



BOARD OF TRUSTEES RETREAT REPORT

Challenges and Choices
Framing the Anytown
Community Hospital Future

The Hotel
Anytown, NY
Month Day(s), Year



Contents

Introduction.....	3
Framing the Anytown Community Hospital Future: Shaping Our Strength Through Strategy.....	5
Where Are We: Critical Strategic Questions.....	5
The Anytown Community Mission, Vision and Values.....	6
The Challenges That Lie Ahead.....	7
Closing the Strategic Gaps.....	8
Shaping Anytown Community’s Strategic Focus: Breakout Groups Strategies and Objectives for 2020.....	9
Breakout Group Reports: Discussion and Recommended Goals and Initiatives.....	10
Strategic Planning Retreat Evaluation.....	12

Retreat Participants

Anytown Community Hospital Board Members

- Name, Chairperson
- Name, MD, Vice-Chairperson
- Name, Treasurer
- Name, Secretary
- Name
- Name, MD
- Name
- Name
- Name
- Name
- Name
- Name, MD
- Name
- Name
- Name

Staff & Other Invitees

- Name, Chief Executive Officer
- Name, Chief Operating Officer
- Name, Chief Financial Officer
- Name, MD, Medical Director
- Name, Executive Assistant

Facilitators

Name, Consulting Company
Name, Consulting Company

Introduction

The Anytown Community Hospital board of trustees has undertaken a strategic planning process that will provide them with an opportunity to evaluate where the organization is today in light of challenges in the future and to develop new strategies and new initiatives to meet emerging needs. The Anytown Community board of trustees held a strategic planning retreat on [DATE, YEAR] at The Hotel, Anytown, New York, planned and facilitated by governWell™. Anytown Community trustees and senior leaders discussed a variety of strategic issues and challenges facing the organization, and explored opportunities for strengthening the hospital's success into the future.

At the board meeting held on the evening of [DATE, YEAR] prior to the retreat, Barb Lorschbach discussed with board members their expectations of the retreat and the role of the board in the strategic planning process.

The planning process provided an opportunity for trustees to engage with each other in deliberative dialogue and strategic thinking about Anytown Community Hospital's future direction.

Prior to the retreat, governWell™ surveyed board and senior management leaders to assess their viewpoints on a number of issues, including the objectives they most wanted to accomplish at the retreat. The most critical objectives identified by members included:

- Leaving the retreat with a solid and well-thought out strategic direction;
- Developing a full understanding and support for what the strategic direction entails;
- Defining the roles and responsibilities of the board and administration;
- Engaging in positive relationship building between the board and administration;

- Better understanding [of] the implications of health care reform for Anytown Community Hospital; and
- Discussing succession plans for the President and CEO.

The pre-retreat survey also assessed leaders viewpoints and ideas on a variety of key strategic issues such as:

- Relevance of the Anytown Community mission and vision as a foundation for the future;
- Anytown Community's effectiveness in exhibiting its core values;
- Desired strategic priorities for Anytown Community in 2020;
- Dominant issues and challenges facing Anytown Community;
- Major objectives to be achieved in the next five years;
- Significant organizational strengths and assets that contribute to mission achievement;
- Major weaknesses or liabilities that may prevent mission achievement;
- Critical factors in areas relevant to Anytown Community's success; and
- Most needed and valuable areas of governance strength and knowledge building.

Based on the results of the strategic planning survey, governWell™, in conjunction with Anytown Community leadership, developed a retreat agenda to set the foundation for the strategic planning process by:

- Evaluating critical strategic questions confronting Anytown Community Hospital;

Challenges and Choices
Framing the Anytown Community Hospital Future

- Discussing the strength and relevance of Anytown Community's mission, vision and values to its strategic future;
 - Evaluating the most critical challenges confronting Anytown Community and assessing the organization's strengths and weaknesses and their importance to ensuring future success; and
 - Engaging trustees in identifying goals, and brainstorming and prioritizing initiatives for each of Anytown Community's strategic pillars: People, Finance, Quality, Service and Growth.
- What initiatives should Anytown Community Hospital consider undertaking to achieve its goals?
 - What resources will Anytown Community Hospital need to have in place to help ensure future success?
 - What, if anything, could threaten Anytown Community Hospital's ability to be successful in achieving success in each pillar area?
 - What factors are most critical to Anytown Community Hospital's strategic success?

Key questions to be addressed through the strategic planning process included:

- What should be Anytown Community Hospital's overall 2020 goal in each of the pillar areas?
- What is Anytown Community Hospital's unique and distinctive value and role in meeting patients' and the community's needs in the pillar areas?
- What assumptions can be made about trends, community needs, market development, etc., that will drive strategic initiatives?

During the afternoon session of the retreat, trustees convened in three breakout groups to focus on developing critical goals and initiatives for each of Anytown Community's strategic pillars. The results of each group's work were reported back to the full group.

The work accomplished during the course of this retreat provides the foundation and sets the direction and focus for Anytown Community's continued strategic planning efforts.

Shaping Our Strength Through Strategy

Where Are We: Critical Strategic Questions

Anytown Community leaders began their retreat by responding to ten critical strategic questions. The responses indicate leaders' belief that governance leadership improvement is critical to Anytown Community's success, and that the challenges the organization will face in the coming five years will require greater expertise and effectiveness from them than is required today.

Board members and senior management leaders also believe that health care reform has brought a high degree of uncertainty to Anytown Community's strategic thinking and planning. They identified as the **two most critical factors to governance success** the ability to lead through the uncertainty and change and the need to be well-supported with knowledge and education about the challenges and issues that will most affect the organization's success. However, leaders also indicated they lack a good understanding of the aspects of reform that will have the most strategic impact upon Anytown Community Hospital and many do not believe they are as well-informed as they need to be to ensure the future success of the organization.

Leaders' Responses Identify Strategic Governance Gaps

- When asked to rate their understanding of the aspects of health care reform that will have the most strategic impact on Anytown Community, leaders indicate a need to improve their knowledge, understanding and ability to assess the implications of reform on the organization.

Approximately half the leaders (9) indicated their understanding is not very good. The other half indicated their understanding to be fairly good (3) or good (5). None of the leaders rated their understanding as excellent.

- Nearly all of the leaders believe that health care reform has created uncertainty and confusion for Anytown Community's strategic thinking and planning.

When asked what degree of certainty passage of health care reform has brought to Anytown Community's strategic thinking and planning, most (13) leaders indicated that it has set a framework for thinking and planning, but much is uncertain. A few (3) indicated they are more confused than ever, and only one individual believes it has created a high degree of clarity and certainty.

- While leaders believe the organization is somewhat prepared to respond to uncertainties that lie ahead, there is room for improvement.

Most leaders believe that Anytown Community is pretty well (13) prepared to respond successfully to the uncertainties that lie ahead, while two leaders believe the organization is very well prepared. None of the leaders thinks the organization is not well prepared.

- Many of the board members and senior leaders believe they are not as well informed as they need to be to provide the leadership that will be required from them.

When asked how well-informed they are personally to provide the leadership required to respond successfully to reform, and the trends that will shape Anytown Community's future, most leaders (10) do not believe they are as well-informed as they need to be. Some (7) believe they are pretty well informed, while two believe they are very well-informed.

The board was encouraged to access the health care reform resources that the Healthcare Association of New York State (HANYYS) makes available to its members.

- Board members have mixed perceptions of the board's level of strategic thinking.

Framing the Anytown Community Hospital Future

When asked if the board focus is more on the “what” vs. the “how”, about half (9) the leaders believe the board focuses its efforts more on the “what,” but several leaders (4) believe the board is focused on the “how,” while others (5) believe the board splits its focus on both the “what” and the “how.”

- Leaders are nearly unanimous in their belief that Anytown Community will face challenges requiring increasing governance expertise and effectiveness.

Nearly all of the leadership (17) believes that the challenges Anytown Community will face in five years will require greater governance expertise and effectiveness than is needed today. Only one leader believes it will take the same level of expertise.

- Anytown Community’s leaders believe governance leadership improvement is vital and critical to the organization’s future success.

When asked, 14 leaders indicated that governance leadership improvement is vital and critical to Anytown Community’s future success. Another 3 leaders believe it is important and no one believes it is only somewhat important.

- Leaders have mixed perceptions as to whether or not the board holds itself directly accountable for Anytown Community’s success.

Half of the leaders polled (9) indicated that yes, the board holds itself directly accountable for the organization’s success as reflected in the bylaws and job description, and four leaders indicated that while the accountability isn’t reflected in writing, it is understood by board members. However, two members do not believe the board holds itself accountable and three indicated they don’t know.

- Leaders consider their ability to lead through uncertainty and change and trustees who are well-educated about the challenges and issues that will most affect the

hospital’s success to be the two most critical factors to future governance success.

Board members were asked to select the two factors they consider to be most critical to Anytown Community’s governance success. The polling results in priority order were:

- The ability to lead through uncertainty and change (16 votes)
- Trustees who are well-educated about the challenges and issues that will most affect the hospital’s success (12 votes)
- The ability to be macro-leaders vs. micromanagers (4 votes)
- The ability to successfully adapt to health care reform (3 votes)
- Trustees who are well-educated about, and adhere to their governance responsibilities (2 votes)
- The ability to renew governance through governance succession planning (1 vote)
- Anytown Community’s leadership skill and ability will be a defining factor in the organization’s future success.

The majority of leaders (15) believe that the board’s own ability to chart a course that ensures future success despite the actions of others will have the greatest impact on Anytown Community’s future success. Only a few (4) leaders believe that the actions of others over which the board has no control will have a greater impact.

The Anytown Community Mission, Vision and Values

Prior to the retreat, board members were surveyed for their thoughts and opinions regarding the strength and relevance of Anytown Community’s Mission, and Vision to its future.

Challenges and Choices

Framing the Anytown Community Hospital Future

Mission Statement

To provide our communities with safe, high-quality, comprehensive health care services in a dignified and compassionate manner.

The majority of Anytown Community Hospital's leaders (84%) agreed that this mission statement is a powerful, distinctive and compelling statement of the organization's core purpose.

During a review of survey responses at the retreat, leaders identified a potential need to evaluate the mission statement at a later date to determine whether providing "high value" care should also be incorporated into the mission statement.

Vision Statement

The partnership of hospital and communities will be the cornerstone of Anytown Community Hospital becoming the hospital of choice for patients, physicians, and staff.

Our approach to excellence in health care will be a continuum of services composed of a family of providers, including primary care, long term care, outpatient satellites, and access to a network of specialized care.

Our financial foundation will be strengthened; the facilities at Anytown Community will be in renewal; and the work environment will promote job satisfaction, wellness, productivity, and pride in meeting the many challenges of an every-changing climate.

When surveyed, leaders were less confident in the strength of the organization's vision. Only 68% of leaders were in agreement that the vision statement defines the future they believe Anytown Community is seeking to achieve.

Core Values

Integrity, trustworthiness, respect for others, compassion, honesty

Board members discussed their concern that leaders did not indicate a stronger belief that the hospital exhibits its five core values "very well". Leaders questioned if exhibiting values "pretty well" is really good enough. They also expressed concern that some believe the hospital does not exhibit

several of its values well at all. Leaders indicated a desire to further discuss at a later date how values are exhibited and what best practices would move the organization closer to exhibiting its values "very well."

The Challenges That Lie Ahead

Through the pre-retreat survey, leaders identified the ten most dominant challenges facing Anytown Community today. Retreat participants were polled to determine which three issues they believe to be the most critically important to Anytown Community's future success. **Improving quality outcomes, strengthening the hospital's community reputation and nurturing an organizational culture of excellence and performance** were identified as the **three most important issues** confronting the organization and its leaders.

When polled, leaders prioritized the ten challenges with the following results:

- Improving quality outcomes
- Strengthening the hospital's community reputation
- Nurturing an organizational culture of excellence and performance
- Improving efficiency and effectiveness
- Improving financial strength
- Increasing growth and market share
- Coping with the unknowns of health care reform
- Improving patient and customer service
- Building physician alignment and loyalty
- Combating competitive threats

Retreat participants engaged in a robust discussion of the challenges confronting Anytown Community. Leaders began the discussion by recognizing the organization's efforts to

meet “meaningful use” measures for health information technology (HIT). They discussed the fact that over the past several years quality measures have been implemented and quality has improved markedly. Central to the discussion were questions of how then to best to overcome anecdotal stories and past history that are keeping Anytown Community from being recognized by the community for its current, significantly improved, evidence-based performance. Leaders identified the problem as extending even to the Department of Health. In the course of their dialog, leaders identified that many of the organization’s patients have a second residence in Anycity and Anytown Counties, yet count New York city as their primary residence and the place where they seek most of their medical care. However, leaders further observed that as this population is aging, many are spending increasing time in Anycity and Anytown Counties and are beginning to seek more care in the communities served by Anytown Community. In addition to addressing the older population, leaders questioned how to encourage young professionals to also seek care from Anytown Community. Left unanswered, but recognized for its strategic influence was the question of how to overcome anecdotal perceptions of Anytown Community with the positive, evidence-based realities of the organization as it is today.

Shaping Anytown Community’s Strategy: Closing Strategic Gaps

Retreat participants identified a number of strategic gaps that should be addressed between now and 2020. The conversation began with Anytown Community’s competitiveness and market strength. The subject of strengthening community relations, trust and confidence was quickly identified, as was a continuing focus on improving quality of care. Leaders discussed the need to ensure a structure that will allow rapid change in response to the changes in the environment, using the shift from inpatient care to ambulatory services as an example. Given Anytown Community’s high level of integration, the need to provide for development of physician leadership was also noted. Finally, leaders discussed the need to ensure strategic direction “buy-in” at all levels of the organization.

Engaging in a discussion of governing leadership, the board noted its need for continuing education regarding governance best practices and the need for all board members to be fully engaged in committee work as part of the board’s on-going education. Members encouraged each other to attend meetings even if they are not formal members of a particular committee.

Leaders identified a number of discussion points regarding quality, including:

- The need to raise the prominence of quality;
- Interjecting quality into multiple board discussions and decisions;
- Clearly defining “quality,” determining the optimum between quality and cost;
- Evaluating whether or not the board is monitoring the right measures and indicators, and determining if the board has the right data to will tip off and prevent the next potential sentinel event; and
- Recognizing the significance of human resources staffing and recruiting as significant, but potentially overlooked, influences on the overall culture of the organization and the levels of quality and patient safety achieved by Anytown Community.

Board members’ acknowledged their role as advocates in the community for the organization and the quality of care and services that Anytown Community provides, but noted the need to better understand how they might work more effectively on behalf of Anytown Community. The board also noted a need to consider how the hospital might better leverage social media to engage younger individuals in the community.

Continuing the earlier discussion of public perception, trust, and confidence, the board questioned what is critical to evaluate to accurately assess patients’ experience with Anytown Community. Recognizing the limitations of HCAHPS in measuring patient satisfaction, leaders noted that measures that will give the board a more “real time” assessment of patient satisfaction are being developed.

Challenges and Choices
Framing the Anytown Community Hospital Future

Leaders noted that the organization’s financial status is the foundation that enables all else. With this perspective, leaders then discussed the need to improve efficiency, make tough decisions and maintain the oversight necessary to ensure Anytown Community’s long term financial stability and viability.

Shaping Anytown Community’s Strategic Focus: Breakout Group Strategies and Objectives for 2020

During the afternoon, retreat participants convened in breakout groups to discuss a variety of questions about Anytown Community’s five strategic pillars. Each group was asked to consider the following questions for each of their assigned pillars:

1. What should be Anytown Community Hospital’s overall 2020 goal in this area?
2. What is Anytown Community Hospital’s unique and distinctive value and role in meeting patients’ and the community’s needs in this area?
3. What assumptions can we make about trends, community needs, market development, etc., that will drive our strategic initiatives in this area?
4. What initiatives should Anytown Community Hospital consider undertaking to achieve the goal? Immediate (next 12 months)? Longer-term (2018-2020)?
5. What resources does Anytown Community Hospital presently have in place to help ensure our future success?
6. What resources will Anytown Community Hospital need that it doesn’t presently have in order to ensure success?
7. What, if anything, could threaten Anytown Community Hospital’s ability to be successful in this area?

8. What factors are most critical to Anytown Community Hospital’s success in this area?

Each group was asked to report back with one well-defined goal for each assigned pillar and three to five strategic initiatives that would be instrumental to successful achievement of the goal.

The breakout groups and their assigned strategic goals were:

Breakout Group 1

Pillars: Finance and Growth

Facilitator: Name

Recorder: Name

- Name
- Name
- Name
- Name

Breakout Group 2

Pillar: Quality

Facilitator: Name

Recorder: Name

- Name
- Name
- Name
- Name

Breakout Group 3

Pillars: People and Service

Facilitator: Name

Recorder: Name

- Name
- Name
- Name
- Name

Breakout Group Reports: Discussion and Recommended Goals and Initiatives

Breakout Group 1

Group 1 identified the following goal for the strategic pillar "Finance": *Maintain an operating profit of 3% to allow for reinvestment.*

The group recognized that one of the hospital's distinctive values and role as a community organization is the contribution of over \$70 million annually to the local economy.

The following assumptions were made about trends, community needs, market development, etc. that will influence strategic initiatives in this area:

- Reimbursement will decline
- The number of insured will increase
- The number of underinsured will increase
- Costs for technology, real estate, human resources, etc. will continue to increase
- Reimbursements will be influenced by bundled payments, pay-for-performance and the Physician Quality Reporting Initiative

Initiatives that Anytown Community should consider undertaking to successfully achieve a 3% operating profit include:

- Efficiency
- Teamwork
- Reducing the costs of poor quality

Group 1 identified the following goal for the strategic pillar "Growth": *Increase the number of individuals receiving care from the organization by 25% by improving market penetration.*

The group recognized that one of the hospital's unique and distinctive contributions to the community is the provision of the best quality care throughout the

community, utilizing an integrated network of specialties and services.

The group identified several assumptions about the market, including:

- The aging of the population
- Few uninsured under health care reform
- The community's population growth is expected to remain flat
- There will be more inpatient care needed and an increasing need for home care and assisted living

The following initiatives were identified by Group 1:

- Geriatric initiatives
- Outpatient procedures
- Mental health
- Expand geographic areas

Anytown Community's vertical integration is considered a key resource that will contribute to the successful achievement of this goal.

Additional human resources were identified as a needed resource in order to ensure success

The following were identified as potential threats to Anytown Community's ability to successfully grow:

- Nursing staff
- Primary care doctors
- New York state
- Competition
- Patient/staff ratios
- Satisfaction
- Retention

The factors most critical to Anytown Community Hospital's success in this pillar include: sense of community and niche.

Breakout Group 2

Group 2 identified the following goal for the strategic pillar **“Quality”**: *100% CMS metrics, core metrics and regulatory metrics*

The group identified the following initiatives to support the achievement of this goal:

- Comprehensive in-house initiatives for quality derived from:
 - Evidence based medicine
 - Peer review
 - Clinical outcomes
 - A culture of quality and a continuous quality initiative
 - Patient satisfaction
- Alignment with the formal systems of the organization
- Human resources credentialing promoting training and education

Breakout Group 3

Group 3 identified the following goal for the strategic pillar **“People”**: *To attract and retain a high performing staff, fully engaged in the development and implementation of the strategies, goals, objectives and culture of this organization.*

The group also identified the following initiatives to be considered in successfully achieving the identified goal:

Recruiting

- Review best practices
- Measure and improve on our practices
- Screen and test to best practices/our culture
- Expand role of Human Resources (customer service)

Retention

- Identify resource gaps (training, etc.)
- Employee satisfaction surveys
- Competitive compensation/review
- Fair and effective performance appraisals
- Identify career paths
- Promote teamwork/engage staff loyalty
- Recognition program

The group identified the following necessary resources in order to undertake the initiatives and achieve the goal identified:

- HR Resources for recruitment
- Ramp up Education Department

Group 3 identified the following goal for the strategic pillar **“Service”**: *To achieve a 95% patient satisfaction score on any available, reliable measure.*

The group also identified the following initiatives to be considered to successfully achieve this goal:

- Develop measurement tool
- Employ tool, establish baseline, identify gaps
- Provide education and necessary resources to improve service/address gaps

Group 3 identified the following resources as critical and important to achieving high levels of patient satisfaction:

- Diversion of staff (standing committee)
- Potential technical acquisition/consultant
- Training

The absence of will to accomplish the initiatives and the goal was identified as the most critical threat to success.

Retreat Evaluation

Retreat Overview and Accomplishments

Seventeen retreat participants rated the success of the retreat in 12 areas, using a four-point scale: 4 = “excellent,” 3 = “good,” 2 = “fair,” or 1 = “poor.” A mean score was calculated for each success factor.

In addition, retreat participants answered three open-ended questions about retreat outcomes, ideas for future leadership retreats and next steps for maintaining strategic momentum. Leaders were also asked for other comments or suggestions.

Retreat Ratings

Overall, the Anytown Community strategic planning retreat received favorable ratings. Combining all scores into a composite rating, 92% of participant ratings were either “excellent” or “good.” 52.5% of the ratings were “excellent,” and 39.7% were “good.” 5.9% were “fair,” and 2% were “poor.”

Combining the scores of all 12 performance criteria into a composite score, the retreat received a mean score of 3.43 out of a possible perfect score of 4. A score of 3 represents “good,” 3.5 is “very good,” and 4 “outstanding,” generally indicating that the retreat overall was viewed by Anytown Community leaders as “good.”

Attendees were especially pleased with the relevance of the retreat agenda to Anytown Community’s most critical issues. They rated highly the participation, interaction and teamwork among retreat participants and the quality of discussion and dialogue on issues that matter most to Anytown Community’s future.

A graph displaying the individual ratings and mean scores appears on page 14.

Participant Viewpoints

Retreat participants provided their viewpoints about the most beneficial outcomes of the retreat, ideas for future retreats and next steps to sustain Anytown Community’s strategic momentum.

Overwhelmingly, participants viewed the engagement of all members of the board in strong, strategic discussions as the most beneficial outcome of the retreat. The exchange of thoughts and ideas, and the identification of clear direction and goals were also noted as primary benefits of the retreat.

Leaders expressed repeatedly in their comments that the organization must focus on its retreat follow-up, follow-through and monitoring of progress in order to sustain the strategic momentum generated by the retreat. Suggestions for future retreats included more opportunity for discussion and additional breakout group time to focus on specific issues. Leaders would also like a review of the service analyses.

Verbatim answers follow:

Most Beneficial Retreat Outcomes

- Trustees talking frankly and openly about significant issues
- The opportunity to do an in-depth discussion of critical topics and to have everyone participate
- Good exchange of ideas—strategic issues identified
- A good opportunity to focus on strategic planning and gain better sense of how the board members viewed the future of ACH
- Clear direction
- Understanding of an uncertain future
- Direction
- Greater understanding of how to communicate with the younger members of our community, also, even better working relationships with other members of the board
- Breakout sessions, developed plans
- Excellent sharing of ideas, alignment of goals
- Open dialogue, need for teamwork and consistent messaging

Challenges and Choices
Framing the Anytown Community Hospital Future

- Excellent interaction
- Identification of clear strategic goals
- Coalescing of board members
- Hearing from those who might not be so vocal normally
- Synergy with administrative staff
- Relaxed exchange among board members

Ideas for Future Strategic Planning Retreats

- Continue reassessing our strategy and movement toward our goals, including changes in the environment
- Follow up to this one
- +/-or focus more closely on one of the issue areas
- Service analysis—help us understand and use the data
- Similar focus
- More time in breakout groups
- Focus on specific issue or topic to get to fuller understanding
- More discussion time needed
- Hold it Friday—Saturday in Anycity County
- Pre-retreat information should be given to participants 2 weeks prior to retreat

Next Steps That Should Be Taken to Sustain Anytown Community Strategic Momentum

- Follow up on the suggested initiatives
- This is where we always fall short, I hope we use today's work as step one of our strategic planning and it truly guides ACH's future

- Follow up at board meetings on key goals identified
- Create a plan for further developing the specifics of the strategic plans in each of the pillars
- Follow up with “mini-retreats,” dedicate an hour during subsequent board meetings
- Follow through
- Follow up on goals and how to achieve them
- Incorporation of key suggestions into relevant committee meeting +/-or formation of another (?) committee
- Follow up on plans at future board meetings
- Review our thoughts and conclusions, set up systems to achieve goals
- Develop an action plan to implement strategic objectives
- Excellent care, quality
- Teamwork
- Identify clear plans to achieve stated goals
- Strategic planning initiative should be put to a calendar and pursued vigorously

Additional Comments and Suggestions

- Good job!
- Thank you, Larry and Cindy, and thanks for giving us such specific recommendations about resources
- Call it anything other than a retreat, thank you
- Your presentation of board input and Hospital Compare info was excellent

Retreat Evaluation Ratings

