Strategic Planning in Municipal Government:
the Case of City of Ottawa

LA PLANIFICATION STRATEGIQUE DANS LE GOUVERNEMENT MUNICIPAL:
CAS DE LA VILLE D’OTTAWA

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Abstract
Aim: Strategic Planning is a very popular decision-making framework and process for public management. However, theoretically the relationship between ‘strategic planning’ and ‘strategic management’ has been extremely debated as these two concepts have been appeared in some literature interchangeably. The paper is an attempt to see the real relationship between ‘strategic planning’ and ‘strategic management’.

Methods: The paper has been written on the basis of qualitative method. The City of Ottawa has been considered as a case to see how the city authority treats strategic planning and strategic management in practice. In fact, the article outlines the theoretical and practical relationship of these two important concepts at municipal level.

Results: It appears that strategic planning is an inevitable element of strategic management, which generally appears after strategic formulation. Therefore, strategic planning and strategic management are not the same, though the two terms have been used interchangeably in many literatures.

Conclusion: The emergent urbanization and globalization have resulted in municipal governments moving towards strategic planning. The process of strategic planning is multi-layered and complex. The planning should be tied to strategic management to achieve strategic goals and objectives.

Key words: City of Ottawa, Municipal Government, Strategic Analysis, Strategic Management, Strategic Planning

Résumé
Objectif : La planification stratégique est un cadre populaire de la prise de décision et un processus du management public. Néanmoins, la relation entre la « planification stratégique » et le « management stratégique » a déjà été discuté profondément, car les deux concepts sont apparus interchangeablement dans des documents. L’article présent tente d’éclairer la relation entre la « planification stratégique » et le « management stratégique ».

Méthodes : L’article présent est accompli sur la base de la méthode qualitative. La ville d’Ottawa est considérée comme un exemple pour étudier comment l’autorité municipale procède à la « planification stratégique » et au « management stratégique » dans la pratique. En fait, l’article présente résume la relation théorique et pratique entre les deux concepts au niveau municipal.

Résultat : Il semble que la planification stratégique est un élément inévitable du management stratégique, qui apparaît généralement après la formulation stratégique. Ainsi, la planification stratégique et le management stratégique ne sont pas la même chose, bien que ces deux concepts soient utilisés interchangeablement dans certains documents.

Conclusion : L’urbanisation et la globalisation émergentes font que le gouvernement municipal se tourne vers la planification stratégique. Le processus de la planification stratégique est complexe et de multi-ordres. La planification doit s’attacher au management stratégique pour réaliser les buts et objectives stratégiques

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* Received 15 August 2007; accepted 20 September 2007
Mots-Clés: ville d’Ottawa, gouvernement municipal, analyse stratégique, management stratégique, planification stratégique

1. INTRODUCTION

In the face of rapid economic, social and environmental transformations, cities and municipal governments are looking for new ways of planning for the future. As a result, strategic planning has become popular as a decision-making framework and process for municipal governments all over the world. Derived from the private sector, strategic planning now occupies a central position in the long-term urban planning framework. Over the past few decades, strategic planning has been gaining prevalence among policy-makers, academics and professionals. Poister and Streib (2005) argue that strategic planning has become a “centerpiece of orthodox public management” (Poister and Streib, 2005). Despite some shortcomings (Bryson & Roering, 1987; Halachmi, 1986; Mintzberg, 1994), strategic planning is a vital tool for municipal governments where it is integrated into their decision-making process to improve their service delivery.

Cities are now regarded as “engines of growth” (Carmona and Burgess, 2001). Given that the City of Ottawa has developed its strategic planning framework (Ottawa 20/20) and the City Corporate Plan with a view to articulating a shared vision for how Ottawa might grow in the long run. Ottawa 20/20 is a comprehensive, integrated growth management strategy, which is considered the first of its kind in North America. It was the result of a two-year intensive consultation process with citizens, City Council and Staff. It seems that the City has established a very comprehensive and coherent framework, which can help to provide better services and will be able to fulfill the expectations of the residents. The City Corporate Plan identifies City directions and service priorities through its eleven different agendas. It is considered a “strategic map” of the city.

However, there is a growing theoretical debate over the years that strategic planning and strategic management as concepts are not interchangeable (Hannagan, 2002; Hussey, 1998). Though the literature shows that ‘strategic planning’ and ‘strategic management’ have been used in the literature differently, especially with respect to municipal government (Ramamurti, 1986; Bryson and Einsweiler, 1988; Moskow, 1978; Roberts, 2000; Steiner, 1979: 3), the question is: do the managers of municipal governments really distinguish between strategic planning and strategic management in practice or do they use strategic planning interchangeably to mean the same thing. The paper will discuss the relationship between strategic planning and management from theoretical viewpoint and then it will identify the recent trends of strategic planning in municipal governments. The paper will also examine the strategic plan (Ottawa 20/20+Corporate Plan) of the City of Ottawa to justify how they differentiate strategic planning and strategic management in reality. The concluding part of the paper will discuss the link between strategic planning and strategic management from a theoretical to a practical aspect.

2. CONCEPTUAL OUTLINE: ‘STRATEGIC PLANNING’ AND ‘STRATEGIC MANAGEMENT’

2.1 What is Strategic Planning?

A number of definitions have been put forth for strategic planning. There is no widely accepted definition of strategic planning. It can be said that strategic planning is a complex process where different stakeholders are involved. In addition, it is a “comprehensive mission statement” which covers all the major functions and operations of an organization. It also links to other management tools such as performance measurement, evaluation and so on. More specifically, strategic planning in municipal government clearly sketches their long-term plan of functions and programs, and collaboration with stakeholders. Strategic planning in government organization such as municipalities should follow some guidelines such as (a) strategy should be negotiated (b) stakeholders must be involved in the process, (c) socio-political issues must be adequately addressed, (d) strategies must play an major role, (e) the process must be flexible to avoid bureaucratization, (f) strategies can not be always kept confidential (Ramamurti, 1986).

In public sector, there is a subtle difference in the outcomes between strategic planning and comprehensive planning, if government decision-makers are directly tied to the agency doing comprehensive planning (Bryson and Einsweiler, 1988). For example, urban comprehensive planning highlights future situation, which are based on a fairly narrow set of environmental trends, on the other side, “the most common focus of strategic planning in the public sector is on decisions that must be made about issues confronting organizations. The issues emerge from forces and trends in both the external and the internal environments (and interactions of the two) and shaped by the value preferences of various organizational decision-makers, including the strategic planners” (Bryson and Einsweiler, 1988: 5).

It is argued that the differences between strategic planning and operational planning are blurred (Moskow, 1978). Generally, strategic planning deals with broad
policy questions such as vision, mission and alternative courses of actions, on the other hand, operational planning focuses on problems with implementing goals or objectives (Moskow, 1978). It can be said that strategic planning deals with policy level in a broad way, on the other hand, “operation planning” deals with the implementation level of an organization. Both types of planning are crucial to run an organization effectively and efficiently.

2.2 Different Approaches of Strategic Planning

2.2.1 The Synoptic Approach

Synoptic approach to strategic planning refers to a conscious effort launched by higher officials to integrate the decisions, which compile the overall strategy to ensure that plans are accurately developed, mutually reinforcing and integrated into a whole (Fredrickson, 1983). Mintzberg (1994) argues that the synoptic approach is a “formalized procedure to produce articulated result(s) in the form of an integrated decision” (Mintzberg, 1994: 34). The approach to strategic planning tends to be employed successfully when the agency has a very “narrowly defined mission”(Bryson, 1995). The synoptic approach would be applicable to the extent that agencies have manageable levels of conflict with other stakeholders. The main limitation of this approach is that it is pre-determined (Mintzberg, 1994).

2.2.2 The Vision Approach

The vision approach is regarded as an alternative approach to synoptic strategic planning. In this approach, stakeholders get very general and broad guidance from the top managers (Roberts, 2000). The approach acknowledges that strategy will come through a “bottom-up” process (Mintzberg, 1994). Generally research and development organizations use this approach.

2.2.3 The Strategic Issues Approach

This approach to strategic planning has been successfully used and widely adopted in municipalities and communities (Bryson, 1995: Nutt & Backoff, 1992). It does not require a comprehensive integrated set of goals and sub goals; rather the approach encourages officials to obtain a limited agreement on some strategic issues. Thus, the approach takes the “middle ground” between the political and rational models of decision-making (Roberts, 2000).

The above-mentioned approaches clearly indicate that strategic planning is a systematic process, which can provide a long-term direction to achieve organization’s goals, objectives, actions and priorities. However, the formation of strategic planning would be different due to different contexts and situation.

2.3 What is Strategic Management?

Generally strategic management is a process that helps to formulate, implement and evaluate cross-functional decisions resulted in helping to achieve goals for an organization. It seems that strategic management starts with planning and its main aim is to fulfill organizational goals and it follows three stages: strategy formulation, strategy implementation and strategy evaluation. David (1989) sketches these stages in this way: Fig 01

Hannagan (2002) agrees with David’s thoughts on strategic management. Hannagan (2002) argues, “strategic management consists of the decisions and actions used to formulate and implement strategies that will provide a completely superior fit between the organization and its environment, to enable it to achieve organizational objectives” (Hannagan, 2002: 3).

Eden and Ackermann (1998) believe that strategic management “is a pro-active process of seeking to change the organization, its stakeholders and the context, or environment within which it seeks to attain its aspiration” (Eden and Ackermann, 1998: 3). The main benefit of strategic management is that it helps to develop an awareness of the process by which an organization can obtain synergies of the whole through the effective co-operation and interaction of the many departments within an organization (Alkhafaji, 2003).

Johnson and Scholes (1993) argue that strategic management should have three main elements such as “strategic analysis”, “strategic choice” and “strategic implementation” (Fig: 02).
From the diagram (Fig: 02), it seems that “strategic analysis” refers to “strategic formulation”, “strategic choice” pertains to “strategic planning”. However, the model lacks an important component of strategic management such as strategic evaluation.

Finally, strategic management is a “proactive” continuous process, which consists of decisions, and actions to formulate, implement and evaluate strategies to achieve organizational goals and objectives. In this way, strategic planning has been seen as an element of strategic management, which generally appears after strategic formulation.

2.4 Relationship between strategic planning and strategic management

The relationship between strategic planning and strategic management has been debated and discussed in many seminal works over the past decades (Minzberg, 1994; Hannagan, 2002; Bryson and Einsweiler, 1988). Thompson, Fulmer and Strickland (1990) believe that strategic planning and strategic management are related to each other, but strategic planning is not a part of strategic management. They write:

Strategic Planning is usually seen, on adaptation, as a separate discipline or management function. It involves the allocation of resources to programmed activities calculated to achieve a set of business goals in a dynamic, competitive environment. Strategic management, on the other hand, treats strategic thinking as a pervasive aspect
of running a business and regards strategic planning as an instrument around which all the control systems—budgeting, information, compensation, organization—can be integrated (Thompson, Fulmer and Strickland, 1990: 39).

To the contrary, if we take a look at the paradigm of strategic formulation (Fig: 03), it seems that strategic planning appears after strategic formulation in the strategic management process. The idea is also supported by Alkhafaji (2003). According to him, “Strategic planning, the result of strategic formulation requires strategic thinking, which is a continuous process that deals with corporate events in a comprehensive manner” (Alkhafaji, 2003: 11).

![Diagram: The Role of the paradigm in strategy formulation](source: Johnson and Scholes (1993), p.50.)

However, it is argued that ‘strategic planning’ and ‘strategic management’ are interrelated and “strategic planning is a backbone support to strategic management” (Steiner, 1979: 4). It is not the entirety of strategic management rather it is a key process in the conduct of strategic management (Steiner, 1979). Therefore, strategic planning is a part of the process of strategic management; it is not the total story of strategic management. Johnson and Scholes (1984) believe that strategic management is concerned with deciding how strategic planning is to be put into effect. It seems that strategic planning is concerned with planning and strategic management deals with implementation and performance evaluation. Strategic management is relatively concerned with internal “elements of organization”. Hussey (1998) states, “Strategic management includes the internal elements of organization, such as style, structure and climate, it includes implementation and control and consideration of the ‘soft’ elements of the environment (Hussey, 1998: 12).

Furthermore, it is said that “strategic planning is associated with an activity carried out a little apart from the line management of the organization and reviewed at well-defined intervals...on the other hand strategic management is concerned with establishing a competitive advantage, sustainable overtime, not simply by tactical maneuvering, but by taking an over all long-term perspective” (Hannagan, 2002: 3-4).

Finally, various definitions and approaches of strategic planning developed by various scholars have created confusion about the role of strategic planning in organization. But the implication and contribution of strategic management is quite clear in the literature. It is notable here that it is easy to identify the relationship between “strategic planning” and “strategic management”, if we see strategic planning from a strategic management viewpoint. For example, most of the previous figures (1, 2, and 3) clearly indicate strategic planning as an element of strategic management.

3. STRATEGIC PLANNING TRENDS IN MUNICIPAL GOVERNMENTS

Over the past century, municipal governments have undertaken various strategies to manage their programs and deliver services effectively and efficiently (Streib and Poister, 1994). However, strategic planning in municipal governments has been used for more than twenty years. Though there is no hard and fast rule for municipal governments to use a particular approach, several studies show that a large number of cities in the
4. THE CASE OF CITY OF OTTAWA

4.1 Background of Strategic Planning of the City of Ottawa

The City of Ottawa is “a rapidly growing city with a changing economy, increasing cultural diversity and evolving public values” (The City of Ottawa, 2003: 11). Unlike other cities in Canada, Ottawa is not an ordinary city. It is the Capital of Canada and the country’s fourth largest city with a population of over 800,000 (City of Ottawa, 2003). The City is considered a ‘dynamic city of neighbourhoods’ with vast natural and agricultural areas. In 2001, the creation of the amalgamated City of Ottawa brought 11 urban and rural municipalities and regional municipalities together in one structure, which is responsible to provide services it residents (The City of Ottawa, 2003).

City of Ottawa has grown from a ‘modest’ city to a large, complex and urban region with diversity (The City of Ottawa, 2003). It is argued that, “Ottawa has grown from a modest city on the banks of the Ottawa River to a large, complex and diverse urban region. Development patterns that were suitable for a small city are not suitable for a large metropolis” (The City of Ottawa, 2003:3). A part from these, a doctoral student, School of Public Policy and administration, finds in his research that “vital decisions were made either within the city planning department or by politicians. It was an elitists and highly centralized decision-making environment” (Bird, 2006, unpublished document) for the City of Ottawa.

In addition, it has been proven that the traditional pattern of planning is expensive, “largely because of the cost involved in extending public infrastructure (like sewers and roads) into new growth areas”(The City of Ottawa, 2003). Furthermore, people’s expectations of the City are increasing gradually. There are increased concerns about health, environmental and social problems. “They are also keen to avoid any repetition of the unsightly urban landscapes that have sometimes resulted from a lack of good planning” (The City of Ottawa, 2003:3).

Keeping in mind residents’ choices, Ottawa 20/20 Growth Management Strategy developed in collaboration with citizens, City staff and professionals through the initiatives of the “Smart Growth Summit” held from June 14-18, 2001 (The City of Ottawa, 2003). On the basis of the summit proceedings and later feedback, the City Council launched the Ottawa 20/20 strategic process.

4.2 Ottawa 20/20 (Comprehensive strategic framework)

The Ottawa 20/20 Growth Management Strategy is a...
Heritage Plan, the linkage between planning and management tools is other management tools. In the case of Ottawa 20/20, comprehensive strategic planning should be linked with "long-term" strategic framework. A holistic and City of Ottawa have proved that the City needs very for "twenty year is not enough". Several programs in vision and mission of Ottawa 20/20.

An integrated strategic framework of the City of Ottawa has been developed. The framework has been set out with 20 main plan and other supporting plans, with a vision to ensure a “more compact, efficient, equitable, affordable and environmentally healthy city, one that provides a high quality of life for its citizens and offers a range of life style and travel choices” (The City of Ottawa, 2003).

The integrated strategic framework consists of five plans such as, the Official Plan, the Economic Strategy, the Human Service Plan, the Arts and Heritage Plan, and the Environmental Strategy. Each growth management plan is complemented by a variety of master pans and other sub-plans that are called “supporting plans”. These five growth development strategic plans have been set out strategic priorities in which the plans complement each other and work together to achieve goals (The City of Ottawa, 2003).

Theoretically, Ottawa 20/20 is based on a “visionary approach” which is developed and practiced in a very collaborative way. Every year the City of Ottawa invests a large amount of money to provide city services. It is believed that the integrated strategic framework will be able to help target those investments in a way which is "cost-effective" and acceptable to the residents (The City of Ottawa, 2003). However, given a number of good features of Ottawa 20/20, it has no strategy for “emergency preparedness”.

In the strategic framework, it is argued that, “the City will be working with residents, community organizations and businesses to continue to plan and target investments in the initiatives needed to achieve the Ottawa 20/20 vision and its objectives” (The City of Ottawa, 2003: 10). However, the plan has not provided any holistic framework that clearly depicts how public-private partnerships could work to fulfill the vision and mission of Ottawa 20/20.

It is realistic say that making a strategic framework for “twenty year is not enough”. Several programs in City of Ottawa have proved that the City needs very “long-term” strategic framework. A holistic and comprehensive strategic planning should be linked with other management tools. In the case of Ottawa 20/20, the linkage between planning and management tools is very weak.

### 4.3 The City Corporate Plan (Linking action to the Vision)

The Ottawa 20/20 is a strategic framework (vision) and it needs a strategic plan. Keeping this need in mind, the authority of the City of Ottawa has recently developed a City Corporate Plan that has outlined priority areas of focus for City services over a four-year period to achieve Ottawa's 20/20 vision. The plan is updated every year to enable the City to respond to changing priorities, new opportunities and emerging issues (The City of Ottawa, 2006).

The City Corporate Plan establishes eleven different agendas to guide decision-making, shape partnerships with community groups, citizens and City Council. The agendas contained in the plan are based on a “quadruple bottom line approach” which outlines a concern for financial, social, environmental and cultural sustainability.

The City Corporate Plan is regarded as the overall “strategic map” for the City. The four departments of the City Community and Protective Services, Public Works and Services, Planning and Growth Management and Corporate Services – have established a “business plan” based on the agendas and actions (The City of Ottawa, 2006). It is believed that, “these (business) plans contain an overview of the services the departments currently provide and information on new directions outlined in the City Corporate Plan and other major departmental initiatives” (The City of Ottawa, 2006).

The City of Ottawa is working on a partnership basis with many external organizations such as the Ottawa Police Service, the Ottawa Community Housing Corporation, the Ottawa Center for Research and Innovation, the Ottawa Life Sciences Council, and the Ottawa Tourism and Convention Authority to provide services and programs to citizens. The main limitation of the City Corporate Plan is that the plan only focuses on the initiatives within City of Ottawa operations; however, it does not cover the strategic planning and budgeting processes of the other partners of the city.

Furthermore, community engagement has been highly emphasized in the corporate plan, however, the community impact indicators, which would help to determine how efficiently and effectively the services of the city are delivered, have not yet identified in the plan. It would also help to examine the successes and drawbacks of various services and programs in a clear and transparent way for citizens and Council.

A specific “time-frame” should be mentioned in strategic planning. In the City Corporate Plan, there is not yet any “timeline” for its action items. Finally, the Corporate Plan does not include progress reports that would ensure the accountability of city services and programs.

### 5. CONCLUDING REMARKS

The theoretical debate regarding the relationship
between strategic planning and strategic management still exists. Mintzberg (1994) argues that strategic planning has proved to be an ‘oxymoron’. Hannagan (2002) also supports Mintzberg’s argument, “Strategic management is not the same as strategic planning”. However, as it was discussed earlier, we should see strategic planning from a strategic management viewpoint. Thus, strategic planning is an important element of strategic management and all the elements of strategic management are interrelated. Strategic formulation precedes strategic planning and strategic planning precedes strategic implementation, however, strategic planning and strategic implementation may overlap and this creates confusion and debate.

In the case of the City of Ottawa, the Ottawa 20/20 and the City Corporate Plan seem to have been the strategic plan of the City. Although the strategic planning of the city is still evolving and being shaped by external and internal feedback, the existing strategic plan of the city is not the final word. By and large, “living plans” is adapted to changing circumstances as they are implemented. It seems that the strategic planning of the City of Ottawa has been able to link with implementation strategy through the business plan of each department. However, the gap between strategic planning and strategic evaluation is very clear. Consequently, the City has not been able to identify performance and evaluation indicators.

**ACKNOWLEDGEMENTS:**
The paper was written when the author was pursuing his Masters as a Canadian Commonwealth Scholar at the School of Public Policy and Administration, Carleton University, Ottawa, Canada. The paper benefited greatly from generous help, advice and support of Dr. Chris Stoney, Associate Professor, School of Public Policy and Administration, Carleton University, Ottawa, Canada. Ms. Anna Hercz, the City Planner of the City of Ottawa gave her time for discussion and helped me to collect official documents. I would like to express my gratitude to my friend Malcolm Bird, PhD student of School of Public Policy and Administration, Carleton University for his invaluable advices in writing the
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