

STRATEGY, TRENDS AND PLANNING FOR HOSPICE BOARDS

A FOUNDATION FOR STRATEGIC PLANNING

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Many hospice board members may feel overwhelmed or frustrated when it comes to thinking about strategy in today's chaotic environment. That's natural, especially if you're trying to apply traditional approaches to strategic planning.

We need a new approach to deal with our current environment. There's a term that's being applied to today's chaotic environment, and it's the acronym "VUCA." V-U-C-A, which stands for volatility, uncertainty, complexity and ambiguity. These are great ways to describe the healthcare world for sure.

We see in healthcare rapid change in a number of different aspects. We see changes in data, data growing exponentially. We see the ability to mine data moving at rate that were unforeseen even a few years ago. We see entirely new players entering the market, and we see consolidation of different players in the market in configurations, that again, we might not have envisioned a few years back. Who would've that we'd see health plans that are acquiring hospice organizations or that we'd have private investors like Roto-Rooter buying a hospice organization?

These are all things that, sort of, turn traditional strategic planning on its ear, because traditionally, strategic planning tended to be about predicting, and that's something that we will can't do any longer. We can no longer try to predict what's going to happen several months from now, let alone several years from now. So, we need a different approach.

Adaptive planning is a term that's being used to contrast with traditional strategic planning, and it's a way of dealing with the rapid change that we're experiencing day-to-day.



One aspect of that is recognizing patterns, as opposed to collecting data. If you've been involved in traditional strategic planning years ago, you may have spent an exhaustive amount of time trying to collect all of the data possible to research where, and predict, where things might be headed. In adaptive planning, the focus is on recognizing patterns and not trying to be able to predict, but at least get a sense of what direction things are headed.

The second element is to experiment and not bet the whole company on one particular idea. With the rapid change, it's important to try out new ideas, but try them in a way that you're not, you can easily retreat, you can easily expand, while you figure out whether what you're trying is going to meet the needs or changes that are occurring. So, experimentation is key.

Creating strategic filters is another concept. And the idea here is that since we can't predict what's going to happen, we don't know what strategic opportunities may come to us next week, two months from now, a year from now. Boards can though create criteria or filters that it will use when those opportunities come along to determine whether or not it's worth investing resources in assessing that opportunity. So, by creating those filters in advance, the organization is thinking through a number of aspects about strategy and deciding what are the priorities for strategic opportunities that this organization wants to look at going forward. It's not trying to predict what those opportunities will be, but rather, when we see an opportunity, these are the things that are important for us to take into account and decide whether we're going to invest resources in exploring those opportunities.

A fourth element of adaptive planning is ongoing strategy, and I think that probably goes without saying, because change is happening so quickly. The assumptions that you've made change the... even opportunities that come along will change, the empowering elements like technology is changing. So, this needs to be ongoing discussion and not a decision that's made periodically. It's something that needs to be discussed on an ongoing basis.

A final aspect of adaptive planning is that everyone needs to be involved in executing on the plan. Traditional strategic planning tended to take a top-down approach where there was a plan dictated from senior leadership and everyone else in the organization carried that out. There's an emphasis now on being able to easily communicate a strategic direction to everyone in the organization and empowering them to be able to determine how what they do can align with that strategic direction.

As a result, many organizations are now trying to create a one-page strategic plan, a graphic that can be easily understood, easily carried out by anyone in the organization. And that's very different than a volume of strategic plans and documents that might've been developed 10 years ago. So, that immediacy, and that dispersion of the strategic plan is another important element of adaptive planning.