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Business plans

Tips from the toolkit 6

General practice is a business. Most practices can stay afloat by having appointments, billing patients, managing the administration processes and working long hours. What distinguishes the high performance organisation from the average organisation is a business plan. This article examines how to create a simple business plan that can be applied to the general practice setting and is drawn from material contained in The Royal Australian College of General Practitioners' 'General practice management toolkit'.

Keywords: practice management; general practice; planning techniques



General practitioners are familiar with clinical planning. For example, the formal plans that GPs are required to make for the care of patients with chronic diseases or mental health issues. Done well, planning can work.

Business plans however, can be time consuming to create and unwieldy to use; to invest time in business planning, it needs to be user friendly. An entry point for those considering a business plan can be starting with a single page plan.

Looking 1 year ahead

While a business strategy looks forward many years, a business plan can consider smaller steps and timeframes to reach the endpoint, such as a period of 1 year. A business plan can provide the means to set out the objectives for the practice for the year ahead. The practice owners should be involved in identifying the practice's objectives and the practice manager and practice team should be involved in developing these objectives. When done well this collaborative approach can assist in teamwork development and commitment to plan implementation. The plan can then be delegated to the manager, assisted by other staff and principles with specific responsibilities, to implement and report progress over the course of the year.

There is limited time and resources to run a medical practice. Consider what will have the most impact for your practice. Choose a short list of the areas in which you can take action to achieve significant results. From this produce a list of three to four key results areas (KRAs).

Measuring progress

Producing a set of measures will assist in assessing how well you are progressing in achieving the identified goals. Using the acronym 'SMART' (specific, measurable, achievable, relevant, trackable) can help. For each KRA choose one or two measures that will tell you whether you have achieved your goal.

For example, if a practice has decided to focus on the better provision of preventive health strategies, it may pick two or three sentinel markers for a preventive health activity that can inform whether improvements are being made. Bone density measurements and bowel cancer screening may be chosen as key performance indicators (KPIs). The practice collects baseline data, sets targets to be achieved over the designated time period, and arranges to monitor these KPIs. A visual display is an effective means of following progress.

Process and outcome indicators

Some activities take time to yield results. In these situations it can be useful to design measures that indicate the activity (or process) is occurring in a way that is predicted to lead to the desired outcome. An example would be an outcome to improve patient satisfaction ratings using a standardised measurement tool. However, as patient satisfaction is the result of their sum total practice experience, an overall improvement may take several years (a lag indicator). The practice might determine that some key interaction times disproportionately affect service satisfaction, such as the appointment booking process, time waiting for the doctor after checking in, and the

ABC Family Medical Practice – business plan on one page**January to December 2010****Key result areas**

1. Improve preventive health services

Activities

1.1 FOBT results (B)

Target 100 per qtr

1.2 BMD results (A)

Target 20 per qtr

Responsible person SM

2. Expand nurse services

Activities

2.1 Immunisations (D)

Target 700 per qtr

2.2 Health assessments (C)

Target 400 per qtr

Responsible person MI

3. Develop new practice services

Activities

3.1 Worksite skin checks (G/J)

Target \$10 000 per qtr and

200 checks per month

3.2 Practice skin checks (F/I)

Target \$20 000 per qtr and

200 checks per month

3.3 Travel health consults (E/H)

Target \$20 000 per qtr and

50 consults per month

Responsible person SH

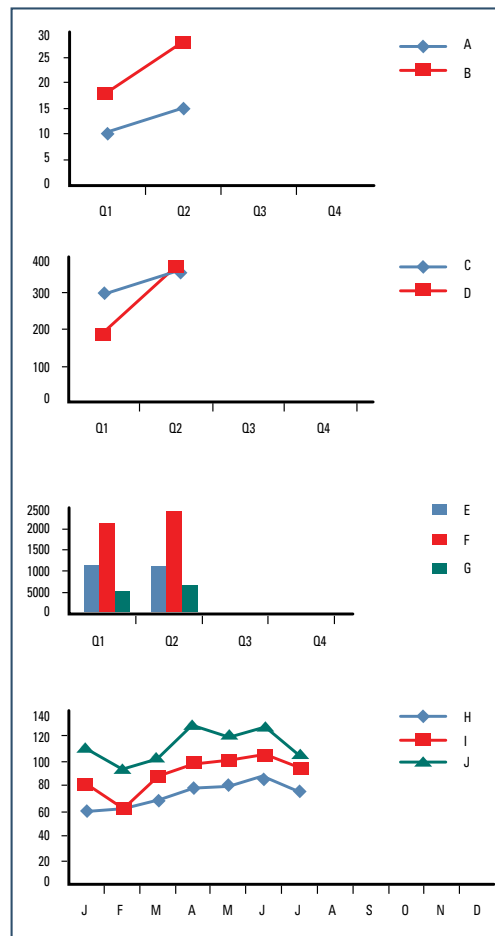


Figure 1. Single page business plan

perception of the clinical service received. Actions may be designed around improving these aspects of 'customer service.'

Process indicators may be: 'time on hold' for telephone calls, waiting time for doctors, and the use of written patient information as part of the consultation. These are all measurable and can be tracked to determine if improvement is occurring.

Monitoring

Measuring is only worth doing if the results are considered and incorporated into decision making. Regular reports can assist in changing or reinforcing behaviour. Where possible, display the results in a common area such as the practice staff room. Discuss them at practice meetings to encourage the team to achieve the desired results.

A single page business plan

A single page business plan can be an effective communication tool. It can outline the activities and illustrate progress, presenting spreadsheet data in a graphical format. Involving the entire practice team is important in creating ownership, accountability and recognition. An example format is shown as *Figure 1*.

Author

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