

# Goal Setting and the Mission Statement

by Sophia



## WHAT'S COVERED

Why do people set goals? More importantly, as it pertains to this lesson, why do businesses set goals? Well, they create targets for us to aim for and provide direction. This tutorial will cover goal setting and the mission statement. Our discussion breaks down as follows:

## 1. Goals

A **goal** is the wished-for conclusion of a process. Regardless of whether it's a long term goal or short term goal, it defines where we want to be when we get done with the process.

➞ **EXAMPLE** The goal may be, for example, washing your car, or making your car the shiniest and best car on the block. This goal helps define where you want to be when you get done with the process of washing the car.

Businesses depend on something called strategic management with effective goal setting. The size of the organization doesn't really matter; you're always going to have and need some type of goal setting and strategic management to help you understand where it is you need to go as a business.



### TERM TO KNOW

#### Goals

The wished for conclusion of a process.

### 1a. Types of Goals

There are three different types of goals:

- Long term goals: Five years or more into the future (5-year plan, for example)
- Intermediate goals: From one to five years away
- Short term goals: Less than a year

#### IN CONTEXT

Suppose your long term goal, or five-year goal, is to finish your bachelor's degree. Your intermediate goal would be to get into a particular university. Your short term goal-- less than a year--would be, for example, to get an A in a certain class, or perhaps to get as many college credits as you can before you actually enroll in your first on-campus college class.

Now, these goals aren't separate and distinct, necessarily. They could, and should, relate to each other. For instance, you could start with trying to get as many credits as you can before you enroll in your first on-campus class. That would be your short term goal, as mentioned above. It would also directly relate to the intermediate goal of getting into a particular school. Having those college credits and demonstrating that extra effort could help you achieve that intermediate goal of getting into the college of your choice. Lastly, getting into that college would help your long term goal of graduating from a particular college.

## 1b. Purposes of Goals

There are many different purposes of goals.

- Provide a direction for management. As management, you need to understand where the company is going so you can direct your department and your employees towards that goal. In this manner, you can direct the efforts based on what the goal is for the company.
- Helps managers allocate resources so that they can align with the goals that have been passed down from top management and those goals set by the company.
- Helps define corporate culture because goals are going to be directly aligned to how you see yourself as a business. What is the culture of your business? Are you all about customer service, or providing the best quality product, or providing the absolute lowest cost to your customers? Therefore, you can see how culture can help define what the goals may be for a particular business.
- Serves as a means to assess performance. We will discuss appraisals in another tutorial, but by setting goals, employees can then be evaluated on how they are performing as it relates to the goals of the company, whether it's the long term, intermediate, or short term goals.

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## 2. Mission Statements

One of the ways in which a business defines a goal and passed it to the employees is through a mission statement. A **mission statement** is the official description of the intention of an organization, which we'll explore in further detail, but for now, let's take a look at goals vs. mission.

The thing to note about goals is that they're going to be different between organizations. They're also going to be driven largely by what the mission is of that organization. The mission statement can help drive choices on what types of goals that the organization is going to pursue. That mission statement, or the intention of the organization, defines what the business is here to do.

➞ **EXAMPLE** If you're the low-cost leader, you're going to provide your customers with the lowest possible cost, and you don't want to have goals that are contrary to that mission statement. You don't want to have a goal, for instance, to build the world's tallest, most elaborate building as your headquarters. That would be contrary to your mission statement. It would also cost money that would then have to be passed on to the customers and directly violate the low-cost leader mission that you've set for yourselves.

Now, mission statement and corporate culture are very closely related. In fact, they help define each other. **Corporate culture** is the commonly understood and accepted history, ethics, ideals, and attitudes within an organization.

You can see how being a low-cost leader and having a corporate culture that helps define that can help corporate culture and mission define and support each other. If you have a corporate culture and a mission statement that are out of sync with each other, one or the other is going to suffer, and you won't have the corporate culture that you want. The mission statement will simply be words on a page instead of an actual statement and living document of what you do as an organization.

### IN CONTEXT

Read the mission statement of Barnes & Noble below, and see if you can pick out those things that help define corporate culture and define the goals that Barnes & Noble might set for itself, based purely on the mission statement.

*Our mission is to operate the best specialty retail business in America, regardless of the product we sell. Because the product we sell is books, our aspirations must be consistent with the promise and the ideals of the volumes which line our shelves. To say our mission exists independent of the product we sell is to demean the importance and the distinction of being booksellers.*

*As booksellers we are determined to be the very best in our business, regardless of the size, pedigree, or inclinations of our customers. We will continue to bring our industry nuances of style and approaches to book selling which are consistent with our evolving aspirations.*

*Above all, we expect to be a credit to the communities we serve, a valuable resource to our customers, and a place where our dedicated booksellers can grow and prosper. Toward this end we will not only listen to our customers and our booksellers, but embrace the idea that the company is at their service.*

That's the mission for Barnes & Noble. As you can see, there is a lot of impactful language about what they are. What are their employees? The employees who work at their retail stores are booksellers. Barnes & Noble has given them a very distinct name which raises them above the simple "sales for retail" folks. You can see how this mission statement helps define the corporate culture of Barnes & Noble.



### TERMS TO KNOW

#### Mission Statement

The official description of the intention of an organization.

#### Corporate Culture

The commonly understood and accepted history, ethics, ideals and attitudes within an organization.



### SUMMARY

Today we learned about **goals** and the **purposes of goals**, exploring the reasons why we as humans and companies make goals. We also looked at **goals vs. missions**, and wrapped up by looking at a **mission statement example**.

Good luck!

Source: adapted from sophia author james howard



## TERMS TO KNOW

### **Corporate Culture**

The commonly understood and accepted history, ethics, ideals and attitudes within an organization.

### **Goals**

The wished for conclusion of a process.

### **Mission Statement**

The official description of the intention of an organization.