

# CREATING A MISSION STATEMENT, SETTING GOALS AND DEVELOPING STRATEGIES

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## The Role of Goals and Objectives

Once you have developed your vision, mission and core values, you can then develop the goals and objectives needed to achieve your vision.

**Goals** - Goals are general statements of what you want to achieve. So they need to be integrated with your vision. They also need to be integrated with your mission of how you are going to achieve your vision. Examples of company goals are:

- To improve profitability
- To increase efficiency
- To capture a bigger market share
- To provide better customer service
- To improve employee training
- To reduce carbon emissions

A goal should meet the following criteria:

- **Suitable:** Does it fit with the vision and mission?
- **Acceptable:** Does it fit with the values of the company and the employees?
- **Understandable:** Is it stated simply and easy to understand?
- **Flexible:** Can it be adapted and changed as needed?

Make sure the goals are focused on the important properties of the business. Be careful not to set too many goals. You run the risk of losing focus. Also, design your goals so that they don't contradict and interfere with each other.

**Objectives** - Objectives are specific, quantifiable, time-sensitive statements of what is going to be achieved and when it will be achieved. They are milestones along the path of achieving your goals. Examples of company objectives are:

- To earn at least a 20 percent after-tax rate of return on our net investment during the next fiscal year
- To increase market share by 10 percent over the next three years.
- To lower operating costs by 15 percent over the next two years by improving the efficiency of the manufacturing process.
- To reduce the call-back time of customers inquiries and questions to no more than four hours.

Objectives should meet the following criteria:

- **Measurable:** What will happen and when?
- **Suitable:** Does it fit as a measurement for achieving the goal?
- **Feasible:** Is it possible to achieve?
- **Commitment:** Are people committed to achieving the objective?
- **Ownership:** Are the people responsible for achieving the objective included in the objective-setting process?

**Table 1. Goals and objectives.**

<b>Goals</b>	<b>Corresponding Objectives</b>
Improve Profitability	Net profit as a percent of sales Net profit as percent of investment Net profit per share of common stock
Increase Volume	Market share Percentage growth in sales Sales rank in the market Production capacity utilization
Provide Stability	Variance in annual sales volume Variance in seasonal sales volume Variance in profitability
Non-monetary • Improve company image • Enhance environment • Enhance quality of life	Contributions to community activities Meet specific environmental requirements Increase number of jobs

## Types of Goals and Objectives

Most business goals fall into one of four categories. A variety of objectives can be constructed to meet the goal in each category. Examples are given below. Each of the objectives should be described with a quantifiable outcome to be achieved by a predetermined deadline.

## The Role of Strategies and Action Plans

Strategies are statements of how you are going to achieve something. In a sense, a strategy is how you will use your mission to achieve your vision. A strategy is a series of actions or activities designed to achieve the goal. Goals and objectives provide milestones for measuring the success of the strategy in achieving the vision.

Action plans (tactics) are statements of specific actions or activities used to achieve an objective. You need to identify specific individuals who have the responsibility for implementing the action plans.

## Examples of Strategies, Goals, Objectives and Action Plans

Below are strategies, goals, objectives and action plans for AgVA. Note that the strategies are a series of ways of using the mission to achieve the vision. Goals are statements of what needs to be done to implement the strategy. Objectives are specific milestones for meeting the goal. Action plans are specific actions for reaching the milestone.

**Vision:** A vibrant rural economy driven by value-added agriculture.

**Mission:** To create and facilitate the development of value-added agricultural businesses.

**Strategy:** Use local farmer leaders with business development skills to develop the businesses.

**Goal:** Recruit local farmers interested/experienced in business development.

**Objective:** Create a membership of twenty farmers by February 1.

**Action Plan:** Form a membership committee to recruit local farmer leaders. Identify forty farm leaders in the area. List their qualifications. Contact them individually with the expectation that half of them will join.

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**Vision:** A vibrant rural economy driven by value-added agriculture.

**Mission:** To create and facilitate the development of value-added agricultural businesses.

**Strategy:** Use consultants to supplement the skills of local farmers leaders in developing businesses.

**Goal:** Recruit experienced and reliable consultants.

**Objective:** Identify and retain legal, accounting and industry consultants by March 1.

**Action Plan:** Create a committee from the membership (recruited above) to talk to Prairie Ethanol, Peterson Organics and Valley Bio-Diesel about who their consultants are, select a small group to interview and hire an attorney, an accountant and an industry consultant.

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**Vision:** A vibrant rural economy driven by value-added agriculture.

**Mission:** To create and facilitate the development of value-added agricultural businesses.

**Strategy:** Create successful businesses by focusing on current market opportunities.

**Goal:** Identify and analyze market opportunities for possible business ventures.

**Objective:** Identify three potential market opportunities by June 1.

**Action Plan:** Contract with our industry consultant (identified above) to conduct an industry scan.

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**Vision:** A vibrant rural economy driven by value-added agriculture.

**Mission:** To create and facilitate the development of value-added agricultural businesses.

**Strategy:** Provide financial support for the businesses from investment by local farmer members.

**Goal:** Build a membership base.

**Objective:** Have 500 members by August 1.

**Action Plan:** The membership committee will conduct 10 membership meetings at specified locations on the following dates in June and July.

In other words, strategies are approaches AgVA will take to create successful businesses that will lead to a vibrant rural economy. Goals, objectives and action plans are used to implement these strategies.

Strategies are critical to the success of your business because this is where you actually outline a plan for doing something and then do it. If you don't carry through on your strategies, your vision and mission are of no value.

Strategies are a series of unique steps that will achieve the business vision. The more unique the business, the more creative and innovative you need to be in crafting your strategies.

\*Source: Hofstrand, Don. "Creating a Mission Statement, Setting Goals and Developing Strategies," extension.iastate.edu, October 2009. <http://www.extension.iastate.edu/agdm/wholefarm/html/c5-09.html> [retrieved December 5, 2012]