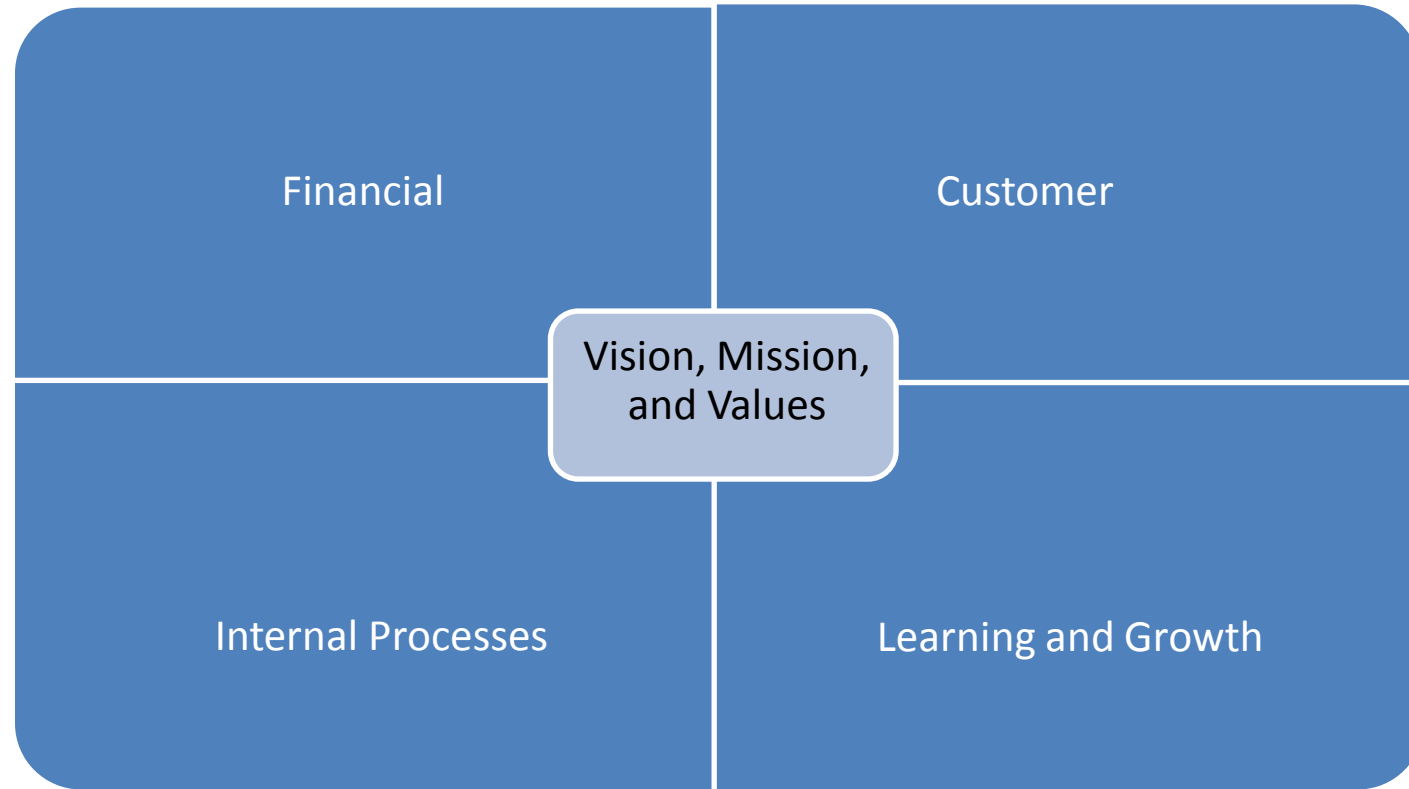


Veterinary Specialists Practice Alliance

Balanced Score Card Approach to Strategic Planning

The Balanced Score Card



- Strategic Objectives
- Strategic Initiatives
- Performance Measure
- Goals/Targets
- Action Plan

Why do it? It is...



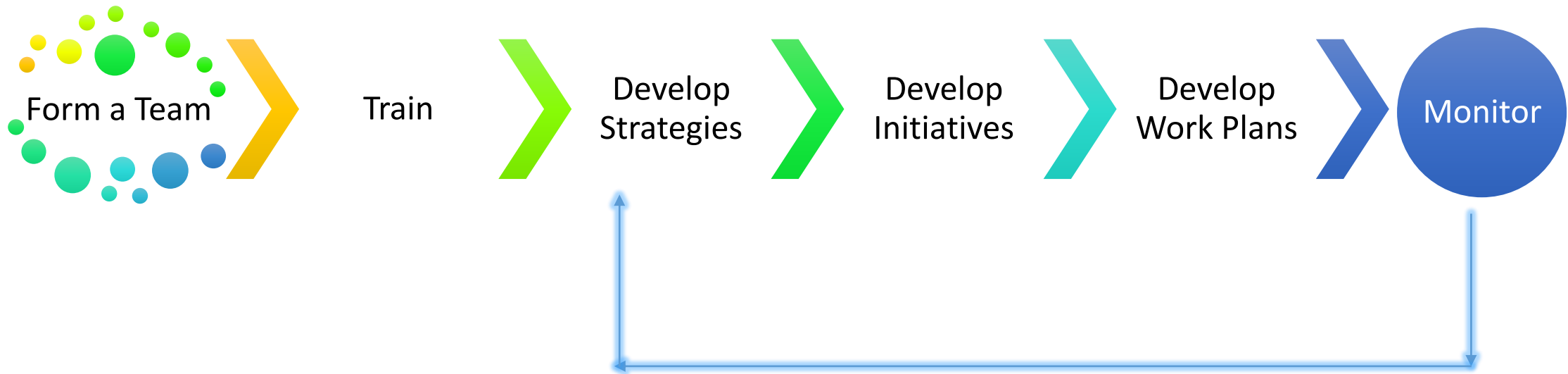
Why the Score Card?

- Increase focus on strategy and results
- Improve organizational performance by measuring what matters
- Align organization strategy with the work people do on a day-to-day basis
- Focus on the drivers of future performance
- Improve communication of the organizations operating principles
- Prioritize projects and Initiatives

PVH Implementation: How It Was Done



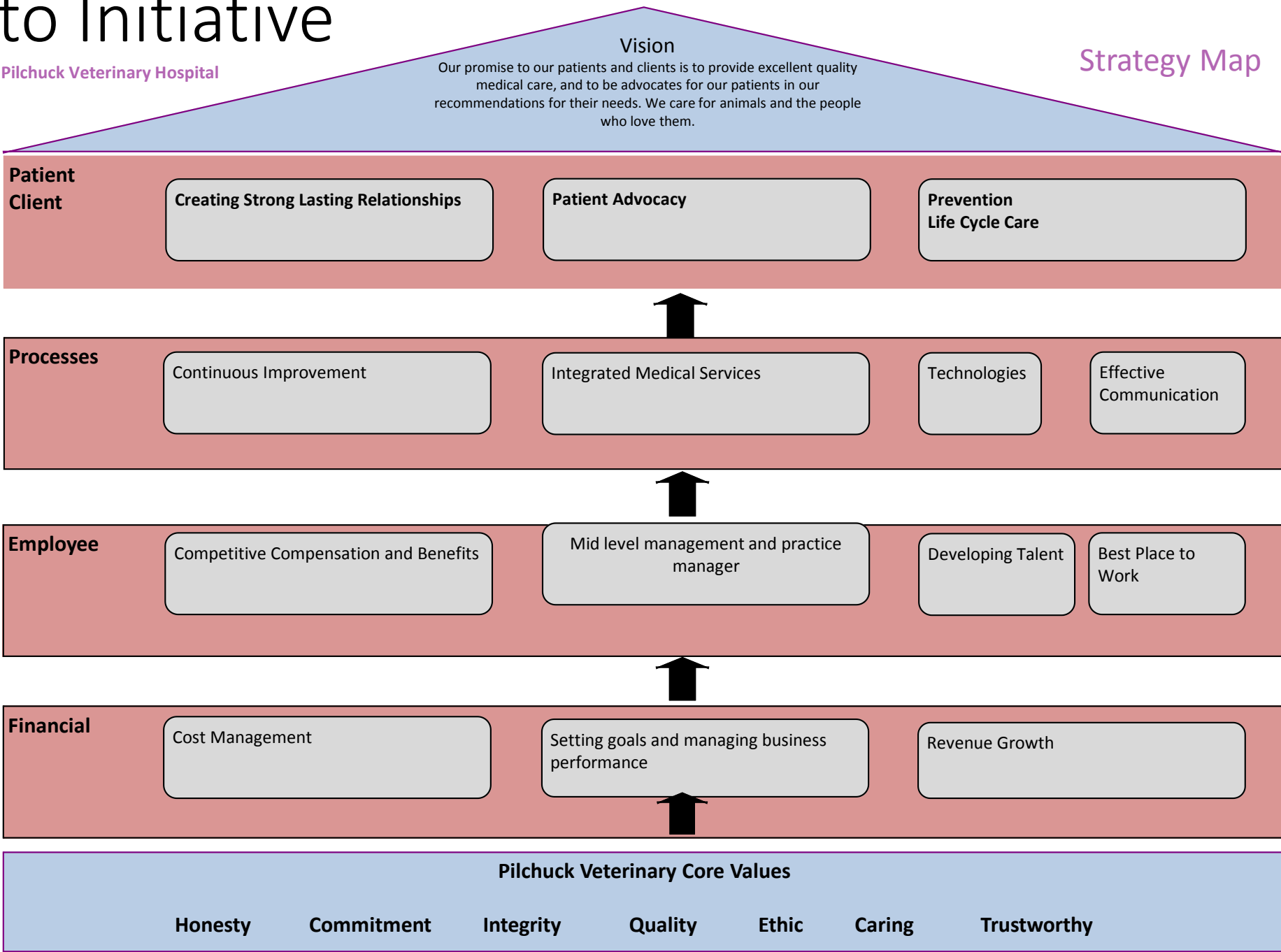
The Process



Strategy to Initiative

Pilchuck Veterinary Hospital

Strategy Map



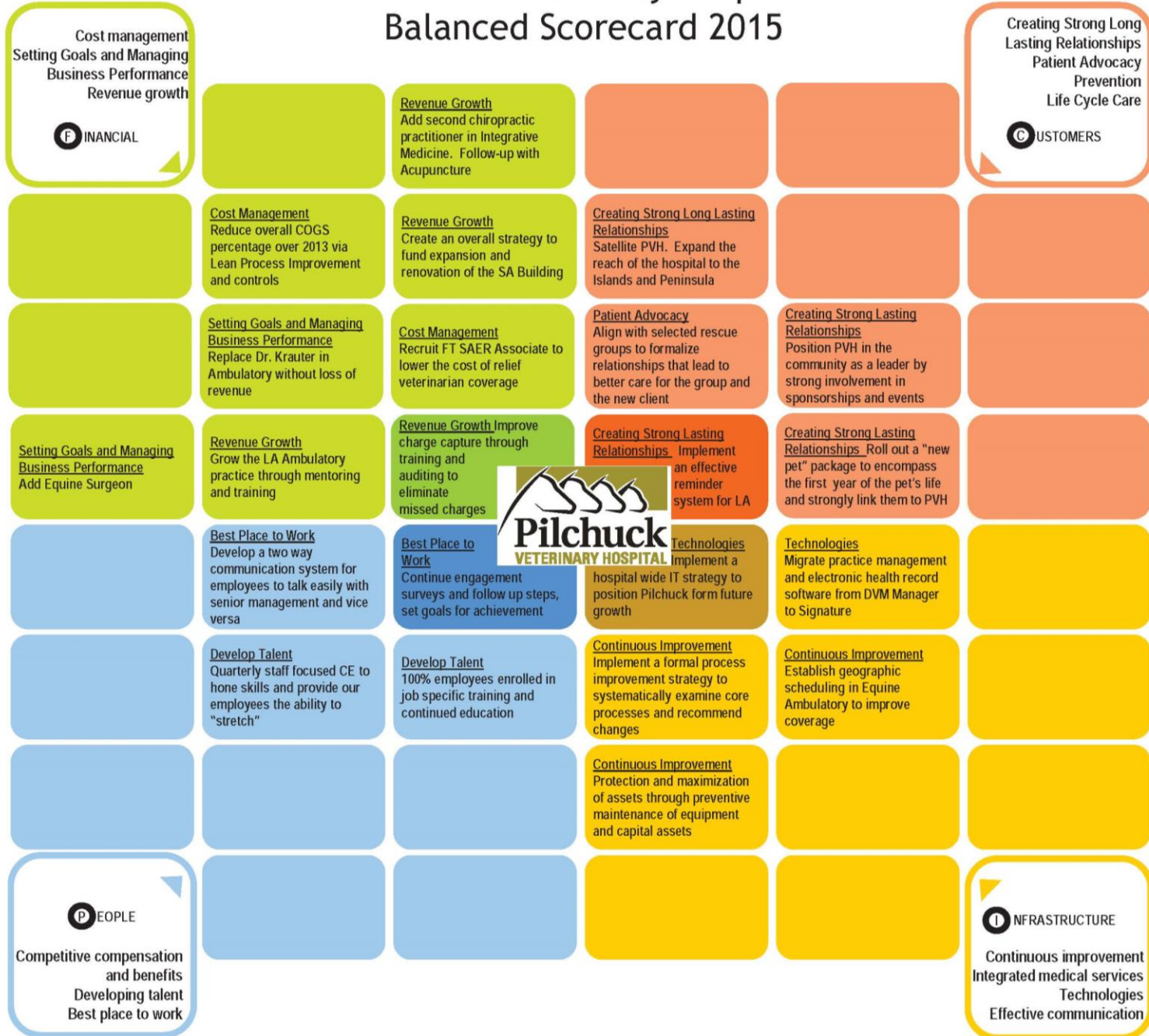
Initiatives

| PERSPECTIVE | PVH STRATEGY | DEPART | INITIATIVES |
|-------------|--------------------------------|--------|--|
| Client | Create Lasting Relationship | IM | Participate in Community events (Canine Performance Center) |
| Client | Creating Lasting Relationship | LA | Develop & Implement customer satisfaction measurement survey |
| Employee | Best Place to work | LA/HR | Conduct Employee Survey |
| Employee | Compensation Benefits | HR | Improve Employee Understanding of Benefits |
| Employee | Compensation Benefits | LA | Implement Merit Pay Plan in 2013 |
| Employee | Developing Talent | HR | Implement an employee training program |
| Employee | Developing Talent | IM | Support Doctor Training – CE, etc |
| Employee | Developing Talent | IM | Client, PVH Staff and rDVM education and Awareness |
| Employee | Developing Talent | LA | 100% of employee enrolled in job specific training plan |
| Employee | Developing Talent | LA | Complete 100% of Employee Reviews on time |
| Employee | Developing Talent | LA-A | Develop work Plan to use interns in Ambulatory care |
| Employee | Management | | Employ Practice Manager |
| Financial | Goals and business performance | Admin | Provide SLT and Owners with financial reports |
| Financial | Revenue Growth | IM | Expand Practice Area |
| Financial | Revenue Growth | LA-A | Increase the number of Cases per day |
| Financial | Revenue Growth | LA-A | Increase the revenue per case |
| Financial | Revenue Growth | LA-A | Change price perception help by customers |
| Financial | Revenue Growth | LA-A | Increase Communications |
| Financial | Revenue Growth | LA-A | Improve Scheduling |
| Financial | Revenue Growth | LA-A | Make better use of interns |
| Processes | Continuous Improvement | Admin | Implement a PVH appropriate internal Productivity System |
| Processes | Continuous Improvement | LA-A | Implement Geographical scheduling |
| Processes | Effective Communications | LA | Activate and Use the Complaint system |
| Processes | Integrated Medical Services | | |

Example of Work Plan

| MEASURE | OBJECTIVE | INITIATIVES |
|-----------------------------------|---|---|
| Knowledge of benefits | Improve Employee Understanding of Benefits | Monthly training for employee benefits PVH & SVS |
| Employee Satisfaction | Improve Employee Satisfaction | Employee Survey, 60 day meeting of all hospital staff, reward and recognition |
| Compensation Strategy | Fairly compensate employees at a competitive wage rate | Implement a comprehensive compensation strategy by 04/30/2013 |
| | To provide all employees a performance based compensation | Implement a Performance Review system linked to the Compensation strategy by 04/30 2013 |
| Employee Training Program | Formulate an employee training program | Hire a practice manager Initial training guidelines in place 90 day after manager is hired |
| Drug free work environment | Provide a drug free work environment | Drug testing before hire |

Pilchuck Veterinary Hospital Balanced Scorecard 2015



Vision:

A best of class Veterinary Hospital providing:

- Great outcomes for our patients
- Great experiences for our clients
- While having fun along the way



Mission:

Our promise to our patients and clients is to provide excellent quality medical care, and be advocates for our patients in our recommendations for their needs. We care for animals and the people who love them.



Values:

Honesty
Commitment
Integrity
Quality
Ethical
Caring
Trustworthy
Learning



Environmental Drivers:

Environment
Processes
Positioning
Operations



Pilchuck Veterinary Hospital Balanced Scorecard Initiative Worksheet

Department: Small Animal

Strategy: Revenue Growth

Initiative: Develop revenue strategies as a means to fund remodel/expansion

Perspective: Financial

Measures: Revenue growth tied to the initiative
Target: \$450,000 annualized

Date Start: 10/1/14

Target End Date: 12/31/15

Team: Patrick, Lynn, Drs. Wilson, Duke, McCutchan

Budget: \$320,000

----- Action Plan -----

| Action Steps | Purpose | By Whom | Target Date | Performance Measure | Final Performance and Date |
|---|--|---------|-------------|--|----------------------------|
| Define space modifications | Outline the desired space modifications targeting the creation of revenue producing space | Team | 11/30/14 | Floorplan mockup | 11/6/14, mockup completed |
| Calculate construction cost | Need to determine how much money to borrow to fund construction and budget to service debt | Patrick | 11/30/14 | Rough estimate calculated based on square feet | 11/15/14 |
| Calculate debt service cost | Determine how much revenue needs to be generated | Lynn | 11/30/14 | Revenue goals established | |
| Determine the method to increase revenues tied to date milestones | Start the revenue stream coming in | Team | 12/15/14 | Initiatives identified and begun | |
| Action items based on identified initiatives | Assign spearheads to take action | Team | 12/31/14 | Initiatives begun | |
| Setu up regular meeting of the team | Assess progress, measure revenue improvements | Team | 1/15/15 | Meeting agenda | |
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Financial Discussion and Other Information

Starting with a model that projects \$320,000 construction cost which will be funded by a combination of operating and borrowed funds. Future meetings will identify revenue targets to fund debt service.



Pilchuck Veterinary Hospital Balanced Scorecard Initiative Worksheet

Department: Entire Hospital **Strategy:** Creating Strong Lasting Relationships
Initiative: Giving leader; strong involvement in select sponsorships and events **Perspective:** Customers **Measures:** Schedule of events and sponsorships vs achievement of event goals **Target:** ?
Date Start: 4/1/15 **Target End Date:** Ongoing **Team:** SLT, Marketing, Medical Directors **Budget:** ?

----- Action Plan -----

| Action Steps | Purpose | By Whom | Target Date | Performance Measure | Final Performance and Date |
|--|--|---------|-------------|---------------------|----------------------------|
| Gather team and discuss initiative | Identify which goals will be met for the year, identify previous spend and this years budget | Team | 4/1/15 | | |
| Appoint individuals to build event lists | Provide the team with the range of all possible groups and events for the year | | | | |
| Determine range of involvement | Limit the number of groups we sponsor to fit our budget and fit the goals of our involvement | | | | |
| Develop formal review process of each event goal | To map out our goal for involvement, what we want to get out of the event | | | | |
| Monthly review of upcoming events | Make sure goals are clearly articulated and the event is staffed with the right individuals | | | | |
| Report outcome of the event/sponsorship | Determine if our goals are being met | | | | |
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Financial Discussion and Other Information

PVH supports a number of groups throughout the year. This initiative is meant to formalize a process for our involvement to make sure the groups and events meet criteria consistent with our values and goals. We want to be prepared by identifying desired outcomes of events and staffing participation with individuals capable of reaching the desired outcomes.



Pilchuck Veterinary Hospital Balanced Scorecard Initiative Worksheet

Department: Entire Hospital

Strategy: Best Place to Work

Initiative: Repeat engagement survey November, plan future steps for 2015

Perspective: People

Measures: Task completion

Target: ?

Date Start: 11/1/14

Target End Date: 6/30/15

Team: Jessica

Budget:

----- Action Plan -----

| Action Steps | Purpose | By Whom | Target Date | Performance Measure | Final Performance and Date |
|--|---|---------|-------------|---------------------|----------------------------|
| Contact survey organization to repeat the survey | Create a second data set which is 6 months from the first survey to establish trend | Jessica | 12/30/15 | Survey completed | |
| Review and analysis | Explore whether there are any trends or consistencies within the data | SLT | 12/15/14 | Data Analyzed | |
| Develop a list of areas that may be addressed | | SLT | | | |
| Decide on a course of action for selected steps | | SLT | | | |
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Financial Discussion and Other Information



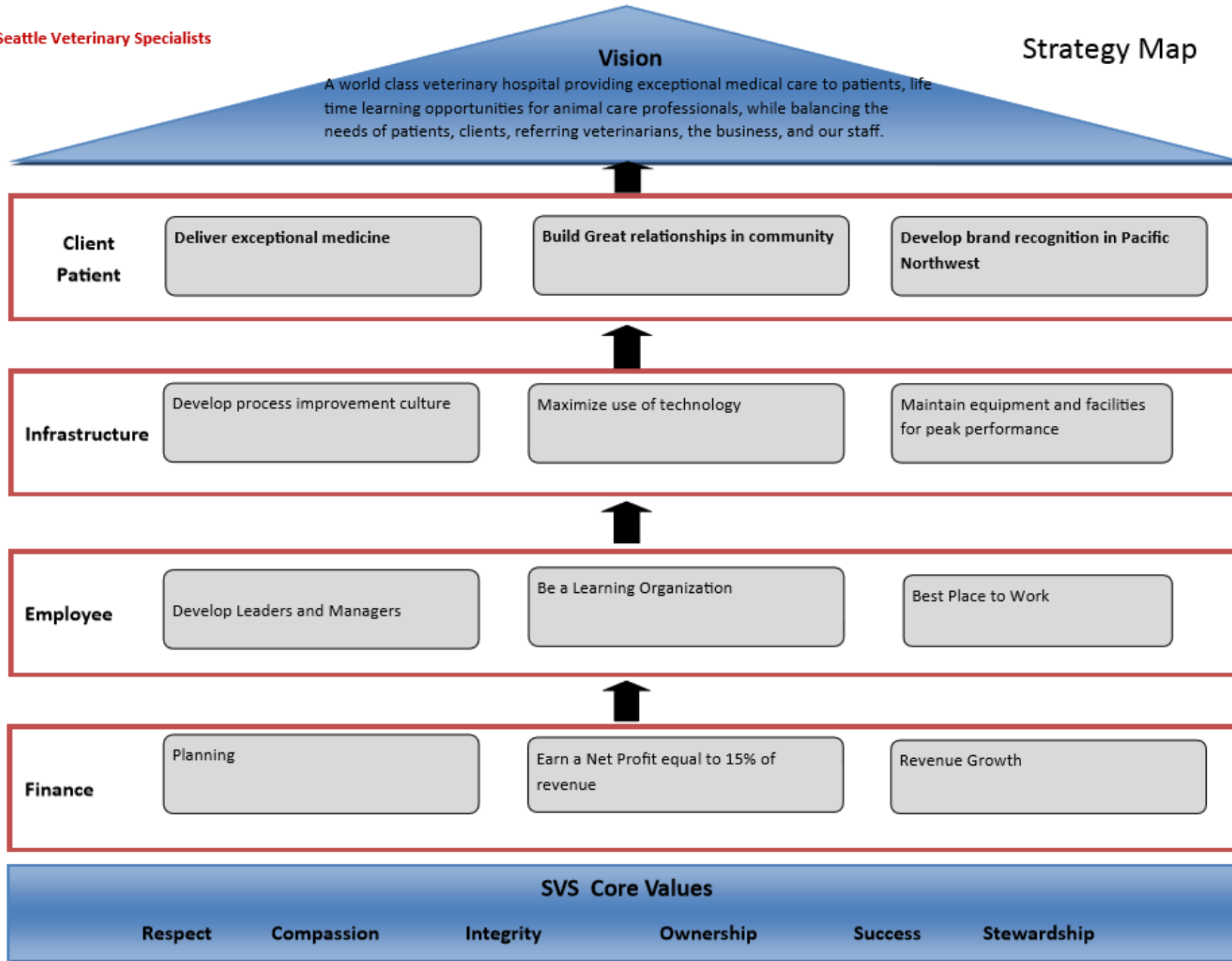
Pilchuck Veterinary Hospital Balanced Scorecard Initiative Worksheet

Department: Entire Hospital **Strategy:** Infrastructure
Initiative: Migrate practice management software from DVM to Signature **Perspective:** Technologies **Measures:** Completion of the project **Target:** January 15, 2015
Date Start: 1/23/14 **Target End Date:** 3/15/15 **Team:** Patrick, IT, Medical Directors, Department Heads, Interested parties **Budget:**
 See also the project Gantt Chart

| ----- Action Plan ----- | | | | | |
|---|--|-----------|-------------|----------------------------------|---|
| Action Steps | Purpose | By Whom | Target Date | Performance Measure | Final Performance and Date |
| Establish support team | List of those interested parties at PVH to contribute to deliverables | Patrick | | Phone list of those participants | 3/21/14 |
| Lab Information system | Connecting the lab instruments to an information system to facilitate ordering and resulting in DVM first, Signature next. | Patrick | 10/23 | Resulting into DVM | 11/12/14 last of the bugs worked out. Training staff next |
| Signature software creation for PVH | Launch the process on 8/5/14 of actively building out the database and supporting materials | Team | 1/5/15 | Go live on 1/5/15. | |
| Create virtual server to host the software and allow for future expansion | Support hardware that will serve PVH well for next 10 years | IT | 10/28/14 | Server running | |
| Sand Box | Provide a sample database for all team members to try the software, identify bugs and enhancements that are needed | Signature | 11/1/14 | Sand box up and running | |
| | | | | | |
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Financial Discussion and Other Information

Capital costs include a new server and storage array to compliment the server purchased for Impromed. This makes for an environment that can handle multiple server instances virtually. Additional costs will include server and SQL software, miscellaneous drives, network cards, cables, UPS's, label printers. Existing workstations are compatible with Signature and will only be replaced through normal failure rate. The software will be leased on a monthly basis.



Strategy to Initiatives: Seattle Veterinary Specialists

| PERSPECTIVE | SVS STRATEGY | DEPART | INITIATIVES | START | RESPONSIBLE |
|----------------|------------------------------|--------|--|----------|---------------|
| Client/Patient | Deliver exceptional medicine | | Develop process improvement program 06/30/2015 | 9/1/14 | Art |
| Client/Patient | Deliver exceptional medicine | | Improve 6 processes by 12/31/2015 | 7/1/14 | Art |
| Client/Patient | Deliver exceptional medicine | | Review and update SOP nursing manual annually by 12/31 | 9/1/14 | Laura |
| Our People | Develop Leaders and managers | | Create Strategic visionary team 06/01/2015 | 9/1/14 | Jim |
| Our People | Great place to work | | define the "Great Place to Work" program 01/01/2015 | 9/1/14 | HR |
| Our People | Great place to work | | Develop employee engagement program 01/01/2015 | 9/1/14 | HR |
| Our People | Learning Organization | | Develop Skill Training program for medical staff by 09/01/2014 | 7/1/14 | Laura |
| Our People | Learning Organization | | Investigate Career development program for staff 06/01/2015 | 11/1/14 | HR |
| Financial | Increase revenue | | Bi-annual fee increases 2 -4 % | 4/1/15 | Art |
| Financial | Increase revenue | | Reduce fees lost to improper charge capture | 12/31/14 | Art see tasks |
| Financial | Increase revenue | | | | |
| Infrastructure | Maximize use of technology | | Implement New practice management software by 12/31/2015 | 8/1/14 | Jim |
| Infrastructure | Maximize use of technology | | Implement an IT plan by 1/1/15 | 7/1/14 | Jim |
| Infrastructure | Maintain Equip & Facilities | | unoccupied space plan by 06/30/15 (Kirkland) | 1/1/15 | Jim |

Wrap Up (KEY SUMMARY POINTS) Q & A

