



Why do General Practices need a Business Plan?

You may find yourself questioning why general practices require a business plan upon learning of this new requirement in the *RACGP Standards for general practices 5th edition*.

A general practice is a business like any other, and every business needs a plan.

Could you imagine building a house without a blueprint? A business plan is the blueprint for your business. Yet unlike the blueprint of a house, a business plan is necessary throughout the practice's life time – not only at the time of building/setting up your facility.

A business plan will support the future direction, sustainability and growth of your practice and is the key to a more efficient and productive practice.

As part of Criterion C3.1- Business operation systems, in the *RACGP Standards for general practices 5th edition*, business planning is a new Standards requirement and falls under the following Indicators:

C3.1 A Our practice plans and sets goals aimed at improving our services.

C3.1B Our practice evaluates its progress towards achieving its goals.

The process of developing a business plan allows your practice team to identify and set goals, consider strategic and big picture approaches to your day-to-day operations, monitor and review progress against your objectives, ascertain opportunities and potential risks while working together as a team to succeed. The business planning process provides an opportunity for your team to take a step back to consider what is currently working within your practice and what needs improving.

During the business planning process consider questions such as:

- Where is your practice now?
- Where would we like it to be this time next year?
- Is your mission statement current?
- What's important to your practice and do you deliver care, interact with patients, team members and suppliers in ways that are consistent with those values?
- What are your strengths, weaknesses, opportunities and threats?
- Are there any services that your practice currently provides which could be promoted more effectively? (Skin Checks? Travel Immunisations?)
- Are there any new services you would like to provide? (Vasectomies? Mental Health Wellbeing sessions? New Mothers' groups?)
- Are there any particular types of patients you would like to treat? (e.g. people with diabetes?, the aged?, time-poor professionals?)
- What strategies and actions are needed to achieve what you want to achieve?

For example, if your practice has the goal of improving the service your practice provides to patients with Diabetes, for example, your strategies may include:

- Contract a diabetes educator
- Deliver diabetes education sessions, and
- Promote these sessions via your practice newsletter, Facebook page and website.

Identifying your overall high-level practice objectives will help you to ascertain where you may need to invest additional resources, such as finances and/or staff. It is also important to review the external environment as becoming aware of potential factors which could impact upon the future of your business such as government health policy, will help you to be prepared and navigate changes within your practice with minimal disruption.

Undertaking a 360 review of your practice provides you with an understanding as to your business' current state, utilising this information to plan for where you should like to be in the future and the steps you are going to take to get there. It is important to remember that a business plan is not a static document. Your team should be constantly working toward the objectives of your business plan in one way or another, each and every day.

A key component of the business planning process involves reviewing, monitoring, reporting and improving to ensure you are continuously achieving and striving toward your goals. Establishing key performance indicators (KPIs) will allow you to keep track of your progress. Once a business plan has been developed, a practice can use it as a benchmark against which to measure progress in achieving goals.

What are some initial steps my practice team can take to start the business planning process?

There are multiple ways to approach the task of business planning. The Australian Government of Business (www.business.gov.au) has a whole section online dedicated to useful tips, templates and resources to support your team in better understanding this process and ideas on how to formulate your business plan.

- ➔ Try to include all members of staff in the planning process. Key staff may be required to input more into the planning however involving everyone in some way will ensure greater commitment and dedication to the overall objectives identified.
- ➔ Identify the key areas your business plan will address – vision, mission, values, objectives, strategy, governance structure, roles and responsibilities, reporting and monitoring systems, processes and timelines, financial status and budgets

Meeting the 5th edition Standards requirements

In addition to this information to support your practice team with meeting **Indicators C3.1>A** and **C3.1B**, the RACGP Standards 5th edition specifically suggest the following:

C3.1 > A Our practice plans and sets goals aimed at improving our services.

You must:

- plan and set business goals.

You could:

- write a statement of the practice's ethics and values
- maintain a business strategy
- maintain an action plan.

C3.1B Our practice evaluates its progress towards achieving its goals.

You could:

- maintain progress reports about the business strategy or action plan
- create a strategy for continuous quality improvement
- implement quality improvement initiatives

Many organisations find working with a facilitator helpful when they are developing or reviewing a business plan. A professional can lead you through a simple step-by-step process to help maximise your practice's revenue and profit by testing your strategies.

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