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How is Your Business Performing?

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There are certain factors that are common to high performing businesses of any size. These "critical success factors" drive market and financial performance. Because they are all so vital to the success of the business, a poor performance in one area can have a significant influence on the overall performance of the business. How is your business performing in the following areas?



Leadership- Leaders effectively manage the business and its employees from a number of perspectives. The leader or leaders set the tone in any organization. Skillful leaders facilitate the setting of organizational values, the vision of the business, a winning business plan and strategy. Values influence the day to day behavior of employees. Communicating the business strategy or overall game plan to employees is vital. Leaders successfully manage the execution of the business strategy and achievement of its business objectives. Communicating how the business is performing and what improvement actions are required is another critical management function. Leaders encourage and empower employees to provide candid feedback and be actively involved in business improvement activities.

Employees- A number of components are present in a high achieving workforce. The right people in the right jobs are critical. Compensation is based on levels of responsibilities, and contributions to the success of the business. When employees understand how their jobs relate to the company business strategy and customer value proposition, their job performance will be improved. Training, development, education and other resources are provided so employees can successfully carry out their jobs. Performance appraisals and other feedback methods are candid and timely to ensure that job performance will be improved as required. Appropriate rewards and recognition based on job performance are other significant elements. Management makes ongoing assessments of employee satisfaction, with improvements implemented as required.

Business strategy and customer value proposition- A very competitive and successful business does the right things, meaning that the organization has a winning game plan or strategy. The heart of the business strategy is a champion customer value proposition. The company, to grow and prosper, provides products or services that satisfy customers' needs better than its competitors. A growth strategy will provide a

game plan of what markets or market segments the company will serve, what products will be offered and address how they will achieve this. Strategy is in place for containing and/or reducing the overall cost of doing business. As many employees as possible are involved in the business planning and strategy development process, since they will be executing the strategy. This planning involvement enhances employee commitment.

Business processes- Processes that shape and produce the customer value proposition include: analyzing markets, competitors and customers, strategy development, designing products and services, marketing, selling, purchasing, producing services or products, and customer service. The businesses that are highly effective, doing the right things in all of these processes, will have a champion customer value proposition and a strong competitive position. A profitable business must also be efficient or do things right. If the business is not efficient, the cost of producing products or services and overall cost of doing business will erode profit, cash flow and the value of the business. Business support processes are effective and efficient in a well running business.

Culture and execution- A high performing business has a work environment or internal climate characteristics that encourage and help employees and teams achieve business objectives. Communications within the organization are very robust and travel up, down and across the organization. The environment provides for a team orientation where employees work together and collaborate to achieve its strategy and objectives. Accountability throughout the business is essential. A well-designed organization wide business performance measurement system is present. Frequent and candid assessments of how the organization is performing and executing are made and communicated. Appreciation given for a job well done is a key motivator. Rewards in a number of forms are provided to employees and teams for high performance and achieving business objectives. Every day the winning organization outperforms its competitors.

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