Strategic Advisory Services

STRATEGIC PLANNING
A 4-Step Model for Today’s Health Centers

Health Center
Board Member Conference

Bill Leander, Vice President
May 5, 2012

Today’s Discussion

✓ STRATEGIC PLANNING
✓ NEW MODEL
✓ BRIEF ILLUSTRATION
✓ OPEN DISCUSSION
STRATEGIC PLANNING MODEL FOR HEALTH CENTERS

Strategic Plans

I have been fortunate to have been involved in the development or refinement of the strategic plans of some of healthcare’s most recognized organizations:

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Classic Pitfalls

Virtually all classic strategic plans, especially in healthcare, fall victim to one or more limiting pitfalls:

- Too much what, not enough how
- Fluffy and borderline ethereal
- Attempt to do far too much
- Lacking in requisite teeth
- Entirely a top down process
- Wasted effort looking 5 years out

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Healthcare Challenges

I say ‘especially in healthcare’ because this industry – and health centers in particular - faces several challenges that make long-term planning less reliable:

- Competing *regulatory* mandates
- Compliance no longer the *end game*
- Continual downward pressure on *rates*
- Critically scarce available *resources*
- Reliance on third parties for revenue
- Difficult patient populations and barriers
STRATEGIC PLANNING MODEL FOR HEALTH CENTERS

New Model

The answer is not to abandon longer-term planning but instead to install a new 4-step model that is more collaborative and action-oriented for health centers:

1. Strategic Imperatives
2. Action Plans/Initiatives
3. Performance Pyramids
4. Visual Navigator

1. Strategic Imperatives

The first step – usually one already completed as part of prior strategic planning efforts – are to establish your organization’s ongoing Strategic Imperatives:

TYPICAL EXAMPLES

ACCESS: Improve affordable access to quality medical, dental, behavioral health services
SERVICES: Maintain existing scope of services while expanding into greater preventive and wellness programs
VIABILITY: Optimize revenue from payers and third parties while increasing efficiency/productivity, decreasing waste
PEOPLE: Promote continual development of our staff and volunteers while improving Board members’ experience
FACILITY: Create the most patient-centered medical home environment possible in the most convenient locations

Year #1    Year #2    Year #3    Year #4    Year #5
STRATEGIC PLANNING MODEL FOR HEALTH CENTERS

Strategic Imperatives

These Strategic Imperatives – not a full-blown plan – combine to form the guiding beacon by which your organization navigate into the future:

- Establishes lasting strategic continuity
- Represents longer-term perspective
- Defines “what is most important to us”
- Emerges as “vital few” linchpins
- Tells the organization “how to succeed”
- Establishes framework for action

2. Action Plans

The annual planning cycle now becomes one of establishing Action Plans – “micro” initiatives completed in a year or less:

- ACCESS
- SERVICES
- VIABILITY
- PEOPLE
- FACILITY

Year #1 Year #2 Year #3 Year #4 Year #5
SWOT Analysis

One popular and effective approach to identifying the “best” initiatives is a SWOT analysis that represents a collaborative snapshot of current state and realities:

The SWOT analysis brings together both internal and external factors into a balanced approach – and it is crucial that your organization define all candidly:
A great deal of literature exists on SWOT analysis tactics, but at a summary level the process is designed and intended to involve the entire organization:

**ACCESS**
Improve affordable access to quality medical, dental, behavioral health services

**Management Team**
Prioritized Goal

**Entire Organization**

**Prioritized Goal(s)**

1. Remind strategic imperatives and share goal
2. Ensure goal is stated clearly with numeric objective(s)
3. Distribute blank SWOT matrix to participants
4. Ask participants to jot down their own ideas
5. Facilitate session(s) to bring together participants and their ideas
6. Find themes and consolidate related or overlapping ideas
7. Hold conflicting or mutually exclusive ideas up against defined objective(s)
8. Finalize action plan

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SWOT Approach

Good facilitation is important as it helps maintain the “controlled chaos” required for successful SWOT:

- What do we do well? What advantages do we have? What do others see as our best?
- What aren’t we doing well? What can we improve? What should we avoid?
- What trends may be helpful? What new events open doors? What market forces can aid us?
- What obstacles do we face? What are others doing better? Where are we falling behind?

Action Plans

Using SWOT analysis to define a key Action Plan for each Strategic Imperative is a greatly proven process – and invaluable to organizations with scarce resources:
3. Performance Pyramids

Armed with Action Plans, the next step is to define Performance Pyramids for each one – a pair aimed at responsibilities and metrics:

- Most Action Plans require contributions at all levels
- Be considerate of “normal job” but ensure the dates “add up” to completion in a timely manner
- A simple Gantt chart helps
- Review progress, issues and accomplishments at least bi-weekly
3. Performance Pyramids

The associated metric (or scorecard) Performance Pyramid put quantitative, objective “teeth” into the Action Plan – and lets you know when you get “there:”

- **Leading** (Dependent)
- **Logging** (Independent)

Additional or Revised Duties

**Brief Illustration**
Brief Illustration

To illustrate, here is an (admittedly simplified) example of SWOT analysis and Performance Pyramids for a possible goal:

**Goal**: Decrease Colorectal Cancer Screening

**Entire Organization**

**Strengths**

- Staff knowledgeable about CRC
- Annual exams w FOBT in place
- Protocols referring colonoscopy

**Weaknesses**

- Lack of patient knowledge
- Language and cultural barriers
- Lack of resources

**Opportunities**

- Patient education and outreach
- Increased hospital collaboration
- Increased grant/CDC funding

**Threats**

- Excessive waits for colonoscopy
- Shortage of GI physicians
- “Financial triage” at hospital

*Incident rates would be better but cannot be measured within a single year*
To illustrate, here is an (admittedly simplified) example of SWOT analysis and Performance Pyramids for a possible goal:

**Increase CRC Screening Rates**

<table>
<thead>
<tr>
<th>PATIENT POPULATION</th>
<th>CURRENT RATE</th>
<th>FUTURE RATE</th>
</tr>
</thead>
<tbody>
<tr>
<td>Population A</td>
<td>20%</td>
<td>20%</td>
</tr>
<tr>
<td>Population B</td>
<td>50%</td>
<td>70%</td>
</tr>
<tr>
<td>Population C</td>
<td>60%</td>
<td>90%</td>
</tr>
<tr>
<td>Population X</td>
<td>60%</td>
<td>80%</td>
</tr>
<tr>
<td><strong>Overall</strong></td>
<td><strong>40%</strong></td>
<td><strong>70%</strong></td>
</tr>
</tbody>
</table>

**Brief Illustration**

- 100% staff undergo CRC training
- Update 100% of applicable protocols
- Ensure 80% of patients get annual physical
- Perform FOBT and DRE for 90% 50+ patients
- Colonoscopy for 50% patients since 5+ years
- Enlist services of 2 more GI physicians
- Reduce wait time for tests to 2 months

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Brief Illustration

To illustrate, here is an (admittedly simplified) example of SWOT analysis and Performance Pyramids for a possible goal:

- Submit CDC grant proposal
- Get multi-lingual, culturally sensitive CRC pamphlets
- Expand CRC screening collaboration with local hospitals
- Conduct bi-weekly CRC outreach sessions at libraries and senior centers
- Establish expanded hospital transportation services
- Enlist medical social workers

4. Visual Navigator

The last step in the new model is to make key aspects of the action plans highly visible to the entire organization – posted in a very conspicuous place:
New Model

In summary, most health centers will be best served to move away from a conceptual strategic planning mode and toward a more adaptive, action-oriented model:

1. Strategic Imperatives
2. Action Plans/Initiatives
3. Performance Pyramids
4. Visual Navigator

Open Discussion

- Questions & Answers
- Applicability to your own Health Center
- Advantages of adopting New Model
- Barriers to adopting New Model
- **Contact us** if you have questions!
Contact Information

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