The Balanced Scorecard: The Introduction of the Balanced Scorecard to Address Strategic Objectives at St. Joseph’s at Fleming, a Long Term Care Facility

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Abstract
St. Joseph’s at Fleming, a Long Term Care Facility, in Peterborough, Ontario faced a crossroads in its growth and development. It had achieved its multi-year vision of building a beautiful new facility and merging two organizations that had occupied aging facilities. Having achieved its vision, it readied itself for the next phase in growth and development. St. Joseph’s at Fleming required a new vision to continue its path as a leader in the delivery of long term care and realize the new partnership with Fleming College of Applied Arts and Technology.

The changes ahead were driven by a requirement of accountability to the residents and other stakeholders, the stringent standards of care demanded by the Ministry of Health and Long Term Care, and the competitive environment for both residents and staff.

This paper asked the key research question: How does the facility design and implement the Balanced Scorecard in order to demonstrate compliance with the standards and make strategic improvements in performance? The Balanced Scorecard applies a strategy-driven approach to bring the mission, vision, and values of an organization into action. By measuring key performance indicators against targets in each of the following four quadrants, management gains the necessary feedback to select the initiatives to achieve the strategy:

- Customer
- Financial
- Internal Processes
- Learning and Growth

Since Kaplan and Norton first developed the Balanced Scorecard in the early 1990’s, the concept has been adopted by both for-profit and nonprofit organizations throughout the world. This paper outlines how the Balanced Scorecard could be implemented at St. Joseph’s at Fleming guided by the experience gleaned from the literature. Nonprofit organizations have adapted the approach to magnify the focus on the customer. Financial measures focus on cost constraint and the outcomes of spending as opposed to such for-profit indicators as return on investment.

A guide to the implementation of the Balanced Scorecard at St. Joseph’s at Fleming was significant because, at the crossroads where it stood, staff had little knowledge of the organization’s strategy, there was no pattern of required metrics, and it required a proactive approach to face the external pressures of compliance with standards and accreditation. The Balanced Scorecard uses key metrics against targets to measure goal achievement and successful strategy implementation. It provides the feedback necessary to guide initiatives making changes when necessary to stay on track.
This paper provides a descriptive qualitative approach addressing how the Balanced Scorecard could be introduced to produce transformational results in the management of St. Joseph’s at Fleming. Strong executive support in both time and resources reigned as the major success factor in achieving the desired results. By addressing change management theory and taking a step-by-step approach, St. Joseph’s at Fleming could achieve the desired growth. Missing steps risks failure and lack of sustainability. The design and implementation of the Balanced Scorecard is not just a project, but an ongoing management process that requires regular attention.

This paper serves as a practical guide to the development and implementation of the Balanced Scorecard at St. Joseph’s at Fleming. Beginning with the development of a new vision, applying change theory, and following the step-by-step process will facilitate successful strategic transformation in achieving the new vision.
# The Balanced Scorecard

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1.0 Background Information

During the 1990’s, Kate Kincaid, a visionary leader in education at Fleming College in Peterborough, created a groundswell of interest for the building of a long term care facility on campus thus creating a learning laboratory for many of the applied programs offered by the college. Her initiative resulted in a request for proposals from anyone holding a license for sufficient long term care beds. Fleming's initiative coincided with recognition by two aging facilities that, in order to meet the new environmental standards for long term care in Ontario, would have to build new.

Marycrest Home for the Aged began in 1959 as a charitable home for the aged owned and operated by the Sisters of St. Joseph, a Roman Catholic order. Most recently it was funded by the Ministry of Health and Long Term Care (MOHLTC) to operate 160 licensed long term care beds. The physical plant could no longer support the changing demographic and elevation of care standards and practices.

Most bedrooms contained four beds in close proximity to each other with inadequate space for wheelchairs and mechanical lifts. The communal bathrooms had standard toilet stalls not accessible by wheelchair. In order to wheel a commode into the stall, all the doors were replaced with a curtain. Common rooms served as both dining areas and lounges. The equipment did not adapt well to nursing care, for example the beds did not go up and down for ergonomic safety. A few years ago, one unit was fitted with a security system to prevent residents with dementia from elopement.

The demographic at Marycrest had changed dramatically especially over the past fifteen years. As a home for the aged, one admission criterion required the resident to walk over the threshold in order to be admitted. Consequently few residents used wheelchairs; most could line up for medications and feed themselves. They required assistance with dressing, bathing, and incontinence care. By 2004, when St. Joseph’s at Fleming opened, people who could walk remained in their homes with the support of the Access Centre home care services. Most residents used some mobility aid such as a wheelchair or walker. Many required feeding and total care for their activities of daily living.

Standards of Care for Long Term Care changed with increased accountability for safe nursing practices and outcomes. The new standards reflect the increased burden of care requiring a Registered Nurse on site twenty-four hours a day. The standards call for individualized care planning reflecting detailed assessment and plan of care addressing skin, foot care, dietary needs, continence care and
activities, to name a few. The standards also outline facility-wide programs that must be in place including staff development, wound care programs, palliative care programs, and continence care programs. Consumer expectations have also increased. The adult children of the residents come from the baby boomer demographic, a group with high expectations of individualized care.

Anson House, a century old mansion, had operated as a charitable home for the aged since the early 1900’s owned and operated by a protestant board. Most recently the MOHLTC funded it to operate forty licensed long term care beds. Its physical plant could no longer accommodate the current demographic in Long Term Care. The three storey building with no elevator had to accommodate the wheelchair users on the ground floor where it only had one accessible washroom. Residents on the second and third floors required adequate mobility to navigate stairs. Like Marycrest, the bedrooms were small with little space for mobility and lifting equipment.

Like Marycrest, the resident population was once mobile with needs including assistance with dressing, bathing, and meal preparation. The ground floor filled with residents with mobility issues. With no elevator, the upper two floors started to fill with hard to place mobile residents including intellectually challenged adults, brain injured adults, and adults with psychiatric diagnoses such as schizophrenia. Since Anson House was also funded by the MOHLTC, it faced the increased standards and accountability as it coped with increasing care requirements. Due to its small size, it lacked the economy of scale to increase staffing and had a difficult time coping within the funding constraints.

The MOHLTC describe a Long Term Care Facility as a place for elderly persons who require services and whose needs cannot be met through the in-home services. In practice, long term care facilities provide care to the elderly as well as younger adults who require nursing and personal care. Because of complex chronic medical conditions, they require regular medical monitoring and response to changes in condition. The external environment for Long Term Care facilities has changed significantly in recent years. The new demographic brings with it increased risks. Along with the new standards, the MOHLTC has also added 20,000 licensed beds in 2004 resulting in many new homes built (MOHLTC, 2002). The public expectations continue to elevate.

With improved home care funded by the MOHLTC and managed by the Access Centres, residents in Long Term Care have complex, very high needs. With the high needs come multiple risks including the following:

- Pressure sores
- Falls
- Elopement
- Assault to staff
- Physical and sexual assault to other residents
- Medication reactions
• Medication errors
• Dehydration
• Weight loss
• Boredom
• Odour

The standards address the risks and the structure required to mitigate the risks. Facilities must demonstrate compliance with the standards. Compliance advisors from the MOHLTC can arrive without notice at any time to inspect for compliance. They must do so at least once a year.

In 2003 the Toronto Star led a public outcry reporting apparent warehousing of the elderly in Long Term Care and the risks involved (Walsh, 2003, p. A1). As a result the MOHLTC increased the number of compliance advisors in order to increase inspections. They started a web site listing homes with unmet standards. They responded to the demand for additional Long Term Care beds by issuing 20,000 new licenses in 2004. This move has resulted in many new builds across the province. The new builds come at a time when the province faces a severe nursing shortage resulting in a staffing challenge.

With increased public awareness comes increased public expectations of the level of care Long Term Care facilities provide. The most recent provincial Long Term Care Project involves the introduction of the international Resident Assessment Instrument – Minimum Data Set (RAI-MDS) currently used in Complex Continuing Care Units in Ontario and in nursing homes in the United States. With computer support, all Long Term Care facilities will feed the information to the Canadian Institute for Health Information (CIHI). CIHI will then send out reports comparing assessments and outcomes among facilities across Ontario. St. Joseph’s at Fleming became a Phase III Early Adopter of the RAI-MDS system in May 2006.

In response to the above issues, Marycrest and Anson House joined forces to submit the winning proposal to build a new facility on Fleming’s campus. In June 2004, all the residents moved into the beautiful new facility named St. Joseph’s at Fleming, which the three partners had designed and built together. The bright spacious facility with eight resident home areas promises to provide dignity and quality of life in a multidenominational atmosphere.

The website boasts about setting the standard for compassionate care and innovation. Together Fleming College and St. Joseph’s at Fleming form a unique partnership. One wing of the St. Joseph’s at Fleming houses the Institute for Healthy Aging of Fleming College. The entrance hallway to St. Joseph’s at Fleming, known as the town square, houses the Fleming Nursery School. The facility supports practical experience for twenty student programs, intergenerational programs, and a research centre.
St. Joseph’s at Fleming professes to provide superior resident care since it operates on a nonprofit basis. All funding goes to enhance resident care. Its website states that the staff practice established programs of Gentle Care ® and the Eden Alternative ®.

St. Joseph’s at Fleming faces the challenge of providing improved care in its beautiful new facility. Having an improved physical plant does not automatically equal better care. The corporation possesses the tangible asset of the physical building containing better equipment and space. A Long Term Care Facility, however, is a service intensive organization. The intangible asset of staffing and systems has to catch up to demonstrate that it meets or exceeds the standards.

As part of the commitment to Fleming College, St. Joseph’s at Fleming promised to gain accreditation status with the Canadian Council for Health Services Accreditation (CCHSA). The CCHSA measures four dimensions of quality:

1. Responsiveness: Whether an organization anticipates and responds to changes in the needs and expectations of the potential client and/or community populations, and to changes in the environment.
2. System Competency: Whether an organization consistently provides services in the best possible way, given the current and evolving state of knowledge. It also addresses whether the organization achieves the desired benefit for clients and/or communities, with the most cost-effective use of resources.
3. Client/Community Focus: Whether the organization strengthens its relationship with the client and/or community, and whether the organization does this by encouraging community participation and partnership in its activities.
4. Worklife: Whether an organization provides a work atmosphere conducive to performance excellence, full participation, personal/professional and organizational growth, health, well-being, and satisfaction. (CCHSA, p. 52)

As part of the Long Term Care Facility agreement with the MOHLTC, St. Joseph’s at Fleming agrees to provide care according to the standards outlined in Bill 101, the Long Term Care Statutes Law Amendment Act, 1993 (Government of Ontario, 1993). Each standard is listed with measurable criteria against which the compliance advisors from the MOHLTC evaluate compliance.

In order to provide objective data to the key stakeholders of the MOHLTC and CCHSA, St. Joseph’s at Fleming requires a recording and reporting structure that measures the performance of the external standards as well as the standards set by the Mission Statement, Vision Statement and Objectives.

1.1 Objectives
In order to provide safe and effective resident care facility-wide, St. Joseph’s at Fleming must meet the needs and standards of the following stakeholders:
Ministry of Health and Long Term Care  
Canadian Council for Health Services Accreditation  
Residents  
Residents’ Council  
Families  
Family Council  
Staff  
Unions  
The volunteer board  
The community  
Fleming College

This research paper addresses the following objectives:
1. To recommend the implementation of a Balanced Scorecard to strategically manage the care delivery at St. Joseph’s at Fleming.
2. To evaluate care delivery against the MOHLTC standards.
3. To evaluate care delivery against the CCHSA standards.
4. To identify key areas requiring improvement.
5. To identify changes or strategies required to address the improvements.

1.2 Research Questions

Key Research Question
How does the facility design and implement the Balanced Scorecard in order to demonstrate compliance with the standards and make strategic improvements in performance?

Additional Research Questions
1. What key indicators would best be used to evaluate care delivery against the standards?
2. How does the facility gather the data?
3. How does the facility validate the data?
4. What comparison or benchmark does the facility use to measure the indicators against?
5. How does the facility interpret the data?
6. How does the facility present the data for understanding?
7. Does the data show that the facility meets the standards?
8. What changes or strategies does the facility need to implement to improve quality of care delivery?

2.0 Literature Review

2.1 Definition: What is the Balanced Scorecard?
The balanced scorecard is a “management system that can motivate breakthrough improvements in such critical areas as product, process, customer, and market development (Kaplan & Norton, 1996, p. 134)”. It starts with the
mission and vision of the company or business unit. A clear mission and vision provides the direction the company is heading. The balanced scorecard translates the mission and vision into objective measures (Kaplan & Norton, p. 25). From objective measures grow strategy development, the pivotal aspect of the balanced scorecard. Long term success of a company depends on strategic thinking and planning. Strategy is “a set of hypotheses about cause and effect (Kaplan & Norton, 1996, p. 30)”. Strategy drives the development of resources and skills. Job change must align with strategy. Staff behaviour change must align with strategy. As David (2003) explains, “strategies are the means that long term objectives are achieved (p. 11)”. Exhibit 1, from David, illustrates a comprehensive strategic-management model that is congruent with the strategic planning process followed in the Balanced Scorecard development.

Exhibit 1: A Comprehensive Strategic-Management Model (David, 2003, p. 14)

No organization has unlimited resources, thus requiring a critical link between strategy and resource utilization. The balanced scorecard distinguishes itself by taking a balanced perspective of measures of success that includes financial aspects of a company along with three other aspects of success – customer, internal business processes, and learning and growth (Kaplan & Norton, 1996, p. 25). The strategic plan drives choices about resources and deployment. Wise management decisions require data and feedback evaluation from multiple sources. For that reason, strategy must be linked to measures. The study of measures in relation to strategy leads to strategic change.

Based on the strategic plan, objective measures are established (Kaplan & Norton, 1996, p. 25). The objective measures set the mission and vision into
action terms. Such objectives channel the goals of work groups and individual employees, thus influencing motivation.

Measures are not new. The risk of relying on more traditional measurement systems results in a collection of critical indicators without the structure for improvement. More traditional measurement systems measure operations activities and compare to benchmarks indicating if rates of whatever the unit is doing are better or worse. In contrast, this report demonstrates how the Balanced Scorecard takes measures a step ahead with its cause and effect analysis, link of measures to strategy, and link of results to change. By linking results to change, corporations have a competitive advantage to excel as they enter new strategic horizons.

**Four Perspectives**

Traditionally, corporations measure success or failure based on the financial indicators – return on investment, operating and cash statements. The Balanced Scorecard establishes strategic measurements in four perspectives that define the success of the business. In the development of the original balanced scorecard, Kaplan and Norton establish the scorecard on the following four perspectives: financial, customer, internal business process, and learning and growth as illustrated in exhibit 2.
Exhibit 2 The Balanced Scorecard Provides a Framework to Translate a Strategy into Operational Terms (Kaplan & Norton, 1996, p. 9)

<table>
<thead>
<tr>
<th>Customer</th>
<th>Financial</th>
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<tbody>
<tr>
<td><strong>Objectives</strong></td>
<td><strong>Measures</strong></td>
</tr>
<tr>
<td><strong>To achieve our vision, how should we appear to our shareholders?</strong></td>
<td></td>
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<tr>
<td><strong>Vision and Strategy</strong></td>
<td></td>
</tr>
<tr>
<td><strong>To achieve our vision, how should we appear to our customers?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>Learning &amp; Growth</strong></td>
<td><strong>Internal Business Process</strong></td>
</tr>
<tr>
<td><strong>To achieve our vision, how will we sustain our ability to change &amp; improve?</strong></td>
<td></td>
</tr>
<tr>
<td><strong>To satisfy our shareholders &amp; customers, what business processes must we excel at?</strong></td>
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</tr>
</tbody>
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This project focuses on the application of the Balanced Scorecard to nonprofit organizations. Paul Niven illustrates the Balanced Scorecard for public and nonprofit corporations with the emphasis on the customer as illustrated in exhibit 3.
Ontario Hospitals operate in the nonprofit sector. Beginning in 1998, the University of Toronto and the Ontario Hospital Association collaborated to create an annual hospital report based on the concept of the Balanced Scorecard to examine measures of the entire provincial system as well as to produce a report for participating hospitals. They named the quadrants from Kaplan and Norton to relate to the hospital sector and by 2005 added a fifth perspective relating to gender specific care.

### Kaplan & Norton Terminology vs. Hospital Report Terminology

<table>
<thead>
<tr>
<th>Kaplan &amp; Norton Terminology</th>
<th>Hospital Report Terminology</th>
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<tbody>
<tr>
<td>Internal Business Processes</td>
<td>Clinical Utilization and Outcomes</td>
</tr>
<tr>
<td>Financial</td>
<td>Financial Performance and Condition</td>
</tr>
<tr>
<td>Customer</td>
<td>Patient Satisfaction</td>
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<tr>
<td>Learning and Growth</td>
<td>System Integration and Change</td>
</tr>
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<td></td>
<td>Women’s Health Perspective</td>
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<td>(Hospital Report 2005, p.10)</td>
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</table>

The Balanced Scorecard for Ontario Hospitals is based on the key strategic priorities of a survey of Ontario Hospitals. In order to bring meaning to individual facilities, specific Balanced Scorecards must be developed to reflect the specific mission and strategies. By incorporating a Balanced Scorecard at a facility level,
The organization can initiate strategic change. The establishment of a Balanced Scorecard for Ontario hospitals sets a model to stimulate growth and quality improvement in all hospitals throughout the province. The executive summary of Hospital Report ’99 confirms this thrust for future change:

Heading for the future
Hospital Report ’99 is designed to identify areas where hospitals should take a closer look at their own processes, create opportunities for collaboration with community-based agencies and specify benchmarks that can guide future improvements (OHA, 1999, p. 14).

Content of Each Quadrant
Kaplan and Norton propose some aspects to consider in each of the four quadrants according to the following list:
Financial Perspective:
- Revenue growth
- Productivity improvement and cost reduction
- Asset utilization
- Risk management
- How do we look to shareholders? (Kaplan & Norton, 1996, p. 61)

Customer Perspective:
- Satisfaction
- Loyalty
- Retention
- Acquisition
- Profitability (Kaplan & Norton, 1996, p. 63)

Internal Business Perspective:
- Identify and measure company core competencies
- Decide what processes and competencies must excel at and specify measures for each (Kaplan & Norton, 1996, p. 27)

Innovation and Learning Perspective
- Employee capabilities
- Information technology capabilities
- Motivation
- Empowerment (Kaplan & Norton, 1996, p. 127)
- Personal goals aligned to the Balanced Scorecard (Kaplan & Norton, 1996, p. 140).

The company or strategic business unit identifies 16 to 25 key outcome measures that, when analyzed, drive performance. The key measures should be a mix of outcome measures referred to as lagging measures and performance drivers referred to as leading measures. The glossary provided by Niven (2003) explains the relationship between lagging and leading indicators:
Lagging Indicator

“Performance measures that represent the consequences of actions previously taken are referred to as lag indicators. They frequently focus on results at the end of a time period and characterize historical performance. Employee satisfaction may be considered a lag indicator. A good Balanced Scorecard must contain a mix of lag and lead indicators (p. 295).”

Leading Indicator

“These measures are considered the “drivers” of lagging indicators. There is an assumed relationship between the two that suggests that improved performance in the leading indicator will drive better performance in the lagging indicator. For example, lowering absenteeism (a leading indicator) is hypothesized to drive improvements in employee satisfaction (a lagging indicator) (p. 295).”

The measures are customized to the business unit’s strategy.

2.2 Measurement: Part of Management

Measurement in relation to the Balanced Scorecard falls into three main categories of how measurement relates to management, the selection of indicators, and the application of the knowledge of the indicators. This section elaborates on how the literature points out the application of measurement.

Management

Companies have always maintained a collection of measurements, many of which are financial and also some non-financial data. How the data is used in decision making is limited without a structure that identifies the key indicators and relates them to strategy. The Balanced Scorecard provides such a structure and identification. Kaplan and Norton assert a point about missing measurements. After a Balanced Scorecard is designed, companies may find there are some indicators that they do not already measure. Such a gap reveals a management problem, “If you can’t measure it, you can’t manage it (Kaplan & Norton, 1996, p. 231).” In contrast, one can say that what gets measured gets done. The Balanced Scorecard promotes the immediate performance improvement of identifying the missing measures and establishing a system of capturing such data. The Hospital Report 2005 for Complex Continuing Care identified that only 50% of Complex Continuing Care units surveyed use the Resident Assessment Indicator – Minimum Data Set (RAI-MDS) (OHA, 2005, p. 14). The information it captures is central to patient functioning, therefore the missing data identifies a need to make some system-wide improvements to ensure that such measurements are captured in future reports (OHA, 2005, p. 14). During the early application of the Balanced Scorecard, Kaplan and Norton (1996) suggest when measurement is not available, one could substitute text on a temporary basis. This would be done by the manager conducting a quarterly strategic review and writing a one to two page memorandum describing actions taken in the period, outcomes achieved, and the current state of the indicator (p. 145).
The Hospital Report advisory panel selected its indicators for their scientific soundness, relevance to the perspective being addressed, and feasibility of collecting the data. In comparing hospitals as well as in overall effectiveness, it applied a ranking system of below average, average, and above average (Hospital Report ‘99). Hospitals receiving a ranking will strive to fall at least in the average ranking and where they can, the above average ranking. Because the media display the results widely, hospitals have a strong incentive to perform well.

**Indicators**

The various authors share advice on how a company or business unit might approach the selection of indicators in each perspective. Some common considerations in the literature include indicator relevance and meaning, who collects the data, how the data is collected, what the data measures, and the relationship between indicators. Berg (2002) points out that the indicator must fall within the company’s control (p.20). The Ontario Hospital Association (2005) emphasized scientific soundness of the indicator (Executive Summary, p. 2).

Berg (2002) illustrates that the introduction of RAI-MDS across nursing homes in the United States significantly enhanced the opportunity to compare care outcomes thus increasing accountability and spurring facilities to improve quality (p. 20). So too the application of RAI-MDS in Ontario provides increased scientific evidence with its quality indicators reflective of the outcomes of care. Hospital Report 2005 reported that 50% of Long Term Care Units used the RAI-MDS tool.

**Application**

Measurements derived from the Balanced Scorecard show their strength in application in contrast to traditional measurement systems. Traditional measurement systems work to control staff behaviour. Control monitoring has its place to control existing practices and maintain quality, but in order for a company to excel and strive toward its vision, it needs more. Kaplan and Norton emphasize that measures from the Balanced Scorecard move companies forward (Kaplan &Norton, 1991, p. 79). Because strategy and vision guide the selection of objectives and measures, people will strive to achieve the goals.

More today than ever before, organizations require evidence of accountability. For-profit companies must demonstrate accountability to their shareholders and nonprofit organizations must demonstrate accountability to the public. Not only does the public want to know where the money was spent, but also for what outcome. Did it achieve what it set out to achieve? Nonprofit companies depend on public high regard for future funding and sustainability.

The regular formal reporting of the Balanced Scorecard monthly or quarterly provides all staff with measurements that pinpoint areas for improvement in accomplishing the company’s strategy. Because the measures interrelate,
managers have the information they require for sound decision making. The Balanced Scorecard’s success depends on acting on the measures to create strategy for success.

2.3 Implementation
To implement a Balanced Scorecard, Kaplan and Norton talk about the two steps, build it and use it (p. 43). Before building it, a corporation must prepare to ensure readiness.

Preparation
Since the Balanced Scorecard’s implementation in the early 1990’s in countless businesses around the world, the literature suggests about a fifty percent success rate of the Balanced Scorecard (Olve et al, 2004, p.1). Without the proper preparation it risks just being another management exercise that is shelved or at best under used. Niven (2003) talks about identifying readiness. He provides a weighting scale to examine tangible and intangible aspects of readiness (p. 56). The resultant score identifies how ready a company or business unit is to embark on the building and implementation of a Balanced Scorecard.

A group of researchers and consultants in Stockholm, Sweden studied the significant differences between companies with successful Balanced Scorecard implementation in contrast with those with unsuccessful implementation. They warn that, “People often resist what they regard as surveillance or see as a meaningless tool that adds to their reporting workload (Olve et al, 2004, p. 2).” The authors stress the importance of strategy visualization by employees. An initial part of preparation pointed out by Kaplan and Norton starts with CEO approval and leadership. In the video describing the Balanced Scorecard at FMC, the members of the company said that having a champion helped them overcome the demanding implementation process and maintain the momentum (Kaplan & Norton, 1992).

Building
Recognizing the uniqueness of every business and every business unit, no two Balanced Scorecards are the same. However, the steps in development are common to all sectors and businesses. In a 1993 article, Kaplan and Norton outline the structure of linking measurement to strategy by answering a series of building questions:

1. What is my vision of the future?
   a. Statement of Vision
      i. Definition of Strategic Business Unit
      ii. Mission statement
      iii. Vision statement

2. If my vision succeeds, how will it differ?
   a. Financial Perspective: to my shareholders?
b. Customer Perspective: to my customers?
c. Internal Perspective: with my internal management processes
d. Innovation and Learning Perspective: with my ability to innovate and grow.

3. What are the critical success factors (for each perspective)?
4. What are the critical measurements (for each perspective)? (Kaplan & Norton, 1993, p. 139)

In application to nonprofit organizations, Niven stresses the prime objective of recognizing the customer at the top as opposed to the financial perspective. The Balanced Scorecard for Ontario Hospitals presents a template for transformation to specific facilities. Yap, Siu, Baker, Brown, & Lowi-Young (2005) point out facilities are gradually applying the Balanced Scorecard to their own strategy, with frequent updating (p. 251). Those that align incentives to practice encourage employee behaviour change.

Use

The difference between success and failure of using the Balanced Scorecard hinges on one key factor – effective communication. It must involve the entire organization and be part of the culture for all members to share the strategy. The successful organizations recognize the human aspect of the work. The intangible factor of the human aspect of the work requires that the employees base decisions and actions on the strategy thus achieving company objectives. Nonprofit service companies are labour intensive. Their value, as Kaplan and Norton (1996) explain, is in the intellectual capital (p. 180). For that reason all staff must know the strategy. Adjustments cannot be made in isolation. They call for mass participation.

Significant groups within a company have distinct roles in relation to the Balanced Scorecard. The board of directors holds an active monitoring role (Kaplan & Norton, 1996, p. 209). In overseeing the corporate strategy, the board requires regular Balanced Scorecard reporting to assess corporate performance. Management influences measurement selection and analysis. The best companies push managers to choose measures that create change. The video, “Measuring Corporate Performance”, emphasizes the value of talking to clients to build relationships and gain a sound understanding of the clients’ needs (Kaplan & Norton, 1992). For employees, the Balanced Scorecard provides the guidance in decision making based on strategy. It also promotes changes in behaviour by what is measured and what behaviours are rewarded.

Implementation of the Balanced Scorecard must remain dynamic for sustainability. Periodic reviews occur monthly, quarterly, and annually. The metrics from the Balanced Scorecard influence the strategic plan, annual goal setting, and resource allocation. By linking strategy to performance incentives, the desired company changes can move forward. Management processes link closely to the sustainability of the Balanced Scorecard. In the video, both
companies stress the value of champions within the company to maintain awareness and enthusiasm. Senior management must keep the results of the Balanced Scorecard front and centre for monitoring and strategic development. Such support will maintain the ripple effect throughout the organization providing continuous reminders and rewards necessary to keep the Balanced Scorecard alive.

3.0 Research Approach
This project applies a descriptive qualitative approach addressing how the Balanced Scorecard can be introduced and applied to produce transformational results in the management of St. Joseph’s at Fleming. By applying the steps outlined by Niven to one direct clinical application, it addresses the specific factors facing St. Joseph’s at Fleming including the problems the organization faces in accurately monitoring success with numbers.

With the modern spacious building, St. Joseph’s at Fleming boasts many tangible assets as a place for those in need to seek long term care. It is the intangible assets including employee knowledge and skill and the culture of caring that make it the facility of choice. This project will demonstrate how the Balanced Scorecard can drive the strategy involving all employees to make the goal of facility of choice become a reality.

4.0 Plan
Why does St. Joseph’s at Fleming need a Balanced Scorecard? Before beginning the process of developing a Balanced Scorecard, St. Joseph’s at Fleming must identify the reason for proceeding with such a time consuming detailed process. Niven (2003) offers an objective method to measure whether or not a company needs a Balanced Scorecard (p. 56). The following sample questions relevant to St. Joseph’s at Fleming from the twenty questions he poses gives a flavour for the ease or difficulty St. Joseph’s at Fleming is having in executing its strategy:

<table>
<thead>
<tr>
<th>Sample Question (Niven, 2003, p. 56)</th>
<th>St. Joseph’s at Fleming Current State</th>
</tr>
</thead>
<tbody>
<tr>
<td>If we did not produce our current Performance Reports for a month, nobody would notice.</td>
<td>No pattern of required reports. Any reports given lack comparison to past performance or targets. They are not rate-based and lack an action plan.</td>
</tr>
<tr>
<td>We have a strategy (or have had strategies in the past) but have a hard time successfully implementing it.</td>
<td>The strategy is unknown to staff.</td>
</tr>
<tr>
<td>We rarely review our performance measures and make suggestions for new and innovative indicators.</td>
<td>The Nursing Department is in the preliminary stage of identifying and reporting on performance measures and working on action plans.</td>
</tr>
</tbody>
</table>
The Balanced Scorecard

<table>
<thead>
<tr>
<th>Sample Question (Niven, 2003, p. 56)</th>
<th>St. Joseph’s at Fleming Current State</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>The Activity Department collects extensive statistics that are not reported.</td>
</tr>
<tr>
<td>Our employees do not know how their day-to-day actions contribute to the organization’s success.</td>
<td>Employees receive subjective praise for their friendliness and caring. They do not receive timely feedback on clinical outcomes.</td>
</tr>
<tr>
<td>The environment in which we operate is changing and in order to succeed we too must change (p. 56).</td>
<td>The Standards of Care in the Nursing Home Act have become more stringent with increased inspection. St. Joseph’s at Fleming is obligated to become accredited with the Canadian Council for Health Services Accreditation. All Long Term Care facilities are expected to implement Best Practice Guidelines based on evidence. All Ontario Long Term Care Facilities are adopting the Resident Assessment Instrument – Minimum Data Set that will produce comparisons of resident outcomes across the industry.</td>
</tr>
</tbody>
</table>

The responses to the five questions alone build a case for St. Joseph’s at Fleming to build a Balanced Scorecard. Such external forces as Ministry Standards, Accreditation Standards, and new provincial measurements demand a strategy to address them and measure up. In a study of nine health care agencies that adopted the Balanced Scorecard, the most common reason stated for its adoption was a “proactive response to external forces (Inamdar et al, 2002, p. 183)”.

It is not enough just to recognize the high need for a Balanced Scorecard for an organization. The implementation of strategy through a Balanced Scorecard at St. Joseph’s at Fleming presents such a significant change that if the change itself is not managed rigorously, any work accomplished risks sitting on a shelf and the status quo maintained. Kotter (2007) shares advice on how to prevent failure of such a valuable transformation through “Eight Steps to Transforming Your Organization” which he summarizes in the following table (p. 99).

**EIGHT STEPS TO TRANSFORMING YOUR ORGANIZATION**

1) Establishing a Sense of Urgency  
   a) Examining market and competitive realities  
   b) Identifying and discussing crises, potential crises, or major opportunities  
2) Forming a Powerful Guiding Coalition
**EIGHT STEPS TO TRANSFORMING YOUR ORGANIZATION**

<table>
<thead>
<tr>
<th>Steps</th>
<th>Description</th>
</tr>
</thead>
<tbody>
<tr>
<td>1) Assembling a group with enough power to lead the change effort</td>
<td>Encouraging the group to work together as a team</td>
</tr>
<tr>
<td>2) Creating a Vision</td>
<td>Creating a vision to help direct the change effort, Developing strategies for achieving that vision</td>
</tr>
<tr>
<td>3) Communicating the Vision</td>
<td>Using every vehicle possible to communicate the new vision and strategies, Teaching new behaviours by the example of the guiding coalition</td>
</tr>
<tr>
<td>4) Empowering Others to Act on the Vision</td>
<td>Getting rid of obstacles to change, Changing systems or structures that seriously undermine the vision, Encouraging risk taking and nontraditional ideas, activities, and actions</td>
</tr>
<tr>
<td>5) Planning for and Creating Short Term Wins</td>
<td>Planning for visible performance improvements, Creating those improvements, Recognizing and rewarding employees involved in the improvements</td>
</tr>
<tr>
<td>6) Consolidating Improvements and Producing Still More Change</td>
<td>Using increased credibility to change systems, structures, and policies that don’t fit the vision, Hiring, promoting, and developing employees who can implement the vision, Reinvigorating the process with new projects, themes, and change agents</td>
</tr>
<tr>
<td>7) Institutionalizing New Approaches</td>
<td>Articulating the connections between the new behaviours and corporate success, Developing the means to ensure leadership development and succession</td>
</tr>
</tbody>
</table>

St. Joseph’s at Fleming faces multiple barriers to the transformation process required by the implementation of the Balanced Scorecard. The barriers are summarized in the following table. Suggestions of how the barriers can be overcome applying Kotter’s approach follow in greater detail.

<table>
<thead>
<tr>
<th>Barriers St. Joseph’s at Fleming Faces</th>
<th>Approaches to Overcome the Barriers Applying Kotter’s Eight Steps</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. Change paralysis</td>
<td>Create a sense of urgency</td>
</tr>
<tr>
<td>2. Culture of non-measurement</td>
<td>Create a vision</td>
</tr>
<tr>
<td>3. Fear of being measured</td>
<td>Communicate the vision</td>
</tr>
<tr>
<td>4. Feeling of severe time constraints in all aspects of the work</td>
<td>Create a sense of urgency</td>
</tr>
<tr>
<td>5. Overwhelmed with changes currently occurring</td>
<td>Form a strong steering committee</td>
</tr>
<tr>
<td>6. Non-supportive atmosphere among managers</td>
<td>Bring in a consultant</td>
</tr>
<tr>
<td>7. Unempowered staff in leading and</td>
<td>Empower staff to act on the vision</td>
</tr>
</tbody>
</table>
Barriers St. Joseph’s at Fleming Faces | Approaches to Overcome the Barriers Applying Kotter’s Eight Steps
--- | ---
decision making
8. Staff tendency to do the bare minimum not taking initiative | Create short term wins
9. Management fear of union conflict | Communicating the vision and plan short term wins
10. Staff fear of union criticism if they expand their role | Empowering staff to act on the vision

St. Joseph’s at Fleming coped with enormous adjustment to the change when two crowded facilities merged into the new spacious environment. Even though the physical environment offers many advantages, the way things are done has changed little. A certain fatigue resulting from the move has set in and many members want to maintain the status quo to give time to regain their energy. If the organization does not create a strong sense of urgency and maintain it, it risks not gaining cooperation for the transformation process. The reasons for the urgency of change are many. Part of the contractual agreement with Fleming College when the partnership was formed, required St. Joseph’s at Fleming to achieve accreditation with the Canadian Council of Health Services Accreditation. St. Joseph’s at Fleming remains the only long term care facility in the Peterborough area that has not sought accreditation. In order to gain accreditation, the council requires proof of quality care delivery through measurement against their four dimensions of quality – responsiveness, client/community focus, system competency, and worklife. The indicators for accreditation dimensions resemble a Balanced Scorecard approach.

In addition to the sense of urgency stimulated by having accreditation on the horizon, is that stimulated by the regular visits from the team of Compliance Advisors from the Ministry of Health and Long Term Care. The team, consisting of the Nursing Compliance Advisor, the Registered Dietician Compliance Advisor, and the Environmental Services Compliance Advisor, arrive at the facility with no prior warning at least annually. This team scrutinizes all aspects of care delivery demanding proof of compliance with the Standards of Care set out by the Ministry of Health and Long Term Care. The standards have changed recently reflecting the demand for increased accountability. The government has increased the number of compliance advisors available so that they will inspect more thoroughly and more often to ensure that long term care facilities deliver a high quality of care contributing to a life of quality for the senior and disabled population of the province.

The province has also increased the number of inspectors in the Ministry of Labour to target workplaces, particularly in health care, who have higher than average workplace injuries. St. Joseph’s at Fleming falls in the lowest tenth percentile for like facilities for musculoskeletal injuries making it a target to put under the magnifying glass.
The Balanced Scorecard

If accreditation, compliance standards, and workplace safety weren’t enough to stimulate a transformation to the Balanced Scorecard, competition should increase the urgency dramatically. The facility competes for residents with the ability to pay the subsidy for private accommodation. The revenue from the subsidy pays the mortgage, a major financial consideration. The organization competes for staff in an environment where there is a global shortage of essential health care staff including nurses and dieticians. The facility depends on charitable giving to support many staff development programs, and the purchase of much needed capital equipment. Accountability to the funders requires the story as told in a Balanced Scorecard in order to maintain that revenue stream. In health care, the public want reassurance that all providers deliver care applying the most up-to-date research referred to as Best Practices. The Balanced Scorecard can provide that proof.

When a manager recently conducted an audit of the practice of pleasurable dining, a staff member took offence to reporting the results as a percentage score. Instead of recognizing the result as identification of an opportunity for improvement, she feared repercussions against individual staff members. A great deal of work is needed not only to communicate the vision, but also to build relationships with all levels of staff to stimulate the dialogue and interest in the Balanced Scorecard. The organization needs to start with the delivery of performance appraisals to all staff. Because almost no performance appraisals have been conducted in the past three years, staff has generally lacked an opportunity to have a one to one conversation with managers regarding the expectations of the job. During the delivery of performance appraisals to all staff members, management has the opportunity to share the vision with staff reinforcing that shared by other avenues of communication.

Probably no organization exists that does not feel constrained by demands on time and the feeling of constant incremental change. Only with strong leadership can it enter into such transformational change as the introduction of the Balanced Scorecard. Kotter’s (2007) solution to address these barriers includes the formation of a strong leadership coalition building the change (p.101). Niven (2003) suggests that an organizational change expert be contracted as an outside resource (p. 69). Someone who has worked with other companies through the changes needed in the implementation of a Balanced Scorecard will see the signs of difficulty and help navigate through them.

An outside consultant can also help mediate non-supportive behaviour among managers. During the establishment of a shared vision, managers and other stakeholders will come together to establish a mission, values, and vision. Kotter (2007) states, “In every successful transformation effort that I have seen, the guiding coalition develops a picture of the future that is relatively easy to communicate and appeals to customer, stockholders, and employees (p. 98).”
With a clear vision known by all staff within the organization, such barriers as management-union conflict and union-staff conflict potentially ease with the focus on the issues articulated in the vision. Most staff will welcome the empowerment offered by the shift in decision making and take the initiative required to emulate the vision.

5.0 Steps in Development

5.1 Conduct Executive Interviews

In a study of nine health care provider organizations implementing the Balanced Scorecard, Inamdar, Kaplan & Reynolds (2002) concluded that the single most important condition of success and sustainability is ownership and active involvement of the executive leadership (p. 193). Niven (2003) suggests that conducting formal executive interviews serves the purpose of earning the executive support as well as identifying early any potential trouble spots (p. 165). Having the consultant conduct the interviews anonymously will put the executives at ease thus encouraging candid answers.

Some informal discussion with members of the management team at St. Joseph’s at Fleming revealed a wide range of understanding of what Mission, Values, and Vision means and what a Balanced Scorecard is. With some explanation of the process of strategic planning and potential transformative change, came responses including enthusiasm for the idea of making St. Joseph’s at Fleming a facility offering a Life of Quality and negativity at the idea of introducing a new initiative at a time when the executive team is heavily involved with multiple initiatives already.

These small discussions reveal the value of investing the time in the initial stages to ensure a clear understanding of terms used in the Balanced Scorecard. Before even seeking executive support, the executive members require knowledge of related aspects of strategic management. Revealing the barriers to the development and implementation of the Balanced Scorecard provides the opportunity to address the challenges. It is better to know where the resistance might come from rather than have the plan sabotaged later. St. Joseph’s at Fleming will require an extensive time period for Balanced Scorecard development and implementation. Inamdar et al (2002) found that the healthcare organizations took from one to five years. All participants reinforced the need for teaching, discussion, and consensus building to embed the scorecard in the organization (p. 185).

5.2 Develop Mission, Values, Vision, and Strategy

Mission:
The mission of St. Joseph’s at Fleming published on its website lacks the attributes to make it a driving force for the organization.

St. Joseph’s at Fleming is a not-for-profit long-term care facility offering care to persons of all faiths, owned by Marycrest Home for the Aged of
The mission lacks inspirational appeal to staff and stakeholders. Because the mission statement adorns the top of the Balanced Scorecard and forms an integral part of the Balanced Scorecard, St. Joseph’s at Fleming needs to take the first step of rewriting the mission statement. This exercise, led by a consultant expert in the Balanced Scorecard and involving a cross-section of stakeholders of the organization, will ignite the spark of enthusiasm required to begin the Balanced Scorecard development process. Both Niven and David offer several approaches to the actual mission statement development. The Balanced Scorecard Steering Committee together with the consultant can determine the desired approach to its development. The final product must give a word picture of why the organization exists containing the following attributes:

- States the organization’s chosen endeavor
- Inspires change
- Lasts well into the future
- Easy to understand and communicate (Niven, 2003, p. 104).

The critical exercise of the development of the mission statement has the potential to align all the employees toward their contribution to the greater good. Such a foundation strengthens the intangible asset of employee contribution and decision making.

Values

Whereas it is recommended that large representation of the employees participate in the creation of the mission and vision, the values represent core beliefs of the way things get done. Often the CEO or senior team establishes the values. St. Joseph’s at Fleming currently does not have published values, but the web site lists the philosophy which expresses the values:

- We believe that care and compassion are essential in fostering sanctity of life, and are characteristic of all our inter-relations with Residents, with respect to their personal worth and dignity.

- We believe that Residents should be encouraged to make choices as an expression of their individual freedom and self-respect.

- We believe that each Resident is a unique individual with physical, social, psychological and spiritual needs.

- We believe that care is provided through the involvement of the family, a multi-disciplinary team and a home-like environment. Should the care needs of a Resident exceed our available resources, a referral is made for alternate placement.
We believe in promoting personal growth by offering educational programs for families, employees, volunteers and, whenever possible the community-at-large (St. Joseph’s at Fleming, 2007).

In preparation for the development of a Balanced Scorecard, St. Joseph’s at Fleming needs to establish its values. For clarity and consistency of language, the philosophy statement can be replaced with values.

Vision
Meaningful work inspires employees to put forth a conscientious effort to accomplish the task at hand. An inspirational vision statement guides decision making and action. Kotter (1997) stresses a clear vision that any employee can express in five minutes or less is essential to transformational change (p.15). By having such a picture of the future in mind, decision making bodies have a common beacon to guide decision making for the long term. To develop a vision statement St. Joseph’s at Fleming could gather a cross-section of stakeholders for a visioning exercise. Under the leadership of an expert facilitator, each participant will feel heard and acknowledged. Such ownership serves the organization well when barriers arise. Broad ownership of the vision will help the employees see beyond the barrier to the shared vision enabling them to find creative solutions to change. David suggests that the vision statement consist of one sentence only answering the basic question, “What do we want to become (David, p. 56)?”

Kotter (1997) suggests six key characteristics of a vision statement:

1. Imaginable: conveys a picture of what the future will look like.
2. Desirable: appeals to the long-term interests of employees, customers, stockholders, and others who have a stake in the enterprise.
3. Feasible: comprise realistic, attainable goals.
4. Focused: Is clear enough to provide guidance in decision making.
5. Flexible: Is general enough to allow individual initiative and alternative responses in light of changing conditions.
6. Communicable: Is easy to communicate; can be successfully explained within five minutes (p.15-16).

St. Joseph’s at Fleming currently does not have a vision statement. Having a consultant expert in designing vision statements will ensure a powerful vision statement that must be communicated to all staff in many ways so that it becomes part of the culture.

The organization has achieved a significant vision in recent years with the partnership, building, and occupying of the new facility, St. Joseph’s at Fleming. This accomplishment has been celebrated and recognized with awards and publications. Having achieved the landmark vision, St. Joseph’s at Fleming is
ready for a new vision to break new barriers in realizing its leadership role in Long Term Care delivery.

5.3 Confirm the Role of the Balanced Scorecard in the Performance Management Framework

Strategy is everyone’s job. Strategy sets the foundation for the Balanced Scorecard. From the perspective of performance management, the Balanced Scorecard provides the communication and collaboration mechanism that clearly assigns accountability to those responsible for carrying out strategy at all levels of the organization (Inamdar, et al, p. 180). The Balanced Scorecard provides the framework to monitor, measure, and manage the business performance of St. Joseph’s at Fleming.

Just as the Balanced Scorecard at the corporate level cascades to individual departments, the department targets cascade to individual targets. Focused targets of individuals result in increased accountability to the individual staff member. The transformative change embedded in the new vision of St. Joseph’s at Fleming can only be mobilized if the individual workers feel the motivation and the sense of urgency to overcome all barriers to achieve the vision. The feedback received through the performance management system based on the targets set in the Balanced Scorecard will reward desired behaviour and increase performance.

Park (2007) describes the two types of feedback that occur in the Balanced Scorecard – single-loop and double-loop (p. 17). In single-loop, the evaluation can be made regarding achievement of objectives of an intervention. In double-loop, the evaluation identifies that in spite of implementing an initiative as planned, the outcomes were not achieved and the strategy needs to be revised. Such recognition of the cause-and-effect relationship between strategic initiatives and outcomes strengthens performance management.

5.4 Offsite Day for Balanced Scorecard Development

The initial exercise for the Balanced Scorecard Task Force to identify the scorecard perspectives most relevant to St. Joseph’s at Fleming requires a dedicated day to the process free of interruptions and distractions. Niven (2003) recommends holding such a day off site to meet such requirements (p. 173). Peterborough, nestled in the Kawartha Lakes District, offers a large selection of venues for such a day. Opportunities exist for settings with windows offering natural light and pleasant surroundings such as wooded areas or lakes. Because the introduction of the Balanced Scorecard offers the opportunity for transformative change for the organization, the leader of the day must possess the skills, knowledge, and enthusiasm to facilitate the Strategy Mapping session. An outside consultant with the credentials and proven track record for successful implementation of the Balanced Scorecard would best lead the process. This expert can anticipate the challenging questions and doubts that members of the
Balanced Scorecard task force will bring forward. Not having such an expert runs the risk of leaving questions unanswered, losing member participation, and ultimately the failure of the project. The strategy that the team has identified opens up a new destination for the organization with many unknown outcomes. The consultant has the skill to breed confidence and trust in the process ensuring maximum participation of the task force.

In advance of the day, each member will receive a premeeting package to review in preparation. The package will include the mission, values, vision, executive interview notes, and any material on the history or strategy of St. Joseph’s at Fleming that will enhance the day. At the meeting, the usual supplies including flip charts, markers, Post-It Notes, paper, laptop computer, and projector will be on hand.

To warm up the group and get the creative juices flowing, Niven (2003) suggests conducting a modified SWOT (Strengths, Weaknesses, Opportunities, Threats) analysis exercise using the four perspectives (p. 173). He suggests leading the group to fill in the squares on the following chart both on the flip charts and on the computer. This exercise allows an opportunity for discussion and clarification of the meaning of the four perspectives as members identify which square to record their thoughts. He has added a Wild Card square for ideas that don’t really fit anywhere. Some of the ideas generated will later assist in identifying objectives and the selection of measurements for the Balanced Scorecard.
As well as gaining an understanding of what the Balanced Scorecard is, the participants must understand what it is not. It is not just a collection of measurements. The Balanced Scorecard must tell a story of the organization. The opening exercise of the SWOT analysis hanging on the wall will bring all the perspectives together to begin the process of designing the arrangement which will eventually tell the story in a dynamic ongoing fashion of the strategic development of St. Joseph’s at Fleming. The outcome of the day will be two draft documents – a strategy map and a Balanced Scorecard outline. These documents are draft so that they can be further wordsmithed to reflect the meaning behind what was said and so that the participants and other members of the organization have the opportunity for further reflection and feedback of the content.

The Strategy Map demonstrates, in a one page document, the connection and progression among all aspects of the Balanced Scorecard and how it guides the organization in the strategic development. By holding a graphic picture for all to see and understand, all employees maintain sight of the vision. The Strategy Map presents the picture in a one page graphic presentation. The Balanced Scorecard is a reporting tool usually several pages long in a table format.
With the perspectives in place, the Steering Committee must next apply the mission, values, and vision to formulate objectives to make the strategy operational. Clear objectives will lead to the identification of key performance measures.

5.5 Establish Scorecard Objectives

Before the team can identify appropriate measurements for strategy achievement, clear objectives are needed to bridge the gap. The objectives tell the story of strategy implementation. The measures, which follow, provide the results. An analysis of the results indicates how well the strategy is being carried out.

At this point the facilitator would lead the group in a brainstorming exercise to identify the objectives within each quadrant. Niven (2003) suggests posing a question such as, “What is preventing St. Joseph’s at Fleming from becoming the best Long Term Care Facility in Peterborough County (p. 177)?” Clear relevant objectives tell the story of the company strategy as well as ease the way to identify the key performance measures. For the purpose of illustration only, this project will populate each quadrant with examples of possible objectives that St. Joseph’s at Fleming may choose. These objectives lack the richness gained with the synergy of many minds building on each other’s ideas and serve as illustration only.

Customer Perspective

In developing the customer objectives, the group will identify the customer as the resident. It is also important to name other stakeholders. Family members of residents rank high in importance. There are certain services or products that residents require and expect including receiving personal care and pleasing nutritious meals. The objectives will cover such obvious items as well as such items that will add value to their living at St. Joseph’s at Fleming (Niven, 2003, p. 174). The group will identify what St. Joseph’s at Fleming can offer to make it the first choice for residents and families.

Internal Processes

In setting objectives for the internal processes, St. Joseph’s at Fleming will consider both the current and future needs. What must the organization excel at to continue to add value now? What are the current trends that the organization must excel at in the development of new processes for the future (Niven, 2003, p. 175)? The Hospital Report refers to this quadrant as Clinical Utilization and Outcomes (University of Toronto & Ontario Hospital Association, 1999). This title reflects the outcome indicators that would be captured including such areas as resident fall rates, infection rates, and pressure sore rates. Utilization indicators might include occupancy rate, waiting list, or average number of days to fill an empty bed.
Learning and Growth
In the service industry, the employees make the difference between the strategy implementation or not. Objectives in this perspective will relate to the climate and culture of the organization. They also involve the infrastructure that allows staff to execute the care. For example, all documentation takes place on computer. The infrastructure to make this work includes having enough computers, the correct software, and the skill to use the system. The objectives will also address the staff competencies required now and in the future. St. Joseph’s at Fleming promotes a learning environment which fits nicely into the learning and growth perspective.

Kaplan and Norton (2004) caution builders of Balanced Scorecards from not giving this quadrant the attention it deserves (p. 54). Investing in human capital with a focus on desired outcomes creates the consequences desired. St. Joseph’s at Fleming would be short-sighted if it tried to save money in staff development. A focused staff development program, on the other hand, contributes to the cause and effect relationship building staff competency to achieve the desired resident outcomes.

Finance
As a nonprofit organization, St. Joseph’s at Fleming is required to deliver the care to the established standards within the budget. The Ministry of Health and Long Term Care funds all Long Term Care Facilities in the province based on a funding formula per diem. Once a year every resident is classified based on level of care required and the nursing care envelope is adjusted according to a weighted formula.

If St. Joseph’s at Fleming is to succeed at being the facility of choice for residents seeking Long Term Care, it needs to seek revenue enhancing opportunities from other sources. The facility is associated with The St. Joseph’s Care Group Foundation which raised funds for the capital building. Potential exists for additional funds through an agreement with the foundation. In the association with Fleming College and the Institute for Healthy Aging, opportunities exist to apply for grants and other sources of specifically directed funds to conduct applied research to enhance the care delivery. The objectives will reflect the seeking of revenue from these alternative sources as well as working within the standard revenue sources.

Draft Objectives

Exhibit 5: Theoretical Sample Strategic Objectives
The Balanced Scorecard

Objectives

Customer
- Ensure resident-centred care according to the following guidelines:
  - equal access to care
  - respect of residents' wishes, concerns, values
  - treatment of all with human dignity
  - consistent care and consistent caregivers
  - timely addressing of needs.

Mission
St. Joseph's at Fleming operates a high-quality long term care facility, the opportunity for our residents to live a life of quality. Service is given with ultimate concern for residents, families, medical staff, and facility staff. It is a leader in long term care delivery with its partnership with the Institute for Healthy Aging associated with Fleming College.

Financial
- Ensure all departments operate within budget
- Obtain funds from the foundation to support educational programs
- Generate adequate revenue from premium accommodation to cover mortgage expense.

Internal Processes
- Meet targets for resident rehabilitation
- Meet targets for maintaining level of functioning
- Meet targets for resident safety including falls and pressure sores

Learning and Growth
- Ensure all RAI-MDS data accurate and on time
- Reduce staff injuries to the provincial average
- Ensure staff possess the skills and competencies for the role
- Ensure computer support available for growth of the computerized health record
- Introduce Best Practice Guidelines for Resident Care.
5.6 Create Strategy Maps
The Balanced Scorecard will drive St. Joseph’s at Fleming toward achievement of the strategy by helping it leap all the barriers to success. By holding a graphic picture for all to see and understand, all employees will maintain sight of the vision.

At the conclusion of the day, the group will have developed a draft strategy map with objectives in each of the four perspectives of the Balanced Scorecard. The strategy map will abbreviate each objective as a title to capture its meaning. For each objective title, an objective statement of two to three sentences will clearly define what appears on the map.

5.7 Gather Feedback
Each member of the team will take away what has been created on the day and review the work individually with a fresh eye. By taking some time out before the next session, the document has time to get cold prior to revision. A later date would be set to reconvene after a stakeholder review of the draft document to share final thoughts and reach consensus on revisions.

The Balanced Scorecard team should create a variety of opportunities to involve stakeholders from all departments. Coffee meetings and lunch meetings will usually draw a group together. Newsletters and poster displays will increase exposure. The value of one to one general conversation increases understanding and support.

5.8 Develop Performance Measures
Assuming the implementation team is happy with the objectives related to the four perspectives of the Balanced Scorecard, the team must next identify the key performance measures that represent the attainment of the objectives. In their original work, Kaplan and Norton (1996) recommend limiting the key performance measures to 16 to 20 only (Rockwater, p. 3). Niven (2003) stresses the importance of identifying the “critical few metrics” that have the effectiveness to “provide direction, align employees, improve decision-making, and serve as a basis for resource allocation decisions (p.204).

St. Joseph’s at Fleming must remain forever mindful of the reason for implementing the Balanced Scorecard, that of transformational change in the implementation of its strategy. The critical few metrics that the Balanced Scorecard Core Team selects must influence the cause and effect relationship that reflects the strategic direction of the organization. Two types of strategic measures address the objectives – lag and lead indicators (Niven, 2003, p. 189). Lag indicators measure events in the past. In order to really drive performance at least half of the indicators should be lead indicators. Lead indicators measure activities occurring that will later reflect a lag indicator. For example, a significant customer focused measurement at St. Joseph’s at Fleming involves pressure sores. The prevalence of pressure sores, recorded as the percentage of
residents with pressure sores is a lag indicator. The incidence of newly acquired pressure sores within the month is a lead indicator driving action to either continue with the interventions in place if it is below target which is good, or to change the interventions if it is above target which is reflective of a poor resident outcome. An improvement in monthly pressure sore incidence will lead to an improvement, i.e. reduction in pressure sore prevalence.

Performance measure selection influences the effectiveness of the Balanced Scorecard. Some quotes often heard, mentioned by Niven (2003), include, “You get what you measure,” and “Measurement gets results (p. 185).” At St. Joseph’s at Fleming, by reporting measurements back to the clinicians in a timely manner, they learn what matters and adjust their behaviour and priorities according to the measurements. By aligning the measurement choices with the behaviour and results desired, quality of care improves. This process is referred to as the feedback loop. If a certain practice is changed in anticipation of achieving a certain result, the indicator of the result reflects meeting target or not. If the target is not met, practice would be reexamined and potentially adjusted to meet the target (Park & Huber, 2007, p.17).

Of the types of measures, the most difficult to quantify and yet the most useful in evaluation is the outcome measure. The outcome measures such as prevalence and incidence demonstrate the benefit received by performing the care. Did the residents, key stakeholders of the organization, attain the quality of life desired by being entrusted in the care of St. Joseph’s at Fleming? Such measures have been difficult to capture until the adoption of the Resident Assessment Instrument - Minimum Data Set that has been validated internationally as a method to assess individual residents. The Resident Assessment Instrument offers the advantage of clinically meaningful resident-level measures on an on-going basis for all residents that can be compared across the industry (Berg, 2002, p. 22). By entering the results into a health record data base, reports can be generated to produce outcome measures that can be compared across the province. The Canadian Institute for Health Information holds the repository of all Resident Assessment Instrument data. St. Joseph’s at Fleming joined the Ontario project as a phase III adopter in June 2006 and will begin submitting the first year of data and receive comparative reports soon.

Input and output measures, the other two types of measures are the types of measures that nursing homes have gathered for a long time. Many of them comprise part of the routine reporting to the Ministry of Health and Long Term Care. Examples of input measures include staff time worked and other budgeting resources. Output measures include such activity measures as bed occupancy, meals served, and program attendance. Whatever measures gathered, clear definition of all measures and how they are identified supports the reproduction of the same data from period to period and across facilities.
Working with the Balanced Scorecard steering committee, the consultant needs a method to kick start the group into identifying what measurements best reflect the objectives, painting a picture of the effectiveness of the organization in relation to the strategic plan. One recommendation from Niven (2003) successfully used by some organizations is what he refers to as “binning (p. 191).” This activity involves listing all current measures being collected and putting them in the related perspective or “bin”. With that on the wall, they can decide if any of those measures have the importance to be part of the Balanced Scorecard as key performance indicators.

**Selecting Measures from the Customer Perspective**

St. Joseph’s at Fleming has more than one customer. The resident is key, followed by the high importance of the family, board, and community. To illustrate the selection of measurements, these theoretical objectives serve as a starting point:

Ensure resident-centred care according to the following guidelines:
- Equal access to care
- Respect of residents’ wishes, concerns, values
- Treatment of all with human dignity
- Consistent care and consistent caregivers
- Timely addressing of needs.

In identifying key measures in this perspective, one could ask what customers demand and expect. St. Joseph’s at Fleming distributes a resident and family satisfaction survey from time to time. It would have greater importance if a validated survey were used. The Picker Institute, an organization that studies patient satisfaction, offers a valid tool (Picker Institute, 2007). Of the three value propositions that distinguish companies from each other, customer intimacy fits St. Joseph’s at Fleming. The residents and families who have a strong relationship with the staff can address issues as they arise and therefore experience improved customer satisfaction. Two programs that St. Joseph’s at Fleming proudly mentions on its website are Gentle Care ® and the Eden Alternative ®. A measurement to identify how well these programs are being implemented would reflect directly on the strategy to apply these methods.

**Internal Process Perspective**

The internal process perspective focuses on quality improvement. The facility must demonstrate how improved quality of care leads to increased value to the customers. The theoretical objectives reflect the outcomes of resident care;
- Meets targets for resident rehabilitation
- Meets targets for maintaining level of functioning
- Meets targets for resident safety including falls and pressure sores.

Before the introduction of the Resident Assessment Instrument – Minimum Data Set, outcome measures varied across nursing homes by definition of method of measuring making comparisons and targets difficult. The Resident Assessment
The Balanced Scorecard

Instrument affords the opportunity to monitor trends in resident care outcomes as well as comparisons among facilities. The manual for the Resident Assessment Instrument clearly defines every outcome measure for consistency internationally.

St. Joseph’s at Fleming can no longer embrace the status quo. It needs to take the outcome measures, compare them to targets and innovate in ways that differentiate this nursing home as the nursing home of choice. Some innovative approaches include partnering, marketing, and fundraising activities.

**Employee Learning and Growth**

In a nonprofit service oriented organization like St. Joseph’s at Fleming, the intangible assets set it apart from other organizations. Niven (2003) attributes 75% of the value to the intangible assets (p. 197). Kaplan and Norton (2004) stress that to be successful, the company must maintain the yield from human capital to be consistently high (p. 52). The objectives suggested in this paper for the purpose of discussion can be broken down to fit the three types of intangible assets:

1) Human Capital  
   a) Ensure RAI-MDS data accurate and on time  
   b) Reduce staff injuries to the provincial average  
   c) Ensure staff possess the skills and competencies for the role

2) Information Capital  
   a) Ensure computer support available for growth of the computerized health record.

3) Climate for Positive Action  
   a) Introduce Best Practice Guidelines for resident care.

Key metrics could be selected from each of the three areas of this perspective including retention and succession metrics, and data accuracy audit results.

**Financial Perspective**

It is important to have robust financial measures that demonstrate a balance between effectiveness with efficiency and cost consciousness. As a nonprofit organization, St. Joseph’s at Fleming’s commitment to the stakeholders involves demonstrating accountability in high quality care delivery within the constraints of the money allocated. The highest proportion of funds pays staff salaries; therefore some measures will reflect the level of efficiency in wage payments. For example, staff absenteeism exceeds that budgeted resulting in use of unbudgeted overtime. Regular feedback regarding overtime costs would indicate the success or failure of the attendance management program, thus leaving the option open to revise the strategy. Supply costs require similar variance tracking.

**Identifying Key Indicators**

However the facilitator approaches the selection of performance measures, the team will initially come up with many more than practical for a Balanced
The Balanced Scorecard. They must narrow down the measures to key indicators. Once narrowed down, the key indicators serve to provide direction to the organization, align employees, improve decision making, and form the basis for resource allocation:

1. Linked to strategy.
2. Easy to understand.
3. Updated frequently.
4. Accessible.
5. Average-cautious.
6. Resistant to “date”-related measures.
7. Quantitative.

Niven (2003) suggests a minimum 1.5 measures per objective on average (p. 206). He offers a useful worksheet for the team to enter suggested measures and evaluate them against criteria that will narrow down to the critical few.

**Exhibit 6: Worksheet to Select Balanced Scorecard Measures (Niven, 2003, p. 207)**

<table>
<thead>
<tr>
<th>Perspective</th>
<th>Linkage to Strategy</th>
<th>Easily Understood</th>
<th>Cause and Effect Linkage</th>
<th>Frequency of Updating</th>
<th>Accessibility</th>
<th>Reliance on Averages</th>
<th>Data-Driven?</th>
<th>Quantitative</th>
<th>Dysfunctional?</th>
<th>Comments</th>
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<tbody>
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<td>Customer</td>
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<td>Employee Learning and Growth</td>
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Because employee buy-in holds such high importance, employees should be given the opportunity to provide suggestions on key critical indicators. The facilitator could lead staff focus groups to validate and refine the measures.

Once each measure is selected, it is important to write a performance measure data dictionary. By having one page per measure, staff has access to a clear, meaningful source of definition. The definition must state the data source, the data quality, and the data collector to maintain integrity (Niven, 2003, p. 212).

**5.9 Develop Targets and Initiatives**

It is not enough to monitor results without knowing the goal. The target is the desired result. When setting targets, it is important to align them with the organization’s commitments. Targets need to be realistic yet challenging. By
setting stretch targets, that staff supports, staff feels the motivation to achieve the desired result. Sometimes going outside the organization to identify industry benchmarks provides the selection of target measures. St. Joseph’s at Fleming participates in the province-wide adoption of the Resident Assessment Instrument – Minimum Data Set. The Canadian Institute for Health Information will process and report the results producing comparisons among facilities across the province. When such reports arrive, St. Joseph’s at Fleming must study the results against other homes and identify what measures contribute value to the strategic objectives. Depending on where the results fall, any targets set relate to the entire province.

For a more immediate comparison, St. Joseph’s at Fleming recently worked with Specialty Care, a corporation that owns and operates twelve Long Term Care Facilities in the province. Specialty Care has shared their quality data against which St. Joseph’s at Fleming can make a comparison. Based on that comparison, targets can be set. With such information now available, the best people to set targets for these indicators would be the nursing staff. The nursing staff knows the work, knows the residents, and will have an opinion about how much St. Joseph’s at Fleming can improve with the implementation of new initiatives that support the strategy.

The organization cannot expect quality and outcomes to improve just with the setting of targets. Hand in hand with the targets come initiatives toward achievement. Initiatives must support the strategy. Niven (2003) defines initiatives as “specific programs, activities, projects, or actions you will engage in to help ensure you meet or exceed your performance targets (p. 219).” An example of an initiative that the multidisciplinary team at St. Joseph’s at Fleming might engage in to reduce the fall rate and injury rate from falls would be the introduction of the Best Practice Guidelines for Fall Prevention (RNAO, 2005). The guideline outlines all aspects of fall prevention including risk assessment, nutrition assessment, exercise programs, environmental changes, and medication administration.

St. Joseph’s at Fleming falls into the same trap of many organizations that Niven (2003) describes with multiple initiatives underway to improve resident care (p. 219). Some staff members feel overwhelmed by the number of initiatives including one senior executive member who opposed introducing a Balanced Scorecard because there are too many initiatives underway. Some initiatives started with an offer of a government grant to support a particular provincial strategy. Others started as a reaction to a family or resident complaint. Measurements of effectiveness are sporadic at best. The implementation of the Balanced Scorecard would provide focus to new change initiatives by following the process of clear articulation of mission, values, and vision. The mission, values, and vision will influence the strategy. The strategy will lead to the objective setting and measures to evaluate the objective achievement. The targets give something to gauge the measures against and the change initiatives
provide the means to meet the targets (Niven, 2003, p. 219). Such a process provides the knowledge the facility requires to identify which initiatives to go after when they are offered and which to bypass so that energy and resources are directed to those projects that matter to the organization.

5.10 Develop the Ongoing Implementation Plan

Robert Kaplan, one of the architects of the Balanced Scorecard, interviewed Larry Brady, executive vice president of FMC Corporation, a successful diversified company in the United States. Larry Brady offered some sage advice regarding sustaining the Balanced Scorecard, “The real benefit comes from making the scorecard the cornerstone of the way you run the business. It should be the core of the management system, not the measurement system. Senior managers alone will determine whether the scorecard becomes a mere record-keeping exercise or the lever to streamline and focus strategy that can lead to breakthrough performance (Kaplan & Norton, 1993, p. 147).”

By developing a Balanced Scorecard, St. Joseph’s at Fleming would open up the possibility of a major change transformation involving the entire organization from the CEO to the front line staff. Without an ongoing implementation plan, the Balanced Scorecard will risk sitting on a shelf cancelling out all the effort and expense invested in its development. Niven (2003) outlines the following activities to keep the Balanced Scorecard vital to the strategy implementation:

- Alignment by Cascading (p. 227)
- Linking Resource Allocation (p. 241)
- Reporting Results (p. 251).

Alignment by Cascading

Through communication of the Balanced Scorecard, every staff member at St. Joseph’s at Fleming would need to know that the work they are doing contributes to the life of quality that the organization creates for its residents and their families. By taking the facility-wide Balanced Scorecard and then creating a Balanced Scorecard for each department from it, the strategic message infiltrates the entire organization. Each Balanced Scorecard will fit with the other through a cascading effect. After each department holds a clear understanding of the facility-wide Balanced Scorecard, it can lift the same objectives and apply them to its department. The department will select a relevant measure from the work it does that contributes to that objective. This process repeated in every department will spread the message throughout the organization.

Linking Resource Allocation

Niven (2003) explains how Kaplan and Norton suggest a budgeting process called dynamic budgeting (p. 244). Dynamic budgeting takes into consideration the strategic direction defined by the Balanced Scorecard as well as the typical operational budget items that need to occur to run the business. They suggest that the majority of spending comes from the regular operational budget. In addition, a portion of the budget is referred to as the strategic budget. “The
strategic budget is reserved for spending designed to close any significant gaps that exist between current and desired performance on critical performance indicators (p. 244).”

**Reporting Results**

The Balanced Scorecard will remain viable through the regular reporting and analysis of results. Based on the analysis, teams and departments will formulate and implement new initiatives. The results of new initiatives will receive scrutiny against the performance targets and the cycle will continue. St. Joseph’s at Fleming will establish reporting frequencies based on the measures identified. Most measures will require monthly reporting and analysis. Those measures successfully meeting their target will deserve just as much attention as those falling behind. By identifying the cause of the success, a department might realize ideas for success in another area.

The full strategic plan and its monitoring will require special attention in addition to the analysis of the Balanced Scorecard reports. St. Joseph at Fleming could establish a strategic planning forum quarterly to look at the Balanced Scorecard from a higher level making slight adjustments to ensure the strategic direction fits the mission, values, and vision.

**Implementation Schedule**

St. Joseph’s at Fleming will need to pace itself carefully through design and implementation of the Balanced Scorecard. Communication takes time. The Balanced Scorecard team must respect staff facing conflicting agendas. Failure to take time for staff to endorse the Balanced Scorecard risks meeting barriers during implementation or sustainability. The following timeline suggests a twenty-four month period for the corporate scorecard planning and development. Depending on resources allocated and success of development, additional departments may begin Balanced Scorecard development before the corporate Balanced Scorecard is completely ready.
Exhibit 7: Proposed implementation of recommendations

<table>
<thead>
<tr>
<th>Balanced Scorecard Development Plan for St. Joseph's at Fleming</th>
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<tbody>
<tr>
<td><strong>Planning Phase</strong></td>
</tr>
<tr>
<td>1. Develop rationale for the scorecard</td>
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<tr>
<td>2. Determine resource requirements and availability</td>
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<tr>
<td>3. Decide where to build the first Scorecard</td>
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<tr>
<td>4. Gain senior leadership support and sponsorship</td>
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<tr>
<td>5. Hire consultant</td>
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<tr>
<td>6. Form the Balanced Scorecard Team</td>
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<tr>
<td>7. Provide Training</td>
</tr>
<tr>
<td>8. Develop a Communication Plan</td>
</tr>
<tr>
<td><strong>Development Phase</strong></td>
</tr>
<tr>
<td>1. Develop the Mission, Values, Vision and Strategy</td>
</tr>
<tr>
<td>2. Confirm the role of the Scorecard in the Performance Framework</td>
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<tr>
<td>3. Select the Scorecard perspectives</td>
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<tr>
<td>4. Review relevant background materials</td>
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<tr>
<td>5. Conduct executive interviews</td>
</tr>
<tr>
<td>6. Build the Strategy Map</td>
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<tr>
<td>7. Gather feedback</td>
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<tr>
<td>8. Develop performance measures</td>
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<tr>
<td>9. Develop targets and initiatives</td>
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<tr>
<td>10. Develop ongoing implementation plan</td>
</tr>
</tbody>
</table>

Adapted from Niven (2003, p. 72)

6.0 Conclusion

St. Joseph’s at Fleming faces a crossroads in its growth and development. Having realized its vision of a new facility in partnership with Fleming College, it calls for a vision for the future five, fifteen, and twenty years. The Balanced Scorecard provides a strategic management plan in a framework featuring a measurement system, strategic management system, and a communication system. This paper asked the key research question: How does the facility design and implement the Balanced Scorecard in order to demonstrate compliance with the standards and make strategic improvements in performance? By following Niven’s detailed process with the support and consultation of an expert consultant, St. Joseph’s at Fleming can develop a Balanced Scorecard that can become part of the management process in the implementation and communication of strategy.

This paper asks additional research questions:
1. What key indicators would best be used to evaluate care delivery against the standards?
2. How does the facility gather the data?
3. How does the facility validate the data?
4. What comparison or benchmark does the facility use to measure the indicators against?
5. How does the facility interpret the data?
6. How does the facility present the data for understanding?
7. Does the data show that the facility meets the standards?
8. What changes or strategies does the facility need to implement to improve quality of care delivery?
The answers to the additional research questions lie in the implementation of the Balanced Scorecard. The executive sponsors, a dedicated team, and a broad stakeholder group will participate in improving care delivery by answering the additional questions.

Since the critical success factor for the Balanced Scorecard is the support of senior executive, St. Joseph’s at Fleming would begin the process of gaining executive support through interviews by the expert consultant to identify the level of current understanding of such terms as mission, values and vision. The interviews will identify both where support lies for Balanced Scorecard development and, more importantly, where the barriers to development stand. By knowing early what barriers to expect, the consultant and the Balanced Scorecard Team can address the barriers.

With the support of an expert facilitator, St. Joseph’s at Fleming would begin with writing its Mission, Values, Vision, and Strategy. This exercise will highlight the urgency of the need for change and the development of a Balanced Scorecard. The urgency of meeting the accountability agreements with Fleming College and the Ministry of Health and Long Term Care underline the need for a comprehensive strategic management system such as the Balanced Scorecard.

The Balanced Scorecard invites an analysis and action plan in response to key performance measures against targets. Such a cycle of focused action promotes performance improvement throughout the organization. St. Joseph’s at Fleming management and staff would gain clarity of what is expected of them and what departments and individuals are accountable for.

The four balanced perspectives of the Balanced Scorecard introduced by Kaplan and Norton have stood the test of time and been replicated in many businesses and nonprofit organizations worldwide. Companies are encouraged to decide to apply the same perspectives or adapt them to meet the needs of the business. The St. Joseph’s at Fleming steering committee would reach consensus on how best to label the four quadrants. This paper suggests that the four perspectives named by Niven for nonprofit organizations fit St. Joseph’s at Fleming:

- Customer
- Financial
- Internal Processes
- Learning and Growth

At an offsite day to build the Balanced Scorecard, the team, working with an expert facilitator, would build the Balanced Scorecard by identifying clear relevant objectives that tell the story of the organizational strategy. The objectives set the stage for identifying the key performance indicators in each quadrant.

Communicating an understanding of the Balanced Scorecard throughout the organization requires a visual representation of the whole process. At the offsite
day, the team would create a strategy map, a one page illustration of the Balanced Scorecard from start to finish. This graphic representation will help staff at all levels navigate through the steps that will lead to achievement of the organization’s vision.

During the two week period following the offsite day, the Balanced Scorecard Team would be entrusted with the task of sharing the work, explaining it, and gathering feedback from the many stakeholder groups including general staff, residents, families, board members, Fleming College, and the Community Access Centre.

The strength of the Balanced Scorecard, in contrast with other measurement systems, rests with its ability to focus on the critical indicators required to reflect the strategy. Out of the hundreds of data elements available to St. Joseph’s at Fleming, the team will identify sixteen to twenty key performance measures. The measures will include both lag and lead indicators. Lag indicators provide historical information such as budget spending or resident outcomes such as the prevalence of pressure sores. Lead indicators reflect activities occurring. The monthly report of the incidence of newly acquired pressure sores is a lead indicator that reflects current practice. The quarterly staff absentee rate is a lead indicator that reflects staff satisfaction. With a study of both levels of indicator, addressing the cause of the lead indicator can later improve the score of the lag indicator.

Indicators alone don’t change practice. Setting a target for a measurement gives it a judgment. Based on a judgment of satisfactory or poor performance, the departments affected can initiate changes in practice aimed at improving the indicator. To set targets the departments use such sources as benchmark data from other like facilities, past data within the facility that they wish to improve upon, standards set by governing bodies, and evidence-based data from applied research.

St. Joseph’s at Fleming would depend on executive support in the ongoing implementation and sustainability of the Balanced Scorecard. An effective Balanced Scorecard requires refinement and reflection on a regular basis. At the corporate level, the team will establish reporting schedules for monthly, quarterly, and annual results. A review of the Balanced Scorecard and its elements requires an annual review and revision to maintain its relevance to the internal and external environment. After the development of the initial Balanced Scorecard at the corporate level, each department will develop its Balanced Scorecard applying the cascading effect to create alignment throughout the organization. The benefits of the Balanced Scorecard will be observed immediately with the improved focus on the vision and strategic direction and will grow over the coming five years as all departments develop their Balanced Scorecards. St. Joseph’s at Fleming will experience its maximum benefit as resources become increasingly linked with strategy as a result of reporting,
analyzing, and acting on the results reported. The Balanced Scorecard will communicate clearly within teams and across departments increasing resident focus and improving performance.

7.0 Recommendation

St. Joseph’s at Fleming should embrace the development of the Balanced Scorecard in order to realize its vision as a leader in long term care delivery and education. Once executive support, including the necessary resources, is secured, the organization should enlist the expert advice of a consultant to help lead the Balanced Scorecard champions through the barriers resisting the change. Once the vision is developed by the stakeholders, it is everyone’s job to inspire the shared vision throughout St. Joseph’s at Fleming to staff, residents, families, and other customers.

St. Joseph’s at Fleming should follow Niven’s step-by-step guide in the development, implementation, and sustaining of the Balanced Scorecard to ensure success. Such a change will take time and patience. The new management process will require review, revision, and analysis. The focused strategy of the Balanced Scorecard will raise St. Joseph’s at Fleming from the status of a young organization with ideals and a dream to fulfillment of the ideals and dream.
8.0 References


