

Plan for Success: Why Strategic Planning is Crucial for Organizational Success

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This Workshop


- ▶ Discussion of Baldrige Healthcare Criteria
- ▶ Overview of Strategic Planning
- ▶ Strategic Planning Process and Structure
- ▶ What can go wrong with a Strategic Plan
- ▶ After the Plan

3 Key Aspects of Healthcare Performance Excellence

- ▶ Patient-focused Excellence - Focus is on the drivers of customer engagement, patient health status, new markets, and market share
- ▶ Operational performance improvement and innovation - An investment in strengthening organizational fitness
- ▶ Organizational and personal learning - Improvement and learning need to be embedded in work processes

How Do These Criteria Impact Strategic Planning?

- ▶ Patient focused - Key factors in competitiveness and organizational sustainability
- ▶ Operational performance - Build operational capability including speed, responsiveness, and flexibility
- ▶ Learning - Align work systems and learning initiatives with your organization's strategic directions



95% of the typical workforce doesn't understand the organization's focus


What is Strategic Planning?

A systematic process of envisioning a desired future, and translating this vision into broadly defined goals or objectives and a sequence of steps to achieve them

In contrast to long-term planning (which begins with the current status and lays down a path to meet estimated future needs), strategic planning begins with the desired-end and works backward to the current status

If You Don't Have a Strategic Plan...

- ▶ You won't know the best opportunities for growth
- ▶ You'll struggle to attract new "customers"
- ▶ You'll fight to outperform competitors
- ▶ Your employees won't perform at full potential
- ▶ You won't have a game plan for the organization to follow



"He Who Fails to
Plan is Planning to
Fail"
Winston Churchill

The Case for Change

- ▶ Healthcare providers are witnessing unprecedented change, driven by the new realities of healthcare reform
- ▶ Economics are front and center, as outcomes-based payment reforms shift more risks to healthcare providers; the majority of revenues for healthcare providers will soon be outcomes-based
- ▶ The role of providers in the new care delivery model must be redefined and systems transformed to achieve results
- ▶ Success requires a transition to:
 - multifunctional, coordinated team-based care across a continuum
 - real-time data to aid clinical decision-making
 - greater community integration and outreach
 - meaningful provider-patient engagement
 - lowest per capita cost

Elements of a Strategic Plan

- ▶ Executive summary
- ▶ Strategic assessment
- ▶ Statement of mission and values
- ▶ Vision, goals and strategic imperatives
- ▶ Programmatic areas of focus and development
- ▶ Strategy and structure recommendations to support the overall direction and strategic imperatives
- ▶ Financial implications and investment requirements of the strategy
- ▶ Implementation priorities, accountabilities and resources
- ▶ Appendix with supporting detail

Strategic Planning Process

- ▶ Planning Preparation and Structure
- ▶ Strategic Assessment
- ▶ Vision and Strategic Direction
- ▶ Strategy Development
- ▶ Implementation Planning

Planning Process and Structure

- ▶ Develop a list of the plans, documents, and other data requests needed for use during the assessment phase of the project
- ▶ Develop a list of individuals and groups targeted for interviews and facilitated discussions.
- ▶ Develop a mutually agreeable schedule and master-planning calendar
- ▶ Identify and recruit the most appropriate participants, and set expectations as to process and time commitments

Strategic Assessment

- ▶ Identify and quantify industry trends and forces, changes in local market conditions that will influence future demand for health care services, and project the impact of related opportunities and threats on your future role in the marketplace
- ▶ Assess your current strategic position, including market share and volume trends and projections, trended and projected financial performance, and organizational strengths and weaknesses
- ▶ Assess the gaps between future market requirements and the current capabilities and performance
- ▶ Identify key areas of interest of the board, executive and physician leadership for the future

Conducting the Assessment

- ▶ Individual interviews and small group discussions with Board members, senior executives, physician leaders and other stakeholders to help you identify key opportunities and issues
- ▶ Data analysis of trended and projected demographic trends, market growth trends, volume trends, market share trends, operating statistics and financial performance trends
- ▶ Analysis of competitor performance and assessment of physician, health system and other provider development and alignment trends and scenarios
- ▶ Review of other plans, materials and secondary research

Vision and Strategic Direction

- ▶ Critical in setting the proper overall strategy, direction and context in which key market, clinical and operational decisions are developed and carried forth
- ▶ Reaffirm the organization's mission, guiding principles and values
- ▶ Establish a futuristic vision and set of goals that is more than pure aspiration in that it clarifies strategic intent
- ▶ Develop and evaluate alternative scenarios in which the vision could be realized and selecting the most appropriate overall strategic direction
- ▶ Identify the core strategic imperatives to support pursuit and achievement of the vision

Framing the Strategic Conversation

- ▶ What is our purpose? Our mission in the region, industry, etc.?
- ▶ What type of future are we excited about and committed to creating?
- ▶ Why is that future meaningful to us?
- ▶ How are we going to make that future happen?
- ▶ What is essentially important for our strategy and all of our actions?

Core Imperatives Example

- ▶ Always improving
- ▶ Caring for Defined Populations
- ▶ Create Growth

Strategy Development

- ▶ Further develop and refine the strategic imperatives
- ▶ Develop specific initiatives around each of the imperatives and identify critical success factors
- ▶ Ad hoc committees may be appointed around some of the major initiatives to engage staff and physicians in further developing concepts and to facilitate buy-in to the plan

Strategy Example

Always Improving:

- ▶ Achieve Top 10% Performance in Key Measures and Always Learning
 - ▶ Strive for 100% of targeted annual Balanced Scorecard goals
 - ▶ Achieve and maintain annual goals for reach National Top 10% performance for mortality
- ▶ Engage Patients and their Families
 - ▶ Achieve Customer Satisfaction Scores for all provider Divisions
- ▶ Reduce Variation and Increase Consistency
 - ▶ Ensure consistency within and across the care continuum by integrating a well-defined horizontal organization structure

Implementation Planning

- ▶ Refine and enhance programmatic areas of focus
- ▶ Prioritize and sequence strategic initiatives
- ▶ Identify, at a high level, resource and investment requirements
- ▶ Establish responsibilities and accountability for implementation and monitoring
- ▶ Identify monitoring criteria, success metrics and process for measuring
- ▶ Develop communications strategies to acquaint key audiences with the plan

Why Strategic Plans Fail...

In general, strategic plans can fail for two types of reasons:

- ▶ Inappropriate strategy
- ▶ Poor implementation

Inappropriate Strategies

- ▶ Poor market research or other information upon which the plan is founded
- ▶ Failure to define end states (objectives) correctly
- ▶ Incomplete SWOT analysis with respect to the desired end state(s)
- ▶ Lack of creativity in identifying possible strategies
- ▶ Strategies incapable of obtaining the desired objective
- ▶ Poor fit between the external environment and organizational resources - unfeasibility

Poor Implementation

- ▶ Over-estimation of available resources and abilities
- ▶ Under-estimation of time, personnel, or financial requirements
- ▶ Failure to coordinate
- ▶ Ineffective attempts to gain the support of others or resistance
- ▶ Failure to follow the plan
- ▶ Loss of senior management focus and continued sponsorship

Now The Work Starts.....

- ▶ Develop and Employ Action Plans
- ▶ Perform Analyses to Support Resource Allocation
- ▶ Create Workforce Plans
- ▶ Project Your Future Environment
- ▶ Projecting and Comparing Your Performance

The Planning Pyramid

