

Goal setting:  
creates a  
future



MYSTRATEGICPLAN TRAINING:

SETTING STRATEGIC  
OBJECTIVES AND  
CASCADING GOALS



## M3 BY THE NUMBERS

In the past three years we have...

- Managed 100+ strategic planning processes
- Deployed 800+ strategic management systems
- Built consensus and commitment with 3,000+ executives, managers, boards
- Empowered 1 million+ strategists & soon-to-be strategists

*We love what we do!*



## MYSTRATEGICPLAN OVERVIEW



**Create Strategy Faster(er)**



**Empower the Team**



**Manage Execution**



## AGENDA

- I. **Setting Strategic Objectives:** What is a strategic objective? How do they fit into my organization's strategic plan?
- II. **Goal Cascading:** Goal cascading is part of driving accountability from strategy to daily action. What are the tips to doing it correctly?
- III. **SMART Goals:** How do you write goals that will drive action and produce results?
- IV. **Measures and Targets that Matter**



## MSP STRATEGIC PLANNING PROCESS





## LONG-TERM STRATEGIC OBJECTIVES OVERVIEW

### What must we focus on to achieve our vision?

What are the "big rocks"?

*Definition:*

Long-term, broad, continuous statements that holistically address all areas of your organization.

*Outcome:*

Framework for your plan - no more than 6



## STRATEGIC OBJECTIVES DEFINITION IN DETAIL

Long-term, broad, continuous statements that address all areas of your organization. If you have a five-year vision, these would be three- to four-year intermediate guideposts on the way there.

- In what areas will we continue being actively involved in for the next 5+years?
- What areas do we need to be involved in to reach our vision?
- What areas do we need to be involved in to accomplish our mission?



## QUESTIONS TO ASK

1. What are our **shareholders or stakeholders expectations** for our **financial performance or social outcomes**?
2. To reach our outcomes, what value must we provide to our customers? **What is our value proposition**?
3. To provide value, **what process must we excel at** to deliver our products and services?
4. To drive our processes, **what skills, capabilities and organizational structure** must we have?



## EXAMPLES

### Financial:

- Establish a financially stable and profitable company.

### Customer:

- Introduce current products to two new markets.

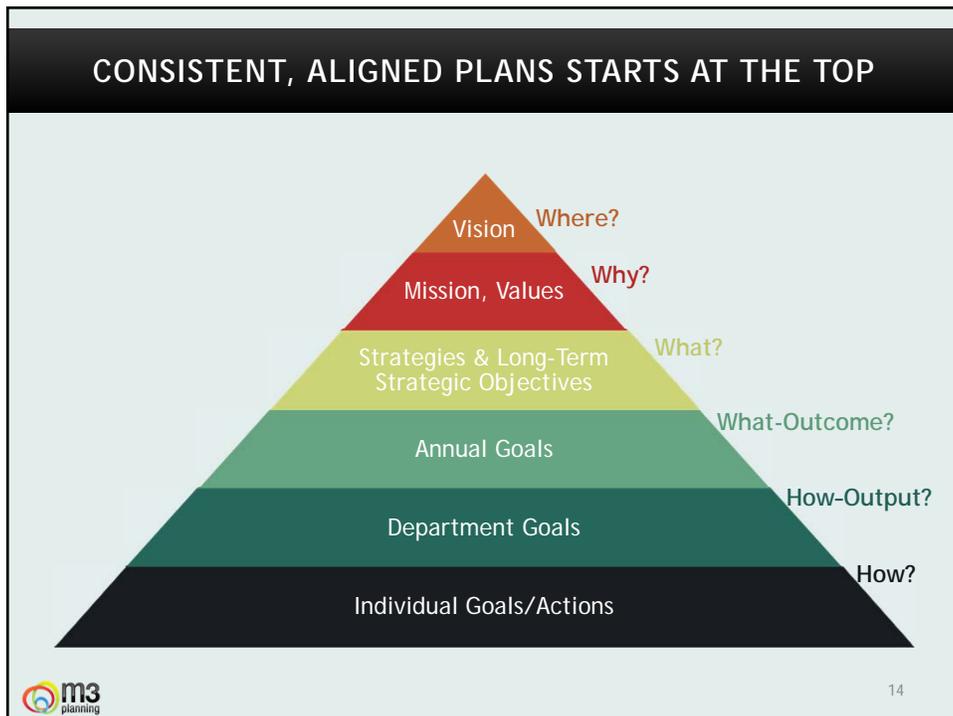
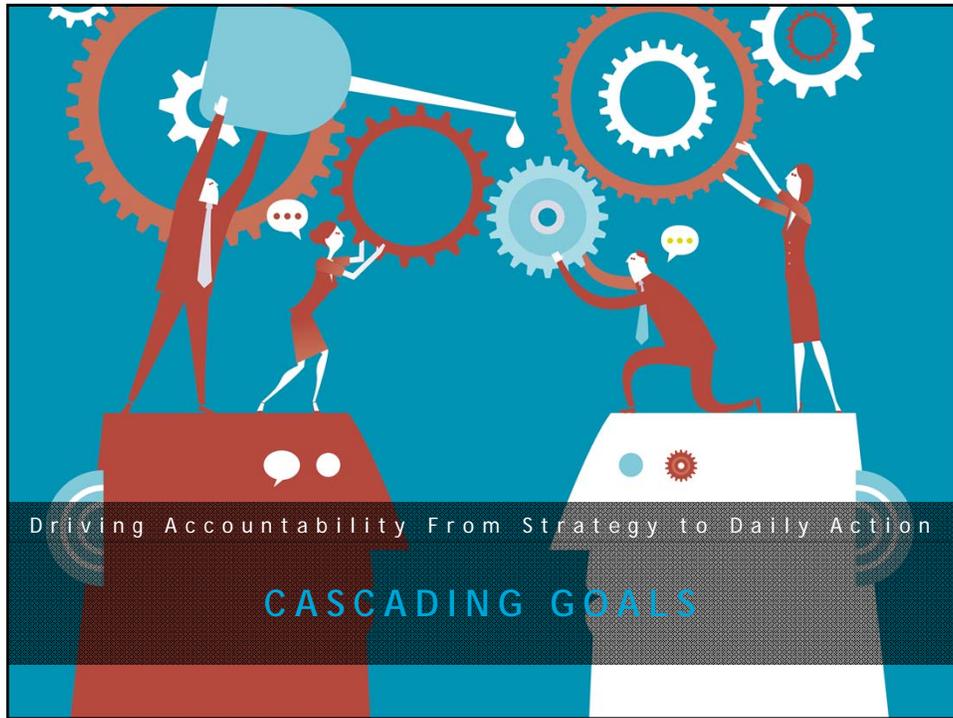
### Internal Processes:

- Achieve order fulfillment excellence through on-line process improvement.

### People & Learning:

- Provide employees with challenging and rewarding work.





# GOAL CASCADING: HOW TO EFFECTIVELY CASCADE & WHY IT MATTERS

**BUSINESS AREA - FY13 GOALS AND METRICS**

**Organization Level: CEO Goals**

**Dept. Level: Department Goals**

**Team Level: Manager Goals**

**NO cascading, no coordinated action. No coordinated action, no results.**

The screenshot shows a dense grid of data tables. The top table is titled 'BUSINESS AREA - FY13 GOALS AND METRICS' and lists various metrics like 'Revenue', 'Profit', and 'Market Share' with columns for 'Owner', 'Metric', 'Actual as of', and 'FY13 Target'. Below it, there are several smaller tables for 'DIVISION - FY13 GOALS AND METRICS' and 'TEAM - FY13 GOALS AND METRICS', each with similar columns. The tables are overlapping and difficult to read, suggesting a lack of clear communication and coordination between levels.

## GOAL CASCADING

Number	Level	Who is responsible	Time Frame
1	Long-Term Strategic Objective	Not assigned - far reaching and very broad	3-5 years
1.1	Corporate Goal	Corporate-wide - not assigned Must have Target and Measure (KPI)	18-24 months
1.1.1	Department Goal	Assigned to Department responsible for seeing this goal completed. Must have Target & Measure	12-18 months
1.1.1.1	Team Member Goal	Assigned to Team Member responsible for seeing this goal completed. Must have Target & Measure	6-12 months
1.1.1.1.1	Team Member Action	Assigned to Team Member responsible for seeing this action completed. Short term items only. Must have Target & Measure	30, 60, 90 days

## CASCADING GOALS THROUGH ORG.

- 1 Increase new customer base.
  - 1.1 Reach a 15% annual increase in new customers by 2012. (Due annually for 2 years)
    - 1.1.1 Implement marketing campaign to draw in new markets. (Marketing, due in 12 months)
      - 1.1.1.1. *Research the opportunities in new markets that we could expand into. (Doug (Marketing), due in 6 months)*
        - 1.1.1.1.1 Complete a competitive analysis study of our current and prospective markets. (Doug (Marketing), due in 60 days)
      - 1.1.1.2 *Develop campaign material for new markets. (Mary (Marketing), due in 10 months)*
        - 1.1.1.2.1 Research marketing methods best for reaching the new markets. (Mary-Marketing), due in 8 months)



Writing Goals to Drive Action and Produce Results

## DEVELOPING SMART GOALS



## THE ANATOMY OF A GOOD GOAL

(Action verb) +  
 (single key result - from X to Y) +  
 (purpose - why) through  
 (explain how if the clarity is  
 necessary) by when (target date).



## THINK S.M.A.R.T. WHEN YOU CREATE YOUR GOALS



- Provide direction, clarity and momentum to achieving a vision
- Communicate the outcome (Why)
- Be clear about ownership/accountability
- Clear and simple
- To (action verb) (single key result) by (target date) requiring (resources).

*Goals are dreams with deadlines.*  
 -Diana Scharf Hunt



## EXAMPLES

### Financial 1-Year Goals:

- Increase our billable hours by 10% over the next 12 months. (Measure: # billable hours / Target: 1.2%)
- Achieve sales growth of 10% per year. (Measure: Monthly sales / Target: 1.2%)

### Customer 1-Year Goals:

- Realize 10% of the company's annual sales from the small business market by end of the next year. (Measure: # of small business clients / Target: 100)
- Reach a 15% annual increase in new customers by end of year 2012. (Measure: % increase in new customers / Target: 15%)



## EXAMPLES

### Internal Processes 1-Year Goals:

- Reduce the time lapse between order data and delivery from 6 days to 4 days by this June. (Measure: # of days to process each order / Target: 4 days)
- Reduce the number of returns due to shipping errors from 3% to 2%. (Measure: # of returns due to shipping errors / Target: 2%)

### People & Learning 1-Year Goals:

- Reduce turnover among sales managers by 10% by the end of the year. (Measure: Employee turnover / Target: 10%)
- Hire and train a human relations director by the end of the year. (Measure: Director hired / Target: 100%)



## SO WHAT'S THE DIFFERENCE BETWEEN A "SMART" GOAL AND AN "UNSMART" GOAL?

How do we make this SMART?

- Un-SMART Goal:

*We want to increase Sierra Technology's income 20%*

- SMART Goal:

*Increase Sierra Technology's income to \$120 M by Jan. 2013.*

*Increase S. T. revenue by 20% by increasing 3 new \$1M level customers by Dec. 15, 2012.*

*If a man knows not what harbor he seeks, any wind is the right wind.*



## HOW DO WE IMPROVE THESE GOALS?

1. Improve productivity of receiving clerks.
  - Improve productivity of our receiving clerks by improving their typing speed by 3 WPM each month until they reach 60 WPM.
2. Improve customer service outcomes in CSM dept.
  - Reduce the number of service calls which last over 15 minutes to under 6 per day. (or)
  - Increase the number of service calls per agent by reducing the number of services calls, which last over 10 minutes to under 5 per day.
3. Complete strategic plan for our company.
  - Complete the Sierra Technology S.P. by Dec. 2011.



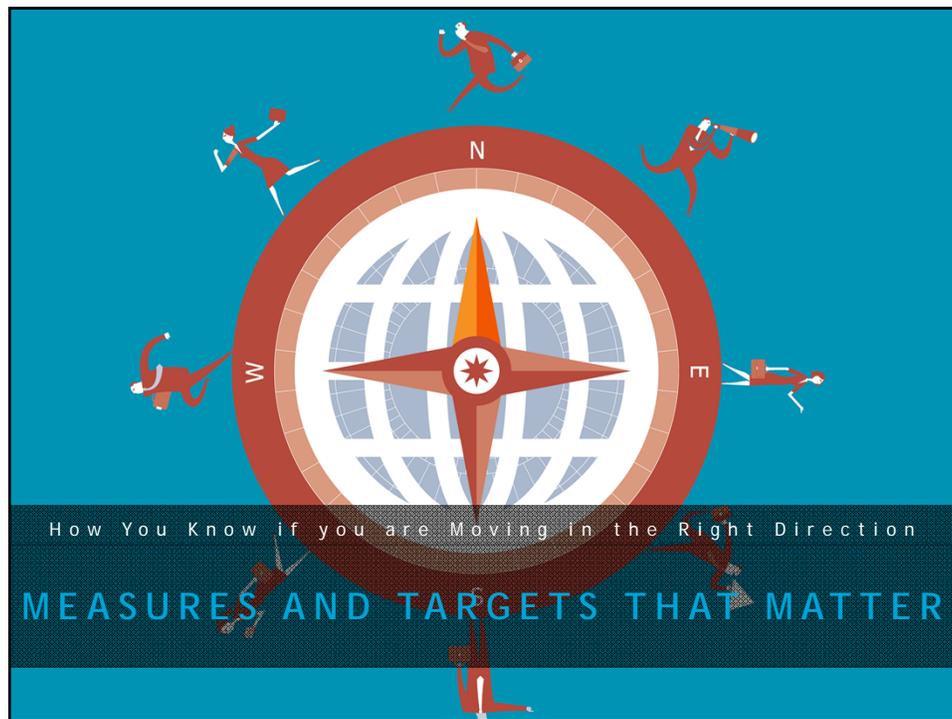
## EVALUATION-DID WE GET IT RIGHT?

- Are all of your goals SMART: specific, measurable, attainable, responsible, and time-bound?
- Do the goals spell out the outcome you are seeking?
- Do all of your goals have start and end dates?
- Is the measure and target for each goal clear enough to stand on its own?



In Business, goal setting that is S.M.A.R.T. can make a huge difference in *maintaining growth and momentum*. Whether you run a modest department or a massive corporation, make sure that you *always make an effort to add these properties* to the goals you set!





## MOVING FROM OUTPUTS TO OUTCOMES

- What is the result or outcome of achieving the objective?
- Why are we working on this objective?
- How will we know we have accomplished the objective?
- What do we expect to see different as a result of accomplishing this activity/project?

## GOOD PERFORMANCE MEASURES

- Provide a way to see if our strategy is working
- Focus staff's attention on what matters most to success
- Should provide common and understandable language for communicating to others
- Are valid and realistic, to ensure measurement of the right things
- Are verifiable, to ensure accurate data



## TYPES OF MEASURES *OUTPUT VS. OUTCOME*

**Project Measure** - Progress against a project or initiative that has a terminus (i.e. stoplight status).

- ✓ Usually % complete



**Process Measures** - Measures activities and processes such as cycle time, frequency, error rate or process-specific metrics.

- ✓ Frequency of events
- ✓ Number of trainings



## TYPES OF MEASURES

### OUTPUT VS. OUTCOME

**Outcome Measure (Quantitative)** - End result of whether initiatives meet proposed targets/standards, and demonstrate impact and benefit to the business.

- ✓ Cumulative impact as result of educational services
- ✓ Graduation rate, test scores, attendance, etc.

**Key Performance Indicator (KPI)** - Metric and non-metric measurements *essential* to the completion of an organization's goals.

- Each organization narrows the possible list down to a manageable group of KPIs that make the most difference to performance.
- KPIs are linked to Goals/Initiatives.



DM % of sales  
% increase  
email file  
growth

\$ global  
environmental  
giving

## DEVELOPING YOUR PERFORMANCE MEASURES

Improve processes on Mobile Health Van utilizing the St. Elves methodology as demonstrated by an increase in patient volume.

*Or:*

Increase in patient volume in 2013 through implementing the St. Elves patient workflow methodology for the Mobile Health Van.

Source: Mobile Health Van patient volume report

Measure: Patients seen per day

Target: 10% over last year (Current 85/day) or 93.

End Date: 12/31/2013



## TIPS

- Provide a way to see if your strategy is working
- Focus employees', managers' and board's attention on what matters most to success
- Provide for employee development so as to empower the team
- Should provide common and understandable language for communicating to others
- Are valid and realistic, to ensure measurement of the right things
- Are verifiable, to ensure accurate data



## EVALUATION-DID WE GET IT RIGHT?

- Have you identified three to five indicators that will provide an ongoing assessment of your progress?
- Are the indicators you selected as KPIs truly "key" and track outcomes not just outputs?
- Is the measure and target for each goal clear enough to stand on its own?
- Is the associated measure and target something you can measure monthly and will you be able to see movement?



**GET EXPERTISE WHEN YOU NEED IT**  
ONE-ON-ONE GUIDANCE FOR THOSE TROUBLE SPOTS IN YOUR PLANNING

[mystrategicplan.com/strategic-planning-consulting](http://mystrategicplan.com/strategic-planning-consulting)

	Quick Start Coach		Strategy Support
	Strategic Plan Review		Customer / Employee Surveys
	Plan Set-Up		Execution Workshop



**UPCOMING TRAININGS**

- **Execution, Execution, Execution**  
December 18 | 9 a.m. PT
- **Strategic Planning 101**  
January 8 | 9 a.m. PT
- **Setting Strategic Objectives and Cascading Goals**  
January 15 | 12 p.m. PT



To view one of our latest white papers titled,  
**“Are Your SMART Goals Dumb?”**

Go to:

<http://mystrategicplan.com/goal-writing-the-right-way/>



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