

Special Report

Setting the Stage for Success

with Strategic Planning



Make Decisions, Resolve Conflict, Move Forward



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The Need for Group Planning

Although group medical practice offers a number of significant benefits, it also has its share of frustration and risk. Oftentimes, much of the frustration of group practice springs from a lack of common goals for where the practice is heading and how it should get there. The source of this problem is often a lack of communication between the physicians about the important issues facing the group.

This lack of communication also increases risk to the practice. If the physicians have trouble making decisions or do not discuss the direction they are heading, it is often impossible to implement programs to avoid threats, fix weaknesses, and pursue opportunities.

Upon reflection, many physicians discover:

- They do not know where the practice is heading, let alone how it plans to get there. Normally, the group focuses only on near-term decisions required to continue basic, day-to-day operations.
- That the world of healthcare is changing dramatically, and that the practice might not be prepared to deal with changes such as tighter regulations, higher consumer expectations, increasing competition, and shrinking reimbursement dollars.
- Finally, they realize that their personal success is heavily tied to the success of the group. The individual physician normally has a significant investment in the group in terms of reputation, time, effort and money.



Why do physicians resist meeting and planning for the long-term success of their organization? Studies have shown that, by their training and personality, physicians are generally independent decision makers. In addition, most physicians would rather focus on the “art” of their profession, instead of the “business” of their practice.

But with the dramatic changes that are taking place in healthcare, the successful practice recognizes the need for a group discussion of the future direction of the organization.

Strategic Planning

Many groups are now using a well-known business process called strategic planning to help them set the future direction of their practice.

Strategic planning is a buzzword for a relatively straightforward process of defining the purpose of the group (why it exists), setting objectives (where it wants to go), and mapping a plan to meet those objectives (how it plans to get there).

The process involves 5 major steps:

1. Reviewing the major trends in the national and local environment to identify **opportunities** to be pursued and **threats** to be avoided.
2. Analyzing the practice itself to identify **weaknesses** that need to be corrected, and **strengths** of the practice that can be used to enhance its position.
3. Defining the purpose of the practice by establishing a **mission/vision statement** for the group. The mission statement outlines the central vision and focus of the group practice.
4. Developing a prioritized list of **objectives** for the practice to pursue for the next several years.
5. Developing **strategies** to achieve the objectives through preparing action plans, making decisions or setting policy.



What does the strategic planning process look like in the real world? Basically, it's a series of organized discussions among the physicians and practice management about what is truly important for the practice. These discussions often take place at a planning retreat. Data-gathering and analysis to support these discussions is typically done before the retreat.

The Payoff

The time devoted to this process can result in tremendous benefits for the group. Organization's who have developed a strategic plan for their practice point to:

- A decrease in the frustration of group practice as physician needs are identified and acted upon.
- Improved performance as the staff has an agreed upon guide of objectives to pursue.
- Better utilization of resources to meet the expressed needs of the group.

The success of medical groups often hinge on forming a unified view of where the group is heading, and mapping an agreed upon course to reach that future. Strategic planning can help your practice reach its intended future.

As you might expect, our knowledge in this area is based on the fact that Latham Consulting Group has provided **Strategic Planning Facilitation Services** to many medical groups. If we can provide assistance or answer any questions you might have, please contact us at 704/365-8889.