

**2009 Innovations Awards Program  
APPLICATION**

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ID # (assigned by CSG): 09-W-05HI

**Please provide the following information, adding space as necessary:**

State: Hawaii

Assign Program Category (applicant): Infrastructure and Economic Development:  
Business/Commerce (Use list at end of application)

1. Program Name: **Hawaii Business Expresss**
2. Administering Agency: **Department of Commerce and Consumer Affairs**
3. Contact Person (Name and Title): **Larry Reifurth, Director**
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7. E-mail Address: [lawrence.m.reifurth@dcca.hawaii.gov](mailto:lawrence.m.reifurth@dcca.hawaii.gov)
8. Web site Address: <http://hbe.ehawaii.gov>
9. Please provide a two-sentence description of the program.

**To make it easier for businesses filing with the State, Hawaii Business Express is a government online application that provides a one-stop online filing service for new and existing businesses to do filings with the IRS and three different State agencies all at once: the Department of Tax, the Department of Labor and Industrial Relations and the Department of Commerce and Consumer Affairs. Twenty-four hours a day, businesses can file online through Hawaii Business Express which collects information from the filer, automatically guides the filer to the correct filings for his or her needs, automatically transfers the collected information to multiple agencies so that filers only have to provide information once, and automatically submits the filings to the various agencies in the requisite sequence so that the information is processed between agencies in the correct order.**

10. How long has this program been operational (month and year)? Note: the program must be between 9 months and 5 years old on March 2, 2009 to be considered.

**The program was launched in October 2004. It has been in operation for four years and five months.**

11. Why was the program created? What problem[s] or issue[s] was it designed to address?

**Hawaii Business Express or "HBE" was created as an online system to help new and existing businesses make multiple agency filings through a guided one-stop online filing process. The goal was to make filing with State agencies much more customer friendly, to**

help businesses start up with ease, to reduce paperwork and to improve State processing efficiency. Prior to the one-stop solution, Department of Commerce and Consumer Affairs (DCCA) had web applications to allow online filings for 14 different types of new registrations and annual renewal filings. However, business owners still needed to complete separate required filings with Department of Labor and Industrial Relations (DLIR), Department of Taxation (DOTAX), and the Internal Revenue Services (IRS). Many prospective small business owners did not know which agency to file with, when it was appropriate to file a form with a specific agency, or which form to file. Hawaii Business Express (HBE) was conceived as a way to improve customer service for business owners who have traditionally been forced to work through a costly and time consuming maze of government red tape to determine what licenses, registrations, and special regulations pertain to them and how and where to file. By providing the filer with a single online filing portal that guides the filer to the correct filings, by using the filer input for the multiple filings such that filers only need to input information once and by submitting the information automatically in the order required across agencies, HBE makes business filings simpler and far more efficient.

12. Describe the specific activities and operations of the program in chronological order.

As part of the Governor's initiative to make Hawaii a more business friendly state and to reduce the cost of doing business in Hawaii, the DCCA, DLIR, DOTAX, the IRS and the state portal manager, Hawaii Information Consortium, LLC(HIC), partnered to create a one-stop online service to streamline the business registration process.

Throughout 2004 the HBE team met to assess work flow of the actual filings and to develop the logic behind new business applications. The vendor partner HIC worked with the State to develop the system so that the implementation of HBE would guide new business owners to effortlessly fill out the appropriate forms. On October 6, 2004, the Hawaii Business Express (HBE) was launched. The initial launch of HBE included only the Wizard filings (guided interview process) for multiple-agency filings. After the launch, the vendor partner HIC worked with the State to develop the additional feature of Quickfile. In the Spring of 2005, QuickFile was deployed, allowing more experienced users to file specific forms with the DCCA and DOTAX and to bypass the guided Wizard process. New forms are continuously added to HBE and new state partners are being approached to add additional forms.

In 2005, the first year of operation, the HBE received 7,190 online filings. In just three years, the number has more than doubled; over 14,580 filings were received in 2008. Currently over 50% of all business are started using HBE.

13. Why is the program a new and creative approach or method?

The most innovative aspects of HBE are that it provides for a single online interface for the user to file across several agencies, it guides the user to the proper filings that suit his or her needs and it manages the actual transmission of the data to the various agencies in a prepared sequence of submissions. The creativity and effectiveness of HBE have been recognized internationally. In 2005, HBE won first runner up for the Government to Business Technology Award presented by the International Association of Commercial Administrators, the leading international business registration association.

**HBE's new and creative approach to filing management utilizes an interactive decision tree process (Multi-Agency Wizard interface) to guide business owners through the required online registrations for the type of business they are operating or planning to operate. Once a user begins the registration process a series of questions is asked that allows the application to dynamically build a unique business registration based on the user's responses. This dynamic functionality saves users time and frustration because they only have to answer those questions that are relevant to their business. The QuickFile feature of HBE is an alternative option that allows expert filers to by-pass the Multi-Agency Wizard guided filings and to select specific single filings. The system is also designed to allow for the expansion of the application as new partner agencies and services are added.**

**Another innovative feature is that the online system tracks the progress of the filing. HBE provides filers continual online access to filings, email notifications and a tracking system. HBE utilizes the concept of an "Account." After the user sets up his or her free account, any filings created through HBE are archived online and available for download. Filings in process, but not yet submitted, are automatically saved for later submission. Users can also track the status of submitted filings as they move through the approval process within the agencies. Businesses created through the Multi-Agency Wizard are displayed in the account's My Businesses section. QuickFile filings are displayed in the My Filings section. When processing is completed by each agency, the user is informed via email and provided with the applicable business registration numbers such as their Business Registration Number, General Excise Tax License number, Unemployment Insurance Number, etc.**

**On the backend side, HBE offers a unique interactive graphical depiction of HBE's functionality at <http://hbe.ehawaii.gov/BizEx/process.eb>. Through this feature, staff can track and monitor the internal progress of the filings. Upon completion of each filing step within the State's registration system, staff can monitor as HBE automatically triggers the next filing step.**

**A particularly useful, new and creative feature of the system is HBE's sequenced order of submission of filings across multiple agencies. For instance, prior to HBE, filers starting a new business would manually submit all their documents to the various agencies on the same day. But if the DCCA then rejected the chosen business name, the business filers would have to refile with the DCCA until a name was approved and then refile the new approved name with every other agency. By contrast, with HBE, the filing order is carefully managed. The business owner files only one time, and the documents are submitted to multiple agencies in a prepared sequence. First, the chosen business name is submitted to the DCCA for approval. If name corrections need to be made by the DCCA, HBE will automatically detect them and correct the subsequent filings before the documents are submitted to other agencies.**

**This new functionality is significant for a number of reasons. First, it saves the state and businesses time and effort by ensuring that the documents are filed in the correct sequence. Additionally, it ensures that the data transmitted to multiple agencies is consistent and accurate. Finally, it makes it a lot easier for the user. The user just does one filing and does not have to worry about the sequence of filings. As we continue to move towards a more service-oriented approach within state and federal government, coordinated online systems like HBE will be the model for providing fast, simplified and efficient services to the public.**

14. What were the program's start-up costs? (Provide details about specific purchases for this program, staffing needs and other financial expenditures, as well as existing materials, technology and staff already in place.)

**The initial development of HBE was funded by a partnership between the DCCA and the state portal manager, Hawaii Information Consortium, LLC (HIC). The DCCA paid for a portion of the initial startup costs (\$75,000) and the remainder of software development, hardware, maintenance and marketing was covered by HIC via transaction fees associated with each filing. The state portal manager, Hawaii Information Consortium, LLC (HIC), was able to leverage some existing hardware and contacts and system interfaces with partner .**

15. What are the program's annual operational costs?

**The HBE program is run as software as a service (SaaS) developed, maintained, and hosted by the State's Internet portal manager, Hawaii Information Consortium, LLC (HIC) at no cost to the state.**

16. How is the program funded?

**Thru a self-funded model, the portal manager HIC collects a convenience fee for each filing to fund the daily operation and maintenance of the HBE system. Filers also receive a discount for filing online.**

17. Did this program require the passage of legislation, executive order or regulations? If YES, please indicate the citation number.

**No, it did not.**

18. What equipment, technology and software are used to operate and administer this program?

**The HBE is a Java web application built on state-of-the-art web application framework Spring and Object/Relation Mapping service Hibernate. It is hosted on Apache web servers and all transactions are securely transmitted through OpenSSL(v3). The backend is supported by an Oracle database. The network traffic is load balanced and protected by a Cisco Pix Firewall.**

**To ensure security, the portal also goes through vigorous and periodical internal and third party audit guarantee that we are Payment Card Industry PCI compliant. Our network passes external scan by an independent third party quarterly and more frequent internal scans. There are automatic updates of the latest patches for all the web servers and database servers to minimize vulnerability to cyber attacks.**

19. To the best of your knowledge, did this program originate in your state? If YES, please indicate the innovator's name, present address, telephone number and e-mail address.

**Yes, the program originated in our state.**

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20. Are you aware of similar programs in other states? If YES, which ones and how does this program differ?

**Yes, Utah has an online program that also integrates filings across agencies. Utah is different in that it integrates their Department of Commerce with county agencies whereas Hawaii's DCCA integrates with federal and state agencies. Utah also has a different online process.**

21. Has the program been fully implemented? If NO, what actions remain to be taken?

**Yes, the program has been fully implemented. We continue to add on new partners and forms to make them available online.**

22. Briefly evaluate (pro and con) the program's effectiveness in addressing the defined problem[s] or issue[s]. Provide tangible examples.

**New business filers no longer need to go to different agencies in order to start their business. With a single application, HBE helps to manage the distributed workflow across multiple agencies. By centralizing and coordinating the events related to creating a business, HBE synchronizes the agencies to reduce confusion and information dissemination lag. Each agency is notified of a change in the business registration status only when necessary, reducing information overload and out of order operations. This increases the efficiency of the entire workflow, and helps streamline the business creation process. Coordinating the information flow between agencies also increases information integrity. Information for the business is cleaned and updated before it moves along to the next agency, keeping information in sync and consistent with what the end user originally intended.**

### **Return on Investment**

**HBE's Multi-Agency Wizard and QuickFile features are the next evolutionary step in Hawaii's online initial business filings applications first launched in 2004. From 2005 through 2007, some 35,265 filings have been created via the online filing services HBE. With a manpower saving of approximately 15 minutes per filing, this represents a savings of 8,459 man-hours of effort with a conservative value of \$152,000 based on a \$30,000 per year employee plus fringe benefits.**

However, in addition to direct cost savings, there have been many other returns on the State's investment in HBE as outlined below.

**HBE Improved Operational Efficiency by:**

**Reducing Overall Program Costs**

- Reduced printing costs, postage costs, and related administrative overhead because paper forms no longer need to be mailed to the electronic filers.
- Reduced data processing costs due to reduced need for data entry.

**Redirecting Manpower to Other Areas**

- More than 35,000 electronic initial business filings since 2005 have saved a conservative 8,500 man-hours of effort, representing a minimum cost savings of \$153,000
- Automated generation of PDF and TIF documents eliminates the need to scan submitted filings for inclusion in cold storage facility.

**Achieving Policy Objectives**

- Allows the agencies to deploy revised filings forms and price changes online as mandated by legislative changes.
- Improved data quality.
- Faster processing of filings.

**Privatizing a Govt. Responsibility**

- Agency staff can focus on more productive tasks than data entry or scanning documents

**HBE Improved Customer Service by:**

**Adding Customer Value**

- Allows business owners to file the appropriate forms to the required agency without knowledge of Hawaii's agencies and regulations.
- Provides expert filers with a simple interface, ability to review filings.
- Customers can view all historical filings and download them to PDF.

**Lowering Customers Cost**

- Customers save up to 25% over the paper filing fee some filing types. Eliminates the need to commute to downtown Honolulu, find parking, and wait in line at the participating agency office.
- Frequent filers, such as law firms, save on courier fees and associated delivery costs.

**Increasing Service Availability**

- Provides 24/7 worldwide access to anyone wishing to establish a business entity in Hawaii.

**Improving Constituent-Centricity**

- The application is designed for ease of use rather than compliance with governmental paper format.

### **Minimizing Interactions with Staff**

- **User friendliness of the Wizard interface and the implementation of Online Live Help dramatically reduced the number of interactions with agency staff to answer simple procedural questions.**

### **Increasing Participation via Easier Access**

- **Can help stimulate the formation of Hawaii business entities by off-island investors.**
- **Foreign businesses can file the appropriate forms without an in-depth knowledge of Hawaii regulations or agencies.**
- **Simplifies the business filing process for outlying islands with no physical access to agency offices.**

### **Improving Accountability/Better Data**

- **Reduces the need for double data entry and scanning for many agencies.**
- **Improved data quality.**
- **Faster processing of filings.**

### **Improving Decision-making/ Policymaking**

- **This application suite allows real-time analysis of business formation data for policymaking.**

23. How has the program grown and/or changed since its inception?

**In the first year of the operation, the HBE received 7,190 online filings in 2005. Just in three years, the number has more than doubled; over 14,580 filings were received in 2008. Currently over 50% of all business are started using HBE.**

24. What limitations or obstacles might other states expect to encounter if they attempt to adopt this program?

**Hawaii was able to receive cooperations between multiple agencies like DLIR, DOTAX, IRS, and DCCA, in order to create the one-stop service. It would be very difficult if other agencies are not willing to participate in this program. In addition, the internet portal manager plays a significant role in facilitating the transmission and exchange of data between multiple agencies. It is quite often the case that agencies hesitate to share data amongst themselves.**

## 2009 Innovations Awards Program Program Categories and Subcategories

Use these as guidelines to determine the appropriate Program Category for your state's submission and list that program category on page one of this application. Choose only one.

### *Infrastructure and Economic Development*

- **Business/Commerce**
- Economic Development
- Transportation

### *Government Operations*

- Administration
- Elections
- Public Information
- Revenue

### *Health & Human Services*

- Aging
- Children & Families
- Health Services
- Housing
- Human Services

### *Human Resources/Education*

- Education
- Labor

- Management
- Personnel
- Training and Development
- Workforce Development

### *Natural Resources*

- Agriculture
- Energy
- Environment
- Environmental Protection
- Natural Resources
- Parks & Recreation
- Water Resources

### *Public Safety/Corrections*

- Corrections
- Courts
- Criminal Justice
- Drugs
- Emergency Management
- Public Safety

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This application is also available at [www.csg.org](http://www.csg.org), in the Programs section.

**Deadline: March 23, 2009**