OPEN MINDS

Making Strategy Work – Best Practices For Implementing Your Strategic Plan

August 16, 2023| 2:15 pm – 3:45 pm PT

LMCP Program

Debra Manners, LCSW
President & Chief Executive Officer, Sycamores

Joseph P. Naughton-Travers, EdM
Senior Associate, *OPEN MINDS*

Agenda

I. The *OPEN MINDS* Four-Phase Model For Successful
Strategic Planning & Implementation
Organizational Strategy & Product Portfolio Management

II. Case Study: The Sycamores

III. Debra Manners, LCSW President & Chief Executive Officer, Sycamores

IV. Questions & Discussion

The *OPEN MINDS* Four-Phase Model For Successful Strategic Planning & Implementation

Phase I: Understanding Where We Are & Where We Want To Be

1. The "vision and mission" for the future
2. Organizational objectives for the next few years
3. The map of the service line portfolio – services, revenue, consumers, payer mix, margins
4. Organizational performance metrics
5. Key competitors by service line
6. Key payer profiles
7. The strategic scenarios – the most likely, the best case, and problematic cases
8. SWOT – Perspective on strategic positioning
9. Understanding stakeholder perspectives – executive team, board, payers, employees, consumers, community – using surveys and focus groups

Phase II: Developing Strategy & Tactics

1. Developing key strategic initiatives – the options and the priorities
2. Selecting a set of key strategies for the most likely market scenario
3. Developing high-level tactics and timelines for key strategies

**Phase III:
Strategy Feasibility
Assessment**

1. Incorporating the strategy into budgets for the next fiscal year
2. Revenue projections
3. Detailed implementation tactics and cost
4. Preliminary budget model
5. Iterative changes to strategy and budget until final

Phase IV: Strategy Implementation

1. Develop key performance indicators for tracking strategy success
2. Create a metrics-based strategy implementation oversight process

The *OPEN MINDS* Best Practice Process For Strategic Planning

1	Develop vision of future competitive advantage and market positioning – set objectives
2	External market analysis and internal portfolio analysis/performance benchmarking
3	Scenario-based strategic plan incorporating alternate future positioning options
4	Evaluation of strategic options; prioritization and selection of strategic initiatives and high-level tactics
5	Budget integration – revenue projections and detailed plans – marketing, financial, operational, capital, HR, etc. – to implement strategy and future vision
6	Strategy implementation with key performance metrics and metrics-based management to track strategy success and allow for mid-course adjustments
7	Optimization of current operations to keep current programs as competitive (and profitable) as possible for as long as possible
8	New service model development to support future vision
9	Collaborations and partnerships as needed to facilitate strategy implementation

Phase I

Phase II

Phase III

Phase IV

Key Initiatives Driven By Strategy

Common Components Of External Analysis

National Trends

State and Local Trends

Key Competitor/Potential Partner Information

Payer Information

Qualitative Interviews with Leaders and Stakeholders

Community Focus Groups

Common Components Of Internal Analysis

Service Line Portfolio Analysis Data

SWOT Surveys

Putting It All Together: Synthesizing Findings from The Analysis & Developing Strategic Objectives

Sample Key Findings From The Strategic Analysis

Finding #1: The organization has a strong brand reputation and critical core competencies in managing the care and cost of services for individuals with cognitive and developmental disabilities, and other complex conditions. This represents a significant market opportunity for expansion of services and the organization's impact on individuals, families, and communities.

Finding #2: The organization is a financially stable organization, but operates with very small profit margins, making it difficult to make investments in staff and infrastructure.

Finding #3: The organization, like most health care providers, has workforce challenges that must be addressed in order for it to continue to thrive in its mission.

Finding #4: The organization needs to grow significantly larger in terms of its size and scope of services so that it can continue to make the major investments in infrastructure and operations it needs in today's health care market.

Objective #1

To establish the organization as a premier provider of services to people with cognitive, developmental disabilities, or other complex conditions.

Objective #2

To diversify and significantly grow revenues and services while ensuring the financial performance at the organization for the long-term financial sustainability of the organization.

Objective #3

To position the organization as an "Employer of Choice" by continuing to invest in its human capital resources to recruit, develop, and retain the qualified workforce it needs to achieve its mission.

Objective #4

To enhance both clinical and administrative systems and operations so that the organization will remain competitive and continue to thrive in managed care and value-based purchasing reimbursement environments.

Sample Strategic Objectives

Strategy Implementation: Translating Objectives Into Initiatives With A Budget & A Timeline

From Objectives To An Actionable Plan

3 – 5 high-level strategic objectives

Detailed list of initiatives or tactics to accomplish the strategic objectives (typically 15 – 25)

Tentative timeline for the initiatives

Example #1 Of Strategic Objectives & High-Level Initiatives

Strategic Objective: Integrated Care – To expand services and care coordination to ensure to our organization addresses the whole person – including primary care and social determinants for health care:

Initiative #1: Access To Care – To develop and implement a 24/7 consumer and referral friendly central access to care for all services.

Initiative #2: Whole Person Care – To ensure the assessment and care planning process at our organization addresses a consumer's behavioral health, primary care, and social determinant needs.

Initiative #3: Care Coordination – To strengthen the care coordination efforts for consumers internally and with outside providers to ensure continuity of health care and best outcomes.

Example #2 of Strategic Objectives & High-Level Initiatives

Strategic Objective: Human Resources – To establish our agency as an employer of choice and to invest in its human capital resources to recruit, develop, and retain a skilled, caring, and diverse workforce committed to achieve its mission:

Initiative #1: Enhance staff recruitment and retention efforts.

Initiative #2: Enhance staff training and development efforts across the organization and to expand supervisory training for current and aspiring leaders.

Initiative #3: Develop and implement a performance-based appraisal model for appropriate staff that utilizes strategic key indicators for improved performance and accountability.

Initiative #4: Develop, communicate, and implement a comprehensive communication plan between leadership, management, and all other staff.

Modification Of Business Units To Support Strategy

▪ Take the finished plan and use it to update your business unit plans for consistency with the strategic initiatives. The business unit plans to be included in this process include (but are certainly not limited to):

- Marketing and development plan

- Technology and communications plan

- Operations management plan

- Human resource and talent management plans

- Financial management plan

- Organizational and program budgets

▪ To aid in this process, an individual executive team member should have the responsibility to review a specific business unit plan, and enhance that plan based on the new strategic priorities. Each separate business unit should plan to tie its objectives and strategies with the overall organizational strategy and use quantitative metrics to define the new understanding of success.

Implementation Tactics & Costs

§ While strategies can be conceptual and tactical plans can be concise, strategy implementation plans can't be "too detailed."

§ Detailed plans are needed to address how new strategic initiatives will affect marketing, development, technology, communications, operations, human resources, finances, and budgets.

§ Without detailed plans, it is difficult to measure organizational progress, and "debug" implementation issues.

Create A Preliminary Two-Year Budget

1. The next step is to determine the costs associated with the initiatives and tactics in the strategic plan.
2. Then complete revenue projections
3. Does the math work?

Iterative Changes To Strategy & Budget Until Final

- Typically, there is a back-and-forth process for finalizing the budget and the initiatives and timelines to accomplish the strategic plan:
  - Are additional financial resources needed in order to fund the strategic initiatives? If so, how will you get the additional dollars?
  - Do some initiatives need to be delayed in order to balance the budget? Can that be done, and the objectives still be achieved?
  - Are there alternative initiatives or tactics that can be used to reduce costs?
- Sometimes this is where an organization realizes that it needs to be bigger in order to be able to afford the implementation of its strategic plan.

Making It Happen: Strategy Implementation

Develop Key Performance Indicators For Tracking Strategy Success

What gets measured is what gets implemented — Strategy implementation metrics, both process metrics and outcome metrics, are essential for executive teams. Otherwise, it is difficult to tell if organizational performance problems are problems of strategy or problems of tactical implementation. The measures will vary depending on the organization and the plan. Increased referrals, increased productivity, increased revenue, diversified revenue, new service locations, new tech solutions…the focus of the measures should parallel your strategic plan objectives.

Key Performance Domains For Health & Human Service Provider Organizations

"High Performing" On Payer Contracts
- National health home measures
- NCQA HEDIS measures
- CMS STARS measures
- Most common health plan contract measures
- Specific health plan contract measures
- Specific funder performance measures

The Speed & Cost Factors
- Search engine ranking and optimization scores
- Online reputation
- Inquiries
- Inquiry response time
- Inquiry conversion rates
- Time to appointment
- Service rates
- Rate-value linkage

The Consumer Experience
- Net promoter score
- Customer satisfaction
- Customer experience monitoring ("mystery shopper") results

Clinically Cutting Edge
- Consistency in "treatment model" – lack of unexplained variability
- Current in clinical and service practices
- Short time to evaluation and adoption of new treatment technology

Financial Sustainability
- Revenue – by service line
- Liquidity – current ratio, days cash outstanding, cash flow from operations, days of accounts receivable
- Profitability – revenue growth and net operating profit margin, by service line
- Leverage – debt to equity ratio

Create A Metrics-Based Strategy Implementation Oversight Process

§ Develop a performance dashboard report to track the key performance indicators you've selected overall and related to the strategic objectives and tactics. Review these regularly at the executive level and in management meetings.

§ Assign individual staff to be the leads for implementing the initiatives and tactics.

§ Use project management software to manage the implementation of the initiatives and tactics – particularly warning when tasks are incomplete and behind schedule.

§ Keep in mind that oftentimes the initiatives and tactics get adjusted along the way to ensure that the strategic objectives are met.

Key Takeaways

A Detailed Budgeted Plan

A strategic plan is more than a short list of objectives. It needs to included detailed initiatives and tactics to make it happen.

The plan needs to be realistic in terms of timeline and budget.

Success Metrics

The plan needs to include performance metrics to monitor the progress and success in achieving the strategic objectives.

These measure need to monitored regularly to ensure the implementation plan is on-time and on-target.

The Right Team

The executive team is responsible as a group to make the plan happen.

A lead project manager should be assigned to monitor and report the progress of the plan.

Assign a lead individual and team for each of the strategic initiatives. Sometimes the initiatives can be bundled together for these designated team.

Initiative leads should formally report progress on a monthly basis.

Endless Focus On Achievement Of The Plan

The plan doesn't sit on a shelf. Executives and managers should regularly be discussing progress towards the objectives.

When things are not on time or on target, it is usually the INITIATIVES that need to change to make the plan happen, not the strategic objectives themselves.
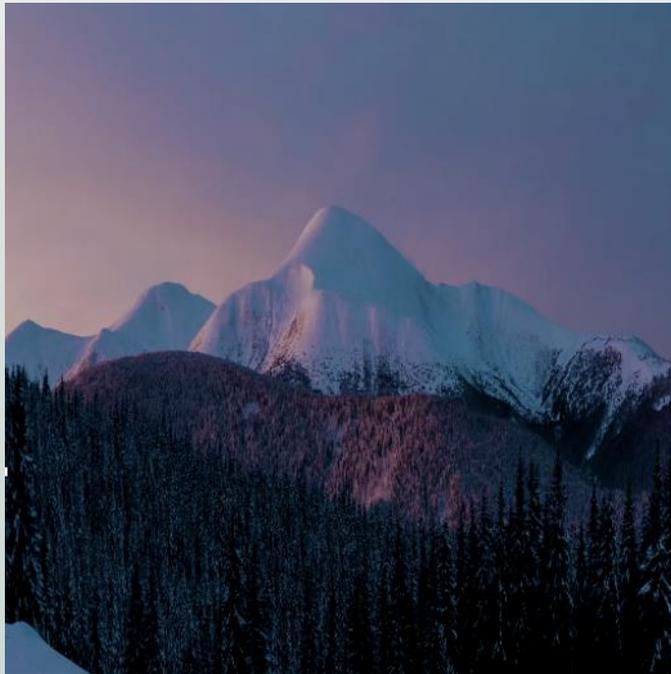
Case Study: Sycamores

Making Strategy Work

Best Practices for Implementing Your Strategic Plan

Sycamores
a better life

Company Overview

Sycamores is a leading behavioral health and child welfare agency, creating life-changing programs and services impacting some of our community's most vulnerable children, young adults, adults, and families.

Guided by our 120-year commitment and mission of cultivating hope and resilience to enrich the well-being of children, youth, families, and communities, Sycamores has developed a comprehensive plan to expand the continuum of care and services for children and youth in the child welfare system. This effort is lifted by our dedicated team, our experience, and our passion for serving the most vulnerable and underrepresented children, youth, and their families throughout Los Angeles County. We understand the need and complexities facing children and youth in Los Angeles County within this rapidly changing environment. At Sycamores, we want to continue expanding our continuum to bridge care gaps and ensure that all children, youth, and their families can live "A Better Life."

Sycamores
a better life

Mission Statement

Cultivating hope and resilience to enrich the well-being of children, adults, families and communities

Vision Statement

Stronger families.... stronger communities

Sycamores
a better life

Our Values

We embrace systems leadership and understand that in addition to the unconditional serving and supporting of children, adults, and families in becoming more resilient and reaching their full potential, we must also be working, collaborating, educating, and advocating to inspire hope and improve the health of neighborhoods and communities.

We recognize that systemic racism and implicit bias are real and that as a social sector organization and as individuals, we must both model and advocate for diversity, inclusion, justice, and equity.

Our advocacy and voice at the federal, state, and county levels is our responsibility, and we come together to build responsible policies, responsive systems, innovative trauma-informed practices and aligned financial structures that will accelerate our capacity to implement our agency mission and vision.

We believe that in the many ways we touch people's lives, we must be person- and family-centered and strength-based, and we must give children, adults, and families full voice and inclusion in our partnership with them. Together we are dedicated to this work and will share a deep sense of responsibility and accountability to one another and the drive for positive outcomes

Sycamores
a better life

Team Effort

- Team Analysis
- Team Agreement
- Get the Board onboard
- Roles and Responsibilities are designated and clear- "Bandwidth"
  - Who is leading
    - Initial discovery
    - Proposal development and follow up
    - Implementation
  - Who is providing the technical support
  - Who is tracking, documenting and sharing information

The Shifting Landscape

Federal

-Family First Prevention Services Act (QRTPs/IMDs issue)

-Reduce Residential Beds to two 16 bed campuses

California

-Governor & Legislature priorities

Modernization of MHSA -- *-2026 Implementation impact is Millions*

-Shift to Managed Care -- *-School Based Mental Health program funding-2026*

-CalAim *-Payment Reform not cost reimbursement*

-Closing Youth Detention and underfunding STRTPs *-32 not sustainable, reduce to 16*

LA County

-New LAC DMH Director

-County departments are tightening their budgets

-CalAim implementation – *low rates; not paid for travel when it results in a $2 million loss*

Sycamores
a better life

Our Critical Success

Aligning our Strategic Priorities with our CSF

Strategic Priorities

Critical Success Factors

Sycamores
a better life

Financial Sustainability

Revenue Diversification

- Managed Care/Commercial Health Plans
- Transition Age Youth & Homeless Services
- Residential Services/Crisis Services
- Mobile Crisis Services

Facilities

- El Nido
- Highland Park- Move our headquarters there reduce annual rent

Reputation

Need an opportunity to be more visible with our brand

Sycamores
a better life

Advancing the Field

School Based Mental Health model

Mobile Crisis Outreach Teams

Innovation

Scenter for Excellence – SAMHSA Grants

Mobile Crisis Outreach Teams

Workforce Enhancement

Marketing the new programs and life-changing work, to be part of change & innovation

Sycamores
a better life

Developing your Approach

Comparison of Three New services

Mobile Crisis Teams

- 988/DMH funding, administration of program-Sustainable

- Know the consumers-Outcomes

- Staff who already provide similar services-Workforce, Innovation, Outcomes

- Highlights our brand-Reputation

- Very few providers wanted to do this service

Enhanced Care Management

- Managed Care- new funding concerned about Sustainability

- Know the consumers-Outcomes

- Staff already provide similar services-Workforce, unsure about Outcomes measured

- No new visibility-Reputation

- Huge competitor

Sycamores
a better life

Comparison of New Services

Children's Crisis Continuum Program

4 Crisis Residential beds, 4 Crisis Stabilization Chairs, 8 beds Psychiatric Health Facility, 12 Intensive Treatment Foster-care Homes

- Applied for DCFS and DMH funding from the State-Sustainable

- Applied for State BCHIP funding-Sustainable

- Know the population-Outcomes, Workforce, Innovation

- Know most of the services-Outcomes, Workforce, Innovation

- Very few services of this type for children in Los Angeles-Reputation

Sycamores
a better life

SWOT Analysis for Sycamores Children's Crisis Continuum Program

INTERNAL FACTORS

STRENGTHS (+)

- Significant experience working with Children and Youth
- Significant experience working with Children and Youth in Crisis. Agency Flexibility
- Children's Crisis Continuum Pilot Program funding for 4 four years.
- Strong collaborative relationship with L.A. County DCFS and DMH
- Established facilities and structures to start the program within a short period of time.
- County support for licensing and regulations needs (PHF).
- Previous innovation experience/ Pilot operation
- Nibble and diversify relativity easy

EXTERNAL FACTORS

OPPORTUNITIES (+)

- Children Crisis Continuum Pilot Funding (State Funds 4- year 10.5 million)
- Significant needs in Children's Crisis Continuum Programming.
- Complex Care Funding available
- BHCIP 5 Crisis Continuum Infrastructure funding for El Nido Campus remodel
- Managed Care Contracting for Medi-Cal Consumers. Existing relationships

WEAKNESSES (–)
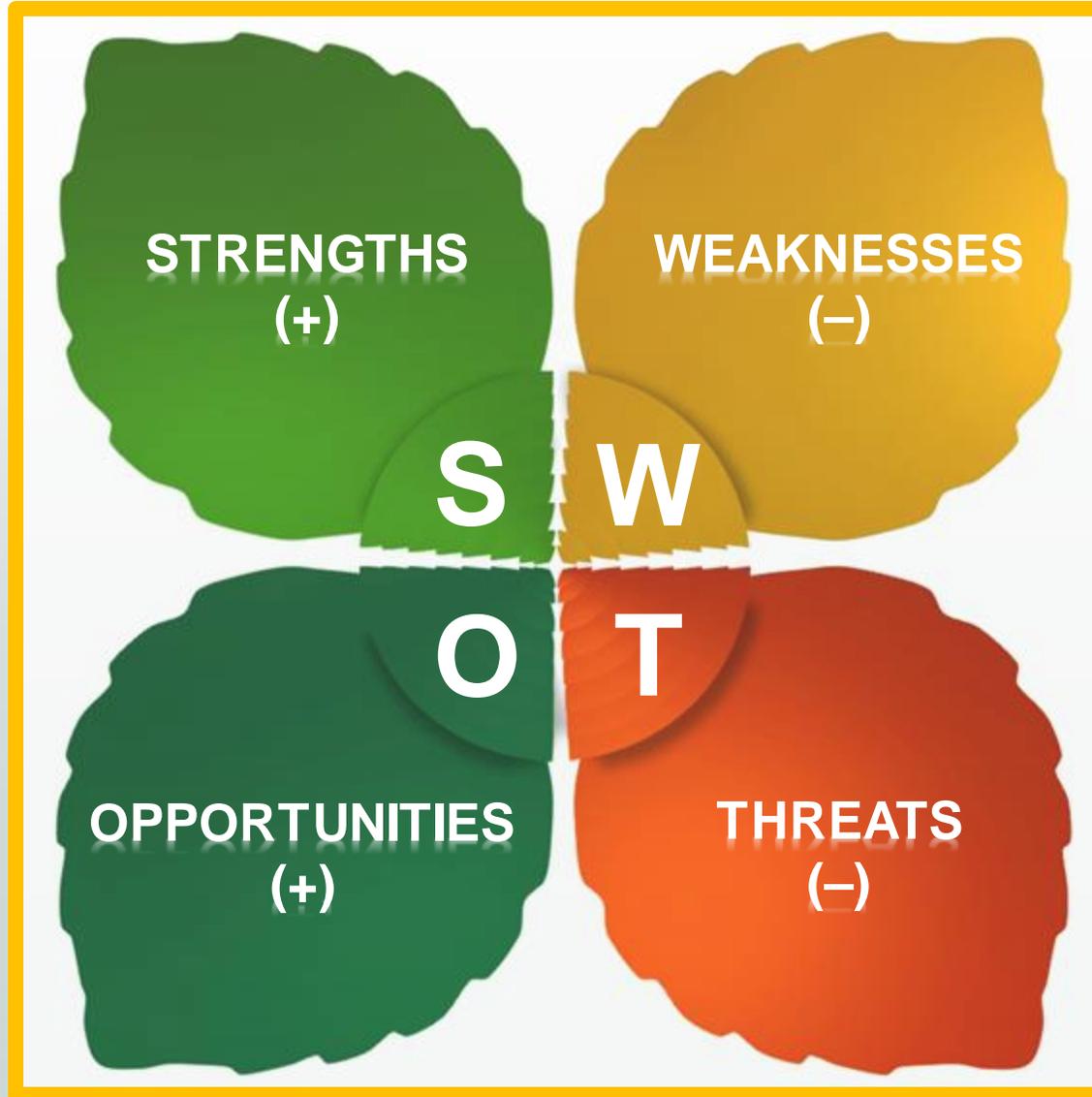
- Cottages that need to be retrofitted to meet the standards of a CCCP
- Full-Utilization of North Campus Limits other options
- Limitations with Fund Development for Infrastructure
- Workforce Shortages (Clin/ Nurse)
- Licensing Restrictions & Timeframe (PHF)
- Limited to the number of beds within El Nido North Campus
- Crisis staffing ratios and pay increase overall program expense
- Land-locked facility. Unable to expand without new construction

THREATS (–)

- Managed Care Implications
- For Profit investment/Interests in Crisis Programming
- Government Contracting Reliance
- System changes in interests or needs assessment.
- Rates not competitive enough to sustain programming. Expensive.
- Nationwide Workforce shortage

S W O T

Sycamores
a better life

Sometimes You Must Pivot!

- State awarded Sycamores and the County

- County four months later let us know they were only funding 4 Crisis Residential Beds

- We were approved for the BCHIP 2 million to renovate empty residential units for the crisis chairs and psychiatric facility

Now what do you do?

Sycamores
a better life

GO FOR IT ?   or   JUST DO 4 BEDS ?

Sycamores
a better life

Project Management

- Find the Right People
  - Create Project Team
    - Project Owner (Leader with a vision)
    - *Seasoned* Project Manager
    - Project Committee Leads
      - Programming & Contracts
      - Recruiting & Staff Training
      - Communications & Marketing
      - Technology & Facilities
  - Align Roles & Responsibilities
    - Shared vision
    - Individual objectives
      - Short and long-term

- Plan
  - Discovery
  - Timeline and roadmap
    - Phases and minimum viable product (MVP) where possible
  - Measurable outcomes and milestones

- Execute
  - Communicate, communicate, communicate
    - Weekly project team meetings
    - Team alignment
  - Organization of tasks and ideas
    - Shared Gantt chart

Sycamores
a better life

Project Management

1ˢᵗ Phase (Q3-Q4)

- Reduced schedule
- Leverage existing agency resources

2ⁿᵈ Phase (Q1-Q2)

- Full Schedule
- Acquire external resources

Sycamores
a better life

Developing your Workforce

Employees reported leaving because they wanted growth opportunities.

Sycamores
a better life

Developing Your Workforce

LEAD-Learn, Engage, Advance, Deliver A small Cohort of Managers who apply to be a member of the group. Group meets regularly for Leadership training. Training is provided by internal and external leaders in the field. The group also has small group sessions to discuss their work. In addition, they are given swag with the Sycamores logo and LEAD.

Individual Leadership Coaching is available from a certified Coach.

Advanced Management training is made available to lower level managers.

Leadership Development Program provided to Leaders who want to advance.

All Managers and Leaders have a Development Plan as part of their Training and Growth plan.

Sycamores
a better life

Inspired Staff

Read All About it!

1. **The Executive Team Of The Future: A Framework For Health & Human Service Organization Talent Management**

   - https://openminds.com/market-intelligence/editorials/the-executive-team-of-the-future-a-framework-for-health-human-service-organization-talent-management/

2. **How To Create A Strategy For Future Sustainability & Success: The OPEN MINDS Strategic Planning Process**
   - https://openminds.com/market-intelligence/editorials/how-to-create-a-strategy-for-future-sustainability-success-the-open-minds-strategic-planning-process/

1. **Creating A Meaningful, Market-Based Strategic Vision: The First Step In The Strategic Planning Process**

   - https://openminds.com/market-intelligence/editorials/creating-a-meaningful-market-based-strategic-vision-the-first-step-in-the-strategic-planning-process/

Thank You To Our Educational Partners

Premier Partners

NephU • Netsmart • nextgen healthcare • PsychU — Improving mental health care... together • QUALIFACTS

Gold Partners

AleraHealth • ContinuumCloud • core EHR SOLUTIONS • easterseals Midwest • easterseals | UCP NORTH CAROLINA & VIRGINIA

LifeSkills Premium Healthcare Services • PROJECT HOME • Otsuka • Streamline HEALTHCARE • Volunteers of America

Affiliate Education Sponsors

5ε Analytics • Altruix • awake labs • Brightside Health • CANTATA HEALTH SOLUTIONS • carelon Behavioral Health • CCNY Inc.

Concord TECHNOLOGIES • eleos • EVERNORTH HEALTH SERVICES • eVero CORPORATION • Exym POWERED BY k·care • genOa healthcare • HiMS Health Information Management Systems

Humana • inovalon healthcare empowered • Integrative A Harris Healthcare Company • Janssen PHARMACEUTICAL COMPANIES of Johnson-Johnson • Jazz Pharmaceuticals • Kiriworks • Lucet The Behavioral Health Optimization Company

MILLIN • Owl • The BI Collaborative • SIGMUND SOFTWARE • Therapy Brands • WAYPOINT INTERACTIVE • ZMARK HEALTH

Our Experienced Team Is Here To Help

We have over 30 years as the industry's trusted source of market and management information for executives of organizations serving consumers with chronic conditions and complex support needs.

OPEN MINDS consultants are health and human services experts for organizations serving consumers with the most complex support needs:

- Chronic conditions
- Mental illnesses
- Addictive disorders
- Cognitive disabilities
- Autism
- Dementia
- Alzheimer's

Contact Us!

Our Experienced Team Is Here To Help

OPEN MINDS is a full-service firm providing comprehensive business solutions to organizations serving consumers with chronic conditions and/or complex support needs.

- *OPEN MINDS Circle* Market Intelligence Service
- Executive Education & Executive Institute Series
- Management Consulting Practice
- Marketing Agency Services
- Industry Communication Platforms

Contact Us!

Turning Market Intelligence Into Business Advantage

OPEN MINDS market intelligence and technical assistance helps over 830,243+ industry executives tackle business challenges, improve decision-making, and maximize organizational performance every day.

OPEN MINDS