



Implementing Your Strategic Vision: How To Move Your Organization From Plan To Action

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Agenda

- I. A 'Best Practice' Plan For A Turbulent Market – And Now What?
- II. Tactical Business Operations Planning Is The Blueprint For Success
- III. Navigating With Your Performance Dashboard
- IV. Metrics–Based Management And Decision Making -- Execution Is Everything!

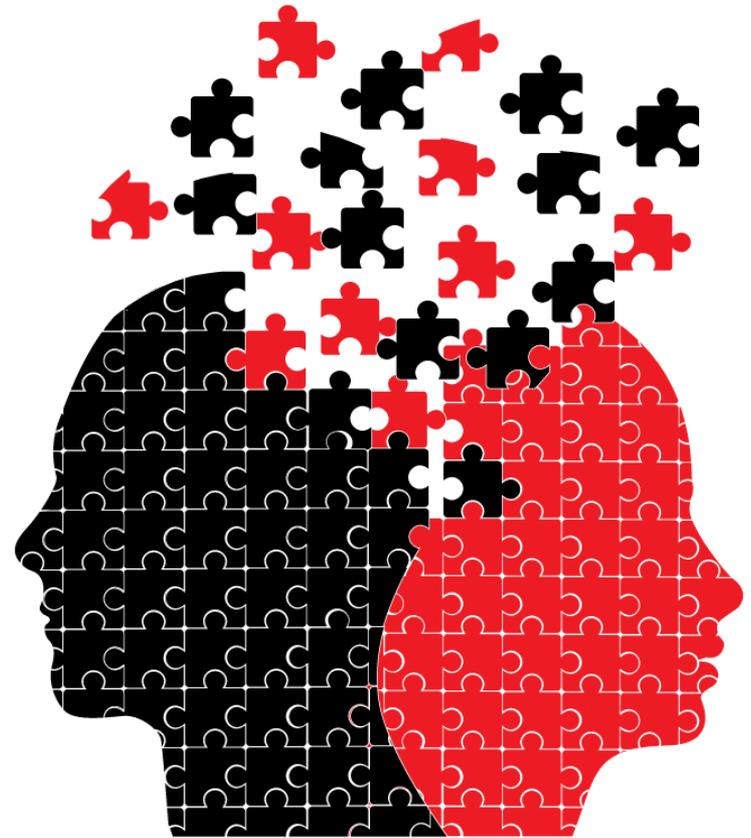


A 'Best Practice' Plan For A Turbulent Market - & Now What?

**Environment
Drives
Strategy**

**Strategy
Drives
Organizational Structure**

**Systems
Support
Organizational Structure**



To paraphrase Peter Drucker. . .

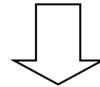
Organizations Use Strategic Planning To Match Resources To Their Mission & Objectives

Strategic planning
is your organization's process
of continually assessing
both internal capabilities
and external environment (payers, consumers,
and competitors)
in order to determine
how best to use your limited resources
to meet your strategic objectives.

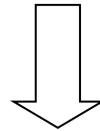
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***OPEN MINDS* Recommended Phased Business Strategy Development Process**

Phase One: Scenario-Based Strategy Development



Phase Two: Modification of Business Unit Plans to Support Strategy Implementation



Phase Three: Development of Strategic Plan KPI and Executive Team Performance Dashboard

Successful Organizational Response To Chaotic Market & Disruptive Innovation Requires A Scenario-Based Market Oriented Strategy

- Most organizations need to move forward with strategy implementation without “final” information
- Most practical option is concurrent scenario building and planning – with a resulting structured plan for organizational investment

What Is Scenario-Based Planning?

- Depictions of a future that are useful to clarify thinking -- not predictions or forecasts of what will happen; rather, a suggestion of what might happen
- Several (usually 3–5) descriptions of hypothetical situations -- interspersed with extrapolations of trends; more useful for understanding options and dealing with uncertainty than in predicting specific events

Why Scenario Planning?

1. Prevents organizations from focusing on catastrophe, to exclusion of opportunity
2. Allocates resources more prudently
3. Preserves options – anticipates unexpected developments and prepares organization for rapid response to change
4. Ensure you're not fighting “the last war” – planning based on future events (not past)
5. Gives the executive team the opportunity to rehearse for “any possibility”

Scenario-Based Planning Process

Build scenarios of likely future situations and high-level implementation plans for each

Determine the “common elements” in the scenario implementation plans

- When building the operational implementation plan, implement the “common elements to all scenarios” first

Monitor market intelligence to update scenarios and action plans

- Continuously update both the scenarios and the implementation plans based on new market intelligence

Common Planning Scenarios For Organizations In Behavioral Health Market Space

Elimination of 'Safety Net' Funding For Uninsured

Decrease of Fee-For-Service Rates

Medicaid or Medicare Coverage of SPMI Population Moved to Managed Care or ACOs

Expanding Role of Urgent Care Clinics in Community

Payers Increase Coverage of E-Health Services and Remote Monitoring

Increasing Proportion of Behavioral Health Expenditures Paid by Individuals

Mandatory Adoption of EBP Via Comparative Effectiveness Research

Service Provider Organizations Moved To Case Rate Contracting or P4P

Widespread Adoption of New Neurotech (Scans, Avatars, Cognitive Retraining, Etc.)

Scenario Analysis Model – Common Activities

Strategic Tasks In Scenario Plan	Promotion of Preferred Model	Scenario #1A: Integration – FFS Provider Payment	Scenario #1B: Integration – Subcap Payment	Scenario #2: Statewide Carve-Out – FFS Payment	Scenario #3A: Local-Option Carve Out – FFS Payment	Scenario #3B: Local-Option Carve Out – MBHO Partner
#1 Develop presentation to promote the preferred model.	X					
#7 Determine and manage unit costs of services.		X	X	X	X	X
#9 Establish billing and AR systems for FFS billing within managed care		X		X		X
#15 Develop UM and prospective authorization functions.			X		X	
#5 Present model to other identified stakeholders to solicit endorsement.	X					

But, Even The Best Plan Is Not Enough ...

- Developing an effective strategy is only the first step
- The strategy must be successfully executed using a plan with clear tactics, timelines and accountabilities

Factors Contributing To Failed Plan Implementation

- Inadequate linkage of strategic plan with other organizational control systems
- Definitions of service lines and operating units not precise
- Badly handled reviews of business unit plans

- Vaguely formulated goals
- Inadequate information bases for action planning
- Poor preparation of line managers and supervisors

Strategic Planning Is Just One Dimension Of Strategic Management

Strategic management is an integration roadmap – a business management methodology integrating:

1. Strategic plan development
2. Integrated business operations planning
3. Performance measurement design and management reporting processes
4. Organizational culture and reward system



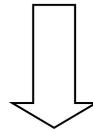
Tactical Business Operational Planning Is The Blueprint For Success

***OPEN MINDS* Recommended Phased Business Strategy Development Process**

Phase One: Scenario-Based Strategy Development



Phase Two: Modification of Business Unit Plans to Support Strategy Implementation



Phase Three: Development of Strategic Plan KPI and Executive Team Performance Dashboard

Phase Two: Modification Of Business Unit Plans To Support Strategy Implementation

1. Marketing and development plan
2. Technology and communications plan
3. Operations and program management plan
4. Human resource and talent management plans
5. Financial management plan



1. Business unit and organizational budgets
2. Recommendations regarding organizational structure

The “Action Detailing” Concept Works Well

Identify all specific tasks in each area necessary to support strategy implementation



Identify resources required to complete each task (time, finances, organizational change, etc.)



Name of individual accepting responsibility for each task



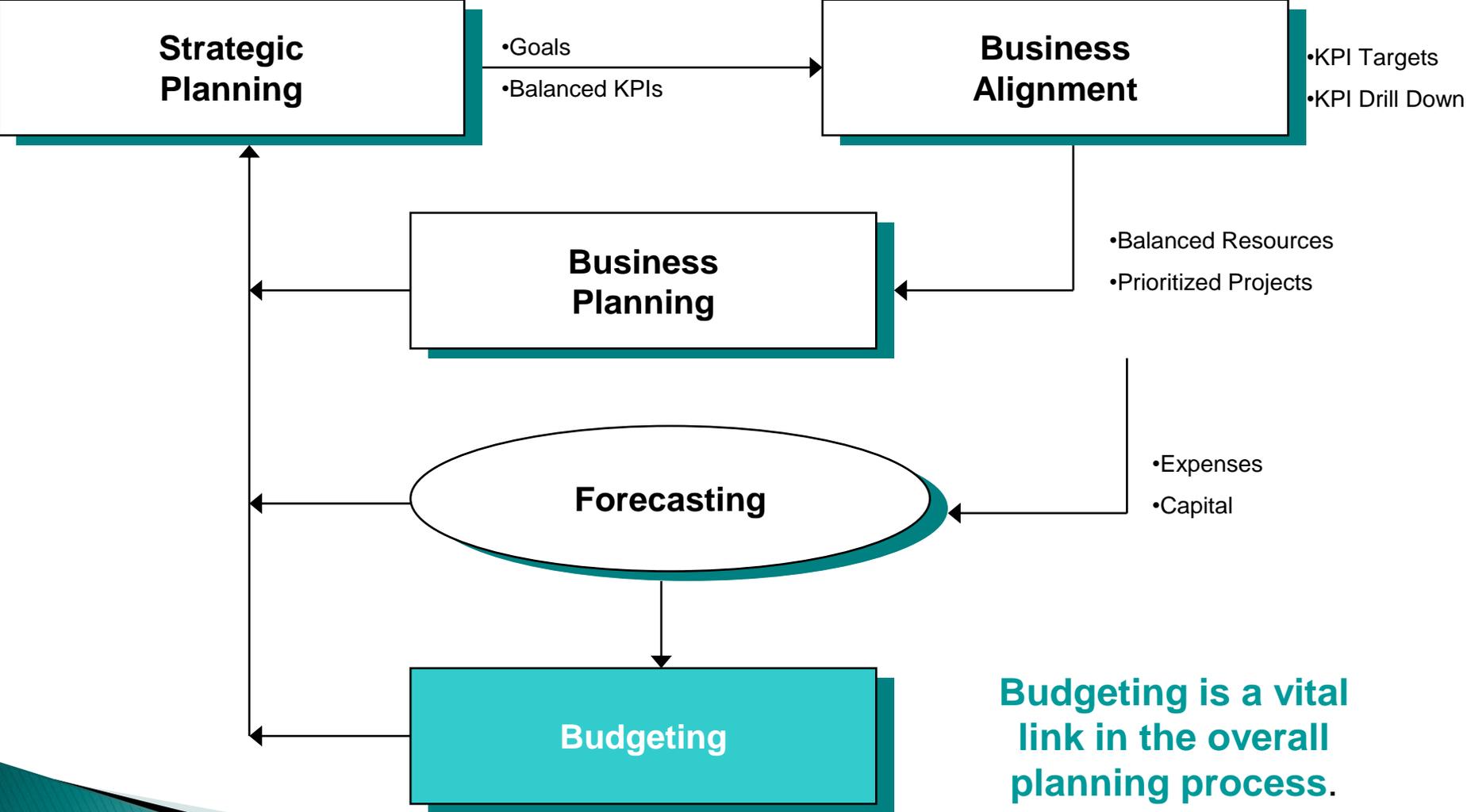
Timeline for completion



Success measurement milestones for action plan

Implementation Tasks/Action Steps Develop E-Health Program	Start Date	Target Complete	Estimate Hours	Estimate Cost
1. Identify major sources of XXXX funding for e-health and interested provider organizations. Develop a database of organizations and referral agents.				
2. Develop a service management program template and budget				
3. Develop functional responsibility specifications for implementation of e-health program, along with any required changes in position descriptions, a plan for KPI reporting, and compensation recommendations				
4. Based on size/profitability of referral sources, assign each referral source to the schedule for a briefing on services				

Best Practice Budgeting: An Iterative Process





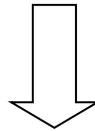
Navigating With Your Performance Dashboard

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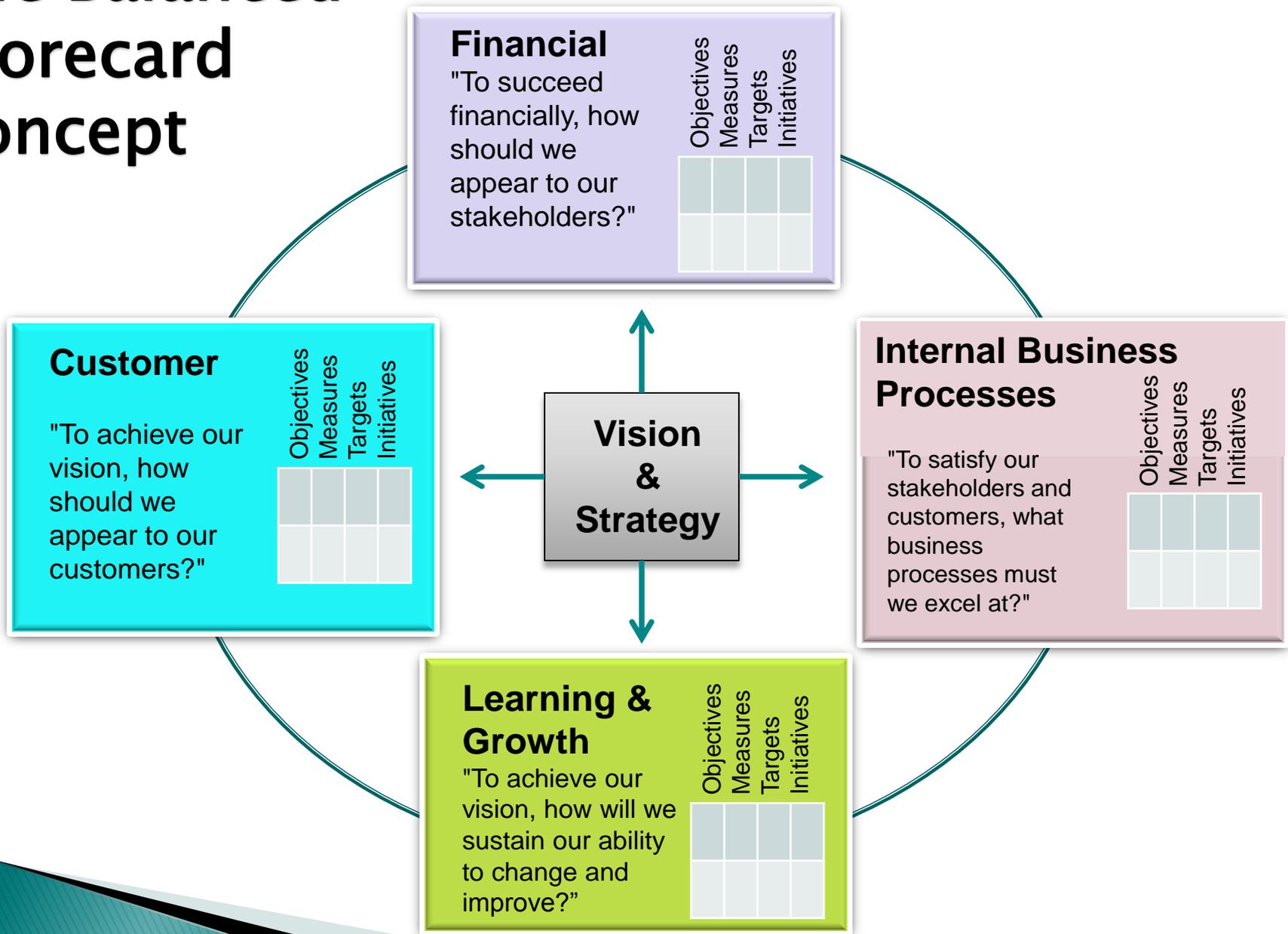
To move quickly, your team needs not only the performance reporting – but the performance reporting in dashboard format. . .

Like an airline pilot . . .

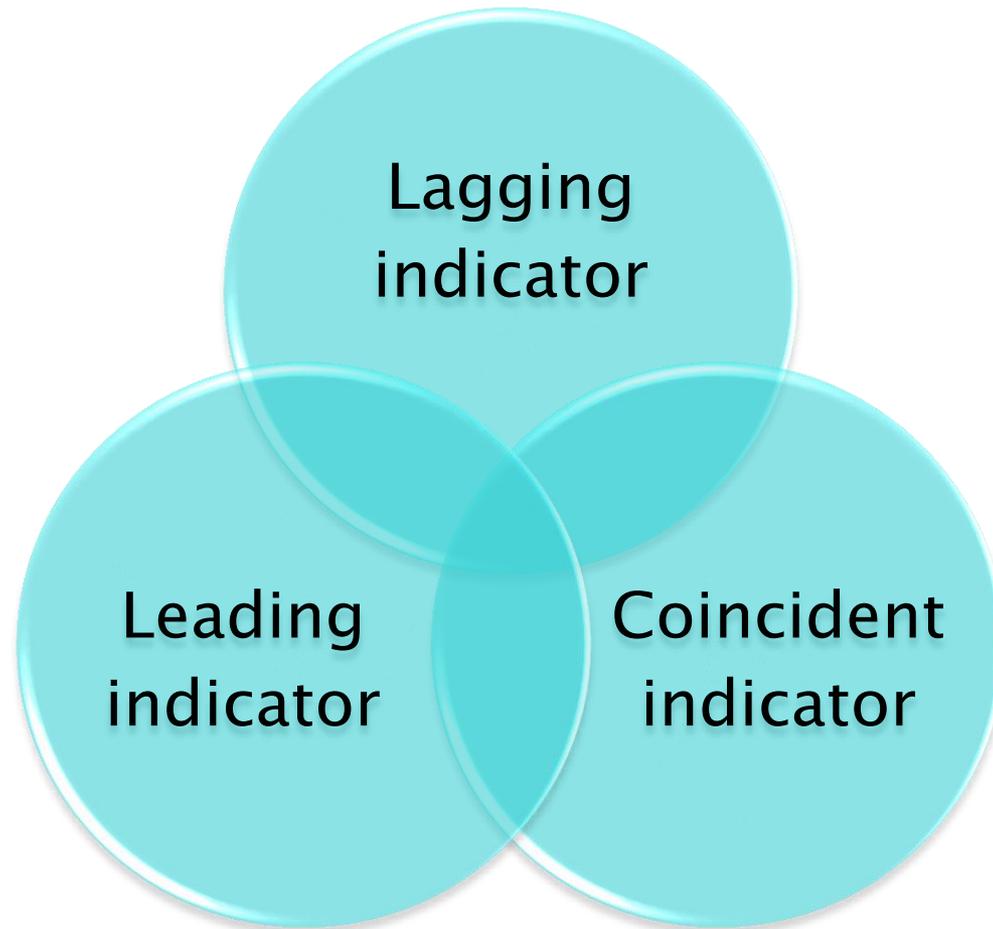
Key Performance Indicators

- Key performance indicators (KPIs) are financial and non-financial measures used by the management team to ensure that the agency is moving forward in achieving its strategic and organizational objectives
- Driven by structured data from the information system, the KPIs represent those data points that measure the “health” of your organization
- KPIs are typically tied to an organization's strategy using concepts or techniques such as the Balanced Scorecard

The Balanced Scorecard Concept



Indicator Utility





Creating Management Dashboards To Support Executive Decision Making

What Is A Dashboard?

- A computer interface that organizes key performance indicators in an easy to read format, displaying the information that executives need to run an organization.

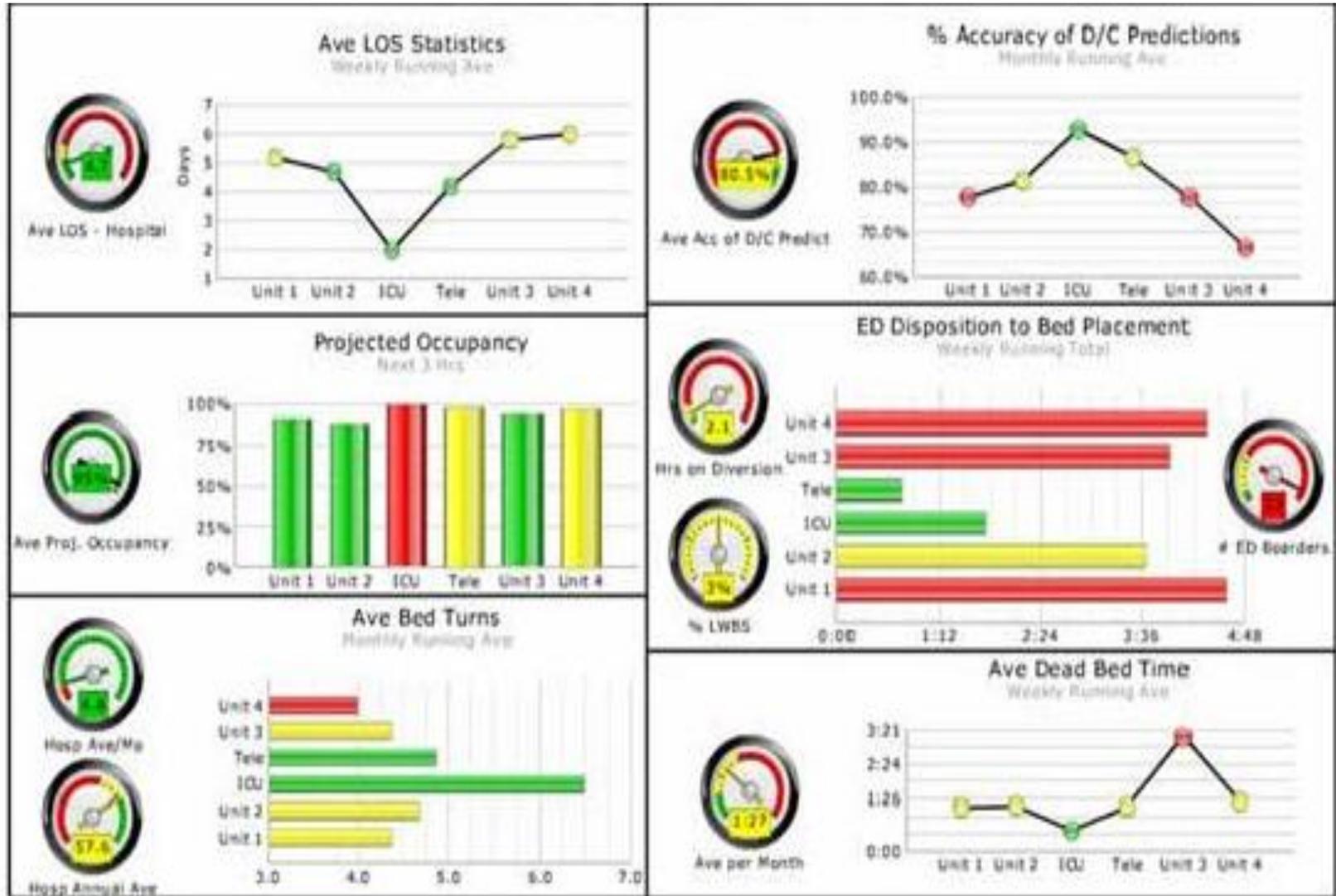
Features Of An Effective Executive Dashboard

1. An intuitive graphical display that is thoughtfully laid-out and easy to navigate
2. A logical structure that makes information easily accessible
3. Little or no user training is required
4. Data displays that can be customized and categorized to meet the specific needs of each user.
5. Regular and frequent updates of dashboard information for accuracy and relevance to current conditions
6. Information from multiple sources, departments, or markets can be viewed simultaneously

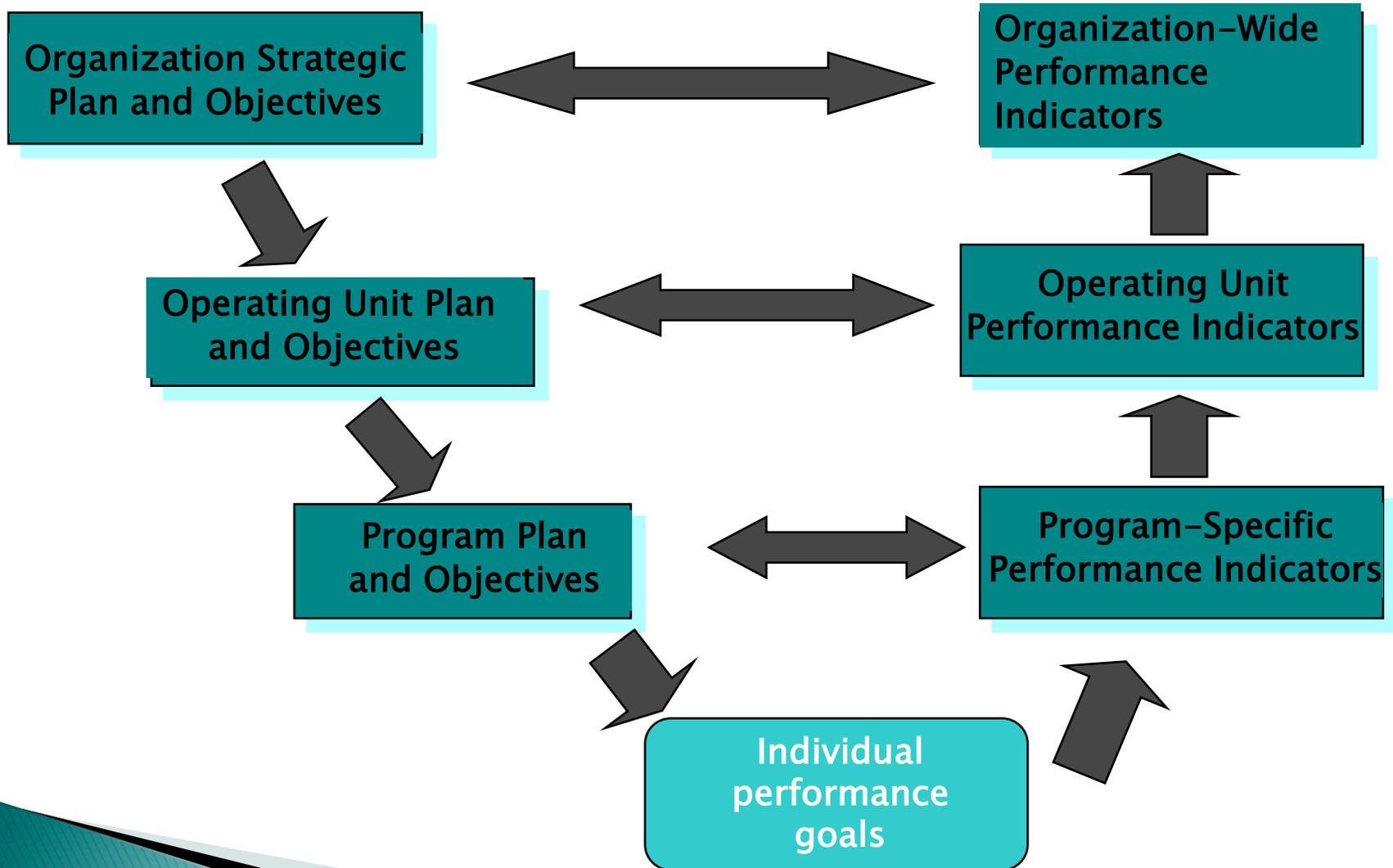
Prototype Of Executive Team Performance Management Dashboard



Executive Dashboard



Create KPI Dashboards Appropriate To Level Of Organization



Balanced Scorecard Dashboard

Balanced Scorecards provide an efficient reporting process – traffic lighting, charting, and qualitative information

Hillside Family of Agencies	FY07-08	FY07-08	FY07-08	FY07-08	Target	Q1% of Target	Q2% of Target	Q3% of Target	Q4% of Target
	Q1	Q2	Q3	Q4					
Measure 1	0%	0%	0%	0%	100%	0%	0%	0%	0%
Measure 2	23%	47.4%	44.2%	31.2%	26%	88%	182%	170%	120%
Measure 3	1%	3%	3%	3%	2%	50%	150%	150%	150%
Measure 4	0%	0%	0%	0%	50%	0%	0%	0%	0%
Measure 5	25%	73%	73%	73%	75%	33%	97%	97%	97%
Measure 6	0	0	0	2	1	0%	0%	0%	200%
Measure 7	25%	43%	43%	43%	75%	33%	57%	57%	57%

Traffic lighting highlights performance to targets



Graphs and qualitative commentary on initiative progress



Human Resources Dashboard

Compliance Calendar



Vendor Billing Checklist

3/1/2006	\$60,000	Vision
3/15/2006	\$80,000	Medical
5/15/2006	\$8,715	401k
3/31/2006	\$11,500	401k
4/28/2006	\$40,000	Medical
4/19/2006	\$6,000	Dental
4/28/2006	\$52,550	Dental
3/31/2006	\$2,750	Vision

Vendor Payables



\$160,250

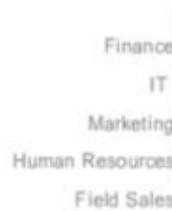
Claims - Budget to Actual



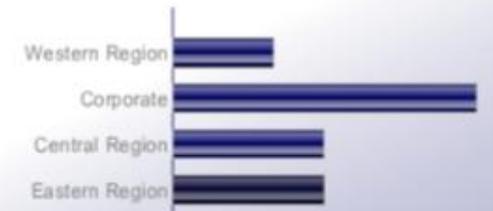
Leave of Absence

Workers Comp Claims

By Department



By Region



Leave of Absence

Name	Department	Region	Start Date	End Date	Leave Type
Thomas Brown	Field Sales	Eastern Region	10/6/2006	10/23/2006	Personal - V
Dave Angus	Development	Eastern Region	7/14/2006	7/26/2006	Personal - V
Hugo Douglas	IT	Eastern Region	5/25/2006	5/30/2006	Personal - V
Gordan Gibson	Field Sales	Eastern Region	6/21/2006	6/28/2006	Personal - V
Ryan Smith	Development	Eastern Region	7/5/2006	7/14/2006	Personal - V
Bob Smith	IT	Eastern Region	5/16/2006	5/18/2006	Personal - V

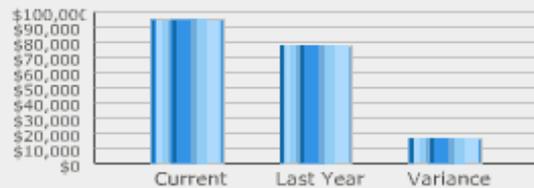
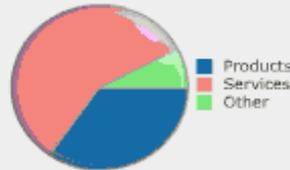
Revenue Summary

Back

Month

Year-to-Date

	Month		
	Current	Last Year	Variance
Products	\$45,000	\$34,000	\$11,000
Services	\$75,000	\$50,000	\$25,000
Other	\$10,000	\$12,000	(\$2,000)
Total Sales	\$130,000	\$96,000	\$34,000



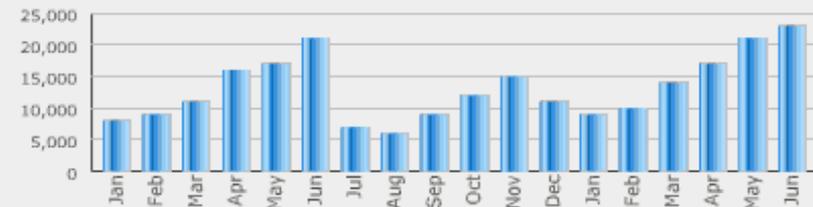
Product Revenues



Service Revenues



Other Revenues



Revenue Simulation



Key Figures

	YTD Current Yr	YTD Last Year
Average \$/Sales Person	\$19,000	\$15,600
Average \$/Customer	\$4,750	\$6,145
Average \$/Item	\$6,333	\$5,200

Top Sales People | Top Customers | Top Items

Top 5 Sales People

	YTD	% of Tot. Sales
Peter Jennings	\$96,950	35.0%
Lisa Summer	\$69,250	25.0%
Jose Garcia	\$55,400	20.0%
Doug Ballmer	\$36,010	13.0%
Steve Burgum	\$19,390	7.0%

Physician Compensation and Production Dashboard



Home | [Physician Compensation and Production](#) | [Practice Costs](#) | [Learn More](#) | [What's Next](#)

YOUR PHYSICIAN RANKINGS

These Dashboard gauges show how your practice's performance compares to MGMA industry norms. Each performance area is graded from 0 to 100. Red means below average, yellow means average and green means above average.

[What's Next](#)

[Back to Inputs](#)

Total Physician Health: 46



Compensation



Collections for Professional Charges



Gross Charges



Ambulatory Encounters



Surgery/Anesthesia Cases

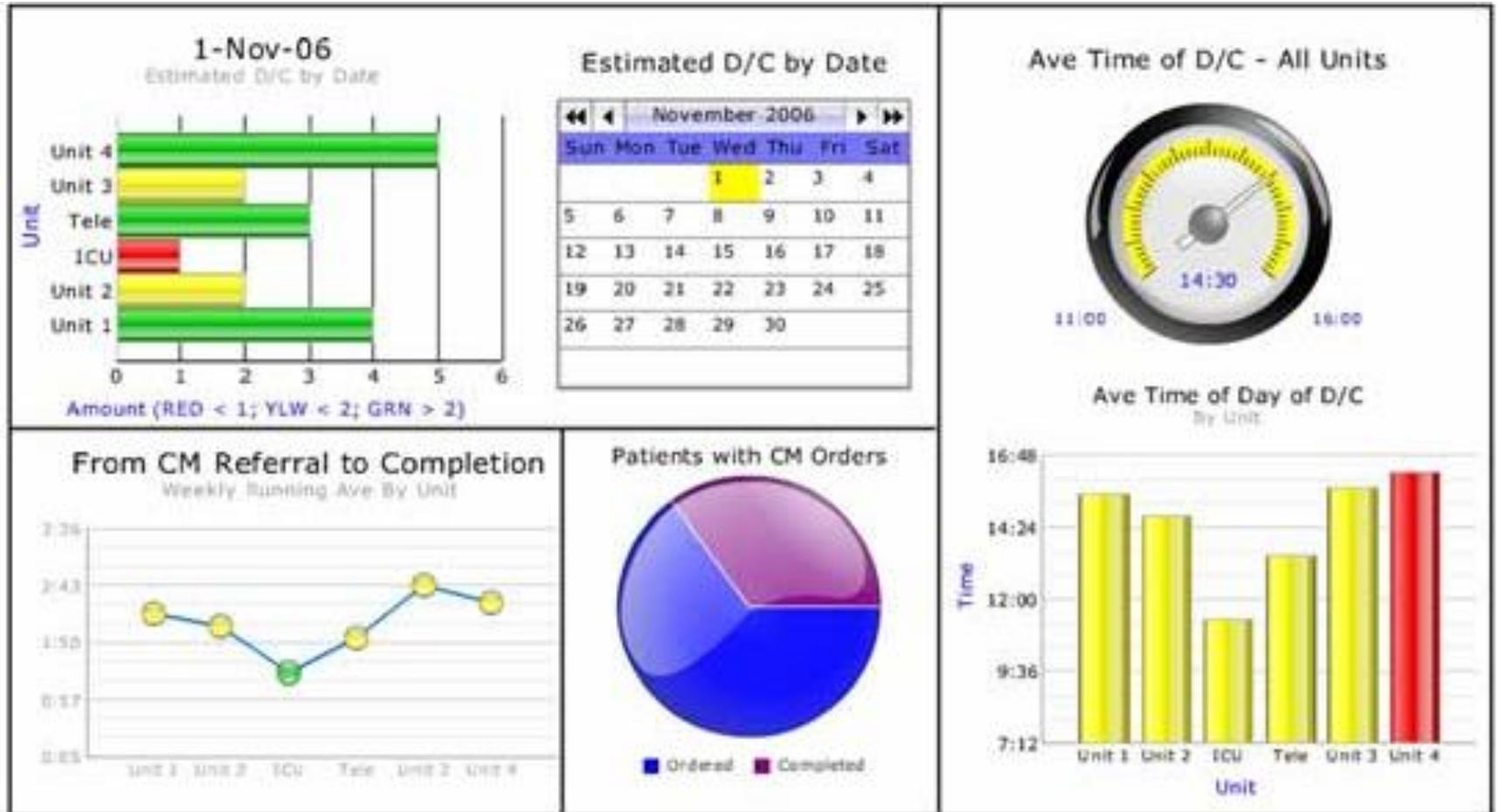


Work RVUs

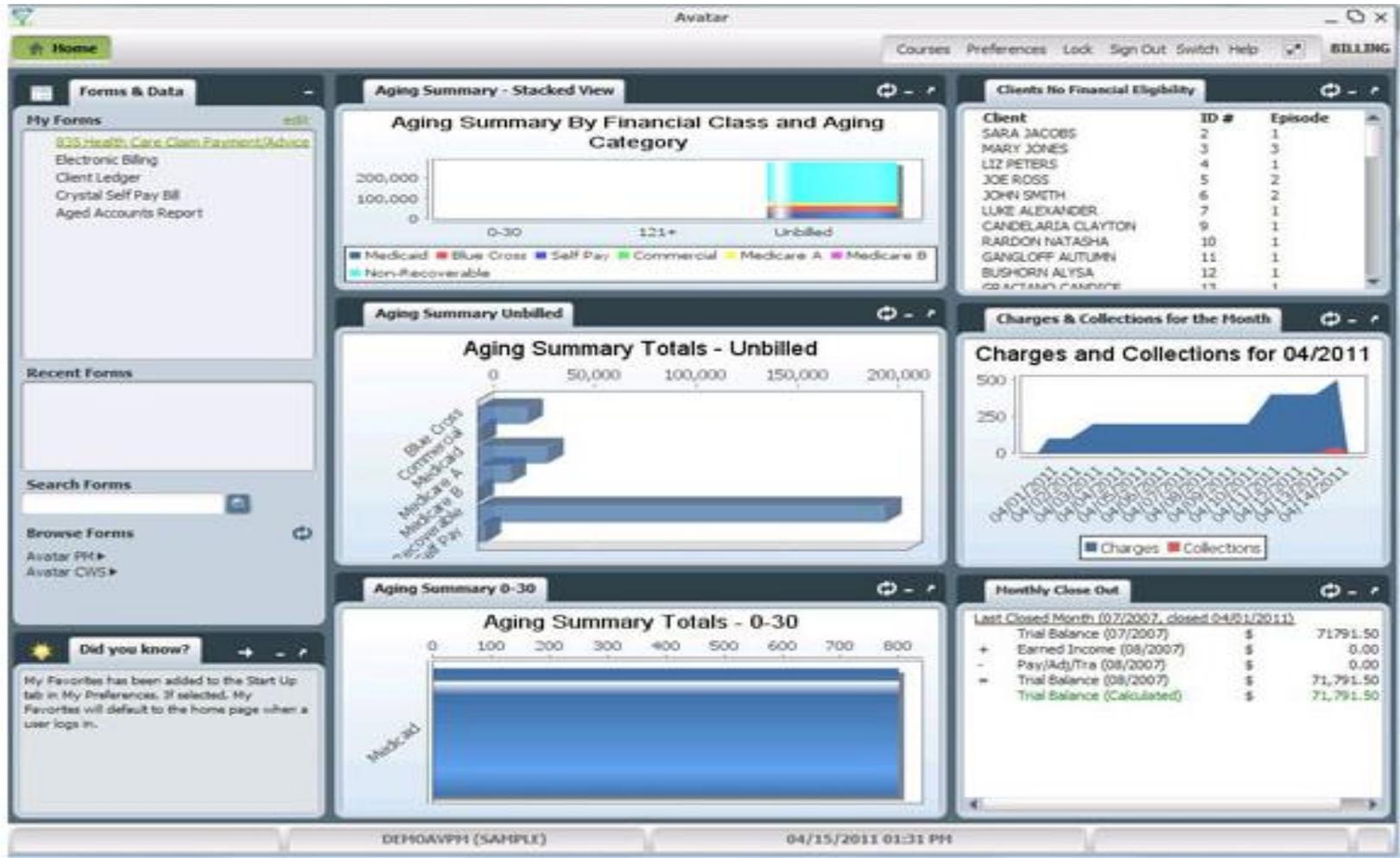


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Case Management Dashboard



Billing Unit Performance Management Dashboard



Clinician Performance Management Dashboard

Avatar

Home Courses Preferences Lock Sign Out Switch Help JSHEP

Client Staff

My Clients edit

- > Bell, Ross (000000325)
- > Binford, Matthew (000000245)
- > Binford, Aaron (000000222)
- > Blackstone, Sin (000000313)
- > Cora, Jake (000000298)
- > Duran, Peter (000000118)
- > Gates, Cal (000000223)
- > Myers, Carla (000000188)

Recent Clients

Search Clients

Close Open Clients

Message Center

Effective Date: 07/13/2010

Avatar Training
Next Tues
Westwood Room 3

Did you know?

In text boxes, the spell checker will underline words that are misspelled as you are typing. You can right-click on words to correct them easily.

Forms & Data edit

My Forms

- Clinical Forms**
 - Client Profile / Physicians Orders
 - Diagnosis
 - Needs and Symptom Assessment
 - Core Assessment and Client History
 - Progress Notes
 - Clinical Document Viewer
 - Client Treatment Plan
- Intake Forms**
- Reports**
 - Client Appointment Scheduling
 - CWS Vital Signs
 - Appointment Scheduling
 - Send To Do Notification

Recent Forms

Search Forms

Browse Forms

- Avatar PM ▶
- Avatar CPMS ▶
- Avatar CWS ▶
- Avatar MSO ▶

My To Do's All (6) New (2)

Client	Action	Form	Sent	Comments
Aaron Binford	Progress Notes (Home View)	Progress Note...	03/28/2011	Service Medic...
Zoe Wharton	Progress Notes (Home View)	Progress Note...	03/28/2011	Service Asse...
Aaron Binford	Review To Do Item	Client Treatment P	04/13/2011	Draft Treatm...
Zoe Wharton	Review To Do Item	Ambulatory Proce	04/14/2011	Review Draft...
Peter Duran	Review To Do Item	Client Treatment P	04/14/2011	Draft Treatm...
Ross Bell	Review To Do Item	Client Treatment P	04/14/2011	Draft Treatm...

My Calendar Friday Apr 15, 2011

2011 Fri, Apr 15

All Day

9:00 AM 9:00 AM Shephard, Jack: Medication Management (90802) - East Campus

10:00 AM 10:00 AM Shephard, Jack: Ind Psychotherapy 45-74 min (90805) - East Campus

11:00 AM

12:00 PM

1:00 PM

2:00 PM 2:00 PM [My Outlook] Staff Team Meeting

3:00 PM

Show Personal Appointments

DEH0AVPM (SAMPLE) 04/15/2011 01:12 PM

Intake Department Performance Management Dashboard

The dashboard is titled "Avatar" and includes navigation links for "Home", "Courses", "Preferences", "Lock", "Sign Out", "Switch", "Help", and "TDESK".

Forms & Data

- My Forms:** Appointment Scheduling, Client Appointment Scheduling
- Recent Forms:** (Empty)
- Search Forms:** (Search bar)
- Browse Forms:** Avatar PM, Avatar CWS

Client

- My Clients:** Baker, Bill (000000001), Binford, Aaron (000000222), Dinton, Carl (000000289), Duran, Peter (000000315), Wharton, Zoe (000000330)
- Recent Clients:** (Empty)
- Search Clients:** (Search bar)
- [Close Open Clients](#)

Coming in Today

Time	Staff	Service	Client	Status
09:00 AM	Darleen C	O.P. Mental Health Se...	Shepherd, Jack (...)	Not Present
10:00 AM	Darleen C	O.P. Mental Health Se...	Training, Edward...	Not Present
10:00 AM	Bradley S	O.P. Mental Health Se...	Shepherd, Jack (...)	Not Present
03:00 PM	Aaron B	O.P. Mental Health Se...	Training, Edward...	Not Present

Did you know?
A user can forward one of his/her To Do items to another user.

Message Center

Effective Date: 07/13/2010
Avatar Training:
Next Tues
Westwood Room 3.

Binford, Aaron

Coming in for
O.P. Mental Health Services
03:00 PM- 04:00 PM
East Campus
Training, Edward

Payment (last: \$20.00 on 08/24/2010)

Balance:	\$305.00
Appt:	\$20.00
Total:	\$325.00

Payment - Cash
\$ 25.00
Receipt Paid

Address & Contact:
5668 ARBOR VISTA DR
Phoenix, AZ 85044

Authorization & Disability:

DEHDAVPH (SAMPLE) 04/15/2011 01:27 PM



Metrics-Based Management & Decision Making -- Execution Is Everything!

Management Using Metrics

- Whatever gets measured...
 - Gets attention
 - Gets done

If you don't measure it, you can't
manage it

What Is Metrics-Based Management?

A performance management system that relies on three components, each of which must be quantitatively and qualitatively expressed.

Current State

- Baseline measures of your organization's current performance

Desired State

- Where your organization wants to be regarding key priorities

Bridging the Gaps

- A definitive plan for how you'll move your organization to achieve the desired performance

Results Of Management Using Metrics

1. Clear agreement on strategy among senior management
2. Effective communication of strategy throughout the organization
3. Good cooperation and teamwork among management
4. Information within the organization is shared openly and candidly
5. Unit performance measures are linked to strategic organizational measures
6. Individual performance measures are linked to unit measures
7. High levels of self-monitoring by employees

Five Stages Of Metrics–Based Management

Stage 1: Data Collection

- Knowing what data needs to be captured and setting up the procedures for the same. This can be more challenging if it is to be enforced on a group or organization.

Stage 2: Initial Analysis

- What reports can be generated? Is data correct? Is data being collected sufficient? Do the numbers make sense? Don't jump to conclusions based on initial analysis in your excitement.

Stage 3: Benchmarking

- It is time to set goals by benchmarking the data with industry peers and market demand.

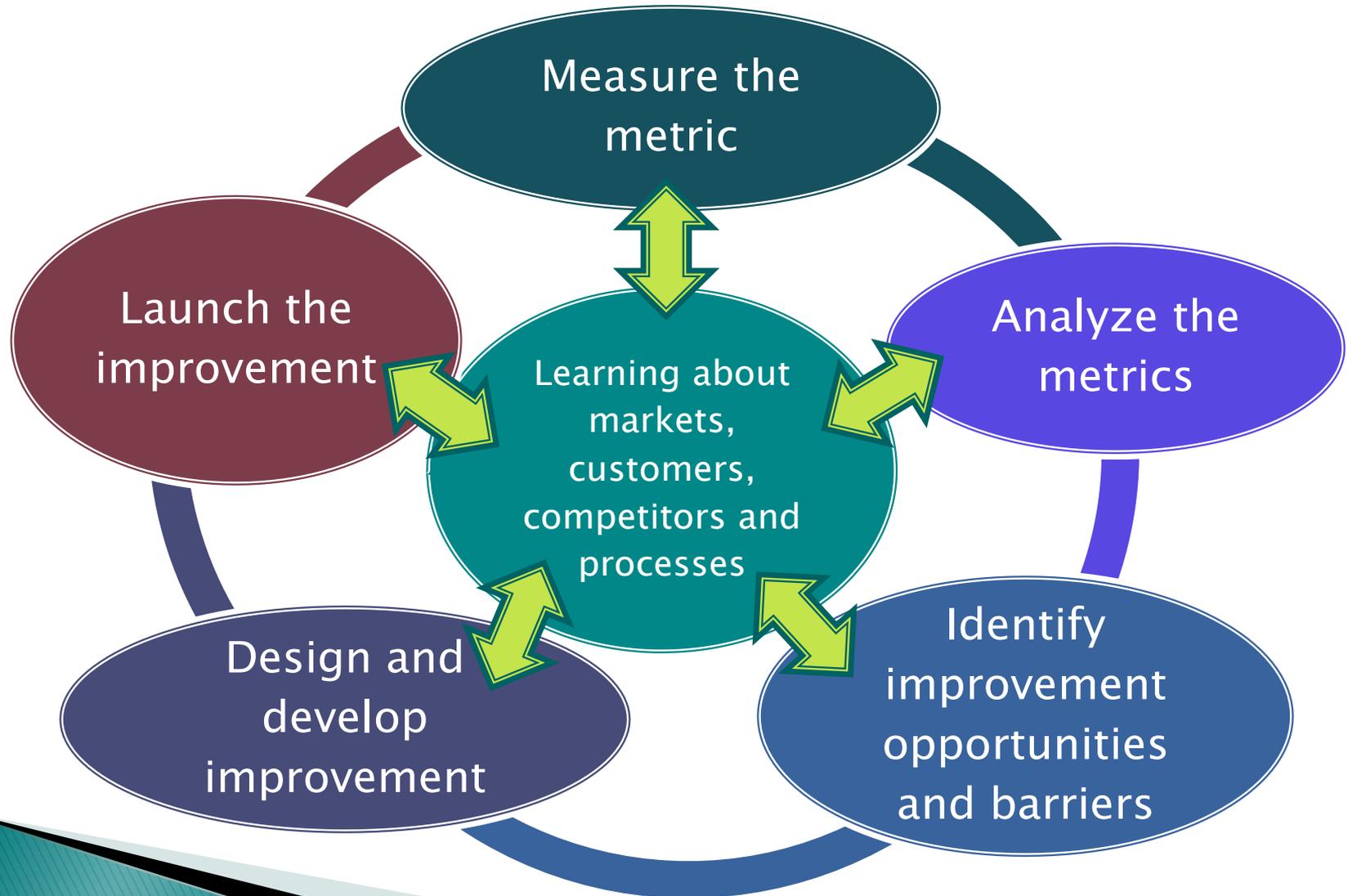
Stage 4: Decision Making and Process Improvement

- Take decisions based on data collected to alter your processes and also look at improvements in data being collected and ensuring quality of data.

Stage 5: Follow–Up and Continuous Improvement

- Follow–up on the decisions taken for process improvement and measure effectiveness of the decisions after new numbers are available. Do this repetitively.

The Team Meeting Process In Metrics-Based Management System



Organizational Challenge: Competency In Metrics-Based Management

- Executive team and board interaction
- Business unit manager accountabilities
- Supervisory positions and their reports

What Is The Team Management System Needed To Make Metrics-Based Management Work?

- Cultural shift toward accountability for performance metrics – executive team, program managers and supervisors
- Role of the manager is to ensure the targets are met – planning, human capital, processes, policies, etc.
- Metrics should be integral part of individual performance evaluations and compensation

New Environment Demands Both Transactional & Transformational Leadership Skills

- Transactional leadership is about coping with complexity –
 - Purpose is to keep current system functioning and improve current system
 - Planning and budgeting
 - Organization structure and staffing
 - Organizational controls, monitoring and problem solving
- Transformational leadership is about coping with change –
 - Purpose is to produce useful, non-incremental change system
 - Setting a direction
 - Aligning people in the organization
 - Motivating people in the organization

Transforming Organizations In The Emerging Market

Traditional	“The New Normal”
Inwardly and historically focused	External market orientation
Slow to plan and make decisions	Quick to plan and make decisions
Risk averse	Risk tolerant
Few performance info systems	Widespread real-time performance measurement
Performance data to execs	Performance data to all staff
Compensation based on process and tenure	Compensation based on results
Centralized control	Decentralized empowerment
Bureaucratic and multi-level	Non-bureaucratic with few levels of management
Management training to senior staff only	Widespread staff management training

Resources

- Strategic Positioning & Strategic Planning: Integrating Critical Marketing, Operations, and Finance Functions For Success
<http://www.openminds.com/circlehome/eprint/a2000/090100/090100b.htm>
- An Industry Merger & Acquisition Update: Planning Strategy in the Midst of Consolidation
<http://www.openminds.com/circlehome/eprint/2010/020110/020110f.htm>
- Strategic Leverage Through Technology In Behavioral Health & Social Service Organizations: Key Is Integrating Technology Planning With Organizational Strategy
<http://www.openminds.com/circlehome/eprint/2002/070102/070102b.htm>
- Commodity Market Pricing and Business Planning: How Can Provider Organizations Respond to Falling Payment Rates?
<http://www.openminds.com/circlehome/eprint/a2000/040100/040100a.htm>
- Keeping Your Board “On Board”
<http://www.openminds.com/market-intelligence/intelligence-updates/071911-board-on-board.htm>

Upcoming *OPEN MINDS* Events

- 2012 Executive Leadership Institute
 - September 12–14, 2012 – Gettysburg, Pennsylvania
- 2012 Technology & Informatics Institute
 - October 17–18, 2012 – Baltimore, Maryland
- 2013 Performance Management Institute
 - February 14–15, 2013 – Clearwater Beach, Florida



***The market intelligence to navigate.
The management expertise to succeed.***

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