Business Objectives

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

Profit

- To achieve sales revenue that is higher than total costs
- Profit = SR - TC

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

WHY BUSINESSES EXIST

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

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

Mission Statement

A **mission statement** is a statement explaining the purpose of an organisation. This statement guides the actions of the organisation, shows overall goals, sets a sense of direction and guides decision making

Why Businesses set objectives

- Common sense of purpose
- Motivate employees
- Create reward systems
- Measure and review performance
- Inform decisions to improve performance

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.