the Exam improvement team. The focus groups will take place in August 2008.

Justification for Nonstandard Honoraria

SB/SE plans to conduct two in-person focus groups in an East Cost location, and two groups via conference call with participants from a mix of locations in the United States to gain feedback from a variety of correspondence exam customers.

Because correspondence exam customers are very busy business-people, and they are not likely to want to discuss their exam experience, it is difficult to recruit participation from these individuals. In addition, people are also less likely to provide feedback in a focus group about compliance agencies, such as the IRS, than about other kinds of government agencies. Finally, the focus groups for this project are being conducted in a shorter than usual timeframe, making recruiting more difficult. Consequently, \$100 is the minimum practical incentive for convening a successful in-person group due to the relatively difficult nature of this recruiting task. For the two telephone focus groups, we suggest an incentive of \$75, similar to previous projects with SB/SE.

Our experience with previous SB/SE customer satisfaction focus groups with small business and self-employed taxpayers has shown that the OMB approved \$75 incentive yielded the minimum number of participants desired for telephone focus groups. In the current project, we will follow that successful model and offer a \$75 incentive for the telephone groups.

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, they may not want 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 Correspondence 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 incentive and a \$75 telephone incentive to make it possible to recruit the desired number of people with a broad range of perspectives on Field Collection customers' concerns in a short amount of time.

Estimated Burden Hours

Participant Screening

Participant screening for the four focus groups is expected to take 37 hours. This estimate is based on the research facilities confirming 12 participants to ensure that at least ten participants attend each in-person groups, and confirming 10 participants to ensure that 8 participants join the 2 telephone groups. 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.

$$\begin{aligned} & (12 \text{ participants} \times 10 \text{ contacts} \times 5 \text{ minutes} \times 2 \text{ groups}) / 60 = 20 \text{ hours} + \\ & (10 \text{ participants} \times 10 \text{ contacts} \times 5 \text{ minutes} \times 2 \text{ groups}) / 60 = 17 \text{ hours} + \\ & (44 \text{ participants} \times 2 \text{ minutes}) / 60 = 1 \text{ hour} \end{aligned}$$

Focus Groups and Travel

Twenty participants are expected to show up for the two-hour in-person focus groups, plus one hour for travel. Sixteen people are expected to participate in the two-hour telephone groups with no travel time required.

(20 participants X 1 hour travel) = 20 hours +

(36 participants X 2 hour focus group) = 72 hours

Grand Total

38 hours--participant screening

72 hours--focus group participation

20 hours--travel

130 hours total burden

Estimated Cost: \$35,296

Privacy, Security, Disclosure and Confidentiality

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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