



## **SAMPLE COMMITTEE CHARTER: STRATEGIC PLANNING COMMITTEE**

### **Introductory Comment**

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About half of hospital and health system boards have a Strategic Planning Committee, according to The Governance Institute. By comparison, nearly 90% have a Finance Committee.

An increasing number of boards are moving away from having a standing committee on strategic planning. They reason that the entire board should understand and have a role in major decisions about the organization's strategic direction, programs and services. In the past, this was often not feasible if a board was large or its meetings were consumed with routine matters. However, as boards downsize to a manageable number of members and handle routine business in a consent agenda, they often find they can address substantive strategic issues at full board meetings. Under this model, short-term task forces are formed to address strategic issues that require more focused study prior to bringing a matter to the full board.

However, there may be sound reasons to have a Strategic Planning Committee. The board may be too large for thorough strategic discussions. The committee may provide a useful forum for board members, executives and physician leaders to share views on strategic issues.

Each board should determine whether it needs a Strategic Planning Committee, or whether these functions would be better performed by the full board.

### **Overall Roles and Responsibilities**

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The Strategic Planning Committee assists the board with its responsibilities for the organization's mission, vision and strategic direction.

### **Specific Responsibilities**

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The specific responsibilities of the Strategic Planning Committee include:

- Making recommendations to the full board related to the organization's mission, vision, strategic initiatives, major programs and services.
- Helping management identify critical strategic issues facing the organization. Assisting in analysis of alternative strategic options.
- Ensuring management has established an effective strategic planning process, including development of a three to five year strategic plan with measurable goals and time targets.
- Understanding the organization's industry, market/community, and core competencies. Keeping up-to-date on industry and local market trends, community health care needs, advances in technology and other

opportunities to improve the scope, cost effectiveness and quality of services provided by the organization.

- Periodically reviewing the mission, vision and strategic plan, and recommending changes to the board
- Annually reviewing the strategic plan and recommending updates as needed based on changes in the market, community needs, and other factors
- Reviewing and forwarding to the board strategic plans of subsidiary organizations to assure they are aligned with the system's strategic direction and goals
- Reviewing major new programs and services.
- Developing criteria for management to use in evaluating potential strategic investments.
- Assisting in development of a strategic dashboard of key indicators.
- Monitoring the organization's performance against measurable targets (e.g., market share, increase in volumes) or progress points (e.g., open the ambulatory surgery center by June; break ground for new sports medicine clinic by October)

### **Members**

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The committee charter should include a list of the members assigned to this committee as well as the staff who support the committee.

### **Meetings**

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The Strategic Planning Committee meets four times a year, or when necessary at the call of the committee chair. Meeting dates and times should be specified a year in advance.

### **Reports**

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The committee will review and receive the following reports:

- Progress on strategic plan implementation.
- Healthcare trends summary/Annual environmental assessment.
- Community health needs assessment.
- Competitor/partner assessment.
- Operational and financial assessment.
- Surveys of community/consumer perceptions.

### **Annual Committee Goals**

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The Strategic Planning Committee will establish annual goals specifying several areas on which it will focus its education, policy making, goal setting and/or oversight activities for the coming year. Typical examples might include:

- Studying the increase in consumer-directed health plans and determining strategic implications for the organization.
- Studying technological advances in cancer treatment and the implications for the organization
- Examining the growth of physician-owned specialty hospitals and the implications for the organization
- Reviewing ways to generate sufficient capital to afford program growth, additional facilities, updated information technology, and quality improvement initiatives proposed in the strategic plan.
- Reviewing current services and considering service delivery reconfiguration for financial and quality reasons.
- Assessing the degree to which subsidiary organizations understand and embrace the overall vision and strategic initiatives.



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