Strategic Leadership: Plotting Your Course Regardless of Your Size or System

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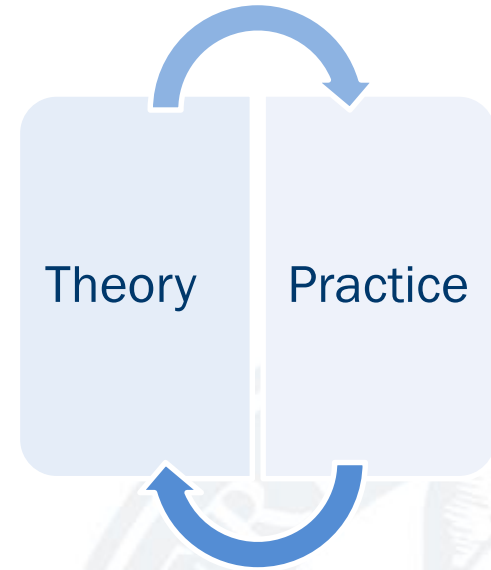Mike Valentine, MD, FACC
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Agenda

- Strategic Planning
  - Process and Stakeholders
  - Key Strategy Development Elements
  - Implementation & Performance Monitoring
- Using strategic planning in your workplace

Theory Practice

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Strategic Planning: Overview

What is strategy?

- The choices that leaders and leadership teams make as they define a way for their organization to succeed and have more impact

Why do organizations choose to develop a strategic plan?

- Strategic planning provides a direction and outlines measurable goals that an organization as a whole – leadership, members, and staff - can align around
- A strategic plan guides decision-making, and focuses the energy, resources, and time of everyone in the organization in the same direction for maximum impact

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ACC's Current Strategic Plan (2014-18)

The Strategic Plan positions the College and its members for success in meeting the Triple Aim of improving cardiovascular health through lower costs, better health and better outcomes
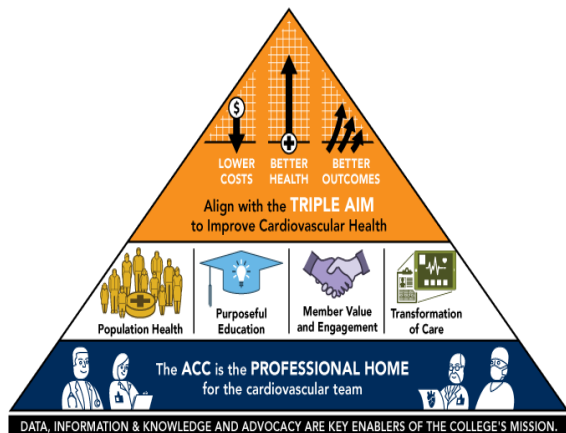
STRATEGIC PLANNING: PROCESS

Who Will Be Involved?

- **Who will be involved?**
  - **Input from the right people**
  - **People who are interested**
  - **People who are committed to the process**
  - **No conflict of interest**
  - **People who will not derail the process**

- **How will you involve all staff?**

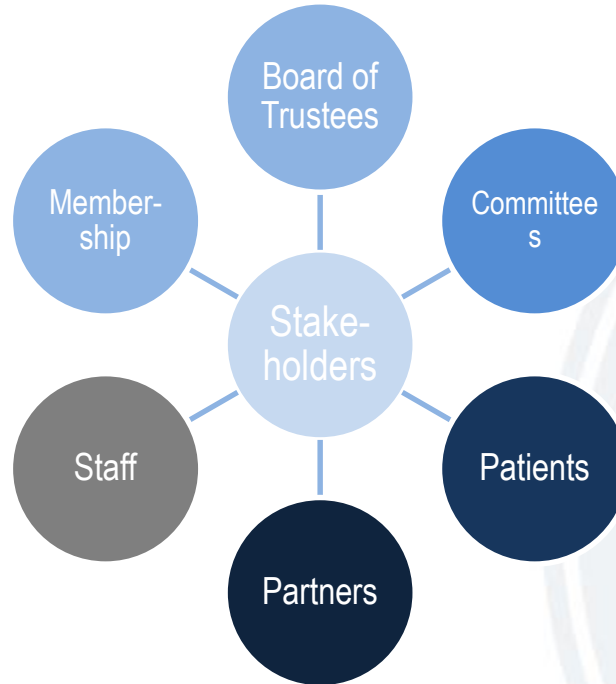
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Strategic Planning: Stakeholders

- **Engaging stakeholders in strategic planning is essential**
  - High involvement in the process by a variety of stakeholders tends to generate better outcomes and a greater sense of ownership

- **Who should be engaged in the strategic planning process?**
  - Anyone having a vested interest in the success of the organization
  - External stakeholder opinions and insights add insight to understanding the operating environment, as well as to a vision of the organization's future
  - Employees know the strengths and weaknesses of the organization, often understand what gets in the way of success, and have first-hand knowledge of what it takes to deliver
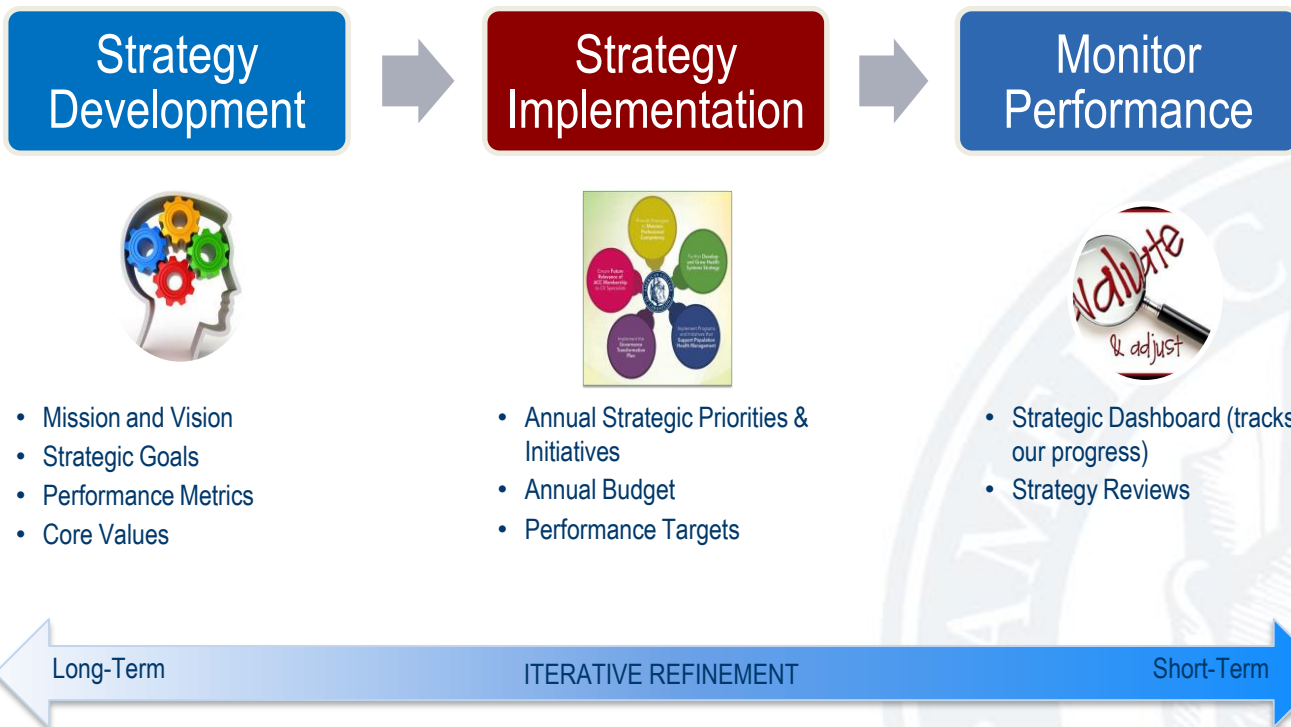
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Strategic Planning: Stakeholders @ ACC for Example

Strategic Planning: Process Overview

Strategy Development → **Strategy Implementation** → **Monitor Performance**

Strategy Development
- Mission and Vision
- Strategic Goals
- Performance Metrics
- Core Values

Strategy Implementation
- Annual Strategic Priorities & Initiatives
- Annual Budget
- Performance Targets

Monitor Performance
- Strategic Dashboard (tracks our progress)
- Strategy Reviews

Long-Term ← ITERATIVE REFINEMENT → Short-Term

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STRATEGIC PLANNING: DEVELOPMENT

Strategic Planning: Development

Conduct Research and Analysis

- Understand the current state
- Identify relevant future trends
- Identify key strategic issues and opportunities

Align on Strategic Direction

- Review the mission and core values
- Establish a vision
- Set goals and metrics
- Determine strategies

Build the Action Plan

- Identify major initiatives and projects
- Develop an implementation roadmap
- Develop financial and resource plans

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Strategic Planning: Development

Key Elements

Mission	Strategic Plan	Vision

Goal #1	Goal #2	Goal #3	Goal #4
Metric	Metric	Metric	Metric
Strategies	Strategies	Strategies	Strategies

Core Values

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Strategic Planning: Development

Key Elements

Mission: Why does the organization exist?

Strategic Plan

Vision: What is the change resulting from the organization's work?

Goals: What are the organization's desired outcomes?

Metrics: What measurable impacts will the organization hold itself accountable to?

Strategies: What choices will ACC make to achieve its goals?

Core Values: What will guide ACC's actions, behaviors, and decisions?

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Key Elements: ACC's 2019-23 Strategic Plan

Mission:

> To transform cardiovascular care and improve heart health

Vision:

> A world where innovation and knowledge optimize cardiovascular care and outcomes

Core Values:

> Patient-Centered
> Teamwork & Collaboration
> Professionalism & Excellence

Goal 1	Goal 2	Goal 3	Goal 4
Increase relevance as the CV professional home	Generate and deliver actionable knowledge	Advance quality, equity, and value of CV care	Ensure organizational growth and sustainability

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STRATEGIC PLANNING: IMPLEMENTATION AND PERFORMANCE MONITORING

Moving From Strategic Planning to Strategic Management

- Implementation
  - Approval
  - Finalize 'First Year Action Plan' (action, who is responsible, completion date, resources required, how it will be evaluated)
  - Determine/align resources needed

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Strategic Planning: Monitoring Performance

- Once the organization commences strategy implementation, it must *continually* **monitor (and adjust) performance** to achieve the strategic goals.

- Monitoring Performance is done via **periodic reporting and strategy reviews meetings** – cadence (i.e., monthly, quarterly, etc.) depends on the organization.
  - **Reporting (via a Dashboard)** – Tracks organization's progress on initiatives and performance measures
  - **Strategy Review Meetings** – Leadership meetings monitor, manage and adjust (if needed based on results)

- **Monitoring Performance @ ACC is done in several ways:**
  - Monthly reporting via a Strategic Performance Dashboard
  - Staff strategy sessions (~ 6x per year)
  - ACC Board Meeting reviews and course adjustment decisions

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Strategic Planning: Critical Success Factors

Communication

Cultural Alignment

Change Management

Periodic Evaluation and Updates

PREPARING TO CONDUCT A STRATEGIC PLANNING PROCESS

Discussion

- Do you do strategic planning in your workplace?

- Do you have a mission, vision, and values?

- Do you track metrics in your workplace?

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Strategic Planning Models: X-Matrix

Howard Walpole, MD, MBA, FACC

February 22, 2018

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Hoshin Kanri

Strategic Planning Process

Hoshin Kanri Defined

- Hoshin Kanri is a **step-by-step planning**, implementation and review process.

- It is **a systems approach** to the management of change in critical business processes.

- A **proven technique** that helps organizations **focus efforts** and achieve results.

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A Brief History

- **Hoshin process** developed in Japan during the 1960s from Quality Management practices in Bridgestone Tire company, Toyota, Nippon, Denso, Komatsu and Matsushita. It was strongly influenced by the Plan-Do-Check-Act (PDCA) of Deming and Management by Objectives of Peter Drucker.

- The Japanese words **hoshin kanri** can be generally interpreted as direction (setting).

- The words **nichijo kanri** can be interpreted as daily (fundamental) management.

- The blending of these two methods is key to the success of the **hoshin** process.

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Why use Hoshin Kanri?

- To **ensure that insight and vision** are not forgotten and ignored as soon as planning activities are over.

- To **guarantee planning documents**, once finalized, are kept alive and acted on daily.

- To **prevent the daily** quota of fire-fighting, unplanned 'strategic' meetings, and quarterly bottom-line pressures taking precedence over the really strategic plans

- To have **short-term activities** determined and managed by the plans themselves.

- To **ensure a continual process** of checking to make sure what is done each day reflects the intentions, the targets and the vision of the company has agreed to pursue.

- To have both a **planning and deployment** process to guide and focus the organization.

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Four Key elements of Hoshin Kanri

Focus → Focus on the vital few (Pareto Principle)

Alignment → Catch ball – validates understanding

Structure → Shows relationship of actions to big picture

Rigor → Review Cycles – Monthly and Annual Review

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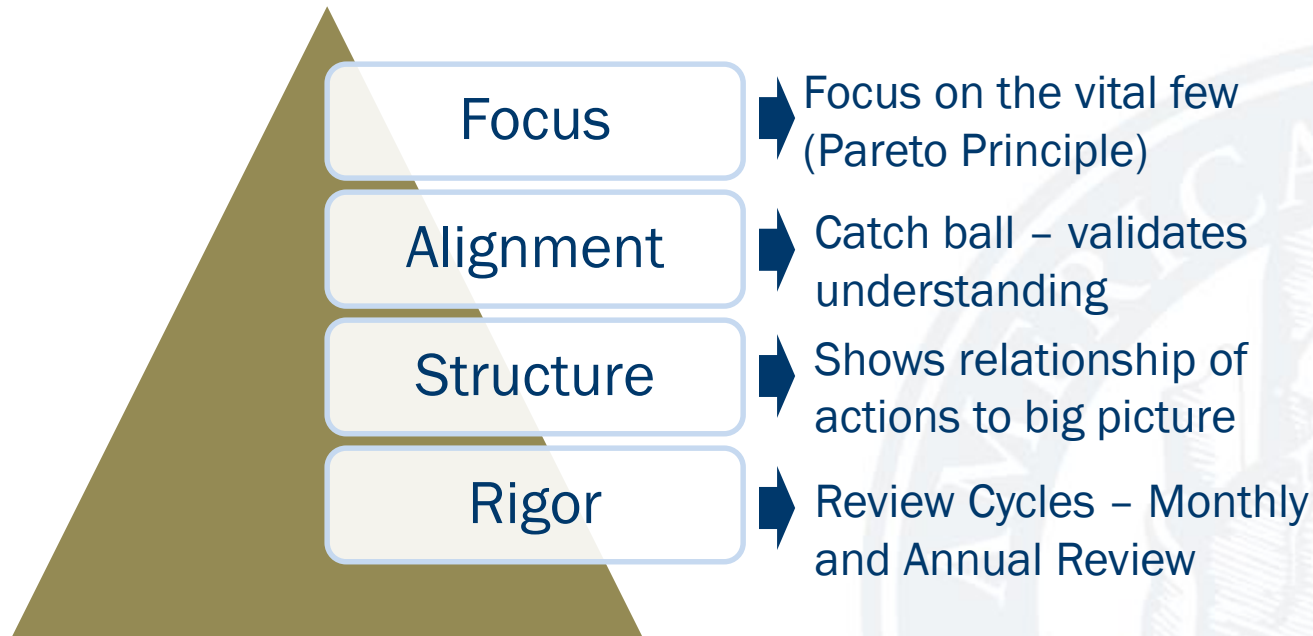
Hoshin Planning Process

Establish Organizational Vision

Develop Strategic Objectives

Develop Annual Objectives

Deploy Annual Objectives

Implement Annual Objectives

Monthly Review

Annual Review

CATCHBALL

Self Diagnosis

Lean & Other Tools

PDCA

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Develop Strategic Objectives

Strategic Planning is determining those 3-5 years breakthrough objectives that will move the organization towards world class.

SWOT Analysis

Balanced Score Card

Strategy Maps

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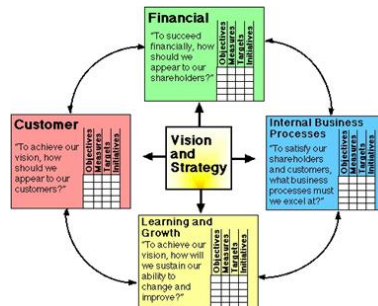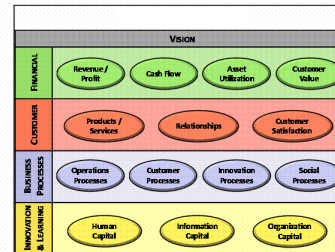
Develop Annual Objectives

Strategic Themes from Strategy maps, Balanced Score cards become the 3-5 year Breakthrough Objectives in the Hoshin Matrix. Use of the Hoshin Matrix for tracking & Management of these objectives is an effective approach.

Strategy Maps

3-5 Year Breakthrough Objectives

Hoshin X Matrix

X Matrix Labels

1) 3-5 Year Breakthrough Objectives
2). Annual Breakthrough Objectives
3) Supporting Action/Project Priorities
4) Action Measures of Success

Step 3: How? Which Key Supporting Action/Project?

Step 2: How Far? This year?

Step 4: How Much and When? Measures

Step 5: Who? Resource Deployment

Step 1: What? Breakthrough Thinking

Strategic Plan Owner:

Date:

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X "Matrix" Example

Strategic X-Matrix: 2009-2010 Quality Management Division v1 (06/2009)

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QMD Vision
Engage people, organizations, and communities in continual improvement

QMD Mission
Convey lifelong quality related knowledge through information, methods and tools that add value to Organizations, Society and Individuals

2nd Level Tactical Improvement Plans

Top Level Improvement Priorities

Key Success Indicators (KSIs) and Outcomes

1-2 Year Strategic Objectives

Resources
Primary Responsibility
Secondary Responsibility

1. (1, 2, 3, 5, 6) Membership Expertise: Provide products/services that develop continuous improvement and enhance our memberships' skills

2. (1, 2, 4, 5) Membership Growth: Continue to grow the Membership base and improve upon retention

3. (3, 5) Determine VOC: Get feedback so that the QMD can define the products and services that are desired

4. (1, 5) Define Markets: Develop/execute a cross-market strategy to deliver products utilizing current technologies

5. (1) Social Responsibility: Insure that Soccial Responsibility (SR) is within the context of our products and services

6. (1, 4, 5, 6) Infrastructure: Build upon QMD management...IT, Volunteer Utilization, Succession Planning, Budgeting, ...

Remember…

- Goals
- Strategies
- Tactics
- Metrics

Summary

- The Hoshin Kanri process has been validated over the last 40 years.
- This process is applicable to small and large organizations alike.
- It is an effective alignment tool to translate strategies into actions.

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Questions/Comments:

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New

A Look at

Strategic ~~Planning~~ Design

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Strategy

A plan of action devised by leadership to achieve a major goal offering competitive advantage, generally over a long period of time.

Continuous

Emergent

Adaptive

1.

Continuous

Strategic planning tends to be periodic, while a design mindset tends to think of strategy as something that is continuous rather than discrete.
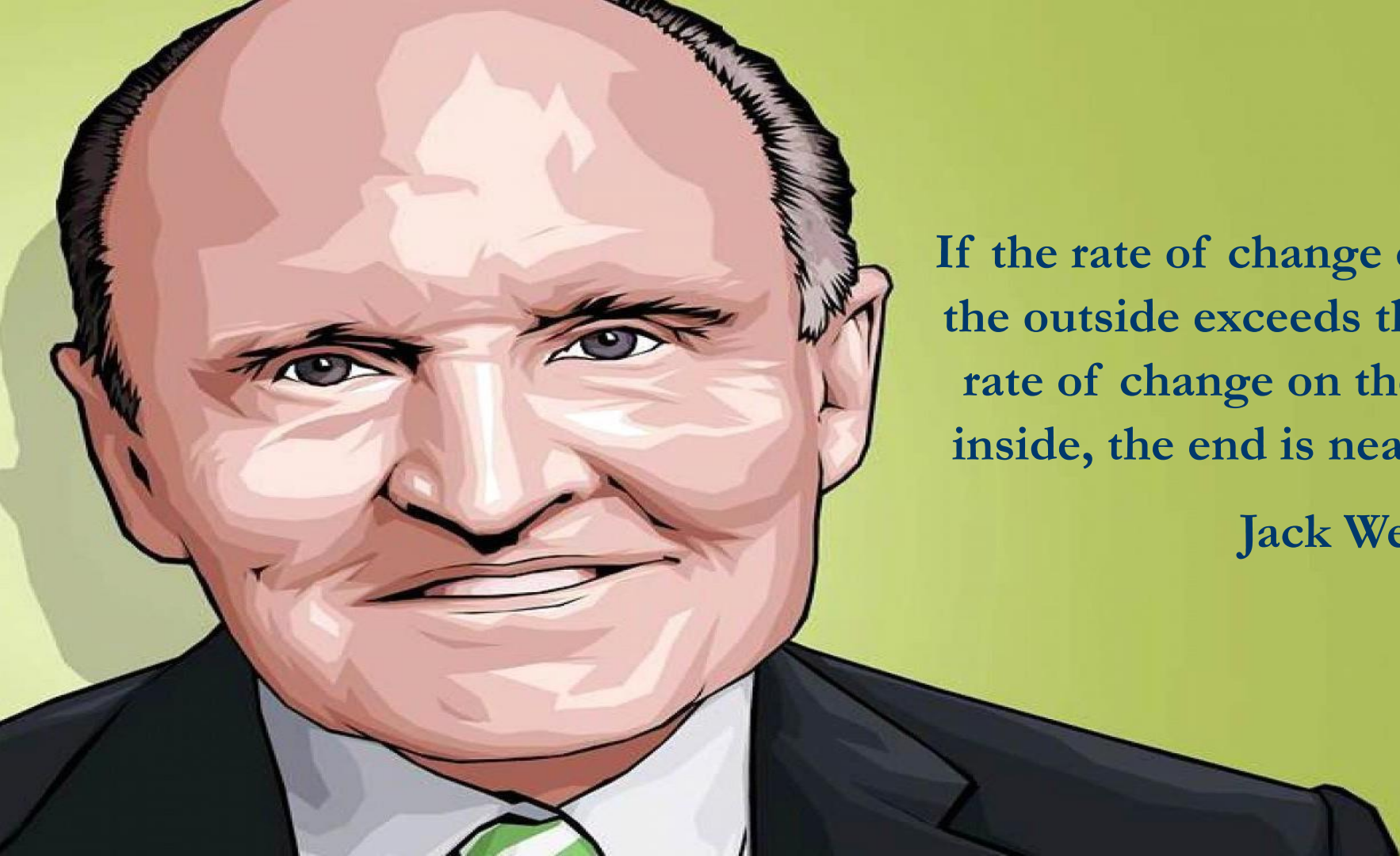
If the rate of change on the outside exceeds the rate of change on the inside, the end is near.

Jack Welch

2.

Emergent

Whereas strategic planning tends to be dominantly top-down, design thinking is empathy focused - with many stakeholders, inside and outside of the organization, having a voice.

Strategy as "a pattern in a stream of decisions."
Henry Mintzberg

3.

Adaptive

The objectives of strategic planning are most often high aspirational, major goals. But strategic design is more apt to tweak around the edges, looking for smaller wins that can then be replicated across the organization.
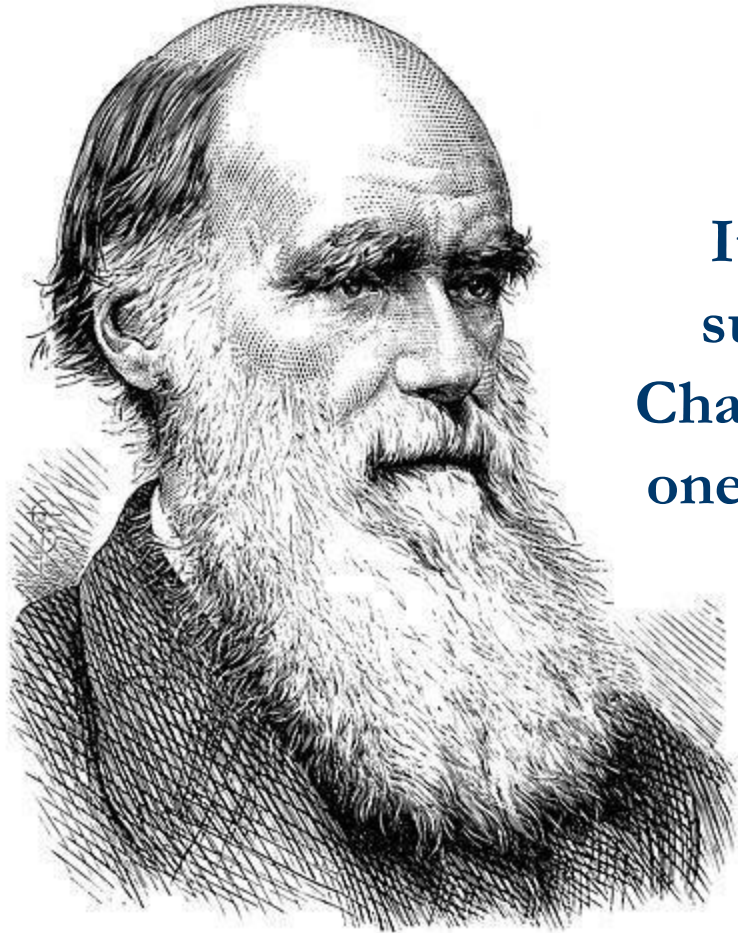
Strategy is a design problem.

ALIGNMENT- CHANGE MANAGEMENT & LEADERSHIP

Suzette Jaskie

Planning Coming Together

	FACILITATES
Strategic Imperatives	Alignment, Change Anchors
Milestones to Success	Alignment, Resource Focus
Annual Top 10	Alignment, Coordination
Cascading Goals	Alignment, Coordination
Reporting and Meeting Structure	Communication
Communication Plan	And they will follow
CULTURE – TRUST	

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St. Elsewhere Strategic Imperatives

Superior Clinical Execution	Reduce Variation in Care	Increase Financial Contribution	Foster Innovation Culture	Patients as Partners in Care
•Recruit best physicians •Train and develop APP thru medical education	•Metric management at disease state program and/or departmental level •Peer-to-peer learning communities •Fuel variation solution thru value grants	•Date accuracy •Integrated departmental purchasing •Adopt talent management •Value metrics for productivity	• Data Standardization and integration •Capital targeting to innovation technology •Integrated imaging to pre-procedure planning	•Patient advisory boards at program level •Continual functional evolution of patient portal •Remote and telservices

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St. Elsewhere Heart and Vascular Milestones

(2) Patient Advisory Boards

APP School Accreditation

95% Cath Lab Reliability

Remote Cath Lab Robotics Program

All Imaging Modality Integration and Co-Registration

All Data Integration and Utility Project Complete

2018

2020

2022

Cascading Goals for Alignment, Accountability and Trust
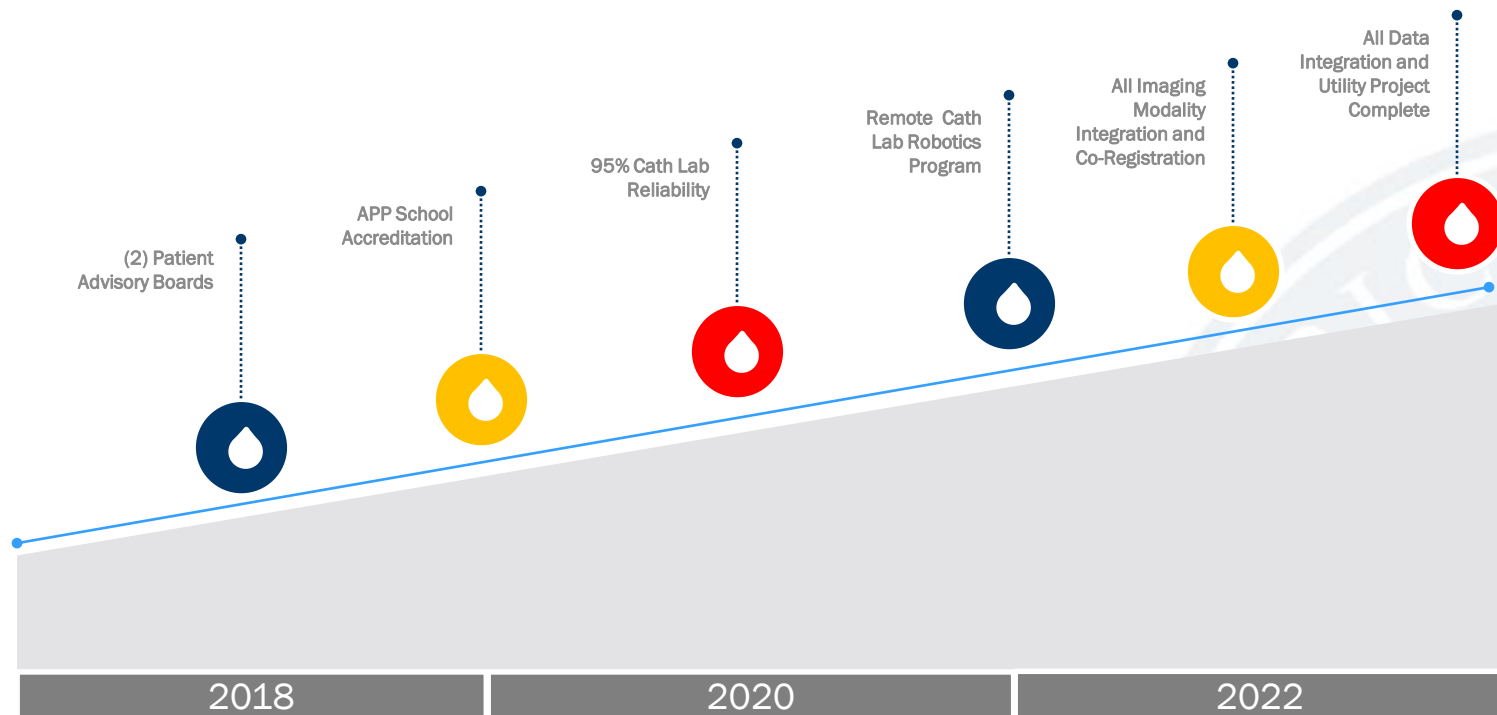
	Department Objective	Assessment	Status
1	Grow patient visit volume 10%		🟢
2	Re... Sp...		
3	9... M...		
4	Re... 7...		
5	In...		
6	In... 1...		
7			
8			
9			
10			

	VP Objective	Assessment	Status
1	Grow patient visit volume 10%		🟢
2	Re... Sp...		
3	95...		
4	Re... 7%		
5	Inc...		
6	Imp... 15...		
7			
8			
9			
10			

	ORG - Objective	Assessment	Status
1	Grow patient visit volume 10%	+ 40 pt/provider monthly aver	🟢
2	Recruit Physician with Data Specialty	Sourcing candidates	🔴
3	95% Compliance MIPS Metrics	97% rolling 90 day aver per provider	🟢
4	Reduce cost per beneficiary 7%	5% reduction achieved	🟡
5	Increase outreach location	Clotville office opened 3/1	🟢
6	Improve patient satisfaction 15%	All HCHAPS scores meet; except hospital quiet	🟡
7	APP Education Charter Complete	Complete	🟢
8	2 phys driven outcomes per program in execution mode	HF complete, EP in process IC & structural outstanding	🔴
9	Structured CT report and impl of Heart Flow	HeartFlow implemented	🟡
10	Innovation Grant in execution	First grant awarded	🟢

Organization

Executives

Departments

Individuals

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SOFT SKILLS
LEADERSHIP and CHANGE MANAGEMENT

Managing Culture

Great discoveries and achievements invariably involve the co-operation of many minds.
Alexander Graham Bell

Expert Culture	Collective Culture
High Power	High Affilliative
Thick skinned	Thin Skinned
High risk	Risk Averse
Insensitive to collectives	Injure: commission or omission
Results vs. process	Process vs. outcomes
Like to lead	High need for recognition
Fast clear decisions	Consensus based decisions
Conflict motif: direct	Conflict motifs: denial, passive aggressive, explosion

Change Management at the Core

Tenets of cultural and organizational transformation

Fundamental Change Management required to mitigate complexity, inflect access

1 Create Urgency

2 Build a Guiding Coalition

3 Form a Strategic Vision

4 Galvanize Stakeholders

5 Remove Barriers

6 Generate Short-term Wins

7 Sustain Acceleration

8 Institute Change

Aligning diverse stakeholders
- Administration
- Providers
- Staff
- (State and National stakeholders)

Deploying effective cultural instruments
- Governing bodies
- Provider compact
- Service values and standards
- Meaningful incentives

Operationalizing for tangible outcomes
- Standard policies and procedures
- Replicable protocols
- Dedicated infrastructure

Targeting organizational hallmarks of sustainable progress

Mutual Understanding • Trust • Accountability • Satisfaction • Reliability

Source: Kotter International, "Kotter's 8-Step Process for Leading Change Management," http://www.kotterinternational.com/the-8-step-process-for-leading-change/.