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 your 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