



WHITE PAPER

Ten Ways to Strengthen Your Strategic Plan

A strategic plan is not just a document written by physicians and managers and then filed away for safekeeping. It is a vision for the practice, owned by the practice. For a medical practice to succeed, everyone must engage with and live and breathe the plan. Strategy should inform your operations, your structure and how you go about practicing medicine. Your strategic plan should be the pillar against which you assess your priorities, actions and performance. As such, it's mission critical that your plan is comprehensive and up-to-date. Here are 10 questions to assess your strategic plan:

1. Will your strategy beat the market?

Each year, perform a thorough analysis to get a clear picture of how the competing forces in your specialty are likely to play out. To grow at an accelerated pace, you will need a meaningful point of difference that can't be easily copied or nullified. Mindlessly copying another practice's business model is not a strategy - it is a recipe for mediocrity. Do you really have a winning strategy?

2. Do you have a sustainable competitive advantage?

How will you make money in the future? Do you have a unique strategic position, a concept that you "own" in the minds of your target patients? Do you have special capabilities that can't be easily copied? Remember that nothing lasts forever, so you need to focus on advantages for both today and tomorrow.

3. Are you focused on a clearly defined target?

Push for the narrowest possible segmentation of your target market. You need to aim for the bull's eye to hit the target. Clearly defining and understanding your target market of patients and referring physicians is one of the most powerful things a practice can do to improve its strategy.

4. Does your strategy put you ahead of the trends?

Many strategies place too much weight on current trends. But as the founder of modern management Peter Drucker said, it is not the trends, but "the changes in the trends" that leaders must stay current with. These changes often creep up so slowly that most practices fail to act until it is too late to mount an effective response, let alone take advantage of it. They are held

back by sunk costs, an unwillingness to cannibalize a legacy business or an attachment to yesterday's formula for success.

Instead, you should always look to the edges. How are your patients shopping for healthcare? What are the innovative new entrant competitors doing? What innovations could change your entire specialty?

5. Does your data give you privileged insights?

It is easy to be overwhelmed with data. The key is to make sense of it all and obtain actionable insights. Do you really understand your patients? Your referring physicians? Your competition? Practices that go out of their way to experience the world from their patients' perspective will develop better strategies. The same exercise in perspective applies to your referring physicians and competitors, too.

6. Does your strategy embrace uncertainty?

Prioritize all your current threats, or things that could derail your strategy, as part of your annual SWOT analysis (Strengths, Weaknesses, Opportunities, Threats). Consider what action you would take if these worst-case scenarios came to fruition. Could you handle it? Do you have a contingency plan ready to implement?

7. Does your strategy require commitment and trade-offs?

Hedging your bets is not a strategy. A full commitment to a defined course of action is the only path to a sustainable competitive advantage. This requires trade-offs, as you can't be all things to all people. Remember to consider what you are NOT going to do and accept those self-imposed limitations to stay focused on long-term success.

8. Is your strategy contaminated by bias?

Confirmation bias refers to a tendency to cherry-pick information that confirms existing beliefs or ideas. The best way to avoid this is to ask an outside consultant to facilitate your strategy discussions. That individual has no emotional ties to your practice and will instead lead a rational discussion on your strategic plan's viability.

9. Is your leadership team fully committed?

Many good strategies and change initiatives fail to be executed because of a lack of commitment among the owners and practice administrators. Just one or two nonbelievers can halt a strategic change. Sell leadership on the plan early on so they can help sell the mission to other employees.

10. Have you translated your strategy into a one- or two-page summary?

Capture your key decisions on a very short document so that everyone in the practice can clearly see where your practice is going, how you plan to get there and what specific actions they need to take to play their part.

Strategic planning provides a practice with a real and lasting competitive advantage when treated as a work in progress rather than as a binder on a shelf or a file in a computer. A living strategic plan will help direct the business to where you and your partners or advisers desire it to go. Spending time to invest in the future will result in a clear focus, a sense of joint purpose and agreed-upon priorities, consensus among stakeholders, and a basis for measuring progress and impact. Strategic planning is your practice's road map to that shared vision. Are you ready to get started?

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