OBJECTIVE ADVICE
MGMA Health Care Consulting Group
solves practices’ problems

Game changer: A new approach to strategic planning

Strategic planning used to be based on a five- to 10-year timeline. Not anymore. The rate of healthcare change continues to accelerate. From new payment strategies and business models to mergers and acquisitions and new clinical pathways, the industry seems to be shifting underneath our feet. Mix these changes with an aging workforce; projected tsunami of Medicare patients; provider shortage; and the general economic issues of unemployment, housing foreclosures and asset deterioration and you quickly realize why planning five or 10 years out is no longer a viable option.

To be clear, it does not mean that your practice should not plan ahead. It does mean, however, that detailed planning is more likely to be relevant and accurate for a one- to two-year period.

Here are a few areas to focus on to ensure planning success, continued relevance and sustainability:

1. **Know your practice.** Develop a compelling and well-articulated mission and vision for your practice. To paraphrase Yogi Berra, if you don’t know where you’re going, there’s a good chance you won’t get there. Determine what is important to your physicians in the future, whether that’s independence, security or freedom from management issues.

2. **Master your business.** Rigorous business discipline and financial management is more important than ever. Benchmark your performance, study group and industry trends. Lead and manage at the highest level possible. Develop a budget and employ it as a management tool. Leverage technology and your personnel.

3. **Educate yourself and your leadership.** Network with your colleagues. Attend meetings. Read magazines, e-zines and blogs, and share information with physicians and administrative leadership. Ensure that your practice staff is aware of the ever-changing environment and its potential impact on your group.

4. **Consider quarterly goals.** Typical strategic planning is done in annual time increments. Change the time horizon from annual to quarterly to take advantage of increased currency and relevance and the ability to act and react to external forces.

A practice engaged in the planning process has the ability to correct its course as needed, while a practice without a master plan has no clear direction and can only be reactive.

5. **Abandon the annual retreat.** Many practices will conduct strategic planning retreats every two or three years. What would happen if you conducted quarterly mini-retreats? In lieu of waiting 12, 24 or 36 months to tackle strategic issues, coordinate quarterly mini-retreats (extended four-hour planning meetings) with quarterly strategic goals.

*see Objective Advice, page 44*
Ensure that your practice staff is aware of the ever-changing environment and its potential impact on your group.

6. **What if?** That’s the world we live in. What used to be obvious no longer is. Consider options in your planning process. What is the most likely result? What is the best- and worst-case scenario? Ensure different points of view in the discussions. Employ all of the resources available to you. Scenario planning is an increasingly useful tool for practices to consider.

The time horizon has changed. The process has been modified. Strategic planning is more critical than ever. A practice engaged in the planning process has the ability to correct its course as needed while a practice without a master plan has no clear direction and can only be reactive.

Evaluate your planning process and make the necessary changes. The future of your practice depends on it.

**join the discussion:** What is your approach to scenario planning? Tell us at mgma.com/connexioncommunity or connexion@mgma.com.

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**OBJECTIVE ADVICE from page 43**

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Market Code: ADIMIN093XHA4