



NATIONAL  
RURAL HEALTH  
RESOURCE CENTER

600 East Superior Street, Suite 404 | Duluth, MN 55802 | Ph. 800.997.6685 or 218.727.9390 | [www.ruralcenter.org](http://www.ruralcenter.org)

# How to Communicate and Operationalize Strategy Using the Balanced Scorecard Methodology

**Sally Buck**

Associate Director

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# Purpose

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The National Rural Health Resource Center is a nonprofit organization dedicated to sustaining and improving health care in rural communities. As the nation's leading technical assistance and knowledge center in rural health, The Center focuses on five core areas:

- Performance Improvement
- Health Information Technology
- Recruitment & Retention
- Community Health Assessments
- Networking



## Overall Goal for Today

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Prepare rural health care leaders to communicate and operationalize strategy, using the Balanced Scorecard methodology



It takes as much energy  
to wish as it does to plan.

- Eleanor Roosevelt



Source: Kaplan, 2002

**Mission**

Why we exist

**Values**

What's important to us

**Vision**

What we want to be

**Strategy**

Our game plan

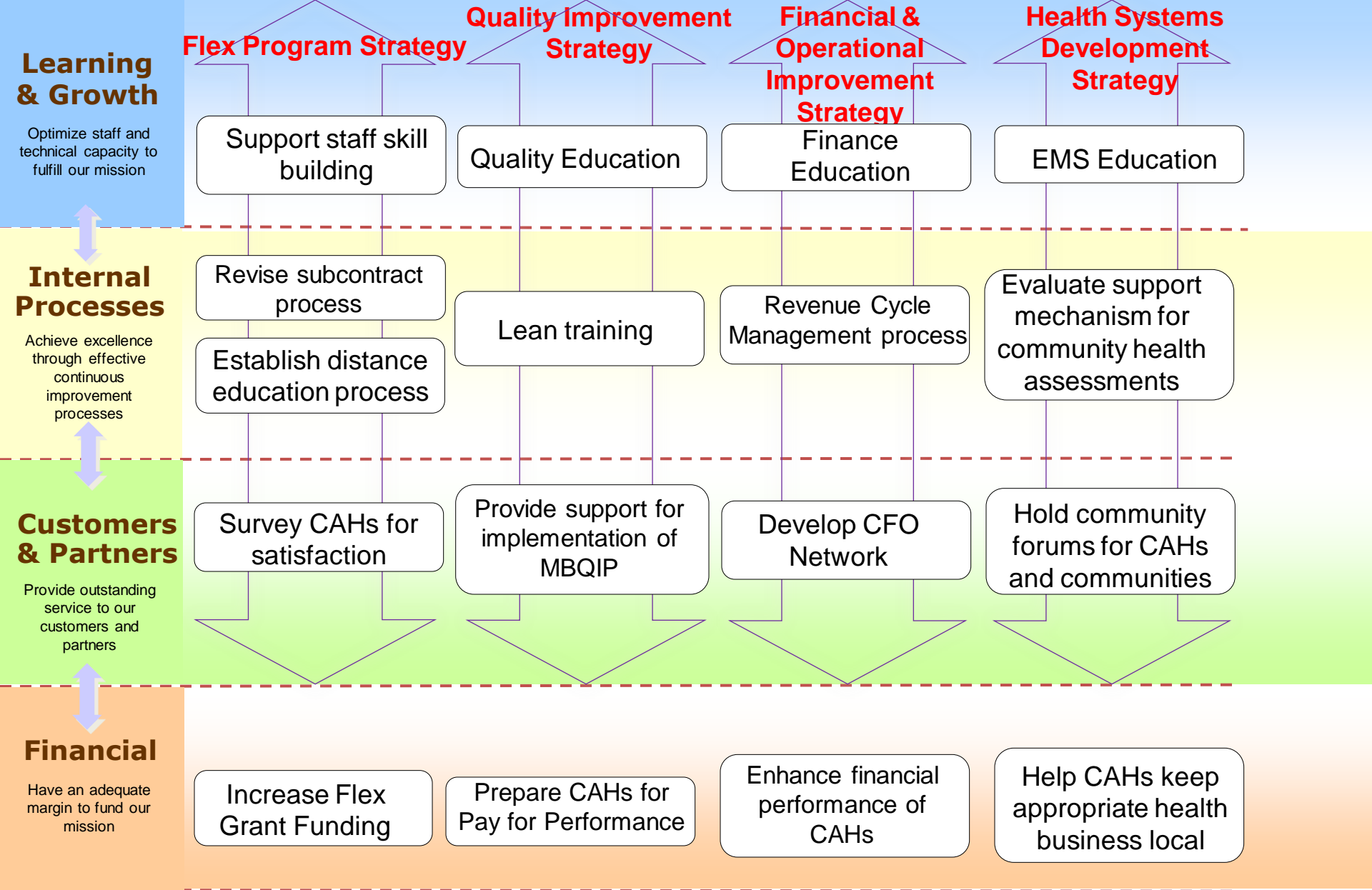
**How do you communicate and operationalize strategy?**

**Operational Quality Management, Six Sigma, etc.**

What we want to improve

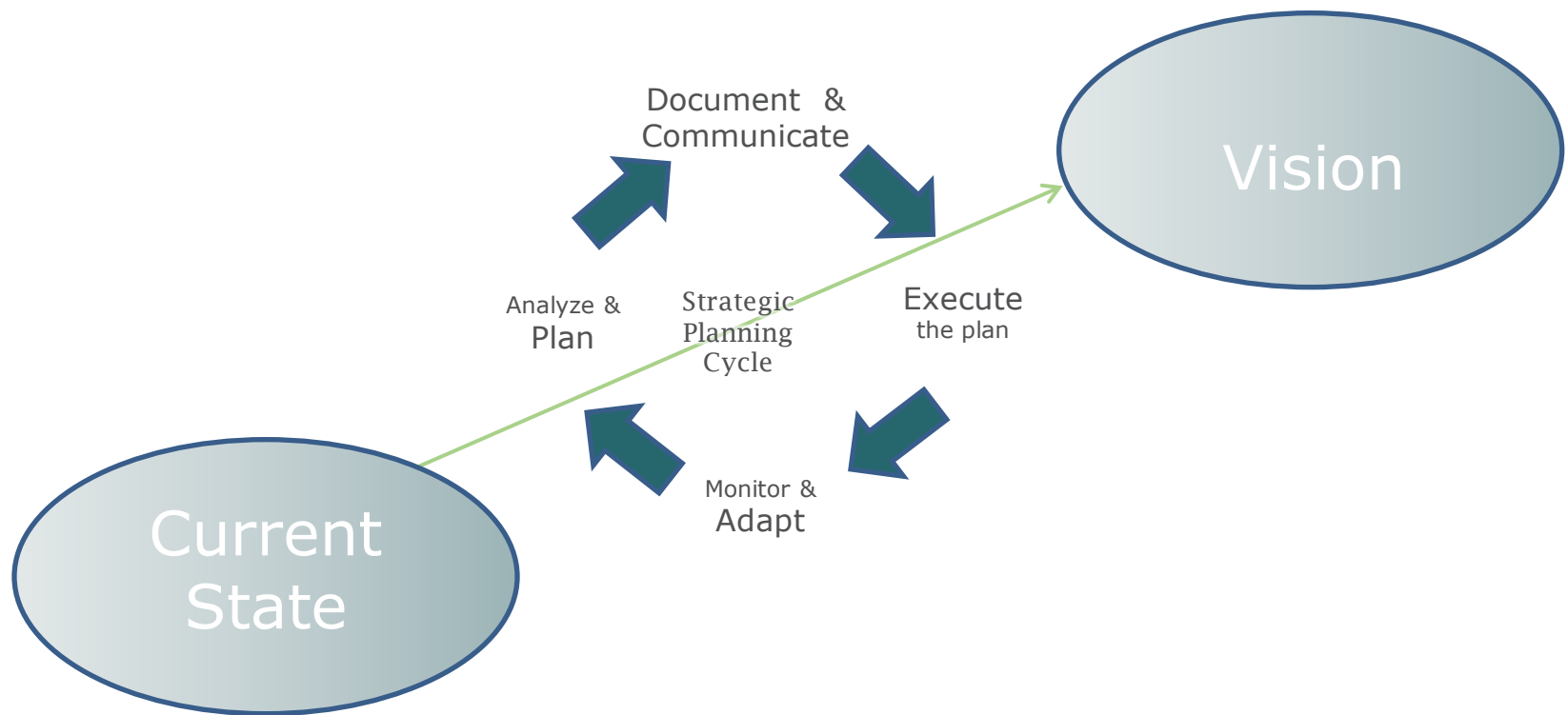
**Empowerment / Personal Objectives (MBOs)**

What I need to do



**Mission:**

**Vision:**





## So what?

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- Creating a strategy helps you focus efforts on important things
- A strategic planning method makes sure you track progress toward your goals/vision





## Today's Objectives

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- Distinguish between strategic objectives, measures and targets
- Create measures and targets appropriate for identified objectives
- Provide resources for key initiatives











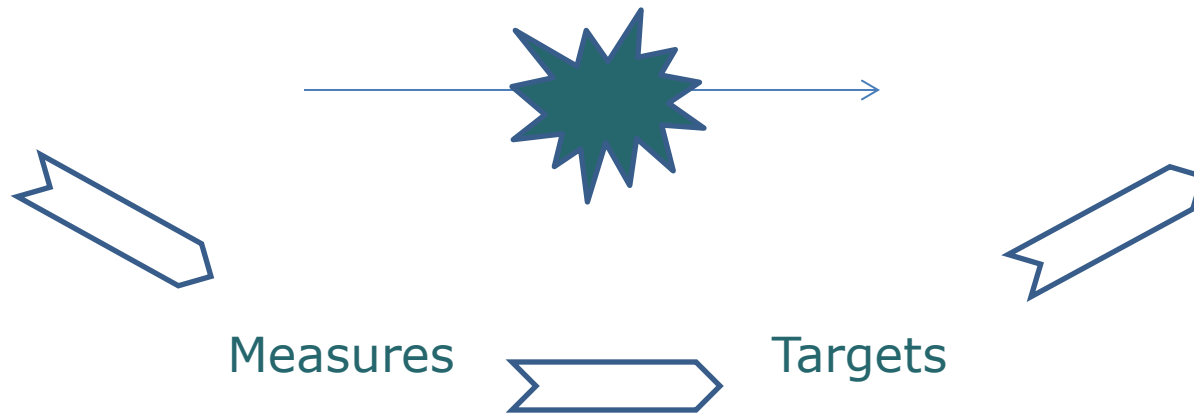
# Getting From Here to There

Objectives

X  
Here

Initiatives

X  
There





## Definitions (OMT)

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- **O** Objective – what you are trying to achieve (“bubbles” on strategy map)
- **M** Measure – how performance will be measured
- **T** Target – what you are aiming for

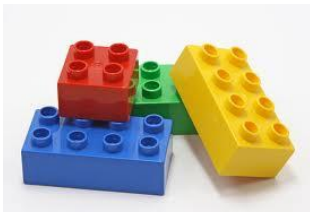


## Types of Measures

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- Lag measures: show how successful the organization was in achieving desired outcomes in the past



- Lead measures: building blocks or performance drivers; precursors of future success



# Measure Definitions

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A description of what is meant by the measure; for example, calculations or specific details.

- Example measure: % response rate on annual member satisfaction survey
- Example measure definition: % calculated by the number of survey responses over the total membership by July 1





## Types of Target Setting

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- Benchmarking
- Cause and effect
- Stretch targets



## Practice (OMT)

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- Percent of respondents rating knowledge on quality event as 'agree'
- Increase quality knowledge of CAH leaders
- 10%
- Post quality education event survey on knowledge enhancement



## Practice (OMT)

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- Increase quality knowledge of CAH leaders (objective)
- Percent of respondents rating knowledge on quality event as 'agree' (measure)
- Post quality education event survey on knowledge enhancement (measure definition)
- 10% (target)



“If you fail to plan,  
you are planning to fail.”

- Benjamin Franklin



## Measuring and Monitoring

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- Scorecard – how you will measure progress; a chart of objectives, measures, and targets
- Dashboard – visual display showing the progress toward your targets

Name of Organization  
FY 2006 Balanced Scorecard

Date: \_\_\_\_\_

#	INDICATORS	GOAL	FR'QCY	FINDINGS				TRENDING
<b>Learning &amp; Growth</b>				<b>SEP</b>	<b>DEC</b>	<b>MAR</b>	<b>JUN</b>	
A	Employee Satisfaction Survey	_____% or 5.0 scale	Quarterly	82	94	85	92	
B	Staff Evaluations Completed on Time	_____%	Quarterly					
C								
<b>Internal Processes</b>				<b>SEP</b>	<b>DEC</b>	<b>MAR</b>	<b>JUN</b>	
D	Medication Errors	_____%	Quarterly					
E								
F								
<b>LEARNING AND GROWTH</b>				<b>SEP</b>	<b>DEC</b>	<b>MAR</b>	<b>JUN</b>	

Exceeded Target

On Target

Caution – Below Target

Risk – Below Target



# NATIONAL RURAL HEALTH RESOURCE CENTER

2012-2013 PIN Advisory Board Performance Measures							
Measure	Baseline	Benchmark	9/1/12 - 11/30/12	12/1/12 - 2/28/13	3/1/13 - 5/31/13	6/1/13 - 8/31/13	Comments
1. Number and percent of MBQIP-CAHs <u>continuing</u> to actively submit data for:	46:48	48 or 100%	46:48 (96%)	46:48 (96%)	47:48 (98%)		
a) inpatient quality measures							
b) outpatient measures	15:48	38 : 48 or 90%	30:48 (63%)	34:48 (71%)	35:48 (73%)		11/26: 42 of 48 have signed OQR pledge 2/19: 34 of 48 CAHs submttd OP data for 3Q 2012 cases
c) HCAHPS measures			16:48	16:48	21:48 (44%)		
2. Percentage of MBQIP-CAHs that develop at least one MBQIP PI/QI initiative.	50% 23:46	100% (Flex work plan)		see CIS; OP 4,5 study	17 have baseline data in CART		3/2013: OP 4,5 study launched to support this activity; other CAH activities to be identified going forward
3. Percentage of CAHs participating in PIN CIS that demonstrate improvement in one or more measures	66%	66%	80.0%	NA	NA		Nov 2012: 80% Sepsis study participants made measurable improvement - Readmissions study re-measurement began May 2013, closes June 2013
4. CAH Virtual Peer Review Program:							
a) # CAHs participating	7	24 cumulative (50%)	13	17	17		11/27: 10 actively; 3 more have signed MOU 3/18: 7 CAHs have 2 or more participants; 2 new review groups-CRNs (March) and FNP's (April) 6/1: PA group meets Aug 2013; CIP presenation with portal demo at
b) # participating CAHs reporting at least one change in clinical practice	new 2013	50 % cumulative			17 *		* based on verbal feedback at the close of each virtual conference

# WI-ORH Measures

*Factors We Directly Influence*

Area/Objective	Output Measurement	Impact Measurement	Data Source	Baseline
<b>RURAL HEALTH INFRASTRUCTURE CAPACITY BUILDING</b>				
<b>Provide information and Resources to rural providers</b>	# of RR posts, FB posts, tweets, listserv msgs	# of page-views/link-clicks on the Rural Reporter	Web metrics	
	# of Library items uploaded	# of library page-views, # of downloads	Web metrics	
<b>Improve the support to rural health care</b>	# of TA calls/emails by organization type (CAH, RHC, EMS)	# and % of (unduplicated) rural hospitals, clinics, EMS assisted	TruServe	
	# of site visits by organization type		TruServe	
	<i># of issues posted/threads on the CAH Nurses Listserv</i>			
	<i># of responses to posts/threads on the CAH Nurses Listserv</i>			
	# of participants at educational events	Event evaluation satisfaction scores	Event survey	
		Transfer of learning evaluation scores	Post-event follow up	
<b>Improve the quality of grant-funded projects</b>		Project outcome measurement scores	Outcomes report data	
<b>Increase collaboration and coordination between rural health stakeholders</b>	# of state meetings/conferences/event organized		TruServe	
	# of state meetings/conferences/event funded		TruServe	
	# of state meetings/conferences/events attended		TruServe	



# Rural Provider Measures

*External Factors We Attempt to Influence*

Area/Objective	Measurement	Data Source	Baseline	Target
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## QUALITY OF CARE in Rural Facilities

Improve quality of care in CAHs	Unassisted patient falls per patient day	WHA Checkpoint		
	Pneumonia - Inpatients receiving pneumococcal vaccination	WHA Checkpoint		
	Pneumonia given antibiotics within 4 hours of admission	WHA Checkpoint		
	Nosocomial infection rate per patient day (# per month/ inpatient+swing days)	WHA Checkpoint		
	AMI - Aspirin at arrival	WHA Checkpoint		
	Medication reconcilliation upon admission (%)	WHA Checkpoint		
	Patient Satisfaction Scores	WHA Checkpoint		
Increase the # of EMS agencies collecting and submitting EMS run data	% of EMS agencies reporting data to WARDS	WARDS		

## FINANCIAL PERFORMANCE of Rural Facilities

Improve the financial viability of CAHs	Operating Profit Margin (percent)	Flex Monitoring Team or WI-ORH report		
	Gross Days in AR	Flex Monitoring Team or WI-ORH report		
	Days cash on hand	Flex Monitoring Team or WI-ORH report		



## Initiatives Defined

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- Projects and programs designed to help the organization achieve its targets
- Beyond day-to-day activities
- They answer: What actions will enable us to reach our targets/fulfill our strategy?



# Getting From Here to There

Objectives

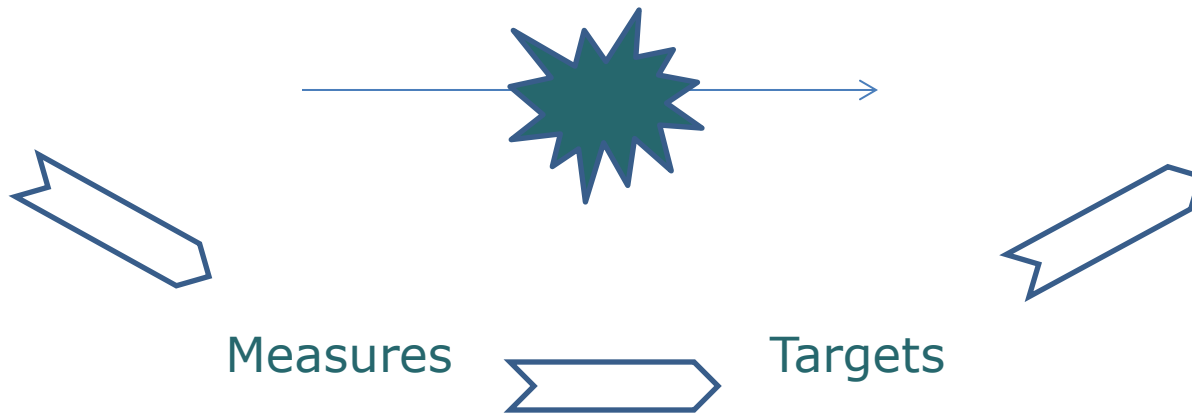
Initiatives

X  
Here

X  
There

Measures

Targets





# Generating Ideas for Initiatives

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- Involve the right stakeholders
- Structure the discussion
- Possible starting places:
  - Measures, Definitions, Targets
  - Planning notes – Affinity Diagram or Force Field Analysis, Environmental scan, SWOT
  - Grant applications: what was promised?







## Reflection

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- In your Flex Program, who are the decision makers regarding Flex initiatives?
- In your setting, how will you generate and prioritize possible initiatives? Make an action plan.
- What possible barriers can you anticipate, and how will you overcome them?



You've got to think about big things while you're doing small things, so that all the small things go in the right direction."

- Alvin Toffler



# Resources and Accountability

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- Review Balanced Scorecard grid
- Resources: Fill in the estimated amount and type of resources required
  - Financial and Staff support
  - Budget separate from Operational budgets
- Accountabilities and Support: Fill in
  - Seek Advisory Committee input





Plans are useless,  
but planning is invaluable.

- Dwight D. Eisenhower



NATIONAL  
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# Sally Buck

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Associate Director

National Rural Health Resource Center

600 East Superior Street, Suite 404

Duluth, MN 55802

(218) 727-9390 ext. 225

[sbuck@ruralcenter.org](mailto:sbuck@ruralcenter.org)