

**Oregon Central Business Registry Project
NASCIO Awards Nomination**

**Oregon Central Business Registry,
Government working with Business to
Improve Services**

Digital Government: Government to Business

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<https://secure.sos.state.or.us/ABNWeb>

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Executive Summary

To start a business in Oregon, a business owner may be required to file with many different state agencies. The business owner may also have to file with the Federal Internal Revenue Service and the local municipality where their business is located. Each of these government agencies have separate requirements and forms that must be completed and processed. Errors in completing forms can inadvertently put a business out of compliance, creating penalties, fines or other sanctions; add delays to the process; and create additional “re-work” for businesses and agencies.

The vision for the Central Business Registry system (CBR) is to simplify the process of creating, managing, and distributing business registration related information by providing a ‘one stop’ system for businesses to file and maintain licenses, permits and registrations with multiple state, federal and local government agencies.

Through CBR the State of Oregon will be able to improve customer service by offering a consolidated electronic alternative to the time consuming paper driven processes in an efficient and cost effective manner.

Objectives

The overall objectives for CBR are to:

- Build a single business registration interface to improve delivery of state business services.
- Create a customer account management service.
- Improve the accuracy of the data collected.
- Improve the ease of business registration.
- Reduce process time for business registration.
- Streamline the information gathering process across partnering agencies.
- Sustain high-levels of customer satisfaction.
- Identify opportunities for agency business process improvements.
- Provide a solution that is cost effective for the partnering agencies.

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Description

To start a business in Oregon, a business owner may be required to file with multiple state and local agencies. The business owner may also have to file with the Federal Internal Revenue Service. Each of these government agencies have separate requirements and forms that must be completed and processed as well as separate procedures and systems for processing the collected information. Errors in completing forms can inadvertently put a business out of compliance with state law, creating penalties, fines or other sanctions; add delays to the process; and create additional work for businesses and agencies. The initial scope of this project included the Oregon Secretary of State, Corporation Division (SOS), Oregon Department of Revenue (DOR), and the Oregon Employment Department (OED).

Providing a streamlined approach for businesses in the State of Oregon to do business with state agencies has been a goal of the state since the 1989 Legislative Session as well as an Oregon Governor's Executive Order since February 2003. On the average, there are 5,300 new business filings each month with the SOS and 1,800 filings each month with DOR and OED.

There were multiple obstacles to resolve in order to enable registering with SOS, DOR and OED through a single access point. One was the centralized location of government offices (Salem, Oregon) and the decentralized nature of business needing to register (the entire state of Oregon). Business registrants could either drive to Salem to file their registrations or they could manually complete the necessary forms and deliver them to the appropriate agencies by sending their registrations through the mail. Once the forms were delivered, there was no way for a registrant to track the progress of their registration. All communication was done by phone or through the mail. If there was an error on a form, delays in registering would occur as the registration would need to be mailed back to the customer for correction and then returned for filing.

The implementation of CBR provided people wishing to register with SOS, DOR and OED, a single point of access to register with multiple state agencies. Filings are done in real time and once a registration is submitted, a customer can track the status of their application as it is processed. Since the registration is filled out online, error checks are in place so most errors that caused delays in the paper process are caught and corrected by the customer prior to submission. When an error is identified after submission, notifications are sent by email directly to the customer. This provides the opportunity for the customer to correct their registrations online and resubmit them, usually within the same day. SOS saves approximately 400 hours a month and DOR saves approximately 135 hours a month in processing time using CBR. This is due to the increased accuracy of the filings and not having to manually key in the information from paper registrations. This savings in time translates to improved services to our business customers and cost savings to the agencies involved.

The CBR Project was initially chartered in 2004 and supports the Oregon Governor's Executive Order to streamline processes in Oregon State Government to make it easier

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to do business in the state of Oregon. The initial pilot project, (Phase 1), provided business customers the ability to register Assumed Business Name filings online with the Secretary of State. Phase 1 was implemented in January of 2007.

The next phase of the project (Phase 2) was chartered in April 2007. Phase 2 included the application of lessons learned from the initial pilot project as well as the inclusion of additional business registration types and the ability for business registrants to register with multiple state agencies (SOS, DOR and OED). The main portion of Phase 2 was implemented in February of 2008.

CBR requires a customer to create a secure online account. When customers access their account within the secured environment, they are able to register their business with SOS, sign up for tax withholding with DOR, and sign up for unemployment insurance with OED. In addition, customers are able to use their accounts to check the status of their registrations.

There were unique challenges faced in running, managing and developing a project involving multiple state agencies. Each agency's internal cultural, business and development practices were not well aligned with the other agencies. Terminology, business concepts, data elements, security and confidentiality practices used by each agency were widely divergent. Concerns arose early on regarding the ability of each agency to legally share information with other agencies. To resolve this concern, Legislation was proposed and enacted to allow sharing of five key data elements across agency boundaries. A number of inter-agency agreements and enforcement of disclosure law across agency boundaries were also implemented.

The creation of a steering committee consisting of one technical executive manager and one business leader or executive from each agency also contributed to the success of this project. Each agency or major agency business division was given one vote at the steering committee. One vote per agency was perceived as a successful strategy.

Technology and security standards were developed by a committee composed of technology experts from each agency. The technology committee reported to the project team. The project team consisted of one project manager from each agency that was responsible for the project needs of their agency and one enterprise project manager responsible for the overall goals of the project. The project team reported directly to the steering committee. The efforts to coordinate technical and security standards across agencies had the benefit of providing clarification within each agency around exactly which technology and security standards should be implemented.

CBR supports the efforts of the following state agencies and departments:

- **The Office of Regulatory Streamlining** - established in 2003 at the Department of Consumer and Business Services to facilitate state government's effort to simplify business regulations. The office provides ongoing research to identify opportunities for regulatory streamlining and serves as a clearinghouse for

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agency streamlining efforts. They spotlight regulatory streamlining successes and offer best practices, facilitation, process-improvement support, and resource referrals.

- **The Oregon Department of Revenue (DOR)** - responsible for administering the state's withholding tax program. Employers residing in or doing business in Oregon must withhold tax from all wages paid to employees who are residents of Oregon, even for services performed and wages earned outside of Oregon. Employers must also withhold tax from all wages earned by nonresident employees for services performed in Oregon. DOR obtains information through CBR for the Combined Employer Registration Form to gather the required employer information.
- **The Oregon Employment Department (OED)** – responsible for collecting the wage data and employer contributions used to determine eligibility and pay unemployment insurance benefits to workers. OED, along with DOR, uses the Combined Employer Registration Form through CBR to gather their required information.
- **The Oregon Secretary of State, Corporation Division (SOS)** – All businesses wishing to do business in the state of Oregon must register with SOS if they are not using their own legal ‘real and true’ name in the title of the business or if they wish to become an Oregon Corporation, Limited Liability Company or other legal business entity. SOS hosts the CBR system and has taken the lead role in developing, and maintaining CBR to provide one process for registering with SOS, DOR, and OED.

Significance

In February 2003 the Governor of Oregon, Ted Kulongoski, issued an executive order to all state agencies to review their business regulations, establish plans to streamline them, and identify ways to improve service to businesses. Executive Order 03-01 requires state agencies to review their regulation of business activities and their regulatory processes to reduce the burden of regulation on business without compromising Oregon’s standards and protections.

The CBR application directly addresses this executive order. However, the project faced a large hurdle in providing the ability to send and receive, create and edit information across multiple state agencies. Each agency is unique in their business processes and technology platforms. Also, each agency’s data needs are different. SOS requires information necessary to register businesses within the state of Oregon. DOR needs information for revenue generating purposes and requires additional information not required by SOS. OED requires information from the registrant to address unemployment insurance needs and to track the types of businesses registering with the state for census and state budgeting purposes. In addition, each agency’s business needs for information and technical architecture are unique to that agency.

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To address these differences the CBR Project incorporated the use of web services to send and receive information between agencies. Where similar efforts in the past attempted to standardize technologies and the use of data across agencies, the use of web services allows each independent agency to maintain their own existing systems and processes. Web services provides each agency the ability to send and receive only the data necessary to process their transactions while supporting the business and data needs of other agencies. The use of CBR provides another entry point of registration for each agency while allowing each agency to leverage existing systems.

The CBR project incorporated the use of a modified agile approach in delivering CBR functionality. This approach allowed for frequent releases where each release added new functionality or enhancements. In addition, this approach delivered value early on in the project which aided in the success of CBR, allowing the initial implementation to provide a foundation which was built upon in future releases. This continual release of new and needed functionality increased the support and recognition for the project as value was consistently provided to and acknowledged by the partnering agencies.

Benefit of the Project

CBR currently allows a business wishing to register in the state of Oregon a single point of access to register with SOS, DOR, and OED 24x7, 365 days a year, securely, from any location, through the use of the internet. In the past, individuals were required to register through the mail or by going to the offices of each agency. By providing these services in an integrated, electronic manner, the registration process for businesses has become more streamlined, accurate, and efficient, reducing the time to register a business from weeks for some agencies to hours or even minutes.

Because CBR takes advantage of web services and data encryption to transfer information across agencies, each partnering agency is able to receive information accurately, quickly, and securely while continuing to use their existing technology platforms and business processes, thereby avoiding unnecessary costs of standardizing technology platforms and changing business processes.

There are many benefits being provided to Oregon business registrants and the agencies participating in CBR. Benefits include but are not limited to:

- Increased accuracy of the information submitted. CBR includes error checking and online help features that assist business registrants in providing the information necessary to register their businesses accurately the first time, avoiding time lost in returning documents for corrections.
- Increased speed in the registration process between state agencies, cutting the time down from days or weeks to hours or even minutes. Increased availability – services available online 24x7, 365 days a year with context sensitive help to assist customers in the registration process.
- A secure process to register and make payments.

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- Seamless process for the customer – one stop process. No longer required to work with multiple agency forms to register.
- Improved process to complete registrations. Electronic registrations can be processed by agencies much more quickly and accurately than the old paper process.

SOS on average processes 5,348 business registrations a month. Following the traditional paper process for registering a business, division staff average approximately 10 minutes for each registration. Each business registration submitted online averages around 1 minute for processing. Currently, online registrations for SOS account for over 50% of registrations, representing an average savings of 400 hours a month in employee time. DOR averages 1,300 registrations a month. The traditional paper process required 5 to 6 minutes to process while processing online registrations averages a little over 1 minute. Currently over 25% of all registrations for Oregon Department of Revenue are occurring online. Between the improvements in processing and the automation of many of the back end processes (e.g. transcribing of registration data, data validation, error corrections including customer contacts for corrections) DOR is averaging savings in employee time of approximately 135 hours a month.

Several factors were taken into account in measuring the success of this project.

For the Application:

- Degree of adoption. With limited advertising, the public has quickly adopted the use of this online service. Currently, 58% of all business registrations in the State of Oregon are completed online.
- Increased accuracy of registrations. By having the registration process completed online, the use of automated error checking and online contextual help helps to avoid unnecessary errors in the registration process.
- A customer survey, available for the customer to complete at the time of registration, shows consistently high ratings of satisfaction and acceptance of the process.

For the Project:

- The ability to quickly obtain critical but vital legislation;
- Strong executive management support and sponsorship for all participants;
- Steering committee commitment with involvement in crucial roles by the necessary people;
- Strong common vision, scope and methodology;
- Strong project discipline without rigidity;
- Sole executive sponsorship;
- A small but empowered number of participants from each agency. Each agency participant must be empowered to make binding decisions on behalf of their respective agency.