

BusinessPlus+ Newsletter



CBSW
TAX & BUSINESS ADVISORS

Level 2, 49 Oxford Close
West Leederville WA 6007
PO Box 1475, West Leederville WA 6901
T: +61 8 9363 7300
E: admin@cbswtax.com.au
W: cbswtax.com.au

INDEX

Practical Financial Lessons for Business Owners.....	1
Harnessing the Power Of Purpose.....	7
The Circle of Influence Model and Business.....	11

Issue – December 2023

Researched & Compiled by Lyall Bear – Business & Family Business Advisor

Practical Financial Lessons for Business Owners

Financial statements and management accounts are fundamental tools for business owners and managers to make informed decisions, evaluate performance, allocate budgets, and navigate the complexities of business management. Yet many business owners and managers have only a superficial understanding of finances and make decisions based on a limited understanding or limited information.

There are several common issues that business owners and managers need to be mindful of, when looking at their business fundamentals, as outlined below.

Strategy

Critical Questions Your Strategy Should Answer



What business or businesses should your company be in?



How should you add value to your businesses?



Who should be the target customers for your businesses?



What should be your value propositions to those target customers?

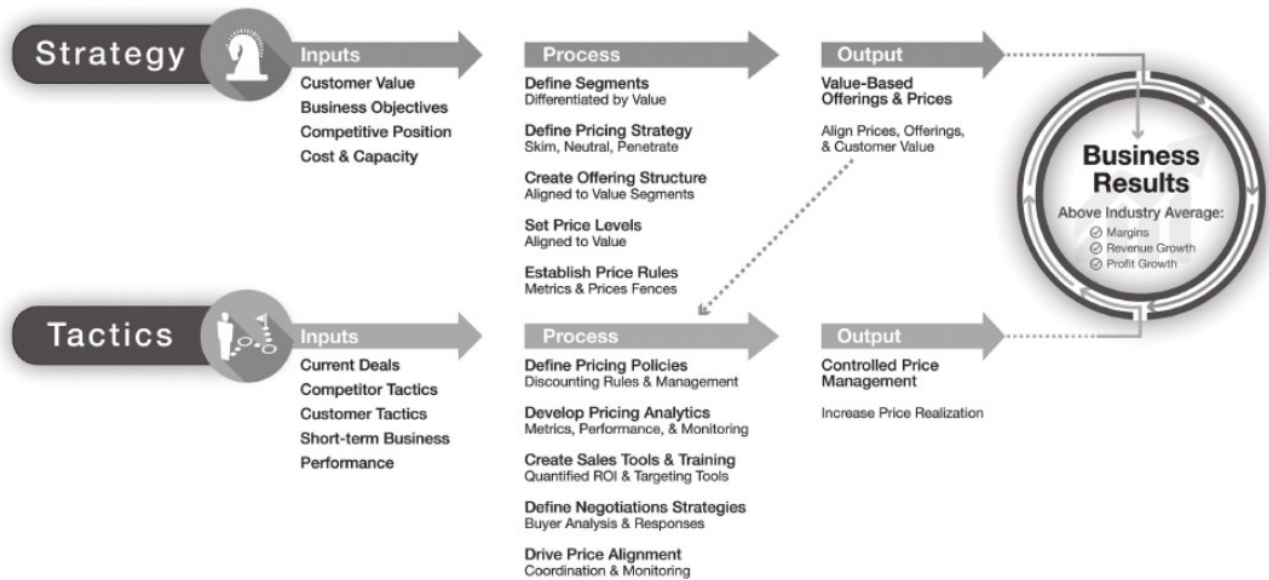
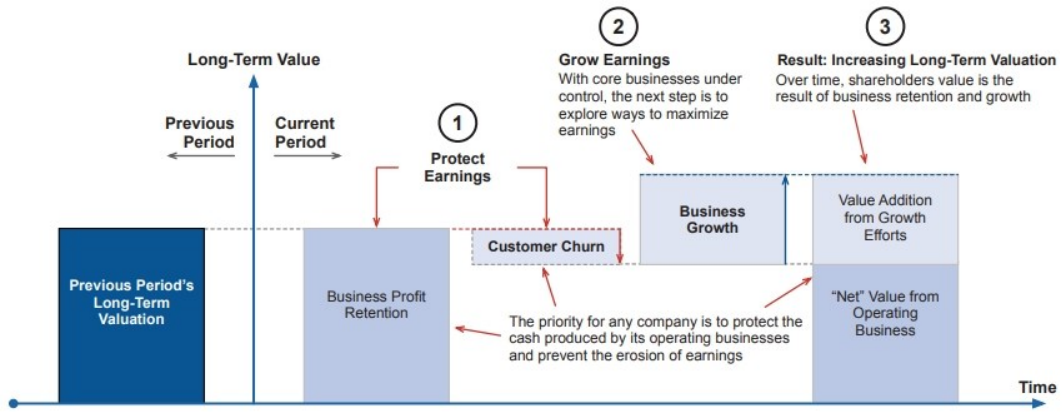


What capabilities should differentiate your ability to add value to your businesses and deliver their value propositions?

Building Business Value

Most owners and managers have a good understanding of profit and loss, however, are less clear about whether they are building business value. What is the relationship between the profit and loss and the balance sheet and where is the value of the business reflected in the financial statements?

Understanding how to build ongoing business value will positively impact your business.



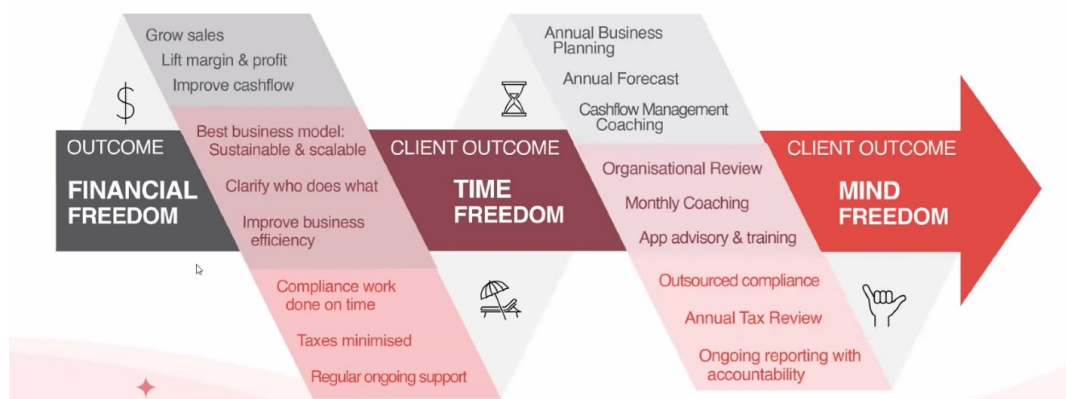
Cash is King



Most people have heard the statement, “Cash is King”, but many owners don’t operate their business to align with this statement. **The key is for business owners and managers to understand the relationship between profit and loss, cash, and business value.** Understanding the levels of cash tied up in the business, cash required for growth, and how much free cash flow the business is generating is really important.

What Type Of Business are you running?

The Three Freedoms



Are you achieving the freedoms you should be striving for in operating your business, as detailed in the diagram above?

Is business success based more on fixed cost improvement or variable cost control? Owners and managers often do not fully **understand the key drivers of profitability** or are focusing on costs in the wrong area for limited return or in some cases creating a detrimental effect. Being clear on your business model is an important first step in the process.

Indirect vs Direct Costs

Often internally generated financial reports have the incorrect allocation of expenses or revenue. Expenses that should be included in direct costs are allocated to indirect costs **meaning the gross profit margin (a key business indicator & benchmark)** is inaccurate. Similarly, revenue or expenses aren't allocated to the correct time period (month or year), which may be perceived to aid taxation, but distorts the ongoing correct profitability story. Fixing these items is generally a straightforward process that provides significant rewards year-in-year-out.

Matching Expenses and Overheads to Income

$$R - E = P$$

R = Revenues (or sales)

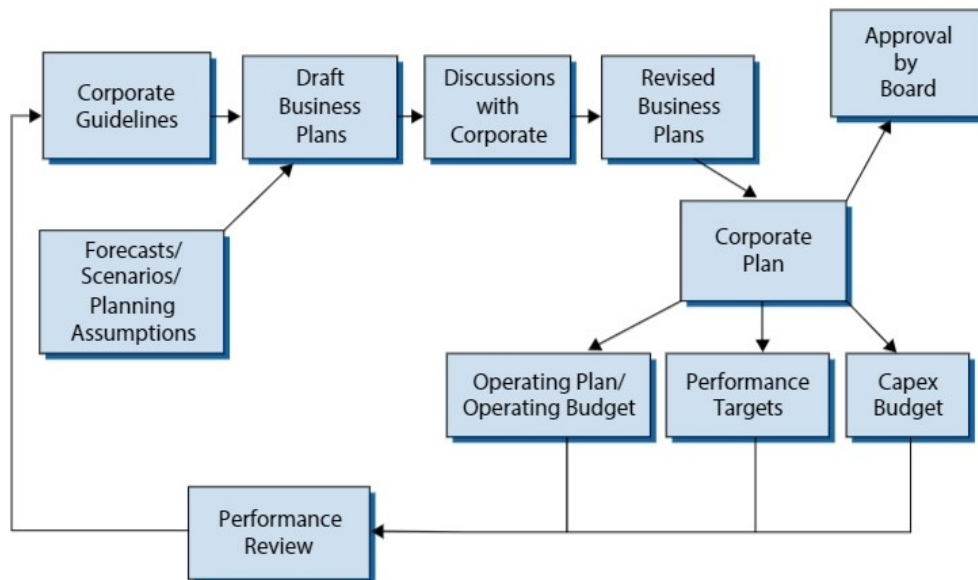
E = Expenditures (or costs)

P = Profit (or the bottom line)

By including an additional dollar of sales to the business, the top line increases (gross sales), but unless expenditures are less than the amount of the sale, the contribution to the profit line will be zero or less (i.e., a negative or loss). However, by reducing expenditures by a dollar (all other things being equal), the reduction will fall directly to the bottom line and increase profits on a dollar-by-dollar basis. Accordingly, small business success is dependent on the small business owner acquiring only quality sales from quality customers (i.e., those sales that contribute a desired profit to the bottom line) and maintaining costs at a minimum. Of course, the small business owner must be aware of the costs and related pricing structure for each of the company's products and services and customers.

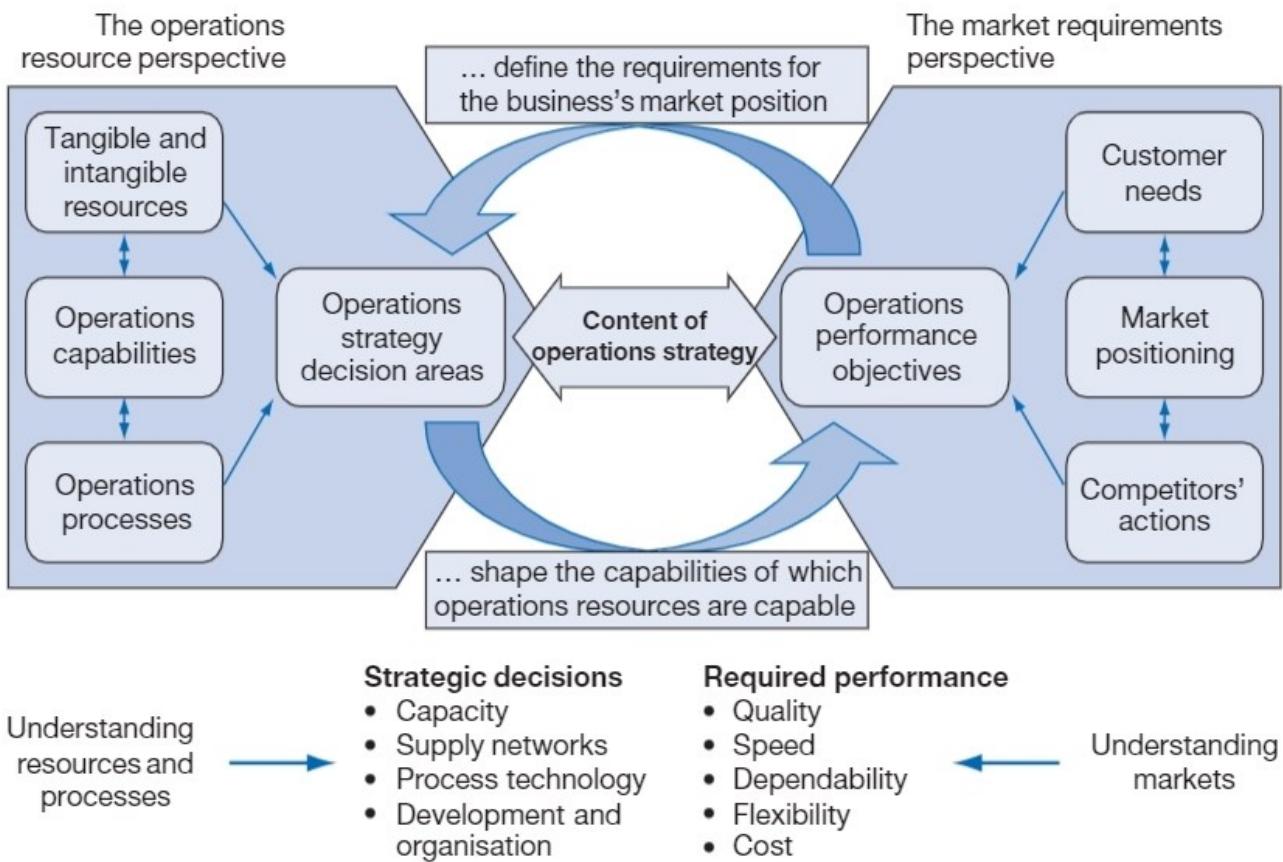
This is particularly important in job or project-based businesses where a key driver of success is job costing. Sadly, some standard small business accounting platforms are limited in their job-costing capability without add-ons. Whether it is by using spreadsheets or additional job costing tools, it is essential for business owners and managers to understand the profitability of individual projects or product and service lines. There are many good accounting package options available to make job/project costing easy to implement and track.

No Budgets or Forecasts



Many businesses operate without any kind of budget or forecast, effectively flying blind and having no measure of success. **Budgeting is a reasonably simple process for established businesses.** Historical numbers provide a level of understanding and a base for future budgets or forecasts. The key is taking time to define a budget and forecast and then review it on a regular basis (at least monthly).

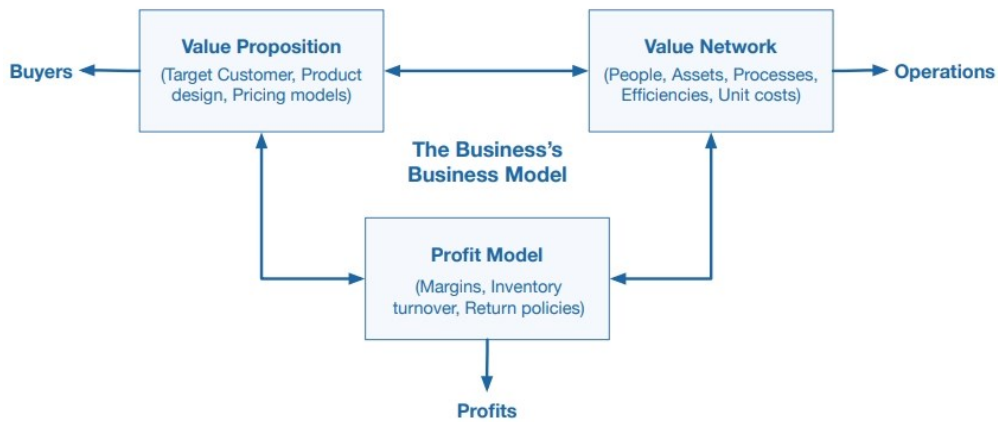
Competing Internal Priorities



Sometimes in a business, there is limited recognition of how decisions that benefit one area are detrimental to other areas. It's the classic Sales fighting with Production or Accounts due to competing priorities or terms of trade. Giving away discounts, offering late payment terms or over-promising delivery timeframes, all of which affect the profitability and cash in the business moving forward. **Alignment between business divisions and objectives needs to be addressed, so that the company can succeed as one.**

Aligning Leadership with an Agreed Operating Model

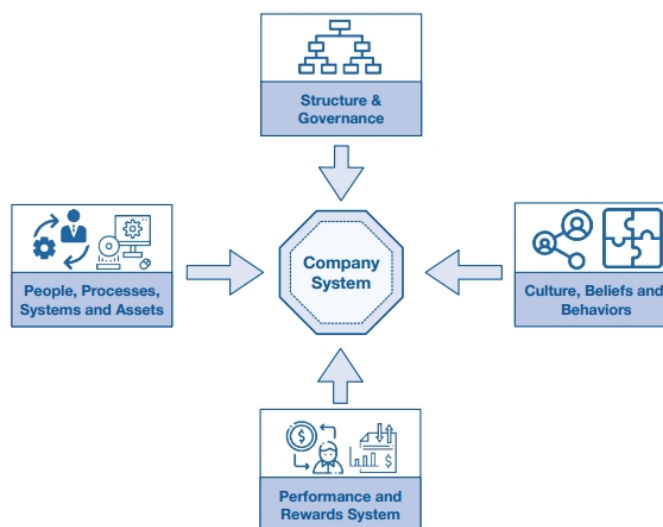
It isn't uncommon to find that the apparent accord around a strategy is but a thin veneer, and below the surface there is a morass of conflicting assumptions. **Yet there are real ways to deal with this issue, not least of which is the development of an agreed business model and getting the leaders aligned on an operating model.**



While the business model stage is essential, it is not sufficient. **Leaders can only truly be aligned when they have a common and agreed concept of the operating model.** If the business model gives you the bricks to the house, then the operating model gives you the plumbing and electrical works. Without the operating model you can have an elegant looking but non-functional home.

The operating model determines how you build real-value streams that practically deliver customer value. This means understanding:

- Which functions are necessary.
- Which parts of a value stream do they deliver.
- Where the functions are located.
- How they are organised into structures.
- Which policy principles they should adhere to.
- What roles exist within those functions.
- Which processes go across functions.
- What technologies make it all work optimally.



The Business Operating Model's Key Components

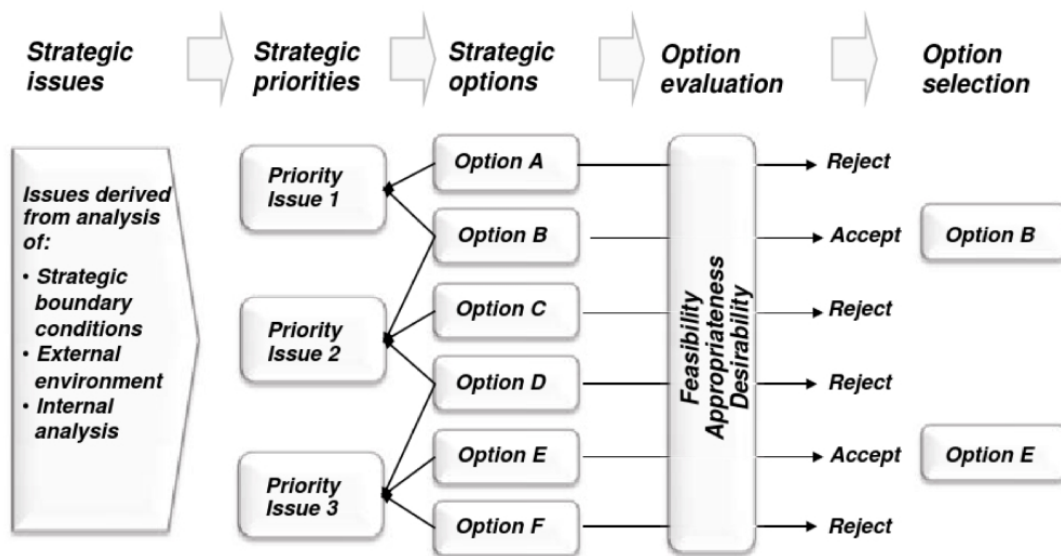
It is the operating model that staff really see and work with, for it defines the jobs they do, where they work, the technologies they use, and even to whom they report. The operating model takes strategy out of the cloud and brings it to life.

The best way to get alignment is to be in a room together nutting it out with a skilled facilitator: start with strategy, move to the business model and finish on the operating model.

An agreed operating model can be the difference between an aligned leadership team and a fumbled execution of strategy. Having a hypothetical operating model prepared in advance, which can be rejected or changed, can speed up the process. Leaders are busy, but they should never be too busy to work out where they are going.



Execution of Strategy



The real execution of a strategy must address the strategy itself, which outlines where to compete and how to win; and the business model, which addresses the basic building blocks of how the strategy is delivered. Osterwalder and Pigneur (2010) describe the business model as a blueprint for strategy, which means, at a minimum, describing your intentions around:

Which Customer Segments You Will Target:

- What value propositions will attract those customers.
- Through which channels you will make your offer and service those customers.
- How the customer relationships will be maintained (e.g., through great products, great service, low cost).
- What resources are required to deliver on your promises.
- What activities will these resources, at a very high level, perform; and
- Which outsourced business partnerships are needed to ensure you can successfully deliver a great customer experience.

It might sound like common sense so far, yet frequently leaders don't have a consistent view of these critical elements. Furthermore, most of the time the business model is still very conceptual, and it is hard to execute on all the elements.

IDEA IN BRIEF

THE PROBLEM

Despite its sudden elevation in corporate life, "purpose" remains a confusing concept. Finding the right one involves identifying an authentic and motivating basis for alignment among key stakeholder groups.

WHY IT EXISTS

Purpose is used in three distinct senses: competence, as in "the function that our product serves"; culture, as in "the intent with which we run our business"; and cause, as in "the social good we aspire to."

THE SOLUTION

Not all companies can save the world. Only a minority should put forward a cause-based purpose. For the rest, a functionally useful business or a strong culture can provide the basis for a meaningful and motivating why.

Leaders instinctively understand the value of corporate purpose. They know that, when it is well articulated, a company's purpose statement—or the best proxy for it, such as a mission or vision statement—serves as a north star. It is a reminder of what matters most and provides clarity to employees, managers, and leaders about how to focus amid the cacophony of daily, competing demands. **Yet leaders across industries and markets struggle to communicate a meaningful purpose that builds employees' conviction about why their work matters. Worse still, purpose statements often fail to articulate the outcomes that will enable companies to win in today's market.**

Such disconnects tend to be baked into the creation process. **That's because when they craft a purpose statement, leaders often sidestep critical questions:** *Does it address a clear customer need or problem to be solved? Is the organisation uniquely qualified to deliver on the promise embedded in that statement? And is the stated purpose directly connected to what the organisation does to earn its revenues?* Failure to answer these questions creates confusion and can distract both employees and customers from the core of what fuels the business. Over time, strategic and operational drift can set in, chipping away at cohesion, motivation, and alignment across an organisation—and potentially undermining performance.

Whether they are setting bold aspirations to stay relevant to their customers, undertaking large-scale transformations that involve significant business model changes, or launching far-reaching **ESG (environmental, social, and governance) initiatives**, organisations rely on an engaged workforce to carry such initiatives forward. For those companies that succeed in motivating their employees to innovate and deliver real value every day, purpose is a critical source of energy. **Here are five ways that every leader can harness its power.**

1. **Make creating your Purpose a Strategic Exercise:**

Simply put, strategy starts with purpose. Leaders need to take responsibility for crystallising their company's purpose, doing so with the conviction that purpose has great power to motivate and clarify decision-making. **A well-articulated purpose can drive the transformation companies will need to make to stay relevant and should guide investment decisions that provide the funding for differentiation.** Leaders also need to ensure that their employees are able to proclaim with pride the value of the products, services, and solutions they bring to their customers and why that matters to the world, both today and in the future.

But none of these objectives is likely to be achieved if, leaders delegate the crafting of the company's purpose statement to a public relations or human resources teams. Although these teams may offer important perspectives, placing purpose in their hands **raises the risk of creating the great purpose gap** - the difference between what sounds good and what the organisation *really* does. Too often, these teams simply benchmark to peers and create statements that build on the theme of "we are here to change the world," using vague language such as "empowering people," "building community," "enriching lives," "pursuing a passion for...," and "unlocking the power of..."

2. **Focus on How you Earn Money:**

Many company leaders point to a variety of ESG-related goals when discussing purpose. For example, they talk about investments or metrics in areas such as diversity, equity, and inclusion; sustainable packaging; or employee well-being to demonstrate how they pursue "purposeful" activities. While acknowledging organisations that have found the true intersection between these initiatives and their impact on customers and profitability, such companies are relatively few in number. And most of them have yet to prove their longevity in the marketplace.

It's not surprising that leaders gravitate toward lofty statements that might generate good feelings about their organisation. But in the end, all for-profit companies need to have a reason why customers will agree to give them money. It is leaders' responsibility not just to talk about a variety of new ESG-related initiatives, **but also to reexamine their customer-value proposition in light of the question "Why do we exist?"** There is a danger in simply adding ESG language because it feels like the right thing to do, or because it might attract employees.

Leaders need to do the hard work of unpacking how their organisation creates impact. They can do this by making a meaningful connection between their obligations to customers and investors and the greater well-being of society—and to communicate that connection to their employees. Consider the CEO of a small consumer-air-filter supplier who had the insight to explain to her employees that their products “make homes healthier for families.” That’s powerful!

3. **Identify your Special Power and Build your Purpose around it:**

When answering fundamental questions such as “What critical role do we play for our customers” and “What would happen if we disappeared?” many leaders struggle to find a foothold, particularly when their organisations may not have a meaningful advantage.

The dilemma is understandable. Organisations that have followed many different definitions of value creation and revenue generation over time, often come to resemble a collection of profit-generating activities without a cohesive core. Inevitably, companies tend to become less differentiated as they scale up, seeking to reach new markets, access new sources of capital, attract talent, and gain cost efficiencies. They provide products and services that customers would likely be able to procure from several competitors. For organisations that have grown largely undifferentiated, the struggle to accept this situation and solve it - to identify and double down on a meaningful source of competitive advantage—can feel daunting.

Nearly all organisations have some “special power”—unique capabilities that are often unrecognised and can form the basis of a frank discussion about how to scale or transform. In fact, most have a high-performing business unit, brand, or group. Invariably, differentiation lies behind that success. Identifying that special power is critical to the long-term performance of the company. Leaders then need to articulate that reason for existence, invest in it, and galvanise their employees around it.

4. **In Multi-Divisional Organisations, make sure Purpose goes across all Business Divisions:**

Once leaders have clearly identified what role their company can play in the lives of customers and in society, it’s important for them to take a cold-eyed look at their current portfolio. They may find that some businesses don’t line up as well as others. While purpose may not have to span every part of a company’s revenue, it is important that what employees do every day, doesn’t work at cross purposes to the company’s stated purpose.

Leaders need to start by ensuring purpose is incredibly clear at the business or market level for each of their business lines; they need to work with each divisions leader to clearly articulate how their area makes its money and why that matters. Then corporate leaders need to assess and articulate how (and if) the corporate centre adds value across these businesses’ many different purposeful activities. This could include deploying scaling capabilities that the business divisions on their own can’t afford (like innovation centres or supply chain components) or providing access to capital and talent.

Where Purpose Affects Your Organization

Purpose can have an impact on four business agendas. To determine what that is, ask yourself these questions.

DEMAND GENERATION

How can purpose increase consumers’ preference for our products and services?

EMPLOYEE ENGAGEMENT

How can purpose strengthen the connection that employees feel to the work and to one another?

GOVERNANCE & SUSTAINABILITY

How can purpose help reinforce our reputation as a good corporate citizen and a strong ESG performer?

STRATEGY & BUSINESS VALUATION

How can purpose enhance our opportunities for profitable growth and reduce business risk?

Organisations have two imperatives. First, they need to make sure that their businesses can independently develop meaningful purposes that makes sense for their customers and that are related to their strengths. Secondly, they need to ensure that keeping these businesses together still makes sense, and that the organisation’s overall purpose enables all of these businesses to succeed. This will sometimes mean making tough decisions to divest or sell businesses that can better enable their purpose by standing on their own or by becoming part of another organisation.

5. **Boards need to do more to hold Leaders accountable about Purpose:**

Discussions in the boardroom tend to focus on capital allocation, margin improvement, executive compensation, and, when cash is flush, compensating shareholders through dividends. In contrast, deeper, more nuanced discussions about the value a company brings to its customers don’t tend to rank sufficiently high on the board agenda.

Perhaps ironically, the ESG movement isn't helping. Although the imperative to do better on ESG issues can be a great opportunity to engage in the big questions of purpose, it too frequently shifts the focus to ESG metrics and reporting, and to one-off investments that may not be genuinely connected to the real business of the organisation.

Some boards understand that they have a unique role in the longitudinal success of the organisation and facilitating the right discussions. But taking control of the board agenda to ask management hard questions about purpose can be difficult, and those questions may feel too unwieldy and time-consuming to incorporate into a meeting.

Given the magnitude of the challenges they face, leaders need to rethink their approach to purpose. Rather than relying on platitudes to move the needle, they need to be boldly honest about how their organisation will shape its customers' future - and how employees can make that future a reality.



By following three steps, leaders can instead infuse their statements with strength and meaning:

1. Clearly state the Company's reason for being

Purpose is ultimately about why — and its connection to what, how and who. Research suggests that communicating why companies do things (*"respecting the environment and protecting natural resources"*) is more effective than merely emphasising what they do (*"produce high-quality and low-cost motor parts"*) or how they do them (*"through innovation"*). Moreover, answering *why* should also go beyond financial performance, which is increasingly understood to be a means to business success, but not an end in and of itself. **For example, one CEO explained her company's purpose is to "discover and bring to market innovative medicines and vaccines to create a healthier world."**

2. Identify the primary beneficiaries of the Organisation's work

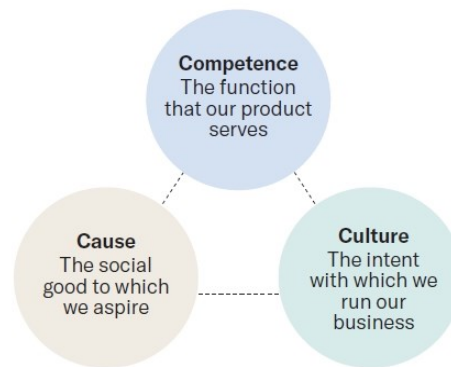
Stakeholder theory defines the purpose of a business in terms of whom it benefits beyond shareholders. Putting the beneficiaries at the forefront and showing how the organisation's work benefits those beneficiaries is crucial when crafting a purpose statement. **One CEO described her company's purpose as being to "provide value-added, personal, competitive financial services with a focus on SMEs [small and medium-sized enterprises] and women."**

3. Ensure the Purpose Statement Is balanced

Research suggests being very clear and specific about purpose plays an important role in impacting the degree to which audiences find statements meaningful. Statements of purpose typically range from overly abstract (*"creating a world-class organisation"*) to overly specific (*"to deliver steel structures for the [regional] market"*). **Those that find the golden mean** (*"designing buildings and cities to allow society to develop responsibly and economically"* or *"to provide choice and affordability to meet our customers' evolving energy needs"*) **between these extremes are likely to be more successful in communicating the company's purpose and inspiring others to act on it.**

The Three Senses of Purpose

Despite its elevation in corporate life, purpose remains a confusing subject of sharply polarized debate. A primary reason is that it can be understood in three distinct ways.



Developing a powerful purpose statement establishes what is unique and non-replicable about a company and provides competitive advantage. This is especially important today, as company leaders guide their organisations through unprecedented challenges, and will continue to be a defining act moving forward. Of course, stating purpose for the sake of improving performance isn't the point. Even the strongest purpose statements must be bona fide, authentically reflecting organisational pursuits that walk the talk.

A Connection to Purpose helps us fulfill the top three levels of Maslow's hierarchy of needs

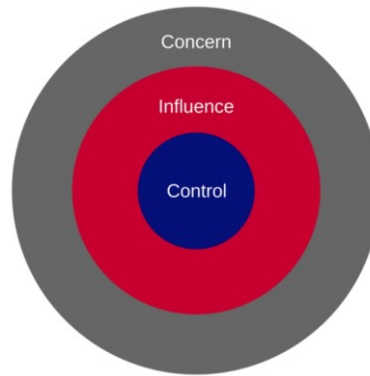


Examples of Business Purpose Statements

Purpose Examples		
Patagonia "Build the best product, cause no unnecessary harm, use business to inspire and implement solutions to the environmental crisis"	TED Talks "Spread ideas"	LinkedIn "Create economic opportunity for every member of the global workforce"

Additional Resource

For a copy of the paper "When Strategy Meets Purpose" from the November 2022 edition of Strategic Finance, click [HERE](#)



The concept of the Circle of Influence was made popular in Stephen Covey's best-selling book, *7 Habits of Highly Effective People*, released in 1989. In the chapter describing the first habit, Be Proactive, he explains how people respond differently to factors that are in their Circle of Concern, Influence, and Control.

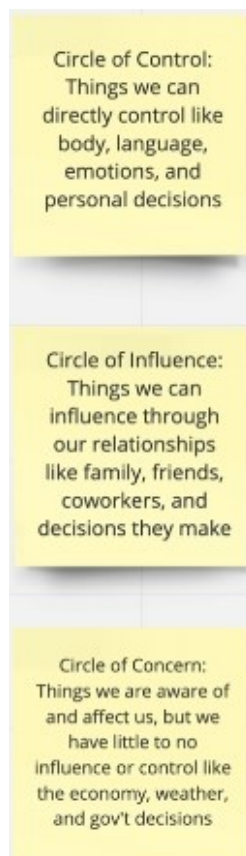
Many people tend to only think of factors that are either within or outside their control. The Circle of Influence provides a third important alternative to help expand our impact, especially as it relates to employee engagement.

Circle of Concern: Reactive people tend to get distracted by things that are outside their direct control, or Circle of Concern. These are things like the weather, a pandemic, or the economy – increasing interest rates and cost of living pressures for example.

Circle of Influence: Proactive people focus their efforts on things they can potentially impact in their Circle of Influence. These are things like work procedures, perceptions of others, and developing specific negotiation tactic scrips to support pricing initiatives.

Circle of Control: These are things that can be controlled directly like personal work performance, how managers schedule their employees and work training programs, for example.

The idea is to spend more time focused on things in the Circles of Control and Influence and less time worrying about the things that may be in the Circle of Concern. Additionally, by pulling some items over from the Circle of Concern into the Circle of Influence, we are likely to have a greater impact.



Locus of Control

Covey's ideas expand on the concept of Locus of Control developed by American psychologist, Julian Rotter, in 1954. Rotter argued that **those with an internal locus of control believe they have more power over the outcomes** in their lives based on their decisions and actions. They view getting an A on a test a result of their hard work and study. People that have a strong sense of internal locus of control tend to be more proactive and focused on their circles of Control and Influence.

Those with an external locus of control feel that they are at the mercy of outside factors. **People with an external locus of control are more reactive and focused on their Circle of Concern (external factors).**

Team Exercise to reduce Stress and Increase Confidence

Managers can use this model of Control, Influence, and Concern with their teams to problem-solve and prioritise work. For example, if the team is experiencing high workload or navigating a complicated change, sorting their concerns into the three circles helps to reduce stress and increase confidence. The exercise involves having each team member write their ideas and concerns on separate sticky notes. After discussing each idea, the team decides together where to place the notes in each of the three circles: Control, Influence, and Concern.

This exercise's purpose is to empower the team by helping them realise they have more control or influence over their concerns than previously thought. Perhaps a concern is outside their direct control, but they discover new ways to influence it. Those on the team with a stronger internal locus of control can help those with an external locus of control see more possibilities. The act of identifying team concerns, describing them, and organising them helps to decrease the stress these concerns cause and creates an actionable path forward.

A Manager's Circle of Influence on Employee Engagement

Research shows that managers have a strong influence, maybe the most important external influence, on their team's engagement.

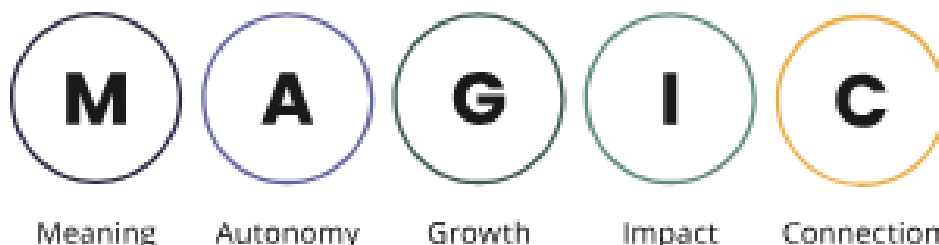
The research shows that fully engaged managers are more likely to lead more engaged employees. Most importantly, the percentage of fully engaged employees decreases 61% from fully engaged managers to managers in the fully disengaged category.

Several questions arise from the research, including the following. *Do more engaged managers put off a more positive vibe that is contagious to their employees? Or do more engaged managers practice more engaging behaviours that influence their teams?* The personal engagement of managers does not solely reside in the Circle of Control. The research indicates that a manager's personal engagement expands into the Circle of Influence, even if they are not aware of it.

Engagement "MAGIC" Elements and the Circle of Influence

Some research shows that there are five related elements of employee engagement. These elements are: **Meaning, Autonomy, Growth, Impact, and Connection**. We can perhaps think of these as "cultural nutrients". When we see high levels of engagement, we find these nutrients to be present, helping to promote strong employee experiences.

Managers have an influence on these cultural nutrients more than others. Let us examine the amount of influence managers have in each of these areas and the behaviours they can promote and use to expand their influence.



Engagement Magic Circles

Meaning

Employees experience meaning when their work has purpose beyond the job itself. Since meaning is determined personally, managers do not have direct control over how it is experienced by their employees. Yet, managers can help employees see how their work is meaningful. For that reason, we place Meaning on the edge of a manager's Circle of Influence.

Here are some things a manager can do to help employees find meaning:

- *Include company values in team discussions.*
- *Help to align personal values of employees with the mission of the organisation.*
- *Share the vision of the company in a way that is readily understandable.*
- *Set goals and objectives that challenge and excite the team.*

Autonomy

When employees have the power to shape their work and environment in ways that allow them to perform their best, they experience the autonomy element.

Managers have direct control over how much autonomy employees have in their work. **To increase autonomy, managers should:**

- *Delegate both routine and critical tasks.*
- *Allow subordinates to own and complete their work.*
- *Hold people accountable for results.*
- *Empower others with the resources and authority they need to succeed.*

Growth

Employees grow when they are stretched and challenged in ways that result in personal and professional progress; this straddles the circles of Control and Influence. For example, if an employee is not proficient in their role, a manager might require they attend training to develop the needed skills (Circle of Control). Other employees may be happy at their current skill level and have no desire to increase their capacity. Managers can then use their influence to promote strong and positive behaviours.

Growth promoting leadership behaviours include:

- *Provide candid feedback to others in a way that facilitates improvement.*
- *Hold frequent development conversations with direct reports.*
- *Seek to understand the career development goals of team members.*
- *Provide challenging tasks and stretch assignments to team members.*
- *Use task boards at a team level to monitor their progress.*

Impact

Employees feel that they have an impact when they see positive and worthwhile results from the work they do.

Managers can increase the sense of impact for their employees by:

- *Regularly recognising and showing appreciation for the contributions of others.*
- *Using accurate and consistent measures for success.*
- *Setting high standards of excellence for serving customers.*
- *Helping others understand how their work contributes to the organisation's success.*

Connection

When employees feel a sense of belonging to something beyond themselves at work, they feel more connected to their teammates, boss, and the organisation.

Managers can cultivate a stronger sense of connection for their employees by focusing on these behaviours:

- *Understand and show sensitivity to the feelings of others.*
- *Show concern for the well-being of team members.*
- *Facilitate activities that create openness and cooperation.*
- *Promote a culture where all team members feel safe to contribute.*
- *Challenge: Expand Your Circle of Influence*

People tend to view their world in binary terms- things are within or outside their control. They create a small Circle of Control and become discouraged by the mountain of things they place in their large Circle of Concern. This lessens their influence and creates a sense of helplessness.

Managers can use the Circle of Influence model to help themselves and their employees uncover ways to relieve stress, take more ownership, and have a more positive impact in their relationships and the organisation they work for. The next time someone expresses frustrations to you - due to the perceived factors outside their control - listen to their concerns and then try helping them think of the many areas they can actually influence.

A Practical (Sporting) Example

The recent hard-fought AFL Grand final match between Brisbane and Collingwood, provides some useful analogies on the application of the circle of influence model from a sporting context, backed by a two-year period of specific training by the Collingwood Club coaching team with the players.

The head coach (Craig McRae) and his team made a point at the end of every training session, for all of the players to practice adopting tactics to win the close matches - in the final 3 to 5 minutes of the last quarter. This is when everything is at stake in tight matches, when players are usually very tired, and when the team must be totally focused on either retaining a lead or fighting to take back and hold the lead in that vital, but short period of time. The effective adoption and execution of these tactics by Collingwood, is supported by their incredible match results over the past two seasons, where they have won an amazingly high number of games by a goal or less.

In this year's grand final match, this tactical execution was exemplified by Collingwood player Scott Pendlebury. In the final quarter, Pendlebury talking to the midfielders before critical stoppages and communicating with coach McRae on the bench via hand signals about what was required. He won the clearance for De Goey's late goal that gave Collingwood back the lead after Cameron had put the Lions in front with just minutes remaining. It was him doing the hand signals with McRae on the bench after Sidebottom's goal put the Pies 10 points in front, resulting in him going behind the ball to protect the lead. It was him directing Jack Crisp to kick the ball sideways and milk the clock as time counted down. It was his extraordinary 11-disposal last quarter with four contested possessions and two score involvements – in 29-degree heat on 35-year-old legs – that helped steer Collingwood to the line in that game. Pendlebury and his teammates clearly understand the tactical and practical applications of the *Circles of Control and Influence* in tight matches!

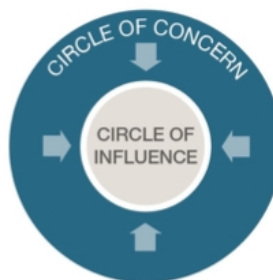
Conclusion

Focus on Your Circle of Influence

Your Circle of Influence includes those things you can affect directly. Your Circle of Concern includes all those things you care about but over which you have little or no control.

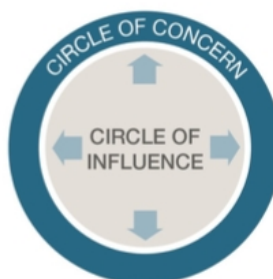
Reactive Focus

When people focus on things they cannot control, they have less time and energy to spend on things they can influence. Consequently, their Circle of Influence shrinks.



Proactive Focus

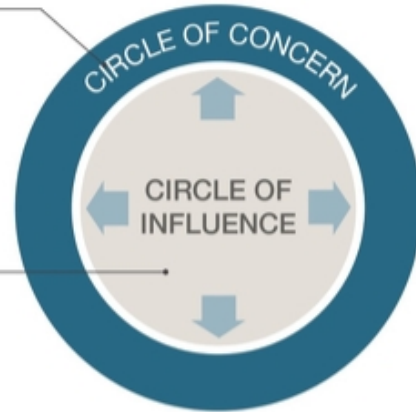
When people focus on things they can influence, they expand their knowledge and experience, and they build trustworthiness. As a result, their Circle of Influence grows.



Circle of Influence Challenge

1. Identify a challenging work or personal situation—one that frustrates you and for which you have some responsibility. _____

2. Identify areas of concern. _____



3. Identify areas you can influence. _____

4. What actions will you take this week within your Circle of Influence?

Disclaimer:

BusinessPlus+ newsletter is distributed monthly by CBSW Tax & Business Advisors to provide information of general interest to our clients. The content of this newsletter does not constitute specific advice. Readers are encouraged to consult their CBSW advisor for advice on any specific business matters.

Providing you professional direction

