

Don't Complicate the Future: Creating a Simplified Strategic Plan

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My first job during high school at the age of 15 was working at a physician's office, a solo practitioner. The office included one doctor, one nurse and myself as the receptionist who answered phones, scheduled patients in an over-sized calendar, checked in patients with paper charts, checked out patients collecting co-pays with cash only and, of course, I did all the accounting on a ledger. Life was simple back then....the doctor actually trusted a high school student to manage the entire office.

Managing a medical practice today is completely different, and is much more complicated.

There are both external and internal factors that impact upon the success of a practice. We do not have much control over the external factors such as healthcare reform, Accountable Care Organizations, Medicare reimbursements and the competition, but we do have control over internal factors -- even if it doesn't always feel like it.

Practices today need to have policies, procedures, protocols and most importantly....a plan! *What is your strategic plan? Do you know what you want your practice to look like in 5 years? How are you going to achieve that vision without a strategic plan to get you there?*

Strategic planning is one of the most overlooked business activities in a practice. It was not necessary in the past, but as most practices see revenue and profits flatten out and even decline, strategic planning is quickly becoming one of the most essential activities a practice can do to ensure future success.

It is so easy to get caught up in the day to day tactics of seeing patient after patient. However, it is growing increasingly necessary for physicians and administrators to take a step back and view the practice from a strategic viewpoint. How do you accomplish this? Let's simplify and look at planning as a two-step process:

Phase 1 - Planning and Preparation

1. Develop and clearly define the practice's mission
2. Conduct a market analysis for your area and/or subspecialty
3. Complete a practice assessment -- financial benchmarking, telephone mystery shopping, patient satisfaction surveys, online reputation assessment, marketing analysis, production analysis, flow and efficiency evaluation, SWOT analysis, etc.
4. Develop or refine your strategy
5. Develop specific goals and objectives

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The goal of this planning and preparation phase is to determine how the practice can maximize major market trends, differentiate itself, and create a sustainable competitive advantage. Make sure your strategic planning meeting takes place off-site and away from distractions. Have an objective party facilitate, especially if there are some difficult or sensitive decisions that need to be determined at the meeting. Most importantly, keep this one question in mind as you make important decisions: ***What is best for the practice?*** Once the planning and preparation phase is complete, the rubber meets the road with implementation of the action plan.

Phase 2 - Implementation and Evaluation

1. Develop an action plan
2. Define objectives in “actionable” terms
3. Assign an “owner” to each initiative
4. Set “due dates” for completion of each action item
5. Consistently evaluate results with written updates and regular meetings

Successful implementation requires strong physician leadership and communication with staff. Most importantly, success will not occur unless there is accountability. The practice leader -- a physician or the administrator -- needs to hold everyone accountable with regular updates, meetings and follow through on due dates. Without having an “owner” assigned to each task, it is nearly impossible to get anything accomplished. Much time and effort goes into phase 1 with assessments and analysis, but if there is no follow-through or implementation of the action plan, it can quickly become a waste of time and resources.

Make the commitment... not only for yourself, but for your practice, partners, employees and patients. A practice with a strategic plan and a commitment to implementation is ahead of 90% of the competition.

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