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Network

# STRATEGIC DECISIONS MADE SIMPLE: A FRAMEWORK TO GUIDE YOUR TEAM TO A BRIGHTER FUTURE

Lawrence Rector, CPA  
CEO/CFO/COO  
Dayspring Health, Inc.



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# FACULTY DISCLOSURE

I have the following relevant financial relationships with ineligible companies to disclose:

- River Valley Health, VP of Finance, All relevant financial relationships have been mitigated.
- Chronic Care Staffing, Referral Coordinator, All relevant financial relationships have been mitigated.



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# OBJECTIVES

- After completing this educational activity, participants will be able to:
  - Simplify the process for decision-making
  - Enhance the efficiency of the decision-making process
  - Enjoy more peace-of-mind upon the completion of the decision-making process
  - Maybe even be ready to fix all world problems...maybe





# EXPECTED OUTCOME & EDUCATIONAL NEED/ PRACTICE GAP

- **Expected outcome:** By enhancing the decision-making process using the recommended five pillars, organizations or teams will be better equipped to make decisions aimed at strategic goals in order to accomplish desired outcomes and missional objectives.
- **Educational Need:** Without a systematic process for decision-making, the organization or team could experience negative outcomes that could have been prevented by using the five pillars of decision making.
- **Practice Gap:** Strategic decision making is skill to be learned due to the various complexities inherently involved.



# ABOUT ME

- CEO/COO/CFO at Dayspring Health, Inc.
- VP of Finance at River Valley Health, Inc. (formally Cherokee Health Systems)
- Consulting with Rector Business Solutions, LLC
- Evaluate and Create Solutions to Problems:
  - Protect the Sustainability of the Mission
  - Chart the Path to Successful Outcomes



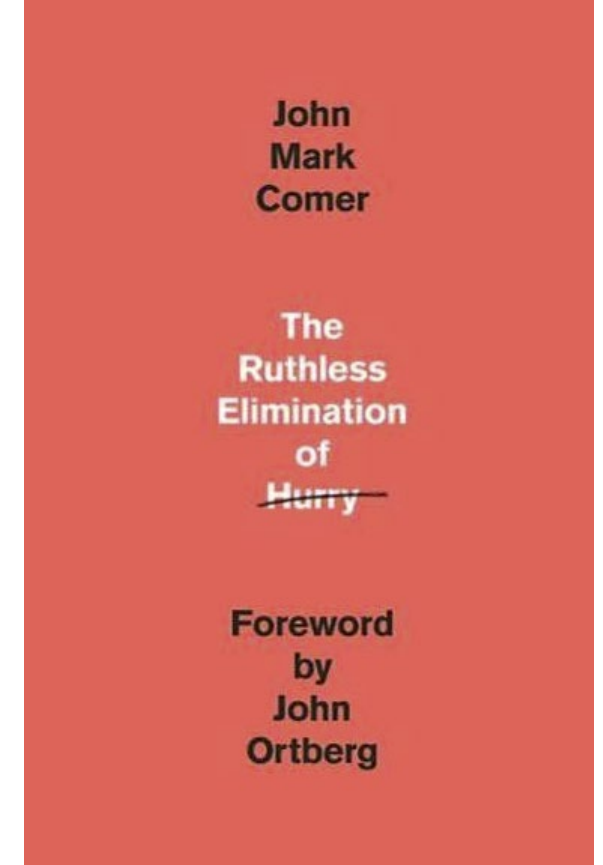
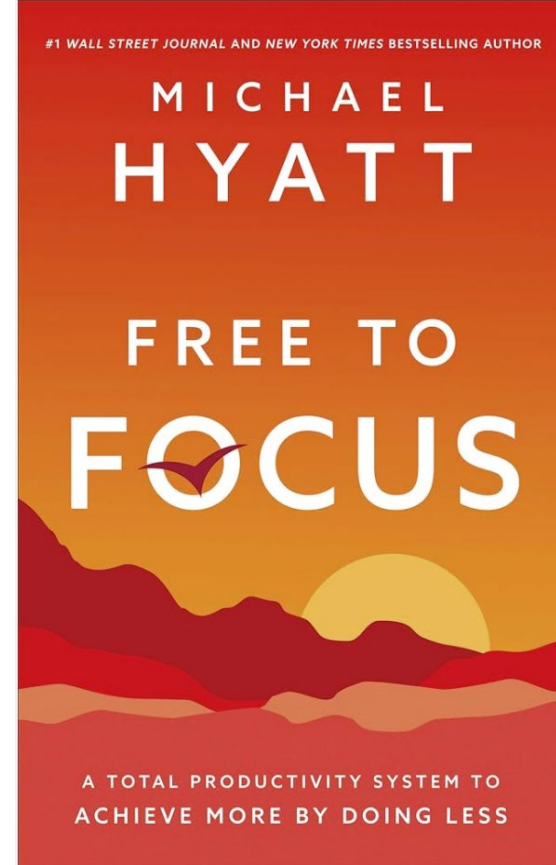
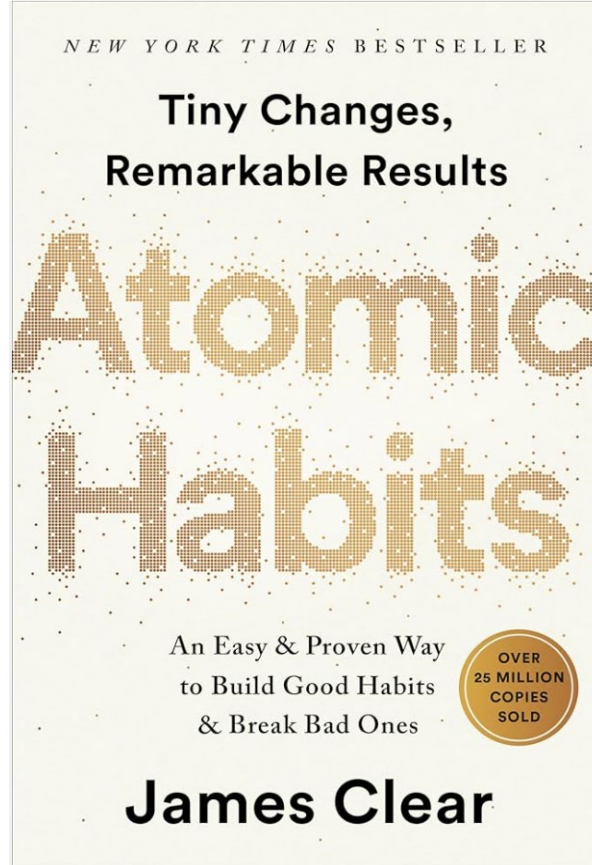
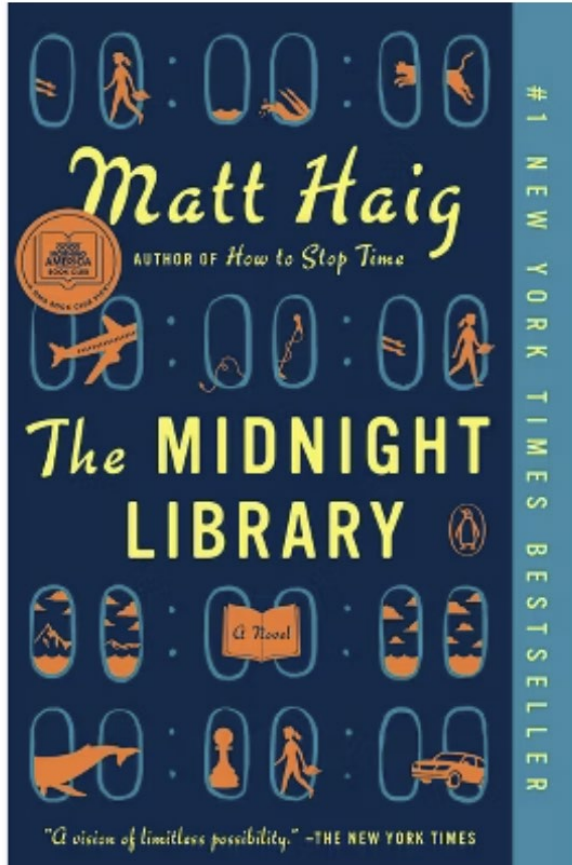
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# BOOK RECOMMENDATIONS



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# Problem Statements

- Our leadership team has many great ideas, but we struggle with deciding what to do.
- I am concerned about upcoming industry changes and how it will impact the bottom line.
- I struggle to see how we can meet our strategic goals.
- We have lots of data or information, but we are not unified on how to respond.
- I struggle with ranking priorities associated with decisions.
- Rest doesn't help me fill my tank like it used to.







HERITAGE  
PHARMACY

Maximum Potential  
Physical Therapy

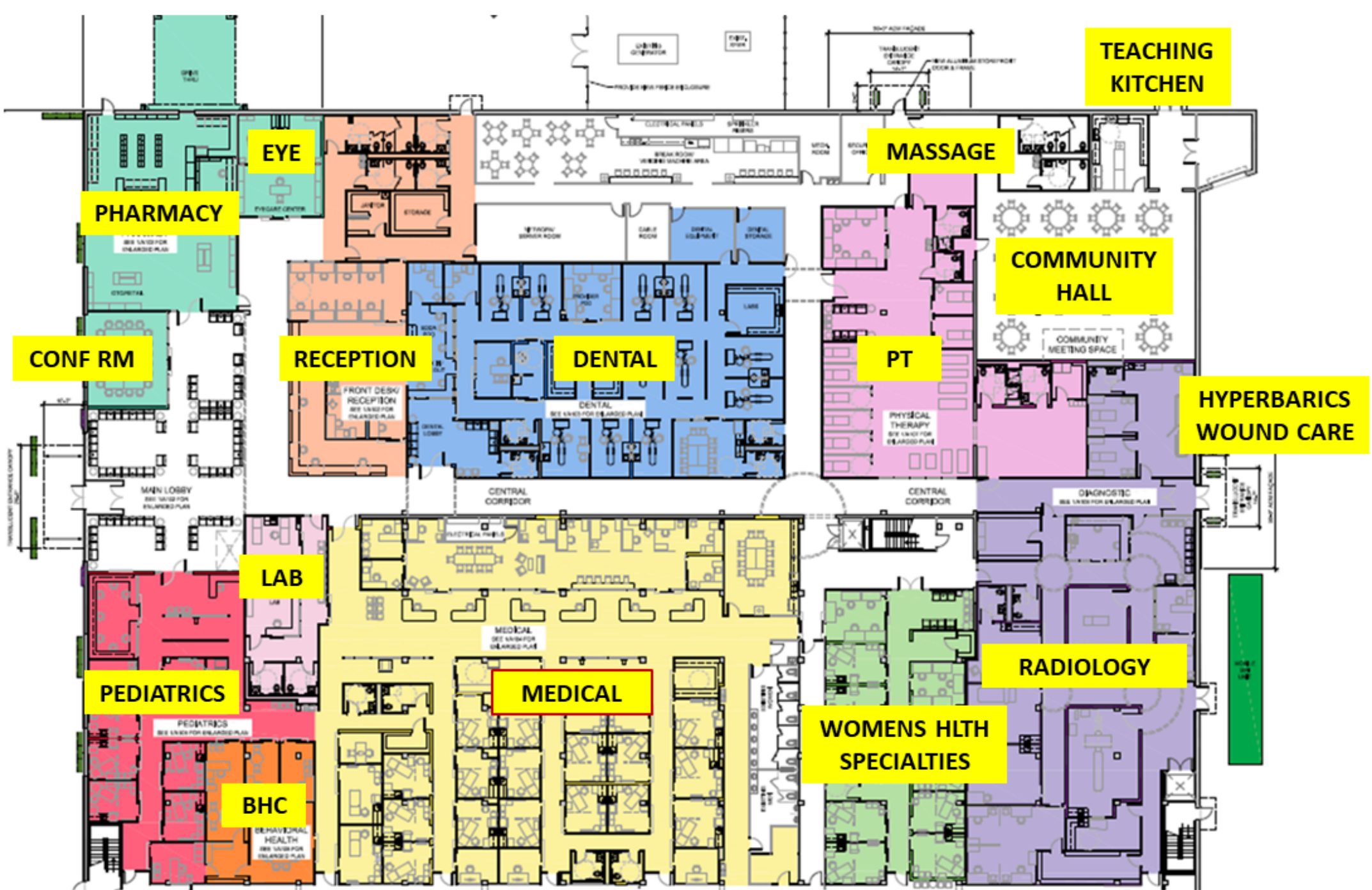
Dayspring IMAGING & RADIOLOGY

WellLife  
Chiropractic Center

PHARMACY DRIVE-THRU

Dayspring Health





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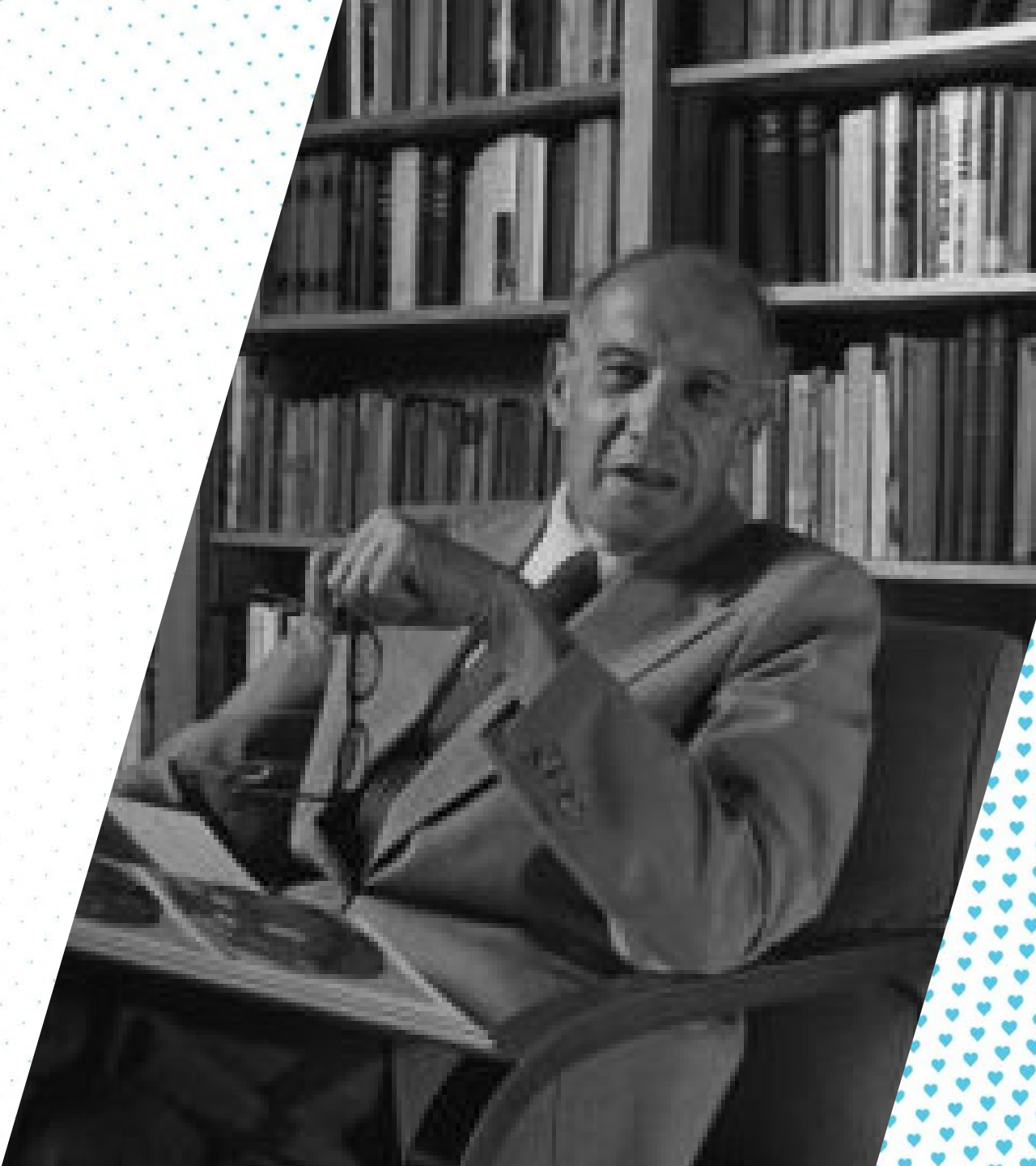
Network

**“THE GREATEST DANGER  
IN TIMES OF TURBULENCE  
IS NOT TURBULENCE  
ITSELF, BUT TO ACT WITH  
YESTERDAY’S LOGIC.”**

**~ PETER DRUCKER**



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Decisions are made  
simple when using a  
framework

Consider these  
**Five Pillars**



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# FIVE PILLARS TO SIMPLE DECISION MAKING

- Mission Frames All
- Our Action Meets a Need
- Sustainability Today and Tomorrow are Protected
- Aligns with the Passions of the Team
- Will be Done with Excellence





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## **Pillar One: Mission**

**“Your mission is your compass.  
Without it, you drift.”**

**~ Unknown**



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# PILLAR ONE: MISSION FRAMES ALL

- ...health center...providing access to affordable high-quality healthcare.
- Can you clearly define how the proposal aligns with the mission?
- Could the team clearly identify how the proposal aligns with the mission?
- If the decision is implemented, what potential mission drift possibilities exist?





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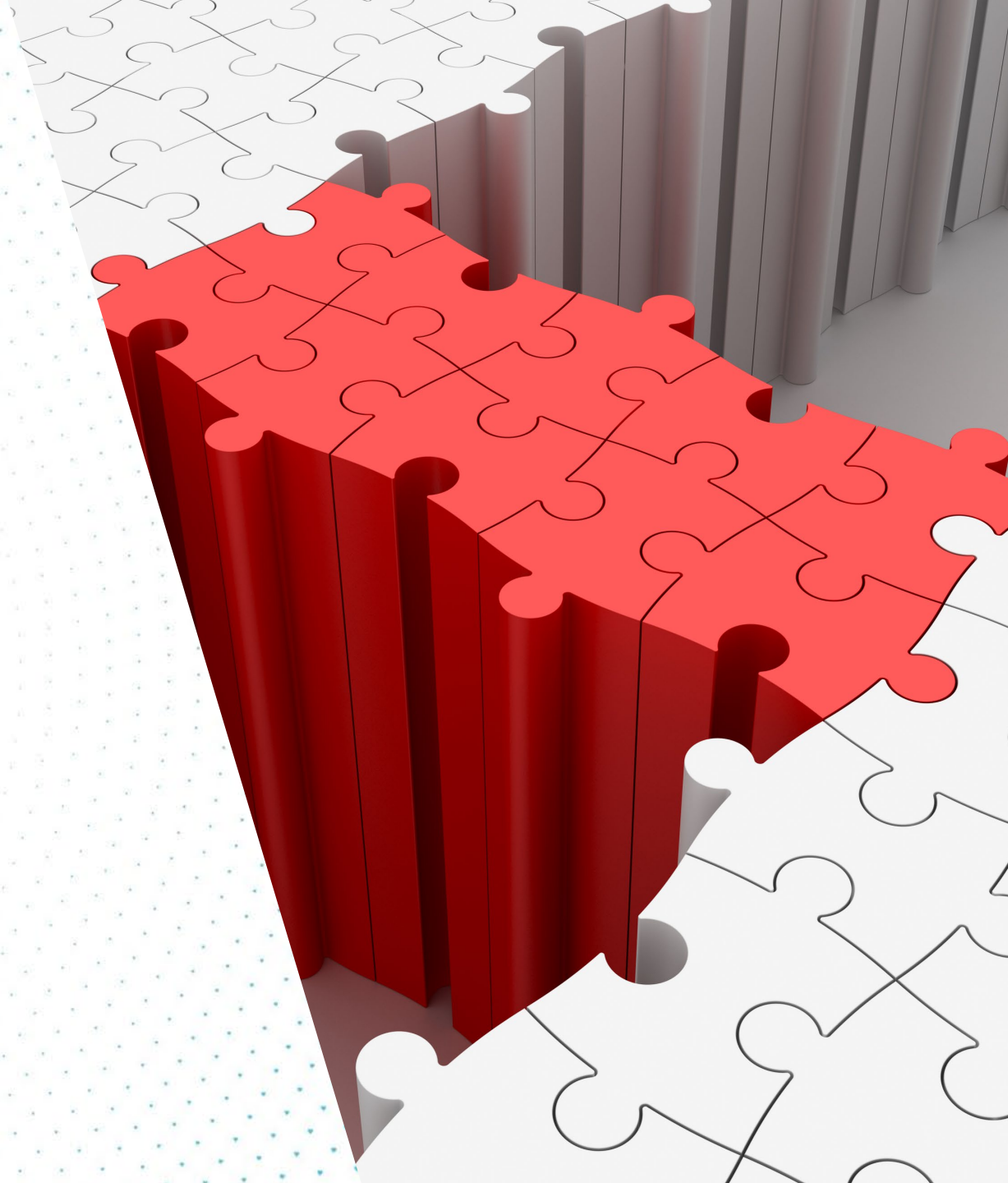
## Pillar Two: Need

“We rise by lifting others.”

~ Robert Ingersoll



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## PILLAR TWO: OUR ACTION MEETS A NEED

- Can you identify the specific need(s) that will be addressed by the proposal?
- What source(s) of research were used to identify and quantify the need?
- Tradeoffs exist – what resources are needed by the organization/team to implement the proposal?





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## **Pillar Three: Sustainability**

**“Money is the fuel.  
Not the mission.”**

**~ Simon Sinek**



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# PILLAR THREE: SUSTAINABILITY TODAY AND TOMORROW ARE PROTECTED

- Can you quantify the financial implications of the proposal?
  - We can't see the future...how to best predict?
- What alternative capital resources are needed (if any)?
- Consider the impact on organizational value with the proposal.
  - Return on Invested Capital (ROIC) as a percent
    - Value =  $(\text{EBITA}/\text{Revenues})/(\text{Revenues}/\text{Invested Capital})$
  - Cost of Capital Invested as a percent – ballpark nonprofit is 3.5 – 4.5%
  - Implications of growth strategies based on [ROIC less Cost of Capital]





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## **Pillar Four: Passion Alignment**

“When purpose meets passion,  
you're unstoppable.”

~ Unknown



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## **PILLAR FOUR: ALIGNS WITH THE PASSIONS OF THE TEAM**

- If the proposal is approved, of the people assigned to implement, are they passionate about the activity or activities?
- Are the same individuals passionate about the target outcomes?
- If the team is not currently passionate about the activities and/or outcomes, what resources are needed?







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## **Pillar Five: Excellence**

“Excellence is doing ordinary things extraordinarily well.”

~ John Gardner



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# PILLAR FIVE: WILL BE DONE WITH EXCELLENCE

- The proposal is best done and done best by our team?
- What activities are needed to conduct quality control after implemented?
- How are we defining excellence?



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## **Bottom line:**

Missional success depends on making wise strategic decisions.

Simplify the process  
with a framework.




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# LET'S CONNECT

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**THANK YOU!**

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