

Sample Strategic Planning Policy

Adopted by the Board of Directors: [date]

Policy Statement

[Organization Name] will establish an ongoing strategic planning process by which it translates its mission and values into actionable and measurable goals, strategies, initiatives, and programs. The plan will provide direction for both long and short-term decision-making by the Board of Directors and Senior Leadership to fulfill the mission of the organization and make choices among competing demands for capital investment, philanthropy, facilities, and human resources.

Strategic Planning Process Framework

The strategic planning process will incorporate the following components:

- Mission statement
- Values statement
- Long term vision statement
- Community health needs and assets assessment
- Environmental factors assessment
- Critical assumptions about the future
- Four-year, written, Board-approved Strategic Plan that includes:
 - Long-term vision statement (time horizon – 5 – 20 years)
 - Major initiatives and goals (time horizon- 2-3 years)
 - Annual plan and goals (time horizon – 1 year)
- Standard format for cascading overall strategic plans and goals into aligned plans for subsidiaries, operating units, divisions, departments, managers and individual associates
- Strategic performance measurement report format
- Active engagement in the process at all levels of the organization.

Planning Cycle

1. **Long-term visioning.** At certain times, organizational leaders will determine the need exists to engage in a strategic visioning process with long time horizon, such as five, ten or twenty years, in order to make decisions about organizational direction, major capital investments, master facility plans, program commitments, or corporate structure. The resulting long-term vision will create an overarching strategic context for a ongoing strategic planning.
2. **Rolling, multi-year strategic plan.** The organization will engage in a rolling strategic planning process so the organization’s strategic initiatives and goals are always as current as possible, reflecting contemporary conditions.
3. **Calendar.** The organization’s fiscal and planning year is the calendar year. The strategic plan will drive the financial plan.

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4. **Four-year plan.** Every four years, the organization will engage in a comprehensive, data-driven assessment and adoption of a strategic plan. Data gathering may include input from:
 - Community health needs and assets assessment
 - Environmental assessment, including national and local trends in patient care quality and safety; payment systems; competitive market; capital financing; technology; talent supply; health policy and regulation; etc.
 - Opinions of organizational leaders, including the Board of Directors, senior executive team, clinical leaders, and operating unit/department managers
 - Expert panels of community and industry leaders
 - Opinions of community and stakeholder leaders.
5. **Two-year plan.** At the mid-point of the four year plan, the organization will engage in more limited, baseline data gathering (update of community health needs, environmental assessment, and strategic plan progress). Based on the input, organizational leaders will re-examine the strategic plan and make adjustments as necessary to major initiatives and goals.
6. **Annual plan.** Every year, the organization will adopt annual performance goals and make adjustments to the plan based on changing conditions. The annual planning cycle will be:
 - Data-gathering: March – June
 - Board/leadership strategy retreat – June
 - Board approval of Strategic Plan Update – September
 - Annual budgeting process begins - September
 - Board approval of annual budget - November
7. **Continuous monitoring.** Senior management will continuously monitor changes in the critical assumptions underpinning the strategic plan as well as the organization's actual performance in achieving its strategic goals. A material change in critical assumptions or actual performance may prompt a recalibration or revision of the strategic plan at any time.
8. **Integrated planning.** The strategic plan is an overarching document that should drive related organizational plans for such areas as quality improvement, community health improvement, hospital-physician alignment, capital financing, information systems, facilities planning, philanthropy, medical and health professions education, and human resources.
9. **Alignment.** There will be one mission and vision statement and one set of core values. Strategic plans for subsidiaries, operating units, and departments will be aligned with and supportive of the organization-wide mission, vision, values, strategic plan. Financial plans (including annual budgets and long-term capital plans) will be tied directly to the strategic plan. Executives and managers will be held accountable for the goals in their plans.
10. **Communications.** Senior management will be responsible for communicating the strategic plan to key stakeholders and enrolling them in achieving the goals of the plan.

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Role of the Board

The Board of Directors will play an active role in the strategic planning process while ensuring it does not usurp management's responsibilities. The board will:

1. Adopt a policy committing the organization to a mission-driven strategic planning process that includes broad inclusion of organizational leadership to create and carry out the plan
2. Adopt a compelling long-term vision statement for the organization
3. Formally approve multi-year and annual strategic plans
4. Adopt an annual plan for board and committee work that focuses on strategic priorities of the organization, and determine if the board will utilize a Strategic Planning Committee or carry out its strategic planning responsibilities as a whole
5. Allot time on every board meeting agenda for discussion of strategic-level issues. Focus on the critical strategic issues facing the hospital and avoid routine operational matters
6. Monitor progress toward achieving strategic goals and require corrective actions and adjustments as necessary to changing conditions
7. Participate in at least an annual strategic planning and education retreat
8. Avail itself of education and information to stay abreast of community and environmental trends
9. Raise questions and contribute expertise
10. Bring insights from and help communicate the plan to key stakeholders.

Role of Senior Executive Team

1. Engage the board to fully utilize its experience, expertise and knowledge of community and stakeholder needs
2. Bring objective analysis and recommendations to the board for deliberation and decision making
3. Structure presentations to the board on strategic topics to allow sufficient time for questions and board feedback/guidance
4. Plan at least an annual board/leadership retreat
5. Provide education on community needs and healthcare/industry trends, opportunities and challenges
6. Review progress on implementation of the strategic plan regularly. Provide to the board a concise, dashboard-style report Strategic Performance Measurement Report showing progress toward the key goals and measures in the strategic plan. Include the report in board packets/board portal sent out prior to board meetings.