

Operational and Strategic Planning

Planning

- **Planning:** is deciding in advance what to do; who is to do it; and how, when, and where it is to be done.
- A need to choose from among alternatives.
- Planning is a proactive, deliberate process required of all managers.

Proactive Planning

Planning Modes:

- ***Reactive*** planning occurs *after* a problem exists. Planning efforts are directed toward returning the organization to a previous, more comfortable state. reactive planning can lead to hasty decisions and mistakes.

Planning Modes

- ***Inactivism***: Inactivists consider the status quo as the stable environment and they spend a great deal of energy preventing change and maintaining conformity
- ***Preactivism***: Preactive planners utilize technology to accelerate change and are future-oriented.

Planning Modes

- ***Interactive or proactive:*** Planners consider the past, present, and future and attempt to plan the future of their organization rather than react to it.
 - Is dynamic, and adaptation is considered to be a key requirement since the environment changes so frequently.

Proactive Planning

- **Forecasting:** involves trying to estimate how a condition will be in the future, using available historical patterns, and examining present clues and projected statistics to determine future needs and protects the organization against undesirable changes.

Strategic Planning

- **Strategic Plans (long-range):** complex organizational plans that involve a long period (usually 3 to 10 years)
 - Once or twice a year in organizations that changes rapidly
 - 6 months at unit level is considered long range.
- **Strategic planning** typically examines an organization's purpose, mission, philosophy, and goals in the context of its external environment.

Swot Analysis

- Tool used in strategic planning, one of the most commonly tool used in health care organization.
- **S**trengths
 - ✓ are those internal attributes that help an organization to achieve its objectives.
- **W**eaknesses
 - ✓ are those internal attributes that challenge an organization in achieving its objectives.
- **O**pportunities:
 - ✓ are external conditions that promote achievement of organizational objectives.
- **T**hreats
 - ✓ are external conditions that challenge or threaten the achievement of organizational objectives.

Balanced Scorecard

- Tool that highly assistive in strategic planning
- Balanced scorecard involves
 - metrics (performance measurement indicators)
 - collect data
 - analyze that data from four organizational perspectives
 - Financial
 - Customers
 - Internal business processes
 - Learning and growth

Strategic Planning as a Management Process

1. Clearly define the purpose of the organization.
2. Establish realistic goals and objectives consistent with the mission of the organization.
3. Identify the organization's external constituencies or stakeholders and then determine their assessment of the organization's purposes and operations.
4. Clearly communicate the goals and objectives to the organizations constituents.

Strategic Planning as a Management Process

5. Develop a sense of ownership of the plan.
6. Develop strategies to achieve the goals.
7. Ensure the most effective use is made of the organization's resources.
8. Provide a base from which progress can be measured.
9. Provide a mechanism for informed change as needed.
10. Build a consensus about where the organization is going.

***Strategic planning is dynamic and
interactive***

Who should be involved in strategic planning?

- Historically strategic planning has been accomplished by top level managers and the board of directors, with limited input from middle level managers.
- Others should be involved:
 - First level managers
 - Subordinates from all organizational levels

Looking to the Future

- Unlike the 20-year strategic plans of the 1960s and 1970s, most long-term planners today find it difficult to look even 5 years in the future.

Looking to the Future

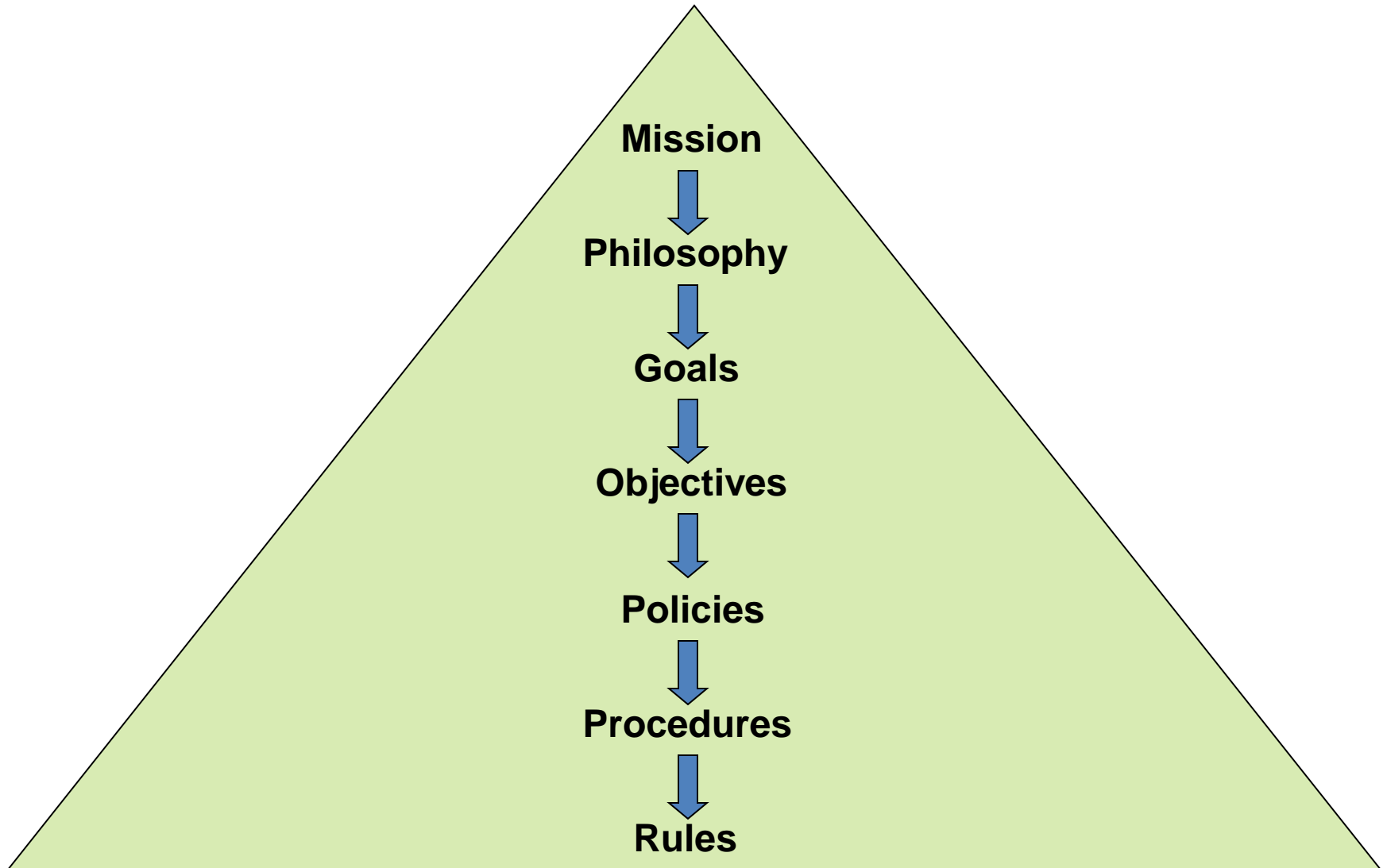
Factors to be considered:

- Changes in managing systems and work relationships.
- Moving to wellness care instead of illness care.
- Using complementary and alternative medicine.
- Moving from revenue management instead to cost management.
- Move to professional interdependence rather than professional autonomy.
- Shift to patient as consumer of cost and quality information.

Factors to be considered (cont.)

- Transition from continuity of provider to continuity of information.
- Using information technology.
- Robotic technology and nursebots.
- Biometrics such as fingerprints, retinal scans....
- ↑ elderly population
- Aging workforce.
- The internet and electronic access to health care information.

The Planning Hierarchy



Vision and Mission Statement

- **Vision statements** are used to describe future goals or aims of an organization. It is a description in words that conjures up a picture for all group members of what they want to accomplish together.

Sample vision statement

- “County Hospital will be the leading center for trauma care in region”

Vision and Mission Statement

- **Mission statement** is a brief statement (typically no more than three or four sentences) identifying the reason that an organization exists

Vision and Mission Statement

Sample Mission Statement

- “James King Memorial Hospital is a full-service health care institution which provides a broad range of preventive and curative health care services: primary, secondary, and tertiary. James Memorial Hospital will strive to provide high-quality care at a reasonable cost and with a minimum of unnecessary duplication.”

The Organization's Philosophy Statement

- **The philosophy** flows from the purpose or mission statement and delineates the set of values and beliefs that guide all actions of the organization.
- The organizational philosophy provides the basis for developing departments philosophies at the unit level and for their service as a whole.
- the medical service philosophy should address fundamental beliefs about medicine and medical care; the quality, quantity, and scope of medical services; and how medicine specifically will meet organizational goals.

Societal Philosophies and Values

- **Values** are sets of beliefs that guide behavior.
- These values have profoundly affected healthcare policy formation and implementation.

Individual Philosophies and Values

Characteristics of a True Value

- Freely chosen from among alternatives
- Prized and cherished
- Consciously and consistently repeated (part of a pattern)
- Positively affirmed and acted upon

Individual Philosophies and Values

- The physician-leader must be self-aware and provide subordinates with learning opportunities or experiences that foster increased self-awareness.
- When a physician experiences cognitive dissonance between personal and organizational values, the result may be intrapersonal conflict and burnout.

Goals and Objectives

- A **goal** is the desired result toward which effort is directed; it is the aim of the philosophy.
- Goals, although somewhat global in nature, should be ambitious, but realistic.
- There are several dangers in using goal evaluation as the primary means of assessing organizational effectiveness:
 - Goals may be in conflict with each other
 - Publicly stated goals may not truly reflect organizational goals
 - Because goals are global, it is often difficult to determine whether they have been met.

Goals and Objectives

- **Objectives** are more specific and measurable than goals because they identify how and when the goal is to be accomplished.
- Goals usually have multiple objectives.

Process objectives are written in terms of the method to be used. e.g.:

- “100% of staff nurses will orient new patients to the call-light system, within 30 minutes of their admission, by first demonstrating its appropriate use and then asking the patient to repeat said demonstration.”

Result-focused objectives specify the desired outcome. e.g.:

- “All postoperative patients will perceive a decrease in their pain levels following the administration of parenteral pain medication within 5-10 min.”

Goals and Objectives

Objectives Should

- Include a specific time frame for completion.
- Be stated in behavioral terms.
- Be objectively evaluated.
- Identify positive rather than negative outcomes.

Policies and Procedures

- ***Policies*** are plans reduced to statements or instructions that direct organizations in their decision making. A policy is a statement of expectations that sets boundaries for action taking and decision making.
- For accreditation or internal control.
- ***Implied policies***, neither written nor expressed verbally, have usually developed over time and follow a precedent.
- ***Expressed policies*** are delineated verbally or in writing (consistency).

Policies and Procedures

- ***Procedures*** are plans that establish customary or acceptable ways of accomplishing a specific task and delineate a sequence of steps of required action.
 - Save staff time
 - Facilitate delegation
 - Reduce cost
 - Increase productivity
 - Provide means of control
- Procedures identify the process or steps needed to implement a policy and are generally found in manuals at the unit level of the organization.
- Review and revise policies

Rules

- **Rules and regulations** are plans that define specific action or nonaction. Generally included as part of policy and procedure statements, *rules* describe situations that allow only one choice of action.
- Rules are fairly inflexible, so the fewer rules, the better.

Overcoming Barriers to Planning

- The organization can be more effective if movement within it is directed at specified goals and objectives.
- Because a plan is a guide to reach a goal, it must be flexible and allow for readjustment as unexpected events occur.
- Include all people and units that could be affected.
- Plans should be specific, simple, and realistic.
- Know when to plan and when not to plan.
- Good plans have built-in evaluation checkpoints so there can be a midcourse correction if unexpected events occur.