Developing a balanced scorecard for your hospice

Good practice guide

This publication is part of Hospice UK’s Governance Support Programme for hospice boards and trustees
Cass CCE authors and contributors: Caroline Copeman, Nikesh Davda, Dr Peter Grant and Ros Oakley.

We are grateful to the team at the Centre for Charity Effectiveness, Cass Business School for their help in developing these guides, and to Heather Richardson of St Christopher’s Hospice for her contribution to the guide on quality governance.

While great care has been taken to ensure the accuracy of information contained in this publication, it is necessarily of a general nature and Hospice UK cannot accept any legal responsibility for any errors or omissions that may occur. The publisher and author make no representation, express or implied, with regard to the accuracy of the information contained in this publication. The views expressed in this publication may not necessarily be those of Hospice UK. Specific advice should be sought from professional advisers for specific situations.

No part of this publication may be reproduced, stored in a retrieval system or transmitted, in any form or by any means, electronic, mechanical, photocopying, recording or otherwise without the prior permission of Hospice UK.

© 2017 Hospice UK

Published by Hospice UK in January 2017.
The need for good hospice governance is greater than ever. We know from our members that the challenges faced by hospice boards and leadership teams right across the UK are increasing in number and complexity. Alongside this, the complexity of the strategic decision making required of them is increasing too, along with the risk of negative impact if they make poor decisions.

In 2013, the Commission into the Future of Hospice Care identified rapid demographic change, changes in patterns of illness, increasing financial constraints, and uncertainty about future funding as just some of the challenges that are causing hospices to become more vulnerable.

The Commission said that such pressures are only likely to increase, and in the three years since its final report was published, this prediction has proved entirely accurate. Added to this, in recent years we have seen rising public concern and media scrutiny of charitable fundraising and the quality of charity governance.

The Commission gave a clear message that hospices must adapt now to become fit for the future. It urged hospices to make positive, informed decisions about how they operate and to find new ways of ensuring that hospice care can match future needs. Good governance and effective leadership are central to hospices' ability to respond to these many and varied challenges. Yet it can be hard for hospice trustees to know who to turn to for support and how to tell whether they are getting it right.

This good practice guide is one in a series produced by Hospice UK as part of our Governance Support Programme for hospice boards and trustees. The series covers:

• Appraisal of hospice boards and trustees
• Board involvement in hospice strategy and planning
• Board reports that add value to your hospice
• Developing a balanced scorecard for your hospice
• Developing a dashboard for your hospice
• Effective board meetings in your hospice
• Hospice board recruitment and selection
• Quality governance for your hospice

We are confident that, taken together, these good practice guides will be an extremely useful resource for all hospice trustees and senior staff.

Antonia Bunnin
Director of Hospice Support and Development
Hospice UK
1. What is a balanced scorecard?

A balanced scorecard is a select set of strategic, linked objectives and measures that help you understand the key strategic drivers of performance, and then monitor your progress against these.

Many people use the terms ‘scorecard’ and ‘dashboard’ interchangeably. They usually mean a small collection of key measures that are regularly reviewed. However, how you create a balanced scorecard sets it apart from other approaches. The process of creating a balanced scorecard is almost as important as the performance management tool that is the end result.

A balanced scorecard results from mapping your strategy and identifying how key objectives are linked to each other. For example delivering results for patients is dependent on financial success, which in turn is dependent on your ability to fundraise, or to operate at a surplus. The balanced scorecard encourages you not only to measure key results but what is driving those results. As such it transforms an organisation’s strategic plan into a powerful document providing you with clear criteria for what delivery and success should look like. This provides a framework that not only enables strategic performance management but also helps to understand what should be done and measured at an operational level. All elements of performance need to be ‘in balance’ for you to achieve the strategy in the most effective way. The scorecard should be fit for purpose for your organisation and stimulate cross-organisation conversation.

The balanced scorecard is not intended to be the sole reporting mechanism for your hospice. You will still need a range of other reports that together reflect the breadth and depth of operational performance. The balanced scorecard will focus on the handful of results critical to the success of your strategy, and will be one of the tools used by the board to understand and have oversight of performance against the strategy. The scorecard aligns the activities of the organisation to the vision and overall strategy, improving both the internal and external communications and essentially monitoring performance against specific strategic goals.

A balanced scorecard is derived from your strategy, and complements it; it does not replace it. It does help you test and refine your strategy and monitor progress.

Developing a balanced scorecard is a good way to get organisation-wide understanding of how your different objectives are linked to each other, and may help with prioritisation and sequencing. It can help make more explicit the importance of supporting initiatives and functions and requires a ‘whole organisation’ view – so you need to find time and space for people to come together.

It is best to embark on developing a balanced scorecard when you have a strategy agreed, when there is support for the concept from the board and senior team, and when they can devote the necessary time. The leadership team – executive and non-executive – need to agree their priorities.
2. The balanced scorecard: some history

The concept of the balanced scorecard was developed by Kaplan and Norton in the 1990s. It is a popular management tool with a wide variety of businesses, charities and other organisations. There are different interpretations of the scorecard and indeed Kaplan and Norton have themselves adapted the concept over the years. When used in its entirety it is claimed that the balanced scorecard is not simply a management measurement tool, but a management ‘system’. It is a performance measurement framework that includes strategic non-financial performance measures as well as traditional financial metrics to give managers and executives a more ‘balanced’ view of organisational performance. There are a variety of interpretations; we have included here the approach we think hospices will find most helpful.

3. Key benefits of the balanced scorecard approach

The key benefits of the balanced scorecard approach are that it:

- looks at an organisation through four aspects of performance to get a balanced view: customer (all of your stakeholders), business process, learning and growth and financial
- provides an organisation with a framework of what it needs to do to deliver on the goals it has set
- requires the leadership team to be very clear about its strategic priorities and goals
- presents key information about the organisation’s performance on a single page (though there may be more detail behind it)
- presents both long-term and short-term goals in a concise manner, and helps everyone be clear about how things connect
- looks at items from both an internal and external perspective
- gives at-a-glance information about what is on or off track
- signposts where you need to drill down if things are off track
- includes both financial and non-financial information, making it an essential tool to track structures and processes as well as performance, including items such as social outcomes and employee/volunteer satisfaction
- includes information about past performance but also information to help judge potential future success
- the process of developing and using a balanced scorecard helps test assumptions about what is driving what (often called ‘cause and effect’)

(1) http://balancedscorecard.org/Resources/About-the-Balanced-Scorecard
• provides a generic framework, but is shaped by each organisation to reflect the organisation’s unique context
• can be effective in communicating the strategy throughout the organisation – in some organisations different teams develop their own scorecards that all link together

4. The balanced scorecard approach: three components

1. A strategy map
This identifies the few select things that the hospice must do. These are the hospice’s key strategic objectives and will be inter-related and mutually supportive. (NB the strategy map does not contain measures, just objectives.) A strategy map helps you summarise your strategy, which helps you create a strategic matrix. It is important to ensure that the strategy map is fit for purpose for your organisation, enabling buy-in from the team so that all aspects are covered and everyone can see how their contribution fits.

2. A strategy matrix
This lists the key initiatives in the current strategy to support the objectives, who is responsible, what success will look like and how success will be measured. A strategy matrix helps you articulate the keys areas critical to success and their measures, which helps you create the scorecard.

3. A balanced scorecard
This is the regular report showing performance against your chosen indicators and targets, to help you monitor your performance in delivering your strategy, measured through a balanced approach.

These are all explained further with a simple worked example in the appendix.
5. The idea of perspectives and cause and effect

One of the central ideas of the balanced scorecard is that success needs to be looked at from a variety of perspectives that are aligned and inter-dependent. Using these perspectives as the basis, you then develop metrics, collect data and carry out analysis relative to each. Typically these include the following four perspectives.

1. **Customer perspective**

   This is a critical element and explores ‘how customers see us’. Customers will include patients and other key stakeholders, including their families, funders and donors such as trusts or individual givers, local statutory commissioners (e.g., CCGs), local authorities, visitors to your shops, and your local community. Using their feedback, and based on what their expectations are of the hospice, the analysis should involve clearly defining what you need to do to meet the needs of the customer and achieve their satisfaction. Your key focus should be on really understanding and meeting the need. This is not just because you exist to meet the needs of your customers, but also because decline can often be picked up in poor customer performance, so watching trends in this arena can give early warning (well before the problems show in the financial bottom line). Carrying out a population-based needs assessment is a crucial element in really understanding local need. This exercise can be done by your hospice alone, or in partnership with other local hospices or relevant partners.

2. **Business process perspective**

   Sometimes known as the internal process perspective, this has metrics that enable you to know how well the organisation is running and whether services conform with customer requirements (and that of your mission). These metrics are usually developed by those who know the processes and know what you need to do to excel. In the case of hospices, this could be: ‘What do we have to do better or differently to enable us to excel for patients and local communities?’

3. **Learning and growth perspective**

   This includes employee and volunteer capabilities, skills, knowledge, behaviours as well as the organisational culture. This perspective is directly related to both individual and organisation-wide ability to improve and change to deliver the results you seek. People are the catalyst for delivery and their knowledge and skills are vital to success. In addition, from a growth perspective, you need to ensure you have a culture that creates the right environment for sustained success.

4. **Financial perspective**

   This identifies the few high-level financial outcomes and their measures including about cashflow, revenue and expenditure — providing information on the resources required to deliver the strategy. The financial metrics should clearly highlight the financial outcomes associated with delivering the strategic objectives and the assumptions underpinning this. It is vital to document both the internal measures but also the external factors affecting these with back-up assumptions so that these can be articulated into metrics.

   The idea of the development of the scorecard is to link each of the perspectives so that they link together logically and properly reflect the contribution made by each element. So, for example, objectives for a high-quality service are matched by objectives for high-quality processes delivered by well-supported, highly motivated staff and volunteers. The logic of your linkages should be tested by asking people if they agree that the link is a robust one.
The chain of ‘cause and effect’ will be clear: which resources fuel your capabilities, which capabilities will improve your key processes, which key processes will enable you to improve the experience for patients, and deliver your mission. There is an example of the cause and effect chain in the appendix.

It is often helpful to frame these perspectives within the context of your organisation’s vision, mission and values as these are the focus of the strategy, with assumptions being clearly articulated and measurable.

6. Creating and using a balanced scorecard in four steps

**Step 1 – Create a strategy map**

This is a visual representation on one page of your key objectives and the key cause and effect relationships needed to achieve them (this step is often missed). A strategy map is often used as a communication tool to tell a story of how value is created in an organisation. It is central to forming the balanced scorecard because it gathers the things that really matter (at a strategic level) onto one page. It is best created by the board and executive team either directly from your strategy and plan or alongside the strategy development process. Organisations often choose to establish a ‘task and finish’ group (made up of trustees, executives and staff) to develop both a new strategy, and then a strategy map to reflect it; this gets buy-in from all parties.

**Step 2 – Create a strategy matrix**

This step helps you summarise what needs to be done to implement the strategy, and thus spotlights the critical elements to be considered when deciding what needs to go in the scorecard. It should articulate:

- each key strategic objective (with clearly articulated assumptions)
- what results really matter (and how these are controlled internally or affected by external factors)
- how these results will be measured (including what success and failure look like); the measures need to be SMART (specific, measureable, achievable, realistic, timetabled); the timetabled element is very important as you need to ensure they are considered against a timetable that ensures you can track both the achievement of success, and markers along the way
- the target being aimed for: your key performance indicators
- the supporting activity or initiative in place to deliver it.
Step 3 – Design your balanced scorecard

Going through the previous steps will leave you ready to develop a scorecard and then begin reporting against the chosen targets at regular intervals over a period of 12 months. You will have strategic, linked indicators (both financial and non-financial) that help you to understand whether you are on track to meet your objectives, ensuring that these strategic objectives are clearly defined with assumptions underpinning each point. If you have done the summary work at the earlier stages, you should be able to fit the key indicators onto one page with the objectives.

Sophisticated scorecards employ ‘traffic lights’ – colour coding items that are on and off target so that you can see them at a glance. Often this is done using a RAG rating (Red, Amber, Green). This helps the board and senior management focus their attention on areas critical to your success. You will be able to ‘drill down’ to supporting operational reports if there are questions about progress against a particular target. It can be really tough to work out what belongs on the scorecard versus other management reports (ie what is really important as opposed to merely important). Finding indicators that have integrity and reflect the things that are important (rather than just the things that we can measure) can also be very challenging, and it is vital that the measures are the right ones, though you have to be clear that the benefit of having the information is greater than the cost of measuring it (ie return on investment).

Step 4 – Learn and adjust

Use the results of your scorecard monitoring to see if your assumptions about cause and effect are true (eg the impact of staffing levels on patient satisfaction) and to signpost areas that need greater management attention. Also, as you develop your scorecard, it is worth nothing that you will not get the perfect ‘100% complete’ product the time first around. It is important to ensure that all three elements (map, matrix and scorecard) are regularly reviewed (perhaps every six months, according to the speed in which your external environment is changing) and updated, obtaining feedback from staff.

More guidance on these four steps are set out in the appendix – a four step process to create a hospice scorecard.
7. Top tips

- Make sure you have a strategy before you start to build a balanced scorecard with a vision and mission defined. This should be developed, understood and approved alongside the board and rolled out to the organisation.
- Ensure that your scorecard is fit for purpose for your organisation – while you may use examples from other scorecards, you need to ensure that your organisation’s scorecard is right for you.
- Do not start with measures – start with objectives, as these will help you decide the most important measures.
- Take time as a team to create your strategy map, ensuring alignment with team members. It is key to have the buy-in from the team as this should not be perceived to be only a ‘top-down’ tool. Expect it to be challenging.
- Remember to identify causal links – include only those objectives that clearly make an important contribution to achieving your mission.
- Remember this is an ongoing process and it will take time to create something that works. Do not wait for the perfect scorecard and set it in stone. Instead, get going and keep refining it as you learn while asking for feedback.
- Keep the measures few in number: this isn’t the place to show all of your activities and demonstrate how hard you are working. This is the place to show progress against the strategy, and whether your assumptions about the connections within the strategy are right and documented, reflected in the ‘in year’ plan.

8. Resources

There are a lot of online resources. Those listed below include resources and case studies specifically for nonprofit organisations.

www.excitant.co.uk
For a range of examples of their work with nonprofits.

www.ap-institute.com
See, for example, the case study on Motor Neurone Disease Society
Appendix – A four-step process to creating a balanced scorecard

Step 1 – Create a strategy map

Summarise your strategic plan onto one sheet, focusing on why you exist and what you have to achieve to deliver on this for the plan period.

<table>
<thead>
<tr>
<th>Vision and mission</th>
<th>Your vision and mission as the ultimate statements of why you exist and what you want to achieve. Everything below must clearly demonstrate contribution to achieving these.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Customer</td>
<td>The strategic objectives that will deliver results for key stakeholders and achieve the mission in the current plan.</td>
</tr>
<tr>
<td>Business process</td>
<td>The objectives that capture the processes you need to excel at in order to deliver results.</td>
</tr>
<tr>
<td>Learning and growth</td>
<td>The objectives that capture the capabilities you need to invest in, in order to excel.</td>
</tr>
<tr>
<td>Financial</td>
<td>The objectives that will ensure you are well resourced and use these resources efficiently.</td>
</tr>
<tr>
<td>Values</td>
<td>How you should behave as you fulfill the objectives to deliver the mission.</td>
</tr>
</tbody>
</table>
## Vision
A community where all services excel at working together to provide high quality and seamless care at the end of life, enabling choice and a dignified death.

## Mission
The provision of high quality palliative care at the end of life, giving choice to patients and support to carers.

<table>
<thead>
<tr>
<th>Customer</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- People at the end of their life are able to die a dignified death,</td>
<td></td>
</tr>
<tr>
<td>receiving high quality palliative care in the place of their choice.</td>
<td></td>
</tr>
<tr>
<td>- Patients, carers and the families of those at the end of their life</td>
<td></td>
</tr>
<tr>
<td>are able to express their needs and wants, and receive appropriate</td>
<td></td>
</tr>
<tr>
<td>support.</td>
<td></td>
</tr>
<tr>
<td>- Local services are integrated, all working together to meet the</td>
<td></td>
</tr>
<tr>
<td>diverse and changing needs of people at the end of their lives, and</td>
<td></td>
</tr>
<tr>
<td>those that care for them.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Business process</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Deliver high quality in clinical and non-clinical settings.</td>
<td></td>
</tr>
<tr>
<td>- Engage and influence key stakeholders growing a pool of partners and</td>
<td></td>
</tr>
<tr>
<td>supporters.</td>
<td></td>
</tr>
<tr>
<td>- Ensure effective governance including quality governance.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Learning and growth</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Build the capacity, capability and motivation of staff and volunteers</td>
<td></td>
</tr>
<tr>
<td>to deliver the mission.</td>
<td></td>
</tr>
<tr>
<td>- Establish effective information sharing and performance management</td>
<td></td>
</tr>
<tr>
<td>systems.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Financial</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>- Prudently manage our resources and invest in our future.</td>
<td></td>
</tr>
<tr>
<td>- Generate income to fund our work by diversifying and extending the</td>
<td></td>
</tr>
<tr>
<td>range of income streams, including social enterprise.</td>
<td></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Values</th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Respect Professionalism Compassion Honesty Community</td>
<td></td>
</tr>
</tbody>
</table>

For a very helpful approach to identifying the four perspectives from your strategic plan, see Excitant’s ‘Four Pen Diagnostic’:

Hospice strategy map worked example: visual representation

**Our vision:**
A community where all services excel at working together to provide high quality and seamless care at the end of life, enabling choice and a dignified death.

**Our mission:**
The provision of high quality palliative care at the end of life, giving choice to patients and support to carers.

**Customer**
People at the end of their life are able to die a dignified death, receiving high quality palliative care in the place of their choice.

**Business process**
Deliver high quality in clinical and non-clinical settings.

**Learning and growth**
Build the capacity, capability and motivation of staff and volunteers to deliver the mission.

**Financial**
Prudently manage our resources and invest in our future.

**Local services are integrated, all working together to meet the diverse and changing needs of people at the end of their lives, and those that care for them.**

**Engage and influence key stakeholders growing a pool of partners and supporters.**

**Establish effective information sharing and performance management systems.**

**Generate income to fund our work by diversifying and extending the range of income streams, including social enterprise.**

**Values:**
Respect        Professionalism        Compassion        Honesty       Community
Step 2 – Create a strategy matrix

Having identified your key strategic objectives, you need to identify how they will be implemented in the current plan period. It is at this point that you begin to think about how best to measure your progress for each of these objectives and be clear on who is accountable for delivery of each objective:

<table>
<thead>
<tr>
<th>Objective</th>
<th>Initiative</th>
<th>Key performance question</th>
<th>Balanced scorecard measure</th>
<th>Target/mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>What do we want to achieve? You will have identified this on your strategy map.</td>
<td>How will we do it? These will come from your strategy and plan.</td>
<td>The question to focus your mind on the results that really matter, to be shown on the scorecard.</td>
<td>What is the key measure that will capture the results that really matter?</td>
<td>How will we know? How will we track achievement over time and how will we know what delivery risks are involved?</td>
</tr>
</tbody>
</table>

For each objective: Note down all of the initiatives from your plan – this will help you decide the most important. The balanced scorecard cannot report on all activities so prioritisation will be critical.

You will have other areas of performance that are important, but are not the most important in order to draw attention to the most critical results to achieve your strategy. This will be a great area of debate.

You will have other measures in your operational reports that will reflect the entirety of your operation. This is the place for the most important ones. They can be composites of others.

It is helpful to have a mix of lag indicators ('end of pipe' measures that tell you whether you have reached your goal), and lead indicators (measures that help you predict if you are on track – how things are flowing through the 'pipe').

It can be difficult to choose measures that really capture your objectives. Avoid the temptation to choose a measure simply because the data is readily available. Equally you need to be clear about the resource implications of collecting data. Understand the limitations of any measures you choose. It is tempting to ask for too much information – try to keep it streamlined and to the point so that users can obtain a high level view and understand delivery without getting caught up in too much detail. At this stage you may realise there are some gaps in implementation, in which case you may need to add a new programme or change initiative, remembering that as you implement this, there may be further reiterations.
Hospice strategy matrix simple worked example:

This is just an example – you will need to identify what is right for your hospice, and focus in on the few select objectives and measures that matter for you.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Initiative and responsibility</th>
<th>Key performance question</th>
<th>Balanced scorecard measure</th>
<th>Target/mechanism</th>
<th>Quarterly (Traffic light)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. People at the end of their life are able to die a dignified death, receiving high quality palliative care in the place of their choice.</td>
<td>Provide a wide range of palliative care services of the highest quality: - Extend activity across the portfolio of services. - Ensure staff and volunteers are competent to carry out care and roles. - Extend existing services to patients with dementia and non-cancer medical conditions such as MND. - Roll out hospice at home across the region.</td>
<td>To what extent do we deliver on our mission to provide choice wherever clinically possible?</td>
<td>Increased number of supported discharges from the IPU.</td>
<td>Increase of hospice at home (H@H) as a % of total activity.</td>
<td>Lead: Roll out hospice at home to six more areas.</td>
</tr>
<tr>
<td>2. Patients, carers and the families of those at the end of their life are able to express their needs and wants, and receive appropriate support.</td>
<td>Understand the needs, wants and expectations of patients and carers to ensure our services are refreshed and reviewed to meet changing needs. Formally channel the patient and user forum views into the board: - Develop a specific quality improvement programme to ensure research evidence and the views of patients, carers and commissioners about our service and our ability to influence it. - Invite a trustee to become a 'Dignity in care champion'.</td>
<td>How satisfied are patients with the place of care choice they have and our response to their needs and wants?</td>
<td>Increased patient and carer satisfaction with place of care provided, and our responsiveness (composite).</td>
<td>Lag: % satisfaction. Lead: Research programme commissioned end of Q3.</td>
<td></td>
</tr>
<tr>
<td>3. Local services are integrated, all working together to meet the needs and changing needs of patients at the end of their life, and those that care for them.</td>
<td>Influence and build the capacity of other providers of end of life care in our community to ensure seamless, quality and co-ordinated end of life care.</td>
<td>How successful is our campaign to convince local commissioners of the need to fund and work with us to provide choice at end of life?</td>
<td>Growth in income from commissioned services. Successful bids for commissioned services.</td>
<td>Lag: % income from commissioned services. Lead: Ratio of successful bids to number applied for.</td>
<td></td>
</tr>
<tr>
<td>Objective</td>
<td>Initiative and responsibility</td>
<td>Key performance question</td>
<td>Balanced scorecard measure</td>
<td>Target/mechanism</td>
<td></td>
</tr>
<tr>
<td>-----------</td>
<td>-------------------------------</td>
<td>--------------------------</td>
<td>---------------------------</td>
<td>-----------------</td>
<td></td>
</tr>
<tr>
<td>What do we want to achieve?</td>
<td>How will we do it?</td>
<td>What results really matter?</td>
<td>What is the best way to measure progress?</td>
<td>Quarterly (Traffic light)</td>
<td></td>
</tr>
</tbody>
</table>
| 4. Deliver high quality in clinical and non clinical settings. | • Identify and implement research active hospice objective.  
• Develop and implement an integrated quality improvement programme.  
• Benchmark with two other hospices in the region.  
• Join the Hospice UK clinical benchmarking programme. | To what extent are we delivering the highest quality possible? How do we compare with others? | Benchmarking agreements in place. | Lag: Above our chosen benchmark.  
Lead: Two benchmarking agreements in place Q3. |
| 5. Engage and influence key stakeholders growing a pool of partners and supporters. | • Invite commissioners to speak at board development sessions.  
• Trustees to be allocated a key player contact as part of their ambassador role.  
• Partnership with local providers of specialist dementia care.  
• Develop a new communications strategy to inform key stakeholders about our work and raise public awareness about end of life care. | How well are we influencing key stakeholders to join us in achieving our vision? | More partnerships with local care homes.  
Public and professional understanding of our work and services increases. | Lag: Number of new agreements in place.  
Lead: Strategy implemented by end Q1. |
| 6. Ensure effective governance, including quality governance. | • Board development plan implemented.  
• Improve board reporting; implement a balanced scorecard.  
• Board self-assessment in place. | How well do we demonstrate good governance of quality and safety of care? | Increased compliments and reduced complaints.  
Reduced critical incident events.  
Board reporting roll out. | Lag: Number by type against target.  
Lead: Board reporting fully operational by end Q3. |
<table>
<thead>
<tr>
<th>Objective</th>
<th>Initiative and responsibility</th>
<th>Balanced scorecard measure</th>
<th>Key performance question</th>
<th>What results really matter?</th>
<th>Target/mechanism</th>
</tr>
</thead>
<tbody>
<tr>
<td>7. Build the capacity, capability and motivation of staff and volunteers to deliver the mission.</td>
<td>- Deliver and evaluate a continuous professional development programme for staff and volunteers.</td>
<td>Staff satisfaction: Feel they have the right skills and doing a good job (composite).</td>
<td>To what extent are staff and volunteers skilled and motivated to deliver the mission?</td>
<td>Lag: Staff satisfaction against target.</td>
<td>Lag: Staff satisfaction against target.</td>
</tr>
<tr>
<td>8. Establish effective information sharing and performance management systems.</td>
<td>- Deliver a structured volunteer development programme.</td>
<td>Volunteer satisfaction: Feel they have the right skills to do the job (composite).</td>
<td>What do we want to achieve?</td>
<td>Lag: Volunteer satisfaction against target.</td>
<td>Lag: Volunteer satisfaction against target.</td>
</tr>
<tr>
<td>9. Prudently manage our resources and invest in our future.</td>
<td>- Introduce a new performance management programme.</td>
<td>New systems in place.</td>
<td>How well do we hold ourselves to account for high performance?</td>
<td>Lead: PMS in place by end Q4; PIS in place by end Q1.</td>
<td>Lead: PMS in place by end Q4; PIS in place by end Q1.</td>
</tr>
<tr>
<td>10. Generate income to fund our work by diversifying and extending the range of income streams.</td>
<td>- Increase reserves to reach six months of expenditure.</td>
<td>Reserves level (months).</td>
<td>How well are we using our financial resources to achieve our mission?</td>
<td>Lag £% against target.</td>
<td>Lag £% against target.</td>
</tr>
<tr>
<td></td>
<td>- Increase income from statutory sources.</td>
<td>Surplus against budget.</td>
<td></td>
<td>Lead: Trading profitability ratio; cash flow positive; cost ratio to expenditure.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Increase income from events and community fundraising.</td>
<td>Fundraising ROI (return on investment).</td>
<td></td>
<td>Lung: £ proportion.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Increase income from shops.</td>
<td></td>
<td></td>
<td>Lead: % proportion.</td>
<td></td>
</tr>
<tr>
<td></td>
<td>- Special legacy campaign.</td>
<td></td>
<td></td>
<td>Lung: £ proportion.</td>
<td></td>
</tr>
</tbody>
</table>
Hospice strategy map with indicators – worked example

Vision:
A community where all services excel at working together to provide high quality and seamless care at the end of life, enabling choices and a dignified death.

Mission:
The provision of high quality specialist palliative care at the end of life, giving choice to patients and support to carers.

Measures to track customer impact
- Increased # supported discharges from the IPU.
- Increased # care packages for H@H
- Roll out of H@H

Performance in critical business processes
- More benchmarking agreements in place
- Increased compliments
- Reduced complaints
- Reduced critical incident events
- Board reporting roll out
- More partnerships with local care homes
- Increased public understanding of our service

Investment in learning and growth
- Increased staff and volunteer satisfaction: feel have right skills to do the job, and doing a good job
- New PMS and PIS systems in place

Income generation and expenditure
- Reserves level on target
- Surplus against budget
- Fundraising ROI on target
- Income and expenditure on target
- Increased legacies pledged as a proportion of the number approached

Values: Respect  Professionalism  Compassion  Honesty  Community
Step 3 – Design your balanced scorecard

Now you have identified the measures and targets in your strategy matrix you can design the data collection method and how you want to present your data.

Data collection

Be clear who is collecting the data, how frequently and by what method. Make sure there is consistency in how the information is categorised and collected. It is worth holding a session with key staff to determine what is required, who will provide this and in what timeline so that there is no duplication and that all parties providing input in to the scorecard are clear on their requirements.

Presentation of data

Careful thought about how to present information can transform its usefulness.  

Use a consistent format

When a board becomes accustomed to seeing data in the same format over time, it is easier to spot trends, changes and problems that may cause concern. Ask the users if there is anything specific that is missing or not clear when the first draft is completed. It is essential to keep communication clear and regular on the scorecard as this should result in it being used as the single most powerful tool in the organisation. What you do not want is to develop a highly complex, difficult to understand document which is not fit for purpose for the organisation. This will only result in users creating or requesting additional reports to be set up creating further duplication.

Provide a comparison

To transform data into information, it is often useful to ask the question: ‘Compared to what?’ You can compare actual performance with target performance or last year’s actual performance, or with forecast or a chosen benchmark. You might want to display historical trend information so you can see whether the underlying performance is improving or declining. Comparisons help put performance in perspective and can help to map out potential future trends too, based on projections.

Use charts, diagrams and other graphics to bring your data to life

Line charts, colour coding, bar graphs, pie charts, traffic light system, and data maps can be very effective in conveying information and revealing meaningful trends and patterns.

Give a brief narrative

It is often useful to add a few words of description, identifying successes and areas of concern (with interventions/actions as required), and possible cause and effect relationships.

Typically a scorecard is presented on one page, often with the option to delve deeper into the data, for example by team, area or customer group. In addition to an organisation-wide scorecard, different teams may want to create a scorecard for the areas for which they are responsible.

Report regularly against the scorecard measures. More sophisticated scorecards employ ‘traffic lights’ – colour coding items that are off target so that you can see them at a glance. You may want to include trend arrows. The idea is that this helps the board and senior management to focus attention on problem areas.

(2) These suggestions are drawn from ‘The nonprofit dashboard: using metrics to drive mission success’. © BoardSource 2012.

Hospice balanced scorecard with indicators – worked example

- Increased # supported discharges from the IPU
  - Lag
  - Lead

- Increased # care packages for H@H
  - Lag
  - Lead

- Roll out of H@H
  - Lead

- More benchmarking agreements in place
  - Lag
  - Lead

- Increased patient and carer satisfaction with place of care, care provided, and our responsiveness
  - Lag
  - Lead

- Board reporting roll out

- More partnerships with local care homes
  - Lag
  - Lead

- Increased staff and volunteer satisfaction: feel have right skills to do the job, and doing a good job
  - Lag

- Reserves level on target
  - Lead

- Surplus against budget
  - Lead

- Fundraising ROI on target

- Growth in income from commissioned services
  - Lag
  - Successful bids for commissioned services
  - Lead

- Increased compliments
  - Reduced complaints
  - Reduced critical incident events
    - Lag
    - Lead

- Income and expenditure on target
  - Lead

- Increased legacies pledged as a proportion of the number approached
  - Lag
More information such as trends and performance against target/budget can be added as a supporting page as context.
Step 4 – Learn and adjust

Discuss your scorecard report at the board. Focus in on areas that are off target. Look for patterns, and evidence of an impending problem.

Try and look at the links between the different measures. Are the assumptions you made about cause and effect true (for example, can you see a link between staff satisfaction and patient satisfaction?).

As you use the scorecard it may become clear to you that you haven’t chosen the right measures, or that you need to allow more time for trends to come through. You may find the way the data is being shown isn’t that helpful – perhaps a line chart would be better than a bar graph. Be ready to adjust your scorecard – but not too quickly especially at the beginning as things bed in. It is difficult to spot patterns and get an overall view if you are constantly fiddling with the details.