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New Hampshire State Government Customer Relationships Mapping

*Developing an Efficient, Innovative, Customer-Driven Approach to
Connect the State and its 'Customers'*

Presented to the New Hampshire Commission on State
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EXECUTIVE SUMMARY

In the state of New Hampshire, services across all sectors are currently a convoluted tangle. In many areas, a citizen in need of assistance will need to access services across too broad a range of divisions; likewise, a business owner or entrepreneur will often face a confusing matrix of various state agencies that he or she has to deal with in order to get a business off the ground. With this in mind, we look at Customer Relationship Management (CRM)—in this report, we explain what CRM is, discuss its most basic applications to social services, elderly citizens' services, and business services in New Hampshire, and assess CRM's potential applications across New Hampshire's state agencies.

1. INTRODUCTION

In this report, we seek to explain CRM and its applications to state services in the state of New Hampshire. We also discuss the advantages that CRM offers as a resource management and information collection tool.

1.1 What is Customer Relationship Management?

CRM is a strategy used to learn more about customers' needs and behaviors and subsequently to develop stronger relationships with them.¹ Although there are certainly many technological components to CRM, including enterprise management software that aids the process, the most useful way to consider CRM is as a strategic process that helps agents better understand customers' needs in order to meet them and enhance their bottom line at the same time. CRM depends on bringing together many pieces of information about customers' needs so that services can be delivered most effectively.

The idea of CRM is that it helps businesses use technology and human resources to gain insight into customers' behavior and the value thereof. An effect CRM strategy allows the following goals to be realized:

- Providing services and products that are what customers want and need;
- Offering better customer service;
- Cross-selling (or, in the case of states, providing) products and services more effectively;
- Helping staff mover more effectively; and
- Retaining existing customers and discovering new ones.

As of now, the industries leading the way in CRM implementations are the financial services and telecommunications industries. Customers goods makers, retailers and high-tech firms are also joining the CRM bandwagon.



1.2 Overview of State Government Customer Relationship Management Topics

For governments, CRM helps building stronger relationships with constituents, customers, vendors, partners and recruits. CRM applications can be tailored to agencies' core business processes to give a comprehensive view of useful data, and individual agencies can add specific applications to speed up processes such as permitting and licensing.

There are a number of potential applications for CRM in the government sector, even beyond managing information and requests from residents. According to *American City and County*, CRM can also be used in the following ways:

- Managing all of an organization's activities, relationships and contacts concerning a specific issue;
- Helping manage relationships between government agencies and those whom they depend on, both internally and externally, to be more efficient, effectively and timely; and
- Preserving institutional memory by keeping track of all of a public sector organization's contacts, relationships and interactions, thereby helping keep track of issues associated with each event and the next steps the organization should take.

Over time, CRM technology and a rigorous process for its use establishes and maintains the public sector organization's institutional memory, effectiveness and relationships between existing contacts.

1.2.1 Comprehensive Mapping

Comprehensive mapping seeks to show the relationships between the organizations and/or individuals illustrated. It is often helpful for individuals carrying out these organizations' work, as well as those who run the organizations from the top, to see the intersections between organizations and individuals. For the purposes of this report, we mapped out the relationships between various levels of the services we describe in social services, senior citizens' services and business respectively.

2. CASE STUDIES IN NEW HAMPSHIRE STATE GOVERNMENT CUSTOMER RELATIONSHIPS MANAGEMENT

To understand how various services are provided in New Hampshire, we looked at services across three areas: social services, the elderly (the so-called "silver tsunami") and in business. Each of these areas is discussed below, with accompanying case studies to illustrate interplay between services.

2.1 Social Services

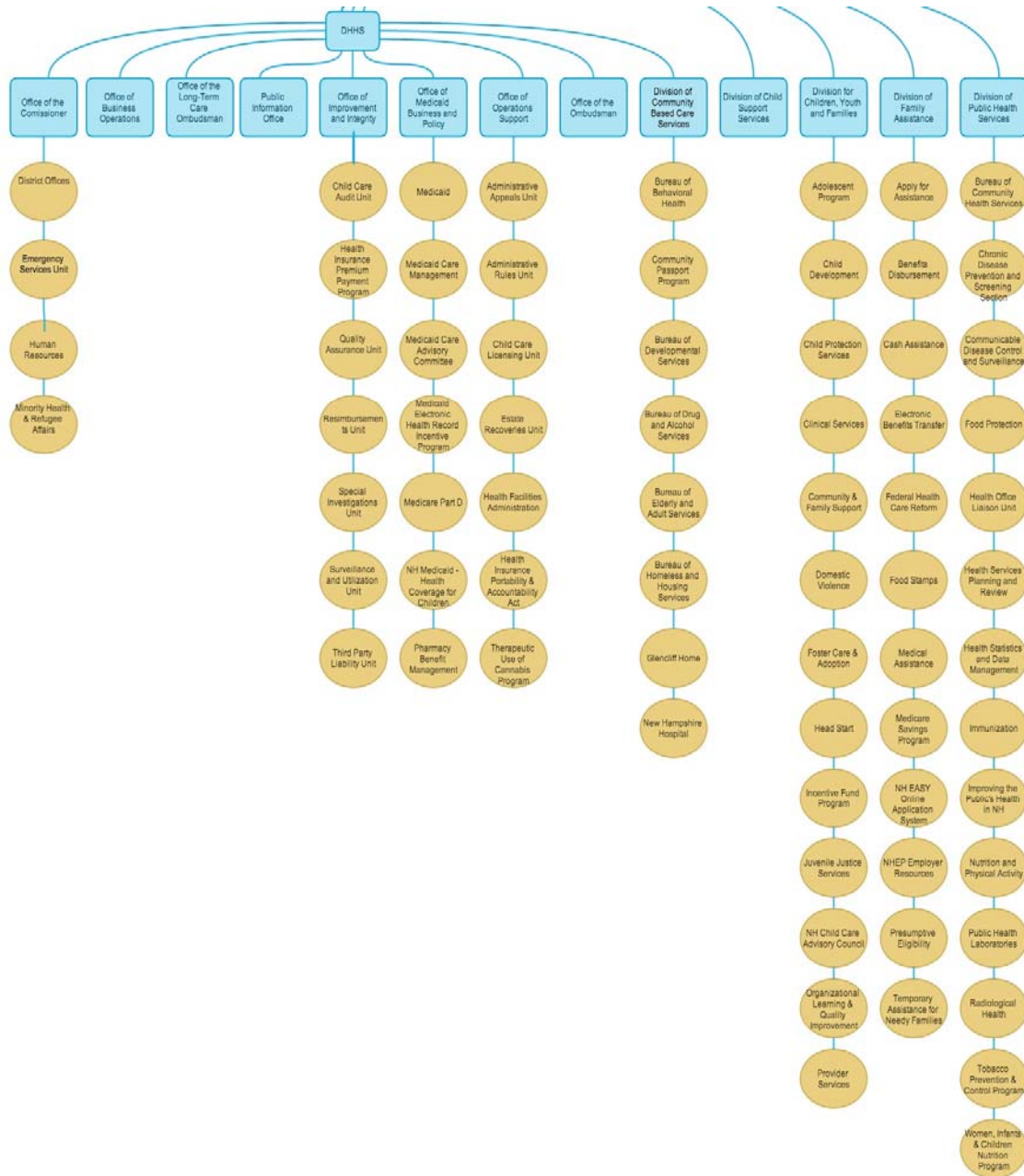


Figure 1: Social services offerings under DHHS in NH

In New Hampshire, the state's comprehensive social services offerings are consolidated under the New Hampshire Department of Health and Human Services (DHHS).² This is the largest agency in New Hampshire state government, tasked with the health, safety and well-being of the state's citizens. DHHS provides services to individuals, children,



families and seniors who require assistance with issues such as mental health, developmental disabilities, substance abuse and familial issues. The agency also sees to the promotion of public health in New Hampshire.

DHHS carries out its work through partnerships with families, community groups, private providers, other state and local government entities and citizens. Over the years, more and more services have been consolidated under DHHS' auspices in recognition of the fact that the majority of people who access HHS services will have multiple needs requiring services from more than one program area.

DHHS is organized into the following divisions, of which those which are most relevant to this report are bolded:

- Office of the Commissioner
- Office of Business Operations
- Office of the Long-Term Care Ombudsman
- Public Information Office
- Office of Improvement and Integrity
- **Office of Medicaid Business and Policy**
- Office of Operations Support
- Office of the Ombudsman
- Institutional Review Board
- NH Health Information Exchange
- **Division of Community Based Care Services**
- **Division of Child Support Services**
- **Division of Children, Youth and Families**
- **Division of Family Assistance**
- **Division of Public Health Services**

2.1.1 Children's services under DHHS

To understand how these pieces fit together, it may be helpful to consider the example of a child with behavioral problems from a household where drug abuse, domestic violence, lack of food and homelessness are issues.

In such a case, the child would likely pass through services in the Bureau of Drug and Alcohol Services, which deals with drug addiction, alcoholism and rehabilitation; the Bureau of Homelessness and Housing Services, which develops programs and services, including temporary housing, for New Hampshire's homeless populations with both its own funds and in collaboration with other public agencies, advocacy and service organizations that also service homeless populations; multiple services in the Division of Children, Youth and Families, which houses Child Protection Services, Community & Family Support, Domestic Violence, Foster Care & Adoption and the NH Child Care



Advisory Council (which responds to child care issues); the Division of Family Assistance, which administers programs and services for eligible New Hampshire residents who qualify for financial, medical, food and nutrition assistance, help with child care costs and emergency help to obtain and keep safe housing; and the Division of Public Health Services, which houses the Women, Infants & Children Nutrition Program (WIC) that provides nutrition education and nutritious foods to help keep pregnant women, new mothers, infants and preschool children healthy.

2.1.2. Single mothers' services under DHHS

In another example, one might consider the case of a pregnant woman with mental health issues, inadequate personal resources to support herself and whose pregnancy was the result of rape in a violence relationship. To care for her pregnancy, this woman would utilize Medicaid services, which cover hospital stays, physician fees, family planning, newborn home visits and extended services to pregnant women. She would also utilize Medicaid services in a community mental health center. She would also be able to access services through the Women, Infants & Children Nutrition Program in the Division of Public Health Services. Financially, she would be able to apply for assistance through the Division of Family Assistance's NH EASY program, which would determine her eligibility for Food Stamps, Financial Assistance to Needy Family (FANF), New Hampshire Child Care Scholarships, New Hampshire State Supplement Programs and Temporary Assistance for Needy Families (TANF). Finally, she could reach out to community partners, such as WISE of the Upper Valley, that deal with rape crisis counseling, survivor support and legal aid.

In this area, the biggest problem is that of duplication. Many services — chief among them drug rehabilitation and family crisis services — exist across a number of community partners, creating a confusing jumble of services at the community level that may make it more difficult for those who need to access services to figure out where to turn. Moreover, the proliferation of similar offerings from multiple organizations, all of whom benefit from the state's support, is more expensive than is necessary.

2.2 ‘Silver Tsunami’

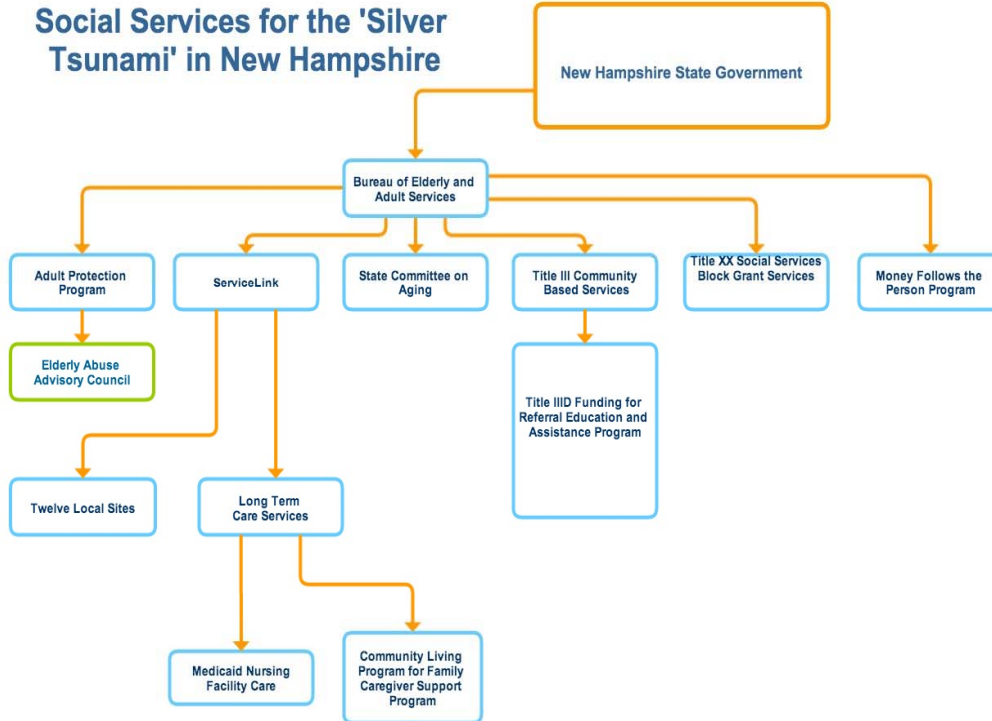


Figure 2: Social services for elderly citizens in NH

According to the 2010 U.S. Census data, New Hampshire is the fourth oldest state in terms of median age. New Hampshire’s older adult population will continue to expand as the Baby Boomer generation ages and fewer young people move to the state. A few years ago, the New Hampshire Bureau of Elderly and Adult Services (BEAS) produced a four-year state aging plan to meet the requirements of the Older Americans Act of 1965. The Older Americans Act requires community planning and services to be developed in order to support and assist older persons through grants to the States. New Hampshire has drafted the “New Hampshire State Plan on Aging—2011-2015” to accommodate the growing and changing needs of its older adult population. The plan seeks to effectively outline programs and services that offer long-term care options for the older adult population to maintain their independence as they age in place.³



This plan is important because it maps out how New Hampshire has implemented particular programs for the older adult population. The State Plan on Aging highlights the ServiceLink Resource Center Network, the Choices for Independence, and the New Hampshire Community Passport Program. The New Hampshire state government does not necessarily provide many of its own services but instead supports local community organizations and groups through funding grants. The next section illustrates the structure and organization of services offered for an older adult population through a top-down approach. The section following this one outlines how this population would access the services offered for long-term care and daily life.

The Bureau of Elderly and Adult Services (BEAS) works directly under the New Hampshire state government. The BEAS has a wide range of services, committees, and programs that cater to the needs of the older adult population. Under the BEAS, there is the Adult Protection Program, ServiceLink, the State Committee on Aging, Title II Community Based Services, Title XX Social Services Block Grant Services, and the Money Follows the Person Program.

Firstly, the Adult Protection Program contains the Elderly Abuse Advisory Council. The Council provides suggestions and guidelines for how to maintain long-term care for the older adult population. Overall, the Adult Protection Program ensures that the elderly population is being well taken care of in nursing facilities and at home.

Second, ServiceLink is a statewide program that offers information about older adult services throughout New Hampshire. ServiceLink has twelve local sites in each county, with some counties having two sites. ServiceLink connects with various local not-for-profit organizations in order to share information about services within communities to the older adult population in New Hampshire. In addition to providing information, ServiceLink offers long-term care services such as the Medicaid Nursing Facility Care and the Community Living Program for Family Caregiver Support Program. Although the state of New Hampshire seeks to reduce the number of elderly folk living in nursing facilities, the government offers this service for those families who are in need of a place for their elderly. Concurrently, ServiceLink offers the Family Caregiver Support program for families who wish to serve long-term care for their elderly in their own homes. This program offers support to families who are taking care of their grandparents or parents and also creates a community for these families to reach out to for help and advice.

Third, the State Committee on Aging (SCOA) identifies concerns of older citizens and makes recommendations to the BEAS regarding policy and procedures that impact older citizens. The SCOA develops the State Plan on Aging and monitors its implementation progress. The 18-member committee is comprised of 15 Governor appointed members--including one from each county of New Hampshire. The SCOA facilitates the local participation of older and disabled adults while fostering participation in issues that affect the older adult population.⁴

The final three overarching programs offer funding for specific services. The Title II Community Based Services, Title XX Social Services-Block Grant Services, and Money Follows the Person Program offer funds to individuals and organizations who are providing services related the older adult population.

2.2.1 Accessing older citizens' services through ServiceLink

To understand how these services fit together, it is important to provide examples of how the older adult population can access both the information and services. Firstly, New Hampshire created ServiceLink in order to provide information about both national and local services for the older adult population. According to a recent survey conducted by SCOA, most of the elderly population knew of the existence of ServiceLink and its multiplicity of services. Consequently, with any example, an individual seeking to access services will need to call ServiceLink or visit their local site to hear information about the not-for-profit organizations with which they partner and the national programs and services offered by the state government. Whether an elderly folk would like to hear information about transportation, healthcare, elder abuse, policy, education, or parks, to name a few examples, ServiceLink has data and information on a significant number of services and departments with which the individual may speak.

2.3 Business Community

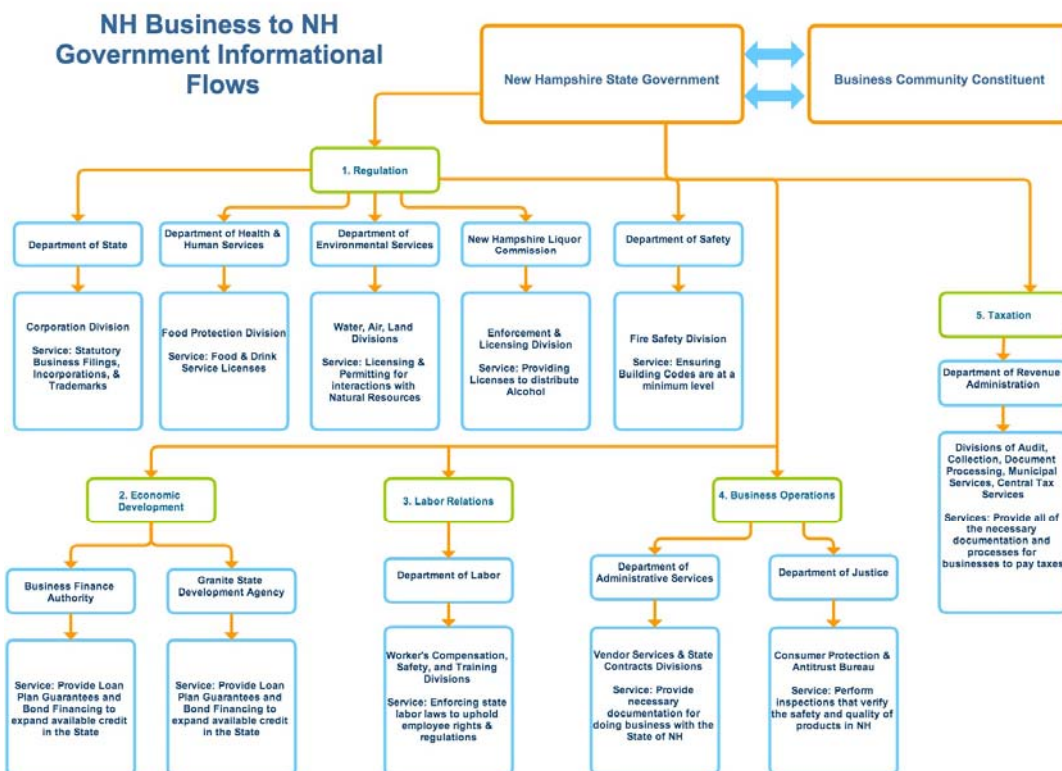


Figure 3: NH government-to-business informational flows



The business community within the State of New Hampshire necessitates strong, long-lasting relationships between businesses and several different areas of the state government. Businesses located in New Hampshire must interact with the state government in several ways at nearly every stage of the business's life cycle. Therefore, ensuring those interactions are as precise, low-cost, and efficient as possible should be a primary target for New Hampshire legislators.

In 2013, *Forbes* magazine ranked New Hampshire as the 31st "Best State of Business," with significant variance in the different criteria of the ranking: 44th in Business Costs, 19th in Labor Supply, 46th in Regulatory Environment, 27th in Economic Climate, 18th in Growth Prospects, and 7th in Quality of Life. While some of these criteria are less controllable through policy at the state level, there seems to be significant potential efficiency gains in the Regulatory Environment area which includes measurements of labor regulations, health insurance mandates, occupational licensing, right-to-work laws, economic development incentives, and the reliability of the state's transportation infrastructure. By taking a customer relationship management perspective, the State of New Hampshire could likely improve the efficiency by which they interact with the business community and in theory improve their ranking in terms of 'Best State for Business'.

Because of the complexity and vastness of the business community's interactions with the State of New Hampshire, the customer-relationship map broke down these interactions into five different categories that change in relative importance through the life cycle of a business located in New Hampshire: Regulation, Economic Development, Labor Relations, Business Operations, and Taxation. Each of these distinct categories has several state departments that help provide their respective services to the business community, which can be seen on the business community relationship map and are also shown below. Those which are most relevant to the business community and to this report are bolded:

- Regulation
 - Department of State
 - Corporation Division
 - Department of Health & Human Services
 - Food Protection Division
 - **Department of Environmental Services**
 - **Water, Air, Land Division**
 - **New Hampshire Liquor Commission**
 - **Enforcement & Licensing Division**
 - Department of Safety
 - Fire Safety Division
- Economic Development
 - **New Hampshire Business Finance Authority**



- **Granite State Development Agency**
- Labor Relations
 - **Department of Labor**
 - **Worker's Compensation, Employment Security, Safety & Training Division**
- Business Operations
 - Department of Administrative Services
 - Vendor Services, State Contracts Division
 - Department of Justice
 - Consumer Protection & Antitrust Bureau
- Taxation
 - **Department of Revenue Administration**
 - **Audit, Collection, Document Processing, Municipal Services, Central Tax Services Division**

In order to understand how all these different departments and divisions fit together to actually provide the needed services to New Hampshire's business community, it is more appropriate to examine two representative case studies from real businesses in New Hampshire: Six South Street Hotel and Hypertherm Corporation. Our methodology regarding these case studies consisted of several interviews with multiple individuals in areas of the company which correspond to the aforementioned five categories shown on our customer relationship mapping. Essentially, these interviews highlight the interactions each of these businesses has with the state government of New Hampshire as they move through their life cycle as a business. There are several steps which are incredibly simple and include merely filing a form online or posting a license in a visible spot. However, our report will focus on the steps which are more confusing, onerous, or costly from the perspective of the business community as they represent potential efficiency gains in the provision of business services from the State of New Hampshire.

2.3.1 Hospitality business in NH – the case of Six South Street Hotel

Six South Street Hotel, opened in 2011 and located in Hanover, New Hampshire, is representative of a relatively small and new hospitality business that operates a hotel and a restaurant in the same facility. Our analysis found that much of the inefficiency and redundancy that exists for Six South Street comes as a result of having to interact with government at the federal, state, and local levels simultaneously for reasons such as raising equity to start the business, obtaining permits for land use/heating/plumbing, allowing for building inspections, as well as paying taxes. However, we also identified key interactions with the state which were more difficult for Six South Street to comply with and they are listed below:

1. To be eligible for many of the New Hampshire economic development benefits awarded at the state level, you must endure onerous legal proceedings and expensive fees in order to receive loan guarantees and/or tax credits, which can, in



- large part, counteract the benefits from the economic development in the first place.
2. If your business is disruptive to the surrounding land, water, or air, as measured by square footage, interaction with wetlands or other water sources, or released air contaminants respectively, you become subject to quarterly quality tests which are typically costly and difficult to administer.
 3. The administration of payroll taxes, tax ID numbers, as well as meals and rental taxes is often quite difficult for those who have never done so before. In some cases, it necessitates hiring a payroll service firm to do it for you, which represents an added cost for any New Hampshire business without experience in tax-related areas.
 4. In order to obtain a liquor license, each and every individual investor associated with a given business must submit a personal affidavit and a full background check assuring they are not involved in illegal alcohol distribution. In the case of Six South Street, a separate lawyer was needed to complete this.

2.3.2 Manufacturing in NH – the case of Hypertherm Corporation

Hypertherm Corporation, founded in 1968 in Hanover, New Hampshire, is representative of a relatively large and more mature manufacturing business with several specialized locations and approximately 1400 employees. Similar to Six South Street Hotel, our analysis for Hypertherm Corporation found again that much of the inefficiencies exist as a result of interactions with the federal, state, and local levels of government for reasons such as environmental licensing and permitting, occupational safety and hazard regulations, tax compliance for R&D credits, labor regulations and reporting, privacy laws, as well as raising equity for economic development purposes. Again, we identified key interactions with the state which were more difficult for Hypertherm Corporation to comply with and they are listed below:

1. In order to be eligible for many of the New Hampshire economic development benefits awarded at the state level, you must endure onerous legal proceedings and expensive fees in order to receive loan guarantees and/or tax credits, which can, in large part, counteract the benefits from the economic development in the first place.
2. If a new manufacturing location is located adjacent to a wetland or shoreline, there are increasingly difficult regulations for development, permitting, zoning, as well as recurring testing to ensure minimal pollution and disruption.
3. Several labor regulations which appear to be overly onerous including, but not limited to:
 - a. Paying terminated associates within 72 hours
 - b. Requiring a waiver every time someone skips a lunch
 - c. Disagreements on 'gross misconduct' which necessitates termination
 - d. Requiring that paychecks must be offered in paper form and that they may not be mailed without permission of employees, even when they work from home



In general, applicable to both of our case studies, our analysis found that the State of New Hampshire needs to be more focused on promoting a simple, straightforward, efficient regulatory environment in which businesses may operate with the goal of maximizing their productivity and returning the benefits to the state in the form of increased revenues, increased jobs, and overall increased economic activity.

3. FINDINGS

From the examples discussed above, there are a few lessons that New Hampshire can take to heart on the issue of CRM. First, it's clear that the state could invest in a pilot program to test CRM's appropriateness for the state. For this, it would be instructive to find an agency where institutional memory is not being adequately preserved and which is currently failing to serve citizens adequately.

In another, less capital-intensive endeavor, the state could invest in more user-friendly websites that help individuals and businesses more easily navigate existing networks. The DHHS webpage is adequate, but not particularly illuminating or intuitive. Looking at the site, one would not know from the site itself that a multiplicity of services may apply to a single individual – a serious flaw in a system where service provision is so diffuse across the DHHS entity as to necessitate a good amount of individual savvy that overworked and resource-strapped citizens may not have to bring to bear.

Similarly, from the business community's perspective, the state does not provide sufficient customer relationship management for the businesses located within the state. Our analysis concluded that business in the state of New Hampshire still face too much ambiguity and difficult regulations to be perfectly efficient. New Hampshire State Government must improve upon its institutional memory and coordination across varying levels of government in order to better serve their business community of today and ensure a thriving business community of tomorrow. While the state website does currently have a 'business portal' which provides information to help businesses comply with any and all forms of state regulation, it pales in comparison to the business portals of other states and municipalities.

In order to close this gap and improve New Hampshire's CRM capabilities, we advocate for an investment into a software platform for Public Sector/Business CRM. The state of Virginia has recently done this, creating a 'one-stop-shop' for all things related to business and, as a result, was ranked as the best state for business in the 2013 Forbes Magazine rankings. The state of Indiana has also implemented this CRM platform and even formed the Indiana Economic Development Corporation, a public-private partnership which incentivizes businesses to locate in their state. While these states are not perfect comparisons for New Hampshire, they do demonstrate the potential efficiency gains that come about when implementing a business-friendly CRM software platform within the public sector.



4. CONCLUSION

The state of New Hampshire stands to gain much from improving its internal understanding of the multiplicities of services that individuals and businesses may need to access. Giving both service providers and the individuals that access state services a better picture of the bigger picture that services in New Hampshire operate under is essential to helping them understand how best to utilize services.

CRM is a promising tool that can help citizens and agencies alike better understand how to navigate the state's service offerings. It can also help make state agencies more efficient, help state employees better serve the individuals who come to their offices and assist in record-keeping and maintaining institutional memory.



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