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# Strategic planning: A dynamic process for defining and reaching practice goals

Our strategic planning solution can help your practice create a vision for the future, while equipping leadership with short-term tactical planning that drives momentum and results. Our comprehensive planning process culminates in a detailed three-year action plan. You will walk away with a structure for daily decisions that follow the larger vision, empowering your practice to meet top priorities.

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## The process



### Preparation

We conduct an analysis of your practice and the many factors that affect its performance, enabling our planning team to thoroughly understand your challenges and opportunities. Practice financial trends, geographic footprint and payer mix are analyzed in-depth. Additionally, interviews are conducted with physicians and key staff to learn about their concerns, what additional services they think the practice could excel at, and any other topics they want to be considered. A joint committee comprised of key practice personnel is formed to collaborate and make decisions on the topics that have been brought forth.

### Retreat

A facilitated daylong strategic planning retreat with physician partners and key staff is held to align on top priorities and create high-level plans. Materials prepared for the retreat are sent to participants ahead of time, so they can digest the information and prepare any questions or concerns. The goal of the retreat is to build a group consensus on the top three or four strategic priorities for the next three to five years.

### One-year and three-year action plans

During the retreat, participants brainstorm how to reach the outcomes they desire, and the initial work begins on building out first-year action plans for each priority. These very detailed one-year tactical plans are carefully crafted to jump start each initiative and generate early results. Each plan includes tactics to accomplish the strategic goals, timelines to keep the initiative on track, costs and tasks to be performed, along with the people responsible for executing the activities. Scorecards are also included that staff can use to keep the team up-to-date on the progress. Three-year action plans for each initiative are also prepared, building on the ideas and the progress expected to be achieved from the one-year plans.

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## McKesson's Advisory Services: The oncology experts



While many of the techniques of effective strategic planning can be employed across various industries, successful planning for oncology practices requires extensive expertise in oncology. The structure and dynamics of oncology practices are unique. Without a deep knowledge of national trends in oncology, as well as a detailed understanding of how oncology practices operate, the strategic planning process may fail to identify critical threats and opportunities that can impact the practice or may recommend less than optimal solutions. Successful strategic planning must be tailored to the specific circumstances of the oncology practice, including its unique strengths, weaknesses, structures, relationships, culture, history and the community it serves. The planning team must also thoroughly understand the inter-relationships of payers, government agencies and referral sources.

McKesson's Advisory Services team are experts in oncology—leaders in the field who have real-world knowledge and unparalleled expertise gained through managing more than 50 practices in The US Oncology Network. With over 25 years' experience in helping oncology practices thrive in challenging environments and markets, our team can build a strategic action plan that can empower your practice to succeed in the evolving value-based landscape.

## Contact us today to see what our team can do for you

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# Strategic planning practice success story

## Large, forward-thinking oncology practice integrates breast surgeons into the practice with strategic planning, reclaiming lost referrals

### The situation



This large, forward-thinking oncology practice is the premier cancer care and research center in the market with more than 40 years of service to patients. Through longstanding professional relationships with breast surgeons in the market, this practice benefited from a healthy volume of patient referrals. As competition increased and breast surgeons were hired by the hospital, referral volume died down considerably.

The practice began to wonder if integrating breast surgeons into their practice would be a viable option to regain patient volume. In the meantime, the hospital changed compensation schedules and bonus structures for their breast specialists. Unhappy with the changes and realizing that an independent community practice was a better option, one of the hospital breast surgeons contacted the practice and asked if they would consider employing her. This launched the effort to seriously explore the possibility of bringing breast surgeons into the practice.

As a longtime customer, this practice often relied upon the expertise and experience of McKesson to help solve various problems. Since this was such an important decision that could significantly impact the practice and its patients, they called upon McKesson for guidance.

### Primary goal



A strategic planning session was held with the primary goal of investigating the possibility of integrating breast surgeons into the practice to reclaim decreasing referrals.

### Outcome of strategy session



Practice data, as well as data about the market, competition and nearby hospitals, helped this practice better understand the pros and cons of adding breast surgeons. Specific data brought to the table by McKesson on other practices with breast surgeons was extremely useful in helping them make the final decision. Additionally, strategic planning facilitation helped the physicians collaborate during the session, which was invaluable in the decision-making process.

Two highly respected breast surgeons were recruited to be part of this world-class multidisciplinary care team, integrating a new specialty into the practice and increasing access to advanced breast care throughout the area. The addition of breast surgeons also paved the way for additional surgeons to be hired, including another breast surgeon and a thoracic specialist, greatly enhancing the practice's service offerings.

The planning session also helped physicians and leadership better understand the specific needs of surgeons — a valuable perspective brought to the table through McKesson's extensive oncology experience. This practice was primarily a medical oncology practice, so they needed to understand that surgeons operate differently than medical oncologists and have unique needs. For instance, surgeons' patient cycles and IT requirements are very different from other oncologists.

The integration of surgeons into this practice has been very successful. They are viewed as a valuable part of the care team, and consequently, they feel listened to and respected. The practice honors the differences and unique perspectives their surgeons bring to the practice, and they look forward to a long association with these highly skilled specialists.

### Results



The breast surgeons quickly became some of the top referring physicians for radiation oncologists in the practice, and in their first full year **radiation earnings rose 26% and medical oncology earnings increased 12%** due in large part to increasing patient volumes and internal referrals from the surgeons. This upward trend continues into the second year with an outlook showing **increased internal referrals by 21%, increased radiation earnings by 45%, and increased medical oncology patients and earnings both by 18%**. The strategy to add surgeons continues to be a resounding success.

#### Post-retreat feedback:

##### What was your favorite part of the planning session?

- |  |  |  |  |
|--|--|--|--|
| Well organized approach to issues brought up in the group. | Face-to-face time with McKesson experts. | Information presented provided a better understanding of the business of our practice. | Getting help prioritizing strategic goals. |
| Very democratic.   |  |  |  |

# Strategic planning practice success story

## Community oncology group expands service area with strategic planning, enhancing revenue opportunities while caring for an underserved population

### The situation



A community oncology group saw a need in a relatively small nearby market with a population of approximately 60,000, but with limited local cancer care.

Many cancer patients in this small market ended up traveling 40 miles away to a nearby city to receive care at this practice, the leading provider of advanced treatment options and clinical trials in the region. Traveling such a long distance for repeated treatments was extremely stressful and difficult for patients and their loved ones. This practice was interested in expanding their geographic footprint, and they wondered about the feasibility of opening a treatment center in the small town to better serve patients from that area. However, they were concerned that they might cannibalize existing patient volume since many would normally travel to their neighboring city for treatment, negatively impacting revenue. They decided to call upon McKesson for assistance in analyzing the opportunity, and a strategic planning session was arranged.

### Primary goal



A planning session was held with the primary goal of examining opportunities to grow beyond the current geographic footprint by expanding into an area with an underserved population.

### Outcome of strategy session



The community oncology group had access to a wealth of helpful information and guidance through the strategic planning session. The planning team brought extensive data and know-how concerning the challenges and opportunities involved in serving smaller markets, highlighting important information about the market. They also outlined possible scenarios and facilitated collaboration and in-depth discussions among the physicians. Physicians and leadership gained a deep understanding of the market and decided to proceed with expansion into the city. The planning team then created a detailed action plan, and the new facility opened a short time later.

The new clinic has proven to be very successful, experiencing a 21% growth in new patient volume from year one to year two. There has been some cannibalization of patients who used to travel to the neighboring city; however, the impact has been minimal. Overall, new patient growth has been better than expected across the geographic market area, as total new patient volume for the practice grew 3% from year one to year two.

The practice is satisfied it made the right decision in opening the clinic as patients are better served, with clinical trials and expertise not previously available without the long commute. Patients are very grateful to have more options for cancer care in their community. Not only has the clinic fostered goodwill and enabled the practice to care for this population, but it has also provided a springboard for other services and revenue streams. For example, the practice utilizes a mobile PET scanner truck to deliver exceptional care to the local clinic location.

### Results



The practice has experienced significant revenue gains and new patient growth since the strategic planning session was held:

**93%** | compounded average growth rate in total gross patient revenue

**21%** | compounded average growth rate in new patients

#### Post-retreat feedback:

##### What was your favorite part of the planning session?

- Being together with colleagues and management partners to figure out how we can improve in all aspects of our care for cancer patients. I liked and learned much about our practice by the flip chart exercise and choices that my colleagues and I made.

Contact us today to see what our team can do for you

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