



CUSTOMER CASE:



Performance Management in a Non-Profit Organization

Applied methods:

- Performance Management (Balanced Scorecard)
- Quality Management (KonTraG, QQS-Norm DIN EN ISO 9001:2000)
- Compliance with Ethical Standards

The Evangelische Heimstiftung GmbH (the "Evangelical Home Foundation") in Stuttgart, Germany is the leading provider of elderly care services in Baden-Wuerttemberg. Founded in 1952 as a member of the Diaconal work Württemberg it today employs 6,000 specialists in stationary and ambulatory care.

With a portfolio totaling more than 6,000 nursing homes, the foundation is the church's largest providing institute. In addition to 65 residential and nursing homes, it currently manages a psychiatric nursing home, two rehabilitation hospitals, a workshop and a home for the disabled in addition to and a daycare center. In 2008, the Foundation was able to achieve revenue of more than 200 million Euros.

## Achieving both ethical and charitable goals as well as economic ones with QPR ScoreCard



*"Only financial figures in mind will have its affect on your actions. A one-sided control system, as we had practiced it, will lead to a biased understanding and therefore poor decision making"*

*Wolfgang W. Wanning  
General Manager,  
Evangelische Heimstiftung,  
Stuttgart*

**As a non-profit organization, the Foundation is faced with the task of organizing its charitable work in a business-responsible manner. Determining, measuring and presenting the non-financial aspects of a non-profit organization would become the task of QPR ScoreCard. It allowed the organization to establish a management system that did not reject the traditional financial perspective, but turned it into a useful supplement.**

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"Having only financial figures in mind will have its effect on your actions. A one-sided control system, as we had practiced it, will lead to a biased understanding and therefore poor decision making", says Wolfgang W. Wanning, the General Manager at Evangelische Heimstiftung, Stuttgart.

"Our control system must reflect our values," continues Michael Conzelmann, attorney in the Evangelische



Heimstiftung, when describing the main considerations for the introduction of the Balanced Scorecard - the control system thus represents the undertaking as a whole.

## QPR ScoreCard as "Values Compass"

With the introduction of the control system, employee acceptance was an important success factor. Value-driven principles must be implemented in everyday activity. For this reason, the QPR ScoreCard provided a "values compass" for the Home foundation.

In fulfilling its diaconal mission, the Home Foundation guarantees the balance between customer satisfaction, employee satisfaction, and economic efficiency.

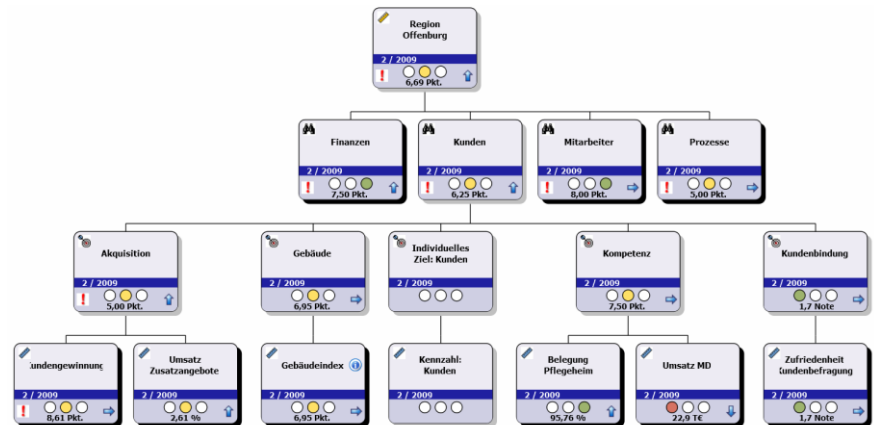
Based on these main objectives, the perspectives of the Balanced Scorecard were developed and added to the process perspective. The four perspectives of the values compass allow the home foundation to monitor and report on the progress in achieving its objectives.

### In four steps toward success

The "values compass" of the Evangelical Home Foundation could be established in just four steps.

Particularly important was the first step of developing the strategy along with the formulation of specific business objectives. In the second step, all the objectives of each perspective were assigned and given appropriate metrics. This formed the basis of the third step: continuous action planning. In the fourth step, the management of performance measurement was started, measuring the progress towards the achievement of goals and covering the entire range of values.

The results provided by the values compass can be accessed at any time by the executives. In addition, the values compass is regularly presented to all employees, explained and discussed. With the help of QPR ScoreCard, the complex relationships



of the different perspectives are clearly displayed. It enables a goal-oriented discussion, which is focused on the needs for action and improvement.

### Time savings with QPR ScoreCard

The idea of collecting additional data to complement the regular financial information is not new in the Evangelische Heimstiftung. QPR now, however, creates the possibility of retrieving control data in the QPR Portal bundle and link. Thus, the key figures and achievement of financial targets can be directly interpreted and communicated across the organization, in a fully scalable manner, both at the company and on the Regional Office level.

Prior to the introduction of QPR ScoreCard, reporting was managed using Excel spreadsheets. Although this was a cost-effective and easy-to-learn method, the communication process was long and time consuming due to many individual activities (filling, distribution, commenting, treatment and re-distribution) and therefore much more complex. With QPR ScoreCard, the Evangelische Heimstiftung is more successful in making accurate statements faster, while reducing workload up to 50 %.

### Successful Quality Management with QPR ScoreCard

Transparency and continuous performance in all business areas, as well as the clear definition and continuing

review of the processes by means of QPR Scorecard is not an aim of the financial management only, but also serves quality system purposes.

The implementation of QPR ScoreCard also meets the same requirements as the date of the German Corporate Governance Code, KonTraG, and the ISO 9001:2000 Quality Assurance Standard.

The goals of Evangelische Heimstiftung - Customer loyalty, customer acquisition, qualification and employee satisfaction, sustainable process improvement and sustained business success - can be monitored over four perspectives within the QPR ScoreCard in parallel. A continuous improvement process and the adjustment of the respective targets using QPR ScoreCard allow the Evangelische Heimstiftung to honor their values and simultaneously provide for a higher satisfaction level of all parties interested.

The visualization and performance monitoring provided by the Balanced Scorecard helps the Evangelische Heimstiftung maintain and further develop its position as market leader.

With the help of QPR ScoreCard, the Evangelische Heimstiftung has succeeded in establishing a balance between a non-profit image and the necessity of doing business across all levels of the enterprise boundaries. The visualization and success of the Balanced Scorecard helps the Evangelische Heimstiftung maintain its position by securing quality and development.