

Experiences with Strategic Thinking, Planning, and Management in Public Health Organizations

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Objectives

- Discuss the requirements for successful strategic planning in public health organizations.
- Understand the reasons why some organizations are reluctant to commit to comprehensive strategic planning.
- Explain some of the critical factors necessary for implementing effective strategic plans.

Objectives

- Appreciate the dynamic nature of the public health environment.
- Conduct a strategic planning process that is simple, structured, participative, efficient and effective.

Leading Strategically

- Strategic Thinking
 - An intellectual orientation, a way of thinking or mindset
- Strategic Planning
 - The periodic process of creating organizational momentum (a strategy)

Leading Strategically

- **Strategic Management**
 - A philosophy and process of continuously leading and managing an organization using strategic thinking and periodic strategic planning

Strategic Thinking

- Acknowledges the reality of change
- Questions current assumptions and activities
- Generates new ideas
- Considers fitting the organization to the environment
- Envisions possible futures

Strategic Planning

- Provides a sequential, step-by-step process for creating a strategy
- Involves periodic group strategic thinking sessions
- Requires data/information
- Helps establish organizational focus
- Facilitates consistent decision making
- Results in a documented strategic plan

Strategic Management

- Uses strategic thinking and periodic strategic planning
- Provides an enduring philosophy of leading and managing an organization
- Concerns decision making and its consequences
- Provides the style and culture
- Provides processes for organizational renewal

Long-Range Planning

- Assumes that the organization will continue to do what it is presently doing
- Forecasts the size of demand and where that demand will occur

Long-Range Planning

- Used to prepare operating budgets and funds flow
- Used for marketing and distribution planning, facilities expansion, human resource planning and determining funds needs

Strategic Planning

- Does not assume that the organization will continue to do what it is presently doing
- Determines what the organization should stop doing

Strategic Planning

- Determines what the organization should start doing that it is presently not doing
- Determines what the organization should continue to do but perhaps in a fundamentally different way

Health Policy

- Determines the rules that apply to all consumers and providers
- Develops and maintains an infrastructure to efficiently enhance the health of the public
- Defines the institutions that meet the preferences of most of society

Health Policy

- Develops the rules under which insurers and providers compete
- Is set by Congress, state legislatures, executive branches and agencies such as health departments, the Centers for Disease Control and Prevention, the Food and Drug Administration and so on

Strategic Management Processes



**“The only constant is change.
There are organizations that
effectively manage change.
They are the masters of renewal.”**

– Robert H. Waterman, Jr.
The Renewal Factor

Coping with Change

“American Health Care is in a state of hyper-turbulence characterized by accumulated waves of change in payment systems, delivery systems, technology, professional relations, and societal expectations. It can be likened to an earthquake in its relative unpredictability, lack of a sense of control, and resulting anxiety.”

“The Only Constant is Change”

- Legislative healthcare reform
- Increasingly restrictive reimbursement environment
- Demographic shifts
- The baby boomers
- Shortages of providers

“The Only Constant is Change”

- High costs of new tech
- Further consolidation within the industry
- Growth of outpatient care
- Growth of home health

“The Only Constant is Change”

- Changes in managed care strategies
- Increase physicians in executive leadership
- Emerging focus on prevention
- Pressure to reduce overhead costs

Benefits of Strategic Planning

- Ties the organization together with a common sense of purpose and shared values
- Provides the organization with a clear self-concept, specific goals and guidance for decision making

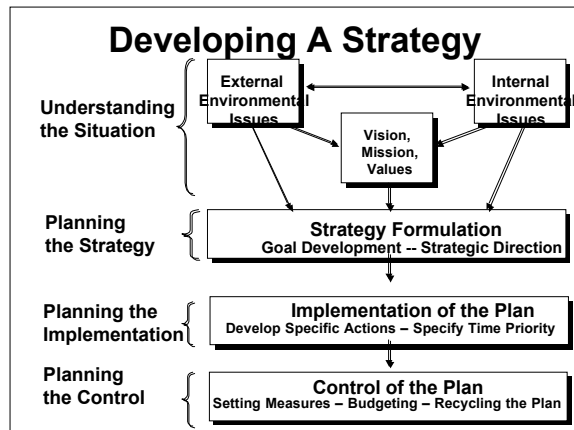
Benefits of Strategic Planning

- Helps everyone recognize the signals for change
- Requires vertical and horizontal communication
- Improves overall coordination
- Encourages innovation and change



Focused Strategic Thinking (FST)

- Focused strategic thinking
 - Combines strategic thinking and strategic planning into a simple, structured, participative, efficient, effective process



Planned Outcomes of the Session

- Identification and prioritization of key external issues
- Identification of key stakeholders and their relationship
- Identification of the critical factors for success (CFSs)

Planned Outcomes of the Session

- Assessment of the organization's current strengths and weaknesses
- Determination of the organization's resources and other strengths needed to achieve its mission and CFSs

Planned Outcomes of the Session

- Develop organizational mission, vision, and value statements
- Develop organization's statement of strategy
- Develop organizational goals
- Identification of the activities necessary to achieve the goals

Planned Outcomes of the Session

- Development of timelines for activities/goal achievement
- Identification of a unit or person responsible

External Issue Identification and Evaluation Outcomes

- Identify and evaluate current issues
- Detect possible emerging issues
- Speculate on future issues
- Identify key stakeholders

External Issue Identification and Evaluation Outcomes

- Identify organizational critical success factors
- Provide organized information for planning
- Foster further strategic thinking

Situational Analysis: External

<p style="text-align: center;">Task 1</p> <p>What external issues will influence the success or failure of the organization?</p> <ul style="list-style-type: none"> • Technical • Social/Cultural • Political • Regulatory • Economic • Competitive 	<p style="text-align: center;">Task 2</p> <p>Who are the organization's key stakeholders and what is their relationship to the organization?</p>	<p style="text-align: center;">Task 3</p> <p>What has to happen (externally) for the organization to be successful?</p> <p>What are the important indicators of success for the organization and how might they be measured?</p>
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Internal Issue Identification and Evaluation Outcomes

- Identify strengths and weaknesses
- Identify an optimal bundle of resources and other strengths
- Provide organized information for planning
- Foster further strategic thinking

Sources of Internal Strengths and Weaknesses

- Resources
 - Financial, human, information, facilities, equipment, location

Sources of Internal Strengths and Weaknesses

- Other possible strengths and weaknesses
 - Knowledge, skills, expertise, management, processes, leadership, culture (values, norms, and communication), structure (formal and informal)

Situational Analysis: Internal

Task 1

What are the organization's strengths?

Sources of competitive advantage

Task 2

What are the organization's weaknesses?

Sources of competitive disadvantage

Task 3

What is the "optimal bundle" of resources and other sources of competitive advantage that would enable the organization to be more successful?

What We Can Do: Important Questions About Strengths

- Is the strength of critical importance to success or failure?
- Is the strength rare among competitors?
- Is the strength difficult to duplicate?
- Can the strength be sustained?

What We Can Do: Important Questions About Weaknesses

- Is the weakness of critical importance to success or failure?
- Is the weakness common among competitors?
- Is the weakness difficult to fix?

What We Can Do Gap Analysis

Current Resources and Other Strengths	Needed Resources and Other Strengths	Match?

Directional Strategies Outcomes

- Reach consensus and document what the organization currently does
- Reach consensus and document the collective hope for the future
- Reach consensus and codify the fundamental values

Vision, Mission, and Values

- Vision = Profile of tomorrow, our hope for the future
- Mission = Profile of today, our current product/services, customers and philosophy
- Values = Profile of expected behaviors, our beliefs and ideals

Characteristics of Vision

- Inspiring
- Challenging
- About excellence
- Empower employees first and customers second

Characteristics of Vision

- Comes alive in the details not in the broad generalities
- Memorable and provides guidance
- Not limited by the present

Characteristics of A Mission Statement

- Clear and concise
- Concerned with the organization today
- Specific about products/services
- Enduring
- Underscores uniqueness

Characteristics of Values

- Reflect the organization's culture
- Consistent with the desired image
- Acceptable to stakeholders
- Consistent with vision
- Ethical
- Represent a clear commitment

Linking Today and Tomorrow



Strategy & Goals Outcomes

- Stimulate strategic thinking
- Determine what we should stop doing
- Determine what we should start doing
- Determine what we should do differently
- Set three to six goals
- Characterize the strategy

Strategic Thinking The Broad Strokes

Questions	Products/Services	Processes
Stop doing?		
Start doing?		
Continue?		
Do Different?		

What We Want to Do Developing Goals

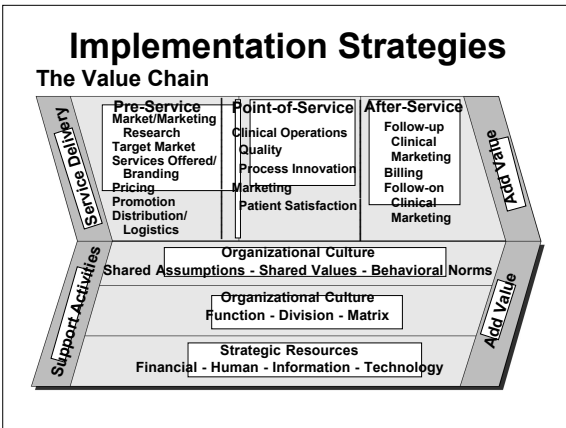
Goals	Address External Issue?	Address Stakeholder Issue?	Address Success Factor?	Fit With MVV?	Strengthen Internal Factor?	Address An Internal Gap?
1.						
2.						
3.						
4.						
5.						

Goals Characteristics

Goal	Controllable?	Measurable?	Timely?	Stretch?

Implementation Outcomes

- Identify activities to achieve goals
- Develop timelines for activities
- Assign responsibility for activities
- Develop operating budgets
- Assign reporting responsibility



What We Want to Do

Action Plans

Goal Statement

Activities	Completion Date	Responsible Person(s)

- ### The Dos and Don'ts of Strategic Management
- Do
 - Understand that strategic management is a philosophy not just a technique
 - Remember that the process (strategic thinking) is more important than the product (the plan)

- ### The Dos and Don'ts of Strategic Management
- Do
 - Involve everyone possible in the process to ensure ownership
 - Realize that identifying the external issues is an essential task
 - Expect that it is really hard work and may take years for folks to think strategically

- ### The Dos and Don'ts of Strategic Management
- Do
 - Remember it's about renewal
 - Be ready to learn, rethink, reinvent, and create
 - Expect the process to be exciting and challenging

- ### The Dos and Don'ts of Strategic Management
- Don't
 - Expect it to be the “magic bullet”
 - Expect it to work without full commitment from top management
 - Rely only on consultant, outsiders, or a small staff group

The Dos and Don'ts of Strategic Management

- Don't
 - Expect that everyone will understand it at first (people learn by doing)
 - Expect immediate results
 - It may mean a fundamental change

The Dos and Don'ts of Strategic Management

- Don't
 - Follow the process blindly (we need both a map and compass)
 - Expect that your organization will survive without change

Strategic Management Paradoxes

- The more chaotic the external environment, the more strategic planning is needed
- Strategic management is an organized/messy process

Strategic Management Paradoxes

- Strategic management often involves destruction and renewal
- Everybody wants a plan but it is the process that is important
- Strategic management is a top-down bottom-up process

Strategic Management Paradoxes

- Managers seek quantifiable data but it is fundamentally a qualitative process
- Strategic management controls but also empowers
- It's about defining the "big picture" and emphasizing details