



Department of Financial Institutions

Digital Transformation - eLicensing



Agenda

- **DFI Overview (slide 3)**
- **Current State (slides 4 - 7)**
 - **External Integration**
 - **Current Internal Systems**
 - **Overall View of External & Internal Systems**
 - **Issues with Current Solution Set**
- **Process to Identify Future State (slide 8)**
- **Future State Requirements (slide 9)**
- **Solution Selection Process (slide 10)**
- **Recommended Solution (slides 11 - 12)**
- **Proposed Future State (slide 11)**
- **Questions (slide 13)**



Overview

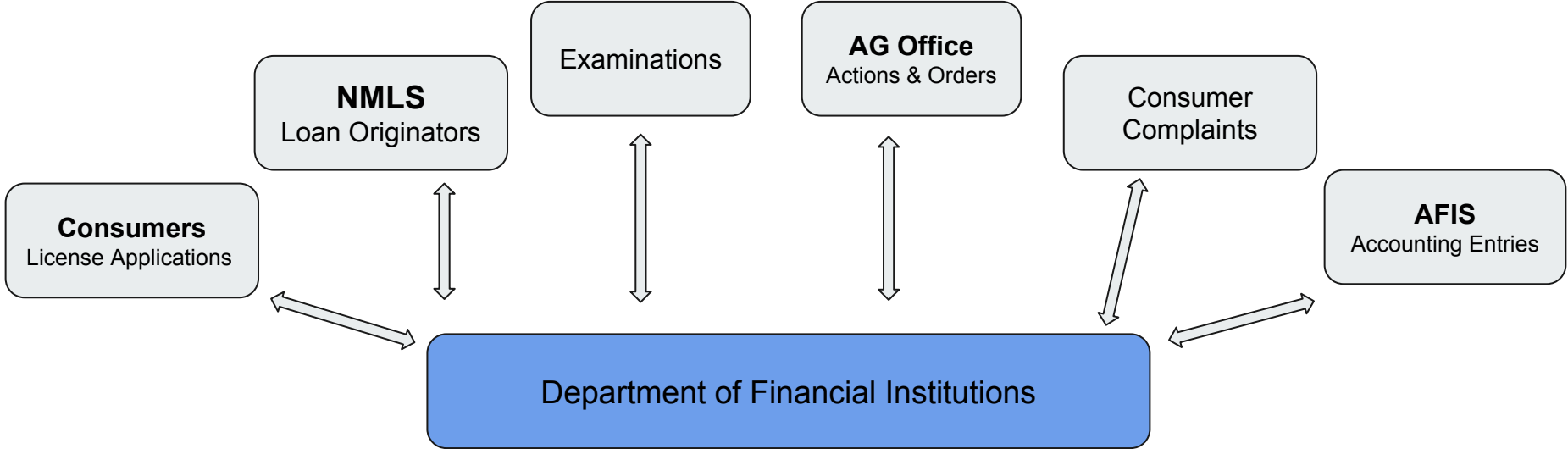
Mission

The Department of Financial Institutions (DFI) regulates state-chartered financial entities by licensing, examinations and supervision of Financial Institutions, in compliance with State Law, to ensure safety for the Arizona consumer and soundness for the Arizona business.

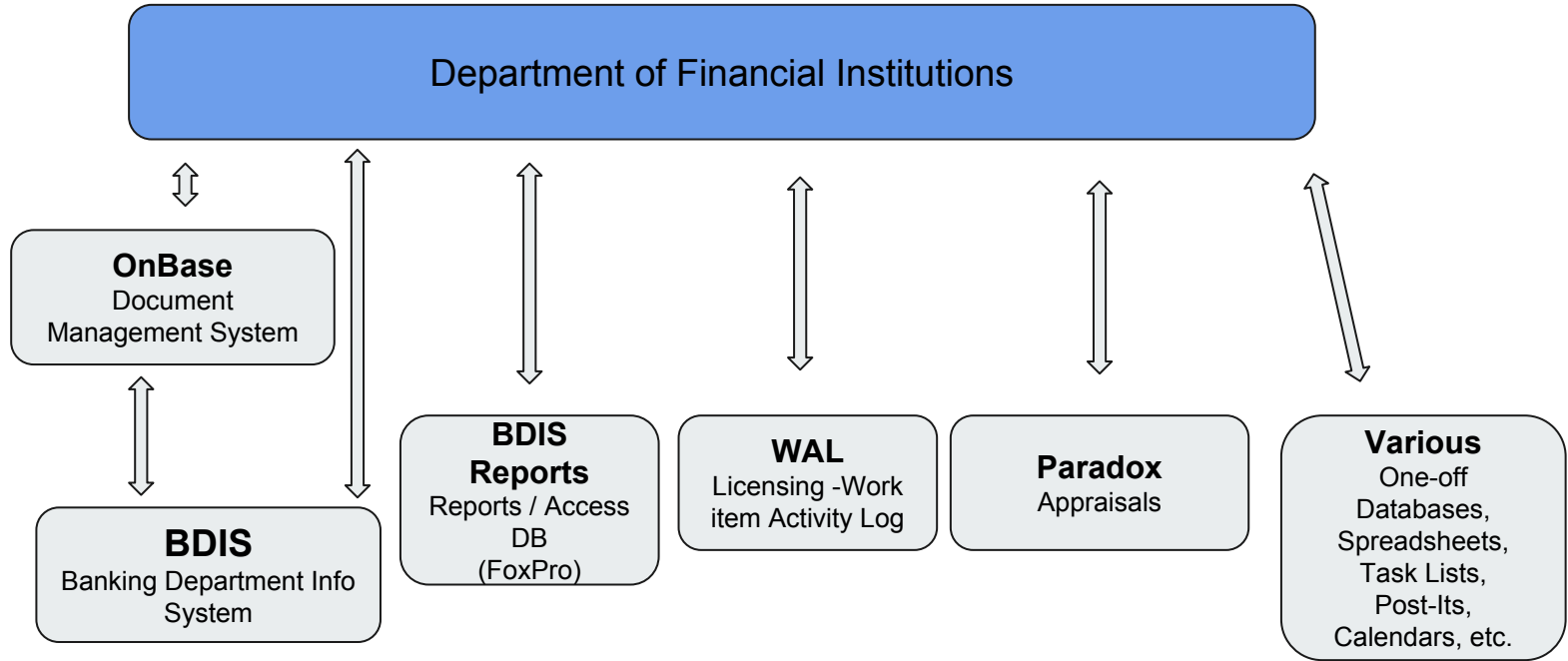
Description

The regulated entities include money transmitters, motor vehicle dealers, holding companies, trust companies, sales finance companies, collection agencies, escrow agents, debt management companies, consumer lenders, mortgage bankers, mortgage brokers, premium finance companies, credit unions and banks. Beginning in FY 2016, the department began regulating real estate appraisal entities which were previously overseen by the State Board of Appraisal.

Current External systems and applications required for DFI to carry out Agency Mission.

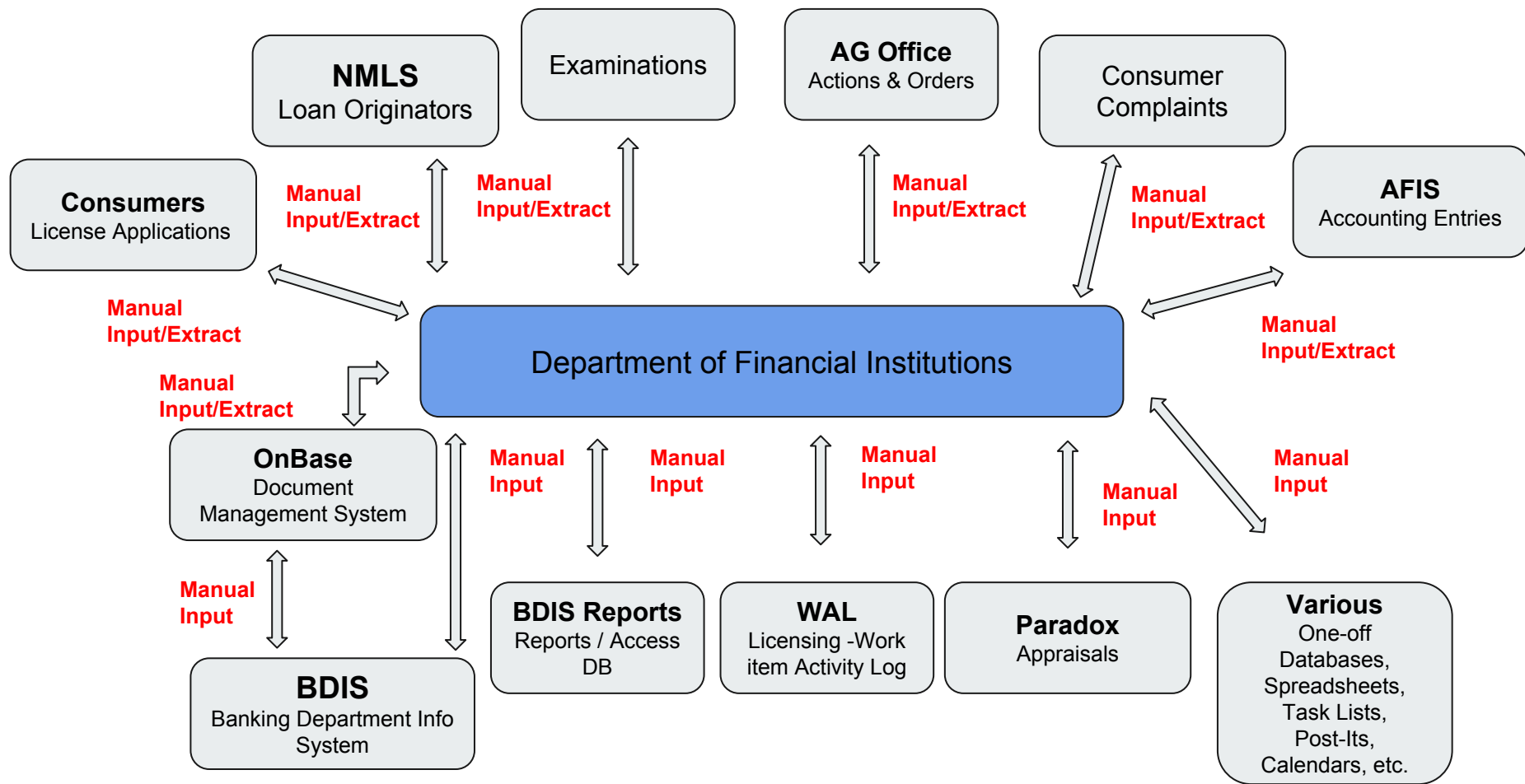


Current internal systems used for DFI to carry out daily functions



Numerous security risks associated with current systems in place.

Overall view of internal/external systems used and the manual tasks required for DFI to function today



DFI Current state IT infrastructure is severely outdated

Significant Concerns with System Stability with no disaster recovery plans



Outdated Solution Architecture

- *Databases – FoxPro and MS Access*
- *No integration with 3rd party systems creates multiple manual integration points*
- *Difficult to support with minimal current detailed knowledge of applications*



Lack of Scalability

- *System Limitations leave minimal room to meet new demand for volume and functionality*



Manual and Inefficient Processes

- *Significant opportunity to automate and improve efficiency and effectiveness*

MSS Approach: Comprehensive Strategic Assessment

DFI completed a comprehensive gap analysis between current capabilities and best in class future state requirements along with recommendations for completing the migration from current state to future state. The recommendations provided will position DFI to meet strategic and operational objectives.

❖ **Strategic Assessment of AZ DFI Future State requirements**

- Gathered 305 business requirements from AZ DFI Subject Matter Experts to accurately define future state solution implementation scope
- Interviewed representatives from Kansas and Nebraska state DFIs to explore operations and future state visions of other DFIs, as well as determine what is considered “best-in-class”

❖ **Detailed Assessment of Current State Capabilities**

- Conducted discovery sessions with AZ DFI IT Department to determine the functions for all current state solutions, as well as critical migration needs and related data risks
- Conducted discovery sessions with key “facilitators” in the agency to identify all critical “Shadow Systems” used throughout the agency

❖ **Assessment of Potential Solution Providers**

- Conducted a Request for Information, including high-level demonstrations, to fully understand the prospective vendors’ capabilities to deliver AZ DFI’s defined future state vision
- Identified four potential vendors that are able to deliver 100% of the defined future state vision for AZ DFI

❖ **Developed Migration Strategy**

- Developed strategy for an effective, successful transition to the future state solution while mitigating data and IT infrastructure stability risks
- Identified a de-commissioning and data migration strategy with the legacy system including potential high risk areas

❖ **Operating Model/Staffing Review**

- Defined the mission critical IT functions and identified those that will be performed by ADOA in the future
- Reviewed the functions and currently allocated resources, along with associated levels of effort

DFI Future State Vision

Based on previous discussions with DFI Leadership team and our experience with other AZ State agencies, MSS has defined the following Future State Vision for DFI

Key Attributes of DFI Future State

Must Have

- 1 100% Paperless Transactions – DFI goes paperless
- 2 Key transactions automated using workflow
- 3 Automated import from NMLS
- 4 Strategy and plan to de-commission Legacy Systems – BDIS, WAL, Paradox, BDIS-reports, Shadow systems
- 5 Ability to integrate with 3rd party systems – B of A CC payments, AZ state e-Payments, OnBase DM, AZ Web portal
- 6 Agency-wide solution – current solution does not include all agency departments
- 7 Streamlined DFI user experience – Significant impact on user adoption and deployment

Nice to have

- 8 Mobile capability (remote access and approvals, expandable capabilities, etc.)
- 9 Superior customer experience – access and visibility

Solution Selection Process

The results of the MSS Assessment were compiled into a Business Requirements document and distributed to potential vendors on state contract, as well as vendors with industry specific products in an effort to gather the following quotes regarding the recommended future state of DFI.

Decision Factor	Industry Specific e-License & CRM	SalesForce + Deloitte	Salesforce + Integrator
Price - Five Year - TCO	Lowest	\$1,753,930	Highest
Ability to meet all business requirements	100%	100%	100%
Ability to adapt to future technology and industry changes as seen by DFI	No	Yes	Yes
Ability to integrate and automate processes with external systems used by DFI	70%	100%	100%
AZ Enterprise Solution	No	Yes	No

The Salesforce e-License Platform - High Level

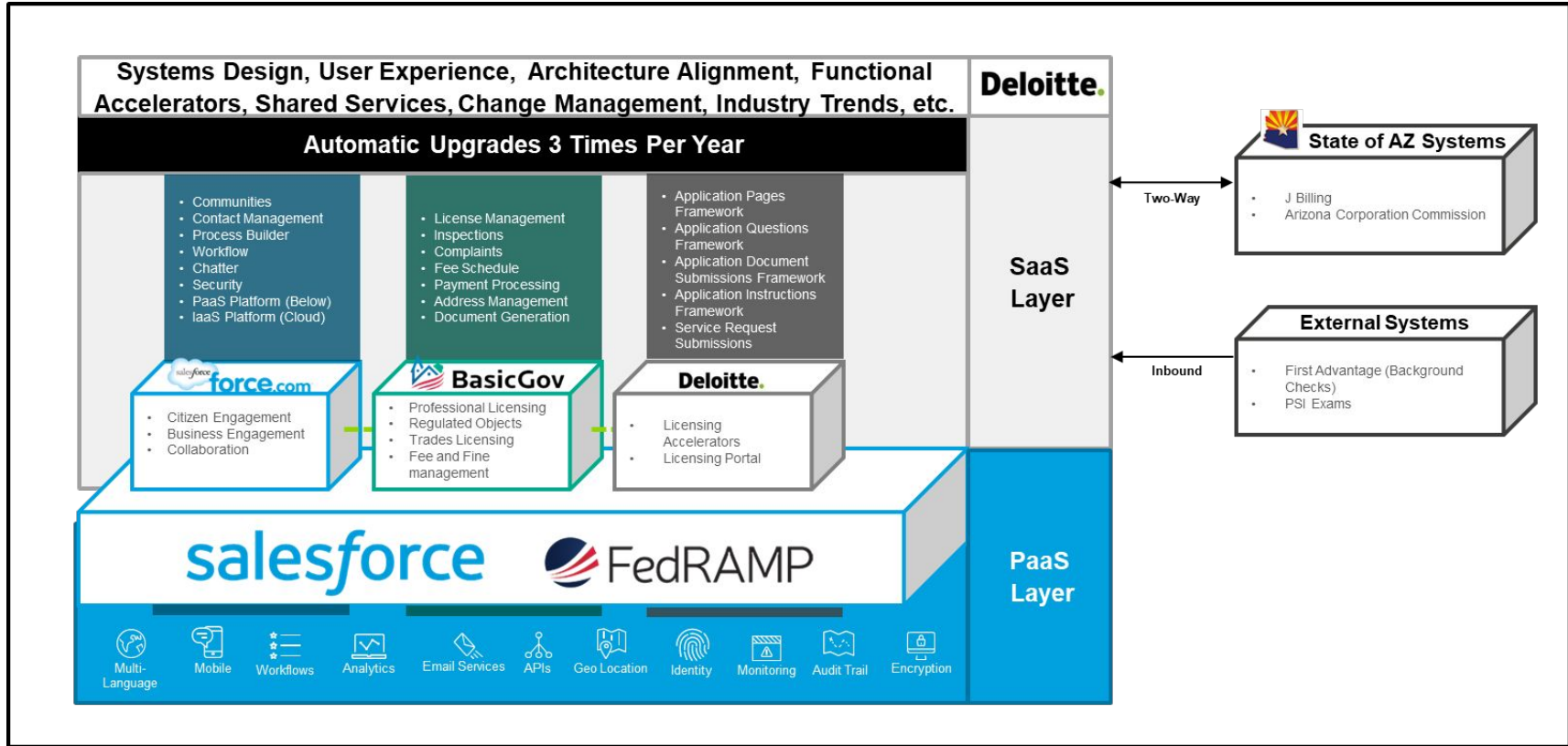
System Integrator (Deloitte)
Configuration
~80% Common & ~20% Specific

BasicGov Accelerator

Salesforce.com Platform

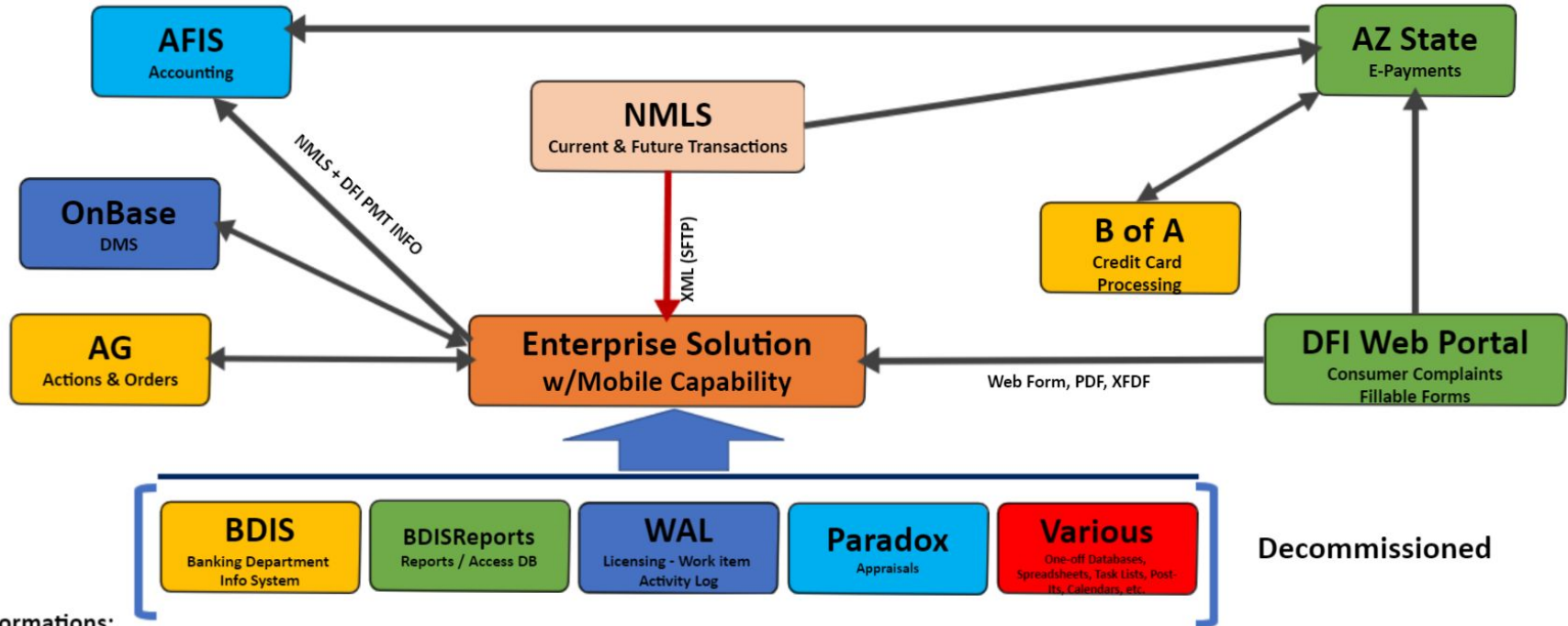
- **Common user-interface for back office users**
- **Enterprise frameworks to support portal applications, fee generation, etc.**
- **Specific configuration for each agency to support individual license types including fees, application questions, document submissions etc.**
- **Accelerator provides licensing specific functions such as license number generators, dynamic rules engine, inspection checklists etc.**
- **Letter generator creates, captures, and securely store documents such as wall certificates.**
- **Core platform that the eLicense and BasicGov is built upon.**
- **Extensible platform to build eLicense solutions that complement core licensing functions.**
- **FEDRAMP security certified with built-in mobile capability.**
- **Low code environment which consists of point and click configuration for building data fields and business logic.**

Application Architecture



Validated Future State Architecture Model

Based on discussions with DFI Leadership team and our experience with other AZ State agencies, MSS has defined the following Future State Architecture model for DFI



Key Transformations:

- ✓ All Legacy systems de-commissioned
- ✓ Paperless Organization
- ✓ An Enterprise system that has access to all 3rd party systems

End of Presentation



QUESTIONS?