

# Management Planning and Health

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## *Abstract*

*Managers who possess effective planning skills have better chances to find additional funding, can have better control over their resources and are more likely able to achieve their objectives.*

*The team members should share a common vision and should be motivated to contribute to the success of the designed programme. The planning process accentuates the organization's interests rather than the personal interests; planning is closely related to changing the existing environment.*

*In setting goals one should make sure that the programme related goals do not exceed the available financial, material and human resources. In drawing up financial plans one should distinguish between the different types of funding since the reliability of each source is different.*

*Monitoring helps to ensure that the activities planned in the work plan are being completed and that the costs are in line with the budget provisions.*

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## **1. Management planning**

A comprehensive planning process provides the structure and the subsequent steps for implementing a programme, serves as a guide for the effective use of human, material and financial resources and at the same time creates a common understanding of programme goals and objectives among the programme implementation team. Many perfectly feasible and well financed projects fail to achieve the expected final results mainly due to the lack of full commitment on behalf of the senior staff and the deficiency of the executive' and field staff's competencies of planning or implementation.

The most important components of an effective programme/project are a clear vision of the future and a well-thought detailed plan describing the steps that must be taken the next days, next months and the years to come in order to accomplish the targets set and to transform the vision into reality. Although the planning process consists of a series of steps, it should not stop once the plans have

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been prepared. An experienced manager at any level of an organization should be continually on the watch for changes in the external environment and should be aware of the strength and weaknesses of the programme, ready to introduce adjustments in order to increase its effectiveness (1, 2).

Planning is a future-oriented process which allows a close look at the goals of an organization or a programme/project, aimed at defining what strategies, activities and resources are needed in order to achieve the desired goals. Plans therefore answer the following questions:

- What are the programme / project trying to achieve?
- What is the present status of the organization?
- Where does the organization want to be in a period of 2-5 years?
- How is it going to get there? Who is going to get the job done?
- How will an institution / organization finance its programme?

Thus, planning covers a wide range of tasks. Both the setting up of long-range goals, strategies and the detailed activity planning for the immediate future are part of the same process. The annual work plans and budgets should usually be based on long-range goals and strategies but developed in a greater level of detail. Critical for any programme's success is the involvement of the senior as well as the junior staff in the planning process. An effective planning process can produce a good proposal that may easily convince potential founders of the competence and the implementation abilities of an institution to design and carry out a successful programme. Managers who possess effective planning skills have better chances to find additional funding, can have better control over their resources and are more likely able to achieve their objectives (3, 4).

Building up rational plans for preparing and implementing well-organized programmes requires meeting successfully the following realities and challenges related to the organization of the planning process:

Planning defines roles and responsibilities - plans define who is responsible for what; they set measurable objectives for a programme/project; the division of labour makes the team members accountable for the implementation activities and the achievement of objectives.

Planning challenges the existing situation - planning is a prospective activity which usually aims for improvement; it is expected to introduce appropriate changes in a program's environment which often require new strategies and new implementation technologies; the planning process accentuates the organization's interests rather than the personal interests; planning is closely related to changing the existing environment.

Planning is a team exercise encompassing different levels of staff - successful planning activities are performed by a team involving key staff members in the planning process; the composition of the planning group includes representatives of all departments of an institution or a programme, all key activities and groupings; the team members should share a common vision and should be motivated to contribute to the success of the designed programme (5).

Planning requires the consensus of key staff - many key issues relating to organizational strategy may result in conflicts which need to be managed so that final

planning decisions can be productive; consensus planning needs experienced facilitators who consider that disagreements are constructive as long as they do not degenerate into personal attacks; the involvement of specialists with different professional background depend on the planning goals and the type of the planning process; staff at all levels should have the possibility of making their views known to the planning team and should be kept informed about the issues discussed by the planners (6).

Programme planning is a time-consuming business - in many institutions managers and staff underestimate the fact that planning is a time-consuming exercise, leaving little time for their daily responsibilities and for the concentrated effort that planning requires; preparing in advance a schedule for the planning meetings and an implementation schedule is helpful for a well organized planning process; organizing "staff retreats" moving to a different physical location for the planning exercise sessions can be a rational decision (7).

Developing a plan requires that the new programme under consideration be broken down into smaller parts to determine which activities must be completed when and by whom in order to achieve the planned objectives. A completed plan provides the structure for implementing the programme, it serves as a guide for the effective use of human, material and financial resources and creates a common understanding of programme goals and objectives for the planning team.

## **2. The planning process**

When you start preparing your plan, first you have to identify the need and the demand for health care and then to determine how to meet them for the specified target groups. This is a process containing the following steps:

- Stating the mission, or purpose of the organization/programme;
- Analyzing the external environment;
- Assessing internal strengths and weaknesses and external opportunities and threats (SWOT analysis);
- Establishing goals;
- Selecting activities for each objective; developing detailed work plans;
- Preparing a financial plan;
- Introducing a monitoring and control system.

Stating the mission is the first step when preparing an organization's plan. Usually it is a general statement for the organization itself, about its vision, purpose and values. On the other hand a programme or a project should be created to respond to community's defined needs or problems. So the first part of the plan should justify the need for the programme. This part of the plan contains the following two sub-sections:

The problem statement - contains a description of a specific problem which should be solved or reduced by the programme/project. Some baseline information should be presented that helps explain the problem such as: the nature, scope or severity of the problem; geographic area, demographic, health characteristics of the population; availability of health services (primary, secondary, tertiary etc.), health personnel, financial resources etc.

The proposed solution - should contain a general explanation of the intentions and the design of the programme, stressing the important methodological aspects - most appropriate to address the described problem. The programme design should include: the approaches chosen for solving the existing problem; the expected positive results; sources of support now and in the future as well as the participating partner organizations/institutions; strategic alliances etc. (8).

Analyzing the external environment is the next step that relates to the organization's mission, already defined in the mission statement. In general there are three main aspects that should be included in the external environment analysis:

- Collection of information data related to the programme/project from statistical sources and publications;
- Structured and informal interviews with administration officials/managers from ministries, municipalities, major donor organizations, NGOs and private sector;
- Guidelines and summary of the main findings compiled in an information paper prepared for the planning team (1, 2).

When conducting the environmental analysis one should consider the possible information sources and the necessary information data relevant to the specific programme/project. In general terms the necessary information for conducting the external environment analysis may include:

- Macroeconomic data;
- Data about the geographic and climatic conditions;
- Demographic and health indicators;
- Socio-economic information;
- Health services information (outpatient and inpatient facilities, human resources, financing etc.);
- Policies and regulations;
- Existing plans, intervention programmes and research projects in the health and social sectors etc.

The next step of the planning process is to conduct a SWOT analysis in order to identify and assess the strengths and weaknesses of the organization or programme as well as the opportunities and threats on the bases of the information gathered within the frames of the external environment analysis (9).

The first steps of the SWOT analysis are aimed at defining the internal strengths and weaknesses of the programme or organization in respect to its management, programming and financing capabilities. A planning team should consider the items listed below and should decide whether the answers reveal strengths or weaknesses. The analysis of strengths and weaknesses of the programme/organization should cover the following management areas:

Analysis of management capabilities - determining subsequently the strengths and weaknesses in areas such as: organizational structures, planning, coordination, staffing, supervision, training, monitoring and evaluation procedures and systems, management information system, material resources management etc.

Analysis of programming capabilities - defining the potential capabilities of the organization/programme: to provide high quality medical services, training

or education; to increase its efficiency; to provide grounds for improved patient satisfaction etc. This part of the analysis should define the weak points in the programme/project. What are the reasons for these weak points? What are the strong points? What expertise potential of the programme team is reliable? Are there activities that could enhance the programme/project under consideration due to the lack of human or financial resources?

Analysis of financing capabilities - analyzing the financing capabilities one should give answers to questions such as: What are the programme's/project's current sources of financing? What is the self-financing part of the project? How stable are the financial sources? What changes in the external environment are supposed to generate more revenues? Where can one cut costs for the programme? What level of community or donor financial support does the programme enjoy etc.?

The second group of steps in the SWOT analysis is to focus on the process of translating the environmental analysis into opportunities and threats. Concretely one should identify those points that create opportunities for the programme and those that pose threats or obstacles to the performance or implementation process. This part of the SWOT analysis is usually carried out in a brainstorming session of the planning team. The analysis of opportunities and threats can explain past performance problems and failures and highlight the opportunities and threats that could possibly affect the process of achieving one's goals.

A well-designed programme/project should have programme/project related overall goals. In general terms they define the long-term changes that will make the final result of the respective programme as outlined in the problem statement. Normally one or two general statements describing the expected long-range positive results for the target population are sufficient to describe the overall project goals. Organizational goals usually define the internal changes and improvements that the organization/programme should make in order to achieve its goals. In setting goals one should make sure that the programme related goals do not exceed the available financial, material and human resources. Established goals should not over-extend the organization's ability to provide quality services and the work team potential.

For each overall goal developed by the planning team there should be several specific and measurable objectives. These objectives should relate to the problem statement and describe expected results achieved through changes in knowledge, behaviour and attitudes of the population or the target groups. The objectives should be used to ensure that evaluations conducted later in the project will measure the results the project intends to achieve. The objectives stated should be: measurable and observable; related to qualitative and quantitative targets as much as possible; and indicative of the specific time periods for the completion of the programme (10, 11).

Well formulated objectives should be:

- Specific: concrete, avoiding differing interpretations;
- Measurable: quantifiable, allowing continuous monitoring and evaluation;
- Appropriate: relevant to the defined problems, goals and strategies;

- Realistic: achievable, challenging and meaningful;
- Time-bound: with clearly defined time period for achievement.

The next step at this stage is to select strategies for reaching the stated goals. The process of selecting specific strategies is aimed at defining the technology of reaching the desired final results. The planning team could in a brainstorming session come up with several possible strategies that could be evaluated in terms of feasibility, financial impact, projected costs and time perspective. Using the information collected during the external environment analysis, the planning team can analyze the existing competition on site i.e. look at what other providers (institutions, organizations, NGO's) are doing.

Although at this stage a detailed final analysis of the cost of strategies will not be conducted it will be necessary to consider the financial implications of the proposed strategies. The planning team should roughly cost the strategies taking into consideration the recurrent as well as the capital costs.

The plan of activities constitutes the core of the programme/project and should describe the detailed activities to be accomplished for each programme objective. A fully developed plan will contain a listed detailed set of activities to be carried out in order to achieve each objective. Staff members of the planning/implementation team should be assigned to each activity, being kept responsible for controlling and carrying out the activity. The activity plan is supposed to provide the programme/project team with a clear picture of their responsibilities and activities during the project implementation. It can be divided in two parts:

Under each objective all the activities necessary for the fulfilment of each objective should be listed. The description of the activities should explain concretely how each of them would contribute to the achievement of programme objectives. A staffing plan of the programme/project together with job descriptions for each post should supplement the activity plan. This section should contain: a description of all the activities to be carried out that answer the questions "what, where, by whom and when"; a description of the management systems (i.e. supervisory, information management, human resources and financial management) designed to support the activities listed; partnership activities etc.

A complete activity timetable is a condensed summary of the main project activities in their planned chronological sequence. It is a detailed description of the time-span in which each activity should be performed and of the team members responsible for the implementation of these activities. The programme activity timetable is an important implementation tool and should be used for monitoring the activities and the short-term results; for keeping the planned implementation on schedule; and for managing the programme's resources. A project activity timetable developed at the start of the project can be periodically updated and referred to by project staff on regular basis. It helps programme planners and supervisors to integrate and coordinate their work, to monitor and evaluate the progress of the interventions under way.

It is useful to specify when it is aimed at starting each activity. For each task or activity listed, consider who will be responsible either for doing it or, in some cases, for making sure that it is done.

### **3. What makes a good plan?**

The following four areas of critical importance should be considered by the managers in order to develop a successful plan, namely: procurement of equipment and supplies; training; service delivery and sustainability.

**Procurement:** the plan should include a procurement section supposed to list the types of supplies, equipment and materials necessary for the project. Tender procedures should be foreseen for the procurement of costly commodity supplies. A system for logistics management with record keeping and reporting systems should be worked out for the distribution of supplies to service points.

**Training:** the plan should contain a training programme for the implementation team as well as for the target population. This section should focus on: the programme content; the participants' background; the criteria for selecting the participants; the resource persons and the topics to cover; the logistics plan etc.

**Service delivery:** if the programme/project foresees the setting up of new health services or the expansion of existing ones, the planning team should provide detailed information on any programme activities necessary to support the implementation plan. They may include: the replacement of existing equipment; maintenance contracts; renovation or reconstruction of service facilities; follow-up activities etc.

**Sustainability:** the important issue of sustainability is related to the capacity of the organization/programme to cope with the future changes in the external and internal environment. The abilities of a programme to draw external funding or to generate income and develop self-sufficiency are the ways to establish financial sustainability. A description of the activities that will generate income and the ways that income will be used when included in the plan.

After selecting among the possible strategies, the planning team members make approximate estimates of costs against the revenues to determine their feasibility. While preparing a financial plan one should:

- analyze current and potential sources of revenue and expenses for the strategies chosen;
- assess whether the expected revenues will cover the expenses;
- monitor and revise activities to ensure the financial stability of the programme;
- prepare detailed estimates of revenues and expenses.

The next step, undertaken by the planners after defining strategies, objectives and activities, is to prepare a detailed year-by-year budget and a summary budget for the life-span of the programme/project. This detailed estimate or the summary budget is the financial plan. Once the financial plan is completed, the planning team can draw up a work plan and budget for the first and for every subsequent year. The budget will be based on the financial plan and will describe

in much greater detail sources and amounts of revenues and expenses for the year to come (12).

In order to prepare the detailed budget one should carefully examine each programme activity and define the costs that are associated with its implementation. All costs will then need to be sorted into budget categories. The first draft of the budget should contain only direct programme/project costs, e.g. costs which are directly associated with specific project activity. Each item listed in the budget should be clearly identifiable in the activity plan.

There is no single correct way to develop a budget. When preparing a programme – budget check your organization's budget categories and the types of costs included in each category. The categories listed below provide a basic guide for developing and organizing a programme budget.

- Salaries and wages - This category includes the sums to be paid to project personnel as salaries and wages. Salaries are generally paid on a monthly or annual basis, while wages are paid on an hourly basis. In a budget each position should be listed with its title, the amount of monthly or yearly salary, the full or part working time and the hourly wages to be paid. Salaries and wages under this cost category should be planned only for employees of the programme/project.

- Fees - This category includes individuals who are not legal employees, such as short-term consultants and those hired under contractual agreements such as auditors, lecturers, researchers, evaluators etc. This category also includes honoraria paid for professional services rendered. The type of service, the individual performing the service and the cost of the service should be listed in the budget.

- Benefits - This category includes all expenditures for benefits in correspondence with the existing labour legislation in the country and the approved policy and practice of the programme. Benefits should be included only for persons listed under “Salaries and Wages” if the local laws do not mandate other types of entitlements.

- Travel and associated expenses - This category normally includes regular and customary travel associated with the activities of the project. These costs may include travel for supervisory visits, staff meetings, outreach and field visits.

- Supplies and equipment - Office and medical supplies, commodities and equipment to be purchased should be listed in this category. The cost of each piece of equipment and commodity should be shown.

- Education and training - The expenses related to this category refer to the costs of having participants in the programme attend specific training activities such as workshops, courses, seminars or conferences. It includes all expenses for tuition, training, fees, conference registration fees, travel costs, per diem, books and others.

- General administration - All expenditures that are not an issue of contractual agreements can be listed in this category. They include postage, freight and shipping insurance, photocopying, printing, telephone, faxing, utilities, bank

charges, publications, vehicle registration, employment advertising and other customary administrative costs.

- Purchased services - This category refers to long-term contractual services or agreements with institutions. For example building rental, maintenance contracts for equipment or vehicles, long-term leases on equipment or vehicles, advertising or promotion services are of major importance for the project.

- Unforeseen costs - They include costs that do not fit into the above-mentioned categories. Such costs could be induced by: changing price and/or exchange rates, indirect cost rates etc. which can be listed here.

There are four types for funding programmes or projects namely:

- ✓ entirely government funding;
- ✓ donor funding;
- ✓ funding through generated revenues;
- ✓ mixed type of funding.

In drawing up financial plans one should distinguish between the different types of funding since the reliability of each source is different.

The planning process with no doubt will vary according to whether the organization or the programme is situated - in the public or in the private sector (13).

Monitoring and evaluation plans of programmes/projects should be included in the initial programme design. The monitoring and evaluation process should be based on carefully selected indicators appropriate to the social, economic, health and information realities and possibilities.

Monitoring is a process by which programme activities and the programme-budget are regularly reviewed. Monitoring helps to ensure that the activities planned in the work plan are being completed and that the costs are in line with the budget provisions. Financial monitoring enables the project team to: control the rational spending of the budget; to verify that the team leadership's financial decisions are being followed; and to define whether budget revisions are needed. Monitoring of implementation and evaluation of effectiveness and impact normally take place at two levels: the policy making level; and the managerial and technical levels. Both levels should be inter-connected (14).

In monitoring programme implementation it is important to use as reference points those objectives and targets that have been set as part of the process of formulating programmes and designing the health system. It is particularly important to monitor whether priorities are being adhered to, realizing that these may have to be implemented progressively. Indicators are then selected that can measure change toward attaining the objectives and reaching the intermediate and final targets (15). A monitoring plan should include at least the following:

- Creating a monitoring team which is to include programme/project personnel who will be assigned the task to monitor the programme development, programme management and financial activities;
- Control over the timely monitoring procedures and their organization;
- Development of criteria to be used for monitoring the programme activities;

- Development of monitoring protocols.

The evaluation of a programme/project is a process of critical assessment of the degree to which the entire project or service components fulfil stated goals. It is important to have a plan for assessing project achievements during and after the implementation of a programme/project. The evaluation of a programme should analyze: the implementation process - referring to whether the planned activities were carried out and completed; the outcome - outcome evaluation often require a long term monitoring of structures, activities and staff performance; and the impact - e.g. the long term effect that the project had on solving the target problem or on the target population. Developing the evaluation section of the plan will make known in advance what elements of the programme will be evaluated, how and when the evaluations will take place. The scope and the content of the evaluation technology (i.e. what and how programme results should be measured) will help strengthening the team motivation for reaching the objectives of the project. In general terms an evaluation plan should include:

- Sets of evaluation criteria developed by the planning team;
- Description of the evaluation technology used;
- Information collection and processing;
- A reporting system.

The development of monitoring and evaluation criteria should be based on the use of appropriate indicators. The indicators to be used can be grouped into the following five categories:

1. Health policy indicators;
2. Social and economic indicators;
3. Indicators for the provision of health care;
4. Indicators of health status and the quality of life;
5. Performance indicators.

#### **4. Short conclusions**

At present many health care planning decisions are based principally on values and resources, i.e. opinion - based planning/programming: insufficient attention is paid to evidence derived from new information sources or to evidence from research findings. Nowadays as the pressure on the resources allocated to health care increases, there should be a transition from opinion-based planning to evidence-based planning decision making, adding sufficient evidence to this process. The management skills necessary for health care planning/programming in the 21st century will require: the planning decisions to be made explicitly and publicly: and the sufficient competence of those involved in planning exercises to produce sufficient evidence for efficient decision making (8, 11).

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