

Michigan Business One Stop

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B. Executive Summary: Enterprise IT Management – Michigan Business One-Stop

Prior to 2009, online services for business fulfillment activities were spread across a myriad of websites and applications hosted and maintained at the agency level. State leaders recognized we were wasting money on duplicate licensing, permitting and registration solutions across ten regulatory agencies. The business logic and rules were essentially the same, just different fees and license types. Michigan decided to drive to a common consolidated business platform and process to save money and reduce business anxiety. Michigan's solution was a one-stop business portal designed to address these needs. The scope of this project required a mature project management strategy with authority to drive decision making and reach quick consensus on consolidating business services on a common technology platform. This was a significant challenge as dozens of legacy applications were currently providing these services. Our goal was to better manage all technology assets directed at business services (people, hardware and software). This required uniform policies and technology solutions for dealing with business and an enterprise change management process to focus multiple entities towards a common outcome. This was a fundamental transformation of service delivery – One place for business fulfillment, not many.

To achieve this end state, Michigan has developed a single business hub that has direct interfaces into existing business solutions and provides a technology roadmap to integrate all subsequent business applications developed for state government into the next decade. With our vision defined, we embarked on a 24 month effort to develop a centralized portal with real-time connections to all supporting business systems. The tact involved stopping many “in-development” business solutions and re-directing resources towards a centralized solution. This approach was successful because we had a multi-agency governance and policy setting structure in place that help set priorities on what business projects were put on hold, what projects proceeded using our new infrastructure, and setting a strategic direction for what business applications would be developed in the next 36 months via regimented release planning as directed by a dedicated project management organization.

Launched in March 2009, (<http://www.michigan.gov/business>) the Michigan business portal provides a seamless “end-to-end” experience. This continuum begins with our rules based business wizard. Over 10,000 business rules spanning ten agencies have been built into a sophisticated decision tree to help business determine licensing needs. Next, businesses create a secured account that allows demographic information to be maintained. This same account can be used to determine the status of any state filing, renewal or business transaction via web services integration with existing business systems. The portal serves as the launching pad into dozens of online services specifically built for business. One uniform experience, single entry, single exit.

The Business One-Stop succeeds because it is a gubernatorial priority embedded in a broader government transformation effort, driven by a sound and comprehensive project management approach. This project management approach allows for an enterprise IT focus that places a premium on uniform policies, enterprise change management, project governance and transformation of service delivery.

C. Description.

In 2007, Michigan leaders received a final report conducted by A.T. Kearney, with funding from the Michigan Foundation Association that made recommendations for using technology to help transform the delivery of services to business. Online services for business fulfillment activities were spread across multiple websites and applications. Redundant IT solutions captured and maintained similar information and forced business to navigate through multiple solutions with no notion of sequence. No governance structure was in place that allowed state agencies to share solutions or identify dependencies. This disjointed IT and business management process was expensive, duplicative and incompatible with streamlined government. Fixing this broken service delivery model was underscored when Governor Jennifer Granholm announced the Michigan Business One Stop project in her 2008 state-of-the-state address. The vision is a single business facing portal where all business transactions are completed. Many states have shared this vision. What makes Michigan different is the magnitude of our enterprise approach: We have driven to uniform policies and technology assets that are in place and will govern how all business solutions are engineered for a generation. This approach was successful because we embraced a project management structure that had clear lines of authority to drive decisions and escalate issues to executive leadership.

The solution process involved two distinct steps: (1) Create enterprise change management teams to ensure uniform understanding of the project and remove barriers so our teams could engineer a common business solution with minimal distraction and (2) put in place a business service delivery channel that relies on shared hardware, software, integrated business rules, on-going governance and a predictable operational funding model that ensures the portal will be sustained even when administrations change or state agencies merge or consolidate. These efforts were directed by a project management office that reported directly to the Governor's Office.

Preliminary to building universal technology solutions, our biggest barrier was reining in all the state bureaucracies that had a role in business services and getting agreement on the scope of the problem and consensus on a solution. What made this challenging was the notion that business would no longer come to an agency website – they would come to a portal. This “loss of ownership” was a significant hurdle. Multiple agencies believed they had a “niche” business service that didn't belong in the enterprise portal and further required an agency specific IT solution. To overcome this resistance, it was necessary to develop an enterprise change management focus. Our change management strategy involved establishing groups with distinct focus and roles:

At the top of the pyramid is the Executive Steering Committee. This group (Governor's Office and cabinet level officials) established the long-term vision and secured funding support. This vision was given to the Policy Steering Committee whose role was to determine administrative rules and laws needing modification to centralize business fulfillment activities. This is key since low level resistance was based on anecdotal assertions that a specific agency was required by law to collect or issue business permissions. With the strategic vision having the force of certain policy behind it, the

bulk of the work was turned over to the Business Operations Committee (BOC). This senior level executive group gave direction to development teams and arbitrated on process ownership issues between agencies. The BOC set priorities and determined what agency specific projects needed to halt in deference to the One-Stop. This same group developed charge-back recommendations for distributing costs back to the agencies and approved spending plans. Our project management office (PMO) oversaw all deliverables for the project working closely with these teams. The PMO reported directly to the executive steering committee.

Integrated across all these groups was a communication and change management team whose core mission was explaining the vision and ensuring a consistent message was delivered to all stakeholders (state agencies, business, and legislature and business associations). A speaker's bureau was established to present to interested parties across the state. Monthly newsletters, list serves and quarterly stakeholders meetings were established to maintain project momentum. Our biggest message was "endure the short-term sacrifice; we are laying a foundation that will drive how all business services are delivered for the next generation".

The orchestration of our various teams and committees towards a common outcome was possible because we used a disciplined PMO to ensure critical timelines were met leading up to our March 2009 launch. Operational for 15 months, with quarterly enhancements included in a predictable release schedule, the Business One-Stop has in place common solution elements that all agencies must incorporate in any subsequent development:

- Centralized call center (7:00 a.m. - 9:00 p.m.) and customer relationship management (CRM) system. This tier one operation answers 70% of calls, with 30% being routed to an agency for more detailed response.
- Customer advisory team that ensures all subsequent solutions are integrated and dependencies (filing / permitting) sequences are identified and understood.
- Customer facing WIKI to solicit ideas for process improvements.
- Rules based wizard that maintains 10,000 unique rules in a decision tree that helps business understand requirements to establish, maintain or modify a business. As legislation or state policy decisions impacts business requirements our cross agency team re-engineers the wizard.
- Project management office and communications team that disseminates information on quarterly releases to all impacted agencies and ensures release timelines are met.
- Single sign-on including enterprise security.
- Centralized payment processing and shopping cart that can segregate revenues and route to collecting agency.
- Centralized profile that allows business to maintain demographic information and is the single source for business information accessed by other IT systems via web services.
- Universal online form application that agencies use as the cornerstone for any business forms development.

The project cost \$15 million for hardware, software, call center, contract programmers, contract business analysts and state staffs (50) detailed to the project for 18 months. Revenue came out of a state revolving fund, with chargeback to agencies over 5 years to keep the costs at a manageable level, absent dedicated funding. On-going annual operational support (\$700K) is appropriated.

D. Significance:

The breadth and scope of this business transformation project has never been attempted before in Michigan. The significance of securing upfront cooperation of numerous state agencies and more than 100 business owners, business associations and local governments is unprecedented. Planning, organizing and executing the re-engineering of business service delivery to the magnitude of Michigan's effort cannot be successful if attempted outside of an enterprise IT management approach. Our enterprise management approach has put in place uniform policy and operational efficiencies for providing business services. We have developed a technology foundation that will yield long-term efficiencies from our investment. Significant measures of improvement include:

Benefactor section

- Business deals with one front-end. One source for fulfillment and validation that filings are received. There is no more wasted time navigating a maze of business offerings on the Internet and the uncertainty of knowing if all filings are in order. Our secure self-service business profile "my-space" allows business to determine when approval (or denial) will be made.
- The use of object reference mark-up allows many forms to be pre-populated with business data drawn from the business profile.
- State agencies have a clear path for developing IT solutions for business. The common processes found in dozens of IT solutions pre One-Stop (payment, forms development, authentication, demographics, help desk) have been discarded and replaced with enterprise solutions.
- All stake holders (Government, business) now have a uniform and consistent understanding of all filing sequences, dependencies and relationships between regulatory processes with our rules based wizard. This shared understanding did not exist pre One-Stop.

Government improvement section

- Our singular business profile information helps state staffs save time by establishing all addresses associated with each business in one place. Address cleansing and verification of stored addresses reduces incorrect data.
- Business name validation is done centrally - ensuring that filings are correct and reducing intervention when business names are assumed by multiple entities.
- Disbursement of funds collected is routed to the appropriate receiving agency. This includes account verification and refund processing. This was a manual process prior to the One-Stop.
- Websites focused on singular business practices has been eliminated.

- The reliance on electronic forms significantly reduces mailroom and paper handling. Forms data is stored in a XML format allowing for easy parsing and transmission to legacy applications.
- The use of standard industry (NAIC) codes allows decision makers to look at information segregated by industry segment.

The One-Stop project is a macro test lab that can be studied by other states. The universal goals of consistent policy across functional government services (business) and development of enterprise technology to contain costs and reduce repetition can be realized. Our enterprise change management approach can provide strategies for states to leverage when undertaking similar ambitious projects that cut across agency borders. Finally, the current administration has put in place a clear path for how business services are delivered that can be built upon by future state leaders.

E. Benefit of the Project:

Michigan's enterprise approach enabled policy makers to set a strategic direction that governs how business services are developed and deployed for the next generation. The significance of this will be realized as Michigan continues to retire existing legacy business applications. Enterprise solutions to address complex cross-agency problems often provide the largest return on investment. This approach drives operational efficiencies and shared solutions across the enterprise. This approach is often difficult because parochial interests spend energy trying to derail progress. That is why disciplined project management and executive governance is mandatory in order to be successful. The One-Stop was built to provide a long-term return on our initial \$15 million investment. Benefits are being measured in multiple areas, including:

Reducing the cost of government operations

- The Business One-Stop leverages call center operations of our private sector partner, the Michigan Economic Development Corporation. 70% of calls are closed by experienced operators. Calls needing further information are sent to the responsible state agency for tier 2 support. This strategy has allowed help desk functions at the agency to be eliminated.
- The cost of retiring legacy applications is reduced by leveraging the enterprise resources within the business one-stop: website, rules engine wizard, role-based security, business account management, rapid forms development and a shopping cart for fee payment.

Improving government operations

- Our business wizard is a valuable tool for understanding the intersection of policy and business practice. The underlying rules engine is built using input from subject matter experts and stored in Oracle data tables that use branching logic based on user responses. This design allows administrators to quickly modify business logic based on legislative or statutory changes. This is the first time ever that agency business leads can analyze the effects policy / law changes across the entire business fulfillment cycle.

- Michigan has now adopted uniform policy for interacting with business. The difficulty of sharing business information across agencies has been resolved with the Michigan Attorney General providing uniform data sharing agreements.
- Staff time savings are realized using our single business validation process. This eliminates the need for agencies to perform business validation checks for any business related transactions.
- Manual notification and delivery channels used by state agencies (postal reminders) have been replaced electronic correspondence.
- Ongoing project sustainability is ensured by the continued oversight of our PMO. The PMO directs the activities of business development teams who work collaboratively with state agencies and the business community to identify enhancements that get prioritized and scheduled into quarterly releases.

Improving service to business

- Research time to determine legal structure and identify various permits, registrations and licenses needed for business has been significantly reduced by pulling all of this information together in our business wizard.
- Single face for government – the business portal integrates all business transactions into one place. The creation of a business profile allows business to maintain demographic information in one place – not multiple. The use of web services allows transaction status from different agencies to be communicated back to the business profile created by our customers.
- Customer assistance – Online help for navigating and applying for licenses and access to other support services through an extended call center.
- Business opinion counts - Input is encouraged and comments are collected by our business resource center. Businesses continue to participate in helping set the requirements and priority for subsequent releases.

The Michigan Business One-Stop project stands on it's own for our systematic adoption of enterprise IT management best practices. This enterprise focus allowed us to address several universal IT priorities quantified by NASCIO, including:

Budget – avoiding costs by standing up common technology solutions that must be shared (and adopted) by all agencies developing business solutions in the future.

Shared services – One business model for fulfillment, one infrastructure for the technology solution and a shared team of staff resources (SME + technology experts).

Security – data protection by having a single master data source, encrypted at rest.

Governance – cross agency team drives uniform policies and practices and hastens development time for future One-Stop releases.

Michigan's strategic adoption of enterprise planning and execution is the key reason the one-stop project has been successful. This approach was a key enabler for identifying where shared technology, shared policy, and shared processes could help drive down the cost of government and transform how we provide service to our business community, both near-term and long-term.