

Adapting best Strategic Planning practices to a Strategic Spatial Planning model

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Abstract

The concept of strategy is distinguished as one of the widely discussed scientific issues during the last decades. The adoption/application of the expression is considered to be diffused and multidimensional, inevitably causing the emergence of varied definitions and explanations. Generally, strategy incorporates a unity's overall intent and philosophy, having important characteristics and dimensions according to any requirements and necessities. Strategic Planning constitutes an appropriate method of strategic framework formulation and implementation in the Business Management field, which has experienced important acknowledgement and considerable criticism since nowadays. The conceptual framework encompasses multiple approaches and explanations that feature an intended and systematic method of strategic decision formation and making. It is also noted that the basic components of Strategic Planning Framework are the formulation, implementation and assessment of the adopted strategy. Characteristic models of Strategic Planning process are cited from international references, while attempting to analyze the distinct characteristics and differentiations of Strategic Planning in spatial level (Strategic Spatial Planning). The present paper deals with a composite approach of Strategic Spatial Planning model formulation in Greece. The proposed application of a Strategic Spatial Planning model is based on the classic principles of Strategic Planning, incorporating the appropriate adaptations to the spatial level.

Keywords

Strategy, Strategic planning, Strategic management, Spatial planning, strategy formulation process

1. Introduction

Strategy constitutes one of the most studied and highly evolving issues inside the scientific community during the last decades. The diachronic development of this concept is very rapid, presenting a wide range of definitions and applications in modern times. Strategy originates from the military terminology in ancient Greek Era, while the systematic scientific citation of this term has appeared since the second half of the 20th century. As a consequence, there is not a commonly acceptable conceptual expression of strategy nowadays, as this term can be used variously having multiple interpretations, dimensions and characteristics in proportion to each application field.

Ansoff (1965) distinguishes strategy as the conjunction between the philosophy, the activities and the business field of an organization. Andrews (1971) defines strategy “as the pattern of decisions in a company that determines and reveals its objectives, purposes, or goals, produces the principal policies and plans for achieving those goals, and defines the range of business the company”. Moreover, Mintzberg (1987) attributes different definitions to strategy: as plan, ploy, pattern, position, and perspective. According to Hax and Majluf (1991) “strategy can be seen as a multidimensional concept that embraces all of the critical activities of the firm, providing it with a sense of unity, direction and purpose”.

However, Porter (1996) stresses that the essence of strategy is to act/perform differently in terms of consciously selecting differentiated activities in order to create competitive advantage.

The strategy formulation process is also considered a major issue in scientific and academic world according to different schools of thought and approaches developed until nowadays (Mintzberg *et al.*, 1998). Strategic Planning is an appropriate and popular scientific method of planning, formulation and application of Strategic Plans, which firstly appeared in the decade of 1960. The application of Strategic Planning focused mainly on the field of Corporate/Business Management experiencing significant recognition and severe criticism throughout years. It is also noted that Strategic Planning is directly associated with Strategic Management field and has multiple definitions, fundamentals, characteristics, benefits and restrictions. According to Bryson (1995), it can be defined as “a disciplined effort to produce fundamental decisions and actions that shape and guide what an organization (or other entity) is, what it does, and why it does it”. Alternatively, Hax and Majluf (1991) regard that Strategic Planning is “a disciplined and well-defined organizational effort aimed at the complete specification of a firm’s strategy and the assignment of responsibilities for its execution”. It also constitutes a targeted method that takes into account critical factors and techniques in systematic and rational manner (O’Regan and Ghobadian, 2002). Generally, the Strategic Planning framework consists of three distinct components: the formulation, implementation and control/assessment, whilst it can be examined from the individual perspectives of its content or process developed respectively (Hopkins and Hopkins, 1997).

The present paper consists of the following sections: in sections 2 and 3 the most famous Strategic Planning and Strategic Spatial Planning models identified in the literature are provided respectively, in section 4 the proposed adaptations and modifications of Strategic Planning model to Strategic Spatial Planning model are provided and presented, whilst section 5 includes some useful concluding remarks.

2. Strategic Planning Models

The first model is detached from the 2nd chapter of the textbook “The Strategy Concept and Process: A pragmatic Approach” (Hax and Majluf, 1991). Particularly, the internal structure of a business organisation consists of three basic conceptual hierarchical levels which constitute the essential components of Strategic Planning process: corporate, business and functional levels. The corporate level encloses the main strategic decisions that have purely corporate and centralised character. At the business level the main efforts and actions are assigned in order to secure the longterm competitive advantage in all the business fields of the organisation. The functional level includes the functional requirements by the business actions and essentially constitutes the dynamic component of the distinct organisation competencies development in order to create competitive advantage. The “formal strategic planning process” consists of 12 steps that express the different character and sequence of the tasks execution and the individual responsibilities for development, implementation and control of the strategic tasks in the basic hierarchical levels. Particularly, these steps include: 1) the vision of the organisation, managerial infrastructure, corporate culture and management of key personnel, 2) the strategic posture and planning guidelines, 3) the mission of the business, 4) the formulation of business strategy and broad action programs, 5) the formulation of functional strategy, 6) the consolidation of business and functional strategies, portfolio management and assignment of resource allocation priorities, 7) the definition and evaluation of specific action programs at the business level, 8) the definition and evaluation of specific action programs at the functional level, 9) the resource allocation and definition of performance measurements for management control, 10) the budgeting at the business level, 11) the budgeting at the functional level, and 12) the budgeting consolidations and approval of strategic and operational funds. It is obvious that in this model strategy is expressed as a hierarchy of purposes that is specialised through a step sequence from broader guidelines to specific action programs. Moreover, the planning followed could not be characterised as “top-bottom” or “bottom-up”, but conversely reflects a synthetic route from the lower to the higher hierarchical level creating a sense of coherence and continuation.

The second presented model originates from the book “Creating and Implementing Your Strategic Plan: A Workbook for Public and Nonprofit Organizations” (Bryson and Alston, 2011). This Workbook deals with an effective strategic planning and implementation process named “Strategy Change Cycle” which encloses 10 distinct steps as follows: 1) Initiation and Agreement on a Strategic Planning Process, 2) Clarification of Organisational Mandates, 3) Identification and Understanding of Stakeholders, Development and Refinement of Mission and Values, and Development of a Vision Sketch, 4) Assessment of the Environment and Identification of Strengths, Weaknesses, Opportunities and Challenges, 5) Identification and Framing of Strategic Issues, 6) Formulation of Strategies to Manage the Issues, 7) Review and Adoption of the Strategic Plan, 8) Establishment of an Effective Organizational Vision for the future, 9) Development of an Effective Implementation Process, and 10) Reassessment of Strategies and the Strategic Planning Process. The precedent strategic planning process is considered to follow a cyclic and repetitious development route, although it seems to represent a linear sequence. Moreover, the process does not necessarily start from the first step (in case of strategic issues that need direct response) and appropriately combines Strategic Planning (steps 1-6) with Strategic Management (steps 7-10).

Armstrong (2008) composes and presents an indicative planning process pattern, based on the “classic approach” of strategy formulation (Wittington, 2001), which consists of the following succession of steps: mission definition, objectives setting, SWOT Analysis, Gap Analysis and resource capability, distinctive capabilities of organisation definition, key strategic issues definition (emerging from previous analysis), corporate and functional strategies determination (for goals and competitive advantage), integrated strategic plans for implementing strategies preparation, strategies implementation, implementation monitoring and existing strategies revision or new strategies development (if necessary). The forementioned process pattern may need improvement or modification, but incorporates all the necessary tasks for strategy formulation. It could be also characterised as linear and deterministic, following a definite succession of steps, a fact that may not refer to realistic (cyclic or systemic) conditions.

Additionally, Sourkouhi *et al.* (2013) cite the following basic steps of strategic planning process: specification of the organisations future objectives, identification of the available objectives and strategies, analysis of environmental conditions, analysis of the organisations resources, recognition of current situation, determination of the necessary changes in strategies, decision on the optimal strategy and implementation of the new strategy.

Van Aartsengel and Kurtoglu (2013) support that the so-named “Generic Strategic Planning process” should include definite steps/stages as follows: 1) overall strategy plan definition, 2) strategic analysis execution, 3) mission statement revision/production, 4) corporate intended strategy development, 5) business intended strategies development, 6) implementation determination, 7) strategies assessment and implementation, and 8) strategic documents formulation and approval.

3. Strategic Spatial Planning Models

The concept of Strategic Planning is considered as highly complex in spatial level. The term “Strategic Spatial Planning” is attributed due to the fact that it constitutes a planning framework directed the development issues emerging in space. Albrechts (2004) characteristically states that “the rationale of Strategic Spatial Planning is to frame the activities of stakeholders to help achieve shared concerns about spatial changes. Necessary precondition is the complete comprehension of the specifics, problems and needs in each study area in order to create a complex strategic perception for their arrangement (Healy, 2009).

According to Albrechts (2013), a wide range of references and international practices is observed justifying the high significance and utility of Strategic Planning in spatial level as an alternative approach for the structural challenges and variations confrontation.

Particularly, Spatial Planning includes a composite set of methods or practises for the formulation and implementation of policies, strategic plans and projects in spatial level (Healy *et al.*, 1997). It is mainly

applied in national, regional and urban level, while it can be used in cases of transnational unities or associations. The subject of Spatial Planning refers to strategic midterm decisions and directions that are created through continuous processes, negotiations and interactions (Metaxas and Lalenis, 2006). Defining appropriately Strategic Spatial Planning, “it is a set of concepts, procedures and tools that must be tailored carefully to whatever situation” (Albrechts, 2004) aiming at the arrangement and satisfaction of the contemporary needs and demands of different spatial unities (Sartorio, 2005). Alternatively, according to Sartorio (2005), Healy et al. (1997) determines Strategic Spatial Planning “as a social process through which local communities answer to endogenous and exogenous challenges relating to territorial governance”.

Taking into account all the forementioned concepts, “Strategic Spatial Planning Frameworks” or “Strategic Development Frameworks” constitute the direct result/product of Strategic Spatial Planning. Such Frameworks/Plans must include broad development issues coverage in each spatial unity, midterm time horizon, identification of basic development axes and critical spatial issues, multi-sector development and spatial issues investigation, synthetic analysis and determination of alternative or flexible options, and concentration on implementation methods and processes.

Stremke *et al.* (2012), introduce an approach of Strategic Spatial Planning process which is composed of four generalised steps (Albrechts “four-track approach”, 2004) as follows: 1) Analysis of the existing conditions of environment and concentration on collective identification of focal issues, 2) Development of a dynamic, integrated and indicative vision that encloses conscious and purposive values and meanings for the future, 3) Deduction of actions (from vision) and discrimination between shortterm and longterm, and 4) Implementation of actions through moral, administrative and financial agreements between the determinant factors of each study area.

5. From Business Strategic Planning to Spatial Strategic Planning

The Strategic Planning models represent some common similarities regarding to the basic hierarchical functional levels (corporate, business, and functional) and the execution sequence of the different tasks and actions. However, the transfer of these hierarchical levels to the spatial level requires determinant adjustments and modifications. Firstly, in spatial level, the hierarchical functional levels refer to spatial/administrative levels, which essentially reflect the distinct spatial unities (based on administrative structure) in the study area. This critical adjustments aim to the rational treatment of the development issues and formulation of strategic directions in spatial level.

As a consequence, the corporate level is transferred to the municipal reference level. The municipal level is referred as an overall term, illustrating the spatial/administrative entity that encloses the central governance and management of the whole study area, the strategic decision making, the development issues arrangement and the high quality infrastructure and services provision to the citizens. At the next spatial reference level, a critical adjustment is accomplished according to the requirements and necessities of the study area. Particularly, the community level is introduced, which includes the municipal or local communities and the individual residential areas. Moreover, the community level comprises the local government bodies that undertake the individual spatial unities management, the local infrastructure and services regular operation and the local development issues/problems treatment.

The model illustrated in Figure 1 constitutes the synthetic application of a Strategic Spatial Planning Model inspired by the best practices of Strategic Planning in business world. Essentially, it is an attempt that combines and mixes the classic principles of Strategic Planning, applied in Business Administration field, with the dimensions and characteristics of modern Spatial Planning. The key aspects of classic Strategic Planning are maintained while accomplishing important modifications in spatial level. It is also noted that the proposed model was formulated regarding to the physiognomy and the specifics of the Municipal Unity of Thermi in Thessaloniki (Northern Greece).

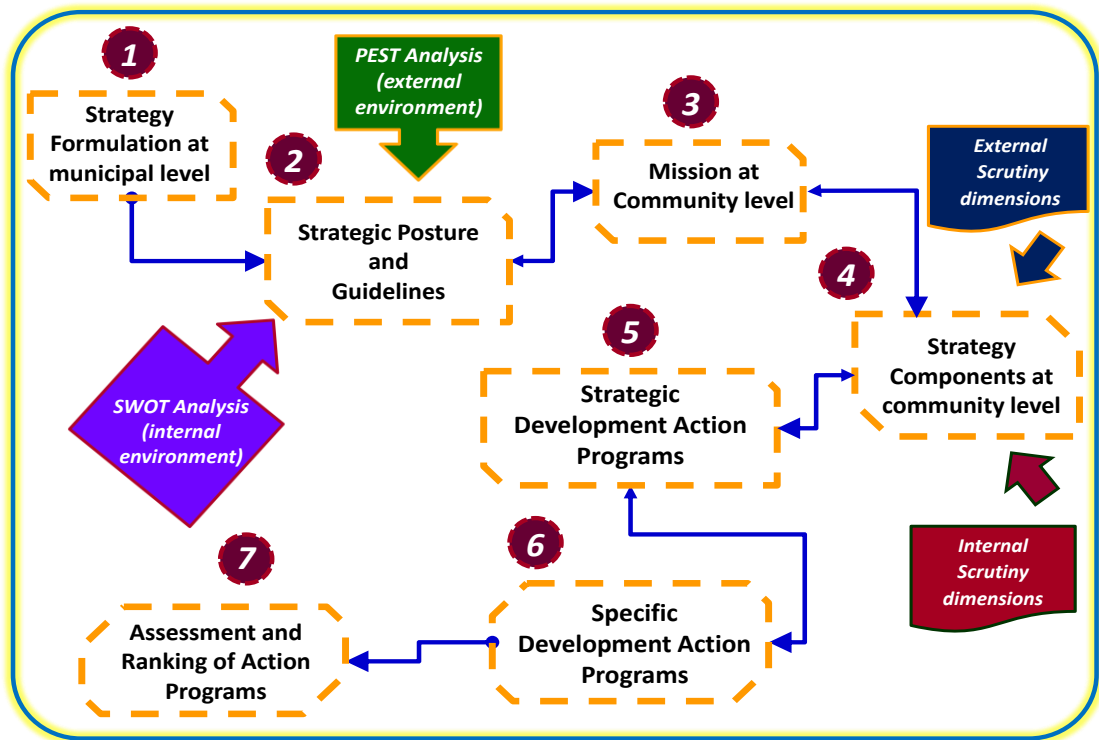


Figure 1: The Strategic Spatial Planning Model

More precisely, the proposed application model consists of 7 total execution steps which are developed progressively in order to produce the requested Strategic and Specific Development Action Programs. It is a qualitative planning process, like most Spatial Planning Plans, that reflects a cyclic execution route in terms of the interaction and feedback possibilities between the basic steps so as to optimally produce the Action Programs. The existence of two spatial hierarchical levels (municipal and community level) reflects the distinct spatial unities in the study area according to the philosophy and practices of Strategic Spatial Planning Frameworks. Finally, the process of this proposed model wavers between the two hierarchical levels owing to rational strategy structure requirement. However, the necessity of interactive or combining execution of the first steps (e.g. steps 3 and 4) in real time is not excluded (there are not any time hierarchy restrictions).

6. Concluding Remarks

Strategy constitutes a continually evolving and widespread concept in scientific and academic world presenting various dimensions and experiencing multiple interpretations. It is mostly associated with fundamental decisions and options that determine the general posture and success of an organisation. Strategic Planning is regarded to be the “backbone” of the modern Strategic Management field. It is a multidimensional term with broad usage and applications in different objectives and purposes. In spatial level, some significant differentiations, variations, adjustments and modifications are usually observed. Strategic Spatial Planning refers to major mid-term issues that need overall and integrated arrangement. It is a targeted planning framework directed to critical development spatial issues. The main objective of this paper is to create a Strategic Spatial Planning model that combines the classic principles of Strategic Planning with critical adjustments and variations emerging in spatial level. The proposed model consists of a 7-step sequence in form of a flexible planning cycle adapted to the needs of the study area. The structure and content of the basic steps enclose the determinant components and aspects that could be transferred to the spatial dimension. Finally, this application model leads to the production of Strategic and Specific Development Actions Programs that aim to arrange the detected development spatial issues. It is only an overall attempt/venture to treat particular spatial issues that surely need some adequate development and administrative policies.

7. References

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