

National Marrow Donor Program

The Balanced Scorecard / Vision into Action Journey

I. INTRODUCTION AND BACKGROUND

Who the NMDP is

The National Marrow Donor Program® (NMDP) and Be The Match Foundation® are nonprofit organizations dedicated to creating an opportunity for all patients to receive the bone marrow or umbilical cord blood transplant they need, when they need it. Every year, thousands of people of all ages are diagnosed with leukemia and other life-threatening diseases. Many of them will die unless they get a bone marrow or cord blood transplant from a matching donor. Seventy percent of people do not have a matching donor in their family and depend on the Be The Match® Registry to find a match to save their life.

The beginning

When their 10-year-old daughter Laura was diagnosed with leukemia, Robert Graves, D.V.M., and his wife Sherry were ready to do anything they could to save her. They agreed to try a bone marrow transplant from an unrelated donor — the first ever for a leukemia patient. Laura received her transplant in 1979 at the Fred Hutchinson Cancer Research Center. The treatment gave her an extra year and a half of life.

The experience inspired Dr. Graves to create a national registry of volunteers willing to donate marrow. His early efforts brought together other patient families and transplant doctors, spurring a federal mandate that led to the creation of the National Marrow Donor Program. NMDP began connecting patients with unrelated donors in 1987 with a registry of just 10,000 volunteers.

What the NMDP does

The Be The Match Registry® has grown to more than 7 million donors and over 150,000 cord blood units, the largest and most racially and ethnically diverse registry of its kind in the world. Medical advances are making marrow and umbilical cord blood transplants available to more patients all the time. Since 1987, NMDP has arranged for more than 35,000 transplants to give patients a second



chance at life. Today, NMDP facilitates more than 4,300 transplants a year.

Planning for the future

Many more patients still need help. In order to meet the needs of all patients, NMDP will need to facilitate 10,000 transplants per year by 2015. That is more than double the number of transplants the organization facilitates today. NMDP is working to meet this need but can't do it alone. Efforts are sustained by:

- A global Network of more than 490 leading hospitals, blood centers, cord blood banks and laboratories
- Agreements with donor centers, cooperative donor registries and cord blood banks worldwide through which the program provides patients access to more than 12 million donors and 300,000 cord blood units
- Continued support from the U.S. government, which has entrusted the NMDP to operate the C.W. Bill Young Cell Transplantation Program, the federal program supporting bone marrow and cord blood donation and transplantation
- Partnerships with corporations, service organizations, student groups, faith-based communities and other organizations

A new and different way of thinking about the NMDP long-term strategy was required in order to make sure that NMDP would be capable of delivering 10,000 transplants per year in 2015.

"Business as usual" would not get the organization where it needed to be. NMDP needed to identify and aggressively improve in strategic areas critical to the delivery of 10,000 transplants.

II. THE BALANCED SCORECARD APPROACH

Background

The strategic planning system that had been used at NMDP up to 2007 was a fairly well-developed planning process that tracked initiative performance under seven primary areas of strategic focus. While this approach provided a measure of strategic planning for the organization, it was too focused on activities and projects rather than on impacts.

Early in 2007, NMDP leaders Gordon Bryan, Chief Financial Officer, and Michael Boo, Chief Strategy Officer, began developing strategic metrics designed to identify, measure and communicate progress in strategic plan objective areas.

Selection

As the senior management team evaluated options to integrate broader strategic metrics with the existing strategic business plan, the Balanced Scorecard approach emerged as a leading candidate during the initial assessment of planning models because it:

- Encourages development of strategic themes and provides the ability to focus on areas where long-term continuous improvement is needed.
- Permits identification of cause-and-effect relationships between Strategic Objectives within each Theme.
- Facilitates communication of Strategic Objectives that can be portrayed on a strategy map that is easily understood by all employees and stakeholders and shows how the perspectives work together to achieve the mission.
- Assures that the organization focuses on Strategic Objectives and Measures from a Customer/Stakeholder perspective and a People/Knowledge/Technology perspective. (Historically, the organization's focus was skewed toward the Process and Financial perspectives.)
- Enables leadership to track Strategic Objective performance over the long term rather than tracking the status of supporting projects and initiatives.
- Creates a framework for prioritization of projects, initiatives and funding opportunities based on contribution to and support of the Strategic Objectives.
- Allows organizational Strategic Objectives to be cascaded into Department Objectives, thereby giving each employee a more specific

understanding of how his or her work impacts and contributes to the Strategic Objectives.

- Drives long-term, continuous improvement as Strategic Measures improve over time.
- Facilitates a —learning organizationll where corrective actions are implemented in cases where Strategic or Department Objective Measures are not being met.

The NMDP planning team looked at a number of planning models including Balanced Scorecard, Six Sigma, Lean and TQM and concluded that the Balanced Scorecard approach provided the most versatile and relevant framework for future growth and organizational development.

III. SCORECARD DEVELOPMENT – NMDP OFFICER INPUT

Early to mid-2007, NMDP began the Balanced Scorecard development effort with the help of consultants from the Balanced Scorecard Institute.

A comprehensive review of the organization's strengths, weaknesses, opportunities and threats, organizational pains, organization enablers, vision and mission was conducted over several days with NMDP officers and senior management. These sessions produced a new Mission and Vision Statement and four Strategic Themes (rather than the original seven.).

The former mission statement: *Extend and improve life through innovative cellular transplant therapies* was changed to: *We save lives through cellular transplantation – science, service, and support.*

"This new mission statement captures and communicates more directly why we exist, and it clearly articulates the three ways that we are able to save lives," explained NMDP CEO, Dr. Jeffrey Chell.

The Overarching Strategic Result, in place of a vision statement, was developed and shared with employees throughout the organization: *Meeting the need for 10,000 transplants per year by 2015.* The senior management team developed a longer, more descriptive version of this statement, but felt that the shorter version had more impact.

"We've found that the Overarching Strategic Result has been a great tool to get people thinking about how we will manage to do more than double our current transplant volumes in a relatively short time – just five years from now, ll explained initiative sponsor, Michael Boo. —This has driven a lot of creative thinking around how to dramatically improve the efficiencies and cost effectiveness of many internal systems and delivery processes."

The four Strategic themes that the NMDP officer group developed and agreed upon are:

Global Access and Acceptance – Getting to Yes. Overcome non-cell source barriers to transplant (e.g., no insurance, no transportation, no post-transplant support).

Deliver Excellent Stakeholder Experience. Overcome Cell Source Barriers (making sure a cell source donation is available when it's needed – adult or cord).

Research. Pursue research to improve cell transplantation as a therapy.

Culture of Excellence. Keep up to date with talent, structure and resources needed to continually improve transplant services.

IV. SCORECARD DEVELOPMENT - SENIOR MANAGEMENT

Throughout the spring and summer of 2007, four Theme Teams, comprised of senior management, met to develop Theme Team strategy maps that included Theme Objectives by Perspective and proposed Measures for each Theme Objective. These served as detailed roadmaps with specific objective areas identified – where NMDP needed to focus in order to improve them.

The four Theme Team maps were subsequently combined into an NMDP Strategy Map that included all relevant components from each theme. This NMDP Strategy Map is comprised of 13 Strategic Objectives, 46 Strategic Measures, and seven Strategic Initiatives. (See [Attachment A – NMDP Strategic Map](#).)

Narratives were captured regarding the intent and ultimate end state for each Strategic Objective, and detailed descriptions were created for measurement information, including rational, frequency, owner and unit of measure.

At this stage in the process, the team named the Balanced Scorecard tool “**Vision into Action**” or ViA – NMDP’s strategic performance management tool. On June 1, 2007, the ViA Themes and NMDP Strategy Map details were presented to the board of directors by senior management and approved along with a plan to proceed to the next phase of department cascading.

A ViA Communications Team was formed to communicate ViA progress to employees on the development of the new Mission Statement, Vision Statement and the 13 Strategic Objectives. This was done through a combination of pulse checks, newsletters, intranet messaging, e-mails from the

CEO, leadership training, all-staff meetings and promotional contests. This was an extremely integral step in the ViA roll-out that provided transparency and generated excitement around the benefits of ViA.

V. ViA DEPARTMENT CASCADING

All departments at the NMDP were scheduled for sessions to develop their department Objectives, Measures and Initiatives. These were facilitated by internal subject matter experts and included an initial two-day exercise to help the department identify where and how each department contributed to the NMDP Strategic Objectives. Worksheets and other preparation material were provided to each participant and collected prior to the cascade session. The pre-work information was used to expedite the affinity exercises at each session.

These were followed up with sessions to finalize detailed measures with individual measure owners. Department teams were comprised of five to 10 key members of each department.

The department cascading efforts provided a number of primary benefits to the organization, including:

- The articulation, in easy-to-understand terms, of how each department contributes to the overall success of the Strategic Objectives and ultimately the NMDP Mission.
- A tool to identify gaps or overlaps between departments and can be a tool for departments to communicate with each other in terms of supporting initiatives.
- A tool for each department to prioritize initiatives and activities. Also, it provided a mechanism to support requests for funding new opportunities.
- A clear framework for corrective action where measures are not being successfully met.
- A common format and mechanism for reporting department performance to officers and senior management.
- A common format and mechanism for reporting and reviewing department performance with department staff.
- Help with the development of individual job performance appraisal content – which should be designed to support Department Objectives.

Department Cascading was complete in early 2009. (See [Attachment B – Department Map](#)) There are over 200 separate department measures that are tracked each quarter.

VI. ViA AUTOMATION

In early 2009, the NMDP purchased the CorVu performance management and business intelligence system, a Balanced Scorecard and enterprise strategic performance management tracking and reporting software solution. All ViA information and relevant data was converted to the new ViA performance system. Measures began to be reported through e-mail prompts to measure owners, making the quarterly measure collection process easier to manage.

The Strategic Map and all Department Maps, Objectives and Measures were made available to users of the system. They were structured in a logical drill-down, Web-based format. A number of specific report formats were designed for different audiences, including board of directors' specific metrics.

VII. NMDP ViA TODAY

NMDP has established a department Champions Council. Members of the Council are becoming experts at using the automated ViA software. Today, this is being used at department staff meetings to facilitate discussion around corrective action for underperforming or unacceptable Department Measures. Departments use the department Strategy Maps to guide staff meeting discussions on performance measures and corrective action plans.

"All business cases, or requests for funding, must be submitted with clear, tangible descriptions of how the effort will impact ViA Strategic Objectives," explained Michael Boo. "Once all business cases have been submitted to the officer group for final approval, they are prioritized in order of their impact on ViA Strategic Objectives."

All strategic and department measures are required to be reported into the ViA system each quarter. Each is color coded based on an officer- approved target matrix. Each measure owner is required to provide comments regarding the measure performance for the quarter and discuss how he or she expects the measure to end the fiscal year. This information is shared with senior management for review and follow- up with measure owners if/when necessary.

Senior management uses the color-coded NMDP Strategic Map as a basis for discussing quarterly performance and identifying Strategic Objective areas that may need attention, corrective action, and/or more resources. NMDP tries to focus not only on corrective action items but also highlight

success stories - where outstanding performance has been reported.

All employees will soon have access to the Web-based ViA application to provide as much transparency and visibility as possible in order to become a truly strategy-focused organization.

"Vision into Action has been successful within the organization, to a great extent, because of the consistent support and guidance provided by NMDP leadership, including our CEO Dr. Jeffrey Chell, my fellow Officers and the Board of Directors," said Michael Boo.

About National Marrow Donor Program®/Be The Match Registry®

The National Marrow Donor Program® (NMDP), a nonprofit organization, is the global leader in providing bone marrow and umbilical cord blood transplants to patients in need. As Be The Match®, we operate the Be The Match Registry®, the world's largest listing of potential marrow donors and donated cord blood units and raise funds to help provide transplants to all patients through the Be The Match Foundation®. They also match patients with donors, educate health care professionals and conduct research through our research arm, the Center for International Blood and Marrow Transplant Research® (CIBMTR), so more lives can be saved.

About the Balanced Scorecard Institute (BSI)

BSI provides consulting, training, and professional certification services to organizations worldwide related to strategic planning, balanced scorecard, KPI/performance measurement, and strategic project management.

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