

Excellent People. Excellent Performance. Excellent Value.

by Carol Caruso

THE CAMPAIGN TO SAVE THE 1,200 JOBS OF THE CLEVELAND DEFENSE FINANCE AND ACCOUNTING SERVICE

When word came that the Pentagon wanted to close the Defense Finance and Accounting Service office in Cleveland, the city knew the situation was grim: the independent Base Realignment and Closure Commission upheld Pentagon recommendations nine out of 10 times. But giving up was no option. The Greater Cleveland Partnership, working through a broad-based public-private coalition, the Cleveland Defense Industry Alliance, executed a multi-pronged advocacy and public relations campaign to tell the community and the commission what was at stake and build support for retaining DFAS Cleveland. When the commission took its vote, it overwhelmingly found in Cleveland's favor. Some 1,200 jobs were saved and an unexpected 500 more were won.

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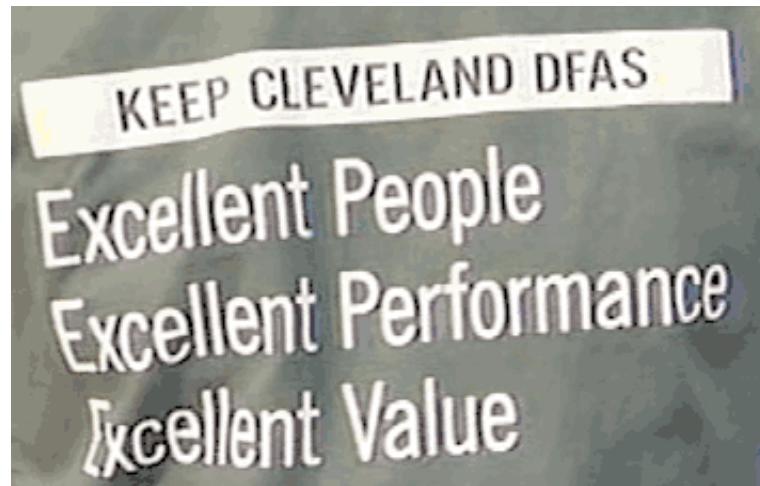
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INTRODUCTION

2004 – the year that the U.S. Census bureau ranked Cleveland, Ohio's poverty rate the highest of any American city with a population over 250,000. It was also the year that government and civic leaders learned that the Pentagon was considering wiping out more than 1,200 jobs by closing the city's Defense Finance and Accounting Service (DFAS) as part of the 2005 round of Base Realignment and Closure (BRAC). But it proved to be the year that the seeds were sown for what became the most successful campaign to preserve jobs the city had ever known.

As the world center for Navy pay operations and a Reserve Pay Center of Excellence, the Cleveland DFAS office was the largely well-paying employer of 1,200 residents of the Greater Cleveland metro area, with most jobs in the accounting and IT sectors. The office had a \$65 million annual payroll; it generated \$1.3 million in annual Cleveland income tax revenue; and contributed \$128 million in annual regional economic impact. Its loss would be simply devastating to the community.

The BRAC process was structured in such a way that little could be done at the local level to influence whether the facility was placed on the proposed closure list by the Pentagon. However, after it was placed on the list in May 2005, the Greater Cleveland Partnership (GCP), the Northeast Ohio region's business advocacy group, moved into high gear with a full court press designed to raise awareness of the DFAS office, identify what was at stake,



Cleveland Defense Industry Alliance campaign T-shirts stressed core messages of a quality workforce, effective operations and timely, accurate pay of the U.S. military services during wartime.

and mobilize support to save the jobs. GCP is the largest private-sector economic development organization in Ohio and one of the largest metropolitan chambers of commerce in the nation, with approximately 17,700 members.

At best, the odds of success were slim. In previous BRAC rounds, Pentagon recommendations for shuttering Defense Department facilities were upheld by an independent BRAC review commission nine out of ten times. Local reaction by media, politicians and others to the proposed closure was pervasively pessimistic about Cleveland's chances for a reversal given that – (1) the city was a Democratic stronghold at a time of highly polarized national politics, and (2) the DFAS office, to the extent anyone knew what it was, was viewed as

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When word came that the Pentagon wanted to close the Defense Finance and Accounting Service office in Cleveland, the city knew the situation was grim: the independent Base Realignment and Closure Commission upheld Pentagon recommendations nine out of 10 times. But giving up was no option. The Greater Cleveland Partnership, working through a broad-based public-private coalition, the Cleveland Defense Industry Alliance, executed a multi-pronged advocacy and public relations campaign to tell the community and the commission what was at stake and build support for retaining DFAS Cleveland. When the commission took its vote, it overwhelmingly found in Cleveland's favor. Some 1,200 jobs were saved and an unexpected 500 more were won.

nothing more than accountants in cubicles who theoretically could do their work in any office environment anywhere. No physical military base, with its submarines or aircraft carriers, existed that could serve as a rallying point for advocacy. But the case had to be made, and GCP formed the Cleveland Defense Industry Alliance (CDIA) to become the public face of the campaign.

The campaign's paramount objective was to convince at least seven of the nine BRAC commission members to vote to overturn the Pentagon's closure recommendation. CDIA was comprised of a broad spectrum of individuals with different strengths and backgrounds — experts in economic development, military affairs, real estate, communication, business and government advocacy — who together built a fact-based case that persuaded the BRAC staff and commissioners to look very critically at the Pentagon's recommendation. The case that CDIA unearthed and eventually presented revealed significant errors of fact, lapses in logic and inconsistent application of evaluation criteria. And in the end, the BRAC commission and, just as importantly, its staff realized that what the Pentagon was recommending deviated substantially from BRAC principles and needed to be fixed.

What it took to get to that point is the subject of this story. With a “failure is not an option” approach and a small but mighty cadre of community resources – public, private, and nonprofit – CDIA slowly but surely built a fact-based case that proved three things to the satisfaction of the BRAC commission:

- The Cleveland office was *not* interchangeable with every other DFAS site.
 - Any service disruption during wartime would negatively affect our military and their families in very real ways.
 - There were hidden flaws in the Pentagon's analysis that revealed criteria and calculations which unfairly stacked the deck against Cleveland DFAS in ways that were contrary to BRAC principles.

Conveying these realities to a broad spectrum of opinion leaders and decision makers was the cornerstone of our successful campaign.

RESEARCH, RESEARCH, RESEARCH

Since DFAS had not previously been subject to a BRAC, there was no history on which to base an effort to challenge the recommendation. All that CDIA knew were the Pentagon's closure criteria, and the names and backgrounds of the independent BRAC commissioners who would ultimately decide whether to accept or reject the Pentagon's recommendations.

Further complicating the situation: the local DFAS officials were required to be neutral during the BRAC process, so they could be of little help in the effort to construct a compelling story about what DFAS did and why anyone should care whether it closed in Cleveland.

Thus the campaign needed a strong backbone from which to begin, and that backbone was research in every imaginable form.

Intelligence from BRAC experts – CDIA engaged a military consultancy, the Spectrum Group, whose principals were veterans of past BRAC rounds to help us understand both the scope of the challenge before us and the subtext of the Pentagon analysis that landed us on the closure list. Spectrum advised that BRAC was apolitical and that the case for reversal, if it could be made, had to be made on the numbers. With this understanding, a CDIA subgroup set to work to dissect the Pentagon's methodology. What it found were flaws that revealed criteria and calculations which unfairly stacked the deck against Cleveland DFAS from the outset.

Internet research and media analysis – CDIA's public relations counsel continually combed the Internet for news and information about BRAC, DFAS nationally, and what other DFAS sites facing closure were doing. Through this effort, we learned that the Cleveland DFAS office would soon be the site of a Reserve Pay Center of Excellence, a decision the Pentagon made to address problems other DFAS sites (that were, ironically, remaining open according to the Pentagon's master plan) were having in promptly paying the reservists and National Guard soldiers serving extended deployments in Iraq and Afghanistan.

TODAY: A late thunderstorm, high 81, low 64. Miles, 81-6.

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FRIDAY, AUGUST 26, 2005

BUSINESS

GM extends sale; adds some '06 models

FALL FILMS AND MORE

- Preview of upcoming movies, **Friday!**
- Return of R-rated comedies, **Arts & Life**

INDIANS POUND DEVIL RAYS, 12-4

Belliard hits a grand slam. **oi**

Natural gas hikes to put added chill in winter

JASON PARK
Plain Dealer Reporter

Worried about pain at the pump? Get ready for winter at the thermostat.

How Northwest Ohioans heat their homes

Natural gas
963,327

Electricity
127,340

Burned, tank
or LP gas
28,394

Fuel oil,
kerosene
23,044

Other*
3,270

*Includes Wood (3,000),
Propane (2,000),
other fuels (2,000),
etc.

SOURCE: U.S. Census Bureau
THE PLAIN DEALER

stone. And it's probably going to get a lot more expensive.

That's because the fuel used for home heating — in the case of natural gas — could easily hit \$13 per 1,000 cubic feet by the end of the year, says the experts, shooting monthly bills to record levels.

Remember East Ohio Gas Co. will charge \$11.75 per 1,000 cubic feet of natural gas in September, up 25 percent higher than a year ago.

That's the case of Ohio, which bills its customers by the 100 cubic feet. In the case of a 100 cubic foot rate of \$11.24, up 25 percent from last year. In other states, those rates are only good for 30 days, says Jason Park, a spokesman, which are not likely to hold, the experts say. The latest monthly bills figures to be about \$16. That's about 40 percent higher, than last winter's average of a bushel winter.

SEE HEAT P. A2

1,000 jobs saved; 500 more to come

- Finance center to expand
- Cheers, balloons greet news

RONALD WITTE / THE PLAIN DEALER

A balloon drop helped Fred Nance Sr. and others gathered at One Cleveland Center on Thursday celebrate the news that Cleveland would keep its defense finance center. Nance's son, attorney Fred Nance Jr., worked with other community leaders to keep the office in Cleveland.

SERFAN KOFI,
MICHAEL SANTACOMO,
MICHAEL T. TAMBUR
Plain Dealer Reporters

A wave of tears, hugs, high-fives and balloons marked the news for a city ice-out to bid adieu to a city ice-out to bid adieu to a

open, everyone cheered and clapped." we're not going to let this be the end of Cleveland's financial future," says Michael S. Santacomo, a partner in the law firm of Kroll, Santacomo & Co. "We were all jumping up and down, yelling, 'It's so good to know we won't have to move.'"

In a brief press conference on Thursday

assured that the Cleveland office would remain in a 15-story portion of Cleveland's FirstEnergy Tower. The 1500 workers based in the office will leave the 10th floor of the FirstEnergy Building on East Ninth Street. They, like Congress, will be scattered to other parts of the city, such as from Northeast Ohio, to the Midwest and beyond.

BASE DECISIONS

WALTER REED TO CLOSE; The U.S. Army has agreed to close the aging, 40-year-old Walter Reed Army Medical Center in Washington, D.C., and has been treating the most severely wounded sol-

Cleveland's daily newspaper, *The Plain Dealer*, captured the celebration that followed after BRAC commissioners overturned the Pentagon's recommendation to close the city's DFAS, and unexpectedly added 500 additional jobs. Conducted against all the odds, it was the most successful campaign to preserve jobs the city had ever known. (Courtesy of *The Plain Dealer*.)

Interviews with rank-and-file employees – Frustrated by the inability to glean even basic information about Cleveland DFAS from the facility's top management, our public relations firm, Edward Howard, built relationships with DFAS' employee labor union leadership, which was not constrained from communicating during a BRAC. Coming to know these leaders made it possible for our PR firm to conceive the eventual message platform from which CDIA (1) educated the community about DFAS' workforce and its work, (2) humanized the stories, (3) explained what it all meant to the country's military and civilian personnel and retirees around the world during wartime, and then (4) rallied support for these fellow Northeast Ohioans.

Economic impact research

The business attraction and retention group, Team NEO, which is a joint venture of the region's largest metro chambers, produced an analysis that quantified the devastating impact that the loss of 1,200 jobs would have on Cleveland's tax base when the city had already cut vital police and fire protection services. Although initially advised that this criterion would be considered only peripherally, we were determined to conduct the analysis and ended up drawing from its conclusions extensively throughout the communication efforts.



A quick-read brochure issued by the Cleveland Defense Industry Alliance described what DFAS did and what it meant to the average person as well as to the nation's servicemen and women.

FROM NORTHEAST OHIO TO BUFFALO, N.Y. – GETTING THE STORY OUT

In essence, there were two communication efforts in the CDIA campaign. One was entirely local, to inform and hopefully engage the community in the issue; the other was directed toward BRAC decision makers.

In the local effort, we had learned that Cleveland's office was essentially the "nerve center" for all of DFAS nationally – and the initial entry point for nearly every phone call and e-mail from servicemen and women in Iraq, Afghanistan, and around the world. Building on this insight, we began a process of humanizing DFAS that hit a crescendo in late summer 2005. Activities and public pronouncements converged under the CDIA's banner, carried a message platform aimed squarely at the BRAC decision points – *Excellent People. Excellent Performance. Excellent Value* – and included:

Campaign brochure – A quick-read snapshot described what DFAS did and what it meant to the average person; this was distributed to a broad base of stakeholders at events and briefings.

CDIA lapel pin – Worn by civic leaders, employees, and other supporters, these giveaways provided the CDIA with greater public identity.

TIMELINE

Fall 2004 – Area leaders form Cleveland Defense Industry Alliance in anticipation of possible DFAS closure announcement by the Pentagon; work begins to produce preliminary campaign materials and cultivate relationships with DFAS rank and file

Winter/Early Spring 2005 – CDIA holds first news conference to begin creating awareness of DFAS, its importance to the nation's servicemen and women and what is at risk if it closes and begins broader community outreach; conducts editorial boards to overcome media pessimism

May 2005 – The Pentagon officially places Cleveland DFAS on the proposed BRAC closure list; CDIA goes into overdrive to preserve the 1,200 jobs; analysis of economic impact and basis for Pentagon recommendation begins; flaws are exposed

June 2005 – CDIA holds community rally, hosts BRAC commissioner site visit and briefing, presents testimony before BRAC commission in Buffalo

July-August 2005 – CDIA conducts ongoing briefings of BRAC staff and Ohio political leadership; continuing media outreach

August 2005 – BRAC Commission overturns Pentagon recommendation to close Cleveland DFAS, and recommends the addition of at least 500 more jobs in addition to the 1,200 preserved



Hundreds of downtown employees, public officials and community members came out in force to rally around DFAS the day a member of the Base Realignment and Closure commission visited the facility. A TV report showed several attendees asking for honks of support from passing motorists.

Media relations – A series of news releases and media advisories built and sustained the campaign's visibility; key messages and talking points anchored press conferences announcing major developments; CDIA leaders met with editorial boards of the most influential media, who were sowing the seeds of futility about the effort to save DFAS.

High-level briefings – Detailed briefing packages and white papers educated local, state and federal officials, as well as community leaders, to get them on the bandwagon to provide support for CDIA's efforts. In a show of regional unity, we obtained 37 resolutions of support from Northeast Ohio cities.

Public rally – Timed to coincide with the site visit by a BRAC commissioner and demonstrate support for the 1,200 DFAS employees, we organized a public rally involving hundreds of employees, public officials, and community members; we secured broad print and broadcast news coverage and the daily newspaper donated space for a full-page open letter to the commissioner on the day of his visit.

Campaign support materials – Message-reinforcing items such as flyers urging citizen action, T-shirts that appeared in numerous media photos, banners, and signs were part of the campaign.

While all of the local outreach was being implemented, the CDIA subgroup dedicated to analysis of the Pentagon's documents about Cleveland was ongoing.

The 2005 BRAC round was the first to look at DFAS facilities as candidates for the chopping block, and the first to be conducted in wartime. After it concluded its analysis, the Pentagon had recommended consolidation of the existing 26 DFAS centers into three – at Denver, Indianapolis, and Columbus, Ohio. In trying to determine why those three had been selected, our analysts would soon realize that the Pentagon methodology focused almost exclusively on physical facility issues, not on people, functions or services.

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But people, functions, and services were – and are – what DFAS was all about. Applying such a methodology when the facility and associated building costs were 10 percent of the budget allocation marginalized the 90 percent of the budget allocation that represented the people and the work they performed for the nation's service men and women. The model may have been right for a physical Navy base, but for a Navy pay center, it was all wrong.

And so we began the arduous work of dissecting the original analysis to see how radically Cleveland's rankings had been affected by the Pentagon's severe miscasting of the questions to be asked and the data that were to be collected and evaluated.

The resulting analysis of the Pentagon's analysis found a number of critical errors – a miscalculation in scaling the Workforce Pool metric that actually affected the final rankings of all DFAS centers, not just Cleveland, and inconsistencies in applying the methodology in three categories – (1) whether a facility was sited on an existing Defense Department installation/military base; (2) how many one-of-a-kind process applications were performed at the facility, and (3) the facility's operating costs per square foot.

Equally disturbing was the realization that there was no consideration of quality-of-service or performance metrics and no detailed examination of the immediate availability of the skilled workforce needed elsewhere if Cleveland's operations were to be terminated and the functions transferred. (It had already been determined that most of the existing workforce would be unlikely to leave the Cleveland area in a closure.)

With these revelations, it became clear that early communication with decision makers was critical, and CDIA representatives began to talk, and later meet, with BRAC staff on these topics.

The engagement level of political officials, which originally started out lukewarmly, grew and grew as they became aware that the model didn't fit, that the deck had been stacked against Cleveland, and that speaking out about this could have some impact.

LOCATION, LOCATION, LOCATION

One of the most bizarre aspects of our own analysis was the discovery that Cleveland was penalized in the Military Value area for having an outrageous occupancy cost of \$29 psf – the highest of all the centers that were considered for closure – in the downtown federal building where it was a tenant. Occupancy costs were determined by the landlord, the federal General Services Administration (GSA), and were completely out of kilter with the downtown market rate. As a result, Cleveland's ranking on the Operating Costs Per Square Foot metric was abysmal. Our real estate analysts found that GSA's formula for establishing lease terms had the effect of yielding higher than market rates when the downtown office market actually was in decline.

Working with our real estate consultancy, Allegro Realty Advisors, we generated an apples-to-apples comparison using real-world data that dramatically improved Cleveland's relative ranking on this metric. And we took it a step further by providing BRAC staff with a set of scenarios involving other available office space in Cleveland combined with various tax and other financing incentives to drive down the occupancy cost that would not only accommodate the existing Cleveland operation but also allow for significant absorption of additional workload in the future.

The regional public hearing where BRAC commissioners were taking testimony on the impact of the Pentagon's recommendations upon Cleveland was scheduled for Buffalo. By this point, we had so many arrows in our quiver it became a matter of how to present the information succinctly but compellingly. Attended by a caravan of local leaders, DFAS employees, and media, and led by our CDIA chairman, Fred Nance, a prominent local attorney who was a veteran of lobbying successfully on behalf of complex civic causes, the presentations dissected the Pentagon's analysis and exposed its flaws to the astonishment of the assembled commissioners.

LOBBYING, LOBBYING, LOBBYING

Still, all of the dogged analysis and ongoing communication efforts would have been for naught without one more element – the engagement of political officials who carried the water in situations that no one else could.

GCP's well-established government affairs group sprang into action, providing a steady stream of informa-

tion to Northeast Ohio's bipartisan Congressional delegation and our two senators, and identifying funding for the campaign from federal, state, and local sources. Ohio's governor had named an Aerospace and Defense Advisor, a retired base commander who himself had gone through a BRAC, and who provided the initial funding, but we supplemented it at the county and city level as well.

The engagement level of political officials, which originally started out lukewarmly, grew and grew as they became aware that the model didn't fit, that the deck had been stacked against Cleveland, and that speaking out about this could have some impact. In fact, the member of the delegation who played one of the most pivotal roles in the process, U.S. Rep. Steven LaTourette, assigned a staff person (who had been a former Cleveland Plain Dealer reporter) to the issue, when he recognized how important it was to fight for this – even though DFAS itself wasn't physically in his district. His staffer plowed through Pentagon documents and spoke with numerous sources inside DFAS to help uncover the flaws in the original recommendations.



U.S. Representatives Steven LaTourette and Dennis Kucinich, along with Cleveland Mayor Jane Campbell, were just three of many public officials who, in a sustained bipartisan effort, became a united front when confronted with the loss of 1,200 well-paying jobs to the regional economy. (Courtesy of The Plain Dealer.)

IN CONCLUSION

Ultimately, the Cleveland Defense Industry Alliance won in a no-win situation because:

- We had the right players at the table from the public, private, and nonprofit sectors; everyone knew what their contribution was to be; and everyone delivered.
- We put a public face on the effort via a coalition that had a name and several recognized spokespeople.
- We did our homework; we never stopped researching and learning.
- We never stopped communicating about what was at stake, even when opinion leaders and the news media suggested it was a lost cause.

- We humanized DFAS and articulated its critical importance to both the regional economy and to our men and women in uniform.
- The story we laid out became compelling, in its own way suspenseful and capable of mobilizing the general public.
- We built strong working relationships with everyone from BRAC staff to union members representing the DFAS employees.
- We proved the Pentagon's methodology was seriously flawed and if implemented in this case would generate effects that were contrary to BRAC principles.
- We identified alternative scenarios to counter objections.
- And we won the day by proving to the BRAC commission and the community that DFAS Cleveland was an operation of Excellent People, Excellent Performance and Excellent Value (to the nation's military and taxpayers).

We were given a lemon, and we made lemonade, transforming an unknown back office government operation into a community cause célèbre. The required seven commissioners not only voted to overturn the Pentagon's recommendation, but they also went further – they *added* a minimum of 500 new jobs. Our core messages – quality people, effective operations, timely and accurate pay of our armed services during wartime,

and unacceptable economic harm to the community – were cited by commissioners as reasons for their action.

Previously skeptical and negative media were converted into champions of the campaign, with one respected journalist proclaiming it the "#1 story of 2005." Finally, numerous segments of the community overcame existing differences to present a truly united front, still cited today by local opinion leaders as a model for future regional economic development efforts, and one which we at the Greater Cleveland Partnership continue to use today. 

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