



Preparing for the Green Flag: Positioning Your City/Town for Economic Recovery

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Dr. E. Gordon Gee, President of The Ohio State University, spoke at a reception in 2010 about the worldwide economic distress we're experiencing. He said, "This is not recession, it is a reset. The economy is resetting itself. We will never be as we were before. There is no going back to what was." That's why forward thinking city managers, mayors and councils are using the current economic malaise to prepare for the "new normal." Unfortunately, the Great Recession of 2008 shifted everything. We're challenged to prepare for fundamental change...to think differently about public services and business enterprises, but without the benefit of clear foresight. As with most futures, ours is still undefined.

We've been given a "gift" of time to prepare for the future; these next 12-18 months will be critical to the planning of local government enterprises.

Dr. Christopher Meyer (<http://www.fastcycle.com/Pages/Articles.html>), Strategic Alignment Group, is an expert in helping private firms change to improve operational efficiency and effectiveness. In his 2008 article "Innovation in Tough Times: Racing Under the Yellow Flag" he compares the current economic downturn to a "yellow flag" condition during a NASCAR race. He says: "Survival trumps growth as companies lift off the accelerator and stomp on the brakes. Nothing remains immune or essential. Travel, training and consultants are the first to go. Every cost decision in the company is jerked up at least one level where it's put under the microscope. Leaders slip into command and control mode while managers scramble to protect

their turf. Forward outlooks are so grim that everyone spends far more time looking inside for opportunity, than out. In most cases, fear drives people to contract, but not change."

For readers needing a primer on NASCAR: When there is an accident or hazardous condition on the track, a yellow flag signals everyone to slow down, use caution, and hold their position. Smart drivers use the downtime wisely.

They refuel. Make repairs and adjustments to the equipment. Slap on new tires.

And if they're seriously behind...they can catch up. While waiting for the race to continue, actions can be taken to improve their position.

While the target audience for Meyer's article was private-sector business, these same messages can be applied to local governments.

Are You Racing Under the Yellow Flag?

As local government, have you cut back? Are your long-range plans on hold? Have you put the brakes on the Capital Improvement Plan (CIP) and new community facilities? Is every project and program being considered for budget cuts? Does the top executive now review all subordinate managers' decisions? Are the mayor and council getting into the details of day-to-day management? Are people focused more on cost savings and less on service improvement? Do employees long for the good old days...pine for the past...and resist change? If so, you're racing under the yellow flag.



Dr. Meyer compares the current economic downturn to a "yellow flag" condition during a NASCAR race when everyone must slow down and make adjustments.

Using Yellow Flag Conditions to Your Advantage

Here are 10 thoughts for turning "yellow flag" downtime to your benefit.

- 1** Don't panic. Give yourself permission to take a deep breath. Slow down, for sure, but keep moving, and use this lull in the action to consider how to gain strategic advantage. Don't let tactical difficulties decide your long-term future.
- 2** Like a great racing pit crew, the staff, managers and policymakers must act in the moment and in sync. According to Meyer, accuracy is only helpful if it's coupled with quick action; quick action is only helpful if coupled with accuracy. They go together.
- 3** It's been said, "A crisis is a terrible thing to waste." Only in crisis can fundamental change occur, so use this economic recession and the down time as an opportunity to reset operations.
- 4** To keep things afloat until the recovery reaches your town, look for and deploy short-term, low-cost and high value alternatives that can be added or deleted quickly. Use your "yellow flag" opportunity to conduct an organization-wide drive to eliminate waste and non value-added efforts.
- 5** Innovation is a critical source of sustainable competitive advantage, so challenge your most talented thinkers to find opportunities buried in the immediate confusion. Engage in creativity and innovation, and look for openings that your competitors are overlooking or view as threats. Test new ways and approaches.

6 Do some planning. Take a hard look into the future business of public service in your jurisdiction. Then, base your predictions on your best guess of the new normal...not simply what's occurred in the past. Remember, things will not be as they were. Everything is reset.

7 Contraction is a necessary part of a recession management strategy, but contraction shouldn't be your only strategy. Be prepared to take reasonable, calculated risk.

8 A meat ax approach to resource assignment (budgeting) will not be helpful. Rather, surgically remove those "sacred cow" programs you've been trying to eliminate. Consolidate duplicate services. Find willing partners who want to help. When possible and appropriate, ask your customers, citizens and residents to pick up more responsibility...take some of the burden of public service.

9 Reconnect with your residents, the citizens, key stakeholders and policymakers. Use the concept of "we're all in the same boat, so let's start rowing together" as a way of bringing focus on the community.

10 Use this downtime to prepare to accelerate when the recession is over! ■

Lance Decker is a business planner whose practice focuses on local governments, community dispute resolution and conflict management. In this capacity Lance helps managers, policy makers and their constituents find practical pathways into the future. A frequent lecturer and conference speaker, Lance has several publications to his credit and teaches university courses in strategic planning, public involvement and conflict management. He can be reached at 602/957-9659, ldecker@lldecker.com, or www.lldecker.com.

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