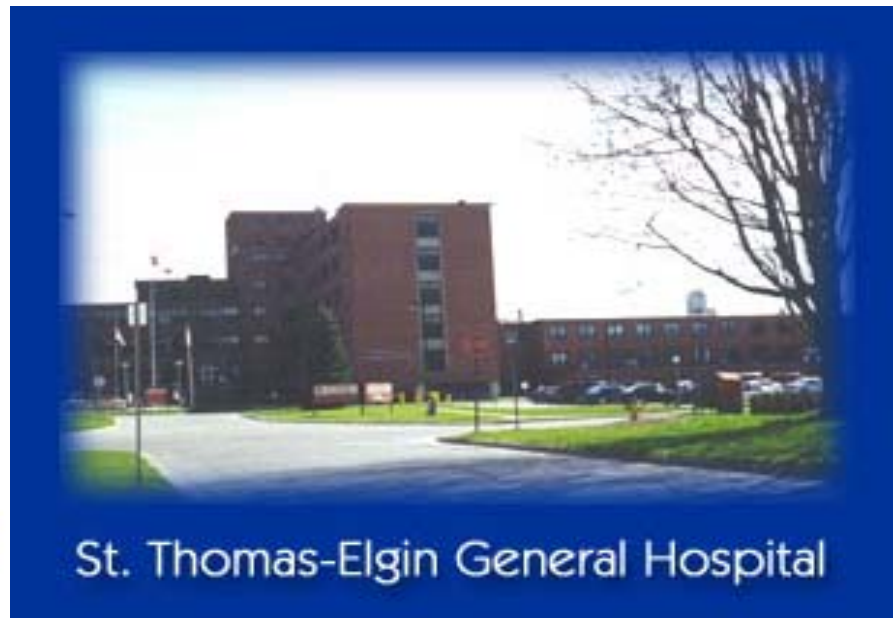


# St. Thomas-Elgin General Hospital

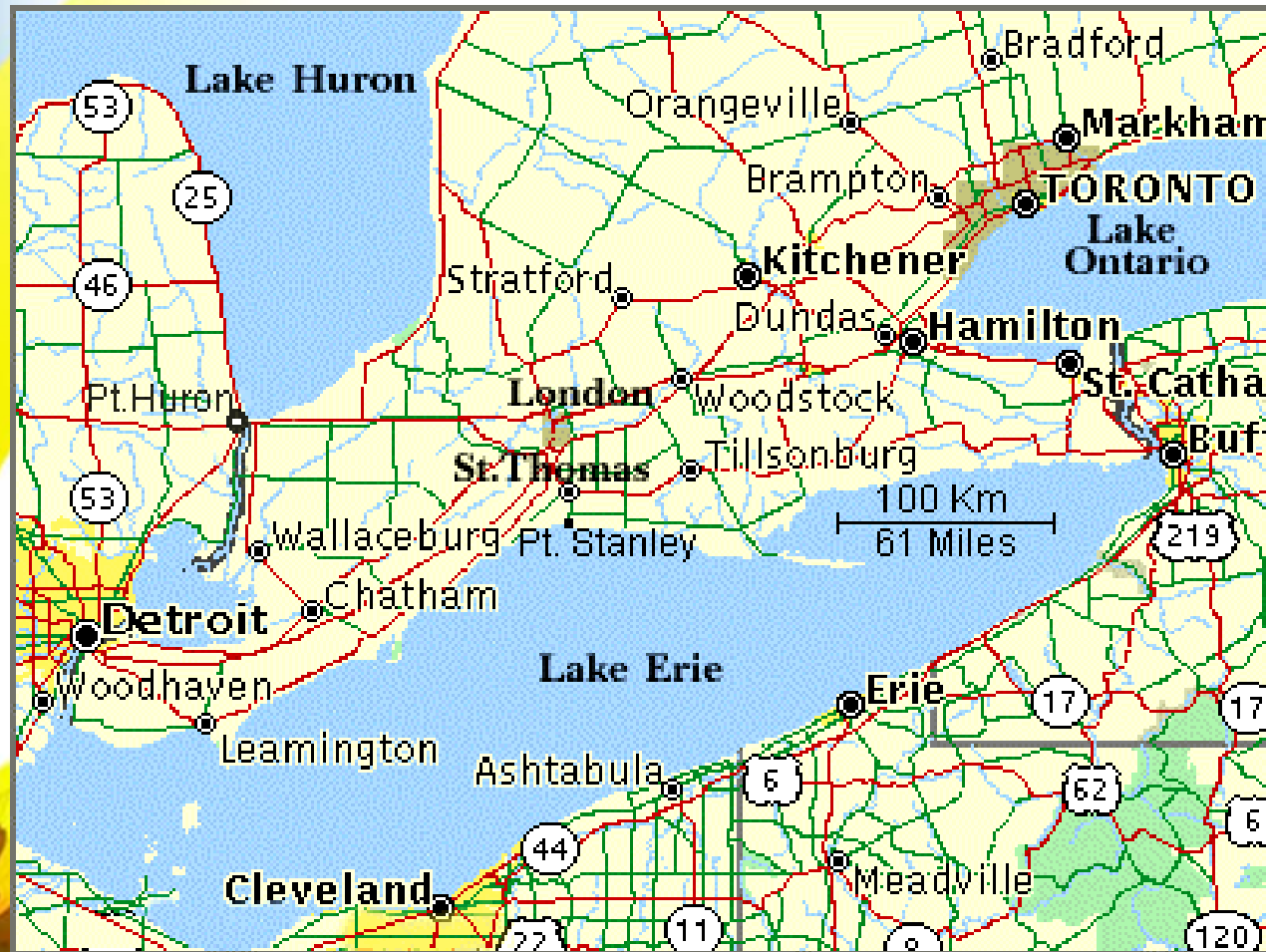
Malcolm Hopkins

VP Finance & Information Systems

November 5, 2002



# St. Thomas





- Budget      \$55m
- Staff:      892 FTE's
- Beds:      168 (Acute: 109; CCC – 49; Rehab: 10)
- Depts:     28 – grouped into 9 Programs
- Patient Care Profiles – 2001/2
  - 6,282 admissions
  - 53,513 Emergency & Ambulatory Department visits
  - 7,229 Surgical Outpatient Procedures
  - 2,069 Inpatient Surgical Procedures
  - 725 Births

# Background to our first attempt

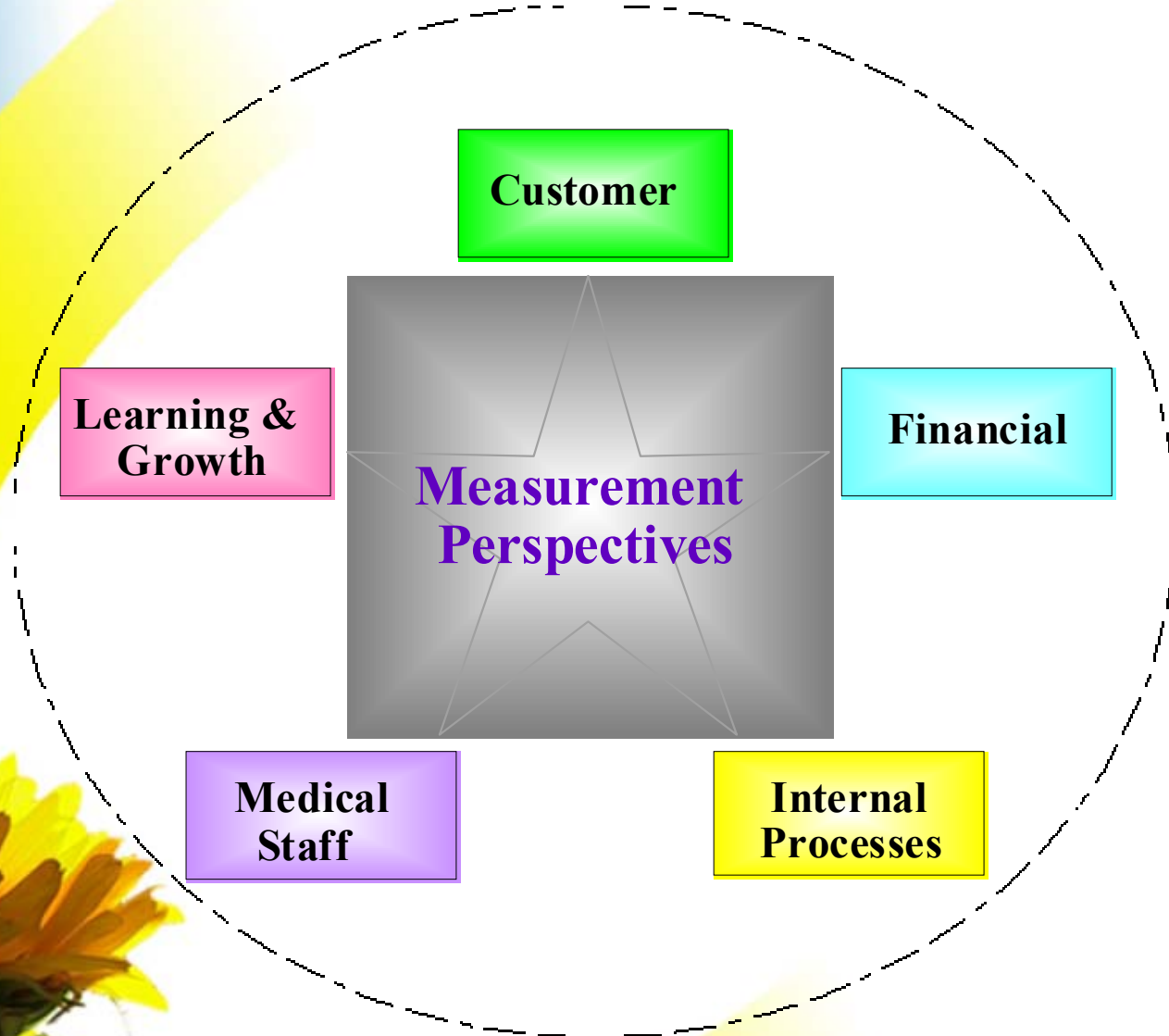
- May '99 Collaborative (STEGH/MOH) operational review by PWC & CHM
- A more balanced approach than concentration on \$ and deficits.
- Ontario Hospital report card project
- Norton & Kaplan's seminal work had raised awareness of this approach to reporting



# The process

- Board/MAC/senior management initiative - corporate level report only
- Goal: “to create a picture of the health of STEGH using measures from five perspectives”
- Introductory workshops lead by Ivey Business School experts

# Five perspectives!



# Results

- Quarterly Scorecards presented at Board meetings
- Education of Board:
  - The concept of balanced reporting became understood
  - The importance of targeted measurements, benchmarks
- Measured against strategic priorities at that time
- Several important indicators began to be discussed by the Board:
  - Conservable days; ALOS vs ELOS
  - Readmission rates etc.

..but was it really a balanced scorecard, or a bunch of indicators?

If you are going to implement a balanced scorecard, you must start with the basics:

– Mission

- Why are we in business?

– Vision

- What do we want STEGH to look like five years from now?

– Strategies

- How do we intend to get there?



# A balanced scorecard is:

- A strategic management system
  - translates the strategy into actionable plans
- A communication tool
  - makes vision and strategy come alive
- A measurement system
  - measures derived from the strategy from five perspectives



# The big difference...

- The notion of cause and effect
  - Strategy is simply a hypothesis
  - The balanced scorecard describes the strategy through the objectives and measures chosen
  - They link in a chain of cause and effect relationships
- Tells the story: if....then...



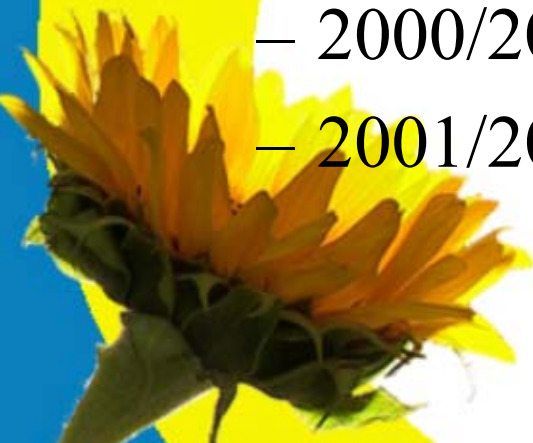
# Hence:

- A balanced scorecard forces us to translate strategies into:
  - Objectives/initiatives
  - Measures
  - Targetsin the five balanced perspectives  
Program by program; dept. by dept;  
And ultimately person by person!



# Critique of our first attempt

- Without a vision and related strategies, the scorecard merely reported on unrelated objectives.
- After two years, these began to proliferate
  - 1999/2000: five
  - 2000/2001: as above plus five new ones
  - 2001/2002: as above plus four more

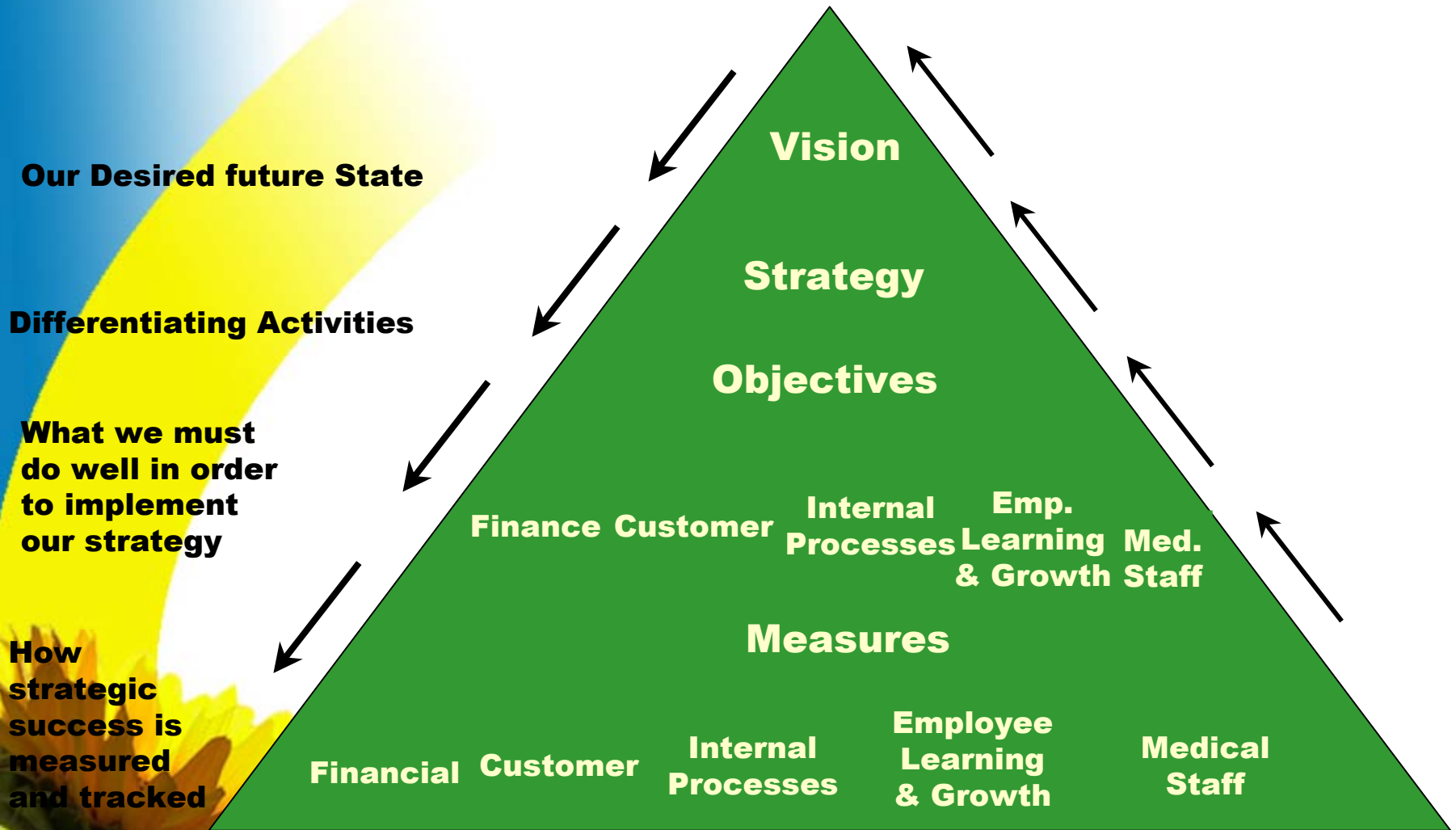


# The problem

- Strategies became confused with short term, unrelated objectives!
  - Strategy - the overall game plan which enables us to get to where we want to be – the Vision!
  - Objectives - what we must do well in order to implement our strategy. The things we need to concentrate on.



# Translating strategy with the balanced scorecard into actions: objectives and measures!



# So what are we doing about it?

- September 2001: New CEO – articulation of the vision:
  - “To become the best community hospital in Ontario”
- April – Sept 2002: Ongoing workshops to discuss what best looks like; the linkage between vision, mission, strategy and objectives
- April 2002: Implementation of new organisational structure
- September 2002: Board announces four strategies to becoming the best



# Four strategies to becoming the BEST – we will

- Become the employer of choice and the preferred community hospital for physicians
- Engage our community
- Strengthen existing and forge new partnerships
- Target a bold fiscal strategy



# What we are doing? (contd.)

- October 2002
  - Integration into our planning, budgeting and reporting cycle.
  - Program Directors and teams present their programs key initiatives for our planning cycle
  - Each initiatives is linked to one of the strategies
  - Each initiative has measures attached to it.
- January 2003
  - Finalisation of new corporate, program and departmental level scorecards

# What we expect

For fiscal 2003/4:

- Accountability will be looked at from a balanced perspective for each department, program and for the corporation;
- There will be a direct line of sight between what staff are doing and our vision;
- The measures will be widely disseminated and discussed

# Some great resources

- Kaplan and Norton's books and articles
- Paul Niven: Balanced Scorecard - step by step
- On the web:
  - <http://www.bettermanagement.com> – they also have an enewsletter: The scorecard authority
  - <http://www.bscol.com> (Kaplan & Norton)

