

## COVER SHEET INFORMATION

Case Study Title: **It's Really *COOL* Down in a Gold Mine!**

Case Study Category: Organizational Design

Jurisdiction: City of Rancho Cordova

City Manager: Ted Gaebler

Innovation Award: Absolutely

Rapid Fire Session: No

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Presentation Team: TBD

## SYNOPSIS

*Cool* communities are not afraid to reframe their thinking. Our industry suffers from an endemic blindness to the unleashed capacity within our existing work force. Far too many governments pigeonhole employees as serving only a functional job title or classification, ignoring most all the untapped skills, interests and experiences those employees have.

We in local government are all living on top of gold mines, and we may not even realize it, much less understand how to dig it out! The purpose of this case study is to demonstrate how to “mine the minds” of our employees. Without needing consultants, additional training, or even spending money, the City of Rancho Cordova exposed a framework for building organizational capacity to meet future needs with existing staff.

### Background & Purpose

In June 2010, the City of Rancho Cordova formed a cross-departmental group of prospective future leaders and mid-level supervisors in order to facilitate their growth as employees and leaders, and foster important succession planning. The group, self-identified as the Future Leaders and Innovators Team (“FLITE”), established a mission statement through a collaborative process that resulted in the following charge:

*“FLITE provides opportunities for professional development, internal teambuilding, external networking, and the exploration of innovative government.”*

Self governed and organized, with no management oversight, FLITE has sought to fulfill its own mission by meeting at least once monthly in a variety of settings-- exploring professional development, training opportunities, group mentoring sessions with the City Manager, guest speakers, and even networking during pizza socials and happy hour trips. While these monthly meetings were highly successful at building better inter-personal relationships among the FLITE members, they did not allow for much opportunity for the group to “accomplish something” more concretely meaningful to the overall city organization. This became a true “itch” in need of a “scratch.”

The stars aligned in December 2011 when a few FLITE members determined that the desire to do/accomplish something concrete for the organization could be partnered with the mid-year budget realities that FY12/13 revenues would once again be down. Like most all local governments across the country, the City of Rancho Cordova has experienced a precipitous decline in revenues since the peak of the economic boom, around 2007. While cost cutting and belt tightening measures have ensured revenues exceeded expenditures (Rancho Cordova has delivered nine year-end surpluses in nine years of incorporation), there was a feeling that not enough was being done to bring in new revenues.

The convergent needs of innovative new revenues, a desire to accomplish something meaningful, and a desire to foster career development, led FLITE members to create a friendly competition. The goal of the competition was simple: explore FLITE's ideas to generate revenue or further reduce costs. However, a deeper and more meaningful result came from the competition. **We not only believe the competition process can be replicated by any organization, we also deeply believe it helps TLG spread value to members by sharing a practice that is specifically designed to foster an environment for innovation within local government.**

### Did You Say "Free"?

To develop employees into creative, innovative, and self motivated thinkers who habitually search for intelligent ways to do things is priceless. If the cost for developing those employees is free, you have struck the Mother Lode! Perhaps the most beautiful aspect of the FLITE competition was that there were *no additional costs* associated with this model of career development. Employees simply took time to ideate, explore, and shape potential ideas for solving budgetary constraints. It also provided on-the-job training, specifically applicable to the City, and presented the potential to generate invaluable results to the organization's bottom line.

### Innovative Characteristics

The FLITE competition was innovative for five specific reasons:

1. **Choreographed Team Work.** FLITE was split up into four teams of four or five members. Each team was very carefully paired based on set characteristics of known communication and work styles. Each team included a member at the supervisor level. Each team had one member from the Finance Department for fair and equitable access to financial management systems. Each team also had one member with strong budget development experience (not necessarily the finance department person.) Finally, each team consisted of employees who did *not* have close working relationships with other members, physically or organizationally.

Orchestrating the FLITE teams using a prescribed, highly strategic set of guidelines is innovative for several reasons. It placed people outside their comfort zone by teaming them with people outside their usual work partners. It equitably distributed strengths and weaknesses, allowing for characteristics of each team member to be exposed in a safe and friendly manner. It bolstered the City's overall culture by strengthening cross-departmental working relationships, as well as advancing understandings of how/why people from other departments, job types, years in service, and personalities operate as they do.

- 2. Structure.** The timeframe for the competition was just short of three months and began in December. The competition concluded just before the City's award-winning Annual Corporate Report in late February (the City's simulation of private sector shareholder meetings where City financial results are presented, focusing on audited results rather than proposed budgets). Purposefully scheduled prior to budget kick-off, the Corporate Report provides City Council an opportunity to provide feedback and guidance on what they want to see in the upcoming budget process. By concluding the FLITe competition prior to the Corporate Report, it allowed for serious ideas to be presented at the Corporate Report and to gauge City Council interest in pursuing.

During those three months, each group was free to organize themselves, explore their ideas, research feasibility of ideas, and do the deep background work required to determine the reality of ideas. In early February, each FLITe team presented their ideas to the Executive Advisory Team (the City's top five managers including the City Manager and Assistant City Manager) as the first step in determining results.

- 3. Measureable Criteria.** Since this was a competition, two important aspects of the competition included determination of: 1) a winner, and 2) whether or not FLITe members learned from the process. Both aspects were used as measurable criteria for success. In order to gauge both, two distinct sets of criteria were developed. The first set of criteria involved a score sheet used by the Executive Advisory Team to score each group, measuring dollars of revenue and savings presented, the perceived feasibility of the ideas proposed, and the "wow" factor-- that inexplicable draw to an idea.

The second set of criteria was an internal FLITe score sheet focused on the competition process. It measured, on a scale of 1-5, expanded awareness of the budget process, new understanding of co-workers' communication and working styles, teamwork and collaboration, involvement in City budgetary issues, and the "wow" factor of the competing ideas.

The results were three-fold: 1) two groups were selected to present their ideas to City Council at the Corporate Report, one of which became the focus of a two-hour workshop, continued from the Corporate Report, and is still a policy decision under consideration; 2) all of FLITe was rewarded for their good work with tickets to a baseball game; 3) any of the two ideas still alive are eligible for a cash bonus of 10% of any revenues they may produce.

4. **Setting the Stage for Innovation.** Most innovation is the result of environment, either extreme pressure (such as a failing business) or by people not versed in established constructs (such as inexperienced employees). As a rule, we in government are not good at leveraging these situations to promote innovative thinking. This competition sought to simulate both of these situations simultaneously.

First, by openly and candidly describing to FLITe the real and significant fiscal challenges for the coming years (something not done in many places), the group was given the reality of fiscal pressure. Though not specifically used as a “stick”, i.e. if you don’t produce X result, Y cuts will happen, budget reductions were a reality demanding a management response. Therefore, the competition was very carefully framed as FLITe’s opportunity to have input into their own destiny, thereby simulating extreme pressure.

Secondly, the inexperience of talented employees was exposed. Inexperience requires a participant to ask questions in order to learn. It’s the process of questioning the way of things that generally leads to new ideas. The majority of FLITe members were unfamiliar with the budget process. They had little understanding of how an entire budget is developed, causing the need for deep questioning of how and why things were the way they were. Additionally, they were given only one rule - that there weren’t any rules. It was explicitly noted that suggesting layoffs was not an acceptable (and surely not innovative) response. However, intelligent or logical ideas for restructuring the organization could be tactfully explored.

5. **Unintended Potential.** Though the original intent was to create revenues or cost savings, the true impact of the competition has proved far more valuable, albeit unintentionally. The score cards showed that FLITe members resoundingly felt they learned something new and meaningful, and the experience was particularly applicable to the future of their careers. A laundry list of ways the competition produced meaningful impact includes:

- A more robust and connected culture of teamwork and unity;
- Expansion of the budget process to be more collaborative and include more employees and their ideas;
- Experience presenting to City Council in the context of policy level discussion; and
- Sending a clear message that exploration of ideas is acceptable and encouraged.

While these types of impacts were invaluable to both the organization and our employees, they appear to be trumped by an outcome of the competition we never set out to produce.

The FLITe competition is a new collaborative model. As we reflected on the process, we realized this structure could be easily replicated by any organization. All that is needed are mid-level employees willing to engage in a process that allows them to explore their ideas. The result is guaranteed to benefit the organization from a cultural and developmental standpoint. Perhaps more importantly, though, it also encourages the opportunity for an idea to come along that shines brightly as a rich vein of gold.

### Obstacles

Most of the obstacles we can envision come from the state of the organizational environment and its ability to be receptive to new ideas. Councils may not adopt ideas for new revenues or cost savings. Managers may not be receptive to ideas without big dollar values or those thought of as “low hanging fruit.” Elected officials or top management not supportive of staff growth and development would render this approach dead on arrival. Additionally, the restrictions imposed by a union-controlled environment may unintentionally intimidate junior staff truly exploring box-blowing ideas.

### **PRESENTATION STYLE**

We would introduce this *cool* topic using a 20-30 minute Prezi presentation. Following the introduction, the audience will be split into groups/teams and put into competition among one another to come up with the best short-term idea for a chosen situation. The challenge for the audience will lie in not knowing their immediate colleagues’ positions, experiences and work or communication styles. They will also come from different states, so the same rules may not apply to each idea. The key, however, is in the demonstration that “mining the minds” that already exist with specific, strategic intention can allow a flowering of creativity and innovative solutions, all while encouraging collaboration and team building.

The wrap up and outcomes will demonstrate the communicative value of this exercise, and advance networking and idea sharing at the best “thinking conference” in the country. The attendees will learn all that they need to know to introduce this tool in their organization. And, they will be invited to tap Rancho Cordova staff for any individual coaching needed/wanted on how best to approach this back home. How *cool* is that?!