

## Six Things Every Rural Hospital CEO Must Do: Part Three

Rural hospitals are closing at a record pace, and many of the reasons why could have been avoided.

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Last week, in Part Two of this six-part series on “Six Things Every Rural Hospital CEO Must Do,” we examined Topic #2, [Physician Demand Analysis](#). This week, in Part Three, we will look at the need for a Strategic Plan, and why it is an important tool every rural hospital CEO should leverage.

### **Part Three: Strategic Planning**

One of the most common practices I see in rural hospitals is using the budget as the organization’s strategic plan, whether intentionally or by default. However, for a budget to be truly effective, it should be based on strategies, which drive goals and tactics, and the resources to support them. Planning assumptions, or premises, should be reviewed at least annually to drive each year’s budgets; and, if not annually, at least every two years a rural hospital should undergo a formal strategic planning process. In today’s rapidly changing healthcare environment, other than planning for major capital expenditures, strategic planning windows of more than two years could result in missed opportunities, changes in the market and the need to respond to new payment models. As an interim CEO who prepares an organization for its permanent leader, it is my job to walk the new leader, board, medical staff leaders and others through a post-leadership transition strategic planning process. It serves as an excellent opportunity for the new CEO to get an overview of both internal and external factors, how well the organization is positioning itself and performing, and to confirm the strategies already in place are sound. When a budget drives strategy, this opportunity does not exist.

Regardless of whether your organization has conducted a strategic planning process in the past, has used the budgeting process to drive strategies, or is transitioning to a new leader, [Pinnacle Healthcare Consulting](#) can provide a strategic planning solution that both drives your budget as well as fits within it. If you would like to discuss options, please let me know and I would be glad to speak with you. I may be reached at [rthorn@askphc.com](mailto:rthorn@askphc.com).

In next week's edition of this six-part series, we will explore topic #4 of the "Six Things Every Rural Hospital CEO Must Do." I hope you will join me. Should you have any questions in the meantime, please feel free to contact me at [rthorn@askphc.org](mailto:rthorn@askphc.org) or (720) 598-1443.