



Kelly Allan Contributor

I help entrepreneurs and bring you their stories.

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Here's A Government Agency That Operates Entrepreneurially

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“What have I gotten myself into?” was the question Bob Geis asked himself the day after the election that made him the [Auditor-Controller of the County of Santa Barbara](#).

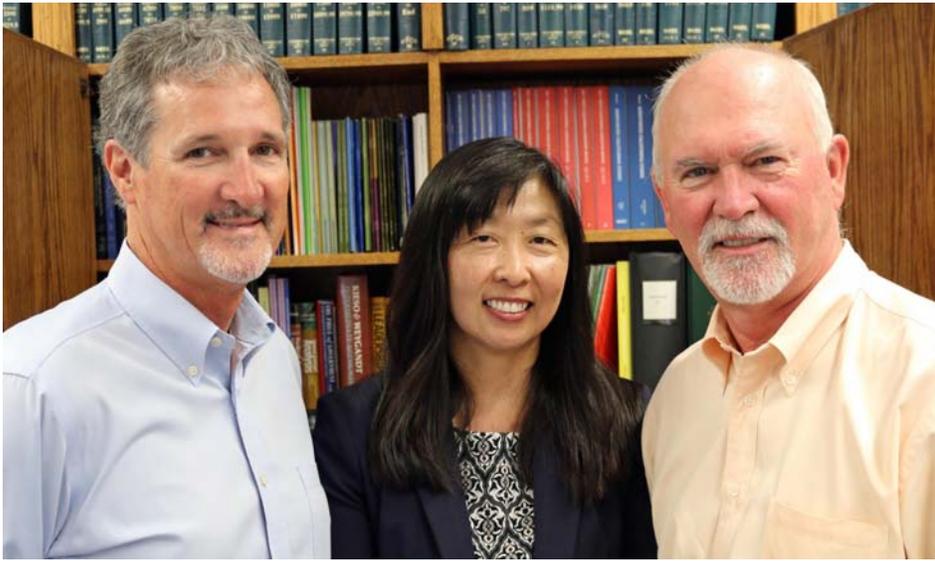
“It was one of those elections in which the local news media predicted I was likely to lose to the incumbent-endorsed candidate and primary election frontrunner. In fact when I went to sleep, exhausted, on election night, it seemed I had lost.

“But the next morning, with *additional* votes counted, I had become the frontrunner by a mere 200 votes. Two weeks later, with *all* votes counted, I had been elected by a narrow margin. I was 35 years old, had never managed a department, and now as chief fiscal officer, I was going to be responsible for managing the finances of an entire county. So, believe me, I was wondering what I had gotten myself into!”

“What have I gotten myself into?” was also the question Betsy Schaffer, asked herself when she started work as a rookie accountant-auditor trainee for Bob Geis.

“In my first meeting with Bob I noticed about two dozen stress relief balls on a bookshelf.” Betsy recalls. “You know, the type –filled with seeds. You squeeze them to release your stress. Bob was squeezing one in his right hand throughout that meeting.

“From time to time I glanced over to that bookshelf and realized a number of those stress relief balls were tattered and worn thin –worn out! I took a deep breath and I wondered if I would need to get several for myself. This guy was intense. Very nice, very smart, and a people person –but *intense*.”



Theo Fallati, Betsy Schaffer, and Bob Geis. "The challenge was to turn-around an organization under fire by a Grand Jury. It just happened to be an organization that was a part of the government, so we couldn't go to any bank for a loan. We had only the resources at hand." –Bob Geis. Photo by Lael Wageneck.

I lost track of how many stress relief balls I wore out –dozens for sure,” says Geis. “I was determined to run my government department like a small business. Lots of lessons learned, I can tell you that. *Lots of lessons learned.*”

You could say that Bob Geis fits the operational definition of an entrepreneur that I’ve use in these posts per a comment in the [Harvard Business Review](#) by Biz Stone, co-founder of Twitter: “Entrepreneurship is really all about creating your own opportunities. That’s especially true with a start-up. You simply declare yourself the CEO and start filling out the plan.”

Of course, Geis couldn’t merely declare himself the leader; he had to be elected. Nevertheless, Geis was creating his own opportunities, and although the Auditor-Controller’s Office was not a start-up, Geis didn’t think it was functioning well.

“I guess you could say I was embarking on a turn-around of the Auditor-Controller’s office,” Geis comments, “At the time I didn’t really think of it in those terms –as a turnaround—I just knew I could improve how it functioned, and that was my aim. I had no idea how much work it was going to turn out to be. The challenges were even bigger than I’d thought.”

The challenges that Geis encountered in the Auditor-Controller’s Office included:

- An inability to close the books after the fiscal year ended in less than six months. Geis had promised to reduce that to one to two months.
- Unresponsiveness to requests for information from taxpayers and from other agencies, and poor practices in regard to paying vendors.
- Non-standard accounting practices that made it difficult for officials to know the actual condition of the county’s finances, and lots of money being tied up [“encumbered”] and not properly accounted for.
- Satisfying the County’s Grand Jury, which had been criticizing the Auditor-

Controller's Office for several years.

“I came into government after having worked in industry, and so I had a different set of expectations about how things should work. My mantra was ‘If companies many times the size of county government could close their books by the 10th day of every month, then we could to.’ And, we *should* do that because otherwise everyone is running blind, trying to make decisions without having the financial data.”



The County Auditor-Controller and his colleagues have created a success where others failed, and they have done so by using only a few principles –principles that overcome dysfunction in government –and in the private sector. Photo by Lael Wageneck.

Before being elected Auditor-Controller Geis had worked in several roles within Santa Barbara County government including in the Treasurer's Office. During those early years he had many interactions with the Auditor-Controller's Office, and he had become so frustrated with the way the Auditor-Controller's Office operated that he said he had started to “open my big mouth” about it.

Gary Feramisco, County Treasurer, and Ken Pettit, County Clerk-Recorder-Assessor, with whom he had worked said, “You obviously feel strongly about the issues and about how to fix them. So, why don't you campaign to be Auditor-Controller in the next election?”

[In future posts I will bring this story to you about Geis and his colleagues because they have been accomplishing remarkable things](#), in impossibly short timelines, within a culture that resisted change, with very limited financial resources, and with the likelihood of failure, everyday.

[What they have done is a useful example not just for other government agencies but for small businesses as well, many of whom face very similar challenges.](#)

In short: Geis and his colleagues have created a success where others failed, and they have done so by using only a few principles –principles that overcome barriers, change entrenched thinking, and fix dysfunctional organizational culture in government –and in the private sector.

NOTE: My interest in this story grew from several days I spent with Geis, Betsy Schaffer [who is now Financial Reporting, Budget & Cost Division Chief], and Theo Fallati, Assistant Auditor-Controller. [I was in Santa Barbara at their request to conduct a seminar on the management methods of W. Edwards Deming.](#) That alone should tell you that this is not your typical government agency.

ALSO: I couldn't have brought this story to you without the invaluable input of Betsy Schaffer, who documented the multi-year struggle.

The author donates the honorarium paid for this blog to The W. Edwards Deming Institute®, a non-profit helping businesses and organizations achieve success through Deming's philosophies. @KellyAllan6