



WHITE PAPER

# Five Essential Steps to Successful Strategy Implementation

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Oftentimes physicians and administrators discuss strategies and may even devise a strategic plan, only to see nothing come of it. The most common reason for strategy failure is that they failed to build execution into their strategic planning process. We often see that budgets are not linked to strategy, staff incentives are not linked to strategy, and a very small number of employees understand the practice strategy. There are three reasons strategy fails to execute:

- Practice initiatives don't aligned with strategy
- Practice processes don't align with strategy
- Employees and physicians fail to engage

To ensure that your strategies are successfully implemented, you must build the execution into and across the strategy and the strategy planning process. Below are the 5 steps to successful strategy implementation.

## **1. Align your initiatives**

A key road to failed implementation is when we create a new strategy but then continue to do the same things of old. A new strategy means new priorities and new activities across the practice. Every activity (other than the most functional) must be reviewed against its relevance to the new strategy. A good way of doing this is to create a strategic value measurement tool for existing and new initiatives. Initiatives should be analyzed against their strategic value and the impact to the practice. Measuring your initiatives as such will help highlight the priorities and ensure the right initiatives are adopted for delivery.

## **2. Align budgets and performance**

Ideally your budgets are structured in such a manner as to protect strategic expenditure from being re-allocated to short-term requirements of operating expenditures while subjecting strategic initiatives to a rigorous review (e.g. forecasted revenue growth and productivity) much like is done for capital expenditures.

The practice's business performance should be closely aligned to strategy. Performance measures should be placed against strategic goals across the practice and each physician and staff member. All staff members will have job functions that will impact on strategy. Most staff members will have impacts across a series of strategic goals (e.g. financial, patient experience,

operational, etc.). Ensure employees are aware of their role and influence on strategy delivery and performance.

Likewise performance incentives should be directly linked to performance against strategy. They should include a combination of individual, team and practice performance measures that ensure staff recognize their direct and indirect impact on strategy performance.

### **3. Structure follows strategy**

A transformational strategy may require a transformation to structure. Does the structure of your practice allow strategy to cascade across and down the organization in a way that meaningfully and efficiently delivers the strategy? Practices that try and force a new strategy into an outdated structure will find their strategy implementation eventually reaches a deadlock.

### **4. Engaging Staff**

The key reason strategy execution fails is because the practice doesn't get behind it. If you're physicians and staff members don't understand the strategy and fail to engage, then the strategy has failed. So, how is this accomplished?

**Prepare:** Strategy involves change. Change is difficult and human tendency is to resist it. So no matter how enlightened and inspiring your new strategic vision, it will come up against hurdles (cognitive, resource, motivation and political). It is important to understand each of these hurdles and develop strategies to overcome them.

**Include:** Bring influential employees, not just managers into the planning process. Not only will they contribute meaningfully to strategy, they will also be critical in ensuring the practice engages with the strategy. Furthermore, listen across the practice during strategy formulation. Some of your best ideas will come from within your practice, not the management team.

**Communicate:** Ensure every staff member understands the strategic vision, the strategic themes and what their role will be in delivering the strategic vision. And enrich the communication experience. Communicate the strategy through a combination of presentations, meetings, emails, and updates. Continue strategy and performance updates throughout the year. And engage staff members emotionally in the vision. The vision needs to give people goose bumps – a vision they believe in, that they want to invest and engage with.

**Clarify:** It is important that all employees are aware of expectations. How are they expected to change? What and how are they expected to deliver? Each individual must understand their functions within the strategy, the expected outcomes and how they will be measured. As mentioned above performance measures and incentives should be aligned with performance against strategic key performance indicators (“KPIs”).

### **5. Monitor and Adapt**

A strategy must be a living, breathing document. As we all know: if there's one constant in healthcare these days it's change. So our strategies must be adaptable and flexible so they can respond to changes in both our internal and external environments. Strategy meetings should be held regularly throughout the year, where initiatives and direction are assessed for performance and strategic relevance. At least once a year we should put our strategy under full review to check it against changes in our external and competitive environments as well as our internal environments.

Strategy is not just a document written by physicians and managers and then filed away. It is a vision for the practice, owned by the practice. And to succeed the whole practice must engage with it and live and breathe it. Strategy should inform our operations, our structure, and how we go about doing what we do. It should be the pillar against which we assess our priorities, our actions and performance. When execution is brought into strategic planning you will find that your strategy is weaved throughout the practice, and it's from here that great leaps in growth and productivity can be achieved.

## ABOUT ABISA

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