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RESOURCE CENTER

# Introduction to Business Planning for Sustainability

## Rural Allied Health Training Networks

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April, 2017

The National Rural Health Resource Center (The Center) is a nonprofit organization dedicated to sustaining and improving health care in rural communities. As the nation's leading technical assistance and knowledge center in rural health, The Center focuses on five core areas:

- Transition to Value and Population Health
- Collaboration and Partnership
- Performance Improvement
- Health Information Technology
- Workforce



# Learning Objectives

At the end of this webinar, participants will:

- Consider a systems approach to sustainability
- Identify the purpose of a business plan
- Identify the audience of a business plan
- Understand four key components of a business plan
- Introduced to Business Planning Tools
  - A Guide to Writing a Business Plan
  - Business Plan Template



# Definition of Sustainability

- Sustainability is... the ability to achieve desired outcomes and financial viability through implementation and deployment of the organization's business plan.



# Sustainability Requires a Systems Approach

No one part of a car is a car.

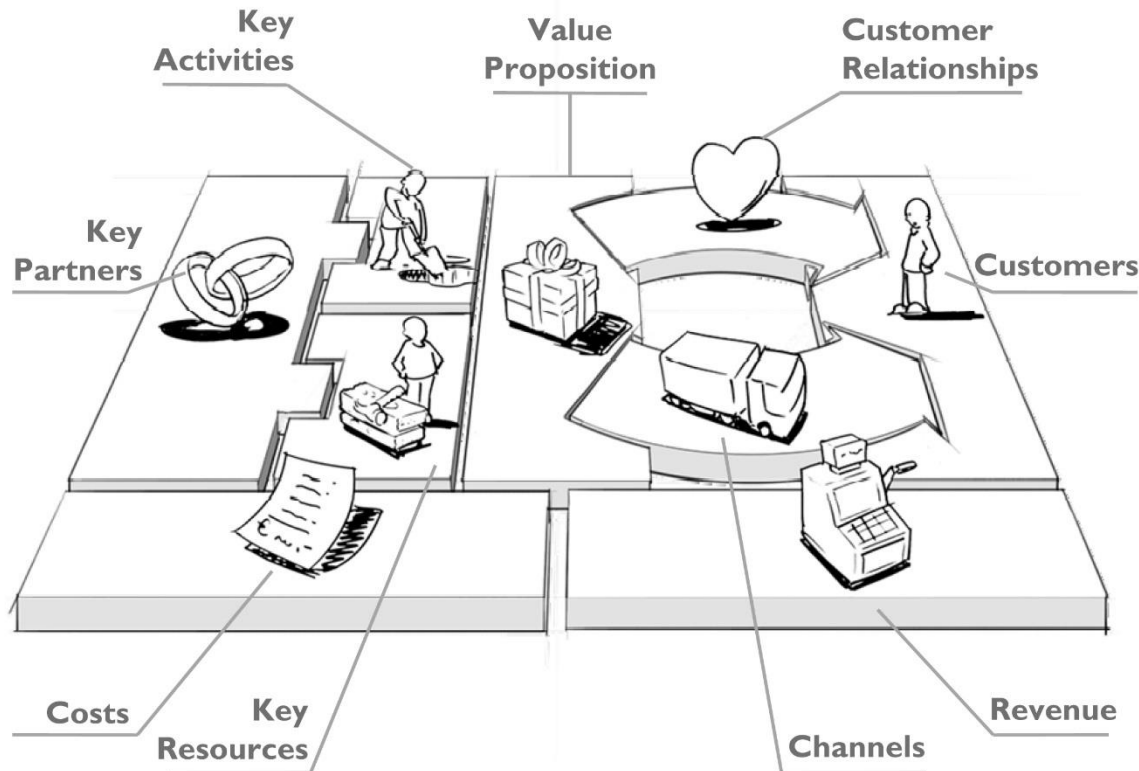


[jalopnik.com](http://jalopnik.com)-

The car functions because of how the parts interact with each other.

# A Business Plan is a Framework

- A framework provides structure to help understand the parts AND the interactions between the parts



drawings by JAM



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# Purpose and Audience of a Business Plan

- A business plan includes a compilation of plans with the primary purpose to convince external readers of the ongoing viability of the organization or project.
- A business plan is a living document that projects 2-3 years into the future and conveys the path the organization or project is intending to take in order to be sustainable.



# Business Plans have 4 Components





# Discussion

- *Experience with writing and using business plans*



# Business Plan Components

- Program Description
- Market Analysis and Plan
- Management and Operations Review
- Financial Outlook

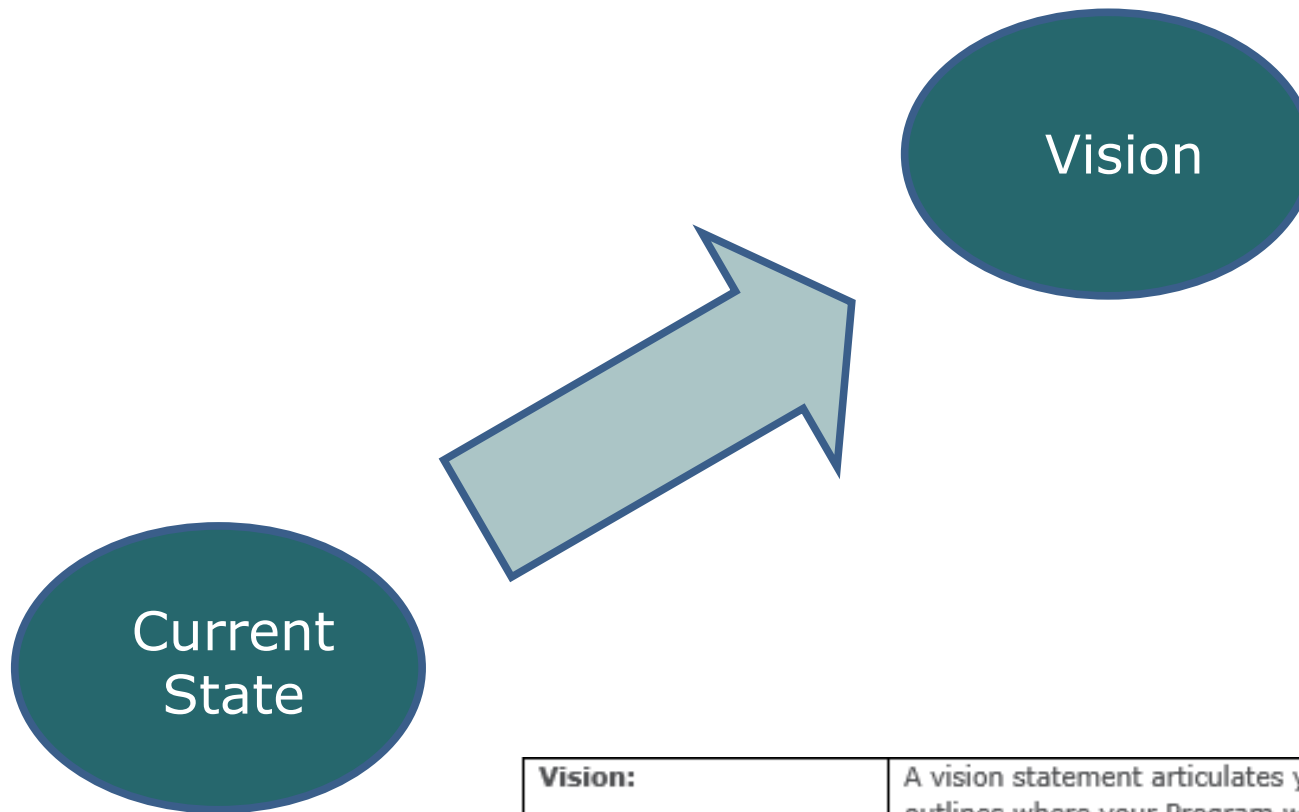


# Mission, Values and Vision

Program Description	Notes and Guidance
<b>Mission:</b>	A mission statement articulates your Program's purpose for being. It includes how the Program will achieve its vision in relation to specific objectives and customer needs. The Program's mission will be part of the Strategic Plan.
<b>Values:</b>	Value statements are principles and beliefs that guide your Program's activities and the way it operates. It articulates your Program's shared beliefs. These values are often included in the Strategic Plan. If the Program has not
	identified specific Program values, it is recommended to complete this effort prior to writing the business plan.



# Vision Draws the Program Forward



<b>Vision:</b>	A vision statement articulates your Program's aspirations. It outlines where your Program wants to be; communicating your Program's purpose and values. The vision of the Program may be found in the Strategic Plan. See the RHI <a href="#">Allied Health: Strategic Planning Toolkit</a> resource for facilitation tools.
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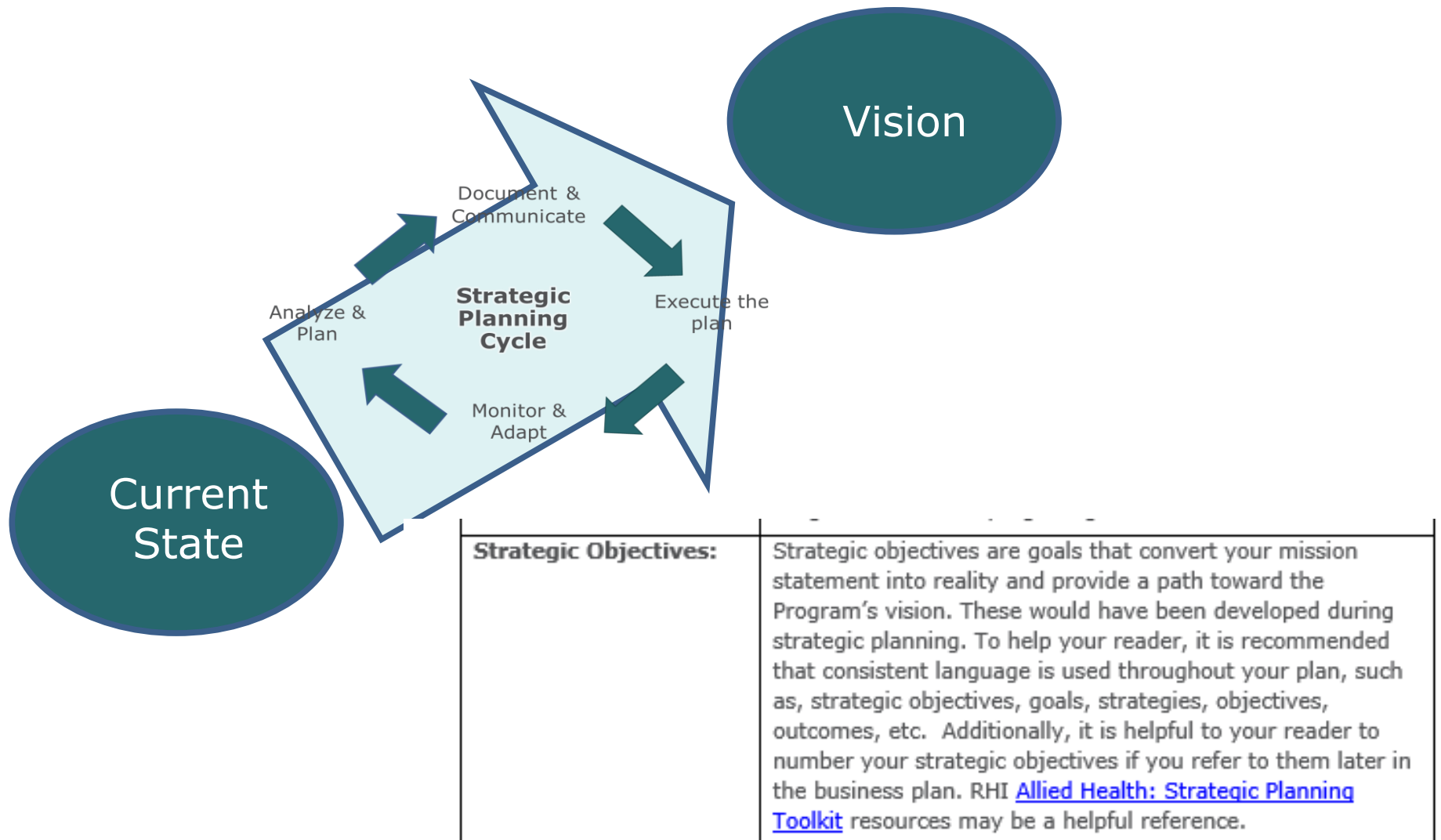


# History, Objectives and Governance

<b>History and culture:</b>	<p>The information in this section is foundational for the business plan. It provides the reader with just enough information to make sense of the rest of the plan; giving context for the program's services, infrastructure, and financial projections. An area that may be new for your program is to consider your Program's culture. To consider the culture of your program ask "how do we do our work when meeting our mission and implementing our work plans?" In a way, your culture describes how your Program staff lives the values. For example, high expectations for excellence, a learning organization, friendly and helpful. For the business plan, writing this section so the reader has some insight into how the program gets it work done.</p>
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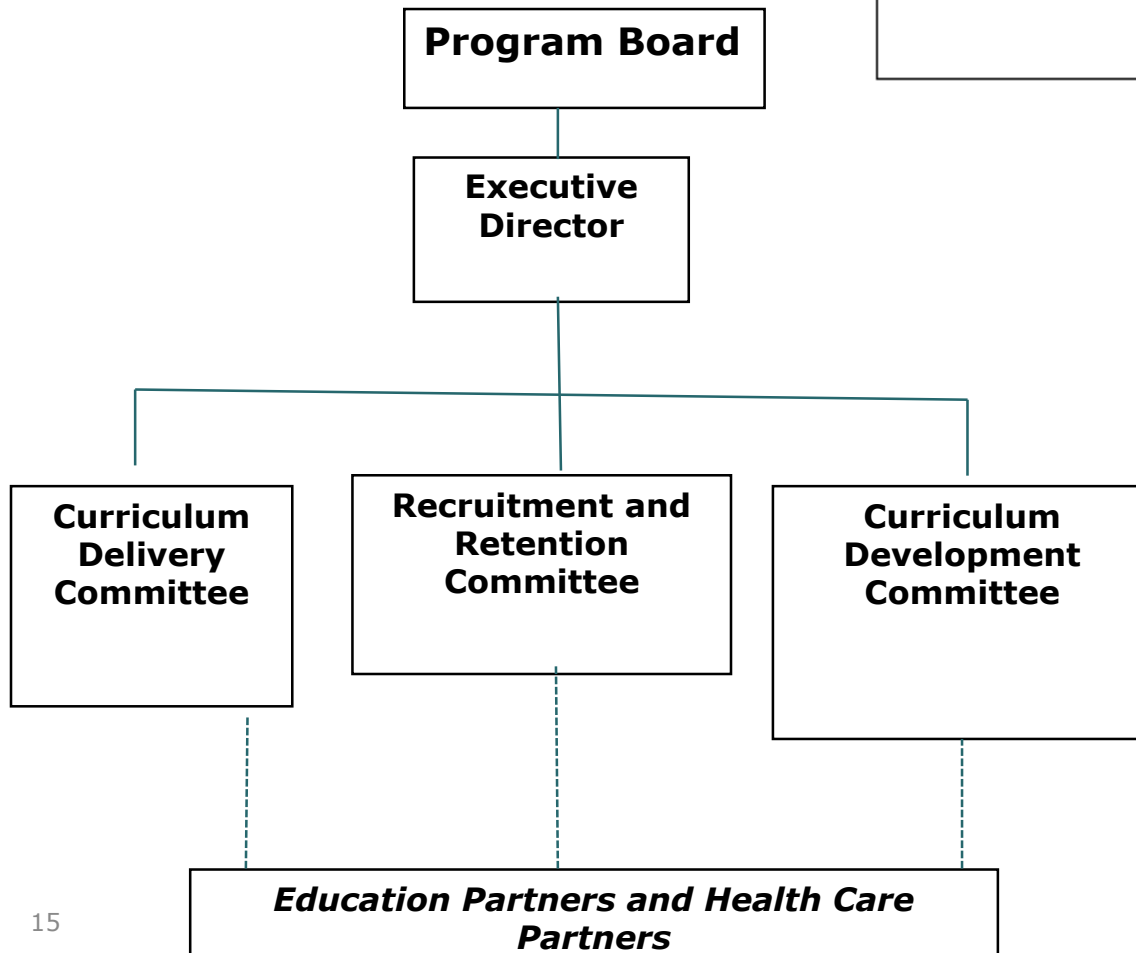
# Strategic Plans Inform the Business Plan



# Governance Structure

## Business Structure and Governance:

Business structure is a description of your Program's leadership and staff alignment. It provides a picture of how the leadership and staff are paid. Business governance describes how decisions are made. Governance is usually located within the by-laws or memorandum of agreement (MOA) or understanding (MOU). You may want to reference the RHI [Network Board Development: Equipping Leaders for Effectiveness](#) presentation as it addresses structure and governance.



# Next Steps: Business Plan Components

- Program Description
- Market Analysis and Plan
- Management and Operations Review
- Financial Outlook





# Health Care Environment and Members

Market Analysis and Plan Components	Notes and Guidance
<b>Regional Health Care Environment and a Competitive Analysis</b>	<p>Briefly describe the current health care environment that is impacting or influencing your Program and its partners/customers. If you have not done this scan, it is recommended that you consider completing this effort prior to writing your business plan. To identify aspects of the environment that are impacting or influencing your program or your partners, review the environmental scan tool that is part of this document and ask: "what are the key drivers of change – those levers or blocks that require the program or its partners to adapt or adjust its work in order to continue achieving its mission?". A good source of environmental information is from your strategic planning process. See the RHI <a href="#">Allied Health: Strategic Planning Toolkit</a> resource as a reference.</p> <p>A <i>Competitive Analysis</i> for your Program, considers the options your partners/customers have in choosing a service from another organization. For example, if your partners have other options for receiving the service then ask; "What are the competitor's strengths and weaknesses in producing and delivering the product or service?"</p>
<b>Program Partners, Members and Customers</b>	<p>List your Program's current partners, members and customers and provide a short description that offers the reader a brief insight in why each organization is a partners/customer. You are building a profile of your partners/customers here. This provides examples of partner organizations that demonstrates the value in being a member. Suggestions for profile topics include: mission, type of organization, longevity of partnership, location/town, specific equipment or connectivity, Program products being utilized or valued, and shared resources. Often this section is also part of the strategic plan documentation. See the RHI <a href="#">Allied Health: Strategic Planning Toolkit</a> resource as a reference.</p> <p>If you have a <i>Partner/Customer Profile Study</i> or <i>Target Market Analysis</i>, include it here. Market analysis resource from the U.S. Small Business Administration: <a href="https://www.sba.gov/content/market-analysis">https://www.sba.gov/content/market-analysis</a>.</p>



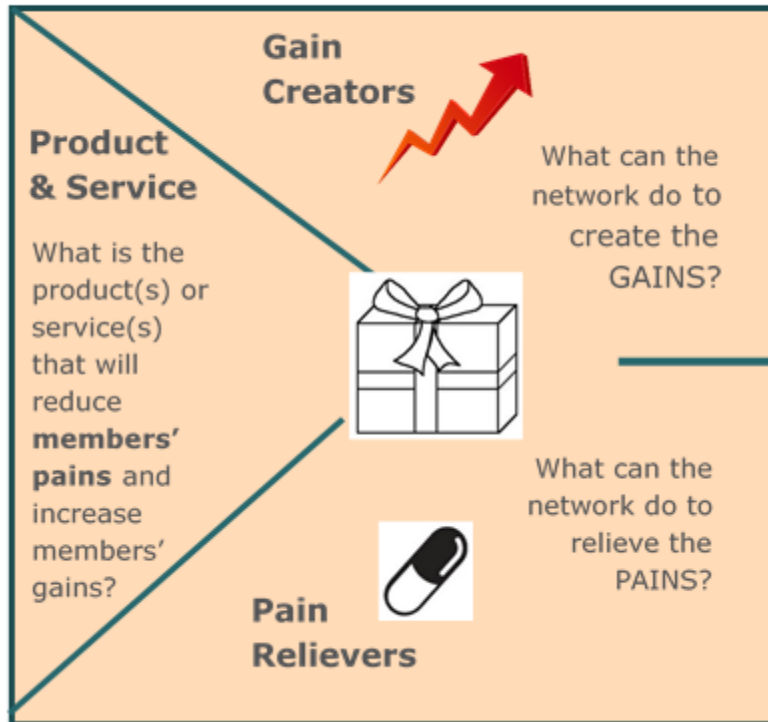
# Understanding Needs and Articulating Value

<b>Partner, Member and Customer Needs Assessment</b>	<p>Include a brief or summary level description of your partner, member and customer needs. The needs assessment is in your marketing plan. If you have not completed a partner needs assessment to align your program's products and services that identifies a product fit, then it is recommended to complete a needs assessment prior to writing the business plan. See the RHI <a href="#">Understanding your Target Market: Value Proposition Design</a> resources for more information.</p>
<b>Value Proposition of Products and Services</b>	<p>This is an opportunity to articulate the value that the Program provides to its current and potential partners, members and customers.</p> <p>Provide value propositions for each program product and service. Keep this description at a summary level. It will be a starting point when developing marketing materials. If you have not identified and articulated value propositions, then it is recommended to complete prior to writing the business plan. See the RHI <a href="#">Understanding your Target Market: Value Proposition Design</a> resources for more information.</p> <p>If your Program has a <i>Competitive Advantage Study</i>, include it here. This will show your Program's ability to potentially deliver products/services for a lower cost or perhaps provide a higher level of service than competitors.</p>
<b>Promotion and Communication</b>	<p>Describe the approach and methods for promotion and communication of the program's value propositions. Keep this section at a summary level. If your Program has a <i>Branding Plan</i>, include it here. It is critical to communicate</p> <p>If you have not yet completed a marketing plan that includes promotion and communication it is recommended to complete this work prior to writing the business plan.</p>



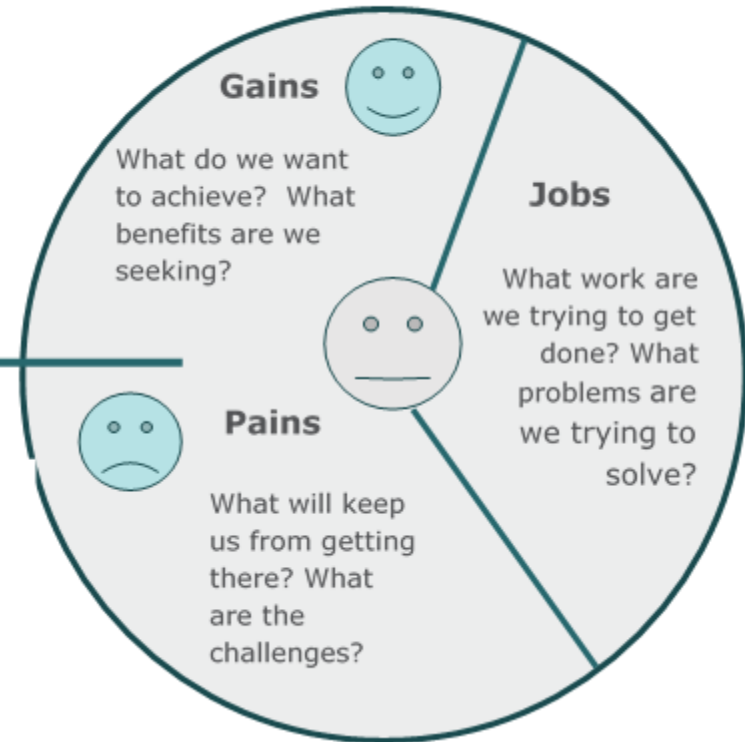
# Value Proposition Canvas

## Product & Service Value Map



fit  
Value Proposition

## Member Needs Assessment



# Next Steps: Business Plan Components

- Program Description
- Market Analysis and Plan
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# Management organization or project and Skills

Leadership and Operations Review Components	Notes and Guidance
<b>Program Leadership and Skills</b>	Briefly describe the leadership skills and attributes that contribute to the success of the Program. Providing an example if it will help paint the picture for the reader. An organizational chart may be helpful if you have one. The key here is to show the reader that you have the people resources in place to support success. This section may have been developed for your strategic plan, but if not it is recommended to develop it for your business plan.
<b>Key Initiatives</b>	Describe key activities and initiatives focused on developing, implementing, supporting and providing products/services. This section is a summary or high level description of your work plan or logic model. Initiatives are those activities that take place from 6-18 months. Initiatives should be conveyed in a clear and concise manner in which the reader is convinced that your efforts are focused on the Program's mission, vision and strategic objectives.  Use the Key Initiatives segment (page 4) of the <a href="#">Business Planning Worksheet</a> for this section. Using your work plan or logic model may also be helpful here. A scorecard format may be a helpful for this section. The scorecard is commonly located in the Evaluation Plan.
<b>Key Resources and Infrastructure</b>	Describe the fundamental resources and infrastructure of the Program that supports operations, (i.e. the 'inner workings' that make the products/services possible to create and deliver). Provide the reader with just enough detail to convince them that the operations are effective, reliable, and stable. Keep this section concise by selecting the most important tools, technology, expertise, staffing, etc. This will most likely be new writing for you, as it is not included in either the evaluation plan or strategic plan. The <a href="#">Business Planning Worksheet</a> , Key Resources, (page 4) will be a useful resource for this section.



# Management organization or project and Skills

<b>Key Partners</b>	<p>Identify the key partners of your Program from the perspective of supporting the operations. This is not the same as a stakeholders list. Key Partners are those that are actively contributing to the success of the program's operations in meeting the mission.</p> <p>Briefly describe the type of relationship the partner has with the Program, (i.e., long-time funder, ex-official board member, informal advisor, etc.). The goal is for the reader to have a clear understanding of how the partner organizations are supporting operations and to be convinced that the key partners are committed to the Program's success.</p> <p>Refer to the Key Partners portion (page 4) of the <a href="#">Business Planning Worksheet</a> for this section.</p>
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# Business Planning Canvas

## RHI Network Business Plan Canvas

1. Member Needs Assessment:

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2. Description of Business Product or Service:

•



1a. Members Pains:

•



1b. Member Gains:

•



2a. Relieve Pains:

•



2b. Create Gains:

•



1c. Ranking Pains & Gains

2c. Ranking Pain Relief & Gain Creation

3. Desired End-User Experience & Relationship:

•



4. Product or Service Communication & Delivery:

•



5. Key Initiatives:

•



6. Key Resources:

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7. Key Partners:

•



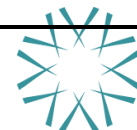
8. Development & On-going Costs:

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9. Expected Income:

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# Evaluation Dashboard of Key Results

## Evaluation Dashboard

This is an executive level summary of metrics for monitoring and adjusting strategies and key initiatives. This dashboard format is located within your evaluation plan. The dashboard should be limited to one - two pages and include only the most insightful measures that demonstrate your program's progress toward its objectives and goals. If you do not have an evaluation dashboard of key metrics it is recommended to complete this prior to writing your business plan. A resource for this section is the [Allied Health Program Evaluation Planning and Tools](#).

### Goal 1: To improve the overall quality of health by implementing a sustainable evidenced-based care coordination program across Wright Health Partners network and area partners

Obj 1.1	Measure definition: # of people receiving care coordination service during each quarter for the first year of grant.									
	Method of tracking: tracks within spreadsheet and identifies total population at the beginning of the year.									
Measure		Target	Frequency	Q1	Q2	Q3	Q4	Q1	Q2	
# of people receiving coordinated care within chronic illness population		15%	Quarterly	103	17	23	15	89		
Obj 1.2	Measure definition: # of readmission visits measured quarterly. Method of tracking: track quarterly on quality report									
	Measure		Target	Frequency	Q1	Q2	Q3	Q4	Q1	Q2
Reduce Readmission rates for CAF, COPD, and Diabetes		0	Quarterly	2.2%	2.7%	0.8%	2.0%	2.6%		



# Next Steps: Business Plan Components

- Program Description
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# Estimated Costs and Revenues

Financial Outlook Components	Notes and Guidance
<b>Estimated Operations Cost</b>	<p>Provide a brief narrative or chart of the estimated operational costs of your Program. Doing this in annualized dollars, costs for the full 12 months of work, can be the easiest for people to understand.</p> <p>Support this narrative with a summary level chart that shows the total cost components for your Program.</p> <p>The <a href="#">Business Planning Worksheet</a>, page 5 is a useful resource to identify various costs to take into consideration.</p>
<b>Projected Revenues</b>	<p>Provide a brief narrative or chart of the estimated revenue of your Program. Doing this in annualized dollars can be the easiest for people to understand.</p> <p>Support this narrative with a summary level chart that shows the total revenue components for the Program.</p> <p>The <a href="#">Business Planning Worksheet</a>, page 5 is a useful resource to identify various costs to take into consideration.</p>
<p><i>NOTE:</i> It may make the most sense to combine the estimated costs and revenues into the same chart. There is no one right way to present your financial information. The goal, however, is to make it easy for your reader to understand where you are spending your money and how you are bringing in revenue. It needs to be easy for them to be convinced of your Program's financial stability.</p>	



# Pro Forma Scenarios

<b>Pro forma Scenarios</b>	<p>If your Program has some decisions to make that will impact the future of the Program, this is the place to include those various outcomes by using the same financial charts above, but changing the assumptions within the spreadsheet and showing different scenarios.</p> <p>Example of changing the number of partners: Scenario 1 = no growth, Scenario 2 = increasing partners each year by a specific number or % increase, etc.</p> <p>Example of different ideas for dues structure or pricing assumptions: Scenario 1 = currently no dues, Scenario 2 = tiered structure based on member's net income, Scenario 3 = tiered structure based on member's operational capacity.</p>
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# Questions

- Peer Call Follow-up for writing a business plan:
  - April 19<sup>th</sup>, 2:00pm CT



# Sustainability Plan Deliverable

- Sustainability Plan deliverable is built out of your business plan
  - Due during Program Year 3: 8/2017-7/2018
- TA support writing a business plan
  - Coaching via email and phone
  - Review and feedback with check-in calls: July and Sept.





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