



## Goal Setting

“Great things are not done by impulse, but by a series of small things brought together.”

Vincent van Gogh, artist

Goal setting is an important part of life, business and mentoring. There are some **parameters to goal setting** that everyone should know and follow. The easiest way to remember them is to think **SMART**.

- Specific** Just saying “I want to be successful” isn’t nearly specific enough. Goals need to be crystal clear and as detailed as possible.
- Measurable** Goals need to be tangible; results need to be measurable. Ask yourself questions like: “When?” and “How much?”
- Action-oriented** Make sure you can identify the steps you need to take to reach each goal.
- Realistic** You may have great difficulty setting up a business on the moon or growing your company by 1,000 per cent every year. Refrain from setting goals that are simply out of reach. Attaining goals gives a real sense of satisfaction. Once you get where you were heading, you can always steer for a more distant shore.
- Timely** Identify deadlines for both short-term and long-term goals. By assessing your progress with shorter-term milestones, you’ll be better able to keep on track to accomplishing your long-term objectives.

There are **four types of goals** to consider in business:

“There are three ingredients to the good life: learning, earning and yearning.”

Christopher Morley, poet and novelist

- **Financial.** These goals cover Balance Sheet and Income Statement items, such as gross revenue, operating expenses, net earnings and financial ratios such as debt/equity and inventory turnover.
- **Marketing.** These goals focus on customer acquisition and customer retention, and involve such activities as networking, presentations, advertising, direct customer contact and other promotional strategies and materials.
- **Operational.** These goals relate directly to process improvements for the business, such as streamlining production, enhancing service levels or reducing inventory.
- **Developmental.** These goals include staff recruitment, training, benefits and any other employee-related goals. They also relate to your own personal development as the owner of the business. For example, developmental



goals could include training courses, workshops, conferences, networking events and trade publications for you or your employees.

The Goal Setting Framework can help you work through the **process of goal setting**. You will likely use the goal setting resources more than once. Goals have to be reviewed and revised on a regular basis. Here are some tips on the process of goal setting:

- Your goals have to come from you so you will be motivated to reach them. The first step then is to define your values and priorities. Is it more important for you to generate earnings or to be recognized? Are you willing to work days, evenings and weekends, or do you have personal commitments beyond your business? Determining your unique parameters will give you a solid framework for goal setting.
- Now use that information to answer the following questions:
  - a) What are my short-term and long-term goals and deadlines?
  - b) What do I need to learn to reach these goals?
  - c) What tasks do I need to complete and when will each task have to be done?
  - d) How might my mentor help?
  - e) What other resources will I need?

### Celebrate when you reach your goals!

No matter how many goals you have reached or how old you are, always take time to celebrate your successes.

Sam Walton, founder of Wal-Mart, was 71 years old when he promised to dance a hula on New York's Wall Street if his company reached a net pretax profit of over eight per cent. Wal-mart made it, so Same Walton donned a grass skirt, invited some traditional Hawaiian dancer to join him and then

Use this **goal setting checklist** to make sure your goals are **SMART**.

1. Do my goals fit with my values?
2. Am I personally motivated to work towards these goals?
3. Are my goals written clearly enough to be understood a year from now?
4. Are my goals specific enough to be measured?
5. Can my goals be measured with reasonable effort?
6. Can I set milestones for these goals so I know if I am still on track?
7. Are my goals realistic and attainable?
8. Can I outline specific tasks or actions that will lead directly to my goals?
9. Do my short-term goals lead to my long-term goals?
10. When viewed in relation to each other, do my goals make sense?
11. Am I thinking of my goals when I make business decisions?
12. Do my employees understand and believe in my goals?
13. Have I built in a reward system for reaching individual goals?
14. Am I revising or updating my goals as necessary?
15. Am I sharing my goals with others?

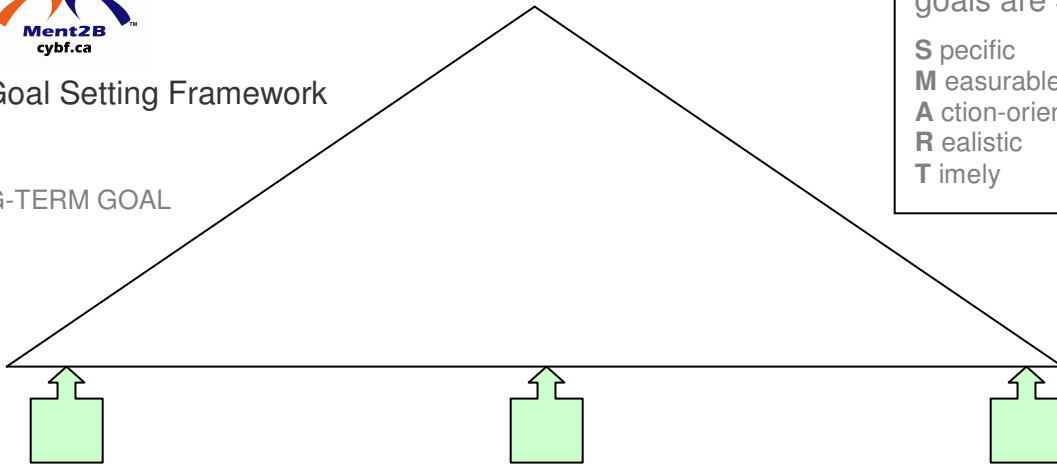


## Goal Setting Framework

Make sure your goals are **SMART!**

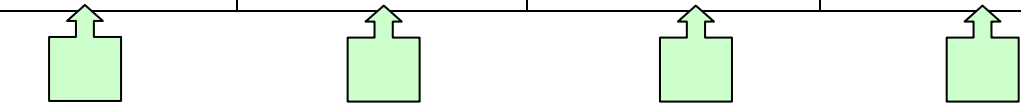
**S**pecific  
**M**easurable  
**A**ction-oriented  
**R**ealistic  
**T**imely

LONG-TERM GOAL



SHORT TERM

FINANCIAL	MARKETING	OPERATIONAL	DEVELOPMENTAL



TASKS

FINANCIAL	MARKETING	OPERATIONAL	DEVELOPMENTAL

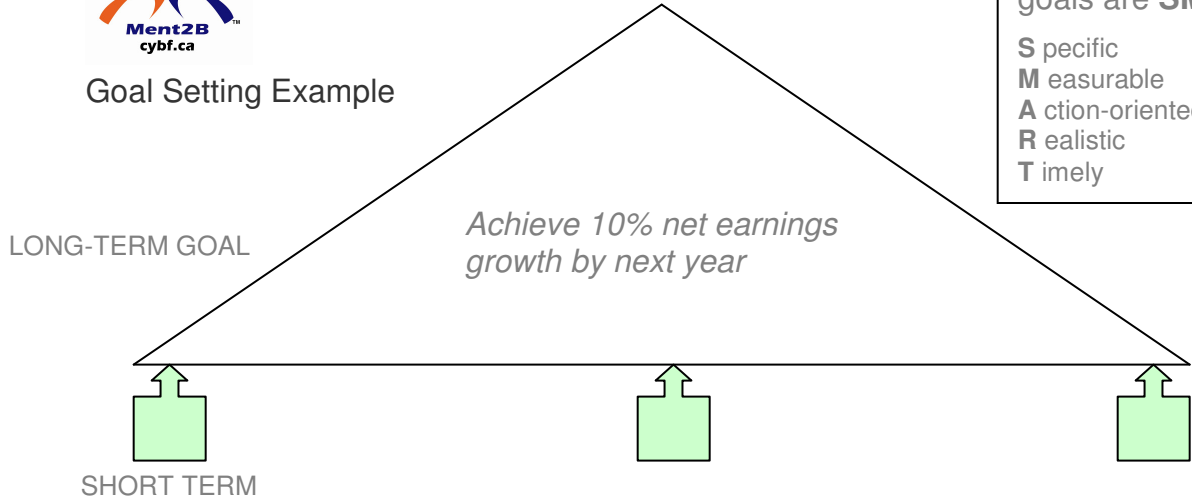
### Goal- Setting Steps

1. Set long-term goals with deadlines of up to five years.
2. Set short-term goals with deadlines of up to one year.
3. Describe the tasks or specific steps that will help you reach your short-term goals.
4. Add a date to each goal and task.



Goal Setting Example

Make sure your goals are **SMART!**  
**S**pecific  
**M**easurable  
**A**ction-oriented  
**R**ealistic  
**T**imely



FINANCIAL	MARKETING	OPERATIONAL	DEVELOPMENTAL
Reduce A/R collection time by 25% by year end	Add 25 new customers over the next year	Become recognized as the industry's premier local supplier within two years	Have quality staffing by June to free up my time for marketing and networking
Reduce COGS by 5% by year end	Maintain customer retention levels at 90%	Move to larger premises by year end	Complete e-commerce course by September
	Launch new Web site by next March	Increase inventory turnover by 10% over two years	Read three industry trade journals per month



FINANCIAL	MARKETING	OPERATIONAL	DEVELOPMENTAL
Update an aged list of accounts every week	Review proposals from Web designers	Complete inventory count by February	Meet with three headhunters this month
Contact overdue accounts every Friday	Outsource Web site content development	Visit 10 potential locations with realtor by July	Finish one e-commerce assignment per month
Design streamlined order fulfillment process by December	Make one cold call per day		Subscribe to industry trade journals by month end
Negotiate longer accounts payable arrangement with two biggest suppliers	Order new business cards by month end		Find training course for new manager to take next quarter
	Attend all professional association meetings		
	Conduct customer survey by October		



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4. Add a date to each goal and task.