

EDMUND G. BROWN JR., GOVERNOR



BUSINESS, CONSUMER SERVICES, AND HOUSING AGENCY

## DEPARTMENT OF CONSUMER AFFAIRS

# BUSINESS MODERNIZATION PLAN

Developed By:

Department of Consumer Affairs  
Office of Information Services  
Project Management Office

STATE OF CALIFORNIA  
Department of Consumer Affairs  
1625 N. Market Blvd.  
Sacramento, California 95834-1924

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# Table of Contents

- 1. Message from the Director .....3**
- 2. Executive Summary .....4**
- 3. Background .....5**
- 4. Targeted Audience .....5**
- 5. Lessons Learned .....6**
- 6. The Road Forward .....7**
  - 6.1 Organizational Readiness..... 7
  - 6.2 Guiding Principles ..... 8
  - 6.3 Approach..... 8
- 7. Stakeholder Roles.....10**
- 8. Business Modernization Reports .....11**
- 9. Conclusion .....11**
- 10. Appendices .....12**
  - Appendix A – Conceptual Timelines ..... 12
  - Appendix B – Project Approval Lifecycle - Stage Gates Chart..... 13

## 1. Message from the Director

I am pleased to share with you the Department of Consumer Affairs' Business Modernization Plan. With this plan, the Department will be continuously looking for ways to improve our organization and the programs which we serve. The plan will be a living document, updated to integrate real time lessons learned and progress towards the Department's goal to increase efficiencies while furthering our mission of consumer protection.

The need for this plan stemmed from our experience with the first phase of the BreEZe project. After a thoughtful analysis, the Department officially removed 18 Boards and Bureaus from the scope of the BreEZe Project (formerly referred to as Release 3). We believe there remains a large demand to modernize business processes and current licensing and enforcement systems. To meet that demand, the Department has developed this plan, based on the new Project Approval Lifecycle developed by the California Department of Technology (CDT) to help identify optimal methodologies to assist Boards and Bureaus with their business modernization and to implement needed Information Technology platforms.

As we all know, today's business modernization efforts commonly include an IT component. The Department has made significant progress in the last few years in a constantly changing IT environment, and we will continue to strengthen our compliance with key regulations and mandates and improve the quality and efficiency of IT services and solutions. Progress towards the plan's goals and objectives will be monitored and evaluated by the Department's Project Management Office (PMO).

As the Department moves forward with implementation, we recognize the value of feedback and insights from our key stakeholders. We will continue to engage at all levels to ensure we are effectively assessing operational performance and addressing potential risks. We look forward to fostering stronger relationships through this process that will only benefit the Department and California's consumers.

Looking ahead, we will continue to address both existing and emerging challenges, maintain a sustained focus on the needs of the consumer, and eliminate silos, while laying a strong organizational foundation for greater collaboration and coordination among Boards and Bureaus, the Department, stakeholders, partners, and policy makers.

I'd like to thank the hard-working team who put this plan together and I look forward to providing updates on the progress the Department is making.

Thank you,



Dean R. Grafilo  
Director  
Department of Consumer Affairs

## 2. Executive Summary

The Department of Consumer Affairs (Department) has launched a Business Modernization Initiative to address business and technology needs for programs that continue to rely on legacy technology solutions. As such, the Department had brought together an interdisciplinary team to create this strategic plan (Plan) to identify a methodical step-by-step approach that Boards and Bureaus within the Department will use to assist in moving their programs forward. The goal is to embrace the unique nature of each of the Department's programs while offering some process standardization.

The primary objective of this Plan is to ensure that all future business modernization efforts follow a structured approach based on best practices and lessons learned, with more accurately planned, managed, and implemented technology solutions.

In implementing this Plan, the following objectives will be achieved:

1. **Build a case and a solution.** Assess the program to build a strong business case and program-specific business needs to inform how we can better meet statutory requirements, assess reasonable alternatives and identify the most appropriate technology solution.
2. **Innovate processes.** Invest in a comprehensive business process analysis that documents current activities and identifies ways to innovate current practices to maximize resources or deliver a higher quality product.
3. **Maintain quality service.** Limit disruptions to current day-to-day operations through advanced planning, to ensure that current services to licensees and the public are maintained at a quality level.

The Department will require all future business modernization efforts to be subject to this Plan. The following list identifies programs that currently have this type of work underway, and will be updated as needed:

- California Board of Accountancy
- California Acupuncture Board
- California Architects Board (including Landscape Architects Technical Committee)
- California State Athletic Commission
- Bureau of Automotive Repair
- Cemetery and Funeral Bureau
- Board of Chiropractic Examiners
- Contractors State License Board
- Court Reporters Board of California
- Bureau of Electronic & Appliance Repair, Home Furnishings and Thermal Insulation
- California State Board of Pharmacy
- Bureau for Private Postsecondary Education
- Board for Professional Engineers, Land Surveyors and Geologists
- Professional Fiduciaries Bureau
- Speech-Language Pathology and Audiology and Hearing Aid Dispensers Board
- Structural Pest Control Board

### 3. Background

The Department is the umbrella department for thirty-nine (39) business, professional, and occupational licensing programs. These programs operate under two distinct structures within the Department, known as Boards and Bureaus. Collectively, these programs have issued over 3,000,000 licenses, registrations, certifications, and permits in 250 license categories. To fulfill the Department's responsibility to protect and serve California consumers while ensuring a competent and fair marketplace, the Department's Boards and Bureaus help set minimum qualifications for licensure, enforce these standards and act against unlicensed practitioners.

The Department's Office of Information Services (OIS) is responsible for providing the Department and its programs with the technology required to support its mission, by maintaining the Department's applicant tracking, licensing, renewal, enforcement, monitoring, cashiering, and data management requirements in various enterprise information technology (IT) systems.

In 2009, the Department commenced with the BreEZe Project which was originally intended to bring all thirty-nine (39) programs onto one IT system. To achieve a phased integration, these programs were broken into three "Releases". Release 1 was completed on October 8, 2013 and included 10 programs, with varied levels of success.

As a result of implementation challenges, the California State Auditor conducted an extensive audit on Release 1 of the BreEZe Project. In summary, the audit determined that the Department did not adequately plan, staff and manage Release 1 of the BreEZe Project, which had performance problems, significant delays and escalating costs. The report recommended that the Department develop processes that ensure it performs all required oversight activities to identify and prevent future problems.

Based on lessons learned and recommendations put forth by the State Auditor, adjustments were made in the implementation of Release 2 of the BreEZe Project. Release 2 successfully went into production on January 19, 2016 achieving substantially improved implementation results.

Efforts to date allowed the Department to collect valuable information related to best practices in business modernization efforts and informed the formulation of this Plan, in consultation with the California Department of Technology.

Currently, 16 programs within the Department still rely on legacy IT systems and have been prioritized for business modernization efforts. Many programs are still in need of business modernization as they look to better serve their stakeholders with a more robust online presence, online application submission, online renewals, online license maintenance functions, online payment, mobile enforcement capabilities, accessible data, efficient reporting, and a productive back-office.

### 4. Targeted Audience

This document is targeted towards the following stakeholder groups to educate and inform them of the Department's plan for any future business modernization effort:

- **California Legislature** – The Department requires the support of legislative members to ensure sufficient fiscal and human resources are allocated to any initiative.

- **California Department of Technology** – As programs complete their business needs identification efforts, the California Department of Technology (CDT) will be engaged to initiate the Project Approval Lifecycle (PAL) process.
- **The Department and Board/Bureau Executive Leadership** - The Department Executive Office provides guidance, oversight, and partnership to Boards and Bureaus in the modernization of their programs. Board Members and Executive Officers are responsible to identify business modernization needs and to support their effective implementation.
- **Board and Bureau Staff** – Staff are key to the success of any IT effort. The management and staff must understand the business needs, the technologies involved, and the time and effort that an IT effort demands.

## 5. Lessons Learned

As the BreEZe Project progressed during the design, development, and implementation phases for Release 1 and Release 2, our Department gained insight into how to best leverage the lessons learned. Lessons learned are an instrumental part of a continuous improvement process that will allow our Department and regulatory programs to learn from past missteps and our successes.

Some key project themes and attributes that are part of the Department’s lessons learned include:

### Readiness

- Ensure (as much as possible) that all necessary resources are identified from the beginning.
- Determine if the “To Be” business process assessment is necessary.
- Avoid “Bundling “of unique Boards and/or Bureaus without adequate authority to implement standardization.
- Evaluate current Board and Bureau workload and portfolio of work.

### Preparation

- Develop templates to provide a standardized process, documentation and understanding of what is required for deployment preparation.
- Allow for integrated approaches, especially for technical staff to learn and understand the fundamental differences between the legacy systems and inform the chosen solution.
- Train leadership teams and key change agents in Organizational Change Management.
- Prepare for complete end to end integration testing to help identify gaps and test for user acceptance throughout the process.

### Sponsorship

- Leadership, commitment and support early in the process are essential to success.
- Identify champions early in the process to articulate the need for the change and benefit of positive end results.
- Create a clear, organization-specific definition of stakeholder engagement and roles.
- Create a risk management strategy and risk decision logs for leadership sponsors to review and take action.

## Stakeholder Involvement

- Define the project, set achievable goals and measure the outcomes.
- Ensure all stakeholders are aware of the change and outcomes throughout the change process.
- Communicate early and often, especially if there are positive or negative shifts in timeline or budgetary considerations.

## Communication

- Communicate expectations to all stakeholders from the beginning.
- Be prepared to explain how the change will provide improvements and how success will be measured.
- Simple and periodic communication on the status of the project will keep stakeholders aware of status and sets expectations of what is expected.

# 6. The Road Forward

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## 6.1 Organizational Readiness

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Before embarking on any business modernization effort, the organization's readiness for the change must be assessed. Assessing readiness for change is an ongoing process and helps ensure that all staff and managers have the commitment and the confidence to do what is needed to improve.

Boards and Bureaus will assess their readiness to identify and resolve organizational readiness issues. Identifying these readiness issues early will allow the program to adjust strategies, plans, and timing. The Department will also conduct its own readiness assessment of each program to confirm the program's internal assessment.

### **Factors Associated with Organizational Readiness:**

- **Organizational structure and commitment:** Executive commitment to performance improvement and the stated objectives.
- **Organizational culture:** Preconceptions, perceptions, and expectations of staff.
- **Leadership:** Strong and positive leadership that supports change.
- **Resources:** Resources available to implement, monitor, and sustain the initiative, while maintaining day-to-day operations.
- **Staff attributes and beliefs:** Staff beliefs about the problem or opportunity, need for change, and motivation to change.
- **Past experiences:** Organizational, leadership, or staff past experiences with change.

Barriers to change may include lack of resources or staff, insufficient funding, as well staff's knowledge, skills, and motivation. Leadership support, existing resources, systems, and staff strengths are factors that can facilitate positive change. Each Board and Bureau is unique and they have different characteristics that influence readiness to change. The readiness assessment of each Board or Bureau will allow for early detection and mitigation of barriers to change and leverage factors that contribute to successful implementation and improvements.

Additionally, for each of the Boards and Bureaus embarking on a business modernization effort, the OIS will benefit from the utilization of a high-level analytical Complexity Assessment Methodology ([Appendix A](#)) that consists of 22 weighted criteria, ranging from number of licensees (individuals and businesses with certifications, registrations, permits, etc.) to level of organizational readiness. This methodology determines an overall complexity rating to assist with prioritizing and sequencing future program conversion and/or releases.

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## 6.2 Guiding Principles

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Our guiding principles will ensure that business decisions align with the Department’s strategic plan as well as the Boards’ and Bureaus’ strategic goals and overall readiness. It is important to emphasize that each Board and Bureau will be afforded the ability to proceed at a pace that fits into its readiness and business priorities.

Our guiding principles include:

- Support program-based approach for successful implementation of IT solutions.
- Complete an assessment of Board, Bureau, and stakeholders readiness assessment.
- Align IT decision making with business objectives.
- Promote and value stakeholder engagement.
- Effectively communicate through all channels.
- Conduct a comprehensive assessment of alternative platform choices to ensure the chosen platform meets the unique needs of each Board and Bureau.
- Complete a cost-benefit analysis to determine the most economical platform solution.
- Utilize Organizational Change Management (OCM) principles, processes, and training throughout the entire lifecycle.
- Ensure there is an adequate IT capability to support current and future business requirements.
- Promote effective leadership to support the speed, efficiency, and effectiveness of corrective actions.
- Maximize organizational efficiency.
- Analyze and communicate IT risks and their potential impact on business processes and goals.
- Ensure delivery of project results within agreed upon timeframes, budget, and quality.

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## 6.3 Approach

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This Plan outlines a four-step process:

1. Document and innovate program business processes
2. Develop system requirement/business needs specifications
3. Conduct Project Approval Lifecycle process
4. System Implementation

### 1. Document and Innovate Program Business Processes

Document/update business processes to inform business needs and ultimate system requirements. Effort 1 will include the following activities:

- A. Educational Workshops:** Educate program(s) on the process, artifacts, and staff demands of business process documentation.
- B. Define Scope:** Program will develop the charter for the business activities with a clear statement of scope.
- C. Business Processes:** Document, update, and validate all business processes – ‘As-Is’ business process.
- D. Business Process Reengineer:** ‘To-Be’ business environment.
- E. Elaboration of Business Processes:** Analyzing the current business processes.
- F. Business Requirements:** Development of Business Requirement Specification.

### 2. Develop System Requirement Specifications

End-to-end system requirements/business needs specification will be developed for each Board and Bureau including functional and non-functional requirements.

### 3. Conduct Project Approval Lifecycle Process

The PAL is the required process created and adopted in California to improve the quality, value, and likelihood of success for IT projects. To ensure that projects are undertaken with clear business objectives, accurate estimates, and realistic schedules, the Department will continue to follow this mandated approval process and will continue the use of a standardized project management framework to ensure a comprehensive understanding of the project among stakeholders and help identify and mitigate any risks to the project.

The Department will also follow the steps and procedures involved in all the Project Management phases: Concept, Initiation, Planning, Implementation, and Maintenance and Operations. As additional information is collected and refined through the lifecycle, the cost estimates, schedules and business objectives will be progressively updated and evaluated to determine if the project is still practical and if the investment should continue.

The PAL is divided into four stages each separated by gates of approval and each stage must be completed and approved by the California Department of Technology to move forward to the next.

**Stage 1 Business Analysis:** Establish Business Case and develop Stage 1 Business Analysis. This stage utilizes much of the information that is gathered during the business planning and documentation effort.

**Stage 2 Alternatives Analysis:** Determine alternatives and perform cost-benefit analysis. A cost-benefit analysis is required by the BreEZe audit. It will be performed via cost components and Financial Analysis Worksheets (FAW) within Stage 2 Alternative Analysis.

Prior to embarking on the next stage, the Department will conduct a solution funding study to consider available funding alternatives, Board and Bureau fund conditions, and any alternative funding available that may be necessary to complete system implementation.

**Stage 3 Solution Development:** This is the third stage of the PAL (S3 Solution Development) and provides the basis to acquire a solution that best meets business objectives and yields the highest probability of success.

**Stage 4 Project Readiness and Approval:** During this phase, the selection of a solution and the approach is determined. The Stage 4 Project Readiness and Approval is the final stage of the PAL and provides a basis to evaluate and reconfirm that the business objectives will be achieved, ensure the alternative solution selected continues to yield the highest probability of success, and baseline the project's timeframes, projected schedule and costs. The Department will take the results from the previously mentioned steps and will identify risks with each solution and approach identified.

#### 4. System Implementation

Once the solution has been selected and the project has been fully approved through the PAL process, the Department, in concert with the affected Board or Bureau, will begin the implementation activities.

## 7. Stakeholder Roles

The creation of a structured and cohesive environment requires a complete understanding of stakeholders and their roles. Below is a listing of key stakeholders involved in the development of the individual program plans. Other stakeholders are expected to engage in the process, which may include: industry leaders, the Legislature, and the public.

#### Executive Sponsor:

- Be an effective champion for the effort.
- Participate as an active regular participant in high level project decisions.
- Actively participate in communication efforts to internal and external stakeholders.
- Maintain effort accountability.
- Ensure decisions are made timely to support the priorities.

#### Boards and Bureaus:

- Drive all primary business modernization efforts.
- Plan for resources early in the process so needs can be met as soon as the effort is initiated.
- Involve mid-level managers and supervisors to ensure communications are flowing freely throughout the organization.
- Supply subject matter expertise related to all business needs.
- Assess their organization for readiness and prepares team members and stakeholders.
- Evaluate the impact of change on staff and the organization to identify change risks and issues, and to recommend mitigation strategies.
- Set clear expectations, promote change awareness, understanding, and acceptance across key stakeholders.
- Ensure accountability and set the tone for commitment to the Business Modernization Initiative.

#### Department – SOLID:

- Establish a Department-wide business modernization strategic plan, based on best practices and lessons learned.
- Provide structure process and support to individual programs to document current business practices.
- Based on industry best practices, determine and implement process improvements that: (1) reduce operational cost, (2) reduce processing times, (3) enhance customer service, or (4) enhance consumer protection.

#### Department – Office of Information Services:

- Integrate into business modernization planning efforts early, to ensure a clear understanding of business needs of the program.
- Complete document/artifact management planning to ensure consistency in documentation of the Business Modernization Initiative from inception to completion of the effort.
- Drive compliance with CDT's guidelines and requirements.
- Assist and provide oversight with the PAL process.
- Coordinate PAL process submission, and approvals for the Department and program.
- Continue to support, maintain, and improve the chosen system.

#### California Department of Technology:

- Facilitate project planning through its PAL process to promote the greatest degree of project success.
- Partner with the Department and its programs to ensure the leveraging of innovative and cost-effective IT solutions to address business modernization needs.
- Ensure compliance with information technology policies and standards through IT initiative approvals and oversight.

#### Department of Finance:

- Align budget and policy initiatives with priorities of the State and long-term economic sustainability.

## **8. Business Modernization Reports**

To ensure our Business Modernization Initiative Strategic Plan remains effective and relevant, a Business Modernization Report to broadly assess progress and provide recommendations, will accompany each Board and Bureau Business Modernization effort. This companion document will be prepared and maintained by the Board/Bureau/Commission and the Department Project Management Office and will give the details on specific business activities throughout the lifecycle of this effort.

## **9. Conclusion**

The Department recognizes that each Board and Bureau has specific and unique needs and that may lead to different business modernization solutions. This initiative is a commitment to a set of coherent, mutually reinforcing behaviors aimed at achieving our goal to become more efficient, productive, and responsible when looking for modernization in our organization.

## 10. Appendices

### Appendix A – Conceptual Timelines

CONCEPTUAL TIMELINES	Complexity		
	LOW	MEDIUM	HIGH
<b>BUSINESS ACTIVITIES</b>			
<b>Effort 1: Business Planning, Objectives, and Documentation</b>	6 – 12 months	9 – 21 months	21 – 39 months
<b>BUSINESS/IT PARTNERSHIP ACTIVITIES</b>			
<b>Effort 2: System Requirements Specifications</b>	2 months	2 months	2 months
<b>Effort 3: Project Approval Lifecycle</b>			
Stage 1 – Business Analysis	3 months	3 months	3 months
Stage 2 - Alternatives Analysis	3 – 6 months	10 – 12 months	18 months
Stage 3 & 4 – Solution Development & Project Readiness	6 – 12 months	6 – 12 months	6 – 12 months
<b>Effort 4: System Implementation</b>	12 – 18 months	12 – 24 months	18 – 36 months

# Project Approval Lifecycle Framework

