Strategic Planning for Public Health

Seminar in Contemporary Health Issues

Christy Harris Lemak, PhD
Michael O. and Barbara Bice Term Professor
Department of Health Services Research, Management and Policy
College of Public Health and Health Professions
University of Florida

February 12, 2007
“Cheshire Puss, … would you tell me, please, which way I ought to go from here?”
“That depends a good deal on where you want to get to,” said the Cat.
“I don’t much care where ----” said Alice.
“Then it doesn’t matter much which way you go,” said the Cat.
“--- So long as I get somewhere,” Alice added as an explanation.
“Oh, you’re sure to do that,” said the Cat.

Lewis Carroll,
Alice’s Adventures in Wonderland
Learning Objectives

- Understand the role of strategic planning in public health.
- Define key strategic management and strategic planning concepts.
- Describe elements of the strategic management process.
- Effectively use strategic planning analysis tools.
- Understand why planning sometimes fails and identify critical factors for planning success.
The Role of Strategic Planning in Essential Public Health Services

- Monitor health status to identify community health problems.
- Diagnose and investigate health problems and health hazards in the community.
- Inform, educate, and empower people about health issues.
- Mobilize community partnerships to identify and solve health problems.
- Develop policies and plans that support individuals and community health efforts.
- Enforce laws and regulations that protect health and ensure safety.
- Link people to needed personal health services and assure the provision of health care when otherwise unavailable.
- Assure a competent public health and personal health care workforce.
- Evaluate effectiveness, accessibility, and quality of personal and population-based health services.
- Research for new insights and innovate solutions to health problems.
Public Health Problems Require Strategic Planning
Examples

National: HHS Pandemic Influenza Plan
http://www.hhs.gov/pandemicflu/plan/overview.html
The HHS Pandemic Influenza Plan has three parts. Part 1, the Strategic Plan outlines federal plans and preparation for public health and medical support in the event of a pandemic. It identifies key roles of HHS and its agencies in a pandemic and provides planning assumptions for federal, state and local governments and public health operations plans.

State: Department of Health Long Range Program Plan
http://www.doh.state.fl.us/planning_eval/Strategic_Planning/LRPP.htm
The Long Range Program Plan (LRPP) provides the framework and justification for the agency budget. It is a goal-based plan with a five-year planning horizon and focuses on agency priorities in achieving the goals and objectives of the state.

Association: National Association of City and County Health Officials (NACCHO) Strategic Plan

Local: Alachua County Health Department
http://www.doh.state.fl.us/chdalachua/
The goal of the Alachua County Health Department is to promote, protect, maintain and improve health and safety of all the citizens and visitors.
Strategic Management

- Planning amid the chaos
- Well-tested approach for organizations
- Multiple aspects
  - A strategic perspective
  - Visioning and strategic thinking
  - Hands-on, nitty-gritty planning
Strategic Planning Concepts

- Planning
- Marketing
- Strategy
- Strategic Planning
- Business Planning
- Strategic Management
Planning Functions

- Surveillance
  - Environmental Assessment
  - Community-based epidemiological planning
- Strategic positioning
  - Revising the mission and vision
  - Strategy selection
Planning Functions, continued

- Implementing the strategy through long-range plans
- Responding to external opportunities
- Developing and evaluating programmatic proposals
- Maintaining relations with accreditation and regulating agencies
What is Strategy?

- Top management’s plans to attain outcomes consistent with the organization’s missions and goals
  - Wright et al, 1992

- Not very useful to define strategy so narrowly
5 P’s For Strategy

- Strategy is a plan
- Strategy is a pattern
- Strategy is a position
- Strategy is a perspective
- Strategy is a ploy
Planning vs. Strategy

- Incremental vs. Quantum
- Analytically based vs. Analytically framed
- Consensus-based vs. Leadership-driven
- Minimizing risk vs. Accepting reality of risk
- Market-driven vs. Enacting or adapting
- Left-brained vs. Right-brained
- Deliberate, paced vs. Bold, risk-taking
## Strategic Planning vs. Strategic Thinking

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<thead>
<tr>
<th><strong>Strategic Planning</strong></th>
<th><strong>Strategic Thinking</strong></th>
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<tbody>
<tr>
<td>“programming”</td>
<td>new visions</td>
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<tr>
<td>Analysis</td>
<td>Synthesis</td>
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<tr>
<td>(hard data)</td>
<td>(soft/hard information)</td>
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<td>rearranging established</td>
<td>inventing new</td>
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<tr>
<td>categories</td>
<td>categories</td>
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<tr>
<td>calculating</td>
<td>committing</td>
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Remember

- The important roles of both types of thinkers/doers/planners
- Most organizations need some of each
- Formal and informal process of “strategy making” in organizations
Strategic Cycling

- Mission and Vision Validation
- Vision Development
- Elements of Success
- Research and Data
- Strategy Development
- Shareholder Impact Analysis
- Scenario Development
- Implementation & Prioritization
- Transitional Evaluation
  - Begun & Heatwole
Strategic Management Process

- Situational Analysis
  - Mission, Vision, Values, and Objectives
  - Situation Assessment
    - External environmental
    - Internal environment
- Strategy Formulation
- Strategic Implementation
- Strategic Control
5 Types of Strategies

- **Directional** - *What business should we be in?*
  - Mission, Vision, Values, Objectives

- **Adaptive** - *Should we expand, contract, or stay same?*
- **Market Entry** - *How should we enter a new market?*
- **Positioning** - *Should we target a specific market?*
- **Operational** - *How can we implement our strategies?*
Organizational Mission

- States the organization’s **distinctive** purpose and reason for existence
- Describes what the organization does and for whom
- Forms the frame of reference for the organization’s vision
In other words

- Who are we?
- What are we?
- Why do we exist?
- Who is our constituency?
- Distinctiveness
- Stakeholders’ expectations
Vision

- Philosophic goals and style by which mission will be achieved
- Mental pictures of what organization wants to be in the future
- Feeling of movement toward desired future
- "Hope for the Future"
Possible Reactions to the Vision

- Commitment
- Genuine Compliance
- Formal Compliance
- Grudging Compliance
- Noncompliance
- Apathy
It is vision -- and the leaders who can articulate that vision -- that helps people in the organization accept uncertainty. Vision substitutes for fear (of the unknown) and gives people the confidence to say “I have a dream, and I want to be part of it.”

- Rosabeth Moss Kanter
Values

- Guiding principles that should not be compromised
- Define the organization’s basic philosophy, principles, and ideals
- Set an ethical tone
- Represent the “soul” of the organization
Objectives

- Identify key performance areas or “strategic issues”
  - The few things that must be accomplished for organizational success.
- Strategic Objectives should...
  - be explicit and measurable
  - be attainable
  - relate to key performance areas
Strategic Management Process

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Situation Assessment

Determine

- which factors are subject to the organization’s control
- how the organization will be affected by external forces
Successful Situation Assessments Identify:

- What has worked well for the organization historically
- Its competitive position within the market
- The characteristics of organizations that will be successful in the future
- The key unknowns that will have an impact on the organization in the future and how these uncertainties can be addressed in the planning process
General Environment

- Government Institutions
- Business Organizations
- Educational Institutions
- Religious Institutions
- Research Organizations and Foundations
- Individuals and Consumers
Specific Environment

- Those who **plan and regulate**
  - e.g. CMS, HHS, State, JCAHO
- Those who **provide** health services
  - e.g. hospitals, public health providers, long-term care, hospice, physician offices, home health
- Those who **provide resources** for the health care system
  - e.g. medical schools, payers, businesses, government, pharmaceutical firms
- Those who **represent** providers and others
  - e.g. AMA, AHA, FHA, ACHE, APHA
- **Individuals** involved in health and public health (consumers)
  - e.g. patients, employees, unions, community members
Risk vs. Uncertainty

- Risk = probability of loss
- Uncertainty = condition of being uncertain, or doubt

Move from “being in doubt” to “knowing the odds”
Levels of Uncertainty

- Clear Trends
- Unknowns that are Knowable
- Residual Uncertainty
External Assessment

- Review Trends:
  - demographic, economic, and epidemiological
  - technology, clinical practice, preferences
  - reimbursement and buyer attitudes
  - physician availability and organization
  - regulation
  - attitudes of patients, consumers
  - workforce availability
  - employee attitudes
  - competitors, allies, other organizations
Situation Assessment Tools

- Stakeholder Analysis
- SWOT Analysis
- Industry Structure Analysis
- Strategic Groups
- Market Segmentation
- Scenario Analysis
- Decision Analysis
- Game Theory
Stakeholder Analysis

- Identify organizational stakeholders
- Examine the balance of power
- Assess stakeholder sources of power and key values
- Examine issue-specific stakeholder concerns
Identifying Stakeholders

Who are they?
- Any individual, group, or organization who
  - has a stake in decisions and actions
  - attempts to influence decisions and actions
- Typically stakeholders’ position depends on specific issue or decision

Bottom Line:
- Stakeholders have
  - the potential to threaten the organization and/or
  - the potential to cooperate with it
Why do some stakeholders matter more?

- Essential contributions to strategy implementation
- Demands place strain on the organization
- Threaten future viability of organization
- Contributions can be easily switched to another organization
SWOT Analysis

- Device to assist in determining what issues the organization must deal with
- Typically a long list, but should be summarized (synthesized) in one page

- **Strengths, Weaknesses** (Internal/Organization-Focus)
- **Opportunities, Threats** (Environment/External/Market-Focus)
### SWOT Matrix

<table>
<thead>
<tr>
<th>Threats</th>
<th>Weaknesses</th>
<th>Strengths</th>
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<tbody>
<tr>
<td>Survival</td>
<td></td>
<td>External Fix It</td>
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<th>Opportunities</th>
<th>Internal Fix It</th>
<th>Future</th>
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Strategic Groups Analysis

- **Strategic group** = organizations within the same industry making similar decisions in key areas
- Analysis can help understand nature of competition and potential next steps
Why Strategic Groups?

- Helps select appropriate basis on which to compete
- “Organizations most like yours are the most dangerous.”
- May identify different views on same market dimensions
- Considers multiple competitors simultaneously
Competitor Analysis

- Collecting data on rivals
- **Competitive Advantage** = means by which the organization seeks to differentiate itself from other organizations
- Competitive Information
  - general
  - offensive
  - defensive
Porter’s Industry Structure Analysis

- Potential Entrants
- Buyers
- Substitutes
- Suppliers
- Rivalry Among Existing Firms
- Threat of New Entrants
- Threat of Substitute Products or Services
- Bargaining Power of Suppliers
- Bargaining Power of Buyers
Goals of Industry Structure Analysis

- Find a position where org can best defend itself against 5 basic forces
- Influence the balance of the forces to improve the organization’s position
- Anticipate shifts in the forces so org can respond better and “exploit change”
- Don’t overlook “latent sources of competition”
Scenario Planning

- Beyond quantitative analysis and forecasts
- Can explore several “alternative futures”
- Consider:
  - key issues
  - driving forces
  - implications/consequences
Scenario Planning Benefits

- Develops manageable “snapshots” of the future
- Consider possibilities otherwise feared or ignored
- Challenges conventional wisdom and increases tolerance for ambiguity
- Synthesizes lots of information
- Incorporates complex elements that cannot be formally modeled
Scenario Planning Drawbacks

- Believing that scenarios are predictions for the future
- Treating the scenarios as information (not as learning tools)
- Affected by biases of participants
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Identifying Strategic Direction

- Directional - *What business should we be in?*

- Adaptive
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  - *Should we target a specific market?*

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  - *How can we implement our strategies?*
Setting Strategic Direction

- Specific Objectives
- Detailed rationale
- May have multiple action or implementation plans
- Identify needed organizational and other resources
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Implementing Strategy With Good Business Plans

A good business plan....

- Supports various alternatives
- Adds value to “data”
- Brings different pieces of information together to tell a story
- Uses sound methodology (and valid data sources)
- Is explicit and specific about assumptions
- Answers the business question
- Is accessible by all readers/stakeholders
Critical Success Factors

EARLY FACTORS

- Create a sense of urgency
- Create a powerful core of supporters
- Address concerns of detractors
- Communicate the vision
Critical Success Factors

DURING IMPLEMENTATION
- Clear roles and responsibilities
- Anticipate management and staff fallout
- Plan and elaborate short-term wins
- Institutionalize the changes
- Systematize organizational learning
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The Balanced Scorecard

**Financial Perspective**
“To succeed financially, what kinds of financial performance should we provide to our shareholders?”

**Customer Perspective**
“To achieve our vision, how should we be seen by our customers?”

**Internal Business Perspective**
“To satisfy our stakeholders and customers, at what business process must we excel?”

**Innovation and Learning Perspective**
“To achieve our vision, how will we sustain our ability to change and improve?”

Vision and Strategy
1. Translating the Vision
   • Clarifying the Vision
   • Gaining Consensus

2. Communicating and Linking
   • Communicating objectives
   • Setting goals
   • Linking strategies

3. Business Planning
   • Setting targets
   • Aligning strategic initiatives
   • Allocating resources
   • Establishing milestones

4. Feedback and Learning
   • Articulating the vision
   • Supplying strategic information
   • Facilitating learning

Four Key Processes

Balanced Scorecard
But…. Sometimes Strategic Planning Fails

Why?
- Not involving appropriate people
- Separating financial and strategic planning
- Not developing consensus on the situation
- Analysis paralysis
- Avoiding critical issues
- Assuming objectives will take care of themselves
Potential Adverse Consequences of Strategic Planning

- No buy-in because planning “because we have to”
- Top-down plans not linked to real world operations
- Plans too rigid for changing environment
- “Masterpiece Plan”
- Strategic Tunnel Vision
- Too much time on planning (not doing)
Why Plan at all?

- Overarching direction
- Added discipline and control
- Basis for organizational decision making
- Improved communication
- Motivating for staff
True Value of Strategic Planning

The Process
- shared learning
- shared frame of reference
- shared context for decision making
Strategic Management.....

- Is a top-down bottom-up process.
- Is a democratic process where the CEO is in control.
- Is an organized/messy process.
- Is about defining the “big picture” and emphasizing the details.
- Concerns destruction and renewal.
- Is easy but difficult.
- Concerns effectiveness and efficiency.
Thoughts on Strategic Management

- It is a philosophy, not just a technique.
- Understand the importance of the process.
- People must take ownership in the process and results.
- It is about organizational renewal.
- It usually gets worse before it gets better.
- It is no “magic bullet.”
- It must have full commitment from the top (from the start).
- Don’t rely on consultants too much.
- It will take a long time to do and see results.
- People learn by doing-so it takes time for them to “get it.”
Paradoxes

- The more chaotic the environment, the more strategic planning is needed.
- Major changes are often easier to make than small changes.
- The rules for success are typically created outside the organization (in the environment), but competitive advantage is always created inside the organization.
Public Health Leadership Competencies

- Create and employ assessment models to assess organizational environment, needs, assets, resources, and opportunities with respect to mission and policy development and assurance functions.
- Identify and include key players, power brokers, and stakeholders in collaborative ventures.
- Develop, implement, and evaluate collaborative and partnering strategies, including task force, coalition, and consortium development.
- Facilitate identification of shared or complementary missions and creation of common vision.
- Identify and interpret emerging trends.
- Create predictions and build scenarios.

Wright, et.al AJPH 2000; 90:1202-1207
Finally

“The significant problems we face cannot be solved at the same level of thinking we were at when we created them.”

Albert Einstein
Questions

clemak@phhp.ufl.edu