Municipality of Tel Aviv: Transforming Property Tax Billing and Collection for Its Citizens

The municipality of Tel Aviv-Yafo transformed its billing and collection processes and services for property tax and water by implementing customer care, service, and billing software in SAP® Business Suite applications. This improved the timeliness and accuracy of billing and collections while **increasing revenue to benefit the citizens** of the second-largest city in Israel.

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Executive overview

Organization
Municipality of Tel Aviv-Yafo

Headquarters
Tel Aviv, Israel

Industry
Public sector

Products and Services
Billing and collections for property tax and water

Employees
7,000

Revenue
€580.6 million

Web Site
www.tel-aviv.gov.il/english/Index.htm

BUSINESS TRANSFORMATION

The organization's top objectives

- Improve timeliness and accuracy of property tax and water billing
- Increase municipality revenue by improving collections processes
- Automate time-consuming manual processes

The resolution

- Implementation of customer care, service, and billing software in SAP® Business Suite applications
- Replacement of 26 systems for tax and water billing and collection with a single, integrated solution
- Ability to adapt quickly to frequently changing government regulations

The key benefits

- Improved accuracy of billing information sent to over 250,000 property owners in Tel Aviv
- Improved integration with other government divisions running SAP software
- Increased tax and water revenue by more than €88 million from 2009 through 2011

Read more

TOP BENEFITS ACHIEVED

15%
Increase in property tax and water revenues

70%
Increase in automation of tax processes

10%
Increase in tax collection effectiveness

See more metrics

"The municipality is very happy it went with SAP solutions. It was an excellent choice that helped us increase revenue and give the citizens of Tel Aviv a better place to live."

Gal Project, Manager, Property Tax Division, Municipality of Tel Aviv-Yafo

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Resolution

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Future plans

Realizing when it's time to change

Tel Aviv, "the city that never sleeps," is the second-largest municipality in Israel, with more than 400,000 people living within its city limits. "It is a young, vibrant, dynamic city," says Gal Project, manager of the property tax division for the municipality of Tel Aviv, "a city that has everything." In addition to its 24-hour culture and cosmopolitan lifestyle, Tel Aviv offers its residents and tourists sea beaches, restaurants and bars, expansive parks, spectacular shopping, landmark neighborhoods, and hundreds of hotels that serve nearly 2.5 million international visitors each year.

Before 2009, however, there was one important asset the municipality of Tel Aviv was lacking – an integrated and automated property tax and water billing and collections system. Instead, the municipality was relying on over two dozen nonintegrated systems – and these systems had been patched in so many ways that more patching was not possible. Moreover, the multiple systems were contributing to intensely manual tax and water billing and collection processes. Taxpayers sometimes received property tax bills that were not accurate, and the municipality was not collecting all of its potential tax revenue. "In 2006, we realized the situation had to change," says Project, "and our search for a better solution began."

> "We were forever patching 26 disassociated systems – each serving a different tax and water billing or collections function."
>
> Gal Project, Manager, Property Tax Division, Municipality of Tel Aviv-Yafo

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Relieving a taxing situation with a comprehensive solution

The municipality of Tel Aviv evaluated the top three market-leading tax and utilities billing and collections solutions, including SAP offerings. The goal was to find the right billing and collections solution for its needs – one that would completely modernize its existing, in-house solution and replace its multiple, nonintegrated systems. The solution search included a one-week visit to Cape Town, South Africa, to see firsthand how that city and its citizens were benefiting from the implementation of an SAP solution for tax billing and collections. After careful consideration, the municipality of Tel Aviv selected the customer care, service, and billing software in the SAP Business Suite for many reasons.

Tel Aviv's property tax division is responsible for collecting 75% of the municipality's revenue through tax and water billing, and it now collects over €580 million from the citizens of Tel Aviv each year. "We could see that the comprehensiveness, sophistication, and flexibility afforded by the SAP solutions were superior," says Project. "These solutions gave us the tools we needed to meet our huge responsibility." Furthermore, the solutions replaced all 26 of the existing systems and ended the parade of system patches that occurred every time a regulation changed. "With the SAP solutions, we can adjust our system very quickly to satisfy the regulations with just minimal changes. Before, we could never do that," says Project.

> "The revenue we collect supports the citizens of Tel Aviv. We chose SAP software because we don't have the luxury to fail."
>
> Gal Project, Manager, Property Tax Division, Municipality of Tel Aviv-Yafo

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Realizing new benefits for the city and its citizens

The return on investment (ROI) for the solutions implemented in Tel Aviv was just 18 months. This fast ROI is notable because it represents the largest software implementation project ever conducted for the municipality of Tel Aviv – or any city in the state of Israel. It also represents a new era of benefits for the municipality, for the property tax division, and for the people of Tel Aviv.

For the municipality, revenue has increased, which means the city can deliver more and better services to the citizens of Tel Aviv. For the property tax division, employees now have instant access to taxpayers' accounts, which helps to decrease fraud and increase payment recovery from late-paying or unresponsive property owners. For the citizens of Tel Aviv, innovative technologies, like a quick response code for use with their mobile phones, make it faster and easier than ever to review, understand, and pay their tax and water bills.

KEY BENEFITS

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Increase in property tax and water revenues

70%
Increase in automation of tax processes

10%
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Serving the needs of its citizens, today and tomorrow

"Before implementing our property tax and water billing and collections solution, we had plans to do a lot of things to improve services to our customers, like the quick response codes. But we couldn't do them because our systems wouldn't let us," says Project. "The flexibility and adaptability of our new solutions have turned that around for us, and we can do just about anything we want." The ability to offer citizens the convenience of using innovations like quick response codes and mobile phone technology is just one example.

On the way are still more innovations, and prime among them – within the next year or two, reports Project – is the ability for Tel Aviv's taxpayers to connect to a fully integrated taxpayer Web site where they will be able to view and pay their property tax and water bills on the Internet. "Increasing connectivity between the city and its citizens is alive and well in the municipality of Tel Aviv," concludes Project.

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