

Marketing A School Board

Edmonton schools can decide what services they need and from whom to buy them.

By Angus McBeath

In 1995, I was asked to take charge of removing virtually all of the service money out of the Edmonton Public School Board's central offices with a view to sending it to schools instead. At the time, there were lots of services provided by central office staff, and naturally it cost quite a lot of money to make these services available.

We said, "Let's give all that money to the schools and let the schools decide what kinds of services they need, how much service, and whether they want to buy it from an internal service provider or from an external services providers. Maybe schools want services we don't even provide."

Well, the central office people were startled. Many of our staff went through what looked like Elizabeth Kübler-Ross's stages of death, dying, and grieving. First of all, many staff weren't sure that anyone would buy their services. Some of our staff didn't provide very much service anyway. But all of a sudden, they were going to have to be accountable.

If they were making \$65,000 a year and getting \$10,000 worth of benefits, then they were going to have to raise a minimum of \$75,000 a year. And they were going to have to raise another \$10,000 or \$20,000 to help pay for the other costs associated with providing the service.

What happened to those services that people provided in the central office that schools absolutely had to have? One service shrank by 85%. The request for technology services tripled in the first year. Other services grew; other services disappeared; other services changed.

And then, to make it more palatable to the staff, I told them that they were allowed to sell their services and products to other public organizations anywhere in the world. Now, we do about five and a half million dollars of business in external sales annually.

Energy Savings

In the 1980's, we had hired an energy manager to help us save energy, because we operate over 210 buildings, and all the utilities are expensive, including consumption of water.

Try as he might, our energy consultant didn't save us as much as we hoped, because staff in the schools didn't see a payoff at the school level by practising consistent conservation methods.

Then it occurred to us that we needed to organize consistent with how we know human beings behave. We offered the schools the opportunity to access all of the utilities monies if they wanted to participate in this type of scheme. At least 85% of schools signed up right away.

Any money that schools did not need to spend on utilities would be retained by the schools and could be put into programs. We also let schools know that we would factor in degree-days, so that in a colder-than-normal winter they would get a larger allocation and in a warmer-than-normal winter they would get a smaller allocation.

The allocation was based on historical consumption trends. We also told the schools we would adjust their allocations at year end in order to make adjustments for price changes by the utilities.

In the first year, the schools saved close to \$2 million. And they've been doing that every year since 1986, and every year they've been putting these savings into programs at their schools.

Children living at home don't tend to turn off the lights faithfully, but when they move out and buy their own homes, they're transformed. When you give people the authority and the money, they make different decisions than when everything looks as if it is free.

The other thing that challenged and worried our staff at first was that our schools could buy their services and products from outside the system. We stipulated that, provided the schools contracted with a registered vendor recognized by our purchasing office, we were not going to say they must buy in-house services.

For example, there was great concern from our psychologists when schools started going to psychometricians and getting testing done at far lower prices than they would have been charged by using district staff.

But the vast majority of services are still purchased in-house. Has it changed the behaviour of our in-house staff? Oh, yes.

We did have to train our staff how to be oriented towards customer service. We looked at the Nordstrom service model in the United States as the best customer-service business we had ever seen, and we did our best to learn from that model. For example, when somebody in the central office provides a school service and it doesn't work or it isn't good, the schools get it re-done at no charge.

That is very powerful in terms of efficacy for schools. So when I say in our system, you're either doing the work in classrooms teaching students or you're providing support to that work, people really believe that, because all the money is closest to where the students are. The money and the decisions are closest to where teaching and learning takes place.

Site-based management is based on the principle that when you have the money, you start to behave differently than when everything is free.

(Adapted with permission from "Choice, Accountability, and Performance in the Public Schools: How Edmonton does it and why it works", a speech given to the Atlantic Institute for Market Studies. Mr. McBeath is the Superintendent of the Edmonton Public Schools.)