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On Transformation:

A CONVERSATION WITH GOVERNOR TOM RIDGE

INTERVIEW BY BILL EGGERS
> PHOTOGRAPHY BY MATT LENNERT

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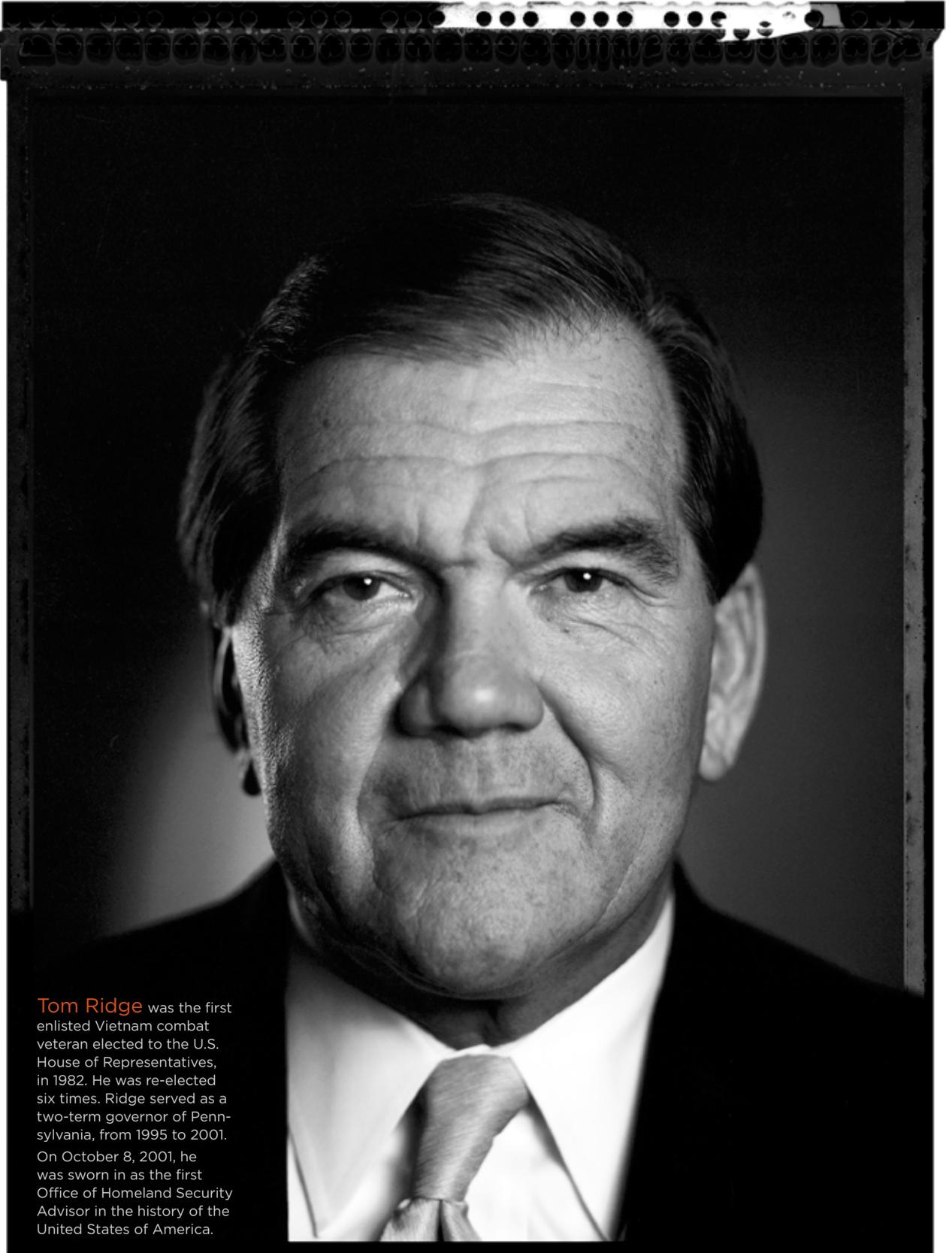
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Tom Ridge was the first enlisted Vietnam combat veteran elected to the U.S. House of Representatives, in 1982. He was re-elected six times. Ridge served as a two-term governor of Pennsylvania, from 1995 to 2001. On October 8, 2001, he was sworn in as the first Office of Homeland Security Advisor in the history of the United States of America.

On Transformation:

A CONVERSATION WITH GOVERNOR TOM RIDGE

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When Tom Ridge first became Pennsylvania's governor in 1995, he inherited what could be very charitably described as a situation with some challenges. The state government was bloated and inefficient; taxes were high; information systems were archaic and inadequate. In fact, it was one of only two states lacking even a homepage. With the age of digital government dawning, the Keystone State was not exactly tech-friendly.

Ridge set things in motion by appointing a blue-ribbon streamlining commission, cutting taxes, enacting workers' compensation reform, and making technology a top priority of his administration. To make this a reality, the governor famously imposed seemingly impossible deadlines on his cabinet secretaries. It didn't hurt that the six-foot-three former U.S. Army staff sergeant and decorated Vietnam War veteran is an imposing presence. ("There's nothing like an order from the governor to focus the mind," said one of Ridge's former top aides.)

Within a few years, the state went from being a digital laughingstock to being awarded *Government Technology* magazine's "Best of the Web" among state Web sites. Recognizing the rising importance of the Web, Ridge even had the state's Web site address imprinted on Pennsylvania's license plates.

The transformation of Pennsylvania from technology backwater to e-government trailblazer was vintage Tom Ridge. In a public service career spanning more than two decades, from assistant district attorney to congressman to two-term governor of Pennsylvania to the country's first secretary of the Department of Homeland Security, Ridge made a name for himself as a consensus-building reformer, with a focus on results over partisan rhetoric that garnered respect from both sides of the political aisle.

Tom Ridge serves as a senior advisor to Deloitte & Touche LLP, as well as president and CEO of Ridge Global LLC.

LET'S START BY TALKING ABOUT THE ISSUE YOU'VE BEEN MOST ASSOCIATED WITH THESE PAST SIX YEARS: HOMELAND SECURITY. BUSINESSES IN THE UNITED STATES HAVE SPENT BILLIONS OF DOLLARS ON SECURITY SINCE 9/11. SECURITY ADVOCATES ARGUE THAT THESE COSTS ARE A FRACTION OF THE POTENTIAL COSTS TO BUSINESS THAT WOULD RESULT FROM ANOTHER 9/11. SOME BUSINESSES ARGUE, HOWEVER, THAT THESE COSTS HAVE HURT THEIR COMPETITIVENESS. WHAT DO YOU SAY TO THESE BUSINESSES?

First of all, I say to them that homeland security is more than a cabinet agency. It's a national mission. Everybody's got a role to play, be they individuals, companies or academic institutions.

And secondly, I say congratulations. The private sector has made significant investments in security and particularly on critical infrastructure without federal encouragement or aid. They looked at their infrastructure in the post-9/11 world and

said we have a fiduciary responsibility to our shareholders, to communities within which we operate, and to our employees to do things a little bit differently, a little better and be more security conscious.

I heard the criticism and concern about the potential competitive impact during my tenure as secretary of the Department of Homeland Security. I can't say, however, that I heard anything that led me to believe that the security regulations actually had much of an impact on business competitiveness.

I think it's predictable in a post-9/11 world that we're going to have to nudge some people to do some things that they don't want to do. And the notion that we could create a safer country without some form of regulation having an impact on these businesses is, I think, unrealistic.

SPEAKING OF AMERICAN COMPETITIVENESS, YOU RECENTLY CONVENED A SUMMIT IN WASHINGTON ON EDUCATION REFORM. WHAT'S WRONG WITH OUR EDUCATION SYSTEM? HOW DOES IT AFFECT AMERICAN COMPETITIVENESS?

We need to start with the predicate that we have a public education system that in many ways is to be admired. But we also have a public education system that in many ways has resisted the kind of changes necessary to nurture and educate our young people for a very competitive world where job skills, technical skills, and math and science skills will be valued much more than ever before.

We've been preparing young people for an economic environment that doesn't exist anymore. Forces of globalization have created an environment that is vastly more competitive. And we all know the perils of competition. Some people win, and some people lose.

And so I'm hopeful that in the years ahead, the public education system, the education system in general, will do more to accept that reality and be less resistant to change.

WHAT SHOULD THE BUSINESS COMMUNITY BE MOST WORRIED ABOUT IN THAT REGARD?

Math and science education. Twenty-first-century progress will be predicated on innovation. Innovation is generally driven by technology, and technology innovators normally come from a math or science background.

We are not getting kids interested in math and science, not getting them excited about great careers in those disciplines.

Unless we take this on in the very near future we will lose, I think in a decade or two, our competitive edge. And our competitive edge has not been the size of the labor pool — it has been the skills and the innovation within the American workforce. Absent that, we won't be as competitive as we need to be in order to maintain the standards of living and the market influence that we have today.

WHAT WERE YOUR BEST SUBJECTS IN SCHOOL?

Social Sciences, English, History.

“There are a lot of people who want to come in for a limited time and make government work better and serve the population better, but right now the regulations don't allow them to do this. We need to change this.”

AND WORST?

Physics was pretty hard for me. I mean my brain cells weren't configured in the right way. (laughs)

That's why I have enormous admiration for individuals who are gifted in math and science. It's a gift that needs to be nurtured, and I don't think there are a lot of schools that do enough to nurture these interests. Nor do I think we have enough teachers qualified to teach these subjects.

One of my pet peeves is that in most of our public education systems we have men and women who are not certified in these disciplines teaching them.

It's pretty tough to expect a sixth or eighth grader or a freshman or sophomore in high school to get excited about biology or chemistry or physics or advanced math if the teacher only had a course or two on it in college and is simply a chapter ahead in the textbook.

THE BUSINESS COMMUNITY HAS A LOT TO LOSE IF THIS ISN'T FIXED SOON. WHAT ROLE CAN BUSINESS PLAY IN IMPROVING MATH AND SCIENCE EDUCATION?

I think the business community needs to continue to beat the drum on the supply side. I mean we need more good teachers.

The business community needs to reach out to the school boards and the schools and the parents to see what they can do to help nurture and arouse young people's interest in math and science and carry that curiosity into their adult lives.

And maybe they ought to open the doors for summer employment. Let kids see how exciting it is. Have the student working on a computer, working in the engineering department, working with some of your best and brightest, and show them the career path that's available.

TRANSFORMING OUR EDUCATIONAL SYSTEM IS A DAUNTING CHALLENGE. WHAT ARE THE KEYS TO GETTING BIG, SIGNATURE INITIATIVES LIKE THESE THROUGH THE POLITICAL SYSTEM AND EXECUTED IN THE FACE OF STRONG OPPOSITION?

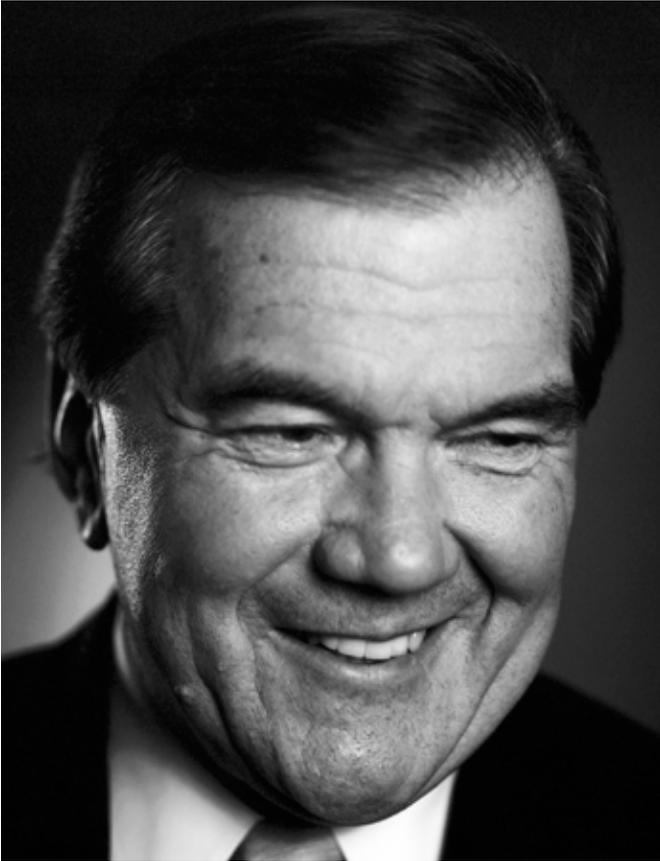
First, you have to accept from the very beginning that it is human nature to resist change. And if it's big change, people dig their heels in even deeper.

You try to rationalize and understand why it occurs. The explanation may be as simple as this is the way we've done it before and why should we change and do it differently now?

One of the best ways to effect change is to make those individuals or those organizations who are going to be a part of the change not only a consumer but an architect of the change. So if you're going to effect change on a large scale, I think it's a lot better to bring those people who would be affected by it in at the front end to explain why you're doing it, what you're trying to do, and invite them to participate.

More often than not, even the most reluctant group will accept the invitation, if for no other reason than to show you that you're wrong headed and moving in the wrong direction.

So for those groups that will be predictably resistant to it, invite them in to participate; understand that they may add true value to the calculation you're making and the approach that you take.



“The first secretary of Homeland Security has been pulled aside more than two dozen times over the past two years for secondary screening. The poor TSA reps look at me and wonder if I’m a plant — as if I’ve been hired by the department to see if they’re doing everything according to procedure.”

When I was secretary of Homeland Security, my board of directors was 535 members of Congress. I reminded people that, unlike any board of directors most stakeholders deal with, ours was probably 40 to 50 times larger. Moreover, we had to go to the board in order to secure the financing simply in order to operate.

That means you’ve got a lot more micromanagement and a lot more second guessing and a far more complex arena within which to set, fund and meet objectives.

IS THERE A BETTER WAY THAN THE WAY WE DO IT TODAY FOR GOVERNMENT TO TAP INTO THE DEEP WELL OF EXPERTISE IN THE PRIVATE SECTOR TO ACCOMPLISH BIG THINGS?

Absolutely. One of the great challenges we have in America is to design a means

In the public arena, it’s important to deal with multiple constituencies: the bureau, the people that were going to be affected by change, the state legislature.

In many instances, it’s necessary to drive the agenda publicly in order to achieve broader public support for the change to overcome resistance from traditional forces. That calculation generally works pretty well.

YOU’VE SPOKEN BEFORE ABOUT SOME OF THE DIFFERENCES BETWEEN THE PUBLIC AND PRIVATE SECTORS AND HOW THEY MAKE IT DIFFICULT TO DRIVE CHANGE. CAN YOU SPEAK A LITTLE BIT TO THE UNIQUE OPERATING ENVIRONMENT OF THE PUBLIC SECTOR AND HOW THAT IMPACTS REFORMING GOVERNMENT?

My friends in the business world used to lament that those in charge of government weren’t running the public service sector like the private sector. I used to respectfully push back on this.

While there are basic fundamental principles that apply every single day to operating a business — and every chance you get you should apply them — I needed to remind those who were critical of the differences between the sectors. When I was governor, my board of directors was 253 people strong: 50 senators and 203 House members.

by which the expertise that is so available in the private sector can be made more available to the government.

This means, for one thing, more loaned executives: more opportunities for people to come in for a year or two as loaned executives from their companies.

The regulations on the books today that make this so difficult are predicated upon the darker side of human nature — on the misguided belief that the only reason people would be involved is for self-serving reasons. It's ludicrous.

There are a lot of people who want to come in for a limited time and make government work better and serve the population better, but right now the regulations don't allow them to do this. We need to change this.

THE PEOPLE WHO WORKED FOR YOU IN PENNSYLVANIA OVER THE YEARS ARE ALL INTENSELY LOYAL. CAN YOU TALK A LITTLE BIT ABOUT YOUR LEADERSHIP STYLE?

In a large, complex organization such as state government, it's absolutely impossible for the governor to know all, see all, motivate all, and drive all. He or she just cannot effect all change alone.

I believe in empowering people. You need to take the time going in, as we did, to build a cabinet, to build a support team in the governor's office in terms of human resources, in terms of your IT people and your policy people. You then begin to create a foundation that deserves your trust and confidence.

And they're motivated to drive change.

The vision also has to be clear. In Pennsylvania in 1994, we said to everyone that as you look at your program, as you look at your agency, as you look at your initiative, ask this question: Does it help make Pennsylvania a leader among states and a competitor among nations?

Because at the end of the day, whether it is the environment, education or business development, etc., it's a globally competitive world, and I wanted everybody to remember that and think in terms of what we need to do to compete and win.

I had enormous confidence that once we decided on a course of action, that would effect change — sometimes very controversial change. My team had the ability, the



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temperament and the sustained commitment to get it done.

People in an organization like to be given the opportunity to succeed. Everybody does. You give them the support they need to accomplish their goals and then you share and celebrate the success of the organization.

TELL ME A LITTLE BIT ABOUT YOUR NEW CONSULTING FIRM, RIDGE GLOBAL. WHAT ARE YOU TRYING TO DO?

Ridge Global is a company that I have formed based on a belief that the men and women with whom I've worked in the past, the subject matter experts from my days as governor through my time as secretary, comprise a strong nucleus of capabilities and expertise that can help serve clients in many different dimensions. I've been privileged to serve with a lot of very talented people in 20-plus years of public service.

I'm not interested in writing white papers. I want to help clients execute the game plan. We'll give strategic advice, but we'd like to help them all along the way to achieving the outcome.

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I HAVE TO ASK YOU ... HAVE YOU BEEN PATTED DOWN YET BY TSA SINCE YOU'VE RESIGNED AS SECRETARY?

Oh yeah. The first secretary of Homeland Security has been pulled aside more than two dozen times over the past two years for secondary screening.

The poor TSA reps look at me and wonder if I'm a plant — as if I've been hired by the department to see if they're doing everything according to procedure.

SO EVERYONE'S TREATED THE SAME.

Absolutely. As a matter of fact, I remember I was in one airport when a businessman

running to his gate observed me in the Plexiglas lane reserved for those secondary screening passengers. He just started laughing. I could see the humor in it. So what I would say to your readers is, if they get pulled aside for a secondary screening, remember that the screeners are doing their job according to protocols that were set for them.

I think everybody has a different point of view on the kind of changes needed to make commercial travel a little easier. But until that time, thank the screeners for their work and move on. DR

Bill Eggers is director, Public Sector, for Deloitte Research, Deloitte Services LP.