

Chapter 23. Managing Our Government

While many are frustrated with aspects of our democracy, they are also overwhelmed by the prospect of an individual doing anything against a colossal machine. My dad used to say, “You can’t fight city hall.” While I had no experience fighting a city hall, it felt wrong to hear this. One individual is not going to be able to bring that huge WTAT flywheel to a stop and provide enough energy to get it spinning in the other direction.

However, that is what we need to do. It is going to take a lot of effort and time. We are left to either continue our downward spiral or to make the conscious effort to invest our time, effort, and skills and do our part. None of us have to do a lot. The key is that most of us need to do something. It does not have to be huge, just a little bit. We can be like ants that accomplish tasks much greater than their individual size and strength by all doing a little bit to contribute.

We are not going to start in Washington with our federal government. We are going to start as close to home as possible. We are doing this to build the skills to better manage the governmental services we are buying, since local issues affect us more immediately and we have more direct control at that level.

23.1. America’s Strength

Doing what has never been done before or stepping up to a challenge is something our nation has been great at. American determination and spirit are a force to be reckoned with. America can rise to a challenge, we can surmount almost any obstacle, and we can do the impossible if we set our collective will to achieving the objective.

We don’t need a larger-than-life charismatic figure, just most people taking more responsibility for managing our government. Believe it or not, there are more of us than there are problems. We have the power of the community. The burden of managing our government is a shared responsibility, not just for the few who currently pay attention. The first steps will be the hardest, as we move from our

current *modus operandi* to a state where individuals know what and how to accomplish a multitude of tasks.

All problems or challenges are unique, so the approach and actions will be different for each. The common attribute to these approaches will be individual commitment to investing more of our time, effort, and skills into tackling our problems. The degree of individual effort will vary across topics. It is unreasonable to think that everyone will be doing everything. For national topics (crime, education, national debt, the broken business of medicine), all citizens should have a basic level of fact-based understanding and should be able to engage in local discussions. On other, more nuanced topics, only those whose passion, interest, experience, or skills align with these topics would be engaged.

A more proactive course of action is for each and every one of us to shift out of spectator mode and get on the field of play. No matter how daunting the goals, how steep the slope, how entrenched the current system is, we need to choose to be much more responsible for the government we are buying. Fortunately (or unfortunately), there is more than enough that needs to get done, so there are ample opportunities. Caring about the value we get for all the government we buy and being willing to commit a portion of our time, skills, and efforts every year will be a massive shift in our culture and American identity.

We should start by finding common ground by establishing parameters for the smallest level of government services we all agree we must have. This is the Common Denominator Government.

23.2. Flywheel Idea: Common Denominator Government

Take someone from the extreme left and someone from the extreme right. No matter how different they may see things, there is going to be a small set of government services they will both agree to have. That is our common denominator level of government. While nations have been trading for a few thousand years, globalization continues to tie economies tighter and tighter. This higher level of competition and lower barriers puts more pressure on nations to maximize competitive advantages. One of ours is the ability to grow food, and we can choose to make having the most cost-effective government

another global economic competitive advantage.

Government is not smart enough or omnipresent enough to orchestrate an economy, but it does have the responsibility of creating a fertile environment where the natural dynamics of a capitalistic economy can thrive. Managing our government is the responsibility of all who have the ability to vote. So, we need to invest our time and efforts to force our government to be cost-effective and efficient. If we can continuously be getting increasing value from government services and paying less or stable costs year over year, that should give our national economy an advantage over all other nations who are paying more for less value.

While government spending adds energy to the economy and is needed when an economy sputters, much of it will always be a redistribution of wealth. Every dollar that does not need to go to government becomes available for other activities that can be a net benefit to our nation. This includes investment in education, business, infrastructure, and charity; fighting diseases; and funding consumer activities that provide value to the individual and stimulate economies. The government nirvana we should strive for is one that requires all aspects of government to be as effective and efficient as possible, so that we are constantly striving to optimize what our nation invests in government. (I am not supporting trickle-down economics from tax cuts because that is a nice theory that does not hold up to economic reality.)

In theory, capitalism (i.e., competition) creates efficiencies that help deliver better value at lower costs. While government is a monopoly, it does not have to be inefficient and does not need to have constant cost increases. Ideally, the customers and management can choose to drive it to deliver better service at lower cost year over year. In reality, what our government costs may increase faster than the inflation rate, but it is our job to manage government to minimize cost increases.

Common Denominator Government (CDG) is not a mathematical exercise, but a method for driving cultural, economic, and political change. We know that campaign finance reform is required to shift our political process away from a marketing-driven popularity

contest. But with political and economic polarization and an apathetic electorate stuck in ruts, something has to change before progress can be made. Picture trying to get the massive WTAT flywheel to change direction. You can take a running start and get crumbled, or you can get low, put all of your energy into it, and push. At first nothing will happen. You have to continue to push as hard as you can. Then, after a little bit, all of that slow, hard work begins to pay off and the flywheel starts to spin. You are now exhausted, but if a few more people come along and start adding energy, they don't have to work as hard to make that flywheel build energy.

CDG will be like that. It is going to take a committed effort. This is going to be a slog, but it has to be done. It took a long time and lot of social, economic, and technological changes to get to this point, so there will be no magic panacea to rectify the situation. It must be many of us, but it will not be all of us. As the New England Patriots coach Bill Belichick preaches, just "do your job." That is what each of us needs to be doing. Don't get distracted by what others are or aren't doing, just focus on what you can do.

How each community deploys or approaches CDG will differ; there may be multiple groups working in parallel. Others may be focused on helping communities not reinvent the wheel by taking best practices and helping propagate them. Standards will help with comparisons and benchmarking, but it is more important to get going than to procrastinate waiting for the perfect solution. Americans get frustrated spending too much time creating specifications and lose patience, so it's more important to just get going. We may be veering off at 45-degree angles from our ultimate goal, but we'll take forward progress.

I picture a multitude of small vectors (different length lines pointing in a direction). When you add them all up, we begin to get progress: all those little pushes are what stops the current flywheel direction. One example is the Rye Civic League, which has come a long way in the first few years of its reincarnation (see the later sections), but we still have much more that can be done, as long as we are always working to get continually better, making adjustments and improvements.

Not all communities will move at the same pace, but some will get perpetual systems in place (like civic leagues or town administrators cut in the mold of Durham, New Hampshire's Todd Selig, who releases Friday updates that started as an e-mail and have only gotten better).⁷⁰ The next step would be to apply CDG to larger areas of our government, such as the full city, regions, counties, and states. We could develop the ability to have discussions and debates and to self-educate each other on the views and facts that surround national issues.

Through these new skills, participation, and communication norms, communities can then take actions locally that address national challenges (reducing total energy consumption, improving health and nutrition, protecting the environment, etc.). Communities will develop the ability to get different facts, have discussions, and build networks of local people that engage with each other, having different opinions while still working together. These skills will be a base for when our state and federal political leaders start discussing major investments of our money. Other people's money that drives marketing campaigns for issues and candidates, lobbying, and other outside influences will be pushed aside and be replaced by informed, educated, and involved government consumers.

23.3. CDG is Economic

The goal is not to have some Kumbaya society where we all play nicely together, but to drive the economy. That energy is what provides jobs, and most of us spend the majority of our lives working. We all want to be paid well and to have job security. Money makes money and always will, so the rich will continue to get richer. But with all of our eyes open and fully vested in managing our government, the playing fields will be less tipped. Upward mobility should be more attainable, allowing our flywheel mass to be more evenly distributed along the flywheel radius and not overly skewed to a minuscule percentage of our population.

That economic energy is what enables us to stay on top of our maintenance and improvement investments that keep our economic

flywheel spinning smoothly. Think of it as keeping the axle greased. If it gets covered with sand (crumbling infrastructure or inefficient systems), then the wheel doesn't spin as well, or the debt load requires more energy to fight through. Remember, not all debt is bad, but when the wheel is spinning slowly, too much debt can be crushing. When we have lots of momentum (size and speed), we may not even feel the debt burden. When that wheel is humming, it takes less external energy to keep it going, and additional investments can be made without increasing taxes.

With CDG, we start at the bottom and drive up for better value at less costs year over year. Fewer individual and business assets going toward taxes will shift more to us for leisure retirement or additional business investments. This is not the misleading concept of trickle-down economics that has lifted big boats and has let smaller boats sink, but a more balanced economic stimulus. Now, any other nation can do the same thing, and the smart ones will follow suit, but we have the opportunity to establish the first mover advantage and a lead we should not vacate.

Former chairman of the Federal Reserve Alan Greenspan used to talk about productivity growth, which is getting more out of the same investments. To grow economies, the economy needs to add value. Think of manufacturing or food production. You are creating something that has value. For net new value, you are rewarded for what you have created. Manufacturing is a smaller part of our economy, so we need to offset this shift with more food production, new businesses and technology, and the ability to get more out of the investments we make.

Our total government is the largest services business on the planet. CDG is the first step in driving productivity growth in our massive services company. We are starting with what we agree we must have; however, that is just a fraction of the government we have.

Chapter 24. Getting Started with CDG

First, we stop fighting over raising taxes or cutting government. We all have different opinions and that is fine. We start with what we can agree on. So, maybe just police, fire, and schools at the local level. This is CDG. It does not have to be the entirety of CDG, but it is something to get started with to build the tools, methods, and mindset for working together to manage this starting set of services.

We begin with putting our focus on this CDG and work together to make sure we are getting better services at a lower cost year over year. It may sound simple, but it will be more complex in the implementation. As a nation, we need to develop and excel at these skills. It starts with being extremely clear on what value each part of government should be providing (i.e., our expectations) and then quantifying how to measure it and establishing the bar (i.e., what is good or bad). With the baseline established, we need to hold each CDG entity responsible for making annual improvements and use the baseline to flag not doing so as failure. This may require additional investments, but many of us know from business that IT, systems, re-engineering, automation, and other investments are absolutely necessary to remain competitive. This also holds true for a service business, and our government is the world's biggest services corporation.

The process of getting our CDGs under control will convert us from pitiful consumers of government to fussy, high-demanding customers who settle for nothing less than excellent services and high value. Once we can get to this point, it is much easier to have discussions about the next layers of government. These can be aspects of our government that not everyone agrees are essential or should be done. However, as we have these discussions, the services in question will be evaluated on the basis of everyone being able to clearly understand the expected value, and how we will measure them and know that they will be working to become continuously cost-efficient and effective. In other words, we could begin to actually trust our government to be respectful of our money.

The CDG-focused process needs to happen at all levels: local, state, and federal. This creates opportunities for everyone. You can argue this is a choice. Our culture needs to change so that choosing to be responsible for managing our government is something we all want to do.

24.1. Taking Local Action: Steps Toward CDG

There are not many ways to measure your local economy, but this is where the impacts will be felt first on both flywheels. These local activities are the intersection of stopping the WTAT flywheel and helping to maximize economic flywheel energy. Start small, learn, and build. The key is to only bite off what you can chew. Communities need to start with elements of government that are small and locally controllable. Where can we find autonomy and local control? There will be more hands-on control in smaller communities and more of a challenge in larger cities. The complexities from a city being the smallest level of government could mean the first elements that show improvements are smaller sub-departments delivering government services. In some situations, there may not be controllable and delineated budgets or control mechanisms at precincts or local fire stations, so more budget assumptions may need to be made.

Some will be tempted to say all government services are needed. They may be right, or they may be wrong, but looking at all government services is not the first step. Start with just the top two or three and leave the rest for later. Ask what purpose or role this service provides. How it evolved is not why we have a service; the focus needs to be on what value it provides now. No one is going to say we don't need fire protection. A better question is, how much fire protection do we need? Do we know how many fires we fight now versus twenty years ago? Is it comparable, or is there a larger level of risk we are willing to accept based on new building materials, smoke detectors, sprinkler systems, and mutual aid? Are there other "services" the fire department provides beyond fire protection?

There are initial dimensions to these questions. The first is: what do we need? And the second is: what total services are we getting? To address the need, we should be asking hard questions. These are the

strategy or planning questions. Based on the population and other trends, what is it we need now, and what do we need moving forward? We can then construct Venn diagrams of the available services in an area to figure out if we have too much, not enough, or just the right amount of service equipment for that area. For example, I built a table to show all of the fire equipment my community has in the adjacent small towns and the abutting city's Station 2 that borders three towns. From this table, it is clear how over-equipped the area is. There are just not enough people employed at the fire departments to use any sizable percentage of the equipment at one time. The reality is that if multiple things were happening, on-duty staff from other areas would arrive before we could get our extra local equipment onsite.

With a rapidly aging population, we need more ambulances and paramedics than big fire apparatus. Government tends to grow, but it is our job to ask the questions about rightsizing government. Many areas of the country are regionalized, so those regional services would not be the best places to start. These communities, like larger cities, may need to focus on other government services as they build the skills to ask questions and measure value delivered.

For your local police department or public works department, do you have the most cost-effective or the least cost-effective department? The evaluation must include not just employee/budget costs per people or area served, but also the services that group provides. You may be paying much more for a department than, say, a cousin in a different county, but if they are getting far less services, maybe you are getting more value for what you are spending.

Exact comparisons may be difficult, but we do not require the precision of a lunar landing. Ballpark comparisons should be sufficient for initial evaluations. Be wary of those who insist comparisons can't be made if everything is not exact apples to apples. Of course we would like comparisons to be as accurate as possible, but in many cases, close or approximate should be sufficient to identify if we are overpaying or underpaying, or if the services are not meeting our expectations.

A good starting place for comparisons is the budgeting code standards many states require for municipal budgets. If you are not

involved with finance or accounting, you may not be familiar with charts of accounts, which are the structure of financial record-keeping. Businesses create a structure customized to their current business organization, but states require a level of consistency across municipalities. This standard coding for budgets and actual spending will help with comparing town versus town or city versus city. Note that it is not cut and dry, and some assumptions and manipulations will be made. For example, my town's police and fire department share a building, but building costs are in a standalone account, so these costs should be reallocated to each department.

There will be quantifiable metrics, such as what is spent, staffing, percentage of benefit costs, and number of people or area served. These numbers can then be analyzed by people in the community who have the analytical skills, as well as by others who can describe the story the numbers present. This story may include points such as a constant rate of growth, changes in ratios between equipment and employees, or trends in salaries or hourly and overtime costs. Nothing may leap out as significant, but no one is doing this analysis for us, so we need to do this work to better monitor and manage what we buy. Resist the temptation to have departments tell us what is going on. They may need to open their respective kimono, but it's the consumer's job to determine value, not the stores or businesses providing the services.

Before we declare we are getting the best deal for our money, we must also tally what services are being provided. Some towns have trash pickup, others don't. What other community services do the police, fire, public works, recreation department, or library provide? To defend budgets by showing value, some departments may be tracking their own activities already. Our local library has posts about how they compare in statewide usage statistics. Similarly, our recreation department reports number of programs and people involved. Qualitative aspects are how easy or hard it is to work with the local government. Is department information online? Can you get service on Saturday morning? Are there extended hours one day a week? Businesses continuously use surveys to measure the qualitative aspects and make improvements.