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## STRATEGIC PLANNING IN LEBANESE HOSPITALS

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## ABSTRACT

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**Key words:** strategic planning, hospitals, routes, impact, challenges.

## **Introduction**

This paper explores the much-needed strategic planning practices carried out at Lebanese hospitals, amid all the internal and external changes influencing the sector. Hospitals are subjected to many external challenges, of economic, social, cultural, demographic, natural, political, governmental, legal and technological natures (David, 2013). Rising health care costs, empowered patients, changed customers' expectations, improved information and communication technologies, pressure for greater accountability and evidence-based practice are pushing towards ambulatory, outpatient, and post-acute care. Innovations in the sector could be fertile ground for entrepreneurs and eventually replace some of today's caregivers (Irwin et al, 2010). These industry transformations are particularly disruptive as the center of gravity shifts from volume to value, from inpatient to outpatient, and from physician to consumer (Alquist et al, 2012). The traditional healthcare system is not designed to deal with these changes, especially so at a low cost (Irwin et al, 2010). Thus, the twentieth-century model of healthcare is no longer sustainable. New business models as well as new models of healthcare delivery are needed (Grossman, 2008). Strategic planning is definitely a viable tool to better position institutions to take advantage of emerging opportunities while avoiding external threats (AUCD, 2006).

## **The Lebanese Healthcare Context**

Lebanon, a service-based economy, is known to be the Hospital of the Middle East (PWC, 2012). The Lebanese healthcare sector is famous for its good reputation, but unregulated and fragmented financing. There are 28 public hospitals and 168 private hospitals in Lebanon. The public hospitals are under the public sector influence and management, while the private ones are managed and controlled by independent

investments supposedly not influenced by the public sector authorities (Ammar, 2009). It is a sector burdened by governmental legislations, political deadlocks, technological advancements, military conflicts and wars, economic predicaments, globalization challenges, and an ever-increasing burden of diseases (Ammar, 2009). Strategic planning is highly needed amid all these global and country-specific challenges, however no relevant data about the healthcare strategic planning activities is available. The standards of the Lebanese healthcare services parallel European and American ones (PWC, 2012). However, it is dominated by the private sector, which results in expensive medical services (PWC, 2012). The dependence on imported drugs further increase the healthcare expenses (BMI, 2012). Different public financing bodies such as the Ministry of Public Health, the National Security Forces Funds and the Army cover private healthcare, but these public payments are constantly delayed and do not cover all citizens. As to the opportunities, there are plans to improve health insurance coverage, which will notably improve the healthcare services (BMI, 2012). The cosmetic and plastic surgery prospects fuel medical tourism (BMI, 2012). However, civil and regional unrests and political stand-offs negatively impact the healthcare system in Lebanon. Physicians are abundant in the country, but there is a lingering shortage of nurses and qualified paramedical staff. Hospitals often rush to the purchase of sophisticated medical equipment to get a better ranking according to the “ Old Classification System” of hospitals in Lebanon, but without conducting any feasibility study, thus rendering their services unaffordable to many citizens (Ammar, 2009).

## Literature Review

Effective strategic planning is a valued practice in the healthcare sector and is believed to be important for the effective functioning of such institutions (Begun et al. 2005). Health care organizations have almost universally embraced the strategic perspectives, but without much success. “Around the world, every healthcare system is struggling with rising costs and uneven quality despite the hard work of well-intentioned, well-trained clinicians. Health care leaders and policy makers have tried countless incremental fixes...but none have had much impact. It’s time for a fundamentally new strategy” (Porter and Lee, 2013, p 3). Health care leaders have borrowed from the theories first developed in the business sector and developed strategic management processes that are uniquely their own. Planning dates back to the 1960s outside the healthcare sector and to the 1970s within the sector (Ginter and Swayne, 2006). Strategic planning is a commonly valued function in the healthcare sector leading to the effective performance of the practicing institutions (Begun et al, 2005). Strategic planning can contribute to the success of the organization through arming it with a roadmap for action, a yardstick for control and discipline, and a booster for communication and motivation (Begun and Heatwhole, 1999). However, many claim that they cannot trace a concrete relationship between strategic planning and organizational performance. It is frequently blamed for its rigidity, high levels of bureaucracy, outdated basis, forced execution, and absence of implementation (Begun and Heatwhole,1999).

Despite the evolution of strategic planning and its widespread adoption, many hospitals and healthcare systems are still engaged in a outmoded “arms race” to acquire physicians, spend on marketing, IT and other facilities or involved in futile restructuring efforts (Alquist et al, 2012). In a dynamic environment, such traditional practices fail short of reaching goals (Begun and

Heatwole, 1999). It seems that strategic planning in the healthcare sector has not evolved fully. Zuckerman (2006) contrasts the strategic planning practices within the sector with those practiced outside the sector. Systematic data gathering in support of creative strategic approaches, and evolving, dynamic bottom—up strategic planning processes are some of the spotted best practices. It is claimed that these practices, if adopted within the sector, will lead to substantial gains for the adopting institution (Zuckerman, 2006). It is claimed that establishing a far-reaching vision, acting on critical issues, developing focused strategies, differentiating one from competition and achieving true benefits are product-related best practices of strategic planning (Zuckerman, 2006). Zuckerman (2006) poses another five process-related best practices of strategic management involving organized preplanning, effective participation, strategic thinking, proper implementation and strategic management.

These ten practices are linked to the four stages of sophistication of strategic planning (Ginter and Swayne, 2006). Performing well on the first nine practices positions the organization at the second stage of sophistication (Ginter and Swayne, 2006). Satisfying the 10<sup>th</sup> practice of managing strategically bring the organization's performance to the third sophistication level. However, to achieve the highest level of sophistication (stage four), Ginter and Swayne (2006) disagree with Zuckerman's proposition of additional borrowing of practices from outside the healthcare sector. "If planners and the executive are in agreement and pleased with the results, perhaps making strategic planning more advanced, complicated, rigorous and sophisticated may not be such a great idea" (Ginter and Swayne 2006, p 33). If an advanced "stage four planning" is required, then the sector's unique organizational and environmental characteristics should be

taken into account, as some alternatives available to non-healthcare organizations, such as product development strategies, vertical integration, unrelated diversification, market expansion and contraction strategies may not be realistic for many healthcare organizations (Ginter and Swayne, 2006). Porter and Lee (2013) propose a more recent strategy to fix the healthcare centered around improving the value of care. It is argued that the sector should move from a supply driven to a patient focused one. The authors argue that the change shall not be linear nor rapid, although all the components of this strategic agenda are being implemented to varying degrees in many organizations. “No organization, however, has yet put in place the full value agenda across its entire practice” (p 5). The steps of this strategy are interdependent and mutually bolstering. They boil down to creating integrated practice units, measuring and reporting outcomes and costs, to improve reputation and patient value.

## **Methodology**

This exploratory study was fielded during 2014 to answer questions revolving around the relevance of strategic planning in Lebanese hospitals, the routes of strategic planning, the impact of strategic planning on hospital performance, and the challenges facing the Lebanese healthcare industry in general and the strategic planning in Lebanese hospitals in specific.

Thirteen healthcare leaders at 13 hospitals were interviewed in total. The Hospitals were cautiously chosen to represent the main general hospitals in the Lebanese healthcare industry. Some of the chosen hospitals are main teaching hospitals affiliated with the most prominent medical schools in Lebanon. The others are non-teaching hospitals, however, they play a key role in the geographical area they serve. Fictional names were used for the hospitals for



confidentiality and anonymity purposes. Seven of the participants at these hospitals are chief executive officers (CEOs), two are strategic managers, two are strategic management consultants, two are medical directors assigned the responsibility of strategic planning and one is an academician in the healthcare field in charge of planning and launching a University Medical Center. Table 1 in Appendix A is set to reveal the basic information pertaining to the contacted officials at the designated hospitals. A semi-structured interview guide was used over an average span of 75 minutes. All interviews except one were recorded. The above mentioned key themes will be used as general headlines for the portrayal and discussion of the findings in the coming section.

## **Data Presentation and Analysis**

### **Relevance of Strategic Planning**

All the participants reported that strategic planning is important to their health care institutions. All seemed to agree that the hospitals in Lebanon are facing increased competition, more demanding patients, and rapidly advancing medical technologies and sciences. Accordingly, it is believed that hospitals need to cope by adapting the internal environment to the external one through the right strategies and tactics. “Managing a hospital without planning is like driving an airplane without directions and with no fuel reserve” (CEO1, 26121401)(The previous reference indicates that this statement is made by CEO1 while interviewing him on the 26 of December, 2014, and taken from his interview transcript page 1).

Participants seemed a bit confused about the given meaning of strategic planning. Many participants referred to it as ‘a means to achieve financial objectives’. Some thought of it as ‘a tool to cope with internal and external challenges’. Others thought of it as a ‘community driven necessity’. Only a few marked it as ‘a road map for managing resources and reaching ends’. These given characteristics offer, but only combined, the holistic meaning of strategic planning, which is “the identification of mission and goals, the implementation process towards the achievement of identified goals and objectives and finally, finding solutions or correction actions in strategy evaluation and control process” (Hassan 2010, p 3).

Few others mixed strategic planning with marketing and feasibility studies or confused strategic plans with action steps and tactics. One interviewee referred to the annual action plan of the hospital as being the strategic plan. There is an evident confusion between the long-term and short-term. This might be due to the process nature of strategic planning. CEO 5, contrary to the others, revealed a real and complete understanding of the relevance of strategic planning. “I am sure not all healthcare leaders in Lebanon understand strategic planning the same way we do. For us, the strategic plan is not a short term plan to solve usual problems that emerge from our daily operations. Real strategic planning is derived from detecting changes in the environment and setting a roadmap for the organization to follow over a long period of time” (CEO5, 16051401).

Management adopting a holistic approach is more likely to reach its goals in an easier and faster way if all components are advanced simultaneously (Porter and Thomas, 2013). . In theory, a holistic system considers all elements to be interconnected. In practice, a holistic strategic planning engages a number of independent yet interrelated components. The strategic plan thus turns to be more than just a guiding document for the organization as CEO7 implied, or a

marketing plan as CEO11 stated. It is a process that impacts the organizational culture and positions the management in its right steering role (Plant, 2008). Managers in the 21st century must establish relationships, comprehend wholes, pursue relevance, and strive to create synergetic conditions.

### *Underlying Motivations*

Strategic Planning is no longer an optional endeavor, since it was imposed by the accreditation requirements imposed by the Lebanese Ministry of Public Health (MOPH) since 2004. To comply, all the participants mentioned that have prepared formal evidence-based strategic plans that are updated regularly. Most of the plans are prepared in accordance with the accreditation body requirements without due attention to the hospital's specific circumstances, rendering them ineffective. "Many hospitals are designing their strategic plans in order to satisfy the accreditation audits, without deep conviction, a real understanding of the process, nor a visionary outlook" (CEO3, 28011401). They do that out of obligation and conformance necessities rather than based on a culture of accomplishment and mastery. The thing is that "extrinsic rewards and intrinsic motivation are inversely related, and this problem is so serious that it can render extrinsic incentives for performance of any kind as ineffective or even counterproductive" (Ledford et. al 2013, p 17).

Only a few interviewees have explicitly stated that they exercise strategic planning regardless of the accreditation requirements. "The process is internally motivated as we need to understand our position and role in the market" (CEO5, 16051401). The strategic planning process is relatively new to any healthcare institution since "no plan was demanded from it as a qualifying document upon its licensing by the MOPH" (CEO4, 17041401).

## **Routes of Strategic Planning**

### *Approaches*

The majority of the participants reported the usage of a bottom-up approach, where each department is asked to generate its own plan. These departmental plans are then reported to the upper management committee so that a general plan for the hospital is devised. “We adopt a *main du terrain* approach. The head of units along with their teams have the liberty to decide on plans pertaining to their work. They know best about their routines and can envision the right tracks for their departments” (CEO1, 26121402). Under the bottom-up approach, participants aligned the strategic goals of the hospital with the other operational activities. The process is believed to enhance the creativity of the staff and increase their commitment to the process, and ultimately cultivate a sense of ownership of the plan. Interviewees claim that a bottom-up approach ensures the plan’s alignment with the patients’ needs and expectations, since they are generated at the front lines. The resulting plan is adorned by both department and senior managers of various line departments (IBM, 2009).

Some participants reported the adoption of the top-down approach at the hospitals they work at. “In Lebanese hospitals, it is the top and middle level management that are usually involved in strategic planning. Talk to the physicians, nurses, employees and supportive staff to see that the majority does not have any clue about the strategic objectives of the hospital, not even those pertaining to their own departments” (CEO4, 17041402). It is believed that this top-down approach saves time and effort by freeing the time of the regular staff.

Few participants mentioned the fact that their approaches to planning are not purely top-down or bottom-up. A ‘blending’ or a ‘sandwich’ approach is adopted to make use of the best of both

approaches. At these two hospitals where the blended approach is used, a specialized unit for strategic planning exists. This unit is led by a dedicated manager that solicits feedback from top management and the board of directors on the one hand, and from the units and departments on the other.

### *Time Spans*

Most of the participants noted that strategic plans are set for a period of five years. They seem to comply with the accreditation requirements that stipulate a five year plan and a yearly review of that plan. However, only a few said that plans are set for a period ranging between three and seven years. “The time horizon of the plan depends on the contract period of the CEO in our institution who is assigned for three years” (CEO8, 25031402).

All but two of the participants noted that they revise the plan on a yearly basis. CEO1 and CEO6 noted that they review the plans every six months, which is not an easy thing to do. “Reviewing the plan every six months is easier said than done. Time is needed for things to unfold and no one wants to look at the strategic planning activity as an extra cost. A yearly review looks more appropriate having said that ” (CEO7, 25031402).

A five-year time horizon for planning seems a conventional thing given the complex nature of organizations (Glaister and Falshaw, 1999). However, adopting the five-year period out of courtesy to the accreditation requirements instead of business necessities seems unacceptable. More frequent reviews of the plans seem to be adopted by those hospitals aware of the impact of external factors. “We do bi-yearly reviews and check key performance indicators even at a more frequent basis” (CEO6, 23121302). With today’s pace of change in technology and markets, a shorter planning time horizon is justified. “We recommend a horizon of 18 – 36 months to take

on in this process. In rare cases, some larger organizations with high capital costs and significant interdependencies may stretch this to 5 years” (Schneider, 2014, p 1).

### *Responsible Bodies*

Most of the participants noted that the governing board of the hospital sets the general guidelines and approves the final version of the plan. Then, the responsibility for strategic planning is assigned to the CEO of the hospital and his executive team. The executive team puts a framework of what needs to be done and they present the plan to the board for approval. Then, the CEO initiates committees headed by department heads to lead the process. “This is mainly our strategic planning cycle” (CEO12, 15041403). However, often the executive team is in charge of the operation as the board members often reside outside the country and thus are not accessible. At one hospital, the medical director oversees the strategic planning process. At another, the chief of the quality department is responsible for managing the process. Only few respondents (two out of 13) reported having a team of full time employees entrusted with the process. Hospital owners, in peripheral hospitals, are themselves the governing board and they are greatly and directly involved in the strategic planning process. Thus, it seems that the governing board is approving the plan but not very much involved in its development. “We are trying to increase the governing board role so they assume more responsibilities, especially that the board members are hired based on experience and qualifications” (CEO7, 25031402). The prevailing scenario matches that of the global scene, where the senior management team is guided, but not directed, by the governing board. This team leads the hospital’s staff to carry out the mission and vision that has been developed and approved by the governing board (The WalkerCo, 2015).

The medical staff is the biggest in any hospital, but the least interested in strategic planning. “The clinicians, both doctors and nurses, represent over 65% of the hospital human power. Thus, a plan that does not involve clinicians is a plan not fit for a hospital” (CEO12, 15041403). Nurses are usually represented by the head nurses in the planning process. However, the real problem lies with the doctors, where all the participants spoke of difficulties in getting them engaged with the strategic planning process. “We have big difficulties to involve the doctors in any plan pertaining to the hospital. That’s why most of the hospitals assign to the medical director the responsibility of involving physicians in strategic planning” (CEO9, 16051402). The doctors mainly focus on their own practices in smaller medical groups and have less interest in bigger integrated plans covering the entire hospital (Zuckerman, 2000). Physicians are not motivated to engage in the formulation and implementation of plans due to the nature of their contracts and their professional relationship with the hospital. “In Lebanon, physicians are not employees in the hospital. They enjoy a liberal profession, get paid from different parties including insurance companies and patients, and most of them have private clinics. Physicians recruit patients to the hospital and have considerable bargaining power. The more successful the physician is the more difficult is to convince him to participate in the planning” (CEO4, 17041403).

Physicians also lack managerial skills and focus mainly on the medical (technical) aspect of their profession. “You rarely find physicians on board with management and business backgrounds” (CEO11, 20011401). They are more of “solo” performers than team players. Sometimes, hospitals dedicate special effort to overcome the drawbacks of such non-

involvement. “We are planning to redesign our internal regulations and contracts to get higher physicians’ commitment” (CEO8, 25031402).

Few participants mentioned the use of outside consultants to aid in the strategic planning process. “The consultant is handy especially when managerial skills are lacking” (CEO1, 26121303). It is widely believed that the use of outside consultants is expensive and that the internal staff is sufficiently educated and trained to do the job. They do not see the fact that consultants, although costly, they can accelerate the learning curve for inexperienced institutions at least in the initial stages.

### *Implementation*

Most of the participants believe that the implementation of the plans is below satisfactory levels. Poor implementation is due to many factors including the “the lack of financial resources and the incompetency of the personnel in charge” (CEO9, 16051402). The newly recruited healthcare entrants seem to be under qualified, which requires additional training. “This greatly delays the implementation and renders the quality of the accomplished work unsatisfactory” (CEO5,16051403). In addition, strategic objectives should be aligned with the paychecks of the employees to gain their commitment. It seems that strategic planning is not complemented with the right performance appraisals and reward structures, rendering employees demotivated to pursue the plan (Swayne, 2008). Other CEOs (CEO5 and CEO10) blame the poor implementation on the unfortunate outside forces constantly rocking the country and the region. The political conditions and the MOPH unannounced pricing changes are also commonly cited reasons.



A minority of participants seems to be very satisfied with the implementation. “We are achieving our planned objectives almost 100% because we do not plan something we cannot achieve” (CEO1, 26121403).

### **Impact of Strategic Planning On Performance**

All the participants reported planning to be effective and positively related to the hospital’s performance, but no formal means of measurement are used for the purpose. Interviewees spoke of using key performance indicators, both qualitative and quantitative ones, to measure the outcomes of strategic planning in terms of its impact on performance. They sometimes simply evaluate projects and action plans resulting from the strategic decisions. When asked to supply specific examples, participants spoke of patient satisfaction measures, occupancy rates, market shares, etc. Few participants spoke of nonfinancial benefits. “We have strategic objectives to serve people in our community. Such objectives are not necessarily income-related, but nonetheless they fulfill the mission of the hospital” (CEO9, 16051403). The non-financial benefits of strategic planning are well documented in the literature (Glaister, 1999).

Unlike the majority, CEO4 was able to relate financial outcomes to planned strategies. “Budgets are based on the strategic projects’ requirements and not vice versa. Consequently, the return on investment is directly linked to the initial investment allocated for each project” (CEO4, 17041407). CEO5 reported using a balanced scorecard to evaluate the impact of the adopted strategy by weighing the financial and non-financial outcomes. “Each department generates its own statistics to check the overall improvement in financial, customer, process and growth related performances in comparison with the previous years” (CEO5, 16051403). CEO 1

reported the resort to an outside consultant, who measures the hidden costs for them. “We are unique in the measuring of the unaccounted for costs, and thus in our outlook at strategy planning” (CEO1, 26121304).

However, participants found difficulties in matching planning with measureable benefits, as financial gains. They claimed that gains can not be exclusively related to strategic planning activities. Participants confused traditional statistical data with key performance indicators. They found it cumbersome to provide evidence-based results, and relied instead on hunches and feelings of heightened performance. “It is just a feeling that things are in place” (CEO6, 23121305). Others confessed that they are still in an early stage of planning where they do not have key performance indicators for each objective.” We need a new generation of quantitative and qualitative KPIs” (CEO7, 25031403). This felt difficulty to relate strategy to performance is echoed in the literature. “Organizations are widely believed to engage in formal strategic planning to improve performance, but this relationship has not been well established” (Begun et al 2005, p 270). The most direct linkage between strategic planning and performance is provided by the goal-setting theory (Fried & Slowick, 2004). Goals’ setting enhance performance because it diverts energy and attention away from goal-irrelevant activities toward goal-relevant efforts (Lathman, 2004). Since goals identified by strategic planning efforts often focus on improving performance, therefore strategic planning should be expected to lead to improved performance (Poister et al, 2011). Strategic initiatives are usually concerned with improving performance in terms of heightened outcomes and reduced costs (Porter and Thomas, 2013).

## **Challenges Facing Strategic Planning**

### *Current Challenges*

Most of the participants declared that there are various challenges hindering the proper implementation of strategic planning in the Lebanese hospitals. The biggest challenge to the hospitals and their strategizing activities is the delayed payments from the various public-financing entities (PWC, 2012). The delayed collection might go up to two years, thus putting hospitals in a serious need for cash. “Reimbursement mechanisms bound the strategic planning processes by the minimal resources” (CEO12, 15041406). Breakeven is harder to reach in this sector than in any other, given that cash is short and revenues are postponed (CEO4, 17041407). Another related challenge pinpointed by CEO 4 is that the patients’ decisions are dictated by the availability of coverage by the public funders, rather than by the reputation and quality of the hospital’s services. “This challenge is particular to Lebanon” (CEO4, 17041408).

The second most cited challenge is the ill qualification of the medical personnel. Qualified nurses are not only in short supply, but they are increasingly migrating to other Arab, European and American countries to achieve higher standards of living (CEO4, 17041408). The medical personnel seem to be less equipped to formulate and implement any project of strategic nature. “Numbers and qualifications are both problematic” (CEO5, 16051403). The physicians lack any managerial and business background. “We need more physicians with managerial soft skills” (CEO4, 17041409).

A third mentioned challenge is the extended life expectancy of the population averaging 74 years in 2011 (PWC, 2012). This is challenging to the hospitals as the aging people are getting into pathologies that were not administered beforehand. Moreover, the absence of specialized places

to host the elderly obliges the hospitals to receive them. “The average length of stay (LOS) for this target group is getting longer and inducing extra costs on the hospitals” (CEO5, 16051404). In addition, patients after the age of 64 turn to the Ministry of Public health (MOPH) for coverage, which will create additional financial stress on the hospitals due to the delayed payments” (CEO2, 14051405).

Another cited challenge is the civil unrest and the political standoff that continues to impact the Lebanese healthcare industry negatively. “Our entire strategic planning was based on healthcare tourism. We planned to attract foreign patients who seek special treatments such as infertility treatments and plastic surgeries, among others. Expansionary projects including capacity increases are halted ” (CEO4, 17041409). Moreover, the absence of reliable statistical data on which strategic decisions could be based are scarce and in best case scenario are outdated (CEO6, 23121307).

### *Future Challenges*

Participants spoke about the future of the healthcare sector in Lebanon. Most of them mentioned a worldwide trend towards ambulatory, one-day surgery and outpatient services. “The hospital is 100% occupied in the morning and 50% in the afternoon. Any strategy should take this fact into consideration” (CEO5, 16051404). Similarly, CEO12 mentioned that the hospital of the future is a 200 bed rather than a 500 bed, and the stay is 3 days rather than 12 days, so more patients should be attracted to secure a full house.

Participants though seemed less convinced with the viability of specialized hospitals. They were less enthusiastic about the specialization prospects on the basis that the hospitals are

private competing entities, and the culture of collaboration among them in terms of patients' transferal is absent. Moreover, the Lebanese medical staff is not sub-specialized. The physicians' incomes are limited, which encourages them to multi-task rather than be pigeonholed in one area. Moreover, the size of the Lebanese market is small and does not generate a sufficient volume of cases of particular types. CEOs 5 and 9 are the most vocal in their belief that Lebanon still lags behind this global trend. A minority believed that the prospect of specialized hospitals is viable more than ever, and they are building their strategies in accordance. "Our specialized hospitals should be the first choice for the regional patients, since we will supply them with unmatched and specialized care" (CEO1, 26121307). The recent accreditation of the specialized hospitals by the MOPH will reinforce their presence in the Lebanese market. Successes of already existing specialized hospitals is a proof of their sustainability. "Specialized hospitals in Ophthalmology, Nose and Throat (ENT) are doing way better than the big university hospitals in the country" (CEO4, 17041410).

The position of Lebanon as the primary care giver in the region seems to be challenged by the improvements and investments done by other countries, in terms of developing hospitals, medical equipment and qualified medical staff. These improvements in the region coupled with the political instabilities in the country, cutback of medical tourism and the lack of sufficient funding rock the status of the 'Hospital of the Middle East'. Despite all challenges, though, the majority of the participants still think that Lebanon is the primary destination for the healthcare in the Middle East, and the reason for this optimism is rooted primarily in the Lebanese high caliber of human capital.

## **Conclusion**

This study explores the strategic planning practices carried out in the Lebanese hospitals. It looks like the framework for formulation and implementation of plans is set in all the hospitals but variably weakened by some internal and external factors. The understanding of the strategic planning process is fragmented rather than holistic. The process is mostly extrinsically motivated by the accreditation requirements rather than intrinsically driven. The medical staff's disengagement with the process is a major roadblock for any planning endeavor. The participants were keen that positive outcomes pursue from the process but have not devised any formal means to trace the impact of strategic planning on performance. The major external challenges were related to delayed reimbursements by the various public entities, and the political unrest negatively affecting medical tourism rendering the sector highly dependent on the small local market.

The changing nature of the healthcare industry and the shared challenges impacting the sector in many countries render strategic planning more imperative than ever, in order to reorient hospitals and put them on the right track of growth and value-creation. Assessing the current state of strategic planning is a crucial starting point to draw on future prospects and hit well-aimed targets. It would be viable to do a comparison study between the local hospitals and others in the Arab region and nearby Europe to check for differences and communicate experiences. Other future studies could also highlight specific changes as value-based services for patients and disruptive medical technologies, to assess their impact on strategic planning endeavors.

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## Appendix A

**Table 1: Work- Related Data of Participants**

Hospital Name	Hospital Type	Location	Position	Academic Affiliation
A	General-Chain of Hospitals	Outside Beirut	CEO1/CEO	✓
B	General	Beirut	CEO2/Director of Strategic Planning Office	✓
C	General	Beirut	CEO3/CEO	✓
D	General	Outside Beirut	CEO4/CEO	
E	General	Outside Beirut	CEO5/Medical Director	
F	General	Beirut	CEO6/Director of Strategic Planning Office	✓
G	General	Outside Beirut	CEO7/Consultant	✓
H	General	Outside Beirut	CEO8/CEO	✓
I	General	Outside Beirut	CEO9/CEO	✓
J	General	Beirut	CEO10/CEO	
K	General	Beirut	CEO11/Medical Director	✓
L	General	Outside Beirut –Chain of Hospitals	CEO12/Consultant	
M	General	Outside Beirut	CEO13/Academician	✓

