

The Vermont Business Portal

December 15, 2018

Published:

December 15, 2018

Prepared by:

*James Condos, Secretary of
State, Vermont Secretary of
State's Office*

*Michael Schirling, Secretary,
Vermont Agency of Commerce
and Community Development*

*John Quinn, Secretary, Vermont
Agency of Digital Services*

A report on the design, development, and implementation of an enterprise solution that simplifies business interactions with the State of Vermont.

TABLE OF CONTENTS

Executive Summary	3
The Charge.....	3
The Goal	3
The Problem.....	3
The Solution.....	4
The Current State	6
Current Business Portal Overview	9
Other State Implementations	10
The Future Vermont Business Portal	11
Project Implementation.....	12
Roadmap – Traditional Procurement.....	13
Governance Structure	14
Steering Committee	14
Data Governance Task Force	14
Solution Architecture Task Force	14
Vermont Business Portal Project Implementation Team	14
System Cost Estimates	15
Phase 1 Implementation IT Personnel Cost Estimates	15
Conclusion.....	16

EXECUTIVE SUMMARY

The Charge

Pursuant to § 85 of Act 196, *An act relating to simplifying government for small businesses:*

“A steering committee composed of the Secretary of State, the Secretary of Commerce and Community Development, and the Secretary of Digital Services shall review and consider the necessary procedural and substantive steps to enhance the Secretary of State’s one-stop business portal for businesses, entrepreneurs, and citizens to provide information about starting and operating a business in Vermont; and

Submit a design proposal that includes a project scope, timeline, roadmap, cost projections, and any statutory or regulatory changes needed to implement the proposal.”

The Goal

To simplify the business registration process in Vermont by executing the design, development, and implementation of an enterprise solution that will align many disparate government functions within a single-session environment. The Vermont Business Portal (‘Portal’) will deliver a single point-of-entry for Vermont businesses to interact with the State across multiple agencies and departments. The Portal will provide an easy-to-use, customer-focused interface that will establish a unified system for registering and operating a business across state government. The Portal will enable a business owner to fill out registration forms that pre-populate data across agencies, lead customers through requirements, make one payment to the state, and access customer service when they need it.

The Portal will streamline processes and provide a clearer, more efficient experience for the business. Subsequent projects would onboard additional agencies responsible for licensing, permitting, registrations, and other filing requirements.

The Problem

Registering and operating a business can be a long and cumbersome process involving multiple agencies, laws, forms, requirements and other necessary (but sometimes frustrating) red tape. Business owners have stated this process is often too complex and takes too much time. Vermont business owners have expressed deep frustrations with the current process. They want to be compliant, but often don’t understand what is required of them, spend too much time filling out forms, and do not know how long decisions will take from the State.

State Employees need to have efficient processes and the necessary tools to provide responsive customer service to the business community. Agencies do not have the ability to efficiently gain access to another agency's information or data. For example: Agency A may visit a business on Monday, and Agency B may visit the same business on Tuesday. Neither agency knew about each other's visit, the topic of discussion, or the outcome. This is inefficient, ineffective, and costly for both the business and the State

Over the course of many years, Vermont state agencies and departments have adopted technology solutions at different rates, primarily due to when and how they were able to secure funding. This has resulted in technology systems designed specifically for each agency's requirements to meet their business needs, not necessarily the needs of the entire enterprise. As a result, the current process for interacting with the State to register and operate a business is confusing, hard to navigate, and frustrating. This also creates isolated systems of record with challenging integration complexities and inefficient customer service.

The Solution

The Vermont Business Portal Steering Committee ('Steering Committee') recommends implementation of a modular Portal simplifying: business registration; payments to the State; report filing; and providing clear navigation for other state business regulations and requirements. The one-stop Portal will support increased economic growth by improving customer service, increase state employee efficiency, and maintain state security standards across the Portal and agency applications and forms.

The Business Portal Steering Committee also recommends the creation of a Vermont Business Resource Working Group that includes representation from each agency that works with businesses in and out of Vermont. This working group will be responsible for developing and implementing a plan that focuses on process improvement (or creation) for providing state services to businesses in and out of the State of Vermont.

One project for the working group will be to develop and implement a plan to create a one-stop website that combines all resources for starting and operating a business in Vermont. The business resource site will work in tandem with the Vermont Business Portal but will be treated as a separate project.

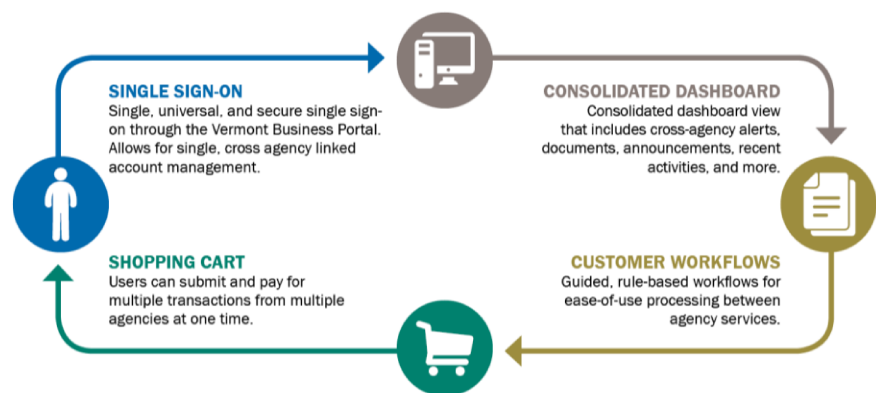
These recommendations focus on adopting new technology and changing the State's perceived relationship with businesses. Strong leadership is necessary to accomplish this shift in approach, along with a robust governance structure and the willingness to invest in the resources necessary to move such far-reaching and impactful projects forward. Because of the size and potential scope, the Steering Committee recommends multiple projects that are scalable and agile with the ability to achieve some "quick wins" and build upon those successes in the coming months and years. The Steering

Committee will approach the procurement of the technology solution, using two methods in parallel: the traditional RFP and a reverse pitch approach.

The Steering Committee recommends the following with respect to the scope, timeline, roadmap and costs of a newly envisioned one-stop Business Portal:

SCOPE: PROJECT 1

Design, develop, and implement an enterprise solution that simplifies business interactions with the State of Vermont. Each subsequent project will onboard additional agencies and departments.



TIMELINE

Complete Project 1 of system implementation by the middle of calendar year 2020.

ROADMAP

Develop multiple agile projects that prioritizes and onboards agencies and departments over the course of months and years. ([Roadmap graphic](#))

PROJECT 1 COST ESTIMATES

General Requirements Description	Cost
System Development	\$1,200,000–\$7,000,000
Project Management Services	\$600,000–\$800,000
Hosting	\$10,000–\$15,000 / Month
Licensing	\$250,000–\$750,000 / Annually
Maintenance (includes SLA's)	\$250,000–\$500,000 Annually
Summary	\$2,310,000–\$9,065,000

THE CURRENT STATE

The Vermont Business Portal project team interviewed businesses, partner organizations, and state agencies to better understand the struggles of starting, maintaining, and expanding a business in Vermont. From those conversations, the importance of our agency partners working together to build a streamlined, efficient, and comprehensive system has become increasingly clear.

Current Perception for Starting or Operating a Business in Vermont



Although our agency partners are focused on how best to serve the public, the business community perception of state government is that the current processes are not customer focused and provide a disconnected experience that is confusing, inefficient, and expensive to comply with.

The project team has gathered feedback and suggestions from these groups and individuals on what works well and what could be improved:

"I can't plan to start my business if the state doesn't get back to me – even if it's not the answer I wanted, I need an answer. I need certainty."

"I have multiple state staff calling and visiting me. They have no idea that another person visited me the prior week."

"There's so much to starting a business that I don't know where to start. It's overwhelming."

"With licenses and permits, I'm told to expect a certain outcome and then the next week the outcome is something different with no notice of any changes."

"I don't know who I should be calling when I have a question or need guidance."

"I need to remember multiple usernames and passwords for multiple state government systems."

"I don't know what is required of me. Just let me know and I'll do it."

"The information I need is scattered and inconsistent. It would be great to organize it in one place."

"I don't know if there are licenses and permits I must obtain when I'm starting my business. Is there a checklist somewhere?"

"I'm constantly entering the same information repeatedly with different agencies and departments."

The requests and concerns of Vermont business owners are legitimate. They are not trying to neglect their responsibilities and generally understand the need for most regulations. When a business is working with the State of Vermont, that process should be clear, easy to navigate, and they should be given the guidance and tools necessary to do what is being asked of them. Vermont needs a support system to assist those seeking help, and it should be easy to locate and readily available when needed.

For example, a general store owner must complete at least 18 license applications for the State of Vermont every year, to sell food, alcohol and fuel. This does not include business registration, sales or payroll tax filings, labor regulations, State permits or local licenses or permits.

GENERAL STORE PERMIT AND LICENSING EXAMPLE

Annual Licenses	Agency/Department	Food Retail W/O Gas	Food Retail W/ Gas
License to Operate Food Establishment	Agriculture, Food & Markets		
Small Commercial Bakery License	Agriculture, Food & Markets	\$200	\$200
Food Processor License	Agriculture, Food & Markets	\$275	\$275
Seafood Vendor License	Agriculture, Food & Markets	\$200	\$200
Shellfish Shipper/Re-packer	Agriculture, Food & Markets	\$375	\$375
Retail Pricing Scanning Points Registration	Agriculture, Food & Markets	\$10/Scale	\$10/Scale
Class C Pesticides License (<i>Flea Collars, Ant Cups, OFF</i>)	Agriculture, Food & Markets	\$75	\$75
Frozen Desert (<i>Ice Cream, Slushies, Etc.</i>)	Agriculture, Food & Markets	\$75	\$75
Milk License	Agriculture, Food & Markets	\$20	\$20
Pre-packaged Meats	Agriculture, Food & Markets	\$15	\$15
Meat Processing – Small Store	Agriculture, Food & Markets	\$50	\$50
Meat Processing – Large Store	Agriculture, Food & Markets	\$100	\$100
1 st Class Liquor License	Liquor Control		
2 nd Class Liquor License	Liquor Control		
Motor Fuels License	Transportation		
Motor Fuels Inspection	Transportation	\$25/Per Tank	
Small Scales Registration	Transportation	\$10/Scale	\$10/Scale

We are asking a lot of our small businesses and have a responsibility to make compliance as simple as possible. The more the business has to focus on regulatory compliance, the less time they have to focus on growing their business, growing jobs, and growing the economy.

Current Business Portal Overview

The State of Vermont operates a One-Stop Business Portal ('Current Business Portal') through the Secretary of State's office that allows a business customer to complete online applications (modules) within the portal for the Secretary of State's Office, Department of Tax, and Department of Labor. On a small scale, the Current Business Portal is an example of how things could be much simpler for Vermont businesses.

The Current Business Portal has provided many efficiencies for both the business owner and state staff. However, there are some deficiencies:

- A business owner is not required to utilize the current business portal and may go directly to each agency or department;
- Each of the applications are individually maintained by each department through separate contracts;
- The system does not allow for easy upgrades or changes to the modules. The vendor must be contacted by each department whenever a change (even as small as a word change) is required.;
- The technology is now over seven (7) years old (built in 2011) and is difficult to expand upon;
- The system does not have a data governance structure across the partner agencies; i.e. One field is named Phone Number (formatted as xxx-xxx-xxxx) on the Secretary of State's application and the same field is named Phone # (formatted as (xxx) xxx-xxxx) on the Department of Tax's application. This makes inter-agency information and data sharing difficult and time consuming;
- Data is not easily shareable amongst agencies and departments. Manual queries are needed, and files are sent to a secure site to be retrieved by the requesting agency. This can be a multi-week process that needs approval from the SOS, Tax, or DOL. Every agency should have access to the data they need, when they need it, in a standard format, with appropriate permissions.
- A business must register with the Secretary of State's office first before being able to register with the Department of Labor and Tax;
- There are certain instances where an out of state business needs to pay tax to the State of Vermont, but not register with the State of Vermont as a business;
- The system does not integrate with the internal systems at the Department of Labor and Tax, or other state systems.

In summary, the lessons learned from the Current Business Portal are that unification, simplification and efficiency is possible, and repeatable for agency after

agency. However, full data integrations, mandatory participation, shared governance, and data management are all necessary for long-term success.

Other State Implementations

The project team reached out to other cities and states to understand their business portals, including requirements, the technology being used, and lessons learned. They provided presentations and documentation for their systems for the project team to analyze. Those cities/states include:

During each presentation, **the most important lesson learned was the need for a strong governance structure and leadership from the top level of government.**

Other lessons gleaned from state successes and failures:

- A phased, agile approach was most effective, with quick wins garnering buy-in;
- Stay focused on the doable;
- Do not let the technology dictate the requirements – establish your vision and stick to it;
- Robust, shared governance is key;
- The project must be fully supported and resourced;
- Focus on the business/customer needs, not the agency/state needs;
- Pay close attention to data governance: sensitivity vs. transparency; and
- Allow the agencies to drive the scope and come along at their pace – you are not replacing their systems, just the way they gather data, share information, and present themselves to customers.



CONNECTICUT
portal.ct.gov/services/business



INDIANA
inbiz.in.gov/BOS/Home/Index



MARYLAND
egov.maryland.gov/businessexpress



NEVADA
nvsilverflume.gov/home

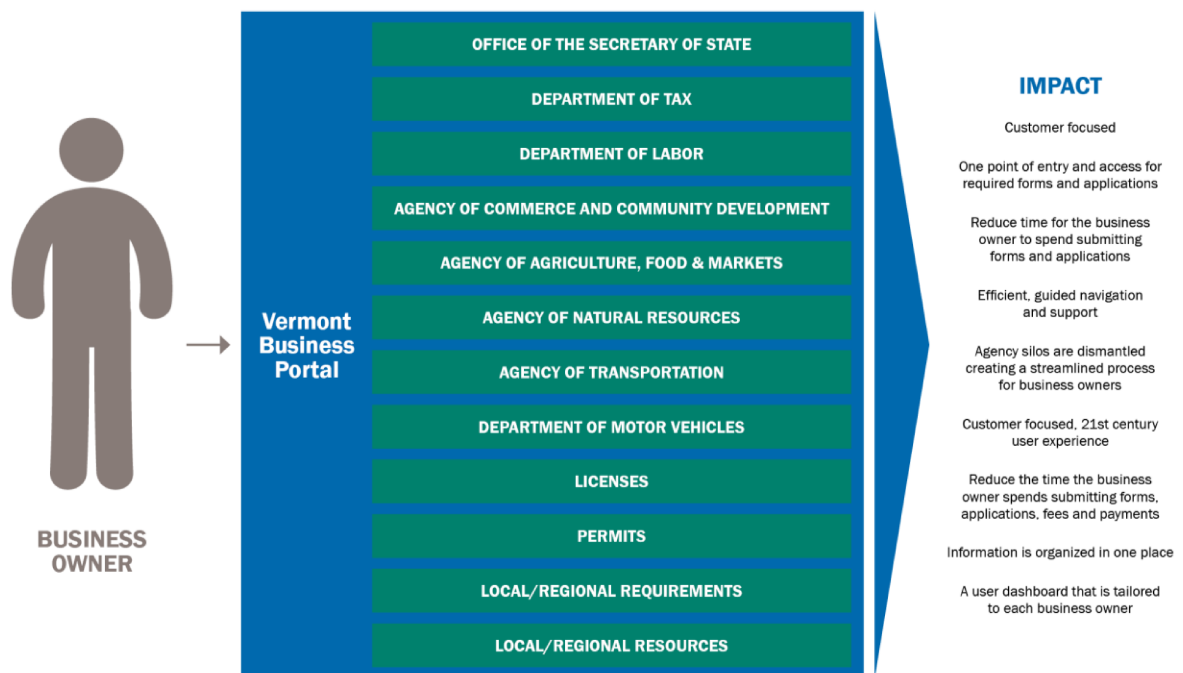


SAN FRANCISCO
businessportal.sfgov.org/

THE FUTURE VERMONT BUSINESS PORTAL

The future Vermont Business Portal will simplify business registrations, the mechanisms for making payments to the State, annual filing requirements, and provide clear navigation for other required State business functions. It will improve customer service to new and existing businesses, increase state employee efficiencies; and will maintain [state security standards](#) across the Portal and integrated systems.

Future Perception of Starting or Operating a Business in Vermont



The project team has done a lot of work to understand the needs of businesses, as well as state agencies. A new and improved portal could align with the efforts of other visionary teams and state initiatives. Some of that work includes:

- **Improved Agency Coordination and Data/Information Sharing** amongst state staff;
- **Permit process improvement** with the Permit Performance Improvement (PIVOT) team;
- Understanding how a **Customer Relationship Management (CRM) solution** could work for the entire state and for individuals beyond just businesses so each agency may access information that is relevant to their specific work;

- A **Data Portal on the horizon** to harness the power of information: understanding how each agency collects and utilizes data, what data can and needs to be shared amongst agencies, and working with the Chief Data Officer within ADS to build a data governance structure around those use cases;
- **A unified and thoughtful web presence for the State of Vermont:** cleaning, updating and organizing Vermont.gov and other partner agency websites;
- **Proactive communication:** better managed customer data will allow the State of Vermont to reach out to new and existing businesses through the Portal, providing the information they need to maintain and grow their businesses, including compliance with new laws and highlighting available resources;
- **Agency efficiency:** Improving and coordinating processes, reducing data entry efforts, improving accuracy, greater revenue capture and regulatory compliance, and eliminating duplication of efforts; and
- **Connecting businesses to resources:** Providing responsive and effective customer service, understanding what is available through the state and from outside partners and looking at ways to consolidate those resources and better share information and services.

Project Implementation

The Future Vermont Business Portal will be broken up into multiple projects. Project 1 will include the procurement and implementation of the technology solution, with future projects onboarding additional agencies and departments.

Traditionally, the State of Vermont has followed a strict path of procurement; **RFI ▶ RFP ▶ Contract ▶ Implementation**. ¹Although this may be the standard approach for procurement in general, the Steering Committee will utilize a reverse pitch approach in parallel with the traditional RFP process.

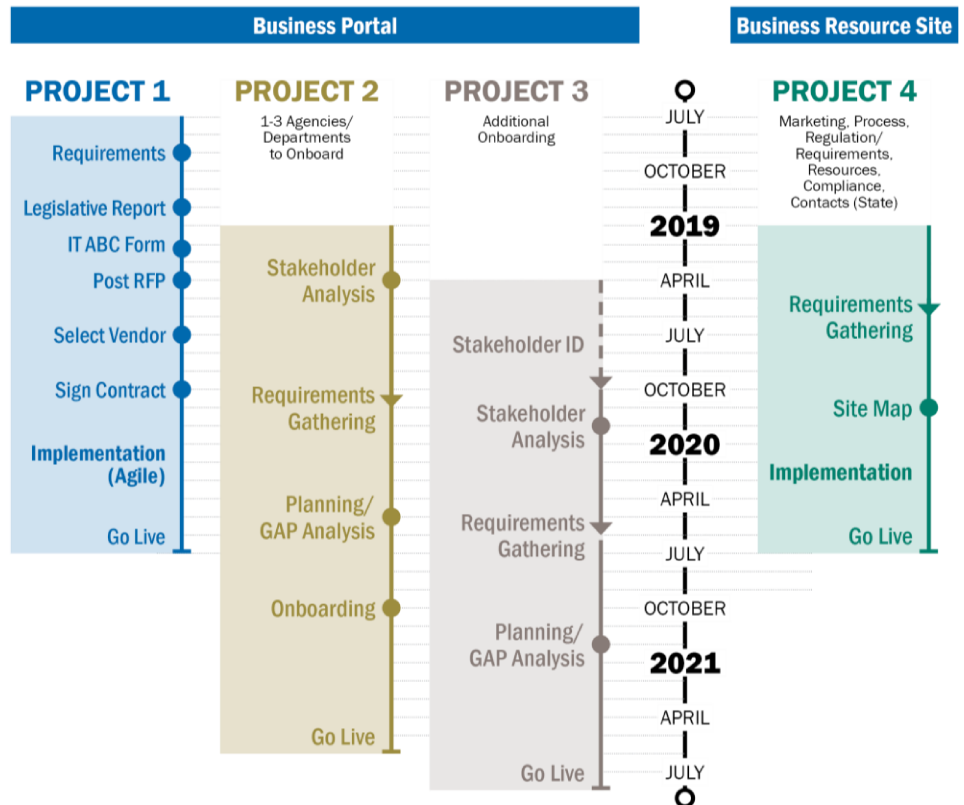
The reverse pitch approach will attract smaller firms that usually have a difficult time responding to the traditional RFP process. The State of Vermont will present the problem and the technology company works with the government entity to develop a scope of work, complete user research, design, develop, test, and present the product.

No matter the approach chosen for the Portal, to ensure successful onboarding, the programs of each agency and department will be fully analyzed to gather the requirements to meet the needs of the customer and staff. Programs will be on-boarded in separate projects to the Portal based on agency readiness and a prioritized list as determined by the Steering Committee.

¹ The cost estimates detailed in this report utilize the traditional method of procurement in the State of Vermont.

Other states have successfully implemented comprehensive business portals over time, using a modular approach with rolling releases over several months or years. New agencies and programs were on-boarded as they become available. Future phases depend on strong leadership from the highest levels, a mature governance structure, and investment in the necessary resources. Below is a high-level roadmap covering multiple fiscal years.

Roadmap – Traditional Procurement



Governance Structure

Governance is key to a successful Business Portal project. Below are recommendations on expanding the Steering Committee and creating supporting groups for data governance, solution architecture, change control, and the implementation team:

STEERING COMMITTEE

Secretary of State, Secretary of ACCD, Secretary of ADS, Add State Agency Representation (Tax, Labor, ACCD, other partners), Add Business Community representation.

- ▶ **Responsibilities:** Oversees the entire Portal program; Provides general direction and decision making for the Portal; Creation of the vision, goals and objectives; Prioritization of agency on-boarding, policy and procedure development; State resource allocation, and budget allocation.

DATA GOVERNANCE TASK FORCE

Chief Data Officer; State Agency Staff; State Archivist; Chief Performance Officer.

- ▶ **Responsibilities:** Develop and implement data governance plan; Set data structure; Document the data needs of each agency and department; Present recommendations to the Steering Committee.

SOLUTION ARCHITECTURE TASK FORCE

ADS Enterprise Architects; State Agency Staff.

- ▶ **Responsibilities:** Design and manage the solution engineering of the Vermont Business Portal; Determine costs and Return on Investment calculations.

VERMONT BUSINESS PORTAL PROJECT IMPLEMENTATION TEAM

IT Project Manager; IT Business Analyst; Enterprise Architect; State Agency Staff (Representative from each Agency during implementation); Chosen Vendor.

- ▶ **Responsibilities:** Implement the vision, goals and objectives of the Steering Committee during implementation; Gather and verify agency and department requirements; Overall project management and implementation of the solution; Vendor management.

PROJECT 1 - SYSTEM COST ESTIMATES

General Requirements Description	Cost
System Development	\$1,200,000-\$7,000,000
Project Management Services	\$600,000-\$800,000
Hosting	\$10,000-\$15,000 / Month
Licensing	\$250,000-\$750,000 / Annually
Maintenance (includes SLA's)	\$250,000-\$500,000 Annually
Summary	\$2,310,000-\$9,065,000

PROJECT 1 - IMPLEMENTATION IT
PERSONNEL COST ESTIMATES**Vermont Business Portal - Project 1**
Project Period: 12/1/18 - 6/30/2020**FY'19**

Position	Hourly Rate of Pay	Average # of Hours Per Month	State Estimates
Project Manager	\$88.00	100	\$59,840.00
Business Analyst	\$100.00	120	\$72,000.00
Enterprise Architect	\$88.00	40	\$14,080.00
Chief Data Officer	\$84.00	20	\$8,400.00
Total			\$154,320.00

FY'20

Position	Hourly Rate of Pay	Average # of Hours Per Month	State Estimates
Project Manager	\$88.00	120	\$124,960.00
Business Analyst	\$100.00	120	\$144,000.00
Enterprise Architect	\$84.00	40	\$37,800.00
Chief Data Officer	\$84.00	16	\$16,380.00
Total			\$323,140.00

Total State IT Resource Cost**\$477,460.00**

CONCLUSION

For small business owners, interactions with the State of Vermont should be as simple and efficient as possible to ensure government is supporting the entrepreneurs who are working hard to create jobs and grow the local and state economies. There is no doubt that the Current Business Portal has provided many efficiencies to the business owner and state staff. However, given the deficiencies with the current solution and older technology, the Steering Committee cannot recommend continuing to invest resources into the aging platform.

The State of Vermont needs to invest in streamlining agency programs and business processes to enable a smooth experience for the small business owner. For the Portal to be successful, there must be strong leadership from the top level of state government, strong support from the business community, an agreed upon governance structure, a solid project management plan, and a funding allocation. It is the recommendation of the Steering Committee to fund a new Portal immediately and to begin soliciting bids for solution implementation in fiscal year 2019.