

Leadership in Tough Times

Indiana Fire Chief Association

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Leadership in Tough Times

- How many fire departments are dealing with:
 - Reduced funding?
 - Being asked to do more with less?
 - Responding to more responses?
 - Was struggling before the economic downturn?
- How do we deal with these issues?



Leadership in Tough Times

- Departments need to:
 - Collect and Study Data
 - Develop Key Performance Indicators
 - Develop Continued Quality Improvement



Leadership in Tough Times

- The days of expanding a fire department, and expanding services is over.
- Fire departments need to have the ability and willingness to manage operational fire and EMS data.
- We must be able to articulate the real impact of proposed budget cuts within our departments.



Leadership in Tough Times

- If you don't have a good data collection and analysis process, getting one should be a high priority.
- Our leadership will be defined by how we rise to the challenges of this new environment.
- “Tough times don't last, tough people do”.

Leadership in Tough Times

- Need to Avoid Common Pitfalls:
 - Refuse to consider any significant changes or new ideas – the time for change is now.
 - Refuse to explore any other revenue opportunities – “It’s up to the community to fund us!”
 - Don’t share information regarding costs of your services or the impact of budget cuts.
 - Plan your budget cuts for the short term – funding increases are just around the corner.
 - Any so on...



Understanding Leadership and Organizational Practice

- We need to be able to go through a systematic decision making process for identifying budget cuts in terms of impact on service levels.
- We must plan for long-term sustainability of fire and EMS service levels.
- It is our job to ensure that the decision-makers are able to make informed decisions and the implications of their decision on the community.



Understanding Leadership and Organizational Practice

- We must understand the nature of services, the cost of services and how changes in service levels will often have multiple, perhaps unintended consequences.
- Do not make knee-jerk decisions. Anything that is cut, may not be replaced in the future.
- Decisions should be made based on best practices and national standards.

Understanding Leadership and Organizational Practice

- You should establish a strategy of which cuts should be made 1st, 2nd, 3rd and so on by prioritizing to reduce impact on services.
- Do not react with emotion! Thoroughly vet the situation.
- Base decisions on the mission, vision and values of the local governing body and the fire department.



Understanding Leadership and Organizational Practice

- When considering any service cuts, it is always recommended that you outline all options.
- Now is not the time to make unilateral decisions without input from all potential stakeholders.
- You should bring all stakeholders together, including labor leaders and/or informal leaders in your organization.



Understanding Leadership and Organizational Practice

- Reach out to other members in your organization for cost saving ideas.
- Reach out to other department heads of your local community. (Community Groups, Partner Organizations, Public Safety Boards and Commissions, Business Leaders)
- Remember, anyone can cut expenditures by cutting services. Your challenge is to cut expenditures while attempting to maintain your core services and mission critical programs.



Good Data

- **Good data is relevant** – You are collecting information on things that matter, like response times and number of calls for service.
- **Good data is accurate.** Your processes for data collection must be consistent and trustworthy.
- **Good data is reliable.** A measurement from one company is equivalent to the same measurement from another company.



Good Data

- If your department isn't accredited, now is the perfect time to consider the accreditation process.
- It provides a very clear picture of what an agency is doing and why, and in a format that is easily communicated and understood by a governing body.
- The data can help verify and validate existing service levels.

Good Data

- The value of good data and analysis is clear – It allows you to portray the impacts of budget cuts in terms of pre-agreed upon performance indicators, such as response times.
- You can discuss an additional 8 percent cut by stating, “That would force our response times from 4 minutes to 8 minutes – is this an acceptable impact to you?”
- Only through sound analysis and good data can you be credible when you make these statements.



Good Data

- Essential to this process is good communications.
- Any changes you are making within your department has to be sold to your members; any changes in services you are making in your community has to be sold to your stakeholders.
- Understand that public perception is critical and that the fire/EMS department operates within the context of the larger community.



Seizing the Opportunity for Innovation

- Innovation is hard – because innovation requires changing the patterns of our thinking and challenging cherished assumptions.
- Have we really considered new or different ways of doing business, or are we wrapped up in “doing things the way we always have?”



Seizing the Opportunity for Innovation

- Consider diversifying your revenue streams; look at all of the services you provide and see if there are services you can provide for fees or if there are cost recovery programs out there.
- These options maybe limited by state laws or legislation.

Laying the Foundation for Best Practices

- Financial Management Strategy:
 - Financial Diversification (What revenues or savings can we gain over the next five years by exploring financial diversification?)
 - Enhanced Purchasing Management
 - Risk Management
 - Plan Timing of Revenue/Expenditures
 - Full/Partial Cost Recovery
 - Privatization of Services or Public-Private Partnerships
 - Explore Alternative Revenue Sources

Laying the Foundation for Best Practices

- Financial Management Strategy:
 - Gaining Efficiencies (What savings can we gain by improving efficiencies within the department?)
 - Program Management
 - Health & Safety
 - “Green” Initiatives
 - Continued Quality Improvement (i.e., smarter, faster, cheaper)

Laying the Foundation for Best Practices

- Financial Management Strategy:
 - Service Reductions (And then, what savings can be gained – and with what impact – by reducing services?)
 - Personnel Management
 - Benefits
 - Service Demand Cycles
 - Leave
 - Prioritization of Services Based on Impact
 - Vacancy Management



Summary

- The current economic challenges are taking a toll on everyone and nearly every organization.
- As a chief officer, you are faced with tough fiscal decisions frequently, and you should expect for that to continue in the foreseeable future.
- You are a leader in your department and your community. Your leadership will be defined by how you rise to the challenges of this new economic environment.



Summary

- Consult your peers for their advice, guidance and support.
- Lean on your personnel and professional networks, like the Indiana Fire Chiefs Association, for support during these tough times.
- Thank you