

To find out if you could reduce any unnecessary business costs complete the questionnaire below:

1. Do you have the right people in the right jobs?
2. Do you know what skills you will need to meet future business demands?
3. Do your people have all the skills they will need to meet future business demands?
4. Do you have the right leadership and management skills to take your business forward?
5. Does everyone in your business contribute to their very best?
6. Do your managers get the very best from the people that work for them?
7. Do your people work together in highly performing teams?
8. Does your business always make the best possible decisions at the right time?
9. Do your people feel valued and able to contribute honestly and openly to the success of the business?
10. Do you manage conflict to benefit the business?
11. Do your meetings run effectively?
12. Do your people communicate effectively with each other?
13. Do all the people in your business understand the business' aims and vision?
14. Do you understand and eliminate the unnecessary causes of sickness absence (benchmark is 3% per annum)?
15. Do you keep hold of talented people?

Results

Every business (no matter how large or small) needs to reduce unnecessary costs in order to leverage profits. However, most unnecessary costs are hidden and go undetected by businesses.

If you responded 'no' to any of the items in the questionnaire, you may be suffering from the following hidden costs to your business

- **Sickness absence & Stress** - it is estimated that £1.4m a day is lost to UK business due to unnecessary sickness absence. This adds up to a startling 6.5million sick days per year. (HSE)
- **Staff turnover** – The cost of losing employees can be anywhere between 30-150% of their annual salary. It is estimated that the average cost of an employee leaving is £3,933 this increases to £6,000 for managerial grades and it takes on average 11 weeks to replace a worker.
- **Conflict** - the average manager spends an astounding 30% of their time dealing with conflict. However, conflict situations typically involve more than just the manager. They also involve a minimum of 2 conflicted parties and typically a senior or HR manager to arbitrate! (2002)
- **Miscommunications & misunderstandings** – This is often the precursor to conflict and a breakdown in team working. Even simple misunderstandings over one word can have profound effects on business results. For example Compaq is considering changing the command "Press Any Key" to "Press Return Key" because of the flood of calls asking where the "Any" key is.
- **Poor teamworking** – There is substantial evidence to suggest that productivity increases when teams work well together and feel supported by the organisation. In addition, it has been found that both absenteeism and staff turnover are up to three times higher when there is poor team cohesion and support and that teams that do have higher levels of cohesion are more likely to raise their standards about what can be achieved.
- **Mistakes** – It doesn't take a rocket scientist to work out that mistakes cost any business money, but what most businesses neglect to capitalise on is that mistakes can also create important chances for learning. What happens when a mistake is made in your business, can you create an opportunity from it? Is the learning shared and celebrated? Does it improve performance?