

# Three Strategic Impasses and How to Avoid Them

Don't let the perfect become the enemy of the good.

In today's dynamic healthcare environment, critical strategic decisions about service and product mix, market development, and physician relationships cannot be delayed. But often an organization's strategic planning process, which should be creating the road map for strategic decision making, comes to a standstill and remains in a "strategic impasse" for an extended period.

Most healthcare providers are not in a position to take what amounts to a strategic vacation. It is therefore imperative to identify early in the process if the organization is headed toward an impasse and, if so, to take steps to minimize the resulting standstill. Timely resolution of strategic impasses calls for different tools and techniques depending upon the cause.

## Strategic Impasse Defined

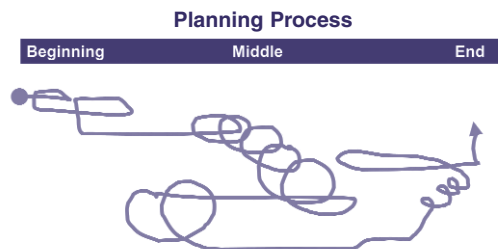
What is an impasse, much less a strategic impasse? The *American Heritage Dictionary* defines an impasse as "a situation that is so difficult that no progress can be made; a deadlock or a stalemate." A strategic impasse occurs when there is a lack of progress or a deadlock in the development of organizational strategy. Although many factors can contribute to a strategic impasse, there are three primary drivers of impasse challenges: process issues, lack of a clear best option, and financial constraints.

## Impasse #1: Process Headaches

Because strategic planning involves people with different agendas, backgrounds, and perspectives, process problems occur frequently. Identifying these problems requires a solid understanding and accurate diagnosis of the human element intrinsic in planning. Failure to identify and address these situations promptly and appropriately guarantees an ineffective planning process. Once process issues have been identified, the steps for moving through the resulting strategic impasse can be determined.

If you are involved in a planning effort, understanding the human element is essential to recognizing how to avoid process dysfunction. Although "textbook" strategic planning looks logical, analytical, and linear, the reality is that strategic planning is messy, fluid, and emotional (Figure 1). Individuals will

**Figure 1. Understanding the Human Element: Planning is Messy**

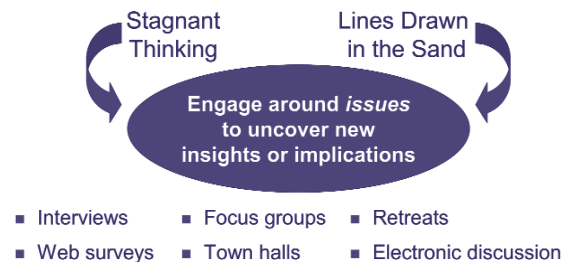


interpret information on the basis of their backgrounds and interests even as they focus on the organization's future.

What can be done to counter or avoid an impasse caused by this human element?

- **Make sure you have the right people at the table.** This includes senior leadership and other key influencers in the organization. If you know that a person who is essential to the planning process will come with entrenched biases, make sure that the team has a strong counter-player who can dispute those biases without alienating others. Although running into a strategic impasse in the planning process is disruptive, it is even worse to encounter an implementation impasse because key individuals were not involved in the process from the beginning.
- **Create forums for additional stakeholder input** during the process, driven by the issues you are addressing (Figure 2). There are times when a planning team reaches an impasse because thinking has stagnated or lines have been drawn in the sand. By engaging with other interested parties, new insights may be uncovered or the implications of possible paths may be better understood.

**Figure 2. Find Perspective: Stakeholder Input**



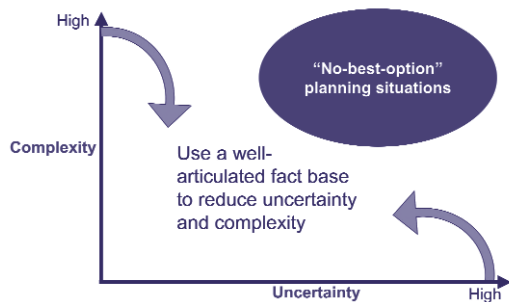
- **Anticipate various viewpoints** when developing analytical information and frameworks for discussion. If you consider in advance how different parties are likely to react, it is often possible to "answer their next question" before it is asked. It is also important to present even complex information in a way that those with varying backgrounds can understand. Most healthcare organizations involve senior management, board members, and physicians in strategic planning activities. Effective information presentation goes the extra step to create understanding by all these different participants, which can minimize standstills.
- **Watch the pace of your planning process.** If your process is too fast, people may feel that they were railroaded into a particular course of action. If the process is perceived as too slow, you can lose momentum and interest. If enough time has elapsed, there may be a call to update everything before making a decision, and you will be forced to spend significant time reworking analyses and supporting information.
- **Recognize that you cannot allow lowest-common-denominator decision making**, which enables a single person to effectively veto decisions. Acknowledge to those involved in the process that consensus does not necessarily mean unanimity of opinion. Many impasses caused by process issues result from a planning team that waits for unanimity where it may never occur.

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### Impasse #2: No Clear “Best” Option

Given the complex and uncertain nature of the healthcare environment, the lack of a straightforward “best” option is a frequent occurrence in strategic planning (Figure 3). Issues often do not lend themselves to a clear direction that can be evaluated for its impact.

**Figure 3. Complexity and Uncertainty Frame No-Best-Option Situations**



John Camillus captured the essence of these types of issues in his article entitled “Strategy as a Wicked Problem” (Camillus 2008). In essence, “wicked” problems are those that “often crop up when organizations have to face constant change or unprecedented challenges. They occur in a social context; the greater the disagreement among stakeholders, the more wicked the problem.” As described by Camillus, “A wicked problem has innumerable causes, is tough to describe, and does not have a right answer.”

Although wicked problems often have no solutions, wicked problem impasses should not be avoided or overlooked. Here are techniques for coping with them.

- **Gather perspectives.** Situations with no clear best option benefit by engaging stakeholders to be sure the issue is as well understood as possible.
- **Lay a firm foundation.** Develop a well-articulated fact base to eliminate as much uncertainty and confusion as possible, so that the wicked problem is as transparent as you can make it.
- **Develop planning assumptions.** Articulate planning assumptions or “best guesses” about the future environment. This again will minimize unnecessary distractions from the issue at hand.
- **Conduct scenario analysis.** For those aspects of the future that are uncertain and that would have a big impact on your wicked problem, lay out the implications of alternative scenarios.
- **Understand risk and your organization’s risk profile.** As you consider your strategic options in a clear future or an uncertain one, consider the nature of risk associated with different strategic paths your organization might take. How much risk is there? Is the type of risk something your organization is comfortable taking on? Some options may be a better “risk-fit” alternative.
- **Act-assess-modify.** Because of their very nature, wicked problem impasses often lead to “no-decision” or “wait-and-see” decisions. Although at times this is prudent, a better strategic choice is often one that forges forward with a direction, which the organization then actively assesses and modifies on a real-time basis.

### Impasse #3: Great Plans, But No Money

The last cause of strategic impasses occurs when an organization has identified a desired strategic direction, but is incapable of implementing it because of resource constraints. Moving past this impasse can take two directions:

- The first is to **fully explore alternative sources of funding**—for example, assessing opportunities for partnership. As resource constraints increase, creative relationships that enable the partners to achieve key strategic goals while managing resource commitments are becoming more attractive.
- If the preferred “direct course” is not doable, the second option involves dissecting the desired strategic direction into its intrinsic elements and then **finding smaller, more focused activities that will move the organization forward** on that path (Figure 4). To be successful in this approach, the senior management team must be able to identify those elements (the “best” options) that will most effectively enable the organization to move forward. Senior management must also be able to set priorities among equally appealing elements without subsequent “second guessing” of the decision. Senior management teams that possess the often rare ability of not doubting decisions endlessly can be successful in moving out of financial impasses.

**Figure 4. Giant Steps vs Small Steps or Even Detours**



### Conclusion

Although avoiding strategic impasses altogether would be the ideal, most healthcare providers can expect to run into at least one strategic standstill, and sometimes all three, in their planning processes. Regardless of its cause, organizational leadership should be prepared to quickly identify and manage these issues on a timely basis. Absent this ability, the planning process, and perhaps the organization, will fail to move forward.

### Reference

Camillus, J.C. 2008. “Strategy as a Wicked Problem.” *Harvard Business Review* 86 (5): 98-106. 

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