

EMERGING IDEA

for health care providers worldwide

Continuous Strategic Planning in Health Care

What it is and why we're watching it

Published - March 2022 • 15-min read





Table of contents

Overview. pg. 3

What is it?. pg. 4

Why now?. pg. 7

Early adopters. pg. 8

Should you pursue this idea?. pg. 15

What we’re keeping an eye out for. pg. 16

Related content pg. 17

Overview

The idea

“Continuous strategic planning” is the process of continuously recalibrating organizational strategy in response to emerging constraints and opportunities. It is a departure from the traditional strategic planning approach, which runs on three- to five-year cycles. Think of traditional planning like the old infomercial: “Set it and forget it.”

The promise

There are two key benefits of continuous strategic planning. First, it enables organizations to be more flexible by pushing them to constantly recalibrate against emerging constraints and opportunities. Second, it instills a culture of continuous improvement and shared accountability by regularly bringing leaders together to collectively find solutions to these new constraints or opportunities.

Why now

The pace of change in health care is accelerating, bringing a wider variety of disruption. Notably, an uptick in exogenous events—including the Covid-19 pandemic and climate disasters—are showcasing the inflexibilities and risks that a traditional strategic planning cycle can bring. This traditional approach to strategic planning no longer suffices in a world where such events will continue to grow in frequency. Health care organizations must adapt, or else they risk remaining overly exposed to sudden shocks, competitors, or new entrants that are better suited to navigate the environment.

Reality check

Shifting to a continuous strategic planning approach requires an organization to change how it decides on its strategic priorities and how it cascades that work across its staff. It also means examining the organization’s culture and attitude toward uncertainty and change. Organizations looking to adopt this approach can expect the transition to take time and to receive pushback as individuals adapt to increased accountability and workstream volatility. Organizations should assess their cultural readiness before they commit to continuous strategic planning.

What is it?

Continuous strategic planning is the process of continuously recalibrating organizational strategy in response to emerging constraints and opportunities. It can differ from the traditional strategic planning approach in a variety of ways.

Characteristics of traditional strategic planning and continuous strategic planning approaches

	Traditional strategic planning	Continuous strategic planning
Time frame	<ul style="list-style-type: none"> Dedicated time to develop a new plan every three to five years Minimum of three months to develop and publish the plan 	<ul style="list-style-type: none"> Short list of long-term strategic aspirations updated as needed, likely every 10 to 20 years Initial set of short-term operational objectives, workstreams, and key performance indicators (KPIs) developed at onset of adopting this approach Objectives and workstreams are recalibrated iteratively using an environmental scanning and consultation cycle that takes place at least every three months
Ownership of strategy	<ul style="list-style-type: none"> Strategy team oversees day-to-day process, reports progress to C-suite leaders Board has final sign-off CEO responsible for execution and division of labor 	<ul style="list-style-type: none"> A dedicated team is responsible for scanning environment for emerging constraints or opportunities and reporting those updates back to the organization's executives at least monthly Upon receiving environmental updates, a steering group of executives, directors, and board members is responsible for ratifying changes to any operational objective or workstream Execution and progress collectively owned by all leaders across organization, not just the CEO
Methods to set strategy	<ul style="list-style-type: none"> Dedicated team, largely comprised of strategy department staff or leaders pulled from day-to-day jobs Resource-intensive workshop process solicits stakeholder input and feedback 	<ul style="list-style-type: none"> Regular (at least monthly) steering group meetings ensure that the current set of objectives and workstreams are in line with environmental changes and progress against previously set goals
How progress is tracked	<ul style="list-style-type: none"> Executives meet infrequently to report on progress Progress is only visible to C-suite, board, and leaders charged with workstreams 	<ul style="list-style-type: none"> All managers, directors, and executives meet frequently to assess current progress, root cause challenges, and course-correct as necessary Tracking tools transparently show all staff how the organization is progressing and which workstreams require help

Benefits of a continuous strategic planning approach

Organizations that have migrated to a continuous strategic planning approach report two primary benefits: it allows the organizations to remain flexible to the rapidly changing health care environment, and it instills a culture of continuous improvement and shared accountability.

Benefit 1: Greater flexibility than traditional strategic planning

Traditional strategic planning generally runs in three- or five-year cycles, which makes it difficult for organizations to quickly shift resources or recalibrate priorities in response to emerging constraints or opportunities. This “set it and forget it” approach is too reactive and hands-off to navigate today’s rapidly changing environment.

In a continuous strategic planning approach, an organization’s long-term ambitions are broken down into short-term objectives that leaders continuously review and update. Leaders, or designated environmental scanning teams, continuously monitor both the external environment and internal progress, sharing analyses and updates with the wider organization. Leaders use this information to alter any current objectives if their goalposts have changed, add new objectives if the external environment necessitates it, or remove objectives if their work is no longer high-priority or is out of touch with the external environment.

If and when a new objective is added or altered, these organizations utilize a standard decision-making process to either assign new workstreams to teams across the organization or to end or pivot an obsolete workstream with minimal disruption.

WHAT IS IT?

Benefit 2: Instilling a culture of continuous improvement and shared accountability

In a traditional strategic planning approach, organizations assign strategic objective workstreams to directors or managers who then create plans to meet predetermined goals and metrics. These leaders and their teams often work “heads down” for months or years, again, following the “set it and forget it” approach. When they complete one workstream, they are handed the next one and repeat the process. It is not until the next strategic planning exercise, often years later, that these leaders come together in any strategic, future-focused capacity to discuss the organization’s position within the wider environment.

Such infrequency and disparateness can lead to an organizational culture that involuntarily values and rewards individual performance over collective ownership. Teams often work in silos, becoming distanced from strategic conversations and losing sight of how their work fits with the organization’s long-term ambitions. Leaders across the organization don’t often come together to analyze changes in the operating environment or how they can jointly work together to respond to those changes. When the leadership team does gather, it’s usually to report on their individual workstreams, not to solve problems collectively.

Continuous strategic planning leads to a culture shift away from a focus on individual performance and toward shared accountability.

Under continuous strategic planning, there is constant dialogue around each teams' progress and how that work fits in with the organization's direction. Leaders come together often to recalibrate their objective workflows against changes in the operating environment and collectively respond to challenges that arise. Leaders collaborate with other teams to find solutions, building trust in the process rather than assigning blame or critiquing one another.

Why now?

Other industries, such as banking and software development, began adopting a continuous strategic planning approach as far back as the early 2000s. But because of its relative stability, health care has been slower to adopt this new mindset. As a result, the industry has continued with its traditional, three- to five-year strategic plans that don't require constant recalibration.

Today, two factors are upending the ability to plan on such a long-term basis. First, the Covid-19 pandemic has affected the health care industry in incalculable ways. Sudden shifts in priorities have forced organizations to question foundational assumptions about their strategic direction. The pandemic introduced large amounts of market disruption (such as major changes in patient preferences) in just under two years. The scientific community expects other major events—whether they are pandemics, climate disasters, or sudden market shocks—to routinely disrupt the global economy and health care landscape in the future.

The second issue is the pace of change and variety of challenges faced by health care organizations. These organizations continue to grow in complexity and scale. Moreover, they are serving populations that are aging and increasingly multimorbid. Health care organizations are also responsible for meeting more and more targets each year.

Put simply, we must accept that health care's already unsteady foundation will continually be tested into the future. The traditional approach to strategic planning won't work. An alternative approach that is responsive, iterative, and democratized is necessary to keep health care organizations on proper footing.

Early adopters

WHO'S DOING WHAT

Hywel Dda University Health Board

Wales, UK

Integrated health system that funds and manages the full continuum of care for 400,000 people. Hywel Dda operates as part of Wales' National Health Service

Created a new strategic framework to more rapidly respond to emerging demands on the health system. This involved breaking down long-term ambitions into operational objectives that can change and morph as the environment changes.

Application: Continuous strategic planning using incremental “planning objectives”

In summer of 2020, after the first wave of Covid-19 had subsided in Wales, Hywel Dda’s leaders sought to develop a more flexible and agile strategic planning and prioritization model. They began by tabulating all the system’s previous strategic priorities and found 458 competing, unclear, or overlapping strategic objectives that had built up, unchecked, since 2017.

Senior leaders audited these priorities to create a clearer strategic framework. The resulting framework centered on “strategic objectives” that define the system’s long-term ambitions. One level down, it housed 65 “planning objectives” meant to incrementally move the organization closer to its six strategic aims.

The six strategic objectives are purposely written as aspirations that describe the system’s long-term identity, meaning each one should still be true in a year or in a decade. Examples of the six objectives include “putting people at the heart of everything we do” and “the best health and well-being for our individuals, families, and our communities.” They are values as much as they are goals.

Read our [“How Hywel Dda Hardwired Flexibility into Strategic Planning”](#) case study to learn more



EARLY ADOPTERS

Bite-size planning objectives allow Hywel Dda to course-correct to reach their long-term strategic objectives

Hywel Dda’s 65 planning objectives serve the flexible means to reach their six long-term strategic objectives. Each planning objective has two clearly defined elements: timelines and ownership.

Clear timelines



By March 2022 publish a comprehensive population needs assessment covering both the health and wellbeing needs of the local population. By April 2023 publish a revised Area Health and Wellbeing plan based on these assessments. Implement the 1st year of these plans by March 2024. Owned by Ros Jervis, Executive Director of Public Health.”

Objectives broken down into step-wise format

Owned by a single executive director

A dedicated environmental scanning team enables flexibility and routine recalibration

Hywel Dda’s executive team saw the risk in creating lofty, long-term ambitions without the organizational flexibility to change how to achieve them. With this new approach, the organization can routinely update, add, or retire any planning objective depending on changes in the environment. Essentially, this means that priorities and workstreams are expected to change over time as the leadership team and board collect new information.

To facilitate this constant recalibration, Hywel Dda assigned a group of executives and board members to serve as a designated steering group that scans the environment for new mandates or external pressures. This group crafts intelligence-based proposals for new planning objectives or changes to current ones. These proposals clarify why the new objective is a priority, and what purpose it serves in relation to the six strategic aims.

Source: "Developing the 3 Year Plan for the Period 2021/22 - 2023/24," Hywel Dda Board Meeting documents, September 2020, <https://hduhb.nhs.wales/about-us/your-health-board/board-meetings-2020/board-agenda-and-papers-24th-september-2020/24-september-2020-documents/item-3-1-developing-the-3-year-plan-for-the-period-2021-22-and-2023-24/>; "Strategic Discover Report," Hywel Dda University Health Board, July 2020, <https://hduhb.nhs.wales/about-us/your-health-board/board-meetings-2020/board-agenda-and-papers-30th-july-2020/board-30th-july-2020-documents/item-3-3-strategic-discover-report/>; Hywel Dda University Health Board, Wales, UK.



EARLY ADOPTERS

Standardized “decision cascade” instills a culture of continuous improvement and shared accountability

Hywel Dda also clarified who makes decisions over any planning objective change and how any new work is cascaded down the organization. This has led to a culture where leaders share accountability for the organization’s collective goals.

In this new formation, Hywel Dda assigns medal classifications to describe which parts of the organization have which responsibilities.



Source: Hywel Dda University Health Board; "Public Board: Maintaining Good Governance COVID-19," Hywel Dda Board Meeting documents, 30 July 2020, [http://www.wales.nhs.uk/sitesplus/documents/862/Item 2.3.1 Maintaining Good Governance COVID-19.pdf](http://www.wales.nhs.uk/sitesplus/documents/862/Item%202.3.1%20Maintaining%20Good%20Governance%20COVID-19.pdf); Hywel Dda University Health Board.



EARLY ADOPTERS

WHO'S DOING WHAT

Hôpital Montfort
Ottawa, Ontario, Canada

289-bed Francophone teaching hospital providing tertiary care to over 1.2 million people in the Ottawa area

Implemented 90-day strategic plans to more frequently engage managers and divisional leaders with the organization's long-term strategic objectives. This enabled the organization to continuously recalibrate plans in response to emerging constraints and opportunities.

Application: Continuous strategic planning using 90-day plans

Hôpital Montfort's strategic direction is shaped by two inputs: long-term aspirational objectives they create internally every five years, and directives and targets they receive annually from the Ontario Ministry of Health. Until recently, when Hôpital Montfort adopted a more continuous approach, its five-year planning cycle had two negative consequences. First, it limited organizational flexibility, preventing the hospital from adapting to constraints or rapidly changing market dynamics. This caused the organization to sometimes fail to deliver on its strategic objectives.

Second, it had a negative effect on the organization's culture. Hôpital Montfort reported that the old approach was one where each leader, from middle management to divisional directors, worked in silos on their assigned strategic objectives, which led to individuals valuing their own performance over collective accountability or collaboration. There was also limited visibility into the progress that each manager and their team made on objectives, further preventing a collaborative environment to take shape.

To alleviate these problems, Hôpital Montfort introduced 90-day strategic plans for managers. This approach has improved the organization's level of flexibility, fostered a culture of shared accountability, and made staff more open to change.

EARLY ADOPTERS

How Hôpital Montfort's 90-day plans work

Example of what this looks like in practice



Hôpital Montfort sets aspirational, long-term strategic objectives every five years.

Strategic objective: "Enhance targeted clinical services"

Ministry of Health sets annual provincial and local targets for public health systems.



Hôpital Montfort C-suite officers select **five to seven KPIs annually** that align with their long-term strategic objectives. Each indicator is owned by a C-suite officer.

KPI: Patient experience score
KPI Owner: Chief nursing officer



90-DAY PLANS



Each middle manager and above selects up to four KPIs and creates SMART¹ goals for each.

- **Each goal is tied to a specific metric and is weighted** depending on its importance and the effort required to achieve it.
- Plans include **time-bound action plans**, dictating exactly what they will do over the next 90 days to achieve their goals.

The director of nursing's 90-day plan goal for patient experience:

- Owner: Director of nursing
- KPI: Patient experience
- 90-day goal: Maintain the overall satisfaction score of 80% for hospitalized patients by December 30
- Action plan step: By February 15, co-design survey with CNO to identify bottlenecks to reduce wait times



Each manager's divisional and team leader signs off on 90-day plan and it's **housed in the Leadership Evaluation Management System (LEM)**.² This is an organization-wide, open access performance tracking tool that gives all staff visibility into how every other manager is progressing. After 90 days, leaders create new 90-day plans.

Sign-off:

- CNO reviews director's 90-day plan, ensuring it aligns with but does not duplicate other plans.

1. Specific, Measurable, Achievable, Realistic, Timebound.

2. The LEM software is owned and licensed by Huron Consulting Group

Source: Hôpital Montfort, Ottawa, Ontario, Canada.

EARLY ADOPTERS

How the 90-day plan approach improves organizational flexibility

Hôpital Montfort’s 90-day plans break down long-term strategic objectives into actionable, measurable, and iterative short-term goals. Because of the short-term time frame, the plans are inherently flexible. At the end of each cycle is a recalibration forum where leaders discuss progress and reassess priorities. Leaders identify key gaps to focus on for the ensuing 90 days, incorporating changes in market dynamics or new Ministry of Health mandates into their thinking. At the end of each meeting, every manager updates their 90-day plans with a fresh set of goals and metrics to focus on.

How the 90-day plan approach instills a culture of continuous improvement and shared accountability

Every manager with a 90-day plan is encouraged to adopt a “continuous improvement” mindset. Managers are expected to meet monthly with their divisional leaders to discuss progress and identify ways to collaborate with others, in order to improve processes or remove inefficiencies. An accountability grid ensures these check-ins occur and is visible to the entire organization, creating positive peer pressure that pushes leaders to make progress. And at the 90-day forums, managers work in groups to brainstorm action steps and root-cause roadblocks for each goal where progress is stagnant.



Since implementing 90-day strategic planning, Hôpital Montfort saw a significant improvement in its provincial ranking for hospital wait times, from 96th lowest wait times in the province in 2016 to 20th lowest by 2021.

The 90-day planning approach has also resulted in a cultural shift, from one that encouraged individual performance to one that embraces shared accountability. This starts with the senior-most leaders. Each 90-day forum begins with the CEO, followed by other C-suite officers, divisional and team leaders, and then middle managers, each reviewing their own 90-day progress and asking for help where they need it. In response, all attendees collaborate to find solutions that help each other overcome roadblocks. And again, all managers can use the LEM system to see how others are progressing against their goals. Managers are emboldened to ask for help from peers who are progressing.

Source: Hôpital Montfort, Ottawa, Ontario, Canada.



EARLY ADOPTERS

Initially, this culture shift was hard because staff hadn't before had to grant organization-wide visibility into their work, nor had they operated under a shared accountability environment such as this. As a result, some staff left the organization. But the changes have since helped Hôpital Montfort recruit new leaders with growth mindsets and instilled a philosophy of continuous improvement throughout the organization. Those long-term gains have been worth the shorter-term pains that the migration to this approach caused.



Should you pursue this idea?

Continuous strategic planning is a new concept in health care. Organizations can migrate to a continuous strategic planning approach in a variety of ways, but the pace of migration is dictated by what an organization’s culture and environment allow. Executives looking to pursue this approach must be willing to challenge incumbent processes and redesign the way their organization sets, designs, and delivers upon strategy.



Leaders should assess their organization’s cultural readiness before adopting continuous strategic planning processes. An organization might benefit from continuous strategic planning if:

- It has an overwhelming number of strategic priorities or objectives that sometimes overlap or compete directly with one another.
- It suffers from a lack of efficiency or flexibility caused by its current strategic planning/prioritization process.
- It has a clear strategic vision but struggles to lay out the iterative plans to make it a reality.
- It does not transparently track progress against its strategic objectives.
- It has a culture that values individual performance over collective accountability and collaboration.

Pros

-  Helps organizations remain agile to external and internal pressures
-  Builds a culture of continuous improvement and shared accountability


Cons

-  Significant cultural change requires buy-in throughout organization
-  Requires new organizational structures and accountability mechanisms to reinforce new ways of working

What we're keeping an eye out for


As health care increases in complexity and organizations emerge from responding to the Covid-19 pandemic, many organizations are rethinking their strategic and operational planning processes. We'll be watching out for:


- 1. Alternative solutions to traditional strategic planning:** New strategic planning models that offer organizations flexibility and agility, allowing them to achieve their long-term strategic objectives while pivoting in the process.
- 2. New accountability tools:** Additional mechanisms or resources that incentivize or reward staff for adopting continuous planning processes or a continuous improvement mindset.
- 3. Innovative goal-monitoring solutions:** Processes or systems that help organizations transparently track progress against strategic objectives and promote accountability.


Continuous strategic planning offers a truly flexible means for organizations to navigate future challenges and achieve their long-term aspirations. It brings a cultural shift that increases collaboration and accountability—vital ingredients for any major strategic shift to be successful. 


Related content


Advisory Board resources

 CASE STUDY
How Hywel Dda Hardwired Flexibility into Strategic Planning
[Read now](#)

 BLOG POST
After 2 years of pandemic-spurred disruption, it's time we leave the traditional strategic planning approach behind
[Read now](#)

 BLOG POST
Canberra Health Service's solution to dull executive meetings? A Monopoly-themed board game.
[Read now](#)

 WEBINAR
How Royal Victoria Regional Health Centre Revamped their Performance Assessment Process to Support Continuous Conversations
[Watch now](#)

 RESOURCE LIBRARY
Ready-to-use templates for your next strategic plan
[Access now](#)

Project Director

Miles Cottier

cottierm@advisory.com

Research Team

Alex Polyak

Aneesha Raj

Matt Corner

Paul Trigonoplos

Rebecca Soistmann

Vidal Seegobin

LEGAL CAVEAT

Advisory Board has made efforts to verify the accuracy of the information it provides to members. This report relies on data obtained from many sources, however, and Advisory Board cannot guarantee the accuracy of the information provided or any analysis based thereon. In addition, Advisory Board is not in the business of giving legal, medical, accounting, or other professional advice, and its reports should not be construed as professional advice. In particular, members should not rely on any legal commentary in this report as a basis for action, or assume that any tactics described herein would be permitted by applicable law or appropriate for a given member's situation. Members are advised to consult with appropriate professionals concerning legal, medical, tax, or accounting issues, before implementing any of these tactics. Neither Advisory Board nor its officers, directors, trustees, employees, and agents shall be liable for any claims, liabilities, or expenses relating to (a) any errors or omissions in this report, whether caused by Advisory Board or any of its employees or agents, or sources or other third parties, (b) any recommendation or graded ranking by Advisory Board, or (c) failure of member and its employees and agents to abide by the terms set forth herein.

Advisory Board and the "A" logo are registered trademarks of The Advisory Board Company in the United States and other countries. Members are not permitted to use these trademarks, or any other trademark, product name, service name, trade name, and logo of Advisory Board without prior written consent of Advisory Board. All other trademarks, product names, service names, trade names, and logos used within these pages are the property of their respective holders. Use of other company trademarks, product names, service names, trade names, and logos or images of the same does not necessarily constitute (a) an endorsement by such company of Advisory Board and its products and services, or (b) an endorsement of the company or its products or services by Advisory Board. Advisory Board is not affiliated with any such company.

IMPORTANT: Please read the following.

Advisory Board has prepared this report for the exclusive use of its members. Each member acknowledges and agrees that this report and the information contained herein (collectively, the "Report") are confidential and proprietary to Advisory Board. By accepting delivery of this Report, each member agrees to abide by the terms as stated herein, including the following:

1. Advisory Board owns all right, title, and interest in and to this Report. Except as stated herein, no right, license, permission, or interest of any kind in this Report is intended to be given, transferred to, or acquired by a member. Each member is authorized to use this Report only to the extent expressly authorized herein.
2. Each member shall not sell, license, republish, or post online or otherwise this Report, in part or in whole. Each member shall not disseminate or permit the use of, and shall take reasonable precautions to prevent such dissemination or use of, this Report by (a) any of its employees and agents (except as stated below), or (b) any third party.
3. Each member may make this Report available solely to those of its employees and agents who (a) are registered for the workshop or membership program of which this Report is a part, (b) require access to this Report in order to learn from the information described herein, and (c) agree not to disclose this Report to other employees or agents or any third party. Each member shall use, and shall ensure that its employees and agents use, this Report for its internal use only. Each member may make a limited number of copies, solely as adequate for use by its employees and agents in accordance with the terms herein.
4. Each member shall not remove from this Report any confidential markings, copyright notices, and/or other similar indicia herein.
5. Each member is responsible for any breach of its obligations as stated herein by any of its employees or agents.
6. If a member is unwilling to abide by any of the foregoing obligations, then such member shall promptly return this Report and all copies thereof to Advisory Board.



655 New York Avenue NW, Washington DC 20001
202-266-5600 | [advisory.com](https://www.advisory.com)