Approaches to Managing Health Services Organizations
International Health Sections
Group Exercise # 7
Balanced Scorecard

1. Prior to class, read the two cases and the background reading.

2. As a group, choose to do one case from either:
   a. Burkina Faso health sector case study (macro study);
      OR
   b. Jamkhed Comprehensive Rural Health Project (micro study);

3. For the main organization in the case, choose the domains for the Balanced Scorecard.
   • You could use the Hopkins Leadership and Management Paradigm, so that the domains would address:
     a. Purpose of the organization
     b. Principles and values of the organization
     c. Internal and external stakeholder concerns
     d. Key operational processes – quality of services, volume of services, efficiency, finances
     e. Functioning of key organizational units
     f. Environmental concerns
   • You could also use the classic Balanced Scorecard domains, dealing with:
     a. Customers
     b. Staff Perspectives
     c. Operational Efficiency
     d. Financial Aspects
     e. Vision and Mission

4. Develop at least one measurable (SMART) indicator that addresses a key aspect of one domain (or more if you have time). See instructions on defining a SMART objective below.

5. Submit your set of domains and indicators, along with names and signatures from your group at the end of class.
Defining SMART Objectives

SMART objectives are used in operational planning, monitoring, and evaluation to measure achievement toward a goal. They are intended to provide clear and reproducible assessments of progress, and can be used for clarifying activities and budgets. Operational objectives are made up of an indicator (the condition or situation to be changed) and a target level to be achieved within a given time for a given population. SMART objectives should be:

**Specific.** Key objectives need to specify the conditions that the project or organization seeks to change. The objective should be specific about the indicator or condition to be changed, as well as how much, where, for whom, and by when it is to be changed.

**Measurable.** Measurable indicators are those that can be gauged reliably. Quantifiable indicators are preferred because they can be precise, aggregated and allow further statistical analysis of the data. However, some process indicators may be difficult to quantify, and qualitative indicators should also be used, if they are verifiable and different assessments at the same time will come up with the same answer. An indicator such as “quality of health care” would not be SMART unless it was defined in a measurable way, such as a score on a particular ratings scale.

**Achievable.** While good objectives often stretch the abilities of staff, the end result must be something that can be accomplished at reasonable cost and time. Reducing the incidence of influenza to zero is not achievable and risks demoralizing those charged with preventing it. More achievable objective might involve increasing influenza vaccine coverage (probably not to 100%) or reducing the incidence to 10 or 20 cases per thousand population per year.

**Relevant.** Objectives should be relevant to the larger goals of the organization or the unit within the organization. Field staff may need particular indicators that are of no relevance to senior managers, and vice-versa. If an indicator is defined that cannot be collected at a reasonable cost using appropriate collection methods, it may not be relevant. For example, obtaining accurate and reliable information on incomes, food consumption, or exercise tolerance may be too difficult or expensive to collect on a timely basis. An indicator that poorly reflects larger goals may be one measuring the building of health facilities when the real goal is to increase utilization or quality of services.

**Timely.** Objectives need to be achieved at the right time within the business cycle of the organization. In an organization with a regular planning and budget cycle, progress against stated objectives should be reviewed before the next plans and budgets are established. Indicators that are only measured after a project is completed does not help management decisions during the implementation of a project.