

# Preface

Earlier editions of *Healthcare Strategic Planning* are dog-eared and underlined in the offices of many healthcare CEOs and strategic planners. As healthcare leaders wrestle with rapid and profound changes, they must help their organizations develop and implement effective strategies to thrive. This fourth edition provides a how-to guide for healthcare organizations to undertake strategic planning in our dynamic environment.

In this revision, we provide core insights into strategic planning practice and theory, and how those insights can be applied to healthcare organizations. In addition to a step-by-step presentation of the planning process, the book includes essential advice on critical aspects of successful planning, such as stimulating truly strategic thinking, executing implementation, transitioning to strategic management, and maximizing results through annual plan updates.

We have also updated this edition to address contemporary issues, including population health, value-based payment, and provider–payer partnerships. An entire chapter is devoted to innovations in healthcare business models and technologies. The latest research on healthcare strategic planning is punctuated with contemporary examples from our experience assisting Veralon clients. These examples provide fresh insights into how healthcare organizations are conducting strategic planning and using their strategies to leapfrog into the future, staying ahead of competitors.

The tools in the new edition will help CEOs, planners, physicians, trustees, and other professionals understand key concepts and

make the planning process a robust learning and growth experience for their organizations.

In the five years since the previous edition, our views on the strategic planning process have evolved, based on the insights of Veralon consultants who apply the process, as well as on feedback from the clients with whom the process was used. This edition of the book reflects that evolution.

First, to make this edition easier to navigate, we have grouped the chapters into the following four major sections:

- **Part 1: Making the Case for Strategic Planning**—In addition to helping the reader understand the benefits of strategic planning, this section can help convince organizational leaders to invest sufficient time and resources to get the full benefit of an effective planning process.
- **Part 2: Setting the Stage for Successful Strategic Planning**—Preparation is key to successful planning. This section describes the key decisions and preparation required for a successful process and plan.
- **Part 3: The Strategic Planning Process**—The four phases of strategic planning—analyzing the environment, setting organizational direction, formulating strategy, and implementation—are described in clear steps with real-life examples from our work with clients.
- **Part 4: Optimizing Strategic Planning**—For more advanced planners, this section addresses topics that can help an organization get even more out of strategic planning.

We have refined and added helpful content in every chapter, with approximately 30 pages of additional content, including the following changes.

- **Chapter 1—The Value of Strategic Planning**  
This chapter has been renamed to reflect our increased emphasis on the value and benefits of strategic planning.

We have also addressed why and how healthcare strategic planning is different from strategic planning in other industries, based on new research.

- Chapter 2—Benefits of Strategic Planning  
In this chapter, we have included new graphics illustrating new concepts, case studies illustrating more contemporary situations with an emphasis on population health management, and clear summaries of the benefits of strategic planning.
- Chapter 3—Organizing for Success  
We have reorganized the 12 steps involved in preparing for strategic planning under four categories, simplifying planning execution.
- Chapter 4—Major Planning Process Considerations  
We have updated examples, tools, and research, with a new focus on stakeholders.
- Chapter 5—Encouraging Strategic Thinking  
We have provided new research on incorporating truly strategic thinking into planning and ongoing management.
- Chapter 6—Phase 1: Analyzing the Environment  
We have provided updated examples, including new exhibits of strategic frameworks, and expanded the approach to quantitative analysis in this chapter.
- Chapter 7—Phase 2: Organizational Direction  
We have updated and added examples and restructured the chapter for a smoother read.
- Chapter 8—Phase 3: Strategy Formulation  
This entire chapter was updated with new examples and real world case studies that incorporate current strategic

issues and provide a detailed picture that helps readers envision key strategic plan outputs.

- Chapter 9—Phase 4: Transition to Implementation  
We have recognized successful implementation as one of the greatest challenges for organizations completing strategic plans. Based on our client experiences, we added a step-by-step process for developing effective implementation plans.
- Chapter 10—Annual Review and Update  
Based on lessons learned in the field, we have added new ideas for integrating implementation plans into other organizational work processes to ensure that strategic plans are actually implemented.
- Chapter 11—Enabling More Effective Communication  
We have included lessons from outside the healthcare field on keeping the strategic plan up-to-date. We have also included new case studies with a key example of one highly developed system's annual strategic planning process.
- Chapter 12—Addressing Innovation in Strategic Planning  
This new chapter discusses game-changing innovations that will create new winners and losers in the healthcare sector. Two types of innovation are explored: Business model innovation, particularly related to alignment of providers and payers, and clinical and technological innovations that may change healthcare.
- Chapter 13—Future Challenges for Strategic Planners  
We have summarized and elaborated on new research and recommendations for the future for healthcare strategic planners and strategists, including special skills required.

We hope you enjoy the fourth edition of *Healthcare Strategic Planning*. Five years of interaction with clients, presentation audiences, and colleagues have offered much grist for the mill in updating this book.

Special thanks are due to the many consultants of Veralon who expand our insights and techniques for successful strategic planning in every client engagement. I particularly want to thank those members of the Veralon team who are contributing authors for this edition: Scott Stuecher, manager; Mark Dubow, director; Carol Davis, principal; and Katherine Cwiek, former manager. In addition, Dana Rosenbaum provided extensive organizational and research support for this edition.

We thank those clients that have allowed us to write about their real-life experiences and insights so that others may learn. We particularly acknowledge:

Ascension  
Hunterdon Healthcare System  
Jefferson Health  
McDonough District Hospital  
St. Mary's Health System (Evansville, Indiana)  
Stony Brook Medicine  
UW Health  
Yavapai Regional Medical Center

Finally, we express our sincere gratitude to all clients of Veralon. By responding to your questions and needs, we customize and refine our approaches, we gain insights that we have the privilege of sharing through this book.

John M. Harris  
Philadelphia, Pennsylvania  
March 2017