

Goals and Objectives

Successful organisations will have clear **goals** and **objectives**, as they clarify their purpose and help identify necessary actions. Goals are general statements of desired achievement, while objectives are the specific steps or actions you take to reach your goal. Both goals and objectives should be specific and measurable. Goals can involve areas such as profitability, growth and customer service, with a range of objectives that can be used to meet those goals.

While recognising and understanding that organisations develop appropriate structures to meet the needs of their business, or, in the public sector, to deliver the required level of public services that are the responsibility of Government, most organisations have a vision and/or mission statement that defines its purpose.

Vision and Mission statements are the inspiring words chosen by successful leaders to clearly and concisely convey the strategic direction of the organisation, communicating the intentions of the organisation to those people who have an interest in the organisation. The term commonly used for people with an interest in an organisation is 'stakeholder'.

Both types of statement are slightly different in their intent, although both typically convey the direction of the organisation. Vision Statements define the organisation's purpose, reflecting the values of the organisation rather than bottom line measures of success. For employees, it gives direction about how they are expected to behave and inspires them to give their best. Shared with customers, it shapes customers' understanding of why they should work with the organisation.

Example

For example, look at the Vision Statement of the largest fast-food company in the World, MacDonald's:

'McDonald's vision is to be the world's best quick service restaurant experience. Being the best means providing outstanding quality, service, cleanliness, and value, so that we make every customer in every restaurant smile'

A Mission Statement typically defines the organisation's purpose and primary objectives. It's prime function is internal - to define the key measure or measures of the organisation's success - and its prime audience is the leadership team and stockholders. The Mission Statement therefore focuses on what constitutes success for the business.

Example

For example, consider the Mission Statement for The Walt Disney Company:

'The Walt Disney Company's objective is to be one of the world's leading producers and providers of entertainment and information, using its portfolio of brands to differentiate its content, services and consumer products. The company's primary financial goals are to maximize earnings and cash flow, and to allocate capital profitability toward growth initiatives that will drive long-term shareholder value.'

A very popular way of setting objectives like this is the S.M.A.R.T model. Using this approach will help ensure that goals are clearly understood and successfully achieved:

- **Specific.** Objectives should specify exactly what the individual/organisation should be able to achieve. There should be no vague or ambiguous language.
- **Measurable.** It should be possible to measure objectively the extent to which objectives have been met.
- **Achievable.** People should be able to achieve their objectives. Setting unrealistic targets merely demotivates. However, this does not mean that they should be simple; they should be challenging and stimulating.
- **Relevant.** Objectives should have a clear purpose or benefit, and should be relevant to the individual's work role or learning aims.
- **Time-bound.** People should know how long they have to complete their objectives.

A common business goal is to run a profitable operation, which typically means increasing revenue while limiting expenses. To reach this goal, objectives could consist of increasing annual sales by 10 percent or landing three new accounts each month. Expense objectives could involve finding a new operating facility that decreases your rent by £200 a month or cutting monthly utility bills by 15 percent.

Customer service goals could include reducing complaints by 50 percent over one year or to improve resolution times to customer complaints to a minimum of one business day. To meet customer service goals, objectives could include increasing your customer service staff from one to three workers by the end of the year or implementing a policy where customers are guaranteed to receive a return phone call before the end of the business day.

If you have experienced a problem with employee turnover, your overall goal could be to improve retention. To make this goal specific, you could measure the current turnover rate, like one employee in five leaves after three months, and decide to double this figure to six months. Objectives to meet this goal could include implementing a training program that details new-hire activities for the first 90 days on the job. You also could implement one-on-one bi-weekly meetings with your employees in an effort to build rapport and find out what's on their mind.

Another goal could be to become more efficient in your business operation as a way to increase productivity. To improve efficiency, you could set a goal of increasing shipping times from three days to two days.