

Pursuit of Excellence for Licensing Agencies

Tip #12, “Streamlining the Renewal Process”

In the pursuit of excellence for licensing agencies, this paper explores numerous methods that can be utilized to reduce the costs and labor involved in processing license renewals. Within this brief, we will discuss tips on renewal processing, the benefits of online renewals, and how to maximize the percentage of licensees renewing online.

RENEWAL PROCESSING TIPS

Spread Renewal Dates

Many agencies have their license renewals occur on a fixed month of the year. Processing a large amount of renewals at one time can be disruptive to normal staff operations. It may also require temporary staff reassignments, use of temporary labor or outside services all of which cost the organization money.

The two common methods to reduce labor costs in this situation include:

- Incorporating online license renewals and/or;
- Spread out licenses renewals so they occur evenly each month through out the year

Numerous licensing organizations have shifted from having their licenses renew on a common month of the year to having smaller groups renewing each month. Doing this will result in:

- Smaller number of staff members needed for renewal processing and;
- Eliminating back logs of handling other tasks during the renewal seasons

Bar codes

Bar code data-collection provides enormous benefits for just about any license processing. With a bar code enabled licensing solution, capturing renewal data is faster and more accurate, costs are lower, mistakes are minimized, and managing the renewal process is much easier. Placing a bar code on the renewal form can bring about:

- Reduced Costs, such as labor and resource costs
- Reduced Revenue Losses Resulting from Data Collection Errors
- Faster Access to Information for renewal processing
- Improved Customer Satisfaction

Lock Box

A Lockbox is a service provided by banks to organizations for the receipt of payment from customers. Typically, the payments made by customers are directed to a bank post office box, rather than going to the organization. The bank will process the payments, deposit the funds directly into the organization’s bank account, and then send a data file of the payment items to the organization.

The licensing system can then electronically process the bank file and can flag which renewal entries that require address changes, so staff members can make the appropriate changes prior to printing the license document.

Lockbox banking provides organizations a very efficient way of depositing payments and lowering overall costs per licensee. This is especially beneficial if an organization is constantly receiving customer payments through the mail.

BENEFITS OF ONLINE RENEWAL PROCESSING

Online license processing is a Win-Win solution that licensing boards can use to provide better services to their customers and reduce expenses at the same time.

For the customer, an online renewal offers them both convenience and a quick turn around. Customers can enter their renewal anytime of day and receive their license certificate within a few days. This is a perfect solution to boards that have large volumes of licenses that expire in the same month every year.

The licensing board receives many benefits, which include:

- **High Volume with Reduced Labor** – Online renewal sites can handle thousands of concurrent online users without utilizing any labor resources.
- **Free Data Entry** – The customer is doing the data entry the board staff members would typically be required to complete
- **Cleaner, Accurate Data** – Experience has shown when the customer is doing their renewal they will take the time to correct their street address, phone numbers, and spelling errors
- **Reduced Bad Checks** – The use of credit cards eliminates bad checks and the labor efforts associated with collecting them
- **Reduced Costs** associated with the production and mailing of renewal documents and the elimination of most labor efforts associated with license renewals

The customer benefits include:

- **Eliminate Processing Delays** typical of paper based renewal processes
- **Receive Licenses Faster** – Days after renewal online
- **Confirmed Renewal Processing** – Dated receipt and confirmation number
- **Address Maintenance Capabilities** – Ability to check and correct addresses within the online renewal process which can also increase resource efficiency

Case Study Brief: Online Renewals

One state medical board recently completed a study on their renewals and found that it was costing them almost \$20 for each manual license renewal, including the following costs: printing the renewal packet, mailing the renewal packet, data entry of the renewal information, printing the license certificate, mailing the licenses certificate. Using online renewals they got this cost down to \$5, which included: mailing a post card, printing the license certificate, mailing the licenses certificate, and the credit card fee. It also eliminated the labor costs associated with bad check processing and collections. They were able to shift a staff member from licensing to assist with enforcement activities.

Convenience Fees

The question many boards face is whether or not to charge convenience fees to offset the cost of credit card fee. It has been shown, in recent published articles and studies, that charging convenience fees sharply reduces the quantity of licensees renewing online and therefore defeats the purpose of the reduced labor and resource costs. Not to mention that by using online renewals, the reduction of resource and expenses far outweigh the credit card fee.

MAXIMIZING LICENSEE USE OF ONLINE RENEWALS

The successful use of online renewals depends on getting licensees to use it. Listed below are tips that can be used to maximize the use of online renewals and reduce expenses.

E-Mail Renewal Notice – Sixty days in advance send email messages to the licensees letting them know that the renewal period is approaching and give them the online address of the renewal site. If they don't respond by 30 days, then send them a hard copy notice. This can lower costs by reducing the number of physical items being mailed.

Ease of use – Make use of the online renewal site easier and less painful than a manual or paper renewal.

For example, send the customer a hardcopy notice that their license is expiring and give them the address of the online site they can use to renew their license. Include a postcard they can return if they want you to send them a physical renewal packet. By forcing the burden to the customer to fill out the card with their name and address to request a paper form, many will default to the online system and save the agency valuable resources and financial benefits. In addition, make the customer put a stamp on the return postcard asking for a hard copy renewal form. ***This action alone increased the use of online renewals at a specific licensing board by 7%.***

Quick Turnaround – Offer to process the license renewal and have their new license sent to them within 2 business days through the online process. This will keep them help keep them legal.

Instant License Printing – For license renewals than don't need prior approval, have the online system provide an unalterable license certificate that they can print on their own computer, similar to airline boarding passes. This will eliminate the cost associated with printing and mailing the renewal certificates.

*For more information on how your organization may benefit from online renewal processing, please contact **CAVU Corporation** at www.cavucorp.com*