

# Whipsawing won't work

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You've heard it a million times. "The state should be run like a business." Those who buy into the mantra contend that what works in the private sector will work in the public sector. It's a nice, neat theory that's easy to spout and effortless to endorse. The only problem is that in many instances it is just plain wrong.

Let's take just one example of a strategy that's standard practice in the business world that does not translate to something, like let's say, running a state — whipsawing.

Whipsawing is an ancient CEO gambit whereby you want to accomplish a goal so you pit one group against another and let them battle among themselves. When the carnage is over you declare a winner and reap the profits.

For example, as CEO you might pit one factory against another by telling the two that there's only so much money to go around and the factory comes through with the most concessions will stay open while the other will be closed. Then you stand back while the two factories savage each other.

CEO's also do this with employee groups (salaried vs. hourly, union vs. non-union), communities (one city vs. another city), states (who will get the factory), and even entire countries (USA vs. China).

The key thing to remember is that when the dust clears the CEO just walks away. He has a description for those

who have been whipsawed, "someone else's problem." He shuts the factory, devastates the community, leaves the state, or ships the jobs to China. No matter, the shambles left behind are not his concern.

Now consider this. Governor Rick Snyder is attempting to use this "business theory" with the state of Michigan. He's telling various groups that there's only so much money to go around and pitting them against each other: public employees vs. private employees, retirees with pensions vs. businesses, cities and townships vs. other cities and townships, school district vs. school district. "There's only so much money to go around so the entities that do what I tell them to do (my definition of "best practices") will get the dough." In essence, there will be winners and losers.

Aha, but therein lies the problem with applying the whipsaw technique in the public government sector. In the private sector the CEO just walks away when the process is over. In the public sector that can't be done.

The cities and townships that don't measure up on the Snyder Best Practices Scale will technically be losers but they'll still be there. If a city, let's say Manistee, winds up



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in this category what is Snyder going to do, shut down Manistee? No, Manistee will still be there. The city will still require state police patrols, road maintenance, and every other service that it currently utilizes. You just can't treat an entire city like a whipsawed factory and close it down and outsource the people to China.

The same is true with the retirees who just got nailed

with a tax increase. This maneuver affects 380,000 tax returns in Michigan (Detroit Free Press). You can try to turn your back on these whipsawed people, but make no mistake about it, they are still there.

I'm sure you get the drift here. In the private sector the CEO never gives the whipsawed a moment's thought after the whipsawing is over. In the public sector you can try this but the whipsawed are still there. Plus, there's one more critical difference. In the public sector, the whipsawed not only don't go away — they vote. The average private sector CEO doesn't have to factor democracy into his "business" decisions.

Now, I'm not saying that there are no private sector business strategies that will work in the public sector. Certainly there are. (There are al-

so some public sector strategies that are better than their private sector counterparts, like the fact that Medicare has only a 2 percent overhead while the most efficient private insurance companies run at 11 percent overhead at best. Politifact.com)

What I am saying is that in the long run pitting entities against one another is a poor substitute for responsible government. Who wants to live in a state where whipsawing is a basic management tool? How does this make Michigan more attractive to outsiders?

On a related front, the governor has another theory about which I take issue. One of his proposals during the election campaign was as follows: "Allow professionals such as accountants, chemists, and engineers to teach with alternate certificates."

This is an old chestnut dating back to the John Engler administration and kept alive by the Mackinaw Center. It's rolled out in every Republican campaign as a way to imply that anyone can be a teacher, so being a teacher is really an easy job that virtually anyone can perform if only the unions would let them.

Next week, I'm going to explain why this Snyder theory isn't logical and also how Snyder's concept of a Master Teacher is a mish-mash of conflicting ideas.

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