

The Board's Role In Planning

Part 2

PLANNING

A hand holding a blue marker is shown in the lower right quadrant, drawing a horizontal blue line that underlines the word 'PLANNING'.

Conversations on Governance

Nov. 14, 2021

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My Experience With Plans

1. We do not have time to plan. We just operate day to day. **Local events control the institution not the board and administration.**
2. We have developed a strategic plan, it is around here someplace. It will take some time for us to find it. **Do only for accreditation or the Board asked us to develop one.**
3. We have been developing a strategic plan for over 3 years and we should be finished in another 2 years. **So complex we never finish.**
4. We have plans, they are not complex and we review them on a regular basis. **Most successful.**

Session Objectives

1. To convince the attendees that planning is important to the success of institutions.
2. To motivate the attendees to develop and implement the necessary institutional plans.
3. It is not the objective to explain in detail the planning processes or the formats for plans.

The Board's Role in Planning Overview

1. Why plan?
2. Does the Board have a role in planning?
3. Types of plans
 - a. Budgets---review
 - b. Financial turn around---review
 - c. Contingency
 - d. Operational
 - e. Master
 - f. Architectural
 - f. Strategic
 - g. Project
4. Steps in strategic planning
5. Relations between the plans

WHY PLAN?

Welcome aboard.

We do not know where we are going.

Sit back and relax and we will tell you when we get there.



Why Plan? Cont.

The Board and the administration are guiding the hospital into the future. Just like the pilots of the airplane, they need to know where the hospital is going.

How can you recruit donors, staff, physicians and others if your response to the future is:

“We don’t know where we are going. Just send us money, come to work and give us 100% and when we figure out when we are there we will tell you.”

Why Plan? Cont.

“Always plan ahead. It wasn’t raining when Noah built the ark.”

Richard Cushing

Noah had a mission and a plan given to him by God. Genesis 6:14-16

“The man who waits for (veggie) roast duck to fly into mouth must wait a very very long time.” Chinese Proverb

“A man who does not plan ahead will find trouble at his door.”

Confucius

“Our goals can only be reached through a vehicle of a plan, in which we must fervently believe, and upon which we must vigorously act. There is no other route to success.”

Pablo Picasso

Why Plan Cont.

“In preparing for battle I have always found that plans are useless, but PLANNING is indispensable.”

Dwight D. Eisenhower, 34th President of the USA

“Long-range planning does not deal with future decisions. It deals with the future of present decisions.”

Peter F. Drucker, U.S. management consultant and author

Why Plan Cont.

- “May he give you the desire of your heart and make all your plans succeed.” Psalm 20:4
- “Commit to the Lord whatever you do, and your plans will succeed.” Proverbs 16:3
- “Plans fail for lack of counsel, but with many advisors they succeed.” Proverbs 15:22

Why Plan Cont.

“He who does nothing but pray will soon cease to pray, or his prayers will become a formal routine.”

Steps to Christ page 101

Planning is important

Does the Board Have a Role In Planning?

Joint Commission International Accreditation Standard for Hospitals
Standard GLD.1.1

“The operational responsibilities and accountabilities of the governing entity..”

1. “approving and periodically reviewing the hospital’s mission...”
1. “approving the hospital’s various strategic and operational plans...”

Does the Board Have a Role In Planning?

Cont.

If the governing body's role is to approve "the hospital's strategic and operational plans" then it should have knowledge of the contents of the plans and develop the plans.

Approved



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The Board's role in planning Review

Financial budgeting:

This is a one-year plan for how the institution will perform in the next year. The best and most accurate budgets are developed using “situational awareness”. Consider the past, the present and the future with thoughtful assumptions.

The Board's role in planning

Review Cont.

Financial turn around or financial rescue plans:

The most successful plans are:

- a. Led by Boards and administrators who can make the difficult but required decisions and implement those decisions.
- b. Plans that have been initiated early. Not waiting until there are financial deficits but when the financial data shows declining profits.

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Contingency Plans

The Rick Rescorla story

America Matters

In 1997 Mr. Rescorla became the security officer of Morgan Stanley which was housed in the South Tower of the World Trade Center in New York City.

There were 2,687 people employed by Morgan Stanley and located in the World Trade Center.

The Rick Rescorla Story Cont.

Mr. Rescorla developed an evacuation plan which required the Morgan Stanley employees to practice over and over.

On September 11, 2001, when an airplane flew into the South Tower, Morgan Stanley was ready. The evacuation plan was activated and all 2,687 employees safely made it out of the tower before the tower collapsed.



Sept. 11, 2001
2,977 people killed

Morgan Stanley Corporation

2,687 Employees

All survived

Because of a contingency plan

Question For the Board and Administration

Do You Have Adequate Insurance?

Is your organization ready for a:

Flood?

Fire?

Computer Failure?

Electrical Failure?

Disruptive Patient/Visitor?

Kidnapping of Missionaries?

**We pray that none of these
will happen but it is better to be ready than sorry.**

Contingency Planning Definition

Contingency planning is the process of planning for how the organization will deal with risks that disrupt the business of the organization.

Needed plans will be based upon the type of business and location.

Contingency Planning Process

- Step 1:** Make a list of likely major events which will impact the organization.
- Step 2:** Plan on how the organization will deal with each event.
- Step 3.** Train your employees and practice.
- Step 4.** Based upon the practice sessions adjust the plan.

A Second Contingency Planning Process

Source: Business The Ultimate Resource

Step 1: Establish a disaster planning team.

Step 2: Carry out a risk assessment.

Step 3: For each risk draw up a disaster plan.

Step 4: Pilot the plan.

Step 5: Communicate and implement the plan.

Step 6: Monitor, revise and improve the plan.

Contingency Plan Formats and Contents

Templates for contingency plans can be found on the internet.

Templatelab.com/contingency-plans

Operational Plans

Definition

From Marketing91:

“An operational plan is defined as a plan that is set in motion to establish, increase and improve the daily operations of a business entity.”

Operational Plans Examples

1. “The governing entity annually approves the hospital’s program for quality and patient safety.”

Joint Commission International Accreditation Standards for Hospitals
Standard GLD.1.2

2. Community service plan.
3. Marketing plan.
4. Employee training plan.

Master Plans

What is a master plan?

“Master planning is the method of developing or improving your property or building through a long-range plan that balances and harmonizes all elements.” Horst Construction.

Master Plan Cont.

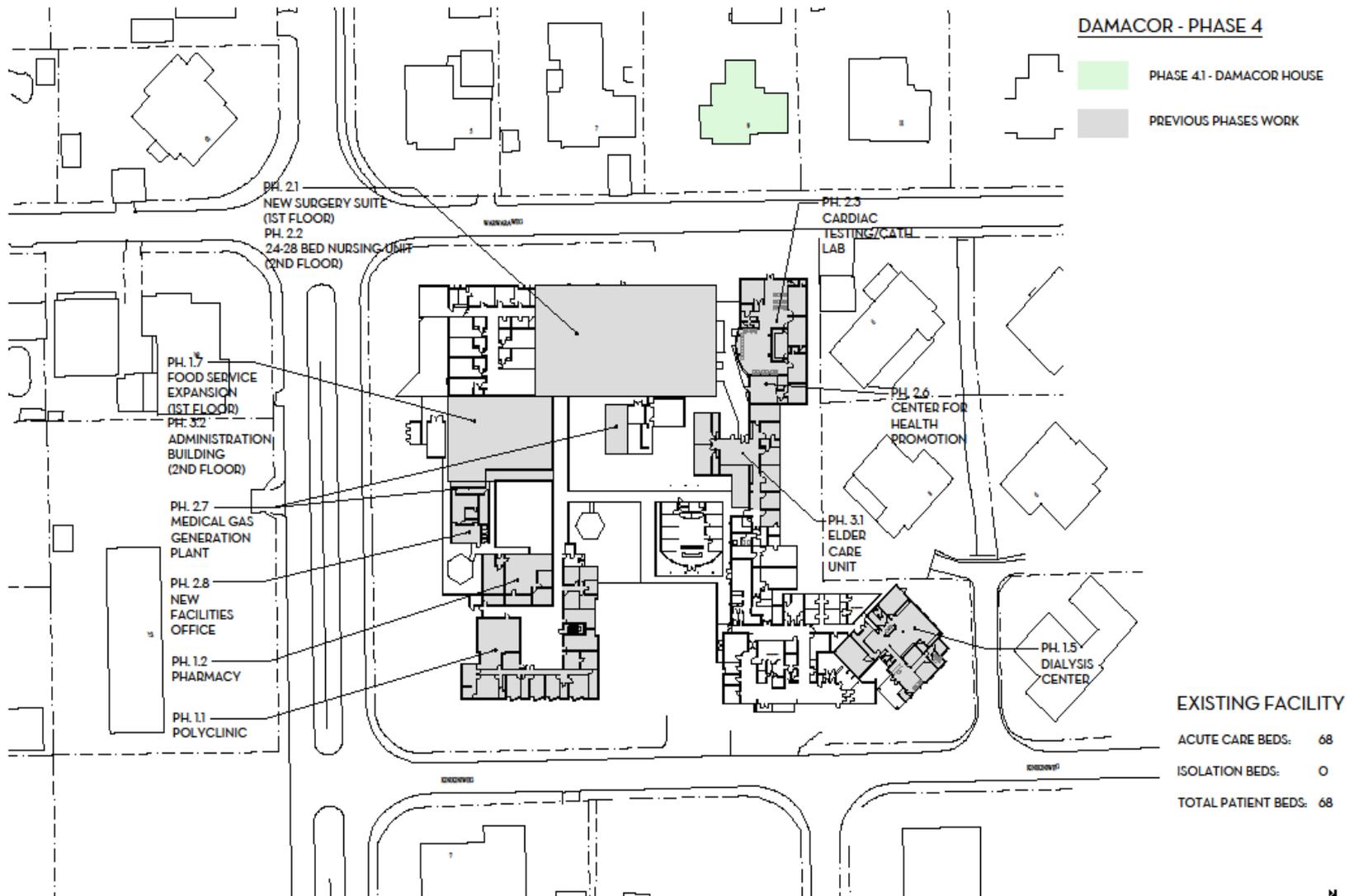
When you decide to build a new institutional building how do you know where to build?

When you decide to build an addition on to an existing building how do you know where to build?

When you decide to add a new service, how do you decide where to place the service in the existing facility?

A master plan will guide the decision making process.

Sample Of a Master Plan



Architectural Plans

Are there some partially completed hospital buildings?

Common reasons:

1. Insufficient funds.
2. Plans not compliant with hospital building codes:
 - a. Corridors not wide enough for gurneys.
 - b. Necessary sterile areas conflict with non-sterile areas.
 - c. Not enough evacuation routes.
 - d. No plans for communication/IT.
 - e. Penetrations in walls are fire hazards.

The Board's Role in Architectural Plans

Before approval, ask the questions:

1. Do we have a realistic funding plan?
2. What hospital building codes were used in accomplishing the plans?

Many countries do not have building codes for medical facilities. If this is the case, there is an International Hospital Building Code (ICC)

The Board's Role in Architectural Plans Cont.

Before approval, ask the questions:

Some questions that could be asked to avoid construction problems?

1. Do the plans include telecommunication plans?
2. Do the plans include fire sprinklers?
3. If a multi story building, is there an elevator in the plan and will a patient gurney fit into the elevator?

The Board's Role in Architectural Plans Cont.

If the Board is not fully confident in the submitted architectural plan for a new medical facility, obtain a review by a qualified firm/or individual that is knowledgeable concerning medical building codes.

Before an architectural firm is engaged ask the question: What building codes will you follow in the design of this project?

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Strategic Planning

“Strategic planning is an organizational management activity that is used to set priorities, focus energy, and resources, strengthen operations, ensure that employees and other **stakeholders** are working toward **common goals**, establish agreement around intended outcomes/results, and assess and adjust the **organization's direction** in response to a **changing environment**.”

The Balanced Scoreheet Institute

Strategic Planning Cont.

Stakeholders:

“Plans fail for lack of counsel, but with many advisors they succeed.”

Who are the stakeholders of the institution?

God

Employees

Board

Community

Local Church

Strategic Planning Cont.

Common goals: Are the strategic plans and project plans supported by the key stockholders?

Organization's direction:
Is the organizational vision supported?

Changing Environment

The environment we operate in rapidly changes.

A strategic plan is not a document we develop every 5 years. It is a document that we review on a regular basis and, based upon the environmental changes, modify our actions.

A strategic plan is a rolling plan that is reviewed at least annually and modified appropriately.

Strategic Planning Model #1

- Premise phase.
- Analysis phase.
- Strategy development phase.
- Writing phase.
- Implementation-monitoring phase.

Strategic Planning Model #2

6 Questions to be answered in the strategic planning process.

- Who are you?
- Where are you?
- Where do you want to go?
- How are you going to get there?
- Who is going to accomplish the tasks and when?
- How do I monitor progress and adjust as necessary?

WHO ARE YOU?

- Vision

- Mission

- Values

VISION

An image of the future we seek to create.

“Where there is no vision, the people perish.”

Proverbs 29:18

Vision Cont.

“Six-year research project by Jim Collins and Jerry I. Porras on what leads to enduringly great companies.”

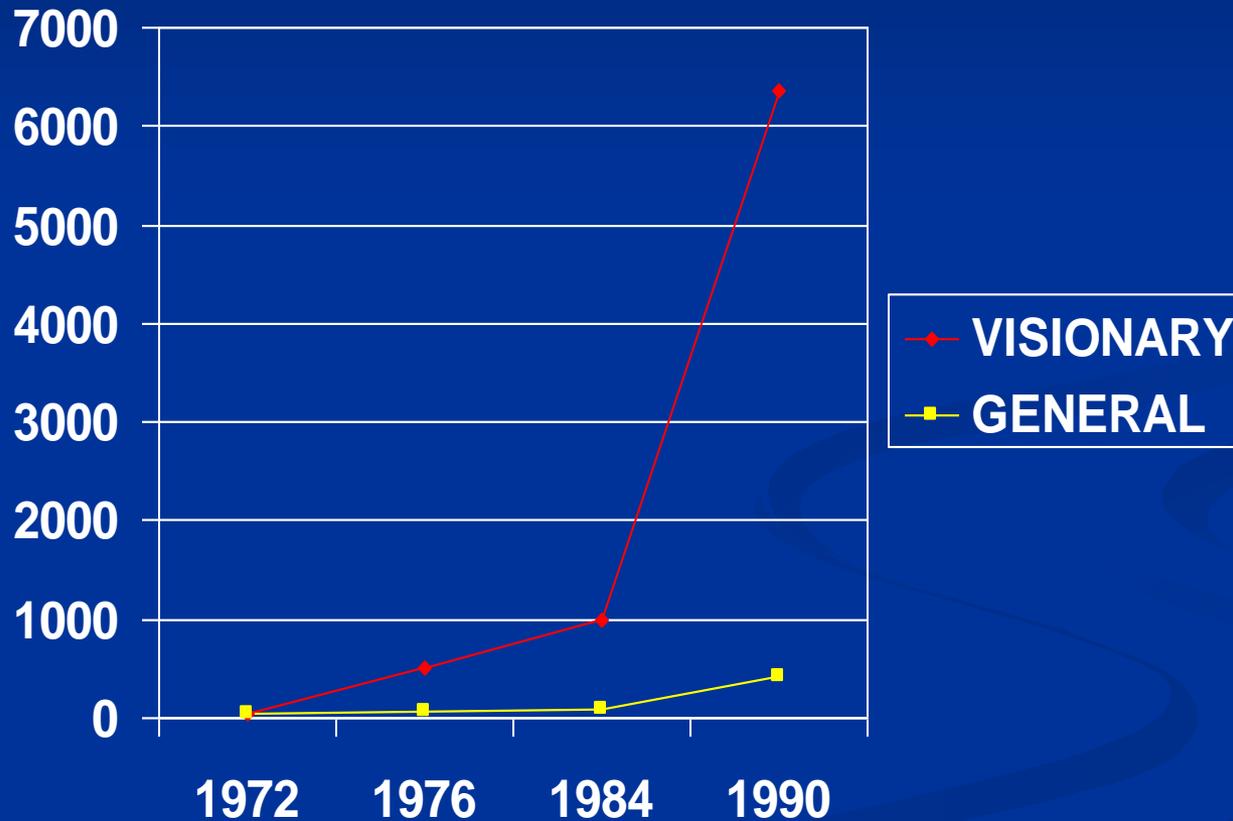
Built to Last-Successful Habits of Visionary Companies

Two findings:

1. Highly visionary
2. Effective communication

VISIONARY SUCCESS

Successful Habits of Visionary Companies



VISION STATEMENT

- Clear
- Crisp
- Brief
- Meaningful
- Unique to your business

**VISION STATEMENT
WALT DISNEY**

“TO MAKE PEOPLE HAPPY”

VISION STATEMENT MICROSOFT

“A PERSONAL COMPUTER IN
EVERY HOME RUNNING
MICROSOFT SOFTWARE”

**VISION STATEMENT
LOMA LINDA UNIVERSITY
HEALTH**

**INNOVATING EXCELLENCE IN
CHRIST-CENTERED HEALTH CARE**

MISSION STATEMENT

- SPECIFY THE BUSINESS OF THE INSTITUTION
- SPECIFY THE CULTURE OF THE BUSINESS

MISSION STATEMENT

“Proceed with the ministry of restoration of health which Jesus Christ began here on earth. The relief of suffering and treatment of diseases, which may contribute directly to the restoration of the whole man: body, mind and spirit.”

LOMA LINDA UNIVERSITY HEALTH MISSION STATEMENT

TO CONTINUE THE TEACHING
AND HEALING MINISTRY OF
JESUS CHRIST

VALUES

- HONESTY
- RESPECT
- COMMITMENT
- UNITY
- EXCELLENCE

Vision, mission and values

Every action we take should be measured against the following questions:

Is the action moving the organization toward the organizational **vision**?

Will the action support the **mission** of the organization?

Will the action violate any of the organizational **values**?

Strategic Planning Model #2

6 Questions to be answered in the strategic planning process.

- Who are you?
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WHERE ARE YOU?



WHERE ARE YOU? *Cont.*

- **S** ORGANIZATIONAL STRENGTHS
- **W** ORGANIZATIONAL WEAKNESSES
- **O** OPPORTUNITIES
- **T** THREATS

WHERE ARE YOU? Cont.

- **S** Organizational strengths
- **W** Organizational weaknesses
- **O** Opportunities
- **T** Threats

WHERE ARE YOU? Cont.

SWOT Analyses

**FACTORS INTERNAL
TO ORGANIZATION**

STRENGTHS

WEAKNESS

**FACTORS EXTERNAL
TO ORGANIZATION**

OPPORTUNITIES

THREATS

Where Are You? Cont.

SWOT Analysis

This step is critical to the strategic planning process. The items identified during this process will inform the needed action.

- Be open minded.
- Be realistic.
- Include the critical items.

STRENGTHS (MAINTAIN)

- Part of a World-wide church.
- Spiritual.
- Good reputation.

WEAKNESSES (IMPROVE)

- Out of date equipment which breaks down.
- Trouble meeting financial obligations.
- Unable to properly train the staff.
- Unable to properly maintain the facility.

OPPORTUNITIES (MOVE IN THE DIRECTION OF)

- No dialysis services within 200 kilometers of the hospital.
- No dental treatment facilities in a major population area.
- A 100-bed nursing home is being built across the street from the hospital.
- The only medical laboratory within 100 kilometers of the hospital is closing.

THREATS (DEAL WITH)

- New government hospital being constructed.
- Unionization of the nursing staff.
- Country wide shortage of physicians.
- Medical supplies are increasing in costs and are difficult to obtain.

6 Questions to be answered in the strategic planning process.

- Who are you? **Vision, Mission and Values**
- Where are you? **SWOT analysis. You know your strengths, weaknesses, opportunities and threats.**
- Where do you want to go?
- How are you going to get there?
- Who is going to accomplish the tasks and when?
- How do I monitor progress and adjust as necessary?

Where Do You Want To Go?

For each item identified in the SWOT, identify the action needed to:

1. Maintain or strengthen your strengths.
2. Deal with the weaknesses. Change them from weaknesses to strengths.
3. Take advantage of the opportunities.
4. Cope with the threats.

WHERE DO YOU WANT TO GO?

Cont.

- Establish a center for the care and treatment of diabetic patients.
- Open a dental clinic in the city of XYZ.
- Establish financial stability for the institution.
- Develop a plan for the proper training of the staff.

Where we want to go are only ideas, hopes and Promises.

“Unless commitment is made, there are only promises and hopes, but no plans.”

Peter F. Drucker

“A good idea is worth one dollar. A plan implementing that idea is worth a million dollars.”

Unknown Author

How are we going to get there?

For each item listed in the “where we want to go” phase, a project plan is to be developed.

The project plan should identify who is going to accomplish what task and when.

WHERE DO YOU WANT TO GO?

HORIZON GOALS (ACCOMPLISH 3 YEARS
AND BEYOND)

NEAR TERM GOALS (ACCOMPLISH
WITHIN 2 YEARS)

PROJECT PLAN

- What tasks are to be accomplished?
- In what time frame?
- By whom?
- What resources are needed?
- How are the resources going to be obtained?

DIABETES CENTER

Project Plan

The Driver--CEO

ACTION ITEM	RESPONSIBLE PERSON	COMPLETION DATE
Space Plan	Director of Maintenance	JAN. 1, 2022
Equipment Plan	CFO	DEC. 1, 2021
Staffing Plan	Director of HRM	FEB. 1, 2022
Supplies	CFO	DEC. 1, 2021
Financial Plan	CFO	DEC. 1, 2021
Marketing Plan	Director of Public Relations	DEC. 1, 2021
Approval	CEO	FEB. 1, 2022

DIABETES CENTER SPACE PLAN

Move the CEO office to the parking lot and renovate the office into the diabetes center.

Waiting room for 10 people.

Space for 5 dialysis chairs.

2 physician/patient consulting room.

Engage an architectural firm to draw up the plans and determine the cost of the remodel.

FINANCIAL STABILITY

Project Plan

Develop and implement a financial
turn around plan.

The relationship between plans.



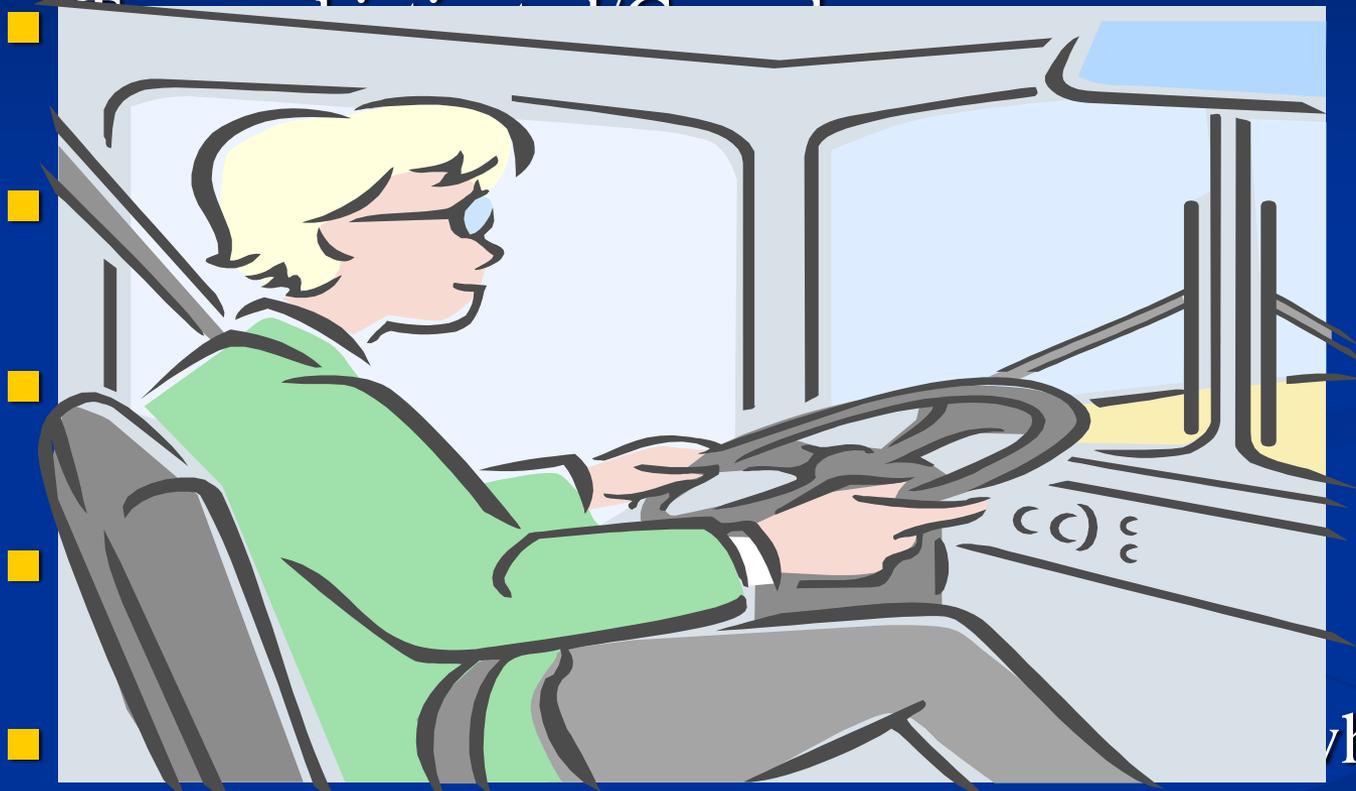
“IF WE DO NOT CHANGE OUR
DIRECTION, WE ARE LIKELY
TO END UP WHERE WE ARE
HEADED”

Yogi Berra

“HE WHO FAILS TO PLAN
PLANS TO FAIL”

Benjamin Franklin

Barriers To Strategic Planning



are).

where you

6 Questions to be answered in the strategic planning process.

- Who are you? **Vision, Mission and Values**
- Where are you? **SWOT analysis. You know your strengths, weaknesses, opportunities and threats.**
- Where do you want to go? **Put on a list all the items from the SWOT.**
- How are you going to get there? **Develop a plan to implement the SWOT items.**
- Who is going to accomplish the tasks and when? **Assign the plan to a “driver”.**
- How do I monitor progress and adjust as necessary? **Have regular reports from the “drivers” on the progress of the plans.**

The Board's Role In Planning

- Budgets:
 - Developed by administration.
 - Approved by the Board.
 - Implemented by administration
 - Monitored by the Board.
- Turn around plans Initiated by the Board or administration, administration develops with Board input,

The Board's Role In Planning

- Financial turn around plans:
 - Initiated by the Board or administration.
 - Developed by administration with Board input.
 - Approved by the Board
 - Implemented by administration
 - Monitored by the Board.

The Board's Role In Planning

- Contingency:
 - Developed by administration.
 - The Board is informed.
- Operational:
 - Developed by administration
 - Selected ones approved by the Board
 - Implemented by administration

The Board's Role In Planning

- Master:
 - Developed by administration
 - Approved by the Board
 - Implemented by administration
- Architectural:
 - Developed by administration
 - Approved by the Board
 - Implemented by administration

The Board's Role In Planning

Strategic:

- Mission, vision and values: Board actively involved.
- SWOT Board actively involved.

Overall strategic Plan: Approved by the Board.

Project plans:

- Developed by administration.
- Implemented by administration.
- Monitored by the Board.

The Board's Role in Planning

Summary

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The Board's Role in Planning

Questions and comments in the chat

