

Business Objectives

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Objectives

- **Definition:** An objective is a statement of a **specific** target to achieve the **aim** of a business.
- **Aims** are general and long-term goals of an organization.
- **Importance:**
 - Provide **direction** for all individuals and departments of a business
 - Help to **motivate** staff
 - Provide basis for **measuring** and **controlling** the performance of a business

Objectives

SMART

- **S**pecific
- **M**easurable
- **A**chievable/**A**greed
- **R**ealistic/**R**elevant
- **T**ime constrained

A blog traffic objective:

At the end of this month, our blog will see an 8% lift in traffic by increasing our weekly publishing frequency from 5 posts per week to 8 posts per week.

Different business objectives

- Survival
- Increase sales revenue
- Profit maximization
- Growth
- Market share
- Image and reputation
- Provide quality products/services
- Customer satisfaction
- Corporate social responsibility (CSR)

Activity 5.2

Peter and Petra are celebrating third year in business together. They are qualified accountants who decided to go into partnership in 2010. They rented offices in the country's largest city and, starting with just two clients, PP Accountancy Services (PPAS) was born.

In the early days their main objective was survival. The market for accountancy services in the city was very competitive. They knew that it would take time to build up a list clients and they were prepared to work long hours with little pay. However, they hoped that once PPAS was established it would be a success. After three years of hard work and providing a quality service to clients, PPAS was a very successful business. Peter and Petra employ five other qualified and partly qualified accountants as well as secretarial support staff.

Peter and Petra are considering opening a new office in the country's second largest city. Growth has always been a long-term objective of the partners and they are both excited about the expansion to their business, which will be financed by \$20,000 bank loan.

Activity 5.2

1. Explain the reasons why survival was the main objective for PPAS in its early years.
2. Other than survival, identify three objectives that Peter and Petra set for PPAS.
3. How and why have the objectives for PPAS changed over its first three years?
4. Why do some businesses not have growth as one of their objectives?

Group work

Design the objectives (short-term and medium term) for your business

