

Neubus' Digital Solution Creates Big Savings of Time and Money at TABC

Fast Facts

Customer Name	Texas Alcoholic Beverage Commission
INDUSTRY	Licensing and Regulation
LOCATION	Austin, TX
SOLUTION benefits	<ul style="list-style-type: none"> • Reduce processing time with files immediately available online • Reduce travel, mailing, storage and labor costs with digital files • Free up resources from clerical tasks to perform strategic tasks • Avoid down time by converting to digital files in phases • Allow 24/7 access by all agency personnel to review files • Allow fluid application access for processing by multiple offices

Operational overview

The Texas Alcoholic Beverage Commission (TABC) serves the State of Texas under the Alcoholic Beverage Code, which was enacted in 1935 to prevent criminal activities that were carried over after the repeal of national alcohol prohibition in the United States. A major aspect of this regulation is the review and granting of licenses for every phase of the industry, including manufacture, sale, purchase, transportation, storage and distribution of alcoholic beverages.

TABC oversees more than 95,000 active licenses in the State of Texas. For each business requesting a license, TABC assesses whether the owners are qualified to hold the permit, including evaluating criminal backgrounds and industry involvement of each owner. Licensees include manufacturers, wholesalers, distributors, storeowners and restaurant owners. Thousands of new license applications are submitted to TABC each year through its 23 different field offices. For any license holders who undergo changes in ownership or business name, a supplemental application and a reprinted permit are required. In addition, each licensee/permittee must be renewed bi-annually. Further complicating the licensing process, local restrictions such as limits on the percentage of alcohol are decided by cities or counties and must be enforced by TABC.

With such a large number of licenses to review, approve and enforce each year, TABC holds itself to a high standard of efficiency, considering itself a partner to the business owners and consumers in Texas and other state and local officials.



“Getting good businesses started sooner makes everyone happy,” says Amy Harrison, Director of Licensing at TABC. “Businesses can start selling, customers can start buying and local and state tax revenues can start flowing.”

Historically, TABC field offices would collect initial applications and fees, perform initial data validation, copy the documents and mail the file to TABC headquarters in Austin for complete processing. This slow, sequential process required virtually every stakeholder to do some form of file management, such as photocopying, mailing, and retrieving or returning files to a library. Files could only be checked out and viewed by one employee at a time, a slow process that competed with TABC’s time limits on new applications.

Business need

With more than 95,000 active licenses to oversee and a constant influx of new applications, TABC needed a highly efficient workflow in order to avoid costly delays. TABC’s paper filing system was the source of many problems, as it was an impediment to the Commission’s need for faster reviews, for less storage real estate and for peace of mind that licenses were up-to-date and that license holders experienced no delays.

TABC’s outdated paper filing system bore a number of costs, including both direct costs and delayed revenues. Direct costs included file management labor, file storage space and postage for sending files between offices. Delayed revenues were the result of the slow filing and transfer process, since getting business up and running sooner meant that tax revenues are received earlier.

Speed

Speed in processing license applications was the most important need for TABC. New license applications as well as renewals and supplemental licenses were typically received in paper format at field offices. Each of these intakes required rapid processing; but for new applications TABC performance measures required a 74-day processing period, a time period that was recently reduced to 51 days and will reduce to 42 days by 2014.

“When a field office receives a new license application, the clock starts ticking immediately,” said Licensing Assistant Director, Jo Ann Joseph. “Any time spent copying, mailing or tracking printed files cuts into time needed

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for actual application review, the real work with which we are concerned.”

License renewals and supplemental licenses are processed on a less urgent timeline than new applications. Completing these reviews in a timely fashion has a significant impact on revenues, since each completed renewal triggers annual taxes and fees to the State of Texas.

Space

Reduction of storage real estate was another important need for TABC. In 2008, a significant portion of TABC’s office space was made up of file storage and workspace for file management personnel. The Austin headquarters for TABC had amassed millions of paper files dating back to its first days of existence.

“Approximately 3,500 square feet of storage space was needed for our large file library as well as file storage in the various licensing offices throughout the state” said Assistant Director Joseph. “Imaging of the licensing files not only freed office space but allowed for any file(s) to be retrieved by all agency personnel, regardless of their location 24/7.”

The large library also required dedicated file management personnel to ensure accurate file checkout and manage-

ment. TABC sought to eliminate the paper file library to reduce both storage and labor costs.

Peace of Mind

Peace of mind for TABC leadership staff was an overarching need for the Commission. With a growing number of licenses and a shrinking time window for processing, workflow stress was common. Out of concern for the outdated paper filing system, staff was forced to retrieve and hoard many paper files simultaneously to ensure timeliness and accuracy of each review.

“I would often have 2 or 3 tables covered with active renewal applications, each requiring immediate processing – a constant source of stress to Field Supervisors,” said Field Supervisor Shaun Jordan.

To address their need for speed, space and peace of mind, TABC sought a customized workflow solution. Given the volume of existing files and the daily urgency of processing newly incoming license applications, they needed a transition that would not shut down operations during implementation. A phased implementation approach would be necessary to ensure uninterrupted efficiency.

TABC also needed to avoid a costly software solution where much customization and training would be



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required. A centralized solution whereby files are converted from paper to digital at a document processing center would improve efficiency but would still involve time-consuming and costly steps. What TABC ultimately needed was a simple onsite scanning solution directly at each field office, eliminating paper files altogether.

Solution

Step One: Eliminating Paper File Library (file room)

TABC engaged Neubus to begin a phased approach to convert from paper files to a digital document system. The first phase was focused on converting existing paper files to electronic files, thereby eliminating the need for TABC's massive file library. Over several months, the entire paper file library was scanned into digital files, first at TABC headquarters and eventually by shipping to the Neubus centralized document processing center (DPC). While active files were housed briefly at the DPC, the files were prepared, imaged and processed into the electronic service delivery system (ESD).

Digital files are now accessible by TABC through ESD. An immediate need in such an electronic filing system is a simple, custom software interface for managing digital files. Given TABC's lack of budget for off-the-shelf software, they sought a custom software-as-a-service (SaaS) application for the most efficient use of time, budget and personnel. Through a centrally hosted server solution, Neubus made the new electronic files available online for immediate access by TABC team members. The digital file system allowed for rapid file retrieval and easy updating of licenses during a renewal application.

Throughout this first phase, newly incoming applications received in paper format at field offices continued to be mailed to TABC headquarters where they were delivered each day to the Neubus document processing center (DPC) for conversion to digital format. This temporary solution left much room for improvement in later phases.

Still, during the first phase of converting to a digital system the number of days involved in file processing alone had been reduced from weeks down to 5-10 days. Given that TABC's performance measures were undergoing significant reductions in the number of days to process applications, they were able to recover those days without adding resources or costs.

Step Two: Streamline the Logistics and Workflow

The second phase of implementation eliminated the slow step of mailing paper files to TABC headquarters, where they had previously been picked up daily by Neubus and delivered to the DPC. New paper files were now shipped overnight directly to the DPC, converted to digital format and made available online. In order to ensure reliability and accuracy of moving these hundreds of paper files across the state each day, a logistics tracking solution was required.



Neubus provided such a solution for TABC, called File-Track. Field office staff would prepare each application first by sorting the documents and entering the inventory data into the tracking software. Barcode-labeling of each application file prior to shipping allowed automated pro-



cessing of files received at DPC each day, ensuring that each application document was accounted for.

This new, centralized file processing solution improved processing times and eliminated potential errors from multiple mailing and receiving steps. While the first phase of implementation reduced file processing time from weeks down to 5-10 days, this second phase brought file processing times down further to a mere 2-3 days.

In parallel with the newly implemented shipping process, a hosted custom workflow solution was developed for TABC to streamline application processing. The software interface queues files for processing and integrates with TABC's internal licensing software. Using dual monitors, a license application is set up by staff members on one monitor while the workflow solution queues up digital files needed to evaluate the application.

Balancing the volume of new, renewal and supplemental applications with the objective of processing each accurately and timely, TABC staff members previously faced unmanageable amounts of urgent application files. The new workflow interface made it easy to see at what stage a license application was currently, and what steps were needed to complete the work.

"Before, every day was an urgent rush to complete a stack of applications and it was difficult to see my progress," said Field Supervisor Shaun Jordan. "With the Neubus system, I can quickly pull up digital files on my computer and step through an easy-to-follow workflow."

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Having electronic files earlier and having a simple workflow interface improved TABC efficiency, but the temporary ship-and-scan conversion step still left room for improvement. Field office staff performed daily upfront processing for file tracking, prepared a shipping envelope, paid for urgent overnight shipping, and then waited for 2-3 days before the information was made available online.

Step Three: Digitizing the Paper Files at the Source

To improve efficiency even further, in 2012 TABC deployed desktop scanner(s) at each of its field offices. Field offices now convert paper files to digital versions immediately so that TABC headquarters can begin reviewing a new application online right away. Scanning is a rapid, easy-to-learn process for TABC field offices. Documents are placed into the desktop scanner and easily readable digital files are created within

minutes by the dedicated processing infrastructure set up and maintained by Neubus.

In addition to paper applications, a growing amount of electronic applications are received at TABC. Field offices are able to capture these electronic files using an e-upload solution developed and supported by Neubus. Whether a scanned paper file or an original electronic file, minimal data input is required to upload digital documents to the server.

By deploying desktop scanners at each TABC field office, files are no longer shipped overnight, barcode tracking is no longer needed and initial file numbers are obtained virtually instantly. Having applications in the electronic system from the start allows TABC to initiate a review in a matter of hours.

Multiple stages of conversion from paper to digital files successfully addressed TABC's need for greater speed, less storage real estate and better peace of mind regarding workload efficiency and quality. Overall, file processing time was reduced from weeks to days (initially), and ultimately to mere hours. Given the newly mandated processing time from the Texas Legislature –reduced to 42 days in 2014, the time savings will be an absolute necessity to TABC in the future.

Benefits

Reduce Processing Time

Files are available online virtually instantly for all TABC staff members, allowing reviews to be started and completed sooner. Having a custom workflow system created specifically for a digital filing system makes application status easy to track and visualize, and processing steps can all be done much faster at a computer.

Reduce Costs

The Neubus digital system allows TABC to move data rather than people, making the system fluid with applications and dramatically reducing travel-related costs. Having a centralized scanning center created digital files early in the process, but scanning directly at each field office improved efficiency even further and eliminated overnight shipping costs. Eliminating the need for a large paper file library reduced costs of office space. Finally, by minimizing file management steps for all employees, labor costs are significantly lowered.

Free Up Resources

The original paper process at TABC once required virtually every team member to be involved in some form of



paper filing. With the Neubus digital document process, filing takes care of itself so that TABC can focus on the actual work of getting responsible businesses up and running in a timely manner.

Avoid Down Time

Converting from paper to a digital documentation system need not be an immediate, complete transformation, but can be a pain-free, incremental conversion while maintaining uninterrupted daily operations. Taking a multi-phase approach, TABC piloted new digital processes in parallel with existing paper processes to avoid down time while improving efficiency.

Summary

TABC implemented a centrally hosted digital document process to manage liquor license applications and renewals. Taking a multi-phase approach, TABC partnered with Neubus first to convert the existing library of files to a digital format available online. Neubus then created a workflow interface that integrated TABC's internal license application software with an easy-access digital file queue. Next, a process was developed whereby each field office mailed paper files directly to the Neubus document processing center for scanning and uploading. In the final phase of implementation, desktop scanners were deployed at each field office, and TABC scans incoming applications immediately at the point of creation. Neubus hosts and manages the digital files through a software-as-a-solution (SaaS) business model, minimizing infrastructure costs to TABC. The multi-phased conversion from paper to digital reduced TABC's file processing time from weeks down to only hours. •

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