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The Perfect Storm – Crisis or Opportunity

Financial Management Institute

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The Movie Version of the Perfect Storm...

Three strong systems coming together simultaneously:

- A tropical depression
- An Arctic cold front
- An old fashioned North Atlantic storm

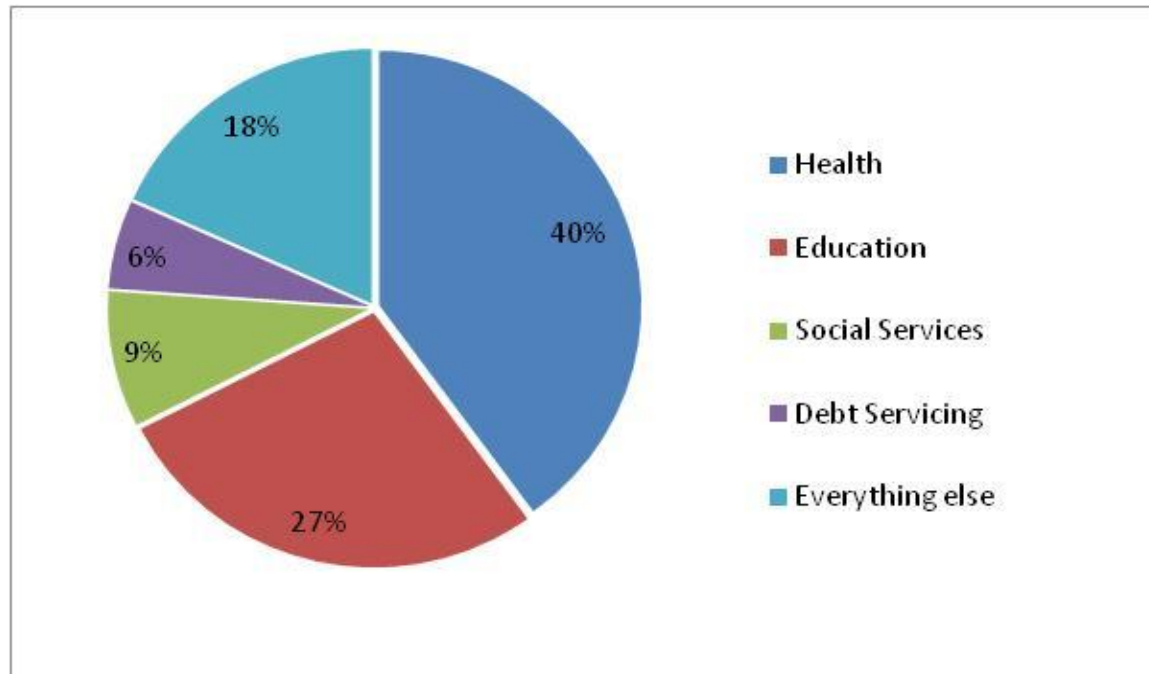


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What's our Perfect Storm?

- Crumbling commodity prices
- U.S. economy “disintegrated”
- BC Government expenditure base largely fixed – i.e., health and education





What happened?

Globalization

- Current financial crisis including falling revenues, deficit budgeting
- Disappearing economic, technological and cultural borders
- A crisis of any kind in a global economy has a domino effect



What happened?

Demographics

In the BC Government finance stream

- Average age is 46
- Less than 5% are under 30
- 17.5% of positions are vacant
- By 2015, the Public Sector may be 30% smaller & our work will become increasingly complex



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Where are we now?

Citizens needs haven't changed. They want increased and improved:

- service and services, choice, and convenience
- accountability & transparency
- healthcare and education funding



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Where are we now?

- Public confidence in the economy is at an all time low
- Revenues decline and we struggle to reduce expenditures with limited options to do so
- Risk tolerance is low resulting in increased control over spending decisions
- We must now compete in a global market



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What are our options?

- Government as usual, or
- Fundamental change
-We need a hero!



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Productivity Facts

- Canadian productivity growth has stalled
- Increased productivity will solve many of the financial issues governments face
- Dwindling inputs means we must look at increasing the quality & quantity of the outputs
- This financial crisis can be our opportunity



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What do we do?

- When life hands you lemons, you make lemonade.....
- It would be a shame to waste a good crisis
- We have to be the heroes!



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Where do we start?

- Create a culture of productivity
- Encourage innovation & creativity
- Improve the skills of the public sector



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Where do we start?

- Client & citizen centred service delivery focus
- Break down silos
- Understand processes end to end ... and constantly improve them



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The Financial Community & Productivity

We have the skills & the leadership...now we just need to get to work.



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The Financial Community & Productivity

- Projects on the go:
 - Financial Management Information Systems Strategies
 - Government Management and Accountability Framework
 - Finance Key Stream Project



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Productivity Opportunities.....

Look at:

- Waste
- Variability
- Responsiveness
- Culture



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The Perfect Storm

.....A new ending



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Questions?

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