



10 Business Plans

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This information sheet provides general guidance on preparing a business (or operational) plan and supplements local HHS guidance. Business plans should be the product of a collective team effort and include challenging, but realistic actions that will result in genuine improvements to patient care.

1. Overview

A business plan is a formal written document containing the goals of a business, the methods for attaining those goals, and the time-frame for the achievement of the goals¹. A business plan should be regularly monitored to track progress in furthering the organisation's goals and enable the practice to celebrate its achievements or initiate corrective action when necessary.

The development of a business plan will take into account insights about the practice's current operations and potential (or desired) future state, and how to move from one to the other.

A business plan should be prepared in a manner that reflects the practice's purpose and future aspirations and has regard for the developmental stage of the practice (start-up, maturing, expanding or transforming). Accordingly, the business plan should be reviewed at regular intervals and be replaced as the practice progresses along the life cycle.

- In the early stage, the practice will need to focus on establishing operational services, securing its workforce, accrediting the practice and establishing its procedures.
- As the practice matures, attention should shift to the efficiency and effectiveness of the practice for delivering high quality, safe and patient centred care and focussing on long term sustainability of its workforce and in its productivity and workflow.
- When the practice is well established and performing, the practice may look to grow or expand its operations in other centres or in other areas of healthcare. The practice may also look to further develop related service capabilities and revenue streams.

2. Preparing a business plan

RACGP Standards C3.1>A and C3.1>B require a practice to demonstrate that it plans and sets goals to improve its services and evaluates progress towards achieving its goals.

¹ https://en.wikipedia.org/wiki/Business_plan#Not_for-profit_businesses

To operate successfully, the practice will need to develop a business plan that is aligned to the practice's business strategy and sets out how this will be implemented.

A business plan need only be as detailed and cover a length of time that is necessary, having regard to the size, complexity and maturity of the practice. It might consider smaller steps and timeframes to reach an endpoint, such as a period of 1 year, and could be prepared on a single page plan².

There are difficult challenges for rural and remote practices:

- Complex funding arrangements for primary care, high reliance on federal government funding and bulk-billing entrenched in the minds of patients.
- Attracting, developing and retaining a healthcare workforce in rural and remote areas and its criticality to providing sustainable services to patients.
- Operating in locations with limited supporting health infrastructure and workforces, such as allied healthcare.
- Working with patients and the community to change habits and behaviours to adopt healthy lifestyle choices where cost and access barriers exist.

The practice team should work together to consider what will have the most impact on the practice to identify three or four key result areas (KRAs). For example:

- Improve the quality and safety of patient care [become accredited; patient feedback; patient participation in governance and training; patient surveys; value care].
- Enhance chronic disease management [partnering allied health; designing workflow around GP plans/team-based care; virtual partners].
- Improve patient access to required services [telehealth, after hours, home visits].
- Attract and retain the best workforce [team culture, above average workplace conditions, support for professional development].
- Building resilience and sustainability [workforce flexibility, revenue management, productivity, other services, strategic partnerships].

One or two measures should also be selected for each KRA and can be used to provide evidence to assess whether results are in line with the plan. The measures should be specific, measurable, achievable, relevant and trackable (SMART). For example:

- Percentage of patients able to book appointments within 3 days.
- Reduce patient wait times, with no patient waiting more than 20 minutes for their appointment.
- Increase the proportion of bookings for GP management plans and reviews (including GP mental health treatment plans).
- Halve the Failed to Attend rate.
- All data quality dashboard thresholds required for accreditation are met.

² Steer N, reprinted from the Australian Family Physician, Vol 39 No 7, July 2010
www.racgp.org.au/getattachment/3831d302-37a1-45b8-8e57-c6383262062a/Business-plans-tips-from-the-toolkit-6.aspx

Module 5 of the RACGP Practice Management Toolkit³ provides guidance to practice owners and staff on the development of business plans and the techniques used to stimulate strategic thinking and develop ideas into actionable plans.

A business plan may include some or all of the following:

- A clear statement of the practice's goals and vision – what does success look like?
- An analysis of the operating environment including key community health issues, available health services and gaps and any business model challenges (funding).
- A summary of practice risks and challenges.
- A (small) number of practice objectives in key result areas which the practice will focus on, such as accrediting the practice, stabilising the workforce, improving productivity, expanding preventative health services, building allied health partnerships or updating the quality of patient records.
- A list of actions to implement these objectives or mitigate identified risks, each having an accountable person, additional resources and timeframe for completion.
- A number of performance measures that enable the plan to be monitored.
- The financial (budget) outlook for the practice, including investment requirements.
- A description of the practice's services, its staff and the organisational structure.

3. Monitoring and review

Plans must be regularly monitored (e.g. as a standing agenda item at Practice meetings) to assess whether actions are being implemented as intended or whether further effort is needed to implement them. Ongoing monitoring may also identify whether the planned action is actually causing the desired outcomes and whether in fact a different action is needed.

The practice team should establish a routine process (usually monthly) and reporting templates for monitoring patient services and performance metrics, its financial performance and its progress towards implementing business plan actions.

The HHS may require the practice to report its progress to the Integrated Private Practice Committee (or similar committee). The HHS will also require periodic reporting of financial and human resource data, service activity and financial performance.

As the environment is not static, changes in the community population, available health services, funding arrangements and even practice staffing may necessitate a complete revision of the business plan and new directions to be undertaken. A full review of the plan should be completed at least once each year.

When completing a review, the practice should always look to see where improvements can be made to patient care.

³ www.racgp.org.au/running-a-practice/practice-resources/practice-tools/general-practice-business-toolkit/general-practice-tool-kit/module-1/your-business-plan