



**NASCA
2006 – Outstanding Program Awards
Application**

Program Title: Entrepreneurial Management in Iowa State Government

Check One: Individual State Award

NASCA Member State: Iowa

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2. Application questions and descriptions:

a. Indicate Individual State Award or Partnership between state and private entity.

Individual State Award.

b. Executive summary of program.

eDAS is the new online billing and service request system of the Iowa Department of Administrative Services (DAS). It is designed to provide customers with an accurate, timely and cohesive on-line experience. **eDAS** combines billing data from multiple legacy systems to provide customers with one monthly invoice. The system provides an online Services Catalog which functions as the authoritative source for service offerings, rates and contact information. Requesting a service from DAS is now as easy as adding the item to your shopping cart. As an added feature, **eDAS** offers Customer Self Service for account maintenance. Customers control their own accounting information, including what services are authorized for ordering and who may order those services.

DAS was founded in July 2003 as a result of the merger of four established departments – the departments of General Services, Personnel, Information Technology and the Accounting Bureau of the Department of Revenue and Finance. At the same time, DAS implemented a new business model called “entrepreneurial management,” a customer-focused approach to delivering services in a competitive marketplace. Rather than require agencies to use their services, DAS would give them the opportunity to choose an outside vendor. For the first time, DAS had to compete for state business. This would require DAS to have competitive prices, provide excellent service and be customer-oriented.

Entrepreneurial management energized DAS to make fundamental changes in the way state government conducted its internal business by taking the former unregulated monopoly-like entities that provided the infrastructure and facilities services to state government and replace them with customer-focused enterprises, each accountable for achieving operational and financial results in a competitive, businesslike manner. With no direct appropriations to support the majority of DAS services, DAS is only able to offer and sustain services for which its customers are willing to pay, based on their individual business requirements and available funding. By empowering DAS customers to select the products and services that best meet their needs, state agencies are better able to serve their customer, the citizens of Iowa.

Each of the new DAS enterprises – Human Resources, General Services, Information Technology, and Accounting is managed by a Chief Operating Officer who reports to the DAS Director, Mollie Anderson. DAS Core Services provides a number of shared services to support all of the enterprises, thereby saving money and resources. (See Figure 1)

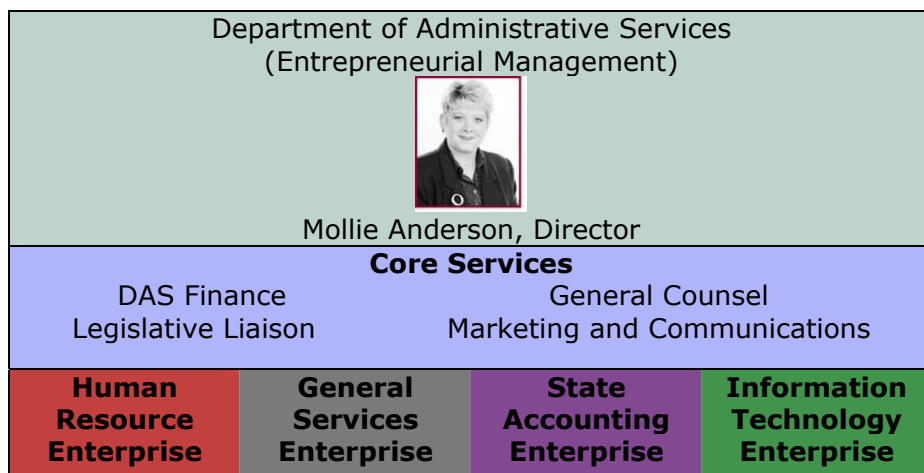
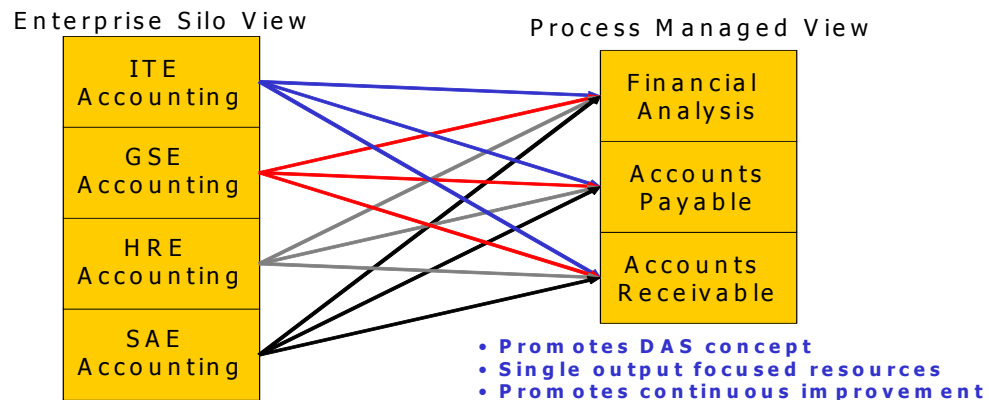


Figure 1. Iowa Department of Administrative Services

The new agency was created to streamline government services; improve service to customers; save money; and enhance the use of state government resources. In order to meet the Governor's goals, the Finance Division of the DAS undertook the monumental task of reengineering the processes from the four merged organizations. It was determined that in order for DAS to be successful, the processes needed to be consolidated into one system and for DAS leadership to initiate the Customer Relationship Management (CRM)/Billing Project. Under the vision of the Chief Financial Officer, Denise Sturm, DAS Finance was also transformed. This transformation moved the division from an enterprise silo view to a process managed view.

Transforming DAS Finance



The CRM/Billing project was initiated to work collaboratively with DAS customers to address the legacy customer service and billing issues with which they were all too familiar. The project team inventoried and analyzed each of the manual and automated systems used to track and bill requests for information, services, or trouble calls. They found there was no direct link between service request intake processes and the costing, billing, and account receivable processes. Much of the work required to correlate a service and a customer with a billing statement was manual, time-consuming, and costly. Reconciliation of the multitude of the different customer billing statements (more than forty legacy systems) was difficult and the systems in place at the time of the merger could not provide managers (internal and external) with meaningful information on which to base critical business decisions.

The first steps were to analyze the current business processes and procedures, to identify redundancies, bottlenecks, and opportunities, to improve billing process workflow, and to tie individual points that were the highest priority for improvement and/or automation. The billing assessment process started by identification of the quantity and prices of the services that have been delivered by the various DAS operating enterprises to their customers. The presentation of the bill was the end of the billing process assessment. The following facts emerged from the current billing processes:

- 13,123 bills were produced annually; the majority of the bills were paper invoices delivered via interoffice mail.
- Eleven employees were involved in processing accounts receivable.
- Eighteen individual billing processes were identified.
- Billing data was stored in the form of:
 - 9 Excel spreadsheets
 - 2 Word databases

- 3 Visual Basic databases
- 3 Access databases
- 4 Mainframe applications
- Email
- 2 Budget systems
- Payroll data on the Human Resource Information System
- Internal invoice documents
- Financial accounting system screens
- Postage meter application
- MP2 (trouble ticket) database
- Paper service requests
- There was no established day of the month to send billings to customers. Bills were sent whenever they were produced.

To be successful, the CRM/Billing Team needed input from their internal and external customers. The team surveyed existing customers, interviewed a sampling and had numerous meetings to determine customer expectations and business requirements. They met with enterprise leaders, accounts receivable staff and service delivery teams. Customers overwhelmingly requested an electronic (online) service request and billing system that was easy to use. Financial managers wanted flexibility in authorizing staff to order services and to work with financial data. Internally DAS management needed a system that would become the authoritative source for service information (a services catalog), with the ability to track the status of service requests, and provide revenue data.

DAS customers identified the following requirements for the new CRM/Billing System:

- Timeliness – customers wanted one monthly invoice at a designed time of the month. This involved consolidating the four enterprises billing systems.
- Detail – agencies needed more detail on their invoice such as quantity, rate, who requested the service, when it was delivered and the account charged. This involved mapping detail data from the current service request and billing processes. It would also require **eDAS** to integrate with the State’s major financial system called I/3 (Integrated Information for Iowa.)
- Accuracy of information – customers wanted a way to confirm the accuracy of their statements. To accomplish this, **eDAS** would need the flexibility to show data at different levels (from general to specific information). The system also had to show data from both a business view and from an accounting view.
- Availability of information – customers wanted to be able to use and manipulate the data, so **eDAS** would have to allow them to download data from their invoice. Customers also wanted to control who could order services and who had access to financial information. To accomplish this, **eDAS** needed to establish roles in the system for the customer administrator, the financial manager, the customer user and the executive.
- Clarity – customers wanted a means to relate the invoice to the service description. This would require that the invoice be linked to a Services Catalog, the authoritative source for services listings, rates and contact information.

In 15 months, the CRM/Billing Team assessed current and future state processes, developed and implemented an online service request and billing system called **eDAS**. **eDAS** transformed the way business is managed at DAS. It provides a portal to order services, tracks the status of service requirements, and allows customers to retrieve and

download financial data. Invoices are interactive, rather than a towering stack of paper; each item on an invoice directly relates to a service listed in the Services Catalog.

The Services Catalog is the single authoritative source of information for DAS. It lists every service offered by the department. Customers can view offerings by enterprise and by category of service. The catalog also describes the service and provides an email link to contact the provider. The general public can view service descriptions. Only authorized users can view prices and order the service. The ordering process involves completing the form and clicking a button to add the request to the "shopping cart." The customer receives an email confirmation when they "Check Out," and the service provider is notified that they have a new request.

Prior to **eDAS** implementation, customers, complained that they received numerous invoices (up to 18 separate billings) throughout the month from the various service providers and that many were difficult to understand. **eDAS** consolidated all bills into one electronic invoice. Each month the customer receives one email with a link to their invoice. The invoice is truly revolutionary. By clicking a link, you can view data by enterprise, service category, individual service, and service request. Since state agencies have numerous cost centers, the invoice also shows the account charged. **eDAS** allows financial managers to manipulate dates, analyze trends, and download data at several levels.

The new system consolidated the billing data from over 40 legacy systems and 18 separate customer bills. **eDAS** provides customers throughout the state with an online site to request service and to both view and download detailed billing information. **eDAS** eliminated stacks of paper invoices sent to customer by creating a paperless process.

Before Implementation



One Customer's Monthly Invoice



Monthly Billing For One Service



Invoices for One DAS Enterprise

After Implementation



Denise Sturm, Project Sponsor
eDAS Demonstration



eDAS Online Invoice

eDAS has revolutionized the way customers transact business with DAS by providing state agencies with an online system to order services, track their status and view billing information. **eDAS** has saved the state money by reducing the number of staff needed to generate and support the bill, and by allowing customers to track expenses efficiently and effectively. Customers are thrilled with the interactive invoice, and they appreciate being able to use this data for trending and forecasting purposes. **eDAS** has truly met its goals to streamline services, provide better customer service, save money and to enhance the use of government resources.

c. Describe the program and relative significance to the improvement of the operation and/or efficiency of state government.

The online **eDAS** invoice is unique in that it offers four levels of detail *plus* an additional level of detailed accounting information for State agencies. By clicking a link you can view charges for 1) each enterprise, 2) each category of service within an enterprise, 3) each service within a category, and 4) each service request. Most agencies using the state accounting system have an agreement with DAS to automatically transfer monies from specified agency accounts to DAS. The accounting detail information is included and displayed in the online invoice. Customers can download detailed billing and usage data. This data can then be manipulated, trended and analyzed as desired. This allows customers and service providers to manage their budgets at a level never before possible. Customers now have a grasp of their expenditures. The system features:

- Accurate billing to all customers
- Billing details in reports
- Tracking of all services
- The ability to generate special reports for customers

DAS Service Portal Order Input

The portal is a single point for customers' requests for services. Requests are either entered directly from customers, indirectly from DAS service providers, or electronically from legacy computer based systems. The portal routes requests to DAS work teams, service actions to a transaction database, and delivered services to a consumption database for eventual billing. The portal allows controlled, customized, and secure access for authorized users from customer departments. Users can view the status of current services ordered and the history of past orders.

- Customers can successfully order services. **eDAS** assigns an order number, provides email notification to service provider and customer at the time of order.
- Orders are successfully delivered to the workgroups and to the billing system
- Common data (i.e. customer information, service information) is successfully retrieved
- Accomplishes a one-stop ordering system
- **eDAS** allows customer and service provider to monitor status
- **eDAS** ensures proper authorization at the customer level. Customer can control who can order what services and what accounts are charged.

Service Catalog

The service catalog contains authoritative service descriptions, prices, and service delivery information for all services delivered by DAS.

Our Services Catalog is unique in that it combines such a diversity of services – everything from vehicle reservations and maintenance to training services, from health insurance administration to mainframe jobs, from software development to washing windows. The online bill is directly related to the catalog by a Service ID number, service category and enterprise. From links in the invoice, the customer can return to the Services Catalog to review service descriptions.

- Customers clearly understand and distinguish DAS services and rates
- Billing consistently reflects latest services and rates
- Accurate, authoritative source of services and rates
- Ability to market DAS services
- Allows multiple search options

Customer Self-Serve Account Maintenance and Authorization

The customer database contains account, access and authorization for ordering services, and service information for each customer department and their related users. When customers login, this database provides a profile for each user which lets them view services and billing account codes they are authorized to use. Customer administrators grant access to users, determine services authorized for purchase and maintain accounting information.

- Each customer agency has purchasing users in the database
- Each customer agency has trained administrative users
- Each customer agency authorizes staff users, what services users may order and the account information tied to the service ordered.
- Maintains account data for customer in one area

Consumption Database

The consumption database is a collection of records for customer services that have been ordered, delivered, and are ready for billing. **eDAS** represents the consolidation of four distinct enterprises, and each had one or several billing processes in place. We were not in a position to require the enterprises to adapt their business processes to comply with **eDAS** requirements. So we adapted the system to accept data from numerous data sources (legacy systems). We call each process a billing engine, and data from each engine is mapped into the consumption database of **eDAS**, providing for a highly flexible system. The billing engines allow DAS to cross reference account information and to validate all data simultaneously.

- Created a centralized repository of billing information. The billing system can capture detailed consumption transactions from legacy systems.
- Generate an online bill from that data.
- Surround it with a website that can provide a cohesive user experience.

System Administration Tools

System administration tools validate the consumption data and account information for customers and vendors. The integrity of all the data and related accounts is of the highest importance to customers and vendors. Maintaining a complex system without auditing and validation tools would be timely, costly, and error prone. The following list describes these tools:

- Account Tools: transferring of user and vendor accounts; validation of accounts; adding, editing and deleting based on customer access needs; tools to update system account tables after changes; and, cross referencing accounts to allow merging of divergent accounting systems.
- Consumption Data Tools: viewing of records processed by service by billing period; reversion of error records; view of all consumption records by customer,

service and billing period; comparison of consumption by service between billing periods to determine changes; and, views of database storage used.

- System Data Tools: adding, editing, and deleting of all database tables without intervention of web or database programmers

Projection Tools

DAS Finance, Service Providers and Customers are provided a tool to forecast and project revenue and expense budget. Based on the user's role, the user will have the ability to query the system and project consumption based upon a 3, 6, 9 or 12 month base. They can calculate an average based on the previous months or predict a trend change over the same months last fiscal year.

- Projections are based on the consumption to date, the user will select their trend base using the current rate or entering a desired rate.
- User has the option to project all services or a single service. Information is then exportable.
- User roles are set through the system administrator. User roles include customer, service provider, DAS Finance, and System Administrator

The process changes and improvements resulted in:

- Increased customer satisfaction by being responsive to demands for change in the billing process.
- Customers have the freedom to maintain and monitor account status, view transactions and invoices, and make payments electronically—all by simply using a web browser.
- Improved customer service – by reducing response time to customer's questions and inquiries. Improved productivity through timely availability of important information; critical information is accessible by the customer via the web.
- Automated manual processes. Minimized the impact of mistakes by reducing manual intervention and reducing expenses by eliminating double-entry into multiple systems.
- Reduced time and effort to create, approve, distribute, and collect for multiple invoices using an automated process. Eliminated the overheads incurred in unnecessary document distribution.
- Benefit from significant improvements in productivity as well as the presentation of quality output generated with professionally designed documentation.
- Allows identification of customer usage patterns and provides opportunities for cross selling of other products and services

d. Provide calculation of actual savings in short and/or long term: if applicable.

The DAS invested approximately \$750,000 to develop **eDAS**. The department will see a total return on investment within 13-24 months of implementing **eDAS**. During implementation and parallel system testing, the team discovered \$297,000 of lost annual revenue not being billed for services. We estimate that DAS will continue to realize annual costs savings in excess of \$600,000. Other intangible benefits that could produce revenue include:

- For the first time Service Providers have access to billing data for their customers. This allows the Service Provider to support billing questions. The Service Provider

also has a greater awareness of revenue generation. Service Providers can track increases and decreases in customer loyalty.

- Management can track revenue sources and determine profit and loss centers. They can track service delivery and consumption trends.
- Improved rapport with our customers. DAS designed a system that meets customers' needs. Customers appreciate the services catalog, ease in ordering services and the interactive invoice.
- Significant reduction in the use of paper to produce the invoices
- Track and analyze customer needs and satisfaction
- Track and analyze costs to deliver services
- Identify linkages between DAS internal processes and the customers
- Identify viable opportunities for service and product development
- Identify potential customers
- Identify services and products with the best return on investment; and services that need to be discontinued
- Effectively deliver services to enhance DAS revenue
- Improved Customer Support:
 - Improved customer support information increasing Help Desk efficiency and improving customer relationships
 - Increased customer satisfaction with trouble-call management and call escalation
 - Establishes ownership and accountability for problem resolution
 - Supports an accountable and committed customer service culture

e. Describe quantitative benefits realized by service recipients, taxpaying, and/or state agencies.

eDAS has produced business significant results for our external customers – the state agencies. Our customers report:

- Substantial time savings in reviewing and auditing the invoice. The invoice is no longer ambiguous or confusing. It provides explicit information that can be viewed by any authorized user.
- A new awareness of expenditures. Due to invoice detail, customers can easily view their expenditures and can identify unnecessary purchases.
- Customers have an increased capability to manage their budgets. Because they can download data and special reports from the invoice, customers can use this information to prepare their budgets and to predict future expenses.
- Ease in ordering services. The Services Catalog makes it effortless for customers to learn about our services and to order them.
- Since **eDAS** implementation, one customer commented the system and its special reports save his agency 4 to 5 hours per week.

- We have received a “Gee whiz” response from customers regarding the online invoice. Customers can now view billing data with one mouse click, and it is easy for them to identify their charges. Billing summaries are provided at 4 levels of detail: the enterprise level, service category level, by specific services and by the individual service request. Support calls have been reduced, because customers can easily access the information and understand the billing components.

f. Describe applicability of use by other state, local and/or federal government.

eDAS functionality and design could be modified to support intake and billing systems for other states and/or municipalities. The system was recently demonstrated at a national conference of state administrators. The response to the system was overwhelming. Several states have requested additional information about the design and functionality of **eDAS**. Some have expressed interest in either purchasing the system or in having DAS host the application for them. **eDAS** is now being leveraged by other applications within state government as an authoritative secure source. The system continues to be enhanced.