

Strategic Planning within the Community Futures Program for Southern Ontario

Luke Maloney
The University of Guelph

Prepared by
Luke Maloney
University of Guelph

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Correspondence concerning this research should be addressed to Luke Maloney, Rural Planning and Development, School of Environmental Design and Rural Development, University of Guelph

Contact: lmaloney@uoguelph.ca

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Abstract

The Community Futures Program (CFP) has existed for over 30 years as the Federal Government of Canada's primary community economic development (CED) tool for rural communities. Today, the program provides operational funding for 36 small CED organizations across Southern Ontario, requiring them to provide business loans and business services to high risk clientele and participate in both community economic development projects, strategic planning initiatives.

The extent to which CFDCs participate in strategic planning within their respective communities is variable, and the definition of strategic planning in CED is amorphous. Therefore, the research question used for the purpose of this research is as follows: 'How do organizations engage in strategic planning, as is required by the Community Futures Program?'

In order to answer this question, the research will build off of a framework for strategic planning in CED, as developed by the University of Guelph's David Douglas. This framework, establishing the baseline criteria for strategic planning and many of the common deficiencies of these initiatives, will contextualize many of the current strategic planning initiatives being undertaken by CFDCs in Southern Ontario.

Through a series of key informant interviews, CFDC decision makers will demonstrate some best practices existing in strategic planning initiatives today, and the manner of variability which exists between CFDCs in how these initiatives are undertaken.

Dedication

I would like to dedicate the work that went into this research, and the resulting degree of 'M.Sc. Rural planning and Development' to my father, Patrick Maloney. Thank you for a lifetime of advice, love and sound paper editing. You are profoundly missed.

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The Community Futures Program

The Community Futures Program (CFP) has been a consistent presence across discourse relating to community economic development in Southern Ontario. The Program was created in 1986 as a response to success in previous Federal community economic development programming, and was intended to establish the Federal Government firmly in the process of community economic analysis, local empowerment and sustainable development, rather than solely acting in an administrative capacity. Through the CFP, the Government of Canada could reinforce local decision making, and encourage active partnership between levels of government by funding small community economic development and business development corporations across Canada (Reseau des SADC et CAE, 2015).

In its current iteration, the CFP funds the operation of 268 community economic development offices through five separate Regional Development Agencies (RDA) across the country: Western Economic Diversification Canada (WD), FedNor, the Federal Economic Development Corporation for Southern Ontario (FedDev Ontario), Canadian Economic Development for Quebec Regions (CEDQ), and the Atlantic Canada Opportunities Agency (ACOA). The program, providing a slightly different variation of service between RDAs, exists as a means of providing business loans, tools and training using investment funds capitalized by the Government of Canada at the program's conception (Community Futures Network of Canada, 2015). Community Futures Development Corporations (CFDC) and Community Based Development Corporations (Atlantic Canada) Community are well-positioned (and required) to play a key role in the development and delivery of strategic community planning and community economic development projects.

For this research, of primary interest is the CFP as it is provided by FedDev Ontario for rural communities across Southern Ontario. Per FedDev Ontario's operational guide for the program, all CFDCs are required to provide service for four lines of business (FedDev Ontario, 2015): business financing, business information and services, support for community strategic planning, and participation in community economic development (CED) projects.

The degree to which each CFDC participates in all four lines of business is variable. It has been established through a recent evaluation by Ference Weicker & Co. (2014), that need for the delivery of all four lines of business is still a strong need within Southern Ontario communities. Specifically, there is a need to provide support in efforts of strategic planning in community economic development, as is explained within the evaluation:

“While providing support directly to small businesses is an important strategy for promoting community economic development, many key issues are best addressed through broad systemic initiatives in partnership with local governments. CFDCs play an important role as a catalyst for such initiatives... building partnerships and bringing the capacity, expertise, support, and business perspective needed to move community plans and CED initiatives forward” – Ference Weicker & Co. (2014)

Despite the acclaimed importance of this role, there is evidence of a great deal of variability in the perception of need for CED projects and strategic planning within the Community Futures Program. This was evidenced within WD's 2014 evaluation of the CFP, wherein evaluators determined that there is a lack of perceived need for strategic planning and CED amongst communities. Respondents surveyed for this evaluation indicated a lack of understanding in terms of defining either activities, or being able to attribute that role to their respective CFDC (WD, 2014).

Literature on the topic of strategic planning justifies some of this confusion by the fact that practices and definitions surrounding strategic planning involve amorphous and complicated interactions between organizations such as the CFDCs, local community groups, municipal governments and residents. Bendavid-Val (1991) identifies the process of development planning as being composed of four parts: regional analysis, strategy formulation, identification of project proposals and evaluation of project proposals. For the Community Futures Program, 'strategy formulation' and 'project proposals' referred to by Bendavid-Val encapsulate the involvement of pivotal actors, or milestone which will be required to actualize the goals that the plan sets out to achieve. Douglas (1994), identifies local actors as pivotal characteristics of a successful strategic plan.

Ultimately, the formulation of a strategic plan and the process of strategic choice in community development relies on interaction between key individuals, organizations, events, timelines, financial resources, and legal resources (Douglas, 1994). Douglas explains, in these complicated, milestone reliant, multi-actor interactions, organizations such as CFDCs fill a key facilitatory role. They provide legitimacy in the strategic planning process for communities, and act as a physical representation of strategic community planning for both government and local actors. Strategic planning for the organizations themselves can define the role which is played within each respective community, and how interactions take place.

The purpose of this paper is to develop an understanding of how CFDCs undertake strategic planning, for themselves and their communities. In developing an understanding of the theory which informs strategic planning practices undertaken by the CFDCs, a logical framework will be created through investigation of existing literature. In compliment to theoretical findings, primary data is collected from high performing CFDCs through a series of key informant interviews. The findings of this data are compared to current theoretical understandings, helping to determine best practices in strategic planning within the program.

Through this investigation, a greater clarity is achieved with respect to best practices in strategic planning within the CF program. This research helps position the program not only in terms of current practice, but in potential for those CFDCs which might currently struggle with respect to strategic planning and community partnership.

Literature Review

For the purpose of the CFP, what is strategic planning?

Along with business loans, business services and community economic development projects, strategic planning finds its place as a key element of service delivery for the Community Futures Development Corporations of Southern Ontario. This is directly specified in the Federal Economic Development Agency for Southern Ontario's program mandate (FedDev Ontario, 2016). The Ference Weicker & Co. (2014) report recognized that the CFP plays an important role through its responsibility to undertake community strategic planning. Despite representing an required component of the CFP, reporting inconsistencies exist regarding community strategic planning activities across CFDCs (Ference Weicker & Company, 2014). These inconsistencies contribute to the lack of a clear determination as to what represents best practice with respect to strategic planning in the CFP.

Both the failure of the report to clarify relationships between strategic planning and community economic development (CED) activities, and the lack of consistent reporting from the CFDCs align with the notion that strategic planning is both difficult to define and understand as a concept in community economic development. Brugmann (1997) effectively demonstrates the difficulty that is encountered in establishing clear, concise definitions and conceptualizations of development and strategic planning theory. Brugmann uses the concept of sustainability in planning as an example of this difficulty. The ecological lens adopted in the definition of sustainability – encompassing environment, society and economy – presents the opportunity for ideologically appealing initiatives; however, wide scope of this definition leads to misdirected or ineffective community economic development efforts. The scope of community strategic planning is presented similarly, and considers environment, society, economy; the interaction of these elements and their valuation within the strategic planning process remains unclear.

This problem of clarifying the scope and definition of strategic planning is the focus of this research. If there is a lack of clarity in defining effective strategic planning, and a wide scope regarding the focus of that planning, how can consistent strategy and measurement of strategic success be designed as a template from one CFDC to the next? This literature review scopes the nature of the CFP in terms of governance, plan formulation, and stakeholder consultation. It represents the basis for comparison between Community Futures Development Corporation cases, and assists to develop a determination of whether current CFDC strategic planning practices are following best practice, and whether these practices can accommodate new innovations.

David Douglas presents the most cogent representation of strategic planning in his book *Community Economic Development in Canada: Volume 1* (1994), highlighting steps in developing a strategic plan, along with challenges, opportunities and constraints involved in the process. Douglas (1994) states that the most important consideration in developing a coherent

strategic plan does not lie in the vision, but the implementation, rationale and identification of pivotal actors in the process.

In order to develop a technical understanding of strategic planning in CED, Douglas (1994, p. 242) states explicitly that, rather than seeking a definition a term as amorphous as strategic planning, it is more useful to think of the practice as framed by five key questions:

- Where has our community's economy come from?
- What is the nature of the economy today – its characteristics strengths and weaknesses?
- Where will our economy be in the future – in 5, 10 or 25 years?
- Where do we want our economy to be in the future – in terms of jobs, diversity, vitality, size and other dimensions?
- How do we get from here to there?

These questions provide the basis for understanding planning not as a process for realizing previously unattainable dreams, but charting a realistic plan to optimize the potential of the community and its held assets. Ultimately, these questions frame strategic planning as a practice of maximizing the results attained by an organization based on the resources available to them. In a training package delivered to the network of Ontario CFDCs Douglas (1992, pp. 14-22) goes further, presenting nine key characteristics which the strategic plan will demonstrate:

Issues Orientation: Situational context (ie. local economic fluctuation)

Action Oriented: Setting the stage for change through purposeful action

Conflict Management and Negotiation: Internal solution and cooperation building, given projected change

Organizational Vision: How will the organization itself develop along with the community?

What business are we in? Exact identification of the role which the development organizations will play

Alternatives and Options: Central theme. Must engage in realistic contingency planning

Attention to resource availability: Attends to and incorporates available resources

Pivotal Agents, Events and Times: Must identify key milestones, and actors in order to ensure success

Fewer Fixed Assumptions: Expectation of fluidity with respect to key actors and milestones built into plan

Together, this set of key questions and characteristics associated with strategic planning provide a cursory example of what strategic plans should embody. There is a clear delineation which begins to emerge between actors, raising important questions with respect to the nature of strategic planning. Douglas (1994), stresses the importance of a participatory process, ultimately presenting a strategic plan which is the product of a community's or organization's vision. He

warns that, in the corporate context, strategic planning is represented by a top-down visioning, an approach which would fail to capture the central, collective values and priorities of the community itself.

Although expertise is important in the guidance and ultimate success of organizations such as the CFDCs (Low, 2006), vision needs to be community-sourced. These claims demand an understanding of governance structure in organizations such as the Community Futures Development Corporation network within Southern Ontario. What might these structures look like, and do they enable effective strategic planning?

Governance and Strategic Planning

Many of the characteristics and activities outlined by Douglas (1992; 1994) demonstrate the need for an understanding of how decisions are made within community economic development organizations, which individuals are empowered, and what kind of decision-making allows the involvement of community actors. This discussion is directly related to theories of governance, a concept which can represent many different orthodoxies depending on its use. Jessop (1995) cites several theoretical roots in discussions surrounding governance: institutional economics, international relations, organizational studies, development studies, political science, and public administration. It is the multifaceted meaning of the term which can lead to a manner of confusion. Within the discussion of strategic planning in CED organizations, the reference to governance will focus on organizational structures, specifically with respect to key collaborators, such as stakeholders, development practitioners, and community leaders.

Stoker (1998) outlines five complementary “propositions” in ‘*Governance as Theory*’ which highlight key considerations in developing an understanding around the role of governance:

| <i>Proposition</i> | <i>Key Message</i> |
|------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| 1. Governance refers to a set of institutions and actors that are drawn from but also beyond government | <ul style="list-style-type: none"> - Traditional conceptualizations of governance as solely concerning government must be challenged - Integration of private and voluntary sectors - Questions of legitimacy arise with emergence of new actors |
| 2. Governance identifies the blurring of boundaries and responsibilities for tackling social and economic issues | <ul style="list-style-type: none"> - Emergence of new actors can result in downloading of responsibilities from public to private/volunteer sectors - Downloading has led to further emergence of the ‘social economy’ – a now important consideration in governance discourse - Leads to uncertainty regarding governance responsibilities |

| | |
|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>3. Governance identifies the power dependence involved in the relationships between institutions involved in collective action</p> | <ul style="list-style-type: none"> - No one organization governs unilaterally - Governance is interactive, requiring degrees of cooperation and partnership - “willingness to cope with uncertainty and open-endedness on the part of policy-framers” (p.23) |
| <p>4. Governance is about autonomous self-governing networks of actors</p> | <ul style="list-style-type: none"> - Governance is actor driven – demonstrated through network of power relationships - Accountability problems arise with respect to representation of the larger group - Government can correct for lack of accountability |
| <p>5. Governance recognizes the capacity to get things done which does not rest on the power of government to command or use its authority. It sees government as able to use new tools and techniques to steer and guide</p> | <ul style="list-style-type: none"> - With respect to government, “‘enabler’, ‘catalytic agent’, ‘commissioner’, have all been offered to capture the new form of governing” (p.24) - Government can: 1) identify key stakeholders, and develop relationships; 2) steer relationships to desired outcomes; 3) control for externalities - Design principles: reviseability, robustness, sensitivity to motivational complexity, public defendability, and variability to encourage experimentation (Goodin, 1996, pp.39-43) |

These propositions can be drawn directly back to lessons from Douglas (1992) regarding strategic planning, specifically regarding the sharing of responsibility in governance between private, public, and volunteer sectors. When considering the application of Stoker’s (1998) propositions for strategic planning within the context of the Community Futures, the necessity of interplay between these sectors becomes evident.

Government, in the form of the Federal Economic Development Agency for Southern Ontario, has limited involvement in service delivery within the Community Futures Program but maintains the ability to act as a catalyst for innovative action through the Community Futures Network. This comes in the form of operational funding, delivered through contribution agreements with each CFDC, which promote federal policy agendas, requires minimum performance thresholds, and specifies the community roles for CFDCs. In addition, special funding is often made available for one-off CED projects led by CFDCs.

Within the Community Futures program, even influence from the public sector is multi-tiered. The minimal operational funding provided through federal branches of government often leads to organizational reliance upon municipal public funds to maintain programming. An example can be found in Frontenac CFDC’s recent bid for additional funding from Frontenac County due to an increase in demand and a decrease in funding from federal sources (Green, 2016, September 28th). As a source of operational funding, municipal partners become a *de facto*

branch of the governance structure of the CFDC, having leverage in the community activities the CFDC chooses to participate in.

In relating this to Stoker's (1998) propositions, interactive processes requiring the cooperation of several institutions become more evident and there is a blurring of boundaries between tiers of community governance. Economic development roles traditionally fulfilled by municipal and federal institutions may be undertaken by the CFDC. A statement contrary to Stoker's (1998) suggestion that the multi-tiered melange of actors in governance structure leads to divestment of accountability comes from collaborative governance theory.

Collaborative governance, termed by Ansell & Gash (2007) as "virtuous process", relies upon operation in good faith between organizations and stakeholders. Influence and strategy are arranged explicitly, focussing on improvement for the public good (Ansell & Gash, 2007). This effectively encapsulates the type of governance grounding the philosophy of the CFP, with Federal counterparts empowering local actors, operating in good faith towards a common goal of community economic development.

A CFDC's internal governance structure presents as a more delicate and nuanced composition than that assumed by external stakeholders. This would be one of the more important considerations in terms of strategic plan design, given the direct intention associated with the appointment of individual board members. Whereas other elements of governance (e.g. community, public institutions) are inherited by the organization, CFDCs have an opportunity to incorporate specific expertise, or stakeholder representations into the decision-making process.

As an example of how board governance for organizations such as CFDCs occupy unusual territory, Low (2006) explains the contrast between traditional stewardship model of governance theory in board composition and that exhibited by the non-profit sector. Within the traditional, for-profit sector, the stewardship model dictates that the board's ultimate responsibility lies in ensuring profit maximization on behalf of shareholders through effective decision making. For this reason, composition of the board of directors for such an enterprise will largely focus on individuals with specific expertise.

Contrasting this is the non-profit sector which, to ensure legitimacy, models the board of directors as a democratic tool of stakeholder representation, rather than one to maximize the profitability of the organization (Low, 2006). A non-profit organization's success lies in its ability to represent a wide array of actors within a community, therefore incorporating those voices into the decision-making process provides the organization with legitimacy, and a moral license to operate.

Low (2006) argues that organizations requiring both a social license and profitability (ie. CFDCs) occupy territory in the middle-ground, and should typically favour the stewardship model of governance which values and promotes the representation of expertise on the board of directors. The sustainability of the organization maintains reliant upon generating assets from the

scarce resources available to them, thus requiring the guidance of those who can maximize opportunities for the organization within their respective community.

This necessity is compounded by the increasing requirement from federal funders which ties regular performance measurement metrics to funding allocations. Weakness of local governance in maintaining these performance standards will increase government interference (Collier, 2008, p.60), and restrict the organizations ability to react flexibly to changing conditions within their community.

These perspectives surrounding the definition of governance are largely complementary. They acknowledge the changing nature of governance coming from the emergence of empowered private and volunteer actors, requiring collaboration and power sharing between tiers of governance (Ansell & Gash, 2007; Stoker, 1998). They also identify the unusual space occupied by organizations engaging in similar work to the CFP, integrating the need for democratic community representation and expertise in board composition.

In consideration of all these theories, a tenuous relationship between levels of governance within the Community Futures Development Corporations is revealed; one which requires mutual understanding, appropriate power brokerage, and well-considered organizational representation to demonstrate efficacy. For strategic planning, this implies alignment of the final product with community values to retain legitimacy.

General Lessons: Issues Assessment and Planning Approach

In addition to concerns regarding governance, Douglas (1992) cites consistent scanning of internal and external environments as being integral to the strategic planning process, targeting milestones accurately and keeping the plan on track through accurate assessment of the community's strengths, weaknesses, opportunities and threats (SWOT). He summarizes the utility of SWOT analyses in strategic planning with the following ways in which they assist in the process: "a) staying current and keeping strategic planning on track; b) enhancing community capacity to be proactive; c) availing of new opportunities which emerge from time to time; d) addressing problems which emerge from time to time" (Douglas, 1992, p.37). Observation of the strengths and weaknesses of this tool are generalizable, and can be applied to other approaches to the development of a strategic plan.

As identified by Douglas (1992), the SWOT analysis serves not only as a tool to be utilized in the development of the strategic plan, but also in its ongoing maintenance. Chermack & Kasshanna (2007) describe SWOT analysis in its most general forms as a collaborative process, drawing expertise from a group of individuals, aggregating knowledge of the specific organization, or community. It relies upon the facilitation of strategic dialogue to solve apparent problems, and realize advantages within the observed system (Chermack & Kasshanna, 2007, p.390).

In discussions regarding CFDC governance, the need for collaboration, cooperation and understanding amongst stakeholders in the development of the organization's strategic plan has

been established as integral to success. For this purpose, the collaborative nature of the SWOT analysis as it is commonly approached could be an appropriate tool for the development and maintenance of a strategic plan.

However, processes such as SWOT are vulnerable to misuse. Chermack & Kasshanna (2007) explain that these tools, in their simplicity, can be used to subvert a planning process which should be based on evidence-based decision making. Those undertaking the process use the tool as a method for defending a previously decided course of action; in this sense, this method of planning is effectively counterproductive. In addition to this problem, this type of visioning includes no requirement in terms of prioritizing and weighting identified factors, does not logically pair with any secondary methods of analysis for a group, and does not link well with any planning implementation phase (Hill & Westbrook, 1997).

As discussed, the strategic planning process, potentially involving several levels of governance and multiple stakeholders will ideally resemble the collaborative governance model of Ansell and Gash (2007). In accommodating varying levels of ownership and expertise in the planning process, the strengths and weaknesses highlighted through shallow collaborative processes such as SWOT serve as universal lessons. Exposure to the potential for decision-making processes to act as echo chambers, the muddling of decision-making processes through lack of prioritization/organization, and/or the failure to demonstrate any robust level of analysis beyond initial identification of issues could pose risks to the planning process.

This idea that pre-ordained notions of what is best for a community subvert the planning process is further explored by Bendavid-Val (1994). He hypothesizes that many potential objectives of the planning process have often been identified as a great need prior to the initiation of the planning process, and therefore those undertaking the strategic plan are seen merely as a mechanism for enacting these pre-ordained notions. These predetermined projects and visions are presented to those in positions of power – the presumed holders of expertise (i.e. CFDC board members) – from those with contextual understanding of the development challenges. In this case, decision-makers are then able to pursue rapid identification of key issues, subsequently exercising what Bendavid-Val terms as strategic discipline (Bendavid Val, 1994, p.209). This incorporates a degree of analysis, introduces structure, and grounds the hopes and dreams of the community while respecting local need. It also serves to temper expectation and refute unrealistic goals.

Stakeholder Engagement in Community Economic Development

Given this need to involve stakeholders who can provide contextual and visionary depth to strategic planning, the way in which these stakeholders are engaged is an important consideration. Shortall (2004) deconstructs the collaboration element involved in development projects undertaken by social enterprise. She hypothesizes that the collaboration undertaken by CED organizations cannot be taken at face-value as an opportunity for stakeholders to form policy or direct development. She explains that, while the ultimate objective of community development projects will be economic, stakeholder objectives often look to social and civic development as being a potential cure for economic ailments. This introduces confusion in terms

of how social and civic development leads to economic prosperity, and how these initiatives should be valued (Shortall, 2004).

While initial stakeholder-led objectives pursuing social and civic development projects are intended to result in economic development, the means to economic development often become the ends, and social and civic development is deemed as a success despite lack of clear connection to any economic development. Social and civic development should emerge from clearly defined and projectable economic development projects; however, maintaining them as a comparable goal cannot deliver predictable results. For this reason, stakeholder partnerships will not truly emerge as grass-roots development, and the ultimate objective will always be predetermined by state or organizational actors. In the empowerment that comes with partnership, organizations increase the legitimacy of their efforts, which in turn benefit from ensuing social and civic developments (Shortall, 2004).

This notion would appear to support Bendavid-Val’s (1994) theory regarding the power dynamic at play within the planning process. Ultimate objectives are overseen and supported by expertise at the top, and substantial issues are fed from the bottom. In a sense, there is a degree of collaboration and stakeholder engagement; but ultimately, the power rests with decision-makers within the organization, with the final goal of economic betterment, rather than social or civic goals which may be desired within the community. These movements are not truly grass-roots, but should include an element of stakeholder engagement. This can be well illustrated by the following stakeholder engagement lense presented by Head (2007):

| Inform | Consult | Involve | Collaborate | Empower |
|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|------------------------------------------------------------------------------------------------|
| <i>Public participation goal</i> To provide the public with balanced and objective information to assist them in understanding the problem, alternatives, opportunities and/or solutions. | <i>Public participation goal</i> To obtain public feedback on analysis, alternatives and/or decisions. | <i>Public participation goal</i> To work directly with the public throughout the process to ensure that public concerns and aspirations are consistently understood and considered. | <i>Public participation goal</i> To partner with the public in each aspect of the decision, including the development of alternatives and the identification of the preferred solution. | <i>Public participation goal</i> To place final decision-making in the hands of the public. |
| <i>Promise to the public</i> We will keep you informed. | <i>Promise to the public</i> We will keep you informed, listen to and acknowledge concerns and aspirations, and provide feedback on how public input influenced the decision. | <i>Promise to the public</i> We will work with you to ensure that your concerns and aspirations are directly reflected in the alternatives developed and provide feedback on how public input influenced the decision. | <i>Promise to the public</i> We will look to you for direct advice and innovation in formulating solutions and incorporate your advice and recommendations into the decisions to the maximum extent possible. | <i>Promise to the public</i> We will implement what you decide. |
| <i>Example techniques to consider</i> Fact sheets Web sites Open houses | <i>Example techniques to consider</i> Public comment Focus groups Surveys Public meetings | <i>Example techniques to consider</i> Workshops Deliberative polling | <i>Example techniques to consider</i> Citizen advisory committees Consensus-building Participatory decision making | <i>Example techniques to consider</i> Citizens’ juries Ballots Delegated decisions |

Table 1 Levels of Public Participation and Empowerment (Head, 2007, p.445)

Given findings from the literature already discussed, efforts made in social enterprise stakeholder engagement (as exhibited by CFDCs) could be characterised as exhibiting elements of both *consult*, *involve*, and *collaborate*. The establishment of clear hierarchies in power brokerage from the Government of Canada, upholding the ultimate goal of results-based economic development, public participation is limited to feedback, placation of concerns and incorporation

of community aspiration or vision at the discretion of organizational leadership. This level of participation is upheld through government retention of control through contribution agreements, limiting CFDC ability to collaborate and innovate, and the lack of alternative forums for interaction outside of those facilitated directly by the CFDC (Head, 2008, p.452).

This would support Low's (2006) assertion that, for social enterprise, the goal in governance is stewardship of the organization. That the CFDC model may not exhibit true empowerment does not detract from its legitimacy or ultimate purpose, but supports the theory that a blend of leadership rooted in expertise, and consultation with stakeholders might yield the most sustainable result. These hypotheses test those set forth by Ansell & Gash (2007), envisioning models of governance which incorporate full stakeholder collaboration or empowerment.

Filling a Gap in Understanding

Together, these themes indicate some of the who, what and how determinations which need to be considered in developing an understanding of the strategic planning process in the CFDC network of Southern Ontario. Douglas's (1994) framework for strategic planning provides an idealized conceptualization of how strategic planning should be conceptualized by the CFDCs, but the theory surrounding how these organizations arrive at the final product is limited.

Specifically with respect to the CFDCs, gaps in understanding of common practice exist relating to structures of governance, community involvement in the strategic planning process, and methods for formulating the strategic plan. The underlying philosophy of the CFP in its purpose of local solution crafting should imply that there will not be any uniform experience amongst the CFDCs. What will be indicated by this research are some of the best practices exhibited by leaders in the CFP.

Through this research, comparisons can be made to theories of governance found within the literature on strategic planning. Specific questions which the literature has raised include: What composition do CFDC boards exhibit? Are they backed by expertise or local knowledge?

- What methods are used for sourcing ideas, and visioning with respect to the formulation of the strategic plan? Are these methods robust?
- What kind of roles do stakeholders play in the strategic planning process? Does this exhibit the characteristics of *consultation*, *involvement*, or *collaboration* based on the framework established by Head (2007)?

Concerns regarding the nature of stakeholder involvement, raised by Shortall (2004) and Bendavid-val (1994), raise an interesting point with respect to stakeholder engagement. They indicate that, in determining the feasibility of strategic planning, stakeholder involvement is important, but expertise is essential. In observing leading organizations in the CFP, these notions

will be validated or rejected, and further clarity will be achieved with respect to what can be deemed as good strategic planning within the program.

Methods

Purpose

The research problem stands as such: current conceptualizations of strategic planning are amorphous, presenting questions regarding its nature and how to maximize the resources of a community to develop an effective, realistic plan for the community's future. The literature has illustrated complications which may arise in formulating effective strategic plans through both governance, visioning techniques and stakeholder engagement.

With respect to governance, questions developed through the literature point to representation within CFDC boards of directors. In appointing board positions, are CFDCs seeking targeted expertise, community representation, demographic diversity? Evidence from the literature suggests that stewardship should ultimately be the concern of organizations such as CFDCs (Low, 2006), ensuring the sustainability of the organizations through good management and expert guidance. While stakeholder engagement remains an important aspect of planning, it has been stated that it cannot not be allowed to subvert the planning process (Chermack & Kasshanna, 2007).

While the literature serves as a general guide with respect to governance, stakeholder engagement and visioning for social enterprise, the CFP remains under-researched with respect to typical operating procedure and impact within respective communities. This research enhances the understanding of CFDC practice in Southern Ontario as it relates to strategic planning. In observing leading CFDCs within Ontario context, best practices with respect to the role of governance, visioning and stakeholder engagement within the program will become more evident.

The case studies form the core understanding of strategic planning in the Community Futures Network of Southern Ontario, focussing on four leading CFDCs, identified by CFP administrators using recently achieved program results. The findings may assist CFDCs in further development of their respective strategic planning processes.

Sample Selection Method

The intention in undertaking a non-random selection of cases is to observe best practices in strategic planning, and to allow said best practices to test the findings of the literature. There may be no consistent blueprint for best practice within the sample; however, these observations can expand the current understanding of contemporary strategic planning and its determinants. The decision to choose expert judgement through case studies is informed by the literature. Averch (2004) specifies that this approach is most often appropriate when program effectiveness is subject to a high degree of uncertainty. In defending this, Averch offers three typical situations and conditions which merit the approach:

- Program has existed for several years, and there is no absolute way to attribute quality to outputs,

- Expected benefits or outcomes of the program are highly uncertain, and
- No certain knowledge whether decision-relevant outcomes can be attributed to the results of the program.

All three of these exhibit characteristics which could be applied to strategic planning in the CFP. The philosophy underpinning the program, declaring local actors to be champions of local economic development, implies that there is no uniform method of development. Therefore, absolute expertise in the functioning of an individual CFDC will lie within the CFDC itself.

In addition to identifying leading CFDCs for the purpose of tracking best practices with respect to strategic planning, the non-random nature of the study's sample addresses a key ethical consideration. The CFDC landscape in Southern Ontario is composed of 36 organizations, varying in levels of performance. Whether they are currently leading or lagging performers could potentially be determined by factors which are beyond the scope of this research. For example, economic conditions in one area, scarcity of other viable financial institutions (ie. competition), or the history of a specific CFDC may result in quite different reported results. The purpose of this study is not to antagonize and make an example of those CFDCs not demonstrating best practices. Unintended effects of such an approach could tie to jobs, funding or existing relationships (Stake, 2005), and does not ultimately serve the purpose of the research.

The methods for this research do face limitations and challenges. The total population to be drawn from is 36 CFDCs, not providing a large enough population for any form of statistical significance. This, however, does not necessarily interfere with the study's purpose. The results are not intended to be fully representative of all experiences within the CFP; rather, they should be evaluated observed based on individual merit. In this, the results do not provide the basis for exact extrapolation, but a conversation regarding how strategic planning can be attempted within the program.

In addition, the geographic and economic variability of the regions being represented by the CFP imply different realities and therefore stand as a potential confounding variable within the research. If, for example, one CFDC is highly successful in their lending activity for the sole reason that they face no competition from private financial institutions, there may be a misattribution of success to their management ability, rather than their ability to fill a community need irrespective of performance. These contextual understandings of the specific CFDCs must be accounted for throughout the interview process and interactions with the Federal Economic Development Agency for Southern Ontario's program officers.

In determining the CFDC population boundary to be examined within the research, those CFDCs which have collectively comprised Community Futures Ontario's Western and Eastern regions were considered. Together, these regions represent the area referred to within the research as 'Southern Ontario'. The following maps outline the area of both Western and Eastern Ontario which contain all CFDCs considered to be representing Southern Ontario:

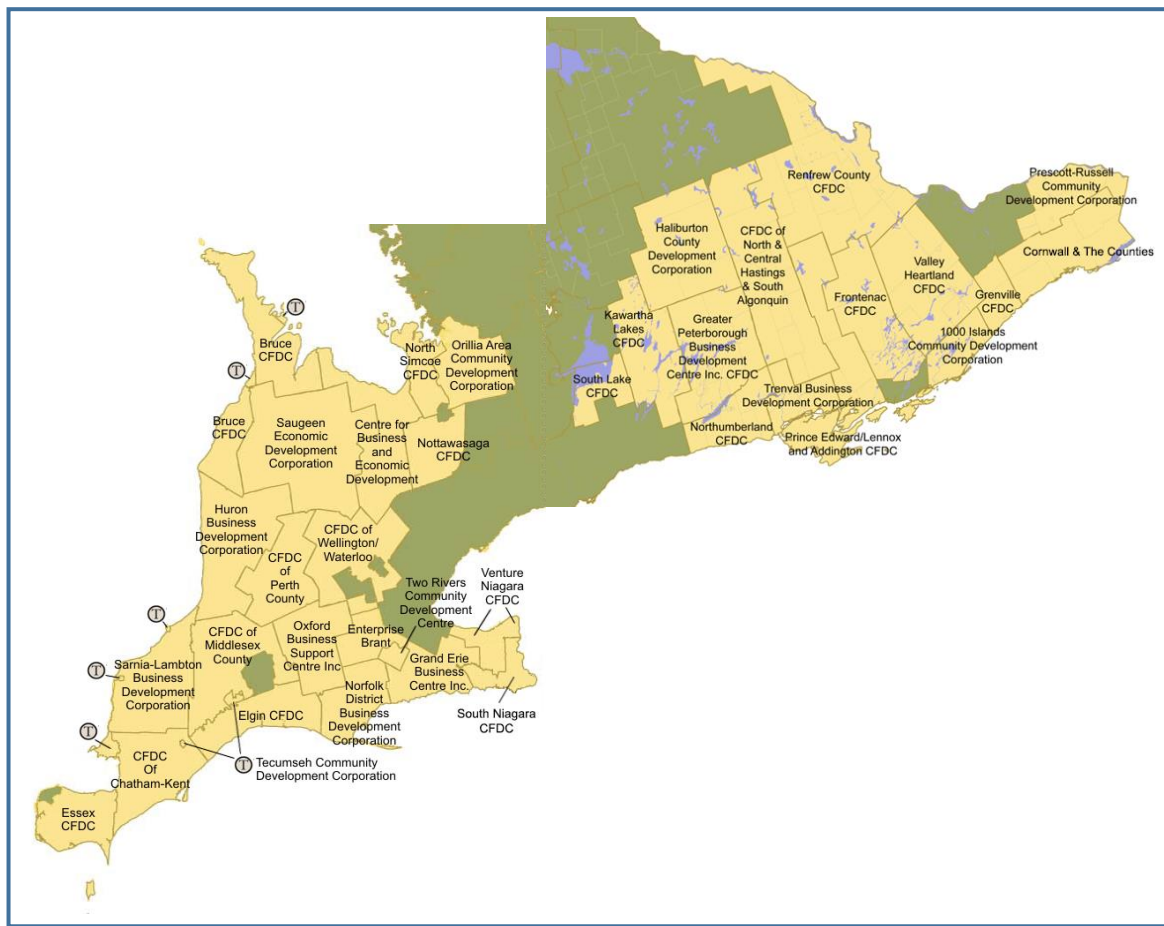


Figure 1: CFDC Area Maps (Community Futures Ontario, 2017)

For the four CFDCs observed within this research, criteria outlined in the literature review through Douglas's (1992) nine characteristics of good strategic planning formed the basis for defining what a 'leading' CFDC is for the purpose of this research. Of the nine characteristics, the most directly identifiable were issues orientation and organizational vision.

The criteria established by this literature was presented during consultation a senior program manager involved with the CFP through FedDev Ontario. This consultation informed selection of the sample of CFDCs for this study through quantitative reporting results required by FedDev Ontario, issues orientation and organizational vision. The intention is to develop a definition of leading CFDCs with a holistic approach with both quantitative and qualitative elements of success. Through this approach the following CFDCs were determined to be the sample group: Community Futures Oxford, Northumberland CFDC, Nottawasaga CFDC & Trenval Business Development Corporation.

In addition to informing the selection of CFDC sample group for primary data collection, conversation with the senior manager at FedDev Ontario yielded data which provided additional contextual information. This is presented within the results as a precursor to data collected from the CFDC sample group.

In justifying the specific expert within the selected CFDCs, expertise which exhibits coherence, reliability and resolution (validity) will be targeted (Averch, 2007). The identified expert should be well grounded with respect to the realities impacting the actions and product of the CFDC, and be able to make determinations with respect to program activities with consistency. Accepting that these characteristics should always be demonstrated by experts being observed within this study, CFDC General Managers would often be the expert to refer to on matters of strategic planning.

Data Collection Procedures

Interviews followed standard protocol for an unstructured, open-ended interview. Opening statements and instructions were provided as an introduction to a series of key-research questions with appropriate probing (Creswell, 2003). These questions (Appendix A) are general enough to allow for explanation of each CFDC's unique situation, focussing on: History of the community, challenges facing the community, elements of the strategic plan, nature of the CFDC involvement in formulation and undertaking of the plan, projection for the future of the community, and identification of key actors and milestones.

Following the identification of four leading CFDCs within the Southern Ontario Network, invitations to interview were extended to General Managers. These interviews lasted between forty-five minutes to an hour. Both prior and following the interview process, participants were informed that all information collected was only to be used with the express permission of that person. Interviews were conducted by phone, with responses being collected through written note taking and audio recording, requested and employed based on the comfort of the interviewee. This audio recording was used as a cross-reference in conjunction with written notes.

It was stated that, if at any point the participant wants to discontinue the process, they have a right to do so. Personal or identifiable information was not divulged in the process of writing the research. Interviewees accepted that, due to the specific focus in identifying interview candidates within sampled organizations, identity may be deducible.

All results will be shared with interview participants following the completion of the study. These practices are consistent with ethical practice, as defined by the University of Guelph Research Ethics Board. In preparation for primary data collection, the research and interview methods were officially reviewed and provided certification by the University of Guelph's Research Ethics Board.

Data Analysis

Data analysis followed the process outlined by Creswell (2003):

- *Step 1: Organizing and Preparing Data for Analysis*
Data will be subject to transcription and organization, scanning the materials collected and typing relevant transcriptions of audio and written data.
- *Step 2: Visual Analysis of Data*
An appropriate amount of time will be dedicated to reflection, developing a depth of understanding regarding implications of each response, and attributing value to specific statements and responses.
- *Step 3: Development of Themes for Analysis*
Themes and linkages will be made between interview results, and similarities or contrasts in the experience between each CFDC.
- *Step 4: Narrative Representation*
Developing a narrative process, interrelatedness, or theory of change between interview responses and the relative position of each organization.
- *Step 5: Interpretation*
Based on findings throughout the previous steps, information required to make determinations will have been developed. Conclusions and comparisons can be made and compared with theory presented throughout the literature.

These results contrast, confirm and refine conceptualizations of strategic planning, improving knowledge of the variation of effectiveness in this aspect of the CFP.

Results

FedDev Ontario Perspective

A Senior Manager with the Federal Economic Development Agency for Southern Ontario's Community Economic Development Branch, responsible for the delivery of the Community Futures program in Southern Ontario, provided insights into some of the context surrounding the program with respect to strategic planning. It was explained that the role of strategic planning can vary depending on the governance structure of each CFDC. As identified within the literature review, representation on the board of directors can be determined as a position representing expertise or community. The first speaks to a desire to build robust planning founded on expert knowledge, and the second speaks to the social license required to operate and acquire community buy-in. The structure of boards can influence internal responsibilities (ie. does accountability fall on the Board or the General Manager?), the role which board members are expected to play, and how they view risk.

The FedDev Manager identified several factors which have effected the development of CFDC roles with respect to strategic planning. The first could be CFDC proximity with respect to large metropolitan centres. The presence of competition in the form of financial institutions, or robust municipal planning capacities may affect the ability of CFDCs to provide unique services, or participate in the municipal strategic planning process in a meaningful way. Rural areas such as those surrounded by the metropolitan centres of Guelph and Kitchener-Waterloo, have a

different experience than that of rural areas found in the Haliburton area. Although this impact is mostly felt in the ability of CFDCs to develop business loan and service clientele, it can also effect organizational ability to impact municipal strategic planning decisions.

The second factor identified which may affect the extent to which CFDCs are involved in the strategic planning process for their respective community are board and executive philosophies. Risk aversion is relative amongst CFDCs, and considerations are often influenced by the philosophy of the board. Some pressing questions speaking to the dimension which CFDCs approach planning from was provided by FedDev:

- Does the community have a strong economic presence? Does the CFDC have the capacity and influence needed to participate?
- What role do they play in the process, and how do they view their role? Is it supportive or leading?
- What kind of a relationship does the CFDC have with their community? Are successes communicated?
- How does the organization align itself with the goals and objectives of the community plan?

The last of these questions is particularly relevant to some CFDCs. Whereas the boundaries of most organizations correspond directly with municipal boundaries, some bear no resemblance (ex. South Lake, Durham and York). This presents a question of how to coordinate strategic planning initiatives with municipal entities which may have conflicting intentions or approaches with respect to planning within their boundary.

Northumberland CFDC

Northumberland Community Futures Development Corporation was founded in 1985, with the purpose of providing strategy and financing to entrepreneurs. The boundary of the CFDC includes Brighton, Cramahe Township, Cobourg, Haldimand Township, Port Hope, Trent Hills and the Township of Hamilton. The organization describes its board of directors as being “comprised of entrepreneurs, experts, and leaders in the fields of business, finance, law, engineering, education and beyond...providing strategic direction as well as oversight of our investment fund and entrepreneurial development programs” (Northumberland CFDC, 2017).

Over the past 12 years, Northumberland CFDC has transformed the way in which it approaches governance, and the way that it positions itself in relation to regional stakeholders, according to the interviewee. Initial composition and appointment processes of the board of governors tended to centre on one municipality within the CFDC’s regional boundary; over time the CFDC began placing greater importance on holistic representation. Now, Northumberland CFDC uses an appointment process which considers several tiers of criteria, with six out of 12 positions ensuring geographical coverage through board representation. Ultimately, the organization prioritizes experience, seeking to fill skill gaps on the board with a sensitivity to geographical representation.

Northumberland CFDC's intention of hiring for experience serves not as a means of retaining professional opinion. Board members are not solicited for advice based on their area of expertise (ex. Legal or planning expertise), with these roles being contracted externally when necessary. The purpose of retaining a board with 50% entrepreneurial representation capitalizes on the ability of those individuals to see strategic opportunity and respond accordingly. Board members are not involved in the minutia of running Northumberland CFDC, rather they are retained for their vision.

Local experience is also highly valued in retaining talent on the board of directors. Although, given the geographic proximity to the Greater Golden Horseshoe, there is a wealth of talent coming from large metropolitan areas, it is important that board members can speak with confidence when considering issues which require depth in understanding of local context.

The board of directors is responsible for strategic planning for the corporation itself. The interviewee explained that the philosophy adopted by the board in its governance is largely retained from David La Piana's *'The Nonprofit Strategy Revolution'* (2008). This work theorizes that many not-for-profit organizations are ultimately not in charge of their destiny and the principles which guide them. These organizations may have an idea of what they are doing, but the objectives and trajectory of the organization are inextricably tied to the needs of the funder.

Northumberland CFDC makes the distinction of being a corporation first, and a representative of the Community Futures Program second. They are not defined by the program; therefore, they are not constrained by the program outside of its exact requirements. Northumberland's fundamental purpose is the provision of financing and strategy for entrepreneurs; the organization's suite of programming reflects this purpose collectively, with secondary activities such as work with the community at large being fulfilled, but not dominating the organizational strategy of Northumberland CFDC.

An additional consideration in this way of viewing the organization's role with respect to its strategic agenda and the CFP is how it defines its relationship with funding organizations such as the FedDev Ontario. Whereas many organizations within the Community Futures Program see funding organizations as partners, with service recipients being the primary customer; Northumberland CFDC has determined that, ultimately, the customer is FedDev Ontario itself. It was explained, when an organization holds this perspective, it can change the attitude toward program delivery and the relationship with funding organizations.

Northumberland CFDC encourages a relationship framed by mutual respect, wherein it provides the key deliverables required by FedDev Ontario with the caveat that those deliverables do not compromise the fundamental principles of the organization. For example, the approach of the funder organization is often to risk aversion (ensuring accountability in spending taxpayer dollars), an approach which is contrary to the role played by Northumberland CFDC. It is important to be able to take risk, acting ultimately as a representative of Northumberland CFDC, while respecting FedDev Ontario and the reality which they operate within by providing the appropriate assurances.

Much like with its approach towards funding organizations in the maintenance of key fundamental principles, projects and activities considered by the board of directors must pass the test of being strategically aligned with the organization's core values. Northumberland CFDC distinguishes several key strategic filters in making this determination, coinciding with the organization's corporate mission. The mission is as follows:

“The purpose is to enable individuals and businesses to drive sustainable socioeconomic prosperity while nurturing innovation. We provide access to capital products and superior business advising services tailored to meet the specific and ever changing economic landscape. We build value through the strength of our customer satisfaction and by consistently producing superior operating results in an ethical, respectful and continuously improving manner” – Quotation from interview.

The mission statement is integral to the operation of Northumberland CFDC, and is represented by the strategic filters, which are as follows:

- Does it move the corporation towards greater sustainability (i.e., greater independence)?
- Does it fit within the constraints of the existing program?
- Does it leverage Northumberland CFDC's unique assets, which are determined to be its human resources and investment portfolio?
- Does it leverage Northumberland CFDC's outstanding execution, determined to be rapid and effective due diligence, management practices and strong corporate governance?
- Is it financially viable?
- Does it strongly impact the following prosperity outcomes: Acceleration of business innovation, improvement of business productivity and competitive advantage, creation of jobs?

Although projects may be deemed as meritorious, they do not necessarily align with these strategic filters. Given as an example, there is an inherent need for social projects; however, based on the established criteria, such projects are determined as off-strategy for the organization.

In terms of Northumberland CFDC's partnerships, the organization sees alignment with the County of Northumberland as a key partner. Out of necessity, the work of lower tier municipalities is focussed on tactical strategy, rather than a big-picture economic role. In this partnership, Northumberland CFDC has assisted the County in defining its economic role as an attractor of economic activity. This role has left a gap which can be filled by Northumberland CFDC: innovation in all sectors, and moving the region into the digital age.

Innovation was initially defined as a priority for Northumberland CFDC seven years ago, addressing a perceived need to develop a culture of innovation in local start-ups. Municipalities, existing at the pleasure of the province, are not able to approach projects without a low-risk, tactical and localized approach. In not allowing for the inherent risk involved in promoting innovation within public projects, an opportunity exists for organizations such as Northumberland CFDC to be leaders at the forefront of innovative projects.

In response to this opportunity, Northumberland CFDC designates 20% of its investment fund for economic diversification, with the remaining 80% being dedicated to funding initiatives which maintain the core economy. The intention of the Community Futures Program is to serve the clientele which would otherwise be designated as high risk by traditional lending institutions, a decision which may be dictated by the age of the organization and lack of track record. Northumberland CFDC recognizes that it is these organizations which may represent opportunity, rather than risk, as the future purveyors of innovation.

Northumberland CFDC loans and programming seek to capture this opportunity, pushing diversification of the regional economy through enterprise which would otherwise be viewed as high risk. An example of how Northumberland CFDC uses programming strategically to capitalize on these opportunities, while promoting the corporate mission, is a program often known as Canada's National Startup Contest, *M100*. This contest provides opportunity for scalable, innovative business looking to invest in Northumberland and grow. Through a series of rounds, competitors are provided training on pitching their respective ideals, with the successful candidate receiving \$100,000 based on the success of their final pitch to a panel of experts.

This example speaks to the organization's ability to uphold its corporate mission in a highly effective way. By respecting the needs of the funding organization through delivering on key performance metrics while balancing the need to take risk and diversify the local economy, Northumberland CFDC establishes itself as a stabilizing presence which offers a clear, progressive strategic direction for its activity within the community.

Community Futures Oxford

Founded in 1993, Community Futures Oxford (CFO) offers a suite of programming similar to that of its CFDC counterparts, one-on-one business counselling, loans, and seminars; as well as strategic planning and community economic development programming (Community Futures Oxford, 2017). In addition to typical investment fund activities, CFO also operates several programs which have been created in coordination with local and governmental partners, such as the Sand Plains Community Development fund (funded by Agriculture and Agri-Food Canada) intended for economic diversification; or the Future Oxford Legacy Fund (municipally funded) focussing on sustainability and resiliency within the County (Community Futures Oxford, 2017).

Community Futures Oxford is currently finishing a new strategic plan which seeks to address some of the biggest challenges the County is currently facing. These challenges include youth employment, creation and maintenance of vibrant downtown areas, and support of small and medium size local enterprise. Of primary concern is support of the local youth population. In this, CFO sees a responsibility in creating an entrepreneurial ecosystem which will help to retain youth populations through access to capital.

Community Futures Oxford has seen a similar evolution of its role in terms of community economic development projects to that of its counterparts. The shift from leadership to support on key community economic development projects corresponds with the development of municipal capacity in the area. Currently, CFO sees itself as a key partner in the development of

some of the County's most prominent initiatives, notably *The Oxford Community Sustainability Plan*, the *Entrepreneur Ecosystem Study*, and the *Oxford Workforce Development Program*.

These studies have contributed to the manner by which CFO has developed its new strategic plan (to be released), with most notable contribution coming from Oxford County's Community Sustainability Plan. The *Oxford Community Sustainability Plan* (County of Oxford, 2015) states an ecological approach in ensuring a sustainable future for the region, focussing on specific, actionable goals which encompass community, economy and environment.

Extensive community consultation was involved in the production of this plan, including consultations with local young entrepreneurs and partners who may be directly affected. Building from the result of the sustainability plan; ongoing consultation; and consultations previously conducted by CFO with members of the business community, key community partners, chambers of commerce, and municipal counsellors; external consultants have guided the organization through its strategic planning process.

The interviewee acknowledged that, with respect to contracting external consultancy, philosophy within the CFDC network can either serve to promote or condemn. Community Futures Oxford has experienced positive results through the introduction of outside perspectives, drawing attention to questions and clarifications evident to those who are not intimately familiar with the community.

The overarching goal of Community Futures Oxford, and the purpose of the organization's strategic plan is improving the overall welfare of residents through the creation and maintenance of jobs. Key actions defined within the strategic plan of Community Futures Oxford are monitored quarterly for progress. In achieving goals, the organization needs to maintain flexibility in the way that it delivers programming, with an ability for rapid adjustment in events such as the cancellation of Ontario's Self Employment Benefit Program.

Partnerships with communities, chambers of commerce, and organizations delivering similar mandates, such as the Small Business Enterprise Centre have been key to maintaining this reflexivity, and fulfilling the organization's objectives. Looking towards the future and how Community Futures Oxford would like to position itself with respect to its partners, co-location of office space is an initiative under consideration. Currently, CFO shares a building with the local chamber of commerce, and has observed success in similar initiatives throughout the CFDC network. Opportunities to develop economies of scale, and a culture of sharing best practice with organizations such as Small Business Enterprise Centres is the potential benefit.

Trenval Business Development Corporation

Trenval Business Development Corporation was initially founded in 1987, serving Belleville, Quinte West, Stirling-Rawdon, Tyendinaga and Deseronto. Their stated mandate is supporting the creation of permanent private sector employment through advisory and business services; assistance in the establishment of new businesses, and expansion of existing businesses; to promote economic growth; and to act as a catalyst between business and community

organizations with the intention of developing economic growth in the service area (Trenval BDC, 2017).

The last point of this mandate, in acting as a catalyst between organizations within their service area is particularly interesting, coinciding with some of the essential roles of other players as the CFP (Markey, Pierce, Vodden & Roseland, 2005). Markey *et al.* (2005), note that presence and success of organizations playing this role could be an indication of high CED capacity and experience within a community and the organization itself. This could strike a contrast to some CFDCs, which see their role primarily as the purveyor of lending and business services within the community.

In addition to resources typically made available by CFDCs, Trenval BDC provides online learning opportunities, and a physical resource library for prospective clients. Some of their stated partnerships are the Quinte Business Development Centre, Loyalist College, Quinte Economic Development Commission, the regional Small Business Centre, Launch Lab Innovation Centre, and the Manufacturing Resource Centre.

In identifying need within the community, Trenval BDC relies upon a consultative process, holding board members responsible for engaging all actors involved in economic development and job creation within the organization's boundaries. These actors are also invited to Trenval BDC's annual general meeting to share challenges, strategies, and input as to what Trenval can do to help them now, if that action is different than it has been in the past.

Challenges identified within the community often involve funding-based solutions when considering Trenval BDC's role. Some examples of existing need within the community are: infrastructure deficiencies, skills development, building vacancy, employment, infrastructure for seniors. The most significant challenge for the region is lack of skilled labour. Although these issues are pre-existing, the Quinte area is booming, being led by housing development. Trenval's primary role within the community is the creation of jobs, focussing on a long-term horizon. The organization places importance on job creation, and also finds a role in the maintenance of existing jobs.

Trenval BDC uses FedDev Ontario's required performance within their four pillars of business – provision of loans, business services, community economic development projects and strategic planning – as a framework for the organization's strategic planning. Deliverables are clearly defined by FedDev Ontario, and the path by which the organization achieves these deliverables contains the strategic element.

During Trenval BDC's strategic planning process, the exact objective of each pillar was determined to develop a precise mission and vision. The minimum threshold for success with respect to the deliverables established by FedDev Ontario may involve an organization which is not effective at setting goals, measures and actions; wherein the strategic plan is not regularly referred to from one year to the next. Quarterly, Trenval BDC reviews its performance with respect to one pillar.

The culmination is a formal review of the goals and actions of the organization with respect to those pillars. For each, the specific goals and actions being undertaken by staff members are itemized, and performance on those actions is reviewed. For each goal, the FedDev guide for best practice in performance on governance, client focus, and financial is referenced and linked to a tangible action.

With respect to strategic planning, approaches taken by other CFDCs can be variable. Although the activity is required within the FedDev Ontario reporting cycle, many CFDC boards do not have the background required to differentiate between strategic planning and business planning; lacking the understanding of timelines, work processes and tasks required to be effective in the exercise. There is no prescribed template for completing strategic planning, and ultimately experience is needed to effectively lead a CFDC through the process with a comprehensive understanding of the system they're working within.

To be effective, Trenval requires a high degree of involvement from its board of directors in maintaining knowledge of activity within the community. The board is geographically defined, with at least one person representing each of the five municipal entities; in addition, incorporating representation from a community/personal affiliation, sector, and gendered perspective. Municipal staff and individuals holding office are not permitted within the board, avoiding any possibility of political compromise within the organization's direction. Board members can hold two, three year terms, and gaps in board representation are actively tracked to ensure effective succession planning.

The directors are responsible for consultation with their local economic development departments, and those involved in economic development in their community. Information gathered through this process is relayed to Trenval BDC through board meetings to assist in determining what the organization may be able to accomplish in assisting with local endeavours. The purpose of these activities is to ensure accountability to knowledge of the community beyond that being widely reported. Findings are summarized and referred to regularly, serving as the centrepiece in strategy meetings.

This consultative process allows Trenval BDC to develop a strategic plan with locally sourced expert opinion. Through this exhaustive consultation process, and use of local assets, sourcing consultation from larger metropolitan centres is avoided. It was noted that, for many small municipalities, consultation solicited in this way often results in a product which is rooted in theory, and ultimately ineffective with respect to local realities. For this reason, it is important to source local knowledge from individuals with the capacity for modifying standard practice in a way that works for the region.

Furthering the strength of local information sharing, Trenval BDC uses co-location with Loyalist College, the Small Business Enterprise Centre, and the Quinte Economic Development Commission as a way of fostering a culture of sharing between organizations with similar mandates. Normally, these relationships rely upon individual personalities in establishing connections; however, through office co-location, organizational relationships are easy to maintain.

A similar strategy could be established between CFDCs, and there is a need for understanding of best practice between the organizations. Given that all of the CFDC have similar missions and objectives, Trenval BDC makes an effort to share their approach towards strategic planning and their own best practices whenever opportunity permits them to do so. Fostering these collaborative relationships between CFDCs was identified as a perceived opportunity for FedDev Ontario in the future.

Nottawasaga Futures

Located in Alliston, southern Simcoe County, Nottawasaga Futures covers an area encompassing the Township of Adjala-Tosorontio, the Town of Bradford West Gwillimbury, the Township of Essa and the Town of New Tecumseth. Primary industries within this region are agriculture and manufacturing, and a great deal of the existing workforce could be classified as unskilled labour (FERENCE WEICKER & CO., 2014).

FERENCE WEICKER & CO. (2014) identified several challenges for the area which could be seen similarly across rural regions in Ontario: high youth unemployment, low skills and education, as well as demographic age deficiencies. Due to the existence of these challenges, there is an established need for the type of services offered by the Community Futures Program.

Nottawasaga Futures, in addressing these challenges, has worked as a community economic development corporation for 20 years, joining the Community Futures Program in 2004. A key element in the role of the organization is its willingness to form partnership in all community economic and strategic planning activities. In the past, these partnerships have extended to municipal government; municipal economic development departments; the Ontario Ministry of Agriculture, Food and Rural Affairs (OMAFRA); and local educational institutions (FERENCE WEICKER & CO, 2014).

An interview with a representative of Nottawasaga Futures affirmed that this role leads the organization in the way that it defines its role within the community. As the interview with FedDev Ontario management had explained as a general observation of the program, the municipalities within Nottawasaga's service area had no capacity for community economic development during the time of the organization's original inception. Nottawasaga filled this gap, providing strategic plans for each municipality, guided by the board of directors.

As municipal capacity in community economic development and strategic planning has evolved, the role of Nottawasaga Futures has increasingly involved municipal partnership, serving several functions within the strategic planning process such as facilitating community engagement, and hosting discussions regarding municipal strategic planning. This partnership approach culminated in the Strategic Activity Report (2007), a document annually updated by the five municipalities and Nottawasaga. It serves as the framework for development within the service area, and is designed to incorporate current studies and projects. Throughout the development of the Strategic Activity Report, Nottawasaga has defined itself as a facilitator and partner in strategic planning for the community, rather than the leader of the initiatives.

In the development of new CED projects, and strategic planning exercises, Nottawasaga has stressed the importance of accurately identifying and designing for local strengths and needs. In doing so, opportunities exist to build on strengths, and create opportunity from existing capital. Three examples of these initiatives were presented by Nottawasaga Futures:

Food Hub: A need for economic diversification has been identified throughout the Nottawasaga service area. It was determined that the region's strong agricultural sector could present an opportunity for economic diversification. In response, Nottawasaga assisted in facilitating a food hub study, which would seek to capitalize on the region's current strength.

Downtown Revitalization: A commonly occurring problem in many small downtown cores, empty shop space exacerbates the problem of decreasing foot traffic. *Renew New Tecumseh* attempts to address this issue by, through partnership with local property owners, offering unoccupied space for 25\$ a week to maintain occupancy and draw traffic to the downtown area. This program has succeeded in maintaining full occupancy of New Tecumseh's downtown commercial properties.

Green Economy Centre: Provides loaning services at a lower than market interest rate specifically for green initiative. Retrofit of current capital using this service has served to increase the profit of local businesses while reducing environmental footprint.

These initiatives have been highly successful; however, the region still suffers from some economic challenges common to rural areas, such as a high rate of youth out-migration. In addressing these issues, Nottawasaga relies upon two strategic planning exercises per annum, collecting feedback from community leaders in addressing areas of need.

In addition, the County runs an economic development committee which includes all municipalities and some major organizations. Within this committee challenges, ideas for new initiatives, updates on projects, and partnering plans are addressed directly. This committee is led by the municipalities, which seek to incorporate a diverse demographic in the discussion. A distinction must be made that these decisions are primarily informed by local community members, as the capacity for this kind of decision making does exist locally. There is little reliance on contracted consultancy.

This effort to maintain diversity in decision making entities involved in the strategic planning process is evident within Nottawasaga's own governance structure. Nottawasaga appoints its board of directors based on the three following criteria: regional representation, industry and gender. Within the organization's succession plan for board appointments, these criteria are used as the basis for board candidacy.

For both strategic planning undertaken for the community and the organization, Nottawasaga Future's board of directors see strategic planning as an opportunity to gathering information representing needs within the community, identifying Nottawasaga's capacity to assist as a vehicle of economic relief. The activity is viewed as an important exercise in developing targeted, well informed community economic development; by mandating CFDCs to

undertake strategic planning activities, while not requiring them to lead these activities, FedDev Ontario is ensuring that the Community Futures Program is a consistent voice in local strategic planning.

Collaborative planning is stressed by Nottawasaga Futures as an important approach to strategic planning exercises. Key actors can collectively answer ‘What do we need?’, ‘How are we going to get there?’, and ‘How is funding going to be spent effectively?’, while eliminating redundancy in efforts. By incorporating key actors in the strategic planning process an informed vision of planning, appropriate to the area’s unique challenges and assets, can be developed without simply ascribing to CED activities which have gained popularity in other regions.

Although Nottawasaga Futures sees local collaboration as a strength of its approach to strategic planning for itself and the community, information-sharing between CFDCs has the potential for future improvement. These organizations should share programming and strategic planning successes for the betterment of the program, decreasing reliance on outside consultancy and taking steps to standardize the strategic planning process for the CFP. For many organizations, expertise regarding how to undertake strategic planning does not exist locally, and external consultancy is required; the resulting product is often coopted and contrived, consisting of scattered ideas which do not represent effective solutions for local or rural realities.

For this reason, it was stated that further collaboration within the CFDC network in developing of strategic planning standards could develop processes which work well for rural realities, making the turnkeys for successful programming available to be adjusted for reproduction across the province.

Linking Literature to Practice

The result of the CFDC interviews present a number of approaches in strategic planning within the CFP. The following section approaches these methods thematically, discussing each of the common themes, how the experience presented within the interviews compares to that presented within the literature, and how the four sampled CFDCs compare to each other. These themes include the role of strategic planning process, governance and stakeholder engagement.

Context – The Role of Strategic Planning

In terms of Douglas’s (1994) basic definition of strategic planning, which includes adhering to and addressing questions of regional economic history, current community challenges, and directional competency, all four CFDCs which were observed fulfill and exceed expectations with respect the requirements of a successful plan.

Differentiating characteristics begin to emerge through Douglas’s expanded strategic planning framework which highlight issues orientation, and the role of pivotal agents, events and timelines. The question of best practice with respect to strategic planning in the Community Futures Program becomes complicated when considering the degree of variability encountered in the way that these organizations define themselves and establish their role within the community. For this, there is no clear ‘right’ or ‘wrong’ in approach, rather the distinction establishes a spectrum of potential community roles for CFDCs. Along this spectrum, the sample of CFDCs in

this paper exhibit differing successful demonstrations of strategic planning which speak to the needs and challenges of their respective communities, the resources available within those communities, structures of governance, and methods of stakeholder engagement.

Northumberland CFDC maintains a strictly defined conception of organizational vision, and which actors should be involved in the strategic planning process. The organization sees autonomy in governance as an essential component in the identification and execution of effective strategic planning, simultaneously maintaining relationships supported by mutual respect with key partners. It delivers for these partners, but maintains rigidity in an uncompromising dedication to its internally established corporate mission. Internally defined as a catalyst for innovation and a pillar for driving a progressive economic agenda for the region, Northumberland CFDC makes a clear distinction between its role and that of local municipalities.

Trenval BDC demonstrates a similar approach to protection of its core principles; however, the highly consultative role of the board of directors informs the exact shape of the organization's focus. Dedication to key deliverables required by funding organizations remains the ultimate objective, and the means by which it is achieved can be variable based on an intimate connection to pivotal local actors, including similarly mandated organizations.

Community Futures Oxford and Nottawasaga Futures maintain flexibility in their approach to strategic planning for the organization in issues orientation and organizational vision. Both see municipal partnership as a key component in successful program delivery for their regions. Resulting strategic plans focus on medium and long-term objectives defined by work with municipal and local business partners, providing a focussed approach which could theoretically reduce redundancy in community economic development initiatives.

Although these approaches are equally valid based on the need of each respective region, the resulting approach to programming and ultimately organizational purpose can differ greatly. The contrast resulting from these differing approaches is that of organizations focussed on remedying existing social maladies (i.e., downtown cores, retaining youth), versus those focussed on acting as a catalyst for economic rebranding beyond traditional sectors.

Governance

Ansell & Gash's (2007) definition of collaborative governance, describing an organization's ability to operate in good faith between board members, stakeholders and partner organizations, is present throughout the approaches of all four CFDCs. It is particularly well illustrated by Northumberland CFDC with respect to elements of the organization's governance.

The first was referred to as the "speed of trust" (Northumberland CFDC interview conducted May 9th, 2017). It was explained that trust, present within all matters of governance for Northumberland CFDC, is an absolute imperative in matters related to board activity and the relationship between Northumberland CFDC and FedDev Ontario. By instilling an element of trust in the organization's corporate culture, and proving to the funding organization that Northumberland CFDC is worthy of its trust; the organization's ability to remain reflexive in its

transactions is maximized. Those sitting on the board are empowered by this trust, and the organization operates more efficiently.

Northumberland CFDC's relationship with FedDev Ontario, and the trust inherent to that relationship is fostered through efforts to display clear respect for the different realities present within the operation of both organizations. It was maintained that, despite several necessary differences in corporate culture between the two organizations, each know that the other will not allow these differences to compromise agreements.

With respect to Low's (2006) examination of typical board activity for organizations such as CFDCs, with boards playing both the role of organizational stewards and stakeholder representatives, the four observed CFDCs exhibited variable approaches. For Trenval BDC, the board of directors is intimately tied to consultation within their respective regions, with each being required to monitor and relay community activity on an ongoing basis. Trenval's board directors also assume a substantial responsibility in organizational stewardship for the organization, placing a strong focus on delivering results without compromising the integrity of the organization's strategic plan. This adheres to Low's (2006) description of organizations which require social license in operation, but ultimately are accountable for maintaining strict regard for internal philosophy and standards.

Low's (2006) argument maintains that most of these organizations will exhibit similar characteristics to that of Trenval BDC. It has been noted within interview observations that this is not necessarily the case, with organizations such as Community Futures Oxford and Northumberland CFDC being greatly differentiated in their approach towards governance. While Community Futures Oxford's collaborative approach to governance incorporates perspectives from a variety of community, and municipal government stakeholders; Northumberland CFDC upholds stewardship of the corporate mission and efficiency in delivering that mission as the ultimate responsibility of the board of directors.

Evidently, the degree to which organizations favour either stewardship, stakeholder representation or a mix of both with respect to governance can be variable depending on the needs of the region being served. Whether any approach can be deemed as more meritorious than another is beyond the scope of this observation.

Stakeholder Engagement

Theories presented by Shortall (2004) acknowledge common misconceptions regarding stakeholder engagement or consultation, namely those which expect consultation to lead policy or organizational direction. The civic and social goals of stakeholder groups can serve to compromise the ultimate objective of creating economic prosperity through misdirection. Although collaborative activities are at the forefront of organizational philosophy for all organizations interviewed in the process of writing this paper, each carefully safeguards its vision and ultimate purpose as a purveyor of economic prosperity, rather than social or civic prosperity.

Activities undertaken by these CFDCs cannot be considered as grassroots, given the fact that stakeholders do not influence the ultimate objective and purpose of the organization. This

purpose is maintained through relationships with funders, and in the case of organizations such as Northumberland CFDC, a strict adherence to a specific corporate mission.

Consider again Head's (2007) Levels of Public Participation and Empowerment, establishing engagement efforts as falling into the following categories: informing, consulting, involving, collaborating, and empowering. None of the CFDCs interviewed can be considered as undertaking efforts of engagement in the form of strictly informing or involving to the extent of empowerment; rather, they occupy the middle ground. If each was to be assigned a place within the categories, they may be as follows:

- *Consultation:* A category best suited to the activities of Northumberland CFDC. Although the organization seeks to collect feedback from stakeholders, it does not permit alternation or influence over its ultimate purpose to any stakeholder, even with respect to funding partners. It does, however, uphold respect for stakeholders as a core value, affecting the degree to which it incorporates such feedback into its decision-making process. Not to be directly influenced, but remaining considerate in its decision-making.
- *Involvement:* Most consistent with the activities of Trenval BDC. The organization's unrelenting dedication to needs identification, and involvement of stakeholder groups ensures that concerns are addressed and incorporated into the activities of the organization. The organization still maintains the balance of power, and activities must fall strictly within the confines of the organization's strategic plan.
- *Collaboration:* Both Nottawasaga Futures and Community Futures Oxford exhibit characteristics similar to collaboration, as it is defined by Head (2007). Municipal and business partnerships are, for both, integral to defining the organization's strategic plan. Issues identification through these partnerships leads to a robust and highly coordinated strategy between these partners and their corresponding CFDCs. However, these partnerships do not dictate the activity of the CFDC, which maintains the power in redirecting or redefining itself if it sees fit.

Consistent with other observations ascertained through these interviews, levels of stakeholder engagement represent a spectrum within the CFDC network. While these organizations vary between consultation, involvement and collaboration within Head's (2007) categorization of engagement, it could be assumed that no CFDC would fall within the *informing* or *empowering* elements of the model. Community economic development organizations are ultimately accountable to those who live within the community, and must maintain social license in their operation. Conversely, CFDCs are also accountable to the Community Futures Program, and complete empowerment of local stakeholders would compromise their ability to perform on key deliverables of the community futures program.

Conclusion

The Community Futures Program represents a unique model of federal funding by guaranteeing operation to organizations while allowing self determination of strategy. The way in which Community Futures Development Corporations determine their future through strategic planning presents several questions with respect to organizational governance, stakeholder engagement, and their relationship with the FedDev Ontario. Together, CFDCs represent a spectrum of approaches, being defined by organizational philosophy and appropriateness for each rural community. Although sharing some similar challenges, each community has its own unique reality.

The purpose of this research was to develop an understanding of how CFDCs approach and undertake strategic planning, and how these realities conform to understandings developed by literature on the topic. Through consultation with four high-performing CFDCs, some of the methods and approaches toward strategic planning were effectively sampled. All CFDCs included in the primary data collection differed in their approach to governance and stakeholder engagement. Methods diverged based on a series of underlying criteria, such as historical context, demographic makeup of the regional boundary, and relationships with similarly mandated organizations (ie. educational institutions, Regional Economic Development Offices, municipalities, etc.).

This difference in approach toward strategic planning had the effect of shaping the organization in terms of its role within the community; thus, delivering differing, albeit positive results. For example, an approach which focussed on developing capacity for innovation and entrepreneurship, and maintaining organizational autonomy clearly separated itself from traditional municipal, community economic development projects (ie. downtown revival efforts). Conversely, approaches with a strong focus on municipal partnership served to cement the CFDC in collective community issue identification and solution building.

Whereas the research had originally intended to provide clarification with respect to best practices through these consultations, findings revealed that these practices cannot simply be answered with a binary 'good' or 'bad' evaluation. What the results did reveal is the CFP's strength in its ability to produce successful models of strategic planning despite a degree of variability from one leading CFDC to the next.

Each model fulfilled the basic tenets of effective strategic planning as it was defined by Douglas (1994); focussing on clear, issues oriented goals with pivotal milestones and actors. Some of the results may result in further examination of best-practices, or opportunity for additional research. Some examples are as follows:

- i) The four observed CFDCs: Given the results provided by the sample group, how do these individual practices compare against the population? If elements of success can be adapted to further improve the strategic planning process, how should sharing of best-practices be facilitated?
- ii) FedDev Ontario: Considering the current structure of performance-based funding, and knowledge of how leading CFDCs undertake strategic planning, how can FedDev

- Ontario enable innovation and best practice? It was consistently stated that the CFDC network within Southern Ontario should be strengthened in order to facilitate better knowledge exchange. Is this a project that FedDev Ontario could undertake?
- iii) The Research Community: Further research is needed with respect to differing approaches in organizational philosophy. This is the most apparent when considering Low's (2006) dichotomy between how organizational approach may favour stewardship of organization values, broad stakeholder representation, or a blend of both. In addition, if the approaches presented by Low are all equally valid, it may be illuminating to explore the extent to which the appropriateness of these approaches could be approximated through regional context.

Approaches to community economic development within the Community Futures Program represent several spectrums of practice with respect to how governance structure, stakeholder engagement and organizational philosophy can impact the activities of each organization. Even though all four organizations represent variable approaches to strategic planning, and coordination of that planning with local municipal strategy, each is effective within its region in the role which it has defined for itself. In this sense, these organizations represent an opportunity for custom tooled rural economic development strategies, shaping the future of each region with respectful consideration of the context which has shaped it in the past.

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Appendix A
Interview Questions

1. Context

- a) What are some key challenges which the community is facing now? What are some that it might face in the future?
- b) Considering FedDev Ontario's four required lines of business: Loans, business services, Community Economic Development Projects and Strategic Planning; what do you see as being CFDC's primary role in strategic planning for the community?
- c) To what end will this strategic planning process improve the welfare of those living within the community? What is the time horizon of the planning process, and are there key milestones which need to be satisfied?

2. Stakeholder Engagement in Strategic Planning

- a) In what manner is the CFDC involved in stakeholder engagement with respect to its strategic planning process? If so, what methods are used to consult with stakeholders?
- b) Are there key partnerships existing in the development and actualization of strategic plans for the community, and if so, what is the nature of these partnerships?
- c) Have strategic plans been developed primarily with the vision of community members in mind, or have they been informed by professional assessment of potential within the community?

3. Governance and Strategic Planning

- a) Can you tell me about the composition of your board of directors? Do board members represent professional, expert or stakeholder groups?
- b) How do relationships with FedDev Ontario and your local municipality effect the delivery and development of strategic planning? Are these contributions enabling?
- c) Do the board of directors see the purpose CFDC strategic planning activities as serving to acquire social license or as a tool for developing public knowledge and vision for the potential of the community?

4. Are there any additional aspects of your strategic planning process or the role of your CFDC which you see as relevant or interesting with respect to this conversation?