The City of the Future

How leaders can create an inspiring, compelling, and credible vision
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Traveling along Italy’s Tuscany coast, through Poland’s countryside, or across the emerging skyline of Doha, it soon becomes clear that no two cities are alike. In fact, every city has different objectives to fulfill, and a wide range of strategic options available to achieve them.

A.T. Kearney’s Global Cities Index—which measures the degree of openness, relevance, and global integration of cities around the world—underscores how cities are addressing the wave of globalization that has swept the world. City leaders, however, have many objectives, some far more pressing than globalization. Number one is to be a successful leader of a successful city and, thus, get reelected.

Yet whatever the goals, achieving them requires a vision for the future—one that is inspiring, compelling, and credible. When outlining such a vision, city leaders face two distinct but interconnected goals: to protect and improve their citizens’ well-being, and to become attractive to the external resources that are so vital for long-term growth (see figure 1 on page 2). How to make this two-pronged vision a reality?

From Past to Future
The people who participate in the day-to-day life of a city—including residents, commuters, business visitors, and tourists—express different needs and desires. These range from basic needs such as housing, security, and mobility to more abstract ones such as professional development, culture, and social integration and interaction. Different groups of people use city resources differently while making their own distinct contributions. The ability to understand and articulate these differences is central to developing a solid vision for the future.

At the same time, a city must also be attractive externally. In a world of increasing mobility and delocalized resources, people, capital, and information circulate freely and easily across borders and relocate when conditions seem better

elsewhere. That’s why a city must “put on its best dress” to attract and retain critical outside resources—financial, human, and cultural—that usher in future development. Cities, therefore, must meet the needs of highly mobile constituencies that may or may not yet be in the city, but will not stay if they lack the required conditions. These internal and external needs aren’t necessarily opposing—in fact, they are largely interconnected. Solid performance in areas such as transportation, culture, education, administration, and communication will enrich the city economically, culturally, and technologically—making current residents happy while also creating an environment attractive to external resources.

How are cities tackling these dual objectives? We examined a few success stories and found

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**Figure 1**
City leaders must balance equally important goals

<table>
<thead>
<tr>
<th>Citizen well-being</th>
<th>Attractiveness</th>
</tr>
</thead>
<tbody>
<tr>
<td>Nurturing a place where the needs and desires of individuals and the community are expressed and met</td>
<td>Creating the conditions to attract and retain resources to foster growth in the most dynamic sectors and create employment opportunities</td>
</tr>
</tbody>
</table>

Source: A.T. Kearney analysis

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**Figure 2**
The challenges and visions for some leading cities

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Göteborg, Sweden</th>
<th>Birmingham, England</th>
<th>Perugia, Italy</th>
<th>Bilbao, Spain</th>
</tr>
</thead>
<tbody>
<tr>
<td>Automotive sector decline</td>
<td>• More public-private cooperation&lt;br&gt;• 20,000 new jobs by 2020&lt;br&gt;• More tourism</td>
<td>• Sustainable economic growth and employment&lt;br&gt;• Urban security&lt;br&gt;• Inclusion and diversity</td>
<td>• More welcoming, accessible city&lt;br&gt;• Increased dynamism and quality of life&lt;br&gt;• Improved services and culture</td>
<td>• A new city identity: where dreams come true&lt;br&gt;• A focus on people and values, knowledge, and innovation</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Challenges</th>
<th>Declining manufacturing sector and demographic changes</th>
<th>A need to become more open and attractive</th>
<th>Industrial decline</th>
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</thead>
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<tr>
<td>Declining manufacturing sector and demographic changes</td>
<td>• Sustainable economic growth and employment&lt;br&gt;• Urban security&lt;br&gt;• Inclusion and diversity</td>
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</tr>
</tbody>
</table>

Source: A.T. Kearney analysis
several cities with common challenges (industrial decline, a need for an economic boost) and particular traits to forge unique visions of the future (see figure 2). For example, Birmingham, England’s second largest city with a rich tradition, faced a declining manufacturing base and an influx of immigrants. The city’s vision for the future included seeking new sources of economic growth while improving multicultural inclusion. Bilbao, Spain, overcame an industrial decline by seeking a new, modern perspective on its years of history—by becoming a city where “dreams come true.” The vision of Ljubljana, Slovenia, combined its access to resources with its relatively small size (see sidebar: Ljubljana: Everything Within Reach).

Perhaps the biggest phenomenon in global urbanization in the past decade has been Dubai. The city in the United Arab Emirates sought economic development by attracting foreign capital and people to create a completely new urban society. The foreign population has grown to the extent that today we cannot simply talk

When outlining a vision for the future, city leaders must balance their citizens’ well-being with the city’s attractiveness to outside resources.

Ljubljana: Everything Within Reach

Every city will have a different strategy to “match” its unique identity with global attractiveness. Globally speaking, Ljubljana, the capital of Slovenia, with 250,000 inhabitants, is quite small. So comparing it against other global locations poses challenges. It simply cannot be the financial center that Milan, Vienna, or Munich is, or the cultural hub that Venice or Salzburg is. So how can it compete against other, more global cities?

Ljubljana differentiates its position by reinforcing its standing as a simple place to live for everybody, both locals and expatriates. As Ljubljana’s mayor Zoran Jankovič says: “Ljubljana is green, clean, and simple to live in.”

How does the city turn an abstract perception into a true attribute? Ljubljana, like every European capital, has tangible attributes (a physical infrastructure of finance and business) plus a softer side evident in a rich culture, sports teams, and an international education system. What’s different in Ljubljana, and what city planners play up, is that everything is within walking distance. This simple fact means its citizens enjoy richer lives not just at work but also socially, with more free time for family and friends. Getting a child to school in 10 minutes, less time spent on weekly grocery shopping, a seamless commute to a business center, and easy access to the Alps and the seaside—these are all intangibles the city can embrace.
A Vision for Middle East Cities

As Middle East citizens demand new rights, freedoms, and quality of life during the “Arab Spring,” city leaders across the region have an opportunity to create modern cities reflecting the newfound aspirations of their people. Each government has its own unique challenges; serving their expanding urban populations, providing jobs, improving the quality of life, and partnering with external capabilities are common issues across the Middle East.

Cities are addressing these challenges in different ways (see figure). For example, Cairo considered the construction of a new capital to accommodate an influx of residents. Riyadh, Saudi Arabia, on the other hand, horizontally expanded on a large scale, creating economic development from new industrial activities and employment, along with new challenges in terms of infrastructure supply and development. Dubai, long the preeminent destination for expatriates, has built roughly 30 free zones and industrial parks. Other cities in the region are trying to emulate their success, which will likely increase competition for attracting qualified individuals to support employment.

In the race for prominence, Middle East cities are also undertaking massive infrastructure projects and human capital development programs to build flexible foundations for growth. Dubai has completed most of its infrastructure, but Abu Dhabi and Doha also have well-established infrastructure and are now pouring in massive investments to drive economic expansion. The goal is securing a place among the best cities to live in, limiting reliance on hydrocarbons and expatriate know-how, and becoming leading centers for knowledge-based industries. Planners in the major cities are intent on diversifying their economies and increasing employment by promoting knowledge transfer and private sector investment. Examples of projects include Abu Dhabi’s Masdar (the world’s first zero-carbon, zero-waste city), Dubai International Financial Center, King Abdullah University of Science and Technology in Jeddah, the Qatar Foundation, the 2022 World Cup in Doha, and many others.

There is a fine line, however, for leaders in the Middle East. Even as their cities modernize and become more international, they must still maintain respect for a rich, cultural heritage and enable national populations to develop a sustainable knowledge economy. Still, cities across the Middle East are well on their way toward creating some of the most impressive developments in the world.

Figure: Visions for the future for several Middle East cities

Source: A.T. Kearney analysis
about expatriates joining an established national population, but rather a society in which “new” and “old” mix with one another with respect for past culture and diversity (see sidebar: A Vision for Middle East Cities).

A successful vision must create a bridge between a city’s past and future. Based on our experience a vision can be articulated around three pillars, which we call the three Cs (see figure 3):

Culture. A vision for the future often is grounded in the past—the cultural history, heritage, and ancient traditions of the city. This could also mean adding modern traits (such as Bilbao did when it focused on becoming an art hub) or integrating different heritages and cultures to make diversity a positive trait that promotes inclusion and fosters wealth.

Cognizance. Aspiring to invest in knowledge is a common trait for visions of the future: Developing human capital and a productive society by investing in existing resources sets a strong foundation for the future.

Creativity. This is the ability to innovate and think in a different way about the assets of the city, whether that means excellence in an industrial sector, a well-developed cultural environment, or a heritage of natural and artistic beauty. It is demonstrated in a vision that articulates the attributes that will make a city stand out in the future and reinforces the critical factors required to succeed in the economic, social, and cultural environment of tomorrow.

Different Networks, Different Needs
Cities are complex organisms of conflicting needs and issues. A city’s vision for the future is merely the ultimate step—the synthesis—of a more articulated process whose main aim is to build a strategic architecture comprising the key policies and projects that city leaders will
A city’s vision for the future is the ultimate step of a more articulated process to build a strategic architecture that supports long-term objectives.

Support, fund, and promulgate to meet their long-term objectives.

Based on our experience, we devised a “strategic map” that helps city leaders articulate their strategic priorities, clarify tradeoffs, and align their strategy and vision. Our map includes two strategic domains, based around four enablers (see figure 4):

**Figure 4**  
The strategic map for developing a vision of the future

**Local urban networks.** At their core, cities are places and communities—people forging bonds, developing networks of friendship and solidarity, embracing traditions, and creating and nurturing a cultural heritage. These are the ponds where identity factors are developed and why someone born and raised in Milan is different from someone born and raised in Siena. In this domain, cities are conceived as local urban networks, in which economic systems and organizations are connected by local, complementary links. A local urban network may seek to preserve traditions and encourage cultural affinity.

**Global economic networks.** On the other side of the spectrum, a city’s economic systems and organizations are connected on an extra-local or international scale—beyond the concept of place toward the “flow” of financial, human, and information resources across geographical boundaries. Relationships are typically built around economic motives, with decisions about where to live or work based on “society”—more abstract rationales about it being a better place to live and do business. These are a-territorial environments, where rationality informed by economic calculation is the guiding factor of decisions made by people and businesses.

It’s easy to see how the future visions for these two networks differ. If a city chooses to become a local urban network, it may seek to invest in...
more local activities—perhaps festivals, particularly those based around a regional trait such as food or the arts. Selecting a global economic network will mean investing in infrastructure that facilitates global exchange, including airports, roads, and telecom networks.

The enablers of our strategic map focus around security, administration, and social and environmental services. Many of these services are prerequisites that meet the basic needs of the community—assistance for the elderly, ease of access to city functions and services, and recycling and waste management. Importantly, here are the minimum objectives that must be met a priori to satisfy the basic needs of the community. Still, fully formulating the enablers’ policies will be influenced by the city’s vision and the balance between the two strategic domains.

With their strategic vision in mind, city leaders can move toward making the vision a reality. This starts by prioritizing the most important projects and policies the city has funded in the past three years and will fund in the next three. They are then allocated into the two strategic domains and four enablers to form the city’s strategic architecture: the priorities, projects, and policies that fit the context of each city’s unique characteristics. The last step is checking the alignment between the priorities of the strategic architecture and the vision of city leaders. Consistency between vision and strategy sets the foundation for effective execution, the critical factor that distinguishes successful leaders of any field.

The Soul of the City
As most cities combine both domains, the key is balancing local and global priorities within the political vision of city leaders. Defining these priorities calls for accepting your city’s needs and unique character, and it requires an intimate understanding of the “soul” of your city—a necessity for building a long-lasting foundation for success.
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