**CROWN AGENTS TRAINING &
PROFESSIONAL DEVELOPMENT
Financial Management of Development Projects**

What is the difference between Efficiency and Effectiveness?

- Customer satisfaction
- Achievement of higher levels aims/goals/objectives
- No Waste
- Quality
- Value for Money
- Max Benefit for Minimum Cost
- Quickly
- End Result

Effectiveness:
Customer Satisfaction
Achievement of Higher level goals/Objectives
Quality
End result

Efficiency:
No Waste
Quickly
Max Benefit for Minimum cost
Value for Money

EFFICIENCY means: saving TIME, MONEY or EFFORT

EFFECTIVENESS means how well the job gets done. i.e. the quality of the output.

Being **efficient** means you spend less time on something, you spend less money on something or you spend less effort (or number of workers) on something. You will not often get all three types of efficiency. Which one you aim for depends on what you are trying to achieve.

Being **effective** means you do your job well. In other words, the output (finished product) is of appropriate quality. The End user is happy.

It is a great occasion where a solution to a problem is both efficient and effective; you sometimes have to decide which you prefer, because you often cannot have both.