



Detailed Lean Improvement Project Report

For the June 1, 2014, through December 31, 2014, reporting period

Agency name:

Department of Revenue

Improvement project title:

Business Licensing Service (BLS) Renewal Process

Date improvement project initiated:

06/01/2012

Summary:

The Department of Revenue improved the BLS renewal process, resulting in an increase in the percentage of renewals completed online by 44%. This enabled the agency to shift FTEs to direct customer service functions and more complex licensing cases.

Details:Description of the problem:

When the Business Licensing Service (BLS) was transferred from the Department of Licensing to the Department of Revenue in July 2011, 75% of *new* business license applications were completed online while only 31% of the *renewals* were completed electronically.

In analyzing licensing data, the agency determined that 97% of all license renewals were eligible to renew online. As a result, the agency determined they had an opportunity to not only streamline the BLS process but increase the number of businesses that go to our website to renew their license.

The BLS Lean improvement project was successful helping the agency realize cost savings and efficiencies by reducing application errors and paper handling. In addition, business owners are able to benefit by receiving their licenses more quickly and receiving prompt customer service.

Description of the improvement:

Originally, the agency was mailing a BLS renewal document that could easily be filled out and sent back with a check, money order, or sometimes cash. The team realized that because the businesses were receiving paper that was the mechanism they tended to use to renew their license.

In July 2014, the agency replaced the paper form with a letter instructing businesses to renew online, with an option to call our toll-free number if they wanted to request a paper form. To automate these requests our call center technology was enhanced.

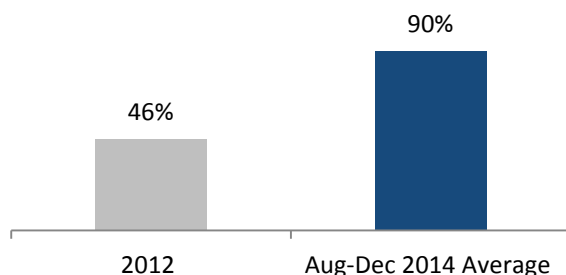
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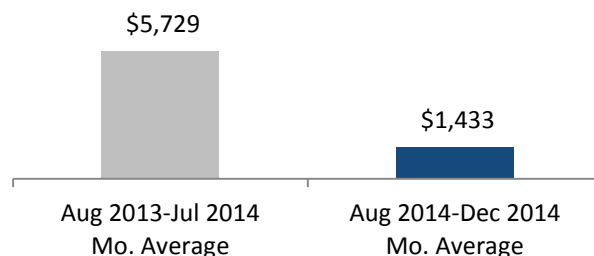
Specific results achieved:

- BLS online renewals increased from **46% in 2012** to **90% at the end of 2014** resulting in:
 - Significant reduction in paper renewals enabling the agency to terminate our contract with US Bank on March 1, 2015, and begin processing paper renewals internally. Estimated annual savings are \$51,555 (average of \$4,296 per month). The BLS dedicated fund savings will be applied to the purchase of a new Business Licensing application.
 - Reduction in duplicate renewals and payments. Prior to implementing the Lean improvements, BLS would often receive a paper renewal and an online renewal for the same business. Since replacing the renewal form with a letter, the agency has seen a drastic reduction in these duplicate payments, which has also decreased costly refunds.
 - Reduction in workload. Because of the increase in online renewals, the unit that images BLS paper documents saw a dramatic decrease in the number of documents to be imaged.
 - Reduction in rework. Online renewals require all information and fees in order to complete the renewal process. When paper renewals are missing information and/or payment, the agency must send out a letter to the businesses requesting missing information and/or fees. Online filing catches errors and requires complete information.
 - As a result of these efficiencies the agency has been able to repurpose 2 FTEs from the BLS registration/renewal unit.
 - One FTE was shifted internally to help address the increase in number of incoming calls to the BLS call center and allow the agency the ability to timely respond to complex inquiries.
 - Second FTE was shifted to the BLS Specialty Licensing unit. This has enabled the agency to accommodate the increase in workload as a result of complex applications such as liquor and marijuana.

Increased Online Renewals by 44%



Reduced Bank Fees by 75% (\$51,555/Year or \$4,296/Mo.)





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How we involved customers or stakeholders in this effort:

Prior to the Lean event, we conducted about 25 telephone surveys (stratified random sample pulled from those renewing during a specific span of time) to gather the voice of the customer.

Contact person/s:

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