

## Five Sure Signs of a Great Business Plan

**By Jeanne Chase Tiscareno**  
Principal  
ChaseLane Consulting



As companies adapt to the ever-changing healthcare environment, many leaders must gain board approval, organizational support, or major corporate investment for new technologies, service lines, and other initiatives. A business plan is often the best mechanism for the task. Having worked on dozens of business plans for global businesses and local healthcare organizations, I've found that the best proposals have five basic characteristics that get them read and (usually) approved. Hold your latest healthcare initiative to this checklist, and it will have a good chance of getting off the ground.

### *1. It has a clear and specific scope.*

The best-defined plans invariably start with kickoff meetings in which key stakeholders, especially executives, grapple with scope and concrete outcomes. "Exactly what are we proposing? Does every aspect fit our core competencies, strengths, and strategic goals? Is it the optimal solution given where we are and where we want to go?"

Getting to the core is hard work, and muddy issues are best resolved as early as possible. On one proposal for a new department at a hospital, the team went round and round on whether ancillary services should land inside or outside the new department. Initially they counted it in, but as data and costs were gathered, they honed the proposal scope to exclude them. Had we pushed the question earlier and had a kickoff meeting with the right VP stakeholders, we could have avoided laborious document iterations on the way to a final, crisply defined proposal.

### *2. It has organizational buy-in from all key stakeholders.*

Closely related to a well-defined,

discrete scope is the need for unequivocal buy-in from leadership and all affected parties before the plan is finalized. Without it, an initiative can meet internal resistance and delays or worse, quietly wither from lack of full adoption by the organization.

The value of this was evident in a proposal done by a northwest healthcare system that was investing in a new unit to develop healthcare model innovations. The Executive Director knew he needed support from Organizational Development to help manage the internal changes that would arise. He also needed critical support from IT leadership. He specifically included these leaders early in the planning phase of his proposal and spent extra time to help them define (and commit to) their contribution to the proposal's success.

He also knew that it was important to have face-to-face conversations to get people on the same page. He wasn't going to leave it to emails. His attention to including all parties not only helped get his proposal approved by the board of directors, but also ensured that core leadership understood where

they were going, why, and how.

### 3. *It presents the whole picture.*

By its nature, the business planning process forces you to define what is truly required to carry out the plan—all the people, resources, facilities, and dollars. Similarly, aspects such as your marketplace, desired outcomes, a clear decision making process (governance), and specific success metrics are needed. Addressing all plan facets with appropriate rigor, including internal impacts and required resources, means your plan is more likely to get through executive review.

Gathering this information requires footwork from both leaders and staff and determines the length of the planning process. When proposing a new hospital department, for instance, we found the team hadn't yet considered the full impact on staffing needs. It took some hard number crunching to come up with realistic, doable figures. On another proposal involving several hospital foundations, we were looking to consolidate all donor data into a common database, but learned that resource constraints in IT were a potential roadblock. Once we could document the exact staffing, duties, and financial sources for additional IT support, the plan became feasible and received the stamp of approval.

### 4. *It communicates at exactly the right level.*

As with most things good, “less is

more” and “just enough” is best. Your readers are executives—busy people who want to understand a plan's goals, outcomes, and costs without bogging down in detail that is best left to appendices or the Delete key. Once well defined (as in 1-3 above), a great business plan communicates only the essentials, in a concise, clear way, to drive your readers toward your goal:

- What you're asking to be approved
- How it fits in your organization
- Financial summary (capital investment, net present value)
- Top-line benefits of the proposal
- Why your proposal is essential, and why it's essential now
- What you will accomplish
- How you will do it
- Keys to success
- Expected results

### 5. *Its arguments are bullet proof.*

While on staff in the Office of the President at Microsoft, I participated in proposal reviews with Steve Ballmer and quickly learned how good executives are at poking holes in a proposal. The only way an initiative survived was to have every argument and claim backed by clear logic and sound data.

In creating a good plan, you must anticipate questions, look for weaknesses in the proposal, and be ready to justify your conclusions and predictions: Why did you choose this

option over another? What assumptions are you making? What proof points support it? What are the calculations behind important data points?

Often, specific analytical skills are required to answer these questions. The success of a project for a large physician insurer, for instance, hinged on having an internal financial analyst work alongside an outside market strategist. This duo took complex data, sized the market, made valid projections, and then clearly explained how they came to their conclusions so the approving board could make an informed decision.

Getting funding or approval for major initiatives is not for the faint of heart. Developing a winning business plan requires an investment of time and talent, but every client I've worked with has said it was well worth the effort. A quality plan not only gains vital support, but also ensures your organization has the resources and commitment to keep your initiative on course.

*Jeanne is a communications and business planning expert with broad experience in healthcare and technology sectors. Her firm provides full-service strategic planning and marketing support to help healthcare organizations adapt to healthcare reform and a changing market. She can be reached at [jeanne@chanelaneconsulting.com](mailto:jeanne@chanelaneconsulting.com) or 206-799-2746. Visit the Chase Lane Consulting web site at [www.chanelaneconsulting.com](http://www.chanelaneconsulting.com).*

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