



WHITE PAPER

## Four Common Strategic Planning Mistakes

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Strategic planning is an essential business activity. However, several common mistakes must be understood so that practice administrators can guard against them. Pointing out these mistakes is not a criticism of the process but acknowledgement of improper implementation. Medical practice leaders must recognize both the benefits and the potential pitfalls of strategic planning, because it is their responsibility to ensure that strategic planning is conducted properly to achieve the desired goals. Here are four of the most-common planning mistakes we find:

### **1. Attempting to forecast and dictate events too far into the future**

In part, this may result from the natural desire to believe we can control the future. It is a natural tendency to plan on the assumption that the future will merely be a linear continuation of present conditions, and we often underestimate the scope of changes in direction that may occur.

Because we cannot anticipate the unexpected, we tend to believe it will not occur. In fact, most strategic plans are overcome by events much sooner than anticipated by practice leaders.

### **2. Trying to plan in too much detail**

This is not a criticism of detailed strategic planning but of planning in more detail than the conditions warrant. This pitfall often stems from the natural desire to leave as little as possible to chance. In general, the less certain the situation, the less detail in which we can plan. However, the natural response to the anxiety of uncertainty is to plan in greater detail, to try to cover every possibility. This effort to plan in greater detail under conditions of uncertainty can generate even more detail. The result can be an extremely detailed strategic plan that does not survive the friction of the situation and that constricts effective action.

### **3. Tendency to use planning as a scripting process that tries to prescribe actions with precision**

When practice leaders fail to recognize the limits of foresight and control, the strategic plan can become a coercive and overly regulatory mechanism that restricts initiative and flexibility. The focus for staff members becomes meeting the requirements of the strategic plan rather than deciding and acting effectively.

### **4. Tendency for rigid planning methods to lead to inflexible thinking**

While strategic planning provides a disciplined framework for approaching problems, the danger is in taking that discipline to the extreme. It is natural to develop planning routines to streamline the strategic planning effort. In situations where planning activities must be performed repeatedly with little variation, it helps to have a well-rehearsed procedure already in place.

However, there are two dangers. The first is in trying to reduce those aspects of strategic planning that require intuition and creativity to simple processes and procedures. Not only can these skills not be captured in procedures, but attempts to do so will necessarily restrict intuition and creativity. The second danger is that even where procedures are appropriate, they naturally tend to become rigid over time. This directly undermines the objective of strategic planning - enabling the organization to become more adaptable. This tendency toward rigidity is one of the gravest negative characteristics of strategic planning and of strategic plans.

Indeed, strategic planning is an essential part of practice management, helping practice leaders to decide and act more effectively. As such, strategic planning is one of the principal tools used to exercise operational control. Remember though, that strategic planning involves elements of both art and science, combining analysis and calculation with intuition, inspiration, and creativity. To plan well is to demonstrate imagination and not merely to apply mechanical procedures. Done well, strategic planning is an extremely valuable activity that greatly improves practice performance and is an effective use of time. Done poorly, it can be worse than irrelevant and a waste of valuable time. The fundamental challenge of strategic planning is to reconcile the tension between the desire for preparation and the need for flexibility in recognition of the uncertainty of the healthcare industry.

## ABOUT ABISA

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