

## STRATEGY DEVELOPMENT

### TOPICS

Define the Population Health Goals

Establish a Shared Strategic Vision among Key Stakeholders

Enable Leadership in the Organization

Create a Successful Strategic Plan

Implement the Strategic Plan

Report Progress to the Key Stakeholders

This section explores the need for and nature of the practice of creating an effective strategy to accomplish your mission. It also defines principles and activities that will strengthen your organization's capacity for setting strategic direction wisely.

### THE CHALLENGE

*You know that diverse stakeholders help your governing body develop plans that are not only more likely to yield better strategies, but also strategies that are more successfully implemented. What actions should the governing body take to ensure the strategies for improving health services are better developed and more wisely implemented?*

The governing body determines the organization's strategic direction and policies. It sets out the organization's strategic direction to deliver its mission, goals, and objectives. With the chief executive, it makes certain that the organization's programs, activities, and services reflect its strategic priorities. It concentrates on strategic thinking and does not involve itself with day-to-day operational and management matters. It creates policies and monitors the organization's activities in all areas.

Shared direction comes from agreeing on which "ideal state" everyone is trying to get to. If there is no agreement on what or where you are moving to, agreeing on approaches for how to get there will be that much more difficult. If you know that you are all moving in

the same direction, you will find it easier to gather support for the planning process and to define a strategy to achieve this vision. You can then design a shared action plan with measurable goals for reaching it and set up accountabilities to accomplish the plan. If the stakeholders share and own the strategic direction, it is more likely that your organization will realize and achieve it.

Effective governance in the health sector should lead to improved client experiences and health outcomes, as well as innovation. Those who govern are responsible for setting a shared strategic direction—creating a collective vision, articulating this vision, and inspiring everyone in the system to achieve it. They oversee the process of planning, strategizing, and monitoring progress toward the vision, all while advocating for the needs of those affected by governance activities.

Leadership is essential to setting and achieving the strategic direction. Good leadership is a prerequisite for both good governance and sound management. Leaders are critical to the governance and management processes. The full potential of governance and management cannot be realized without strong and effective leadership.

Health leaders who govern define the vision for health as well as the strategy to achieve this vision. They exert influence across all sectors for better health and govern the health system in ethical ways, ensuring that the system design is aligned with health system goals and making policies that enhance health outcomes for the populations they serve. They raise and allocate the resources for the organization to meet its vision and mission. Effective leaders engage with stakeholders and foster inclusion and participation. They are responsible stewards of the health system they serve in their governing capacity.

One of the most important practices to protect and enhance the vitality of a health service organization or agency is to establish a “strategic roadmap” to guide the enterprise forward. Often this strategic roadmap or plan charts a path into a future that is uncertain. There may be rapidly-growing demands for services from communities, patients, and citizens in vulnerable and marginalized populations, and a shortage of resources (human, financial, and technological). The decision-making process of designing and ensuring the implementation of this roadmap is referred to here as “Setting Strategic Direction.” The governing body sets the strategic direction in collaboration with organizational leadership and key stakeholders, and once the direction is set, it is primarily the responsibility of the management and health workers to realize it.

Thus, there are three core dimensions of setting the strategic direction of a health system: (1) working with communities and stakeholders—which makes the strategic direction a shared destination and the journey toward realizing it a shared journey; (2) solving health problems of the communities served by the health system—which, after all, it is the fundamental purpose of a health system; and (3) measuring results, because it is the key to achieving results and hence the strategic direction.

In the following section, we will see the actions the governing body leaders can adapt to their unique realities, as well as the actions they can take to set a shared strategic direction for their organization, then realize it.

## DEFINE THE POPULATION HEALTH GOALS

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Good leaders who govern in health systems or in health sector organizations strive to understand and enhance the health status of the people served by the system or organization. Foundational tasks for those who govern include knowing the existing scope and nature of the health service needs of the populations they serve; trends in disease and illness; and patterns of utilization of available health services. Effective governing bodies and their senior staff clearly define measureable health status improvement indicators and how these goals are to be:

- achieved with evidence-based health and medical care that protects, promotes, and restores people to their optimal levels of health and well-being;
- measured in the most cost-effective way;
- monitored to determine progress and how progress is reported in an understandable manner.

## ESTABLISH A SHARED STRATEGIC VISION AMONG KEY STAKEHOLDERS

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Health workers and communities want to know where their service organization is going to understand a vision of how the service or organization will look and behave in the future. Stated in a few uplifting words, the vision statement is motivational, inspirational, and sufficiently realistic to be possible and credible. Leaders who govern or governing bodies find that when they engage stakeholders to define and discuss the meaning of the vision, the vision is more likely understood and owned by the stakeholders. This sense of ownership is essential to optimize the willingness of stakeholders to work together to implement and then continually improve the strategic roadmap. These are several activities to consider when preparing a shared strategic vision with key stakeholders.

Consider taking the following actions to set a shared strategic direction:

- Develop a collective vision of the “ideal state” of working with your colleagues, health workers, community members, and many other diverse stakeholders. Then articulate this vision and inspire everyone in the system to achieve it.
- Document and disseminate the shared vision of the ideal state.
- Oversee the process of setting goals to reach the ideal state, and plan, strategize, and monitor progress toward that vision.
- Oversee the process for developing and implementing a shared action plan to achieve the mission and vision of the organization.
- Make policies and decisions, and raise and allocate resources to achieve the collective vision.

Once the shared vision is created, it should be translated into measurable results. You can use the Challenge Model (described in *Managers Who Lead*<sup>1</sup> and also the *LMG Guide for Setting Shared Strategic Direction*,<sup>2</sup> which has proven very effective for this purpose.

## ENABLE LEADERSHIP IN THE ORGANIZATION

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Leadership, management, and governance are interdependent, overlapping, and mutually-reinforcing constructs. All three are needed to achieve a desired result. Effective leadership is a prerequisite for good governance as well as for sound management; in other words, those who govern and those who manage must be good leaders in order to produce results. Effective management is a critical support for good governance. Good governance in turn provides purpose, resources, and accountability in support of management.

In a health system, we need leadership at all levels: leaders who govern or governance leaders; leaders who manage or senior managers; clinician leaders; leaders of health worker teams; and so on. Without good leadership, we cannot have good management or good governance. Developing this leadership at all levels should be one of the priorities of the governing body.

Those who govern need a strong partnership with those who manage. Managers must be encouraged and supported to perform their key leading practices (scanning, focusing, aligning and mobilizing, and inspiring) and managing practices (planning, organizing, implementing, monitoring and evaluating) wisely and well. It is through the work of managers that good governance can flourish. Good governance requires decision-making by senior management leaders that is effective, efficient, and ethical. To support decision-making by senior managers, governing bodies should invest in providing continuing education for the management leadership team of their organization through

- participation in formal leadership development programs;
- mentoring from selected governing body members;
- executive exchange programs with similar organizations in other districts or countries;
- access to best practices by reading, study tours, and interactions with diverse health workers.

Both governance leaders (members of governing bodies) and management leaders (CEOs, COOs, CFOs, senior managers, etc.) should practice essential leadership behaviors.<sup>3</sup> These will be immensely helpful in setting and realizing the organization's strategic direction. For each of the practices and behaviors, which are presented below, identify how the governing body member's role might vary from the work of the health manager.

1. Joan Bragar Galer et al., *Managers Who Lead: A Handbook for Improving Health Services* (Cambridge, MA: Management Science for Health [MSH], 2005).
2. Morsi Mansour et al., "Scaling up proven public health interventions through a locally owned and sustained leadership development programme in rural Upper Egypt," *Human Resources for Health*, 2010; 8(1).
3. Management Sciences for Health, *Health Systems in Action: An eHandbook for Leaders and Managers* (Medford, MA: MSH, 2010.)

1. **Scan** challenges and opportunities in the internal and external environment. Consider how a doctor reviews a patient's vital signs to get a basic picture of his or her health at the moment. Leaders recognize opportunities, challenges, and trends to gain a picture of the whole situation. They talk to as many stakeholders as possible, establish formal and informal networks, take advantage of lessons learned from past experiences, and review the current literature.
  - They should identify client and stakeholder needs and priorities.
  - They should recognize trends, opportunities, and risks that affect the organization.
  - They should look for best practices.
  - They should identify staff capacities and constraints.
  - They should know themselves, the staff, and the organization, its values, strengths, and weaknesses.
  
2. **Focus** attention on critical challenges. Leaders communicate these challenges to colleagues and work through them with participatory processes that encourage group members to think as individuals, act according to their beliefs, and take responsibility.
  - They should articulate the organization's mission and strategy.
  - They should identify critical challenges.
  - They should link goals with the overall organizational strategy.
  - They should determine key priorities for action.
  - They should create a common picture of desired results.
  
3. **Align and mobilize** the group to advance in the right direction. Leaders motivate their colleagues to address the challenges and find adequate resources to do so. By enabling others to contribute to overcoming the challenges, they often allow other leaders to emerge.
  - They should ensure congruence of values, mission, strategy, structure, systems, and daily actions.
  - They should facilitate teamwork.
  - They should unite key stakeholders around an inspiring vision.
  - They should link goals with rewards and recognition.
  - They should enlist stakeholders to commit resources.
  
4. **Inspire** the people around you to learn, act, commit, and create effective solutions by serving as a role model. Leaders set an example through their own attitudes, actions, commitment, and behavior.
  - They should match deeds to words.
  - They should demonstrate honesty in interactions.
  - They should show trust and confidence in staff; and acknowledge the contributions of others.
  - They should provide staff with challenges, feedback, and support.
  - They should be a model of creativity, innovation, and learning.

What are the obstacles leaders who govern are likely to experience in practicing, enabling, or developing leadership? How might those obstacles best be removed or reduced by the governing body? What are two to three practical ways to help ensure the successful accomplishment of this activity?

## CREATE A SUCCESSFUL STRATEGIC PLAN

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Working with senior management, the governing body should accomplish each of the important tasks presented below in order to create a successful strategic plan for their organization.

- Conduct an organizational assessment—Where are we now?
- Review or create, discuss, and state the organizational mission and vision, and ensure that everyone is comfortable with them—Where do we want to be?
- Develop goals, strategies, objectives, and action plan—How will we get there?
- Implement the strategic plan.
- Monitor implementation—How can we measure our progress?

If your organization already has a strategic plan, you can use the processes shown in Table 13.1 to update and implement the plan you already have.

TABLE 13.1 Process of creating a successful strategic plan

Ask	Analyze
Where are we now?	Internal and external assessment
Where do we want to be?	Vision, mission, goals, and objectives
How will we get there?	Strategy and action plan
How can we measure our progress?	Performance measures: monitoring, tracking, and evaluation

## IMPLEMENT THE STRATEGIC PLAN

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Statements and plans that set strategic direction are only words unless they are implemented. The strategic direction needs to be operationalized and acted on by senior and middle managers. Governing bodies and their members need to make policies and exemplify behaviors that create working conditions in which managers and health workers are more likely to want to and be able to implement plans that drive the organization toward the achievement of its mission and vision.

What are the obstacles the management is likely to experience in implementing the strategic plan? How might those obstacles best be removed or reduced by the governing body? What are two or three practical ways to help ensure the successful accomplishment of this activity?

## REPORT PROGRESS TO THE KEY STAKEHOLDERS

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Setting strategic direction is a hollow promise unless the means of monitoring and reporting results are embedded in the strategic plan. An organization's progress against the plan should be measured, monitored, and reported to all key stakeholders. Leaders who govern must report objectively and transparently the progress of the organization to citizens, patients, media, and policy makers.

The governing body's oversight role includes overseeing whether the organization is making progress toward the strategic direction set by the body working with internal and external stakeholders. It has a responsibility to report this progress to the key stakeholders of the organization.

What are the obstacles leaders who govern are likely to experience in this practice or activity? How might those obstacles best be removed or reduced by the governing body? What are two or three practical ways to help ensure the successful accomplishment of this activity?