

APPROACH

Stroudwater's strategic master facility planning practice is focused on identifying the right solution—balancing the hospital's strategic needs for investment with its financial constraints. Our thought leadership in the research of facility replacements provides unique insights into the best practices and success factors.

When the increasing need for healthcare investment is coupled with increased capital constraints, facilities projects can get stuck. A facility plan that redefines or repositions an organization in the marketplace—as opposed to incremental renovation projects—is particularly susceptible to inertia. Stroudwater is skilled at working in these situations to get past 'stop.'

Stroudwater's approach is both analytical and participative. We use the most current and robust databases for current and future utilization estimates. We examine all the key strategic drivers of the facility project. We test and validate operating assumptions, and we then define facility needs and identify options based on the driving forces and opportunities. Under the direction of the executive management and the board of trustees, Stroudwater involves the internal and external stakeholders to build consensus around the preferred facility option. Physicians and managers are among those included in the process; Stroudwater also collaborates with architectural, accounting, and other advisors to complement their focused perspectives.

Facility planning has been a focus of our company since its founding in 1985, and Stroudwater consultants have developed over \$2 billion of healthcare facilities. These projects have ranged from targeted expansions to large academic medical centers, community hospitals, and small rural facilities. With our expertise in physician operations, we have also developed strategic plans for dozens of medical office buildings, ambulatory surgical centers, and freestanding diagnostic centers.

TEAM

Stroudwater consultants believe that significant facility investments need to be enablers of strategy, operations, finance, and clinical services in order to optimize their value. The fact that our consulting talent is deeply experienced in academic, community, small hospital, and ambulatory operations uniquely positions Stroudwater to assist healthcare systems in facility planning with both urban and rural member facilities, and in both inpatient and ambulatory settings.

We are known for tackling the most complex and challenging projects and for framing decisions in a meaningful and understandable way. Because we are committed to seeing projects executed (as opposed to endless analyses), we leverage our expertise and offer concrete recommendations for action.

Stroudwater's advanced analytics and processes are transparent. We offer new perspectives to persistent challenges. We consider problems from multiple perspectives—strategic, financial, and operational—and ground our recommendations in analysis, stakeholder opinions, and our experience of what works.

Stroudwater has studied and published the results of facility replacement projects for the past four years. In addition, Stroudwater has also worked closely to educate potential funding sources on the economics of hospitals. We consulted with the Federal Department of Housing and Urban Development, for example, as it improved the process for funding projects through its FHA 242 insurance program. And, together with the USDA, Stroudwater authored the healthcare manual used to educate field staff and has led training workshops for USDA staff from across the county.

CASE STUDY: DEBT CAPACITY

SITUATION

Decision to renovate or to replace a main facility

APPROACH

An assessment of the local market: While it was well-known that the population growth was in a remote part of their service area, there was a lack of understanding about how the threat of new competition and subsequent loss of volumes would devastate the hospital's finances.

SOLUTION

The board immediately put its main campus plans on hold and developed an aggressive ambulatory center strategy in the growth area to both grow and protect its market presence.

RESULT

The hospital has arranged funding and contracted for the schematic design of the Greenfield facility.

PRACTICE LEADER

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