Creating and Implementing Strategic Plans Workshop

Performance Excellence and Continuous Improvement Methods

Game On! What’s in your strategic playbook?

Rebecca Saavedra, Ed.D.
Vice President, Strategic Management

AAMC GIP Meeting
September 19, 2013
Characteristics of Successful Planning & Planners

“Plans are useless but planning is everything,” Dwight Eisenhower

- Planning Framework
- Guiding Coalition
- Integrated Planning
- Unified Strategy
- Environmental Assessment
- Quantifiable Results
- Continuous Process
- Organizational Learning
Jennie Sealy Hospital scheduled to open in 2016 on UTMB’s Galveston Campus
Working Together to Work Wonders

A Brief Overview of UTMB Health’s Key Contributions and Vision for the Future

The state’s first academic medical center, the University of Texas Medical Branch (UTMB Health), has been at the forefront of educational, research and clinical excellence since 1891. Throughout its history, UTMB has graduated more health professionals than any other academic health center in the state and has made possible countless research and patient care advances. Today, UTMB is undergoing robust revitalization and growth to make its vision of a healthier future for our state and beyond a reality. As a proud member of the Texas Medical Center, UTMB represents an incredible return on investment for the people of Texas.

Workforce
- 11,670 total headcount
  - 4,281 (Academic Enterprise; includes 974 Faculty)
  - 3,255 (Health System w/o CMC)
  - 3,029 (Correctional Managed Care)
  - 1,105 (Institutional Support)

Economic Impact (in round numbers)
- Texas: $4B total spending; $2B output (goods, services); 26,000 permanent jobs*
- Galveston County: $2B total spending; $1B output; 15,000 jobs*
- Tax revenue offsets: $96M to Texas; $56M to local taxing authorities
- Medical services by physicians we’ve trained (Texas): $24B total spending; $13B output; 169,000 jobs
- Research (Texas): $3B total spending; $1B output; 16,000 jobs
- Construction (Texas): $3B total spending; 16,000 employed (person-years)

Financial Health
- Ended last three fiscal years in a row with positive margins to reinvest in mission

Education
- Enrolling more students than ever
  - 3,012 students enrolled (Fall 2012)
- A leader in diversity
  - SOM ranked: **
    - 1st nationally in the number of Hispanic graduates
    - 8th nationally in the number of African-American graduates
    - 3rd nationally in the number and 2nd in percent of underrepresented minority graduates
- Training primary care physicians for Texas
  - 48% of UTMB graduates chose primary care residencies (2013)
  - Of those, 48% stayed in Texas for training
Challenges to a Unified Organizational Strategy
UTMB Integrative Leadership System

Mission, Values, Vision

Inspire

Professionalism (Charter)

On-going Strategic Conversations

Incorporate Organizational Learning

Raise the Bar

Students

Patients

Workforce

Stakeholders

Engagement

Measure Results

Challenge Our Thinking

Boundary Spanning Decision-Making

Recognize and Reward

Institutional Strategic Planning Process

Health

Working Together to Work Wonders
Mission, Vision and Values

“Strategic planning is worthless—unless there is first a strategic vision.” – John Naisbitt

Mission

UTMB’s mission is to improve health for the people of Texas and around the world.

Vision

We work together to work wonders as we define the future of health care and strive to be the best in all of our endeavors.

and Values

We demonstrate compassion for all.

We always act with integrity.

We show respect to everyone we meet.

We embrace diversity to best serve a global community.

We promote excellence and innovation through lifelong learning.
Strategic Planning is a Core Competency

• *Planning Down* – The Art of Anticipating and Leading Change

• *Planning Sideways*– The Art of Supporting and Creating Change

• *Planning Up*– The Art of Understanding and Navigating Change

Source: Society for College and University Planning
A Guide to Planning for Change, 2010
“Setting a goal is not the main thing. It is deciding how you go about achieving it and staying with that plan.” Tom Landry
# Balanced Strategic Focus

## Institutional Goals

<table>
<thead>
<tr>
<th>People</th>
<th>Quality</th>
<th>Education</th>
<th>Research</th>
<th>Health System</th>
<th>Strategic Mgmt. &amp; Growth</th>
<th>Financial Success</th>
<th>Community</th>
</tr>
</thead>
<tbody>
<tr>
<td>• Invest in our number one asset, Our People.</td>
<td>• Expand and improve our quality, safety and service management systems to enhance the value and impact of our education, research and clinical care programs.</td>
<td>• Deliver highest quality educational programs to advance student learning and leadership development.</td>
<td>• Expand the impact and excellence of our research programs.</td>
<td>• Extend the capabilities of our health system to support our academic programs and offer access to the highest levels of patient care.</td>
<td>• Position ourselves for success through effective strategic management with prioritized, outcomes-driven investments in research, education, patient care and institutional support programs.</td>
<td>• Advance our financial strength.</td>
<td>• Improve health locally, nationally and worldwide through strong collaborative relationships.</td>
</tr>
</tbody>
</table>
Baldrige Performance Excellence Framework

Organizational Profile:
Environment, Relationships, and Strategic Challenges

1. Leadership
2. Strategic Planning
3. Focus on Patients, Students, and Markets
4. Measurement, Analysis, and Knowledge Management
5. Workforce Focus
6. Operations Focus
7. Results

Source: Baldrige National Quality Program NIST
**Baldrige Criteria**

**Integrated Management Framework**

**Emphasis on**
- Integration
- Innovation
- Results
- Sustainability

**• Nonprescriptive**
- Holistic
- Inclusive
- Adaptable

Source: Baldrige National Quality Program NIST
Making Time for Strategic Conversations

Continuous Planning:

- 4 - 6 sessions a year
- 2 ½ hour sessions
- Boundary spanning leadership
- Monitor institutional progress
- Attack critical Issues
- Review market forces
- Review plan and budget linkages
- Refresh and reset strategies and tactics
- Create space for strategic thinking
- Review lessons learned
# Aligning Planning Across the Institution

<table>
<thead>
<tr>
<th>Strategic / Operational Plans and Budgets</th>
<th>Capital &amp; Operating Plans and Budgets</th>
<th>Workforce Planning &amp; Compensation</th>
<th>Continuous Improvement and Accreditation</th>
<th>Performance Management</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mission/Values</td>
<td>Facilities</td>
<td>Actions that support strategies/accreditations</td>
<td>Link to strategies</td>
<td>Institution</td>
</tr>
<tr>
<td>SWOT Analysis</td>
<td>Info Technology</td>
<td>Responsibilities</td>
<td>Actions</td>
<td>Missions</td>
</tr>
<tr>
<td>Vision</td>
<td>Budget schedule</td>
<td>Measures</td>
<td>Responsibilities</td>
<td>Schools</td>
</tr>
<tr>
<td>Strategies/Decisions</td>
<td></td>
<td></td>
<td>Measures</td>
<td>Departments</td>
</tr>
</tbody>
</table>

**Institutional Plans**
- Strategies
- Goals
- Actions
- Responsibilities
- Measures

**Mission Area Level**
- Strategies
- Goals
- Actions
- Responsibilities
- Measures

**School Level**
- Strategies
- Goals
- Actions
- Responsibilities
- Measures

**Departmental & Programmatic Level**
- Strategies
- Goals
- Actions
- Responsibilities
- Measures

**Feedback**

Source: Society for College and University Planning Strategic Initiatives, Inc. 2008
Strategic and Operational Planning Cycle - Compass

- **September**
  - Communicate Organizational Direction
  - Execute Strategic Plans

- **August**
  - Finalize Key Performance Indicators, Measures & Targets

- **July**
  - Schools/Departments/Individuals Align Plans based on Institutional & Mission Plans
  - Final FY14 State Budget Submitted to UT System

- **June**
  - FY14 Score Cards due on the 1st
  - FY13 Q3 Score Card Review
  - Road Ahead Updated
  - Situation Analysis Refresh

- **May**
  - FY14 Institutional/Mission Score Cards Finalized
  - Legislative Session ends on 27th
  - State Budget Preparation Continues

- **April**
  - Update Score Cards FY13
  - FY14 Score Cards Revised
  - Align Resources to Operational Plans
  - Preliminary Preparation of State Budget

- **March**
  - FY13 Q2 Score Card Review
  - FY14 Score Card Preliminary Due
  - Mondays in March (Executive Leadership Information Sharing Session)
  - Departmental Budgets due March 15th
  - Course Corrections

- **February**
  - Mid-year Reviews
  - Action Planning/Course Corrections
  - Review Performance Indicators

- **January**
  - Legislative Budget Planning - FY14/15
  - Engage Stakeholders
  - Leverage Innovation

- **December**
  - Strategic Planning & Goal Setting FY14
  - Key Planning Issues Identified
  - Review Alignment and Integration
  - FY13 Q1 Score Card Review

- **November**
  - Begin FY14 Operating Budget Process
  - Preliminary Margin Targets due by 30th

- **October**
  - End of FY Results Received & Analyzed
  - Operational Plans Modified based on EOY Results
  - Situation Analysis Refresh
  - Define Key Financial Assumptions

- **ECOPS 1**
  - OCT. 28

- **ECOPS 2**
  - DEC. 16

- **ECOPS 3**
  - Mar. 31

- **ECOPS 4**
  - JUN. 16

**Quarterly KPI Review**
- Mondays in March
- Executive Committee Planning & Scorecard Review
- Final Departmental Budgets/Support Documents Due March 15th

*Working Together to Work Wonders*
Situation Analysis: Strategic Challenges and Advantages

Not Business as Usual

Health Care
- Health care reform constraints
- Margin pressures
- Optimize capacity & revenue
- Patient consumerism & engagement
- Technology/social media
- Quality & Patient Satisfaction

Education
- Faculty Productivity & Incentive Based Compensation
- MOOCs & Technology
- Population Health Management and Implementation Sciences
- Accountability & transparency
- Residency and Accreditation

Research
- Focus on research portfolio
- Ethical stewardship
- External funding unsustainable
- Shortage of clinical researchers
- ROI & Outcomes
- Increased demand on computation and analysis

Business & Finance
- Budget pressures
- Cost control
- Demographics
- Economy
- Technology
- Better Decision-making
- Business Development

Innovation
Integration
Transformation
Agility

utmb Health

Working Together to Work Wonders
Environmental Scans: External and Internal Analysis

American Hospital Association: Environmental Scan 2013

Society for College and University Planning: Trends in Higher Education

UTMB Academic Enterprise: UTMB Health 2020
Crowd Sourcing Strategic Input


The following perspectives have new activity

1. "Institutional Culture, Faculty and Staff" has 3 new ideas and 1 new comments
2. "Clinical Enterprise" has 2 new ideas and 3 new comments
3. "Financial Performance" has 2 new ideas and 2 new comments
4. "Customers, Students, Patients and Families" has 3 new ideas and 3 new comments
5. "Strategic Partnerships" has 4 new ideas and 4 new comments
6. "Discovery and Innovation" has 2 new ideas and 2 new comments

To unsubscribe from new ideas digest, please click here

Institutional Culture, Faculty and Staff
All hands on deck
This idea is active.

Submitted by Community Member
08/24/2013

2
Vote On Idea

Every employee with a professional license should work spend a minimum of 10% of their time working (not just observing) in a clinical environment.
Comments (0) Institutional Culture, Faculty and Staff

Better communication from decision makers to doers
This idea is active.

Submitted by Community Member
07/17/2013

4
Vote On Idea

65 votes - Better communication from decision makers to doers
Comment by Community Member

08/24/2013
Scenario Planning
Annual IT Visioning Summit

Question 1: “What will health care look like in 2017?”

Question 2: “How will systems and technologies impact patient care value?”

Question 3: “What success factors are needed to design/construct a future smart hospital using a flexible IT infrastructure?”

Question 4: “How might these systems apply to business, education, and research areas?”
Marketing and Competitor Analysis

Hospital Discharge Trends

Source: Institute for Global Futures
Scorecards: Defining What Success Looks Like

<table>
<thead>
<tr>
<th>Institutional Goals</th>
<th>Strategies</th>
<th>KPIs</th>
<th>Targets</th>
<th>Timeline</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>2. Quality</td>
<td>2.1.1</td>
<td></td>
<td>2.1.1 Improve safety and quality of care.</td>
<td>2.1.1 Aug 31, 2013-2015</td>
<td>2.1.1</td>
</tr>
<tr>
<td></td>
<td>2.2.1</td>
<td></td>
<td>2.2.1.1 Improve patient care and satisfaction performance.</td>
<td>2.2.1 Aug 2013-15</td>
<td>2.2.1.1</td>
</tr>
<tr>
<td></td>
<td>2.2.2</td>
<td></td>
<td>2.2.2.1 Identify and improve professionalism metrics.</td>
<td>2.2.2.1 Aug 2013-15</td>
<td>2.2.2.1</td>
</tr>
<tr>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>3. Education</td>
<td>3.1.1</td>
<td></td>
<td>3.1.1.4 Assess departmental residency plans outcomes.</td>
<td>3.1.1.4 Aug 2013-15</td>
<td>3.1.1.4</td>
</tr>
<tr>
<td></td>
<td>3.1.2</td>
<td></td>
<td>3.1.2.1 Preliminary SACS report begun and identify milestones.</td>
<td>3.1.2.1 Aug 31, 2013</td>
<td>3.1.2.1</td>
</tr>
<tr>
<td></td>
<td>3.1.3</td>
<td></td>
<td>3.1.3.1 Masters and doctoral programs review on schedule and in compliance.</td>
<td>3.1.3 Aug 31, 2013-15</td>
<td>3.1.3</td>
</tr>
</tbody>
</table>

UTMB Health FY2013—2015 Institutional Score Card Quarter Three
Dashboards: “Moving the Needle”
Baldrige and the 100 Top Hospitals

• Truven Health Analytics undertakes annual survey-based research of the 100 Top Hospitals award winning CEOs. What the results demonstrate:

• The 100 top hospital winners have extensively adopted the prescribed Baldrige practices, even though 63 percent reported they did not intentionally use Baldrige criteria to develop organizational goals and/or process improvement initiatives.

• Teaching hospitals reported the highest formal use of Baldrige criteria. Nearly 70 percent of these hospitals noted that their teams have used the award criteria to develop organizational goals and process improvement initiatives.

Baldrige and Joint Commission Similarities:

• Focus on continuous improvement

• Are based on a set of core values

• Offer a means for self-assessment

• Customer focus

Source: Truven Health October 2012 Survey Results
2 Strategic Planning (85 pts.)

The Strategic Planning category examines how your organization develops strategic objectives and action plans. Also examined are how your chosen strategic objectives and action plans are implemented and changed if circumstances require, and how progress is measured.

2.1 Strategy Development: How do you develop your strategy? (40 pts.)

Describe how your organization establishes its strategy to address its strategic challenges and leverage its strategic advantages. Summarize your organization’s key strategic objectives and their related goals.

Within your response, include answers to the following questions:

a. Strategy Development Process

(1) Strategic Planning Process How does your organization conduct its strategic planning? What are the key process steps? Who are the key participants? How does your process identify potential blind spots? How do you determine your core competencies, strategic challenges, and strategic advantages (identified in your Organizational Profile)? What are your short- and longer-term planning time horizons? How are these time horizons set? How does your strategic planning process address these time horizons?

(2) Strategy Considerations How do you ensure that strategic planning addresses the key elements listed below? How do you collect and analyze relevant data and information pertaining to these factors as part of your strategic planning process?

- your organization’s strengths, weaknesses, opportunities, and threats
- early indications of major shifts in technology, markets, health care services, patient and stakeholder preferences, competition, the economy, and the regulatory environment
- long-term organizational sustainability, including needed core competencies, and projections of your future performance and your competitors’ or comparable organizations’ future performance
- your ability to execute the strategic plan

b. Strategic Objectives

(1) Key Strategic Objectives What are your key strategic objectives and your timetable for accomplishing them? What are your most important goals for these strategic objectives?

(2) Strategic Objective Considerations How do your strategic objectives achieve the following?

- address your strategic challenges and strategic advantages
- address your opportunities for innovation in health care services, operations, and your business model
- capitalize on your current core competencies and address the potential need for new core competencies
- balance short- and longer-term challenges and opportunities
- consider and balance the needs of all key stakeholders
- enhance your ability to adapt to sudden shifts in your market conditions
2.2 Strategy Implementation: How do you implement your strategy? (45 pts.)

Describe how your organization converts its strategic objectives into action plans. Summarize your organization’s action plans, how they are deployed, and key action plan performance measures or indicators. Project your organization’s future performance relative to key comparisons on these performance measures or indicators.

Within your response, include answers to the following questions:

a. Action Plan Development and Deployment
   (1) Action Plan Development: How do you develop your action plans? What are your key short- and longer-term action plans and their relationship to your strategic objectives? What are the key planned changes, if any, in your health care services, your stakeholders and markets (including your patient populations), your suppliers and partners, and how you will operate?
   (2) Action Plan Implementation: How do you deploy action plans throughout the organization to your workforce and to key suppliers, partners, and collaborators, as appropriate, to achieve your key strategic objectives? How do you ensure that the key outcomes of your action plans can be sustained?
   (3) Resource Allocation: How do you ensure that financial and other resources are available to support the accomplishment of your action plans, while meeting current obligations? How do you allocate these resources to support the accomplishment of the plans? How do you manage the financial and other risks associated with the plans to ensure the financial viability of your organization?
   (4) Workforce Plans: What are your key human resource or workforce plans to accomplish your short- and longer-term strategic objectives and action plans? How do the plans address potential impacts on your workforce members and any potential changes to workforce capability and capacity needs?
   (5) Performance Measures: What are your key performance measures or indicators for tracking the achievement and effectiveness of your action plans? How do you ensure that your overall action plan measurement system reinforces organizational alignment? How do you ensure that the measurement system covers all key deployment areas and stakeholders?
   (6) Action Plan Modification: How do you establish and implement modified action plans if circumstances require a shift in plans and rapid execution of new plans?

b. Performance Projections
   For the key performance measures or indicators identified in 2.2a(5), what are your performance projections for both your short- and your longer-term planning time horizons? How does your projected performance on these measures or indicators compare with the projected performance of your competitors or other organizations offering similar health care services? How does it compare with key benchmarks, goals, and past performance, as appropriate? If there are current or projected gaps in performance against your competitors or comparable organizations, how will you address them?
Baldrige Criteria, Six Sigma, and Lean Methodologies

Baldrige

- Framework focused on results
- Integrated systems
- Organizational improvement and innovation
- Systematic approach

Six Sigma & Lean

- Drive waste and inefficiencies from processes
- Data driven/Reduce variations
- Monitoring of operational results
- Lower defect rates

Source: Baldrige National Quality Program NIST
**Six Sigma**

Reduce variation; lower defect rates

< 3.4 defects/million opportunities

Source: Baldrige National Quality Program NIST
**Lean**

**Goals**
- Increase productivity
- Eliminate waste
- Maximize resource utilization

**Customer-defined value**

**Map and understand value stream**

**Make value stream flow**

**Continuously improve processes**

Source: Baldrige National Quality Program NIST
Plan-Do-Check-Act (PDCA) Cycle

- **Plan**: Action plan and execution
- **Do**: Progress, target, vs. actual
- **Check**: Alignment, identify problem, determine goal, cause analysis
- **Act**: Standardize if it worked, adjust if it didn’t work

Working Together to Work Wonders
AAMC Strategic Planning Tools Available

Website: https://www.aamc.org/members/gip/strategicplanning/
"How a group of people collectively enhance their capacities to produce the outcome they really wanted to produce.” Peter Senge

**Organizational Learning**

**Journey to Organizational Excellence**

<table>
<thead>
<tr>
<th>FY 2013</th>
<th>Institutional Integration; Reinforcing Financial Discipline; Elevating Operational Performance; Strategic Decision Support; Leadership Development</th>
</tr>
</thead>
<tbody>
<tr>
<td>FY 2012</td>
<td>Institutional Sustainability; Embed Strategic Planning; Cascade Goals; Resource Prioritization; Performance Monitoring; Philanthropic Success; Research Infrastructure</td>
</tr>
<tr>
<td>FY 2011</td>
<td>Institutional Alignment; Patient Quality; Advance Collaborations and Partnerships; Workforce Engagement; Brand Awareness; Information Technology Governance; Financial Performance</td>
</tr>
<tr>
<td>FY 2010</td>
<td>Strategic Vision: <em>The Road Ahead</em>; Strategic Growth; Strategic Communications; Student Access and Success; Workforce Development; Productivity and Accountability</td>
</tr>
<tr>
<td>FY 2009</td>
<td>Defining our Future; Mission, Vision, Values; Strategic Challenges and Opportunities; Campus Infrastructure; Performance Measures</td>
</tr>
<tr>
<td>FY 2008</td>
<td>Balanced Strategic Priorities; Strategic Planning Process; Strategic Framework; Strategic and Operational Planning Cycle (UTMB Compass); Institutional Leadership System</td>
</tr>
</tbody>
</table>
An Agile Learning Organization
Group Interaction

- What tools are you using successfully?
- What processes or approach are you using?
- What barriers are in your way?
- What are the critical lessons learned?