

# Redefining business success in a changing world

## Measuring success

*A snapshot of  
major findings*

The old adage of ‘if you can’t measure it, you can’t manage it’ has never been truer. However, today’s CEOs have to measure, communicate and lead effectively in order to manage well.

Nearly half of Australia’s CEOs say business should be doing more to measure the impact and value of key risks, and 43% say the measurement of innovation needs greater attention.

And while the government’s focus on innovation is exciting, it’s clearly a challenge for business – both in how they go about shifting to become a more innovative organisation, but how they go about measuring innovation as well.

Risk is another area where CEOs say they need to better measure – and it makes sense that there’s room for improvement in both risk and innovation. Companies need to understand their risk appetite to understand how serious they can and will be about innovating.

Most organisations openly acknowledge they need to do more when it comes to innovation, but often focus on items that give good lip service and positive PR, such as hiring people and creating ‘innovation labs’. These, however, are add-ons and commonly not core to the business. As such, it’s hard for businesses to identify and establish hard metrics for these innovation investments.

More than  $\frac{3}{4}$  of Australia’s CEOs say their company reports on both financial and non-financial matters. In five years time, nearly 8/10 believe the most successful businesses will be doing this and that in the 21st Century, business success will be defined by much more than financial profit.

## Key growth figures

The top 3 areas that CEOs think business should be doing more to measure impact for wider stakeholders are:

|                   |     |
|-------------------|-----|
| Key risks         | 47% |
| Innovation        | 43% |
| Business strategy | 39% |



Australian CEOs believe the areas that business should be doing more to communicate value for wider stakeholders are:

**53%**  
Business strategy

**53%**  
Organisational purpose and values

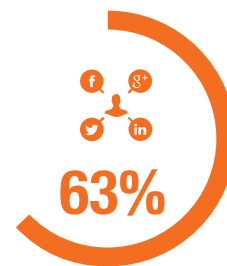
**43%**  
Non-financial indicators i.e. brand

**39%**  
Innovation

The Top 3 technologies that will generate the greatest return are:



Data and analytics



Social media



CRM systems

# CEO perspectives on measuring success

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*We don't have to make trade-offs in the way we run our business, and the reason is because we've sold people on the vision... Supporters understand that changing consumer behavior is something that takes time, but the value of that end game is really, really big.”*

Tim Fung, Co-Founder,  
& CEO Airtasker



“

*The obvious way of measuring success is profit, but that's a very narrow definition of success. We look at success at Mirvac through all of our stakeholders.”*

Susan Lloyd-Hurwitz,  
CEO & Managing Director,  
Mircvac



“

*For me the true measure of success is whether we're actually learning, and are we constantly growing as a company... a learning organisation is not just satisfying for your people which – are ultimately your most important asset - but it actually means that you're iteratively developing and creating things all the time.”*

Nicole Sheffield, CEO,  
NewsLifeMedia



“

*When we measure success at Wesfarmers, we look at financial performance: our profits, our cash flows, our return on capital, the dividends we pay to shareholders. But at the end of the day, the most important measure for me is our reputation.”*

Richard Goyder, Managing  
Director, Wesfarmers





## Questions CEOs should be asking about measuring and communicating success



Have you worked out what's important to measure in your organisation to reflect what you're in business to achieve?

How are you ensuring that your business is communicating the information your customers, staff and other stakeholders are seeking?

Are there valuable intangibles you haven't found a way to measure yet which you think you should measure? And are there things you think you shouldn't be measuring at all?

For a deeper conversation,  
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