



WHITE PAPER

Executing the Strategic Planning Process at Your Practice

Often, a practice undergoes a strategic planning process, either with or without an outside facilitator, but there is no execution. This lack of follow-through demotivates those who were involved in the process and ends up casting doubt on the future direction of the practice. In addition, future efforts to engage physicians and staff in strategic planning turn up fruitless. To avoid this waste of time, effort, and money, as well as to ensure the practice's strategy is carried out, it is important to put into place some operational steps on the heels of the strategic planning process.

Develop an action plan that addresses goals and specifies objectives and work plans on an annual basis. Once the longer term elements of a strategic plan have been developed, it is time to ensure a specific work plan to begin implementation. Strategic planning recognizes that strategies must reflect current conditions within the organization and its environment, thus annual action plans are needed. Annual program objectives should be time-based and measurable. The annual plan may be a part of the strategic plan or an annual addendum to it.

Objectives and work plans for the physician board are as important as program-related ones. Most projects have specified annual objectives and work plans because of fund requirements, while only a strategic plan is likely to require a physician board to think about its desired composition, skills, and involvement, or about practice structure and administrative systems.

Developing objectives and annual work plans requires both physician and staff input, with staff often taking major responsibility for program-related goals once the physicians have defined practice goals. Physicians, however, must be responsible for developing goals and objectives related to governance.

The physicians must approve the action plan, while staff can do much of the development of the written plan. This is an area of staff expertise (with consultant help, if desired), since implementation of programs and other strategies based on policies set by the physicians is a staff function.

Finalize a written strategic plan that summarizes the results and decisions of the strategic planning process. There is no set format, but be sure to include the outputs of each major step.

Build in procedures for monitoring and for modifying strategies based on changes in the external environment or the practice. Be sure progress towards goals and objectives and use of strategies is monitored regularly, with strategies revised and annual objectives developed yearly, based on the progress made, obstacles encountered, and the changing environment. Have procedures for taking advantage of unexpected changes such as changes with competitors, referring physicians, or reimbursement. Define annual objectives at the start of each year. Look back to see what progress has been made in critical success factors. Use the plan as a compass but not an inflexible blueprint for action.

The physicians play a critical role in reviewing progress and assuring that strategies are changed as appropriate; staff should carry out the documentation required to generate ongoing data for this review. They should carry out periodic monitoring and making reports to the physician board. The practice administrator should play an ongoing role in monitoring progress towards goals and objectives, and analyzing reasons for shortfalls in accomplishments.

The steps listed above are just one approach to developing and implementing a strategic plan. Strategic planning is a process which lends itself to a joint physician-staff effort. In larger practices, there is often a joint physician-staff retreat early in the process, facilitated by a seasoned consultant. The retreats are in addition to committee meetings and ongoing staff work. The key planning sessions work best when facilitated by an outsider knowledgeable about the physician practices. A facilitator should be someone skilled in group processes and experienced in strategic planning who is non-directive, committed to assuring full discussion of issues but also task-oriented and able to move the process forward. Be sure to document not only the plan but also the process, so you can improve upon it with each cycle.

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