IMPLEMENTING THE GLOBAL STRATEGIC PLAN

[A Human Issue for International Physician Entrepreneurs]

By

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Strategic planning is a fairly easy chore. Physician Executives and Medical Managers can usually determine the direction in which the company should move. They can generally determine, or make educated guesses about new products, expanded markets, changes in competition, innovations in technology, financing requirements, etc. Goal and objective setting are staples of business management, worldwide. Most large healthcare organizations have accepted Russell Ackoff's plea for them to create their own futures. It is not a difficult task to create a comprehensive set of alternative strategies at the corporate or divisional level. Making the strategies work is the real issue.

Implementing the strategic plan is an often-overlooked aspect of the planning process. Corporate and medical executives assume that the plan will be implemented. Generals always expect that their orders will be carried out, even if those orders are wrong. While strategy formulation is regarded as a staff function, strategic implementation is generally viewed as a key function of line management. If the strategic plan is to be put into place in a timely manner and the results of that plan, the anticipations and expectations that long-term goals and short-term objectives will be attained, then planners must examine the organizational issues involved in making the plan happen. The clear understanding of and the ability to deal with these issues during the strategy formulation process may make the difference between a strategic plan that has become only an academic exercise and a living, vital guideline to future profits and continued corporate success.

Successful implementation revolves around two related human and organizational issues: successfully overcoming anti-planning bias and ensuring goal congruency among middle managers. These two broad concerns stem from beliefs that the corporation is not the master of its destiny. The future is uncertain and any attempts to control future events must, therefore, be futile.

Traditional management theory has tended to reinforce these two issues. The classical concept of the manager as planner and controller is actually at odds with the futuristic approaches of strategic planning. Global business emphasizes the "results oriented" manager. Rewards are given for putting out the fires. Incentives granted for past achievements, not for results yet to be seen.

Lack of goal congruency is another aspect that is closely related to the rewards system. While competition among companies is desirable, inter-divisional or inter-departmental competition often proves to be a disaster. Organizational conflict may be highlighted in trying to implement the plan. Middle managers are often not consulted on those strategic decisions affecting their areas of functional responsibility. They may disagree on corporately mandated goals and objectives. The line may be in conflict with staff. One overly simplified solution often suggested is the participative or collaborative approach to management decision-making. This "concurrence" method is supposed to allow all those concerned the ability to offer input into strategic implementation. It very often produces acquiescence rather than agreement. Managers are prone to provide what they perceive as "wanted" rather than expressing dissenting points of view. In addition, the concurrence procedure is often used as a tool to vindicate the strategy rather than to produce viable alternative strategies.

In order to achieve implementation, it is incumbent upon senior physician management to understand and to deal with the organizational issues that may hinder placing the plan into operation. There are at least ten human reasons for lack of goal congruency and/or anti-planning bias. Each of these reasons must be considered as a part of the whole. Effective management of these symptoms of organizational ills will go a long way toward more successful strategic planning and rapid implementation of the plan.

Strategic planning is an instrument of change within the organization; the more widespread and encompassing the strategy, the greater the change. Successful implementation requires the abilities to understand the impact of organizational change on this process.

1. Planning Changes Interpersonal Relations

   The changes may create feelings of uncertainty. Strategic planning often changes priorities. The future becomes as important as the present. Peer relationships, both within a unit and across departmental lines, are often interrupted as a result of changes in priorities and perspectives.

2. Planning Changes Decision-Making Relationships

   An aspect of change involved in the strategy formulation and implementation process is the development of new channels of information. Information flows are revised. Decision-making thus requires a more futuristic outlook. This suggests that management decisions made today will have impact tomorrow. Most managers do not perceive themselves to be futurists. There is often resistance to becoming forward-looking. Successful implementation requires this kind of change in management perception.

3. Planning Often Highlights Organizational Conflict

   One of the benefits that were achieved by Zero Based Planning and Budgeting during the 1970s was the elimination of overlapping functional areas. In a similar way, strategic planning can eliminate overlapping decision-making points by identifying specific areas where implementation decisions must be made and carried out.

   There is also exposure to the potential sources of conflict likely to be found between staff and line and among various line organizations. These conflicts can contribute to anti-planning feelings and/or differing goals and objectives. Organizational conflict tends to prolong the implementation process. Recognition that such conflict exists will go a long way toward realizing the corporate goals and objectives.

4. Operational Problems May Curtail Implementation

   Often, short-term problems get in the way of long range planning. Putting out the brush fires seem to be more important than the prevention of future fires. Performance evaluations are nearly always based upon past results rather than future activities. Managers quickly learn that success in dealing with current problems may be more rewarding than implementing a strategic plan. This is a symptom of "results oriented" management.

5. Fear of Failure

   The future is always uncertain, unknown. Strategic planning involves error. The present appears to be less risky, more comfortable, safer. It is difficult to quantify the future. Profit targets may be missed by large margins. Failure is equated with incompetence; thus it is easier to avoid strategic implementation. A successful Fortune 500 Company often suggested "the future belonged to those who prepared for it." This concept must be instilled into managers charged with implementing the company’s strategic plan.

   Exposure to failure and uncertainty should be an expectation of management. Avoiding the future by failure to implement can cause serious disruption to the future success of the firm as surely as having a faulty strategy.

6. Planning Requires New Demands on Managers

   Planning has always been considered a function of management. But planning requires a realignment of managers' thinking processes. The mental discipline of considering future issues rather than current problems represents a major change in job responsibilities. The manager must become more abstract, more conceptual in thinking. Future planning demands greater right brain utilization. Operational managers must, therefore, change their methods of discharging their functional responsibilities. The transition from current to future decision-making is a tough one. The transition must be made if the strategic plan is to be implemented successfully.

7. Desires to Avoid Uncertainty

   There is always discomfort where uncertainty exists. Managers will resist procedures that appear to increase that uncertainty. In truth, strategic planning tends to diminish concerns about the future. Planning actually increases the amount of control over the future actions of the company. The plan provides a measure against which the future can be compared. Of course, this can only be true if the plan is implemented. A plan that is buried in the bottom drawer is only an academic exercise.

   Planning may be perceived as a threat. It tends to disrupt the day-to-day activities of the functional manager. It poses a threat as regards the incursion of outsiders on to the manager's territory, virtually, an invasion of privacy. The "don't tread on my turf" syndrome is applicable here.

   Mandated implementation may actually hurt the organization. If there has been a collaborative approach used in planning, the implementation of the plan will be easier to accomplish.

8. The "Don't Make Waves" Syndrome

   Planning and implementation both require innovative management procedures. Some managers are simply afraid of becoming innovative. They are quite comfortable in their daily chores and are frightened of making waves. Innovation challenges operational management. Innovation demands change. Implementing the strategic plan requires that managers accept change as their responsibility and to anticipate it. The plan may render invalid traditional management concepts within the organization. The planning process may disrupt reporting lines. In some cases, the line manager must report planning activities along different chains of command than operational activities. The manager may follow suggested implementation guidelines rather than his or her own intuition for fear of "making waves."

   Managers must come to understand that wave making may be absolutely necessary if the strategic plan is to be successfully implemented.

9. "I Don't Have the Time"

   Some managers never seem to find the time to plan or to implement. They view their day-to-day responsibilities as requiring their full attention. Time management techniques must be employed if plans are to be implemented.

   Occasionally, managers may never find the time to think about the future. This is an abdication of management responsibility. Proper sequencing may help here. Implementation is a natural part of the planning process. It should be viewed as a part of planning, not as an adjunct to the process. Implementation activities should be scheduled well in advance. Certain specific milestones toward the attainment of corporate or divisional goals should be detailed in the strategic planning schedule.

10. "Que. Sera, Sera"

    The last of the organizational issues is that the future is not controllable. Why implement a plan when the future will take care of itself? Planning is a method of creating a desirable future for the company. Plans not implemented represent exercises in futility. A fully implemented strategic plan is the best tool that a company can have to deal with the complexities of the new century. Strategic planning suggests that every manager must become a strategist.

Successful organizations literally make the future happen. They are much better prepared to meet contingent events. They are far more adept at playing the "what-if" game.

SUMMARY

Anti-planning feelings and lack of goal congruency are endemic in global healthcare business, today. Senior physician executives and healthcare managers must recognize that these are human related issues. They cannot change attitudes and perceptions by mandate. They must demonstrate their full support for strategic planning and ensure that plans are fully implemented by changing existing reward systems, incentive plans, and by demonstrating that the benefits of planning far outweigh the trouble to plan and to implement.

References:

Russell L. Ackoff. Creating the Corporate Future: Plan or be Planned For. New York: John Wiley and Sons, 1981. ISBN 0 471 09009-3

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