

AHRQ's Primary Care Practice Facilitation Forum

This email newsletter is the first step in building a learning network for individuals with an interest in practice facilitation. We are using this listserve to share perspectives on questions and answers submitted by learning forum members, as well as resources, research articles, and events of interest.

July 13th, 2012

Perspectives from the Field

How should a facilitation program develop a business plan?

Below are some perspectives from two PF experts:

- *Michael Parchman, MD, MPH, MacColl Center for Health Care Innovation Group Health Research Institute, Group Health Cooperative*
- *Lyndee Knox, PhD, LA Net*

Other programs are likely to have different perspectives, depending on their focus, context, and other factors. How does your experience compare?

Please submit your responses to PracticeFacilitation@mathematica-mpr.com and we will share them in upcoming newsletters.

How should a facilitation program develop a business plan?

Michael Parchman: A business plan starts with defining the mission and goals of your Practice Facilitation program. From there you should identify your market and potential end users of the services you will offer, along with a plan for how you will market those services and the costs associated with marketing. Defining the initial scope of your program, along with developing a key driver diagram for your PF program, not just for project-specific work in the practices (see page 33 of the AHRQ PF Program manual) may also help with the development of your business plan. As noted in the manual: "A key-driver analysis is frequently used in business to define relationships among factors that contribute to a desired outcome, in order to identify the most important ones." Your "desired outcome" is a sustainable PF program. If you have no experience with developing a business plan, there may be individuals in your community who can help you, such as a local banker or someone in private business. In one PF program, a local primary care physician recommended a retired banker to the leadership to help with development of its business plan. Non-profit start-up organizations can be another source of help and advice. (The manual is available [here](#)).

Lyndee Knox: The easiest way for a PF program to develop a business plan is to use one of the business plan "generators" that are available online. For example, the U.S. Small Business Administration has a website (<http://web.sba.gov/busplantemplate/BizPlanStart.cfm>) that allows you to respond to questions and produce a draft business plan that can then be used in strategic planning for your program and organization. Creating a business plan can be challenging because it requires thinking about topics that

may be new for those in academic or non-profit communities, such as marketing, program costs, and pricing.

Most programs have staff with the skills needed to develop a business plan. Grant writing is not dissimilar to the activity of writing a business plan, so most programs already have the capacity to develop a business plan. The difference is this: grant applications are plans designed for a period of 2 to 3 years, whereas a business plan is one that focuses on organizational development, growth, and long-term sustainability. In addition, most urban and rural communities have extension offices or programs that offer classes in business plan development. Local non-profit associations/organizations can also be an excellent resource for helping your organization think about long-term business planning.

A good business plan should include an assessment of the market (e.g. what facilitation services are already being offered in your area ; where are the gaps that your program might fill; are there natural collaborators in the area that your program should reach out to?); funding sources (e.g. who is likely to fund or purchase your program's services , and who are their funders?); and what do you need to do to engage these audiences (e.g. what types of education, outreach, and marketing are needed; how do you build support for your services?).

The business plan also needs to consider issues such as workforce (e.g. do you have a ready workforce that you can tap to meet demand as it increases, or will you need to develop one?); growth, and pricing (e.g. how much does it cost to deliver your program's services?).

Resources

Check out the [PCPF Updates page](#) at the PCMH Resource Center (www.pcmh.ahrq.gov) for information about upcoming learning opportunities, previous editions of the PCPF eNewsletter, and slides and audio from previous Practice Facilitation Webinars.

Please also visit the PCMH Resource Center at www.pcmh.ahrq.gov to explore white papers, briefs, a searchable citations database, and other resources related to the Patient-Centered Medical Home and primary care improvement.

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