

Duke Children's Hospital

Using the Balanced Scorecard, Duke Children's Hospital was able to significantly reduce cost per patient case and patient length of stay, effecting a major profitability turnaround, while still maintaining superior customer satisfaction ratings.

Duke Children's Hospital effected a major profitability turnaround while maintaining patient service and retaining medical staff. The hospital implemented the Balanced Scorecard with the goal to align the hospital's strategy with their resource management. Today, the hospital has successfully created 10 Balanced Scorecards, reduced the cost per patient case by 33% and patient length of stay by 31%, increased the net margin by \$15 million, and been recognized for the highest rating in customer satisfaction of 28 institutions.

"As an academic institution, we were interested in a solution that could function as a teaching and learning tool and report how we were doing. The Balanced Scorecard provides that monitoring and conscience and assists us in improving our practice patterns. We look at the scorecard as the evolving brain of our organization. In practicing smarter, we dramatically reduced our cost per patient case and patient length-of-stay, and significantly increased our customer satisfaction. Our results at Duke Children's prove the Balanced Scorecard approach can be the catalyst for positive change in healthcare."

Dr. Jon Meliones, Chief Medical Director