

# The Business Optimization Task Force Model

## How One Police Department Improved Budget Efficiency

By Bob Winthrop, Greg Stewart, and John H. Campbell

The Portland Police Bureau, faced with another challenging budget cycle, convened a task force to identify ideas for saving money. The method, which identified up to \$4 million in potential cuts, can be used by any kind of organization.

In the summer and fall of 2011, the Portland Police Bureau embarked on a process to identify savings in its business operations. The process, which required a limited investment, yielded ideas for savings of \$500,000 to \$4 million, depending on implementation choices; a number of these ideas were included as recommended cuts in the bureau's requested budget for fiscal 2013 (starting July 2012). Perhaps equally important, the process also encouraged a subtle change in the culture of the bureau by providing new perspectives on the process of budget formation to sworn and non-sworn staff. This approach to generating ideas was successful for the bureau and can be used by any kind of agency.

The City of Portland, Oregon, has a population of almost 600,000, which is served by Portland Police Bureau's 980 sworn officers and nearly 1,225 total staff, making PPB the largest police agency in Oregon. The bureau has an annual budget of \$174 million. Yet in spring 2011, despite an already lean budget and staffing numbers, the bureau faced another challenging budget cycle. In response, the police chief directed the Fiscal and Strategic Services Division to find a better path for recommending budget savings.

Like many public agencies, PPB had already been subject to cuts — actual overall budget reductions, as opposed to slower budgetary growth — which resulted in several painful choices.

Some of the decisions, such as closing two of Portland's five police precincts, were politically difficult, to say the least. Previous budget negotiations had led to strong disagreements between the mayor and the previous chief, resulting in that chief's replacement.

In the past, methods for budget cutting were based on developing strategic priority rankings of what the bureau does, often without examining whether efficiencies could be found in how the work is done. Therefore, while these efforts provided guidance in prioritizing programs, they were not sufficiently nuanced to help improve budget efficiency in all parts of the organization.

The bureau wanted to find a better way forward. It began with a basic concept built on two ideas:

1. Bring together a group of people who have experience in many parts of the organization and have reputations for being outspoken, forward thinking, and creative.
2. Challenge this group to find efficiencies equivalent to twice the anticipated savings required for the next budget cycle, thus allowing for a better use of remaining funds, rather than just cuts alone.

### FINDING A GOOD MIX OF PEOPLE

A major challenge was selecting participants for the group. While conventional definitions of diversity with-



in a police department were important (such as race, ethnicity, gender, sworn/non-sworn, rank, and seniority), other types of diversity were needed as well. The bureau therefore sought out representation from individuals who had experience working at other police departments, unique academic degrees, professional experience outside of policing, and other types of varied life experience. The intent was to have broad diversity while keeping the overall size of the group manageable. Some individuals were chosen for their ability to represent several viewpoints simultaneously (an officer who had recently switched assignments from one division to another might be asked to speak for both perspectives, for example). It was also important to include non-conventional thinkers: people who had demonstrated the ability to engage in activities outside traditional policing processes.

Another consideration was the “weight” of ranks in the room. While it was important to have different ranks and positions, having too much “brass” in the room can make some people less

willing to speak their minds. For this reason, the police chief did not attend most meetings, while the director of the Services Branch (the civilian equivalent of an assistant chief), did.

This approach resulted in a diverse, if raucous, working group, although the method of selection generated some criticism as well. One oft-mentioned concern was about the somewhat closed process of selection (which essentially involved drawing up a suggested list and reviewing it with the chief’s office). As a result of that feedback, a modified selection process will likely be used if such an effort is reconvened in the future. Nevertheless, despite some design concerns, a competent group of individual thinkers was selected. This group, the Business Optimization Task Force, was not necessarily meant to meet some definition of the “most competent” or the “best of bureau.” If subsequent groups are formed, they will likely include different, similarly competent membership who could bring fresh ideas to the table each time the process is replicated.

## CHALLENGES

The task force had to find answers to a number of questions. Some of the more important are listed below.

### **How Do We Decide Which Ideas Are Worth Forwarding to the Chief’s Office?**

The answer was simple: We don’t. Any idea that relates to improving efficiency is suggested in a meeting, and it goes in the report. If further analysis showed that some ideas would result in larger savings, those ideas were featured more prominently in the report, but this was determined by fiscal analysis alone. Similarly, ideas were not voted on and consensus was not required; ideas were simply presented and argued, with the resulting argument distilled into a brief pro/con format, and submitted.

### **Who Makes the Decision About Which Ideas Will Be Implemented?**

The chief’s office or the appropriate commanders or directors made those decisions, not the task force.

### **What Is the Relationship of the Chief’s Office to the Task Force?**

The chief’s office would consider all recommendations and ask for more detail if it was needed. The chief might want more information to better understand what an idea would look like if implemented or to avoid rejecting an idea too soon because of a lack of understanding of its full merits. A representative from the chief’s office communicated these issues in an oral report at each meeting.

### **What Do We Do with Ideas that Don’t Directly Relate to Efficiency?**

Essentially, nothing at all. Officers suggested changes to internal affairs procedures, and non-sworn employees

recommended better civilian career development paths and options. Both are worthy subjects, but most of the related ideas didn't make the cut simply because the suggestions involved spending more money, not less. The rule was simple: If it is not about saving time or money, it doesn't belong in the report.

### How Do We Deal with Negativity?

It is easy to argue about why an idea can't be done, and it is common for such arguments to flourish in committees. A number of facilitation methods were used to counteract this tendency, including asking anyone who said an idea was unworkable to express this by offering a better idea instead. This issue may be the most important reason for having an experienced facilitator who has knowledge of police issues and culture help with the process.

**How Do We Get Some of the Biggest, Most Controversial Ideas on the Table?** Many techniques were used, with varying degrees of success. For example, task force members were encouraged to collect ideas from coworkers and suggest them with no names attached. It can be easier to introduce a suggestion one has heard from others than it is to champion a controversial idea alone.

### Will the Task Force Ever End?

From the start, it was agreed that the task force would be of limited duration. It was convened to make specific efficiency recommendations for one specific budget cycle. While the task force process could be initiated again to address new issues in the future, it was never intended to be an ongoing committee. This specificity of purpose helped focus the group.

**Do All Participants Need to Be Fiscal Wonks?** Officers and civilian staff from throughout the bureau were expected to be experts in their own positions, but they were not required to study or develop detailed spreadsheets (although some certainly did). On the other hand, Fiscal Services Division analysts needed to understand the recommendations from line staff thoroughly enough to determine the amount of savings possible. In some ways, one of the more significant side benefits of the process was to generate more understanding between line personnel and fiscal staff about the challenges faced by each group.

With the above challenges addressed (along with a few others), the task force set about answering two core questions:

#### Task Force Ground Rules

The task force:

- Is advisory only — decisions are up to the chief's office and senior staff
- Is of limited duration — a commitment of six meetings
- Requires members only to provide their own ideas and collect ideas from others — the task force is not required to perfect all ideas that arise
- Submits ideas without the originating names attached
- Has one primary job — brainstorming
- Requires members to be experts in their positions, not on the budget or other areas of the bureau

1. Without increasing the budget, how can we better fulfill our public safety mission?
2. What can be done more cost efficiently without harming the public safety mission?

To answer those questions, the group met for six two-hour meetings between August and December 2011. During the initial meetings, ideas were solicited and farmed out to task force members for analysis (often combining a person with fiscal expertise with the appropriate line staff member). Between meetings, the facilitator revised a working draft of the recommendations coming out of the task force and flagged areas to focus on at the next meeting, most commonly issues that required more cost analysis or more information before a sound cost analysis could be attempted. At each follow-up meeting, members would report their findings, suggest new ideas, or add more definition to existing ideas. In addition, other ideas entered the conversation as a result of a bureau-wide announcement asking for ideas to be submitted to task force members.

## RESULTS

The first two meetings were perhaps the most productive in terms of generating raw ideas. Some ideas were deeply thought out, others more spontaneous, and many seemed to simply represent the long-held curiosity of an individual who had always wondered why the bureau still used one practice or another. A few examples of questions and their answers follow:

**Q.** *Given how many members have bureau-issued cell phones, do we really need all the landline phones we have now?*



- A.** No, we don't. Reducing unnecessary landlines could lead to at least \$100,000 in annual savings.
- Q.** *Printing up thick case-review binders for the review board consumes a lot of time and paper. Could all that information be provided in secure-access iPads or electronic readers, instead?*
- A.** Yes, it could, and it would save money.
- Q.** *Can we save money on cars, without harming services, by deploying two-officer cars and a paddy wagon per shift, instead of the one-officer cars and no paddy wagon model now in use?*
- A.** Maybe, and this is an idea that can be tested in a gradual and reversible manner.
- Q.** *What happens if we go to a two-year promotion cycle instead of one?*
- A.** Analysis suggests a savings of \$40,000 to \$60,000 per year; not a huge savings compared to the overall budget, but something.
- Q.** *What about charging a small application fee to sworn recruits, as some other departments do, to reduce time wasted on the large percentage of recruits who don't show up?*
- A.** The direct savings are hard to quantify, but based on the results other agencies are getting, it is an idea worth developing further.
- Q.** *How much could we save by redesigning patrol deployment along the lines suggested by task force members?*
- A.** A lot — potentially millions. The approach involves concepts such as creating as many as five shifts, instead of three, to optimize coverage during periods of high call vol-

umes while substantially reducing coverage during times of consistently low call volumes.

Ultimately, the meetings generated potential savings ranging from \$500,000 to more than \$4 million. As an extra bonus, the \$500,000 the task force initially identified was essentially free. That is, these ideas had minimal operational impact, yet they resulted in ongoing savings for the current and future fiscal years. Potential savings are not the only the measure of results, however, or necessarily the most important. What matters at least as much is whether any of it can get done. In this respect, the group's diverse nature added important visibility to the process and has paved the way for additional efficiencies to be considered.

### Solid Savings

The task force identified a number of areas where the bureau could save money. Examples of potential annual savings include:

- \$1 to \$3.5 million in savings from better aligning shift schedules with call volume
- \$150,000 in savings from having officers perform forensic collection duties for minor property crimes
- \$120,000 in savings from aggressively eliminating duplicative land lines when personnel have bureau-issued cell phones
- \$100,000 in savings from implementing fleet reduction and management initiatives to ensure appropriate use of vehicles

The task force process provided a sort of seal of approval, indicating that ideas had been vetted by the rank and file, and it has even encouraged commanders to help break down the inevitable silos that develop in organizations over time and "share the pain." For instance, one commander agreed to reduce his fleet after an initial reluctance to risk losing resources. This helped develop a sense of shared responsibility and may have made it easier for others to offer similar adjustments. In another instance, the captain of the Forensic Evidence Division (the PPB's CSI unit) suggested an idea that will save \$150,000 a year by replicating what is standard practice at some other police departments: Have responding officers complete a preliminary investigation, including the collection of certain evidence (fingerprints, DNA, etc.), for minor property crimes, rather than sending a forensic science technician to each scene. This might sound simple, but for a department that has always done it a different way, being willing to make the change, and doing so at the suggestion of a captain who would lose two positions as a result, is significant.

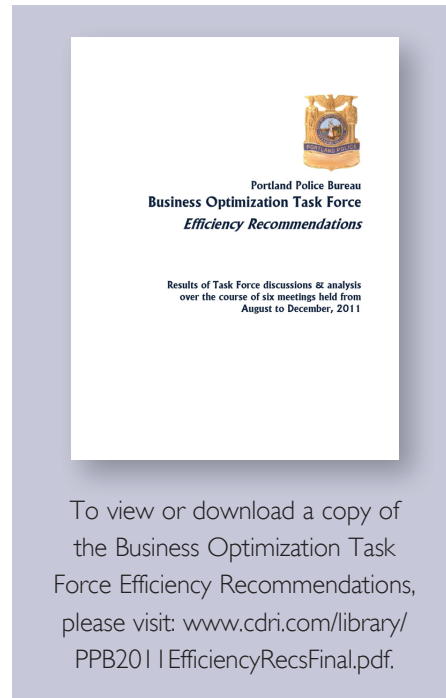
Other benefits were less quantifiable, but still significant. Myth management is one of these. For example, task force members expressed the belief that Fleet Maintenance (part of a different city bureau) was overcharging the police bureau for oil changes. Analysts tracked down the numbers and reported to the group that rumors of city oil changes costing \$200 were unfounded, that the amount actually paid was competitive with private market rates. By dispelling myths like this, the BOTF process made some of the necessary cuts somewhat less painful.

Some instant changes also built credibility. At the first meeting, officers raised the question of why the mobile terminals in patrol cars lacked direct access to the Internet, expressing the belief that considerable time could be saved on various look-ups if that restriction were lifted. The pros and cons were discussed and, by the next meeting, the chief's office reported that the policy was being changed and the restriction being lifted. Did it save a quantifiable amount of money? The bureau may never know. But perhaps just as important was that it showed the task force members that they were being listened to and that their work had the potential to lead to actual, substantive change. The willingness of the chief's office to listen and respond stamped the task force with a sense of a legitimacy and value it would not have otherwise had.

It is also important to recognize that the group was not responsible for "fixing" the budget or "solving" the budget crisis. In a sense, its purpose was to identify what could be done better and cheaper in order to minimize the impact of other potential cuts. The process was one of several efforts aimed at balancing the budget, not the only one. The bureau had not implemented a full-blown budgeting for outcomes (BFO) process, nor was the task force process designed to replicate BFO; however, the task force process might help instill a culture favorable to implementing a BFO process in the future.

## CONCLUSIONS

It has been said that making change in a 24/7 police organization is roughly equivalent to repairing an automobile engine while the car is in motion. In



policing, constantly changing demands, events, and political dynamics rarely allow solutions designed for yesterday's reality to match tomorrow's. The task force process was no different.

City revenue projections were revised about a third of the way into the process, leading to a request to cut budgets in all bureaus (including the police) by much more than had been expected. But instead of changing the task force's mission to something its members had not signed on for, the project was finished as intended, while recognizing that the work would more likely result in cushioning the blow of deeper cuts than freeing up resources for other tasks, as had been hoped. These are the realities that local governments wrestle with.

A number of the ideas brought forward by the business optimization task force had arisen previously in other forums. Many of the ideas were not new, but the formal task force process

provided the definitive push needed to give them traction. And the task force process did yield quick, substantial results with limited investment: the consulting facilitator's fee and the time spent by approximately 30 people to attend meetings and work on task force issues. The recommended cuts that came from the project are part of the bureau's requested budget for 2012, including a reduction of 20 officers, two forensic specialists, and \$100,000 from eliminating phone lines. These changes can improve business efficiency and give the Portland Police Bureau still better tools for meeting its public safety mission for the community it serves. ■

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