

Strategic and Operational Planning – The Execution

Joyce A. Tipton, RPh, MBA, FASHP
Chief Pharmacy Officer
Baylor College of Medicine
Houston, Texas

Objectives

- Define strategic and operational planning
- Identify reasons for having a structured process
- Discuss the steps in the process
- List the criteria for SMART objectives
- Describe tools for reporting outcomes
- Explain the use of a structured Strategic and Operational Planning process to facilitate execution

Strategic and Operational Planning Process

- An annual cycle of process improvement
- First step in the annual budget preparation process
- Some strategies and goals may carry over year to year, but the annual cycle will maintain a PDCA cycle of process improvement
- The entire cycle should have a predefined structure
 - Planning
 - Setting goals
 - Executing
 - Measuring outcomes
 - Reporting
 - Evaluating and adapting
- Tie pharmacy goals to organizational priorities
- Cascade the goal setting through the entire department

Why Bother?

- You want outcomes
- You need input
- You need buy-in from your team to succeed
- Linking goals to values
- You need to package your story for sharing
 - Reporting up line
 - Budget presentation
 - TJC MM.08.01.01
 - Culture of shared vision

Steps in the Strategic & Operational Planning Cycle

- The Planning Phase 1
 - Customer identification
 - Mission and Vision (Establish and then re-visit annually)
 - SWOT Analysis – Strengths, Weaknesses, Opportunities, and Threats
 - Prioritizing issues
 - Establishing goals and initial strategies
 - Identifying accountability
 - Further define strategies for each goal using SMART criteria

Customer Identification

- Use Brainstorming technique to identify your customers
 - Internal
 - External
- Use to identify all those who are affected by the actions and outcomes of the pharmacy team

Mission Statement

- Mission Statement should answer at least these 3 questions:
 1. What are the opportunities or needs that we exist to address (our purpose)
 2. What are we doing to address these (our business)
 3. What principles or beliefs guide our work (our values)
- Mission Statement should:
 - Inspire support and commitment
 - Motivate
 - Be convincing and easy to grasp
 - Use proactive verbs to describe what we do
 - Be free of jargon
 - Be short enough to easily repeat

Vision

- Vision Statement
 - Answers the question – What will success look like?
 - Should challenge and inspire us to achieve our mission

We will never be greater than the vision that guides us

SWOT Analysis

- Identify using Brainstorming process
- Internal Factors
 - Strengths – what do we do well?
 - Weaknesses – where would we like to improve?
- External Factors
 - Opportunities – what is occurring in our “external” environment that may create opportunity.
 - Threats – what is occurring in our “external” environment that we should be prepared for?

Steps continued

- **Prioritizing issues**

- First eliminate those items totally out of your control or appropriate sphere of influence.
- Elimination process can be ranking, voting, etc.

- **Establishing goals and initial strategies**

- The goals and broad strategies should be developed here with detail following later

- **Identifying accountability**

- Before leaving the planning session at least one person's name and no > two should be attached to each goal

- **Further defining strategies** for each goal (may follow actual planning session)

- Use SMART criteria

SMART Criteria

- **Specific** – the objective should state exactly what is to be achieved
- **Measurable** – an objective should be capable of measurement – so that it is possible to determine whether it has been achieved
- **Achievable** – the objective should be realistic given the circumstances in which it is set and the resources available to the business
- **Relevant** – objectives should be relevant to the people responsible for achieving them
- **Time Bound** – objectives should be set with a time frame in mind. These deadlines also need to be realistic

Steps in the Strategic & Operational Planning Cycle

- Planning Phase 2
 - Establish metrics that will be used for outcomes measures
 - Establish firm target dates
 - Develop written action plans with timelines
 - Identify resources needed (important for budget planning)
 - Identify accountability and target date for each action

Steps in the Strategic & Operational Planning Cycle

- Planning Phase 3 – Consider implementing after first year
 - Drive the SOP process into the component areas of the department
 - Conduct area Strategic and Operational Planning
 - Align area priorities with departmental goals
 - Follow same steps for accountability, outcomes measures, target dates, and reporting

Example Agendas – Pre-planning Executive Leadership Workshop

- **Pharmacy Executive Team**
- Strategic Questions provided for consideration prior to meeting:
 - *What should our practice model look like to support achieving our mission and vision?*
 - *What would it take to bring our current situation close to the ideal?*
 - *What do you enjoy doing that might be useful in bringing about this change?*
- 12N – 12:30 Lunch
- 12:30 – 1:30 Brainstorming:
 - *What are the characteristics of an effective leader?*
 - *What are the characteristics of an effective leadership group?*
 - *What strengths do you as an individual bring to the leadership group?*
 - *In what areas do you look to others in the leadership group?*
- 1:30 – 2:00 Describe the things that might occur in a day that would cause you to go home feeling satisfied – feeling that you are achieving your mission and vision.
- 2:00-2:30 Break
- 2:30 – 4:00 If the satisfying day above lasted one year, what would you do in the morning and what would you do in the afternoon? (Establish 4 to 5 goals that support the Mission and Vision)
- 4:00-4:45 What should our practice model look like?
- 4:45 – 5:00 Review and wrap up

Example Agendas – Strategic & Operational Planning

- **Day 1**
- 8:00 – 8:15AM Continental Breakfast
- 8:15 – 11:00AM “Powerful Relations, Powerful Teams” (Team building exercise lead by consultant)
- 11:00-11:15AM Customer Identification
- 11:15 – 12 Noon Status of Current Year Goals and Objectives (Pharmacy Managers)
- 12 Noon – 1:00pm Lunch (Provided)
- 1:00 – 1:15PM Hospital Strategic Vision (CEO Video)
- 1:15 – 1:30PM Department of Pharmacy Strategic Vision (Director of Pharmacy)
- 1:30 – 2:45PM SWOT Analysis
- 2:45 – 3:00PM Break
- 3:00 – 3:30PM The World-Renowned Department of Pharmacy according to Picasso (or Renoir or Remington or Gary Trudeau, or...)
- 3:30 – 4:45PM Priority goal/objective identification
- 4:45 – 5:00PM Wrap Up and Adjourn
- **Day 2**
- 8am – 11am
- Operational Planning
- Discuss Action Plans
- Develop Target Measurements that can tie to Dashboard
- Assign Responsibility and Target Dates
- Share Principles of Practice

Examples of Agendas – Strategic & Operational Planning

- Day 1
- 8:00 – 8:30 Continental Breakfast
- 8:30 – 9:15 Status of 2008 Goals and Objectives (Pharmacy Managers)
- 9:15 – 9:30 Department of Pharmacy Strategic Vision (Director of Pharmacy)
- 9:30 – 9:45 Break
- 9:45 – 11:15 SWOT Analysis
- 11:15 – 11:45 VISION (Pharmacy Practice Residents)
- 11:45 – 12:30 Lunch (Provided, but Customer WOW ticket required)
- 12:30 – 1:30 Priority goal/objective identification
- 1:30 – 4:00 *Change Management (Organizational Development)*
- 4:00 – 4:15 Wrap Up and Adjourn
- Day 2
- 8:15 – 8:30 Continental Breakfast
- 8:30 – 9:00 SMART Objectives (Pharmacy Practice Residents)
- 9:00 – 10:15 Establish Draft of 2009 Goals and Objectives
- 10:15 – 10:30 Break
- 10:30 – 11:00 Establish Teams and Accountability
- 11:00 – 11:15 Personal Mission Statement and Principles of Practice
- 11:15 – 11:30 Wrap Up and Adjourn

Sharing the Plan

- Commit the plan to writing in three versions – Detailed, Outline, and Matrix
- Share with all members of the Department
 - Town hall meetings
 - Staff meetings
 - Individual copies
- Share with VP, CEO, and provide with budget documents

Example of Goals Outline

Mission

Contribute to excellent patient care by optimizing drug therapy.

Vision

We will be a nationally renowned department of pharmacy by 2010, where the best and brightest want to work.

I. Improve patients' medication therapy outcomes, optimizing quality and cost

- Establish a structured antimicrobial stewardship program
- Improve the safety of anticoagulation therapy
- Provide quality pharmacy services in the Emergency Department
- Utilize technician order entry to free up pharmacists for more clinical value added roles
- Provide focused pharmaceutical care in Oncology

II. Maximize efficiency, quality, and safety in the medication use process

- Develop a more robust quality assessment program for all core operational tasks, settling for no less than 100% compliance.
- Implement and optimize automation – MedCarousel, Paced, Pyxis

III. Promote a culture of engagement and accountability

- Enhance departmental staff development, orientation, and training
- Effectively communicate within the department and the hospital
- Develop heightened capabilities of leadership to execute goals
- Effectively recognize employees formally and informally
- Create an incredible website for internal and external customers

IV. Achieve financial budget plan for Fiscal Year

- Decrease the dollar value of wasted drugs
- Clinical initiatives as determined by each Clinical Coordinator

Excerpt from Goals Detail

- **GOAL IV**
- **Achieve financial budget plan for FY09**
- **Strategy 1** *Decrease cost of wasted drugs*
- **Original Status:** Our current YTD wastage is \$390,250. Our goal for the year is \$415,066. Current trending based on a YTD monthly average will put the FY08 wastage total at just under \$500,000.
- **Action Plan(s):**
- Generate a high dollar / short stability drug list that can be used to educate pharmacy and nursing staff.
- Develop educational sessions for pharmacy and nursing staff in order to generate awareness of practices around high dollar / short stability medication.
- Increase reporting and level of detail of high dollar wastage instances.
 - Standardize documentation methods for high dollar wastage.
 - Engage in timely follow-up of high dollar wastage occurrences.
 - Create a level of accountability for pharmacy/clinical staff associated with high dollar wastage occurrences.
- Develop and implement a new IV reconciliation process
 - Increase awareness and accountability for the decentralized pharmacists that have patients on high dollar IV meds.
- Work with transplant to establish an acceptable process for providing pre-op medications.
- **Resources Required:** Wastage committee, wastage occurrence follow-up resource, pharmacy informatics, and pharmacy/nursing support.
- **Accountability:** **Bob Smith**
- **Target Date(s):** Action plans completed 12/08, final goal evaluation will occur at the end of FY09.
- **Outcomes Measures:** Metric = total dollars wasted as captured by the pharmacy wastage report. Goal = a 25% reduction from FY08 total wastage, approximately \$375,000.
- **Status:** Report on status each quarter

Example of Matrix









Goal and Strategy	Employee Engagement	Excellence	Efficiency	Core Measure	NPSG	Med Safety	Compliance	Hospital of Physician Choice
Goal I: Improve patients medication therapy outcomes, optimizing quality / cost								
Antimicrobial Stewardship	X	X		X		X		X
Anticoagulation management	X	X			X	X	X	X
Provide quality pharmacy services in the Emergency Department		X	X	X	X	X	X	X
Enhance compliance with Medication Reconciliation	X	X	X		X	X		
Implement technician order entry	X	X	X			X	X	
Oncology Services		X				X		X
Goal II: Maximize efficiency, quality, and safety in the medication use process.								
Continual maintenance of basic QA	X	X				X	X	
Pyxis fill accuracy		X				X	X	
Missing doses			X			X	X	
Timely med delivery			X	X		X	X	X
MedCarousel and PacMed	X		X			X		
Goal III: Promote a culture of engagement and accountability.								
Staff development, orientation, training	X	X					X	
Improve effectiveness of communication	X						X	
Improve leadership goal execution	X	X	X					
Employee recognition	X	X						
Incredible Website	X							
Goal IV: Achieve financial budget plan for FY 08								
Decrease cost of wasted drugs			X					
Clinical Initiatives with cost savings/avoidance			X					

Reporting

- Require at least quarterly reports from each person accountable including specific metrics
- Create Dashboards or Scorecards for visual reporting
- Provide quarterly reports/presentation to VP
- Provide updates to staff at Town Halls or staff meetings
- Share the Dashboards with staff
 - Bulletin boards
 - Published in newsletter

Example of Dashboard

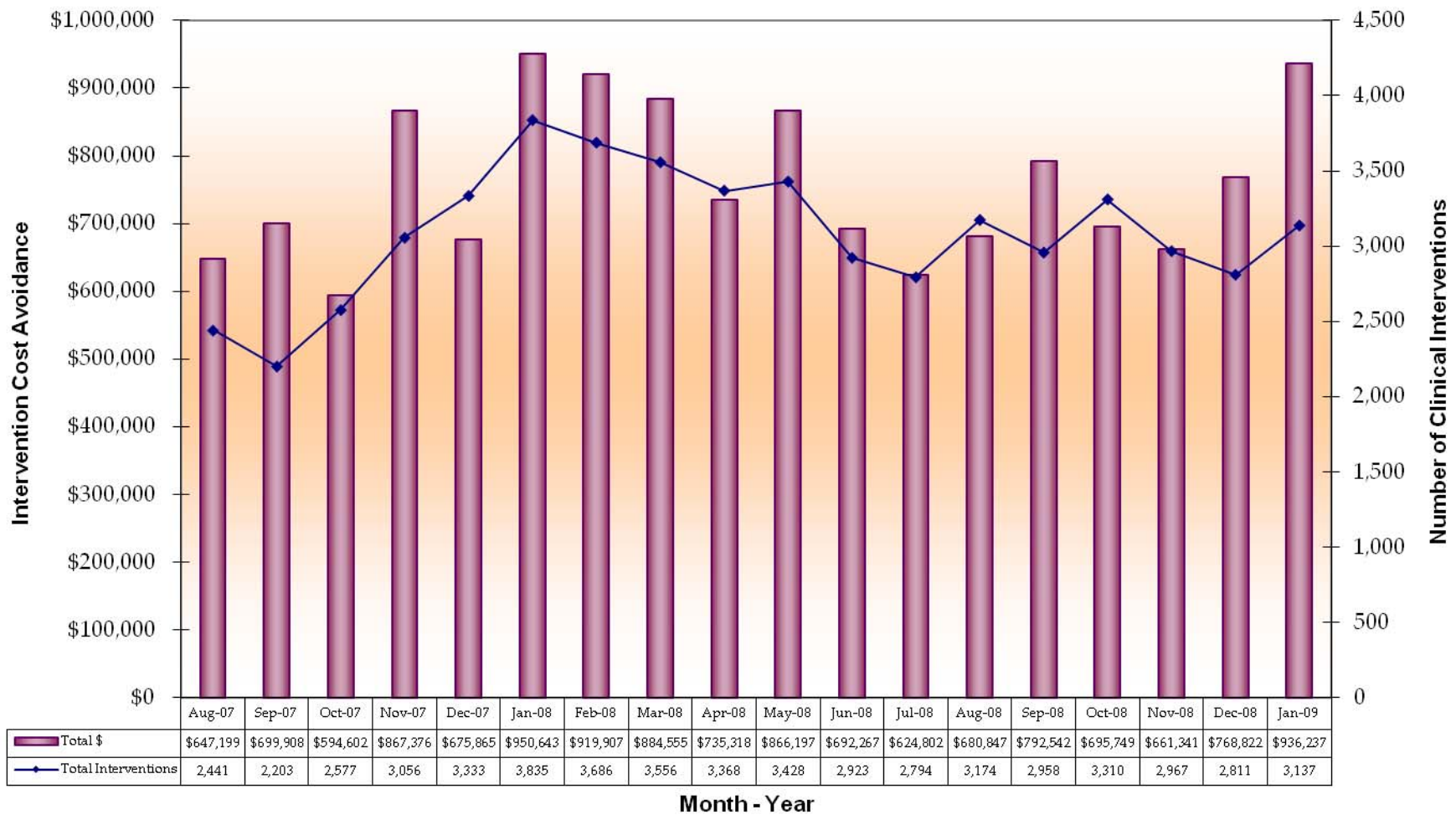
January 2009

Drug Expense	Med Reconciliation	Pyxis Doses	Missing Doses
			
Unit Inspections	Clinical Interventions	Wastage Expense	O.E. Turnaround Time
			

Drug Expense <= Flex Budget	Med Reconciliation >= 92% Complete	Pyxis Doses >= 80%	Missing Doses Per APD <= .099
Drug Expense > Flex Budget	Med Reconciliation <= 92% Complete	Pyxis Doses >= 75%	Missing Doses Per APD >= .10
Drug Expense >= 3% Over Flex	Med Reconciliation <=90% Complete	Pyxis Doses <= 75%	Missing Doses Per APD >= .11
Unit Inspections = 100% Complete	Clinical Interventions >= \$500,000	Wastage Expense <= Flex Budget	Overall TAT < 25 minutes
Unit Inspections < 100% Complete	Clinical Interventions >= \$400,000	Wastage Expense > Flex Budget	Overall TAT > 25 minutes
Unit Inspections < 95% Complete	Clinical Interventions < \$400,000	Wastage Expense >= 10% Over Flex	Overall TAT >= 27 minutes

Example of Metric Detail

Clinical Intervention Summary



Biggest Challenges for Participants

- Time away from assignment for planning sessions
- Schedules
- Skepticism
- Learning the tools
- SMART criteria
- Understanding value of reporting
- Establishing specific metrics
- Reporting on specific metrics
- Driving the process into all areas of the department
- Having measurable outcomes tied to performance reviews

Strategic and Operational Planning – Sharing the Vision



Special thanks to the great people at St. Luke's Episcopal Hospital and Wake Forest University Baptist Medical Center who planned with me and to Ron Small who taught me to plan.