



WHITE PAPER

Why Strategic Planning is a Must for Practices

Strategic planning is not the same as operational planning. The former is focused on broad and long lasting issues that ensure the medical practice's long-term effectiveness and survival. The latter focuses on achieving objectives and carrying out short-term activities. Strategic plans are not rigid as they meet detours and obstacles that call for adapting and adjusting as the plan is implemented. The strategic plan, to be of long-term value, must be treated as an ongoing business process. It must evolve and change to reflect changing market and industry conditions.

Strategic planning is a process that brings to life the mission and vision of the medical practice. As the practice grows and the healthcare environment becomes more complex, the need for strategic planning becomes greater. A strategic plan, well crafted and of value, considers the internal and external environment around the business and is ultimately communicated to all staff members. Everyone in the practice should understand the direction and mission of the organization.

Medical practices which consistently apply a disciplined approach to strategic planning are better prepared to evolve as the local market changes and as the healthcare industry undergoes reform. The benefit of the discipline that develops from the process of strategic planning, leads to improved communication. It facilitates effective decision-making, better selection of tactical options, and leads to a higher probability of achieving the physician owners' goals and objectives. An important distinction in the process is to recognize the difference between strategic planning (the work being done) and strategic thinking (the creative, intuitive input).

Although there is no one formula for strategic planning, there are required steps that optimize the value. The strategic planning process must mirror the cultural values and goals of the medical practice; the process is very different for solo and small group practices than it is for large medical groups or hospitals.

Strategic planning can be a challenging process, particularly the first time it is undertaken in a medical practice. With patience and perseverance, as well as a strong team effort, the strategic plan can be the beginning of improved and predictable results for the business. At times when the practice gets off track, a strategic plan can help direct the recovery process. When strategic planning is treated as an ongoing process, it becomes a competitive advantage and an offensive assurance of improved day to day execution of the business practices.

Use of a consultant can help in the process and in the development of a strategic plan. As an outsider, the consultant can provide objectivity and serve as the "devil's advocate," as well as a sounding board. In the end, however, the plan must have the authorship and ownership of the physicians and managers who must execute and follow the strategic plan. It must be their plan.

Strategic planning, when treated as a work in progress, rather than as a binder on a shelf, or a file in a computer, provides a medical practice with a real and lasting competitive advantage. A living strategic planning process will help direct the business to where you desire it to be. Strategic planning is your medical practice's road map to your vision.

ABOUT ABISA

ABISA offers advisory services to help clients formulate strategic direction and advance healthcare business initiatives. As a trusted source for strategic growth initiatives, ABISA enables physicians to concentrate more of their time on patient care. For more information about our services, visit www.abisallc.com.



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