




A BOARD PRIMER ON STRATEGIC PLANNING

A strategic plan is a comprehensive roadmap for hospitals to achieve their objectives. Through strategic planning, boards and hospital leadership develop a consensus for the organization's direction and vision. A strategic plan bridges a hospital's mission and vision with operations, helping to create clear objectives and a shared understanding of the resources required to achieve goals.

The board fulfills a crucial role in shaping an organization's strategy, executing a responsibility that extends beyond traditional fiduciary duties to include a duty of foresight. Though the crystal ball may be cloudy given the volatility in health care, hospital boards must have an eye to the future and lead discussions of what "could be." The board's involvement is fundamental to the organization's success and stability, which is why strategic planning is an important part of their work.

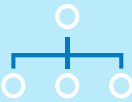
STRATEGIC PLANNING IN 10 STEPS

1. AGREE ON THE PROCESS




There are many different ways to conduct strategic planning. Determine the most effective method for strategic planning, whether it involves internal resources, a strategic planning committee, external consultants, or a combination. Consider the benefits of each approach: internal planning can expedite the process and leverage organizational knowledge, while external facilitation can provide fresh perspectives, provide new and relevant data, and navigate sensitive issues. Agree on a timeline, recognizing that while strategic planning is ongoing, focused efforts may span days or months. There is no right or wrong way to conduct this work. However, the board and management should agree on the steps, timeline, whether or not to engage an outside party and be engaged in the entire process.

2. UNDERSTAND THE ENVIRONMENT AND ORGANIZATION



The board in conjunction with the CEO initiate the planning process typically with a thorough internal assessment and external environmental scan. Hospital management should evaluate operations, services, and programs, analyzing data, processes, and outcomes to identify strengths and weaknesses. The hospital may engage consultants, if necessary, to assess the broader health care landscape while various stakeholders, including community members, may be involved to provide input into the data analysis or goals. As the health care industry continues to change rapidly the board and hospital management must attempt to stay aware of changing payment models, changing regulations, evolving technology, retail health care disruptors as they will all have a future impact on your organization.

3. IDENTIFY YOUR MARKET



While working on strategic planning, the hospital leadership should thoroughly analyze who the hospital or system serves to plan accordingly. The hospital should explore its current patient population, trends, and critical changes to the community's demographics. Additionally, the organization may want to conduct a patient origin study to determine if there are migration trends for patients coming from outside the apparent service area and explore any changes in patient utilization of the hospital's services.



4. DEFINE OR REVISIT YOUR MISSION AND VISION

The board should regularly review and update the organization's mission, vision, and core values to ensure they remain relevant, clear, and aligned with community needs. The mission statement should succinctly articulate the hospital's purpose, be easily understood, and differentiate itself from others. The vision should paint a picture of the organization's ideal future state. The board and management should use organizational values to drive policy decisions and to provide a lens through which the board and hospital employees operate. The mission, vision and values should all be considered and seen as a guiding light when making important decisions for the organization and when crafting a strategic plan.



5. IDENTIFY AND PRIORITIZE KEY ISSUES AND OPPORTUNITIES

During the strategic planning process, the board and management should review and examine strategic issues. The board should look at the internal and external assessments and environmental scan to see if the hospital is focused on the right areas and identify gaps. Leadership should consider the potential impact on the hospital of various scenarios and/or inaction. Is the organization on track to meet evolving needs, and are they within the mission of the hospital? The board must think strategically about the short- and long-term impact of trends and service patterns, as well as the opportunities and challenges in the future. Data, along with brainstorming about the future, can create synergy sparking new ideas and growth.



6. DEVELOPING STRATEGIC GOALS AND PRIORITIES

Once key issues are discussed the board should develop, thoroughly discuss, and draft goals to address key issues and opportunities. Goals should be developed based on data and be ambitious yet achievable. The board should ensure that goals align with the mission, are based on data and that there is consensus on final outcomes. It is important for the board and staff to make sure goals and strategies are grounded in reality. While the board may be ambitious and avoid only pursuing "low hanging fruit," the board and management should approve goals and strategies that can actually be achieved. The SMART goal framework provides a helpful approach to goal setting. SMART stands for specific, measurable, achievable, relevant, and time-bound. A broad goal to "improve quality and patient safety" is a worthwhile pursuit but overall unhelpful. A more effective approach is to be specific in the organization's goals such as, "decrease the hospital-acquired infection (HAI) rate by 4% over the next 12 months by implementing enhanced infection control measures and staff training."

Prioritization is crucial in strategic planning, especially given limited resources and increasing burnout. Management cannot be expected to tackle everything at once and need support from the board in identifying what to address first. While brainstorming and teamwork are valuable, presenting management with an overwhelming number of goals can be counterproductive. Careful prioritization provides clear direction and focuses organizational efforts effectively.



7. IDENTIFY MANAGEMENT OF THE PLAN

Once goals and strategies have been developed action plans should be crafted to operationalize strategic goals into measurable outcomes. This step is typically delegated to staff, or it may be done jointly by board members and staff through task forces or committees. Goals should have comprehensive action plans, detailing required resources, responsible parties, benchmarks, and timelines. The board provides ultimate approval of goals and resources needed to achieve them.



8. IMPLEMENT AND TRACK

The successful execution of strategic plans hinges on consistent follow-up. While the board plays a crucial role in development and oversight, the CEO and management team are responsible for implementation. Upon finalizing and approving the plan by all stakeholders, the board's responsibility shifts to monitoring the organization's progress towards approved goals and holding the CEO accountable for organizational performance. Boards are often provided with an abbreviated strategic plan or dashboard to succinctly show progress.



9. MONITOR AND ADJUST

The board monitors implementation and evaluates success. The board chair can ensure that updates are shared and reviewed by the board but placing it on the board agenda, at least on a quarterly basis. The board must monitor if resources are being used effectively and if goals are being achieved. A strategic plan must be a dynamic document, subject to regular review and adjustment in collaboration with management to ensure the attainment of key objectives. In cases where a goal appears unattainable, an analysis should be conducted to determine its continued relevance and pursuit. Some unforeseen events may be unavoidable, the organization should have some flexibility to course correct as needed to achieve their goals.



10. EVALUATE AND ASSESS

The board and management should regularly review the strategic plan to incorporate updates and improvements. Whether as part of an annual planning process or a three-to-five-year review cycle, the plan should be assessed annually to determine if the current direction remains appropriate and if strategies are effective in achieving goals. Furthermore, the board should regularly evaluate the efficacy of the overall strategic planning process to ensure it effectively serves the organization's needs.