



State of Rhode Island  
Department of Business Regulation

The Department of Business Regulation  
Strategic Plan 2011-2014

1511 Pontiac Avenue  
Cranston, Rhode Island 02920

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# Department of Business Regulation

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## I. Introduction

The Department of Business Regulation (DBR) is charged with the mission to ensure the health of the Rhode Island financial services industry and compliance with statutes and regulations by several mainstay business professions. The success of this mission is critical to maintaining public trust in these key industries and ultimately a healthy state economy. Many of our regulated entities (e.g., insurance, banking, securities, and real estate) represent foundational industries in our economy.

In order to better ensure success, DBR developed this four-year strategic plan as the primary guidance of our use of taxpayer dollars in staffing, investments, and department activities. Consequently, this document best summarizes major initiatives DBR will be undertaking during the period of 2011 through 2014. This is a living document that must be updated not only after 2014, but also within this four-year period as circumstances warrant.

The plan articulates the vision (where we think we need to be in the future) along with the goals (major focus areas) and specific actions (the building blocks) to get there. The goals are internal facing in nature and seek to create better or improve the foundations of DBR (i.e., people, processes, technology and finances). However, these goals and their supporting actions seek to influence the external world (e.g., solvent and compliant financial institutions, a business friendly regulatory environment, achieving cyber-security). Taken together, the plan represents an integrated approach to achieving the balance between safeguarding critical institutions and maintaining a business friendly climate in Rhode Island.

Finally, progress towards our goals will be measured by specific performance metrics; some in place, others to be developed as part of this plan. This will allow DBR management to track progress and adjust our course if required. Consequently, this will commit the Department to a cycle of continuous improvement and demonstrate to the public the value of their tax dollar investment.

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# Department of Business Regulation

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## II. DBR Strategic Plan Overview

**Mission:** Assist, educate, and protect the public through the implementation and enforcement of state laws mandating regulation and licensing of designated businesses, professions, and occupations while recognizing the need to foster a competitive and business friendly environment.

**Vision:** Rhode Island's business regulation will be recognized as a top10 state for:

- Ensuring a sound and compliant financial services industry
- Promoting a business friendly environment
- Excellent customer service

**Guiding Principles:** Our activities will be guided by a consistent focus on:

- Excellent value to the taxpayers
- Strike a balance between the need for regulation and not overburdening businesses.
- The right person for the right job
- Always providing excellent customer service
- Leveraging time saving technologies

**Our Stakeholders and Customers:**

- Rhode Island taxpayers
- Regulated businesses and professionals
- Trade associations

**Department Goals:**

- Achieve optimum staffing
- Implement technology program
- Institute continuous process improvement
- Maximize revenues to the state treasury
- Establish performance measurement program

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# Department of Business Regulation

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## III. Goals and Supporting Actions

### **Goal 1: Achieve optimum personnel profile**

- Action 1.1: Fill critical positions
- Action 1.2: Create new cadre of professionals
- Action 1.3: Rebalance staff profile towards examination/enforcement
- Action 1.4: Develop training program

#### **Goal 1 Success Metrics:**

- Health and solvency of regulated financial services industry
- Regulated entity compliance with statutes and regulations
- Ability to stay current on examinations/inspections
- Minimum time to issue licenses
- Minimum time to respond to/resolve inquiries/complaints
- High customer satisfaction rating
- Maximize revenue to cost ratio

### **Goal 2: Fully implement technology program**

- Action 2.1: Fully implement eLicensing
- Action 2.2: Implement customer relation management system
- Action 2.3: Improve website
- Action 2.4: Integrate legacy systems
- Action 2.5: Implement billing system
- Action 2.6: Invest in up-to-date office technology

#### **Goal 2 Success Metrics:**

- Maximize percent of online licensing
- Minimum time to issue licenses
- Minimum time to respond to/resolve inquiries/complaints

- High customer satisfaction rating with website and other electronic communications with DBR
- Maximize revenue to cost ratio
- Low age of employee technology

### **Goal 3: Institute continuous process improvement**

Action 3.1: Re-engineering Banking Division licensing and examination processes

Action 3.2: Develop customer inquiry response process

Action 3.3: Improve complaint and enforcement process

Action 3.4: Improve regulation management process

Action 3.5: Establish cyber-security program for the Rhode Island financial services industry

#### **Goal 3 Success Metrics:**

- Health and solvency of regulated financial services industry
- Regulated entity compliance with statutes and regulations
- Ability to stay current on examinations/inspections
- Minimum time to issue licenses
- Minimum time to respond to/resolve inquiries/complaints
- High customer satisfaction rating
- Continuous review of existing regulations
- Maximize revenue to cost ratio

### **Goal 4: Maximize revenues to the state treasury**

Action 4.1: Rebalance personnel to revenue generating positions

Action 4.2: Benchmark fees

#### **Goal 4 Success Metrics:**

- Maximize revenue to cost ratio
- Ability to stay current on examinations

## **Goal 5: Establish performance measurement program**

Action 5.1: Develop and deploy internal efficiency metrics

Action 5.2: Develop and deploy external outcome metrics

Action 5.3: Benchmark and establish best practice targets

### **Goal 5 Success Metrics:**

- Ability to monitor and display the efficiency and effectiveness of DBR programs

Appendix 1:  
Action Plan Summaries  
And  
Current Status

Updated:  
1 September 2014

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# Department of Business Regulation

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## Goal 1: Achieve optimum personnel profile

### *Action 1.1: Fill critical positions*

Summary – Recruit and hire personnel for key examination positions that had remained empty during previous hiring freeze. Quickly refill critical positions that open due to attrition.

Implementation Status – **Complete**. DBR has hired to date 18 critical positions and is able to refill newly open positions within 3 months. There are 4 critical positions still open that will be targeted for hire as an action in the FY2015-2018 Strategic Plan.

Success Status – The new personnel have helped DBR better stay current with examinations and decrease response times on customer inquiries. Although there were no baseline performance metrics prior to 2012, success will be better able to be measured going forward as data is accumulated. In addition, there has been an increase in the revenue to cost ratio (4.17 in FY11 to 4.80 in FY14) since these positions generate more revenue than the salary/benefit costs incurred.

### *Action 1.2: Create new cadre of professionals*

Summary – Hire industry experienced personnel for critical positions to create new cadre of professions to carry DBR into the next decade.

Implementation Status – **Complete**. DBR has implemented a rigorous recruitment and interview process to ensure new hires have relevant industry expertise and meet the needs of the Department for the future

Success Status – The new personnel have come onboard DBR better prepared and ready to begin their assignments. They have helped DBR improve currency with examinations and decrease response times on customer inquiries. Although there were no baseline performance metrics prior to 2012, success will be better able to be measured going forward as data is accumulated.

### *Action 1.3: Rebalance staff profile towards examination/enforcement*

Summary – Working within the Department’s personnel cap and as attrition occurs, re-designate licensing aide and administrative positions for either consolidation or refill with higher skilled job descriptions such as examiners.

Implementation Status – **Complete**. To date, seven licensing aide or administrative positions made vacant by attrition have been consolidated (facilitated by eLicensing technology implementation or process improvement efforts) or upgraded to examiner positions.

Success Status – It is too early to ascertain the full impact of this rebalancing because performance metrics collection is relatively recent. We expect to see improvements in several measures such as better oversight of our financial services entities, compliance enforcement, and further increases in the revenue to cost ratio as proportion of revenue generating positions increases relative to non-revenue generating positions.

***Action 1.4 Develop training program***

Summary – Ensure that all personnel are fully trained for their respective positions in terms of specific subject matter expertise (e.g., insurance examinations), use of supporting technology (e.g., eLicensing applications), state and department policies (e.g., timekeeping), and position specific skills (e.g., management or customer service skills).

Implementation Status – ***In progress***. The Department is currently developing an inventory of required training for each position in each Division. This step will be followed by an inventory of training completed by current personnel. Finally, each personnel will have a long range training plan based upon this inventory analysis.

Success Status – Not available.

**Goal 2: Fully implement technology program**

***Action 2.1: Fully implement eLicensing***

Summary – Make available to the public the means to apply for and receive ***all*** new and renewal licenses online in addition to the traditional paper process

Implementation Status – ***Complete***. eLicensing has been implemented for all banking, board of accounting, commercial licensing, design professionals, insurance, racing and athletics, and securities credentials offered by DBR.

Success Status – Although there were no baseline performance metrics prior to eLicensing implementation, experience and benchmarking show that licensing times can be dramatically reduced from weeks and days to days and in some instances, hours. Going forward, success will be better able to be measured as data is accumulated.

***Action 2.2: Implement customer relation management system***

Summary – Implement a technology application to support the intake, tracking and resolution of public requests for information and complaints against our regulated entities. This activity is in support of Action 3.2 (Develop customer inquiry response process).

Implementation Status – **Complete**. DBR has implemented an inexpensive tool to help track and closeout email and written inquiries. However, much of our interaction with the public takes place on the telephone. The current system does not effectively support this type of interaction and has limited “workflow” capabilities. A more robust CRM system is beyond the financial means of the Department and may be better suited as a statewide technology initiative.

Success Status – Although there were no baseline performance metrics prior to our CRM system implementation, the visibility provided to management of the inquiries has allowed for a more proactive response. To date, of the over 4500 inquiries received since implementation in January 2013, 96% are resolved and response times range from 4 to 23 days depending upon the division and topic. Going forward, success will be better able to be measured as data is accumulated.

### ***Action 2.3: Improve website***

Summary – Make the DBR website as user friendly and useful as possible using the current platform.

Implementation Status – **Complete**. Regular improvements such as a complete homepage redesign, sub page consolidation, and reformatting of information have been made to the website. To date, five significant updates have been released.

Success Status – Although there were no baseline customer survey data prior to the website improvements, recent survey results indicate a combined very satisfied/satisfied approval rating of approximately 75% for the current website.

### ***Action 2.4 Integrate legacy systems***

Summary – Connect DBR’s main elicensing and enforcement applications so that resident data can be shared to provide better compliance enforcement.

Implementation Status – **In progress**. DBR has four main eLicensing systems. The core eLicensing application (CAVU) needs to be integrated with three other national systems. To date, integration is in progress for commercial licensing and the national banking licensing systems. An IT capital investment request was submitted for the FY15-FY19 period to complete the remaining two interfaces (i.e., with the national insurance and securities systems).

Success Status – Not available.

### ***Action 2.5 Implement billing system***

Summary – Improve the efficiency of examination fee collection process for the Banking, Insurance, and Securities Divisions in order to increase the timing of revenues to the state treasury.

Implementation Status – **Not started**. An IT capital investment request was submitted for the FY15-FY19 period.

Success Status – Not available.

***Action 2.6 Invest in up-to-date office technology***

Summary – Ensure employees have access to current workstation hardware, software, and general use equipment (e.g., multifunctional copiers) in order to facilitate efficient use of their time.

Implementation Status – ***Ongoing***. DBR has instituted an ongoing program to purchase/lease office technology to refresh older equipment/software.

Success Status – Although there were no baseline data collected prior to establishment of this program, recent data show the average age of office technology has decreased from 53 to 27 months. Benchmarking will demonstrate targets for the Department to adopt going forward.

**Goal 3: Institute continuous process improvement**

***Action 3.1: Re-engineering Banking Division licensing and examination processes***

Summary – Improve the efficiency of banking licensing and examination processes through review and revision of current procedures and rules in order to reduce response times for license approvals and enhance currency of bank/credit union examinations. This initiative will culminate in a third party accreditation of the Banking Division.

Implementation Status- ***Complete***. DBR has re-designed the licensing process and has conducted a baseline accreditation assessment of the examination process. The next action (in the FY2015-2018 Strategic Plan) will be to achieve accreditation for the examination processes.

Success Status – The average time to issue a banking related license has decreased from 218 days in FY2012 to 32 days in FY2014. Benchmarking will demonstrate targets for the Department to adopt going forward.

***Action 3.2: Develop customer inquiry response process***

Summary – Implement a process to better manage the intake, tracking and resolution of public requests for information and complaints against our regulated entities. This activity is supported by Action 2.2 (Implement customer relation management system).

Implementation Status – ***Complete***.

Success Status – Currently, of the over 4500 inquiries received since implementation in January 2013, 96% are resolved and response times range from 4 to 23 days depending

upon the division and topic. Going forward, success will be better able to be measured as data is accumulated.

***Action 3.3: Improve complaint and enforcement process***

Summary – Enhance the legal process to better manage the intake, tracking and resolution/enforcement of public complaints against licensees and entities regulated by DBR. This activity is supported by Action 2.1 (Fully implement eLicensing) and 2.2 (Implement customer relation management system).

Implementation Status – ***Complete.***

Success Status – Although there were no baseline data collected prior to improvements, recent data show the time to resolve a complaint ranges from 21 to 147 days depending upon the Division and topic. Benchmarking will demonstrate targets for the Department to adopt going forward.

***Action 3.4 Improve regulation management process***

Summary – Implement a process to create new or review and revise/rescind existing DBR regulations to ensure they are current and understandable, meet a public safety need, and are not unnecessarily burdensome to business. This activity is being done in conjunction with the Governor’s regulatory reform initiative.

Implementation Status – ***Complete.*** Leveraging the Office of Regulatory Reform’s (ORR) guidance and tools (e.g., Economic Impact Statement) DBR has reviewed 100% of existing regulations as of December 2013. Going forward, DBR will employ ORR guidance in creating new regulations and will review at least 25% of existing regulations per year. In addition, the Department has developed clear guidance for developing and issuing bulletins and has begun to review its existing bulletins in order to keep, revise, or rescind. As with regulations, the Department will review at least 25% of existing bulletins per year.

Success Status – Not available.

***Action 3.5 Establish cyber-security program for the Rhode Island financial services industry***

Summary – Create the mechanisms and processes for the financial services industry in Rhode Island to monitor, respond to and recover from cyber attacks. This activity is being done in conjunction with the Governor’s cyber security initiative.

Implementation Status – ***Ongoing.*** To date, DBR has formed a banking industry working group with RIEMA, State Police, and academia participation. In addition, in partnership with the Federal Reserve, DBR and many state banks have become subscribers to the Emergency Communications System (ECS), which can facilitate information exchange in the event of a cyber attack(s).

Success Status – Not available.

## **Goal 4: Maximize revenues to the state treasury**

### ***Action 4.1: Rebalance personnel to revenue generating positions***

Summary – Working within the Department’s personnel cap and as attrition occurs, re-designate non-revenue generating positions for either consolidation or refill with revenue generating positions such as examiners. This activity is done in conjunction with Action 1.3 (Rebalance staff profile towards examination/enforcement).

Implementation Status – ***Complete***. To date, seven licensing aide or administrative positions made vacant by attrition have been consolidated (facilitated by eLicensing technology implementation or process improvement efforts) or upgraded to examiner positions.

Success Status – The historic revenue to cost ratio has been 3:1. For FY14, the ratio was 4.80:1. In addition, total revenues brought in by DBR increased from \$31.97 million in FY2011 to \$38.71 million in FY2014.

### ***Action 4.2: Benchmark fees***

Summary – Conduct regular benchmarking of neighboring states’ licensing related fees to ensure Rhode Island remains competitive.

Implementation Status – ***Complete***. The last major benchmarking was conducted in 2009 and reflected in proposed and passed legislation in 2009/11. Another round will be conducted in FY15.

Success Status – Based on the fee changes made in 2009 and 2011 to the securities related licenses, an estimated additional \$2,000,000 was generated.

## **Goal 5: Establish performance measurement program**

### ***Action 5.1: Develop and deploy internal efficiency metrics***

Summary – Provide management a means to monitor internal DBR operations to ensure efficiency and timely indications of problems fulfilling our mission. This activity is being done as a component of the Governor’s statewide performance management initiative.

Implementation Status – ***Complete***.

Success Status – DBR has been using metrics to guide our operation improvement initiatives since 2011.

***Action 5.2: Develop and deploy external outcome metrics***

Summary – Provide management a means to monitor the impact of DBR operations on our regulated entities and the Rhode Island public. This activity is being done as a component of the Governor’s statewide performance management initiative.

Implementation Status – ***Complete***. The Department has developed a Banking Regulation Index (BRI) to measure the effectiveness of DBR oversight of the banking industry. The Department has also developed a Complaint Resolution Index (CRI) and a Customer Satisfaction Index (CSI). DBR intends to develop an Insurance Regulation Index (IRI) and Securities Regulation Index (SRI) as an action in the FY2015-2018 Strategic Plan.

Success Status – Not available.

***Action 5.3: Benchmark and establish best practice targets***

Summary – Conduct regular benchmarking of performance metrics similar to DBR’s to develop better targets guide continuous improvement of the Department’s operations.

Implementation Status – ***Not Started***. This activity will be the focus of DBR efforts in FY2015 and beyond once all metrics are in place and we have a few years’ worth of data.

Success Status – Not available.