Planning For Planning: The Checklists You Need To Thrive In A Competitive Market

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Essential Competencies For Thriving in a Competitive Market

1. Strategic planning
2. Service line planning and new service implementation
3. Technology planning and adoption
4. Marketing planning and tactical execution
The key to winning a competition is to answer the question – “When you’re being chased by a bear, how fast do you need to run?”
It’s All Dependent on the Level Of Competition In Your Market

- Competition defined as organizations that vie for the same resources – or offer an alternative approach to the solution
- Little competition = little need for these competencies
- Lots of competition. . . .
The Key Is A Structured & Disciplined Decisionmaking Process For Management Team

- Outwardly focused
- Metrics-based
- Iterative
- Market responsive
#1. Strategic Plan Is Foundation
“How Do We Use Our Available Resources to Best Achieve Our Objectives?”

- Enterprise perspective
- Quantifiable objectives
- Based on available resources
- Environmental metrics
- Scenario-based
- One-year detailed plan
  ◦ Two-year or three-year framework
  ◦ Long-term vision
- KPI/dashboard for exec team
- Reviewed and adjusted quarterly
Importance Of Strategic Planning

- More in highly competitive markets
- More in high-change markets
- More for organizations with limited access to capital
Strategy Development Framework

1. Review/Establish Mission/Vision/Objectives
2. Gather External Information/External Analysis
3. Gather Internal Information/Internal Analysis
4. Identify Options For Achieving Objectives -- Select Strategies, Tactics, Markets & Services
5. Develop Marketing/Development Plan
6. Develop Operating/HR/IT Plan
7. Develop Budget/Financing Plan/Pro Forma
8. Develop Action Plan, Timetable & KPI
External Analysis Answers
Four Key Questions

What trends are influencing the market at this time?
Shifts in financing, service delivery structure, legislation, or consumer movements

Who are our “customers” and what do they want?
Payers and consumers
Image assessment and positioning
Value and quality definitions

How much are payers and consumers willing to pay for services?
Acceptable price points

What other organizations are competing for our payers and consumers?
Identify current and pending threats to competitive advantage
## Service Line Metrics Needed For Internal Analysis in Strategic Planning

<table>
<thead>
<tr>
<th>Metric</th>
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<tbody>
<tr>
<td>Income/revenue, by source and service line</td>
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<tr>
<td>Profit/loss by service line without charitable allocation (if NFP)</td>
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<tr>
<td>Total profit/loss by service line</td>
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<tr>
<td>Total number of consumers served, by service line and payer</td>
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<tr>
<td>Total number of service units delivered, by service unit type, by service line and by payer</td>
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<tr>
<td>Staff/facility productivity or yield, by service line and/or operating units</td>
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<tr>
<td>Total cost (indirect and direct cost) per service unit, by service unit type</td>
</tr>
<tr>
<td>Profit/loss per service unit</td>
</tr>
<tr>
<td>Consumer satisfaction and performance, by service line</td>
</tr>
<tr>
<td>Charity/subsidy as % of total unit cost and by service line (if NFP)</td>
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Phase One: Scenario-Based Strategy Development

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

Phase Three: Development of Strategic Plan KPI & Executive Team Performance Dashboard
Evaluating Innovation In Your Planning Process

- Step #1: Analyze where your service lines are at today re: value proposition and positioning (portfolio analysis)
- Step #2: Identify innovations likely to have effect on each service line
- Step #3: Anticipate likely market/competitive changes due to innovation – changes on positioning, demand, etc.
- Step #4: Evaluate viability of service line in post-innovation market
- Step #5: Decision on each service line:
  - No investment – continue until margins not met
  - Investment for extension of service line
  - Investment for replacement service line
“Strategic Options” for Consideration

1. Closure of services/service lines that are not profitable and/or affordable and/or “good fit”
2. Strategies to improve margins of existing service line
3. Building “value added” products to increase margins
4. Expansion of successful service lines (expansion of geography, new customer base, etc.)
5. Diversification of revenue sources
6. Reconfiguration of services within “value chain”
7. Strategies to address shifting “economy of scale” issues
#2. Formalizing Service Line Planning & Implementation Critical
What Services Should We Offer?

- Formal evaluation of organizational portfolio
- Process for proposing new service line ideas
- Prioritization of new service line ideas
- Disciplined and segmented ‘quick to market’ service line implementation process
**OPEN MINDS Process for Metrics-Based Evaluation of New Business Opportunities**

<table>
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<tr>
<th>Step</th>
<th>Description</th>
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<tbody>
<tr>
<td>1</td>
<td>• Develop an itemized list of business development opportunities for consideration</td>
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<tr>
<td>2</td>
<td>• Develop a list of factors or metrics to be used in evaluating new business opportunities.</td>
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<td>3</td>
<td>• Develop a scoring scale for each metric</td>
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<td>4</td>
<td>• Assign weights to each metric – reflecting organizational priorities</td>
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<td>5</td>
<td>• Research and score each business opportunity, using the key metrics and weighting of metrics to rank the business opportunities</td>
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<tr>
<td>6</td>
<td>• Qualitative research and discussion of each of the top-rated opportunities for final selection for formal feasibility analysis</td>
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Moving From Idea to Revenue Has Two Phases

- **Phase I: Feasibility analysis phase**
  - Define the new service line
  - Analyze market and competition for the new service line
  - Financial feasibility analysis

- **Phase II: Design and development phase**
  - Service line design
  - Service line launch preparation
  - Service line launch management
  - Service line launch and pilot test
#3. Formal Tech Evaluation Process Assures Strategy Match

What Is The Investment In New Technology With The Best ROI?

- Part of strategic planning process
- ROI analysis essential
- Structured, rapid implementation needed to achieve ROI
From Strategic Plan to Tech Plan

1. Identify specific strategy and tactics in strategic plan
2. Identify functional capabilities needed to execute strategy
3. Conduct functionality comparison
   - Current information system capabilities vs. system capabilities required for proposed strategies/tactics
4. Estimate costs of adding functionality
   - Enhance
   - Buy
   - Build and/or
   - Service bureau options
5. Incorporate costs in budget model to test strategic plan
6. Analysis–based decision–making – approve or reject based on functionality/budget analysis
#4. Marketing Planning Is The Key To Revenue Growth
What Do We Need To Invest (In Time & Money) To Get The Revenue We Need?

- Tactical plan
- Driven by revenue requirements
- Test of least expensive path to revenue
Specific Elements in a Competitive Marketing Plan

1. Establish clear objectives
2. Analyze the services that you are marketing – comparative advantage and market positioning
3. Perform an analysis of market, customers, and competitors
4. Develop marketing strategies
5. Create marketing tactical plan and budget
6. Design implementation plan and timeline
7. Develop success metrics that tie back to strategic plan
Review Marketing Competency Requirements

- Marketing planning and leadership
- Contract competition – RFPs and grants
- Referral generation – B2B
- Referral generation – B2C
- External communications:
  - Brochures and marketing support materials
  - Paid advertising
  - Web site and social media
  - Press management and public relations
  - Political advocacy
- New service line development
- Fundraising and donations (non-profits only)
Competitive Market Mindset & Structure
What Do We Need To Do To Win?

• A cultural shift
• Competition is not a ‘dirty word’
• External focus
• Related to entrepreneurial competencies
Best Practice Model For Competitive RFP Response

Positioning Phase

- Opportunity Analysis
- Initial Positioning
- Win Strategy
- Outlining & Writing

Technical & Price Proposal Creation

- Review
- Editing

Production Phase

- Graphic Design
- Production & Shipping
With the right tools and practices, planning and innovation is quite simple. . . A combination of good leadership and good management. . .

Leadership is doing the right things; management is doing things right. . .

Peter Drucker
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