The first functional activity in an active cancer program strategic planning process is formulating, reviewing, or updating the mission, vision, and value statements. These statements serve as the foundation of any strategic plan. The next important functional activity is strategy formulation. Strategies are those mechanisms that cancer programs and hospital leadership will use to interact with the environment as they steer the program to the future vision. They are the mechanisms that must ensure continued program long-term viability.

Before strategies can be formulated, a comprehensive cancer program strategic assessment must be prepared. The first component of this assessment is the identification of distinguishing program internal characteristics and vulnerabilities. To accomplish this, a set of quantitative data and qualitative information must be reviewed, including historical program activity levels, financial performance, available services, capabilities, technologies, and medical-staff expertise.

A comparative review of the hospital’s mission statement and cancer program mission statements must also be completed. These 2 important statements must be both realistic and compatible.

The second major activity of the cancer program strategic assessment includes a review of the market. This analysis should focus on the following:

- Technology trends
- Competitive trends (competitor position, strategic intent, distinguishing characteristics and vulnerabilities)
- Estimated cancer program market share (for at least new cancer cases, radiation oncology cases, and inpatient discharges [by ICD code for total admissions and by specific cancer])
- Regulatory and legal trends
- Trends in cancer program reimbursement (that affects physician business decisions and hospital-physician relationships)
- Trends in hospital-specialists (cancer program) relationships
- Future market size (at least for new cancer cases, radiation oncology cases, and inpatient discharges)

The open, objective, and introspective assessment of cancer program strengths, weaknesses, opportunities, and threats (SWOT) should be developed by staff who are close to the program. This assessment will use quantitative and qualitative information and data to describe the cancer program. The SWOT analysis is a useful and often-used tool that should be considered as part of the cancer program strategic assessment. The purpose of completing the SWOT analysis is to clearly understand the distinguishing characteristics and vulnerabilities of the cancer program. Potential opportunities should be identified describing the following:

- Services (new or expansion of existing services)
- Market (expansion at existing sites or entrance into new markets)
- Potential points of physician partnership (opportunities to form closer strategic relationships with cancer program physicians based on equity or ease of practice opportunities)

The strategic assessment concludes with the following:

- The identification of key planning issues that must be resolved if the cancer program is to remain viable and grow (including gaps in services, technologies, and cancer program capabilities that must be filled to strengthen the program)
- A statement of future strategic positioning; our best estimate of what the cancer program of the future will look like in terms of service, volumes, and capacities; facility requirements; operational design; hospital-physician relationships; and role in the community
Once the foundation for strategy formulation is prepared, the planning team will have adequately answered 2 key questions:

- Where are we now?
- What opportunities are available to ensure future cancer program viability?

With these strategy foundations prepared, cancer program leadership can move to the next important level of the strategic planning process, strategy formulation, which will be the focus of the May/June 2004 Strategic Planning column.

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