

Effective Planning: Make something happen!

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The term "Planning" is not one which excites many people. Yet most of us have hopes and dreams for the future that do excite us. Planning is simply investing some time now to determine what steps will maximize the chances of attaining the things that are important to us. The term "investing" is appropriate, because it implies giving up something from immediate consumption in order to derive greater benefit in the future. With planning, we give up time now in order to have the future go better. Planning essentially consists of answering four questions; where do we want to go (*mission*), where are we now (*SWOT analysis*), how do we get to where we want to be (*goals*), and later on, how are we doing (*monitoring*).

Where Do We Want To Go?

Before we can plan how to reach our hopes and dreams, we must first define what they are. We need to start with the big picture. On a personal level, we need to determine what things are really important to us. What do we want to accomplish over our lifetime? What is important to us in terms of personal growth, family relationships, career accomplishments, financial security, social service, friendships, and other areas? It is crucial to begin at the personal level, because practice goals need to be compatible with personal ones if we want to have a reasonably harmonious existence.

Some people are turned off by the term "Mission Statement". If you are one of them, use whatever phrase suits you better, but I strongly suggest you take time to define what things are important to you on a personal level. "Personal Mission Statement" works for me. I will use examples in this paper from my own life and practice. At the end I include some other examples.

My mission in life is to serve mankind, while simultaneously growing into my full potential as a creation of God. In serving mankind, I hope to help those whose lives I touch come closer to their

potential as creations of God. This applies especially, but not exclusively, to Alenda, Chuck, Tanya, Lara, Meredith, and Dalton.

In simpler terms, this says I want to be all I can be, I want to serve others, and my family comes first. The fact that this is my mission does not imply that I always live up to it. It simply says this is what I desire to do over the course of my existence on earth.

Figure #1 below shows how the various components of our life can fit together to help us reach our personal mission. Notice that career is only one of the areas that are important. Yet one of the common hazards of veterinary practice and many other businesses is that career tends to push other areas aside, and take over, as shown in figure #2. Having a clearly stated personal mission statement helps prevent this from happening.

Figure 1.

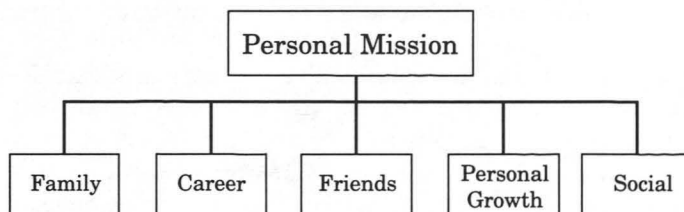
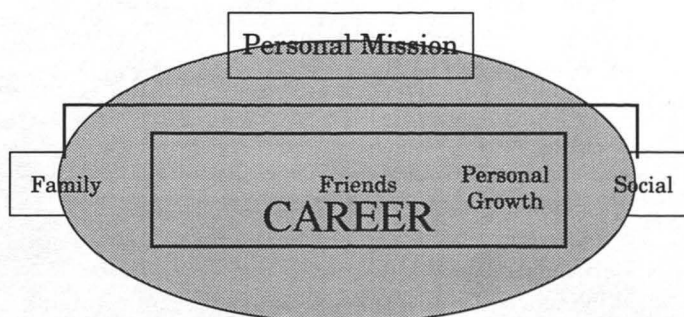


Figure 2.



The primary focus of this paper is not on personal planning, but on practice planning. The principles are the same. We need to begin by defining just what the practice is supposed to accomplish. Why does it exist? Who does it serve? What is its mission? We need to define a practice mission statement before we can proceed with any meaningful planning.

My practice mission statement is:

The purpose of dairy management consultants is two fold: First to help dairy farmers attain goals that are meaningful to them. Second, to produce income that allows me to do things that are important to me.

A mission statement can be more detailed and specific than this if such details are crucial to the practice mission. For example, some practitioners may want to really emphasize production medicine, and include it in the mission statement. However, if production medicine is simply a means to achieve the mission, then it would more correctly be included in strategic goals, which will be discussed later.

Where Are We Now?

After establishing a definite mission for the practice, the next step is to assess just where the practice stands in terms of being able to carry out that mission. This is called a S.W.O.T. analysis. The letters of the acronym stand for strengths, weaknesses, opportunities and threats. Strengths and weaknesses are characteristics of the practice itself, while opportunities and threats relate to situations outside of the practice.

I will give an abbreviated S.W.O.T. analysis of two different stages of my practice life. Fifteen years ago I was in group practice faced with a dramatically shrinking dairy client base and a rapidly expanding small animal clientele. I enjoyed dairy practice, and had good skills at traditional medicine, but limited ones in production medicine. The following S.W.O.T. analysis was true at that time;

Strengths

- Good traditional dairy skills.
- Committed to remaining in dairy practice.
- Willing to learn and change.
- Situated with a supportive practice group.

Weaknesses

- Lack of production medicine skills.
- Deficient small animal practice skills.

Opportunities

- Chance to develop and utilize production medicine.

- Possibility of attracting new clients by writing, speaking, and traveling.

Threats

- Diminishing client base.
- Not being able to meet the needs of existing practice if begin traveling.

One possible opportunity not listed was to move to another area with a strong dairy industry. This was not considered because my wife had just started a job that was important to her. We felt that moving would seriously compromise her own opportunity for personal/professional development. Such an action would violate one of the tenants of my mission statement, therefore I sought a solution that did not involve moving.

In responding to the above situation, I eventually left the practice I was in, formed Dairy Management Consultants, and began doing a variety of activities as I sought to fulfill my practice mission. One of these activities was to work part time doing production medicine with another practice, located about 50 miles southwest and enjoying a very strong, stable dairy client base. This consumed roughly half of my time and provided half of my income for several years.

This arrangement worked quite well. However, in 1995 the owner of this practice became ill and eventually passed away. At about the same time an employed doctor left with little notice. The result of these two events left this practice short handed, and resulted in me taking on a great deal of traditional work within their practice, which necessitated me neglecting some of the consulting and other work I had been doing. This situation lasted until late in 1997, when they were once again able to have a full complement of large animal practitioners. Thus at the end of 1997 a S.W.O.T. analysis of Dairy Management Consultants looked like this.

Strengths

- Overall good traditional and production medicine skills.
- Access to a stable dairy client base.
- Adequate time to devote to production medicine and consulting.

Weaknesses

- Obsolete vacuum recorder.
- A reputation among some clients as being "too busy".
- Not up to date with net carbohydrate ration programs.

Opportunities

- Push production medicine programs.
- Purchase new vacuum recorder and do more equipment evaluation.

- Challenge existing clients to look at finances and future planning, and proceed to work with them on those areas.
- Up date computer ration balancing program.

Threats

- Loss of traditional dairy practice with the other practice.
- Overall uncertainty of dairy industry.

How Do We Get There?

After determining the practice mission and assessing where it stands now, the next step is to set some goals that will move us towards fulfilling the mission. These goals can be divided into strategic (long term), and operating (short term). In addition to setting the goals, decisions must be made regarding who is going to do what and when, in order to achieve the goals. To be effective at bringing progress, goals need to be measurable, attainable, challenging and time linked.

Strategic goals are broad based, with a time frame of 3 to 5 years. Such things as a new clinic, developing a nutrition program, practice growth, gross or net income, and staff turnover are all areas which could be part of a long term outlook towards a successful practice. Beneath each of these strategic goals would come a series of short term goals.

Using "developing a nutrition program" as an example, the strategic goal might be to have 25% of clients using the practice for nutritional consultation within a three year time frame. Operating goals to support that would include attending C.E. to keep current, developing a fee system that would be fair to both parties, purchasing up to date ration software, presenting a client education meeting with focus on nutrition, and approaching ten appropriate clients with a proposal to do their nutrition work. All of these operating goals could be scheduled for completion within one year, and then new ones set for the next year. All are measurable, attainable, challenging and time linked.

The final step of the goal setting process is to determine what doctor (or doctors) will work on what goals, with a definite plan and a time table. Means should also be in place for reporting back progress at pre-determined intervals.

My strategic goals at the beginning of 1998 were as follows:

1. Maintain net income despite loss of traditional work.
2. Increase production medicine programs to clients where I continue to do repro exams.
3. Develop an in depth working relationship, dealing with finances and long term planning with at least one new client per year.
4. Work fewer hours, take more time to relax.

Operating goals for #2 above include:

1. Prolong visit time by offering advice and planning on opportunities for improvement. Increase billable time per scheduled visit by 15%.
2. Purchase modern vacuum recorder, and learn to use it.
3. Learn a net carbohydrate nutrition program, and implement it on two farms.
4. Develop and present to clients a means of monitoring cost of producing milk on smaller farms.

How Are We Doing?

The final step of the planning process is to monitor progress. For a solo practitioner, this may be simply a matter of knowing what has been done and what remains. Even so, it will benefit him or her to periodically review the mission and goals, assess progress, and re-dedicate themselves to the undone work.

For group practices, the monitoring is very important in order to keep everyone informed. Staff meetings, held at least monthly, are a good time for individual doctors or lay staff to report on activities, get feedback from others, make adjustments if needed, and then continue to work. One of the primary reasons to set goals is to have a means to measure progress. If this is never done, then setting the goals will have decreased effectiveness.

In monitoring progress for Dairy Management Consultants, I find that as of this writing on March 28th, 1998, that I have purchased and learned to use the recorder, have begun work with one new client on long term planning, have increased non traditional work as traditional work has shrunk (this is related to the goal of maintaining net income). I have not yet learned a net carbohydrate nutrition program, although I have one ready to install on the computer.

I think it is important to recognize that not every goal will be reached. Many unexpected pitfalls arise. Expected opportunities disappear, new ones come up, and some plans just do not work. However, if we set goals and work towards them, progress will occur much faster than if we simply react to what life hands to us.

Conclusion

Formal planning is certainly not an exciting or popular activity. Yet it is very important that practices, especially group practices, take time to assess what they really want to do, and then take steps to accomplish what they want. Doing so is best achieved if time is devoted to defining a mission, assessing the current situation, setting long and short term goals, and monitoring results. Figures # 3 - 6 show a mission statement, S.W.O.T. analysis, strategic goals, and one set of operating goals for a hypothetical practice.

Additional Examples

Figure 3. ABC Veterinary Hospital Mission Statement

The ABC Veterinary Hospital seeks to provide complete health services to the dairy industry in the Tri County area. This includes preventive, therapeutic, emergency, and production medicine. We also want to be the dominant provider of animal health products.

Through providing these services, ABC Veterinary Hospital strives to derive income sufficient for owners and staff to attain goals that are important to them. In addition, we want to give all people associated with us an opportunity to grow personally and professionally. We seek to foster positive relationships between doctors, staff, and clients.

In brief, ABC Veterinary Hospital wants our clients to gain by our having served them, our employees to be better off for working here, and the owners to have benefited by both relationships. Only a win-win-win scenario is acceptable.

Figure 4. ABC Veterinary Hospital S.W.O.T. Analysis

Strengths

- Committed, enthusiastic owners.
- Excellent physical facilities.
- Core of good professional and lay employees.

Weaknesses

- Staff poorly organized, not very productive, some friction.
- No production medicine program.
- High overhead.
- Very tight cash flow.

Opportunities

- Some clients are good candidates for production medicine programs.
- New large herd moving into the area.

Threats

- Milk price volatility challenges clients.
- Susceptible to competition, especially production medicine.
- Some clients disgruntled and complaining.

Figure 5. ABC Veterinary Hospital Strategic Goals

1. Increase value and client perception of value.
2. Improve staff harmony and productivity.
3. Double net income.
4. Improve client relations.
5. Take more time off.

Figure 6. Improve Value and Perception of Value

Operating Goals

1. Begin production medicine program in four herds.
2. Publish a newsletter.
3. Conduct two client education meetings.
4. Each doctor take one C.E. course in area where practice needs help.
5. Improve phone answering practices

Each of these operating goals needs a person assigned responsibility, an action plan developed, and a time table set. Monitoring results should also be set up.