

## Strategic Planning: Why It Makes a Difference, and How to Do It

In oncology practice, where dramatic changes in reimbursement, technology, and the marketplace are just a few of the driving forces, “the future,” as Yogi Berra once said, “ain’t what it used to be.” You may not be able to control the future, but strategic planning can create a direction for your practice and maximize your options for influencing your environment. Without it, your group will likely take action only to address immediate problems—a kind of crisis management approach. Strategic planning gives a practice the structure to make day-to-day decisions that follow a larger vision. This article presents the principles of strategic planning and outlines processes that your practice can adapt for short- or long-term planning. Strategic decision making is needed now more than ever for success in oncology practice.

A strategic plan is a tool that moves your practice toward a goal you have set. However, the definition of a strategic plan differs among different people, according to management consultant Teri Guidi, MBA. Guidi, chief executive officer of Oncology Management Consulting in Philadelphia, Pennsylvania, points out that although there is “no wrong idea” of what a strategic plan encompasses, people often do have misconceptions about it. “Some expect a strategic plan to be precise—it’s not. Some think that it will take you forward forever—it won’t. The biggest mistake people make is already having the end result in mind when they start.”

### Why Do It?

Of all the compelling reasons for your group to engage in strategic planning, perhaps the most critical is the speed at which forces in your environment are changing. “Physicians who try to keep practicing as they have in the last five years will be at a disadvantage,” says Dawn Holcombe, MBA, president of DGH Consulting in South Windsor, Connecticut. “The world swirling around oncologists is changing, and things they may not even know about will affect their practice.”

Engaging in the process of strategic planning has benefits in addition to the plan that comes out of it. For starters, having everyone in the same room fosters collegiality and creates a milieu in which you can focus on the direction of your practice, away from patient care and other duties. In addition, the process promotes the open and creative exchange of ideas, including putting disagreements on the table and working out effective solutions.

### Short- and Long-Term Planning

Establishing the direction of your practice and identifying overarching goals provide the foundation for strategic

### Should You Use a Consultant?

Although use of an outside facilitator entails expense, turning to a strategic planning professional has a number of advantages that can contribute greatly to success, especially if you are undertaking strategic planning for the first time. A professional has done this before—many times—and thus can direct the process efficiently. He or she knows how to collect and analyze diverse information—opinions, practice data, and market reports, for example—and present it in a concise way, thereby saving you and your administrator many hours of work. As a moderator, a consultant knows how to keep a group moving forward, prevent it from getting bogged down in side issues, and objectively help participants resolve disagreements and develop effective solutions.

Perhaps the biggest value added by a consultant is guidance in assessing your environment. A well-qualified strategic planning consultant should have a thorough and current knowledge of national trends in medicine as well as detailed knowledge about oncology practice. Regarding your community, although your group naturally knows the local marketplace well, an outsider can provide a fresh and objective perspective; in fact, the familiarity of physicians with the local scene may create blind spots. Similarly, in assessing the strengths and limitations of a group, a consultant can contribute objectivity and should be able to provide national benchmarks for objective comparison.

In choosing a consultant, look for an individual or firm that will contribute valuable knowledge about national reimbursement, patient care, and business initiatives and trends affecting oncology practice. Many management consultant firms offer strategic planning services, but you will be best served by a consultant who has worked with physician practices and has significant recent experience with oncology practice.

planning, whether short or long term. In the field of health care today, a long-term plan will likely address no more than the next 3 years. After the strategic course is determined in the initial planning session, the group should meet at least annually. During these sessions, the partners should revisit the practice goals, update the environmental assessment with new data, and identify strategies needed to address issues that will arise within the next 12 months. For example, as the

retirement of one or more partners approaches, a succession plan may need to be developed (as described in related article on page 136). Meanwhile, growth in patient volume may call for recruitment strategies for both physicians and midlevel providers.

### **Scheduling a Strategic Planning Session: Who, When, and Where**

Just as there is no one way to define strategic planning, there is no single way of doing it. Examples and guidelines are presented here that you may draw on to implement a process that makes sense for your practice.

The decision makers of the practice should be the ones who conduct strategic planning. If your practice is so large that including all partners could make a meeting unwieldy, it might make sense to have a smaller group, such as the executive board, do the planning. In addition to shareholders, you may want physician associates and key managers to participate. Inclusion of individuals who are not partners, at least for some parts of the meeting, may also have advantages. This can foster buy-in to the strategic direction, thereby contributing to the success of the resulting action plan. The oncology group at the Toledo Clinic, a large multispecialty center in Toledo, Ohio, found it beneficial to include the executive director of the clinic. By participating, the director gained valuable insight into the special administrative and practice needs of oncology.

Setting aside at least one day for strategic planning is recommended, especially if this is the first time your group has undertaken it. Distribute an agenda ahead of time, and use a moderator to keep the meeting on track. The location should be comfortable and private. The participants must be able to focus solely on strategic planning, without interruption, so arrange to have patient-related calls covered. Members of the Toledo Clinic used a consultant to guide them through strategic planning, and the consultant facilitated a one-day retreat at a country club. The meeting began around 9 AM, after physician rounds, and the nurse practitioners of the group provided patient coverage. Other oncology groups may have conference space available in their office. A half-day meeting can be adequate for groups that have been doing strategic planning for many years.

### **Starting Point: Mission and Values**

Developing a mission statement for your practice—a statement of its basic purpose—is the first step of strategic planning and provides the foundation for the entire process. You may think that putting your mission in writing is a bureaucratic waste of time, but in fact, determining how to articulate your mission is a productive experience. It sets the stage for later prioritization, and the process compels the shareholders to reflect on and express the purpose of the practice. Is providing high-quality care to patients with cancer

your entire mission? What about research? Does your practice have a mission to serve the community through education? Answering questions such as these helps spell out the core mission of the group.

Once you succinctly define the mission of your organization, you should develop value statements expressing your core beliefs regarding issues such as patient care, interaction with the community, and how members of the practice work together. In the framework of a traditional strategic plan, the mission statement is concisely expressed in not more than one or two sentences, with value statements articulated separately. However, some organizations combine the mission and values into a narrative of one or more paragraphs. The format used is inconsequential; most important is that your group express the enduring elements of your practice, which will form the foundation on which the practice direction and strategies are expounded.

For a practice that is hospital based or part of a larger organization, the mission and values of the group should be consistent with those of the larger organization. Your group may want to state its own distinct mission or simply adopt that of the larger organization, as did the group of nine oncologists affiliated with the Toledo Clinic. “In practices like ours, which are within a larger organization, it’s important to support the larger organization’s mission,” says Peggy Barton, group manager. “It could lead to confusion if the broad organization and the practice are going in different directions.”

### **Vision: Where Do You Want to Go?**

With the mission and values defined, the next step for the group is determining what kind of practice you want in the future. Again, the words of Yogi Berra apply: “If you don’t know where you’re going, you’ll wind up somewhere else.” A vision statement—whether just a few words or a longer document—creates the desired image of the future state of your practice. Do you want to be recognized for treatment of a certain type of cancer? Is your vision to be the leader in clinical research in your state? Do you want to grow larger and have a network of practice sites? The vision of the group must complement your practice environment, so you may find that your review of internal and external information (described in SWOT Analysis) leads you to revise your vision statement to some extent as you continue planning strategically.

The vision statement for your group should be painted in broad strokes, not in detail, and it should represent the end point, not the strategy for achieving it. For example, your vision may be to provide multidisciplinary services to your community, but your vision statement would not include a specific strategy, such as merging with a certain radiology group or recruiting two physicians. When developing a vision statement, an atmosphere of openness should prevail to encourage creativity and thinking beyond current boundaries.

As in all stages of strategic planning, disagreements may surface. “Different opinions about the direction of a practice are very healthy,” says Guidi. “The ideas might be in conflict, but getting them out on the table helps [you] to see what is really important.”

Barton agrees. “One purpose of the strategic planning meeting was to get everyone in the room at the same time to identify where we agree and disagree and to reach compromise. The process encouraged input from everyone, and the group made some important decisions that have helped them over the past year.”

## SWOT Analysis

The SWOT analysis—an assessment of the strengths, weaknesses, opportunities, and threats of your practice—is a staple of strategic planning. This analysis uses a mix of quantitative and qualitative information, most of which should be gathered and analyzed before the planning meeting. The process for gathering information and performing a SWOT analysis varies greatly, and there is no single correct method. The size of the group, the frequency of strategic planning meetings, and how fast changes are taking place both nationally and locally are all significant factors affecting the process.

## Internal Assessment: Strengths and Weaknesses

In identifying internal strengths and weaknesses, include hard data such as the number of new consults, cost of drugs per full-time-equivalent physician, and financial reports. It is useful to benchmark aspects of the quality and efficiency of the practice against data on other oncology practices (Sources for Benchmarking Data provides references for locating this information).

If possible, investigate the perceptions of individuals outside the practice—patients, hospital administrators, and referring physicians, for example. A consultant naturally has an advantage in gathering candid assessments from such individuals, unless an anonymous survey is used. How others view the practice can be critical to performing an accurate SWOT analysis, as demonstrated in an experience reported by consultant Guidi. In one practice that had rather long wait times, the physicians believed that the patients did not mind, because “they know that when it’s their turn, they’ll get just as much attention as the patient before.” But the patients interviewed by Guidi cited long wait times as a top complaint and said they would mention it to others considering the practice for treatment.

Gather qualitative information and opinions from physicians and staff. What do they see as the top issues facing the practice, and what do they consider to be the strengths and weaknesses of the practice? These perspectives can be provided during the meeting, but it is useful to collect information ahead of time, so a larger group can be polled,

## Sources for Benchmarking Data

- ASCO Quality Oncology Practice Initiative (QOPI). <http://qopi.asco.org>
- Medical Group Management Association: Performance and practices of successful medical groups. [www.mgma.com/surveys](http://www.mgma.com/surveys) or call 877-275-6462
- American College of Physicians: Practice management check up: Examining the business health of your practice. [www.acponline.org/pmc/new\\_checkup.htm](http://www.acponline.org/pmc/new_checkup.htm)
- Akscin J, Barr TR, Towle EL: Benchmarking practice operations: Results from a survey of office-based oncology practices. *J Oncol Pract* 3:9-12, 2007
- Akscin J, Barr TR, Towle EL: Key practice indicators in office-based oncology practices: 2007 report on 2006 data. *J Oncol Pract* 3:200-203, 2007
- Barr TR, Towle EL, Jordan W: The 2007 National Practice Benchmark: Results of a national survey of oncology practices. *J Oncol Pract* 4:178-183, 2008

and anonymity can be assured. Holcombe distributes a questionnaire to solicit information from each physician and also interviews key individuals. Her summary is then reviewed and discussed during the strategic planning retreat.

Oncology Associates in Cedar Rapids, Iowa, uses its face-to-face planning meeting to share personal perspectives about the practice. The group is small—currently five oncologists—and has been doing strategic planning for many years. SWOT data for analysis is gathered ahead of time, but at the beginning of the meeting, each physician discusses how he feels about his own practice, including his workload, his satisfaction with the schedule, and other aspects of practice. “With everyone in the room, they all hear each other’s perspective, which helps later on when we are talking about the practice as a whole and making decisions about issues such as expanding services or recruiting a new provider,” says Carole Dzingle, practice manager.

A third method is used at the Mark H. Zangmeister Center in Columbus, Ohio. The executive board of the 16-oncologist practice holds an annual strategic planning session. Glenn Balasky, executive director, obtains input from six or seven staff managers and works with the managing partner to complete a SWOT analysis that is presented at the meeting.

## External Assessment: Opportunities and Threats

Data about the marketplace of the practice, such as demographics, economic trends, referral patterns, and

competition, should be analyzed in light of whether they represent threats or opportunities. In addition to the local picture, the broader environment, including the regional health care system and approaching changes in reimbursement and regulation, should also be assessed. Although the physicians and staff in some groups stay abreast of local, regional, and national trends, a consultant knowledgeable about oncology market forces is often needed to provide an analysis of the environment. The Toledo Clinic found the report on the national picture prepared by the consultant significantly helpful.

Some groups work to keep up with trends on their own through active involvement in state and national oncology societies. The physicians of Oncology Associates are active in ASCO as well as in the Iowa Oncology Society, and the staff managers are involved with organizations such as the Association of Community Cancer Centers and the Medical Group Management Association. Physicians and staff leaders at the Zangmeister Center are involved with the Community Oncology Alliance and other oncology organizations at both national and state levels, and each staff manager actively participates in a professional organization. Monitoring the environment takes energy and commitment, but it produces advantages, according to Balasky. "It pays off in the raw market intelligence we get, and we stay in touch continually rather than having a once-a-year report."

## Developing Strategies

Once a clear picture of the practice and its environment has been established, the group should develop strategic options for moving the practice from its current status toward the desired future position. Be alert to the pitfalls of discussing operational issues and trying to decide on tactics instead of identifying strategies. For example, a strategic decision may be to go forward with implementing an electronic medical record system, but the strategic planning meeting is not the place to discuss available systems, preferred data fields, or training required. Managing these kinds of details will be the responsibility of individuals assigned in the action plan.

In some cases, the SWOT analysis can reveal weaknesses that call for implementing one or more strategic priorities before pursuing others. Practices sometimes realize they need to create the infrastructure necessary to reach their goals. For example, they may not have systems in place to provide data that will be needed to remain competitive.

In other cases, the group may come up with many strategies that need to be prioritized during the meeting or at a subsequent meeting. To narrow down big lists, Guidi describes two approaches that work well when groups meet more than once. One mechanism she uses is to put all the strategies in writing after the first meeting; she then asks individuals via e-mail to score the importance, difficulty, and cost of each strategy on a scale of one to five. In another

## More Information About Strategic Planning

Soper WD: The meeting you won't want to miss: Annual strategic planning. [www.aafp.org/fpm/20010200/28them.html](http://www.aafp.org/fpm/20010200/28them.html)

Holcombe D: Strategic planning and retreats for practices. [www.dghconsulting.net/images/holcombe\\_strategic\\_planning\\_0908.pdf](http://www.dghconsulting.net/images/holcombe_strategic_planning_0908.pdf)

McNamara C: Strategic planning (in nonprofit or for-profit organizations). [www.managementhelp.org/plan\\_dec/str\\_plan/str\\_plan.htm](http://www.managementhelp.org/plan_dec/str_plan/str_plan.htm)

approach, after one or two brainstorming sessions, Guidi boils down the information to three or four overarching goals for additional discussion by the group. Guidi finds that several short strategic planning sessions are often more productive than is a full- or half-day retreat, and in the end, the shorter sessions call for about the same total hours of physician time.

## Action Plan

The outcome of developing strategies should be the prioritization of a few (ie, two to five) achievable strategies and creation of related action plans. Many strategic plans have faltered or failed because they were too ambitious or too complex. Do not try to take advantage of every opportunity or address every limitation identified in your SWOT analysis. Some goals may be important but can be scheduled for implementation in a year or two. By having an annual strategic planning meeting to update your plan, these goals will stay in sight and can be addressed successfully.

Create an action plan to address each strategic priority within the next 12 months. Spell out steps to be taken, who will have the lead responsibility, and the milestones that will show progress. For example, a strategy of adding midlevel providers might have a work plan with dates and assignments for finalizing a position description, creating a compensation package, recruiting, hiring, and conducting orientation. A strategy of building a new facility or merging with another practice will ultimately involve complex actions, but initially, the work plan might specify only the steps involved in finding and retaining a consultant to present a business plan by a certain date. Make sure the action plan is in a format that can and will be used by those with responsibility for implementation.

Communicate the strategic goals and action plan to all clinical and administrative staff. Everyone in the practice should know the goals and clearly understand his or her role in implementing strategies to achieve them. Effective communication and cultivation of a team culture are especially important if your strategic planning results in changes or begins moving the practice in a new direction.



Keep in mind that a strategic plan does not have to involve a lot of paperwork or a big report. The mission, values, and vision of the practice should be documented, and the group should revisit them at the beginning of subsequent strategic planning meetings to validate them or make revisions if appropriate. A summary of the SWOT analysis should be included, but this may be brief, with the data that went into it provided as appendices or even stored elsewhere while

remaining easily available for updating. The action plan must be available for tracking progress. Your strategic plan must be a living document—a roadmap that guides what happens in your practice on a day-to-day basis—not a report that sits on a shelf.

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## INTRODUCING ASCO'S NEW SOCIAL NETWORKING WEB SITE

ASCO has developed a new social networking Web site, *Oncology EHR: Quality and Safety*—where different oncologists can connect and share information about the use of Electronic Health Records (EHRs) in oncology practices. This new social networking Web site serves as a platform for oncologists and different vendors of EHRs to discuss the advancements, usability, and challenges that emerge in using EHRs in oncology offices. In addition to blogging, users can build up their personal profile page and incorporate widgets and RSS feeds on their page as well. Users have already begun posting invites to EHR-related events such as EHR Web casts, EHR Lab at the Annual ASCO meeting, and other EHR symposiums to be held at ASCO throughout the year. Become a member today! Visit <http://ehr.ascoexchange.org> to sign up.



American Society of Clinical Oncology