

## St | Mary's/Duluth Clinic

In addition to improved fiscal strength, SMDC's patients are also feeling better: they now enjoy easier access to the primary care clinics and their overall satisfaction with both hospitals and clinics continues to climb. With such significant gains, SMDC has created a promising prognosis for its own institution and for those it serves.

An innovative leader in the health care of northeastern Minnesota and northeastern Wisconsin, St. Mary's/Duluth Clinic Health System encompasses 20 clinics, a 350-bed tertiary medical center, 2 community hospitals, and a specialty care facility. SMDC's medical team of more than 330 physicians and 200 allied health care providers work with an experienced staff of over 6,000 to provide primary care, specialty services, and medical technology to families in their own communities. SMDC Health System began using the Balanced Scorecard (BSC) when it was a newly merged organization facing decreased revenues due to financial constraints in the health care environment such as the Balanced Budget Act. Since then, the BSC has become the cornerstone for all strategic decisions, providing direction for daily decision-making. Not only has SMDC made the BSC the framework for all leadership sessions, it has also used it to align its service lines and 20 regional community clinics, link its budget to the strategy, and to spread strategic awareness to every employee. Now in the third year of its BSC implementation, SMDC has increased its profitability by \$23 million and stabilized costs.

"Building the strategy map was a turning point for the executive team in fully understanding the organization as a business, defining our customers, and translating this into a clearly focused strategy. This resulted in a performance management tool to focus the entire health care system. Our monthly scorecard review sessions are incredibly valuable to me as CEO. The scorecard enables us to easily scan and digest overall organizational performance and to identify any necessary course corrections. The balance of our discussion time has definitely shifted from day-to-day operations to strategic issue decision-making."

Dr. Peter Person, CEO