

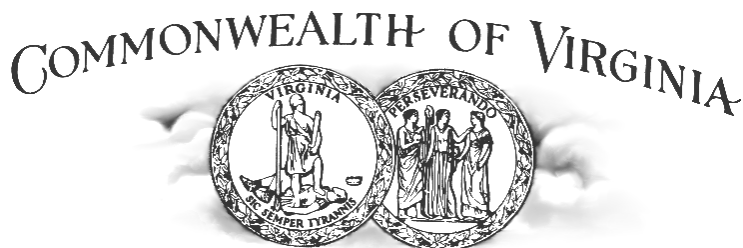


*International Association of Commercial
Administrators (IACA)*

Merit Awards Application

Virginia State Corporation Commission

March 15, 2010



**STATE CORPORATION COMMISSION
OFFICE OF THE CLERK**

P.O. BOX 1197 RICHMOND, VIRGINIA 23218-1197

Jurisdiction: Virginia

Submitted By: Joel H. Peck, Clerk of the Commission

Date Submitted: March 15, 2010

Overview

The authority of the State Corporation Commission (SCC), an independent agency created by the 1902 Constitution of Virginia, encompasses utilities, insurance, state-chartered financial institutions, securities, retail franchising, and railroads. In addition, it is Virginia's central filing office for corporations, limited partnerships, general partnerships, registered limited liability partnerships, limited liability companies, business trusts, Uniform Commercial Code financing statements, and federal tax liens. The Office of the Clerk of the Commission performs the "central filing office" functions of the SCC.

This broad scope of regulatory and administrative authority by a single agency (SCC) makes advances in the use of technology to re-engineer business processes more challenging and difficult. The diverse environment in the SCC also requires an unusual and unique set of skills by technical staff to understand business processes sufficiently so as to bring about meaningful transformational changes supported by new technology.



The technology enhancement described in the submission was brought about by blending the unique technical skills of SCC staff and an outside technology integrator to achieve a successful business result. As the result, customers of the Clerk's Office can now file certain business entity documents online through SCC eFile. SCC eFile includes the ability to perform registered agent changes and resignations online as well as an improved business entity and name search feature. The Clerk's Information System (CIS), which is the repository for business entity data, has been updated to enhance navigation.

Description of the Innovation

The SCC has unveiled a new web site – SCC eFile – the first of several planned steps to offer electronic filing and payment services for business entity transactions handled by the Clerk’s Office of the Commission. Two of the most common and most critical business entity filings – registered agent changes and resignations – can now be completed electronically through the Commission’s web site. Once the transaction is correctly executed, the SCC eFile user receives a real time acknowledgement message that the transaction has been successfully completed. The web site may be accessed at <https://sccfile.scc.virginia.gov/>.

Significant technology challenges faced the SCC at the outset of the project. CIS is a legacy mainframe system dating from 1989 and was not designed for use by external customers. System modifications made over the years did not anticipate the technological needs of the SCC’s customers. Therefore, the selection of the appropriate servers, networking equipment and software (the “infrastructure”) that support SCC eFile and interface with CIS was a key implementation factor for the success of the project. Additionally, during the development phase of the project, CIS experienced performance issues that required acquisition of additional software products to achieve acceptable performance levels for electronic filing of registered agent and registered office changes as well as entity searches.

In order to accomplish a registered agent or registered office change, a customer creates an account in SCC eFile. Once logged into an account, the user is able to initiate various actions from the services page. A favorites feature allows frequently accessed business entities to be linked to the user for quick access and a search feature allows the user to find a specific entity. A user may initiate the following actions for the selected business entity: view details, initiate filings, or view eFile transaction history for entity. An interview-style format guides the user through desired changes to the entity’s registered office or registered agent. The user then confirms the information and may view and print the form via a PDF.

In addition to registered agent filing, the business entity search feature of the SCC web site has been enhanced. SCC eFile is designed to use a phone book style search and the CIS database is searched in real time. Searches are faster, no longer require the use of function keys, and allow more users to search at one time. Also as part of the eCommerce project, the SCC’s home page has been redesigned, and while including a prominent link to SCC eFile, it also highlights information from other SCC divisions.

SCC eFile was softly launched in mid-December 2009. Public communication of the web site was minimal. The only announcement about SCC eFile availability was made to external stakeholders involved in its development. This allowed the web site to undergo a “test phase” before the formal public launch. During this time, SCC eFile welcomed over 1,700 visitors, 1,300 of which were first-time visitors. On January 20, 2010, SCC eFile was officially announced via press release to a wide array of media outlets. Starting in February 2010, mail inserts announcing SCC eFile have been distributed via monthly annual report notifications.

Results of the Implementation

Implementation of this project has resulted in a web-based filing system which integrates the existing Clerk's Information System. Infrastructure has been wholly revamped, allowing for faster searches and establishing an agile systems development process for future projects. SCC eFile has experienced strong adoption rates. As of March 1, 2010, 3,432 customers have established SCC eFile accounts and approximately 35% of registered agent and registered office changes are accomplished electronically. Approximately 99.3% of SCC eFile transactions have been completed successfully. Survey results are overwhelmingly positive, with close to 90% of survey takers rating themselves satisfied or very satisfied with SCC eFile. Survey results demonstrate that most users are very likely to return to the site as well as recommend the site to others.

Benefits of the Project

Transactions are fast, simple and secure. Confirmation is provided in real time; right after a transaction is submitted. Registered agent and registered office information is more current with the ability to update this data instantly online. SCC eFile will allow business entities to easily keep current, accurate registered agent information on file with the Clerk's Office. No fee is charged to a customer for a registered agent or registered office change and customers use a single electronic form regardless of entity type (if using paper, there is a different change form for each type of business entity). Customers may now communicate with Clerk's Office staff using the SCC eFile e-mail address. Response times are within one business day.

By early March 2010, over 3,400 electronic transactions have been completed to update registered agent and registered office information automatically. The over 30 percent reduction in the volume of data entry required by the Clerk's Office staff will allow staff to focus its efforts on other priority tasks in the Clerk's Office. Online registered agent transactions through SCC eFile, which is available 24/7, should reduce the need for personal visits to the Commission and will save paper and postage used in mailing materials to and from the Commission. In addition, SCC eFile will reduce the turnaround time for completing such transactions.

More efficient "green" technology was acquired as part of this project. New servers are smaller but can store more data. The SCC is using less energy and space to operate them. The hardware allows for more users performing transactions at the same time in SCC eFile. Response and load times are faster. Additionally, the SCC network is more stable and more secure.

The project also identified an opportunity to consolidate data stored on about 100 servers which may result in reducing the number of servers to about 40 to 50. Once full virtualization and consolidation takes place, electricity costs will decline; less space in the Data Center will be need for the remaining servers; and data will be stored more efficiently.

Successful project management procedures and methodology developed in this project can be used in the future. The public/private partnership, governance and committee structure and use of various software tools introduced new and effective ways of approaching major projects that will lead to “best practices” for managing future projects.

A stakeholder base has been built. In addition to external user groups, other stakeholders were brought into the project. Presentations were made to members of the Virginia Bar Association regarding the scope and progress of SCC eFile. The University of Richmond’s Robins School of Business MBA program became involved through its Capstone program, wherein a student integrates concepts learned throughout the MBA program to address a strategic challenge facing a host organization.

Lessons Learned

The success of future phases of SCC eFile is grounded in the methodology of this project, which has created a reusable process for future eCommerce projects. The approach of the project encompassed the long-term vision of a foundation to accommodate eCommerce projects across the diverse areas of the entire SCC.

First, the project was undertaken in partnership with CGI Group, Inc., an IT and business process services provider. This public/private partnership provided a framework for the project that included daily involvement of SCC and CGI personnel from both the business and IT perspectives.

Second, a strong governance structure was established from the inception of the project. With many committees formed to cover the myriad of details and decision points during planning, development and implementation, a Steering Committee provided strong, strategic leadership by meeting on a weekly basis to consider all critical decisions as well as to provide checks and balances to ensure a successful launch of SCC eFile. Effective collaboration and communication among and between committees were facilitated by the use of Sharepoint software elements.

Additionally, extensive stakeholder analysis was undertaken. From the beginning of the development of SCC eFile, valuable input was obtained from selected external stakeholders, including various law firms and service corporations. The ability to make online registered agent changes was one feature specifically requested by these stakeholders. The IACA list serve was polled to obtain information about business processes already set in other states. The external stakeholders served as the test reference group, providing feedback on the web site’s appearance, functionality, and ease of use before its public availability. While many of their recommendations were included in the initial phase of SCC eFile, others will be implemented along with future online services. In order to maximize the web site’s usefulness to this group, extra care was taken to develop a Frequently Asked Questions section and an extensive Help section for the end user. The web site is also designed to work with the most popular web browsers.

Internal stakeholders were involved from the outset and a transition management component is embedded in the project. Front-line personnel in the Clerk's Office have been trained in working with electronic filing and the SCC's technology staff has been trained on how to support the new environment. An internal communications program was implemented to keep SCC employees informed. Town hall meetings were held and banners and posters were placed throughout the agency. Training, particularly for call center staff, was carefully planned and executed with the use of Adobe Captivate, software that provides interactive program demonstrations.

Finally, well in advance of deployment of SCC eFile, relevant statutes were reviewed to identify any impediments to electronic commerce, resulting in the successful passage of several pieces of legislation in the 2010 session of the Virginia General Assembly.

Care must be taken to balance the wants of end users with statutory requirements, technological limitations and financial constraints. Throughout the development of SCC eFile, efforts were undertaken to manage the expectations of both internal and external users. Consistent messaging about the scope of the project helped keep expectations in check. For "wish list" items that could not be provided initially, it was made clear that on-going consideration of backlog items is underway, with a goal of providing the most desired on-line features over the course of the next 18 months.