

How to improve the management of the Swedish Social Insurance Administration

The Prodacapo Balanced Scorecard solution has improved coordination, control, and follow-up for the federation of Swedish social insurance offices.

Both the Swedish National Social Insurance Board as well as twenty-one regional insurance offices – one for each county in Sweden – have recognized the benefit of the Prodacapo solution. Together these bodies administer the Swedish social insurance plans.

“During 2002 the management team for the social insurance plans decided to develop a Balanced Scorecard through a joint process. The idea was to increase national consensus on the strategy and guidance for social insurance,” says Lundberg, responsible for the department of strategic results at the Swedish National Social Insurance Board.

“This Balanced Scorecard would include common objectives and priorities. It would become a functional tool to improve social insurance management, planning and follow-up.”

A total of 16,000 employees work with social insurance. A joint board man-

ages the system, including the National Social Insurance Board management team as well as the twenty-one managers of the regional insurance office organizations.

From concept to implementation

The implementation project “Balanced Scorecard 2004” began in 2003 with team members from both the National Social Insurance Board, as well as the regional offices.

“The goal was to have the joint Balanced Scorecard ready in 2004. Our point of departure was the common vision for 2005 that was the result of a joint initiative by our national and regional organizations.”

The project team spent some time aligning a Balanced Scorecard that included strategic objectives and success factors, as well as operational targets within the following five dimensions: customer, administration, finance, employee, renewal.

At the same time, another project evaluated different IT solutions to support the hands-on work with the new Balanced Scorecard.

“To take full advantage of the Balanced Scorecard we needed a tool to communicate and follow-up the results across our organizations,” says Lundberg.

The evaluation was carried out together with the IT strategists and system architects of the National Social Insurance Boards.

“We chose the Prodacapo solution for three reasons,” says Lundberg.



“The system is easy to learn. We were able to start developing scorecards after a one-day training session”, says Lennart Lundberg at The National Social Insurance Board.

“First, their system is a ready-to-use standard product. It comes with all necessary features to support Balanced Scorecard work. Second, Prodacapo provides a highly visual and graphical presentation of the scorecard that makes it easy to review and digest the information.”

“Finally, the Prodacapo solution is web-based, which makes it easy to communicate the scorecard throughout our organization.”

“We also soon learned that the Prodacapo consultants were very knowledgeable in the Balanced Scorecard area.”

FACTS The Swedish Social Insurance Administration

The social insurance schemes represent society’s financial safety net for various stages in life for Swedish citizens. Social insurance includes child allowance and parental insurance. The system provides financial security in the case of disability or sickness, as well as basic and supplementary retirement pensions.

Annual administrative costs: About MUSD 600, which corresponds to 2 percent of overall public spending on social insurance.

Staff: 16,000 employees

Prodacapo product: Prodacapo Balanced Scorecard

System implementation

A short basic training course enabled the project team to set up the scorecards and include data for first quarter 2004.

"System administration is easy to learn. Three of us attended a one-day training session after which we could start to develop scorecards in the system. The software is very accessible and intuitive. All in all, we didn't require much consultancy support," says Lundberg.

The system was implemented in April 2004.

"We never encountered any problems. We just pushed ahead and completed implementation on schedule."

The project team received a standing ovation from the management team when the scorecard was presented in the Prodacapo Balanced Scorecard system.

One Balanced Scorecard for the entire organization

Today, every regional insurance office has a Balanced Scorecard. The twenty-one office organizations share goals and measures, while targets are set differently depending on local circumstances. A summary scorecard at a national level includes targets and performance for all regional organizations.

"This way, we can analyze the output of each office organization and compare the results to the national average."

The National Board of Social Insurance and the regional office organizations meet on a monthly basis to review measures and targets. The scorecards also serve as a starting point for performance evaluation for each region. In addition, the

management of each regional office organization uses the scorecards for internal reviews. All 16,000 employees working with social insurance can access the scorecards via the intranet.

Scorecards are updated monthly.

"The process is quick and efficient," says Lundberg, "since we can leverage the Prodacapo interface to import data from our databases."

Lessons learned

So what conclusions can be drawn from the implementation of Balanced Scorecards?

"Executive involvement and support throughout the implementation process is essential. Another key area is that the presentation of information must be transparent. You can only engage and motivate people if they can view and monitor performance themselves.

"You must also focus on the critical few in terms of targets and measures."

And, finally, implementing a new software solution is one thing.

"However, it takes perseverance and patience to implement a new way of working as well as continuous performance measurement. This is a completely new process for an organization."

The next step

An obvious next step already underway is to continuously review the scorecards during 2004 in light of the 2005 vision.

"For the process to fully succeed, strategies and scorecards must be reviewed on an ongoing basis. This process involves both the National Social

"The Prodacapo system provides a highly visual and graphical presentation of the scorecard that makes it easy to review and digest the information."

LENNART LUNDBERG,
THE NATIONAL SOCIAL INSURANCE BOARD

Insurance Board as well as the regional office organizations."

The organization also intends to find additional uses for the Balanced Scorecards, which are currently mainly used at managerial and mid-management levels.

"We've discussed the possibility of establishing scorecards at local levels within the regional insurance organizations to achieve concrete relevance for individual offices and the individual administrator", says Lundberg.

"For 2005 we are also considering adding action plans to the system, which would create visibility for all joint action plans. Even individual insurance office organizations could incorporate and manage their action plans in this fashion."

Concludes Lundberg, "Prodacapo's knowledge and support adds to our confidence in evolving our way of working and the way we manage Balanced Scorecards in the future."



Headquarters Prodacapo AB, Barnhusgatan 4, SE-111 23 Stockholm, Sweden
Web www.prodacapo.com **Telephone** +46-8-622 25 00 **E-mail** prodacapo@prodacapo.com
To find your local Prodacapo representative please visit www.prodacapo.com/partner