

STRATEGIC PLANNING IN HEALTHCARE



LEARNING OBJECTIVES

- By the end of this lecture, the student will be able to:
- Describe strategic planning and the strategic planning process;
- 2. Discuss the importance of strategic planning as a dynamic process in healthcare organisations;
- Identify healthcare market powers and trends, and understand their potential impact on health services;
- Describe SWOT analysis;



STRATEGIC PLANNING (SP)

- Every organization needs to be successful over the long term in order to survive; a critical factor leading to that success lies in how well an organization can plan for the future and tap market opportunities.
- Strategic planning is the process of identifying a desired future state for an organization and a means to achieve it.
- Strategic planning is the systematic and organized process whereby an organization creates a
 document indicating the way it plans to progress from its current situation to the desired future
 situation.
- Through an ongoing analysis of the organization's operating environment, matched against its own internal capabilities, an organization's leadership is able to identify strategies that will drive the organization from its present condition to that desired future state.
- Healthcare managers at all levels need to understand the purpose of strategic planning, its benefits and challenges, the key factors for its success, and their vital role in the process.

THE PLANNING PROCESS

- Strategic planning is a dynamic and not a linear process.
- the SWOT (Strengths, Weaknesses, Opportunities, Threats) Analysis provides a foundation for strategy development.
- This analysis serves two important functions: to gather a snapshot of how the organization is currently interacting with the market in comparison to the internal capabilities and intended strategic direction of the organization, and to identify market opportunities and threats that the organization may want to address in future strategic efforts.

OCTOBER 2024

SWOT DEFINITION

- Strengths Factors that are likely to have a positive effect on (or be an enabler to) achieving the clinic's objectives
- Weaknesses Factors that are likely to have a negative effect on (or be a barrier to) achieving the clinic's objectives
- Opportunities External Factors that are likely to have a positive effect on achieving or exceeding the clinic's objectives, or goals not previously considered
- Threats External Factors and conditions that are likely to have a negative effect on achieving the clinic's objectives, or making the objective redundant or un-achievable.

STRENGTHS WEAKNESSES Examples: Examples: Special expertise, reputation, cost, Limited service lines, marketing advantages, technology deficiencies, management of staff problems, etc... advantages, etc... **OPPORTUNITIES THREATS** Examples: Examples: New technology, lack of dominant New or increased competition, competition, new markets or insurance plan changes, adverse demographic changes, adverse services, etc... govt. policies, economic

EXAMPLE OF SWOT

OCTOBER 2024 11

slowdowns, etc...

MISSION, VISION, VALUES

- The information gleaned regarding the interaction of these five forces (healthcare workforce, consumers and payers, innovations in technology, regulatory environment, and competitive rivalry) in the market is matched against the organization's **Mission**, **Vision**, **and Value** (**MVV**) statements.
- As the driving purpose of the organization, the MVVs are reviewed as part of the strategic planning process to ensure they continue to be aligned with the organization's future market environment and to help identify future desired strategic directions.
- The mission of any organization is its enduring statement of purpose. It aims to identify what the organization does, whom it serves, and how it does it.
- For example, Radiologix, a radiology services company, "strives to be the premier provider of diagnostic imaging services through high-quality service to patients, referring physicians and mutually beneficial relationships with radiologists who provide expert interpretations of diagnostic images"



MISSION, VISION, VALUES

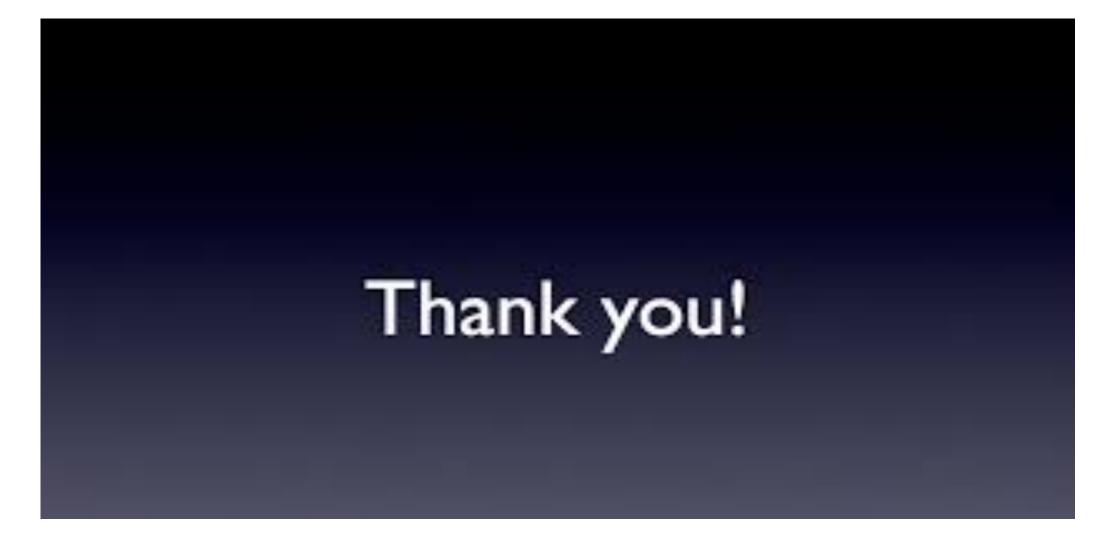
- On the other hand, a vision statement strives to identify a specific future state of the organization, usually an
 inspiring goal for many years down the road.
- The vision of the American Hospital Association is "of a society of healthy communities, where all individuals reach their highest potential for health".
- The values statement should help define the organization's culture—what characteristics it wants employees to convey to customers.
- An example of one such value from Duke University Health System in North Carolina is: "We earn the trust our patients place in us by involving them in their health care planning and treatment and by exceeding their service expectations".

MISSION, VISION, VALUES

- Although the mission statement is generally the most enduring of the three, each of these statements may be altered over time to adapt to the environment.
- As an example, the increasing influence of consumerism in health care drove an organization to revise its vision and value statements to become more customer service focused, which in turn (hopefully) helped to change the organization's culture.
- Reaffirming and/or adjusting these three statements in relation to market activity is a critical step in determining the desired future state of the organization.

REFERENCE

Buchbinder, S. B., Shanks, N. H., & Kite, B. J. (2019). *Introduction to health care management*: Jones & Bartlett Learning.



OCTOBER 2024