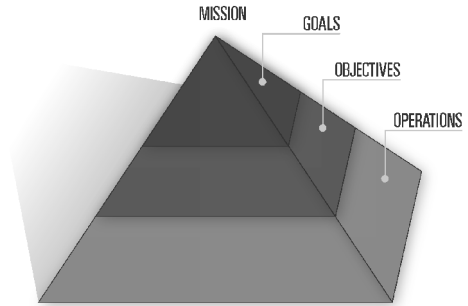


## Chapter 2

# Issues in Long-Range Planning



## Long-Range Planning

You will deal with a number of challenges as you go through the exercises to develop your own plan. Being aware of these in advance will help alleviate the anxiety you may feel as you commit yourself to a plan on paper.

First, you will have to be very clear on your organization's basic mission. This includes knowing your clients, your competition, and your organization's place in the *big picture*. A part of this assessment is the determination of what constitutes your competitive advantage.

Are you able to identify what you do best? For what are you known? You can find many ways to do this type of assessment; some management references suggest doing a *SWOT* analysis, for example.

*SWOT* is an acronym for strengths, weaknesses, opportunities, and threats. Obviously you want to recognize and capitalize on your strengths, identify your weaknesses as targets for improvement, look for and recognize opportunities for growth and development, and know what threats you face so you can be prepared for challenges that will always arise (usually when you least expect them).

Our plans miscarry because they have no aim. When a man does not know what harbour he is making for, no wind is the right wind.

—Seneca  
(4 BCE–65 CE)

A SWOT analysis can be an excellent starting place in the strategic planning process, especially if you feel somewhat disconnected from your practice and have begun to wonder what is wrong with it, or feel you are losing control. Honesty is critical as we pursue the planning process in earnest. This is your document, and total honesty is mandatory for it to be realistic, attainable, and a source of lasting passion for you.

You can begin by taking a totally honest look at factors both internal and external to the practice.

## Internal Factors

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You should begin to identify your strengths and weaknesses by looking within your practice at the areas in which you should (ideally) have considerable, if not total, control. Typical areas to analyze include your finances (assets, liabilities, and cash flow); physical plant and other material resources; your current office procedures and practice management procedures; your own skills, knowledge, and attitude, and those of your practice team members; the characteristics of your patient population; and your outcome measures, such as patient satisfaction, clinical results, and patient referrals.

Analyzing these factors can be a difficult process, especially if you have not confronted some of the weaknesses of the practice. Rest assured though, that identification of your weak areas is a valuable and necessary starting place as you begin the journey toward the fulfillment of your vision and mission. Getting input, where appropriate, from your practice team members, key advisors, and patients will give you a good idea of your current situation with respect to strengths and weaknesses.

## External Factors

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You identify opportunities and threats by looking at factors external to your practice. These factors include the political and legal environment, the social context of your practice, and the current state of the profession in terms of technological developments, professional trends, and market factors.

Other chiropractors can be competitors or noncompetitors. In some cases, they could be both. For example, one of your best friends and trusted colleagues might also be in practice across the street. This does not preclude his or her practice from being considered in your analysis of opportunities and

threats. In addition to chiropractors, many other types of health providers and industries could be considered competitors for the same patient market, and these must be identified and understood as much as possible.

One of the simplest ways to initiate a SWOT analysis is to meet with your team members and simply ask them (and yourself) a few questions. What is special about our practice? Where are we running into problems? What makes us different from other practices? What are we worried about, now and in the future?

## Time and Reality

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It is very important to have a realistic time span for the strategic plan. By understanding the examples I have given, you can see that strategic planning is generally measured in years, tactical planning in months, and operational planning in days or weeks. This simple guideline is very valuable.

A realistic appraisal of your professional history is also important. In other words, it will be helpful if you have an honest and useful understanding of what has been important to your practice in the past and what will be important in the future. Of course, this also requires an honest appraisal of likely future circumstances. In other words, if you are currently 55 years old, it would not likely be a wise decision to have a long-term strategic goal for your practice with a 30-year time frame.

Although it may be time consuming, it is a very useful exercise (and one that is done by major organizations) to develop alternative future scenarios. In other words, based on your honest appraisal of your particular circumstances, you choose to follow Plan A. However, in the case of Event X or Event Y occurring, you are able to adapt quickly to Plan B. This kind of planning would have been extremely helpful for the practices that were most affected by the advent of Managed Care through the 1990s.

## Adaptability Versus Stability: The Dynamic Plan

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The planning process is a dynamic one, and plans are never *etched in stone* (even strategic plans). You are free to review and alter your overall plan as often as necessary to achieve your overall strategy. It is rumored that one very large international corporation reviews its mission statement every single week to ensure continued relevance. However, having said this, bear in mind that the higher an item is on the strategic planning pyramid, the more unlikely it is to

change (or, rather, the more important it is to be stable and unchanging). Adaptability is one thing, but stability is another, and it is extremely important that the vision and mission statements are drafted carefully and after considerable thought so that they will give you a stable base for creating the rest of your plan.

You could imagine the confusion that would result if, during World War II, the leaders of the country changed their original mission, even after all of the organization and logistics were created to achieve it. Unfortunately, this is basically what happens to some chiropractic practices when, unwittingly, the doctor changes the overall strategic direction of the practice without fully comprehending the ramifications of such a change.

An example would be the sudden (and unplanned) introduction of a completely different technique system or practice management system. Many of us have been guilty of this error in judgment when we return from a particularly interesting postgraduate weekend seminar. Of course, changes such as these can certainly be introduced into any practice, and this is precisely where the process of strategic planning is necessary. Properly thought out, just like a military campaign, a strategic plan can be structured to create any future scenario you wish.

## Chief Cook and Bottle Washer (You... Yes, You)

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Tactical and operational planning occurs at the middle-management level or below. In the military, this means that the generals are happy to rely on the colonels to develop their own tactical plans, once they have been given the objective. In business, the vice president gives the managers the objective, and the managers work out the tactical details, leaving specific tasks to the line supervisors or foremen to develop. The responsibility level of the officers matches their strategic level in the organization.

Unfortunately, in practice, the doctor (or strategic-level planner) often creates the plans and methods of execution of all levels, bypassing other practice team members. In a small practice, the doctor is the general, the colonel, and the private, literally responsible to himself or herself for executing his or her plans. Further, mostly due to lack of appreciation of proper planning, the doctor will tend to plan in isolation, without the valuable input of other team members.

Then the doctor will wonder why the CA does not do the recall or reactivation calls as expected or does not use the appropriate script at all times. You can see how important it is to be able to create (and expect) responsibility at all levels of the planning pyramid.

## Controls and Statistics

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A critical step in the planning process is the determination of what controls will be necessary. The usual form of a control in the context of strategic planning for chiropractic practices is a statistic. Typically, doctors keep statistics of various aspects of their practices for odd reasons. Either they have been told that a particular statistic actually measures their progress in a specific area, or more likely they are taking a periodic measurement to compare themselves with others or the national average. After you have completed your own strategic plan, you will see that the necessary controls (statistics) are totally obvious and forthcoming directly from your plan.

In the military example in Chapter 1, if you were the general in charge of the mission, what statistics would you demand of your officers and enlisted personnel? It would depend on whether the statistics were derived from a tactical or operational level, for one thing. You would not expect a sergeant to tell you how the entire regiment was performing. Of course, the strategic level yields only qualitative results—either the landing succeeded or it did not succeed. As you get lower in the planning process, statistics become more obvious and more specific. As a general rule, your main statistics will be derived from the tactical level, since one of the characteristics of an *objective* is, in fact, that it is *objective*, or measurable (otherwise we would call them *subjectives* rather than objectives).

A properly run organization is a cybernetic system, which means that it operates by feedback in a continuous loop. Using systems theory, it then follows that any measure of the operation of the system gives you an idea of the whole system's performance. It's like saying that on a given expressway, the traffic can only go as fast as the slowest car. In a closed system operating this way, all you would have to do is measure any car's speed and it would show you how the whole expressway was performing. In this way, if you carefully choose your controls, or statistics, you will be able to get an accurate perspective of your overall practice performance.

## Challenges in Planning

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Wishing consumes as much energy as planning.

—Anonymous

You must concentrate on the present even though you are planning for the long-term. In other words, there must be a clear link between now and then. It is a mistake to create a future scenario that has no relevance at all to current activities. If really dramatic change is planned, you need to create either an intermediate plan or a de novo organization. Think in terms of a physical time line: You are *here* now, and you want to go *there* then. Planning must be on a continuum from the present to the future with an actual line between these two points.

Do not confuse a “planning study” with a plan. You are not just creating a hypothetical future as part of a “wish” campaign. You must be prepared to commit time and resources for a plan to work.

One of the biggest challenges in strategic planning is the creation of clear, attainable, and specific objectives. We will talk more of this later as you complete the planning exercises.

We must ask where we are, and whither we are tending.

—Abraham Lincoln

Avoid placing too much emphasis on economic or technological factors. Of course they need to be considered, but both of these factors can change rather quickly, and a plan that is too dependent on them may become obsolete. An example would be building a large part of your practice around existing technology in a specific area, such as subluxation detection technology or radiographic technology. In these cases, you have little control over the technology that may or may not keep up with trends in the industry. Also, be realistic with economic factors but avoid overemphasis on such changeable items as professional fees or your own cash flow.