

THOMAS PLANT

Thomas.Plant@brampton.ca

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Continuously Improving Municipalities to Achieve Strategic Success

A strategic plan is not static, but should be a guiding document which sets out the vision and priorities of the municipality. In this way, it establishes a framework that the municipality's operations can align with. Strategic success is often seen as being able to achieve the initiatives in the plan. However, equally important but often overlooked is the need to ensure service delivery yields value for money for taxpayers. This can be accomplished by linking daily operations with the strategic goals of the organization and developing mechanisms to ensure a continual improvement of organizational performance. One mechanism which can be implemented is establishing a continuous improvement approach to municipal service delivery. The adoption of such an approach can go a long way in making sure municipal managers are challenged to evaluate their services on a continuous basis. Such evaluations ensure services are being delivered in an efficient and effective manner, including achieving the business outcomes of the municipal service.

This brief will present an alternative view of municipal strategic planning in an attempt to assist municipal decision makers in understanding why a strategic plan is important to daily service delivery. It will make the case that without a continuous improvement approach to decision making, it is unlikely that the goals of a municipality will be attained. The tools outlined in this paper can be customized to any type of municipality, regardless of size. This will be

ABOUT THE AUTHOR

Thomas Plant, MBA, MPA, PMP is the Director Strategic and Enterprise Services with the City of Brampton. He is an author of the two books *Strategic Planning for Municipalities: A Users Guide* and *Roadmap to Success: Implementing the Strategic Plan* which are published by Municipal World. Thomas can be reached at Thomas.Plant@brampton.ca.

demonstrated by looking at examples of municipalities which have successfully developed continuous improvement initiatives with demonstrable results. It will further highlight some of the challenges in establishing an effective program so that municipal practitioners can learn from best practices in developing a model which is right for their municipality.

Components of a Holistic Strategic Planning Model

Effective strategic planning has often been seen as encompassing a number of independent, yet interrelated components. This is often referred to as a Holistic Strategic Planning Model, since all of the components need to be in place to achieve success. In this way, the strategic plan is more than just a guiding document for the organization, but also a process which can impact the organizational culture and position the municipality to be able to provide greater accountability and transparency in the decision making process.

As was noted previously, a holistic system is based on the assumption that all of the system elements are interrelated and interdependent. The model consists of four key elements:

1. Developing a strategic vision and goals with stakeholder input;
2. Aligning and prioritizing strategic initiatives with the vision;
3. Developing operational business plans which align with the strategic plan and budgeting process; and,
4. Measuring success and reporting the results (Plant, 2008).

How to Achieve Sustainable Results

Successful municipalities engaged in implementing the holistic framework have all properly planned not just the development of the strategic plan, but also its implementation. This is a critical element in ensuring that the strategic plan is able to achieve sustainable results. This is also one of the gaps which is often seen in the municipal strategic planning process, and commonly referred to as the “knowing-doing gap.” It occurs when organizations come to the belief that if they just talk about doing something the very act of discussion will magically lead to execution (Pfeffer and Sutton, 2000).

Municipalities are often good at developing a strategic plan comprised of a vision, goals and initiatives, however there is often little thought given to how

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the plan will be integrated into the organizational decision making process. As a result, the document ends up being infrequently consulted and gathers dust until it is time to develop a new plan. A remedy to eliminate this gap is to ensure that there is a process in place to not only implement the initiatives in the plan, but also to ensure that municipal operations are achieving the established goals.

For example, the strategic goal of service excellence is a common goal found in municipal strategic plans. This goal is most closely aligned with the delivery of a service and the service standards which have been set. However, it is difficult to know if this goal has been achieved unless there is a way to measure and provide information on whether the existing service standards are being met. Further, if the standards are not being met then there needs to be a process in place to examine the underlying business drivers behind the unsatisfactory performance.

Measuring municipal services can be challenging since not all service delivery is quantifiable. However, there are several advantages to performance measurement including:

- Measures provide a benchmark as to where the organization currently is in terms of achieving its goals and objectives;
- Measures allow progress to be monitored;
- Measures give a means to communicate performance;
- Measures confirm priorities by allowing the organization to highlight what matters most;
- Measures influence behaviour and attitudes; and,
- Measures provide the organization with information to continuously learn and improve (Plant, 2010).

Continuous Improvement of Service Delivery

There is a fifth key element to be considered in the Holistic Strategic Planning model in order to ensure an effective strategic planning process. That is developing a continuous improvement process approach to municipal service delivery. This consists of developing business outcomes for each service program, then developing key performance indicators that are aligned with the business outcomes. This in turn will generate performance information which can be used in the business planning and management decision making process.

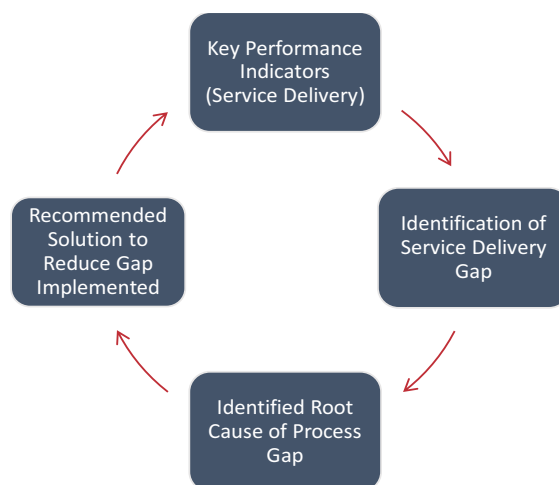
Further, implementing a continuous improvement model will facilitate achieving the strategic goals of the municipality by aligning municipal operations with these goals.

One of the most common strategic goals contained in municipal strategic plans is service excellence. Since the municipal organization exists to provide service to the public, this is an important part of the organization's mandate. Thus, the goal of service excellence is stated in the plans to demonstrate to the public that it is a key focus for the organization. However, the challenge for municipal managers is to align their operations with this strategic goal. Further, a common way to measure attainment of this goal is to develop key performance indicators which demonstrate the efficiency and effectiveness of municipal operations.

As was stated above, developing a continuous improvement approach is a key driver for service excellence. Municipal leaders, including councillors and senior management, often assume municipal operations are being run efficiently and effectively. However, the fundamental question to address is how is this demonstrated? Oftentimes when problems arise in service delivery, the façade of efficiency and effectiveness disappears and the result is a reactive scramble to fix the situation. However, the fix tends to be only temporary and does not tackle the root cause of an issue only to see similar problems arise again in the future.

To prevent this cycle of putting out fires and reactively fixing problems, a continuous improvement approach should be considered. As can be seen below, a continuous improvement approach to strategic goal setting involves four main elements, as seen in Figure 1.

Figure 1: The Continuous Improvement Process



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These elements include establishing measures of efficiency, effectiveness and quality for a particular service, identifying the gap in service delivery as illustrated by the data, identifying the root cause of the performance issue, implementing a recommended solution and then monitoring its effectiveness. Note that all elements of the cycle are interdependent and aligned.

As seen in Figure 1, a continuous improvement process is a beneficial way to measure service performance, address service gaps and measure the impact of the resultant change on service delivery. This approach may sound complicated and implausible to implement in smaller municipalities. However, all municipal managers can adopt a variant of this approach by asking the following questions of their operations:

1. What is the goal of your service program?
2. How do you provide your service program? What are the steps involved?
3. How do you measure success?
4. What do you do when things are not working well?

Asking these four questions for each program or service will result in viewing municipal service delivery in a more strategic way and continuously improving the municipal organization.

Benchmarking Examples

A couple of municipalities in Ontario have adopted formalized continuous improvement programs to better drive organizational efficiency and effectiveness. These programs are directly aligned with the strategic goal of service excellence and typically involve either a LEAN or Six Sigma approach to change. Essentially, the philosophy of LEAN thinking is to provide a way to do more with less (i.e. less time, resources, space, equipment, etc.) while accomplishing the goals of the customer (Womack and Jones, 1996). The approach can be satisfying for workers as they are more directly involved in developing the future state. In addition, there is immediate feedback on their efforts to improve operations which can be a way to generate new processes or tasks leading to greater job and public satisfaction.

These LEAN or Six Sigma management tools tend to be used well in the private sector, especially in manufacturing. The reason for this is that manufacturing processes are usually considered to be more routine in nature and intrinsically lend themselves to analysis to further the goal of cost savings or a more efficient process. However, it should be noted that the “routine” aspect of any

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private-sector process is no more or less “routine” than similar public sector processes, and thus municipal governments also have processes which lend themselves to this type of analysis. However, transposing them into the municipal environment can be challenging due to the nature of municipal operations.

One successful example of a municipality utilizing these change management tools is the City of Oshawa under the leadership of City Manager Jag Sharma (Sharma, 2016). It is an illuminating example of how leadership by senior management can push the municipality forward towards achieving its strategic goals and a higher level of organizational performance. Some examples of successful cost reduction initiatives in Oshawa include: a redevelopment project for an operations facility with cost savings in the millions, a maintenance management system improvement of 90% in time spent processing work orders, and an inventory management improved fill rate of greater than 50%. Since the program has been recently rolled out in the municipality there is an expectation that future projects will generate even more improvements and increase buy-in from staff at all levels.

The philosophy guiding the continuous improvement process in Oshawa is that ‘everything evolves’. Adopting this mindset has allowed the organization to take a fresh look at its operations and challenge status quo thinking which often defends the routine nature of work. As City Manager Sharma notes, if challenging surgeries at the world renown Mayo Clinic can adopt a LEAN approach then the same mindset can be applied towards municipal processes. This philosophy results in greater attention to daily decision making which makes for easier decision making in the future.

Another area of focus for the City’s operations is a more effective performance measurement system. The system will generate the data needed to develop a baseline of performance which can be analyzed over time. In this manner, greater objectivity can be incorporated into the decision making process and any gaps in the process will be revealed. Further, in understanding how the operations are performing today the impact of any improvements can be measured and any successes quantifiably demonstrated.

City Manager Sharma also believes that a strong strategic plan should have an effective tactical approach for implementation. The strategic plan acts as the compass that sets the direction. However, without a robust action plan in place the organization puts the ability to achieve its goals at risk.

It is worth noting that generating operational continuous improvements can also facilitate the achievement of strategic environmental sustainability goals. In this way, improving a business process to make it more efficient, results

in fewer process steps which in turn results in a lighter carbon footprint. The City of Oshawa has delivered some of these improvements and are beginning to assess the resulting impacts.

Another example is the City of Mississauga (Uba, 2016). They have developed a holistic approach to continuous improvement by aligning several management disciplines in one business unit with a Manager of Business Improvement. This includes the following focus areas: strategic management advice, corporate policy, research, LEAN deployment, project management support, and innovation. In total, there are 14 staff including the manager in the Business Improvement unit.

The three areas that have the greatest impact on corporate continuous improvement are Strategic Management Advice which includes four management consultant staff, LEAN Deployment which includes three staff, and Innovation which includes one staff. Further, organizational training is offered in LEAN white belt and green belt level certifications. Staff chosen for these courses must select a business process where they can apply their course knowledge to directly implement an employee-driven initiative that supports continuous improvement.

The following are two specific examples of continuous improvement successes at the City of Mississauga:

1. An initiative which improved the process for maintaining outdoor pools; and,
2. An improvement in the waste management process in city parks.

The outdoor pool maintenance process had service time gaps, as there were no tools readily available at the outdoor pools for repairs. This resulted in staff having to travel to the indoor pool sites to collect the proper tools, travel back to the outdoor pool to complete repairs, and then ultimately return the tools back to their original location. A simple improvement was made costing under \$500, whereby tool boxes were purchased, stocked and then stored in the supervisor's office at the outdoor pool locations. This improvement resulted in faster repair times, reduced commuting time and a positive impact on staff morale.

A more major initiative was the parks' waste management improvement. Previously, waste management was decentralized in the 8 park districts with separate routes for waste removal and recycling removal. The improvement included route optimization for 14 waste disposal vehicles, as well as, centralizing waste removal under one dedicated team rather than by 8 geographic locations. Centralizing waste management allowed vehicles to attend priority facilities as frequently as required, rather than routes being

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constrained by service area boundaries. The staffing model per vehicle was also reviewed, with both waste and recycling trucks now following one another on the same route through the parks. This allowed for each truck to only be occupied by one person, and resulted in a cost savings of seven fewer summer students. The combined effect is an increased frequency of waste pickups for Mississauga's 490 parks, reduced labour costs, and a decrease in 311 calls and councillor complaints.

Lessons-Learned

1. Change occurs incrementally

Adopting a continuous improvement approach to strategic planning will take time to yield results. The objective is not to transform the municipality immediately, but to move the municipality towards a more strategic mindset of utilizing performance data to drive decision making and allow questioning of the status quo.

2. One size doesn't fit all

Larger municipalities will have the resources to adopt a more formalized continuous improvement program or initiative. However, smaller municipalities can also implement continuous improvement initiatives in an area of their municipal operations such as Finance or Public Works. Alternatively, they can set up a review utilizing the questions listed earlier in the article, whereby municipal managers will more critically examine their operations and engage in greater planning.

3. Setbacks can be instructive

Oftentimes when performance measurement or business process reviews are conducted municipal staff become nervous about how this information will be used and the consequences of revealing poorly performing operations. However, with the right kind of leadership by senior management, a proper environment of true continuous improvement can be adopted. In this respect, failure or poor performance is accepted as long as there is a commitment to improvement and demonstrated improvement. The costs of inaction and perpetuation of the status quo are greater than the costs of being innovative and failing, but learning how to ultimately achieve the set goals.

4. The strategic plan is a living document

It is important for municipal managers and councillors to keep in mind that the strategic plan should be a living document. The plan should set out a strategic framework and end state, but needs to be dynamic in order to continue to be a guiding document for the organization. If the municipal operations are not

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aligned with the plan or over time the plan does not reflect current priorities, the plan will cease to be relevant to staff and citizens. In order to ensure this does not happen mechanisms need to be developed for tweaking the plan, and reporting and tracking success. Further, the strategic plan needs to be operationalized in order to be useful in setting goals that are relevant for municipal staff and allow them to see how their work contributes to the success of the municipality. ■

**FOR MORE INFORMATION,
PLEASE CONTACT:**

Rick Johal

Director, Member and
Sector Relations
rjohal@amcto.com
905.602.4294 x232

Eric Muller

Policy Advisor
emuller@amcto.com
905.602.4294 x234

NOTES

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Association of Municipal Managers,
Clerks and Treasurers of Ontario

2680 Skymark Avenue, Suite 610
Mississauga, Ontario L4W 5L6

Tel: 905.602.4294

Fax: 905.602.4295

Web: www.amcto.com

Twitter: @amcto_policy

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