

# THE ICEBERG CONCEPT: TRANSFORMING WATER & WASTEWATER UTILITIES FROM BELOW THE SURFACE

Cultivating Authentic Relationships and Trust  
within Montgomery County Water Services

Presented by  
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Ohio Water Environment Association  
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# MONTGOMERY COUNTY WATER SERVICES



**We are 240\* employees serving  
250,000 people and 6000 businesses.**

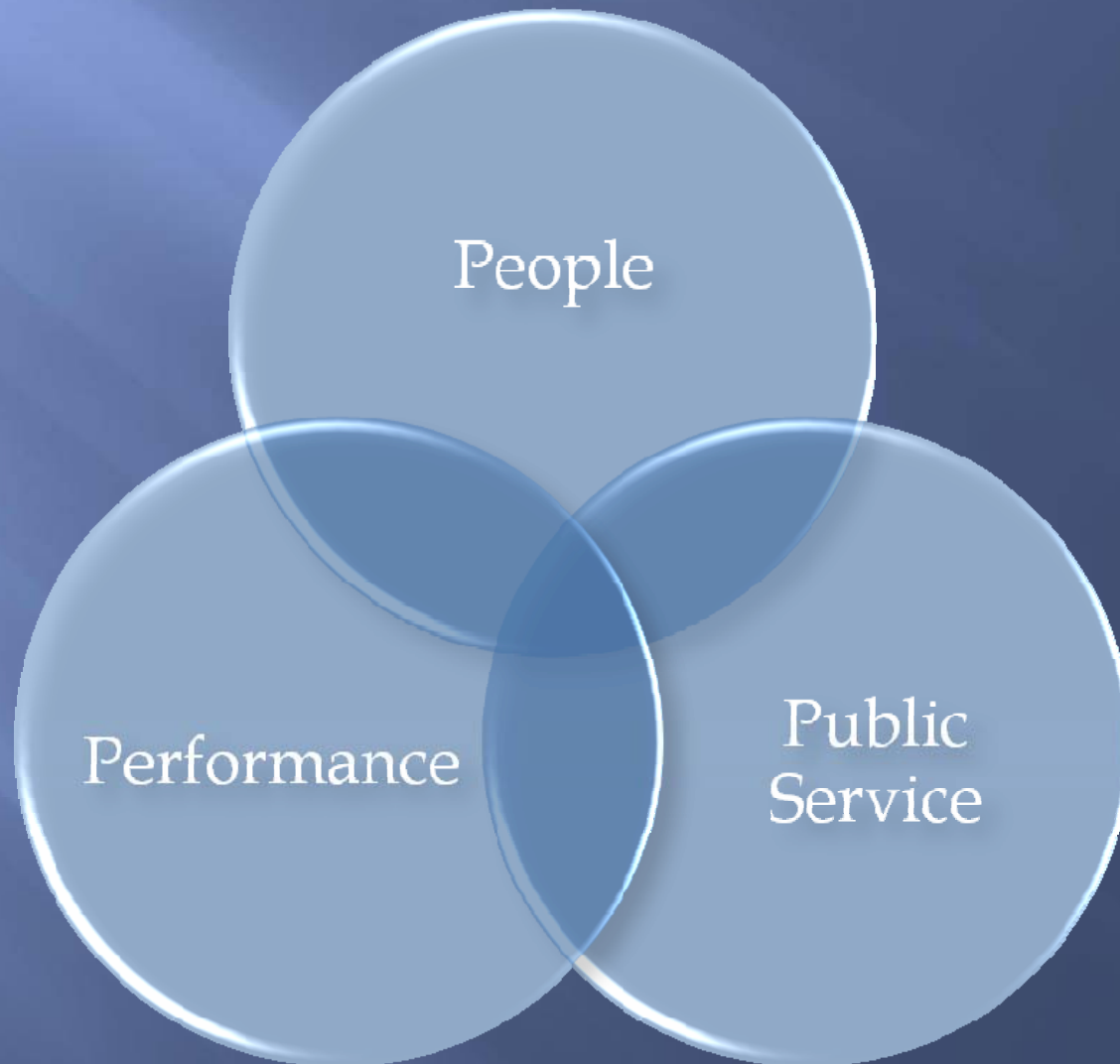
8 Service Groups:

Facts:

- ▣ Engineering
- ▣ Field Services
- ▣ Environmental Laboratory
- ▣ Maintenance
- ▣ Water Reclamation
- ▣ Finance
- ▣ Support Services
- ▣ IT/GIS

- ▣ 1200 mi. of sewer pipe
- ▣ 1340 mi. of water pipe
- ▣ 14 water tanks
- ▣ 12 pump stations
- ▣ 36 lift stations
- ▣ 3 EQ basins
- ▣ 1 well field
- ▣ 2 ww treatment plants
- ▣ 150 sq. mi. area

# Our County Philosophy



As we embark on our journey let's  
consider icebergs



# Icebergs:



- ❖ Originate in Greenland, Arctic
- ❖ Are composed of freshwater
- ❖ Are usually 3-9 times the visible height

Titanic hit what was below the surface.

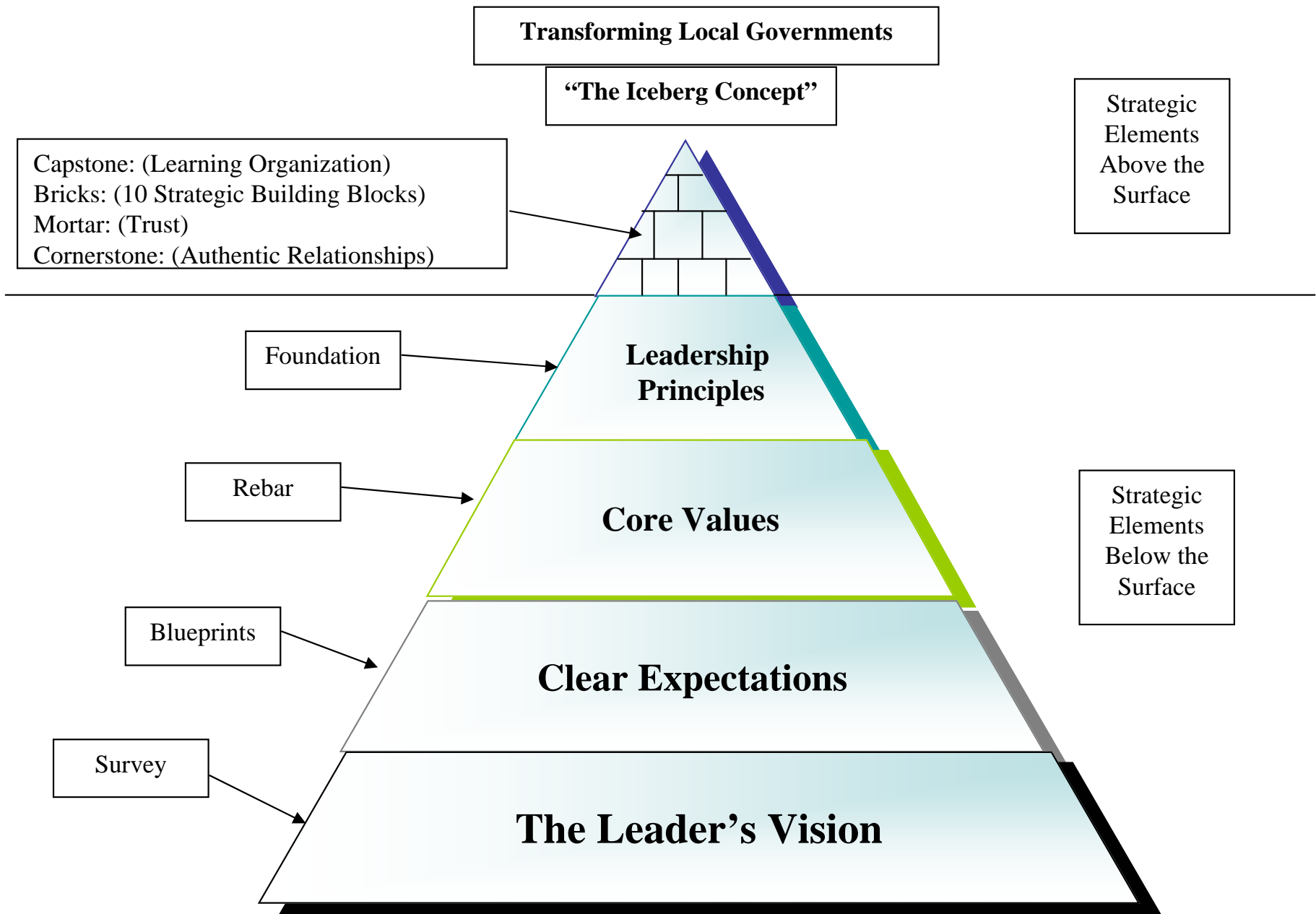
# Titanic: "Unsinkable"

## Technical Errors:

- ▣ Too few lifeboats
- ▣ Watertight doors trapped many
- ▣ Iron rivets flawed
- ▣ Hull brittle, weakened
- ▣ Outdated technology
- ▣ Bulkheads lowered
- ▣ Steerage exits locked

## Human Errors:

- ▣ Speed too high
- ▣ No binoculars
- ▣ Six iceberg warnings ignored
- ▣ Lifeboat drills canceled
- ▣ Delayed decisions
- ▣ Lifeboats not filled



*Inside-Out Leadership: Transforming Local Governments Through Authentic Relationships.*  
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**A stable foundation is the key to an awesome,  
enduring structure.**



**The Mackinac Bridge contains 1,000,000 tons of  
concrete and steel,  
75% of this is below the surface.**

# It starts with the **Leader's Vision**

Leaders must ask...

- ▣ What do we want to be?
- ▣ Where do we want to go?
- ▣ Why do we exist?

“...Help me to build on Thy high road  
A bridge to serve the common good;  
To smooth the way and lift the load  
A link to human brotherhood.”

Dr. David B. Steinman  
Bridge Designer and Engineer



# Clear Expectations state...

- ▣ What do you expect of yourself?
- ▣ What do you expect of others?
- ▣ What do others expect of you?



# Shared Core Values...

- ▣ Are the bottom-line of the organization
- ▣ Are constant, change resistant
- ▣ Define who we are, what we are
- ▣ Are the essential core of group cohesiveness
- ▣ Explain and predict results
- ▣ Support the Vision
- ▣ Are the basis of behavioral principles

# Our County Values:

- ▣ Integrity
- ▣ Excellence
- ▣ Teamwork
- ▣ Innovation
- ▣ Commitment
- ▣ Mutual Respect

# Our Department Values:

- ▣ Trust
- ▣ Diversity
- ▣ Flexibility
- ▣ Leadership
- ▣ Cooperation
- ▣ Accountability
- ▣ Communication
- ▣ Shared decision-making

Ask yourself...Do I support  
and model these?

# Leadership Principles are...



- ▣ Fundamental rules of action
- ▣ Conduct or behaviors that enable the achievement of values
- ▣ Desired ethical standards and characteristics of leaders

# LEADERSHIP Principles (Behaviors)

Ask yourself...Am I \_\_\_\_\_?

**L**oving = caring, unifying, self-sacrificing

**E**ngaging = committed, attentive, involved

**A**uthentic = genuine, reliable, trustworthy

**D**isciplined

**E**thical

**S**trategic

**H**opeful

**I**nspiring

**P**eople-Oriented

Foundational elements: Vision, Expectations, Values, and Principles must be in place in order to set the **cornerstone** and build with **mortar**.



Relationships



Trust



# Trust

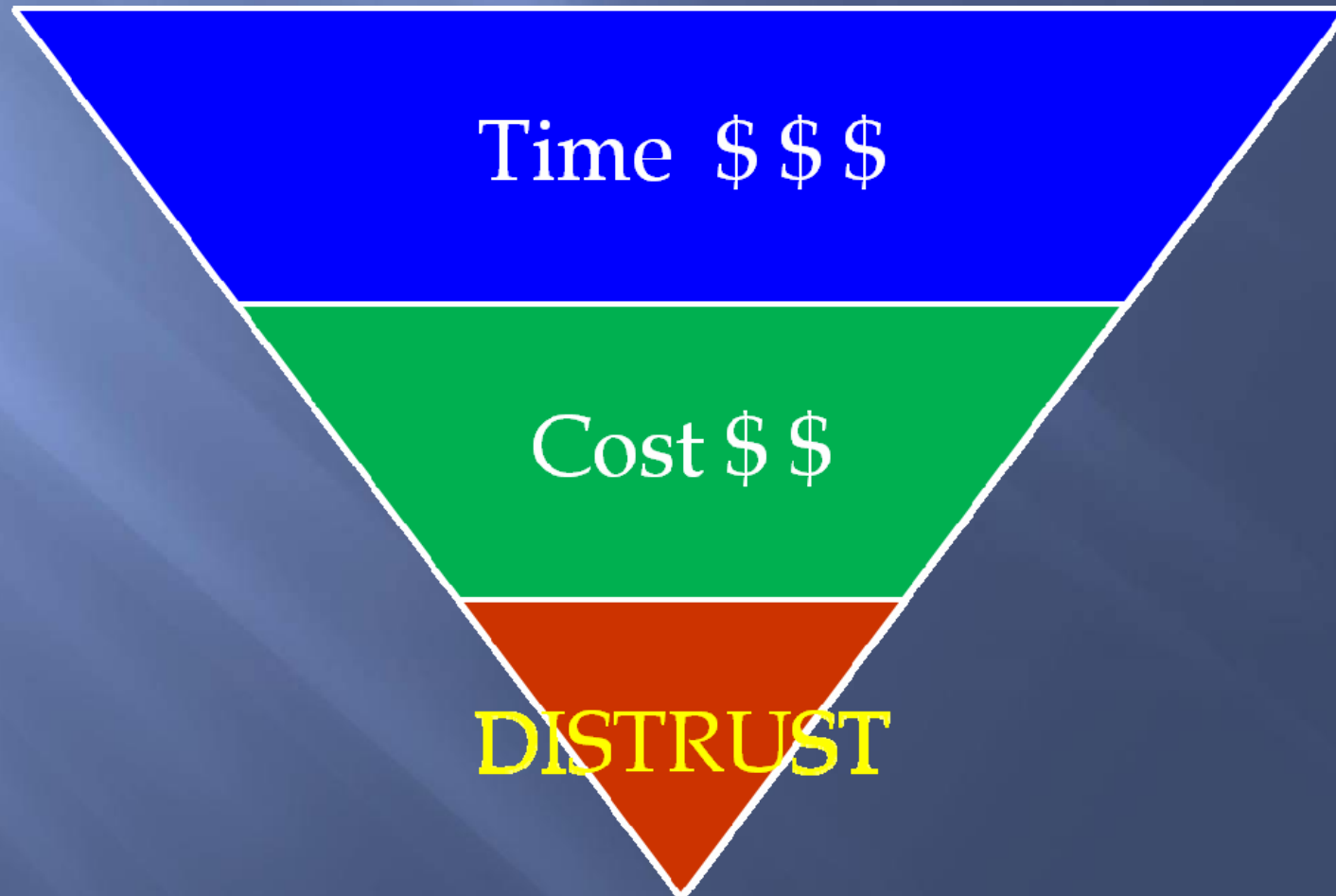
- ▣ Central to human relationships
  - ▣ Basis of capitalistic society
  - ▣ Core of our military
  - ▣ Foundation of public service, yet...
- 
- ▣ 68% distrust U.S. businesses (up 20% in 1 yr.)
  - ▣ 76% believe public leaders don't care
  - ▣ 78% say government spending is out of control
  - ▣ 82% say politicians are only interested in elections

2010 Pew Research , Fox News , CNN polls; Harvard Business Review, 2009

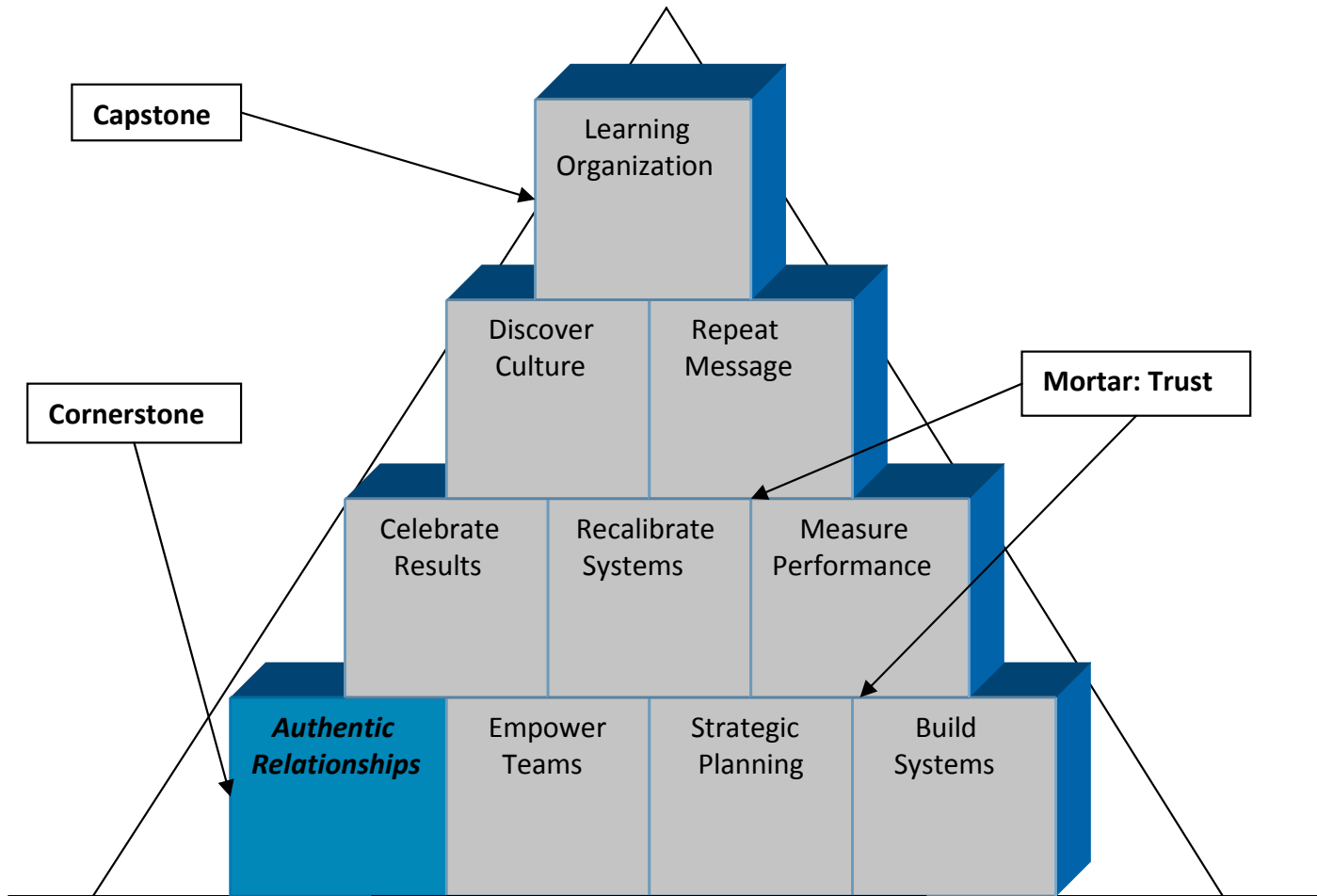
# Distrust

“...doubles the cost of doing business and triples the time it takes to get things done.”

S. M. Covey, T&D, 2009



# Strategic Elements of Change Above the Surface



**Below the Surface Elements:**  
Leadership Principles  
Core Values  
Clear Expectations  
The Leader's Vision

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"The Iceberg Concept"

# Learning Organizations...

- ▣ Nurture creative thinking
- ▣ Realize “none of us have arrived”
- ▣ Value continuous learning
- ▣ Build leaders and help others get ahead
- ▣ Align individuals with teams
- ▣ *Know it's all about “We” not “Me”*

# “Creating a Learning Organization is...

critical for the modern utility facing unrelenting pressures...the capacity to learn and adapt can mean the difference between successful change and continuing crisis.”

*Westerhoff. et al. 2003*

# This new approach involves a new way of thinking



- A holistic worldview of effectiveness
- Investment in “human capital”
- Team approach to problem solving
- Flexibility and feedback
- Recognition & appreciation

# Why this approach?

- ✓ Between 2005 - 2015, 50% of all MCWS employees are eligible to retire! (60% over 45)
- ✓ Since 1972, 1,800 w/ww facilities changed to contract operations, 1,100 in the past 10 years.
- ✓ U.S. must invest up to \$1 trillion in the next 20 years to sustain water /wastewater infrastructure. (rated a D – by ASCE in 2009)
- ✓ Disengaged employees (1 out of 5) cost the U.S. up to \$350 billion per year in lost productivity.

# Why this approach?

- ✓ Local impacts to streams have global impacts on oceans, fishing and economy.
- ✓ Failure rate of consultant led, organizational change initiatives is 70-90%.
- ✓ Water & wastewater facilities are one of the most important assets a community has... an investment providing huge returns...the heart of a community.
- ✓ Relationships are the foundation upon which all other management skills are built.

Houtsma, deMonsabert, Gutner, 2003; USEPA, 2003; Majumdar, 2003; Rush, 1983

# In the past, most utility change processes...

focused on transactional aspects, such as;

- avoiding privatization
- applying technological improvements
- restructuring or reengineering
- flattening the organization
- closing financial gaps



# Today's Driving Forces



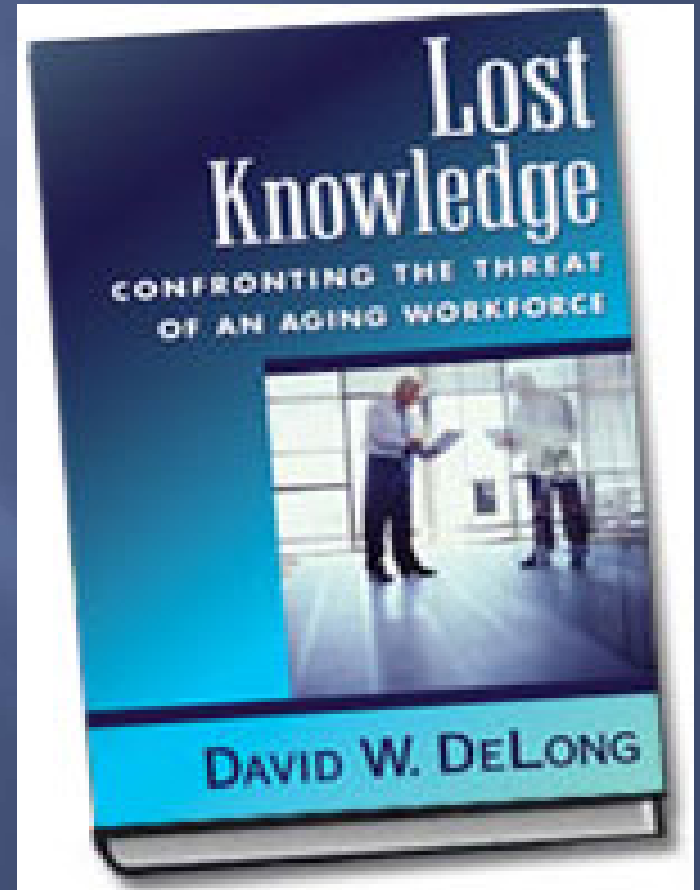
- ▣ Increasing demand
- ▣ Rising costs to produce and treat water
- ▣ Increasing water quality/health concerns
- ▣ Attractiveness of Public/Private Partnerships  
(90% of client relationships are positive)

American City and County, 2008



# More Driving Forces

- ▣ Aging workforce
- ▣ System security
- ▣ Failing infrastructure
- ▣ Flat or declining revenues
- ▣ Environmental regulations



# Change is in the Water

Cities & Counties are rethinking how they deliver services



# “The true entrepreneurial challenge...

“is not simply a matter of closing financial gaps. Rather, water utilities must develop long term business strategies that reflect and respond to the changing marketplace and afford opportunities for growth and development.”

AWWARF, 2003

# To respond, utility leaders must...



- Involve stakeholders
- Listen to customers
- Invest in training
- Partner with regulators, communities
- Consider regional impacts

➤ **Build relationships**

# As stewards and public servants we lead from the **Inside-Out** by...

- Getting to know employees
- Leading with our hearts as well as our heads
- Delegating responsibility and letting go
- Being real, being truth-tellers
- Developing an “other-directed” approach
- Helping employees see the big picture
- Increasing participation at all levels and...

...showing that you really care.



A disheartened Browns fan comes home.

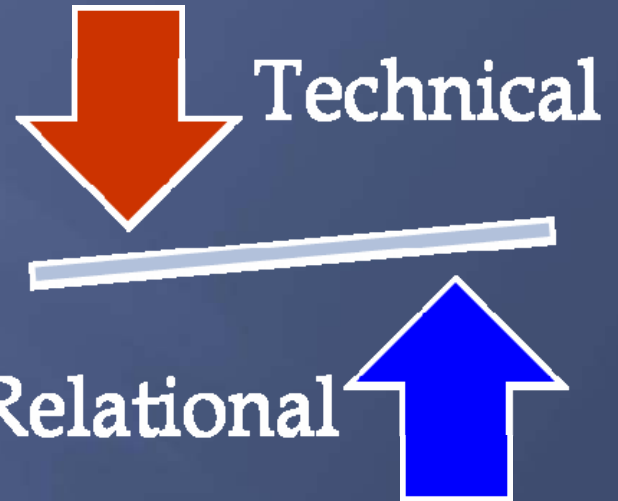
# The key element of an organization is not...



...a building or a set of policies or programs, nor is it position, power or prestige but rather realizing that the organization is made up of people and their working **relationships with one another.**

Daft, 2004; Nadler & Tushman, 1997

# Transformational Leaders...



- ▣ Value **people**
- ▣ Involve **people** in solutions
- ▣ Serve the needs of their **people**
- ▣ Know that **people** are the strategy
- ▣ Understand that the right **people** are key
- ▣ Know that the “**soft stuff**” is the hard stuff

Pfeffer, 1998; Collins, 2001

# Research shows that...

proactive, collaborative leaders who create people-oriented, team-based workplaces;

generate greater innovation,

are more satisfying to work for,

develop higher level followers ,

have reduced job stress ,

get more volunteers and

are more effective.

Boenke & DiStefano, 1997; Wren, 1994

# More research shows that...

- Most important leadership skill is...**relationship building, interpersonal openness.**
- Most important to employees... **relational issues.**
- #1 Reason why employees stay...**good relationships with coworkers.**
- Largest factor in employee engagement... **relationship with the boss.**



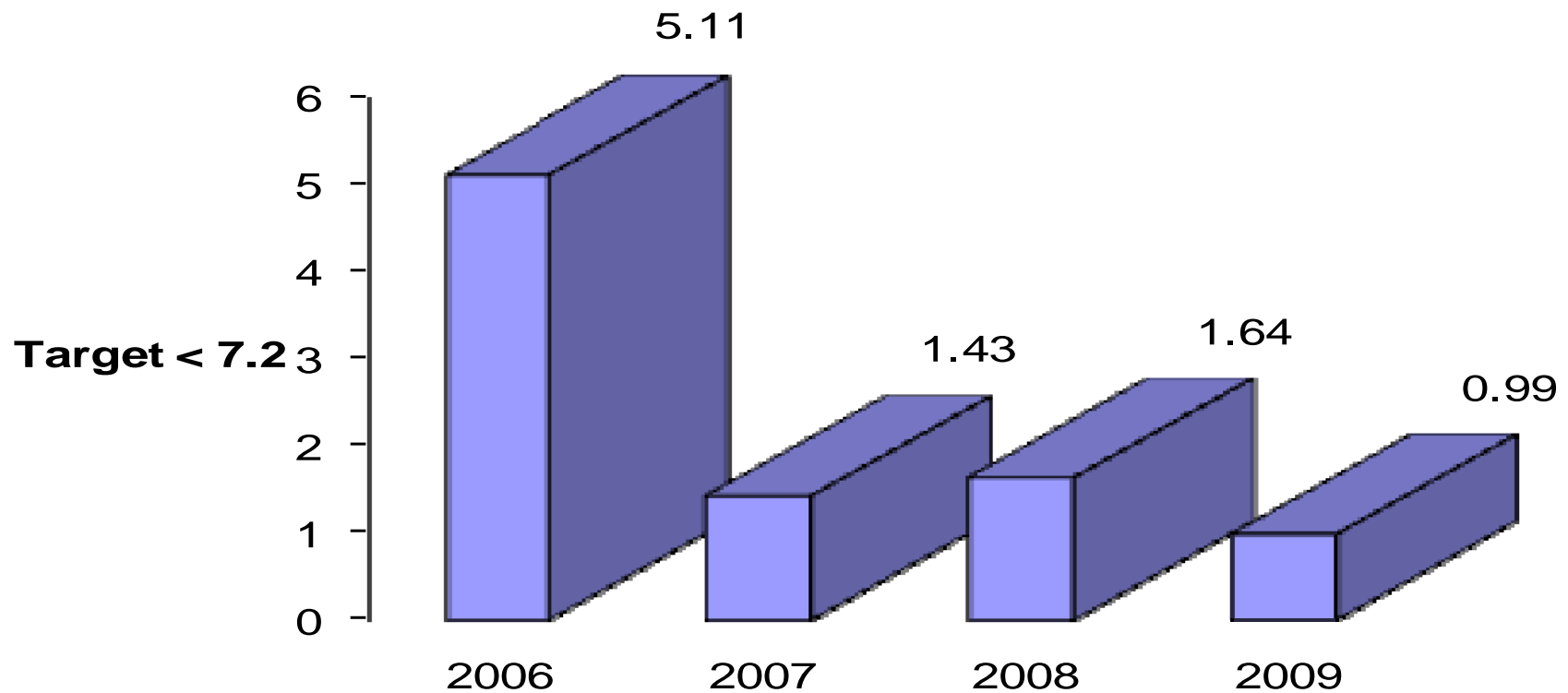
CCL, 2006; GPWI, 2007; Salary.com, 2009;  
Workforce 2010

## Some of our 2009 results using AWWA Balanced Scorecard;

- ▣ Auto Accidents ----- reduced 72% from 2004
- ▣ Overtime Costs ----- reduced 30% from 2005
- ▣ Sewer Overflows ----- reduced 65% from 2005
- ▣ Main Breaks avg. --- 37% below target since 2005
- ▣ Permit violations ----- down 67% since 2006
- ▣ Billing complaints ----- reduced 50% since 2006
- ▣ Training hours/employee ---- up 20% since 2005
- ▣ EPA-Performance test results ----100% since 2007
- ▣ 15 of 22 BSC measures met ----- up 2 from 2008
- ▣ Customer Satisfaction 95% ---- up 14% from 2006

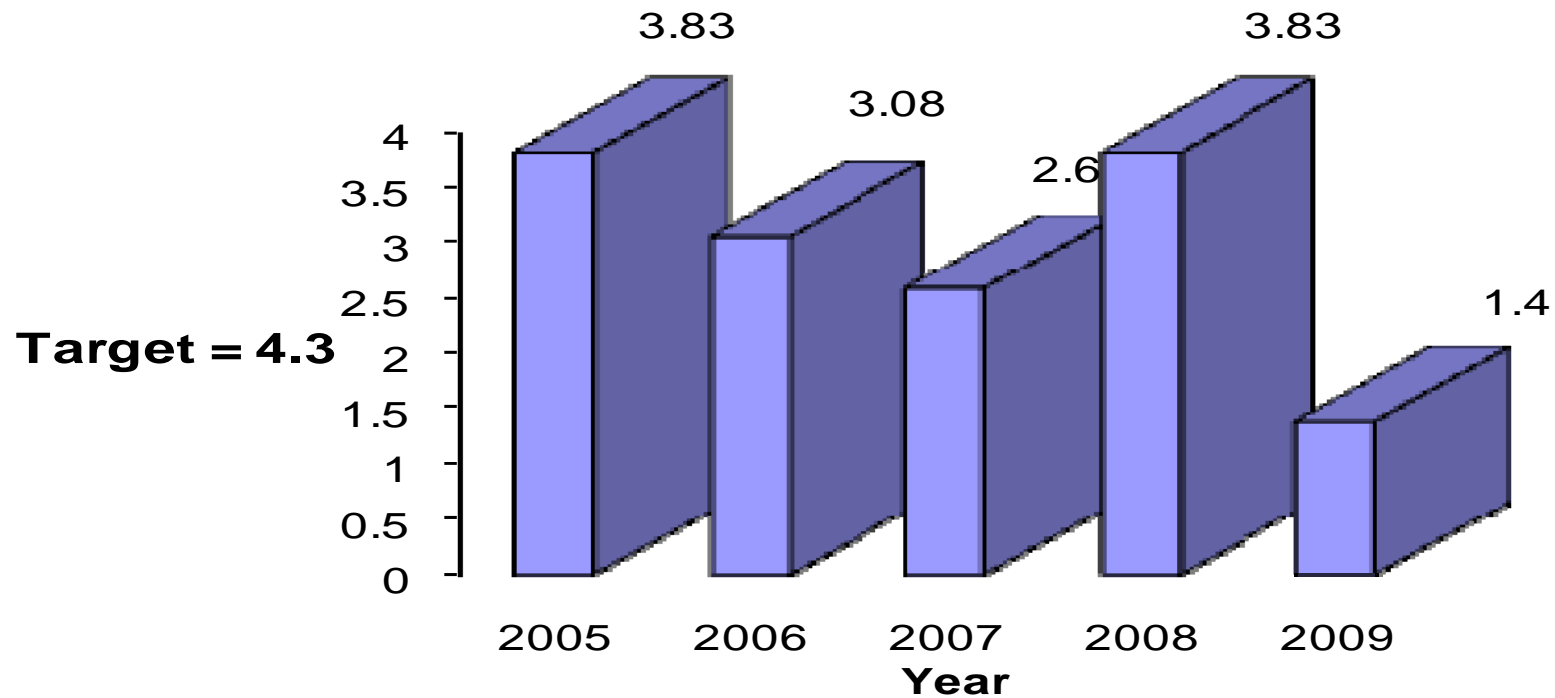
# Water Quality Complaints

**Technical Quality Complaints per 1,000  
Customer Accounts**



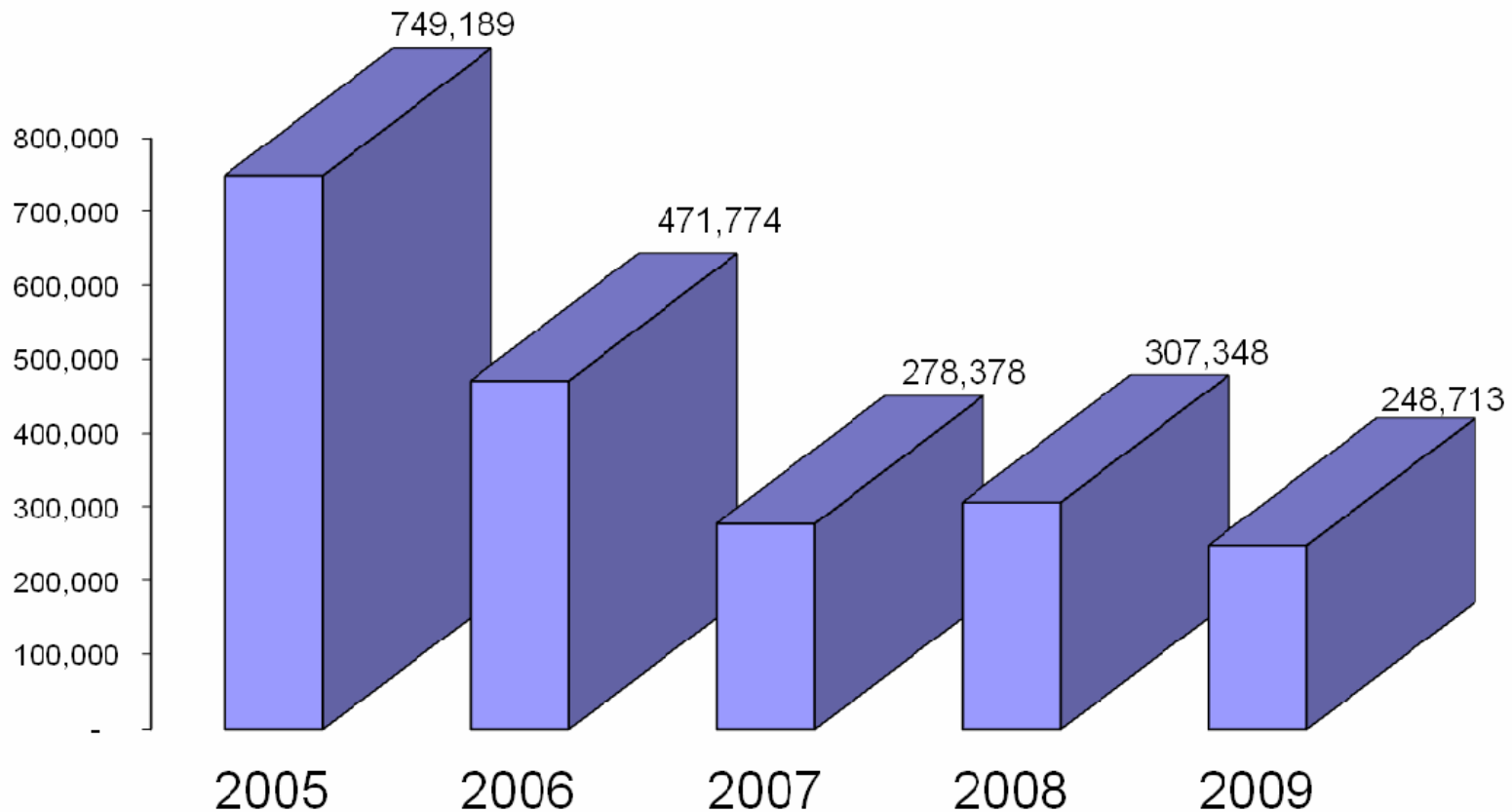
# Sewer Overflows

**Number of Overflows per 100 Miles of Sewer**

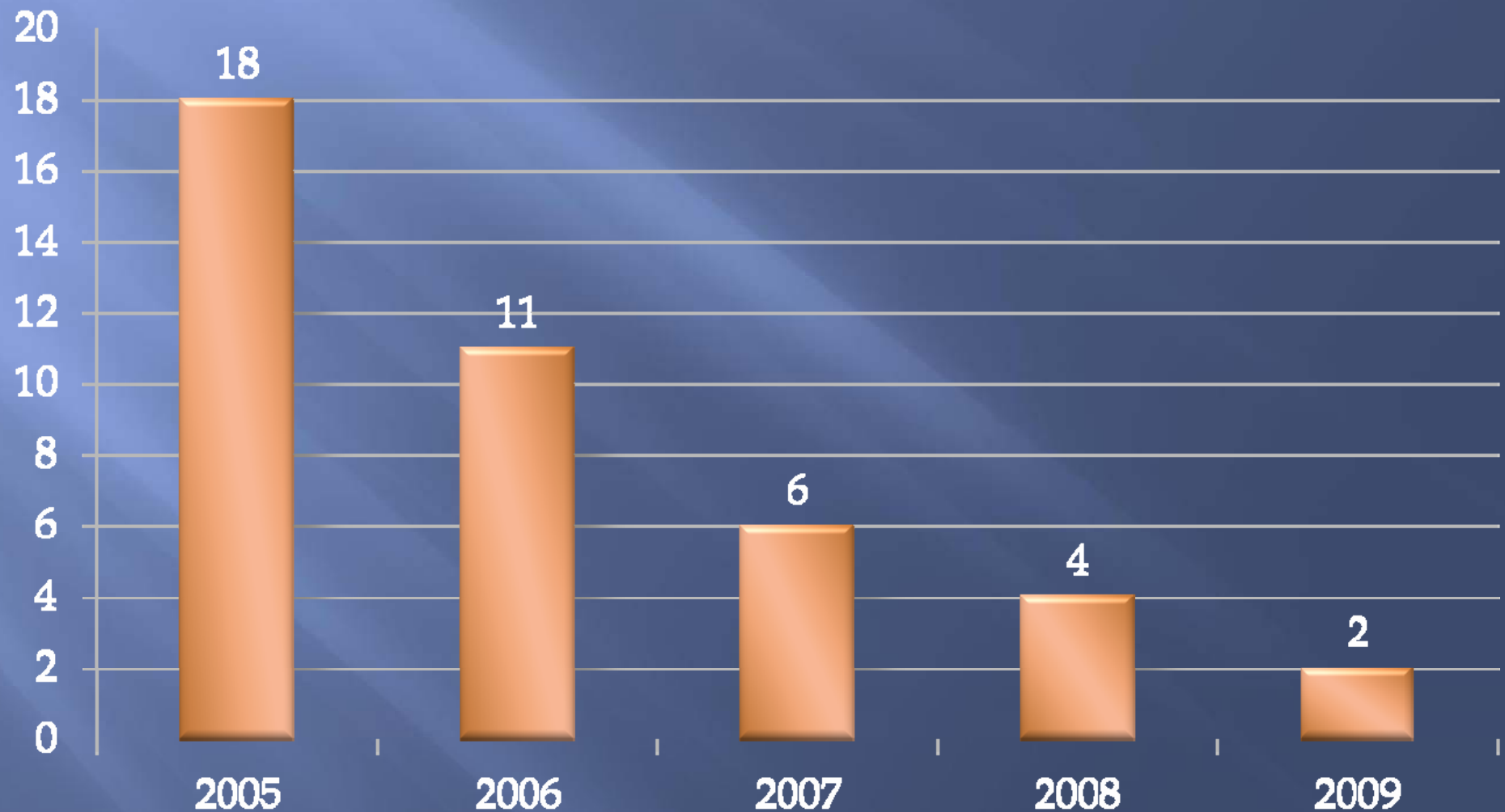


# Workers Comp Premiums

## Workers Comp Premium History (\$)



# Employee Grievances



**MCWS Employee Grievances**

# MCWS is improving **internal relationships** through...

- ▣ Communication tools
- ▣ One-on-one interaction
- ▣ Improved safety training & tracking
- ▣ Accountability & development plans
- ▣ Hiring/selection plan with assessments
- ▣ Coaching, Auditing, Steering Teams
- ▣ Surveys of employees with follow-up
- ▣ Conflict resolution & mediation services
- ▣ Recognition & reward system
- ▣ Strategic planning

# MCWS is improving **external relationships** through...

- ▣ Self service account information
- ▣ Credit card payments
- ▣ AMR, IVR and outbound dialing
- ▣ GIS, CMMS, Asset Management
- ▣ Public Education Initiative
- ▣ Cooperation with Ohio EPA, reg. officials
- ▣ Economic expansion projects
- ▣ Joint master planning
- ▣ Project prioritization and reporting
- ▣ Residential and Commercial surveys
- ▣ Regional collaboration with cities, counties

# City and County Collaboration on Water is working to;

- ▣ Unify our efforts, grow each system together
- ▣ Supply current needs & meet future challenges
- ▣ Simplify billing, avoid duplication
- ▣ Educate employees & reduce cost of operation
- ▣ Provide product/service at reasonable costs
- ▣ Market vast resources of high quality water

“Blue Gold,” “21<sup>st</sup> century gold” IATP, 2007

# Relationships involve Risk



“If senior leadership fails to collaborate, the path to change remains grounded on the runway.”

# It is time...

...not only to engage the leading organizations of the water community, but the leading leaders of the water community as well, from both the public and private sectors.”

William J. Bertera  
Executive Director  
Water Environment Federation, 2009

# So the building choice is yours ...



*You can be, “a wise man, which built his house upon a rock... the rain descended... floods came... winds blew... and it fell not...*

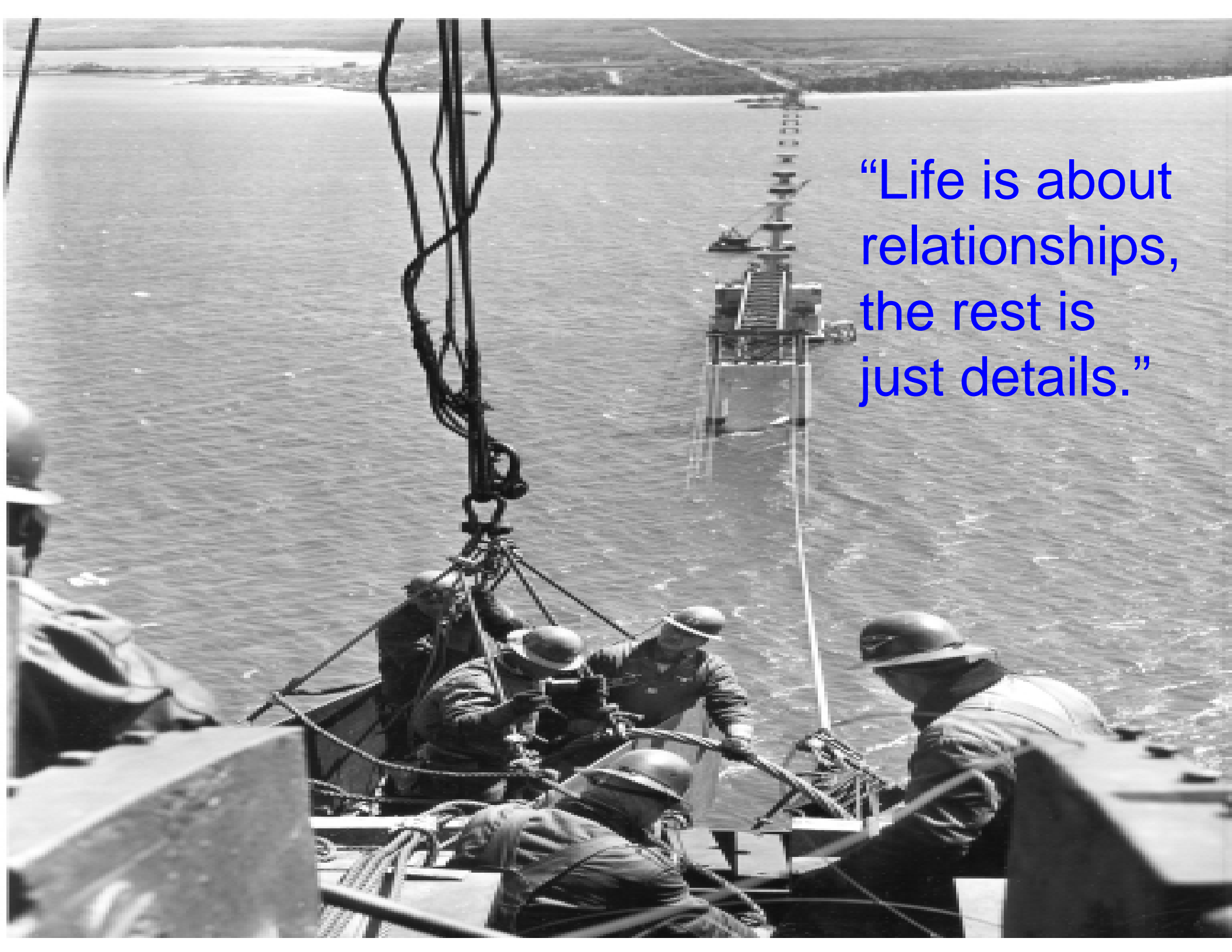
Or...



*“a foolish man,  
which built his  
house upon the  
sand... and it fell  
and great was the  
fall of it.”*



So...be a bridge builder with a sure foundation.



“Life is about relationships, the rest is just details.”

**“The art of leadership is about  
relationships.”**



“Developing **relationships** is a building process, a life-long journey that doesn't simply rest on one single principle but provides a means to achieve and bring vision to reality.”

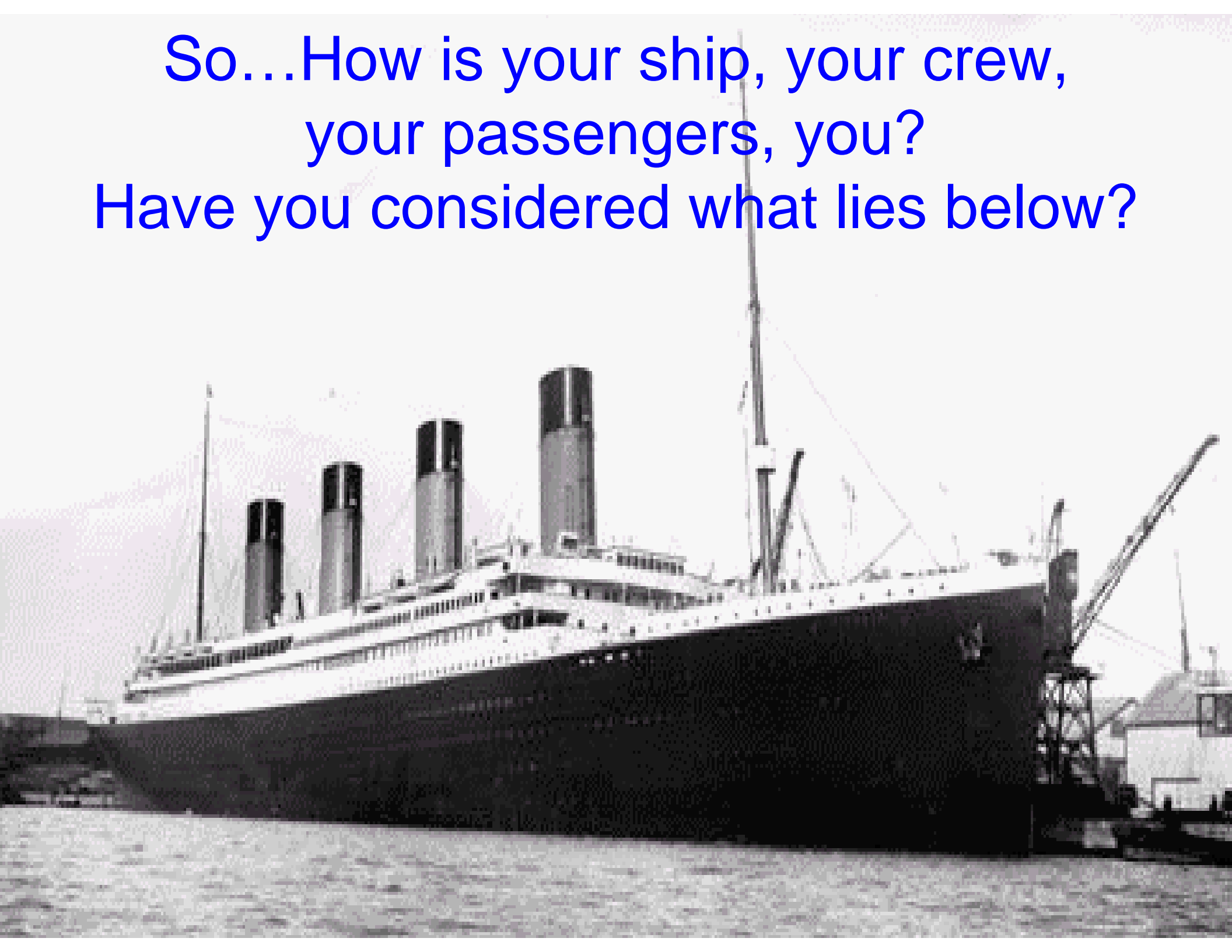
Kouzes & Posner, 2001; Miller, 1995

*Bridging gaps and creating masterpieces, requires the “stability strategy” of **vision, expectations, values** and **principles** before any structural elements are raised.*



*This foundation creates **authentic relationships** and **trust** so organizations can weather the storms and stand for years to come.*

So...How is your ship, your crew,  
your passengers, you?  
Have you considered what lies below?



If so, enjoy the journey.

Questions, Thoughts... ?

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