

DELAWARE'S **ONE STOP** BUSINESS REGISTRATION AND LICENSING EXECUTIVE SUMMARY



In February 2006, Delaware Governor Ruth Ann Minner announced the One-Stop business licensing initiative. One Stop allows new businesses to register online through a streamlined application process that eliminates the need to contact different state agencies, thereby saving time and money for businesses and state government.

“This new, e-government initiative greatly improves our service to businesses, while also reducing lines and cutting down on bureaucratic ‘red tape,’ ” Governor Minner said at a news conference. “This is just another example of how state agencies have been able to tear down departmental boundaries and work together for the good of Delawareans and Delaware businesses.”

The announcement was the culmination of an effort by four departments teaming up to support the Governor’s goals for more efficient and effective public sector management and leading edge e-government solutions to improve customer service, minimize delays, and remove bureaucratic barriers. The agencies involved in the One Stop development effort were: the Department of Finance, the Department of Labor, The Department of State and the Department of Technology and Information. (DTI)

At the outset, it was broadly known that the existing paper registration and licensing process was very cumbersome, lengthy, and confusing for business owners. This initiative greatly simplifies the process for businesses, by significantly reducing their effort and cycle time. It provides agencies the advantage of electronic data submission thereby easing their manual handling, data entry, and error handling processes.

One Stop allows a business to register and obtain one or more business licenses with the Department of Finance’s Division of Revenue, as well as to register as a Withholding Agent. A business can also register with the Department of Labor, Division of Unemployment and also the Office of Workers’ Compensation. In addition, the One Stop application provides the ability to connect to the Internal Revenue Service (IRS) to obtain a Federal Employer Identification Number (FEIN) and to connect to Delaware’s Division of Corporations. A business owner is able to complete one or all of these applications in One Stop. The application process enables the user to pay fees using a credit or debit card before printing a temporary business license that can be used until the permanent license is received.

Within the first year after launch One Stop utilization grew to over 30% of all new business registrations while enabling a 300% improvement in license processing time and a nearly 90% satisfaction rate among customers using the service

“This is a huge leap forward for Delaware’s small business community,” said Clinton Tymes, statewide director of the Delaware Small Business Development Center in Newark. “The Division of Revenue has made the process of registering and licensing a Delaware business much more efficient and friendly. Business owners can now take care of most of the business formation paperwork from their own offices.”

WRITTEN JUSTIFICATION DELAWARE'S ONE STOP BUSINESS REGISTRATION AND LICENSING

Prior to the launch of Delaware's One Stop business registration and licensing initiative, a person desiring to open a new business in Delaware would potentially have to visit three separate state agencies, as many as six divisions within these agencies, and then await the arrival of their business license in the mail; not to mention any other licensing requirements at the county or local levels. All of these state agencies required their own paper forms and the result was a process that was cumbersome, lengthy and confusing to the potential new business owner.

The One Stop team's guiding principal drew from Delaware Governor Minner's comments in one of her "State of the State" speeches. "The time is right for the State to fully incorporate the Internet into the way it conducts its daily business of providing service to its citizens."

The Delaware strategic plan for e-government emphasizes addressing opportunities that cut across-agencies. This effort begins the process of blurring the boundaries between agencies and departments. It demonstrates the ability of the State agencies to tear down old traditional departmental boundaries and work together as equal partners in a team for the benefit of Delaware's business owners and citizens.

How did the team obtain management support to implement action plans?

Due to the cross-departmental nature of the project, leadership was structured in a manner to maximize the effectiveness of the team. Although the Information Resource Manager from the Department of Finance, functioned as the team leader, managers from the Departments critical to the process (Finance, Labor, State, and Technology & Information) were essentially co-team leaders in the project which maximized the ability of the team to drive decision and actions with their respective departments.

The team was sensitive to the need to communicate both broadly and in appropriate depth to key stakeholders of the process. Team approaches used included:

- Aligning the project with Statewide Goals
- Establishing vision and team mission
- Developing, submitting, and communicating the business case for the Initiative
- Involving senior management project champions
- Involving customers
- Setting project goals, objectives and scope
- Presenting team methodology and findings
- Continuously communicating with all key management
- Defining team consensus processes
- Working collaboratively as a team across state agencies

Once effective team leadership and structure was in place, a formal methodology was designed to guide team actions and help ensure positive results.

At the outset, it was broadly known that the existing paper registration and licensing process was very cumbersome, lengthy, and confusing for business owners.

The following steps were carefully planned and designed to fully address all of the complex issues associated with the process:

- Executed vision and team mission
- Set process goals, objectives & scope
- Developed, submitted, and communicated business case
- Obtained input from external business customers

As part of the team effort and development process, the system was presented to external

What process was used to identify root causes and/or opportunities to improve?

How did the team identify potential solutions?

customers, listened to their suggestions for enhancements, and implemented their recommendations prior to launching the system.

- Benchmarked other e-Gov initiatives and states
- Analyzed and defined weaknesses in the old paper based system
- Reduced cycle time, defects, and agency work effort
- Made the process faster, easier, and more convenient for our business customers
- Selected solution path (requested, received and analyzed proposals from developers)
- Negotiated a fixed price agreement for the system development thereby reducing the project financial risk to the State
- Developed and defined detailed requirements
- Continuously communicated with key stakeholders
- Designed, tested, and implemented the process

What results were achieved?

The initial objectives that were distilled from the complex landscape encountered are as follows. It is notable that the team was careful not to overextend itself with initial scope setting. Not listed here, but included as a key goal is the concept of a “continuous improvement process” in which initial implementations are followed by measurement and successive cycles of improvement including extensions to other government licensing areas.

One Stop Project Objectives	Measure of Success	Figure
Create a recognizable “brand name.” Integrate with State web services.	Creation of “One Stop” phrase, logo, and web presence	
Make the registration process easier and less burdensome. Improve voluntary compliance with registration laws.	Utilization Rates for Unemployment Insurance Utilization Rates for Withholding Tax Utilization Rates for Licenses Customer Satisfaction	Figure 2 Figure 6 Figure 7 Figure 8
Reduce manual handling, data entry, & error handling to improve efficiency.	1 Stop vs. Paper Manual Handling	Figure 4
Reduce cycle time (benefiting external customers & internal operations).	Time to issue License	Figure 5
Provide a user friendly, easy to use e-government interface.	Customer Satisfaction	Figure 8
Provide helpful, customized instructions and prompts on registration requirements.	Customer Satisfaction	Figure 8

RESULTS Achieved

The “One Stop” team has positively impacted operating results and customer focused outcomes. This initiative greatly simplifies the process for business, reducing their effort and cycle time. It provides integration with other state web pages and allows the agencies the advantage of electronic data submission thereby easing their manual handling, data entry, and error detection. The attached charts detail specifically the benefits to both government and most importantly to our citizens.

According to the statewide Director of the Delaware Small Business Development Center, “This is a huge leap forward for Delaware’s small business community. It has made the process of registering and licensing a Delaware business much more efficient and friendly”.

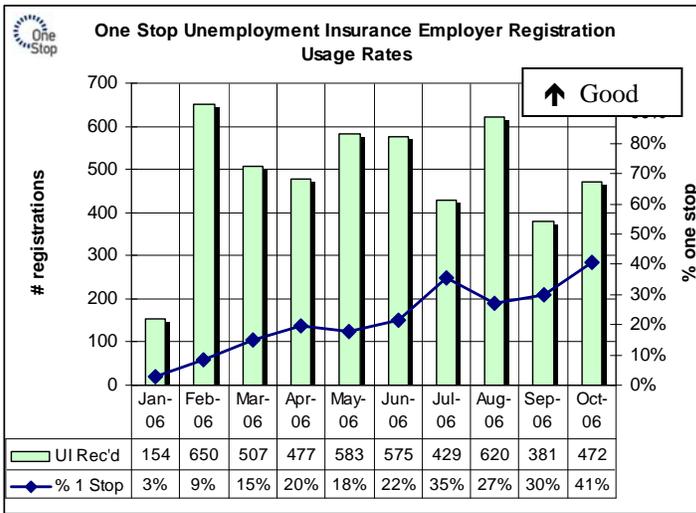


Figure 2
 The One Stop Business Registration and Licensing System enables the Division of Unemployment Insurance and the Office of Workers' Compensation to better serve our customers due to the quality of the data being submitted. The Department of Labor philosophy is customer service through customer service options and this system provides our customers yet another means to access our services. This slide shows that the rate of One Stop usage continues to grow independent of the normal cyclical variation in the number of applications received.

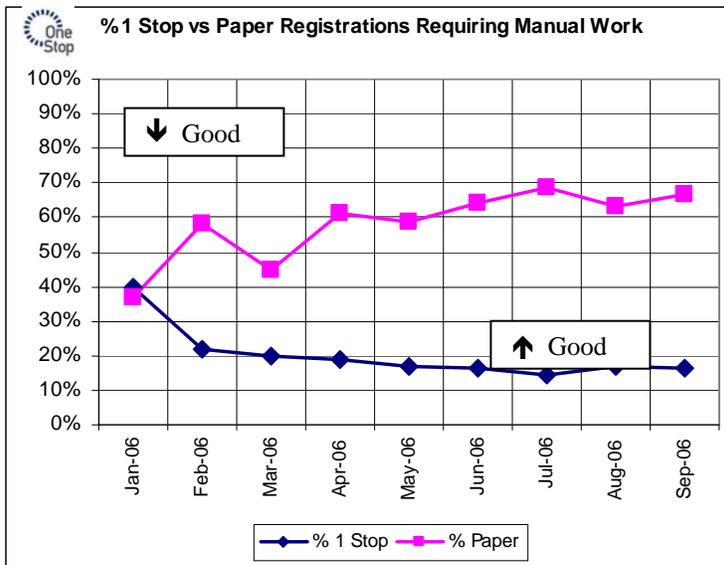


Figure 4
 The One Stop Business Registration and Licensing System enables the Division of Revenue to substantially reduce the cost to process a license application. In a paper based system almost **65%** of all applications require manual intervention after the data entry process.
 The data from **One Stop** is fully integrated with the Division's Revenue Accounting System, Business Master File and Correspondence systems. Processing efficiency is greatly improved as less than **20%** of **One Stop** applications require manual intervention. Future enhancements are expected to reduce **One Stop** manual work to nearly zero percent.

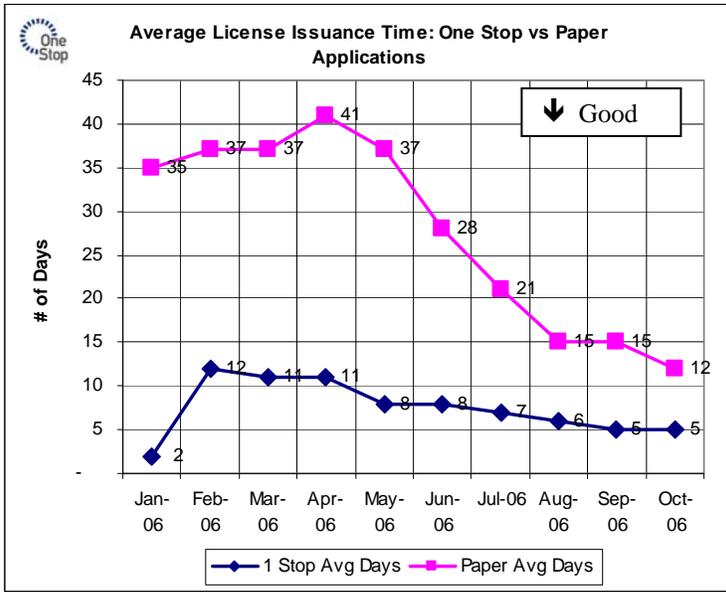


Figure 5

The One Stop Business Registration and Licensing System enables the Division of Revenue to dramatically reduce the number of days to issue a permanent business license. While using **One Stop** our customers can obtain a temporary business license immediately and receive their permanent license within **7** days. In addition, One Stop customers are not affected by the various cyclical factors that can affect paper application processing times.

Paper based customers must wait an average of **29** days to receive their permanent license. Customers who use the paper based system cannot obtain a temporary license except by applying in person at one of our offices.

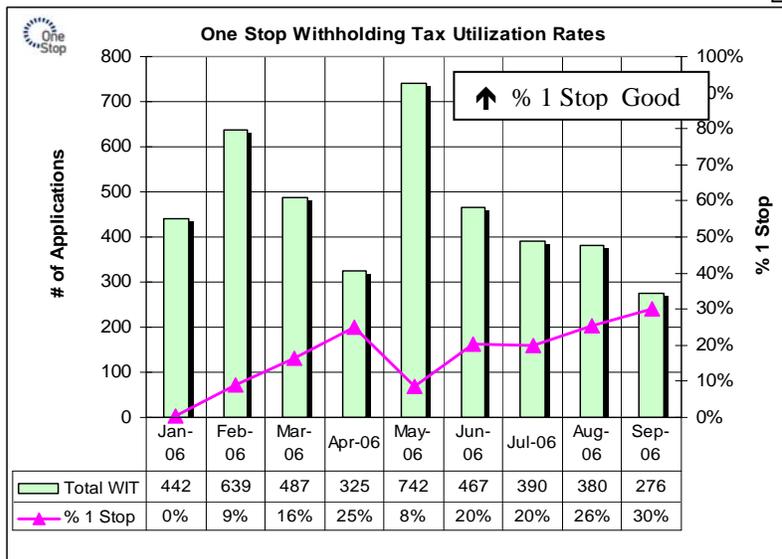


Figure 6

In addition to registering and applying for a State Business License, those customers who have employees may register as a withholding agent with the Division of Revenue. Prior to **One Stop** a technician had to create the withholding account in addition to the license record. One Stop now handles that process automatically. The Division of Revenue receives approximately 5,500 new withholding applications annually. The percentage of customers who are using **One Stop** Business Registration and Licensing System has grown from **9%** during the first full month of operation to **30%** in September 2006.

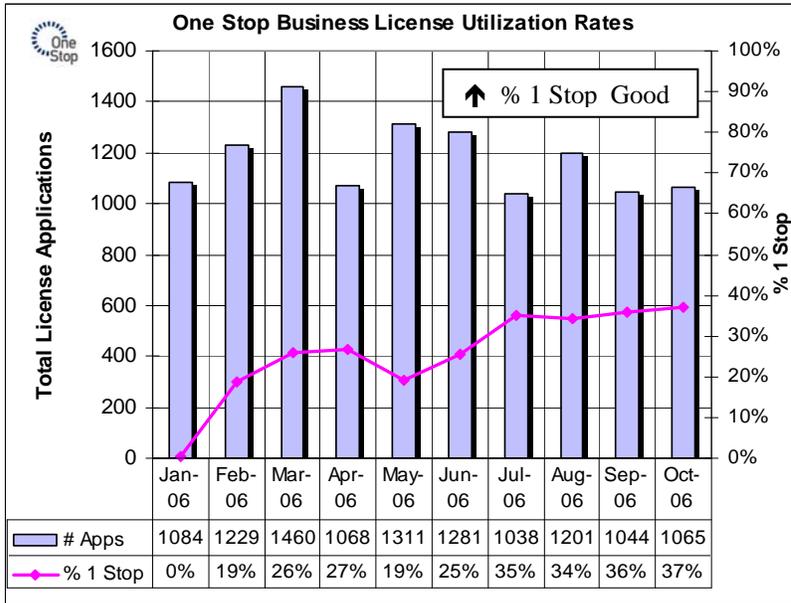


Figure 7

The Division of Revenue receives approximately 12,000 new license applications annually. The percentage of customers who are using **One Stop** Business Registration and Licensing System has grown from **19%** during the first full month of operation to **37%** in October 2006.

In addition to registering, the license application process requires the payment of a license fee. This fee can be conveniently paid at **One Stop** by the use of a credit card.

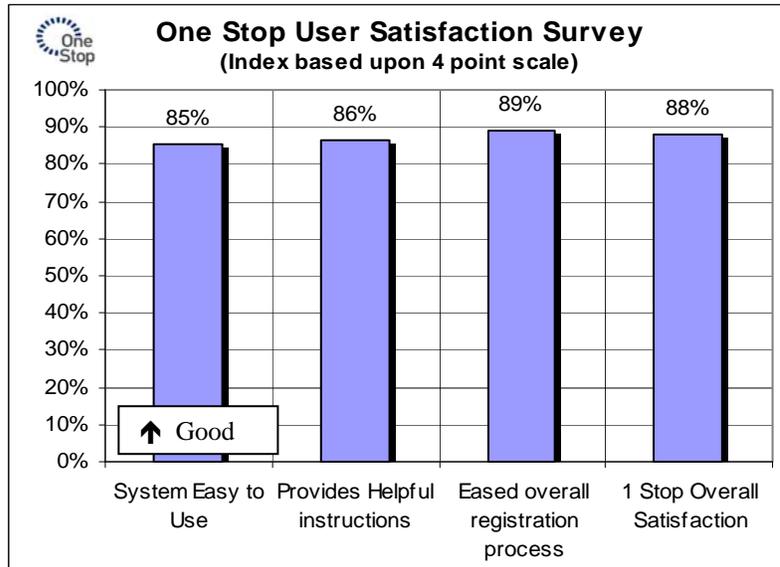


Figure 8

The Division of Revenue implemented the survey in August 2006 to track satisfaction levels with the application process measuring four key areas. (This chart expresses the four point ratings scale as a percentage or index). All four areas meet or exceed a satisfaction level of 85%.