Best Practices & Lessons Learned in Digital Transformation for Regulatory Agencies with Paper-Heavy Processes

Gartner Consulting Presentation for the 2021 e-Records Conference

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If for the last 30 years all documents were “born” on a computer, why do we still deal with paper? **Paper is a symptom of other problems in digital processes that must be addressed.**

Today, we will explore why paper still exists and how to best prepare for your upcoming digital transformation initiative.
Gartner is a trusted advisor to the State of Texas and beyond, with a dedicated Public Sector practice

About Gartner

- The world’s leading research and advisory company, founded in 1979
- **Nearly 16,000** associates in 90+ offices around the world
- **40+** consecutive quarters of double-digit growth, $4.1B revenue in 2020
- Deep global insight into every major business function with **2,150+ research and advisory experts** conducting **490,000+** one-to-one client interactions annually
- **750+ consultants** performing 2,100+ technology-driven strategic consulting and contract optimization engagements annually with CIOs and other senior executives through our Consulting business

Clients we serve

- More than **14,000** client enterprises in more than **100** countries
- **C-suite leaders and their teams** across all enterprise functions in every industry around the world
- Enterprises large and small, in public and private sectors, including **76% of the Global 500**, of which Gartner is also a member

*SEC-reported data as of 31 December 2020. Other data collected between then and 15 March 2021.
**Last updated 19 March 2021, Data reflects year-end 2020***
Research is the foundation. Consulting is the accelerator.

Research & Advisory Services – Day-to-day support for anything and everything IT

- Provides trusted, objective insights and advice on the mission-critical priorities of leaders across all functional areas of an enterprise through reports, briefings, proprietary tools, access to our research experts, peer networking services and membership programs that enable our clients to drive organizational performance

Consulting – Customized, hands-on support for specific projects

- Combines the power of Gartner market-leading research with custom analysis and on-the-ground support to help chief information officers and other senior executives drive technology-related strategic initiatives more confidently from insight to action
Gartner Consulting supports our public sector clients’ initiatives across different practices and industries

Public Sector Service Lines

- LICENSING, PERMITTING, & REGULATORY
- ASSESSMENT, TAX & REVENUE
- EDUCATION
- HEALTH & HUMAN SERVICES
- PUBLIC SAFETY & JUSTICE
Our Licensing & Permitting ISL focuses on Regulatory Agencies

- Animal Control Licenses
- Land Development
- Cannabis Regulation
- Business Licensing
- Transportation
- Utility Billing
- Code Enforcement
- Environmental Health
- Alcohol and Beverage Control
We have worked with a variety of clients across North America
Today’s Agenda

01  Common Barriers to Automating Paper Processes

02  Lessons from the Field: Best Practices & Recommendations

03  Latest Trends in L&P Technologies Enabling Automation

04  Q&A
Common Barriers to Automating Paper Processes
Paper is not evil. Sometimes using paper is valid.

People love paper! Paper likely will always have a place in our work environments.

- **Paper is portable**
  Field workers can find paper easier to read and paper doesn’t require connectivity.

- **Outdated policies**
  Such as requiring wet signatures may require paper submissions in order to be compliant.

- **Counter operations**
  Can find paper as a low-cost alternative to investing in kiosks or iPads for form completion, as well as a time saver when customers are in the office and the priority is reducing time spent on site.

- **Paper is easy to annotate**
  Allowing real time note taking or customer completion of forms at the counter.

- **Customers are intimidated by computers**
  Or may not have access to them, so a paper option is necessary.

- **Paper can be easier to digest**
  When reading long documents.
However, paper becomes a problem when it creates inefficiencies or is a barrier to adopting new technologies

Most Government regulatory agencies share many familiar challenges

- Many paper applications, forms, notices, etc. that must be then manually entered into a system
- Multiple steps for customers to achieve desired outcomes (multiple contacts required to submit forms, pay for services, obtain status)
- Myriad of (changing) regulations/ business rules make it hard to set aside time to improve the status quo
- Manual, paper-based document reviews must be circulated across multiple reviewers, which adds time to the process
- Inconsistent service delivery due to lack of automation
- Lack of transparency and coordination between activities (e.g., inspections, approvals) because of delay in entering data on paper into the system
- Governance and decision-making challenges
- No ‘single view’ or source of truth of the customer/stakeholder

...And yet, customer expectations are high, demand and workload is increasing, and many agencies feel understaffed and overworked.
There are Common Barriers to Automating Paper Processes

- **Unclear or Unrealistic Future State Vision.** There must be a defined vision, goals, and an incremental plan to achieve objectives.

- **Change Resistance.** People must understand the reason for the change and what is in it for them.

- **New Technology Does Not Fix Bad Processes.** Inefficiencies or outdated policies must be proactively assessed for improvement.

- **Lack of Consensus on Current State.** There must be common understanding of the steps in the process in order to automate the process.
Lessons from the Field: Best Practices & Recommendations
How have your peers achieved paperless processes and automation?

We’ll discuss what to do (and what not to do).
Best Practices & Recommendations for Going Digital

- Understand your processes and opportunities for improvement prior to investing in technology
- Accommodate unique, legislatively mandated requirements, but adopt best practices where possible
- Associate your processes with metrics to enable benefits realization and measure improvements over time
- Invest in Organizational Change Management (OCM) to ensure stakeholder buy-in and adoption
- Secure visible executive sponsorship with associated recognition opportunities for participation
Client identified the top 50 most impactful permit types to document, analyze, and improve; prioritizing top 10 for quick wins

Key Takeaways

✓ Established a clear vision with visible executive sponsorship
✓ Defined a realistic scope
✓ Initiated an effort to document and gain consensus on current state before implementing change
✓ Proactively sought to improve processes before configuration in the new solution

Prioritize sets / chunks of processes so that you don’t boiling the ocean

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Service Category: Development Services
Process Number: 24
Creation Date: 08/07/2017
Revision Date: 08/25/2017
Version Number: Version 3

Process Objective: A Rough Grading Plan (RGP) is submitted for Land Disturbance (i.e. clearing and grading (CG)) on a property of more than 2500 square feet, which would require the implementation of Erosion and Sediment (E & S) control measures.

Prerequisites:
- None – For Land Disturbance Only
- For Commercial Only:
  - Reviewed 1st Submission
  - Of Construction Plan
- Post Submission Conference for Construction plan
- Resolve issue identified at Post Submission Conference
- Off Site Easements
- Proposed with Site Plan are Recorded

Narrative Description: A Rough Grading Plan (RGP) is a plan that is submitted by an applicant for clearing and grading on a property of more than 2500 square feet (that disturbs land under an existing use and does not include a structure). Re-grading of land over an area of 2500 square feet or greater also requires a Land disturbance permit, and approval of the RGP results in the issuance of the Land disturbance permit.

An Applicant submits a RGP, supporting documents and fee to the Site Application Center (SAC). RGP’s may be associated to a residential or commercial development, depending upon the project. RGP’s may be associated with other permit applications, such as a demolition permit. The review process of a RGP can also differ if a project is residential or commercial.

Application intake is performed by the SAC Engineering Technician, who then distributes the plan for review to Site Development and Inspections Division (SDID) Site Reviewer and to the appropriate reviewing agencies. SDID performs a review within a specified time.

Actors:
- Applicant
- SAC Engineering Technician
- Bonds and Agreement Center (BAC) Engineering Technician
- SDID Reviewer
- Applicable Review Agencies
Client conducted a Gap Analysis and Change Impact Study to understand the magnitude of change and prepare for it

Key Takeaways

✓ Dedicated more time to training and communicating to the most highly impacted stakeholders
✓ Customized communications and training based on the different stakeholder groups’ needs
✓ Briefed managers on the anticipated change impact and how to handle change resistance

Rated Change for Each User Story

Assessed Change Impact by Functional Area

Detailed Change Impact for “Major” Change Areas

Analyzed Change Impact for Stakeholder Groups
Client created three formal full time OCM positions to support its large transformation

Key Takeaways

✓ Performed an upfront stakeholder assessment to identify stakeholders highly impacted by process changes
✓ Established a formal OCM and Communications Plan to support the effort
✓ Conducted extensive outreach in advance of Go Live: role-based training, job aides, newsletters, lunch and learns, etc.

A dedicated team was able to provide employees with the knowledge, communications, and confidence crucial to obtain stakeholder buy-in

Upcoming Events

September 29, 2020
Noon via WebEx
Brown Bag Lunch & Information Session

We encourage you and your staff to join us to learn more about SHAPE PHX.

In the main folder, you’ll find:

• The Job Aids FInding Guide. This file gives you the list of all of the resources SHAPE PHX Training Documents, a brief description of what each file provides, and the folder in which you will find it.
• The SHAPE PHX Glossary of Terms. This cross-referencing tool allows you to look up new lingo from SHAPE PHX, and find the equivalent term from KIVA, if one exists. It includes KIVA terms, as well, so that you can look them up and find its SHAPE PHX counterpart.
• A primer on Unilever Wabbix, with tips and tricks for using this tool that has become a big part of our working lives.
• A short video called Create Great Expectations. Here you’ll find information on working in a customer service environment during a big change like the one we are embarking on with SHAPE PHX.

There’s much more in this toolbox, and we’ll highlight the information for you in the weeks to come as we get closer to SHAPE PHX Release 1 go live.
Poor staff buy-in and adoption of leadership’s overhaul to redesign future state business processes

Key Takeaways
✓ Redesigned future state business processes (novel approach)
✓ Sponsored by executive with strong vision
x Lacked buy-in and adoption from internal staff

Adoption of the “Customer-First” vision failed after transitioning to new leadership.
Client relaunched a failing project implementation, but failed to reimagine their L&P processes to meet future state needs

Key Takeaways

✓ Created a solid foundation for success, rebuilding trust and relaunching the project

X Limited adoption of best practices

X Customized implement complex requirements for yesterday (e.g., client was not flexible until COVID)

Compressively Assessed the Failing Project

Established Project Governance and Accountability

Redefined the Project Implementation Methodology in a new, detailed SOW

Early Warning Signs of Solution Design Flaws Became Significant
Latest Trends in L&P Technologies
Enabling Automation
COVID-19 has altered licensing, permitting & regulatory agency operations for the short, medium and long term

These changes are here to stay

- Archaic and bureaucratic processes will not be tolerated now
- Agencies have recognized tangible cost savings and increased productivity, contradicting expectations
- New virtual tools and techniques can be just as effective as in-person work

**Building officials turn to video inspections to mitigate COVID-19 risk**

During a webinar hosted by the International Code Council, a recent survey showed:

- 40% of building department respondents said they do not have the capability to do electronic plan review.
- 30% do not have the capability to do electronic permitting.
- More than 60% don’t have the capability to do remote inspections.
- 93% of departments are still performing inspections, mostly for minor or basic projects only.
- 65% have at least some staff transitioned to remote work.
- Most departments responded that they are not performing in-person inspections in occupied spaces.

“One thing is clear, according to the webinar — the departments that have either chosen to begin a video inspection program or were forced into it because of the COVID-19 pandemic will continue using this method of inspection after the health crisis is over.”

We are in the midst of market change that will offer increased ownership, flexibility and extensibility

- Increasing mergers and market players
- Mobile/portal capabilities standard
- Reports of troubled projects

2009

- Few major vendors dominate market
- Electronic plan review gains traction
- Immature implementation methodologies

2014

2019

- Platform/large vendors enter market
- Apps, AI, BIM start to become a reality
- Vendors embrace agile, increase project rigor

2024

- Vendor extensibility and modularity win the day
- Data and automation reign
- Customers drive implementation
Licensing and Permitting engagements typically involve a standard set of niche vendors due to implementation complexity. Newer entrants have been taking advantage of platform solutions.

Representative Legacy Vendors

More Recent Entrants
Contactless Service Delivery Trends & Solution Considerations

**Contactless Experience**
- Online Appointments
- Virtual Queueing
- Time-Specific Reservations
- Chat Bot / Concierge
- Digital Signage
- Mobile Apps

**Constituent Analytics**
- Customer Journey Mapping
- Customer Feedback Surveys
- Data & Analytics
- Real Time Monitoring & Alerts

**Services & Solution**
- Cloud Computing
- Privacy and Security
- Integration
- Speed of Delivery
- Business Rules
- Pricing Model

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Closing Thoughts and Q&A
Closing Thoughts

1. Common Barriers to Automating Paper Processes
   While paper has benefits, it can create inefficiencies and limit adoption of new technology. Common barriers include a lack of vision, change resistance, and unknown or bad processes that need fixing first.

2. Lessons from the Field: Best Practices & Recommendations
   People’s daily lives are impacted when you change the way they work. It takes careful communication and investment in proven techniques to gain buy-in from staff and deliver solutions that improve customer service.

3. Latest Trends in L&P Technologies Enabling Automation
   COVID-19 is pushing processes digital and virtual. New “low code” entrants to the market and repeatable AI solutions like chat bots are pushing the market to adapt and evolve to new expectations.
Thank you!

Gartner TX DIR Contract Information

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