

# Strategic Planning for Your Surgery Center

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## EXPERTS SHARE **TIPS AND BEST PRACTICES** FOR EFFECTIVE AND EFFICIENT LONG-TERM PLANNING.

**D**o you have a strategic plan specifically focused on your surgery center? Should you? The answer, according to business experts, is a resounding, “Yes!” And they’re quick to explain why it’s so important.

“Now more than ever, independent ophthalmic ASCs should be engaged in strategic planning,” says Regina Boore, RN, BSN, MS, CEO of Progressive Surgical Solutions. “In this time of upheaval and change in health care, surgery center owners can’t afford to be complacent. They need to be looking critically at their operations, assessing the market and planning how to respond to outside forces as well as internal challenges.”

Despite this call to action, however, few physician-owners have developed and regularly update strategic plans specific to their surgery centers. “Many independent ophthalmic ASCs are practice-owned,” notes Boore, “and even though the surgery center is a huge strategic asset for the larger organization in terms of revenue generation and diversification, most of the resources and planning are focused on the practice. The surgery center may be woven into that process as an afterthought.”

### **An ASC-specific Strategic Plan**

This mindset should change for several reasons, says Bruce Maller, president and CEO of BSM Consulting. “Most surgery centers are separate legal entities,” he says. “They have their own financial statements, their own unique business elements and issues, and in my opinion, it’s a very good idea to have a separate strategic plan for the surgery center.”

Also complicating the picture and underscoring the need for separate strategic plans are the various ASC ownership structures. A surgery center could be owned by all or some of the physicians in a single practice or by several physicians or practices in the community. As Maller explains, “The practices might even compete with one another despite having a common ownership interest in



the surgery center. In these situations, it's important that the partners apply a discipline to evaluating the unique needs and opportunities of the surgery center, which may or may not be directly aligned with the needs of their individual practices."

John Pinto, president of J. Pinto & Associates, Inc., says not having a current, written strategic plan is "an increasingly dangerous performance gap in our industry." He also says it's important to differentiate a short-term tactical plan from a strategic plan. "A strategic plan covers a longer horizon — at least 5 years and preferably 10 — and focuses on outcomes," he says.

**“Your mission and vision reflect who you want to be and where you want to go, and your strategic plan should be designed to get you there.”**

— Regina Boore, RN, BSN, MS, CEO of Progressive Surgical Solutions

"It addresses growth rate, institutional relationships, service mix, provider mix, positioning, succession planning and so on. The chief value of a strategic plan is that it allows the business owners to agree on and align their interests for a common goal and to inform the management team of the basis for tactical priorities."

If yours is one of the many ophthalmic surgery centers without a dedicated strategic plan, or if your plan needs to be revitalized, here are some tips from the experts.

### Review Your Mission

Strategic planning must support your ASC's mission and vision, Boore says. And if you don't have a mission statement, that should be your first order of business. "Your mission and vision

## Preparing for Your Strategic Planning Meeting

**P**reparations for a strategic planning meeting usually begin several months beforehand, as calendars must be coordinated and key data gathered and analyzed to produce a snapshot of the business for the partners to review.

"Most businesses carve out a day for a meeting of this nature," Maller says.

"Sometimes, the meeting spans 2 days, where the stakeholders meet in the afternoon or evening on a Friday and for a half to a full day on a Saturday. You'll need about 6 to 10 hours of meeting time in the aggregate."

Boore adds, "An offsite experience, although not absolutely necessary, can help people disconnect and focus, which tends to be more conducive to free-flowing ideas and brainstorming."

marking initiative ([ooss.org/benefits](http://ooss.org/benefits)), which enables them to compare their clinical and business performance with other centers across the country.

### Look Inside and Out

The next order of business is to perform a SWOT analysis to assess strengths, weaknesses, opportunities and threats. "The SWOT analysis helps you evaluate your organization and your environment to determine what you have, what you need and what risks you're facing," Boore says. "For example, a typical challenge that many ASCs will face involves surgeons who are approaching retirement age. The business depends on them and the case volume they generate, and the partners will have to decide how to address that."

The SWOT analysis may shine a light on other internal issues as well. If the surgery center is underutilized, for example, the partners may want to consider diversifying. If the surgeons are having difficulty getting block time, the discussion may turn toward expansion. Although these may be viable options,

reflect who you want to be and where you want to go, and your strategic plan should be designed to get you there," she says.

### Assess Your Current Status

Before you can set a course for the future, you must know where you stand today. "When our firm facilitates a strategic planning meeting, we request detailed information from the client, such as financial statements, accounts receivable aging, staffing rosters and so on," Maller says. "After assimilating and analyzing that objective data, we compile a report, describing how the surgery center is performing according to key industry metrics."

Ophthalmic ASCs can take advantage of the Ophthalmic Outpatient Surgery Society's OOSMark bench-

Pinto cautions that making such decisions while ignoring outside forces can be a serious mistake.

“The most important — and most often missing — underpinning of a strategic plan is a deep understanding of the regional health delivery system in which a practice or an ASC operates,” Pinto says. “Many partners perform their planning in a vacuum, and this is dangerous. While you may be planning for a decade or more of private, independent operations, your local hospital could be planning its own eye department.”

Boore agrees. “In many markets, dominant health systems are developing their own plans, so access to patients has become an issue and a potential threat that didn’t exist 5 years ago,” she says.

### Set Your Priorities

Choosing your top priorities is at the core of the strategic planning process. “This is when you choose your path to fulfill your mission and vision,” Boore says. “Sometimes, the partners bring in an objective party from outside the organization to help pose questions and facilitate the dialogue.”

Topics can run the gamut from concerns about shrinking reimbursement to staffing issues, case mix and capacity. According to Maller, “Most importantly, the partners need to reach a consensus on three to five long-term goals, which become the focus of the rest of the meeting.”



For example, Boore says, if the goal is to increase volume, then the strategic plan might involve recruiting new surgeons, capturing a new contract or bringing in a new subspecialty. “Once you’ve established what your strategy is, then you establish your goals to support your strategy, and finally you develop your action plan — the specific steps required to achieve your goals,” she says.

### Plot Your Course

The action plan delineates the steps

required to meet strategic planning goals. “For example, if you decide to add retina service to your surgery center, one of your action steps might be to perform a feasibility study to determine the economics of doing so,” Maller explains. “Another tactic might be to contact a retina practice to see if they have an interest in bringing their cases to your center.”

It’s important to consider the impact of your action plan on your current operations. “You need to ensure that all of your processes on the business

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**The 2015 OOSS Symposium at AAO Las Vegas on Saturday, Nov. 14,** titled “Strategic Imperatives and the New oASC,” will feature a keynote address by Bruce Maller, followed by an interactive panel of owners and administrators of ophthalmic ASCs who are successfully engaged in strategic planning. **For more information, visit [www.ooss.org](http://www.ooss.org).**

side and the clinical side will support your goals, your vision and your mission,” Boore says. “If you’re planning an expansion, for example, you’ll need to examine your scheduling, staffing, cost of supplies, cost of care, physical plant and capital equipment, while also being mindful of debt structure, cash flow and current profitability.”

Maller notes, “Action steps will have implications for your profit-and-loss statement, so be sure your strategic plan aligns with the surgery center’s budget.”

“When the meeting is adjourned and the action plan is written, that document becomes a dynamic, living document. Strategic planning is a process not an event. This is something you commit to doing periodically.”

— Bruce Maller, President & CEO of BSM Consulting

### Put Your Plan Into Action

“Your action plan must specify targeted action dates, deadlines and who is responsible for certain tasks,” Boore says. “It becomes a working document that you will implement.”

Implementation is the key to successful strategic planning, Maller notes. “That’s where the rubber meets the road,” he says. “The ability to execute a plan is what separates the best-performing surgery centers from the average performers.”

What does it take to successfully implement a strategic plan? The answer, Maller says, is strong physician leadership and strong administrative leadership. “Both must share the same vision and values in terms of where they want to take the business,” he says. “In particular, the center needs a strong, disciplined administrator who understands how to manage projects, move things forward, communicate effectively, manage up to the partners and manage their team. Without a strong administrative leader, even the best strategic plan will fall on deaf ears.”

### It’s a Process, Not an Event

“When the meeting is adjourned and the action plan is written, that document becomes a dynamic, living document,” Maller says. “Strategic planning is a process, not an event. This is something you commit to doing periodically.”

Boore agrees. “At a minimum, physician-owners should revisit the surgery center’s strategic plan annually to verify and validate if it has been effective and to make adjustments if necessary.” ■

## More Tips for Effective Strategic Planning

Consultant Bruce Maller offers the following best practices for your strategic planning meeting.

- **Allow adequate time to prepare for the meeting.** I find it takes at least 1 to 2 months of preparatory work to develop an agenda and collateral materials to ensure a successful meeting.
- **Have a physician take the lead.** The physicians are the owners, and the owners must be engaged. I’ve found that if at least one doctor is totally engaged and has the respect of his or her peers, there’s a greater likelihood that the process will have a favorable outcome.
- **Require all principals to participate.** The No. 1 objective of the strategic planning process is to achieve consensus among all principals on the future vision, goals and strategy for the surgery center. Everyone needs to be at the table. Building momentum and commitment to implement the plan requires accountability on the part of each owner.
- **Everyone responsible for executing the plan should be present.** An important element of the process is to have the key stakeholders — anyone who has a stake in the future success of the business, such as the administrator and the director of nursing — present at the meeting.
- **Follow up promptly.** There’s a window of opportunity in the days and weeks following a strategic planning meeting to keep the momentum going. Plan to follow up at regular intervals — sometimes a phone call is sufficient — to find out what progress has been made.