


# Balanced Scorecard



## 10 Steps To Constructing an Organizational Scorecard

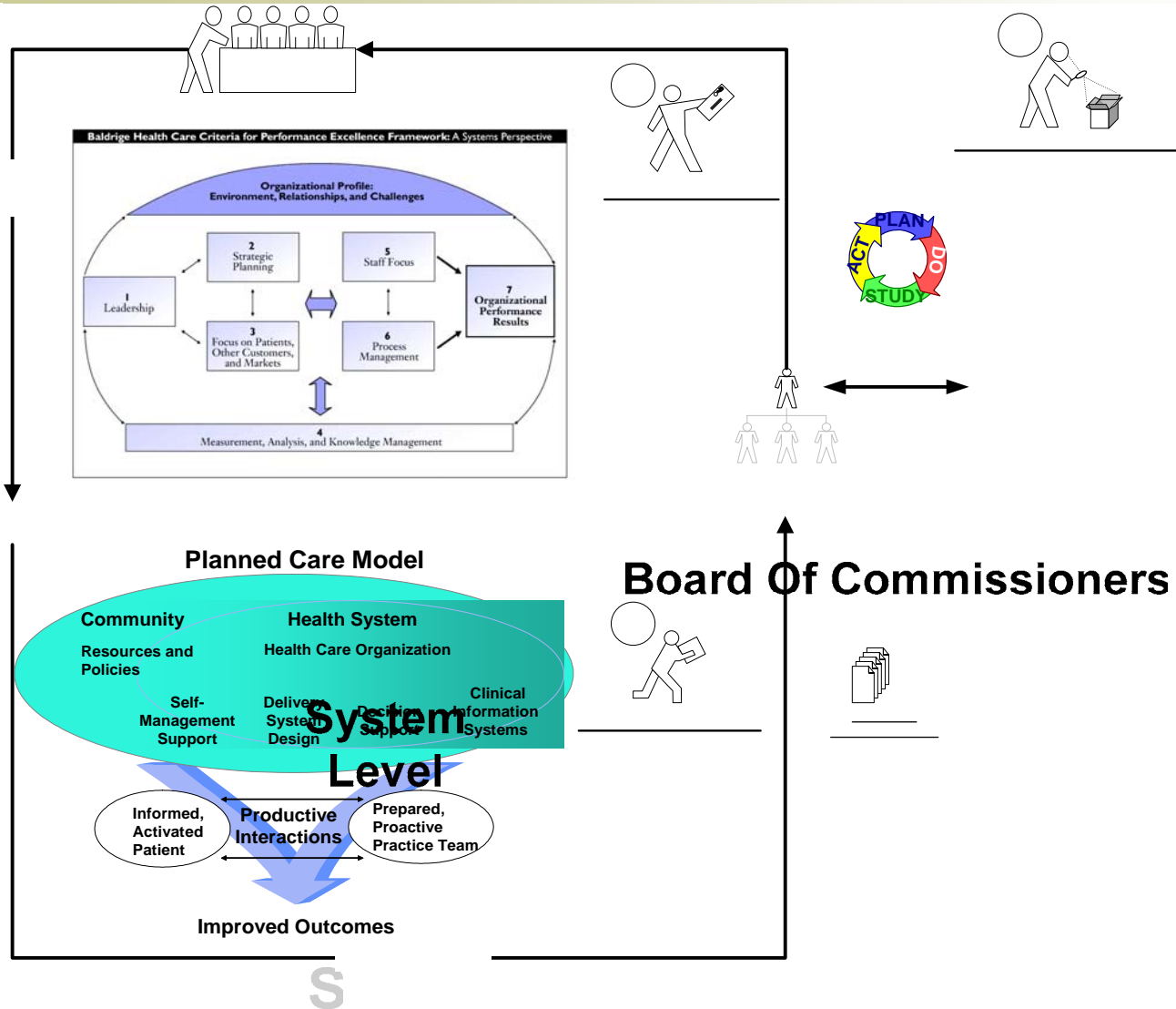


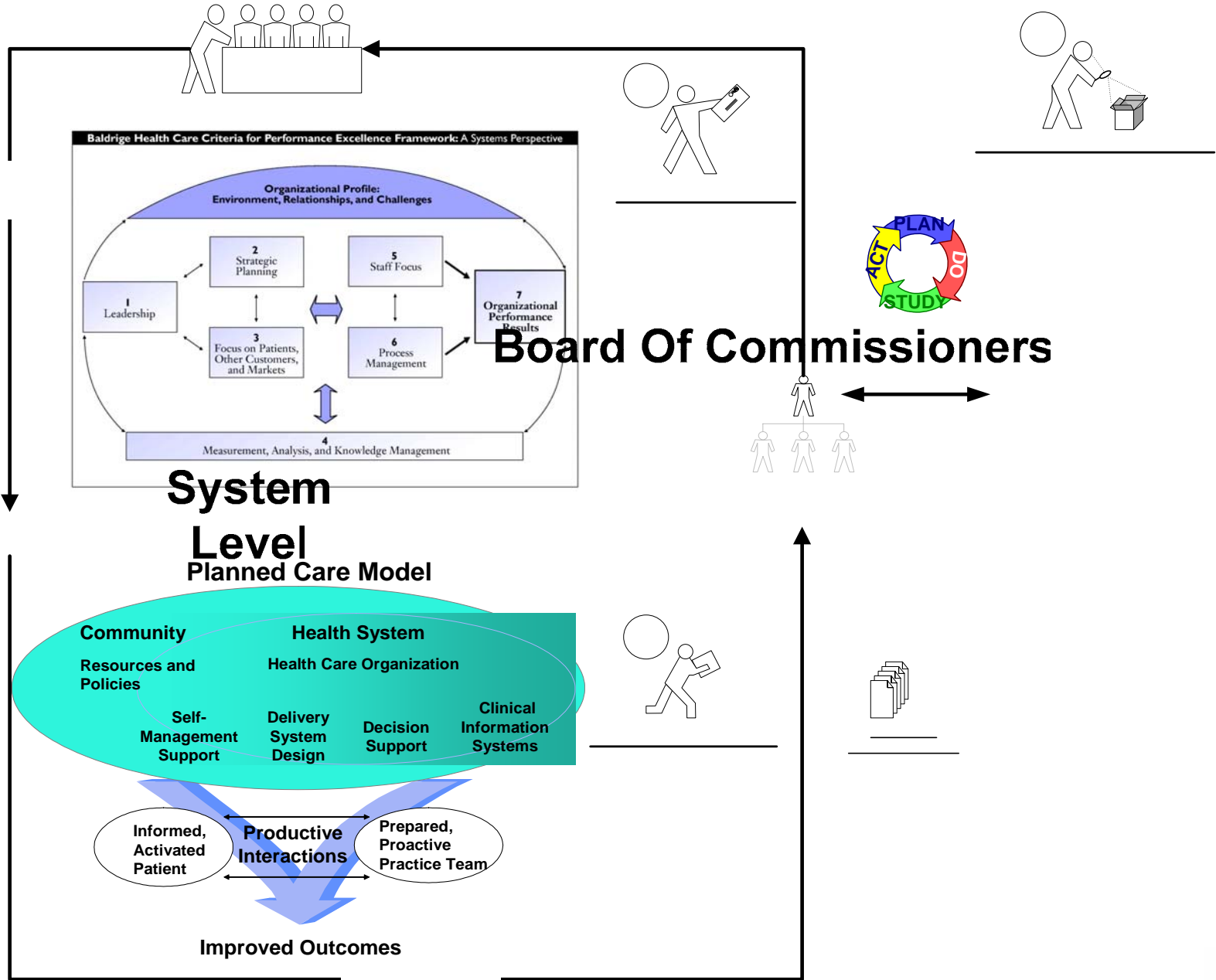
# 10 Steps to Constructing a Scorecard

- 1) Define Your Quality Framework
- 2) Survey the Marketplace (SWOT Analysis)
- 3) Strategic Planning Retreat (Brainstorming)
- 4) Identify 3 Key Strategic Objectives (KSO's)
- 5) Identify Outcome Measures
- 6) Add Operational Measures
- 7) Develop Data Collection Plans
- 8) Construct Scorecard/Dashboard
- 9) Communicate to the Team – Promote the Plan
- 10) Put the Plan into Action

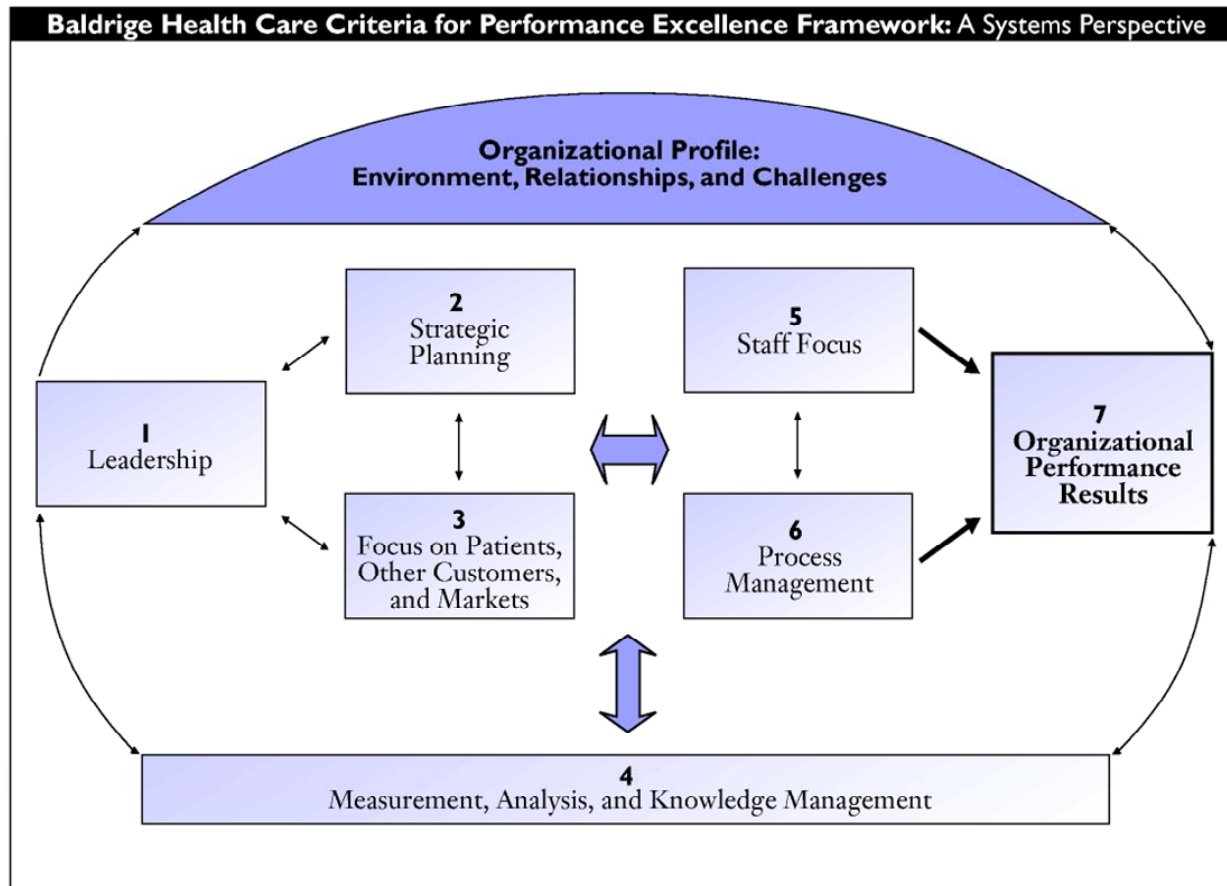


# 1) Define Quality Framework





# Baldrige Framework



# [ 2) Survey the Marketplace ]

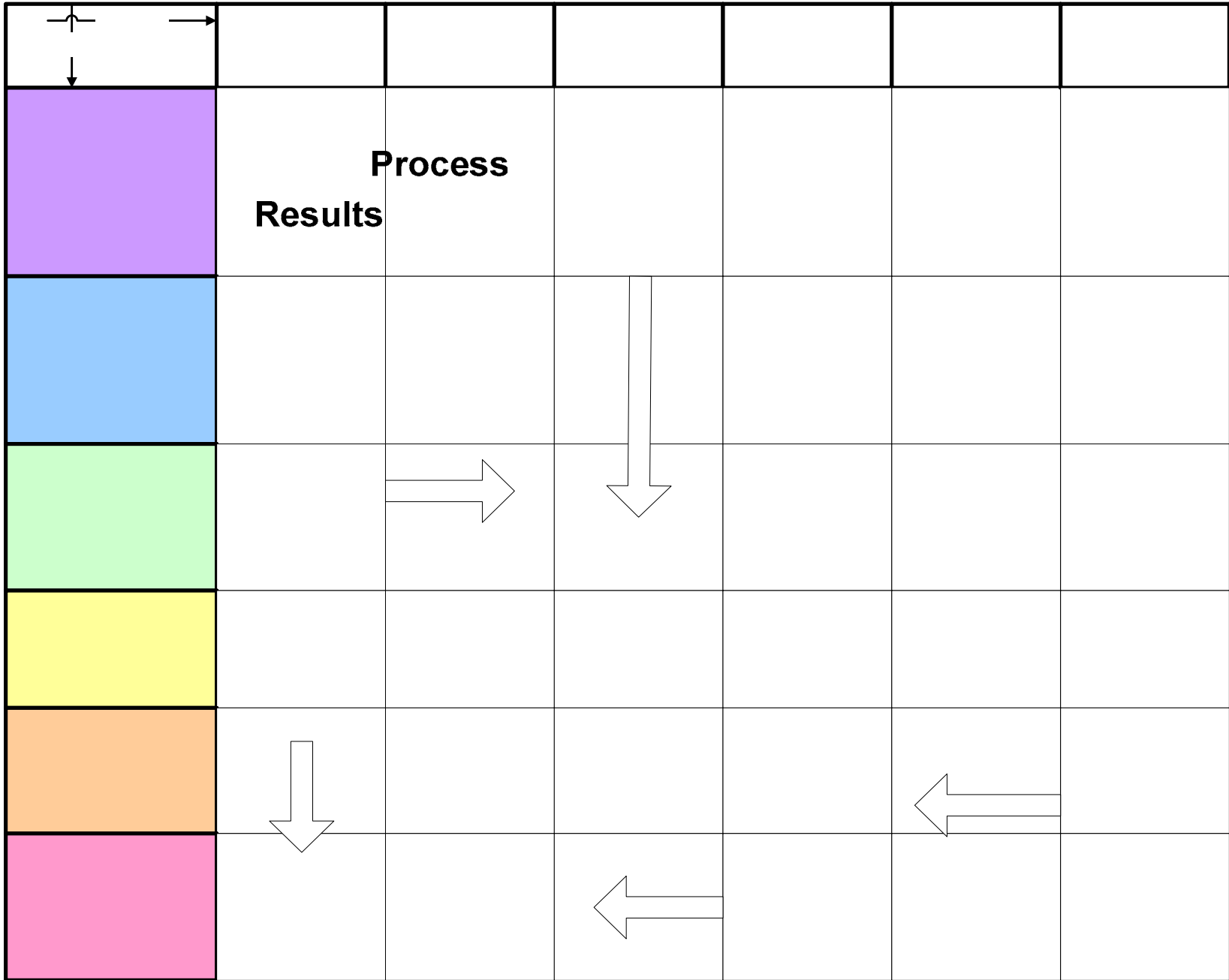
- Community Forum
- Competitive Market Analysis
- Patient Satisfaction Survey
- Legislative & Regulatory Environment
- Staff Opinion Survey
- CAH Program Assessment – Baldrige Assessment
- Financial Analysis
- Budget



# [ 3) Strategic Planning Retreat ]

- Review Purpose, Vision, Mission & Values
- Review Current Strategy Map
- Discuss Key Market Factors
  - **Customer** & Healthcare market needs/expectations/opportunities
  - **Competitive** environment and collaborative environment to conserve community resources and our capabilities relative to competitors
  - **Technological** and other key changes that might affect our healthcare services and/or how we operate
  - **Staff** strengths & weaknesses including staff and other resources
  - **Supplier/Partner** strengths & weaknesses, including those of any healthcare alliances
  - **Financial, Societal, Regulatory**, and other potential risks
- Brainstorming
  - What would success look like?
  - Plot ideas and Score Choices
  - Scope & Impact of idea
  - Priority
- Determine the Key Strategic Objectives (KSO)
  - No more than 3
  - Take these broad objectives back to the Management Team
  - Management Team will select Outcome Measures for recommendation to the Board





= 20%

Financial & Market

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# [ 4) Identify 3 KSO's ]

- Look at your strategy map
- What must happen?
- At the end of the day...“What is the one thing, that if not accomplished, will render all other objectives meaningless?”
- Pick 3 Broad Objectives



# 5) Identify Outcome Measures

**Key Strategic Objective (KSO1): Complete the implementation of Creating Home & Building Community**

Customer	Product/Outcome	Expectations	Measures
Resident	Care	Involved/Choices Self Determined	Assessment Score % Involved
	Food	Good Taste Presentation	% Consumption % Weight Loss/Gain
	Housing	Clean Good Repair	# Reporting Satisfied Ave. Time to Resolve
	Activities	Engaged Choices	% Time Engaged # Attendance at Events

What is the single most important measure that indicates success?



# 5) Identify Outcome Measures

## Key Strategic Objective (KSO1): Deinstitutionalize and Create Home

Substantially complete the implementation of Creating Home & Building Community, Approach to Care and Environment of Care, within the bounds of our existing physical structure and its limitations.

Customer	Product/Outcome	Expectations	Measures
Resident	Care	1.I am involved in making choices about my care. 2.I am able to determine my own daily schedule	Psychosocial assessment scores per individual and aggregate. <ul style="list-style-type: none"><li>•Physical</li><li>•Social</li><li>•Emotional</li><li>•Psychological</li><li>•Spiritual</li></ul>



# [ 5) Identify KSO Measures ]

## Scorecard

Financial	Organizational	Healthcare
	Growth in Utilization* <ol style="list-style-type: none"> <li>1. Clinic</li> <li>2. Op Lab/x-ray</li> <li>3. Op EKG</li> <li>4. Op Physical Therapy</li> <li>5. LTC Census</li> <li>6. Wait List</li> </ol>	Health Index* <ol style="list-style-type: none"> <li>1. Clinic</li> <li>2. Acute</li> <li>3. ER</li> <li>4. Lab/Xray</li> <li>5. PT</li> <li>6. Skilled Nursing</li> </ol>
Staff	Patient/Customer	Governance
80% Team Members Affirm* <ol style="list-style-type: none"> <li>1. I know what is expected of me at work.</li> <li>2. I have what I need to do my job. (Knowledge, resources, equipment, decision authority...)</li> <li>3. I feel supported by the team.</li> </ol>	Psychosocial assessment* scores per individual and aggregate. Move score from the baseline to substantial level of improvement <b>(This measure is being developed)</b>	*Indicates KSO



# 5) Add Operational Measures

## Scorecard

Financial	Organizational	Healthcare
5% Operating Margin < 48 A/R Days FTE Budget to Actual	Growth in Utilization* 1.Clinic 2.Op Lab/x-ray 3.Op EKG 4.Op Physical Therapy 5.LTC Census 6.Wait List	Health Index* 1.Clinic 2.Acute 3.ER 4.Lab/Xray 5.PT 6.Skilled Nursing
Staff	Patient/Customer	Governance
80% Team Members Affirm* 1.I know what is expected of me at work. 2.I have what I need to do my job. (Knowledge, resources, equipment, decision authority...) 3.I feel supported by the team. # Frequency of Injuries % Turnover % Timely Performance Appraisal	Psychosocial assessment* scores per individual and aggregate. Move score from the baseline to substantial level of improvement <b>(This measure is being            developed)</b>	70% Support for Levy < 30 Days Compliance Resolution within due date  *Indicates KSO



# [ 7) Data Collection Plans ]

<b>Definition:</b>	•Operating Margin
<b>Quadrant:</b>	•Financial
<b>Calculation Rule:</b>	$\frac{\text{Net Income - NonOperating Income}}{\text{TotalOperating Revenue}}$
<b>Source:</b>	•Business Office Input Spreadsheet
<b>Frequency:</b>	•Monthly
<b>Collection:</b>	•Monthly
<b>Location:</b>	•Financial Services
<b>Accountability:</b>	•CFO
<b>Notes:</b>	Measures “true” operating margin less; taxes, grants, subsidies and other sources

Source: Rural Health Performance Improvement Benchmark Project



# 8) Construct Scorecard

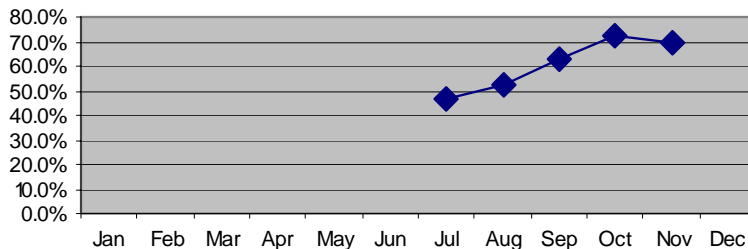
## Healthcare

70%

Clinic Diabetes Index

**Goal 100%** - We are maintaining gains in every area with Tobacco Cessation & Self-Management goal setting remain strongest measures. Blood pressures are at 40% of goal. Team working on new round of PDSA.

Clinic Diabetes Index



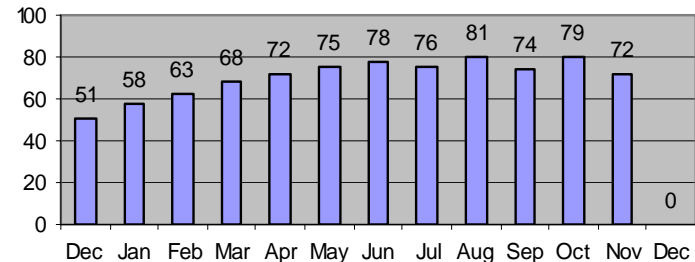
## Financial

72

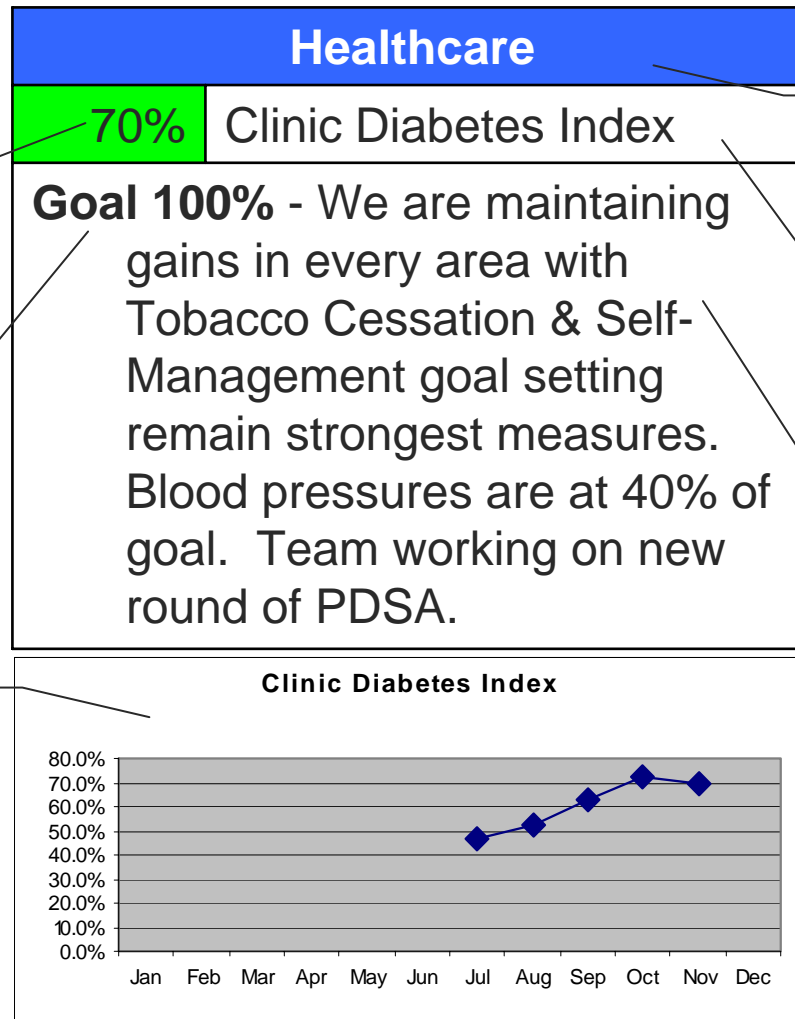
Accounts Receivable Days

**Goal < 48** - A/R Days are at an 8 Month low. This progress is good but fails to meet our goal. Team has identified charge capture problems that they are working on in the current billing cycle.

A/R Days



# 8) Construct Scorecard



Color Coded Score

Measure Goal

Historical Perspective

Measure Category

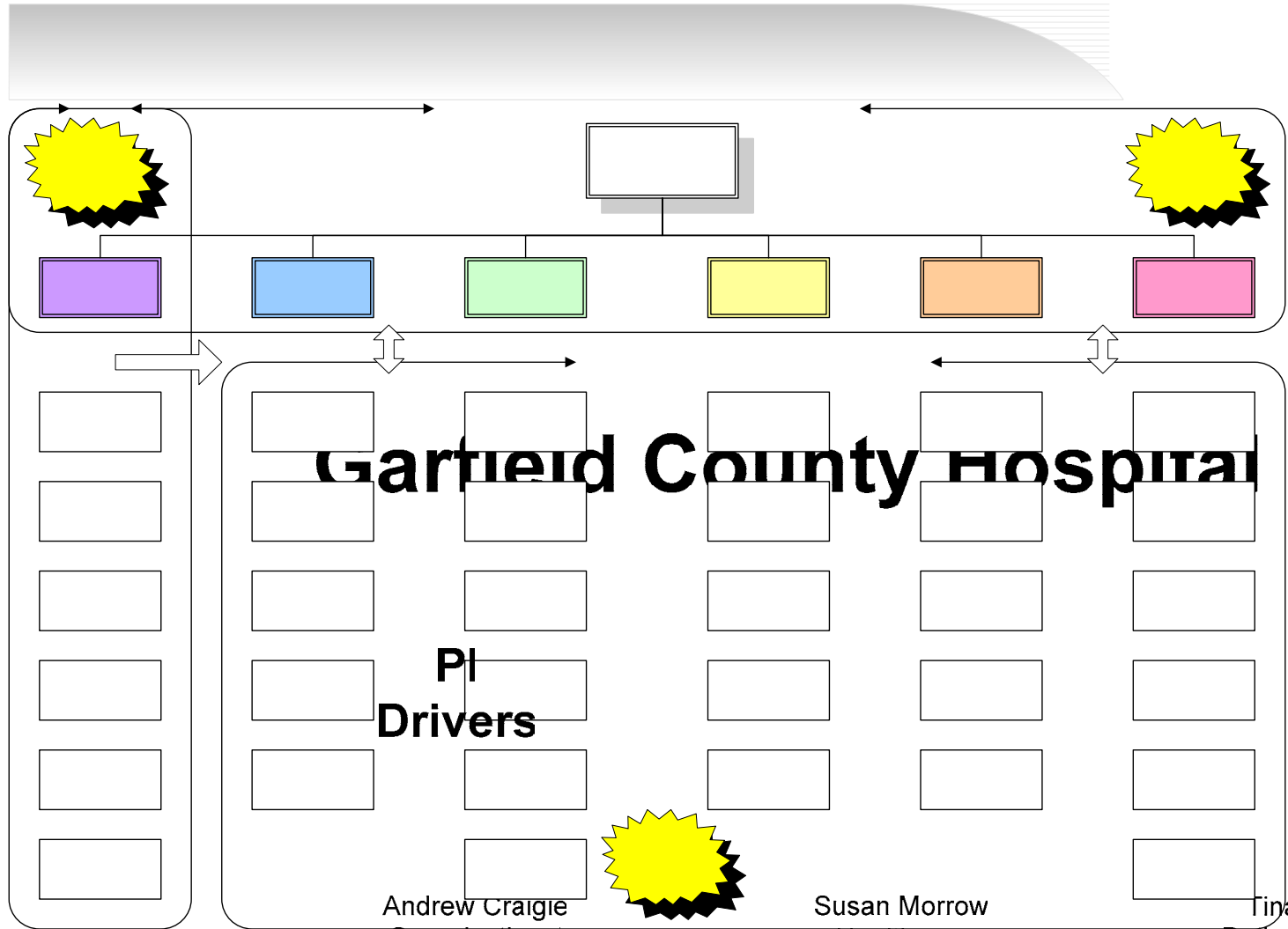
Measure Title

Analysis

- What Happened?
- What did you learn?
- What are you going to do now?



# [ 9) Communicate to Team ]



**Garfield County Hospital District**

**PI Drivers**

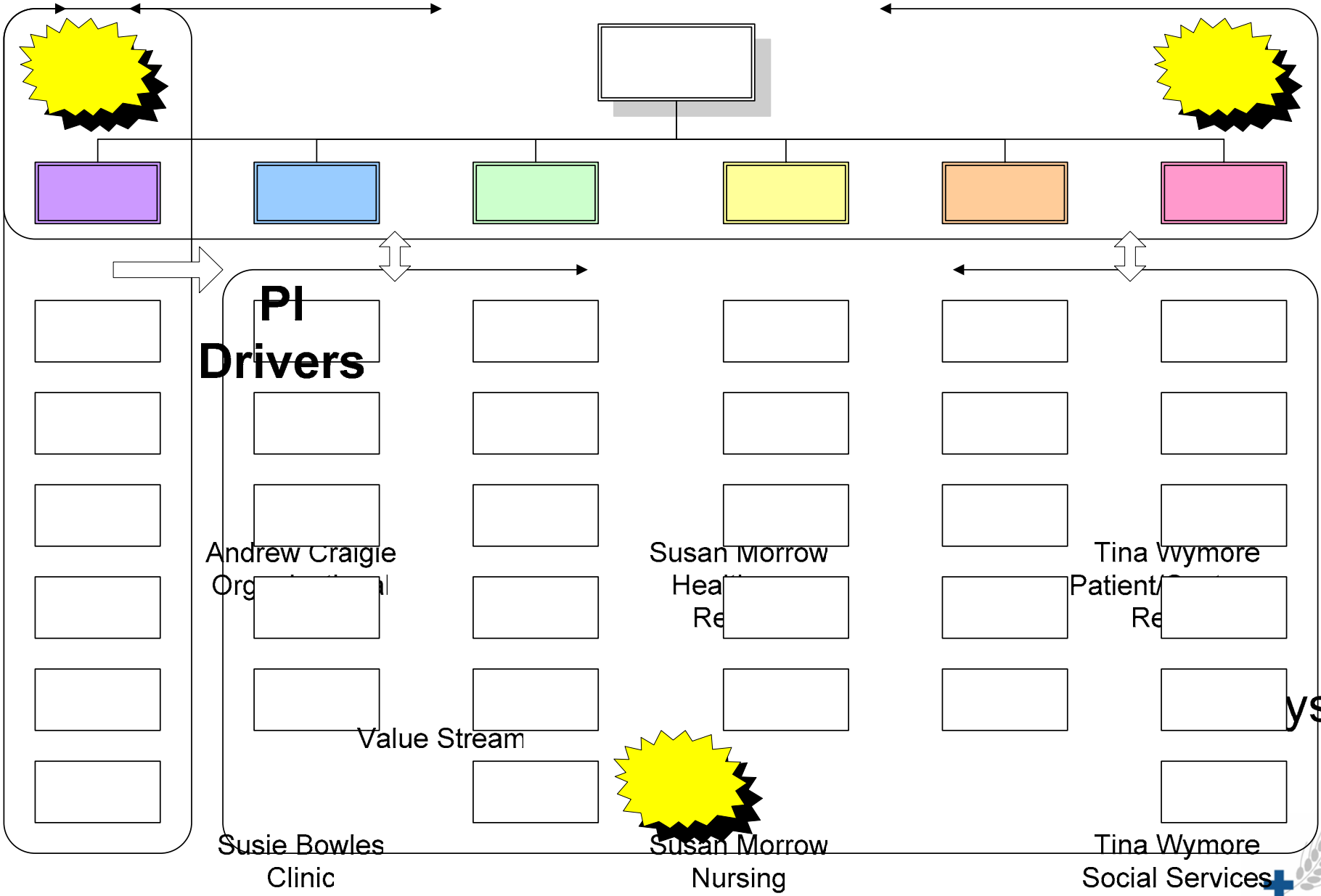
Andrew Craigie  
Organizational  
Results

Susan Morrow  
Healthcare  
Results

Tina Wymore  
Patient/Customer  
Results



# Garfield County Hospital District Quality Team



## PI Drivers

Andrew Craigie  
Org

Susan Morrow  
Hea  
Re

Tina Wymore  
Patient/  
Re

Susie Bowles  
Clinic

Susan Morrow  
Nursing

Tina Wymore  
Social Services

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# [ 10) Put Plan into Action ]

- **Report Results**
  - System Leaders – Weekly
  - Process Leaders – Monthly
  - Performance Leaders - Quarterly



# Resources

## ■ Websites

- [www.baldrige.nist.gov](http://www.baldrige.nist.gov)
- [www.GarfieldCountyPHD.org](http://www.GarfieldCountyPHD.org)
- [www.shawresources.com](http://www.shawresources.com)
- [www.improvingchroniccare.org](http://www.improvingchroniccare.org)

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## ■ Books

- Winning Score, Mark Graham Brown
- The Balanced Scorecard, Robert Kaplan & David Norton
- Improving Performance, Geary Rummler & Alan Brache
- The Toyota Way, Jeffrey Liker

## ■ Other Resources

- The Four Disciplines of Execution, Stephen R. Covey CD

