# ON THE SPOT RENEWAL SYSTEM

## EXECUTIVE SUMMARY

Utah's On the Spot Renewal (OTS) (http://onthespot.utah.gov/) is an online application used by vehicle inspection stations to renew vehicle registrations at the point of sale and issue a decal immediately. OTS is currently available for cars and trucks, but very soon will also be available for watercraft and off road vehicles. In addition to being a value added service that drive business to participating stations, increasing their revenue, OTS is also the most convenient , streamlined way for citizens to renew their vehicle registrations.

Prior to OTS, citizens had to take a vehicle to a certified emissions/safety inspection station for testing, then, using the emission and safety inspection certificate issued by the station, renew their registration, either online, in person, or through the mail. Now, everything can be completed at one location, on the spot. In addition, because the Division of Motor Vehicles (DMV) issues decals directly to participating stations, station personnel can affix a new decal to the citizen's vehicle once the online process is complete. The citizen leaves with a fully renewed vehicle.

The State of Utah launched On the Spot Renewal as a pilot program in May 2005 and fully released the application in September 2005. Since May 2005, OTS has processed over 200,000 transactions. In the early months of the program, OTS processed anywhere from 1,000 to 3,000 transactions a month, with the number climbing higher every month. In March 2006, OTS processed almost 9,000 transactions, an increase of nearly 30% over the previous month. Additionally, DMV saw a 200% increase in month-to-month comparisons from 2005 to 2006. In March 2007, OTS processed 15,000 transactions, the highest monthly total ever. Currently, 148 stations participate in OTS, meaning that relatively few stations are handling this large number of transactions. These numbers indicate not only the rapid growth of On the Spot, but also the enormous potential of the program. With 2,000 stations in the state, OTS has the potential to positively impact 2,000 small businesses and over 1.5 million citizens every year.

## DESCRIPTION OF PROJECT

### Descriptions of the Business Problem

The typical vehicle registration renewal process requires that citizens take their vehicle to a certified emissions/safety inspection station for testing and then, using the emission and safety inspection certificate issued by the station, renew their registration, either online, in person at the Division of Motor Vehicles (DMV), or through the mail. A more efficient method needed to be explored.

### Purpose and Objectives

The On the Spot Renewal (OTS) program streamlines Utah's vehicle registration process for the citizen. The mission of the On the Spot service is to offer the most convenient and reliable method for renewing a vehicle registration to citizens, while providing stations with the ability to add value to their customers' experience.

### Solution Description

With OTS all of the steps can be completed in one place, on the spot. Citizens can take their vehicles to participating stations that not only perform the necessary tests for registration renewal, but can actually perform the DMV renewal instantly. Furthermore, because the DMV issues decals directly to participating stations, station personnel can affix a new decal to the citizen's vehicle once the online process is complete. Thus, the citizen leaves the station with a fully renewed vehicle: all tests have been done, the DMV has received the necessary renewal information and payment via the Internet, and the vehicle license plate has a new decal, indicating that its registration is current.

OTS was launched in September 2005. To implement OTS, four important steps had to be completed. First, a system to issue renewals had to be created. OTS was built upon the existing technology behind Utah's online vehicle registration renewal application. This Web based point-of-sale tool allowed inspection stations to complete a registration renewal, take online payment, and issue sequential decals and official receipts.

The second step was that inspection stations had to be willing to use the service and offer it to the citizens. High volume stations received individual phone calls and were invited to sign up and attend training sessions. Smaller stations outside of the Salt Lake Valley received letters inviting them to attend a road show, where DMV staff explained how the system worked and how to get signed up. Ongoing marketing efforts continue to entice more stations to join. The Web site (http://onthespot.utah.gov) is used as a referral point for all stations to learn more and get the required documents to join the program.

The third step involved the training of the inspection station technicians. During the pilot phase of the program, the DMV conducted in-person training sessions. However, once the program was fully launch, training and certification testing was done online at http://onthespot.utah.gov. An inspection station employee must pass the online certification examination or they are not allowed to complete registration renewals.

The fourth and perhaps most important step was to encourage customers to use the service. Stations are allowed to set their own convenience fee for offering the service, allowing them to price the additional service competitively, and providing an incentive for them to pursue new customers. The On the Spot Web site (http://onthespot.utah.gov) also provides the stations with many marketing tips and materials, as well as appropriate logos.

## Length of Time in Operation

The State of Utah launched On the Spot Renewal as a pilot program in May 2005 and fully released the application in September 2005. Since May 2005, OTS has processed over 200,000 transactions. In the early months of the program, OTS processed anywhere from 1,000 to 3,000 transactions a month, with the number climbing continuously higher. In March 2006, OTS processed almost 9,000 transactions, an increase of nearly 30% over the previous month. Additionally, DMV saw a 200% increase in month-to-month comparisons from 2005 to 2006. In March 2007, OTS processed 15,000 transactions, the highest monthly total ever. Currently, 148 stations participate, meaning that relatively few stations are handling this large number of transactions. These numbers indicate not only the rapid growth of On the Spot, but also its enormous potential, where it can positively affect 2,000 small businesses and over 1.5 million citizens every year.

## SIGNIFICANCE TO IMPROVED GOVERNMENT OPERATION

### Operational Maturity

The DMV is pleased with OTS's strong success. We expected that transactions would peak at 10,000 per month; however, just into the second year, we have already surpassed that goal, processing an average of 13,000 transactions per month. Moreover, OTS stations assist the DMV in completing DMV work; such assistance makes it possible for the DMV to keep line-wait times manageable without having to build more branches or hire more staff.

Since its launch, the On the Spot program has processed over 160,000 transactions, with 150 stations participating, and the numbers continue to grow each month. The DMV has seen a 200% transaction increase in month-to-month comparisons from 2005 to 2006.

## Predictable Results

Citizens have been extremely happy with the service and the DMV has had an overwhelmingly enthusiastic response. We expected that about 20% of citizens, when offered the service, would choose it. However, for stations that offer the service to every customer, our best numbers indicate that approximately 50% of citizens select the On the Spot option.

## Cost Effective Development

Initially, the DMV hoped that involving inspection stations in the renewal process would lighten the DMV's administrative load, and this has turned out to be the case. According to data from Salt Lake County, of the busiest 25 stations, 24, or 96%, are OTS stations. Of the busiest 50 stations in the county, 42, or 84%, are OTS stations. What these statistics mean is that the DMV is achieving productivity without bearing too much administrative burden. The highest volume inspection stations in Salt Lake County are doing the work of the DMV.

## Reliability and Timeliness

The DMV did fear that inspection stations would not be able to issue decals as efficiently as the DMV; however, statistics indicate that the inspection stations have made very few mistakes. The DMV has not had to train personnel to oversee the inspection stations. Specifically, the rate of error by inspection stations was 0.1% in 2006. A total of 73 OTS stations, or 52% of the total number of participant, committed no errors in 2006. In addition, an online training and certification program was created to alleviate a need for ongoing training personnel.

# PUBLIC VALUE OF THE PROJECT

## Stakeholder Participation

The DMV has taken a methodical approach to roll out this service, focusing on stations with the highest impact.  As mentioned above, stations have been enthusiastic in their implementation of the On the Spot service, prominently displaying the OTS logo.

## Public Policy Benefits

On the Spot is one of a growing number of services where the state has partnered with business to deliver service to citizens.  It provides makes it easier for citizens to do business with government and reduces overall cost of government.

## State and Agency Benefits

Because DMV has had a reputation for long lines and slow service, recent management has worked very hard to find solutions that address this perception and create a good experience for the citizen. On the Spot has helped DMV address the needs of a growing population without any increase in physical facilities. Lines are now shorter in the offices. Citizens are able to get their tags immediately. The DMV is able to support its clients without increasing budget.

## REALIZED RETURN ON INVESTMENT

### Adoption

See above

### Savings and Cost Avoidance

Much of the cost of OTS falls on the stations; however, they are compensated for this cost by charging a minimal additional fee for the service. In fact, management at participating inspection stations across the state say that On the Spot has greatly increased their income and it is fast and easy to implement. Many customers choose a station specifically because it offers the On the Spot program, and the costs of implementing OTS can easily be made up in the first month of use; after that it's an easy source of added revenue.

### Return on Investment

Because On the Spot Renewal is an extension of an existing service (Utah's online, citizen-facing Renewal Express), start-up costs were negligible. The State of Utah pays no annual operational costs for On the Spot because Utah Interactive, the State's private partner, absorbs the ongoing costs of the system in exchange for charging participating stations a $1.00 transaction fee. Moreover, the expenses saved by having the stations do the work of the DMV further covers the operational costs of the system.

### Continuing Operational Benefits

OTS has averaged 13,200 transactions per month. By performing these transactions, private businesses were able to increase their revenue, alleviate some of the pressure on DMV stations, and offer citizens a fast and easy new service. In addition, when factoring in both labor and brick and mortar costs, OTS is the least expensive renewal option for citizens, according to DMV data. The statistics indicate the DMV is increasing productivity with little administrative burden, and stations are gladly assisting the DMV in its mission.