TEAM COMMONWEALTH

HOUSING AND ECONOMIC DEVELOPMENT & MASSIT

FINAL PRESENTATION

CONTENTS

TEAM

Artyom Anikyev | HKS '19

Experience in Civil Service in Russia

Brian Etienne | HBS/HKS '19

Experience at McKinsey and Birch Hill Equity Partners

Julia Gutierrez | HKS '17

Experience at the Office of the Governor of Texas

Nisha Swarup | College '18

Experience in software engineering & product management

Kate Welsh | HBS '17

Experience at TED Conferences and Wolff Olins

CLIENTS

HOUSING AND ECONOMIC DEVELOPMENT

‣ Promote regional economic growth

‣ Connect citizens to economic opportunity

‣ Improve Commonwealth's competitive position by lowering key business costs

MASSIT

‣ Improve UX of top service

‣ Deliver best-in-class services that meet constituents needs and expectations

‣ Deliver clear, up to date content

‣ Help stakeholders have a smooth transition

HOW MIGHT WE BETTER ENCOURAGE AND BETTER ENABLE PROSPECTIVE ENTREPRENEURS TO START A BUSINESS IN MASSACHUSETTS?

MassIT and HED

REGULATIONS IN MASSACHUSETTS

FEDERAL DEPARTMENTS

8 STATE AGENCIES — — — — — — — 4 STATE SECRETARIATS — — — — —

HOUSING AND ECONOMIC DEVELOPMENT	
EDUCATION	TREASURER & RECEIVER GENERAL
ENERGY & ENVIRONMENTAL AFFAIRS	
HEALTH & HUMAN SERVICES	SECRETARY OF COMMONWEALTH

- HOUSING AND ECONOMIC DEVELOPMENT
- EDUCATION
- ENERGY & ENVIRONMENTAL AFFAIRS
- HEALTH & HUMAN SERVICES
- ADMINISTRATION & FINANCE
- LABOR & WORKFORCE DEVELOPMENT
- PUBLIC SAFETY & SECURITY
- TRANSPORTATION & PUBLIC WORKS

TREASURER & RECEIVER GENERAL

SECRETARY OF COMMONWEALTH

ATTORNEY GENERAL

STATE AUDITOR

351 MUNICIPAL GOVERNMENTS — — — — — — — — — — — — — —
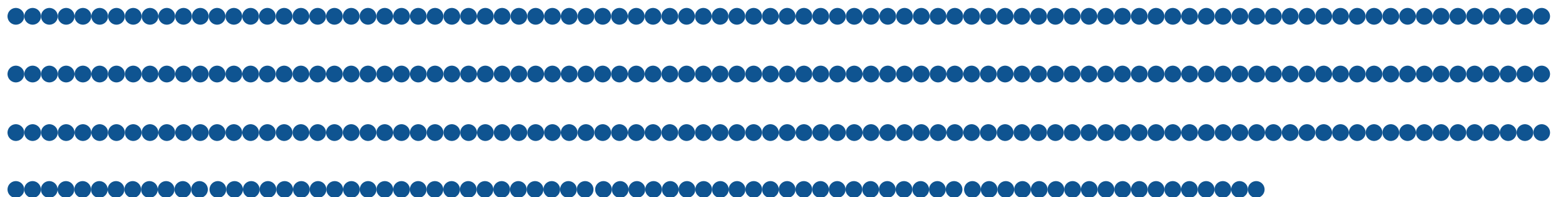
USER RESEARCH

WHO WE TALKED TO

17
ENTREPRENEURS

3
GOVERNMENT
STAKEHOLDERS

4
EXPERTS

5
EARLY STAGE

12
ESTABLISHED

ENTREPRENEUR PERSONAS

Sarah

‣ Opened her gym five years ago

‣ Certified personal trainer and first time business owner

‣ Doesn't have budget for administrative staff and often forgets license and permit requirements

Randy

‣ Considering opening his own contracting business after eight years as foreman

‣ No prior business training

‣ Needs to find capital and legal resources

Juan

‣ Moved to the United States from Peru ten years ago

‣ Bought a restaurant six months ago with investments from friends and family

‣ Doesn't have strong enough English skills to navigate forms and regulatory websites

USER INSIGHTS

Users invest significant time, energy, and resources in learning.
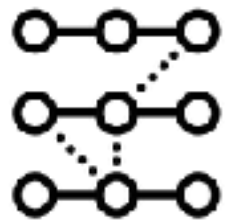
There is no single touchpoint for information.

Users rely on networks for… everything.

Government isn't a user's first call.
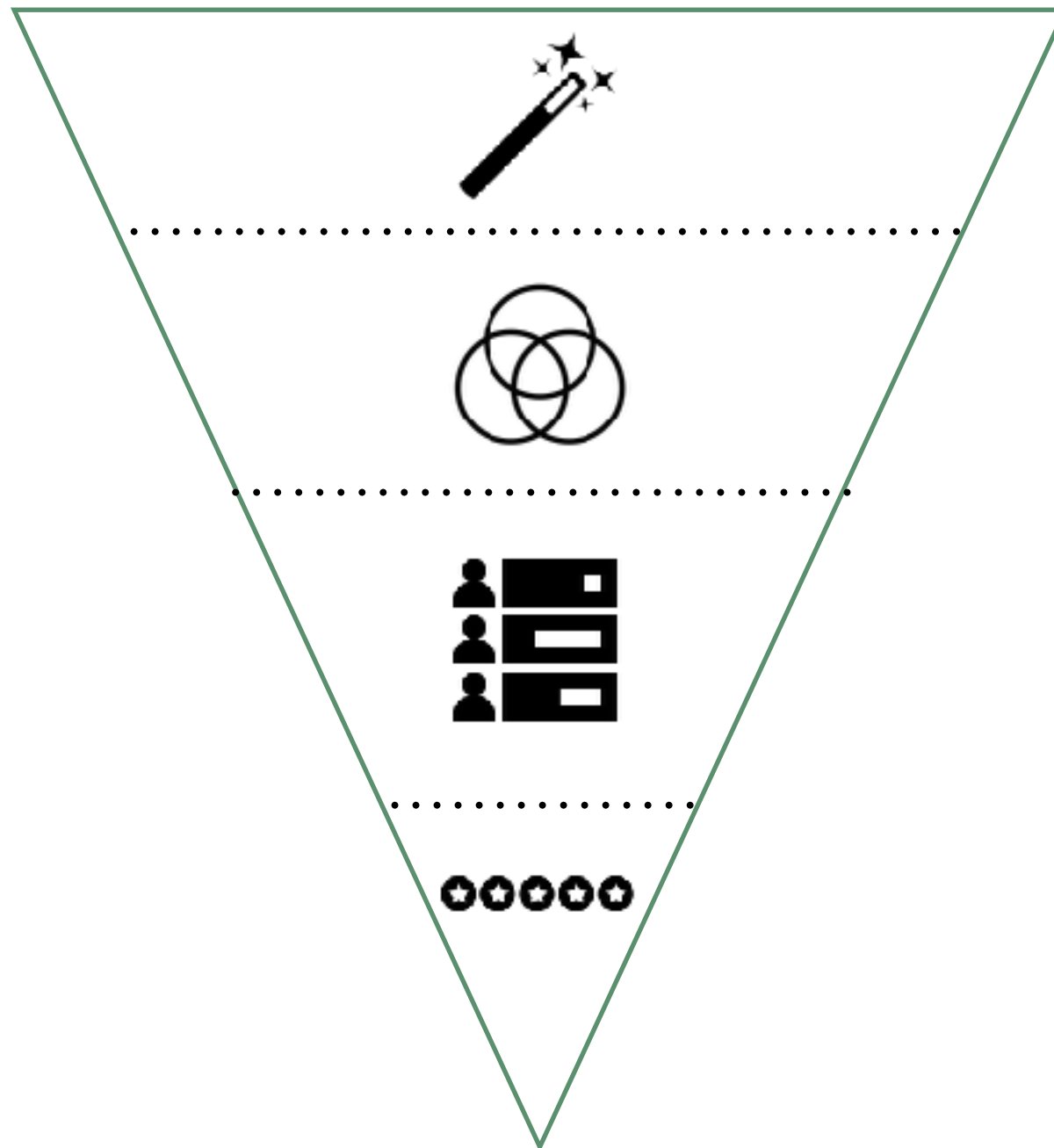
Users fear penalties for breaking rules they don't know about.

PROTOTYPING

USER INSIGHTS

Magic wand brainstorming
▸ 38 solutions identified

Bucketing solutions
▸ Product, Process, Policy

Evaluating feasibility
▸ Individually and as a team

Identifying top solutions
▸ Determined top 5 solutions

TOP-5 SOLUTIONS

CROWDSOURCED FAQ
- Addresses the problem of lack of access to information
- Facilitates networking for users
- Leverages proactive attitude of entrepreneurs

EVENTS SCHEDULE
- Helps entrepreneurs to network easier both with other entrepreneurs and with relevant government officials

NEWSLETTER BLAST
- Enables better sharing of information
- Easy to implement

PERMITTING WIZARD
- Helps with one of the most common pain points for entrepreneurs when starting a business
- Can eventually scale to fully digitize the permitting process

OFFICE HOURS SIGN UP
- Facilitates interaction between government officials and entrepreneurs
- Helps entrepreneurs find the right people to ask questions

WE CHOSE: CROWDSOURCED FAQ

Feasibility	✓	‣ Flexible ‣ Technically easy to replicate
Learning (for client)	✓	‣ Ability to connect with users and gain insight into common obstacles ‣ Potential to build community
Quality of solution	✓	‣ Addresses many user insights, including lack of common touchpoint and time spent tracking down answers
Breadth of solution	✓	‣ Encapsulates concerns expressed by a wide variety of users - from licensed CPAs to East Boston Merchants Assoc.

GOALS TO ACHIEVE

① **Provide a single touchpoint for users across the state**

② **Coalesce high-quality information from a variety of sources**

③ **Build a network among users and state government**

PRODUCT REQUIREMENTS

1   **Allow entrepreneurs to find information by searching, browsing, or asking questions**

2   **Encourage users to answer questions**

3   **Provide system for surfacing high-quality or government-verified answers**

OFF-THE-SHELF OPTIONS

StackExchange

▸ Straightforward Q&A platform

▸ Organized into relevant communities and moderated to limit 'trolls'

▸ Credentials not required

▸ Democratic moderator elections

Quora

YAHOO! ANSWERS

▸ Allows users to search for answers to questions about business problems, or ask new ones if not present

▸ Answers may be general (i.e., not Massachusetts specific)

▸ Cannot be moderated by EOHED to ensure quality responses, credible posters, or useful content

EARLY MOCKUP
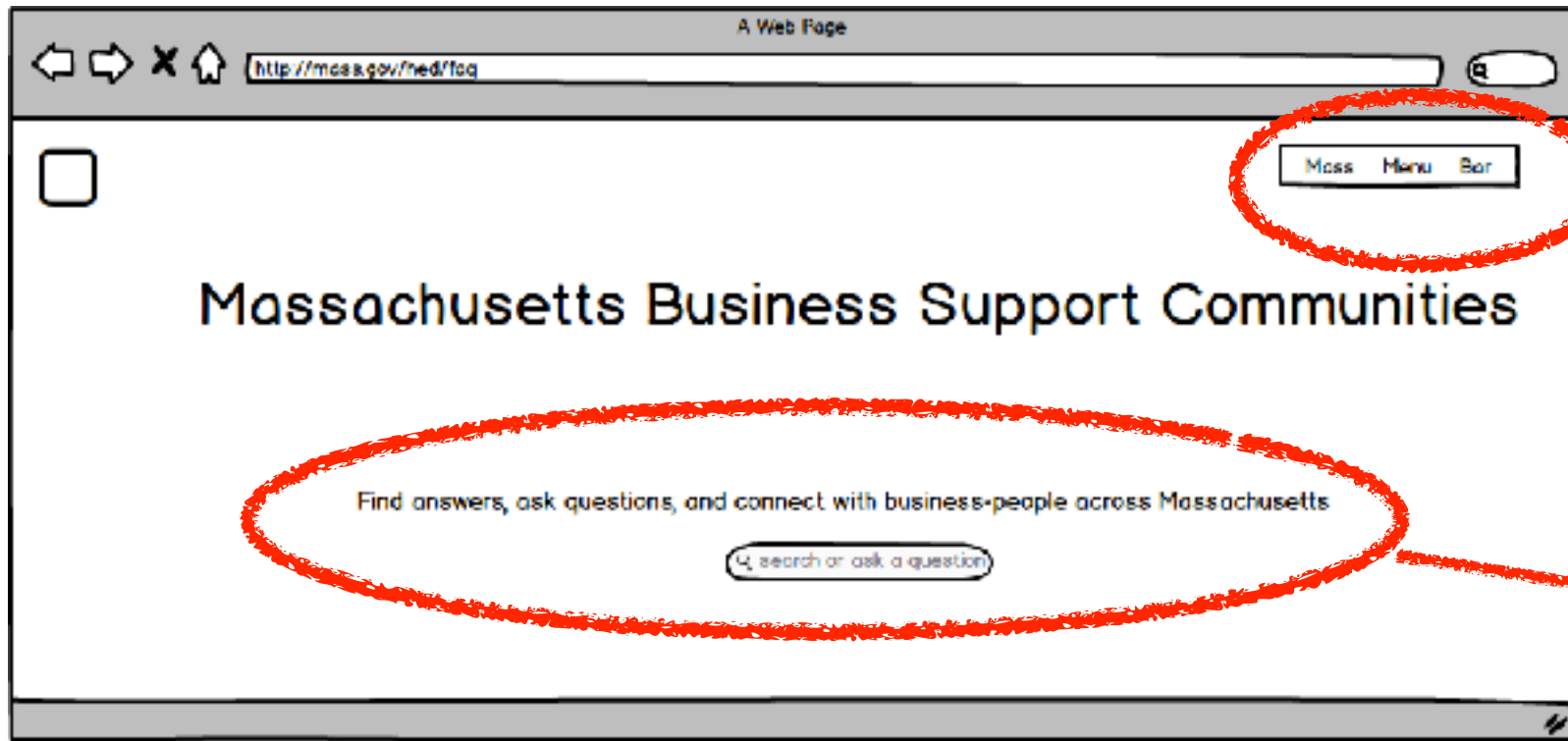
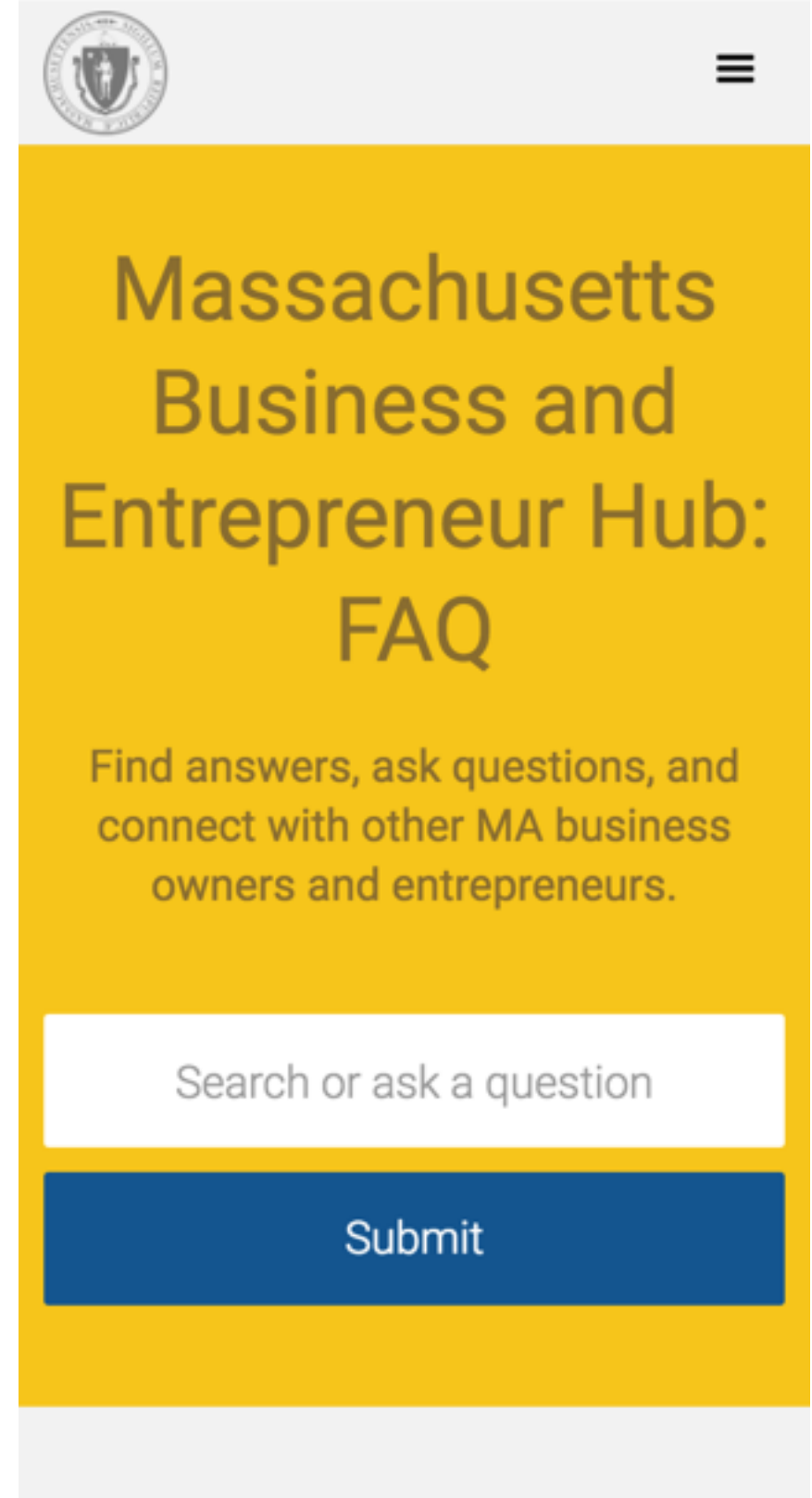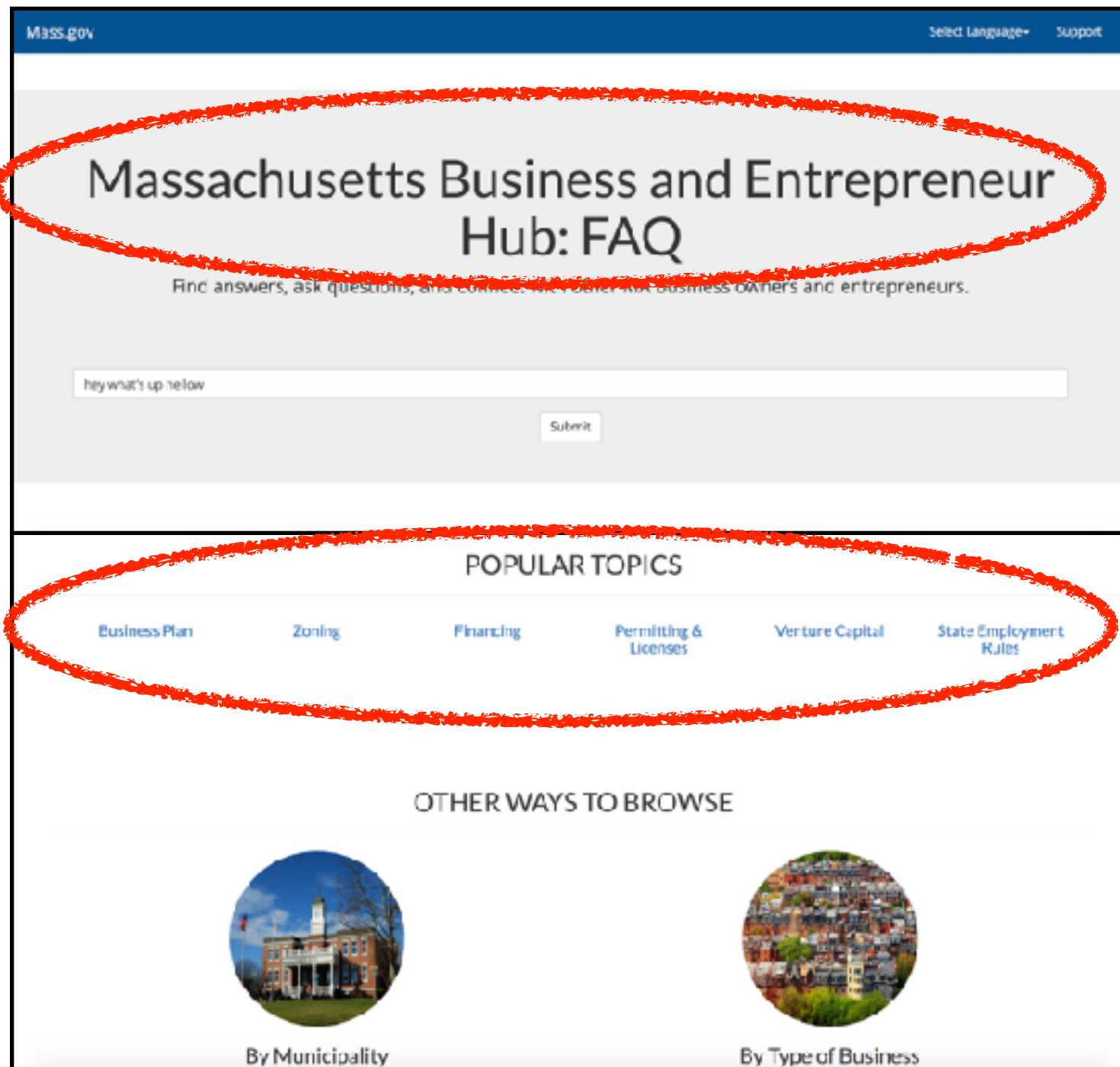New mass.gov banner menu

Simple search landing page
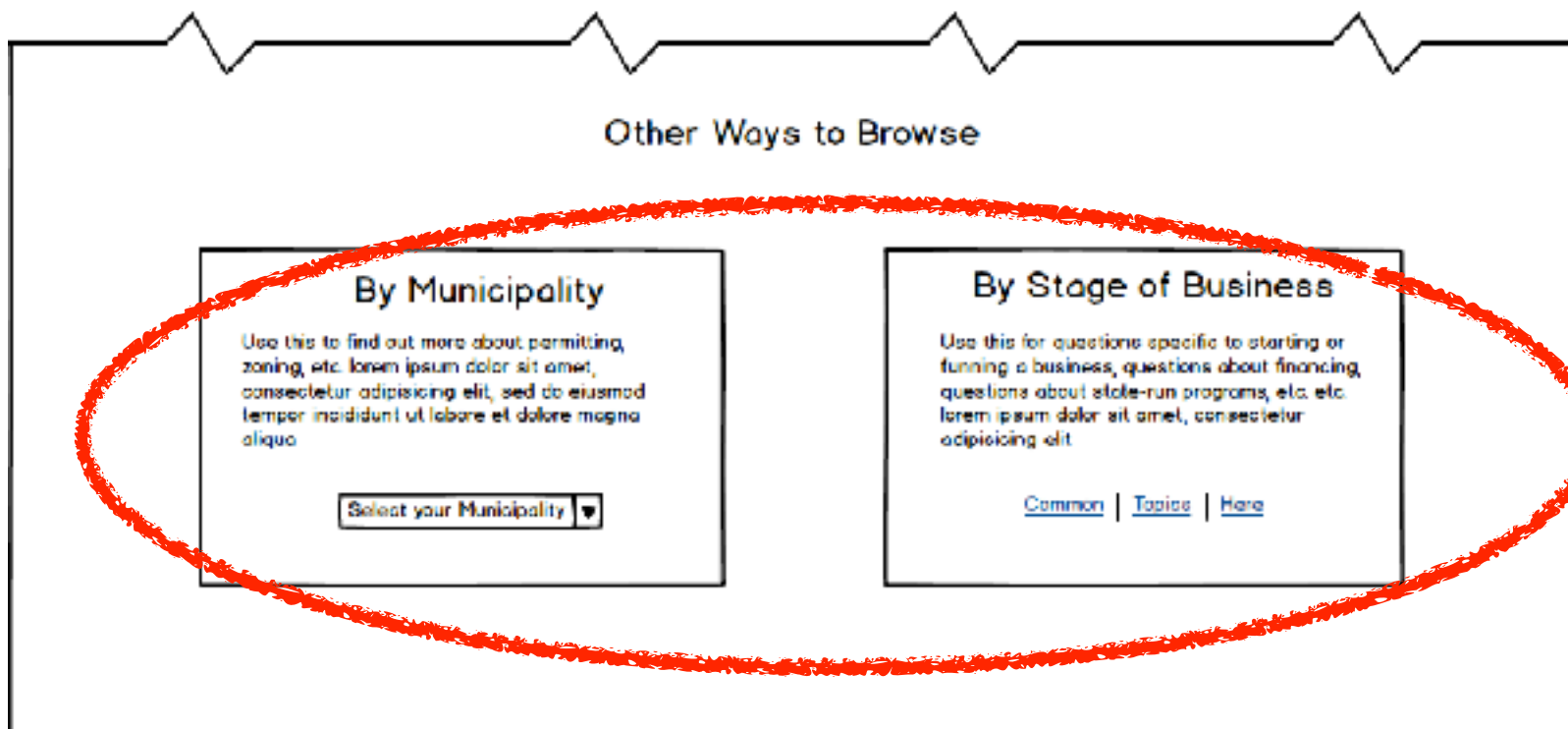
Browsing options

MOBILE PROTOTYPE

bit.ly/mMABusinessFAQ

LANDING PAGE

Title changed to brand site as more of a community rather than an information repository

"Popular Topics" button added to attract entrepreneurs to topics they may not yet have considered

ANSWERS PAGE

Finance   Submit

All Finance Subtopics:

Networking

State and Federal Grants

Venture Capital

Small Business Loans

What grants am I eligible for from the state?

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Answered by Alice A. on April 18, 2017

★ *Certified Answer*

Lorem ipsum dolor sit amet, suscipit felis integer, dui ante, pellentesque ullamcorper gravida. Sed fusce enim, viverra amet feugiat quis potenti odio vel, a pede tellus consectetuer curabitur, erat nec amet dui, cursus varius eget faucibus justo. Amet donec convallis leo vulputate, mattis sit quis vestibulum aliquam venenatis suspendisse, laoreet sapiente velit id, imperdiet risus sodales justo fermentum, libero magna ultrices sit. In tellus, nec ac lectus sit amet vehicula, dui eros massa tempor tortor fusce nisl, tempor ipsum suscipit curabitur, sem sapien proin.

Answered by Ben B. on February 5, 2017

43 upvotes

How do I get a letter of intent in Medford?

ANSWERS PAGE

venenatis suspendisse, laoreet sapiente velit id, imperdiet risus sodales justo fermentum, libero magna ultrices sit. In tellus, nec ac lectus sit amet vehicula, dui eros massa tempor tortor fusce nisl, tempor ipsum suscipit curabitur, sem sapien proin.

Where can I find someone to give me advice on my business plan?

Lorem ipsum dolor sit amet, suscipit felis integer, dui ante, pellentesque ullamcorper gravida. Sed fusce enim, viverra amet feugiat quis potenti odio vel, a pede tellus consectetuer curabitur, erat nec amet dui, cursus varius eget faucibus justo. Amet donec convallis leo vulputate, mattis sit quis vestibulum aliquam venenatis suspendisse, laoreet sapiente velit id, imperdiet risus sodales justo fermentum, libero magna ultrices sit. In tellus, nec ac lectus sit amet vehicula, dui eros massa tempor tortor fusce nisl, tempor ipsum suscipit curabitur, sem sapien proin.

Was your question not answered?

Ask your own question

ADDITIONAL CONSIDERATIONS

SOURCING CONTENT

▸ Hold writeathon event among entrepreneurs, government employees, and community leaders to source answers
▸ Involve regional SBA, SCORE, and Chambers of Commerce to populate

VERIFICATION

▸ Have staff members who spend the most time answering customer service calls spend 2-3 hours every two weeks verifying answers
▸ Require log-ins to prevent trolls

OWNERSHIP

▸ Assign HED regional chairs
▸ Consider passing ownership to a community leader

RECOMMENDATIONS

BEYOND THE PROTOTYPE

CENTRALIZE INFORMATION
- ‣ Map FAQs (use SBA, HED, and entrepreneurs as sources of info)
- ‣ Launch a business portal for the state
- ‣ Create a "Common App" starter kit that hosts all requirements from the state in one place

IMPROVE ACCESS TO NETWORKS
- ‣ Publish events calendar
- ‣ Hold listening tours with business groups in disadvantaged communities
- ‣ Innovate for America (Teach for America, but helping entrepreneurs launch new ventures)

INCENTIVIZE MUNICIPALITIES
- ‣ Develop shell business permitting site that can be easily adopted by municipalities
- ‣ Provide block grants contingent upon adopting and maintaining portal
- ‣ Provide an "ease of doing business" scorecard for each municipality

SIMPLIFY PERSONAL SUPPORT
- ‣ Regulator office hours
- ‣ News blast of updated regulations
- ‣ Chatbot for HED website

THANK YOU

bit.ly/mMABusinessFAQ

TEAM COMMONWEALTH

HOUSING AND ECONOMIC DEVELOPMENT & MASSIT

APPENDIX

BUSINESS ECOSYSTEM

620 K small businesses

1.4 MM people employed
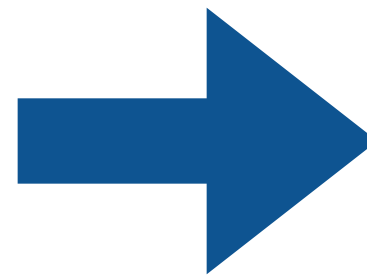
98% of businesses in MA

46% of employees in MA

EMPLOYMENT BY FIRM SIZE

1–19

20–99

>500

100–499

MA FIRMS BY INDUSTRY

PROFESSIONAL SERVICES

CONSTRUCTION

HEALTH CARE

RETAIL TRADE

OTHER

0K   100K   200K   300K   400K

OUR PROCESS

FEBRUARY MARCH APRIL

DISCOVERY & PRIORITIZATION

Identify Users

Stakeholder Interviews

Contact Users

USER RESEARCH

Secondary Research & Analysis

User Interviews

SYNTHESIS

Research Debrief

Update Hypothesis

PROTOTYPE

Ideate

Prototype

Test & Iterate
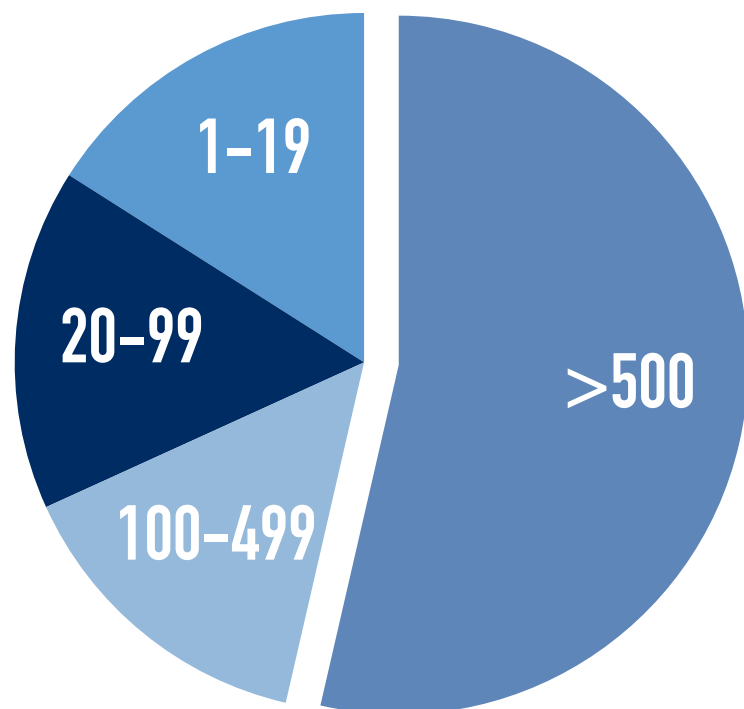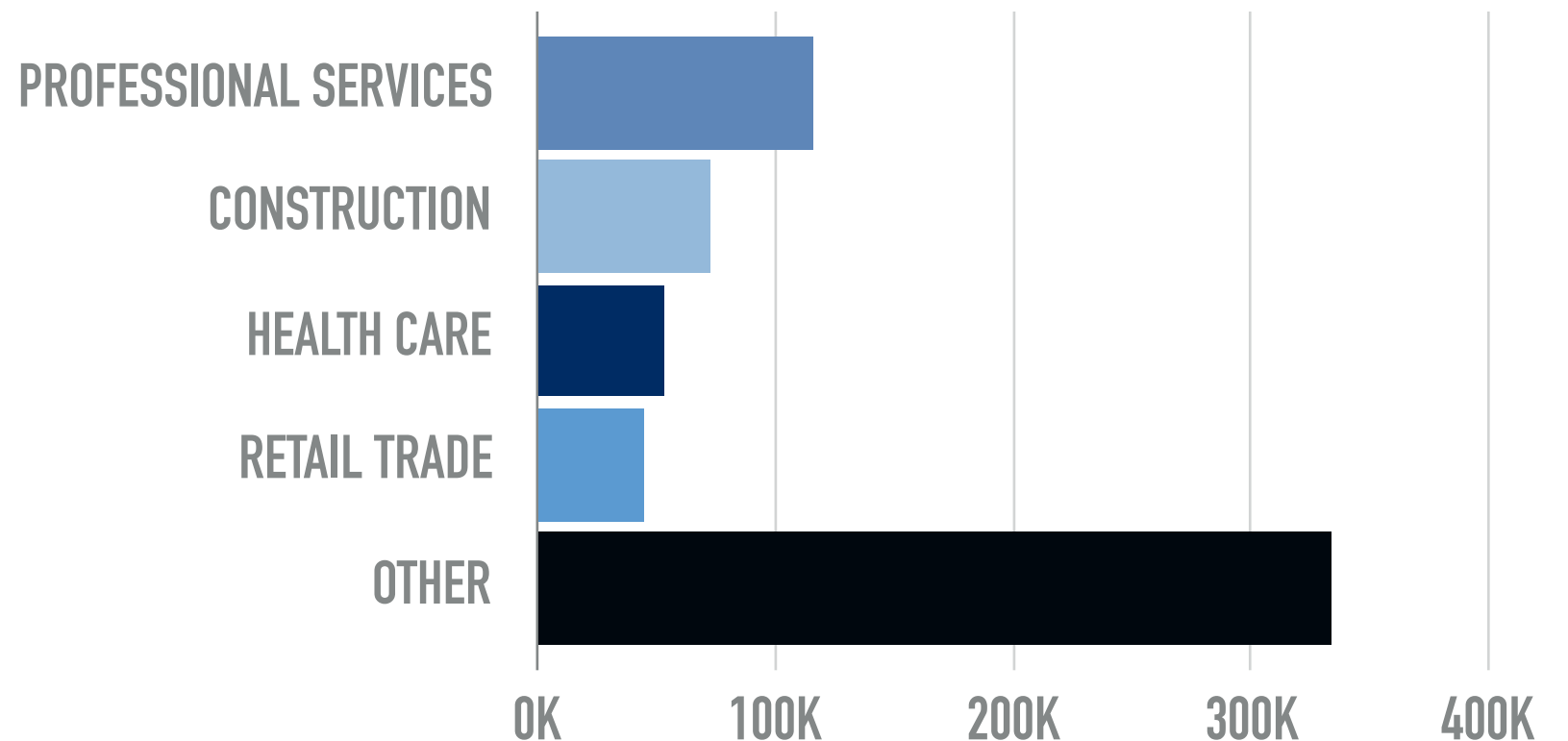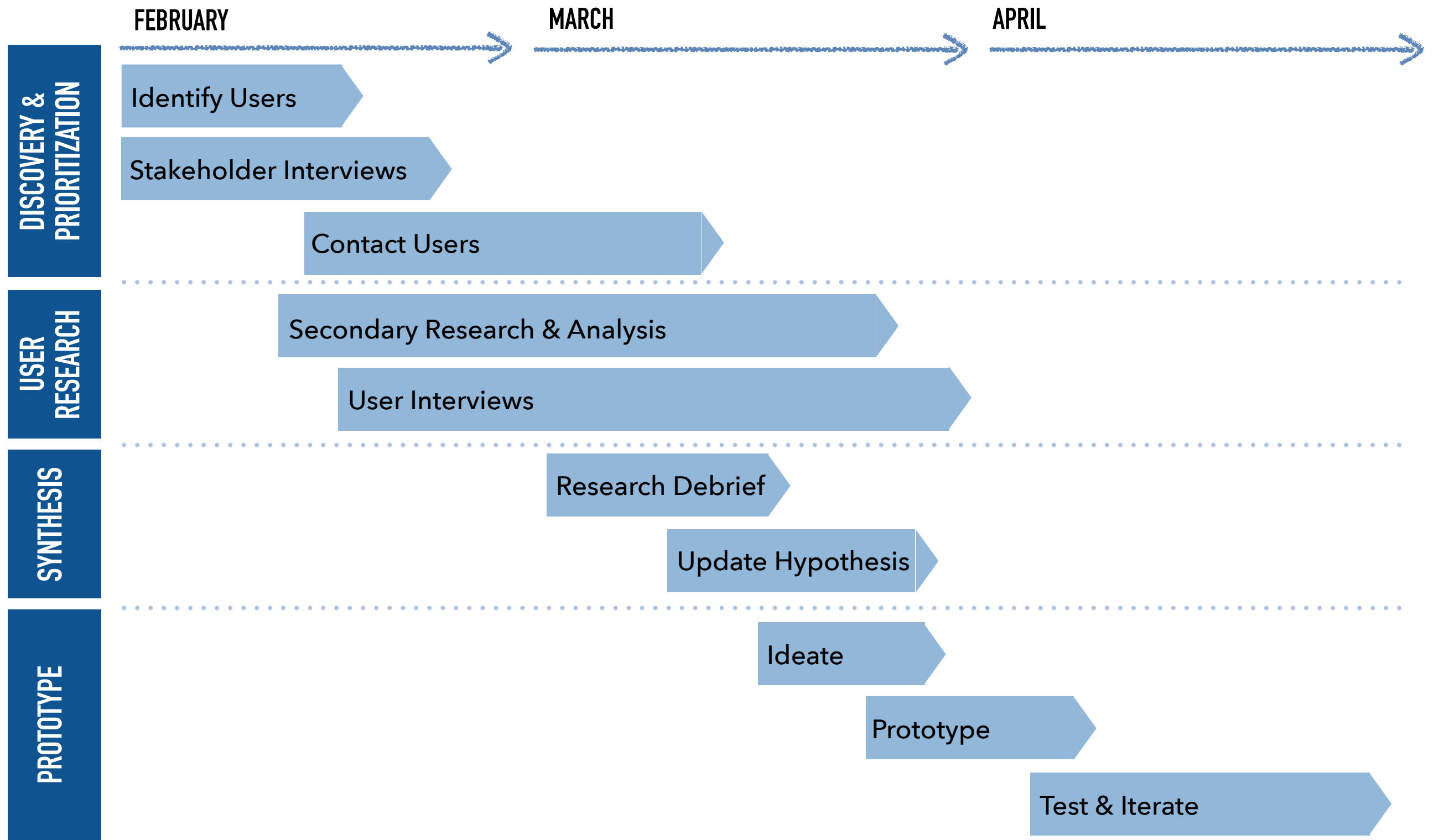
DESIGN THINKING

RESEARCH METHODOLOGY

OUR MAIN QUESTIONS

Who are our users?

What do our users *need* to do?

Where do our users 'fail' in the process?

How do our users interact with EOHED?

What resources do users currently utilize?

How are our users different from each other?

RESEARCH METHODOLOGY

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WHO WE ASKED

EOHED

MassIT

Other Mass. Departments

Entrepreneurs

Small Business Support Organizations

RESEARCH METHODOLOGY

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WHO WE ASKED

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RESEARCH METHODS
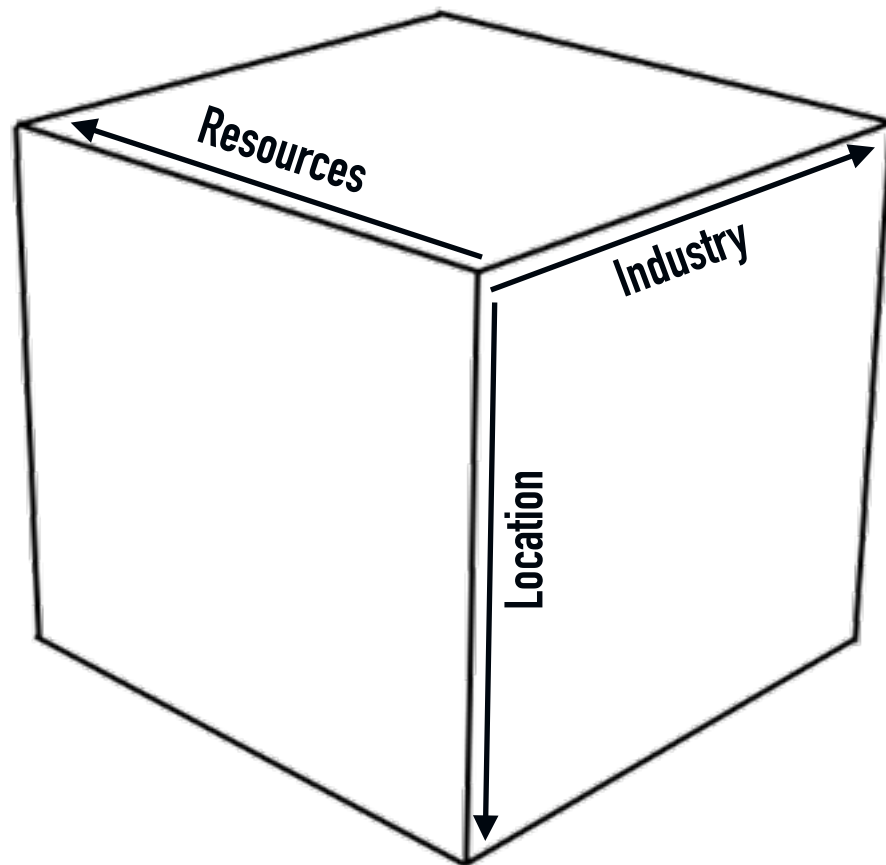
Contextual Interviews

Expert Interviews

User Interviews

Secondary Research

USER IDENTIFICATION

USER SOURCING DIMENSIONS

SOURCES OF USERS

Small Business Administration (SBA)

Local Chambers of Commerce

UMass Amherst
Small Business Development Center

Regional Economic Development
Organizations

Local Massachusetts Office of
Business Development offices

Personal Networks

Users invest significant time, energy, and resources in learning.

▸ Users spend lots of time researching administrative activities like financing, facilities and regulations.

▸ Users with business training/experience can more easily understand what they need to do but still spend significant time identifying funding sources, service providers, etc.

▸ Users are confident doing these things themselves but those that can afford to will hire advisors to accelerate the process.

AS SOON AS I FIND OUT ABOUT IF I WON MY BID, THE FIRST THING I NEED TO DO IS SORT OUT ALL OF MY LEGAL, HR, AND ACCOUNTING STUFF.

I USED TO BE AN ACCOUNTANT, SO I KNOW WHAT KIND OF FINANCING I WANTED, BUT IT WAS STILL HARD TO FIND SOMEONE TO GIVE IT TO ME.

I HIRED CAMBRIDGE RESTAURANT ADVISORS BECAUSE THEY DO THAT FOR A LIVING. FOR $10,000 THEY DO EVERYTHING [LICENSING, ZONING, SANITATION].
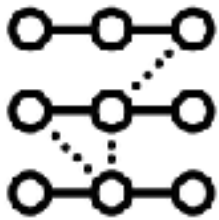
There is no single touchpoint for information.

‣ Users do not use government support resources since there are too many to keep track of, and no clear understanding of which resource to use.

‣ Users can't find a government person to answer all or even most of their questions.

‣ Coping with multiple requirements is onerous; users want these services to be integrated into a single touchpoint.

> EVERY MONTH YOU GO TO MASSTAXCONNECT… AND ONCE A QUARTER YOU GO TO PUT IN YOUR INFORMATION ON THE EMPLOYEES TO THE SECRETARY OF STATE WEBSITE… TOWN OF LEXINGTON SENDS A FORM SO COMPLEX THAT YOU NEED A BUSINESS SCHOOL DEGREE TO UNDERSTAND AND FILL IT OUT AND THEY ARE ONLY TAXING MY PHONE… IT SHOULD ALL BE INCORPORATED.

> EACH WEBSITE OF THE GOVERNMENT AGENCIES TELLS WHAT YOU NEED TO DO TO GET THEIR LICENSE, BUT NOBODY TELLS WHAT ALL THE LICENSES ARE… THERE IS NO SINGLE PERSON WHO CAN ANSWER YOUR ONGOING QUESTIONS.

Users rely on networks for… everything.

‣ Users build formal and informal networks to gain access to advice, capital, and even suppliers.

‣ When users have a question that requires specialized expertise, they "outsource" it to a friend or trusted advisor.

‣ Networks are perceived to be a competitive advantage.

I TALKED TO PEOPLE I KNEW AT MIT, WHO POINTED ME TO VENTURE CAFE. THROUGH VC CAFE I MET PEOPLE WHO GAVE ME FREE MARKETING ADVICE. THEN I FOUND A LAWYER THROUGH THE WOMEN IN BUSINESS CONFERENCE.

WHEN I WAS THINKING ABOUT REGISTRATION, I FIGURED I WOULD JUST CALL UP ONE OF MY LAWYER FRIENDS.

IF YOU DON'T TALK TO PEOPLE YOU WON'T GET AHEAD. HOW ELSE WOULD I HAVE KNOWN WHERE TO GET MY PROTOTYPE PRICED? THAT'S NOT ADVERTISED ONLINE.

Government isn't a user's first call.

‣ When users look for help, they typically start with other entrepreneurs or small business groups.

‣ At early stage, users don't seek out government resources - but they often end up being directed towards them.

‣ Once a user is up and running, they have a more transactional (and burdensome) relationship with the government. The advice/mentorship role no longer exists.

‣ Users do trust government to provide them unbiased info.

> I JUST WALKED INTO MY BANK AND SAID "I'M STARTING A BUSINESS, WHAT DO I DO?"

> I WOULD RATHER TRUST THE GOVERNMENT THAN A BANK OR ANOTHER BUSINESS FOR ADVICE.

> THE ONLY TIME I TALK TO THE GOVERNMENT IS TO PAY TAXES OR FEES.

Users fear penalties for breaking rules they don't know about.

‣ Users live in uncertainty and are not sure if they have checked all the boxes.

‣ Users worry about getting fined because of something they didn't know they had to do.

‣ This feeling of uncertainty does not end once their business is running - it's ongoing.

> I WAS ALREADY OPEN FOR BUSINESS FOR SEVERAL YEARS AND THEN SOMEBODY CAME FROM THE STATE AND SAID THAT I NEED A CERTIFICATE DISPLAYED, WHICH WAS SENT TO ME AFTERWARDS.

> WE JUST TRIED TO HOST A TRIVIA NIGHT AND GOT THIS EMAIL FROM THE CITY SAYING, "YOU DON'T HAVE A TRIVIA LICENSE, YOU WILL GET SHUT DOWN IF YOU HOST ONE." ARE YOU KIDDING ME?

> TO THIS DAY I'M STILL WORRIED THAT WE MISSED SOMETHING. IS THE ABCC (MASSACHUSETTS ALCOHOLIC BEVERAGES CONTROL COMMISSION) INSPECTOR GOING TO SHOW UP TO OUR DOOR AND ASK "WHY DO YOU NOT HAVE THIS PERMIT?

"How might we?" questions to get us started

How might we….

- help people get ahead of permitting?

- reduce time entrepreneurs spend finding answers to their

  questions?

- connect entrepreneurs with *customized* sources of

  information?

- help entrepreneurs anticipate the problems they don't YET

  know about?

- help entrepreneurs reduce delays?

- help entrepreneurs anticipate the timeline of permitting?

- help disadvantaged entrepreneurs access (or build) networks?

CROWDSOURCED FAQ PROTOTYPE
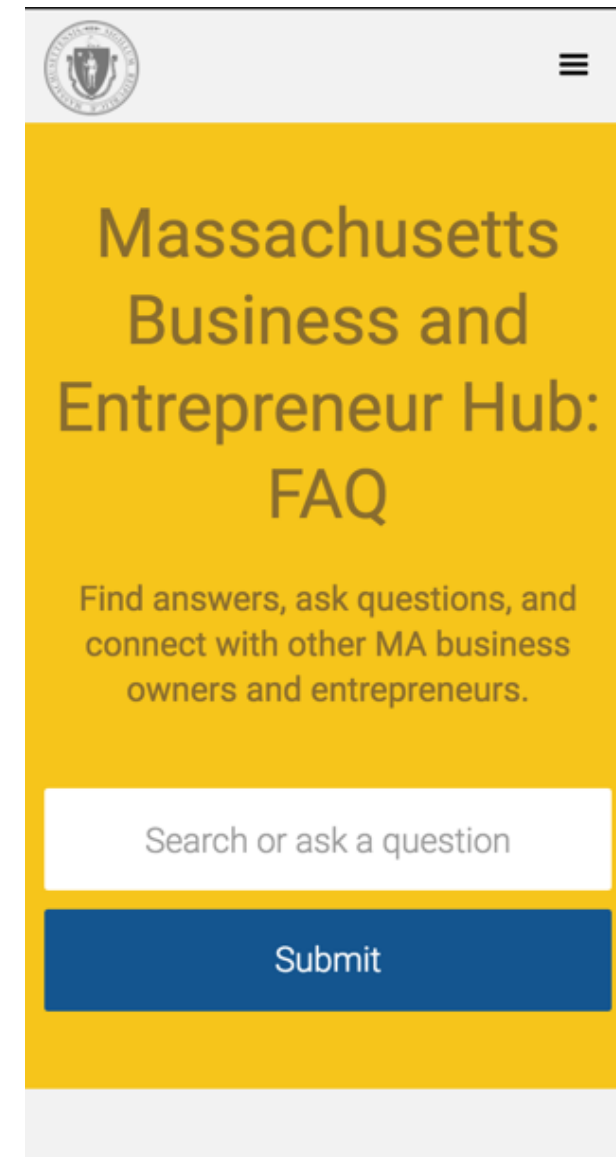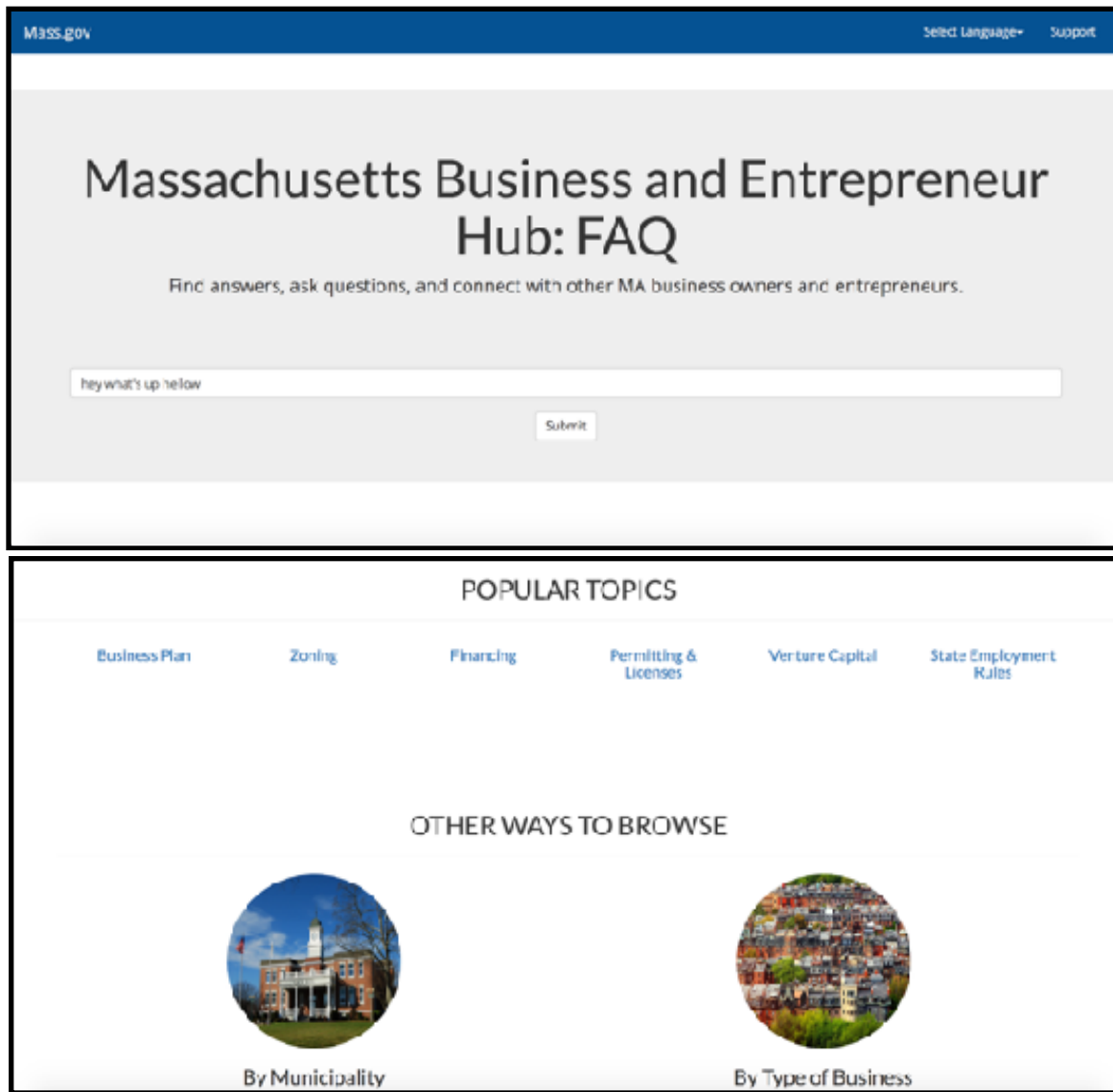
bit.ly/MABusinessFAQ

*Not optimized for mobile

bit.ly/mMABusinessFAQ

① Centralize information and resources

Help reduce the time it takes for entrepreneurs to find answers to questions.

SHORT TERM

▸ Map out FAQs (use SBA, HED employees, and entrepreneurs as sources of info)
▸ Answer initial FAQs; keep list available for all customer service calls
▸ Coalesce links to other verified sites with relevant information

MEDIUM TERM

▸ Implement crowdsourced FAQ
▸ Google groups
▸ Improve content and information architecture of current HED site to make sure it displays most relevant information

LONG TERM

▸ Launch a business portal for the Commonwealth of MA
▸ Create a "Common App" business starter kit that hosts all requirements from the state in one place

② Improve access to existing networks

Make them more transparent, accessible, and equitable for all entrepreneurs across the state.

SHORT TERM
- ▸ Cultivate relationships with network leaders
- ▸ Link to networks on HED site

MEDIUM TERM
- ▸ Publish events calendar
- ▸ Hold listening tours with business groups in disadvantaged communities
- ▸ Hold cross-state mixers with entrepreneurial groups

LONG TERM
- ▸ Innovate for America (Teach for America, but helping entrepreneurs launch new ventures)

(3) Incentivize municipalities to improve all business–related services

Provide technical assistance and rewards to push municipalities to deliver better sources and information pertaining to businesses.

SHORT TERM

‣ Request updated list of regulations, permits, and licenses needed for each municipality

MEDIUM TERM

‣ Develop shell business permitting site that can be easily adopted by municipalities
‣ Provide block grants contingent upon adopting and maintaining portal of regulations, permits, and licenses needed for each municipality.

LONG TERM

‣ Provide an "ease of doing business" scorecard for each municipality

(4) Simplify personal support

Regularly interact with the entrepreneurial community so that their first touchpoint with the state is not a punitive one.

SHORT TERM
- Hold regulator office hours
- Attend entrepreneur networking events across the state
- Host listservs for leaders in the entrepreneur community

MEDIUM TERM
- Have an open hotline by type of business
- Chatbot for HED website
- News blast of updated regulations

LONG TERM
- Establish a full-time staff (2-3) dedicated to supporting the entrepreneurial community and acting as "business and regulation ombudsmen" for all questions