Insights Into the Strategic Planning Process

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Financial Disclosure
I have no financial interests to disclose relating to the subject matter of this presentation.

Welcome to Boston!

Background
- Over 19 years of healthcare management experience
  - 9 years in ophthalmology
- International consulting experience
  - Clinical workflow, operations management, strategic planning
- Private subspecialty group best known for our treatment of uveitis/OID
  - Most of our referrals come from other ophthalmologists
- Involved in clinical research & fellow education
- Complicated workflow

Learning Objectives
- Define the strategic planning process
- Understand the benefits of strategic planning
- Discover the difference between strategic management and strategic planning
- Identify the various phases of strategic management
- Learn how to gather and synthesize information to develop an effective strategy
- Leave this presentation with the tools to conduct your own strategic plan

By failing to prepare, you are preparing to fail.
- Benjamin Franklin
Strategic Planning

Management’s action plan for competing successfully and operating profitably, based on an integrated array of considered choices.

Derived from the Greek stratego – to plan the destruction of one’s enemies through the effective use of resources

What is our present situation?
Where do we want to go from here?
How do we get there?

Why is it important to plan?
• Past performance does not guarantee future success
• Businesses must continually identify and adapt to changes in the marketplace
• Tendency of management to focus on day-to-day business operations
• Creates a shared vision/understanding of purpose and objectives
• Perception is not always reality

Who should be involved?
• Senior administrative leaders
• Board of Directors
• Owners
• Physicians
• Managers
• Support personnel
• EVERYONE must be involved on some level

Three Phases of Strategic Management
• Strategic thinking
• Strategic planning
• Managing strategic momentum
### Strategic Thinking
- Fundamental intellectual activity underlying strategic management
- Mindset towards seeing the “big picture”
- Acknowledges the reality of change
- Envisions possible futures/generates new ideas
- Considers organizational fit with the external environment
- Always questioning current assumptions and activities

### Strategic Planning
- Analytical approach (“the map”)
  - Relies on the development of a logical sequence of steps or processes
- Puts strategic thinking to use
- Set of steps to accomplish mission and vision
- Requires data/information while also utilizing judgment
- Establishes organizational focus
- Facilitates decision making
- Results in a documented strategy

### Managing Strategic Momentum
- Emergent approach (“the compass”)
  - Relies on intuitive thinking, leadership, and learning
- Day-to-day activities of managing the established strategic plan
- Ongoing evaluation of strategy performance
- Is a learning process
- Initiates new strategic thinking and planning based on performance measures

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Even the longest journey begins with a single step.
- Chinese Proverb

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### Steps in the Planning Process
- Review/develop mission and vision statements
- SWOT Analysis
  - Assessment of internal attributes of the organization
  - Analysis of the external business environment
- Synthesis of data
- Strategy development
- Creation of specific objectives/tasks
- Ongoing tracking and modification of strategy

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Strategic planning is worthless – unless there is first a strategic vision.
- John Naisbitt
Mission & Vision Statements

• Mission Statement
  – Describes the purpose and present business of an organization
  – “Who are we? What do we do? Why are we here?”

• Vision Statement
  – Management’s aspirations for the business
  – “Where do we want to go? Who do we want to be?”
  – Steers company personnel in a common direction

SWOT Analysis

• Review of the internal Strengths and Weaknesses of an organization
• Assessment of the external environment to determine current Opportunities and Threats
• Provides a snapshot of the company’s overall situation at a specific point in time

Strengths and Weaknesses

• What does the organization do well?
• What differentiates your practice from others in the market?
• What is your competitive advantage?
• What deficiencies currently exist in the company?
• What factors are currently putting you at a competitive disadvantage?

Opportunities and Threats

• What factors are driving industry change?
• Where are the opportunities for growth?
• How are your competitors positioned?
• What strategic moves are rivals likely to make?
• How might this affect you?

Service Area Competitor Analysis

• Define service categories
• Define geographic area
• Identify your competitors
• Conduct competitor analysis
• Anticipate likely actions/strategies

Synthesis of Data

• The SWOT is done, now do something with the data!!
• Look for correlations between internal and external factors
  – How can we use our strengths to take advantage of our greatest opportunities?
  – What steps do we need to take to overcome our weaknesses to better respond to opportunities?
  – How do we minimize our weaknesses to protect against external threats?
  – Which opportunities and threats must be considered for us to fulfill our mission/vision?
Strategy Development

• Review current strategy to determine effectiveness
• Utilize synthesized info to develop strategy
• Develop a plan that…
  – Is consistent with your mission/vision
  – Capitalizes on your strengths
  – Overcomes your weaknesses
  – Aims to capture the best opportunities
  – Defends against your greatest threats

Communicating the Strategic Plan

• Share your strategy with team members
  – Not everyone will know or understand the underlying issues that led to your strategy
• Establish specific objectives/goals for the organization to achieve its strategies
  – Assign tasks to team members/departments
• Make goals SMART
• Accountability
• Communicate results
• Contingency planning

The Role of Transformational Leadership

• Leadership style emphasizing a common purpose/vision among group members
• Leaders and followers raise each other to higher levels of motivation
• Draws on the expertise of team members to maximize success of strategic management
• Gains employee support of the mission, vision, values, and goals of the organization
  – NASA

You have to be fast on your feet and adaptive or else a strategy is useless.

- Charles de Gaulle

Tracking Results/Managing Strategic Momentum

• Ongoing assessment of performance
• Determine effectiveness of strategic plan
• Modify strategy based on results
• Continue to assess performance

Case Study – Coca Cola
You can never plan the future by the past.
- Edmund Burke

Myth # 1
Past performance guarantees future success

Case Study - Blockbuster
- Market leader in movie rentals as recently as 2004
- Company valued as high as $8 billion
- Slow to respond to industry changes
- Failure to anticipate how technology would affect distribution channels
- Increasing competition – Netflix, Redbox
- Significant loss of market share
- Filed for bankruptcy in 2010
Case Study - Kodak

- Early industry leader in film processing
- Market share leader in photographic film and camera sales (1976)
- Slow to respond to market changes
- Delayed shift towards digital technology
  - The digital camera was actually invented by a Kodak engineer in 1975
- Declared bankruptcy in 2012

Myth # 2

Strategic planning is only for large companies

- In 2009, there were 5.8 million employer firms in the U.S.
- 89.7% of these firms employed 20 of fewer workers
- 99.7% employed 500 of fewer workers

* U.S. Census Bureau Data - 2009

Case Study - MERSI

- Mission Statement
  - Expert, individualized eye care in a customer-centered environment
  - Center of excellence in the treatment of uveitis/OID
- Vision Statement
  - Recognized locally as a full-service specialty eye care center
  - Recognized internationally as THE place to go for uveitis/OID care
  - Known for offering industry-leading customer service

Myth # 3

Creating a strategic plan takes too long and costs too much

Case Study - MERSI

- Strengths
  - Established and loyal referral base
  - Foster name/reputation in uveitis care
  - Customer service mentality
- Weaknesses
  - Weak online presence
  - Undeveloped marketing program
  - Complex workflow leads to lengthy appointment times
  - Labeled as only treating OID
Case Study - MERSI

- **Opportunities**
  - Trend of patients seeking out medical information online
  - Recommended treatment algorithms are complicated, requiring specialty expertise
- **Threats**
  - Substitute products
  - Intense local competition
  - Increased demand for better patient experience
  - Declining reimbursements

Synthesis # 1

- **Weaknesses**
  - Weak online presence
  - Undeveloped marketing program
- **Opportunities**
  - Trend of patients seeking out medical information online

Strategy # 1

- Implement an online marketing campaign to attract more patients to the practice
  - Update company website to improve upon its image and functionality
  - Launch Google AdWords campaign to attract patients with specific eye diseases

Outcome

- Website traffic increased by over 20%
- New patient referrals increased by 8%
- Noticeable increase in the number of prospective patient inquiries

Synthesis # 2

- **Strengths**
  - Customer service mentality
- **Weaknesses**
  - Complex workflow leads to lengthy appointment times
- **Threats**
  - Increased demand for better patient experience

Strategy # 2

- Launch a customer service improvement project to achieve our service vision
  - Implement specific customer service training plan for all team members
  - Reinstate customer satisfaction survey
  - Launch workflow optimization software to streamline clinical flow and reduce total visit time
**Outcome**

- 15% improvement in total patient visit time
- 12% improvement in patients “very satisfied” with their appointment
- Still early on with this strategy

**Considerations**

- Strategy must correlate with the current internal and external environments
- SWOT should be reviewed annually
- Strategy evolves over time
- Results must be tracked to determine effectiveness of strategy
- You will not get it right every time

**References**


**For more information…**

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