

Strategic Planning: A Missing Element For Physician Practice Success

By Michelle Luffey & Ross Swanson

While hospitals and health systems heavily invest time and resources in strategic planning, most physician practices do not, often due to limited time or resources. Many physicians and practice leaders find themselves either too busy or unprepared for effective planning, leading to a reliance on informal, intuitive strategies that may not actually produce the desired results.

The fierce competition for market share, referrals, and physician talent underscores the critical need for physician practices to adopt strategic planning as a key to their success. [Corazon](#) suggests that acknowledging the benefits of formal planning is an essential first step. The next logical step is to undertake a dedicated planning process aimed at retaining and growing market share.

Fortunately, comprehensive strategic planning for physician practices can be efficient and not overly costly, especially with the aid of external consultants. A thorough “master strategic and business plan” can be developed in just a few short weeks. Regardless of a practice’s size, specialty, or scope, a complete strategic plan must address industry trends, performance benchmarks, operational efficiencies, growth opportunities, strategic activities, recruitment needs, and return on investment potential.

Below outlines the key components of a practice-based strategic plan:

- The **Internal Assessment** involves evaluating the practice’s current capabilities, including the scope of services provided. A detailed analysis of operations is crucial to identify and rectify any inefficiencies that are hindering growth or the ability to maximize volume. It also involves a comprehensive review of staffing to confirm appropriate staff levels and roles.
- The **External Assessment** entails analyzing market dynamics that influence the practice now and, in the future, using qualitative data. This includes defining the practice’s market service area and comprehending the demographic and utilization trends that could present growth opportunities. A review of the distribution of services offered across the market, as well as, a

thorough evaluation of market competitors, encompassing referral patterns, service uniqueness, market visibility, community reputation, and crucial performance metrics, is vital for developing effective growth strategies.

- Additionally, Corazon recommends focusing on current **Trends in Industry and Technology**, identifying key success factors for introducing new technologies or services, assessing any necessary investments, and evaluating the potential for a positive return on investment. Many healthcare facilities are discovering that implementing procedural care through the introduction of an office-based lab (OBL) or an ambulatory surgery center (ASC) can provide more patients with access to care as well as increase revenue for the practice.
- A **Financial Assessment** is the final component of the planning process. Evaluating the financial performance of the practice is essential to uncover opportunities for boosting revenue and reducing costs. It will also ensure that the resources required to achieve the goals that are identified in the plan are viable and having the complete financial picture assists in prioritizing the strategic goals in terms of an implementation timeline.

Conducting a Strengths, Weaknesses, Opportunities, and Threats (SWOT) analysis along with the core components identified above provides a robust strategic planning process that enables physicians to gain a deeper insight into their present circumstances and upcoming challenges to aid in developing strategies and a tactical plan to pave the way for both immediate and sustained success. By establishing precise timelines and assigning clear responsibilities, practices can then start executing their strategic plan, with a focus on operational and quality improvement, growth, and financial stability.

NOW more than ever, physician practices need to find a way to differentiate themselves from their competitors, and this need is paramount for both employed and independent physician groups. Forward-thinking physician practices that commit to developing a strategic plan are placing themselves significantly ahead of their competitors and the

industry. Embracing this proactive approach of investing in strategic planning can ensure a physician's practice is able to navigate the complexities of today's rapidly evolving healthcare landscape and achieve enduring success.



Michelle Luffey is a Senior Vice President at Corazon, a national leader in program development for the Heart, Vascular, Neuroscience, Spine, Orthopedic, and Surgical service lines, offering services in Consulting, Recruitment, Interim Management, Accreditation, and Peer Review. To learn more, visit www.corazoninc.com or call 412-364-8200. To reach the author, email mluffey@corazoninc.com.



Ross Swanson is Chief Operating Officer at Corazon, a national leader in program development for the Heart, Vascular, Neuroscience, Spine, Orthopedic, and Surgical service lines, offering services in Consulting, Recruitment, Interim Management, Accreditation, and Peer Review. To learn more, visit www.corazoninc.com or call 412-364-8200. To reach the author, email rswanson@corazoninc.com.