



WHITE PAPER

Prerequisites for Strategic Planning

There are many different models and action steps for strategic planning. Attempting to “jump right in”, however, is ill-advised. Undertaking some basic pre-work will help to ensure better success for the strategic planning process. Here are three prerequisites for strategic planning:

1. Agree on a strategic planning process. You should provide an understanding of what strategic planning is and how it is done as well as discuss its potential value to the practice, in terms of providing a common vision and focus, with agreed-upon goals and strategies. Consider the costs of doing strategic planning, in terms of staff time and other resources – and what might need to be given up in order to develop a plan. If the practice is in crisis or is financially or organizationally unstable, it may be difficult or unwise to enter into a strategic planning process until the immediate problems and needs have been successfully addressed. Consider whether the practice is “ready” for a long-range plan or whether it may best focus on a short-term plan, perhaps doing a one-year plan and then undertaking longer-term planning at the end of that year. If strategic planning seems appropriate, consider what procedures or steps can be used to establish and implement a strategic plan. Next, agree upon a process and establish responsibilities for the various steps in the process.

Your practice may also want to include an outside facilitator or consultant who will assist with the process and with preparation of the strategic planning document – or this may be done by staff. Be sure to allocate sufficient staff time to the strategic planning process. Depending on the size of the practice, it may be necessary to reduce the regular workloads or responsibilities of staff and physicians who are expected to play a key role in developing the strategic plan.

2. Carry out a SWOT analysis (strengths, weaknesses, opportunities, and threats) in order to provide an understanding of how the practice relates to its patients, community, and competitors. Look at changing demographics, community values, economic trends, the implications of new or changing laws and regulations affecting the practice -- and consider their impact on your practice and the patient population it serves. Consider opportunities and challenges related to practice resources and reimbursement. Also, look at actual and potential collaborators and competitors. Depending on the size of your catchment area, this process may involve something as extensive as a community needs assessment with interviews, focus groups, and e-mail surveys that is conducted by a consultant, or may be limited to a small number of informal discussions with referring physicians and key community leaders.

The internal component of the analysis may include a number of components or approaches. You may want to assess current practice performance in terms of financial and staff resources, services offered, and outcomes. Try to understand how patients or stakeholders in the broader community view the practice. Once you have this information, be sure to further analyze the reasons for perceived weaknesses. It is often valuable to identify critical success factors for the practice. This step is not always included in strategic planning, but can be very useful. Try to understand what factors are necessary to the future and continued success of the organization. These may be factors like relationships with referring physicians, practice strategies, governance structure, and staff skills and personalities. Depending on the size of the practice, you might want to review or formalize organizational values and operating principles. Some practices have written values and principles which guide their decision making and their ongoing activities. These can be very helpful in "defining" the practice.

A consultant can be hired to assist with the SWOT analysis, contacting stakeholders to provide an external view and staff to obtain an internal assessment. The result of the analysis should essentially be an investigation of practice strengths and weaknesses and external opportunities and threats. This may be oral or written, and requires careful review and discussion by those involved in the strategic planning process – everyone should be familiar with the findings before strategic planning decisions are made.

3. Identify key issues, questions, and choices to be addressed as part of the strategic planning effort. This may mean specifying "strategic issues" or questions that the practice should address, and setting priorities in terms of time or importance. If there is little disagreement about issues and priorities, it may be possible to move immediately to the practice vision and then goals. If there is no agreement on general directions and practice goals, it may be important to explore issue priorities and identify critical choices. This might be done in several ways. For example, you may want to ask those involved to identify strategic issues from the SWOT analysis, with individuals identifying a specified number of such issues and indicating why each is strategic, including the benefits of addressing it and the negative consequences of not addressing it. The consultant working with the group might work to identify strategic issues emerging from the SWOT analysis, and then prioritize them in terms of importance, timing, and feasibility. The result should be a set of strategic issues that will be addressed as part of the strategic planning process, and a second set that will not be addressed or will receive limited attention during the process, but will be considered by physicians or appropriate staff. Whatever the method used, the issues discussion should generate some level of agreement about issues or choices to be considered and decisions to be made as part of the strategic planning process.

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P.O. Box 1465

Valrico, FL 33595

www.abisallc.com

info@abisallc.com