



NWD SYSTEM: BUSINESS CASE TOOLKIT

Section 2: Completing an Environmental Scan to
Identify Potential Partners and Community Trends



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Section 2. Completing an Environmental Scan to Identify Potential Partners and Community Trends

Overview



A comprehensive environmental scan – one that takes into account federal, state, and local governments, competitors, collaborators, technology/system requirements and capabilities, economic factors, demographics, and payers – can help you determine the best way to strategically utilize your time and resources to accomplish your goals. Comprehensive environmental scans inform strategic plans, impact organizational direction, and allow you to better understand stakeholder challenges, incentives, and organizational characteristics.

Conducting an environmental scan will help you identify potential partners, overarching contextual trends (e.g., demographic, economic, and political trends), prioritize your efforts to match your resources, and gain the insight needed to focus your efforts toward your organization’s competitive advantages and unique values. Comprehensive environmental scans allow you to establish a mechanism to continually assess the market and ensure that your organization is proactively identifying and responding to emerging opportunities. **These scans should be part of an ongoing process** to allow your organization to adapt to changing conditions and seek new partnerships as they become available.

As part of your scan, you will identify relevant economic, sociodemographic, and political trends, as well as key stakeholders and entities within your market. These entities could be **competitors**, or organizations providing similar services or seeking partnerships with similar groups as you. For example, if you are seeking additional funding from your legislature, consider which other groups may also be requesting appropriations. Organizations may also be **potential partners**, with whom you could develop or strengthen mutually beneficial relationships. Keep in mind that competitors could also become potential partners, depending how you choose to engage with them.

Snapshot from the 2019 NWD Grantee Business Case Collaborative

In the process of conducting environmental scan research and preparing for the pitch, Virginia engaged with a variety of stakeholders and attempted to better understand their needs and **pain points**.*

Through this process, the Virginia team reviewed a Department of Justice (DOJ) settlement report regarding the state’s compliance with the Americans with Disabilities Act and the Olmstead ruling. The team identified ways the NWD System could address this pain point by assisting individuals to successfully live in settings appropriate to their needs. For example, Virginia’s NWD System offers person-centered counseling to help individuals identify community supports appropriate for their needs and goals, then facilitates key referrals.

A **pain point is a key weakness, challenge, or growth area for a stakeholder.*

Do This!



A thorough environmental scan includes multiple components, outlined in the steps below.

Step 1. Complete an External Assessment and Competitor Analysis

An external assessment will allow you to gain a better sense for how the NWD System fits into the broader market. Conduct research to better understand the health and social services entities that play a role in providing LTSS, how they operate, and whether or how the NWD System could create or expand a partnership with them. Utilizing web searches, seeking information from well-connected individuals or those who have historic knowledge about the system or market, and organizing your findings in a table will be helpful. To conduct an assessment of your market, you should:

1. Investigate overarching characteristics of the local health and social services market.

- What are the key market themes? What demographic, economic, political, or other trends emerge?
- What partnerships currently exist between key entities?

2. Assess the local health and social services market to pinpoint stakeholders and other key entities.

- What current partnerships do you have?
- What organizations could serve as helpful partners for you? What could they provide that you lack? How do your goals and priorities align with those of your potential partners?
- What traditional competitors, such as non-profits and CBOs, do you have?
- What non-traditional competitors, such as local and national organizations developing similar services, do you have?
- Which potential partners may choose to build their own service instead of partnering with a CBO?
- What disruptors exist in your market? A **disruptor** has the potential to completely alter the market.
- Use the [External Assessment Template in Appendix E](#) to identify characteristics of and trends significant for each stakeholder or potential partner in your market. For potential partners with whom you will choose to engage, you may begin considering how to develop tailored business case materials.
- Use the [Competitor Analysis Template in Appendix F](#) to organize your research on each of your competitors. Consider how you can either demonstrate your

Snapshot from the 2019 NWD Grantee Business Case Collaborative

Wisconsin described some “competitor” organizations within the state that provide information or counseling for families seeking services. For example, one organization shows families a narrowed list of housing options, but receives a financial incentive if individuals decide to move into those housing options. Wisconsin’s NWD System differentiates itself by providing unbiased support to individuals and their families.

unique value when compared to your competitors or form meaningful partnerships with your competitors.

3. Evaluate individual organizations for potential partnership.

Also consider relationships you or your agency already possess with other individuals or entities. Leverage those existing relationships to open doors for meetings with new potential partners. Even brief contacts can open doors. For example, have you attended any conferences recently where you met anyone with whom you would be interested in following up and getting to know better?

These assessment tools may be used for any level of analysis. For example, you could analyze a small local market or expand your scope to the broader state-wide public and private LTSS systems.

Step 2. Complete an Opportunity Assessment

An opportunity assessment will allow your organization to strategically focus your time and resources on high-impact opportunities. In addition to the external factors you identified in Step 1, such as market trends and competition, consider internal factors such as service offerings and existing resources. Examine the services your organization provides to determine areas for improvement and potential for partnerships. After examining both internal and external factors, identify potential opportunities for partnership and then prioritize those opportunities based on criteria such as market demand, internal alignment, and potential for success when compared with existing competition. While completing an opportunity assessment, you should consider the following:

- What are your organizational strengths?
- What market needs is your organization able to address best through our products and services?
- In what areas would your organization benefit from improvement?
- What does your organization feel are the most pressing external trends?

After looking inward to identify your own strengths, areas for improvement, value, and priorities, you may begin assessing your potential partners. For each of the potential partners you identified in Step 1, consider how the entity's characteristics, needs, and priorities align with your organization. The following questions may help you analyze each potential partner.

[Appendix G](#) also includes a Potential Partner Assessment to help you consider the value and feasibility of partnerships.

- What does your potential partner prioritize? What is their approach?
- What are your potential partner's quality measures?
- What are your potential partner's strength areas? Their "pain points" and areas for growth?
- For their areas of improvement, how could your program help?

- How could you convince the potential partner that your program could improve their metrics? What communication strategies do you think would be effective?
- What potential risks and mitigation strategies exist for a partnership between your organization and other organizations? What resources would be involved in a partnership?

Since the healthcare landscape is constantly evolving, it is important to incorporate an iterative assessment into your organization's processes. Being proactive will help your organization identify new partnership opportunities and prioritize them according to your strengths and values.

Step 3. Prioritize your Potential Partners

When determining which potential partners to target, consider the levels of interest and influence held by each potential partner. Also think about which entities you have an existing relationship with, and which individuals or organizations recognize the value in investing in aging and disability services.

Use the grid in **Exhibit 1** (contained in [Appendix H](#)) to think through how you would prioritize the potential partners based on level of partner readiness. Each partner's position on the grid will indicate the actions you need to take with them:

- **Highly influential, highly interested partners:** Approach these potential partners right away and begin to develop a formal partnership.
- **Highly influential, less interested partners:** Begin to build relationships with a focus on developing more formal partnerships in the future.
- **Less influential, highly interested partnerships:** Keep these groups on your radar and engage as resources allow. Consider how these potential partners might contribute to your broader strategy growth and sustainability.
- **Less influential, less interested people:** Include these entities in your general business plan strategy until opportunities present for more formal engagement and partnership.

Exhibit 1: Partner Prioritization Grid¹

		Interest	
		Low	High
Influence	High	Approach for Future Formal Partnership (In 3-5 Years) <i>[Insert partner and organization names here.]</i>	Approach for Immediate Formal Partnership (Years 1 and 2) <i>[Insert partner and organization names here.]</i>
	Low	Informal Engagement <i>[Insert partner and organization names here.]</i>	Formal Engagement <i>[Insert partner and organization names here.]</i>

An important part of the above activity is to understand how potential partners perceive the services you offer. This will help you identify your advocates, supporters, those who are neutral, critics, and those who will block your success.

Snapshot from the 2019 NWD Grantee Business Case Collaborative:

Successful Engagement with a Potential Partner!

Connecticut initially planned to target its Business Case Collaborative efforts towards a pilot case management program for Veterans seeking community-based services. However, upon collecting initial data and completing an environmental scan, CT noted, *“it became quite evident that we had a business case to approach the VA to expand the VDC program, given the increased volume of older adults seeking primarily community-based services. In understanding the challenges with workforce development and providing care in a formal setting, we felt we had a solution [in the VDC program].”*

As such, CT targeted its pitch towards the VA Medical Center, specifically three administrators who are key decision-makers in CT’s VA healthcare system. The VDC program provides choice, control, and flexibility for Veterans; is valued by the Veterans it serves; and is cost-effective. However, many Veterans in CT remain unserved by VDC because they are not referred to the program by the VAMC. For the NWD Business Case Collaborative, the Connecticut team developed a slide deck demonstrating the significant positive impact of the VDC program and requesting the VAMC increase the number of Veterans referred to the program.

Following the Collaborative, the Connecticut team shared their slide deck with the VAMC. Timing was also key; an existing home care agency providing services under another program recently terminated its contract with the VA. As a result, the VAMC directed its staff to refer Veterans with lower case mix results to the VDC program. This partnership will increase the number of Veterans served through CT’s VDC program.

¹ Adapted from Smartsheet Stakeholder Analysis Templates. <https://www.smartsheet.com/free-stakeholder-analysis-templates>. Accessed October 2019.

Additional Resources



- [Webinar – Environmental Scanning for CBOs](#): This webinar provides CBOs with insights on how to conduct environmental scans, a key first step in developing a business plan.
- [Planning to Plan? Tools to Help You Better Understand Your Current Business Environment](#): This webinar highlights tools for planning including constructing an organizational vision, conducting an environmental scan and SWOT analysis and developing champions.
- [Information to Action. Planning and Change Management](#): This webinar builds on the Planning to Plan webinar by moving the environmental scan and SWOT analysis to action.
- [Taking the Lay of the Land: CBO Market Analysis for Strategic Integrated Care Decision-Making](#): This webinar focuses on surveying market trends and using those insights to grow new opportunities and partnerships.