

A Repeatable Strategic Planning Model for Quasi-Governmental Port Entities

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INTRODUCTION

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In this chapter, a repeatable strategic planning model which has been successfully implemented in quasi-governmental port entities in the United States and Canada is presented. Repeatable processes lay the basis for success and are an integral part of all successful organizations (Jenner, 2016); therefore, the strength of this strategic planning model lies in the iterative nature in which there is provision for continual adjustment and refinement of the strategic plan, particularly in the communication and consultation processes (Hooghiemstra, 2000). Additionally, the credibility for this model is greatly enhanced as it is a synthesis of the literature of the maritime field and the perspective and extensive strategic planning experiences of a chief executive officer (CEO) who has served quasi-governmental port entities in both Canada and the United States. This repeatable strategic planning model incorporates the elements of the basic strategic planning found in the Strengths, Weaknesses, Opportunities, and Threats model (SWOT) (for example, Yousefi, 2013), and its reversed acronym counterpart TOWS (for example, Jafari, Jafari, & Loyes, 2013). It is also supported by frameworks and methods for strategic analysis and action (for example, Leonard & Moore, 2014; Mintzberg, 2008), to address the unique characteristics and planning needs of a quasi-governmental port entity.

For the purposes of this chapter, the term “quasi-governmental port entity” is used to represent port entities, districts, commissions, corporations, and municipal departments that are essentially owned by the government, but operate predominately in the private sector. In defining a quasi-governmental port entity, it is important to acknowledge that each port entity has a unique political entity, legislative mandate, and official language outlining the rights and responsibilities of public and/or private sectors and the levels of influence and control among the public and private entities vary from one port to another (Haarmeyer & Yorke, 1993). A port may be privately owned, but subject to governmental legislative mandates for its operations (ACPA, 2016; Ducruet, deLangen, & Notteboom, 2012) or a port may be publicly owned by a political entity, but work closely with private industry (AAPA, 2016). It is recognized that each port has its own “sliding scale” of public and private responsibilities and levels of engagement (Baltazar & Brooks, 2006) and believed that this repeatable strategic planning model will be applicable and useful for the success of all quasi-governmental port entities.

Considered to be a Critical Infrastructure Sector by the Department of Homeland Security (2016), the United States Maritime Transportation System (MTS) is vital to the economy of the United States and its international trading partners. Among its many maritime related assets, the Maritime Transporta-

tion System lists 361 ports and 25,000 miles of waterways which allow the transportation of people and goods on the water (DHS, 2016). Subsequently, these U. S. ports operate under government legislation with significant economic impact to local and regional economies, generating business development and job opportunities (AAPA, 2016) in partnerships of varying degrees with private sector entities (Allen, 2012). This holds true for Canadian ports as well, which are highly competitive and are expected to be self-sufficient (ACPA, 2016). The Government of Canada (Transport Canada, 2016) lists 18 major port authorities and the total number of ports in Canada are estimated to be approximately 174 (Searates, 2016). Many of these ports are still owned and operated by the federal transport agency, Transport Canada; however, a number have been transferred or “divested” to municipalities or the private sector (AAPA, 2016; Ducruet, deLangen, & Notteboom, 2012) over the last ten years.

The concept of government legislated, privately operated ports is not unique to the United States and Canada, which are part of much larger and intricate webs of trade and intermodal transportation involving international ports which operate in a similar manner. Many other world ports belong to gateways or corridors which are defined as coordinated bundles of transport and logistics infrastructure and services, governed by national or regional bodies, constituted by public or private sectors or a combination of the two (Kunaka & Carruthers, 2014; Edgerton, 2013). A large number of world ports have both public and private interests which make this quasi-governmental repeatable strategic planning model applicable at an international level. Some of these include the European ports of Antwerp, Belgium, Le Havre, France, Hamburg, Germany and Rotterdam, Netherlands (World Bank, 2007), the Port of Beirut, Lebanon (Port of Beirut, 2016), and ports in Latin America, the Caribbean, and South Asia (World Bank, 2015).

Unique Challenges of Quasi-Governmental Port Entities

Port entities can be a conundrum to their political owners. Legislatively controlled by one level of government or another, government agencies generally do not want to fund these quasi-governmental ports on any regular basis and expect them to be self-supporting economic catalysts for regional growth and prosperity (Allen, 2012; Nicolini & Pinto, 2013) operating in a competitive field of other ports and an intensely competitive field of ocean carriers, rail providers, and domestic consumers and producers (AAPA, 2016; ACPA, 2016; Cariou, Ferrari, & Parola, 2015).

While actually operating in a highly competitive maritime transportation industry conducted by international vessel owners and cargo interests (Burns, 2014), they are generally expected to earn sufficient revenues from their operations so as to avoid the need to appeal to the political levels for operating funds. It is also expected that port entities will generate enough financial income to support their capital development needs, whether by internally generated funds or the issuance of debt. In their business environment they look and feel very much like any other private sector business, seeking to maintain and grow their business, ward off competitors, stay ahead of developing issues and technologies, and remain nimble enough to rapidly respond to new opportunities or threats (Hollen, Van Den Bosch, & Volberda, 2015). Port entities are therefore under pressure from all sides to operate as efficiently (from a business perspective) as possible in order to meet these expectations. While political owners are always delighted to attend ribbon-cuttings on new projects, or participate in celebrations of new customers or achievements (Ng & Liu, 2010), they often want little to do with the operating or capital funding needs of the port.

At the same time, political ownership brings its own requirements and obligations. Because the assets and resources of the port are ultimately owned by the citizens of the ownership jurisdiction they are subject to the kind of public access to information to which governments are subjected (Fawcett, 2006). Their employees are generally considered to be employees of the state, county, or municipality in the

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