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# North Dakota Secretary of State Business Process Modeling and Future System Strategy Final Presentation

September 2015



# Agenda

-  Project Overview
-  Phase 1 – Business Process Modeling
-  Core Requirements
-  Phase 2 – Future System Strategy
-  About Major Oak

# Overview - Project Objectives from RFP

Due to significant growth, the State of North Dakota Secretary of State Office (“State”) is preparing to replace its current system based on AS/400 legacy architecture with a future system.

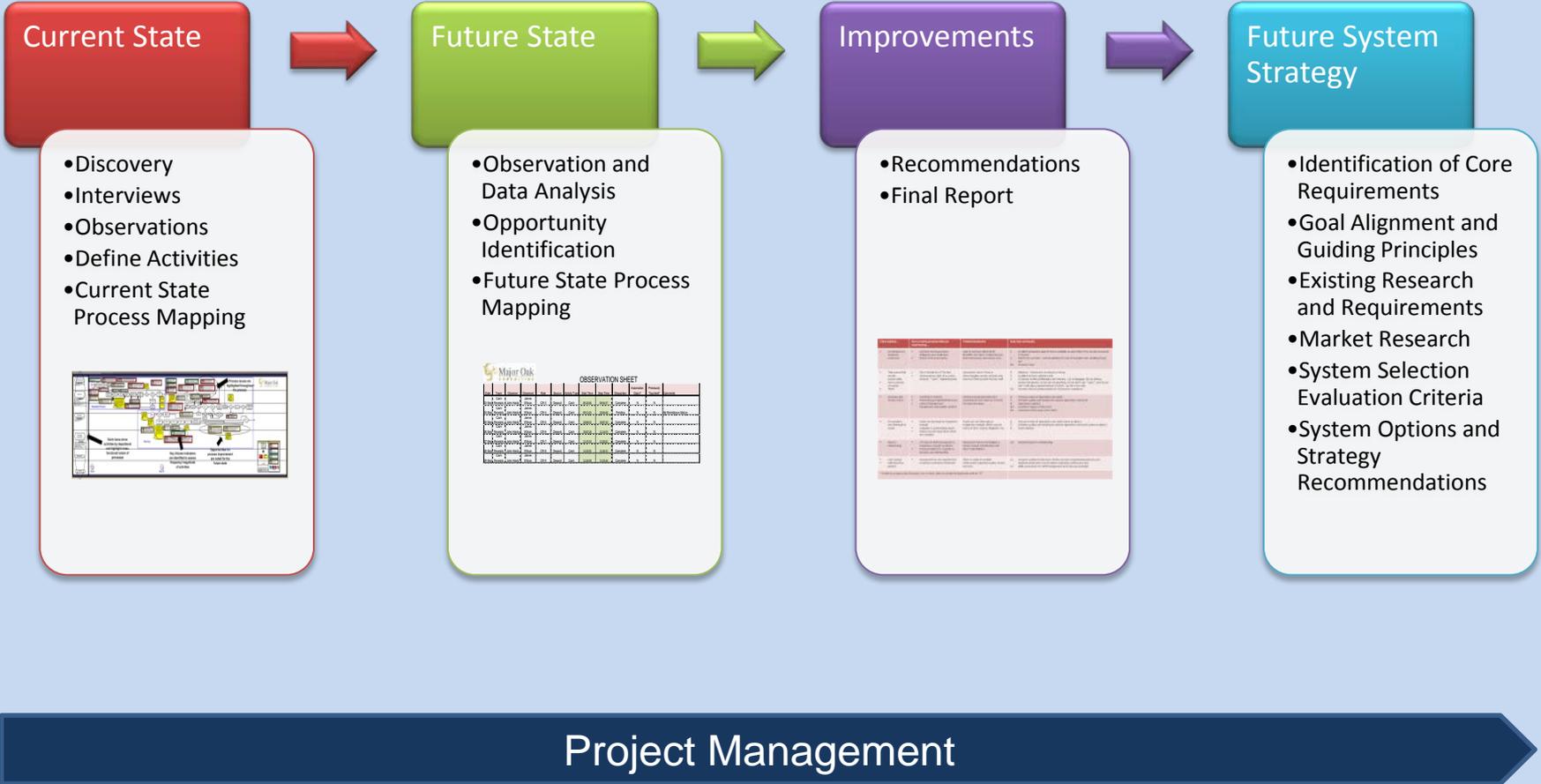
The State is soliciting business process modeling services to be provided by a qualified consultant with technical expertise in business process modeling. The contractor will direct, facilitate, develop and document business process models of the Secretary of State and develop and document process improvements. The vendor will also develop and document core requirements to be used for the future system development.

Finally, the vendor will provide research to determine if the future system should be developed in-house or use a COTS product. In order to prepare for this transition, the State is looking for the following services:

1. Current State Business Process Mapping
2. Future State Business Process Mapping
3. Business Process Improvement
4. Core Business Requirements
5. Future System Strategy – In-House vs. COTS

# Overview - Project Approach

## Secretary of State Business Processes



# Overview - As Indicated In Our Proposal: Project Approach

Key Project Steps			
#	Activities	Description	Key Tasks
1	Discovery	Review of completed studies and analyses	<input type="checkbox"/> Review existing data <input type="checkbox"/> Examine previous reports
2	Interviews	One-on-one interviews with group senior managers, floor managers and supervisors	<input type="checkbox"/> Interview review <input type="checkbox"/> Goal alignment
3	Define Activities	Identify key activities	<input type="checkbox"/> Activity list <input type="checkbox"/> Activity summary
4	Side-by-Side Observations of Key Activities	Observe and track staff performing key activities as needed to develop a full understanding of processes and identify opportunities	<input type="checkbox"/> Master observation database
5	Analysis	Review and process information from master observation database	<input type="checkbox"/> Associate performance comparison <input type="checkbox"/> Interview data analysis
6	Process Mapping 1. Current State 2. Future State	Visual representation of end-to-end processes throughout business areas in-scope for current state and future state	<input type="checkbox"/> Mapping workshops <input type="checkbox"/> Current state maps <input type="checkbox"/> Future state roadmaps
7	Opportunity Identification	Identify improvement opportunities	<input type="checkbox"/> Opportunity list <input type="checkbox"/> Analyze improvement opportunities <input type="checkbox"/> Review with client team

# Overview - As Indicated In Our Proposal: Project Approach

Key Project Steps			
#	Activities	Description	Key Tasks
8	Core Requirements Development	Create core requirements based on information gathered during business process modeling and facilitated meetings	<ul style="list-style-type: none"> <li>❑ Develop Core Requirements criteria</li> <li>❑ Analyze requirements based on business process mapping</li> <li>❑ Validate and document analysis of requirements with client team</li> </ul>
9	Future System Strategy	Assess most appropriate future platform: In-House vs. COTS	<ul style="list-style-type: none"> <li>❑ Goal Alignment</li> <li>❑ Organize existing research</li> <li>❑ Interview other Secretary of State Agencies in other states</li> <li>❑ Develop evaluation criteria</li> </ul>
10	Final Report	Summary of engagement findings	<ul style="list-style-type: none"> <li>❑ Non-functional and architectural requirement documentation</li> <li>❑ Improvements and best practices documentation</li> <li>❑ Core Requirements documentation</li> <li>❑ Future System Strategy summary</li> </ul>

# Overview - As Indicated In Our Proposal: Project Approach

Key Project Steps			
#	Activities	Description	Key Tasks
11	Project Management	Create and manage integrated project management plan and all associated tasks	<ul style="list-style-type: none"> <li>❑ Project task completion</li> <li>❑ Schedule adherence</li> <li>❑ Status reporting</li> <li>❑ Project Issue/Risk identification and mitigation</li> <li>❑ Governance</li> <li>❑ Scope control</li> <li>❑ Resources management</li> </ul>

# Overview - Project Timeline

Key Tasks and Milestones	Week																
	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17
Project Initiation	█																
Discovery - Data Gathering	█	█	█	█													
Stakeholder Interviews	█	█															
Define Activities and Elements	█	█	█														
Observations		█	█	█	█	█	█										
Analysis - Reports and Interfaces			█	█													
Current State Process Mapping		█	█	█	█	█	█	█	█								
Future State Process Mapping								█	█	█	█						
Opportunity Identification	█	█	█	█	█	█	█	█	█								
Core Requirements Development										█	█	█					
Future System Strategy										█	█	█	█	█	█	█	█
Final Reports and Approvals																█	█
Project Management	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█	█

# Assumptions

1. The State will designate a key contact that will facilitate the participation of stakeholders and remove potential barriers to project progress. This includes participating in key meetings and assisting in stakeholder validation of the project outputs and final deliverables.
2. The State will assist in obtaining any detailed information necessary to perform required analysis or support the project's objectives.
3. At the beginning of the project, the State will provide copies of any relevant, existing documentation as requested by the Major Oak team.
4. The State will assist in obtaining any detailed information necessary to perform required analysis or support the project's objectives.
5. Interviews will be performed with 10-20 stakeholders as determined by State.
6. There will be an estimated 3-6 current state process maps and a similar number of future state process maps.
7. Prioritization of process improvement opportunities will be conducted based on the work to be performed in this proposal. Detailed process improvement work, including process analysis and process redesign, is not part of this proposal.
8. The State will provide workspace with typical equipment and functionality (e.g., printing, copying, internet connections, group meeting space, security credentials) at project start date.
9. All documents produced by Major Oak will be delivered to State in digital format.
10. State will provide requirements validation documents at the beginning of the engagement. Since the State desires validation to be completed by the end of the first week, we are assuming the review is reasonable for a 2 to 3 person team to accomplish in a one week time period.
11. State will have a color plotter and color printer available for the Major Oak project team.



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# North Dakota Secretary of State Business Process Modeling – Phase 1 Final Presentation

*Secretary of State*  
NORTH DAKOTA



# Agenda



Current State Assessment



Future State Design and Process Maps



Process Improvements



Next Steps and Roadmap

# Current State Assessment

The following activities were performed as part of the current state assessment:

-  8 interviews conducted with SOS management and team members
-  22 current state process mapping workshops
-  Activity specific observations
-  Creation of 7 activity lists
-  Created 8 current state process maps
-  Current state review and validation with management and senior leadership

# Current State Assessment – Interviews

 MOC conducted 8 interviews with SOS staff and management

#	Name	Team
1	Al Jaeger	Secretary of State
2	Jim Silrum	Deputy Secretary of State
3	Clara Jenkins	Operations
4	Beth Herzog	Business Communication & Notaries
5	Lori Feldman	Administration & Licensing
6	Darcy Hurley	Business Information
7	Nancy Schlosser	Business Registration & Business Communication
8	Rena Bloms	Accounting

# Key Themes and Findings from Interviews

## System Limitations

- Activities and databases need to be completed and maintained outside of system
- Paper-centric processes
- Lack of an online interface
- Form letter tool requires customization for every correspondence
- Out of date system

## Customer Experience

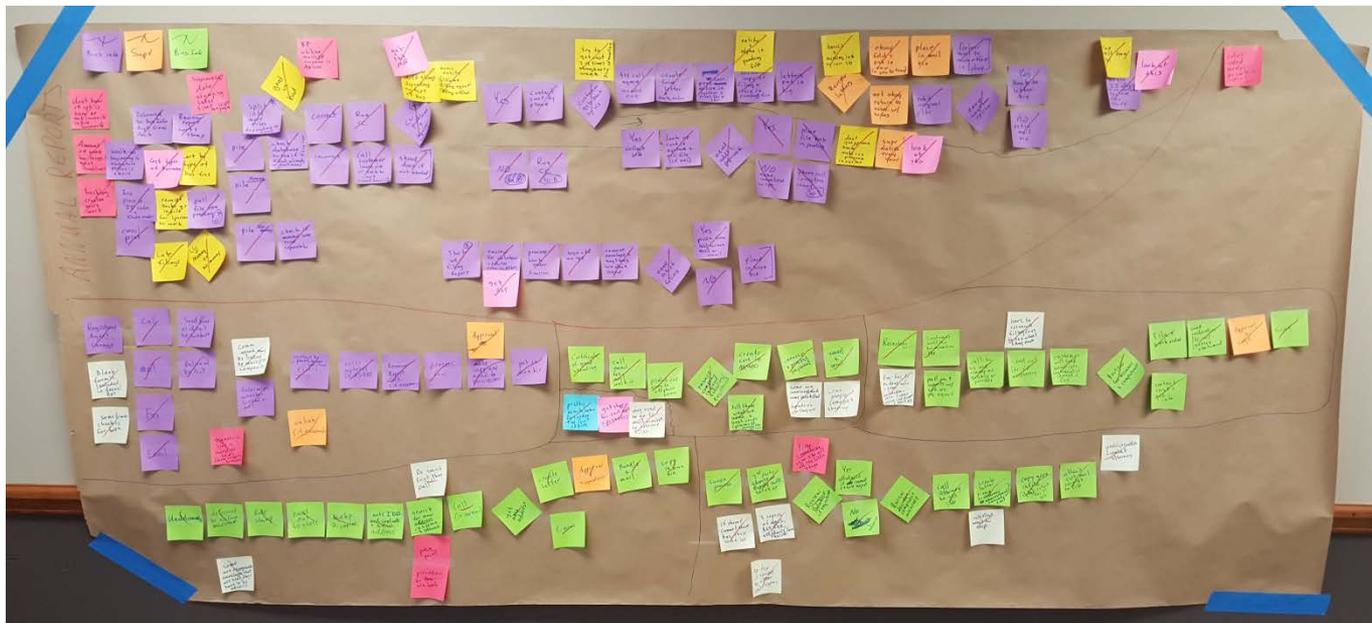
- Receive too many incomplete forms that require correspondence and follow up
- Backlog creates more work with customers contacting us for status updates

## Performance Management & Training

- Employees trained at different levels and completing similar activities in different ways
- Not everyone within each department is trained to complete all tasks
- Lack of metrics and benchmarks

# Current State Process Mapping Workshops

- Conducted 22 process mapping workshops, involved all SOS team members in both current and future state mapping workshops and review
- Reviewed and validated with management team
- Gathered input from all stakeholders to identify pain points and opportunities



Current state mapping session – Business Information

# Current State Mapping Summary

## Business Information, Business Registration & Licensing

- Unable to view status of application throughout the process
- Lack of guidelines for error types
- Lack of contact procedures for phone calls/correspondence
- Lack of tracking of common errors
- Sorting and reviewing work multiple times

## Communication & Information

- Require a lot of manual 'system work-arounds' to complete work
- Complicated process to run reports and gather necessary information

## Administration

- Required to manually index all documents
- Sorting work multiple times, where should this responsibility lie?

## Accounting

- AS400 and PeopleSoft unable to communicate and automatically transfer data
- Cashing checks prior to completing filing

## Notary

- Separate spreadsheet required to collect information
- Lengthy application and forms (too many pages)

# Opportunities & Quick Wins

- 112 opportunities were identified during current state analysis
- Quick wins were discovered and implemented in both the Business Registration and Business Information departments to assist in reducing the backlog of registrations and annual reports
  - Updated customer contact procedures to collect missing information
  - Specified contacts within each department to handle outgoing and incoming calls to assist in freeing up phone time of other staff members to focus solely on input
  - Standardized input processes to increase efficiency
  - Installed Visual Management Boards (VMBs) to track input, output and pending documents

Department	# of backlogged documents (as of 6/1)	# of backlogged documents (as of 8/24)
Business Information	18,932	4,349
Business Registration	1,987	450

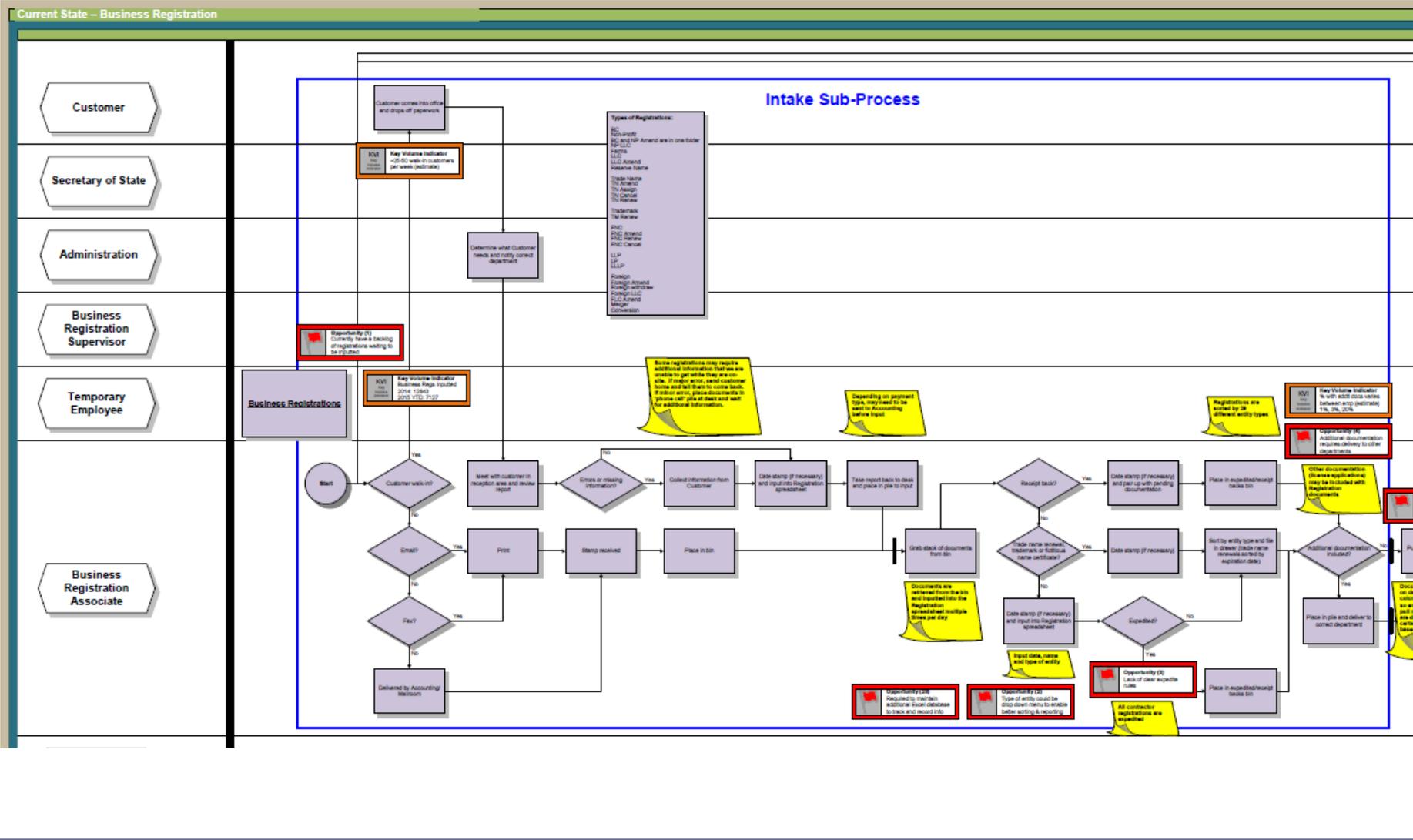
# Opportunity List

## Opportunity List - Business Registration



Definition				
#	Logged By	Logged Date	Area(s) Impacted	Problem or Opportunity Description
1	MOC	10-Jun	BR	Currently have a backlog of registrations waiting to be inputted
2	MOC	10-Jun	BR	Type of entity could be a drop down menu to enable better sorting and reporting
3	MOC	10-Jun	BR	Lack of clear expedite rules
4	MOC	10-Jun	BR	Additional documentation requires delivery to other departments - Licensing documents are often received in the same envelope as registration documents, we have to separate them and deliver to the correct department
5	MOC	10-Jun	BR	Backlog of registrations requires us to shift priority
6	MOC	10-Jun	BR	Outdated procedures - Procedures for the name availability check are outdated and incorrect
7	MOC	10-Jun	BR	Lack of procedures for what to review for each type of entity - Procedures do not exist for what we have to look for when reviewing documents
8	MOC	10-Jun	BR	Lack of guidelines for error types - Guidelines do not exist to determine if an error is major or minor
9	MOC	10-Jun	BR	Lack of contact procedures for phone calls - Employees are contacting customers differently and leaving different messages when requesting additional information
10	MOC	10-Jun	BR	Required to ask associates if unable to determine who return call is for - Voicemails are left in a group voicemail box, if the customer does not specify who they are returning a call from, the associate who listens to the voicemail may be required to ask all associates if they are working with a specific customer
11	MOC	10-Jun	BR	Lack of procedures for inputting documents - Procedures do not exist for how to input information in the system

# Current State Process Map



# Activity Lists

- Activity lists were created to better illustrate daily tasks

Activity List		 Major Oak CONSULTING A VERINT Company
AREA: <b>Business Registration</b>		
<b>Activities:</b>		<b>Responsibility:</b>
1	Business Registrations	All
2	Database Audit	All
3	Nature of Business	Barb
4	Expirations	Temp/Part timer
5	Renewals	Temp/Part timer
6	Payment Received Report	
7	North Dakota LLC, PLC, FMLC Dissolution	
8	North Dakota Merger (Corp, LLC, partnerships)	
9	Foreign Merger	
10	North Dakota / Foreign Conversions	
11	Foreign Withdrawal	
12	North Dakota Partnership Amendment (Changing Name)	
13	North Dakota Partnership Cancel	
14	Foreign Partnership Cancel	
15	New Partnership Filings (North Dakota / Foreign)	
16	New Trade Name	

# Agenda

 Current State Assessment

 Future State Design and Process Maps

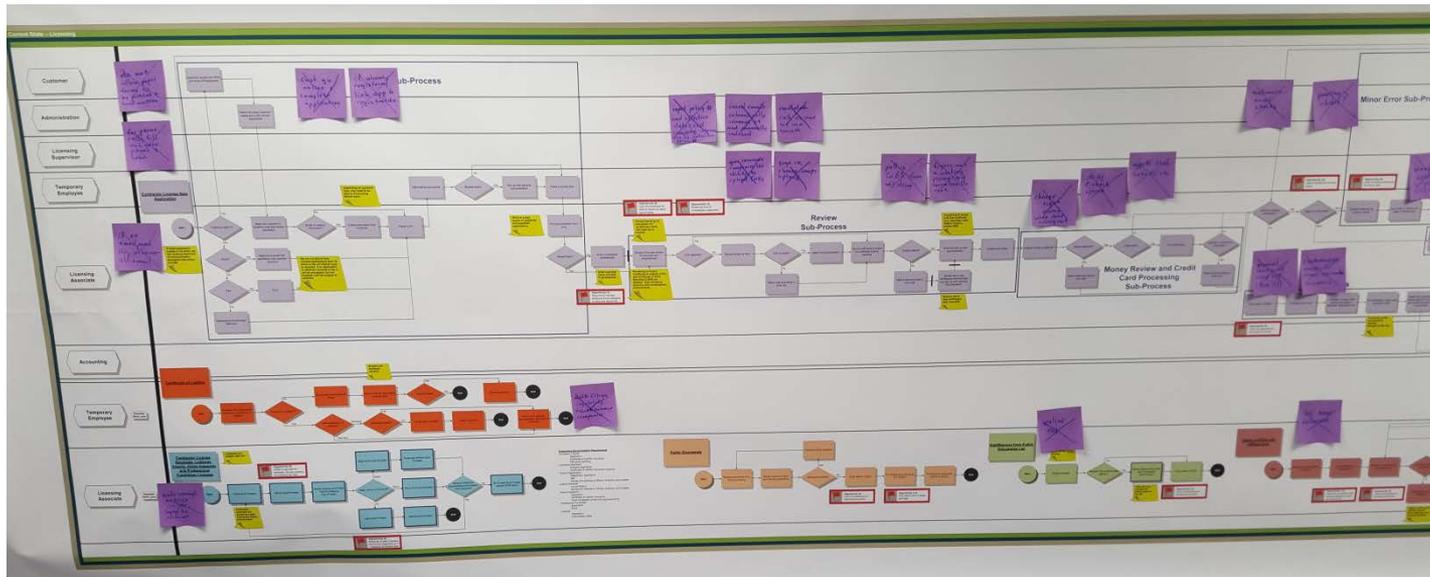
 Process Improvements

 Next Steps and Roadmap

# Future State Design

The following activities were performed as part of the future state design

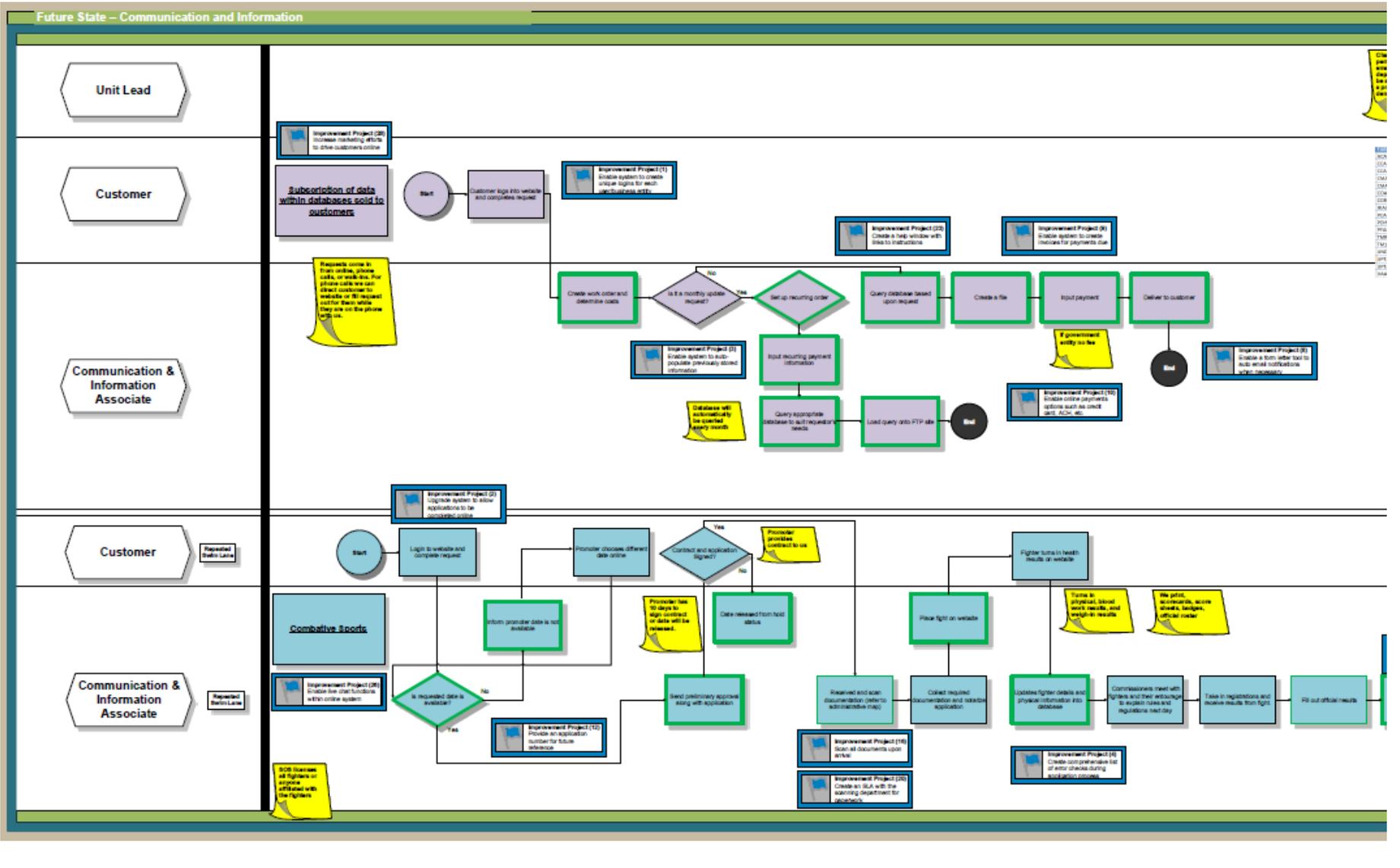
- Conducted 21 future state visioning sessions, involved all SOS team members in both current and future state mapping workshops and review
- Created 8 future state process maps
- Future state review and validation with senior management



Future state visioning session – Licensing



# Future State Process Map



# Agenda

-  Current State Assessment
-  Future State Design and Process Maps
-  **Process Improvements**
-  Next Steps and Roadmap

# Process Improvements Projects – Approach

- 📍 Identified 112 issues and opportunities throughout all current state activities that relate to people, process and technology
- 📍 Confirmed opportunities with staff and management through current state reviews
- 📍 Developed recommendations and improvement projects in collaboration with SOS team based on original opportunities and future state goals
- 📍 Defined 60 improvement projects and outlined impact to daily activities
- 📍 Established priorities with management team and estimated timing for implementation
- 📍 These projects will require further detailed assessment and analysis by SOS leaders

# Process Improvements – Key Themes

## Improved Online Capabilities

- Enable unique logins to be created for each user/entity
- Allow all applications/filings to be completed online
- Attach files as supporting documentation

## Automation of Processes

- Enable auto-population of previously stored information
- Automatically error check applications
- Auto workflows
- Comprehensive forms letter tool

## Customer Experience

- Provide information on next steps to Customer
- FAQ documents
- Video tutorials
- Self-service kiosks
- Help windows and live chat

## Improved Accounting Capabilities

- Create invoices for payments due
- Enable online payment options
- Interface with PeopleSoft

## Scanning & Mailing

- Create a mailroom department or utilize central services to assist with printing and mailing
- Scan all documents upon arrival
- Place barcodes on documents for automatic indexing

## Enhanced reporting capabilities

- Adjust reports to include all necessary information in one location
- Enable the ability to create custom reports based on available information

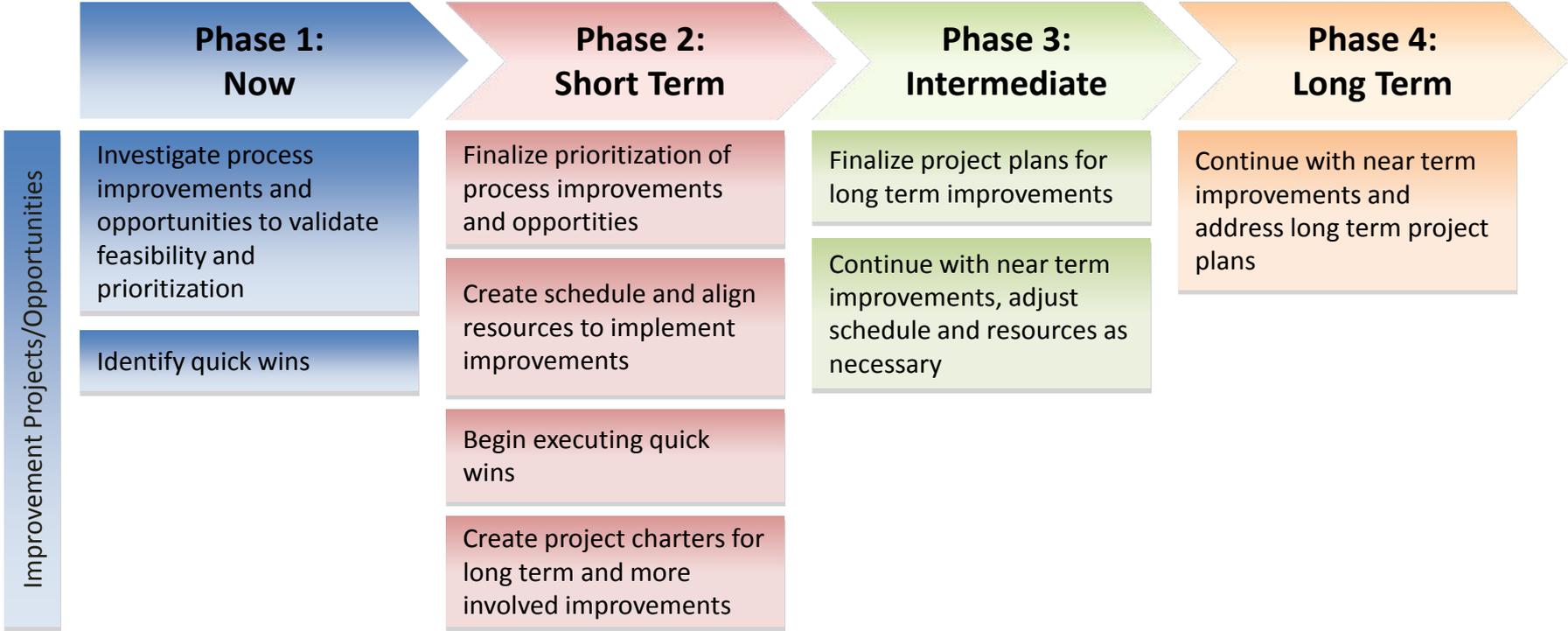
# Agenda

-  Current State Assessment
-  Future State Design and Process Maps
-  Process Improvements
-  **Next Steps and Roadmap**

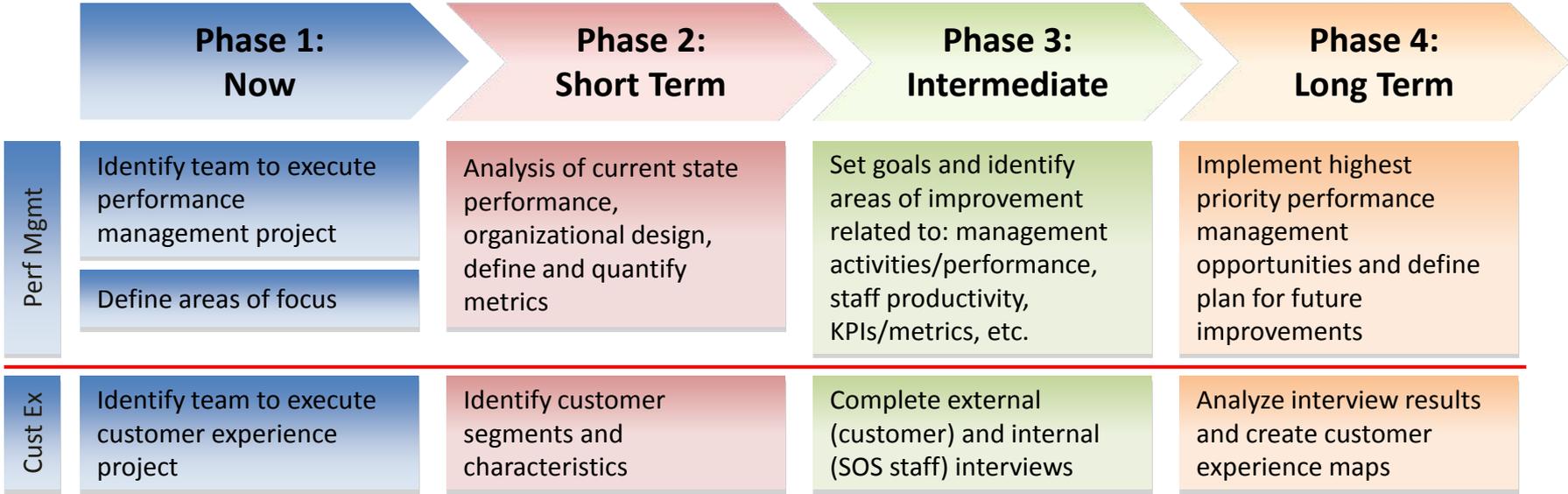
# Next Steps - Summary

- 📌 Continue down path of implementing new technology with capabilities discerned during this process
- 📌 Identify, prioritize and continue executing quick wins
- 📌 Incorporate standard opportunities into planning for new systems
- 📌 Incorporate wish list opportunities into continuous improvement planning
- 📌 Evaluate the customer experience, consider the perspective of the customer and their input for a new system
- 📌 Review performance management activities and organizational design, ensure office is ready for transition to a new system

# Roadmap – Improvement Projects and Opportunities



# Roadmap – Performance Management and Customer Experience



# Next Steps: Performance Management Project

## Definition:

- 🌐 A performance management project analyzes management activities, organizational design, decision making strategy and staff performance to define work and establish performance standards, determine KPIs and metrics to drive decision making and provide comprehensive training to area leaders

## Opportunity:

- 🌐 SOS is seeing significant growth in the number of registered businesses and their associated transactions. In order to accommodate growth, SOS is implementing a new system, and will also benefit from improved performance efficiencies and organizational design.

## Potential Next Step:

- 🌐 Conduct a performance management initiative

## Results:

- 🌐 Increased employee productivity
- 🌐 Cost reduction and improved operational efficiency
- 🌐 Deeper insights through integrated performance reporting
- 🌐 Culture where supervisors coach and develop staff

# Next Steps: Customer Experience Project

## Definition:

- 📌 A Customer Experience analysis uses customer facing information (e.g. customer interviews and surveys) to determine the customer perception of an organization's performance. This is combined with analysis of the organization's perception of how they believe the customer experiences their performance. These two analyses are combined in order to understand the gap in the organization's and the customer's perception of the customer experience.

## Opportunity:

- 📌 SOS has a rapidly expanding customer base where most activities are completed through correspondence. In order to serve its expanding customer base, SOS will need to understand how their customers experience interacts with the SOS.
- 📌 A complete understanding of customer perception of SOS performance will allow SOS to focus on high impact areas which will benefit both the customer and SOS

## Potential Next Step:

- 📌 Conduct a customer experience initiative

## Results:

- 📌 Improved customer service
- 📌 Enhanced public perception of SOS operations and staff



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# North Dakota Secretary of State Core System Requirements Final Presentation



# Agenda

- 🌳 Core Requirements Overview
- 🌳 Core Requirements Development Approach
- 🌳 Interviews and Findings
- 🌳 Core Requirements Parameters
- 🌳 Phase I Business Processes
- 🌳 Core Technical Requirements
- 🌳 Validation and Development of Core Requirements
- 🌳 List of Core Requirements

# Core Requirements Overview

- 📌 Core Requirements are the set of baseline capabilities which will be needed for the next generation of SOS system
- 📌 The final set of Core Requirements will be utilized to assist in the procurement process to identify and acquire a suitable system
- 📌 The Core Requirements were developed with the following goals:
  - Create a list of capabilities for the new SOS system being identified by the type and priority of the requirement
  - Serve as an outline to facilitate additional discussions and identification of refined requirements during the RFP development process
  - Create the broadest possible filter to allow for an optimal number of system vendors to submit proposals

# Core Requirement Development Approach

The approach for the development of the core system requirements included the following tasks:

- 📌 Integrated current state and future state business process mapping findings and utilized the seven core functional groups
- 📌 Facilitated core requirements validation meeting with NDSOS management team
- 📌 Integrated findings from individual Guiding Principles interviews conducted with entire NDSOS management team
- 📌 Identified individual core requirements and included brief description
- 📌 Classified each core requirement based on the type and priority
- 📌 Summarized and documented findings into Core Requirement deliverable

# Interview Findings

Interviews were conducted to gather information from NDSOS management team to develop a cohesive vision for future system functionality

Guiding principles were gathered, aggregated and categorized

Results from the interviews were integrated into core requirements discussions

Count	Response Summary	Type: Functional, Operational, Technical, Transitional, or Strategic
1	Big bang rollout	Transitional
2	Web-based customer interface (Online applications & Forms)	Technical
3	Single system	Technical
4	Utilize existing software	Technical
5	Interface with other state agencies (for document retrieval & accounting)	Functional
6	Customer experience (Ease of use, clean/professional look)	Functional
7	Strong software training	Transitional
8	Access to reporting and management dashboards	Functional
9	Built in accounting system	Functional
10	Help icons/functions (or ability to add video tutorials)	Functional
11	Mobile customer interface	Technical
12	Transfer of legacy data	Technical
13	Ability to update applications and forms	Functional
14	Support electronic notarization	Functional
15	Enhanced reporting	Functional
16	Standardized document/subscription orders	Functional
17	Export public information to separate view	Functional
18	Automatic error checking (required fields)	Technical
19	Accept payment online	Functional
20	Post implementation support	Transitional
21	Security profiles and roles for internal/external users	Technical
22	Ability for employees to log in and work from home	Functional
23	Experienced software vendor	Transitional

# Core Requirements Parameters

Each of the identified core requirements were further classified based on requirement type and function based the following definitions

## Definition of “Requirement Type”

Term	Definition
Functional	<b>Impacts the Business Process</b> Requirements that define those features of the product that will specifically satisfy the needs of NDSOS
Technical	<b>Impacts the System Infrastructure</b> Requirements that identify the technical constraints or define conditions under which the product must perform
Operational	<b>Impacts Operations and Support</b> Requirements that define those "behind the scenes" functions that are needed to keep the services operational over time
Transitional	<b>Impacts Implementation</b> Requirements that define those aspects of the product that must be addressed in order for the product to be successfully implemented and to relegate support responsibilities to NDSOS

## Definition of “Priority”

Term	Definition
Core	Functions which the system must possess to meet the minimum requirements (must have)
Essential	Functions that may not be native to the system, but could be configured or customized (like to have)
Desired	Requirements that are not essential to perform operational processes, but could enhance functionality and/or user experience (nice to have)
Non-System	Non-system related process performed as ad hoc activities and tasks

# Phase I Business Processes Findings

 High level business processes derived from Phase I – BPM activities were utilized as a foundation for core requirement discussion

 7 Functional areas having 45 business processes were review and discussed

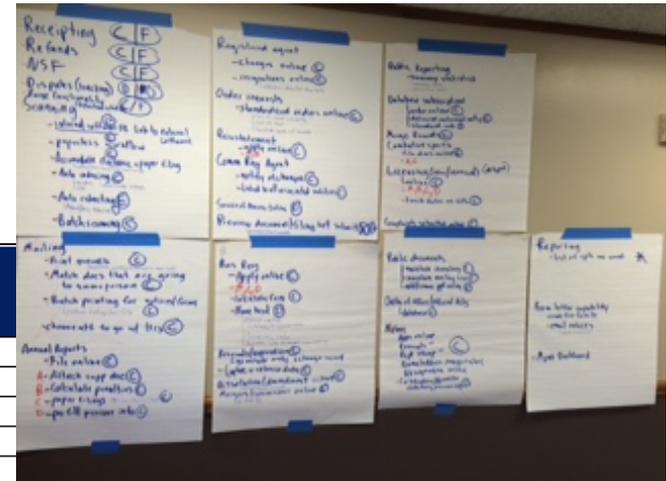
Department	Phase I - Business Processes	Priority
Accounting	Receipting	Core
	Refunds	Core
	NSF	Core
	Disputes	Non-System
Administrative	Mail/Scanning	Essential
	Outgoing Mail	Essential
Business Information	Annual Reports	Core
	Registered Agent	Core
	Undeliverable	Non-System
	Order Request	Core
	Reinstatements	Core
	Service of Process	Non-System
	Commercial Registered Agents	Core
	Business Registration	Business Registrations
Renewals/Expirations		Core
ND Dissolution (LLC/PLC/FMLC)		Essential
ND Merger (Corp/LLC/PTNR/FM)		Essential
ND/Foreign Conversion		Essential
Foreign Withdrawal		Essential
ND/PTNR Amend (Change Name)		Essential
ND/Foreign PTNR Cancel		Essential
ND/Foreign New PTNR Filings		Essential
ND/Foreign New Tradename		Essential
Corp/LLC Amendment Later Date		Essential
ND/Foreign Amend Change Name		Essential
ND BC/PC/Farm Corp Dissolution		Essential
Communication and Information	Database Subscriptions	Core
	User Security Roles	Core
	Merger of Records	Core
	Escalation Desk	Non-System
	Combative Sports	Core
	Annual Forms	Core
	Monthly Form	Core
	Purging Documents	Core
	Maintain Systems Tables	Essential
	Maintain Database	Essential

# Core Technical Requirements

- 📄 Thin Client/web-based solution
- 📄 Integrated scanning capabilities
- 📄 Batch printing capabilities
- 📄 Migration of all legacy data
- 📄 Integrated document retention configuration
- 📄 Mobile portability
- 📄 Paperless workflow
- 📄 Premise based solution
- 📄 Embedded help functionality
- 📄 System integration functionality/APIs

# Validation and Development of Core Requirements

- Core Requirements are the set of baseline capabilities which will be needed for the next generation of SOS system
- Facilitated review and validation meeting identifying core requirements and assigning type and priority
- Findings were aggregated into core requirements matrix to be utilized for continued discussions on system functionality expectations



Count	Core Req. Number	Core Requirement Description		
1	1.0	<b>Receiving:</b> Collect payments for transactions and match transactions to payment		
2	2.0	<b>Refunds:</b> Enable automated refund payments directly from application		
3	3.0	<b>NSF:</b> Capture status of payment as 'insufficient funds' and track for reporting purposes		
4	4.0	<b>Dispute Tracking:</b> Capture status of payment as 'disputed' and track for reporting purposes		
5	5.0	<b>Purge Functionality:</b> Create a retention schedule for purging documents and saved data		
6	6.0	<b>Scanning:</b> Integrate scanning functionality	Operational	Core
7	6.1	<b>Scanning:</b> Internal scanning software or ability to link to external software	Operational	Essential
8	6.2	<b>Scanning:</b> Support the notion of enabling a paperless workflow for all work processes	Operational	Core
9	6.3	<b>Scanning:</b> Auto indexing - print barcodes on forms to automatically index/OCR	Operational	Core
10	6.4	<b>Scanning:</b> Auto redacting - privatize documents to make available for public record	Operational	Essential
11	6.5	<b>Scanning:</b> Enable to perform batch scanning functions for large volume documents	Operational	Core
12	7.0	<b>Electronic &amp; Paper Filings:</b> File documents online (web based customer interface) as well as input paper documents received from customers	Functional	Core

# Core Requirement List

Count	Core Req. Number	Core Requirement Description	Requirement Type	Priority
1	1.0	<b>Receipting:</b> Collect payments for transactions and match transactions to payment	Functional	Core
2	2.0	<b>Refunds:</b> Enable automated refund payments directly from application	Functional	Core
3	3.0	<b>NSF:</b> Capture status of payment as 'insufficient funds' and track for reporting purposes	Functional	Core
4	4.0	<b>Dispute Tracking:</b> Capture status of payment as 'disputed' and track for reporting purposes	Operational	Desired
5	5.0	<b>Purge Functionality:</b> Create a retention schedule for purging documents and saved data	Functional	Core
6	6.0	<b>Scanning:</b> Integrate scanning functionality	Operational	Core
7	6.1	<b>Scanning:</b> Internal scanning software or ability to link to external software	Operational	Essential
8	6.2	<b>Scanning:</b> Support the notion of enabling a paperless workflow for all work processes	Operational	Core
9	6.3	<b>Scanning:</b> Auto indexing - print barcodes on forms to automatically index/OCR	Operational	Core
10	6.4	<b>Scanning:</b> Auto redacting - privatize documents to make available for public record	Operational	Essential
11	6.5	<b>Scanning:</b> Enable to perform batch scanning functions for large volume documents	Operational	Core
12	7.0	<b>Electronic &amp; Paper Filings:</b> File documents online (web based customer interface) as well as input paper documents received from customers	Functional	Core
13	8.0	<b>Mobile Interface:</b> Ability to perform limited functions by customers using mobile platforms	Functional	Desired
14	9.0	<b>Mailing:</b> Automation of mail functions performed	Operational	Core
15	9.1	<b>Mailing:</b> Print queues - documents (letters, correspondence, certificates, etc.) go into a queue to be printed in batches	Operational	Core
16	9.2	<b>Mailing:</b> Match multiple document types (letters, certificates, cards, etc.) going to the same person	Operational	Core
17	9.3	<b>Mailing:</b> Perform batch printing directly from application without third party software	Operational	Core
18	9.4	<b>Mailing:</b> Choose attachments (instructions, forms, etc.) to be printed with letters/correspondence	Operational	Core
19	10.0	<b>Supporting Documentation:</b> Attach files to application/form when submitting	Functional	Core
20	11.0	<b>Calculate Penalties/Fees:</b> Auto calculate penalties/fees associated with filing/application	Functional	Core

# Core Requirement List, Continued

21	12.0	<b>Auto Fill Stored Information:</b> Pre fill forms/applications with information already stored in system	Functional	Core
22	13.0	<b>Annual Reports:</b> Complete Annual Reports with the ability to file online	Functional	Core
23	14.0	<b>Registered Agent:</b> Track and enter registered agent information, allow customers to enter registered agent information online	Functional	Core
24	14.1	<b>Registered Agent:</b> Changes - allow customers to file registered agent changes online	Functional	Core
25	14.2	<b>Registered Agent:</b> Resignations - allow customers to file registered agent resignations online	Functional	Core
26	14.3	<b>Registered Agent:</b> Link Commercial registered agents to all associated entities	Functional	Core
27	15.0	<b>Order Requests:</b> Order and deliver standard documents (Certificate of Good Standing, Certificate of Fact, certified copies of records) online	Functional	Core
28	16.0	<b>Reinstatements:</b> Allow customers to file reinstatements online	Functional	Core
29	17.0	<b>Service of Process:</b> Allow customers to file court ordered service papers online	Functional	Desired
30	18.0	<b>Preview Document:</b> Preview document/filing before submitting	Operational	Essential
31	19.0	<b>Business Registrations:</b> Complete Business Registrations with ability to file online	Functional	Core
32	19.1	<b>Business Registrations:</b> Name availability - include potential name conflicts in rejection notice	Functional	Desired
33	19.2	<b>Business Registrations:</b> Name availability - identify deceptively similar names	Functional	Desired
34	20.0	<b>Renewals/Expirations:</b> Generate renewal/expiration notices automatically and change record status	Functional	Core
35	21.0	<b>Dissolutions:</b> Complete business dissolutions with ability to file online	Functional	Core
36	22.0	<b>Amendments:</b> Complete business amendments with ability to file online	Functional	Core
37	23.0	<b>Withdrawals:</b> Complete business withdrawals with ability to file online	Functional	Core
38	24.0	<b>Cancellations:</b> Complete business cancellations with ability to file online	Functional	Core
39	25.0	<b>Mergers:</b> Complete business mergers with ability to file online	Functional	Desired
40	26.0	<b>Conversions:</b> Complete business conversions with ability to file online	Functional	Desired

# Core Requirement List, Continued

41	27.0	<b>Public Reporting:</b> Determine information that is available to the public and post online for public view	Functional	Core
42	27.1	<b>Public Reporting:</b> Generate summary statistics and post online for public view	Functional	Core
43	27.2	<b>Public Reporting:</b> Generate summary reports and post online for public view	Functional	Core
44	27.3	<b>Public Reporting:</b> Generate transaction statistics post online for public view	Functional	Core
45	28.0	<b>Database Subscriptions:</b> Generate information for customers with data subscriptions	Functional	Core
46	28.1	<b>Database Subscriptions:</b> Complete database subscriptions and allow public to order online	Functional	Core
47	28.2	<b>Database Subscriptions:</b> Functionality that facilitates delivery of subscription data automatically	Functional	Core
48	28.3	<b>Database Subscriptions:</b> Allow customers to choose from standard subscription options	Functional	Core
49	29.0	<b>Merge Records:</b> Merge duplicate records	Operational	Core
50	30.0	<b>Combative Sports:</b> Complete combative sports applications/filings and allow customers to complete online	Functional	Core
51	31.0	<b>Licensing:</b> Complete license applications and allow customers to file online	Functional	Core
52	32.0	<b>Contractor Complaints:</b> Allow customers to submit complaints online	Functional	Core
53	33.0	<b>Public Documents:</b> Track and record information related to public documents	Functional	Core
54	33.1	<b>Public Documents:</b> Maintain inventory of all public documents	Functional	Core
55	33.2	<b>Public Documents:</b> Maintain mailing list of customers with subscriptions to public documents	Functional	Core
56	33.3	<b>Public Documents:</b> Allow customers to add/remove themselves from mailing list online	Functional	Core
57	34.0	<b>Notary:</b> Complete notary applications with the ability to file online	Functional	Core
58	34.1	<b>Notary:</b> Complete replacement stamp orders with the ability to file online	Functional	Core
59	34.2	<b>Notary:</b> Complete notary renewals/resignations with the ability to file online	Functional	Core
60	34.3	<b>Notary:</b> Complete processing of notary certifications/Apostilles	Functional	Core

# Core Requirement List, Continued

61	34.4	<b>Notary:</b> Support electronic notarization	Functional	Core
62	35.0	<b>Form Letters:</b> Create and utilize form letters with the ability to enter customized text	Operational	Core
63	36.0	<b>Management Dashboard:</b> Generate various metric and transactional graphical summary statistics	Operational	Core
64	37.0	<b>Interface with other State Agencies:</b> Communicate with the systems of other state agencies for document/information retrieval and accounting purposes	Operational	Core
65	38.0	<b>Embedded 'Help' functions:</b> To assist both internal employees and public users	Technical	Core
66	39.0	<b>Transfer of all legacy data to new system</b>	Transitional	Core
67	40.0	<b>Ability for employees to work from home</b>	Operational	Core



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# North Dakota Secretary of State Future System Strategy – Phase 2 Final Presentation

September 2015



# Agenda

- Existing Research and Requirements
- Market Research and Interviews
- Goal Alignment and Guiding Principles
- Evaluation Criteria
- System Options Review
- System Strategy Recommendations
- Roadmap



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## Existing Research and Requirements

# Our Approach

- Met with Key Stakeholders in SOS and ITD offices to review and understand the technology events and activities conducted since 2004
- Examined development documentation provided by ITD including: master list of forms, conceptual data model design, and system requirement documentation including 55 entity types, 105 forms, and 14 system functions
- Reviewed ITD project phase documentation including Project Options Pros/Cons and details on original project deployment phases
- Studied an additional 68 miscellaneous project documents from ITD Phase I and II

# Key Findings and Future Considerations

## People

- Extensive effort to implement previous solutions by internal and vendor resources
- Staff and management have become fatigued due to the many years of system turmoil
- Desires existing vendor solution to reduce implementation time

## Business

- UCC systems use national standards and can be easily adapted
- Business Registration functionality is conceptually consistent but can vary greatly based on individual state legislation

## Functionality

- Requirements and business rules from previous projects can be used for RFP development
- Desire to automate many workflow processes and make available on web

- 📌 Consider the risk adverse posture of the staff and management for a future solution
- 📌 Implement strong change management and conduct organizational redesign to assist in the system transition for staff members
- 📌 Commercial system solution implementation may still require extensive customization due to unique state requirements
- 📌 Consider a phased implementation approach with deliverables providing operational functionality for each gate review allowing for “quick wins”

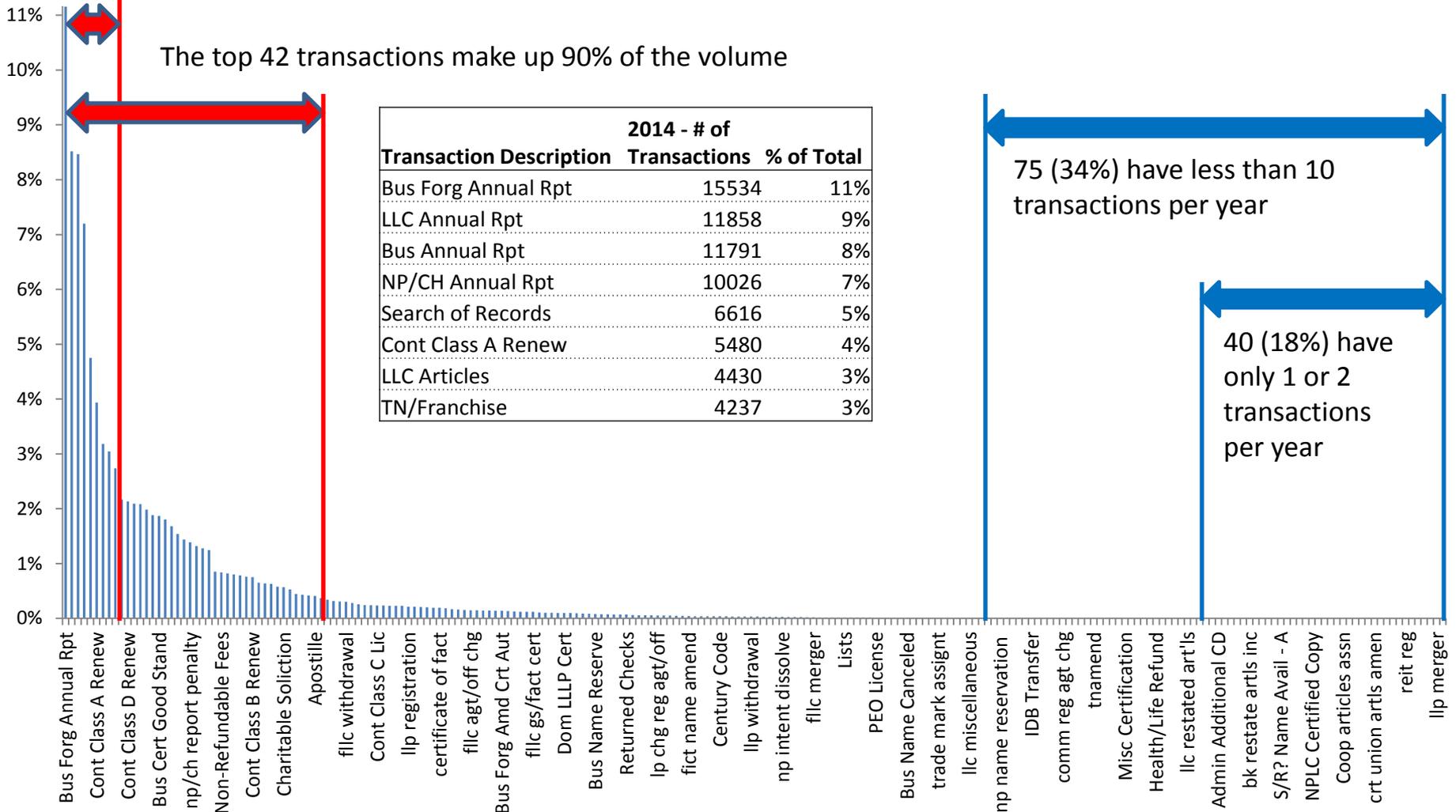
# Current Transaction Data (2014 data)

Total of 222 different types of transactions

The top 8 transactions make up 50% of the volume

The top 42 transactions make up 90% of the volume

Transaction Description	2014 - # of Transactions	% of Total
Bus Forg Annual Rpt	15534	11%
LLC Annual Rpt	11858	9%
Bus Annual Rpt	11791	8%
NP/CH Annual Rpt	10026	7%
Search of Records	6616	5%
Cont Class A Renew	5480	4%
LLC Articles	4430	3%
TN/Franchise	4237	3%



75 (34%) have less than 10 transactions per year

40 (18%) have only 1 or 2 transactions per year

# ITD Development / Project Management Interviews

- 🌐 A session was conducted with a group of 7 people from ITD who were involved in the most recent system replacement iteration. The group included developers, project managers, analysts, a system architect and management from ITD.
- 🌐 ITD provided documentation on the previously planned deployment. There was additional 5 discrete steps for the completion of all defined functionality. 2 of these had an unknown time to implementation and an unknown budget. For the 3 discrete steps that had been defined, the total time would be in excess of 2 years and in excess of \$2.1 million.
- 🌐 The group reported that the previously planned approach did not meet the requirements of the Secretary of State's office, citing concerns about the initial phase which involved the creation of fillable PDFs, whereas the Secretary of State's office desired a deployment that automated their work processes



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## Market Research and Interviews

# Our Approach – Interviews with SOS Offices

- ☛ Contacted 20 Secretary of State offices and interviewed 11 offices including CO, CT, DE, KA, ME, MN, MO, NE, LA, MA, MS
- ☛ In general, the staff interviewed were IT Directors of information technology departments directly supporting the SOS offices or members of the management team within the Business Services department
- ☛ Twenty-two (22) questions were asked during the phone interview process each being approximately 1 hour in duration (MN was conducted via email)
- ☛ The following slides include the results of the interviews

# SOS Interview Questions

State population?

Number of staff?

Annual filings?

Percent transactions online?

Current vendor/application non-election systems?

How detailed is your documentation?

Do you have a system upgrade strategy?

If you have recently wen out for bid on a new system, is your RFP available for review?

Did you perform data migration from legacy system? If so, how much was converted?

What is your hardware platform for your current systems?

What software platform is your current system?

What database platform?

What document management/imaging platform?

Are your core systems premise or cloud, hybrid?

What type of solution do you utilize?

What was your legacy system?

What was the migration path?

How long did it take to migrate?

Who was the integrator?

What is your user interface?

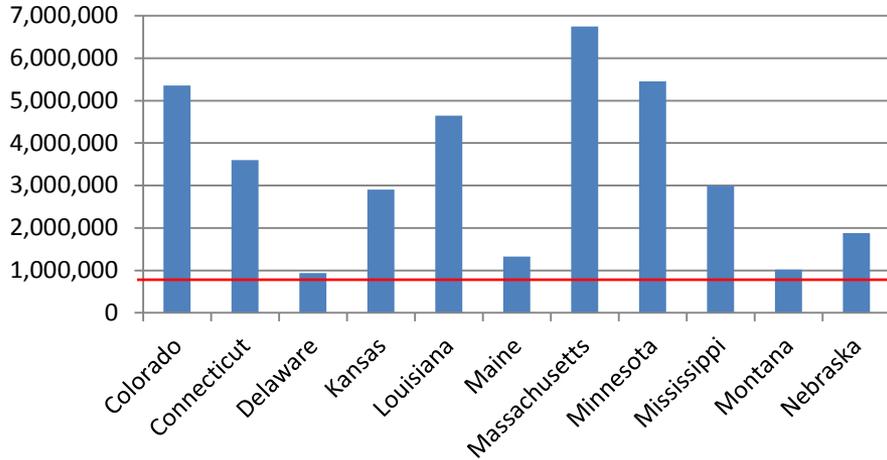
Total cost of ownership estimates?

Other solutions in the market?

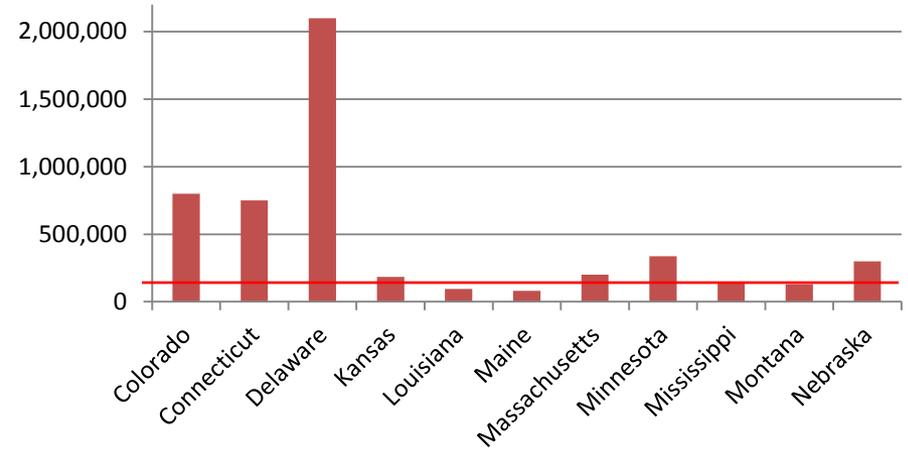
# State and SOS Office Information

— ND

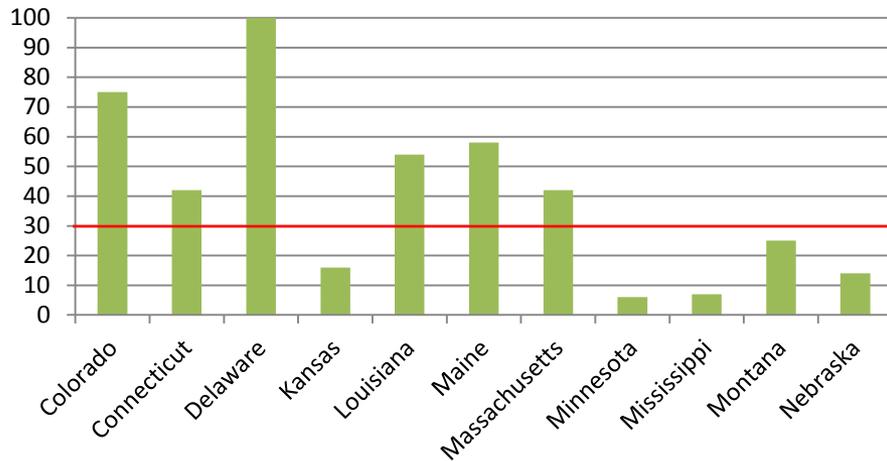
## State Population



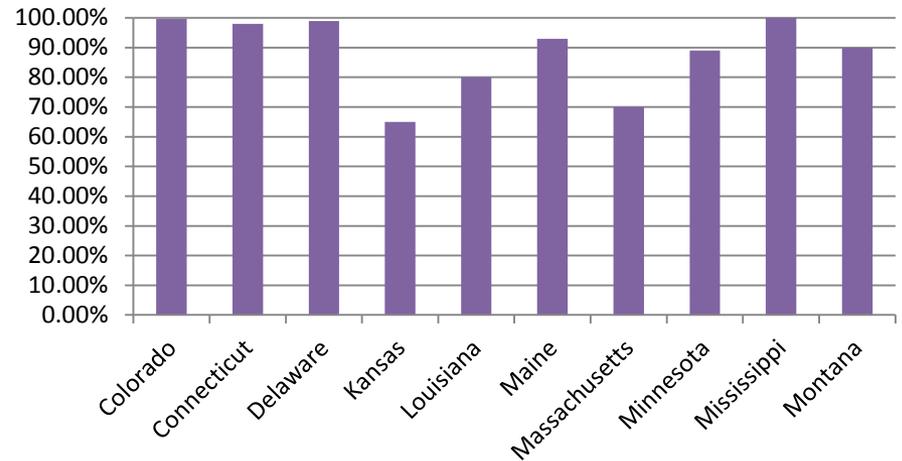
## Total Number of Annual Filings



## Total Number of Employees

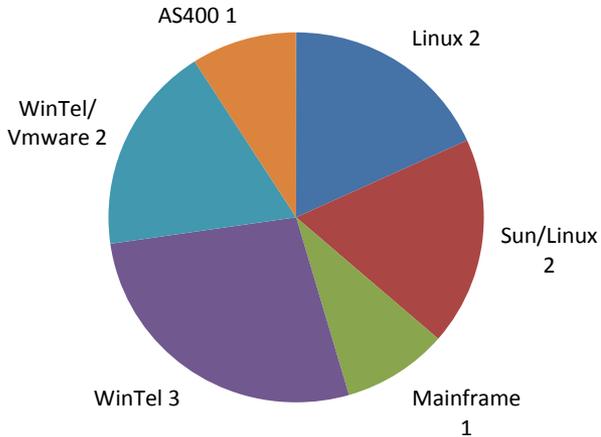


## Percentage of Filings Completed Online

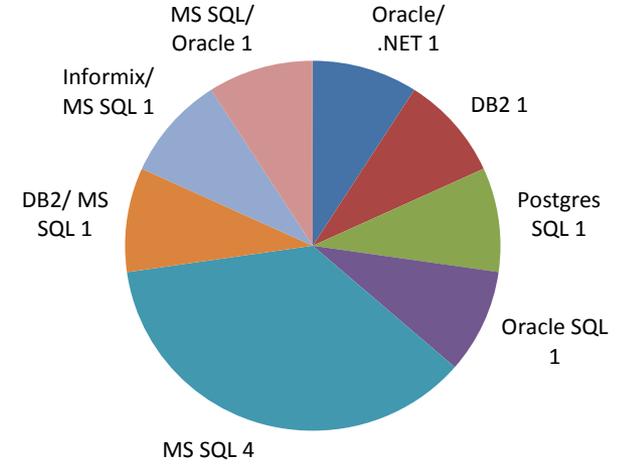


# Software, Hardware, Database and Imaging Platforms

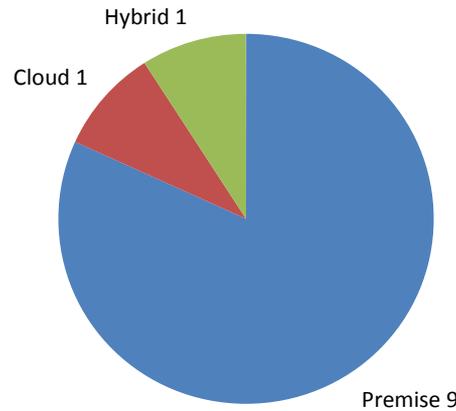
## System Platform



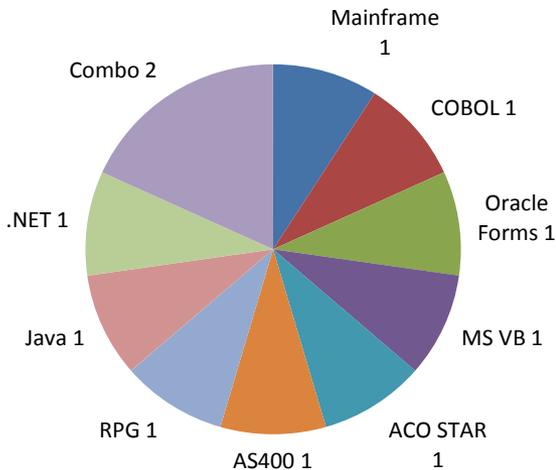
## Database Platform



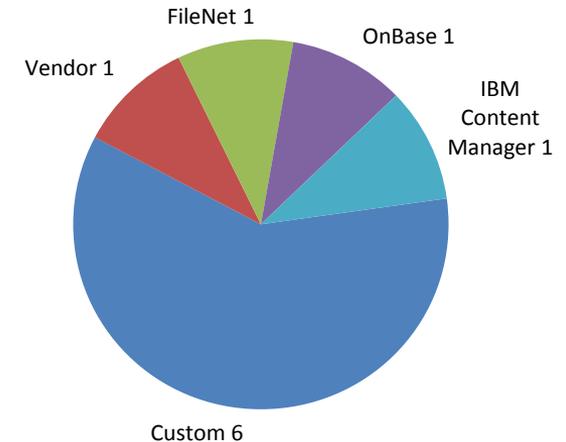
## Core System Location



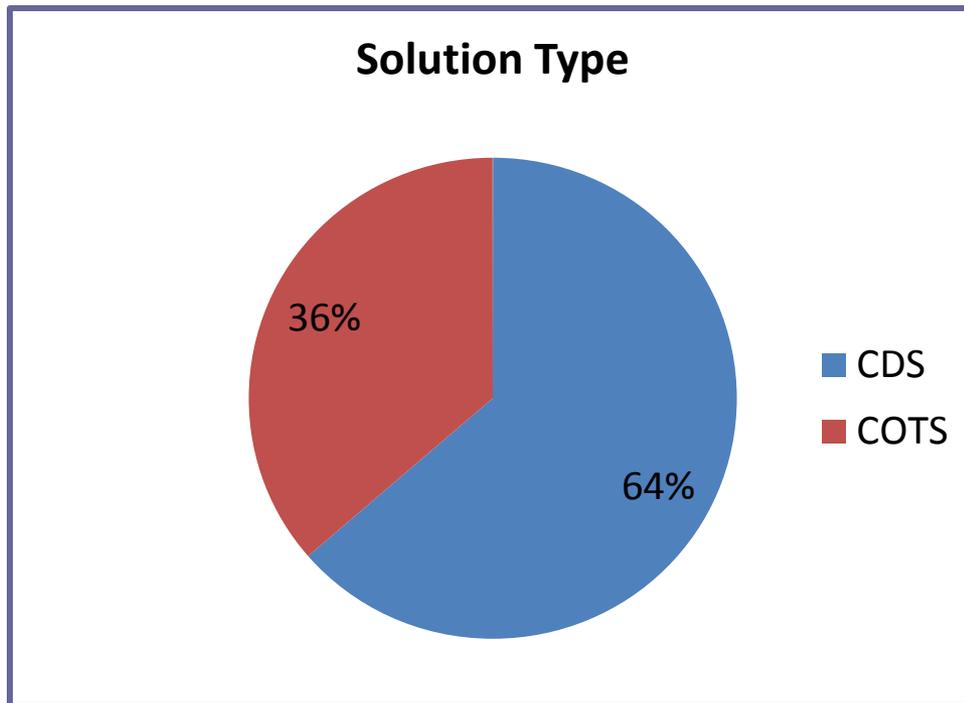
## Software Platform



## Document Imaging



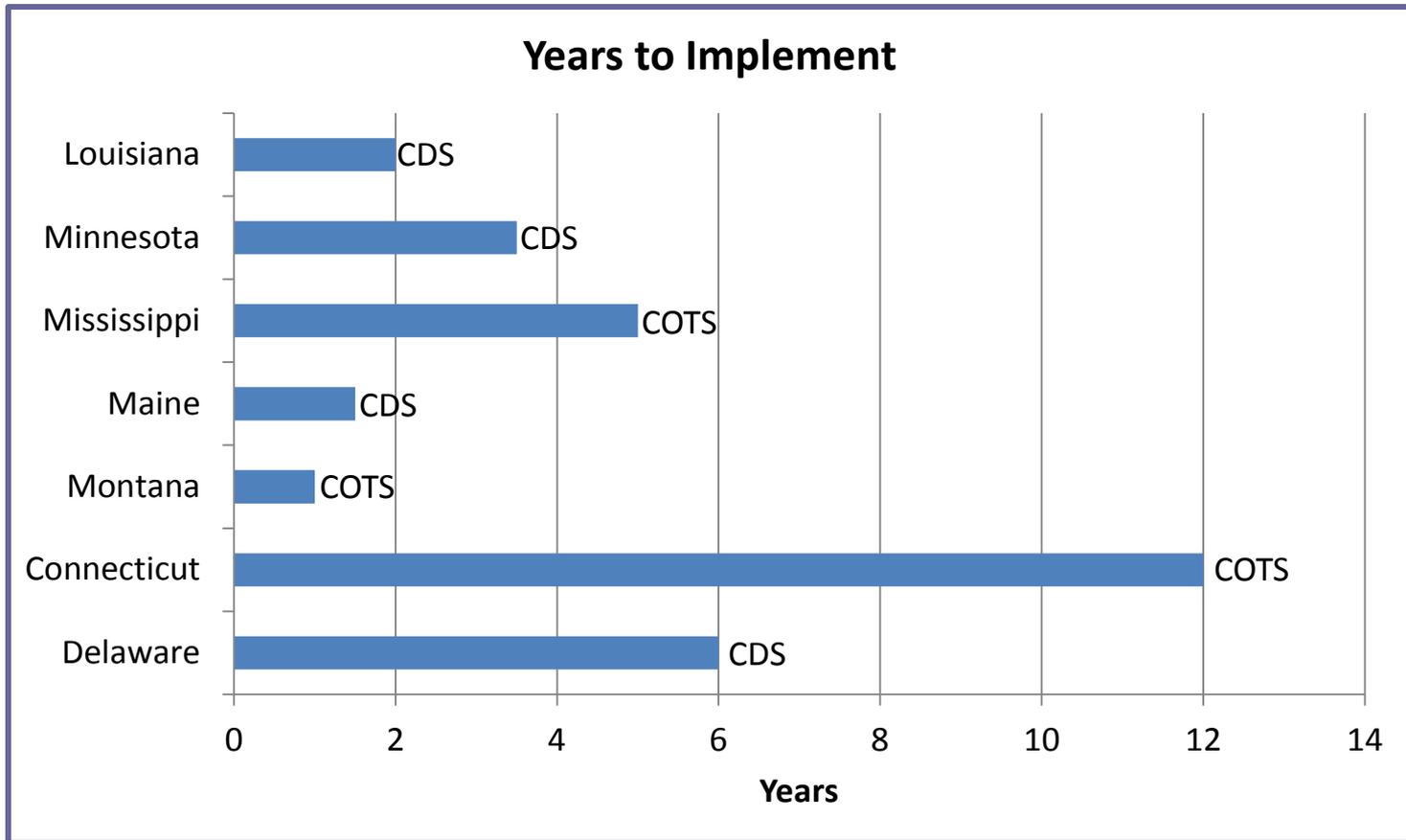
# SOS Solution Type



Solution Type		
State	Type	Year Deployed
Delaware	CDS	2015
Connecticut	COTS	2002
Montana	COTS	2016
Maine	CDS	2000
Nebraska	COTS	2010
Mississippi	CDS	2005
Minnesota	CDS	2011
Louisiana	COTS	2009
Kansas	CDS	1988
Colorado	CDS	---
Massachusetts	CDS	2010

Majority of solutions from our interview group continue to use custom developed systems (CDS), these systems can include mainframe legacy systems and newer internally developed systems on modern platforms such as SQL database and thin client interface technology.

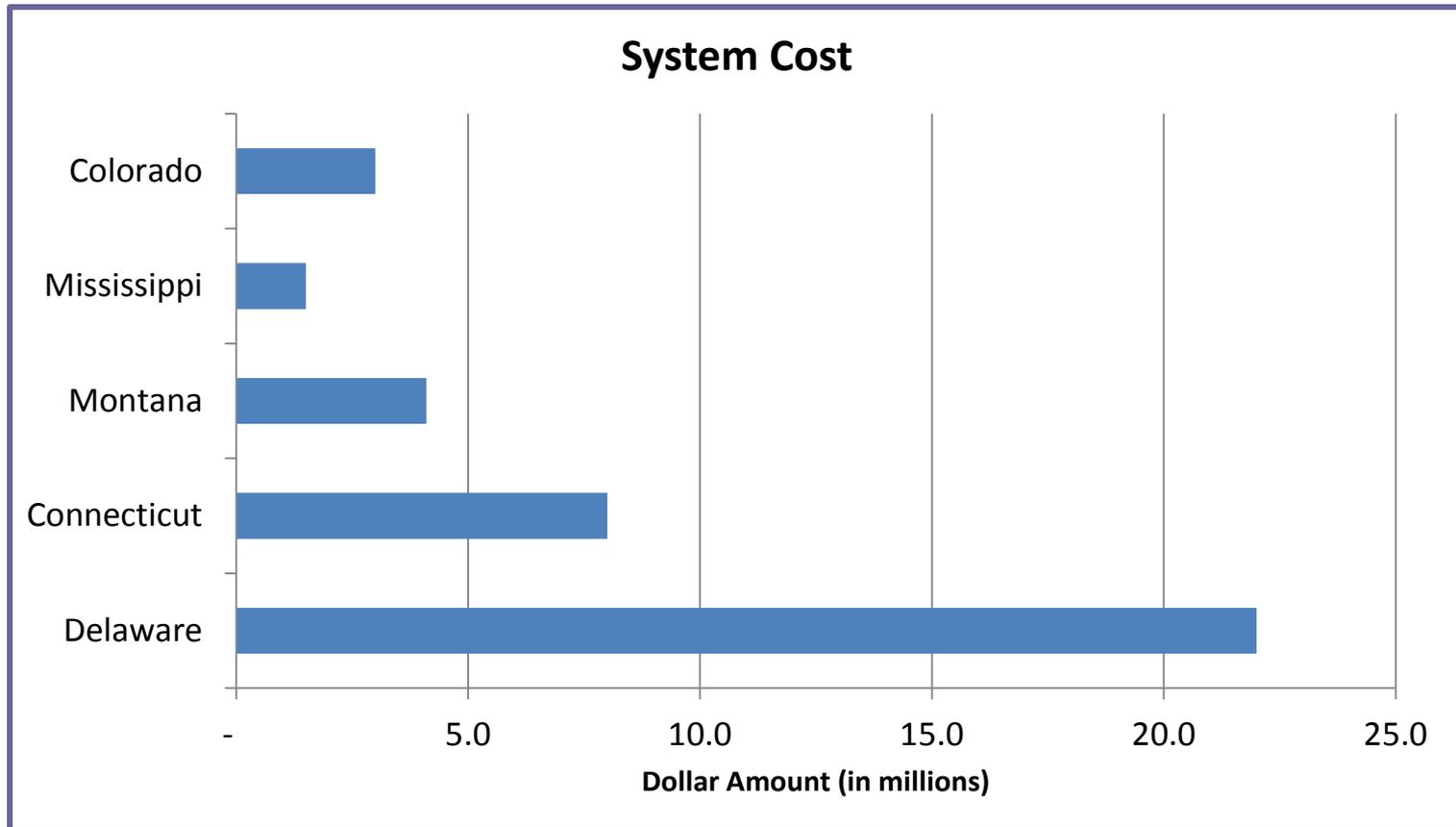
# SOS Implementation Timelines



Connecticut – funding was provided over a period of 10 years

Four state have systems installed prior to 15 years ago

# SOS System Cost



Delaware figures include both hardware and software

Six states did not provide due cost estimates due to internal development

# SOS Matrix - Summary

	Delaware	Connecticut	Montana	Maine	Nebraska	Mississippi	Minnesota	Louisiana	Kansas	Colorado	Mass.
State population	935,000	3,600,000	1,020,000	1,330,000	1,882,000	2,994,000	5,457,000	4,650,000	2,904,000	5,356,000	6,745,000
Number of staff	100	42	25	58	14	7	6	54	16	75	42
Annual filings	2,100,000	750,000	130,000	80,000	300,000	140,000	337,000	94,000	185,000	800,000	200,000
Percent transactions online	99%	98%	90%	93%	Not provided	100%	89%	80%	65%	99.70%	70%
Current Vendor/Application	Alliance Global Services	PCC	FileOne/ Foster Moore	SOE Software	Northrup Grumman	ACO	Internal	GCR	Internal	Internal	Internal
Hardware platform	Linux	Mainframe	Linux	Linux on Sun Solaris hardware	WinTel/ VMware	WinTel	WinTel	WinTel	AS400	Sun/Linux	Wintel/ VMware
Software platform	Mainframe	COBOL	Unknown	Oracle Forms	MS VB	ACO STAR with Dorger Integration	MS Dynamics CRM 2011, MS ASP .NET MVC web development tool	VB.NET, C# and Microsoft SQL Server using VMware	RPG	Java	.NET
Database platform	Oracle and .NET	DB2	Postgres SQL	Oracle SQL	MS SQL	MS SQL	MS SQL	MS SQL	DB2/MS SQL	Informix/MS SQL	MS SQL/Oracle
Document management/imaging platform	Unknown	Vendor	FileNet	Custom	OnBase	Custom	Custom	Custom	IBM Content Manager	Custom	Custom
Core System	Premise	Premise	Cloud	Premise	Premise	Premise and Cloud	Premise	Premise	Premise	Premise	Premise
Solution type	CDS	COTS	COTS	CDS	COTS	CDS	CDS	COTS	CDS	CDS	CDS
Migration time (years)	6	12	1	1.5	N/A	5	3.5	2	N/A	N/A	N/A
Integrator	Alliance Global Services	PCC	Foster Moore	Internal	Northrup Grumman	Dorger	Internal	GCR/Internal	Internal	Internal	Internal
User Interface	Thick	Web	Web	Thick/Web	Thick/Web	Web	Web	Web	Web	Web	Web
TCO	\$ 22m	\$ 8m	\$ 4.1m	N/A	N/A	\$ 1.5m	N/A	N/A	N/A	\$ 3m	N/A

# Interview Quotes from Other SOS Offices

- “Should have done business process mapping”
- “More training to the staff on the new system is recommended”
- “Total cost would have been much lower if all funding was provided at one time and not over 10+ years”
- “Documented 1,500 requirements/processes. They were either too general or too specific and encroaching into the design process. We spent too much time on this process and it was of limited use”
- “Mobile solutions are being demanded”
- “Implemented modules based on transaction volume”
- “Internal staff and customer interfaces are based on the same format to simplify Help Desk support”
- “Focus on the ‘soft side’ of the TCO, being the change management, training, and project management”
- “Utilize soft launch of new modules and functionality to capture issues and minimize risk”
- “Initially used traditional Waterfall development methodology and created 300 pages of requirements, moved to Agile development methodology”

# SOS Interview Key Findings

- 📌 Average population of states interviewed was 3 million
- 📌 After implementation of online registration and submissions, internal staff was reduced by attrition and the nature of the position moved to customer service and help desk activities
- 📌 Recommended to have internal and external application interfaces to be same to allow for ease of customer support
- 📌 Majority are using Custom Developed Systems
- 📌 All are using or migrating to a SQL database and thin client technology
- 📌 Many are using or just migrating from a Mainframe/AS400 platform
- 📌 Custom Develop Systems typically take more time to implement 3-5+ years in compared to COTS solutions being 1-2 years
- 📌 Moved from Waterfall to Agile development process to allow for immediate feedback from users and minimize “analysis paralysis”
- 📌 Concentrated on workflows and use cases verses extensive requirements documentation for RFP development

# Our Approach – Interviews with Vendors

- 📍 Contacted 6 system vendors. We were able to speak with ALL of the vendors we requested interviews including CC Intelligent Solutions Inc., Dorger Software Architects Inc., Foster Moore, PCC Technology Group, Tecuity Inc. and GCR Inc.
- 📍 The vendors interviewed were typically regional or national sales representatives, VP of sales or CEO/President
- 📍 Seventeen (17) questions were discussed during the conversation
- 📍 The interview process included a verbal interview with a duration of 30 minutes to 1 hour for each vendor
- 📍 The vendor was requested to complete and return a Vendor Information form and Vendor Cost schedule
- 📍 Vendor Costs were aggregated and not individually identified
- 📍 The following slides include the results of the interviews

# Vendor Questions

What is your total annual revenue?

How many employees?

Years in business?

What is your primary SOS solution?

How many installs at SOS organizations?

What are your core systems solutions called?

What is the architecture of your solution?

What is your database platform? Single or multiple databases?

What is your UI (user interface)?

What is your portal solution? Does it support mobile apps?

Do you have a web portal solution allowing for real-time transactions?

What Is your data warehouse/BI/Analytics solution?

What document management/imaging platform?

Are your core systems premise , cloud (SaaS) or hybrid?

What was the implementation/migration plan (Phased/Big Bang)?

How long to implement/migrate?

Who will be the integrator?

# Matrix of Vendors

Vendor Name	What is your total annual revenue?	How many employees?	Years in business?	What is your primary solution platform?	How many State SOS installs?	What is the architecture of your solution?	What is your database platform? Single or multiple databases?	What was your preferred implementation method?	Who will be the integrator?
CC Intelligent Solutions, Inc	\$4M	20	14	CGov360	2	Three-Tier ASP.Net MVC	MS SQL, Oracle	Phased Approach	CCIS
Dorger Software Architects Inc	\$1.1M	13	4	Dorger Forms	1	Three-Tier Architecture ASP.NET MVC, JSON Web API,	MS SQL	Phased approach	Dorger
Foster Moore	\$30M	140	8	Catalyst	4	Thin Client Java	MySQL, Postgres, MS SQL, Oracle	Phased approach	Foster Moore
PCC Technology Group	\$12.1M	100	20	Centuity	14	n-Tier ASP.NET, C#, MVC	MS-SQL, Oracle, DB2, MySQL	Phased unless Big Bang Required	PCC
Tecuity, Inc.	\$1.1M	7	10	Bear	3	N-Tier .NET, C#	MS SQL	Phased	Tecuity
GCR Inc (GCR)	\$41M	217	36	IQTechnologies	1	Visual Studio 2015, .NET, C#, Java, ASP.NET MCV	MS SQL	Phased	GCR

# Software Vendor Cost Model

## Cost Inputs

Costs were requested from the vendors and responses were based on several SOS business processes and operational parameters including annual transactions/filings

## Caveat

Costs were mostly submitted based on number of modules/processes for software acquisition costs with an estimated implementation cost. Two of six vendors did includes customizations and data migration to the new system costs

### Software Costs

#### Software Acquisition Costs

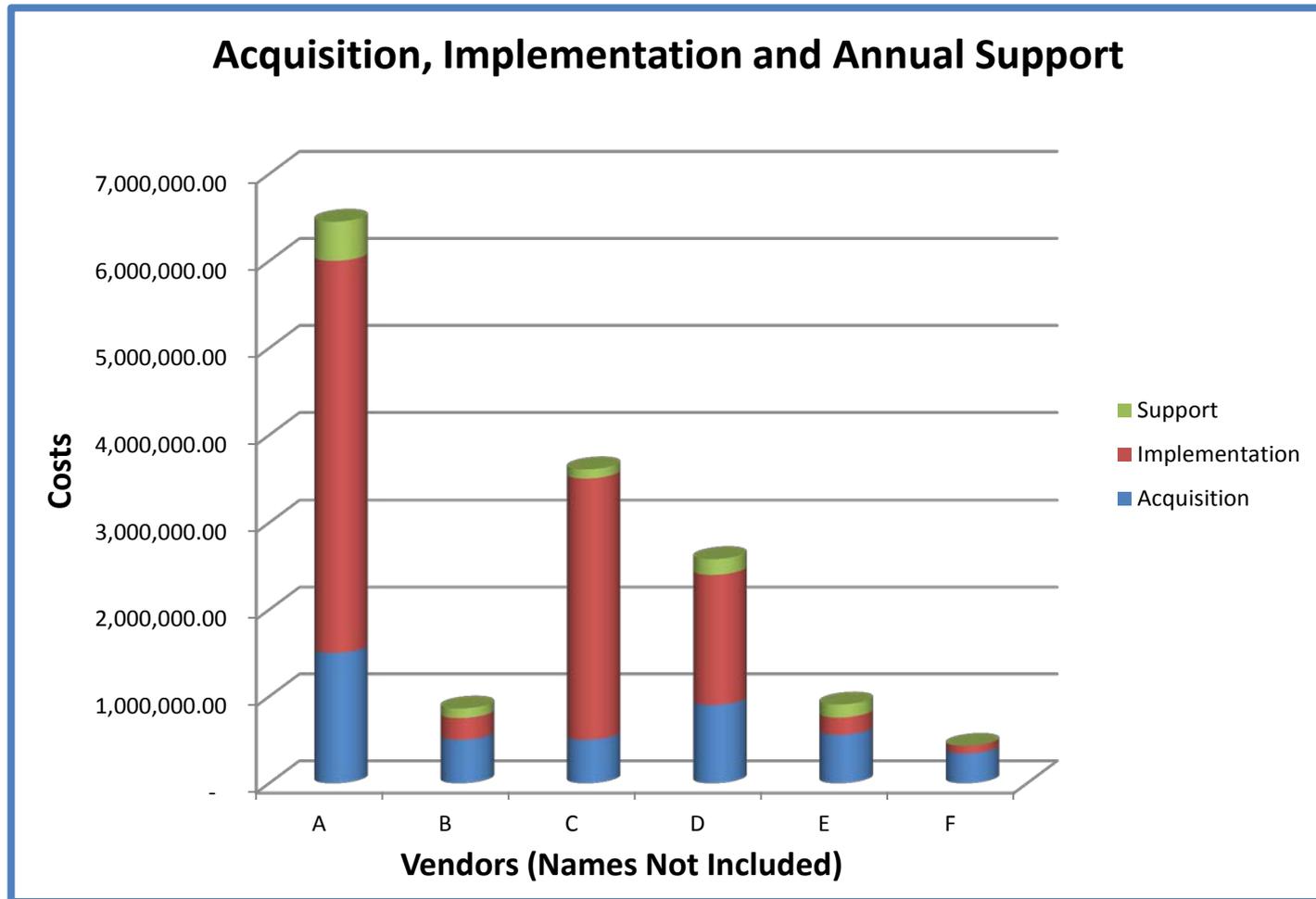
- Business Registration/Combative Sports
- Business Information/Annual Reports/Registered Agents
- Licensing
- Notary
- Accounting
- Administration/Document Imaging/BI
- Online Portal/Subscriptions

#### Annual Support

### Consulting Costs

- Implementation
- Data Migration
- Customization

# Vendor Reported Cost Estimates



# Vendor Quotes

“When does the project start?”

“What are they replacing?”

“When is the RFP on the Street?”

“Who gets my answers?”

“Can I schedule a demo?”

“What their project budget?”

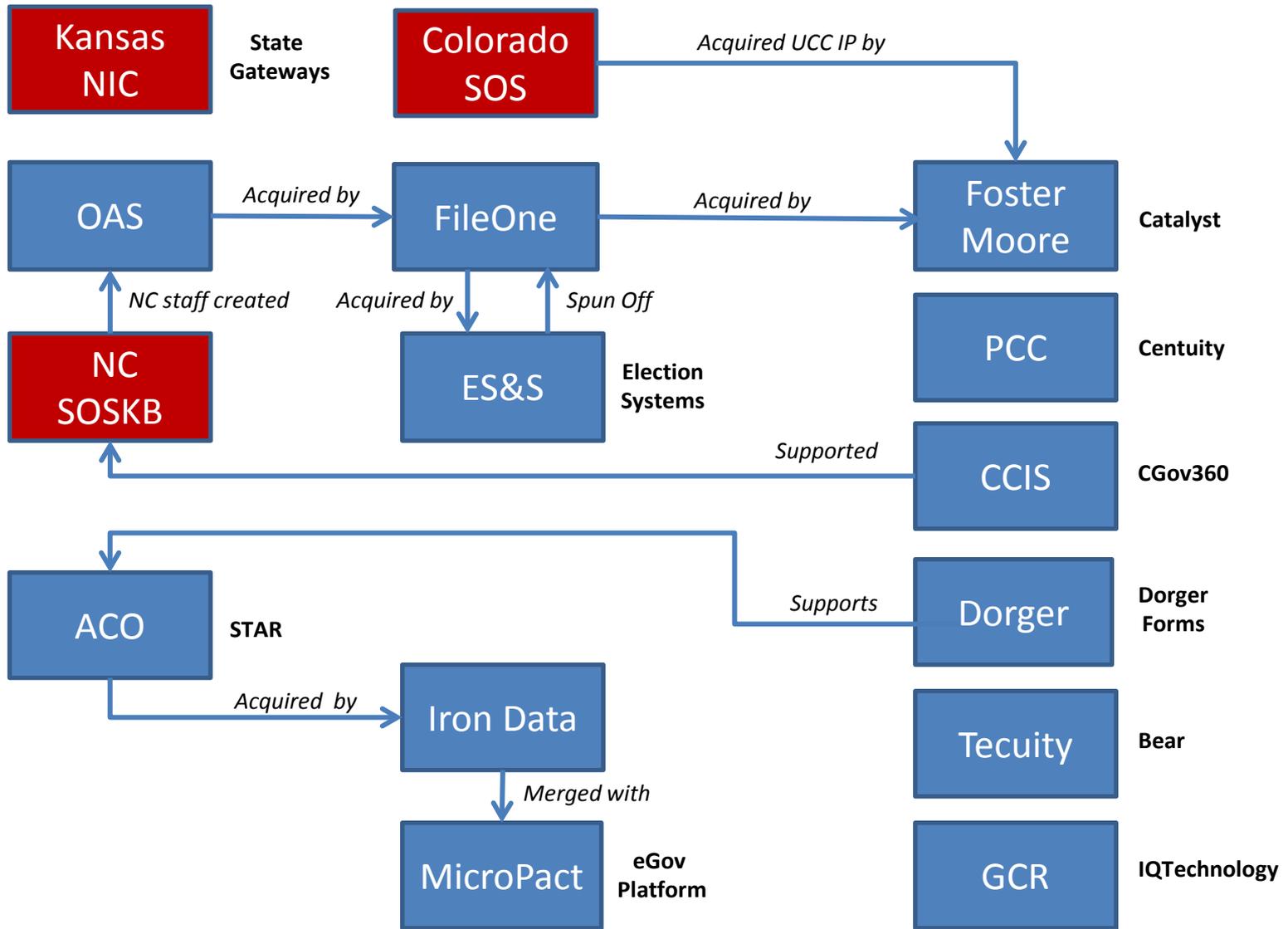
“Will they sign a NDA?”

“Who else can I talk to about this?”

“We have the best solution.”

“What other vendors being interviewed?”

# Vendor Taxonomy



# Vendor Interview Key Findings

- 6 vendors in the SOS space were interviewed
- The dominant vendor is PCC with 50 application solutions in 14 states
- Many solution providers are moving toward Cloud solutions
- All interfaces are thin client platform using Java, ASP.NET, HTML5
- Many vendors have limited installation base
- All imaging solutions are integrated into the application and stored in the solution database or in native format on solution file servers
- Cloud solutions can be hosted by vendor or large service provider (Amazon Web Services, Microsoft Azure, or Google Cloud)
- Most implementations are estimated at 12 months in duration
- State of Delaware engaged Alliance Global Services specializing in financial application development



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## Goal Alignment and Guiding Principles

# Our Approach

-  We conducted interviews with 13 people from all departments at Secretary of State (SOS) in addition to members of the North Dakota Information Technology Department (ITD) and Office of Management and Budgets (OMB)

Goal Alignment Interview List	
Name	Area of Focus
Al Jaeger	Operations
Jim Silrum	Operations
Lori Feldman	Licensing/Admin
Renae Bloms	Accounting
Beth Herzog	Communications & Information/Notary
Nancy Schlosser	Communications & Information/Registration
Darcy Hurley	Business Information
Clara Jenkins	Operations
Leann McCowan	Business Registration
Mike Ressler	ITD
Pam Sharpe	OMB
Justin Data	ITD
Aaron Kielhack	ITD

Note: Highlighted team members participated in Goal Alignment session

# Interview Questions and Quotes

Individual interview quotes were documented and selected responses are included below

## *Response Quotes*

- 📌 “Be able to do everything online”
- 📌 Upgraded system to get done what we need to do”
- 📌 “Strong customer service”
- 📌 “Industry best practices”
- 📌 “Define the direction the agency should go with the most cost effective solution”
  
- 📌 “We want something that has all the functionality we need”
- 📌 “People are worried their jobs will be phased out”
- 📌 “Lack of flexibility within staff and fear of change”
- 📌 “Do we have enough money to cover what we need”
- 📌 “Looking at a completely new way to do things”
- 📌 “Getting everyone to agree on the same direction/decisions”

## *Questions*

***What are your goals/expectations for this project?***

***Are there any obstacles, issues or risks to overcome to meet these goals?***

# ESC Interview Themes

- Each Executive Steering Committee member was interviewed regarding the approach going forward for the Secretary of State system replacement.
- All 5 of the Executive Steering Committee members indicated that they believe the best path forward is to purchase a COTS solution at this point.
- Each Executive Steering Committee member was asked pointed questions about whether it would be more prudent to finish the most recent implementation as opposed to purchasing a COTS solution.
- The stakeholders indicated that the path to completing the most recent implementation was more risky, was likely to have a longer time to implementation and was anticipated to be more costly than purchasing a COTS solution.

# Goal Alignment

- 📍 Conducted Goal Alignment session with SOS management team



# Defining Guiding Principles

Based on our session with SOS management team, the following Guiding Principles were agreed upon:

**24/7/365 online solution**

**Select an industry-leading vendor who utilizes best practices**

**Proper rollout**

**Strong change management and communication**

**Prepare legacy data for conversion**

**Fully integrated system**

**Easily accessible information to the public**

**Ability to share data**

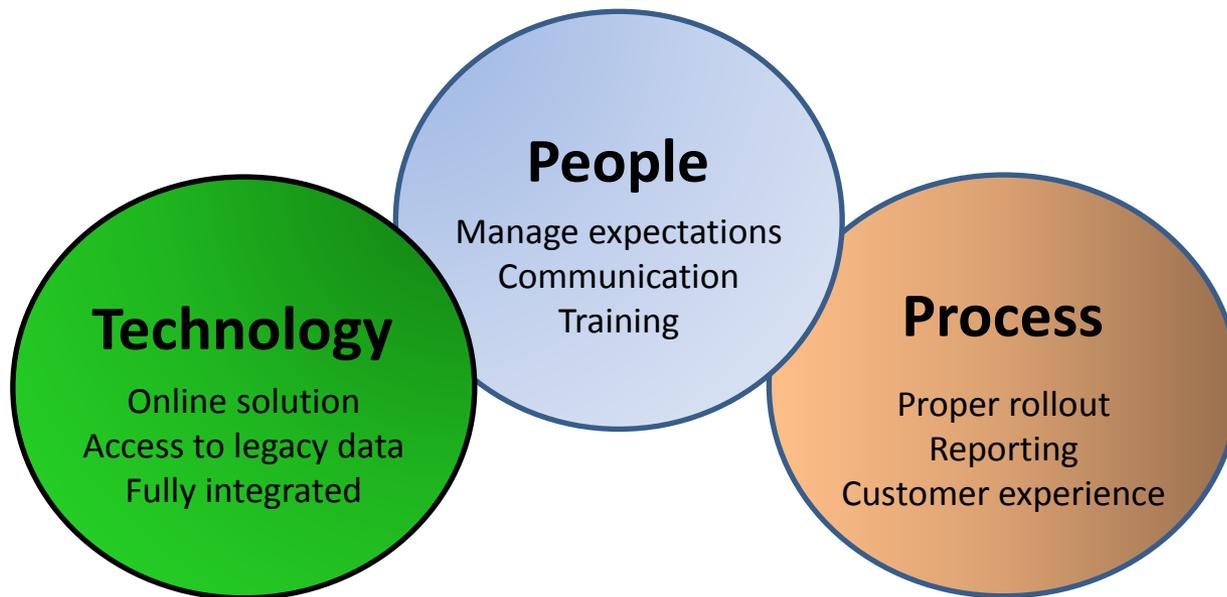
**Simple access to data and reporting**

**Easy, intuitive and professional customer experience**

**Proper and continuous training**

# Organizing Theme

- Using the Guiding Principles, we devised this diagram to help organize and express the goals of SOS





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## RFP Vendor Evaluation Criteria

# Our Approach

- Assist in the establishment of a percent distribution of the evaluation criteria to be utilized in system replacement discussions and proposal assessment
- Goal Alignment exercise and Guiding Principles interviews were the foundation of the considerations for the individual criteria ratings
- Leveraged criteria categories previously used in other Major Oak RFP evaluation and rating methodologies
- Collected responses, averaged and adjusted

# RFP Vendor Evaluation Criteria

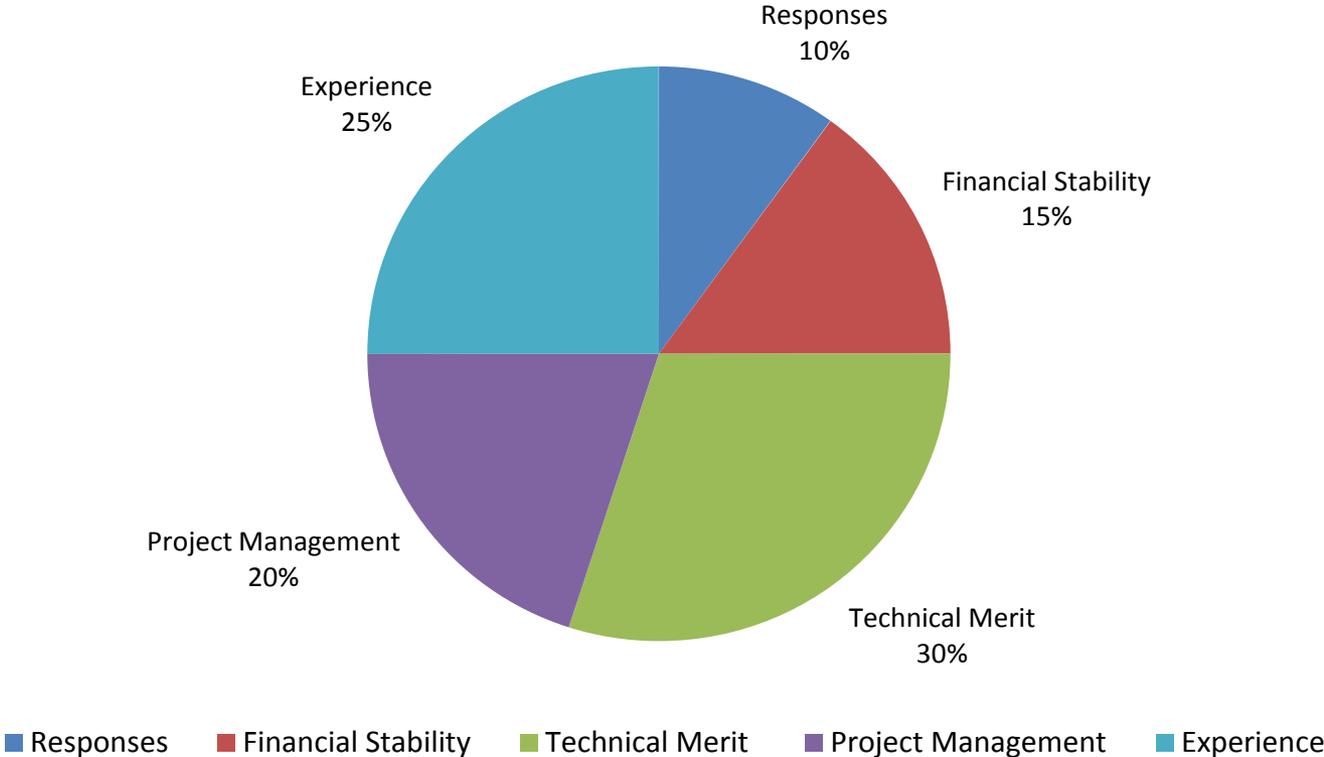
 Criteria categories, definitions, and results as percent distribution

Evaluation Criteria	Definition	Guiding Principles	Adjusted Percentage
<b>Responses</b>	Quality and completeness of proposal responses		<b>10%</b>
<b>Financial Stability</b>	Corporate or business structure, years in business, annual revenue, existing or pending litigation, revenue trends and acceptance of ND financial contract terms		<b>15%</b>
<b>Technical Merit</b>	Deploys solutions with current and industry accepted technology standards allowing for simplified maintenance and update tasks; support future advancements, regulatory changes and potential growth	<b>24/7/365 online solution</b> ..... <b>Prepare legacy data for conversion</b> ..... <b>Fully integrated system</b> ..... <b>Easily accessible information to the public</b> ..... <b>Ability to share data</b> ..... <b>Simple access to data and reporting</b> ..... <b>Easy, intuitive and professional customer experience</b>	<b>30%</b>
<b>Project Management</b>	Ability to meet required schedule, perceived effectiveness of proposed project management approach to fit NDSOS culture and skills, relevant governmental experience of project manager/team	<b>Proper rollout</b> ..... <b>Strong change management and communication</b> ..... <b>Proper and continuous training</b>	<b>20%</b>
<b>Experience</b>	Company experience deploying technology solutions in government agencies and Secretary of State offices	<b>Select an industry-leading vendor who utilizes best practices</b>	<b>25%</b>

Note: Cost of solution is a separate component of the entire evaluation methodology

# Evaluation Criteria

- Technical Merit received the most weight – in line with all project discussions, functionality is most important
- Project Management and Experience rounded out the top 3/4 (including technical merit)



# RFP Considerations

## RFP Considerations

The evaluation criteria conversation has the following implications of the RFP process:

- 🌐 Ensure the solution provides the required functionality for our constituents including strong and intuitive Internet interface
- 🌐 Solution being similar to both the internal and external users to minimize the need for extensive training
- 🌐 Provide more weight to solutions being more configurable than customized
- 🌐 Focus on vendor stability and previous successes in implementing solutions
- 🌐 Include sections requiring vendor identify and present their “soft” skills related to system development and implementation in areas such as project management, communication, change management, and training



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## System Options Review

# Our Approach

- 🌍 Performed initial market research on the available known vendors providing applications for Secretary of State offices
- 🌍 Met representatives from 6 vendors when attending IACA event in Savannah, GA in May 2015
- 🌍 Invited 6 vendors to submit detailed answers to survey questions in addition to itemized cost estimates
- 🌍 Integrated results from goal alignment and guiding principle activities
- 🌍 Conducted interviews with key stakeholders and Executive Steering Committee (ESC) members to gather further insights
- 🌍 Performed interviews with senior operational and IT staff members from 12 other Secretary of State offices
- 🌍 Reviewed existing documentation and other gathered material
- 🌍 Performed system option analysis and derived recommendations

# System Options

Based upon our review and analysis, SOS can pursue one of the following routes for the implementation of a new generation of enterprise software

## Buy vs. Build Decision

-  **COTS** (Commercial Off-The-Shelf) - *Buy*
-  **SaaS** (Software-As-A-Service) - *Rent*
-  **CDS** (Custom Developed Software) **Revolution** - *Build*
-  **OSS** (Open Source Software) **Evolution** - *Borrow*
-  **DN** (Do Nothing)

Subsequent pages will provide platform definitions, vendors, pros, cons, relative cost and risk estimates

# System Options

## COTS (Commercial Off-The-Shelf)

*Buy*

What is it?

Commercial-Off-The-Shelf (COTS) information technology system solutions are provided by specialized software vendors providing core functionality being configurable and customized to meet the customer requirements

Who are the vendors?

Vendors in the Secretary of States application space include PCC (14 installs) and Foster Moore (19 Installs with 4 in US being FileOne former customers)

### Pros

- Vendor support
- Multiple clients to share development costs
- Typically more reliable

### Cons

- Acquisition and support costs
- Major change in processes
- Implementation and customization costs
- Support/maintenance costs

### Cost



### Risk



# System Options

## SaaS (Software As A Service)

### *Rent*

### What is it?

Software as a Services (SaaS) is an alternative form of commercial software delivery. The software is served via the internet in contrast to having premise based software and hardware server infrastructure.

### Who are the vendors?

All 6 of the vendors offer their application as a full or hybrid SaaS model or cloud based solution: CCIS, PCC, Dorger, Foster Moore, GCR and Tecuity

### Pros

- No or reduced acquisition cost
- Lower operational costs
- Focus on business competencies

### Cons

- External control of version upgrades with minimal or no customizations
- Information security risks
- System Integration challenges

### Cost



### Risk



# System Options

## CDS (Custom Developed Software) Revolution

### *Build*

#### What is it?

Software revolution is the development and implementation of a custom software solution developed by an external firm, internal staff, or a hybrid solution delivery approach

#### Who are the vendors?

Four of the vendors have a SOS registration solution but having limited installs: CCIS (2), Tecuity (3), Dorger (1), and GCR (1). Having limited application installs is a risk having to potentially customize the majority of the base code.

#### Pros

- Custom requirements delivery and system integrations
- Functions congruent to organizational processes
- Conformity to architectural standards

#### Cons

- Many unknowns
- System delivery challenges
- Extensive testing required
- Unable to leverage as many installs for improvements

#### Cost



#### Risk



# System Options

## OSS (Open Source Software) Evolution – Upgrade Current Software

### *Borrow*

What is it?

Source code is made available with a license and allow for individual or collective development of the system functionality.

Who are the vendors?

North Carolina SOSKB was made available to other SOS offices. Other states are licensing their internally developed systems examples are MS and CO.

### Pros

- Minimal or not cost for system acquisition
- Leverage existing code from other organizations in similar
- Able to internally support

### Cons

- Limited external support community
- Lack of vendor accountability
- Similar to custom build risks

### Cost



### Risk



# System Options

## DN (Do Nothing)

What is it?

Continuation with the existing system and performing incremental improvements as necessary to improve productivity or comply with regulatory requirements

Who are the vendors?

Not applicable.

### Pros

- No impact to current operations
- No operational or capital expenses

### Cons

- Aging platform will continue to be a challenge to support
- No additional functionality for clients/customers

### Cost



### Risk





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## System Strategy Recommendations

# Recommendations

## Recommendation

- 👉 Continue with SOS vision to move from a paper-centric internal data entry environment to a customer focused self-service web portal organization by replacing the core business services system with a COTS solution from vendors having significant relevant experience

## Reasons

- 👉 COTS solution is estimated to cost less than continuing the previous internal system development effort
- 👉 Project risk will be mitigated by utilizing a COTS vendor having experience implementing multiple business registration solutions
- 👉 COTS solution minimizes implementation anxiety due to previous experiences with custom developed systems
- 👉 The size of the ND SOS office and lack of dedicated internal IT staff lends itself to the implementation of a COTS solution based on peer research
- 👉 Project activities such as business process mapping, goal alignment, guiding principles, evaluation criteria and core requirements indicate a COTS solution would provide the highest probability of success

# COTS Cost Estimates

## COTS Estimate

-  System purchase
  - \$300K - \$900K
-  Implementation, migration, customization and training
  - \$1.5M - \$3M
-  Total Estimated Costs acquisition and implementation
  - \$1.8M - \$3.9M

## Additional Implementation Estimates

-  Annual support cost model @ 20% per year
  - \$105K - \$180K
  - Annual support may be required upon acquisition
-  Organizational redesign, change management and project management
  - \$370K - \$620K
  - Services provided by third party

Note: Cost assumptions based on aggregated interview data and research documentation.



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## Roadmap

# Project Roadmap

## Phase I

- Next 3 – 4 Months (Fall 2015)
- RFP Development
- Vendor Selection Process
- Best And Final Offer/Contract Negotiations and Execution

## Phase II

- Next 12 Months (2016)
- Implement Business Services Modules and Online Portal
- Perform organizational redesign and change management activities
- Project oversight/management

## Phase III

- Final 12 Months (2017)
- Perform any relevant back file input to new system
- Develop One-Stop Business Portal
- Other System Integrations



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## About Major Oak

# Major Oak Background and History

## About Us:

- Major Oak Consulting was founded 2004, acquired by Verint Systems in December 2013
- Global consultant base
- Extensive Strategy, Process Improvement, Change Management and Program / Project Management experience
- Consulting services are focused on identifying, designing and implementing large scale change (people, process, technology) both in the US and globally
- Clients include Fortune 500 companies and high growth companies

## Our Philosophy:

- Personal attention
- More experienced consultants
- Outstanding quality services
- A better value proposition



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# Major Oak Consulting Services

## Strategy

- Customer Experience Strategy
- Voice of the Customer
- Goal Alignment
- Journey Mapping
- Strategy Development
- Outsourcing Advisory

## Business Process Excellence

- Process Reengineering/Optimization
- Performance Management
- Process Assessment
- Six Sigma / LEAN
- Continuous Improvement

## Change Management

- Organizational Readiness Assessment
- Stakeholder & Communication Analysis
- Change Management Strategy & Plan
- Change Management Execution
- Talent Management
- Organizational Development

## Project / Program Management

- Project Management
- Program Management
- PMO Standards and Setup
- Project Management Training

# Major Oak Project Team and Roles

Andrew Studee

VP, Consulting Services / Project Oversight

312-212-0815

[andrew.studee@verint.com](mailto:andrew.studee@verint.com)

Harry Marsteller

Senior Consultant / Project Management

410-459-8486

[hmarsteller@majoroakconsulting.com](mailto:hmarsteller@majoroakconsulting.com)

Mary Cook

Senior Consultant / Project Delivery

407-967-0581

[mary.cook@verint.com](mailto:mary.cook@verint.com)

Keith Fournier

Senior Consultant/Project Delivery

419-344-6504

[kfournier@majoroakconsulting.com](mailto:kfournier@majoroakconsulting.com)



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