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ISSUE PAPER

The Future of Business Services

How States Can Modernize and Scale Business Services With Application Platform Technologies and Artificial Intelligence

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Introduction: Modernizing State Business Services

With a dizzying array of technological advances bringing change to every area of our lives, it is no surprise that business entities across the U.S. expect state governments to modernize their delivery of business services.

Concerns voiced by business owners dealing with all levels of government are all too familiar. Those concerns include complaints about onerous, time-consuming policies and regulations, a maze of compliance steps, and unnecessary red tape.

But at a time of shrinking state budgets,[1] retiring knowledge workers, and increasing demands on limited government resources, how can states provide rapid, secure, and effective business services?

This issue paper focuses on the need to modernize outdated legacy systems and compartmentalized processes. Two modern technologies — low-code application platforms and artificial intelligence (AI) — are playing a transformative role in helping state governments modernize and scale their delivery of business services.

The Challenge: Overcoming Legacy Systems and Processes

According to Gartner®, "Many governments struggle to meet accelerated demands and opportunities due to legacy, siloed systems and data stores."[2]

Case in point: Traditionally, when it comes to business services, a new business owner often needs to register with the Secretary of State's office, obtain various tax numbers from the Department of Revenue, engage with economic development opportunities, and acquire necessary licenses at both the state and local levels. This process involves navigating different agency systems — in a specific order — and filling out numerous forms that often ask for the same data. For the business owner, this leads to frustration and inefficiencies.

Now envision a more streamlined and coherent process. By creating a true "Business One Stop" online experience, all necessary steps would take place in a single, unified transaction. The business owner would be guided through the entire process, data would be entered only once, and information would seamlessly make its way to the right agencies and departments. However, outdated legacy systems and siloed data stores stand in the way of this vision.

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[1]National Association of State Budget Officers, Fall 2023 Fiscal Survey

[2]Gartner, Presentation: Top Technology Trends in Government for 2023, Arthur Mickoleit, Irma Fabular, et al., 27 February 2023

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Recommendation #1: Treat the Business Services Work of Government as Casework

Consider this: Given the reliance on data, processes, and decision-making, government agencies involved with business services often handle case-like work, even if they aren't directly involved with traditional casework. Setting up a new business requires delivering the right information to the right people at the right time. Simply put, the work of government is casework, the day-to-day process by which officials interact with and address issues presented by their constituents.

Key Characteristics of Business Services Casework:

1. Data-Centric: At its core, a business services case involves aggregating structured data (pre-defined values such as business names, registration numbers, tax IDs) and unstructured data (documents, images).

2. Process-Oriented: Each business services case needs handling based on complex interactions with steps that fall across a spectrum of fixed and flexible processes.

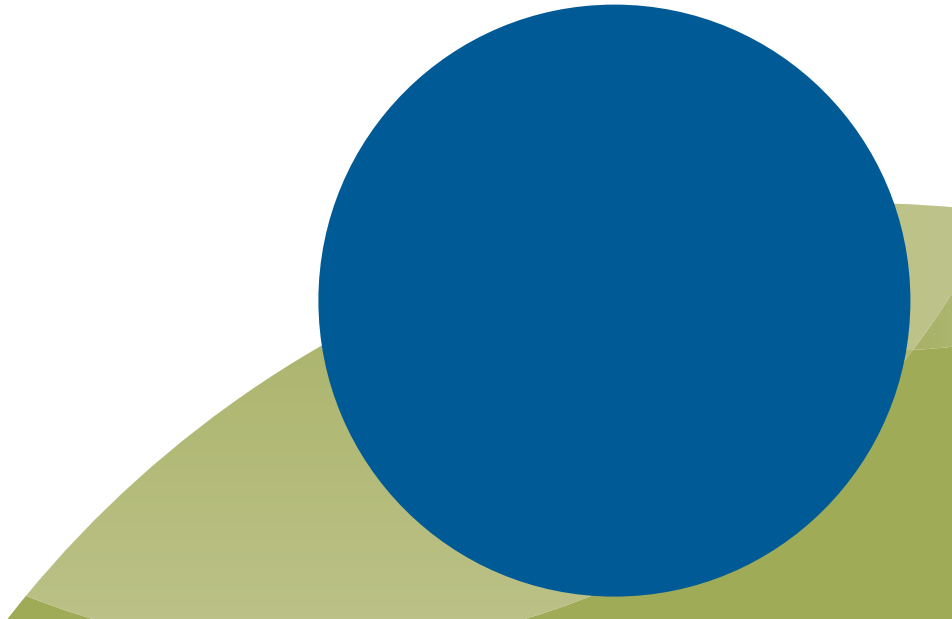
3. Knowledge Worker Driven: Skilled government workers make decisions based on the available information and in compliance with policies and regulations.

Recommendation #2: Power Business Services With Low-Code Application Platforms

Effective case management systems require technical flexibility and must be configurable to accommodate variability around the information to be managed. Low-code application platforms are the modern, cloud-based solution for case management systems.

Gartner predicts that, "By 2025, over 35% of government legacy applications will be replaced by solutions developed on low-code application platforms and maintained by fusion teams."[2]

Low-code application platforms are a software development approach that allows users to rapidly develop and deploy custom applications. They offer features such as visual workflows, drag-and-drop form design, single sign-on capacity, and advanced search functions. The result is cloud-based applications that are configurable, scalable, and secure, and which can improve the interplay between state governments and the businesses they serve.



Recommendation #3: Position Business Services for the Benefits of Artificial Intelligence

To fully harness the potential of modern technology, states must prepare to integrate artificial intelligence into their business services framework. AI offers transformative benefits that can enhance productivity, streamline decision-making, and improve service delivery, making it an essential tool for modernizing state operations.

Key Benefits of Artificial Intelligence:

1. Productivity: AI automates routine tasks, from data entry to information retrieval, freeing up staff to focus on more complex challenges — doing more with less.

2. Decision-Making: With real-time, accessible data analysis and insights, AI guides decision-makers to informed, evidence-based decisions.

3. Service Delivery: AI ensures that business owners can easily discover and access government services, improving public satisfaction.

Putting It All Together Into a Business One Stop Portal

Business One Stop portals can revolutionize the way government services are delivered by creating a streamlined, efficient, and user-friendly experience for business owners. While the office of the Secretary of State stands to benefit significantly, the advantages extend across various government agencies, enhancing service delivery, reducing workloads, and improving decision-making processes. As these portals evolve, integrating AI and low-code application platforms will ensure that government functions at the speed of business, fostering a more responsive and effective public sector.

Key Benefits of Business One Stop Portals:

- **Enhanced Service Delivery:** Customized software in Business One Stops enables businesses to easily discover and access government services, improving public satisfaction. Users can quickly and securely complete tasks such as filing documents, applying for permits, and meeting annual reporting requirements.
- **Time Savings for Government Employees:** While full AI integration is on the horizon, current technologies already automate much of the repetitive work, such as data entry and information retrieval, previously done manually. This allows a shrinking workforce to focus on the more complex filings that require their expertise.
- **Reductions in Paperwork and Elimination of Information Silos:** By utilizing electronic rather than hard-copy data, AI and low-code application platforms reduce paperwork and create troves of new data that can be easily shared across departments and agencies. This increases coordination and eliminates information silos.
- **Improved Decision-Making:** Enhanced data collection and information sharing allow state governments to perform real-time analysis and make informed, evidence-based decisions on resource allocation.

Questions to Consider

Secretaries of state and government technology leaders interested in adopting low-code application platforms to create a Business One Stop portal should consider the following questions:

- Can the platform be configured to their state's unique needs?
- Is the platform secure and able to scale up with their needs?
- Does the platform have rule-based permissions to allow information to be accessed by those who need it?
- Is the software something that will empower government workers to spend time on the most valuable parts of their role?
- Will the software reduce potential cyberthreats?

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Conclusion

Modernizing state business services through the adoption of application platform technologies and artificial intelligence offers a transformative opportunity to streamline government operations, generate troves of new data that can be shared between departments and agencies, and improve the user experience for businesses.

Business One Stop portals exemplify how integrated, customizable, and user-friendly solutions can reduce bureaucratic inefficiencies and enhance service delivery. By consolidating multiple processes into a single, cohesive transaction, these portals save time for both business owners and government employees, fostering a more efficient and responsive public sector.

The implementation of such technologies ensures that government functions at the speed of business, eliminating unnecessary hurdles and allowing entrepreneurs to focus on their core activities. The integration of AI further enhances productivity by automating routine tasks and enabling real-time data analysis, which supports informed decision-making and better resource allocation.

Ultimately, these advancements not only improve public satisfaction but also position state governments to address the complex challenges of the future with greater agility and efficiency. By embracing these innovative solutions, states can create a more effective and efficient government that better serves its constituents and promotes economic growth.

For additional insights, visit Tyler's Resource Center at tylertech.com

About Tyler Technologies, Inc.

Tyler Technologies (NYSE: TYL) is a leading provider of integrated software and technology services for the public sector. Tyler's end-to-end solutions empower local, state, and federal government entities to operate efficiently and transparently with residents and each other. By connecting data and processes across disparate systems, Tyler's solutions transform how clients turn actionable insights into opportunities and solutions for their communities. Tyler has more than 44,000 successful installations across 13,000 locations, with clients in all 50 states, Canada, the Caribbean, Australia, and other international locations. Tyler has been recognized numerous times for growth and innovation, including on *Government Technology's* GovTech 100 list. More information about Tyler Technologies, an S&P 500 company headquartered in Plano, Texas, can be found at **tylertech.com**.

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