

GOVERNMENT TECHNOLOGY
SOLUTIONS FOR STATE AND LOCAL GOVERNMENT**New York City Website Leads Rise of
'Business One-Stops'**

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A solid economy needs successful businesses to thrive — this is a no-brainer. But a majority of startups fail to even finish the initial paperwork required, let alone thrive. Several big cities have recognized this problem and are looking for ways to simplify the process of starting a business.

Some cities are leaning on cutting-edge technology to spur business creation. Perhaps it's appropriate then that the world capital of commerce, New York City, is on the leading edge of this trend. New York City has a website called [NYC Business Express](#) that's solely dedicated to helping would-be and existing business owners. The website, which runs on the J2EE Java platform, is a one-stop resource for the New Yorker who wants to start or expand a business.

Given the size and complexity of New York City's government, the website is a testament to planning and organization. Entrepreneurs can find a comprehensive list of requirements tailored to the details of their business. They can file for licenses, permits and incentives, and make payments online. Most importantly, there's a wizard that guides them through the whole process. Essentially users can deftly navigate the red tape of more than 20 city agencies that oversee small business creation. And they might not even realize

that what they're doing used to be a cumbersome chore.

The city began work on the project in late 2005 and had a working version, which had functionality for restaurants only, in late 2006. The project staffs nine full-time employees and has received part of \$36 million in investments that have been spread across multiple projects and agencies. These funds include foundational purchases that can be reused for other projects such as software, licenses and hardware that replaces legacy technology and allows agencies to share data with one another. The funds spent on the project are part of a larger program to upgrade the government's infrastructure and increase efficiency.

"Business one-stop" websites like NYC Business Express are becoming more popular among state and local governments even though they aren't cheap and involve a significant amount of planning and work. Five years later, New Yorkers and city officials say the website has fulfilled its promise to streamline red tape and demystify the creation of local businesses.

Examining the Problem

NYC Business Express is the kind of tool that James McCarthy, CEO of Digital Plight Studios, might have used when he created his one-man software development company in New York two years ago, had he known about it. But instead, he did things the hard way.

"The publication requirements you have to file are a real pain in the neck," McCarthy said. "I ended up cutting it really close on the requirements."

In the end, McCarthy filed everything correctly and got

his business running. But he needed help from his father, who has a background in business management and finance. McCarthy also hired a third party to help him with the publication requirements. And last, McCarthy's company has no employees and no storefront — it's rather basic as far as businesses go.

"I'd say it was about a six out of 10 on the difficulty scale," McCarthy said. "There's a lot of reading to do to see exactly what it is they want. I could easily see how someone could get confused if they were a non-native speaker."

Six out of 10 isn't impossibly difficult, but keep in mind that McCarthy is a software engineer with a master's degree. Complicated things are his business. Not everyone has extra money to hire outside help or has a business manager for a father. Not everyone speaks English as a first language or has the time and patience to read through copious amounts of fine print. For a non English-speaking immigrant who wants to open a cafe, the process is grueling.

The website gives users a checklist of everything they must do and directs them to the required documents, as well as optional resources they might not know about. Because the website's wizard automates so much of the process, providing individualized user support when it's needed becomes a viable option for the city.

Irene Toscano used NYC Business Express to open Irene's Dolci, an Italian bakery. Government agencies sometimes contradict one another, said Toscano, so it was nice to have a centralized source of information to follow.

The level of personalization available for each business

owner was helpful, Toscano said. The website lets users be very specific about the details of their business and get feedback accordingly.

NYC Explores Solutions

The ideological foundation to create the site was set in 2002 when Mayor Michael Bloomberg took over, said David Margalit, deputy commissioner of business development for the New York City Department of Small Business Services.

"This mayor has made it clear good government is about accessibility, transparency and accountability," Margalit said. "Once the idea [for NYC Business Express] popped up, it didn't take much of an argument to get it started."

More than 22,000 accounts have been created on the site, with more than 500,000 visits.

The beauty of the website goes beyond the simple design and ease of use, said Kevin Kelly, assistant commissioner of NYC Business Express. It's about creating clear, focused content where traditionally there was an overload of information loaded with jargon.

"They had to figure out what it is they need," Kelly said. "Other agencies don't necessarily tell you what you need; there are five needles in 35 haystacks you need to find."

The difference now, so to speak, is that someone hands you the five needles you need and they're categorized, labeled and come in a leather-bound carrying case with clear instructions on how to use them.

A Growing Trend

“Business one-stop” websites like NYC Business Express are becoming more popular even though they aren’t cheap and involve a significant amount of planning and work. Boston; Newark, N.J.; Portland, Ore.; and San Francisco are among the cities that have reached out to New York City to investigate creating their own version of NYC Business Express. Utah, Arizona and several other governments have also worked on similar online endeavors.

Portland is generally ahead of the curve when it comes to new technology. Last year, for instance, Portland officials started CivicApps.org, an open data project that encouraged Portlanders to brainstorm ideas and develop applications that utilized more than 100 data sets released by the city.

So Portland was naturally interested in what New York City was doing, said Skip Newberry, economic development policy adviser for Mayor Sam Adams.

“What we learned from the NYC Business Express folks was: Don’t start with the tech,” Newberry said. “Start with the human side of things.”

The difficulty when developing this kind of technology, said Newberry, is making sense of what business owners must go through, organizing the vast amount of information and forming good relationships between different departments. Also, useful artificial intelligence is hard to develop because the rules that need to be defined aren’t known until after a lot of research happens, he said. Once the information is organized and the lines of human communication have been opened, developing the software is relatively easy. “They also support an incremental approach,” Newberry said.

New York City began by focusing on helping restaurants open, and once that was working well, officials expanded operations to include other business types.

Phillip Holmstrand, IT manager of Portland’s Bureau of Technology Services, said a one-stop portal for business can also educate and inform government employees. Portland’s “weak mayor” system means the city government sees an increased silo effect, he said. Consequently how processes like business creation work are often equally confusing to government workers as they are to citizens, which is another benefit of developing these types of applications. Once the technology has been developed, he said, government can use it too.