

Title of Nomination: Initial Business Registrations  
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**2003 NASCIO Awards: Enterprise Information Architecture  
State of Hawaii  
Department of Commerce and Consumer Affairs:  
Initial Business Registration**

In September of 2001 the Hawaii Department of Commerce and Consumer Affairs (DCCA), in partnership with eHawaiiGov, launched the Initial Business Registration application, which allows citizens and business to create new business entities electronically.

The system provides a fast and efficient means of filing 14 different types of initial documents for business registration in Hawaii. For the first time, entrepreneurs, foreign companies, newly formed businesses, and others wanting to do business in Hawaii can file the necessary official documents, pay the required fee, and receive a receipt of submittal via email from any location with an Internet connection. The system feeds the electronic document directly into the DCCA's Business Registration workflow system.

From launch through its first full year in 2002, the adoption rate reached 28.2% with 4800 initial business filings. As of May 8, 2003, 3119 initial business filings have been completed online, jumping the adoption rate to 69.3%.

At a time when the State of Hawaii wants to encourage business growth within the state, allowing individuals and businesses to complete their initial filings online makes sense. The system simplifies interaction with state government for citizens who may otherwise feel overwhelmed when confronted with the inevitable red tape of starting a business. The system also saves these citizens and businesses money and time, as they no longer have to mail in forms and wait for a response by mail, or travel to the agency in person to complete these transactions. To further promote adoption the Governor lowered the cost of Initial registrations for businesses that file online in April of 2003. Businesses that file using a credit card are now saving 25% and those using a subscription account are saving 50%. The fee reduction caused an immediate, dramatic increase in the number of online filings. The citizens are very happy with the Initial Business Filing application, as illustrated by the comment " *Thanks for the new online services. They evidence your progressive ideas and programs. It is a pleasure to do business with you!*" which was among the many positive comments sent using the application's feedback form.

In addition to being a great convenience to the businesses of the state, the system has also saved taxpayer dollars due to an increase in processing efficiency. Since launching in 2001, the system has saved the Department of Commerce and Consumer Affairs over 1,357 man-hours and greatly improved response time to the private sector.

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**Description**

Launched in September of 2001, the Initial Business Filings application gives citizens and businesses the ability to create new business entities electronically. Initial business filings such as domestic corporations and partnerships may be completed interactively and, once the user has completed the transaction with their credit card or subscription account, the system feeds the electronic document directly into the Department of Commerce and Consumer Affairs-Business Registration's workflow system. In 2001 the annual adoption rate was 1.3%, and in 2002 the adoption rate reached 28.2% with 4800 initial filings. As of May 8, 2003 3119 initial business filings had been completed online, an adoption rate of 69.3%.

**Significance**

Allowing citizens and businesses to file their initial business filings online has greatly expedited the flow of government processing. Since launching in 2001, the system has saved the Department of Commerce and Consumer Affairs over 1,357 man-hours and improved response time to the private sector.

**Benefits**

At a time when the State of Hawaii wants to encourage business growth within the state, allowing individuals and businesses to complete their initial filings online makes sense. The system simplifies interaction with State Government for citizens who may otherwise feel overwhelmed when confronted with the inevitable red tape of starting a business. On The system also saves these citizens and businesses money and time, as they no longer have to mail in forms and wait for a response by mail, or travel to the agency in person to complete these transactions. In April of 2003 the Governor lowered the cost of Initial registrations for businesses that file online. Businesses that file using a credit card are now saving 25% and those using a subscription account are saving 50%. The fee reduction caused an immediate, dramatic increase in the number of online filings. The citizens are very happy with the Initial Business Filing application, as illustrated by the comment " *Thanks for the new online services. They evidence your progressive ideas and programs. It is a pleasure to do business with you!*" which was sent using the application's feedback form on January 29, 2003.

**Return on Investment**

The online Initial Business Filing application has saved the State of Hawaii both time and money. Using a low estimate of \$10.00 an hour for staff time, the DCCA has saved over \$13,500 due the to the decrease in foot traffic into the DCCA, and the reduction in the amount of data the agency must input into the database themselves. The following chart further explains Hawaii's Return on Investment for the Initial Business Filings application.

Hawaii ROI Checklist	Description
<b>Operational Efficiency</b>	
Reduce Overall Program Costs	Reduced printing costs, postage costs, and related administrative overhead because paper forms no longer need to be mailed to the electronic filers.
Redirect Manpower to Other Areas	Electronic annual business filings have saved a conservative 1,357 man-hours of effort.
Achieve Policy Objectives	Allows the agency to more quickly deploy revised filings documents online as mandated by legislative changes. Also results in improved data quality.
Privatize a Govt. Responsibility	Developed and maintained at no cost by the private sector portal contractor
<b>Constituent Service</b>	
Add Constituent Value	Provides access to 14 different types of new business filings, online help, and instant payment of fees.
Lower Constituent Cost	The governor has implemented a 25% cost reduction for online filers, leading to a surge in adoption and even greater ROI to the state.
Greater Service Availability	Provides 24/7 worldwide access to anyone wishing to establish a business entity in Hawaii.
Constituent-Centricity	The application is designed for ease of use rather than compliance with governmental paper format.
Fewer Interactions with Staff	In 2003 69.3% of all new business entities formed in Hawaii were formed via this Internet application. This has dramatically reduced the number of interactions with agency staff.
<b>Political Return</b>	
Greater Participation via Easier Access	Can help stimulate the formation of Hawaii business entities by off-island investors.
Area Economic Impact	Has become a very significant new channel for business formation in Hawaii as evidenced by a 69.3% adoption rate.
Greater Public Transparency	
Greater Accountability/Better Data	
Improve Decisionmaking/ Policymaking	This application suite allows real-time analysis of business formation data for policymaking.
This checklist was adapted from material in "Creating a Case for a Government IT Project", by J. Kost and A. Di Maio, January 6, 2003, Gartner, Inc.	

**Link**

Live: <http://www.ehawaii.gov/initials/>