

# **Some things are better left said.....**

**Articulating the cost and benefits of  
DCM**

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## Beware of Accountants!



Often Practitioners are not confident with figures and finance

Financial Learning has not been part of professional education

Many DCM projects struggle to be financed

Different language between 'care' and 'money'

**When you say “ DCM is a great tool, I want to run a DCM project” .....**

**Your Manager says.....**

How much will it cost ?

What do I get for the money?

**You need to be clear about your costs  
and your benefits.....**

So how can you articulate this?

Some things are intangible aren't they?

Its just too difficult to measure that kind of  
thing isn't it?



UNIVERSITY OF  
**BRADFORD**  
MAKING KNOWLEDGE WORK

Bradford Dementia Group

OH NO IT  
ISN'T!!!

*International DCM Implementation Group (IDIG)  
Sub team – what is an effective way  
to do a cost benefit analysis*

- Background
- What we have done so far
- What next
- Some of what we have learned / observed

## Associations ....



To do cost benefit analysis you need to ....

Define your current state of operations

*and to define your current state you  
need a dashboard which we call...*

## DEFINITION of Balanced Scorecard

*(taken from “Translating Strategy into action- The Balanced Scorecard” by Robert S. Kaplan and David P. Norton; Harvard Business School Press)*

**The Balanced Scorecard should translate a business unit’s mission and strategy into tangible objectives and measures.**

**The measures represent the balance between external measures for shareholders (or stakeholders/taxpayers) and customers and internal measures of critical business processes, innovation, and learning and growth.**



**YOUR DASHBOARD!**

## Balanced Scorecard Definition continued...

The measures are balanced between the outcome measures: results from past efforts – and the measures that drive future performance.

The scorecard is balanced between objective, easily quantified outcome measures and subjective, somewhat judgmental performance drivers of the outcome measures

**You just need 4 numbers!**

To start a balanced scorecard

They are:

1. Customer satisfaction
2. Financial performance / “Value for money”
3. Operational excellence
4. Organization

## 1. Customer satisfaction...

- DCM ME values OR
- Surveys with families OR
- Surveys with your 'direct customers'

## 2. Organization

- Employee satisfaction
- Employee turnover

### 3. Financial Performance

- Your “Cost to serve” (\$ / person/ day to run your operations)

### 4. Operational Excellence

- Government survey of standards or
- DCM occupational diversity or
- Certification of best practice / star ratings

## Example: New Horizons Tampines Center Singapore ‘current state’

- |  |                |
|--|----------------|
| 1. Customer satisfaction                     | None in place  |
| 2. Financial performance / “Value for money” | Not sure       |
| 3. Operational excellence                    | 80% Gov survey |
| 4. Organization / employee satisfaction      | None in place  |

## Where do we want to be ...

1. **Customer satisfaction**
2. **Financial performance**
3. **Operational excellence**
4. **Organization**

**DCM ME values & surveys**

**Cost to serve**

80% on Gov survey & **DCM**  
**occupational diversity**

**Employee satisfaction**

## STEP 1 – Cost to SERVE

How much money per ‘customer’ per day does it take to run your health care facility

You need to know ...

1. Annual operating cost
2. Rolling 3 month average of customers served / day
3. Total days open

## Calculation

1. Total **annual operating** cost was SG\$616,000/yr
2. Rolling 3 month average of **customers served** / day = 46.5
3. Total **days open** = 52 weeks x 5 days = 260days
4.  $\$616,000 / 260 = \$2369 / 46.5 =$

**SG \$51 per person per day OR in GBP 22**

## STEP 2 – Cost to IMPLEMENT

1. What's included in the project
2. Cost assumptions
3. Cost to implement vs. Cost to serve!

## Example: New Horizons Tampines Center Singapore what's included and cost assumptions

1. PCC Philosophy of care & DCM practice
2. Balanced scorecard “our dashboard”
3. DCM Basic training (SG\$1387/person)
4. 13 maps in first year – 4 maps /yr on going (\$12/hr back up cost)

TRAINING  
CHANGE WORK PROCESS  
TIME TO MAP / DO ANALYSIS

# New Horizons Tampines Center Singapore

Shows expected costs – actual implementation has not been done

	<b>1<sup>st</sup> year Start up</b>	<b>On Going</b>
Overall cost (SGD)	\$12, 675	\$2496
Cost / day	\$49	\$10
Cost / client / day	\$1.06 (0.45 GBP)	\$0.22 (0.09 GBP)
<b>% of COST TO SERVE (\$51)</b>	<b>2%</b>	<b>0.4%</b>

# New Horizons Tampines Center Singapore

- **BENEFITS / reasons for support**
  1. **PCC / DCM supports the Vision Mission of the ADA** and care centers to improve quality care for people with dementia and provide support to families
  2. There is a need to have a more **"measurable" way to think about and improve quality care and best practices** - PCC and DCM can help do this and the scorecard can aid in tracking against targets
  3. **Achieve increased family, customer and employee satisfaction** (once baseline measures are in place improvements can be tracked via the scorecard)

## Implement and begin your tracking and improvement cycle ..



**Make adjustments**

**1. Implement project and measures**

**2. Plan future targets to improve results**



**Check results**



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