Unit 1.1

Business Objectives

**WHY BUSINESSES EXIST**

**Profit**
- To achieve sales revenue that is higher than total costs
  \[ \text{Profit} = \text{SR} - \text{TC} \]

**Growth**
- To increase in size either by value of sales or volume of sales (or both!)
- This can be achieved through launching new stores, new products, joining with other businesses or taking over

**Survival**
- To continue to exist as a business
- This may be the primary objective of a start-up business or one experiencing difficult trading conditions

**Cash Flow**
- To ensure sufficient cash is available to meet day to day expenses
- Cash flow is the flow of cash into and out of a business over a period of time

**Social**
- Behave in a way which benefits society
- Create employment, support local community or improve educational standards

**Ethical**
- Behave in a way which is morally correct
- Treat key stakeholders (suppliers & employees) in a fair manner or reduce negative impacts on the environment

**Why Businesses set objectives**
- Common sense of purpose
- Motivate employees
- Create reward systems
- Measure and review performance
- Inform decisions to improve performance

**Specific**
- Clearly and easily defined

**Measurable**
- Quantifiable

**Agreed**
- Managers and employees involved

**Realistic**
- Achievable and not in conflict with other objectives

**Time**
- Objectives should have a timescale to be achieved in

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**Preview from Notesale.co.uk**

**Mission Statement**
- The overall reason for the business’ existence

**Corporate Aims**
- The long term targets and plans to fulfil the mission statement.

**Corporate Objectives**
- The medium to long term quantifiable targets to fulfil the mission statement.

**Corporate Strategy**
- The actions to be taken by the business to achieve the objectives.

**Business Tactics**
- Actions taken on a day to day basis to support the strategy.