

Strategic Business Planning

Critical for Success in a Challenging Market *By Margie Satinsky, M.B.A.*

The business of medicine is more challenging than ever. Throughout the country, physicians are experiencing organizational changes in the delivery system, reimbursement for demonstrated value rather than quantity of care, enhanced technology and an ever-changing regulatory environment. Strategic business planning is more important than ever. Here's our advice on why it's important and how to do it successfully.

Why bother with strategic business planning?

Imagine building a house without a blueprint or taking a family vacation without a destination. Your practice is no different. Without a formal process to identify your mission, values, goals, projects, timing, barriers, opportunities and strategies, you are likely to miss good opportunities and make serious and expensive mistakes.

What are the potential benefits of strategic business planning?

A well-structured strategic business planning process can help your practice in many ways.

- It provides clear direction, preventing the haphazard occurrence of activities that may actually work against each other.
- It creates a blueprint for consistent practice growth and development.
- It offers an opportunity for practice owners, managers and other work-

force members to collaborate in setting the practice's future direction.

- It allows the practice to set priorities. Everything can't be done simultaneously, so determine a sensible order.
- Clarity of focus can improve patient care.
- By no means the least important reason, strategic business planning offers the potential for enhanced financial performance.

How does the strategic business planning process work?

The strategic business planning process is straightforward, regardless of whether you are a medical practice or a corner store. Start with an honest assessment of all aspects of your current practice by asking these types of questions of all owners, senior managers, and other workforce members:

- **Mission:** Is your mission statement current, and does it accurately reflect the practice's direction for the next 5-10 years?

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- **Values:** What's important to your practice, and do you deliver care, interact with patients and colleagues and manage your workforce in ways that are consistent with those values?
- **Goals:** What are the practice's specific goals with respect to organization and management, financial management, human resources, marketing, information technology, operations, quality initiatives and compliance? Have the owners and senior managers reached consensus on those goals? What progress have you made/not made toward



reaching the goals?

- **Projects:** Within each category listed under goals, what projects are on your to-do list, and in what priority order? What's the estimated cost of each project? Do workforce members have the ability and time to do what's on your list?
- **Barriers, opportunities and strategies for each project:** Be honest about the hurdles, opportunities and ways to get where you want to go. Two barriers that often impede progress are lack of staff time to do a project or lack of internal skill to do something that's not been done before.

Who should be involved in a strategic business planning process?

We recommend strong internal involvement and external facilitation by an experienced professional.

Internally, greater involvement by owners, senior managers and other workforce members is likely to result in better buy-in to the end result.

External facilitation has many advantages over internal facilitation. In any practice there are likely to be differences of opinion, and someone outside the organization can best guide the discussion. An experienced external facilitator can also bring to the table lessons learned from other similar engagements.

What are typical steps in strategic business planning that is facilitated by an external consultant?

Assuming your practice has decided to engage an external consultant, begin by clarifying the scope of the engagement. Next, collaborate with the consultant to develop a standard list of questions that can be asked of key individuals in face-to-face or telephone interviews.

Following the interviews and data gathering, direct the consultant to aggregate the responses to the questions. Schedule an off-site strategic planning retreat (either one half day or an entire day).

Following the retreat, ask the consultant to summarize the results for the practice.

What's the cost of strategic business planning?

The cost for externally facilitated strategic business planning depends on the size of the practice and the number of people

who will participate in the process. For example, we spent many more hours working with an eight-physician cardiology practice considering acquisition by a health care system than we did with a four-person internal medicine practice wrestling with ways to improve access to patient care.

The more important question about cost is what's the cost of not engaging in strategic business planning? It might be far more than what you would pay to have it done!

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