

# SMART OBJECTIVES

**ACHIEVE GOALS SUCCESSFULLY & CONSISTENTLY**



**Action  
COACH**  
BUSINESS COACHING

# Setting SMART Goals

**S** - specific  
**M** - measurable  
**A** - achievable  
**R** - realistic  
**T** - timed

**In business we regularly need to plan and set objectives (or goals). They could be personal, for an employee, a team or even the whole company.**

This often appears easy, but when it comes to checking progress or deciding if an objective has been met, it can all go horribly wrong!

Imagine the situation where you set a clear and simple objective for Janice, your new salesperson: "I want you to increase sales for your accounts, OK?". Right.

So a week later you review progress and Janice comes in, smiling, believing she's doing a good job. You review the sales figures and the sales have dropped 10%. After a 20 minute discussion it turns out that she was only just getting started and assumed she had months to achieve an increase, and she had been working on accounts that weren't even hers! Should you fire her now and save a lot of trouble? Think again!

Whenever you are feeling frustrated that someone failed to meet an objective, look first to yourself as the cause. Did you set an objective that was likely to be achieved, or did you just set someone up for failure?

The purpose of setting objectives must be primarily to ensure that the desired outcome is achieved. If it fails, then the failure as the manager or instigator is most likely yours! It's your job to think through the objective and ensure that you create a recipe for success. A good approach is to check that your objective is SMART.

Work with whoever is going to work on achieving the objective when you define it.

- ▶ Think about exactly what you want to achieve (be Specific)
- ▶ Ensure that the outcome can be Measured in some way
- ▶ Don't set an impossible task, ensure that it is Achievable and that within the available resources and skills it is Realistic
- ▶ Finally, make sure that you are clear in agreeing a timescale, ideally with some milestones along the way.

If all of these aspects are clear, there's every chance that the objective will be met and that disagreements are unlikely.

The following pages look at this in more detail and provide guidance on the interactions and processes involved.

# S - Specific



It's sometimes easier to understand why all these words can be problems when you start looking at them in context. So let's imagine you're looking at this month's sales figures; You can see they're not high enough, so you call your team of managers in to a meeting and tell them that this is critical and needs to be fixed. You tell them the objective quite clearly "This isn't good enough, I need you to increase the level of sales! There's no time to waste, go and get on with it".

Faced with this, everyone stands up and leaves, rushing to get on with it. The trouble is, all that you've really told everyone is to increase the sales, but not by how much or by when or what resources they can use to achieve it.

**What you should do instead is be specific, ensuring everyone knows exactly what the objective is.**

The point where most objective setting goes wrong is when it comes to making it specific. If anyone is unclear about exactly what you're setting out to achieve, the chances are that you'll end up with disagreement.

Watch out for terms which are very generalised or relative and avoid them! Replace them instead with terms or measures which are definite. Some of the words to avoid are listed below - watch out for them!

- ▶ Increase, decrease, reduce
- ▶ More, less, better, maximize, minimize
- ▶ Improve, enhance, clarify
- ▶ Develop, build, establish
- ▶ Enough, sufficient, adequate

These are the most common 'problem' words, but others to watch for and harder to spot include words like 'build', 'write', 'make' and so on, which seem reasonable enough but are only acceptable if it's qualified by a specific measure (see the next section).

For example you could say "The target this month was to manufacture 500 units in the 20 working days, that's 25 per day. But we're half way through the month and instead of manufacturing 250 we've only made 230! I need you to increase productivity so that we make another 270 units over the next ten days and achieve our target of 500 by the end of the month". This spells out the specific objective so it's likely everyone now knows exactly what is required and can go and make plans to achieve it.

Another example would be if your customer said "I need this delivered quickly". So you send the item to your customer by cab and charge ten times the normal rate for delivery. The customer is straight back on the phone, complaining that next-day delivery would have been fine, he just didn't want to be waiting a week!

So whether you're setting an objective or receiving the order from someone else, make sure it's specific and ask questions to make sure.



# M - Measurable



Often you'll encounter objectives that are not naturally easy to measure at all. However, watch out for situations where you find yourself justifying the difficulty as a reason not to define measures!

"Write a business plan for next quarter" is the kind of thing that you might ask or be asked to do and it seems pretty clear what the task is. Stop and think! If your boss has just asked you to do this, pause and ask for clarification. What you need to determine is what would be classified as a good plan versus a bad one. If you go back a week later and hand over a sheet of paper that says "Sell more" it's fair to assume that it won't meet with approval.

So what would plan have to look like to meet with approval? How many pages? What topics should be covered and to what depth?

**Objectives should be measurable so that everyone can know when it is complete and so that aspects of it are kept within limits too - total cost for example.**

Some objectives are naturally measurable, but others need to be adjusted in some way. You need to state what measures you will use to judge success.

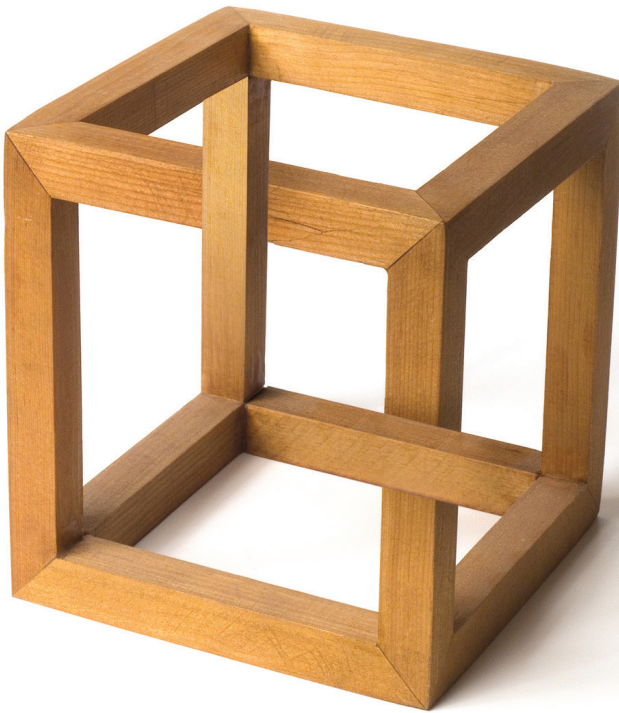
You might say that the goal is to manufacture 500 widgets, but you also need to say that they have to be of the same colour, a maximum size, and below a certain cost per unit. You can see how measurability is more than just being specific about the main goal. You might have produced 500 widgets, but if they cost double the amount to manufacture then it may be rated a total disaster!

Aim to define measures for all aspects of the objective. How much, how many, how big, what cost can all apply to the main objective, but you need to go further. Is there a timescale for completion of a bigger project that this has to fit into? Is the cost supposed to include labour or not?

You could better define this by saying "Write a business plan for the production department covering next financial quarter, April to June. Aim to provide about 10-15 pages. Obtain the published figures for the same quarter last year and provide details of how you would increase the volume of units produced while increasing the costs as little as possible, certainly by less than 10%". You'd probably still want to ask a few questions to clarify this further, but it's a lot more Specific and measurable. Whether it's achievable is a different point, and that's what we'll cover next.



# A - Achievable / Agreed



Most definitions attributed to the SMART acronym use 'A' to represent 'Achievable'. However, I find that for most people the distinction between Achievable and Realistic is minimal. I prefer to use 'Agreed', and will cover both definitions.

## **When setting an objective you should consider whether or not it is actually achievable.**

You could define a Specific and Measurable objective to "Add the numbers  $2 + 2$  and make exactly 5". However, not's not achievable! Being Specific and Measurable is not enough.

If your company has experienced a steady 10% annual growth for the past five years then setting an objective to achieve 10% growth this year should also be achievable. But if you set the objective to achieve 50% growth this year then you need to question whether that is achievable.

Setting a goal which appears unachievable is hugely de-motivating and anyone who has been set such an objective is unlikely to apply maximum effort.

If someone's giving you an objective that appears unachievable - I strongly recommend negotiating it down.

Agreed objectives: As mentioned, I prefer to include this as part of the SMART acronym because it instantly requires that objective-setting becomes a two-way-street, a negotiation. It also makes the responsibility for the objectives a shared one and reduces the chance that it will end in an argument!

Let's face it, there should only be one reason to set an objective and that is to apply focus and resource to making something happen. This requires that anyone involved is fully motivated and working together. Ensure that a short meeting is held to go over the objective and check that there is agreement.

When you're on the receiving end of an objective, ensure that you think about whether you have the necessary resources. Do you have the budget, the right staff, materials, and a timescale (see later)? If not, state clearly what you need *before* you agree to the objective.

If you're defining the SMART objective, ensure that you don't consider it set in stone until the person or team who have to implement it have agreed. Treat it as a negotiation - don't just accept all their requests without consideration. But on the other hand you do need them to think about what they need.

It's fair to say that inexperienced staff are likely to accept objectives - even openly agree to them - without thinking it through. If you're setting the objective you should take this into account and help steer them through the thought process and determine if they have the right resources. You might have to smooth a path with others in the organisation to provide information or assistance when required. Just remember that if they fail the objective, you share the responsibility for failing to ensure they had the resources, clarity of the task, resources and capability. Don't set anyone up to fail - set them up to succeed!



**It's important the you set objectives that can be achieved, otherwise there's no point setting them!**

A Realistic objective is one which is likely to be achievable taking into account the people, experience, resources, time and ideally some history.

I recommend looking at your objective and thinking through what it will take to achieve it. In business we often repeat objectives, so try to refer back to the previous example. Look at how long it took, how many people worked on it, their level of experience, how much was spent, and if someone who worked on it is available for you to talk to, ask what lessons they learned and what they would do differently.

Determining if an objective is Realistic you're really looking at judgement and comparisons. One way to compare is to look at a similar example of work and break it down into units.

If you recently wrote a report that you spent a day on and it resulted in 5 pages, you'll know whether that was easy or if you were working until midnight to

finish. So if you're now being asked to produce a 20 page report, is that going to take you four days? For sure you'll know from your past experience that getting it done in one day is not realistic, so don't agree!

If you want to achieve a 10% increase in sales, is this realistic? Well the answer is that it depends upon the timescale, resources and - in this case - the demand for your product. Let's look in more detail. If the sales have been declining by 10% per month then a 10% increase looks pretty tough. You'll need to think carefully about the resources and especially at the timescale. Turning it from a 10% reduction to a 10% increase could be realistic if you have a year to achieve it and time to redesign the product or retrain the sales force, or the budget to change the marketing. This is a tough one to judge if it's realistic, so ask for a day or two to investigate and make a draft plan, then negotiate the timescale and resources.

It's a fine line between setting objectives that are tough but Realistic versus those that are simply impossible. You have to use your judgement of the person or team that will work on the objective to know what's realistic. Making the objective too easy might mean that there's a feeling of being defeated before it's started. The ideal is to make an objective appear to be challenging so that those involved can see that there would be a sense of accomplishment.

There's an old saying that goes "I would rather fail a really tough goal than to achieve a really easy one". Some people have enough drive and self-confidence that they are happy to take on a tough challenge and be OK with missing the target. But for most people it is far better to set Realistic objectives and ensure they succeed. The sense of accomplishment and self-belief will make them able to take on a tougher objective after that, and another after that... If your objectives keep being missed, take a closer look at whether you set them realistically.





## **One of the most critical parts of objective setting is to ensure that you define the timescale in which things are to happen.**

You say "Write me a two page report on our top five competitors" and then the next day you're wondering where it is. The person you asked to do it has not even started. You might have known you meant you wanted it the next day, but the person you asked assumed the priority was to get it right, and for that they were going to research for the next week!

The timescale is often the main issue of negotiation when agreeing an objective. Something that is achievable and realistic in a month may not be realistic in one week.

Depending upon the complexity of an objective, or especially if input will be required from other people, it may be necessary to agree to meet again the next day to discuss it. The shorter the timescale, the more important it is to check on the availability of resources.

- ▶ Do you need input from a person, department or organisation? Are they available, how soon can they deliver?

- ▶ Do you need to use a particular piece of equipment? When is it available, or what's the lead-time to acquire it?
- ▶ Is there a particular event that this objective is linked to and has a defined time? eg an exhibition date, advertising deadline, seasonality, etc?
  - ▶ Is there a sequence of events that have to happen one after the other, or can things be done in parallel? This can have a big effect on the total time required, so plan carefully.

## **Milestones**

As part of defining the timescales it's worth defining some intermediate 'milestones' as points at which you will review progress and check that the project is on track to meet completion within the agreed timescale and resources.

If an objective is to be completed over three months, you might decide to have a review meeting at the end of the first month and again at the end of the second month. Agree what specific stages should have been achieved by each review and use this as the guide as to whether the project is on target. For example, if you want to design and launch a new product, you'll probably expect the designs to be complete by the end of the first month, and for production samples to be ready by the end of the second month.

If a milestone is missed, ask the question as to whether you are willing for the final timescale to be missed? If not, you may need to recommend a change - extra hours to catch up, add more resource, or perhaps even reduce what the final result has to be? Whatever you decide the whole point is to identify things going wrong while there is still time to correct it. Don't wait until the deadline has passed to realise that you should have taken some corrective action!

# SMARTIE - Summary



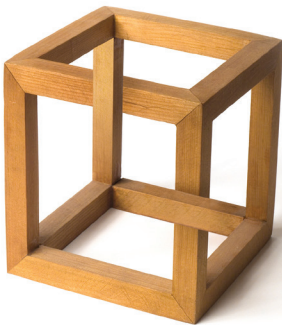
## Specific

- ▶ Is there an identifiable result stated?
- ▶ Can everyone understand it?
- ▶ Are there any constraints?
- ▶ Are the resources clear and appropriate?



## Measurable

- ▶ Can the outcome be measured?
- ▶ What measures are being used?
- ▶ Are there milestones defined?



## Achievable / Agreed

- ▶ Is the objective achievable
- ▶ Is it agreed between the person setting the objective and the person/team implementing?
- ▶ Have the resources and timescales been negotiated and agreed



## Realistic

- ▶ Is the objective realistic when taking into account the resources, skills, timescale and any history of similar objectives?



## Timed

- ▶ Is the duration or completion date defined?
- ▶ Have milestone review dates been set
- ▶ Has the time/date been checked against availability of people and resources?



**Making your goal SMART isn't always enough, a lot of people now expand the acronym to make SMARTIE goals.**

## Inspiring

- ▶ Does your goal inspire you?

## Emotionally connected

- ▶ Do you feel an emotional connection with your goal?