

Quite often people start a business “to do” something they’ve always wanted to do. Or they think something is a great idea and that you will want or eventually need it. But one thing is for certain, people don’t start a business to lose money in order to satisfy their customer. To have a sustained and successful business, a profit has to morph into existence at some reasonable point in time. A strategy with goals and objectives are required to successfully launch a business.

The purpose of a business strategy is to provide a plan to organize and deploy the resources of the business in such a way as to increase the return on equity invested in the business. This is the amount of money that the owners of the business have put at risk to earn a profit.

The second aim of a business strategy is to decrease costs by finding better, faster, and cheaper ways to produce the same products or services and accomplish the same results.

The third objective of a business strategy is to identify and exploit the opportunities of tomorrow while simultaneously reducing the risks of today.

There are four key questions with regard to setting objectives that you should ask and answer continually, especially when you are experiencing resistance or frustration of any kind in the accomplishment of your goals.

How to determine business objectives

These questions are:

1. *What are we trying to do?* What exactly are our goals? Are they written down, clear, specific, time-bounded, and measurable? Lack of clarity with regard to goals leads to lack of accomplishment, both in the short term and in the long term.

2. *How are we trying to do it?* Always remain open to the possibility that there could be a different or better way to accomplish the same objective--with lower costs, lower risks, and greater certainty.

3. *What are our assumptions?* What are you assuming about your current situation that may not be true at all? Every decision is made on the basis of certain assumptions, either clear or unclear. As Alex MacKenzie, author of *The Time Trap*, wrote, “Errant assumptions lie at the root of every failure.”

4. *What if our assumptions are wrong?* What if you are taking actions today that would be completely inappropriate for achieving your objectives if certain assumptions were wrong? Always be open to the possibility that you are dead wrong in your beliefs and assumptions. If you were wrong, what changes would you have to make immediately to survive and thrive in your current market?

When it comes to business objectives, keep in mind they are basically subgoals that you must accomplish to achieve your larger, final goals. And your final goals

are typically related to profitability and return on investment. In most instances your objectives will be related to the following sequential actions:

- * Obtaining, organizing, deploying the necessary financial resources to build and maintain your business operation.

- * Acquiring, training, managing, and motivating the appropriate people to do the job and carry out the work.

- * Advertising, promoting, marketing, and selling a specific volume of products or services within a specific time, at specific prices, yielding specific levels of profit.

- * Producing, manufacturing, distributing, and delivering products and services that you have sold.

- * Organizing the logistical and administrative details of the business in order to handle the information, paperwork, processing, and other activities that underpin a successful business enterprise.

Lastly, when establishing objectives, keep them simple and clear. Clear objectives, backed by detailed plans, vigorously executed with boldness and persistence, lead to success time and time again. Unclear or fuzzy objectives, often accompanied by confusing or contradictory plans, lead to under achievement and defeat over and over again. So as you can see, clarity is essential.

~ The End ~