MANAGING DURING DIFFICULT ECONOMIC TIMES

Kathy Berg – Utah
Scott Anderson – Nevada
Betsy Bogart – California
Justin Hygate – New Zealand
Who Are We Anyway?

- Scott Anderson – Nevada Deputy Secretary for Commercial Recordings and past IACA president
- Justin Hygate – New Zealand Group Manager Business Registries Companies Office and past IRS Section Chair
- Betsy Bogart – California Senior Staff Counsel Supervisor Business Programs Division and past Business Section Chair
- Kathy Berg – Utah Division Director Corporations and Commercial Code and past president
WE’RE IN A MESS....

- German Govt Cuts 2009 GDP Outlook To -6.0% Vs -2.25% -
- The Czech Republic Pays for Immigrants to Go Home
- Capitol Journal Sharing the state's fiscal pain - California Senate leader Darrell Steinberg is learning that every precious public dollar has too many jobs to do.
- Help coming for Nevada's economy - Governor Jim Gibbons will submit an application to accept federal stimulus money on Monday.
- New Zealand May Cut Interest Rate to Record-Low 2.5% - In New Zealand, business confidence fell to a 35-year low in the first quarter
WE’RE IN A MESS….

- Utah's economy is feeling the pinch - The global economic meltdown is hitting Utah, whose strong economy has for a time somewhat sheltered residents and workers here from larger storms. Deseret News
- Obama seeks $100M in government 'efficiencies' The Associated Press
- IMF: World economy to shrink in 2009 - Associated Press
- State sees biggest drop in revenue
Where does your state rank?

Americans everywhere are feeling the recession's pain – some more than others.

Source: Center on Budget and Policy Priorities
NEVADA
How Did We Get Here?

- Overview –
  - Economy
  - Too comfortable?
  - Too efficient?
    - Special Services Revenue
    - Online and Web Services
    - Turnaround Times
Tough Decisions

What is expected of us?

- Expected to provide the same level of service with less resources.
- Expected to make same cuts as non-revenue generating agencies.
- >20% budget cuts requested for FY 09
- Unfunded mandates
Tough Decisions

What we did and what we are doing -

- Layoffs/Vacancies
- Consolidation of Physical Space
- Significant Travel and Training Cuts
- Prioritization of Projects
- Voluntary Time-Off/Legislative Duties
- Pay Cuts
- Assess Every Expenditure/
Tough Decisions

- Office efficiencies
  - Centralized Supply Storage and Ordering
  - e-Notifications
  - Electronic Seals and Signatures
  - Changed Budgetary Structure
  - Office Reorganization/Consolidation
  - Invest in Online Services
Tough Decisions

How are we making it?

- Support of Staff and Management
- Support of the Registered Agent Community
- Support of our Customers
- Support of our IACA Colleagues
- Thinking outside the box
NEW ZEALAND EXPERIENCE

- Context
- New Zealand changed our government in 2008. Replaced 9 years of centre-left with centre-right
- A mandate to reduce to size of the public service – but no reduction in Front-line services
- Value for money exercise across government reducing all budgets by 10%
- Far more appetite for public private partnerships
NEW ZEALAND COMPANIES OFFICE

- In the midst of a major refresh of our core application ($NZ4.5 million)
- New application will provide a range of new services
- Well placed to ride out the recession thus far through:
  - Wholly online transactions (Mandatory online filing since 1 July 2008)
  - Running our Contact Cnetre as a bureau (spreading the costs)
OUR APPROACH IS TO PROVIDE MORE FOR LESS

- Free searching – extended to mobile devices
  m.companies.govt.nz
- Recently taken over responsibility for the New Zealand whole of government business site
  www.business.govt.nz
- See ourselves as needing to assist small business more than ever
- Running a deficit for 12 – 18 months
PROVIDING EASIER ACCESS TO THE AUSTRALIAN MARKET

- Companies incorporated in New Zealand who wish to register in Australia notify ASIC of intention by completing a form. ASIC then ‘connect’ their system to NZCO. Client then need only update their record in NZ and the Australian record is updated automatically.

- Additional benefit of reduced or removed fees (Financial Statements for example)
Shrinking Budgets

- Functioning in California with Less
CALIFORNIA’S FURLOUGHS

- Effective February 2009, Governor ordered immediate 2-day furlough – 10% cut in pay and encouraged the constitutional officers to participate in the furlough
- Secretary of State, as one of 6 constitutional officers, chose not to participate in the furlough and instead found 10% cuts to our general fund budget
- Lawsuit filed by the unions to quash furloughs – Governor won and tried to apply the judgment to the constitutional officers
- Another lawsuit against constitutional officers to apply the 10% furlough – Governor won and it is on appeal
- Meanwhile, a union representing all but our attorneys and investigators negotiated with the Governor and ratified an agreement for a 1-day furlough – 5% cut in pay which is pending approval with the legislature
COMMUNICATION & INPUT

- Staff
- Service Companies
- State Bar Committees
- Administration
- Other states
IDEAS

- Reduce public counter and phone hours
- Redirect phone staff
- Changing work shifts
- Update phone message encouraging customers to use the Web
- Enhance Frequently Asked Questions and Filing Tips on the Web
- Combine counter services
LEGAL PARAMETERS

- Government Code requires serving the public from 8:00 am – 5:00 pm M-F
- Phones must be answered within 10 rings (not necessarily by live person)
- Regulations allow us to suspend pre-clearance and expedited services
- Uniform Commercial Code provides for filing office processing delays (beyond 2 business days) for UCC documents under conditions beyond the control of the filing office
BUSINESS PROGRAMS DIVISION’S PLAN

- Combine counter services – SI & UCC
- Reduce non-fee-for-service phone staff by half and redirect to production work
- Update phone scripts (IVR) to advise customers upfront that due to budget constraints, reduced staff is available for phone calls. Equipment is being installed to give the wait time
- Enhance information on website to address most frequently asked questions and filing tips
- Where applicable and feasible, modify work schedules and processes to create focused, uninterrupted processing time (from 7 am – 10 am), saving research issues and questions for later in the day.
- Encourage staff to set aside a block of time to return customer calls and update their voice mail greeting to indicate this
LESSONS LEARNED

- Important to communicate Big Picture and Goals to staff and customers
- Encourage participation in ideas to meet goals
- Remember that tough economic times impacts everyone
- Remind everyone to stay flexible and try to be understanding (not only with customers but with staff)
- Reduce assumptions and help reduce morale issues for staff
UTAH
“We can study this for another 6 months or we can do it, and figure it out as we go.”
Utah Governor Jon Huntsman July 2008
4 – Day Work Week

- How would it Help
  - Governor’s Initiative – Started as an energy efficiency initiative
  - Unexpected savings in the first year
4 – Day Work Week

- PUBLIC BUY IN
  - Media blitz for awareness campaign
  - Ombudsman and information hotline
  - Management availability on Fridays
  - Solicitation of feedback
4 – Day Work Week

- **STAFF BUY IN**
  - Survey employee needs
  - Commute issues
  - Childcare issues
  - Post-workday commitments (school or second jobs)
  - Longer work days
4 – Day Work Week

- WHAT ARE THE SAVINGS?
  - Energy costs
  - Commute costs
  - Leave usage
  - Workload
  - Use of online services
4 – Day Work Week

- HOW DID THE TEST YEAR GO?
  - Public likes longer days
  - Public likes 24/7 services online
  - Staff likes long weekends
  - Staff likes more varied days
  - Management likes fewer employee absences
Can We Survive?

- These things have worked
- Creative problem solving
- Can’t do it without technology
WE’RE ALL IN THIS TOGETHER

- IACA is here to help you out
- You’re here to help us out
- What are your ideas to weather this storm?
Have More Questions? Contact us…

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