

# **SERVICE LINE DEVELOPMENT**

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**OVERVIEW OF TRIAD CONSULTING GROUP, INC.  
BUSINESS PLANNING & POSITIONING OF CLINICAL SERVICES**

# WHAT IS SERVICE LINE MANAGEMENT?

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- Service Line Management is a **long-term** strategic management approach clustering functional departments around customer segments that have defined profitability and quality outcomes to meet market demand

# **SERVICE LINE MANAGEMENT**

## **INTERNAL *AND* EXTERNAL FOCUS**

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**“FOCUSING ORGANIZATIONAL RESOURCES  
*ON*  
DELIVERING SPECIFIC PRODUCTS AND SERVICES  
*FOR*  
DEFINED MARKETS”**

- **Strategic Business Planning**
- **Marketing**
- **Production and Operations**
- **Financial Performance/Profitability**

# SERVICE LINE

## BUSINESS PLAN KEY QUESTIONS:

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- Where are we (where do we stand in the market today)?
- Who is the customer?
- What do customers want?
- What are the best growth opportunities?
- What do we want the service line to look like in the future (e.g., 2015 vision)?
- How do we get there and grow, how do we improve profitability, how do we differentiate ourselves, how do we fund, how do we ....

# BENEFITS

## OUR SERVICE LINE STRATEGY

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- ❑ Provides a mechanism to identify and prioritize service lines with the greatest economic potential and market size (via Portfolio Analysis)
- ❑ Offers a substantiated model that has demonstrated success in increasing market share, volumes, and creating new revenue streams
- ❑ Creates a competitive advantage by aligning clinical services with the marketplace - promotes agility and responsiveness to customer needs and market changes
- ❑ Provides a framework for evaluating performance alongside local and national competitors (cost, profitability, clinical quality, customer service, and market share)
- ❑ Provides a framework for decision-making around capital investments and allocation of resources
- ❑ Provides a mechanism to align physician partners through economic integration, governance structures, and/or joint venture models
- ❑ Employs team approach to delivery of services, thus enhancing coordination and reducing fragmentation

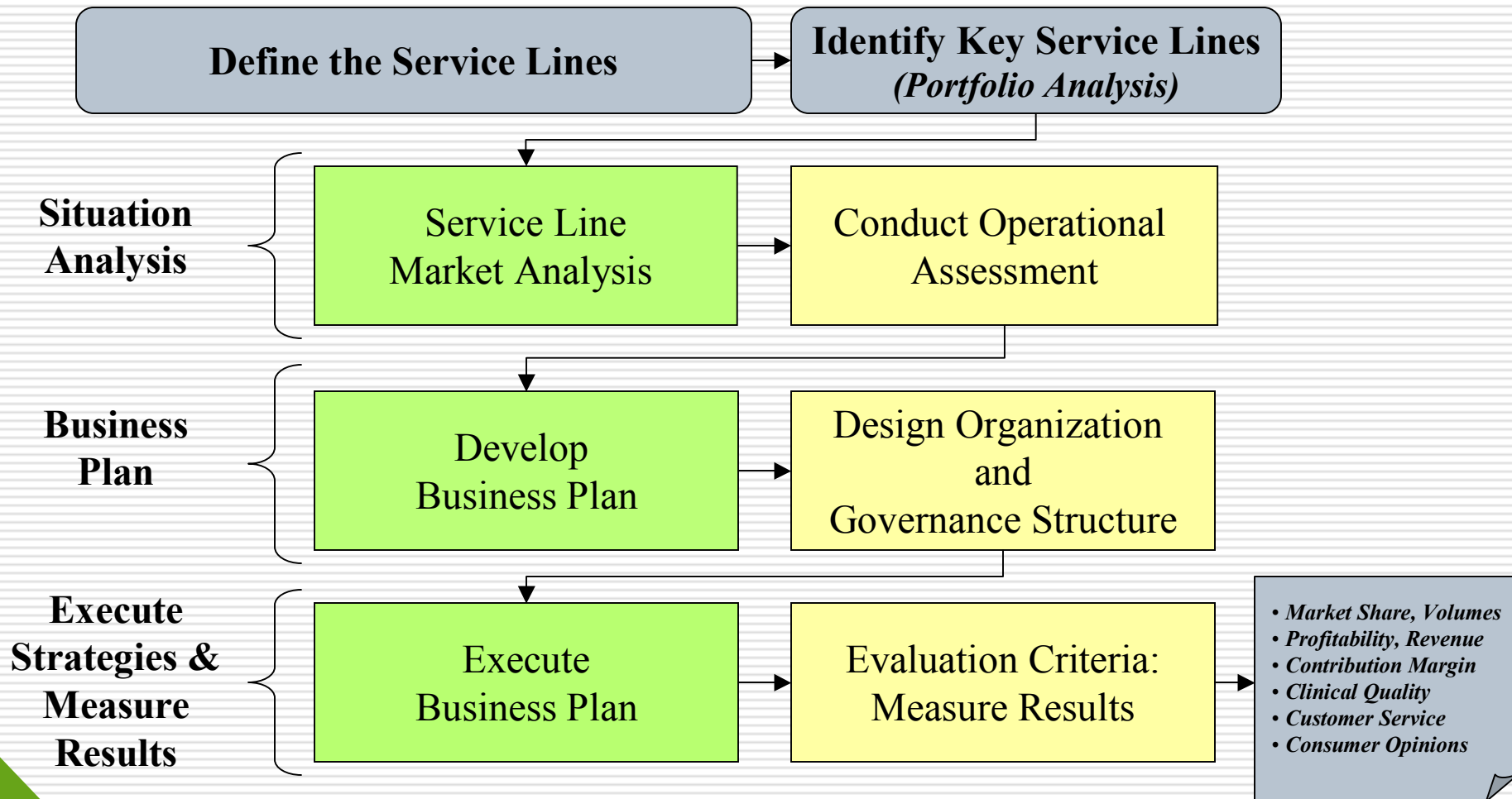
# OUR SERVICE LINE PROCESS - 8 KEY ELEMENTS

## CUSTOMIZED BASED ON CLIENT REQUIREMENTS

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1. Define the service lines
2. Identify service lines with the greatest opportunities (Portfolio Analysis)
3. Conduct a market analysis
4. Perform an operational assessment
5. Develop the service line business plan through an interdisciplinary team structure
6. Design the service line organization and governance structure that supports the strategies
7. Execute the business plan
8. Evaluate performance - develop service line dashboards to measure performance

# SERVICE LINE DEVELOPMENT PROCESS



# SERVICE LINE BUSINESS PLAN

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- We employ a methodical business planning process that includes the following:
  - Service Line Definition
  - Market Research and Analysis
  - Products and Services
  - Resource Requirements
  - Marketing Plan
  - Financial Performance, Proforma, Portfolio Contribution
  - Organization Design and Governance Structure
  - Implementation Plan
  - Evaluation Criteria

# RESOURCE REQUIREMENTS AND TIMELINES

## Resources Requirements

- Internal project coordinator or service line administrator
- Compile data for situation analysis (financial, market, quality)
- Support for scheduling meetings and conference rooms

## Process Timelines

### ■ Phase I- Situation Analysis: 30 to 60 days

- Data analysis
- Operational assessment
- Personal and confidential interviews

### ■ Phase II - Business Planning Process: 4 months

- TCG facilitates working sessions with a service line planning group composed of the business unit's leadership team (physicians and management) and key stakeholders. The working sessions focus on future market and service opportunities, goals, strategies, and resource requirements. The planning process provides a forum for stakeholder engagement and support
- TCG facilitates working sessions with the finance department to simulate and calculate cash flow and NPV for the designed objectives and strategies
- Complete Business Plan – schedule executive leadership presentation

### ■ Phase III - Execution of business plan

- Establish a service line oversight committee responsible for managing execution of the business plan
- Establish monitoring functions and a service line dashboard

# CONCLUSION

*"The secret of success  
is to do the common  
things uncommonly  
well."*

*- John D. Rockefeller*

