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Set Goals and Objectives in Your Business Plan

By **Steven D. Peterson, Peter E. Jaret, Barbara Findlay Schenck**

Well-chosen goals and objectives point a new business in the right direction and keep an established company on the right track. Just think about what football would be without end zones or what the Indianapolis 500 would be without a finish line.

**TIP**

When establishing goals and objectives, try to involve everyone who will have the responsibility of achieving those goals and objectives after you lay them out.

To help you better understand how you can set goals and objectives, you first need a good foundation for what the two are.

- *Goals* establish where you intend to go and tell you when you get there. They help improve your overall effectiveness as a company — whether you want to increase your share of the market, for example, or improve your customer service. The more carefully you define your goals, the more likely you are to do the right things and achieve what you wanted to accomplish in the first place.
- *Objectives* are the specific steps you and your company need to take in order to reach each of your goals. They specify what you must do — and when.

Think of goals and objectives this way:

- *Goals* tell you where you want to go; *objectives* tell you exactly how to get there.
- *Goals* can increase your effectiveness; *objectives* back your goals and make you more efficient.
- *Goals* are typically described in words; *objectives* often come with numbers and specific dates.

Suppose that your goal is to double the number of people using your web-conferencing service. Your objectives may be as follows:

- Gain awareness by placing print ads in four regional markets and by airing radio ads in two major markets (by June 10)
- Attract first-time customers by offering an online giveaway of \$1,000 (by June 1)

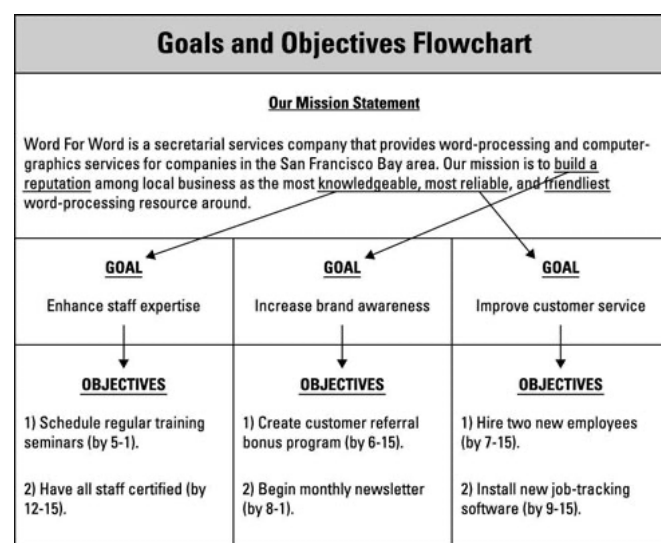
- Cultivate prospects by implementing a permission-based weekly e-mail to 2,500 targeted contacts (by July 10)
- Convert 10 percent of prospects to clients, using e-mail reminders (beginning July 25)

Together, goals and objectives form the road map for your company's future. Without them, you risk making wrong turns and wasting precious energy.

Approach #1: Tie goals to your mission

The first approach to specifying goals and objectives begins with a review of your company's mission statement. Using key phrases from your mission statement to define your major goals leads into a series of specific business objectives.

The connections between goals and your mission are easy to visualize if you use a flowchart. Key phrases in the mission statement lead to major goals, which lead to specific business objectives.



If your mission statement doesn't suggest a list of goals, you may want to reevaluate it to see whether it really captures what your business is all about.



TIP

Make sure your goals are always measurable. By establishing metrics goals, you can gauge your progress and recognize immediately when your efforts are going off track.

Approach #2: Use goal-setting ACES

Most goals define positive outcomes that you want your business to achieve, but sometimes you also want to set goals to avoid pitfalls and to eliminate a few weaknesses. To help develop goals that cover all the bases, use the acronym ACES as you tick through the following key questions:

- **A**chieve: What do you want to attain in the future?
- **C**onserve: What do you want to hang on to?
- **E**liminate: What do you want to get rid of?

- **Steer clear:** What do you want to avoid?

Goals and Objectives Based on “ACES”	
<p><u>ACHIEVE</u></p> <p>Website up and running with at least 25 different “storefronts”</p> <p>Successful second round of venture capital</p>	<p><u>CONSERVE</u></p> <p>Strong sense of employee morale and enthusiasm</p> <p>Staff expertise</p>
<p><u>ELIMINATE</u></p> <p>Unnecessary duplication of efforts</p> <p>The competition (ha, ha)</p>	<p><u>STEER CLEAR OF</u></p> <p>A financial crunch</p> <p>Losing valued staff to other dot-com companies</p>
<p><u>SET OF BUSINESS GOALS:</u></p> <ul style="list-style-type: none"> • Revise business plan and financial projections. • Review storefront vendor acquisition strategy. • Streamline management decision-making process. • Redesign employee benefits packages. • Develop a new-hire training curriculum. 	

Approach #3: Cover all the bases

One more way to think about business goals is to consider each of the four categories into which most goals fall:

- *Day-to-day work goals* are directed at increasing your company's everyday effectiveness. They may involve things like order tracking, office management, or customer follow-up. As a start, name at least one change that you can make in your day-to-day operations that will make a difference in your overall effectiveness. Write it down in the form of a business goal.
- *Problem-solving goals* address specific challenges that confront your business, such as low employee morale or quality of service issues. List the two biggest problems that face your company, and then write goals that can solve them.
- *Development goals* encourage the acquisition of new skills and expertise, whether for your employees or for yourself, and whether you run a large company or operate as a freelance or an independent contractor. So, how about formulating at least one development goal for yourself or your company?
- *Innovation goals* help you find new ways to improve the following: the products or services that your company offers, how you market your company, and how you distribute and deliver what your company sells. Can you identify any innovative approaches that could make your business more effective in the future? If so, formulate an appropriate goal.
- *Profitability goals* set your sights on where you want your bottom line to be. When all is said and done, profit is the No. 1 goal for profit-making companies. For nonprofit companies, this goal may take the form of how many dollars in contributions you plan to raise or a goal for increasing the company's endowment.

Checklist Of Common Business Goals
<input type="checkbox"/> Improve customer satisfaction
<input type="checkbox"/> Establish or increase brand awareness
<input type="checkbox"/> Find new markets for products or services
<input type="checkbox"/> Expand product or service lines
<input type="checkbox"/> Decrease time to market
<input type="checkbox"/> Improve employee satisfaction
<input type="checkbox"/> Increase management communication
<input type="checkbox"/> Reduce operational costs
<input type="checkbox"/> Generate new sources of revenue
<input type="checkbox"/> Become more entrepreneurial
<input type="checkbox"/> Increase networking with partners

Make final choices

The three goal-setting approaches lead to a respectable list of goals — maybe more goals than is practical for one business plan. Select the five goals that you think are absolutely, positively essential to your business success.



TIP

After you decide on your list, fine-tune each goal, using these guidelines:

- Keep each goal clear and simple.
- Be specific.
- Be realistic.
- Don't be afraid to push yourself and think big.
- Make sure that your goals are in sync with your mission.