

## Business Effectiveness

- ❖ Is our business effective?
- ❖ Are we achieving business effectiveness?
- ❖ What affects personal effectiveness?

### Is our business effective?

The first stage is to determine what the commercial aims of the organisation are. This can be done by interviewing a selection of managers and aggregating their views. The opinions expressed by the managers will also indicate the extent to which they feel they are engaged with the key performance indicators of the business.

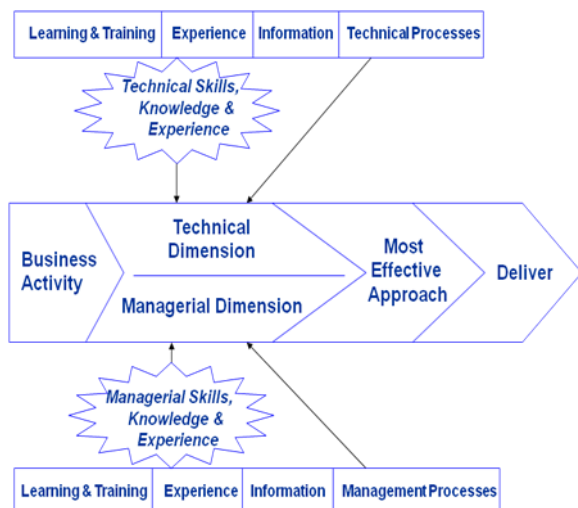


### Are we achieving business effectiveness?

Business effectiveness is affected by the individual inputs of all the people within the organisation. This will be a combination of technical competence (skill) and management competence (ability to influence).

**Effective outcome = technical competence x management competence**

Therefore, if a key management skill is low the outcome will be low - resulting in the organisation operating at less than optimum level.



Like technical skills, management skills need to be developed through coaching, training and/or mentoring. Where managers are simply 'left to

manage' there are likely to be gaps in their knowledge and experience. With the development of management competence the outcomes achieved by each unit are improved and make a significant impact on the overall effectiveness of the organisation.

### What affects personal effectiveness?

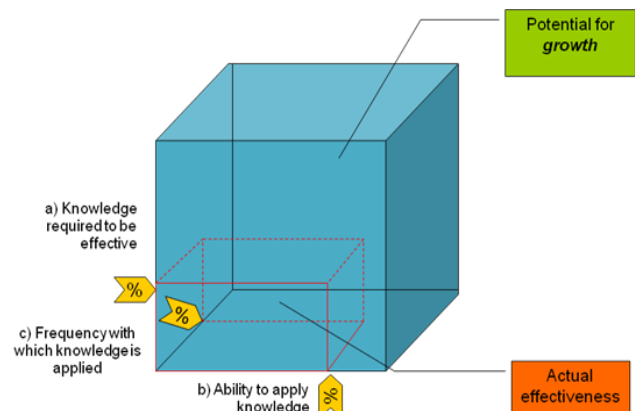
As a unit's effectiveness is dependent on the competence of both the leader and those within that leader's team, personal effectiveness is critical from the top down.

This involves:

- ❖ Having knowledge
- ❖ Applying that knowledge
- ❖ The frequency of applying knowledge (i.e. how often do we put into practice what we know?).

The interaction of the three key components leverages competence and, consequently, effectiveness.

### Effectiveness - 'a volume'



For example if a manager has 50% of the knowledge about a subject, with an ability of 50% to apply that knowledge and puts this into practice on 50% of the possible occasions, then that manager's overall effectiveness is  $50\% \times 50\% \times 50\% = 12.5\%$ .

This leaves 87.5% available to 'grow into'. This shows the size of opportunity for development – one that is much bigger than is usually realised.

### So what next?

- ❖ Could this be applicable to your company or enterprise?
- ❖ Could a discussion about assessing effectiveness help?
- ❖ Would you like more information?

*If so please contact us.*