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## Critical Success Factors

As a business owner, the sheer number of tasks you need to perform makes it essential that you establish and focus on the critical success factors! The breadth of your responsibilities can make it exceptionally difficult to know what to focus on, what to delegate, and what to ignore!

With so many competing demands, you can easily end up spending time and resources focusing on 'non-essential activities' that waste resources, leads to suboptimal outcomes and exposes you to much greater risk.

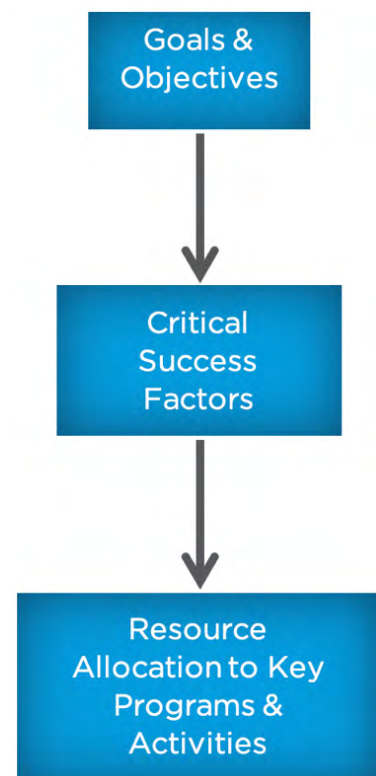
To maximise success, you must establish what the critical success factors are for your business and make them a 'non-negotiable' part of your focus and daily activities.

### The Critical Success Factors Model

The critical success factors are those activities or factors in a business that are essential for ensuring success.

John Rockart popularised the concept of Critical Success Factors in 1979. The model helps businesses focus on:

- What it must achieve (the few areas where favourable results are essential to achieving its goals)
- How it will achieve its goals (the allocation of resources to the critical success factors)



It's a tool used for both strategy development and strategy execution.

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## How the Model Works

The model works by examining five key areas critical to success in business. These are the:

1. Competitive strategy and position adopted by the business (the overarching goals and objectives of the business)
2. Needs of the particular business unit(s) and the managerial functions that must be performed (their goals and objectives)
3. Environmental factors that impact on the overarching business, individual business units (where applicable) and managers
4. Industry factors that impact on the overarching business, individual business units (where applicable) and managers
5. Other factors that may impact on the business, individual business units (where applicable) and managers, at any point in time

## What Needs to be Analysed?

The Critical Success Factors analysis should be undertaken for the macro business environment, industry and market in which the business operates.

Examining these factors is a key aspect of building the understanding needed for effective strategy formation (identifying the few factors critical to how you will go about achieving your goals and objectives).



Of all the factors that impact your business, it's essential to identify those few that are critical to the attainment of the business's goals and objectives (those where favourable results are essential to success).

Once these factors are identified they drive the focus of the business and where it allocates its resources.

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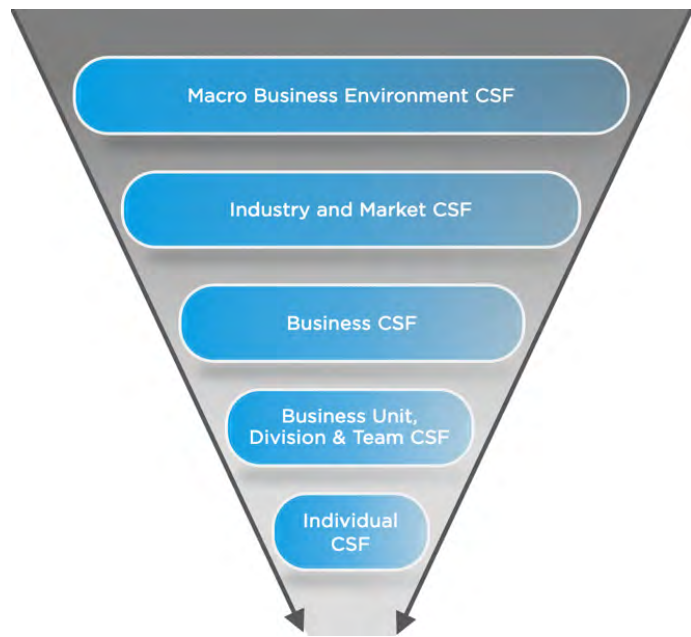
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## Embedding Critical Success Factors into Your Business

Once incorporated into the Business Strategy, the Critical Success Factors must then cascade throughout all business units, departments, teams and key roles.

It's essential that everyone in the business understands where to focus both in terms of the key activities to be undertaken and where resources should be allocated.

When embedded throughout all levels of the business they drive the actions needed to effectively execute the Business Strategy.



## Making the Model Work for You

As with any tool, its effectiveness depends on the understanding and the level of competency with which it is used. In this case:

1. How appropriately the critical success factors are selected (focusing on factors that are not critical, diverts resources and leads you away from where you want to be)
2. Limiting the number of critical success factors to ensure sufficient focus (making clear choices to avoid drift)
3. Monitoring and updating the Critical Success Factors as circumstances change (so that you deal with any temporal factors and remain on target)
4. Selecting appropriate performance measures and tracking the progress of the Critical Success Factors (to ensure you do what you set out to do)



If you want help to identify the Critical Success Factors for your business and to narrow your focus to where it counts most, give the team at [Fortitude Business Consulting](#) a call today on [1300 551 040](tel:1300551040).

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