



STRATEGIC PLANNING: *An Overview*

April 23, 2014

Linda K. Reimann

Assistant Dean, WUSM Strategic Planning
Executive Director, BJH/SLCH/WUSM Joint Office of Strategic
Planning

OBJECTIVES: Today's Session

- Review General Strategic Planning Concepts
- Provide an Overview of Strategic Planning at WUSM and SLCH
- Understand the Different Components of a Strategic Plan
- Discussion/Practice
- Learn Key Factors for Successful Plan Implementation
- What Else?

WUSM Strategic Planning/ Joint Office of Strategic Planning

Larry Shapiro, MD
Washington University School of Medicine
Executive Vice Chancellor and Dean

Richard Liekweg
Barnes-Jewish Hospital President

Joan Magruder
St. Louis Children's Hospital
President

Rick Stanton
Assoc. Vice Chancellor and
Assoc. Dean for Admin/Finance

James Crane, M.D.
Assoc. Vice Chancellor for Clinical Affairs
CEO, Faculty Practice Plan

Mark Krieger
Chief Financial Officer

Michele McKee
Chief Financial Officer

Linda Reimann
Assistant Dean, WUSM Strategic Planning
Executive Director, JOSP

Kimberly Bradford
Executive Secretary

Karen Smith
Manager, Strategic Planning

Janice Renfro
Manager, Strategic Planning

John Sauer
Manager, Strategic Planning

Philip Talcott
Planning Associate

Sara Ayers
Planning Associate

Michele Goad
Planning Associate

- = Dean's Office
- = Faculty Practice Plan
- = Barnes Jewish Hospital
- = St. Louis Children's Hospital

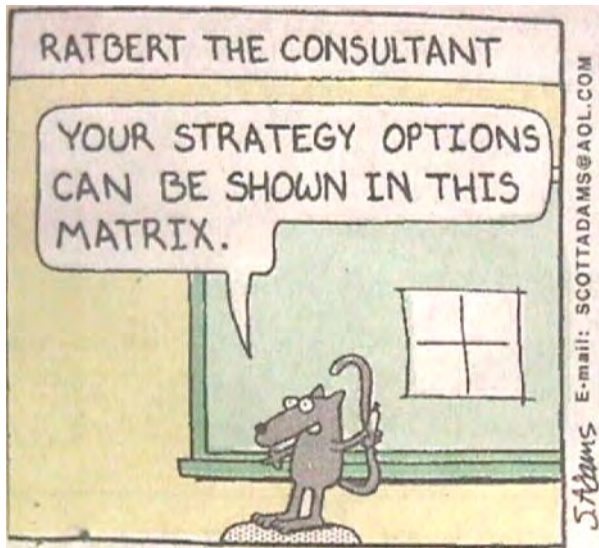
What Is Strategic Planning – And Why Plan?

“I have aplan”



“We should hire a consultant.”

From 



Four Simple Questions

- Where is the organization today?
- Where should the organization be in the future?
- How should the organization get there?
- Is the organization getting there?

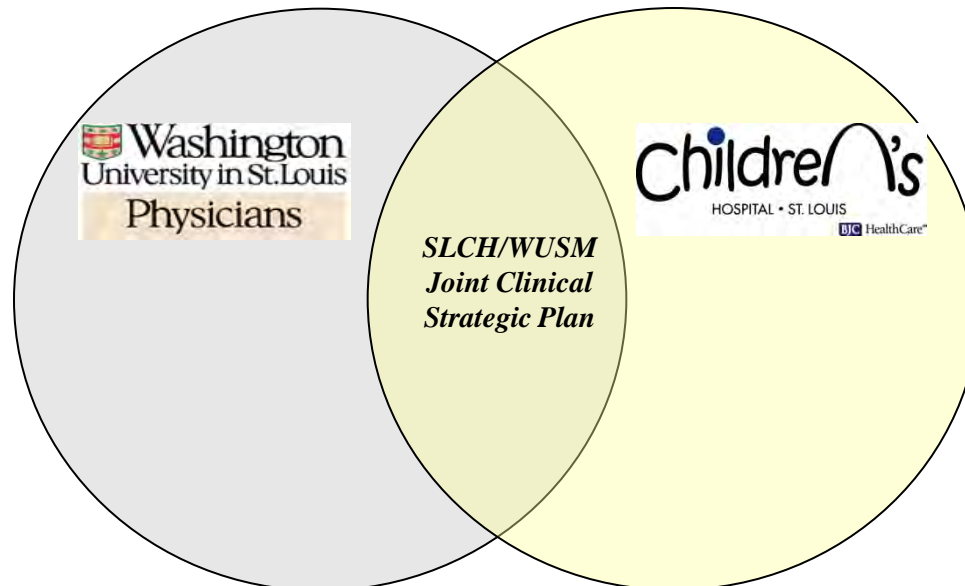
***OVERVIEW:
Strategic Planning at WUSM and SLCH***

Key Processes

- BJH/WUSM Joint Clinical Strategic Plan
- Annual Department Strategic and Financial Planning
- Clinical Service Strategic Plans e.g. Pediatric Heart Center
- **SLCH/WUSM Joint Clinical Strategic Plan**

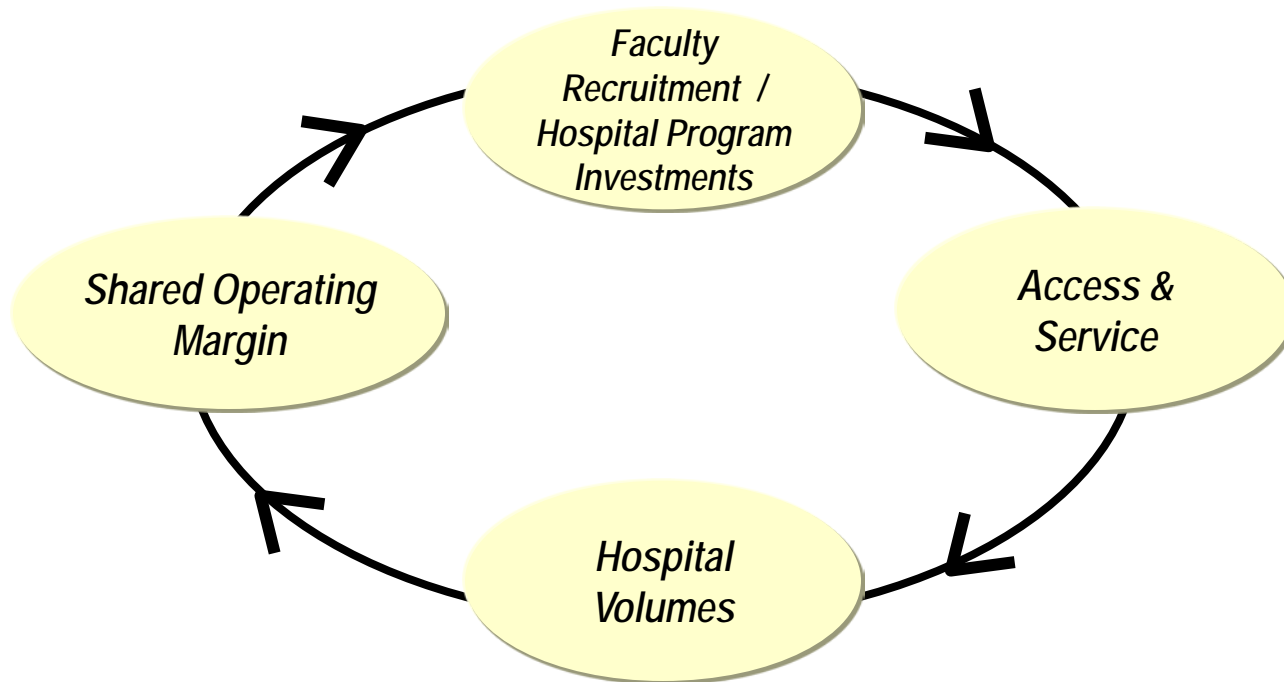
SLCH/WUSM Joint Planning

- Align school and hospital priorities to best **develop outstanding, differentiated clinical programs**
- **Leverage our affiliation agreement** to maximize our shared success
- Enhance the pipeline and **development of future pediatric subspecialists and faculty.**
- Develop a true spirit of **partnership, collaboration and mutual accountability**



SLCH/WUSM Joint Planning

- *The SLCH/WUSM Affiliation Agreement provides a strong financial incentive to align our institutions for shared success.*



SLCH/WUSM Joint Planning

- *Together we develop goals, specific targets, strategies and tactics:*

Key Plan Components

- *Medical innovation*
- *Quality of care, clinical outcomes & patient safety*
- *Access to care and service quality*
- *Faculty recruitment, retention and development*
- ✓ *Volume growth*
- ✓ *Financial performance*

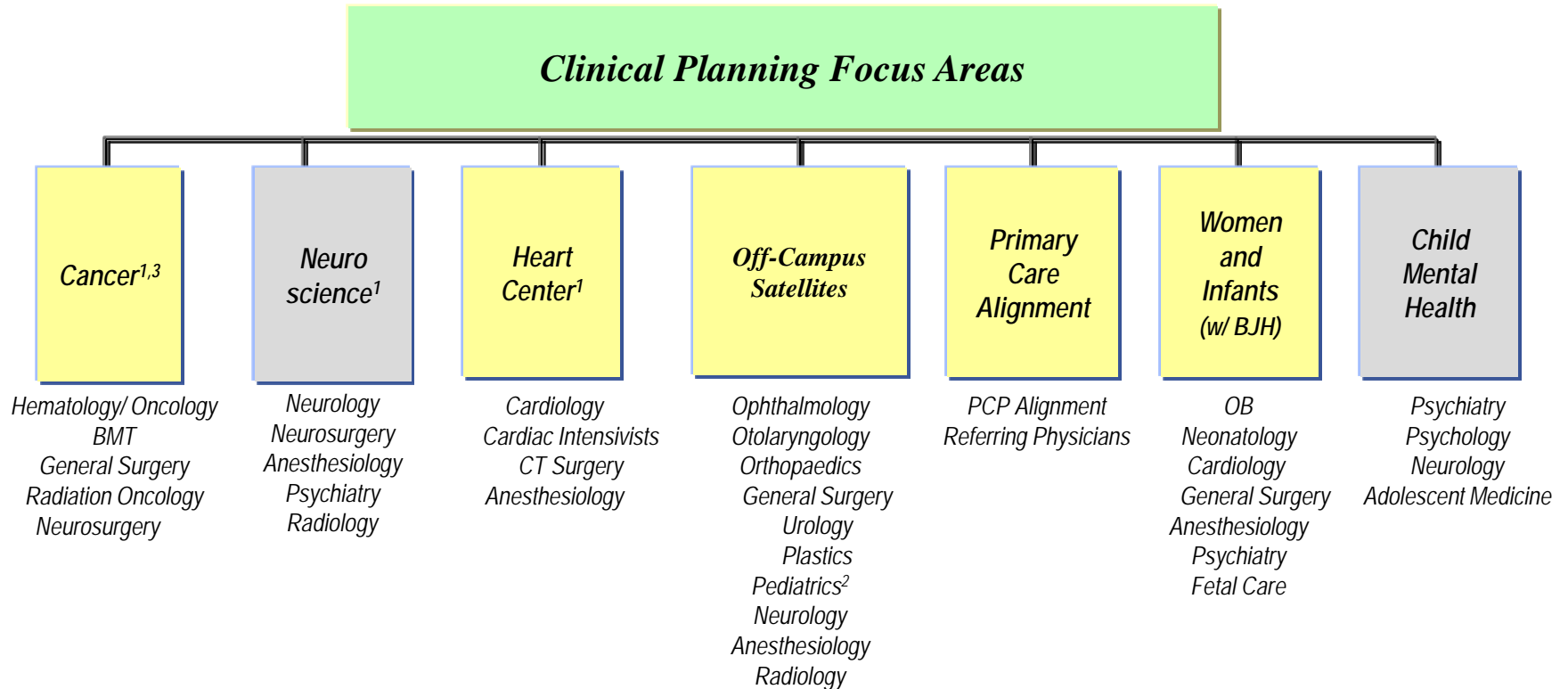
SLCH/WUSM Joint Planning

- *Each institution commits to the necessary investments (in faculty, staff, facilities, operations, etc.) to achieve plan goals*
- *Implementation and progress toward goals are monitored on a quarterly basis by an **Executive Oversight Committee***

SLCH/WUSM Joint Planning

WUSM	SLCH
Faculty Practice Plan CEO (Co-Chair)	President (Co-Chair)
Dean, School of Medicine	Chief Financial Officer
Clinical Department Chairs and/or Service Chiefs:	Chief Medical Officer
- Pediatrics	Hospital Vice Presidents
- Anesthesiology	BJC HealthCare VP of Strategic Planning
- ENT	
- Neurology	
- Neurosurgery	
- OB/Gyn	
- Ophthalmology	
- Orthopedic Surgery	
Linda Reimann, Executive Director, JOSP	

SLCH/WUSM Joint Planning



¹ Radiology to be included as appropriate

² Pediatric Medical Subspecialties: Cardiology, GI, Allergy/Pulmonary, Endocrinology, Rheumatology, Genetics, Hematology/Oncology

³ Includes neuro-oncology

Why Plan?

Why Plan?

- *“We need to determine areas of excellence in which to invest.”*
- *“We need to be competitive to attract new faculty.”*
- *“We always seem to manage to the latest crises.”*
- ?

Why Plan?

- Change
- Engagement
- Structure
- Measurement/Assessment
- Results!

Four Simple Questions

Where is the Organization Today?

Where Should the Organization Be in the Future?

How Should the Organization Get There?

Is the Organization Getting There?

Mission & Values

Environment

Vision & Goals

Strategic Initiatives

Operating Plans

Metrics/
Assessment

Strategic Plan

Michael Porter on Successful Strategy

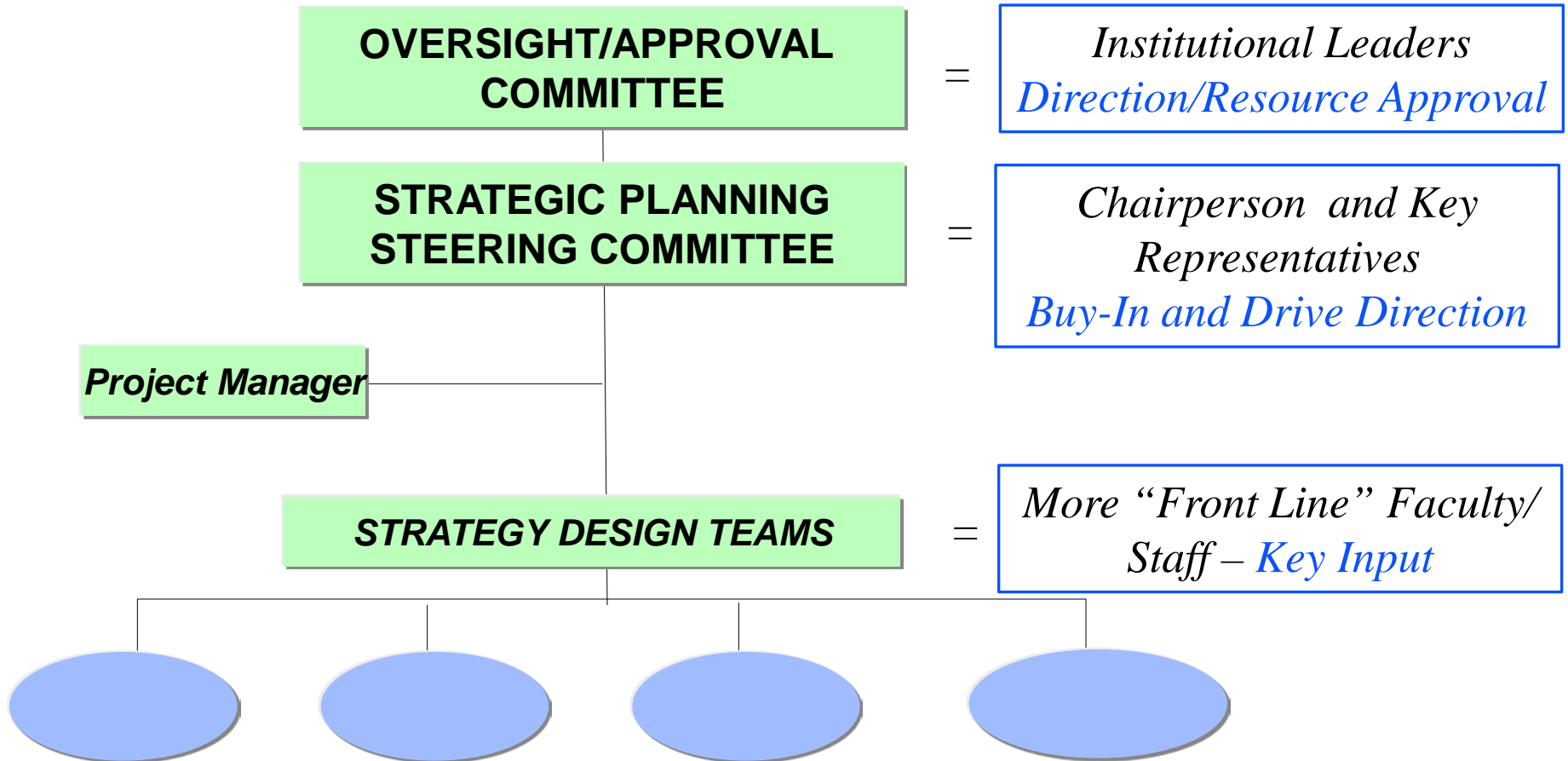
- Strategy focuses on unique activities/functions
- Focus on doing things that are different from competitors, or doing similar things in different ways
- Sustaining a strategic position requires trade-offs – “what not to do” as much as “what to do”
- More of one thing means less of another

Getting Organized: Who, How and When

Who Is Involved?

- *Who are the important stakeholders/leaders who would approve or devote resources to the plan?*
- *What departments, divisions, institutions need to be represented?*
- *Who will provide the vision and drive our future direction?*
- *Which faculty or staff should provide input or help shape strategy?*
- *Do we need to engage people more broadly? How will we do this?*

How Will We Manage the Process?



Are We There Yet?

Phase I:

Environmental Assessment

Phase II:

Vision, Goals

Phase III:

Strategy Development

Phase IV:

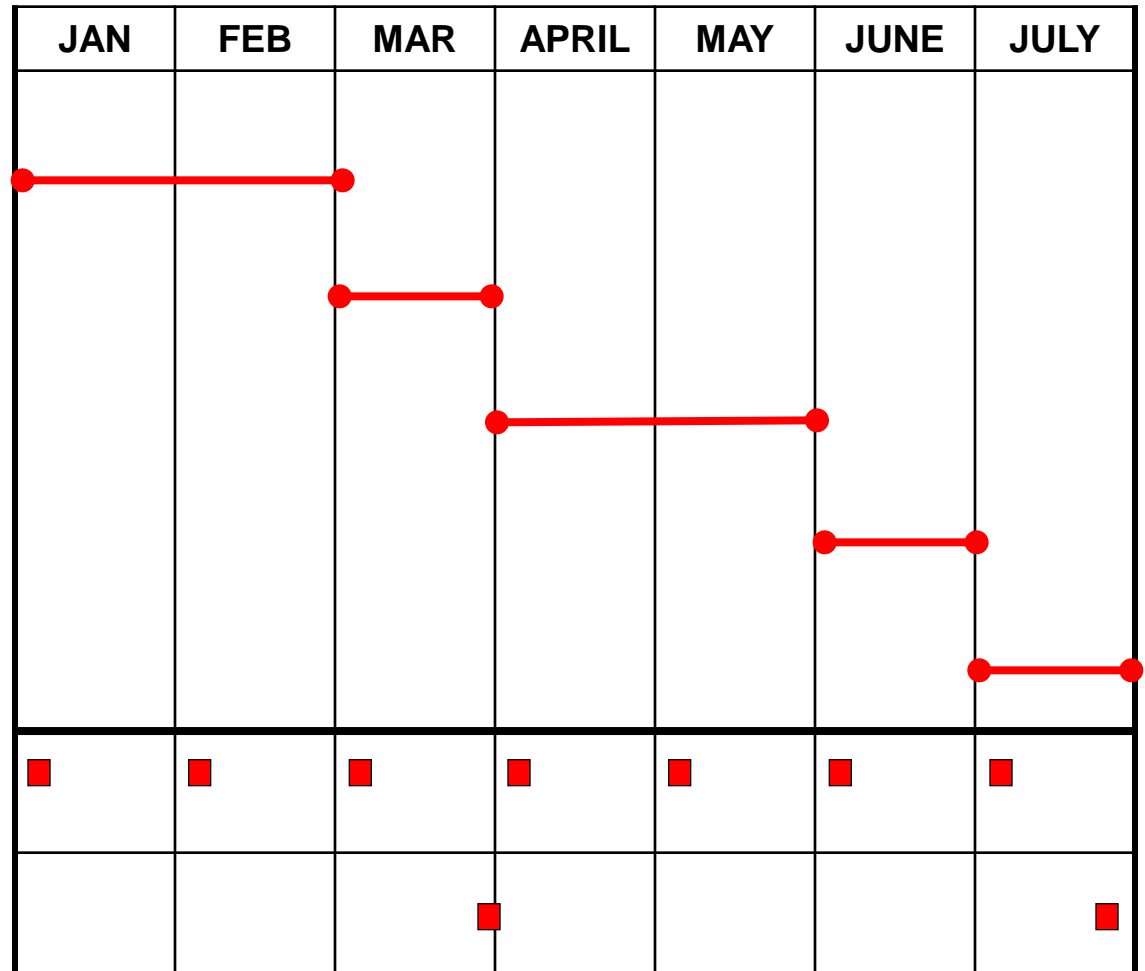
Draft Plan and Implementation and Operating Plan

Phase V:

Finalize Plan/Obtain Approval

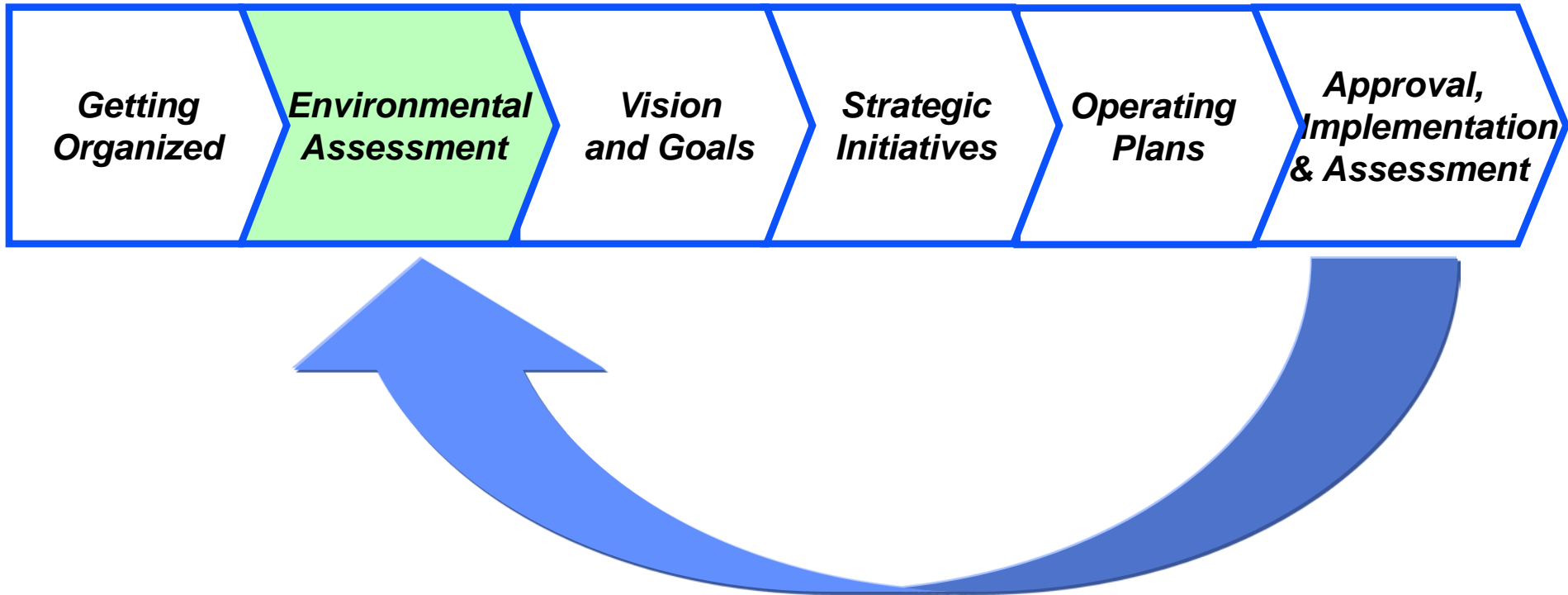
Steering Committee Meetings

Plan Presented to Board for Approval



Assessing the Environment

Strategy Development



Environmental Assessment



Key Questions

- What are the macro trends impacting our mission?
- What are our opportunities and threats?
- What is the competitive landscape?
- What are our strengths and weaknesses?
- What are the key statistics we want to track on a regular basis?
- What can we learn from others about ourselves?

External Assessment

- Technology trends (in care delivery, education, research)
- Regulatory/Accreditation requirements
- Economic development (new roads, developments, etc.)
- Key competitors (local and national)
- Demographic trends
- New/potential market entrants
- Rankings/Consumer preference studies
- Research funding trends
- Pharmaceutical/technological trends

Internal Assessment

- Faculty profile (gender, diversity, age)
- Trends in research funding, publications and technology transfer
- Key Clinical Indicators (patient volumes, market share, quality indicators)
- Financial profile and performance
- Satisfaction Surveys (patient, physician, and employee)
- Qualitative comments on:
 - Strengths/weaknesses of key departments and the organization
- Facilities and technology (including IT)

Assessment Tools

- Interviews
- Benchmarking with other institutions
- Surveys
- Crowd sourcing/social media



Critical Components

Data:

- ✓ examined at a detailed level, but
- ✓ presented in summary fashion
- ✓ with minimal impact on strategic situation of the should be excluded

Assessment that tells a story:

- ✓ does not just present a series of factoids
- ✓ does not just show how much analysis has been conducted

Conclusion that narrows various strategic options

Strengths, Weaknesses, Opportunities, Threats (SWOT)

STRENGTHS

Current advantages

Build
Leverage
Maintain

WEAKNESSES

Current deficiencies

Remedy
Eliminate

OPPORTUNITIES

Known possibilities to strengthen and/or improve your program

Prioritize
Maximize

THREATS

Possible external events that could harm your program

Counter
Reduce

Resource: [Templates on AAMC GIP website](#)

Key Conclusions and Implications

Flat research funding from traditional sources

- Flat NIH funding
- ↑ Multidisciplinary research
- ↑ Clinical research



- ↑ Competition for strong faculty
- ↑ Competition for projects
- ↑ Access to new research funding sources
- ↑ Maximize research efficiency.

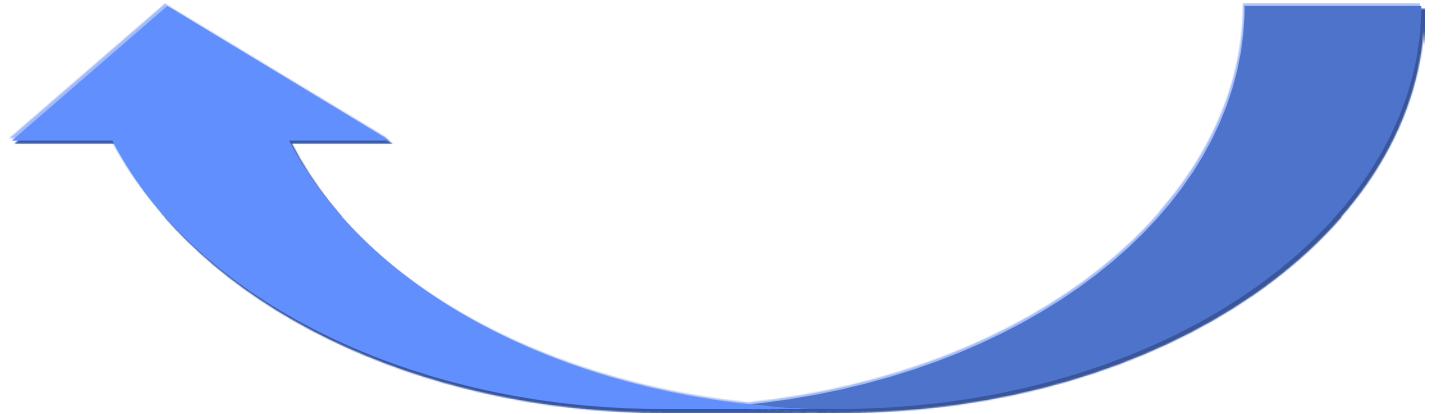
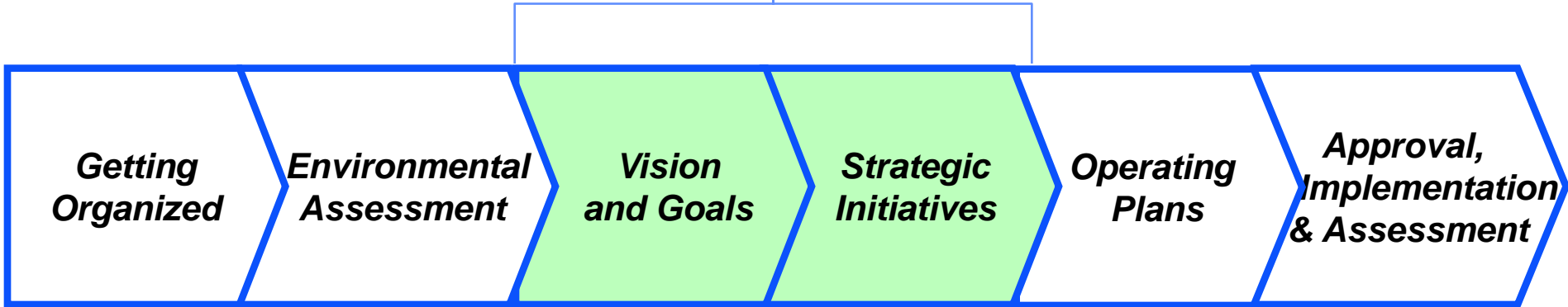


SWOT/Strategies Exercise

Strategic Direction

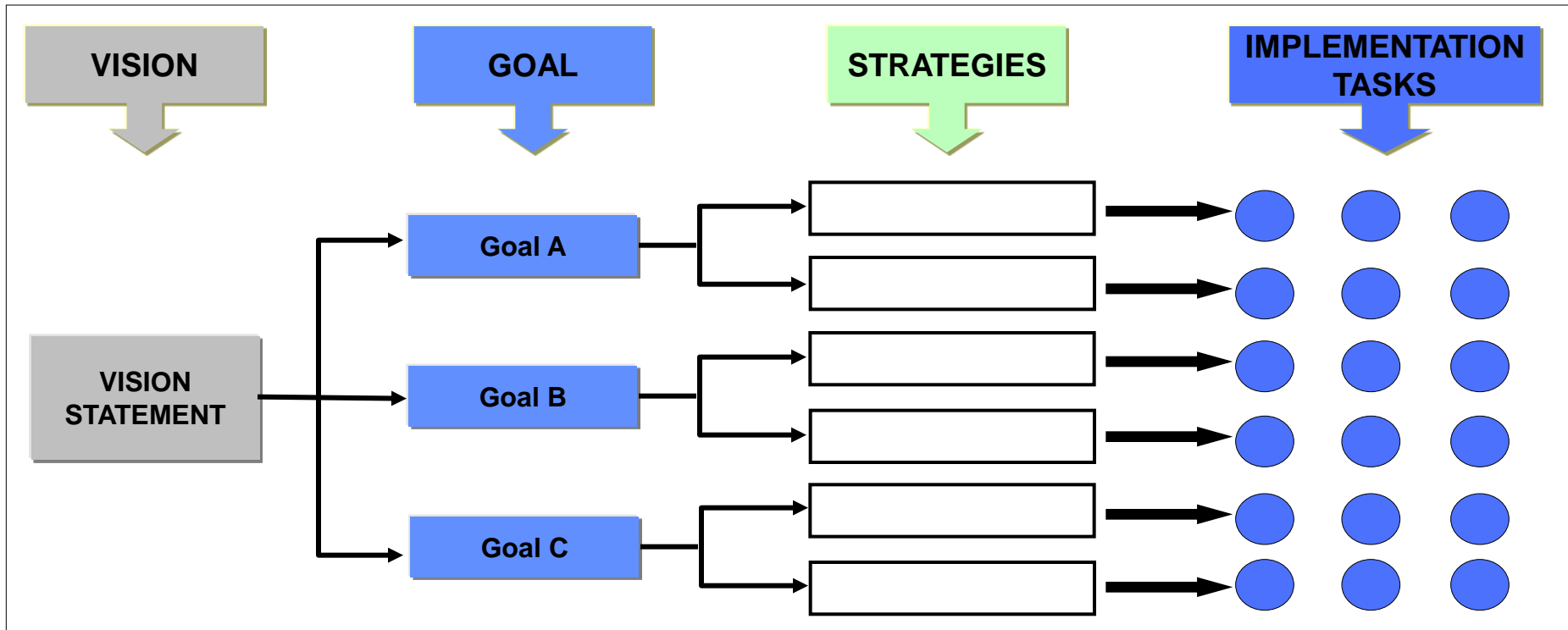
Strategy Development

Strategic Direction



Structure

- Each statement lays the foundation for the next



Vision

- Answers the question: **What do we aspire to become?**
- Emphasizes a **longer term** view and is **future focused**

Vision Statement/Elements

VISION ELEMENTS

- World leader in discovery and innovation
- Set standards for service excellence and quality
- Strong and creative physician and employee partnerships and relationships

VISION STATEMENT

Washington University Physicians will be recognized as a world leader in innovative, highest quality medical care. We will set a new standard for delivering compassionate, respectful, responsive patient care. We will create an environment that will attract and support the most highly talented physicians and staff.

Goals

- **Support** the vision statement
- Generally **shorter term** – 3-5 years
- **Framework** by which strategies and tactics will be developed
- Can be **monitored** for success, over time
 - Define metrics to measure achievement
- Primary **link** to management or operational plans

Vision and Goals



VISION:
***#1 in local market and
Premier Provider
of Select Tertiary
Care Services***

A. Clinical Excellence

Develop clinical excellence by offering an array of strong core services and select regional programs.

B. Dominant Community Provider

Become the market leader in the Primary Service Area (PSA)





C. Solid Financial Performance

Focus on select growth opportunities which improve ABC financial strength while maintaining a low cost position.

D. Academic Excellence

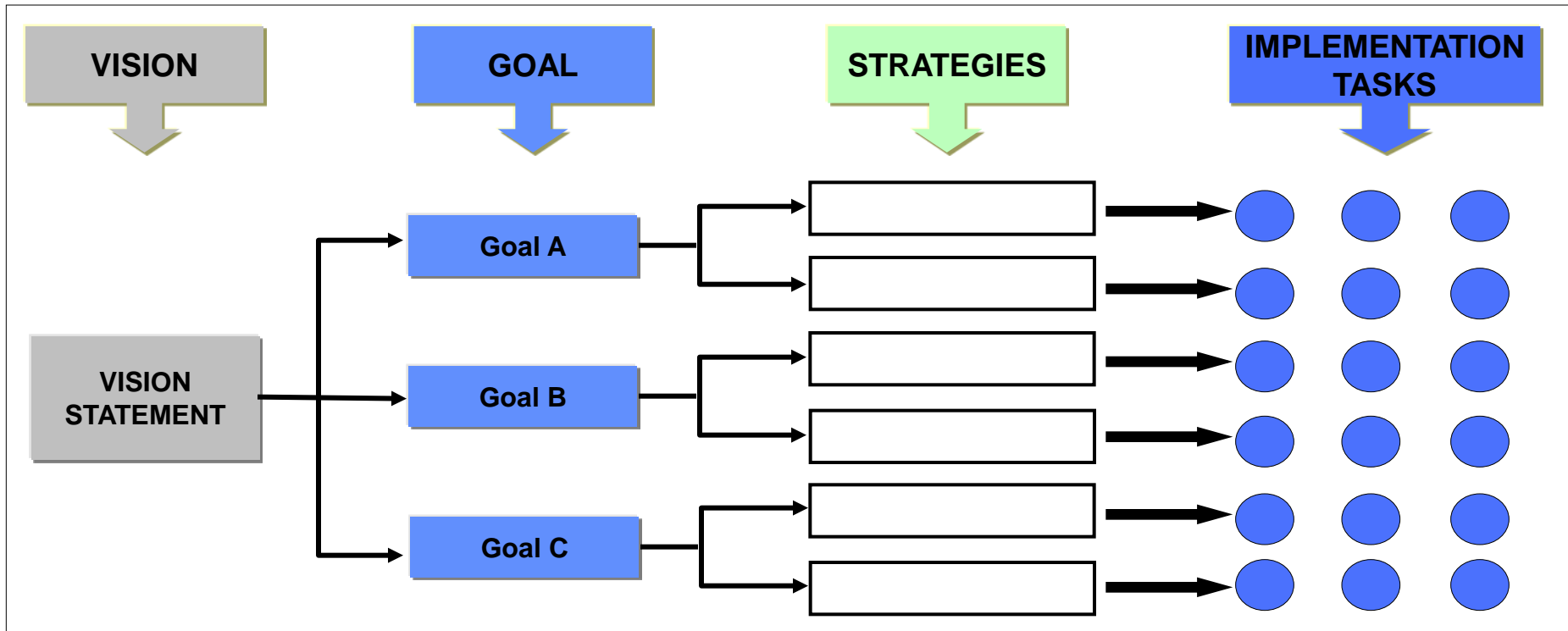
Strengthen the academic enterprise by focusing on excellence in biomedical research and teaching.

Goals and Metrics

<u>Critical Success Factor</u>	<u>Goals</u>	<u>Metrics</u>	<u>Current Situation</u>
Market Position 	<ul style="list-style-type: none"> Market leader in both volume and market share 	<ul style="list-style-type: none"> 20% local market share 5% regional market share 	<ul style="list-style-type: none"> 16% local share 4% regional share
Clinical Program Dominance 	<ul style="list-style-type: none"> “Known” for 3 - 4 key services Top 20 in NIH Funding 	<ul style="list-style-type: none"> >50% market share in key programs 3 - 4 programs “dominant” in market 	<ul style="list-style-type: none"> Cancer Center
Top Academic Performance 	<ul style="list-style-type: none"> Top 20 in NIH Funding 	<ul style="list-style-type: none"> Targets: RO1 per faculty Hit “Top 20” NIH Rank 	<ul style="list-style-type: none"> No. 26 in NIH funded Schools of Medicine
Financial s 	<ul style="list-style-type: none"> Superior Financial Performance <ul style="list-style-type: none"> - Low cost - Strong operating management 	<ul style="list-style-type: none"> Lowest cost tertiary provider Operating margin = 7% 	<ul style="list-style-type: none"> UHC top 5 %ile cost/pt day Operating Margin = 3%

Structure

- Each statement lays the foundation for the next



Goals and Strategic Initiatives

GOALS	STRATEGIC INITIATIVES
<p>GOAL #A:</p> <p>Clinical Excellence</p> <p>Offer an array of strong clinical services and select regional programs</p>	<p>A-1: Fill gaps/strengthen core clinical services to solidify/improve community/regional market position and create necessary foundation to achieve over all clinical excellence.</p> <p>A-2: Create 2-4 true regional programs which will have significant regional market position.</p> <p>A-3: Link with community hospital ACOs to develop partnership/relationships which can feed tertiary care services.</p> <p>A-4: Develop communication plan to create awareness of clinical services to our internal and external constituents</p>

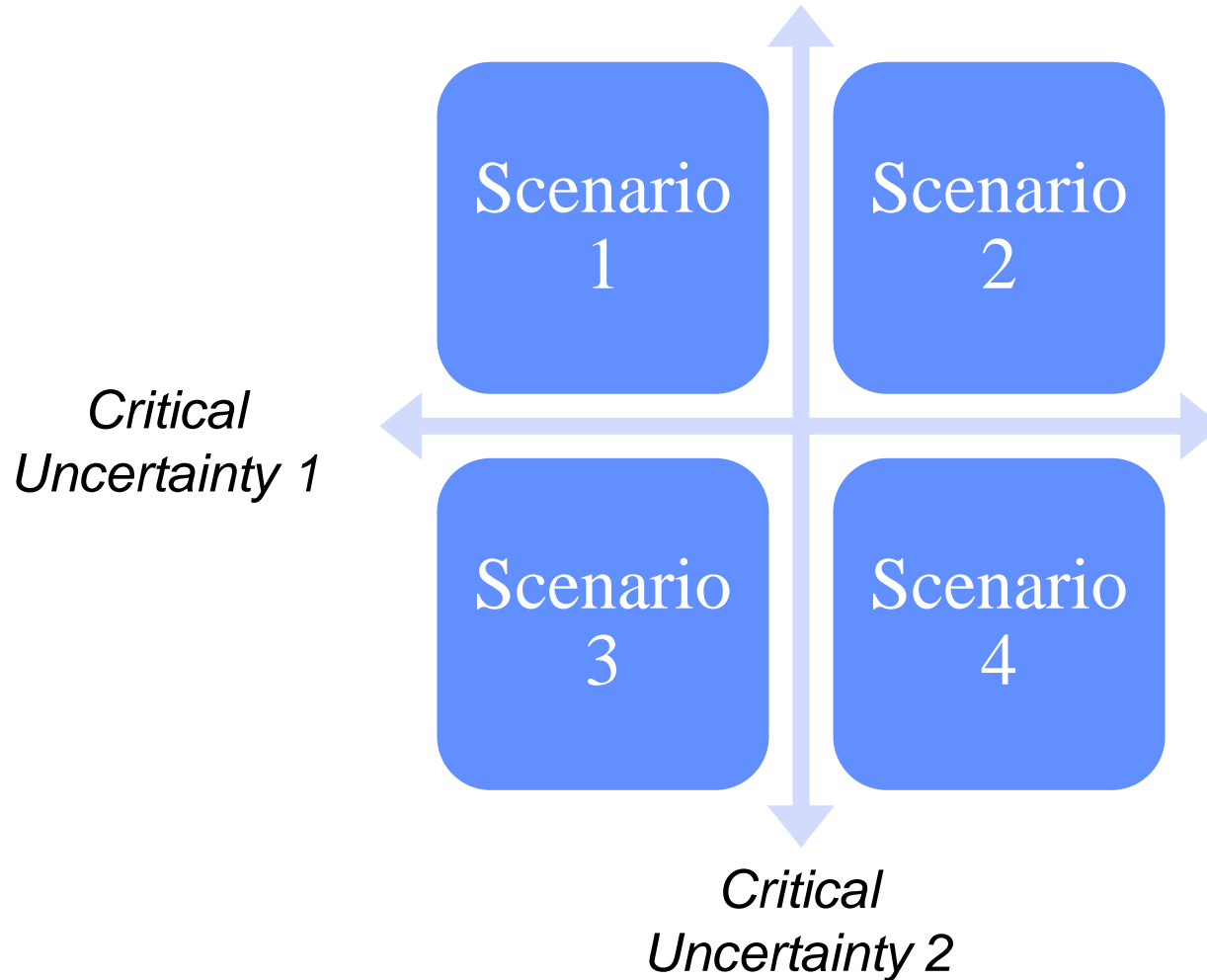
Every person takes the limits of their own field of vision for the limits of the world.

Arthur Schopenhauer

Things Change

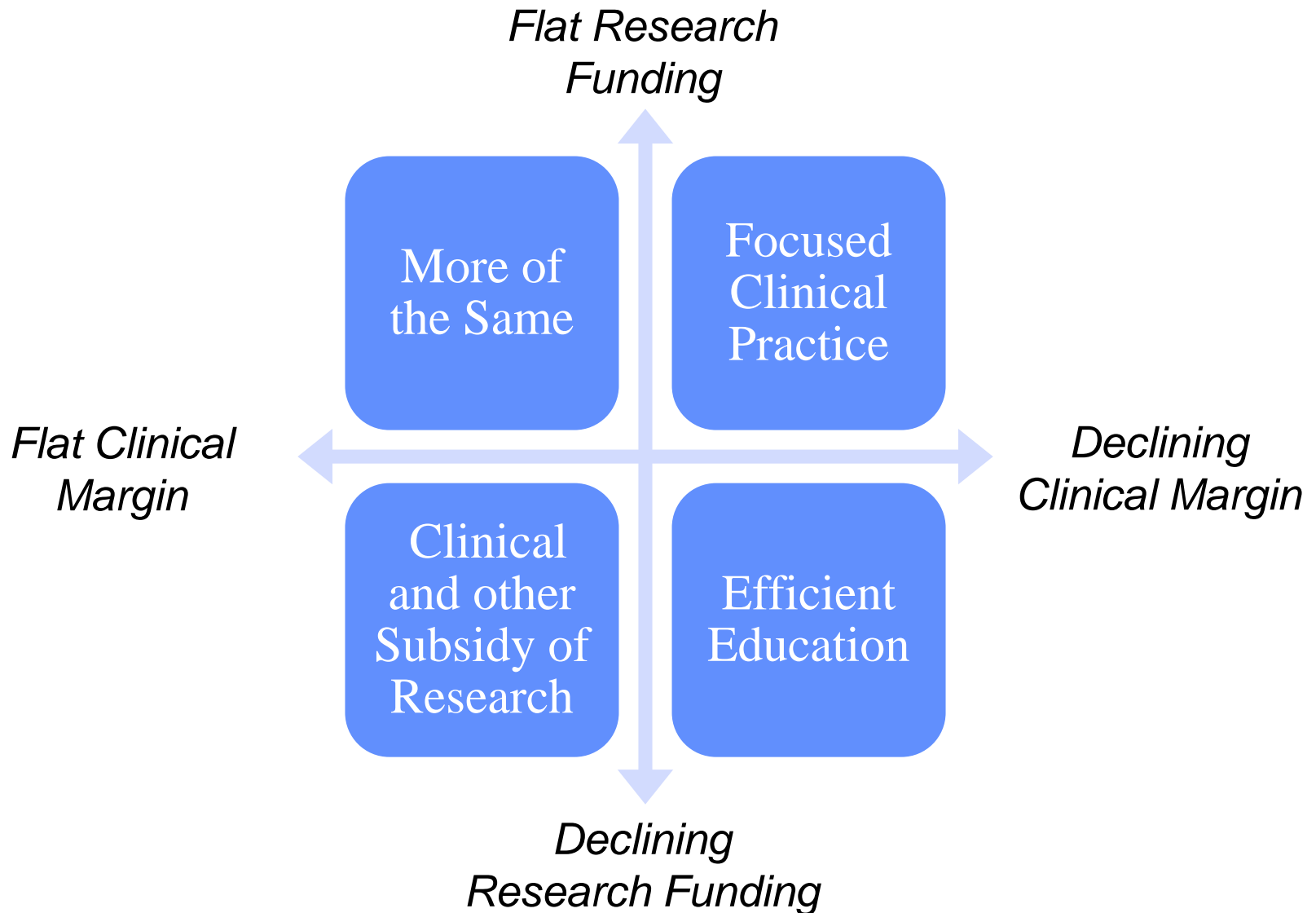
- ***“640K [of RAM] ought to be enough for anybody”***: Bill Gates, 1981
- ***“President George W. Bush will propose a National Institutes of Health (NIH) budget of \$27.3 billion, a rise of almost 16% that represents a doubling since 1998”***: Science Now, Jan. 25, 2002
- ***“TV won’t last”***: Darryl F. Zanuck, 1946

Thinking About Uncertainty



Source: "Introduction to Scenario Planning": Maree Conway, AAMC Website

Scenario Planning



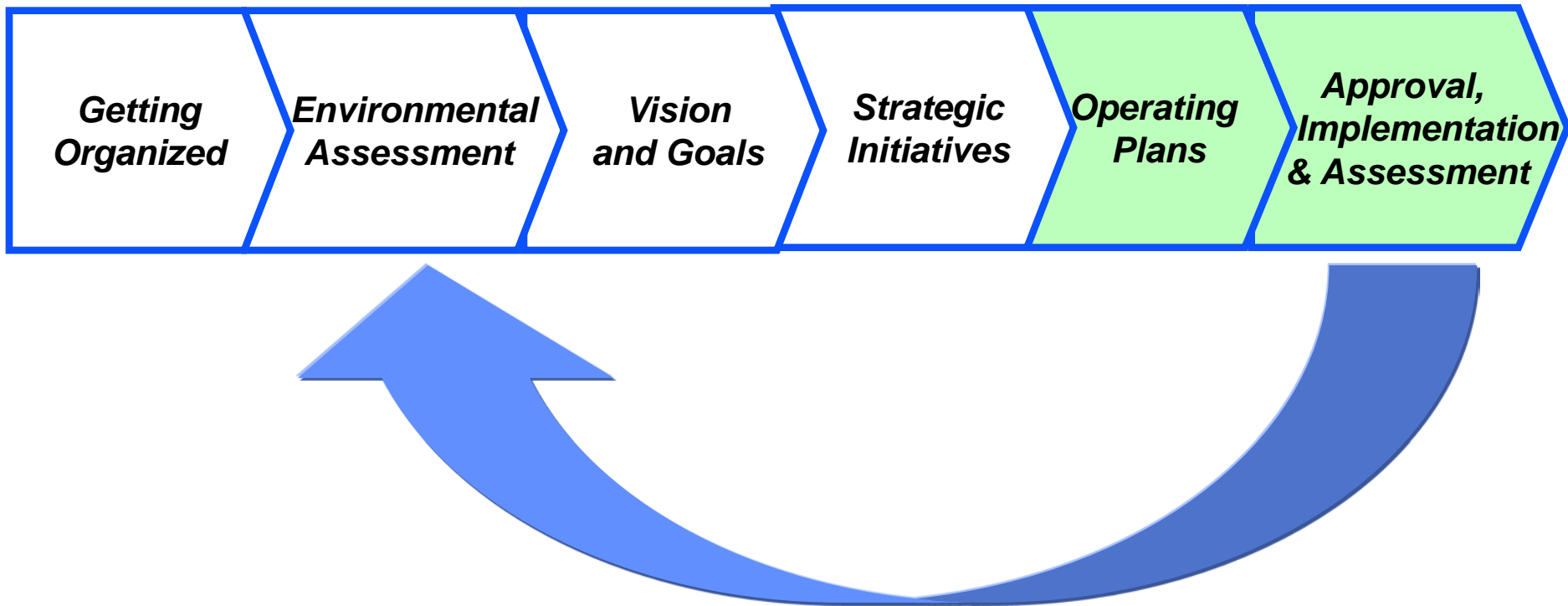
Approaches to Strategic Direction

- **Robust** – Perform well over full range of futures
- **Flexible** – Hedge, keep options open, wait
- **Multiple** – Pursue strategies simultaneously until future becomes clear
- **Gambling** – Select a strategy that works very well but only in 1-2 scenarios

Source: “Introduction to Scenario Planning”: Maree Conway, AAMC Website

Operating/Implementation Plans and Approval

Strategy Development



Implementation Tasks

- **Support** the plan goals
- **Specific actions** with operating implications
- Level at which **accountability** can be assigned
- **Resource needs** can be assessed

Implementation and Operating Plans

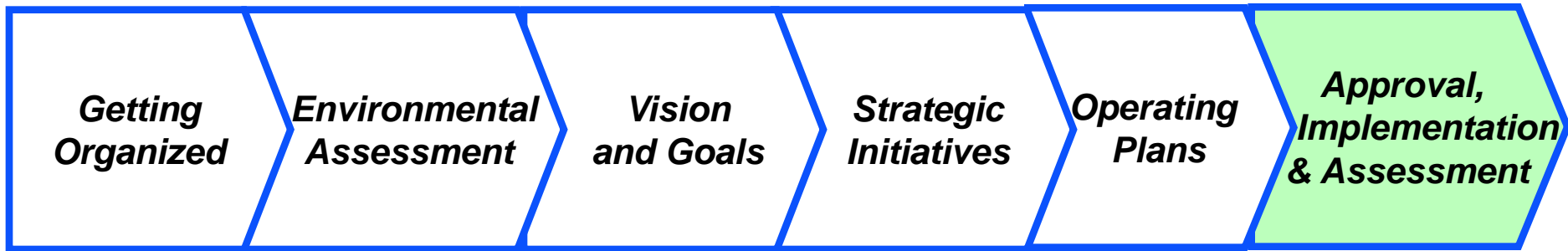
STRATEGIES/TACTICS	TARGET DATE	PERSON(S) RESPONS.	RESOURCES REQUIRED
1. Link with Community Hospital ACOs to develop network for tertiary services			
1.1 Assess necessary IT/EMR infrastructure		A. Jones	\$50,000
1.2 Approach existing partners		M. Smith	
1.3 ETC.			

Resource Approval

- Utilize the approval process identified at the outset
- Essential to get buy in from all parties and provide ample opportunities for discussion, questions, etc.
- Develop the necessary financial case for plan approval

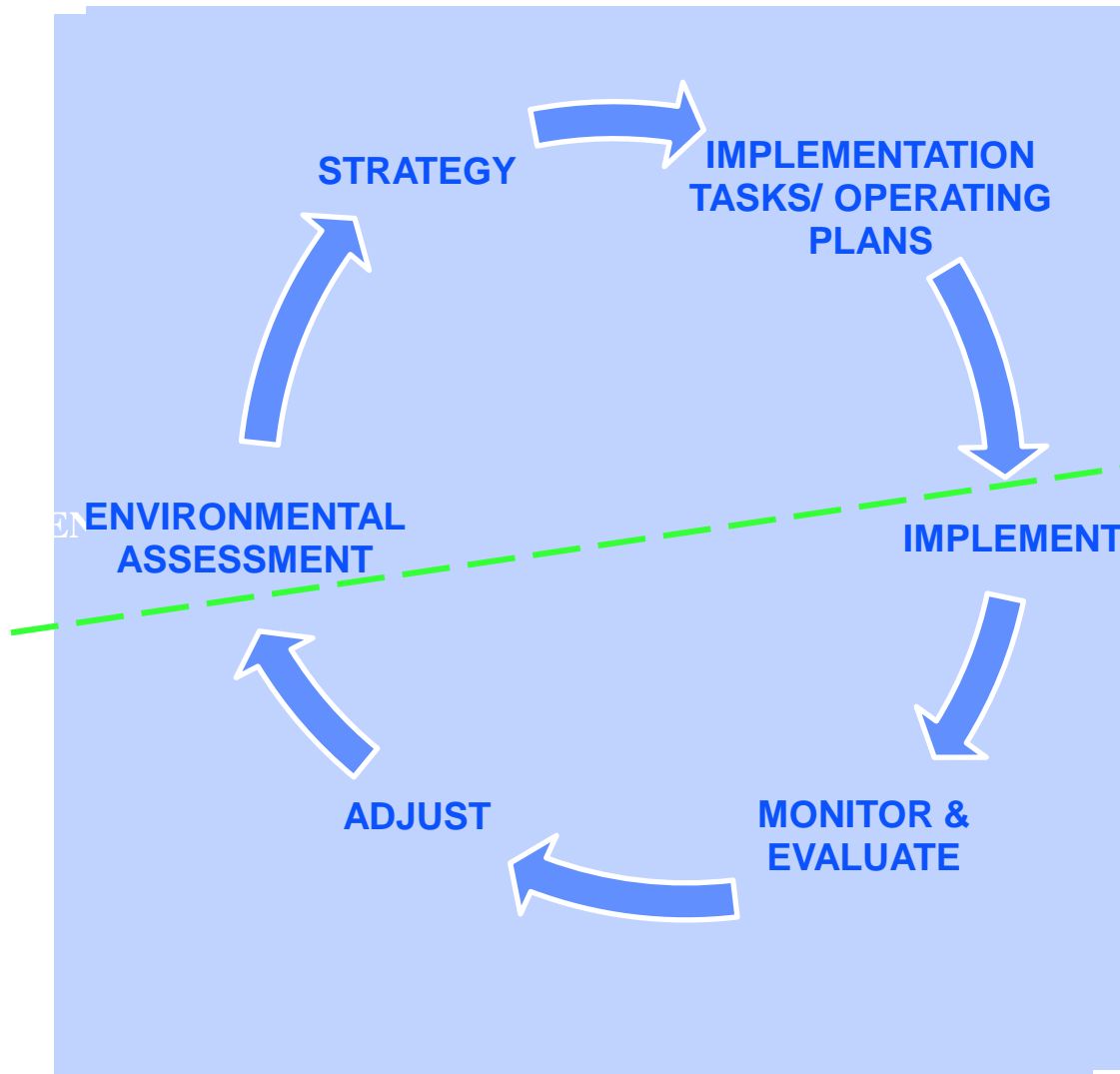
Measuring and Monitoring

Strategy Development



Implementing and Monitoring the Plan

- Planning is On-going, Continuous Process



- What we have discussed

- Successful execution is the key

- Balance between strategic and operational pressures must be maintained

Execution is Difficult

	YES	NO
NO	64%	16%
YES	16%	4%

Source: KPMG

Successful Implementation

- **Communicate**

- There is no such thing as “over-communicating” the Plan
- Key constituents should be familiar with organization’s future strategic direction

Successful Implementation

- Establish implementation **processes** and **accountabilities**
- Keep important **metrics** in front of stakeholders
- Establish links to annual, unit level **operating plans** and **budgets**
- Continually address issues as they arise and make the **tough choices**

Four Simple Questions

Where is the Organization Today?

Where Should the Organization Be in the Future?

How Should the Organization Get There?

Is the Organization Getting There?

Mission & Values

Environment

Vision & Goals

Strategic Initiatives

Operating Plans

Metrics/
Assessment

Strategic Plan

Questions?

And THANK YOU!