



Expedited Business Start Project

Research and Analysis Report of Findings

December 23, 2015

The views and opinions expressed in this research report do not necessarily reflect those of PSSDC, ICCS or participating jurisdictions.

Introduction and Background

- Canada's small businesses, including sole proprietorships, partnerships and corporations are critical to a vibrant, growing Canadian economy
- The Service to Business Task Group was established by the Public Sector Service Delivery Council to identify and implement initiatives that will enhance government service to business
- The Service Bundling Sub Team developed a Business Services Bundling Blueprint document including two sample bundles:
 - Generic Business Start-Up – common business start-up scenario
 - Restaurant Start-Up- process a business client would go through to determine which permits, licenses, registrations or approvals required to start and operate a new restaurant
- Expedited Business Start Project was initiated to support entrepreneurs in starting and growing businesses easier and faster

Introduction and Background

- MNP was retained to conduct research and analysis to identify best-in-class business start practices, tools and systems

Project Scope and Objectives

Objectives

The overarching goal of this collective work is easier and faster business start-ups. The specific objectives of this engagement are:

- To conduct research and document / map current state jurisdictional processes / practices
- To identify best practices and best-in-class business start practices, tools and systems
- To identify opportunities for improvement
- To develop a benchmarking methodology and tools that jurisdictions can apply to measure, benchmark and expedite their respective business start practices

Scope

Participating Jurisdictions

- | | | |
|---|--|--|
| <ul style="list-style-type: none"> • Federal (F) <ul style="list-style-type: none"> – Canada Revenue Agency – Industry Canada – Service Canada | <ul style="list-style-type: none"> • Provincial/Territorial (PT) <ul style="list-style-type: none"> – British Columbia – Saskatchewan – Manitoba – Ontario – Quebec – New Brunswick – Nova Scotia | <ul style="list-style-type: none"> • Municipal (M) <ul style="list-style-type: none"> – City of Toronto – City of Winnipeg |
|---|--|--|

Components

- Business name reservation
- Business registration
- Business license
- GST/HST registration
- PST registration
- Payroll account registration
- Workers compensation registration
- Corporate income tax registration

Please note: The business number is an output of the business registration process. This common identifier is crucial in the desire for more service integration

Please note:

A bundling of services that ensures entrepreneurs can quickly understand, access and complete business start-up requirements, is ideal. MNP believes there is a lost opportunity if access to expedited business start services does not also ensure promotion and connection to other services that assist entrepreneurs as they start and grow their businesses

Approach and Methodology

Development of Criteria

MNP developed the criteria that would be used to evaluate the current practices by considering:

- The guiding principles from the Business Services Bundling Blueprint document
- The attributes of the service experience from the 2013 Taking Care of Business report
- The conditions of citizen centered service

Criteria

Entrepreneurs / Small Business	
Access	<ul style="list-style-type: none"> • The ability to find out about the services, access them when and how you want and at an appropriate cost
Ease of Use	<ul style="list-style-type: none"> • The level of effort, and pre-requisites required to complete the process
Timeliness	<ul style="list-style-type: none"> • The amount of time it takes to fulfill the entrepreneur's need
Accountability and Transparency	<ul style="list-style-type: none"> • The extent to which standards are publicized and performance against the standards are reported • The ability to track progress of your transaction
Value-Add	<ul style="list-style-type: none"> • The extent to which the services connect to and/or promote other services that may assist the entrepreneur or small business beyond basic compliance

Indicators

Criteria	Indicators	Measure
Access	Quality of Information	<ul style="list-style-type: none"> • Why you need to do this? • What you need to do? • How you need to do this?
	Search optimization	<ul style="list-style-type: none"> • Placement of information in Google search results
	Channels of service delivery	<ul style="list-style-type: none"> • Number of channels/ types of channels? • Reach of channels • Number of service delivery partnerships • Channel support
	Hours of operation of each channel	<ul style="list-style-type: none"> • Extent of hours per channel
Ease of Use	Cost and payment	<ul style="list-style-type: none"> • Fee per service / output • Means of payment • Mode of payment
	Search-ability	<ul style="list-style-type: none"> • Amount of time from the home page to locate the registration page / form • Number of clicks from search results on Google to locate the registration page / form
	Level of effort	<ul style="list-style-type: none"> • Form completion online or downloadable pdf • Number of processes and/or steps from initiation to service fulfillment • Level of prefilled information once initiated • Ability to change information in one system prefilled to others
	Pre-Requisites	<ul style="list-style-type: none"> • Number of requirements before initiation of registration
Timeliness	Processing Time	<ul style="list-style-type: none"> • Number of days from submission to required output
Accountability and Transparency	Published Standards	<ul style="list-style-type: none"> • Clear indication of standard through all channels
	Reporting against standards	<ul style="list-style-type: none"> • Frequency of reporting performance against standards
Value-Add	Connection to other programs and services for entrepreneurs	<ul style="list-style-type: none"> • Number of 'marketing' touchpoints at various stages in the process and upon delivery of the output

MNP completed an assessment for each jurisdiction using this criteria. This criteria was also used in the development of an optimum model

Optimum Model

- Believed that there would be greater value if an optimum model was described. This model could be used:
 - To establish a vision for integrated service delivery (across levels of government)
 - By jurisdictions in planning for future changes

Critical Success Factors

- Governments at all levels place a high priority on providing quality services to business and will provide the funding and other resources to ensure this quality
- All jurisdictions participate fully, believe in the value of service integration and are prepared to organize in a way that is effective and efficient with no duplication or overlap
- The service provided to business clients is similar across jurisdictions
- The required security to protect information can be put in place.
- A single 'backbone' organization can be established to lead, organize and co-ordinate

Collective Impact

Five Conditions Necessary for Successful Collective Impact

Common Agenda	<ul style="list-style-type: none"> • All participants have a shared vision for change <ul style="list-style-type: none"> – Common understanding of the problem – Joint approach to solving it through agreed upon actions
Shared Measurement	<ul style="list-style-type: none"> • Collecting data and measuring results consistently across all participants • Ensures efforts remain aligned and participants hold each other accountable
Mutually Reinforcing Activities	<ul style="list-style-type: none"> • Participant activities must be differentiated while still being coordinated through a plan
Continuous Communication	<ul style="list-style-type: none"> • Consistent and open communication across the many players
Backbone Support	<ul style="list-style-type: none"> • Creating and managing collective impact requires dedicated staffing with specific skill sets to serve as the backbone

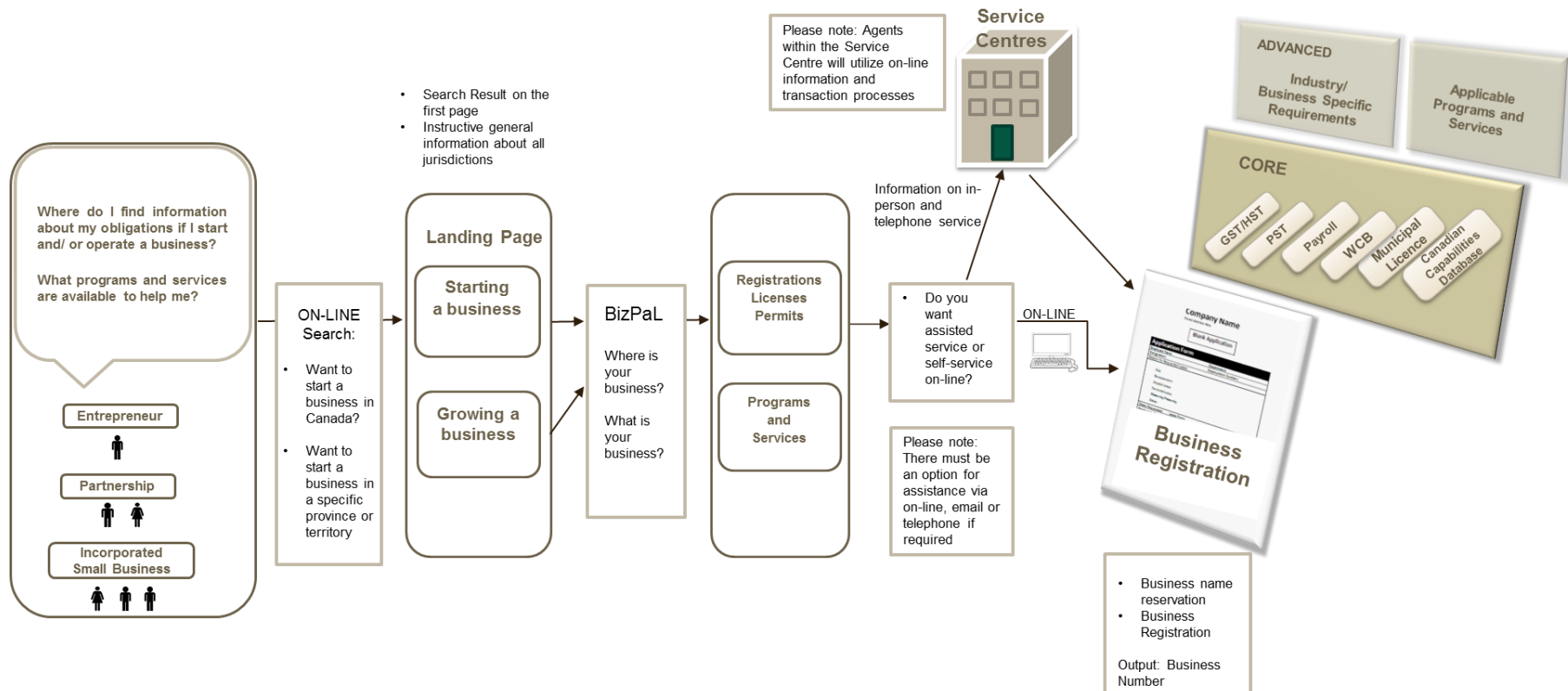
The Optimum Model

- Information and service transaction components - both equally important
- Having a 'single source of truth' for information that does not rely on an understanding of the different levels of government or even that there are different levels of government would be invaluable to an entrepreneur
- Ensuring the information is complete in terms of obligations as well as programs and services, requires all municipal, provincial and federal governments as well as related agencies are fully participating and believe in complete service integration
- Having clear, simple information about what the service is, why you want to access it and in terms of compliance what the consequences of not complying are and how you access and use the service are especially important

The Optimum Model

Information

Service Transaction



The Optimum Model

- On-line search using 'want to start a business in Canada' or 'want to start a business in a specific province or territory' → landing page on a first page search result
- Comprehensive but easy to understand information
 - How compliance and business support services are organized in Canada
 - Contact Information
 - Generic tools and information that when collectively developed would provide 'the best of the best'
- Information service will allow the entrepreneur to find information specific to their destination province(s) or territory(s) and business sector as well as the option of in-person or on-line service (assuming both would still be an option)

Optimum Model

- Bundling of core services common to all businesses would allow the individual to 'register' for one service and the core information about the entrepreneur, partnership or incorporated business be automatically transferred to all services within the bundle
- The business registration process is actually a combination of business name reservation and business registration with the output of a business number

Use of the Business Number, in each jurisdiction (federal, provincial/territorial, municipalities) is the foundation to an optimum model

- A 'central account' would allow for:
 - Information changes in one system, changing all others
 - Client ability to access and check their information and transaction history
 - Client ability to check status of transactions

Optimum Model (cont.)

- Being able to publish the service standard, meet it and report on your performance gives the business client confidence
 - A two day turnaround would be considered an acceptable transaction time for core services

Please note: There are some processes that have additional requirements (e.g. inspections) before issuing licenses etc. It would be difficult for these to meet the above standard

Current State

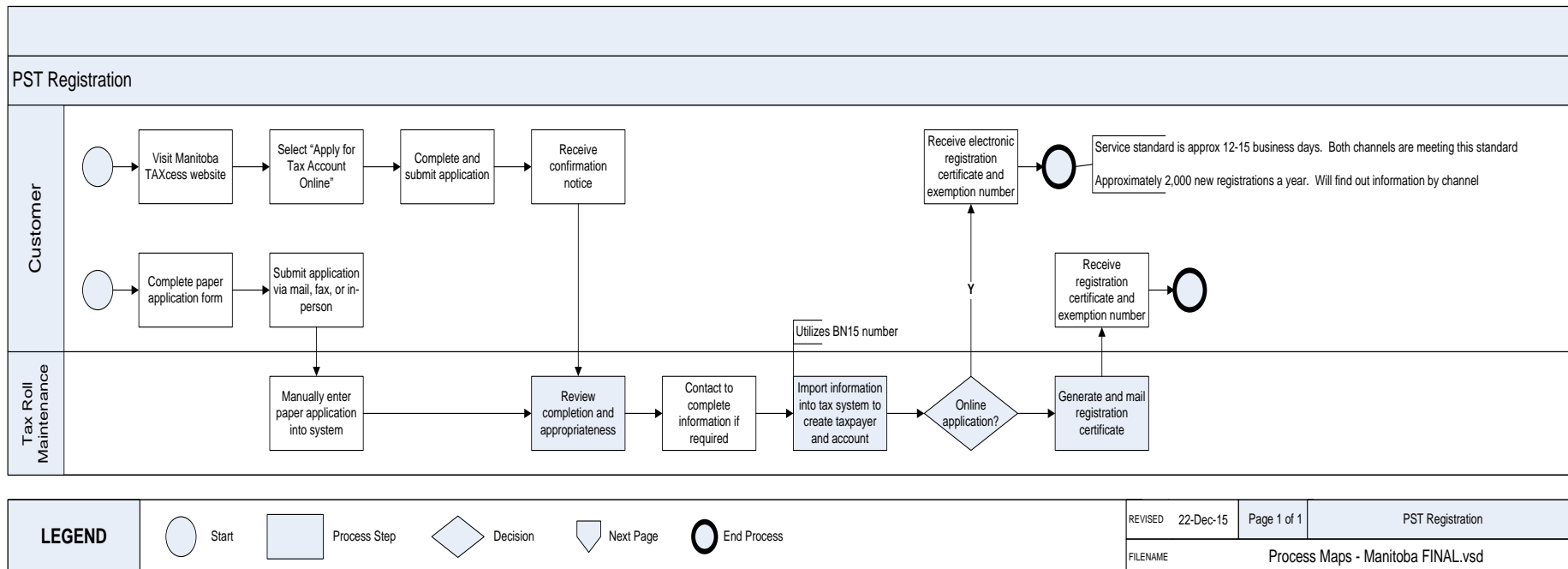
Methodology

- MNP assessed the business services (within the project scope) of each jurisdiction using the criteria described earlier
- MNP utilized several methods to collect and document the services and processes being considered in the Expedited Business Start bundle:
 - Review of existing documentation
 - Direct access to services that are available to the general public
 - Interviews with identified participating jurisdictional and program resources to validate / expand upon and / or fill in gaps in information
 - Validation of the information by jurisdictional and program representatives

Process Maps

- MNP produced process maps for each business service process within the scope of this review
- These process maps can be used in the future state design of the Expedited Business Start bundle as well as by jurisdictions in identifying opportunities for improvement in the delivery of their services

Process Map Example



Criteria Evaluation

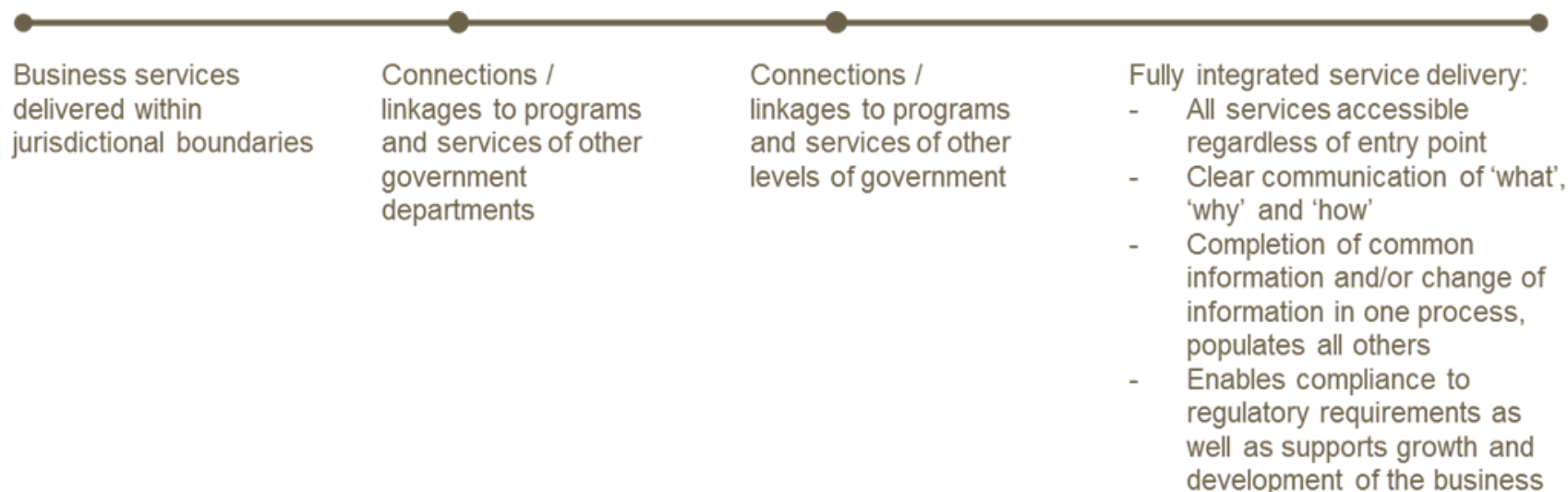
- MNP evaluated the processes of the each jurisdiction using the previously identified criteria
- Please note: This was not meant to be a 'rating' exercise but to provide each jurisdiction with information to use in future design exercises

Sample Criteria Evaluation Table

	Business Name Reservation	Business Registration	PST Registration	Workers Compensation Registration
Access				
Quality of Information	What the service is, who it applies to, and related regulatory information How the service is obtained and through what windows	No information about how this is different from Business Name Reservation	Why the services is provided and how the business will benefit What the service is, who it applies to, and related regulatory information How the service is obtained and through what windows	What the service is, who it applies to, and related regulatory information How the service is obtained and through what windows
Search optimization	1 st result	1 st result	4 th result	1 st result
Number of channels of service delivery and hours of operation of each channel	Online (24/7) In-person (08:00 - 16:30 Mon - Fri) Mail (24/7) Fax (24/7)	In-person (08:00 - 16:30 Mon - Fri) Mail (24/7) Fax (24/7)	Online (24/7) In-Person (08:00 – 16:30 Mon – Fri) Mail (24/7) Fax (24/7)	Online (24/7) In-person (08:30 – 16:30 Mon – Fri) Phone (08:30 – 16:30 Mon – Fri) Email (24/7) Mail (24/7) Fax (24/7)
Cost and Payment	\$45 Traditional payment	\$60-\$350 Traditional payment	No cost	No cost
Ease of Use				
Search-ability	Less than 1 minute to navigate 4 clicks from search to service	Less than 1 minute to navigate 4 clicks from search to forms	Less than 1 minute to navigate 2 clicks from search to service	Less than 1 minute to navigate 2 clicks from search to service
Level of effort	Online application Regular PDF form available on separate website No information carried forward too registration	No online application Regular PDF No information carried forward to partners Government-centric website	Online application Fillable PDF No information forwarded from partners Websites use inconsistent design language	Online application PDF not available online Information forwarded from Business Number registration
Requirements	Basic business information Application fee	Basic business information Partnership information Articles of incorporation	Basic business information Anticipated sales	Basic business information Business number Anticipated start date Estimated payroll
Timeliness				
Target processing time	1 business days	5 business days	12-15 business days	2 business days
Actual processing time	7-8 business days (24 Sept, 2015)	7-8 business days (24 Sept, 2015)	12-15 business days	Target achieved
Accountability and Transparency				
Published standards	Yes	Yes	No	No
Reporting against standards	Yes	Yes	No	No
Value-Add				
Connection to other programs and services for entrepreneurs	Guides and publications Enquiries line Links to other programs	Guides and publications Enquiries line Links to other programs	Guides and publications Enquiries line	Guides and publications Enquiries line

Continuum

Currently, business service delivery in each jurisdiction will fall somewhere on the following continuum:



Business Service Evaluation Tool

Expedited Business Start Evaluation Tool					
	1	2	3	4	5
Information about how to access the services (all channels) is easy to find and easy to understand	Not easy to find or understand. Poor Search Engine Optimization (SEO). Government-centric design. Inconsistent experience across channels. Explains what, how, and why to obtain service.	Somewhat easy to find but not easy to understand. Some improvements in SEO, design, experience, and information.	Easy to find and but not easy to understand. Noticeable improvements in SEO, design, experience, and information.	Easy to find and somewhat easy to understand. Improvements in SEO, design, experience, and information are visible in most places.	Easy to find and to understand. Realized ideal in SEO, design, experience, and information.
The service transaction is efficient and timely for the business client	Services are not integrated, well explained, or end-to-end and are mostly offline. The transaction point and pre-requisites are unclear.	Some online services exist but they are not end-to-end, integrated, timely or well explained. The transaction point and pre-requisites are clear for a few services.	Some end-to-end, integrated, online services are available and explained well. The transaction point and pre-requisites are clear for most services.	Most services are explained well and are end-to-end, integrated, and online as well as relatively timely. The transaction point and pre-requisites are clear for nearly all services.	Client understands what is required and receives complete end-to-end, integrated, online services quickly. Transaction point and pre-requisites are clear for all services.
The business client knows what to expect from the service and can track the progress of the transaction	No service standards are available or reported on. Client progress cannot be tracked.	Service standards are available but are not reported on to the public. Client progress is trackable for few services.	Service standards are clearly defined and reported on for some services and channels. Client progress is trackable for most services.	Service standards are clearly defined and reported on for most services across all channels. Client progress is trackable for nearly all services.	Service standards are clearly defined and reported on for all services across all channels. Client progress is trackable for all services.
The cost of the service is based on the value of the service and is not prohibitive to access for the business client	The cost and payment methods available are prohibitive to the business client	Cost is aligned to value of most services. Traditional payment methods are available	Cost is aligned to value of most services and some new payment methods are available	Cost is aligned to the value of all services and some new payment methods are available	Cost is aligned to the value of the service. Traditional and new payment methods available
Each contact with the business client is treated as an opportunity to provide information about other resources and supports available to help them	No additional information or links to other resources or services are available. Layout of information is illogical.	Some additional information or links to other resources are available. Layout of information is logical in some places.	Additional information, resources, or links to other services are available for most services and may be displayed consistently. Information is laid out in a fairly logical manner.	Each service has supporting information, resources, and links to other services but they are not displayed consistently. Information follows the same logical flow across most services.	Each service has supporting information, resources, and links to other services displayed in a clear way. Information follows the same logical flow across all services.

Findings

Findings

- 1. There has been significant effort expended by federal and provincial / territorial jurisdictions regarding the coordinated / integrated delivery of business services but the service delivery remains primarily organized within jurisdictional boundaries**
- 2. There are wide variety of structures and models for the delivery of services to entrepreneurs and businesses across Canada that reflect jurisdictional government policy and priorities. Eg:**
 - Service Centres that offer in-person service
 - No requirement for government approval of business name
- 3. The ability to easily find information about business services delivered or brokered by public sector organizations varies significantly across the jurisdictions**

Findings cont'd

- 4. All jurisdictions provide information about what the services are and how to access them but no jurisdiction provides thorough explanations about 'why' you would want to use these services**
 - Range from simple clear language and step by step instructions to technical terms and general statements
 - No jurisdiction is clear and straight forward about the consequences of not registering for some of the programs
- 5. BizPaL was developed through a partnership and collaborative effort of all provinces and territories but it is unclear whether it is intended to be a foundational, unifying service or a tool in the tool box.**
 - BizPaL branded by jurisdiction

Findings cont'd

- 6. There is a wide variation in the level of true service integration through sharing and use of information across the jurisdictions within the scope of this project**
- 7. There is a wide variation in municipal participation across the federal, provincial and territorial jurisdictions**
 - May cause frustration if the client believes BizPaL provides a comprehensive, exhaustive listing of municipal license and permit requirements
- 8. There are significant ranges in the fees charged for business services to entrepreneurs across the jurisdictions.**
 - Business Name Registration \$20 to \$78
 - Business Registration \$60 to \$483
 - Business License \$60 to \$12000

Findings cont'd

- 9. There are significant variations in the processing time for registrations between types of registrations within jurisdictions and between similar registration processes across the jurisdictions**
 - Immediate to 20 days for mail-in applications
- 10. Only one jurisdiction publishes, to the general public, its performance against defined standards**

Recommendations

Recommendations

MNP provided a description of the Optimum Model that could be used as a base for the establishment of a desired future state

In addition the following recommendations have been presented for consideration:

1. Develop a long term vision for the delivery of services to business within Canada and establish the necessary conditions for collective impact planning.
2. Conduct a more comprehensive review that identifies and analyzes the governance structures and operational frameworks in which business services are delivered.
3. Incorporate business registration (including business name registration), GST/HST, PST, payroll, corporate income tax registration, municipal license, WCB and Canadian Companies Capability Database as a core business bundle (Expedited Business Start Bundle).
4. Ensure provincial and federal incorporation is a component of the business registration.
5. Use the systems in the delivery of the core services to promote other programs and services for business.

Recommendations cont'd

6. Each jurisdiction should take steps to improve their performance using the criteria articulated in the report and the evaluation tool.