Growing Health Care System Enhances its Financial Planning



A newly expanded academic health care system recognized major flaws in its financial planning process. The health care system sought to develop a more streamlined and efficient planning process, with all work completed in time for proper governance review and approval.

Problem to Solve

A newly expanded academic health care system recognized major flaws in its financial planning process. The process was time-consuming and required more manual integration than the system's leaders deemed optimal. The health care system sought to develop a more streamlined and efficient planning process, with all work completed in time for proper governance review and approval.

Lacking the internal resources or expertise to fully revamp its long-term planning processes as desired, the health care system engaged Freed Associates (Freed) to develop and manage a revised approach. Besides its extensive experience in finance strategy, Freed was also familiar with the needs and culture of the health care system – a critical component to drive such complex planning.

Strategy and Tactics

Since the health care system's long-term plan needed to reflect input from multiple business units, Freed began by engaging key stakeholders across the organization. The goal was to understand the current state of planning and gather stakeholders' requirements to optimize plan delivery. Each business unit needed to complete its own profit

© 2012-2021 Freed Associates, Inc.

and loss statement, detailing approved and proposed strategic initiatives, projecting anticipated future market performance, and noting all strategic affiliations and key financial performance indicators.

For financial planning purposes, Freed brought together representatives from the health care system's strategy, operations and finance teams. This had not previously happened within the organization. Multiple, strategic brainstorming sessions were held with these teams' representatives to discuss and vet proposed investments and gain alignment among the teams around future investments. Suddenly, rather than the system's long-term planning being a siloed, laborious process, it instead became a collaborative opportunity for team members to share their thoughts and visions for the future and well-being of the organization.

Once these working sessions concluded, the contents of a comprehensive financial plan were ready for compilation. Freed drafted a framework for consolidation to enable efficient collecting, vetting, and assimilating of stakeholder input. This draft would lay out a recurring process for long-term planning, reflecting both current-state opportunities and key stakeholder feedback, as well as delineating required future steps. In sum, it would become the roadmap for the system's future strategic financial planning.

Along the way, Freed helped the client identify and address multiple other internal needs, including designing and implementing a series of process optimizations within the internal finance team. These enhancements would help the team provide ongoing future support for the new strategic financial planning process.

Results and Conclusion

With Freed's guidance and input, the health care system designed a new approach for its long-term business and financial planning with all key responsibilities, timing and desired outcomes clearly defined. Through its new and improved long-term planning process, the health care system gained significant time and financial savings. Executives charged with overseeing long-term planning were thrilled with this more efficient process, as well as a new structure for proper governance review and approval of the long-term plan.

The partnership with Freed helped the health care system meet both its immediate and long-term, strategic business and financial goals. Going forward, the organization intends to apply the lessons learned from its financial planning process improvements toward identifying and implementing similar planning process gains in other areas of the system.

© 2012-2021 Freed Associates, Inc.