



COS 2.0: Changing the Way We Do Public Business

BY BILL FULTON

IN A WORLD OF SHRINKING BUDGETS, low public trust, and declining civility in public discourse, public officials often feel like executives in a once-great company that is quickly losing value in the eyes of its shareholders. Polarized debates over what to cut and whom to blame drive people even further from the public square, only to return at election time to demand a change in management. To win back consumer confidence, local leaders understandably do what leaders of any business would do: promise to tighten the belt, do more with less, and, above all, improve customer service.

Bill Fulton is Co-Director of The Civic Canopy (www.civiccanopy.org).

But this may prove to be exactly the wrong move. Like leaders in the private sector, public officials face what Harvard professor Clayton Christensen has called the “innovator’s dilemma.” On one hand, success in any business—public or private—comes from meeting the demands of customers. But meeting today’s demands traps businesses into a mindset that is less able to anticipate the future needs of consumers. Ironically, what leads one to become the captain of an industry is exactly what makes it likely one will go down with the ship as one’s place within that industry sinks.

COS 2.0 operates from the premise that our common interests far outweigh our competing positions.

Promising to do more with less, developing more long-range forecasts for current public programs, shrinking the size of government—all the “usual answers”—will not provide the kind of innovative solutions that our public problems demand. There are of course important differences between the role of a public servant and the role of a CEO, but many public officials no doubt know this dilemma from experience. The harder one tries to meet the needs of one’s constituents today, the more one sacrifices everyone’s needs for the future.

Fortunately, the lessons Christenson has gleaned from industries that have adapted, or failed to adapt, to this dilemma are instructive for public officials as well. Consider industries as varied as telecommunications, music, and banking. All have undergone what scholars describe as the switch from “value chains” to “user networks.” In the value-chain business model—think of AT&T or RCA in the 1950s—a handful of industry leaders invested heavily in the means of production and thus wielded enormous influence over the types of products available, the cost of those products, and the rate of innovation. As the disruptive technologies of cell phones and the Internet arrived, however, the industry giants were too focused on their old business, while other, more innovative companies took the lead in the industry as it evolved into a user network model (think Apple iPhone and YouTube). In user networks, consumers actively determine much of the production and terms of participation.

Similar transformations are occurring in the public sector, where the roles of government and the roles of citizens are in flux, and where networks of citizens

and public officials are engaging in new ways and harnessing previously untapped civic resources and creating more effective solutions for communities.

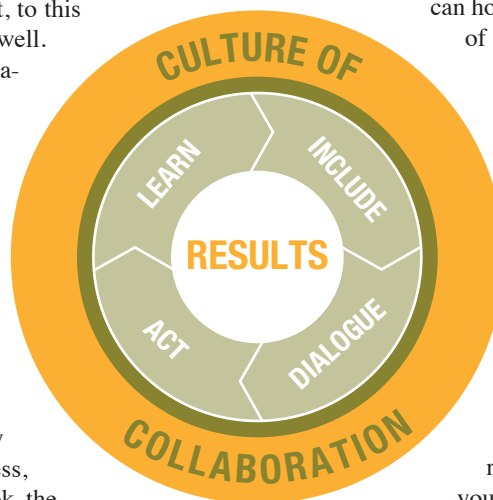
A New Civic Operating System

So how do we move from a value-chain form of public business to develop more user networks of engaged citizens? Like user networks in other industries, these civic innovations and new forms of public engagement will need to be based on a new type of “civic operating system” (COS) that enables individuals and groups to collaborate more effectively around common problems and learn together over time. Like the code that enables our computers to seamlessly integrate multiple programs, or the protocols that allow us to magically connect with computers all over the globe, operating systems are the “rules of the game” that determine how the individual pieces of a system fit into a larger whole. Public officials interested in moving beyond the innovator’s dilemma, and tapping into creative sources of civic energy, must resist the temptation to work harder at improving an outmoded civic operating system, and instead should consider upgrading to a new civic operating system.

Let’s consider our current way of doing public business as COS 1.0. For much of our country’s history, COS 1.0 set up the public sphere as a kind of marketplace of interests competing for scarce resources. The role of government is to provide institutional structures within which these interests compete to determine the best collective action. In this system, it is prudent for each actor to define his or her needs in the largest possible terms, since even if those needs are not met in full, at least one can hope for a slightly larger slice of the pie in the end.

Overall this approach has served us well, but it is now at the breaking point. Think of the typical town meeting, where an agitated town resident, who lives next to the town’s largest park, stands up and complains in no uncertain terms that the town’s parks have been deteriorating for years, that what you see there now are weeds

and trash, and that, as a result, the parks have become a haven for trouble-making kids. If another proposed budget cut goes through, she says, the parks won’t even be safe anymore. The only ones using them will be drug dealers! Town officials reply that they’re doing the best they can, and that police have been asked to patrol the parks more, but



there just isn't enough money. Immediately following her comments comes an appeal from the leader of the local business association insisting that the town do more to help small businesses or those businesses will locate elsewhere, taking their tax revenue with them. Town officials slump lower in their chairs as they watch the line at the microphone grow longer and longer. Something, they say, has to give.

In a different town, the challenges are similar, but the approach is quite different. Here, they have installed COS 2.0 and are beginning to build a user network of engaged citizens. Instead of a long line of individuals and interests groups facing down town meeting, each asking for a larger slice of a shrinking pie, 100 stakeholders who reflect the diverse interests of the community sit at tables in a community center, each charged with solving the puzzle of a shrinking budget and expanding needs. A facilitator presents various scenarios and alternatives on slides in the front of the room. Background materials are shared and discussed. Each table wrestles with how to balance the budget while taking the competing needs of stakeholders into account. They plug their table's ideas into an online budgeting simulation and watch real-time implications of their decisions.

Pushed to "solve for the whole," rather than just lobbying for a specific part, participants become more reflective. Platitudes give way to problem solving. Town officials join in, offering relevant background information and helping to sift through the implications of various decisions. Over time, participants forge a general consensus on the steps that have to be taken if the budget is to be balanced. As the session concludes, each participant weighs in by hand-held clicker, and nearly eighty percent of the room is in support of a basic set of steps to address the budget cuts.

Sound impossible? Within the rules of the game set up by COS 1.0, where the premise is competition amongst individual actors, it probably is. But since COS 2.0 operates from the premise that our common interests far outweigh our competing positions, outcomes such as this are not only possible, but even probable. COS 2.0 acknowledges that while people and groups do have diverse perspectives, under the right conditions, those differences are a source of strength and innovation, and must therefore be harnessed on behalf of the whole.

The basic "code" from which COS 2.0 is written can be seen all around us—in the patterns of effective companies, networks, communities, digital media, and so on. In all of these contexts, the role of "user" is shifting from a passive and dependent consumer to a more active, engaged producer of value. As civic user networks grow, they help to define both the problems and the solutions of community life.

COS 2.0 at Work

In concrete terms, what we are talking about is a new way of engaging citizens in the shared ownership of public life—a collaborative learning process that enables all

players to engage, communicate, and adapt to better meet the needs of their communities.

Drawing upon sources in fields as diverse as health care, education, business, political science, and community engagement, we can identify the following basic elements in this process:

- Include diverse perspectives in a respectful dialogue
- Define a set of desired results
- Take action to promote innovative solutions
- Measure and learn from results to adapt practice
- Repeat the process to build a lasting culture of collaboration

When communities approach their problems as a process of collaborative learning—rather than as a competition amongst individual actors—and work together to define and meet community needs, they are safeguarding the whole, not just their individual part. This process replaces the "value-chain" model—government as producer, citizen as consumer—with a more robust user network model in which citizens are both consumer *and* producer of civic solutions.

Such was the case when a group of partners in rural Colorado responded to a request for proposals to offer technical assistance to communities interested in addressing mental health issues. The initiative was created by Colorado First Lady Jeannie Ritter in response to the overwhelming needs she heard from communities when she conducted a listening tour of the state. While the budgetary constraints at the time made it impossible to offer new funding, Ritter believed that by bringing communities together to think through their true needs, and to take ownership for addressing them, they would invent far better solutions than could be generated from a government program.

In their application, one community spoke of both the human cost and the financial cost of having to transport people experiencing mental health crises in the back of a police car, in handcuffs, for the two- to three-hour ride to the nearest crisis facility. Although the initiative promised no new dollars for funding projects, the group suggested that their greatest need was to build a new crisis center for the community, potentially costing between \$10 million and \$15 million.

As part of the initiative, the community took part in the basic steps of the learning process outlined above over the course of four meetings. First, they developed an intentionally inclusive outreach process. Participants included staff from the local mental health center, the local sheriff, representatives from local nonprofits, county commissioners, community college professors, and others. In the first meeting, the group engaged in deep dialogue to sort through their differing perspectives, avoiding simplistic and polarizing characterizations of the situation, and identified their desired results—a set of common outcomes and potential indicators everyone agreed to use as a common measure to assess progress. This is critical

because without a shared goal, people will naturally revert to their narrow self-interests.

In the next meeting, they assessed the available assets and other partners in the community who might be willing to assist with the effort. These partners were invited to the next meeting. In the third meeting, they experienced a breakthrough while crafting action plans to better address their most central acute-care needs. Though they originally considered their challenge to be the lack of an acute crisis care center, when they looked more deeply into the nature of the challenge, they recognized that the need was the capacity to match available resources in real-time with the specific needs of a client. They estimated that eighty percent of the people who experience an acute crisis really don't need to be taken into police care or driven to a crisis center; they simply need someone who can accurately assess their situation, a safe bed, and someone to sit with them until the crisis passes. Once the crisis is passed, other community partners could then be tapped to provide the additional care and support often associated with the times of crisis, such as food, shelter, clothing and counseling.



What we are talking about is a new way of engaging citizens in the shared ownership of public life.

Although there was no centralized source of those resources, it became clear that they were in fact distributed within the network of partners. The assisted living center had beds, as did the hospital. The local community college had psychology students who would be good candidates to be trained as “sitters” for those experiencing a crisis until it passed. The mental health center already had a triage unit on-call full-time, which could help match the person to the appropriate care and resources. In some instances, there would still need to be a police escort and major intervention, but the vast majority of cases just need linkages to the right combination of services.

In the final meeting, the group took over its own facilitation process and established ongoing committees to keep the collaboration going forward. What was remarkable about the process was not only that it potentially “saved” the community and the state \$15 million, but that by building this collaborative infrastructure, the community was able to attract new funding for other related projects, since funders could see their proven track record for producing results and working together.

One could argue that COS 2.0 enabled the community to raise revenue and increase results at the same time. Not a bad civic investment.

Weak Links in the Value Chain

To underscore how different the collaborative learning process of COS 2.0 is from our current way of doing business, consider how this same story might have played out under COS 1.0.

First, the core planning group would have had every incentive to remain small, so there would be fewer people to divide the funds among, should they receive any new funding. This would have decreased both the group's creativity and its legitimacy.

Second, they would have had every incentive to define their community in terms of its deficits, not its assets, to make a stronger case to receive funding. Focusing on deficits often has a negative side effect of creating a culture of despair, disempowerment and dependency.

Third, the planning team would have had an incentive to increase the proposed cost of the solution, knowing that in the end, it would be competing against the needs of other communities. This puts even more pressure on public officials overseeing the use of public dollars and increases the sense of competition amongst competing actors.

And finally, they would have been encouraged to ask their community to focus on the single solution of a crisis center, rather than splintering into different factions in search of separate plans. This would have not only reduced the creativity and innovative thinking in the process, but would have likely dampened the community's willingness to pursue other solutions if they were not successful in acquiring funds for the crisis center.

Overall, COS 1.0 is well-suited for increasing the competition amongst individual actors interested in securing scarce public resources, where COS 2.0 is better suited to developing innovative solutions and to engaging communities in the shared challenge of solving community problems.

Today's climate could be viewed as merely a low point in a cycle that is destined to rebound on its own. Or it could be seen as an invitation to reinvent how we conduct our public business. In the eyes of civic innovators, civic engagement, going forward, must enable each actor—public official and citizen alike—to bring their unique civic resources to a common public table in order to address the challenges we face. This process can be infused into the way our communities conduct public business in much the same way one installs a new computer operating system. By operating by the principles of collaborative learning, rather than competitive advocacy, communities will prove to be much more adept at rising to the challenges of public life. 🌱