



## A PRESCRIPTION FOR YOUR SUCCESS: STRATEGIC PLANNING FOR YOUR PRACTICE



Donald A. Cowan, CPA, CFP™  
Managing Director  
Cowan, Guteski & Co., P.A.

**M**ost physicians have created plans for their retirement funding, children's educational needs, and estates; however, they typically overlook the development of a plan for their business, which most often is the primary source of their income. The lack of a cohesive strategic plan is one of the most common missing elements of a medical practice.

Has your practice come together as a group to formalize a strategic plan? Have you established goals? Do you have a written plan on how to achieve these goals? Do you have philosophical differences in objectives? Have you defined where you want your practice to be five years from now?

It is rare that a physician practice has a documented strategic plan. In many cases, physicians do not discuss their professional or personal goals, which could be a problem if they have conflicting views on the future of the practice.

### Case in point:

We recently met with a specialty practice which was struggling since it opened a third location several years ago. This practice is comprised of six physicians at varying stages in their careers. Two of the physicians had the idea to open a third office. One of them in particular spearheaded the project. When we analyzed the satellite office's numbers, we found that they were flat and the office was not growing at the expected rate. The new location had become a financial drain on the rest of the practice. When we discussed the situation with the physicians, four indicated that they were not consulted about the decision to open another location nor did they agree that it was a good idea. Therefore, they had no interest in the success of that office, were not aggressively marketing it, and spent as little time as possible at that location. In this circumstance, we advised the physicians to sell the third office due to the lack of "buy-in" which they have recently accomplished. If a strategic plan was in place, this scenario may have been avoided.

On several occasions, we have consulted with various obstetrics and gynecological practices (OB-GYN) to help develop a compensation formula that facilitates a physician's desire to opt out of OB services and practice exclusively gynecology. Many of these physicians gave their fellow practitioners little or no notice and yet this had a dramatic effect on the practice. This type of decision does not happen overnight and had the physician been asked what his or her goals were, the practice may have been ready for the transition and change in the compensation plan. A key component of developing a strategic plan is asking the stakeholders what their personal and professional goals are over a short and long term period.

A strategic plan documents where you want the practice to go and how you will get there. If successfully planned and implemented, it will help your practice and physicians meet their business, professional, and even some of their personal goals. The alignment of professional and individual goals is the key to a fulfilling career and personal life.

## Ten Steps to Get Started

1. Gather the team leadership and develop a mission statement.
2. Develop strategic objectives or goals that are consistent with your mission statement.
3. Incorporate the mission statement and objectives in an operational document with measurable benchmarks that must be accomplished at year's one and five.
4. Present the information to the entire practice; include the physicians, practice administrator, clinical and support staff. It is important to receive buy-in from everyone.
5. Identify the responsibilities of each person in the organization and communicate these responsibilities in writing.
6. Explore a possible reward system for those individuals who contributed toward the successful completion of your strategic objectives. The reward system will motivate both the physicians and staff to achieve your goals.
7. Communicate progress to the team and make everyone feel a part of your success by highlighting various team members and their contribution towards accomplishing these goals.
8. Evaluate your progress annually. Be prepared to adapt to changes in each physician's personal goals due to new circumstances or the demands of the industry and market.
9. Communicate changes in your strategic plan to your staff so that they are clear about the course you are taking.
10. Begin planning for next five years during year five by repeating steps one through nine.

A practice will be able to accomplish their goals with the development of a sound plan and benchmarking of measurable outcomes done on an annual basis. Quarterly meetings to report progress and share success stories will help to keep the enthusiasm level high.

Some guidelines to remember: The goals that you develop in your strategic plan do not always have to be financial. In many instances they can be quality of life and operational issues. It has been proven that practices which adopt this strategy have a more cohesive and consistent delivery system. Finally, the practices with strong planning skills have benefited dramatically both economically and personally by unifying these goals and objectives and seeing them realized.

As one of the leading accounting and consulting firms for physician practices, Cowan, Guteski & Co., P.A. understands the importance of planning to secure the future of your practice. Contact Don Cowan, CPA, CFP® - Managing Director at 732-349-6880 extension 122 or [dcowan@cowanguteski.com](mailto:dcowan@cowanguteski.com) for more information on strategic planning.

### ***About Cowan, Guteski & Practice, P.A.***

*As a diversified certified public accounting firm, Cowan, Guteski & Co., P.A. is committed to being an active partner in their client's growth by delivering value driven accounting and profitability consulting services. Visit [www.cowanguteski.com](http://www.cowanguteski.com) for more information on the services available to meet the unique needs of physician practices.*



40 Bey Lea Road, Suite A101, New Jersey  
 Phone: 732-349-6880 • Fax: 732-349-1949  
[www.cowanguteski.com](http://www.cowanguteski.com)