

# WITHOUT IMPLEMENTATION, STRATEGIC PLANNING FALLS SHORT

Strategic planning is not a new concept for most healthcare organizations. Hospital leaders are well aware of the major challenges and changes they are facing, and many have already been through multiple strategic planning initiatives, assessing problems and creating concrete plans to solve them. Yet few have successfully navigated the next crucial step: implementation.

The planning process is incredibly important as it enables an organization to develop a detailed roadmap that defines its Current State of where it is now and the key strategies that can propel it to its desired Future State of where it wants to go. However, without effective implementation, desired results and achievement of that Future State will not be fully realized.

The disconnect between strategic planning and implementation is unfortunately a frequent stumbling block:

- In a global Economist Intelligence Unit report, sponsored by the Project Management Institute (PMI), 61% of senior executive respondents said that their organizations often struggle to bridge the gap between strategy and day-to-day implementation, and an average of only 56% of strategic initiatives in the previous three years had been successful.
- A survey from McKinsey & Company found that around 70% of hospital and health system executives reported that their strategic initiatives had failed.

This white paper will explore the main reasons strategic planning efforts fail to translate into successful strategic implementation in healthcare organizations, and how C-suite leaders can create a culture that aligns with their mission and purpose and drives effective action.



# WHERE STRATEGIC PLANNING FALLS SHORT

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Despite their best ideas and intentions, many healthcare organizations run into these common pitfalls:

## THEY ARE TRYING TO SOLVE THE WRONG PROBLEMS

In the strategic planning process, leaders don't identify the most critical issues the organization is facing. Without a clear perspective of their internal / external threats and opportunities, as well as their current organizational performance, they struggle to define meaningful strategic initiatives and end up heading down the wrong path.

**High performing hospitals recognize that its best to adopt a more focused approach to implementing strategy that is sequenced over an 18-month period of time as follows:**



## THEY OVEREXTEND THEMSELVES

Leaders are often tempted to pursue a long list of objectives simultaneously, but that approach is unsustainable as it can quickly overwhelm the organization. Organizations that try to execute more than three major strategies at once are setting themselves up to stumble — particularly for small rural hospitals. They take on too much too quickly instead of adopting a more focused approach to orchestrating change. High performing hospitals recognize that its best to adopt a more focused approach to implementing strategy that is sequenced over an 18-month period of time as follows: short-term initiatives (0-6 months), intermediate initiatives (6-12 months), and long-term initiatives (12-18 months).

## THEY AREN'T INCLUSIVE IN THE PLANNING PROCESS

Strategies fall short when organizations aren't inclusive in the planning process. When only the C-suite, board, and a few key medical staff are involved, the people who will really execute the strategy — frontline employees who work most closely with patients — can be left out. Successful organizations establish an inclusive planning process that captures the voice of all stakeholders. Leaders of these organizations also strive to engage stakeholders in the process of driving the desired changes.

## THEY HAVEN'T DESIGNED AN IMPLEMENTATION APPROACH

Many organizations mistakenly believe that having a well-crafted strategic plan automatically leads to desired results. Oftentimes, these organizations value formulation of a plan more highly than implementation of the plan. Best performing hospitals strive to have a more balanced 50/50 allocation of attention and resources for the planning and implementation of strategy. These organizations also recognize the importance of communicating the strategy and then developing an implementation approach that breaks objectives into manageable pieces with tactical steps, individual owners, and measurable timeframes.

# 4 KEY STEPS FOR SUCCESSFUL STRATEGY IMPLEMENTATION

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These four steps will lead your healthcare organization through strategic planning to effective implementation:

## 1 TAKE OWNERSHIP

Recognize that implementation has to start from the top. Too often C-suite executives craft the strategic plan, get approval from the board of trustees, and then delegate implementation to someone else. Leaders must demonstrate ownership of the strategy and implementation to get the rest of the organization engaged in achieving its goals.

## 2 COMMUNICATE AND ENGAGE

A leader's role is to connect stakeholders to three things: purpose, accomplishment, and one another. Therefore, it's imperative that leaders communicate frequently, widely, and in as many channels as possible. Daily leader rounding, weekly small-team meetings, and monthly town hall forums are just a few examples of critical touchpoints that can generate awareness and engagement across the organization.

## 3 CREATE A TEAM STRUCTURE AND PLAN

Designate a formal team that is responsible for distilling the strategy into a manageable implementation plan and orchestrating the phases of work over time. Create a senior leadership council of no more than six people, composed of star managers and C-suite executives. Charge them with connecting specific key results to strategic objectives and assigning them to different teams, developing a reporting structure, a meeting schedule, and a corresponding dashboard to measure progress regularly.

The following questions can guide the process:

- | What are the key results?
- | What are the tactical steps?
- | What are the deliverables?
- | Who is the owner?
- | How are we measuring progress?
- | How are we measuring the performance of the teams?
- | What is the accountability process?

The council exists to provide resources and help teams overcome challenges and manage the cadence of implementation. Once a team achieves its objective, the council celebrates its accomplishment, sunsets the team, and moves on to the next priority initiative.

## 4 INITIATE IMPLEMENTATION AT THE ONSET OF STRATEGY

Avoid thinking about these steps in a linear fashion: first we'll do strategy and then implementation. Implementation can be started at the beginning of strategy formulation. Discussing the implementation approach in the early stages of strategic planning positions an organization to be able to rapidly launch shortly after strategy has been adopted. Speed to market can often be critical in the ever-changing dynamic healthcare landscape. Adopting a parallel approach also mitigates the potential loss of focus and momentum while enabling an organization to accelerate its implementation efforts.

# FACILITATING STRATEGIC PLANNING AND IMPLEMENTATION

With over two decades of strategic planning and implementation experience, Stroudwater Associates' team recognizes that there is no "one-size-fits-all" method for realizing the goals of a healthcare organization. Our approach is customized to the circumstances and realities of each client.

We have spent our careers in rural healthcare, and we understand the challenges and nuances of working in hospitals, not just on the consulting side. Our team knows how to distill a vision into a concrete strategy to engage employees and orchestrate change.

We welcome the opportunity to learn more about your organization's unique challenges and opportunities. Please reach out to schedule a discovery conversation.



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