

South Florida Hospital News[®] and HEALTHCARE REPORT

THE REGION'S MONTHLY NEWSPAPER FOR HEALTHCARE PROFESSIONALS & PHYSICIANS

An Overview of Strategic Health Plans

There are two levels of planning: operational and strategic. Operational planning involves developing objectives that align with policies, programs, and procedures. This planning is typically done at the department level and is generally short term. Usually, middle management owns this responsibility. It should be pointed out that a health care organization must have a strong operational planning component. Without having the resources and ability to implement these plans, organizations run the risk of not performing and losing valuable market share, customers, patients, and stakeholders.

Strategic planning is generally the responsibility of senior management and focuses on multiple years of planning and direction. Here we see the organization's mission, vision, goals, and objectives playing a critical role in the strategic planning process. The external and internal environments are examined and dissected to allow for a robust and honest assessment of the marketplace.

Three important factors support successful planning:

1. Forward thinking managers think about how systems work to develop organizational preparedness.
2. Effective decision making enhances the process.
3. Adapting to change and observing trends is essential to bring the process full circle.

The environment must be examined and reviewed carefully. To truly embrace the environmental factors and determine the direction of your organization, what should you be concerned with? What are the



BY DR. JEFF RITTER AND PAUL RYAN

fundamental areas health care organizations must monitor to allow for forward thinking, sound planning and implementation? Certainly policy, and the ongoing implementation phases of the Affordable Care Act. Economics factors will always be important in this strategic process. Technology, social change, and demographics round out the additional environmental factors.

We now have some fundamental questions to ask? How do we collect this information? Who should collect it? How can we best examine and interpret it? Quite possibly, the most important questions are once we determine how to best use the information, how do we then build the strategy and get the organization to buy in, change, adapt, etc?

Health care organizations offer products and services to the marketplace. The marketing plan should focus on product, services, and pricing strategies for successfully penetration into the marketplace. Is this part of the strategic plan or is this a separate market plan? Can we combine our plans and effectively meet or exceed our goals? Who in the organization is

ultimately responsible for delivering organization success? These questions may seem simple and straightforward, but you would be surprised to learn that sometimes this is a very gray area.

The strategic process should include:

- Situational Analysis
- External Environmental Analysis
- Scanning
- Segment Analysis
- Monitoring
- Forecasting
- Assessing

The functional areas include:

- Clinical services
- Marketing Services
- Financial
- Management
- Governance
- Human Resources
- Information Technology

In creating the strategic plan, the success comes from effective communication, sharing the plan, owning and being held accountable for implementation and quite possibly the most important element, changing direction if it does not work.

Further, the strategic plan should provide direction and focus to move forward in a very competitive health care market place. How to create and enhance the strategic plan is essential for expansion of services, type of marketing strategy to select, ensuring how resources are allocated, and measuring performance.

Dr. Jeff Ritter and Paul Ryan, R-Squared Group, can be reached at info@rsquared-group.com or visit <http://rsquared-group.com/>.