

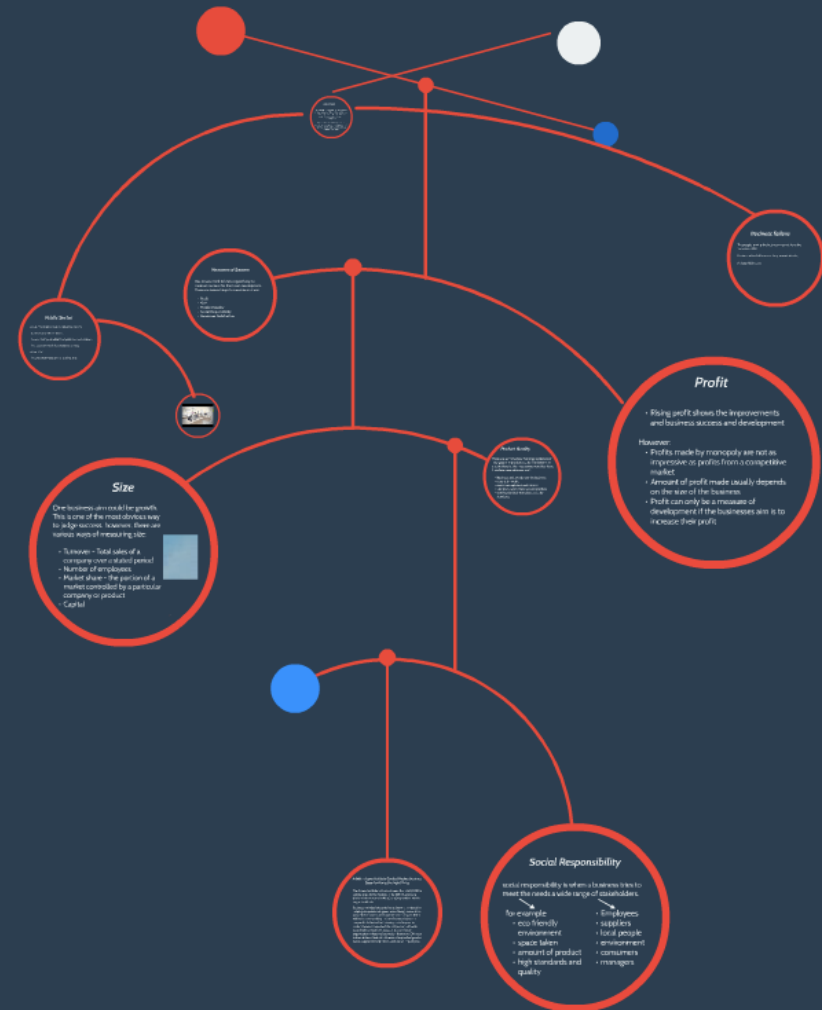
# Judging Success



## Chapter 14 SdP

L.O.:  
How do business measure the success?

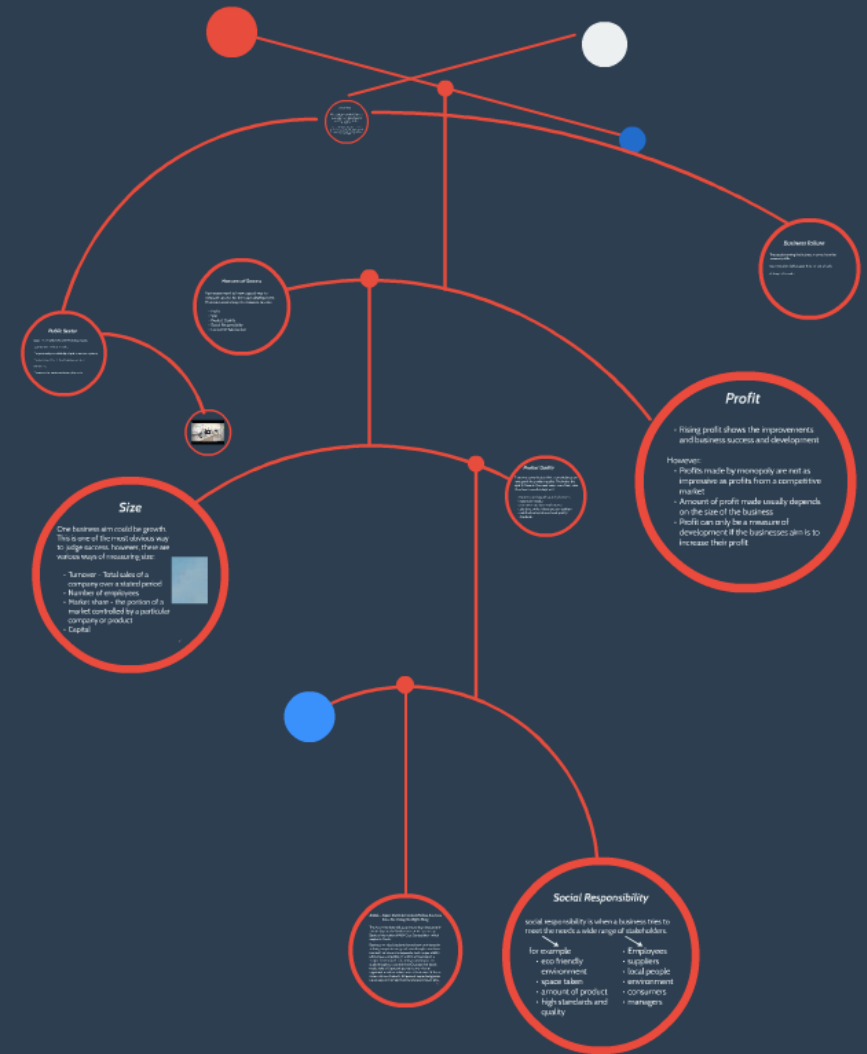
- Private sector
- Public sector



# Judging Success



## Chapter 14 SdP



L.O.:

How do business measure the success?

- Private sector
- Public sector

## *Measures of Success*

Businesses need to know a good way to measure success for their own development. There are several ways to measure success:

- Profit
- Size
- Product Quality
- Social Responsibility
- Consumer Satisfaction

# *Profit*

- Rising profit shows the improvements and business success and development

However:

- Profits made by monopoly are not as impressive as profits from a competitive market
- Amount of profit made usually depends on the size of the business
- Profit can only be a measure of development if the businesses aim is to increase their profit

### *Article - Sales of Ant & Dec and Poirot help boost ITV profits*



ITV's latest figures show profit before tax for the whole year rose 27% to £581m, as income at its studio production arm rose by one fifth. The group promised shareholders a special dividend for the second year in a row.

ITV Chief Executive Adam Crozier said:  
"Onscreen we've had our best year on year performance for ten years."

But shares fell more than 2% on fears they are now overvalued. The shares have gained 73% in the last year.

"The investment we have made in content has driven significant revenue and profit growth in ITV Studios"

"Over the last four years the group has increased profits by more than 10% each year."

# Size

One business aim could be growth. This is one of the most obvious way to judge success. however, there are various ways of measuring size:

- Turnover - Total sales of a company over a stated period
- Number of employees
- Market share - the portion of a market controlled by a particular company or product
- Capital



*Article - Lloyds bank group pledges to employ more women*

Lloyds Banking Group says it will ensure that 40% of its 5,000 senior workforce is made up of women within the next six years, up from 28% now.



Lloyds are announcing many goals for them, including a commitment to lend more to small and medium sized businesses, in what it calls an attempt to rebuild trust in the banking industry. this is to not only get a better connection, but to also allow there business size to expand, helping with development within there business.

## ***Product Quality***

There are some factors that show evidence on how good the product quality. The better the quality there is, the most consumers they have, therefore more development:

- Business and awards won by business
- reports by media
- consumer opinions and surveys
- sale levels when there are competition
- certification by international quality standards



### *Article - Coca-Cola Nigeria May Face Sanctions For Product Quality Complaints*

Coca-Cola Nigeria Limited and its licensed bottling firm, Nigerian Bottling Company (NBC) may be sanctioned by the Consumer Protection Council (CPC) due to complaints on the quality of the products sold to consumers.

The complaints involved separate cases of half-empty cans of sprite, a product manufactured by NBC under the license of Coca Cola.

'NBC did not have a detailed, written shelf life policy with regards to expired goods and its grievance resolution policy was not inclusive of cases where the consumer suffers physical injury as a result of consumption, or compensation in the case where there would be inadequate replacement'.

NBC's supply chain management also excluded retailers who a large number of Nigerian consumers buy their products from and the company's traceability policy did not meritoriously address the purpose because the company basically relies on information on where the product can be purchased.

Future complaints and sanctions such as these can see the company lose a large market share, with competitors such as Pepsi lurking closely behind.

# ***Social Responsibility***

social responsibility is when a business tries to meet the needs a wide range of stakeholders.

for example

- eco friendly environment
- space taken
- amount of product
- high standards and quality

- Employees
- suppliers
- local people
- environment
- consumers
- managers

## ***Article - Aspen Institute Contest Pushes Business Case For Doing the Right Thing***

The Aspen Institute will award more than \$30,000 in scholarships to the finalists in its 2014 Business & Society International MBA Case Competition, which begins in March.

Business-minded students have shown an interest in helping companies do good, even though some have worried that careers in corporate social responsibility will be less compelling. In a 2013 annual report, a nonprofit dedicated to fostering social impact in student leaders, reported that 83 percent of locals would take a 15 percent pay cut to work for an organization whose values match their own. Of those values-driven students, 32 percent requested greater career support to help them land social-impact jobs.





## *Consumer Satisfaction*

Businesses can look at the consumers needs and wants and if they have been achieved. The more achievement and good service they have, they usually have many loyal customers. they can improve consumer satisfaction by:

- getting feedback from customers
- monitor consumer complaints
- find ways to improve (even the smallest things)

## ***Article- Airline customer satisfaction highest since 2006***

Passenger satisfaction on airlines has risen to its highest level since 2006.

Overall satisfaction improved to 695 on a 1,000-point scale, a 14-point increase from 2012. Low-cost carriers continued to outperform traditional carriers, improving to 755, one point higher than in 2012. However traditional carriers made the biggest gains, improving to 663, 16 points higher than last year.

The study measured passenger satisfaction with North America airline carriers based on performance in seven factors, which in order of importance, are cost and fees, in-flight services, boarding, deplaning and baggage, flight crew, aircraft, check-in and reservations.



## *Conclusion*

When looking at these points, it's important to understand that finding the right balance between them is the best, quickest and most effective way for a business development.

This can also depend on the businesses goals however, in general development and improvement, the balance between these points are important.

# ***Public Sector***

## QUALITY OF SERVICE AND REDUCING COSTS:

Examination results in schools;

The punctuality and reliability of public transport systems;

The response time of the emergency services;

crime rates;

The amount of waste sent to recycling units.





# ***Business failure***

The people running the business may not have the necessary skills;

Business often fail because they run out of cash;

A sharp fall in sales.