

"The price of inaction is far greater than the cost of a mistake." —Meg Whitman (1956- )

## OUR VIEW

## Fixing Pennsylvania's problems requires focus

## Focus.

That's what we hope to see under the Capitol dome this fall, now that the legislature is back in session.

Both houses are contemplating ambitious agendas — from pension reform, road and bridge repair and property tax reform to cyber-charter schools and downsizing the General Assembly. Some have mentioned addressing liquor privatization again. And Gov. Corbett hasn't given up on taking the state lottery private.

That's a lot of work on topics none of which is simple nor seems to have an outcome supported at this point by anything resembling

a consensus.

To accomplish any one of these would be a political triumph. Two or more would be a miracle.

We're not looking for miracles, though. The best way to tackle these items is the way you do any big job — one step at a time.

That's why we say focus is needed. Pick one. Get it done. Pick another. Get it done. Then the next and the next.

Start with pension reform. Wrestling this enormous challenge to the ground will pave the way toward solving a host of other problems facing the commonwealth, because it all comes down to money.

Every year, unfunded public pension obligations grow, taking a bigger toll on the state budget. Pension reform will free up billions for a host of other urgent needs. Education. Infrastructure. Tax reform.

Addressing these issues, in turn, will make for a better business climate in Pennsylvania. More business means more jobs. And that leads to more revenue for state coffers while allowing for lower tax rates overall.

Public pension reform is the linchpin. Every elected official in state government seems to understand this, so the inability to fix it is perplexing. The latest proposal, floated earlier this week by House Majority Leader

Mike Turzai, would place new public employees in a defined-contribution plan, while leaving the current system for employees and retirees untouched. That idea addresses the major objection to the plan put forward last spring that would have changed how benefits are calculated for employees already in the system — a plan certain to lead to a court fight.

Details remain to be seen, of course, and committee work can lead to some strange outcomes in final bills. But it sure looks like a good starting point for a win that would set the tone for the remainder of the session. Delay is costly. Pennsylvanians shouldn't have to wait any longer for the progress they deserve. ■

## YOUR VIEW

### Last week's question:

Are you expecting any of your employees to buy health insurance through the marketplace?



Total votes include readers who commented and readers who did not comment.

### This week's question:

Does your company pay for employees to attend outside training? Tell us why or why not.

To answer, visit [www.CPBjnow.com](http://www.CPBjnow.com).

### What's your opinion?

Only the unsigned editorial on this opinion page represents the views of the editorial board. We encourage readers to write letters. Please keep them to fewer than 350 words. Please include your name, telephone number and address. We reserve the right to edit letters.

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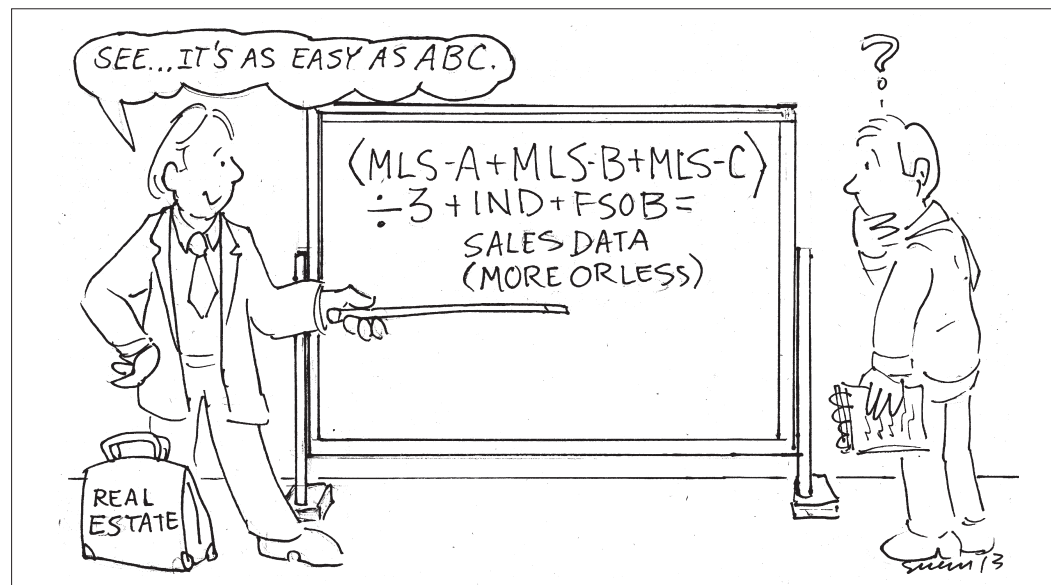
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## Gene Suchma



## GUEST VIEW

## An accidental peril of electronic communication

Text message: "Awesome."

Is that any way to form a contract? In 2011, a Florida state court said it was.

It was as early as 1677 that the British Parliament passed the Statute of Frauds, which generally provided that certain types of contracts are valid only if memorialized in a signed writing. During the ensuing 336 years, that principle has become hard-wired into our everyday thinking.

How often have we heard, "We might have talked about that, but we never signed a contract."

Well, here's the thing: Electronic communication is in writing, and any evidence of the sender can be considered a signature. So the exchange of emails, texts or perhaps even tweets can constitute a signed written contract. This does not mean that three-plus centuries of jurisprudence has been overturned. The Statute of Frauds still lives. We just are not yet fully sensitized to the significance of electronic communication.

As an aside, in the last few years, I have been awed by the effect off-the-cuff emails can have in a litigation context. A witness might think a deposition is going swimmingly until confronted by a two-sentence email tossed off while finishing a latte three years ago and that now represents a devastat-

ing admission. In fact, I am willing to wager that you pushed "send" on three smoking guns this morning before your muffin wrapper hit the recycle bin. And. They. Live. Forever.

But back to contracting ...

There is no longer any dispute that an email is a writing and adding your name to the bottom is a signature. That still comes as a surprise to, well, almost everyone. In 2000, President Bill Clinton signed the Electronic Signatures in Global and National Commerce Act, which provided that contracts cannot be rejected merely because they were made electronically. About the same time, the Uniform Electronic Transactions Act was adopted in Pennsylvania.

The UETA provides, among other things, that an electronic record has legal effect and, in fact, any electronic "sound, symbol or process" can be considered a signature. Yikes.

The difficult question is whether email or text exchanges constitute binding contracts. Here we venture into the shark-infested waters of "intention."

There is no longer any dispute that an exchange of emails intended to constitute an agreement is a contract. The question is whether the exchange was intended to constitute an agreement. Of course, that is a wonderful concept, subject to expensive hindsight that allows 436 Harrisburg lawyers to drive

## GUEST VIEW

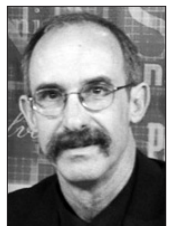
## Basic financial knowledge can benefit your employees

The stresses of everyday life — family, retirement planning, college costs, health care, and the challenge of getting from the first to the 31st of every month without falling further behind — affect the way many people work.

These concerns are not left at the front door of their homes in the morning; they sit on the shoulders of many people throughout the day. A lack of basic financial knowledge only compounds those worries.

According to a PricewaterhouseCoopers 2011 Financial Wellness Survey, among U.S. workers, 29 percent of respondents said personal financial issues have been a distraction at work. Forty-eight percent said they've handled their personal finances during work hours.

The survey also found that financial stress is not just an issue for young and low-income workers. The time spent by all employees on personal financial issues while at work can negatively impact an employer's bottom line. Financial stress can lead to an increase in work hours spent dealing with personal financial matters, days when employees are late, and days when employees are not able to work. Situations like these can cause a decrease in workplace productivity.



**John Steffee**  
partner at  
Pfister &  
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# The delight of disruption: A conversation with Bill Burnett – Part 2 of 2

Here's more of my conversation with Bill Burnett, author of "Behave! How to Get 100% of Your Workers Fully Engaged."



Jeff Blackman

**Jeff Blackman:** You say, "Useful insights can come from unlikely places." So where should leaders look for those insights?

**Bill Burnett:** Everywhere! You never know which brain is going to synthesize the great idea. I remember leading a five-day meeting where we were tasked with redesigning one of the company's core pieces of technology. At the end of the second day, we reached an impasse. Then this shy, quiet, very agreeable Pakistani gentleman from the Dubai business approached me with an idea. It changed our business model and drove \$2 billion in incremental sales every year thereafter.

On another occasion, while traveling in Latin America, someone made a suggestion. At the time I thought, "This person doesn't have a clue." Three weeks later, I'm sitting at my desk, when it hits me, "What a brilliant insight!" She'd seen the problem from a different perspective. It was beyond my blinders. She was a great

synthesizer.

Since then, I've always encouraged leaders to put people in positions where they must participate in the discussion. Don't let the shy, quiet person or the seemingly arrogant person ... off the hook — or they'll leave the room with the best idea.

**Tell me more about the significance/impact of "synthesis."**

We create new knowledge in three ways:

1. Discovery. We stumble upon something and it dawns on us how this discovery might be valuable.

2. Experimentation. We have some notion of what the root cause of a problem is, and we try all kinds of solutions until we find one that works.

3. Synthesis. It's the most common way we innovate. It's simply the ability to take a bit of knowledge from here — and another from way over there — and somehow combine them to create new knowledge. This happens in our brains and we all do it.

I'll use charcoal as an example for all three.

Charcoal was originally discovered to burn hotter than wood. You could use it to melt metals. That made it valuable. People who wanted to sell charcoal began experimenting to find better ways to refine charcoal from wood. But there's a problem of

waste in the bottom of the kiln after the refining process is complete. Lots of tiny bits of charcoal line the bottom of the refining kiln after every burn. These were too small to sell, so they were thrown away.

Yet not wanting to waste this fuel, Henry Ford synthesized a solution. He knew from the paper industry that starches bind natural fibers. He also knew that in its near-pure carbon form, charcoal retains its fibrous nature. He simply made a starch slurry mixed in the bits of charcoal, formed them into balls, let them dry, and called them briquettes. The company he formed was Kingsford, now owned by Clorox.

Everyone synthesizes, but some people are really good at it, and we call them "supersynthesizers."

**What/who's a supersynthesizer?**

A supersynthesizer connects distant dots. Examples are physicists like Albert Einstein and Richard Feynman. But lots of computer programmers, scientists or businesspeople are also supersynthesizers.

James March, professor emeritus at Stanford, studied these people for years. While anyone can be a supersynthesizer, according to March, they often possess three traits:

1. They can be "low self-monitors." They don't care how others perceive them.
2. They usually avoid contact with

co-workers, preferring to work alone.

3. They tend to have high self-esteem, can be a pain to work with, don't play well on teams, don't care about your opinion and come across as arrogant.

**How do individuals and companies become better problem-solvers?**

At the individual level, Malcolm Gladwell was right. If you want to get good at something, practice, practice, practice. People who are good problem-solvers do a lot of it. Solving a difficult problem will boost these people's sense of self-worth. Certainly some people are born with brains that can solve some problems well, yet are completely unable to understand other problems.

Think of someone great at math and logic problems — but not so good at figuring whether someone is frowning because they're angry or confused. Everyone is good at some kind of problem-solving; you just have to create the environment where they're enabled.

At the company level, you get better first by making sure people are all fully engaged. Then you need structure to create accountability around delivery behavior.

We actually reverse these, structure first, engagement second. The thing about engagement is standard approaches don't work. I'm always surprised when the leading

"scientist" in the leading employee-engagement firm points out only a few companies put forth the effort and success in getting upwards of 70 percent of their employees fully engaged. This is supposed to be a great result! Where I went to school, anything under 70 percent is an F!

Why do we listen to people who delight in getting an F? Especially when there are companies that get all their workers fully engaged. Companies like Semco, Morning Star, Valve Corporation and Gore. What they do really well isn't some action that's designed to engage workers. Rather, they stop disengaging workers.

Over and over again, history has shown us that if you just let them, 99 percent of workers will be self-motivated. Of course, the obstacle is a big one. However, it's easy to overcome if you have the will to do so — and impossible if you don't.

For your success, see more of Bill's strategies at [www.behavioraladvantage.com](http://www.behavioraladvantage.com)

Jeff Blackman is an Illinois-based speaker, author, success coach, broadcaster and lawyer. Email him at [jb@jeffblackman.com](mailto:jb@jeffblackman.com).

## Where's The Whiteboard?

Richard Randall is away. The Whiteboard column will return next week.

## EISENHAUER

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really nice cars.

The thing is, it is not really the lawyers' fault. It is your — strike that — the guy two desks over's fault. Because whether he NOW says he did or did not intend to enter that agreement is probably driven by whether the effect of that exchange is still beneficial. If it is not — well, obviously he had NO intention to enter into any silly agreement, and anyone who says otherwise is a no-good liar.

If, however, that fixed price looks really good right now, well, it was clear that this was a contract and no reasonable person could think otherwise.

How do we resolve this conundrum? A jury gets to see your emails and decide what you intended. Shudder.

So, where do we go from here? How do we avoid unnecessary legal expenses? Here are some new concepts to hard-wire into our everyday thinking.

- Be aware that emails live forever and can be accessed by the "other side" in litigation, many years down the road.
- Understand that online conversations have the same legal effect as pen and parchment letters.
- Understand that putting your

name or even your v-card at the end of an email is a legal signature.

- Realize that an exchange of emails can constitute a binding offer and acceptance.

- Make your intentions clear in each exchange — if you intend the exchange to constitute a legal agreement, say so; if you do not so intend, say that instead.

- Consider adding a disclaimer automatically into the body of your emails to the effect of "This communication is not intended to be legally binding" — but be sure that is really what you mean. It may be that there are some electronic communications that you WANT to be legally binding and such a disclaimer would undermine your intention.

- Educate your employees about these concepts.

- And if you have any scintilla of doubt about whether you would like to read your email in the morning newspaper — don't send it.

The pace of change is overwhelming. We are all a bit behind on the topic of electronic contracting. We need to catch up, and we will. In the meantime, you'll be careful, right?

Awesome.

Shaun Eisenhauer is an attorney with McNees Wallace & Nurick LLC in Harrisburg.

## STEFFEE

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There's an opportunity here, however, for employers to help their employees address these issues in a positive manner. In-house financial literacy seminars have proven to be very effective. These sessions teach people the basics of financial literacy and give them the tools to begin effectively managing their family finances.

The Principal Financial Group of Des Moines, Iowa, reports that 92 percent of its employees who took advantage of employer-sponsored personal financial planning sessions agreed to begin taking positive family financing steps. Impressively, 80 percent actually followed through with those steps.

Other employers who participated in employee financial literacy programs have seen noticeable decreases in job turnover, work time lost and absenteeism while at the same time realizing increases in job performance.

The Federal Reserve Bank of Kansas City conducted a survey that found that employees who participated in financial education make fewer requests for pay advances, are more

likely to participate in and contribute to their retirement and savings plans and, most importantly, experience a decrease in financial stress and a boost in productivity.

In-house financial literacy programs work.

The Pennsylvania Institute of Certified Public Accounts understands the potential of a good financial literacy program. Through its network of speakers bureau members, the PICPA has developed financial literacy programs that are offered to area employers free of charge.

Employers are only asked to provide meeting venues, advertise the programs to their employees and give them the time they need to attend these educational sessions. The PICPA has received positive feedback from the programs' participants and the employers involved, indicating they felt the time invested in these programs was well worth the effort.

PICPA programs highlight basic investment information, the effects of good and bad credit habits, family budgeting, retirement plans, tax planning and many other personal financial issues. Programs can be tailored to fit the needs of the employees.

The CPAs who volunteer to present these sessions have a great deal of experience speaking to large groups

of people. Some have college teaching experience, and all have a passion for helping people learn the tools they need to navigate through the oft-times confusing rules and regulations of modern family finances.

The PICPA also offers a great deal of information online at [www.picpa.org](http://www.picpa.org). Click on the "Resources" button and then choose "Consumers" from the drop-down menu to find a CPA, ask questions online, request a speaker, watch financial literacy videos or get the latest news on personal finance and trends.

For employers who want make an investment in reducing the tension and worry of today's hectic family life and help their employees reduce financial stresses, the PICPA stands ready, willing, and able to provide educational programs that can help.

The PICPA will assist you with developing the program content, finding a qualified CPA speaker, and scheduling a time for your in-house financial literacy session. Please contact the PICPA at 215-496-9272 or [communications@picpa.org](mailto:communications@picpa.org) to begin the process.

John Steffee, CPA, is a partner at Pfister & Rompalo PC in Wormleysburg and chairs PICPA's CPA Image Enhancement committee.

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