

IS YOUR SUCCESS REALLY SUCCESSFUL?

There is more to assessing your ability to execute strategy than tallying the number of completed strategic initiatives.

Healthcare organizations, pressured to improve access and outcomes with fewer resources, often struggle to accomplish their strategic goals. So, when the president of a large healthcare system told me his organization is adept at executing strategic initiatives reliably and efficiently, I was eager to hear more and asked what metrics they use to gauge success. Their only metric was that the initiatives were complete.

I wasn't surprised by his response. I've had the opportunity to meet with many healthcare executives and few of them use objective measures to determine their effectiveness at planning and executing critical initiatives that directly impact strategic goals. But how can you say you're successful if the projects are late and over budget? What else could you have done with that time and money? Are you gaining the benefits you intended and able to sustain those benefits?

The failure to employ objective measures to assess strategy execution performance is not exclusive to healthcare. But it's certainly more prevalent in this industry than others. Integrated Project Management Company, Inc. (IPM) has served over the past three and a half decades. And while it may have been tolerable to give little attention to strategy execution in the past, that's no longer possible. The dynamic and increasingly greater challenges in healthcare demand that organizations execute strategic initiatives well, reliably, and rapidly.

Start with Better Business Cases

Organizations demand that every strategic initiative they consider begins with a business case that defines the expected outcomes and benefits. However, too many allow assumed or theoretical outcomes without well-substantiated data.

A solid business case defines the financial justification, expected return on investment, and payback period. It should include any potential risks, impacts to culture, and other key information that supports the expenditure. A well-defined business case incorporating financial requirements and a planned implementation



C. Richard Panico, *President & CEO*
Integrated Project Management Co.

timeline is essential for establishing performance baselines and aligning executive expectations. Initiating any significant undertaking without a complete business case introduces risk and variability of outcomes.

Consider the Cost of Delays

Defining the payback period in the business case is important because you need to know when you will start realizing benefits. Project delays that extend this date will reduce the ROI. You must consider delays when measuring execution performance. In some cases, the negative impacts associated with missing a completion date compound and extend the financial loss—and lost opportunity—well into the future.

For example, if a competitor has a similar initiative (e.g., opening an immediate care center in a prime area) and you fail to be first to market, you may never realize the market capture you anticipated. In another instance, a healthcare system had an initiative to acquire a managed services organization. But because the system couldn't plan and respond quickly, it lost a significant revenue capture opportunity to a competitor.

The inability or reluctance to objectively measure and improve execution performance places the organization at a competitive disadvantage. Additionally, the tendency to overestimate performance diminishes the motivation to improve, increasing the risks of failed strategy realization.

What Might Have Been

The lack of accountability in planning and executing critical initiatives within the desired and forecasted timeframe and budget produces another negative consequence: lost opportunity. Lost opportunity is real and should be quantified and accounted for when measuring success. What initiatives did you delay or cancel—and what benefits did you forfeit—while you devoted resources to an initiative that didn't meet expectations?

Too often, organizations move the target to allow the arrow to hit the bullseye, which veils execution issues and diminishes value. Objectively measuring the ability to define, prioritize, and execute strategic initiatives that are critical to future clinical and financial viability is key to managing organizational challenges and reducing personnel stress levels.

When leaders track programs and projects within the strategic portfolio against baseline budgets and schedules that do not change, they can accurately assess the organization's execution competency.

Beyond execution, there are challenges to getting the organization to adopt the changes and to achieving lasting benefits. These require applying an understanding of cultural enablers and inhibitors and using change management to aid "organizational absorption." You can gain ongoing benefits by tracking and improving performance in these areas as well.

Are You the Exception?

Many healthcare organizations consider themselves successful if they simply accomplish their strategic goals. Is your organization an exception? Following is a self-assessment that may help you decide.

If you determine that your organization is an exception to the rule, congratulations! It is likely that your ability to identify, prioritize, and execute strategic initiatives and sustain them over time has allowed you to establish and maintain a competitive advantage.



Integrated Project Management Company, Inc. (IPM) is a business consulting firm focused on planning and implementing strategically critical initiatives across multiple industries, including life sciences, healthcare, consumer products, and industrial products. Since its inception in 1988, IPM has served more than 500 clients and completed more than 5,000 projects. Headquartered in Chicago, IPM has regional offices in Boston, St. Louis, Los Angeles, San Francisco, Minneapolis, and Parsippany. IPM was a recipient of the 2018 Malcolm Baldrige National Quality Award. To learn more about IPM and its services, visit www.ipmcinc.com or call 630-789-8600.

STRATEGIC EXECUTION & REALIZATION SELF-ASSESSMENT



Most executives aren't confident in their organization's ability to accomplish and sustain their strategic objectives. Check the statements that are accurate for your organization to assess your strategy execution and realization. The more boxes you can check, the more likely you are to be an exception.

- Past strategies have prepared us well for future challenges and opportunities.
- We are satisfied with the process and facilitation we apply to develop strategy.
- We effectively identify our strategic imperatives (absolute musts) and limit them to three or four clear objectives.
- We clearly define strategic goals to measure performance against our imperatives.
- We identify specific programs and projects (strategic portfolio) that ensure achievement of our imperatives and associated goals.
- Every program and project in our strategic portfolio has a defined business case and ROI/payback calculations.
- Payback calculations include expenditures for internal (fixed) and external (variable) resources.
- Our strategic portfolio does not include operational projects, recurring capital, and excess non-recurring projects.
- Our strategic portfolio enables step changes rather than incremental continuous improvement efforts.
- We measure and record financial and other lost opportunity impacts when assessing project performance.
- We consistently measure project execution performance against baseline data (original schedules and budgets).
- We are confident in our ability to execute projects on time and on budget.
- We resource projects based on efficient and expedient execution rather than resource availability.
- We capitalize project management resource costs when advantageous.
- Our systems allow us to determine whether we have realized the expected cost benefits associated with strategic projects and we regularly assess performance.
- We consider cultural inhibitors and enablers that may impact the success of our strategy and sustainability of benefits.
- Our strategic portfolio integrates change management and is used to shape the culture to help achieve and sustain intended strategic outcomes.

AN OPPORTUNITY *for* EXECUTIVE LEADERSHIP

Contact IPM for the opportunity to develop a strategic partnership with a highly reputable, values-based professional firm that would:



Significantly improve your ability to transform strategy to sustainable results



Provide trusted and reliable project management variable capacity



Provide greater flexibility to capitalize program and project management resource costs



Continually evolve your internal program and project management capabilities



Provide greater flexibility to convert fixed costs to variable costs



Provide expertise to incorporate "culture shaping" as part of strategic intent



61% of corporate strategists say poor strategy execution is the main reason new growth initiatives fail. [Gartner](#)

7%

of leaders believe their organization is excellent in its ability to implement strategy. [Bridges Business Consultancy](#)

28%

of organizations track strategy execution with an effective measurement system.

[Bridges Business Consultancy](#)

21% of companies

have no list of strategic priorities. [PwC](#)



74% of leaders

are concerned they haven't translated their strategy into tangible actions. [PwC](#)

Less than **1** out of **3** executives

say their company's transformations have both improved organizational performance and sustained improvements over time. [McKinsey](#)



ARE YOU THE EXCEPTION?