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Dr. Heinz Brock, MBA Medical Director, Allgemeines Krankenhaus der Stadt Linz GmbH

## AT A GLANCE

### Organization

- Name: Allgemeines Krankenhaus der Stadt Linz GmbH
- Location: Linz, Austria
- Industry: Healthcare
- Products and services: Hospitals and other services
- Web site: [www.linz.at/akh](http://www.linz.at/akh) (German only)
- Implementation partner: SCC EDV-Beratung Aktiengesellschaft

### Challenges and Opportunities

- Need for visibility into costs – to encourage efficiencies
- Requirement to make organizational performance measurable by 2005

### Objective

Implement integrated quality management

### SAP® Solution and Services

SAP® Strategic Enterprise Management application for balanced scorecard functionality

### Implementation Highlight

Promotion of user acceptance through involvement during rollout

### Why SAP

Infrastructure with multiple SAP solutions

### Benefits

- Improved capacity utilization
- Visible increase in performance
- Cost transparency
- Consistent view across all departments

### Existing Environment

Functionality now available in the SAP NetWeaver® Business Intelligence component

### Third-Party Integration

- Database: Microsoft SQL Server 2000
- Hardware: HP ProLiant DL 560; 4xIntel XEON 2.6 GHz; 12 GB RAM
- Operating system: Microsoft Windows 2003 Server

## AKH LINZ

### SAP® Software Supports Healthcare Organization's Commitment to Quality

“We see ourselves as the leading hospital in Upper Austria and want to bring this position into the public eye,” says Dr. Heinz Brock, MBA medical director at Allgemeines Krankenhaus der Stadt Linz GmbH (AKh Linz). This was the motivation for implementing balanced scorecard software in the SAP® Strategic Enterprise Management (SAP SEM®) application at AKh Linz, a healthcare organization in Linz, Austria. A balanced scorecard implementation would enable the organization to focus its vision and not only to measure, but also to manage, its business processes on an ongoing basis to continually improve performance. As a result of the implementation, the hospital can now maximize its potential to provide perfect medical care while maintaining financial health.

Previously, as an intensive care specialist, Brock spent considerable time on quality management issues, introducing relevant measures in his care unit. “Ultimately, it was difficult to implement this from the center of an organization, in particular because the strategy was not apparent,” recalls Brock. Now, as medical director, he has used a top-down approach and created an integrated balanced scorecard system both for the administrative units and for the medical departments. “Since its implementation is highly activity-driven, the balanced scorecard is to my mind the best method,” explains Brock.

Initial content for the project came from a Microsoft Excel-based balanced scorecard, providing a complete overview of the hospital's business processes. However, the question of how to technically implement the balanced scorecards in the various departments soon came to the forefront. The hospital chose

SAP SEM – it had already implemented SAP software for data warehousing and would therefore not need to carry out a time-consuming interface design. “The most important point, however, was that the process for determining performance measures is simple and based on practical experience,” emphasizes Brock.

**“Balanced scorecards describe the way to the objective and their integrated feedback loops show how near to achieving the objective you are.”**

Josef Auer, MA, Head of Business Intelligence, SCC EDV-Beratung Aktiengesellschaft

### **Balanced Scorecard Measures Achievements Against Objectives**

The balanced scorecard solution in SAP SEM helps organizations translate vision into strategies. For example, an organization may want to improve overall performance by optimizing the scheduling of activities. This strategy would then be communicated efficiently throughout the entire enterprise and linked with performance measures. In providing a way to measure performance against objectives, the balanced scorecard becomes a tool to align business processes with strategies and manage them across the enterprise. AHk Linz worked with the Vienna-based SAP partner, SCC EDV-Beratung Aktiengesellschaft (SCC), to implement balanced scorecard functionality.

Josef Auer, head of business intelligence at SCC, summarizes the effectiveness of balanced scorecards as follows: “Balanced scorecards describe the way to the objective and their integrated feedback loops show how near to achieving the objective you are.” When it comes to selecting performance measures, Auer recommends limiting these to a usable number. “Selection should be based on a content-related definition that takes into account how the measures affect each other, and especially, which measures have an effect on the defined objective,” says Auer.

### **Visible Benefits Motivate Staff to Support Project**

The aim was to make AKh Linz’s performance measurable by 2005. The definition and presentation of benchmarks – against which AKh Linz could measure performance – was facilitated by the easy-to-manage balanced scorecard software in SAP SEM. With the proper software, rollout could also be started in the operative areas.

“The introduction of a balanced scorecard system is not something you can delegate,” says Brock. “The project needs to be driven by management because of far-reaching strategic commitments.” For implementation of the balanced scorecard, Brock trusted in the proven cooperation between staff from SCC and the municipality of Linz.

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As a result, the project also involved communicating the end-to-end strategy to the staff. “Staff in the departments needed to see the benefits quickly and have a sense of achievement,” says Brock. This proved to be the case – the visible improvement in performance, improved use of capacity, and new cost transparency provided the AKh Linz staff with sufficient motivation to support the rollout. To consolidate that support among users, Brock arranged for two employees in each department to act as coach and moderator during the rollout.

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