



PM MAGAZINE

JUNE 2006 · VOLUME 88 · NUMBER 5



Putting Communities at the Center of Branding

Imagine for a moment you're not a local government manager. Instead, picture yourself as your locality's brand manager. Don't relax just yet. This is anything but a cushy position, and this article will help you learn how to take ownership of your community's brand platform and brand identity.

Don McEachern, Nashville, Tennessee.
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Brandstanding: Four Cities Share Their Success



And the Walls Came Tumbling Down

Find out why the organization of the future with walls defining organizational boundaries and what you own, what you control, whom you employ, and where you work will cease to have any significance.

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Putting Communities at the Center of Branding

by Don McEachern

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Imagine for a moment you're not a local government manager. Instead, picture yourself as your locality's brand manager. Don't relax just yet. This is anything but a cushy position.

Since it's your first day on the job, here's a simple task. Collect the marketing and communication materials from all the players on your team, including the convention and visitors bureau, the economic development group, the chamber of commerce, any arts alliances, and, of course, your own local government. Also take a minute to determine what the private sector is conveying about your community when it speaks to the outside world.

Spread out these materials on a table. Do they have a similar look and feel? Are they integrated at some level? Are they relevant? Are they distinct? Do your private sector companies give an appropriate nod to your locality's brand? Do you recognize your brand? Is there even a common theme?

If you answered yes to all these questions, stop reading. You're light years ahead of most places and probably have a good handle on your brand. But if you were surprised by the incongruity of your community's marketing materials, you're not alone. The vast majority of local governments are in the same boat. In the words of a client who was recently given this assignment, "What a mishmash!"

DON'T PANIC

This exercise illustrates why a local government should be at the center of a branding initiative. The various entities that make up your community operate with distinct agendas. They speak in their own unique voices. That's their job. But when a brand is launched, it is advantageous for a community to speak in one voice, and what is spoken needs to be strategic.

Branding efforts of various groups, although individually well executed, often work against each other with counter messages if they are not coordinated. Only a local government operates in an umbrella fashion, with an eye toward making sure all entities thrive. When a brand is managed by the local government, the brand stands a significantly greater chance of working for the locality as a whole.

This means a brand has a greater chance of working, period. An added bonus: following the branding process, the diverse organizations and entities that worked on the initiative often find themselves appreciating the other groups more and working with them on additional projects.

By now a lot of managers may be panicking: "I'm willing to take this position hypothetically, but I've got too much on my plate to take it literally!"

Some communities may choose to have their managers handle their branding, but many of the governments that I work with are successfully elevating the public information officer, the communications manager, or the director of marketing and communications to the role of brand manager.

Forward-thinking communities may even want to consider being the first on the block to hire a brand manager. As the branding wave continues to grow in acceptance and importance, it's only a matter of time until the significance of branding demands a specialized position.

MANAGE BUT NOT OWN

Notice that when I talk about local government's role in branding I say "manage," not "own." A number of problems are inherent in the idea of a locality wholly owning and controlling its brand. First, that type of control may affect buy-in from the bigger group, including the private sector. And buy-in is mandatory, from the perspectives of both implementation and financing.

In addition, every four years or so a local government may experience a turnover in elected officials. I've had more than one client implement a dynamite brand, only to have it abandoned by newly elected officials looking to make their own marks.

Ideally, ownership of your community's brand platform and brand identity should be held by a sizable and inclusive marketing partnership comprising local government as well as big and small players from the public and private sectors. And, although the amount of resources each group brings to the table can impact each group's influence over the process-big fish will be big fish-all should be invited.

Gainesville, Florida, for example, recently launched a branding initiative backed zealously and financially by an alliance of marketing professionals from 46 organizations in the public, private, and nonprofit sectors, including such heavy hitters as the University of Florida and Shands HealthCare. This alliance will "own" the brand, making it invincible to political pressure.

According to Bob Woods, Gainesville's communication and marketing manager, the alliance did not happen overnight but has been well worth the wait. He credits City Manager Russ Blackburn with supporting the effort.

"We have literally put together a team of emissaries for the brand," says Woods. "For this to work, we needed buy-in from the major institutions like the university and the city and county governments, as well as the nonprofits, the major industry associations, and groups like the artists' associations that contribute to Gainesville's social fabric. We have recruited members from every social level and demographic strata that make up our city. This is truly a citywide effort."

A team approach such as Gainesville's furthers the buy-in and adoption of the resulting work. It keeps in mind the big picture for the community, and it weathers changes in administrations.

FROM INSIGHT TO INSPIRATION

Let's say you accept the premise that branding begins with a local government (which you should). And, for the purposes of this article, you are still your community's brand manager. The next step is to review the process of branding, beginning with a definition of a brand. Contrary to common thinking, a brand isn't a logo, a mission statement, or even a positioning platform. Your brand isn't something you produce or provide to others, like an ad, brochure, or radio spot.

Your brand rests in the minds and hearts of other people. It is what they say about you when you're not around. It can be influenced and shaped by marketing materials. What has more influence over the things people say about your community: Your logo or someone's experience in your community? Your positioning line or what a prospect hears from a friend?

Although there are several approaches to building a brand (some more complicated than others), the process I advocate involves four steps:

Understanding. Research is conducted to understand your community's physical attributes in relation to the competition, to glean the opinions of the stakeholders, to determine the perceptions of current and prospective consumers, and to identify demographic and psychographic information about consumers.

In other words, knowing your audience and knowing what your audience thinks of you are two basic laws of persuasive communication.

This stage is a lot of hard work, but it should be a lot of fun too! Researchers should talk to elected officials, residents, visitors, and business owners. They must test your community's attractions, dive into its history, and explore its economic development opportunities. They should visit neighborhoods, schools, museums, and traditional town squares. They should explore and fish (if that's what you offer!) and attend local meetings. They should eat and shop and check out your hotels.

Insight. The most successful brands establish an emotional-not just an intellectual-connection. In other words, you now need to translate all those fascinating facts gathered during the research phase into emotional sparks that can bring your brand to life. Your brand strategy must be relevant to your situation while it differentiates you in the competitive marketplace.

Imagination. During this phase, you breathe life and character into the understanding and insights that the process has revealed. For most communities, this is the most exciting stage. Here all the data and high-level strategies are transformed into tangible creative products that embody your brand. The results are consistent communication concepts (positioning lines, logos, ads, public relations, Web sites, outdoor boards, and so forth) and strategic initiatives (civic awards, architectural guidelines for redevelopment, way-finding systems) that support the strategy.

Evaluation. Finally, take time to make sure your brand is working for you. Put in place measures that track how your

community's brand is perceived in the marketplace, and determine whether these changes in perception have worked to achieve the desired objectives of the brand.

Just as I advocate placing local government at the center of branding, I am adamant about the benefits of integrating research, strategy, and creativity into a single process. Piecemealing the process opens up too many opportunities for disconnection. How many of you, for example, have a thick book of research results sitting on your shelf right now? Ultimately, research is useless without strategic and creative shaping to bring it to life for the consumer.

It is just as problematic to proceed with a clever marketing campaign if research has not been conducted to determine the relevancy of that approach (or, as often happens, if research conducted by one company is being ignored by a creative agency because the creative types didn't conduct it and they don't find it relevant).

Marketing is merely a promise to the consumer of fun or creativity or safety or charm, and none of it means anything if the destination can't deliver.

Finally, energetic, exciting, and relevant outcomes result more often when there is interaction among the people who conduct the research, the people who develop the strategy, and the people who cook up the creative. Countless times I have seen our research people confer with the creative teams, and even take them to focus groups and interviews, in an effort to further their understanding of a certain quality a community may possess.

USE YOUR COMMUNITY AS A CANVAS

As brand manager, you are responsible for identifying your local government's brand and bringing that brand to life. Clearly, this will involve marketing, so you will be accountable for the effectiveness and the return on investment of your community's marketing efforts to both residents and the outside world.

But it doesn't stop there. The brand must be represented in your community's architecture, in its events and attractions, in its public art and signage, in the aesthetic overlays to development and redevelopment, in the attitudes of residents and public servants, in the community's approach to entrepreneurs, and in its educational offerings. In other words, your community must do more than advertise its new brand; it must wear it like a second skin.

Columbus, Indiana, for example, has just launched its branding campaign and is currently in the process of inventorying all city property that can serve as a canvas for the brand, including water towers, storefronts, buses, police car doors, and signage. I encourage you to take it a step further and leverage relationships with communication providers. In exchange for the lease on cell and radio towers, ask for time on the airwaves to promote your brand. If you provide a cable company access to public institutions like hospitals and prisons, demand a little time on their channel.

Of course, your community will never become a branding canvas without its local leadership. Because most of what we're discussing is local property, your message will never make it to the storefront, the water tank, or the airwaves without government approval.

In London, Ontario, Canada, this point was illustrated when the city launched a massive metamorphosis initiative to become a "creative city." According to Gord Hume, city controller, the city needed a state-of-the-art entertainment complex downtown in order to attract the entertainment and sporting activities that would create a buzz about London. But building the entertainment complex was not without controversy and could not have been accomplished without government leadership.

CHALLENGES OF COMMUNITY MARKETING

The four Ps of marketing are product, place, price, and promotion. The four Ps of community marketing are politics, politics, politics, and politics. By their very nature, cities and counties are composed of different groups with different interests, agendas, and turfs to protect. How can you manage your community as a cohesive brand?

Further complicating the problem is the fact that a single community can mean so many different things to so many people. Communicating effectively in today's cluttered marketplace will require you to hone that tangle of feelings and thoughts to a single distinct point.

All of this requires strong government leadership to keep branding from becoming bogged down "in committee." Solicit input from your entire alliance but give actual decision making to only a few. Try to make the ultimate decision makers reflective of your community's makeup. Include, for example, representatives from the public, the private, and the nonprofit sectors.

Stress early and often that branding is not about compromise or even consensus. Branding is about determining the strong singular message that will define your community. It is about creativity and, yes, even risk. When all the subvoices within a community clamor to contribute their two cents regarding the brand message, the result too often is watered-down pabulum.

Finally, have fun with the process. I've heard community branding referred to as a science, and in some ways it is. But despite all its scientific principles, at its core branding is about eliciting an emotional reaction. All the research, all the strategizing, all the logos and positioning lines and advertising are working toward one goal: the tiny reaction in someone's head or heart after an encounter with your brand.

When the group charged with branding a community actually enjoys the process, when group members are excited or even challenged by the research findings, when they are willing to take risks creatively and think like consumers rather than politicians, the resulting brand is almost always a winner. PM

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And the Walls Came Tumbling Down

by Jim Collins

This article first appeared in [Leading Beyond the Walls](#), a book edited and produced by the Peter F. Drucker Foundation on nonprofit management and published by Jossey-Bass books, 1999.

A few years ago, while staying at a Marriott hotel in Houston, I walked by a large conference room rollicking with noise-hoopla, yelling, almost a revival session. Curious, I peered through the door and witnessed a congregation of women, all wearing pink, putting forth testimonials on how their relationship with their company had changed the way they lived, giving them confidence, responsibility, self-direction, and control over their lives. I had dropped into a Mary Kay meeting.

Say what you will about the pink Cadillacs and unusual culture of Mary Kay, you cannot deny the company's success. And the more I learned, the more impressed I became with the degree of commitment and energy these people displayed. Then a remarkable fact dawned on me: none of the people in that room had jobs with Mary Kay. They had a contractual relationship with the company and the opportunity to do well within the boundaries of the contract, but they didn't have a job.

They had no stable salary, no office to go into every day, none of the traditional mechanisms that would make them a "part" of the company. And yet they displayed tremendous commitment and every sense of being part of Mary Kay. Mary Kay has created a remarkable blend of tight psychological attachment and extreme operating autonomy, in which the organization and its people connect in the spirit of partnership and freedom, not ownership and control.

I start with this story because it foreshadows the organization of the future, one in which the walls that have traditionally defined organizational boundaries-what you own, what you control, whom you employ, where they work-will cease to have any significant meaning. Instead, the defining boundary will be a permeable membrane defined by values, purpose, and goals; organizations will be held together by mechanisms of connection and commitment rooted in freedom of choice, rather than systems of coercion and control.

Elected officials and managers will need to accept the fact-always true but now impossible to ignore-that the exercise of leadership is inversely proportional to the exercise of power. Indeed, they will need to accept the fact that the whole idea of walls is becoming an unproductive concept and that the most highly productive relationships are all, at their core, mutual partnerships. I elaborate on these points in this article, looking at them from the point of view of four shifts that executives need to make in order to be effective in this century.

First, executives must define the *inside* and the *outside* of the organization by reference to core values and purpose, not by traditional boundaries.

Every great organization is characterized by dual actions: preserve the core and stimulate progress. On the one hand it is guided by a set of core values and a fundamental purpose-which change little or not at all over time-and on the other hand, it stimulates progress-change, improvement, innovation, renewal-in all that is not part of the core values and purpose. Core values and core purpose in enduring great organizations remain fixed, while their operating practices, cultural norms, strategies, tactics, processes, structures, and methods continually change in response to changing realities.

Indeed, the great paradox of change is that the organizations that best adapt to a changing world first and foremost know what should not change; they have a fixed anchor of guiding principles around which they can more easily change everything else. They know the difference between what is sacred and what is not, between what should never change and what should be always open for change, between "what we stand for" and "how we do things." The best

universities understand, for example, that the core value of freedom of inquiry must remain intact as a guiding precept, while the operating practice of tenure goes through inevitable change and revision.

The most enduring churches understand that the fundamental values and purpose of the religion must remain fixed while the specific practices and venues of worship change in response to the realities of younger generations. Core values and purpose provide the glue that holds an organization together as it expands, decentralizes, globalizes, and attains diversity.

Think of them as analogous to the truths held to be self-evident in the U.S. Declaration of Independence or the enduring ideals of the scientific community that bond scientists from every nationality together through the common aim of advancing knowledge (for a more detailed discussion of this concept, see J.C. Collins and J.I. Porras, *Built to Last*, 1994, and "Building Your Company's Vision," *Harvard Business Review*, September-October 1996).

Core values and purpose define the eternal character of a great organization, the character that endures beyond the presence of any set of people or individual leaders. In the long run, individual leaders do not hold an organization together; core values and purpose do. In the best organizations, leaders are subservient to the core principles, not the other way around. Furthermore, an individual's membership in the organization is ultimately defined by shared core values and common purpose, establishing a form of connection that often endures beyond that individual's formal activities with the organization.

Consider the U.S. Marine Corps. It is a tightly aligned, high-performance organization, and yet it has a highly permeable membrane of membership. Those who survive boot camp forever carry the core values of being a Marine, remaining connected to the family of Marines by the fundamental principle that "Marines take care of Marines." Marines almost never say, "I was a Marine." They say for the rest of their lives, "I *am* a Marine."

I know of a prosperous businessman who took special interest in the plight of a homeless man for the simple reason that they had both served in the Marine Corps decades before. They had not served in the same unit; they were not of the same generation; they had never even met. And yet once a Marine, always a Marine, and Marines take care of Marines. It is a lifetime connection that transcends an individual's active participation as an enlisted soldier.

As we move into the next century, core values and purpose as a defining boundary will become even more important. Given the obvious trends in organizations-greater decentralization and autonomy, wider geographic dispersion, increased diversity, more knowledge workers, technology and travel that make going into the office a less relevant activity-the bonding glue that holds organizations together will increasingly be in the form of shared values and common purpose. No matter how much the world and its organizing structures change, people still have a fundamental need to belong to something they can feel proud of.

They have a fundamental need for guiding values and a sense of purpose that give their lives and work meaning. They have a fundamental need for connection to other people, sharing with them beliefs and aspirations to form a common bond. More than at any time in the past, people will demand operating autonomy-freedom plus responsibility-and will simultaneously demand that the organizations they are part of *stand* for something.

Second, executives must build mechanisms of connection and commitment rooted in freedom of choice, rather than relying on systems of coercion and control.

Of course you can't just establish shared values and common purpose and then expect everything to hold together; you also need tangible mechanisms that foster the commitment required to produce results. Unlike the systems of the past, however, these mechanisms will increasingly rely on commitments freely made and will grant wide operating autonomy, rather than relying on coercion and control.

Allow me to use my research laboratory as an example. My large-scale research projects require the contributions of highly dedicated and talented research assistants. The research teams, usually four to six people, operate in a high-performance, high-energy climate characterized by a powerful sense of team unity and work ethic. During the summer session, team members frequently work more than 40 hours per week, putting forth whatever it takes to accomplish objectives on time with thoroughness, accuracy, and quality. They generally feel that they've produced some of the best-if not the best-work of their lives while working on the teams.

And yet this high-performance environment relies almost not at all on the traditional methods of coercion and control. We have no offices or fixed hours; researchers attend team meetings, but otherwise they work on their own, managing their own time. If they want to work intensely for three days a week and take four-day weekends, fine; if they want to work from midnight to 6 a.m., fine; so long as they meet their commitments, they are completely free to arrange their own time.

They have no budget constraints; if they need something to get their work done, they simply buy it and get reimbursed. They're not coerced by the carrot of a career path or long-term employment, as the lab operates under a strict "no permanent full-time employees" model. There is no direct impact on assistants' graduate study requirements (for example, no threat of grades), as the lab operates as an independent entity in an informal joint venture with the University of Colorado. And money is not a controlling factor; although they're paid better than other graduate research assistants, they earn less per hour than they would if they spent their summer at a corporation or consulting firm.

The whole key to the high-performance climate on the research team is our use of mechanisms of commitment and connection rooted in freedom of choice. We operate off of a clear set of deadlines and project objectives, yet team

members generally select their own deadlines, as people feel much more committed to a deadline that they have had a hand in setting. We break the research projects into discrete chunks and then have a draft in which individuals bid for the pieces they would most like to work on, a process that creates much greater commitment than preassigned responsibilities.

We have weekly gatherings at the lab in which team members interact with each other, and we assess overall progress and discuss emerging ideas; the meetings serve as a glue, bonding the team members together. Most important, we design the work process so that team members must draw from each other's work as the project progresses. This creates more commitment to perform than anything I could say, as no team member wants to let his or her comrades down or look inadequate relative to peers.

When team members request to miss a key team meeting, they do not ask me for permission; rather, they must personally call each team member and get his or her consent, thereby delegating the power of consent to the team. And as a precursor to all our mechanisms of commitment and connection, each person invited to join the team receives a written and verbal orientation on team values, purpose, and performance standards and is asked to join only if he or she can commit to those principles. Before joining, each person is told: "If you have any doubt about whether this is the right place for you, then it is in our mutual interest that you decline this opportunity."

The commitment plus freedom model requires heavy up-front investment in selecting the right people. It does not try to mold people to be what they are not. People often ask, "How do we get individuals to share our core values?" The answer is, "You can't." You can't open somebody up and install new core values in his or her belly. The key is to find, attract, and select people who have a predisposition to sharing the core values and to create an environment that consistently reinforces those core values, buttressing it with mechanisms of connection and commitment.

If you select the right people in the first place—and they select your organization—then you don't need to control them. They don't need fixed hours. They don't need to come into offices where they can be watched. They don't need rules. You need to guide them; you need to teach them; you need to provide direction; you need clear objectives; you need mutually agreed deadlines; you need mechanisms of commitment and connection. But you don't need control.

Most organizations underinvest in the selection process and then try to correct for bad choices through control and overmanagement. If you select the right people, you don't need to mold people. Indeed, the moment you feel the need to control and mold someone, you've made a selection mistake.

Third, executives must accept the fact that the exercise of true leadership is inversely proportional to the exercise of power.

The best and most innovative work comes only from true commitments freely made between people in a spirit of partnership, not from bosses telling people what to do. Leadership cannot be assigned or bestowed by power or structure; *you are a leader if and only if people follow your leadership when they have the freedom not to.*

I've always been impressed with the mechanisms that W.L. Gore & Associates, Inc., has put in place to create a climate of leadership. Gore uses the twin mechanisms of lattice structure and natural leadership, which give every individual the freedom to establish working relationships with any other individuals without regard to any chain of command.

In addition, any individual can by self-initiative assume leadership for an objective, again without regard to any hierarchy, so long as others freely commit to follow. To facilitate this flexibility, no one at Gore has a formal title; there are no vice presidents, no directors, no chief this or chief that; everyone has the simple title associate.

The beauty of these mechanisms is that they allow those with true leadership potential to quickly rise to positions of responsibility. Conversely, those without leadership skill will quickly be rendered impotent as associates simply bypass them and align around those who can lead. In effect, these mechanisms allow groups of associates to fire their boss.

If you're uncomfortable with the idea of vesting people with the power to fire their boss, then you're not ready for the task of leadership in the next century. As people become increasingly comfortable with ambiguity, they will increasingly trade the single-job model for a multi-client model, thus granting to any single organization or leader less power over their lives and livelihood.

All those people who lost their jobs at IBM in the 1990s, for example, suddenly came to understand that low ambiguity (a single job) comes at the price of high risk (all eggs in one basket). You can already see this change to the lower-risk, multi-client model happening as older executives bemoan the "lack of loyalty" in the younger generation.

And yet there is no less loyalty in the younger generation. They are simply granting less power to any single organization; they are less subservient because they have more degrees of freedom. And the moaning executives are simply confusing subservience to power with loyalty to cause. But they are different concepts indeed, and executives will need to cultivate the latter and relinquish dependence on the former in order to be effective.

Eventually we will look back at single-job employment structures as a somewhat barbaric form of organization, much the way we view indentured servitude today. We will increasingly see a shift away from ownership of people in any form, including the traditional job, which is nothing other than an advanced form of owning people by owning their time. In the future, every relationship, at least in the best organizations, will be viewed conceptually as a joint venture.

Fourth, executives must embrace the reality that traditional walls are dissolving and that this trend will accelerate.

We are moving toward a world in which the concept that walls are necessary is becoming archaic and is no longer

useful. The most progressive corporations have jettisoned the idea that they can exist in a walled-off cocoon of private activity. The customer revolution, for example, reflects a dissolution of the walls companies once tried to construct between customers and companies. One leading company, Granite Rock, has taken this change so far as to extend to its customers the power to decide for themselves whether and how much to deduct from an invoice if they feel dissatisfied.

Granite Rock customers work in partnership with Granite Rock people toward the mutual goal of continually improved Granite Rock products that benefit both customer and company. The quality revolution is also about dissolving artificial walls. For instance, a central tenet of any good-quality effort is that suppliers and producers will operate in partnership to create a better end result.

All around us we can see signs of tumbling walls. Technology allows us to access Harvard lectures without being admitted inside the exclusive gates of the Harvard student body. The Internet allows us to share databases directly with colleagues at organizations around the world, without being on the staff of those organizations. And the dissolution of walls is not limited to the work world but is occurring in all aspects of life and society.

The walls around the traditional family are dissolving. It's not uncommon, due to divorce and complex family histories, for an adult to be parenting children with whom he or she has no genetic link or to be mentoring genetic offspring who live in someone else's household. This may not be ideal, but it is a fact of modern life.

At a national level, the scale and impact of manmade systems, both economic or technical, are making national boundaries less relevant. A German academic colleague has told me that the most psychologically significant event for the German people in the past decade was not the tearing down of the Berlin Wall but the failure of the Chernobyl nuclear reactor, which made it clear that the problems and disasters of one nation cannot be contained within that nation's legal boundaries. Racial walls, although still visible and oppressive where they exist, have become less concrete. Political leaders in both the southern United States and the nation of South Africa have no choice but to learn to be effective across racial lines, else they have no hope of holding major political office.

In part, we are simply seeing a fulfillment of the promise of the Enlightenment, particularly in the tradition of John Locke, which sought to dissolve the walls between sovereign and subject and emphasize the rights and dignity of the individual. But what is happening today is more than a philosophical shift. It is also a reflection of a practical fact: the most productive relationships are in their essence mutual partnerships rooted in a freedom of choice vested in both parties to participate only in that which is mutually beneficial and uplifting.

Moreover, the social systems best suited in the long run to meeting the material and spiritual needs of the majority of people tend to distribute, rather than concentrate, power. Unless we see a resurgence of tyranny (always a threat, as dictatorship is a highly efficient form of organization), there is every reason to believe that this trend will continue, and accelerate.

Copyright 1999 Jim Collins. Jim Collins is the author of *Good to Great: Why Some Companies Make the Leap ... And Others Don't* and co-author of *Built to Last: Successful Habits of Visionary Companies*. A recipient of the Distinguished Teaching Award while a faculty member at the Stanford University Graduate School of Business, Jim now works from his management-research laboratory in Boulder, Colorado. More of Jim Collins' work can be found at www.jimcollins.com.

Jim Collins will be a keynote speaker during ICMA's 2006 Annual Conference, September 10-13.

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PM MAGAZINE

FEATURE

Ethics

HIS FUTURE IN-LAWS HAVE POLITICAL AMBITIONS

Q. The city manager, who recently became engaged, has been invited to a barbecue at his future in-laws' home. At first, he said, yes, but then he had second thoughts when he realized it was a private fund-raising party for his future mother-in-law's campaign for the school board. Although the school board is funded by the county government and there are no direct ties to the city government, the city manager was uncomfortable about attending the event.

When he spoke to his fiancée about his professional obligation to steer clear of political activity, she said she was concerned that her family would be offended if he did not attend. The family has long been active in fundraising for candidates and is well regarded in the community. His fiancée asked him how it could be a problem to attend the event, when all the city manager would be expected to do was greet the guests and help serve the food.

A. The ICMA Code of Ethics is clear in its message that ICMA members cannot participate in any political activities to support the candidacy of individuals running for any city, county, special-district, school, state, or federal office. Fund-raising activities are high on the list of political activities to avoid. Now is a good time for the city manager to have a heart-to-heart conversation with his fiancée about his professional obligations and to enlist her support in explaining his unique circumstances to her family.

CAN THE MANAGER SUPPORT THE REFERENDUM CAMPAIGN?

Q. The county manager recommended that the board of supervisors support a referendum she wrote ballot language to raise the property-tax rate to provide the funding, the board unanimously approved the measure.

The citizen committee that is leading the campaign to approve the ballot measure includes business leaders, school-board officials, mental health advocates, residents, and elected officials. Recently, the committee asked the county manager to make a financial contribution to the campaign. The manager would like to contribute but wants to be sure there are no ethical issues.

A. It is consistent with the ICMA Code of Ethics to make financial contributions to causes, including referenda. Since the board of supervisors is unanimous in its support of this particular referendum, there is no political controversy within the governing body. ICMA's Code of Ethics provides: "Members may assist the governing body in presenting issues involved in referenda such as bond issues, annexations, and similar matters." The manager may exercise her own judgment about making a financial contribution to this and other causes.

PROMOTING AN ETHICAL CULTURE

During the past year, experienced ICMA trainers and local government experts have provided workshops for local governments that give employees practical strategies and tools to help their organizations build a more ethical culture.

Here are the local governments that have turned to ICMA for ethics training:

- Catawba County, North Carolina
- Charlottesville, Virginia
- Hudson, Ohio
- Martin County, Florida
- Richmond, Virginia
- San Jose, California

Topics addressed in the training include an orientation to public service values, how leadership can reinforce ethical values, compliance strategies, and operations that support ethical values. Training programs have been targeted to leadership teams, mid-level managers, supervisors, and staff.

For more information on training and other ethics services available to local governments, contact the ICMA Ethics Center by calling 202/962-3521 or online at the Web site ICMA.org.

For advice on the ICMA Code of Ethics, or to find out more on ethics training and technical assistance available to local governments, call the Ethics Center at ICMA at 202/962-3521, or visit the Web site at <http://icma.org/ethics>. Calls or e-mails can also be directed to ICMA's ethics advisers Martha Perego, 202/962-3668, mperego@icma.org, and Elizabeth Kellar, 202/962-3611, ekellar@icma.org.

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On Retirement

THE HEALTH CARE CONUNDRUM

When it comes to providing health care benefits to retirees, public plan sponsors may feel they're in the midst of a regulatory whirlwind. At the same time that public employers are concerned about health care for their employees, they are faced with the rising costs of this benefit.

But that's just one of the many complex elements affecting public plan sponsors. New disclosure rules have added to the vast challenges looming before employers. In particular, let's look at the new rules on accrued liabilities.

For fiscal years beginning after December 15, 2006, governments with more than \$100 million in annual revenues will be required to implement new Governmental Accounting Standards Board (GASB) rules requiring them to report accrued liabilities for other post-employment benefits (OPEB), similar to the way pension plans are reported. For plans with \$10 million to \$100 million in annual revenues, the rule takes effect for fiscal years beginning after December 15, 2007, and for plans under \$10 million in annual revenue, the change takes effect for fiscal years beginning after December 15, 2008.

The new accounting rules, adopted by the private sector in 1992, are likely to have a significant effect on governments' financial outlooks. Large unfunded liabilities-like retiree health benefits-may raise borrowing costs, and funding the liabilities will increase current budget expenditures.

Rising health care costs impact state and local governments more than they impact private sector employers. The reason: retiree benefits. A recent survey found that 77 percent of governments with more than 200 workers offer retiree health care benefits; only 36 percent of similarly sized private employers offer such retiree benefits.

Health care has also become governments' fastest-growing area of expense. According to a 2004 study of government employers by New York-based Fitch Ratings, the cost of providing employee health care increased an average of 14.2 percent annually from 2000 to 2004, compared with overall expenditure growth that averaged 5.5 percent and an inflation rate of 2.4 percent.

These growing costs combined with governments' diminishing ability to increase revenues have led local government officials to seek a variety of solutions to meet the demands of funding retiree health care benefits. They are finding that solutions require creativity, long-term planning, and tough decisions.

The key is to prepare now by examining the options available. Employers have several choices as they plan to comply with the GASB's policy for reporting accrued liabilities. One path would be to reduce or eliminate the health care benefit. A second would be to offer an account that allows the employee to save for retirement medical expenses, which may include an employer contribution. If the employer wishes to set aside money to offset the liability, then they may choose to establish a dedicated trust that allows them to accumulate funds specifically for promised post-employment medical benefits. It will be impossible to divert assets in the trust to any other use. This is a turnkey, cost-effective approach in which the employer selects the investment allocation. There would be no plan setup fees or ongoing plan administration fees.

No solution will work for every local government. Employers will need to pursue creative solutions that help them find the ways and the means to protect their credit ratings and their balance sheets. Managers should expect their plan providers to use all their expertise to help public sector employers meet their financial responsibilities as they assist their employees in building their retirement security.

—Joan McCallen
President and CEO
ICMA-RC

Washington, D.C.
www.icmarc.org

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DEPARTMENTS

Profile

Touring the Town with Howard and His 10-Speed Bridgestone



Howard Kunik, city manager of [Punta Gorda, Florida](#), and his wife, Helen, check out city neighborhoods while riding their bicycles.

The information-sharing notes from Punta Gorda (Florida) City Manager Howard Kunik's October 31 staff meeting for department directors started out simply enough: "The city manager made his usual bicycle rounds of the city on the weekend and noted the

following items ..."

There followed a list of things, both positive and negative, that Kunik had noticed during a Sunday bike ride around the city. One of the more interesting items was a mention that the restrooms in Gilchrist Park needed to be painted and cleaned. What it should have said was that the ladies' room needed painting and cleaning, although I suppose that the men's room could use a little touchup as well.

How do I know that? Well, I rode along with Howard on his weekly bicycle jaunt last Sunday, and now I have a real feel for how useful a nice, slow bicycle trip around town can be to the guy in charge. All I can say is "What a difference a few months can make."

You see, I took Howard on his first official Punta Gorda bicycle ride last spring, after discovering he was an avid biker. I met him and his wife, Helen, at their house on Durrance Street, and we headed out Virginia Avenue to LaVilla.

We crossed I-75 on the Carmalita Street overpass, hit the airport, did a few miles on Jones Loop, came back over I-75 on Airport Road, tooled around Edison's campus, and headed back to Durrance the way we came. Total distance, about 20 miles in a little more than an hour and a half. Not bad, given the time I spent pointing out the sights along the way.

At the time, Howard was properly grateful for my showing him and Helen the biking ropes, as he was still in a learning mode about his job and our city. After last Sunday's ride, however,

I know I made two mistakes on that first ride.

First, I assumed Howard rode for exercise, so I cycled fast enough to give him and Helen a real aerobic workout. Second, most of our route was in areas under county jurisdiction. What I didn't realize that day is that Howard's bike rides aren't just bike rides. No. To our city manager, a bike ride is, in his own words, "a management tool."

There's nothing Howard enjoys more than a nice, leisurely bicycle ride around Punta Gorda: leisurely, so he can look for problems that need fixing and monitor ongoing city projects, of course staying inside city limits because county problems aren't his concern. His findings are revealed at the Monday staff meeting.

So I was on the receiving end of the commentary this ride, getting a "Kunikian" update containing everything I ever wanted to know—the good, the bad, and the ugly—on just about everything the city has going on around town.

It's a little hard to take notes from a bicycle, even if you are going less than 10 miles per hour, but here are a few highlights.

Howard's big on tidiness. The city-owned lots formerly occupied by public housing (pre-Hurricane Charley) were monitored for mowing. Some passed, some didn't.

If you own a business or other property that's still a Charley-devastated eyesore or has unmowed grass, you've either received a cleanup letter from the city, or one is in the mail. You can't hide from Howard and his Bridgestone.

Have you noticed that the Cooper Street Recreation Center is mostly surrounded by a high, galvanized chain-link fence that has a prison feel to it? Howard did, and the city is now taking bids on four-foot-high black fencing that's more attractive and user-friendly.

Howard and Helen paused to admire the results of the recently completed city beautification program at the Punta Gorda Housing Authority units on Fitzhugh Street. I agree: Fitzhugh looks as good as any street in town now.

Speaking of fences, have you seen the fence around the Gilchrist Park playground lately? It now has an attractive, multicolored cap, a big safety and cosmetic improvement. Howard, never one to let city workers rest on their laurels, commented, "Why not at Cooper Street, too?"

Oh, yes, the ladies' room at Gilchrist Park. I can assure you that Howard did not sneak a peek into the ladies' room while it was unoccupied. Helen isn't just along for the ride; the ladies' room was her call. Howard said at the time, "She's tougher than I am." We took a look at some ongoing and future projects while we were out. Work on the Ponce Park fishing-pier extension and boardwalk was given a thumbs-up. Ditto on the city cleanup of the little boat ramp between the Bayfront Center and the Punta Gorda Boat Club. It's functional once again.

We stopped to check out the Herald Court public plaza improvements, which are almost finished, then dashed across U.S. 41 north to the newly named Herald Court East. The field survey has just been completed there, and Howard said, "The next phase is to get paving down and some landscaping behind the arcade [of the H.W. Smith Building, where the new Su Casa restaurant is being completed]. We need to bid it out."

Howard stumped me when he asked if I knew where Patty Avenue was. Never heard of it because "avenue" is a misnomer; he showed me a little paved lane, road sign and all, that runs along the mangroves east of the Justice Center. Howard said his goal was to latch onto some Trust for Public Lands grant money to purchase the lots along Patty, then build a small park and bikeway that would link up with the boardwalk/sidewalk beginning next to the Justice Center and extending to Fishermen's Village.

Howard is right that biking is the only way to see Punta Gorda. He showed me a beautiful little city park named for Punta Gorda's most famous black resident, George Brown, that lies behind a condo building just past the West Marion Avenue bridge, before the entrance to PGI. The park has one of the best water views in town, and you would never notice it while driving by.

I'd also never noticed the great new fountain he pointed out at the entrance to the Vivante condominiums farther out Marion. Ever seen the two city benches along the sidewalk at the far western end of Retta Esplanade? One faces the water, the other the about-to-be-raised Cedar Village condos. Inexplicably, both used to face the condos. Howard's running a test to make sure the one facing the water is used more before the other one gets a 180.

After an information-packed, two-and-one-half-hour, 10-mile jaunt, we returned to the barn, my brain used up but my legs still fresh. Howard's definitely onto something with these two-wheeled inspection tours, but I would be remiss if I didn't warn motorists. If you're driving around town on a Saturday or Sunday morning and see a woman riding behind a skinny guy on a 30-year-old, nondescript Bridgestone bicycle with gears that sound like a race car blowing a piston, give them a wide berth. They may be too busy checking out an unmowed lot to notice you.

—Gordon Bower
Editor
Punta Gorda Herald
Punta Gorda, Florida

Reprinted with permission from the November 9, 2005, edition of the Punta Gorda Herald, Punta Gorda, Florida.

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PM MAGAZINE

FEATURE

Director's Desk

INCREASING ICMA'S IMPACT, STRENGTHENING THE BRAND

This issue of PM features articles on the importance of branding; ICMA is updating its brand strategy as well.

The timing is perfect, as we begin our strategic planning process—a process that will take us into the second century as an organization dedicated to bringing professional leadership to local government.

It's estimated that 30 million messages bombard each of us every day. In order to determine which of these messages are important and relevant, each of us has created a set of filters that, in an instant, tell us whether to process the information or discard it. Brand recognition is one effective way an organization can make itself visible in an incredibly cluttered environment. ICMA learned through research that its brand, while strong and coherent to members, was inconsistent and not well-recognized among other important stakeholders.

The changes you will see in the coming months are designed to:



Leaders at the Core of Better Communities

- Brand ICMA as the premier local government leadership and management organization in the public sector.
- Create a consistent image across all audiences.
- Attract the next generation of members.
- Bring added focus to ICMA's U.S. and international technical assistance services.
- Better leverage all the assets of ICMA— from publishing and professional development to International operations.

In short, ICMA's revitalized brand is geared toward helping it get credit for all the improvements it helps bring to communities throughout the world, as well as to create more opportunities for its members. ICMA's new tagline sums it up: Leaders at the Core of Better Communities.

—Robert O'Neill
Executive Director ICMA

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