VOLUME: D
Management of Drug Dependence Treatment Services
Module 1

SETTING DIRECTION & PLANNING

1. Vision, mission and values
2. Policy and strategy
3. Business & financial planning
Workshop 3

BUSINESS & FINANCE PLANNING
Training objectives

At the end of this workshop you will be able to:

► Understand the principles of a viable business plan
► Understand the importance of linking business planning with budgeting
► Understand financial planning terms
► Acquire the basic technical know how to prepare a business plan and financial plan
A business plan describes the organization's mission, vision, objectives and strategy and identify what will be required and how to achieve them with a timescale.

The plan includes the operational budgets, infrastructure, staff, activities, targets, procedures and management control systems to ensure compliance and quality assurance.
Business plan considerations

► The **mission and vision statement** conveying the service being designed and what you aspire to achieve

► The **target population** being provided the services considering carers, the wider community and social and cultural diversity

► The **models of care**, including the standards and evidence-base under which it will operate

► The **range of provisions/activities** directly related to the needs of its target population
Business plan considerations

► Leadership and management system
► Funding source and planned budget
► Workforce and the required competencies
► Data collection, analysis and reporting
► Performance, quality assurance and monitoring indicators
Basic information requirements of business planning

1. Population needs analysis
2. Existing client profiles in current services
3. Service specifications as laid down by funders
4. Coverage targets, usually defined in national and local drug strategy or through relevant current prevalence studies on drug and alcohol use
5. Resources required to provide the service
6. User participation/consultations
7. Performance and monitoring measures
Let’s practise!

Identify data sources for:

1. Population needs analysis
2. Client profiles in current services
3. Service specifications as laid down by funders
4. Coverage targets
5. Resources required to provide the service
6. User participation/consultations
7. Performance and monitoring measures
Financial plan:

“A financial plan for a business is the task of determining how the organization will afford to achieve its strategic goals. The financial plan is one of the first things created to help managers make decisions that are in the best interests of the organization”

“Developing a financial plan is critical to the success of an organization, it validates a business plan by confirming that the objectives set are achievable from the financial point of view”

McKinney, 2015
Financial planning

► Basic information requirements for financial planning
► Resource/funding available
► Budget allocation for fixed (e.g., fixed assets) and variable cost (treatment cost and workforce capacity)
► Unit cost for a service (e.g., average cost of a particular intervention per patient/user)
► Other relevant data
Financial plan

Financial plan determined by

Service’s goal / objectives

The strategy & business plan

Funding and income sources by activities

This is reflected in the overall Operational Planning and Implementation System
Financial planning

- The planned services and interventions are costed: e.g., a unit cost for each service is calculated (inpatient detoxification, outpatient detoxification, counselling etc.)

- The financial plan details the system’s estimate of how much each activity will cost for a specified time period, usually by treatment protocols

- The financial plan details and predicts the expected income that will pay for the planned activities
Planning and budgeting are linked activities:

- Plans include **business goals and objectives** that are to be accomplished in a stated time period
- Plans describe **activities** to accomplish the goals
- Planning & budgeting are parts of **an interactive process**
- Both need to be **flexible and adaptable** to internal and external economic forces
Financial planning involves:

- Identify resource requirements
- Analyse risks & in-built contingency reserves
- Estimate revenue & expenses
- Budget
- Prioritize resource use
Let’s practice!

**Business plan**

*An international partner has donated a substantive amount of money to your government to develop a comprehensive drug treatment service. It is expected that your country will be asked to mainstream its continued funding from the health budget afterwards.*

*As the manager of your service, develop a viable business plan for one year using the information from this module*
Take-home messages

- Good ideas are not enough
- A sound business plan is the lifeline of your service
- Without a good financial plan there is no viable business plan
Questions
Wrap-up

► What are the components of a viable business plan?

► How do you define a unit cost for your service?

► What determines a financial plan?

► How do you link your business and financial plan?
Post-assessment
Thank you for your time!
End of module 1