Category 2
Strategic Planning

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Panelists

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Integration Across 9 Business Units

- 4 acute care hospitals
  - Henry Ford Hospital staffed by Henry Ford Medical Group
  - 3 Community hospitals supported by both employed and private practitioners
- Henry Ford Medical Group
- Henry Ford Physician Network
- Community Care Services
- Behavioral Health Services
- Health Alliance Plan

“The Henry Ford Experience”:
7 Pillars of Performance

- Mission: To improve people's lives through excellence in the science and art of health care and healing.
- Vision: Transforming lives and communities through health and wellness – one person at a time.
- People
- Service
- Quality & Safety
- Growth
- Research & Education
- Community
- Finance

System Values:
- Respect for people
- High Performance
- Learning & Continuous Improvement
- Social Conscience
- Each Patient First

Core Competencies:
- Innovation
- Care Coordination
- Collaboration

Organizational Framework:
- Leadership
- Strategic Planning
- Customer Focus
- Performance & Knowledge Management
- Staff Focus
- Safe & Reliable Process Focus
- Accountability for Results
Before everything else, getting ready is the secret of success.

Henry Ford

Strategic Planning

- How do you develop your strategy?
- How do you implement your strategy?
- What are your financial and marketplace performance results?
Aligned Leadership for Accountability

HFHS Board of Trustees

- Executive Cabinet
- Performance Council
- Business Unit Leadership Teams
- Pillar Teams

Strategic Planning Inputs
### Strategic Alignment

**Mission/Vision/Values; Environmental Assessment/Key Market Assumptions; SWOT**

**Strategic Advantages, Challenges; Core Competencies**

**Strategic Objectives & Initiatives**

**Action Plans - All Areas of the Business**

**Performance Measures & Targets**

**Communication & Integration**

### Approach

#### Step 1: Q1 – Q2
- **PC, BOT**
  - A. Analyze entire year performance on System SIs
  - B. Review/Affirm/Update Mission, Vision, Values

#### Step 2: Q2 (PC, BOT)
- A. Update Environmental Assessment and SWOT
- B. Review/affirm strategic advantages, challenges, and core competencies
- C. Review/Revise Business Model
- D. Affirm/Update SOs

#### Step 3: Q2 – Q3
- **BU, Pillar, System Teams**
  - Develop/Assemble New SIs that:
    - A. Align with System SOs
    - B. Advance Business Model

#### Step 4: Q3
- **BOT, PC, BU, Pillar, System Teams**
  - A. Review new & ongoing SI against decision criteria
  - B. Integrate into strategic, capital & operating plans
  - C. Approve & communicate SIs to BU/Pillar/ System Teams

#### Step 5: Q3 – Q4
- **PC, BU, Pillar, System Teams**
  - A. Create/update System & BU action plans and identify key performance measures
  - B. Finalize workforce plans required to execute SIs

#### Step 6: Q4 – Q1
- **BOT, PC, BU, Pillar & System Teams**
  - A. Communicate plans System-wide
  - B. Incorporate plans into department/individual goals via Performance Management System

#### Step 7: Q1 – Q4
- **PC, BU, Pillar & System Teams**
  - A. Implement action plans
  - B. Review and improve organizational performance
  - C. Incorporate and reprioritize SIs as opportunities arise
Steps 1-3: Approach

Step 1: Q1 – Q2
Performance Council, Board of Trustees
- Analyze performance on System Strategic Initiatives
- Review/Affirm/Update Mission, Vision, Values

Step 2: Q2
Performance Council, Board of Trustees
- Update Environmental Assessment and SWOT
- Review/Affirm Strategic Advantages, Challenges & Core Competencies
- Review / Revise Business Model
- Affirm / Update Strategic Objectives

Step 3: Q2-Q3
Business Unit, Pillar & System Teams
Develop and assemble Strategic Initiatives that:
- Align with Strategic Objectives
- Support the Business Model

Steps 4-5: Integration

Step 4: Q3
Board, Performance Council, Business, Pillar & System Teams
- Review new and ongoing initiatives against criteria
- Integrate into Strategic, Capital and Operating Plans
- Approve and communicate initiatives to Business, Pillar & System Teams

Step 5: Q3 – Q4
Performance Council, Business, Pillar & System Teams
- Create and update Business Unit and Pillar Action Plans
- Identify key performance measures
- Finalize workforce plans required to execute strategic initiatives
Step 6: Deployment

Step 6: Q4 – Q1
Board, Performance Council, Business, Pillar & System Teams

- Communicate plans System-wide
- Incorporate plans into Department and individual goals via the Employee Performance Management System

Incentives aligned with System Performance Targets

Step 7: Cycles of Learning

Step 7: Q1 – Q4
Performance Council, Business, Pillar & System Teams

- Implement Action Plans
- Review (OPR) and improve (MFI) organizational performance
- Incorporate new strategic initiatives as opportunities arise

OPR= Organization Performance Review (Category 4)
MFI= Model for Improvement (Category 6)
### System Dashboard

#### Multi-Year Strategic Objectives by Pillar

<table>
<thead>
<tr>
<th>Pillar / Objective</th>
<th>Measured by</th>
<th>This Year</th>
<th>2015</th>
<th>2020</th>
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<tbody>
<tr>
<td><strong>People</strong>: National leader in healthcare employees’ engagement and wellness</td>
<td>Engagement – Gallup mean Employee Wellness (HRA Lifestyle Score)</td>
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<td><strong>Service</strong>: Best-in-class service to our customers among U.S. healthcare organization</td>
<td>Top box likely to recommend HCAHPS results compared to all U.S. hospitals</td>
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<td><strong>Quality/Safety</strong>: National leader in delivering safe, reliable, high-quality, &amp; highly coordinated care</td>
<td>Harm reduction since ’08</td>
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<td><strong>Growth</strong>: Dominant health system in Michigan</td>
<td>Net Revenue - “steady state” Net Revenue - organic &amp; acquisition Market Share</td>
<td></td>
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<td><strong>Education</strong>: Leading independent academic medical center</td>
<td>Trainees’ readiness to practice without supervision External research funding</td>
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<td><strong>Research</strong>: Nationally preferred clinical research partner</td>
<td>% of SEM households engaged by HFHS, focusing on unmet health needs and health status</td>
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<tr>
<td><strong>Community</strong>: National leader in community health advocacy and involvement</td>
<td>Financial strength to fund clinical services, health management, people, research, and education strategies Net Income Margin</td>
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**Cascading Strategic Initiatives**

Strategic Plan identifies:
- Alignment between Strategic Objectives, Key Performance Measures (and targets), and Strategic Initiatives
- Clear identification of owners
- Clear accountability for strategy cascade starts at PC
  - All business units must create and share an action plan that shows alignment to System initiatives as well as “local” strategic initiatives, all organized by the 7 pillars
  - Pillar teams or other System teams also create and share action plans
- Targets for next three years for each System performance measure (reported throughout year on System Dashboard)

**Action Plans**

Action Plan identifies:
- Alignment to Pillars and System Strategic Initiatives
- Clear responsibilities
- Key actions and milestones
- Expected completion dates
- Key performance measures and targets
  - Alignment of Action Plans and Dashboards (Organizational Performance Reviews)
Sample Financial & Market Outcomes

Fig. 7.5-1: System Operating Net Income

![Graph showing System Operating Net Income comparing HFHS, Competitor A, Competitor B, and Competitor C from 2007 to 2010. The graph indicates that HFHS has higher net income compared to competitors, with improvements from 2007 to 2010. A dashed line within the graph signifies a demonstration of improvement in operational efficiency.]

Fig. 7.5-11: Inpatient Market Share

![Graph showing Inpatient Market Share from 2004 to 2010. The graph indicates that HFHS has increased its market share up to 3.9% in 6 yrs, surpassing its closest competitor in 2010.]

Key Changes to Strategic Planning

Affirm MVV & Environmental Assessment

Conduct Scenario Planning & Develop Strategic Objectives

Review Organizational Performance

Develop Action Plans & Set Targets

Develop & Prioritize Strategic Initiatives

PATIENTS

COMMUNITY

PURCHASERS
Key Changes to Strategic Planning

Pre-Site Visit

- Conducted comprehensive scenario planning for 2015
- Created SPP “light” for 2nd and 3rd year processes
- Formed System Strategic Planning Team

Post-Site Visit

- Focus on consistent deployment and implementation (Tight-Loose-Tight)
- Financial planning tool implementation

Looking Forward

- Continue to evolve the Business Model
- Add a culture of “Strategic Thinking” to our culture of Strategic Planning
- Continue to improve deployment of strategy and best practices
# Panel Discussion

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