

Australian Tax Office deploys new virtual assistant.

2M+

conversations using Alex within the first 18 months

8-10%

Contributed towards a reduction in contact centre call volumes

\$9.7M

savings in client red tape

CHALLENGE:

- Address expectations and preference for online support via digital channels
- Provide engaging, lower cost support for client services
- Evaluate virtual assistants for present and future needs
- Reduce call volumes to contact centre

SOLUTION:

- Nina virtual assistant technology powered by artificial intelligence
- Natural Language Understanding, conversational dialogue and advanced resolution strategies
- Alex provides self-service via preferred digital channels

RESULTS:

- Alex engaged in 2M+ conversations within first 18 months
- 88% first contact resolution rate
- \$9.7M in client red tape reduction savings yearly
- Contributed towards 8-10% reduction in contact centre call volumes
- Successful lower cost digital engagements

First of its kind virtual assistant, Alex, launched within Australian Federal Government.

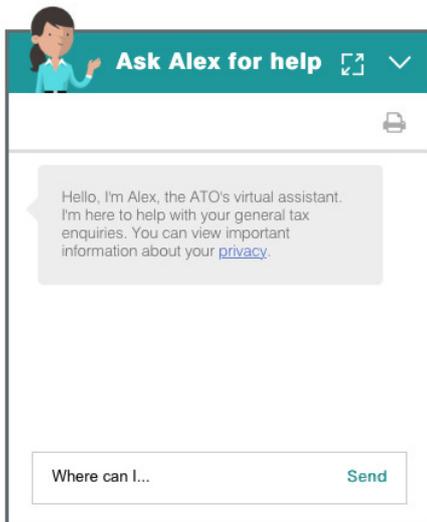
The Australian Tax Office (ATO) is the Australian Government's main revenue collection agency. The ATO administers major aspects of Australia's superannuation system and acts as custodian of the Australian Business Register.

The ATO is committed to delivering a contemporary digital experience and excellent service to its clients. The ATO has had a strong partnership with Nuance Communications since engaging with their IVR solutions in 2000. Nuance was selected as the preferred vendor due to its proven integration with Genesys (ATO's contact centre solutions provider), alignment with their web blueprint and their potential to align virtual assistant and Natural Language Understanding technology into the ATO's IVR solution in the future.

To address the steady increases in client interactions, especially from July to October (the start of the Australian new financial year), the ATO sought to reduce the high volume of call centre and to enhance the self-service offerings currently available to its clients. With the increased emphasis on digital engagement across all industry segments, the ATO recognised the value of virtual assistant (VA) technology to support and inform its clients online. The ATO needed to determine which VA on the market would best fit both their current and future needs.

Because of the previous successful collaboration with voice biometrics, the ATO partnered with Nuance for their virtual assistant technology to deliver a contemporary self-service support tool which is available 24/7, a service increasingly sought by ATO clients.

Nuance worked closely with the ATO to develop its digital support strategy to implement a VA solution using Nina virtual assistant technology powered by artificial intelligence. The focus was to provide an enhanced



service offering that understands the client's intent, delivers responses tailored to the client's needs and can then be printed and used for future client reference.

In March 2016, after six months of initial testing on ATO's beta site, the VA, known as Alex, was fully launched across the majority of the ATO website. Using Natural Language Understanding, conversational dialogue and advanced resolution strategies, Alex is designed to provide contextual responses within her scope of understanding.

Through these technologies and tools, clients are empowered to self-serve and find the information they need. The ATO's VA online support tool is continuously available, and content is regularly reviewed and refined in line with clients' needs.

As client engagement grew and clients became more comfortable communicating with Alex, they began asking more complex questions. The ATO, with Nuance's digital delivery team, worked to identify gaps in Alex's knowledge base using hundreds of conversation transcripts as reference. The result was an improved breadth of information available to ATO's clients, with Alex answering hundreds of commonly asked questions across a range of categories.

By June 30, 2016 (three months after her launch), Alex had held over 270,000 conversations, averaging a first contact resolution rate (FCR) of 75 percent. In the first 18 months Alex had over 2 million conversations and achieved strong initial results with FCR rates. During the financial year, ending June 30, 2017, Alex achieved an FCR rate of 87 percent. In fact, as of September 2017, Alex's FCR rate was 88 percent, exceeding the industry benchmark of 60-65 percent.

The implementation of Alex resulted in 79 percent of client enquiries answered without the need to follow up with further interaction with the ATO. Moreover, the ATO has achieved a reduction in client red tape (time it takes clients to find the information needed) valued at approximately \$9.7 million per annum. Alex's ability to understand and deliver the right information to meet client needs continues to expand as more people interact with her.

Since her implementation, Alex has become a critical ATO client service offering. The VA's continued growth in content and understanding has contributed to the downward trend in contact centre call volumes. Alex has contributed to the 8-10 percent reduction in contact centre call volumes. It is also providing real time feedback on client engagement trends and the ATO's website information gaps.

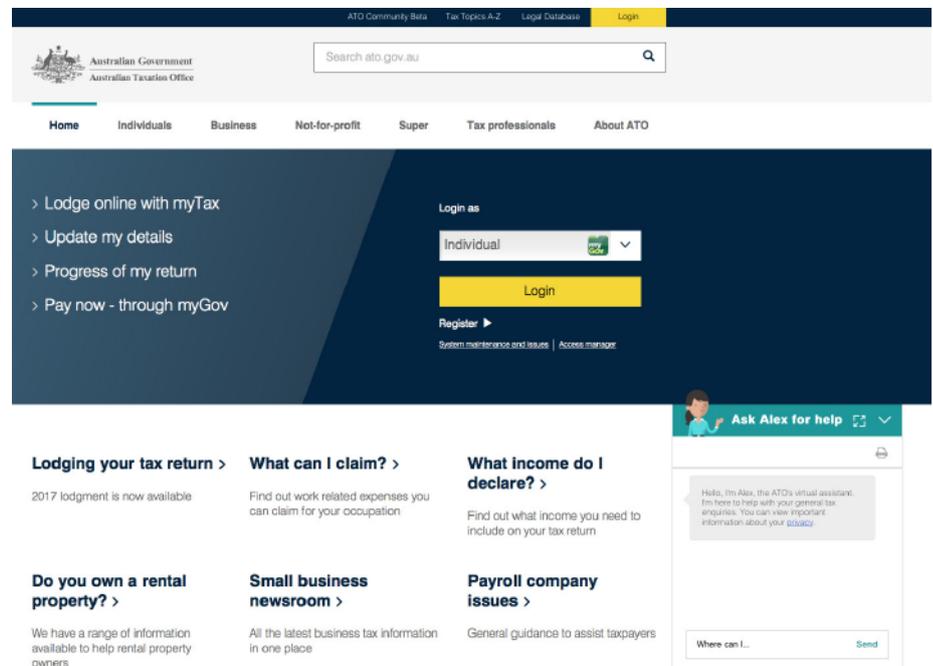
For clients interacting directly with the ATO, Alex provides an always-on support tool, designed to understand their needs using natural language and responding in a manner with which they can easily identify. For the ATO, Alex is helping move clients from a traditional high cost, human centric interaction model to lower cost digital engagement channels.

After implementation, the ATO and Nuance began to extend the Alex persona to other interested government agencies to build a "whole of

Alex, the Australian Tax Office's intelligent virtual assistant, is winning awards!



government" approach to self-service. Extending the use cases of Alex within other government agencies confirms that client expectations are being met and that Alex is a trusted point of reference delivering on client needs.



For more information on the ATO's Alex, go to www.ato.gov.au.

About Nuance intelligent virtual assistant Nina

Multichannel intelligent virtual assistants offer personalised self-service that delivers an experience customers prefer over static web pages and basic mobile functionality. Nuance Nina technology delivers engaging self-service platforms for customers to transact, navigate, ask questions, and get exactly what they need. They can also escalate customer conversations to a live chat agent, if needed, while maintaining the context of the conversation within the same engagement window. Customers converse with Nina through voice or text, and Nina delivers instant, accurate, and successful outcomes in a natural, human-like way. For more information please visit www.nuance.com/nina.



About Nuance Communications, Inc.

[Nuance Communications](http://www.nuance.com) (Nuance) is a technology pioneer with market leadership in conversational AI and ambient intelligence. A full-service partner trusted by 77 percent of U.S. hospitals and 85 percent of the Fortune 100 companies worldwide, Nuance creates intuitive solutions that amplify people's ability to help others.