



# Build Your Strategic Objectives

**A guide to build your plan's strategic framework.**

In this guide, we will cover:

- ◆ **The Basics of Strategic Objectives**
- ◆ **The Anatomy of Strategic Objectives**
- ◆ **Checklist for Building a Strategic Framework**
- ◆ **Example Frameworks**

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# Introduction

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## What is a Strategic Objective?

Strategic objectives are often one of the most challenging components of a strategic plan because they create the bridge between your big, bold vision and the annual goals needed to achieve it.

**Strategic objectives establish the boundaries for what your organization's effort must focus on. They create the top layer of your strategic plan's framework, articulating what you'll focus on to achieve your vision of success.**

We've put this guide together to show you how to develop your strategic plan's strategic objectives!

### Tip

The best strategic objectives are built from your [SWOT Analysis](#) and [Vision Statement](#). Check out our guides if you need to complete those planning elements first.

# What are Strategic Objectives?



[Watch the Video Here](#)

Strategic priorities, pillars, planks, objectives—they’re all the same thing! Whatever you call them, they’re a critical component of your plan. For this whitepaper, we’re going to call them strategic objectives.

Strategic objectives are broad statements of direction that create a bridge from your vision to the annual plan or goals. We like to refer to strategic objectives as “mini vision statements” because they should support your overall vision of success but break it down into manageable and actionable focus areas.

Ideally, strategic objectives should be broad, 3-year(ish) statements that address the core functional areas of your organization. We’re fans of Kaplan and Norton’s Balanced Scorecard.® which guides strategic objectives to address the people and skills, operations, growth or customers and financial areas of your organization—and having an SO in each of the Balanced

Scorecard perspectives ensures your plan is focusing on the core aspects of your business (people, process, customers and financial).

## **Answer These Questions to Create Intent for Your Strategic Objectives**

One of the things we like to complete as we build a strategic objective is a statement of intent. We include the answer to the following questions as a short paragraph with each strategic objective to clarify intent:

1. Where are we now & where do we need to be in X years?
2. What shifts are needed to get there?
3. What is our approach to achieve success?

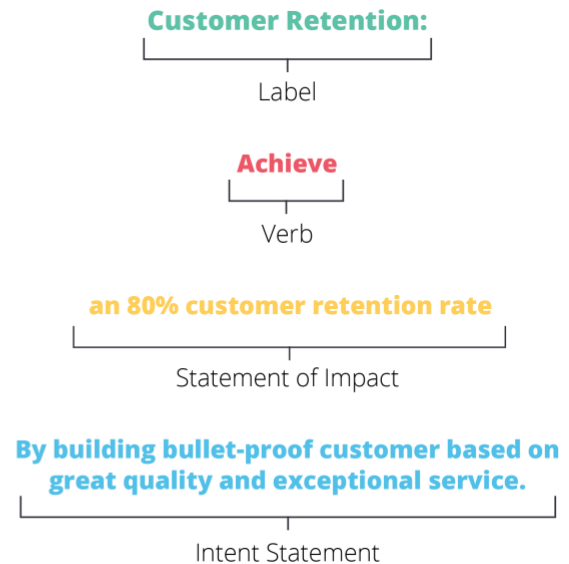
Answering these core questions will help you create your strategic objectives with clarity about what you're seeking to achieve and what the cascading goals or OKRs need to focus on.

# The Anatomy of a Strategic Objective

## Customer Retention:

Achieve an 80% customer retention rate.

By building bullet-proof customer relationships based on great quality and exceptional service. We must shift to a customer-first approach to sales, product delivery, pricing, and communication.



### Label

We always like to start with a label. The label should clearly identify what it is you're seeking to achieve. In this example, we're seeking to achieve Customer Retention.

### Verb

Begin your SO's descriptive statement with a 'power' verb: a strong, action-oriented verb. Think "Create" or "Increase," not passive verbs like, "Confirm" or "Facilitate."

### Statement of Impact

A short description of what you will achieve and how it will impact the organization. **This should answer the intent questions from the previous section.**

# Building a Strategic Framework

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[Watch the Video Here](#)

With an understanding of the anatomy of a strategic objective, you can build the framework of your plan. As we've mentioned, strategic objectives are the bridge between your big, bold vision and your annual execution of goals and initiatives.

## A Checklist for a Good Framework of Strategic Objectives

### ✓ They Are Multi-Year in Nature

Strategic objectives need to be multi-year in nature: they'll take several years to achieve. You can choose three- to five-year objectives—it's really about what works best for your organization.

 **Tip**

**Annual goals are cascaded from the Strategic Objectives.** Check out our guide on SMART goals if you need help writing your goals.

✓ **Your Framework Has 6 or Fewer Strategic Objectives**

Less is really more when you develop your strategic objectives. We really believe three to four is the sweet spot. More than six creates a plan that is difficult to manage and likely lacks focus.

 **Tip**

**Unsure how to prioritize your opportunities as you create your Strategic Objectives?** [Check out this exercise](#) to help.

✓ **It Provides Company-wide Direction**

The best strategic objectives can be the talking points for a CEO or executive team to express the priorities for the organization this year and beyond. Your few, focused strategic objectives express **where the organization is going**.

✓ **It is Not a Mish-Mash of Department Goals**

Strategic objectives need to represent company-wide direction, not department goals. Departments support the achievement of a plan and the organization's strategic objectives; they do not drive direction.

# Example: Balanced Scorecard Framework

This is a traditional balanced scorecard framework. We like this framework because it covers all aspects of an organization and creates a balanced plan:

Strategic Objective	Intent Statement
<p><b>Financial Expansion:</b> Expand our business to reach \$50 million in annual revenue.</p>	<p>We've been a successful \$30 million business for several years, but we need to grow the business to \$50 million per year. We'll grow to \$50 million through new customer acquisition and developing a channel partner program.</p>
<p><b>Customer Retention:</b> Achieve an 80% customer retention rate.</p>	<p>By building bullet proof customer relationships, we will improve retention of our customers to 80%. We must shift to a customer-first approach to sales, product delivery, pricing, and communication.</p>
<p><b>Operational Excellence:</b> Deliver our products on time, every time.</p>	<p>We deliver amazing products, but we need to deliver them <b>faster with accuracy</b>. We'll focus on streamlining production processes and adopting a new shipping system.</p>
<p><b>People Development:</b> Develop our team to create the next generation of leaders.</p>	<p>The future of our organization weighs heavily on creating the next generation of our leadership. We will improve retention and create career advancement opportunities for our team.</p>

 **Tip**

**Don't use words that you found in someone else's strategic plan!** Use the words that are relevant to your organization and its culture and the message you want to send to your team about the investment the plan is making in them and the organization's future.



# Example: Themed Framework

A different way to think about creating a framework is theming your objectives. Here's what that might look like:

Strategic Objective	Intent Statement
<p><b>Revenue Growth:</b> Expand our business to reach \$50 million in annual revenue.</p>	<p>We've been a successful \$30 million business for several years, but we need to grow the business to \$50 million per year. We'll grow to \$50 million through new customer acquisition and developing a channel partner program.</p>
<p><b>Profitability Improvement:</b> Retain customers and deliver products efficiently.</p>	<p>We need to improve our profitability by 10% by retaining more of our hard-earned customers, streamlining our production processes, and adopting a better shipping approach to deliver products accurately and on-time.</p>
<p><b>People Expertise:</b> Build the next generation of leadership and grow our team.</p>	<p>The future of our organization weighs heavily on creating the next generation of our leadership. We will create leadership tracks for our people to improve retention and create options for career advancement opportunities for our team.</p>

# Other Example Objectives

As you work to develop your own objectives with your team, here are a few objective examples to inspire your work:

## Financial Objective Examples

- Financial Growth: Exceed \$10 million in the next 10 years.
- Financial Sustainability: Increase revenue by 10% annually.
- Financial Efficiency: Decrease expenses by 5%.
- Profitability: Increase net profit by 10% annually.

## Customer/Constituent Strategic Objective Examples

- Current Customers: Expand sales to existing customers.
- Current Customers: Improve customer retention.
- New Markets: Introduce existing products into a new market.
- New Products: Launch new products in existing markets.
- New Customers: Expand sales globally.
- Customer Experience: Improve our service to retain more customers.

## Internal/Operational Strategic Objective Examples

- Product Excellence: Every product meets our standard of excellence guidelines.
- Facility Optimization: Each plant is within maximum capacity 90% of the time.
- Technology Innovation: Increase efficiencies through use of wireless or virtual technology.

- Customer Management: We know what customers want before they do.
- Alliances: Establish alliances to accelerate our global expansion.
- Channel Management: Improve distributor and/or supplier relationships to achieve redundancy and reduce costs.

## **People and Learning Strategic Objective Examples**

- Talent Retention: Create an engaging culture and career opportunities that make people love working here.
- Training: Develop leadership abilities and expand the potential of our team.
- Culture: Establish a tangible culture that motivates the team.



We build and review thousands of strategic plans every year. Let's connect to build your plan's objectives and framework

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