



Utah Chief Information Officer Val Oveson with employees of NIC's Utah portal team.

NIC: Building a Self-Funded Future One Portal at a Time

Innovative approach delivers functional, affordable and highly successful Web portals to state and local governments.

Like many CIOs across the country, Utah chief information officer Val Oveson predicts the term “eGovernment” will one day be archaic.

“At some point, we won’t call it eGovernment because it will simply be business as usual,” Oveson explained. “If we stay the course, I expect the vast majority of government services will be delivered online in the future.”

For Utah and many other state and local governments, that “future” is already here. Throughout the country, government portals and online constituent transactions are becoming more prevalent, and in many locations they are absolutely vital to basic citizen- and business-government interaction.

Still, the current state of the national economy has many governments questioning their own ability to move toward a more digitized age.

“These are fiscally challenging times. Government leaders are now faced with a strategic choice,” said Dr. Paul Taylor, chief strategy officer of the Center for Digital Government, a national think tank and advisory institute on information technology. “They can try to adapt to service demands and economic challenges by following the traditional service delivery model — over the counter, through the mail and on the phone. Or these leaders can become proactive about using new, less expensive channels to improve access and satisfy citizens and businesses.”

As more state and local governments seek to serve the public through the Web, one company — NIC — is providing the expertise, skills, manpower and even the financial facility to do so.

Combining its commitment to strong partner relationships with a unique self-funded model, NIC



Gene Akers of the Alabama Department of Finance, with employees of NIC's Alabama portal team.

INNOVATIVE ONLINE SERVICES

Easy Business Registration in Utah

Establishing a business in Utah is no longer a difficult process. In summer 2003, NIC and an intergovernmental coalition established OneStop Business Registration. Instead of requiring Utah companies to file documents with up to seven different government entities, the new service integrates the registration processes for the Internal Revenue Service, five different state agencies and several local governments into a single Web site. The business registration process now takes about an hour instead of several weeks to complete, and more than 8,000 businesses have used the service since it launched.

Alabama's Point-of-Sale Outdoor Licenses

In fall 2003, NIC teamed with the Alabama Department of Conservation & Natural Resources and Wal-Mart to build an online hunting and fishing license service. The solution resides on a licensing agent's existing computer and automates the licensing process. More than 140,000 licenses were purchased at Wal-Mart stores during the first hunting season, which dramatically reduced bookkeeping demands for licensing agents. NIC built the service at no upfront cost to taxpayers, and the agency estimates it will save more than \$200,000 annually as a result.

manages eGovernment portals for 16 states and several cities and counties. As the nation's leading provider of outsourced eGovernment Web portals, NIC operates Web-based solutions that serve more than 51 million people across the country.

"NIC is a unique organization because our company has a true partnership philosophy," explained Harry Herington, NIC's chief operating officer. "We are only successful when our government partners are successful, and we leverage our experience to ensure that all of our state and local partners share in the benefits."

NIC: More Than a Vendor

In a traditional business sense, NIC has the professional personnel, established techniques and proven applications to design and maintain an effective government Web presence. But in a very nontraditional approach, NIC is dedicated to acting as a true partner to the governments it serves.

"We never take our partners for granted, and we always remain sensitive to their needs," said Jeff Fraser, NIC's chief executive officer. "Our long-term partnerships are unique in government contracting and continue to deliver outstanding value to our partners and the citizens and businesses they serve."

Indeed, Maine Secretary of State Dan Gwadosky considers NIC just such a long-term partner.

"We have had an extraordinary relationship with NIC," Gwadosky said. "We like to say we're in the business of democracy, and NIC is definitely helping us in furthering that business."

Commitment to Delivering Results

Working as a long-term partner rather than a short-term vendor means NIC remains committed to making eGovernment information and operations as functional and beneficial as possible.

"NIC seeks to maintain long-term relationships and, in fact, we have never lost one of our self-funded partners," said Herington.

Officials in Maine <www.Maine.gov> recently renewed their long-term contract with NIC and plan to add several new online services over the next year.

"We've had phenomenal success with fundamentally changing the way people in Maine enjoy government services," said Gwadosky. "We launched 20 new services over the last three years, and have had adoption rates as high as 95 percent. Our portal is now very much as we once envisioned it could become."

NIC's current partner list includes Virginia, Tennessee, Kansas, Oklahoma, and Indianapolis and Marion County, Indiana. Each NIC partner provides the company with a unique understanding of how to use technology to better serve businesses and citizens.

That level of insight, paired with NIC's portal deployment experience, fuels the self-funded model and lays the groundwork for cutting-edge eGovernment services.

Self-Funded and Built for Efficiency

Under the self-funded model, both governments and NIC work toward the common goal of providing online services that help government communicate more effectively with businesses and citizens.

In 2003, the state of Utah <www.Utah.gov> received first place in the Center for Digital Government's Best of the Web awards. Oveson attributes much of his state's online success to NIC.

"The self-funded model includes an infusion of resources that allows us to do things that we would never have an opportunity to do without that source of funding," said Oveson. "NIC was an instrumental part of our Best of the Web recognition last year."

In fact, NIC's successes include several award-winning state and local eGovernment portals. But beyond accolades, governments partnering with NIC receive other — often more tangible — benefits as well.

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— Dan Gwadosky, secretary of state, Maine

“NIC’s self-funded model is grounded in principles that make for sound public policy,” said Keith Schraad, regional manager for NIC. “The hallmarks of good government are fiscal responsibility and better access to information and services, and NIC’s self-funded solution is already making this a reality in 16 states.”

When eGovernment is funded through transaction fees — as in NIC’s self-funded model — instead of appropriated funds, officials are more willing to claim a spot on technology’s leading edge, according to Schraad.

NIC’s locally based management structure also ensures that every new eGovernment service is implemented successfully. “We customize each service to meet the unique needs of each government, and our people on the ground make this happen,” explained Schraad. “Off-the-shelf technology will not work because no two governments are the same.”

This innovative approach provides businesses and citizens with efficient online services for submitting a Uniform Commercial Code filing, renewing a driver’s license, registering a new business, paying taxes and fines, renewing a professional license and completing a number of other transactions. NIC has already developed more than 1,000 unique eGovernment services that eliminate paperwork and shorten turnaround time, which naturally lowers government’s overall cost of doing business.

NIC continues to find new ways for governments — and their taxpayers — to save money. In early 2004, NIC and the Oklahoma State Treasurer introduced a system that will save \$600,000 per year by electronically processing and archiving state-issued checks. And Virginia’s online unemployment benefit claim service has saved the commonwealth and its taxpayers more than \$2 million per year since it launched in late 2002.

Creating Win-Win-Win Opportunities

NIC regional manager Robert Chandler said he understands why NIC’s self-funded model works so well for budget-conscious governments.

“It can’t be a losing proposition for the government or constituents and still be a win for NIC,” said Chandler. “The self-funded model just won’t work unless it’s a win-win-win situation.”

In creating this win-win-win result, NIC experts are dedicated to blending in seamlessly with state or local personnel. Acting as true agents for the customers they serve, NIC employees take on as much portal management responsibility as individual governments request.

In some instances, NIC assumes complete responsibility for building and maintaining eGovernment solutions,

thus freeing agency IT staff members for other projects. In other cases, NIC works hand-in-hand with government professionals to both build and maintain portals.

In every instance, public officials decide the exact nature of the relationship between NIC and the agency. Although typical contracts last between three and seven years, NIC’s commitment to forming long-term partnerships means engagements are flexible — and able to change with partners’ needs.

“We operate as a partner that says, ‘We’re going to continue to reinvest in your operations so you can continually see the value we bring,’” explained Chandler.

The self-funded model relies on fees for a small number of applications to sustain the eGovernment environment, but a large proportion of the information provided through NIC eGovernment portals is free to the public.

Fostering Effective Governance and Cooperation

Since successful portals are not created in a vacuum, effective governance is an essential component of any eGovernment initiative.

“We encourage the use of governing boards as a way to establish policy and ensure that the best interests of constituents and the entire government enterprise are properly represented,” said Schraad. “Governing boards composed of public- and private-sector delegates are often best positioned to ensure the portal is serving all constituents.”

When establishing a portal, governments often consult with their peers for best practices. Governance is just one example of how NIC fosters communication and knowledge transfer between its partner governments.

“NIC and its partners continue to be successful because we are always sharing ideas,” explained Herington. “When a new service or eGovernment concept is a success in one state, we bring this knowledge to our other partners. We have implemented hundreds of new online solutions across our partner base this way. State and local governments can also generate efficiencies and deliver higher levels of customer service when they collaborate on eGovernment projects.”

Driving Adoption in a Self-Funded World

Despite the popularity of eGovernment, effective portals don’t follow a “build it and they will come” strategy. NIC understands that constructing an inventive and easy-to-use portal does not necessarily guarantee success.

“Adoption is at the core of eGovernment success, and marketing is the key to adoption,” said Tamara Dukes, regional manager for NIC. “Without adoption, you’re stuck with eGovernment services that nobody uses.”

Although marketing is essential, Dukes said traditional marketing methods aren't always the key to boosting eGovernment adoption.

Instead, NIC believes portal marketing is guided by three factors: input from users, involvement of frontline government workers who regularly deal with customers and commitment from high-level management.

"With involvement from these three groups, you can lay the groundwork for a successful project," said Dukes. "Our standard procedure is to start thinking about marketing and adoption as soon as we approach an agency or they approach us."

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— **Gene Akers**, Alabama Department of Finance

Marketing to Key Users

NIC uses focus groups, professional organization meetings and other informal avenues to speak to the citizens and professionals who are likely to take advantage of portal services.

"Talking to customers is a unique concept for government, because most agencies don't have much marketing experience," said Dukes. "This is something unique that NIC brings to the table."

The NIC team also listens to frontline government employees who support the daily transaction output from services that are made available on the Web. "If government employees don't support eGovernment, any effort to bring government online will fail," explained Dukes.

Based on this research, NIC is able to develop marketing strategies that often include point-of-sale materials for government offices with heavy traffic flow, radio and outdoor advertising, media relations and grassroots outreach to professional organizations that could benefit by using eGovernment services.

"We have the same goal as the agencies we work for," said Dukes. "We want to drive adoption, and we do whatever it takes to facilitate that process. It's a great thing to build a partnership with a shared goal."



Adding Value Through Platform-Neutral Services

"NIC's overall philosophy is to treat eGovernment deployments as services instead of applications," according to Herington.

Many vendors simply identify applications agencies want to deploy and then build them, but Herington said NIC's technique is very different.

"We come to an agency and identify the types of services they are providing," said Herington. "We then go to the end-users — the citizens and businesses — and learn how they conduct business. Once we get inside the processes that government and end-users follow, we can build applications that truly support their requirements."

Creating those applications is something many state and local IT teams cannot easily do on their own. Gene Akers, manager of the office of planning and development for the Alabama Department of Finance, said his state's IT team had some experience building Web pages but "no real concept of digital government."

"NIC brought Alabama a team of tremendously talented individuals who are very customer oriented," Akers said. "Some companies come in and say they are going to do everything from building a portal to marketing, but you never know if they are really going to deliver. They have done more than we ever expected, and we're very pleased with the results."

NIC implemented nearly 20 transaction-oriented Web applications in Alabama last year, and another 15 services are in the process of launching in 2004. Many of the new applications are enjoying extraordinary success, according to Akers, including a nursing license renewal system that posted a 40 percent adoption rate in less than a year.

Furthermore, NIC integrated these innovative and efficient new applications into a range of existing government platforms without modifying legacy systems.

"We are platform neutral and have built portal services in a wide range of technical environments. Our partners do not have to change their operating platforms or rebuild their back-end systems to accommodate NIC," said Herington. "We have always figured out a way to build services that meet each partner's technology requirements."

In the end, driving efficiencies and providing information and intuitive transaction services is what NIC's self-funded portal management is all about. The overriding goal is enhanced government services, the method is self-funded partnerships and the company is NIC.

To learn how self-funding can work for you, contact Elizabeth Proudfit at 703-288-0980 or eproudfit@nicusa.com.

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