New Models of Collaboration
A Guide for Managers

OneStop Business Registration

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Abstract

As part of the research endeavor "New Models of Collaboration for Delivering Public Services," selected projects were studied to analyze the cooperation model adopted, management practices used, and key success factors. «One Stop Business Registration», initiated in 1996 by the Ministry of Competition, Science and Enterprise, formerly the Ministry of Small Business, Tourism and Culture, in collaboration with several ministries and state agencies, federal government partners as well as private partners is one of the innovative projects chosen for this study. This report describes the «One Stop Business Registration» project, the services provided to the citizens and the relationships between the different partners in pursuing a common goal. The case study was conducted and written in 2001 by Luc Bernier, Ph.D., Professor at the Ecole Nationale d'Administration Publique (ENAP).

Project Background

OneStop Business Registration (OSBR) is an Internet-based system for registering new businesses at kiosks located throughout British Columbia. The purpose of this pilot project is to make it easier to launch businesses in the province, where the economy has been tottering for a number of years. OSBR eliminates the need for entrepreneurs to visit several offices, learn about the registration procedure, fill out a number of forms and provide the same information repeatedly. Also noteworthy is the collaboration among the federal and provincial governments and municipalities that recently joined the system. The system is soon expected to be converted from kiosks to the Internet for 24-hour on-line access. Interview subjects identified two innovative ideas in this project: first, access to different levels of government through a one-stop centre or the partnership, and second, better service for the public.

Historical Setting

OSBR was launched in July 1996 as a business registration system built on an Oracle database. The application, available at 76 kiosks in summer 2001 (then 90 kiosks at 79 sites by the end of 2001) connected through the Internet, enables new businesses to register simultaneously with a municipality and the provincial and federal governments. The involvement of all three levels of government is a major innovation; in fact, preliminary research at OSBR's indicated that it was a first. The kiosks are expected to be replaced by direct Internet access from a registrant's computer in the near future. They also hope to quickly increase the number of municipalities participating in the project in the coming months. There is a kiosk in Calgary as well.

OSBR aims to simplify the business registration partnership and forge a partnership among the governments to reduce red tape. It can be used to:

- register a business or corporation,

- register for the provincial sales tax and GST, as an employer and individually with the Worker's Compensation Board, and
- apply for a municipal permit.

By June 2001, 25,600 clients had used the service to fill out 65,900 forms.

Before OSBR, someone wanting to register a business had to go from one government office to another and learn to adjust to the rules of the different government departments and their office hours, not to mention traveling from town to town. Electronic processing of the applications has reduced response time. Despite the OneStop name, it is really a two-step procedure. First, the name of the business has to be approved by the Finance Ministry; then comes registration. Both steps can now be completed within a day; previously it took a week or more.

Strategic and Political Setting

British Columbia business people had complained for years that the rules and procedures for registering a new or existing business were complicated and costly in terms of time and money. More specifically, they criticized the lack of integration among the different forms that had to be filled out and the muddled information about what office they had to go to.

The British Columbia government is also in the process of developing alternative methods of service delivery organized in terms of a client-focused approach. Due to budget demands and harsh economic conditions, cutting red tape soon became a popular trend under the New Democratic government that started the process. The new Liberal government plans to continue deregulating the economy. Through various measures, including an income-tax reduction, the new government also wants to make the province more attractive for economic development (Lunman, 2001). The new government, whose victory assured a sure thing a year before the elections, had time to prepare itself to govern. Extensive reforms are planned, including a substantial cutback in the size of government services. One of the new government's first steps was to reduce the size of Cabinet (Danard, 2001).

The alternative method of service delivery chosen reflects the growing complexity of government operations and the need to provide services with a horizontal dimension. British Columbia government personnel are familiar with the "Citizens First" survey conducted by the Public Administration Institute of Canada. They cite the survey in justifying the need to improve public services. The public administration is working in an environment where the public is more demanding and costs have to be reduced in a province whose geographic characteristics make travel difficult outside of the southwest corner.

The Project

The project is managed by government and small business agents of the now defunct Ministry of Small Business, Tourism and Culture. The manager responsible for Electronic Service Delivery in the Small Business Branch is the person in charge and project's main entrepreneur. Interview subjects agreed that the project owes a great deal to the entrepreneurial spirit of the manager and his staff. They further agree that what makes the project remarkable is its particularly sound management.

Approach

An incremental approach was adopted for this project launched in British Columbia. Project staff tried to deal with problems one at a time as they cropped up, and to add as many products as partners. This phased approach should enable the introduction of other services in addition to the current registration services. To make British Columbia's economy competitive, the project attempted to transform government's treatment of business from red tape to a red carpet. This innovative project is definitely an example of the public administration of tomorrow.

Objectives

The official purpose of OSBR is to:

1. Reduce the procedures and bureaucracy involved in business registration;
2. Shorten the timeframe for businesses;
3. Simplify business registration to improve applications for partner agencies.

In terms of operations, the aim was to cut down on the:

1. Steps involved in filling out the required government forms;
2. Cost, time and problems faced by business owners filling out the forms; and
3. The time and cost for the public administration in processing the forms.

They also hoped to publicize the project to increase use of it, thereby stimulating new business creation. The program is available to all British Columbia businesses, though the primary target is small business, which accounts for 99% of enterprises in the province.

Administratively, the project endeavoured to reorganize government services available to the public, streamline existing procedures, improve access to government services and enable on-line financial transactions.

Regulatory Framework

A legislative change was required to make OSBR possible. The *Business Paper Reduction Act* served to lift the legal barriers through deregulation rather than legislation, which might have involved lengthier discussions. Yet one remaining obstacle to the

development of OSBR is the need for a signature on certain applications. A request to solve the problem has been submitted to the newly elected government. In more general terms, government regulations could be substantially reduced to make the province's economy more competitive.

Implementation

First of all, federal government cooperation was sought to harmonize sales tax registration applications. The Ministry of Small Businesses also wanted to bring in municipalities, which proved to be a much longer process. In a series of meetings attended by representatives of provincial government ministries, the federal government and municipalities, discussion focused on reaching agreement on common rules, drawing up specifications for the system, and discussing the risks of electronic service delivery.

Participants had to develop a standard terminology for all the government services involved, agree on system efficiency in terms of time, make it user-friendly for the public, and ensure compliance with each partner's requirements and obligations. The latter represented a major turnaround for government agencies that had always worked in isolation in the past, a topic we will come back to later. The project succeeded despite inadequate funds at first. The partners had not requested funding, which was a mistake. First of all, none of the partners felt they were the ones carrying the ball and, secondly, the lack of resources made the project fragile.

Technology

Technological Choice

As mentioned earlier, OSBR is a business registration system built on an Oracle database. The first phase of OSBR in 1996 was based on a modified version of the Mosaic browser that enabled two-way communication between users and the government. Next an interface for data entry was developed. The start-up process was rather slow. Initially, the terminals were used to produce and fax the forms filled out at a kiosk. Form processing is expected to become increasingly electronic, with XML.

Some users complained about the slowness of the existing Internet system and that the terminals froze when a user did not wait long enough for system responses. Nonetheless, the vast majority of comments in the survey at the end of a registration session indicated that the best feature of the system was its simplicity. This feedback leads one to believe that the target clientele wants to be able to carry out the same procedure through the Internet at home instead of having to go to a kiosk.

Moreover, the kiosks we visited are often in very busy public places, making it hard to concentrate while filling out the forms. Those in municipal offices appear to be particularly poorly located. On the other hand, those in the offices of government agents are in quieter locations where users can get help from government officials.

This choice of very simple technology has begun working against the project. With the public making increasing demands on government services, this lack of technological sophistication is viewed as a shortcoming. Many users expect a more sophisticated version of the software that can be used at home. The organizations involved in the partnership also expect the system to be upgraded. In brief, more technological sophistication will give the project more credibility. The technology made progress possible. Its upgradeable nature is essential. OSBR can easily be integrated into the technological progress of Internet-based government services.

Officials see the technology as a way to eliminate tedious tasks. One of the people responsible for the technology concluded that it has to remain a means; that the project should be driven, not by technology, but by program content.

Technical Support

A help hotline was installed so that system users could get immediate answers to their questions. This led to improvements in the wording of the questions on the electronic forms as queries arose. Each kiosk is equipped with a phone directly connected to a centre from which calls can be forwarded to the government agencies concerned if necessary because of a specific question.

OSBR is very limited in terms of technology because it originally established an electronic service for clients and officials who were not necessarily computer literate. The rather quick replacement of text mode with software that involved using a mouse was considered a tremendous advance by everyone, which provides some insight into the stress many people felt when facing a computer. The advantage of the kiosks in this regard was that users could get help from government agents or officials of the nonprofit organizations housing the kiosks.

The help hotline was also frequently praised. Each kiosk has a phone with a direct line to an OSBR employee who answers user questions. At present in British Columbia, this can be done by one person. Each opening of a new kiosk brings a fresh wave of questions and problems. Employees throughout the province praise the efforts of this individual who helps them provide better answers to user questions.

The technical support and constant interaction made it possible to continuously improve the program. For example, the training provided was inadequate at the beginning but has been adjusted since. Employees in the field get the impression that their suggestions are being listened to and lead to improvements. The technical support truly is one of OSBR's strong points.

Partners

The Ministry

The Ministry of Small Business, Tourism and Culture (MSBTC), now the Ministry of Competition, Science and Business, is one of the smallest ministries in British Columbia. It was set up to structure relations between the business community and government administration. One unique feature of this project, and a key to its success, was precisely the fact that this tiny ministry was not perceived as a threat by the others. It could scarcely be accused of "bureaucratic imperialism". In other words, MSBTC had nothing to gain from the venture. Its officials saw their role as basically that of legal counsel, or representatives of small business within the government. Their aim was to make life easier for small business in a province where it was hard to create jobs. Everyone interviewed gave them credit for OSBR's success.

Partners

The kiosks made possible by the Internet and OSBR's technological content in general represent a rather modest technological advance according to experts in that field. But the partnership formed by ministries and agencies of the British Columbia government is a major revolution in the way West Coast public administrations operated. Everyone interviewed stressed the fact that, before OSBR, they had no contact with one another. Today, they can no longer backtrack because their clients have responded very positively. Cooperation is also the right path because people do not care what level of government provides the service, as various surveys have shown.

The partners are:

- The Ministry of Small Business, Tourism and Culture;
- Canada Customs and Revenue Agency;
- The Consumer Taxation Branch of the British Columbia Ministry of Finance;
- The British Columbia Worker's Compensation Board;
- The Corporate Registry of the British Columbia Ministry of Finance;
- Western Economic Diversification Canada;
- Municipalities;
- UNIServe Online, which maintains the system; and
- JASCO, the computer consultant.

Also noteworthy in this case, along with the relations between government agencies, is that the technological dimension was developed in association with a private consultant. In practice, only the officials at the heart of the project deal with the computer consultant. One of the people interviewed who helped to develop payment through the Internet said the consultant was an essential cog in developing the project. Ministry of Small Business officials also praised his work. This collaboration is in keeping with the government's decision not to acquire internal computer expertise, but rather to hire the necessary personnel on a contract basis. This ensures acquisition of the necessary expertise without

hiring full-time personnel whose jobs might become obsolete. Moreover, the public sector cannot compete with computer and high-tech salaries, which makes hiring experts difficult if not impossible.

Also worth mentioning are the efforts of the government agencies (see the government's website) and the Community Futures Development Corporation Offices, which are nonprofit organizations dedicated to economic development. The agents are government personnel whose jobs date back to the 1858 Gold Rush. They have always been professionals who performed a variety of tasks such as registering births, serving as police, controlling alcohol in Prohibition days, collecting school taxes, preparing voter lists etc. Today they manage over 50 government programs, collect some $1.6 billion in revenue, and provide information about government services for some 30 government organizations. Located in 59 offices throughout the province, for many people they represent the front line in contact with government services. This made it logical to set up the OSBR kiosks in their offices, especially since, until last summer, they came under the same ministry. They are now attached to the Ministry of Community, Aboriginal and Women's Services.

Western Economic Diversification funds the Community Futures corporations. In both cases, their one common goal is to foster business development. For them, OSBR is therefore a tool that makes their jobs easier and their clients happier.

Collaboration

Collaboration among the various partners is based on common interests, a few outdated written agreements and considerable email correspondence — in brief, very few official documents. One of the most original features of this project is that there are no official signed agreements with a fixed term. The project is progressing at its own speed. None of the interview subjects had any clear recollection of any signed agreements, if there were any. Nor do they care about this issue. As one of them put it, it should be noted that none of the partners backed away or dropped out of the project, which is a sign that they are all benefiting from it.

This cooperation has had to endure the chill emanating from the Ministry of Finance, which tends to look down its nose at other ministries and never really climbed on board the project. Expansion in the municipal realm largely depends on the enthusiasm of one official in the municipal sector trying to convince colleagues of the value of the project. This person is expected to retire in the coming months, though at the time of the interviews, there was a plan to hire him on a contract basis to continue expanding the project. The municipalities have no contact with the federal government, which is also farther away than some provincial officials would like.

Performance

The project was launched in 1996 but the municipalities have only been involved since November 2000. Evaluation of the results must take into consideration the fact that the project is still emerging, which is tiresome for some of the original partners who compare what the OSBR has done to other electronic services that have developed much faster.

Advantages

There is one important advantage for municipalities. Although municipal registration has always been mandatory, municipalities lacked means of ensuring that new businesses obtained a municipal permit. Registration at the kiosks, which are often located in municipal offices, makes the registration more automatic. The registration ensures better compliance with bylaws on zoning, license fees etc.

For the ministries involved in the collaboration, process facilitation has had a variety of effects. For one, it meant less clerical staff; for another, it served to improve services for the public. The latter case is interesting. The manager spoken to feels that the progress made possible by OSBR and other similar initiatives has made it possible to use the same personnel as before to provide much better service. In his view, because of a shortage of personnel, the service provided for the public in the past was very poor. It is now good. For everyone, the forms are filled out better than in the past. For front-line personnel, OSBR has made their jobs easier.

For the government as a whole, the project led to substantial savings in costs. For politicians in general, making economic development and business creation easier has been a very positive topic at both the municipal and provincial level. Gaining political support for this project was easy.

One benefit of the program is its motivational effect on many employees who see their province at the forefront. For this motivation to persist, the leadership has to remain a fact. The Ministry in charge is continuing to monitor progress in other provinces and some American states to keep track of developments with comparable projects.

Disadvantages

At the time of the interviews, OSBR's technological development was still relatively limited. The Internet connections in some cases do little more than produce soft copies of faxes. Computer system integration is underway.

The big problem remains the different levels of preparation for change that the various government organizations involved in the project reached. One interview subject mentioned the propensity for risk, which varies considerably from one organization to the next. The different organizational cultures at the agencies involved have been a source of friction throughout the project.

Some people welcome the project. This applies to the numerous users, who consider having the kiosk a blessing compared to the hoops they had to jump through in the past. Yet not everyone feels the same level of comfort with technology and a number of people do not like using a computer.

Also worth repeating among the disadvantages is that the project has always been viewed as marginal because none of the partners spent any money on it or made it a priority. One might add that the venture suffered from having remained a pilot project for such a long time. A great deal still remains to be done to meet the expectations expressed in the PAIC survey.

One problem at the beginning was employee concern about the job cutbacks that OSBR would endender. But this never happened. Another problem for front-line personnel was receiving the proper training, but this is no longer the case.

Results

Officially, the time required to launch a new business has been cut from six to eight weeks to under a week or two. In practice, as mentioned earlier, someone who turns up in the morning to register a business name can now have that settled within a few hours and answer the OSBR questions in 20 to 40 minutes later that day. The documents are then sent to the government organizations concerned.

OSBR reached its goal of 1,000 applications a month in March 2000. By January 5, 2001, 21,378 clients had used the system and filled out 56,169 applications. The system's popularity makes future development easier in that its current success is attracting the attention of other government agencies, according to the Ministry of Small Business.

Some 20 municipalities were participating in OSBR in spring 2001, and 43 by fall 2001. It is estimated that 150 towns could join the system in the near future.

At the end of the required forms is a satisfaction survey that 80% of users fill out. Among this 80%, 96% said they would use the system again or recommend it, and 76% rated the system as excellent or very good. The responses indicate that people consider the system easy to use, simple, and a good use of public funds. It is interesting to note that the user satisfaction rate varies tremendously with the kiosk used to fill out the forms. This factor leads one to believe that satisfaction fluctuates with the amount of on-site support. For those helping users, OSBR is an excellent program that improves the quality of public service. The system's response time could apparently be improved.

It is felt that OSBR has reduced operating costs, and improved the accuracy of the information obtained as well as its legibility. Forms are also filled out better and there is a better flow of information between government agencies. One major advance is that the requirements for registering a business have become much clearer for the public concerned.

Future of the Program

The plan is to open more kiosks, triple the number of municipalities involved from 20 to over 60 in 2001, and introduce electronic payment with credit cards. Moreover, it is hoped that not only registration but incorporation will become possible. Work is also being done on making business registration in British Columbia possible from locations outside the Province, which should be easy with the Internet. There is also a plan to use XML and enable payments through the Internet with a credit card. This change, on which the project's management team is working, requires a legislative amendment on electronic signatures that is slow in coming.

The system's real growth depends on the number of government registration services that can be added. This is what OSBR's business plan calls for. There is already a pilot project along these lines: *Victoria Connects*, which provides information about a variety of export services, government services, various payment services, advisory services, as well as OSBR. It is the high-tech version of the government agent services we described earlier in an urban setting. The current kiosks, the built-in survey and the efforts made to improve the original system will enable creation of a website where businesses can register directly

The immediate change hoped for is to have an integrated change-of-address system in British Columbia. Apart from address-change unification, the other foreseeable development is the creation of a single business number. The problem of the business name search (the first step before registration) remains to be solved.

OSBR was not designed to be solely a government operation. The location of kiosks on Chamber of Commerce or Community Futures premises has improved integration between the nonprofit organizations and government offices. Eventually, the banks that finance new businesses will have to be included. The non-government partners gain more exposure through their involvement.

The new Liberal government has a reputation of being friendlier to the business world than the former NDP regime. Expanding electronic services was one of the planks in their campaign platform. Those who want to see opportunities for small businesses proliferate have reason for high hopes, said one official we met with.

Asked "What comes to mind when you thing about this project ?" one interview subject replied, "It's cool!" She added, "It's the way of the future!" The technological change that made this project possible is minor, but the partnership it spawned is major. User satisfaction is also high. The technology can be improved and actually make this project the future of public service delivery for governments that lack the means to do so otherwise and with horizontal issues to deal with. OSBR is a step in the right direction, namely towards improving the government services offered to the public.

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