

NOW OPEN

How Governments Can Innovate to Create Business-Friendly Environments

It's more than election rhetoric: Small- and mid-sized businesses (SMBs) do fuel economic growth. In the last 15 years, while big business eliminated 4 million jobs, SMBs created 8 million.¹ Statistics such as these hit home for state and local governments struggling to recover from the recession. According to Pew, as of January 2016, more than 20 states still collect less tax revenue than at their pre-recession peaks.

Creating a vibrant economic development environment for businesses to thrive is critical if government agencies want to increase revenue and make their state more attractive to new employers and employees, but it doesn't happen by accident. Innovative state and local governments are modernizing to accelerate business growth at the same time they are simplifying revenue collection.

These states are making their message clear: **We're open for business.**

BusinessConnect: Good Service, Good Business
Attracting and retaining new businesses starts with seeing the world from the eyes of business leaders who desire modern tools for frictionless interactions with state and local agencies.

Forward-thinking governments are implementing centralized digital platforms, allowing businesses to conveniently interact and collaborate

with government agencies online. Deloitte's BusinessConnect is one such platform that's helping states realize the value of a digital engagement solution. For instance, BusinessConnect allows business leaders to easily see the status of their business registration, submit license applications, pay associated fees and more. Questions and concerns are easily resolved via Web chats with government advisers. It also includes a decision tree wizard, which helps business owners navigate government services, processes and relevant regulations based on their specific needs.

Bottom Line Results

By leveraging BusinessConnect, states can attract new businesses, reduce transaction costs, increase tax revenues, improve customer service and forge closer connections with the business community. When companies have a clearer understanding of local regulations, states can anticipate higher compliance rates for licenses and permits, as well as timely payments of fees. Fewer manual processes mean less data-entry overhead and input errors.

BusinessConnect also enables states to identify opportunities for more effective resource allocation. For example, by applying risk-based analysis to data gathered via electronic processes, government

Small- and mid-sized businesses have created 8 million jobs in the past 15 years.

leaders can determine which business owners are least likely to comply with regulations, and then prioritize inspections accordingly.

One of the largest potential benefits is BusinessConnect's ability to automate licensing, including inspections, code enforcement, application processing and approvals. This enables business leaders to self-serve and allows governments to track licensing data and more accurately forecast revenue.

5 Steps to Attract New Businesses

Digital engagement platforms such as BusinessConnect provide a modern, cloud-based platform for collaborating with businesses and creating a climate that attracts new entrepreneurs. But technology alone isn't the answer. Digital modernization should be combined with the following leading practices to maximize results.

1 FOCUS ON THE ART OF THE POSSIBLE.

Provide opportunities for ongoing communication and seek ideas from a large and diverse group of experts. Include commercial businesses and systems integrators with experience in consumer digital engagement and self-service. Speak with peers in the public sector and ask for suggestions on how to cut red tape and streamline engagement. Each of these groups may be a valuable resource for how new technology can transform government.

2 BUILD A STRATEGIC DIGITAL ROADMAP.

Look to technology to move business transactions online and leverage social, mobile and cloud-based solutions. This could include tax payments, business registrations, licensing and permitting.

3 UNDERSTAND CONSTITUENT EXPERIENCES.

Traffic patterns on BusinessConnect can help government accurately gauge business interests. This information will also help states evaluate application processes within and across departments to identify and resolve bottlenecks, resulting in improved constituent experiences.

4 ELICIT CONTINUOUS FEEDBACK FROM THE BUSINESS COMMUNITY.

Using social media, crowd sourcing, online ratings, formal surveys and focus groups, states can respond quickly to emerging business trends, problems and concerns. This open dialogue should help connect government to citizens, ultimately increasing constituent satisfaction and creating a service-based culture.

5 USE AN AGILE APPROACH TO TECHNOLOGY IMPLEMENTATION.

By rolling out new capabilities in small, frequent iterations, government staff will gain confidence in new tools and processes to effectively manage budgets, mitigate risk, increase productivity and achieve wins that justify additional investments.

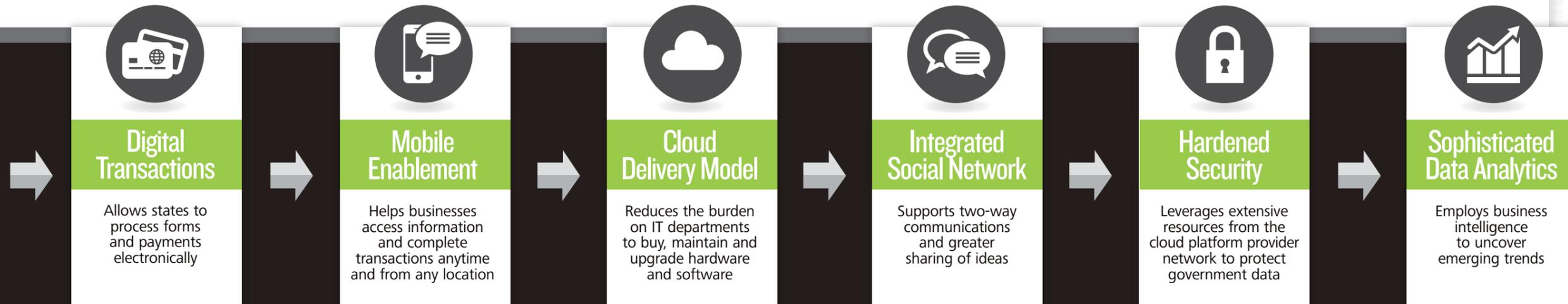
A Win for Business and Government

States are using technology to create business-friendly environments and foster closer relationships with the business community. It's a win for both groups — businesses thrive in an environment that encourages growth, while states increase revenues, streamline workflows and improve constituent satisfaction. With the right technology foundation and digital transformation subject matter leaders, state officials can create a roadmap for connecting more closely with businesses and set the stage for economic growth.

1. <https://it.ojp.gov/default.aspx?area=privacy&page=1287>

Modernizing with BusinessConnect

BusinessConnect provides an interactive alternative to promote communication and enhance opportunities for economic development through the following features:



Learn how to leverage technology to spur economic growth and create a proactive government at: www.deloitte.com/us/businessconnect or email Kristin Russell at dd-info@deloitte.com

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