

Setting Ambitious But Realistic Objectives

Your goals or objectives are what you set yourself and what you have to achieve to deliver your mission.

Distinguish between long term (*more than one year*) and short term (*to be achieved within the year*). Short term goals need to be realistic. Long term goals can be more ambitious and relate more to your vision of the future. Objectives need to be set for each main area of the business, typically for sales, marketing, operations, resources and management information.



Marketing

Marketing is all about how you compete and what your offer needs to be to compete. From there you need to build awareness of your company, its reputation and the desirability of its brands, products and services. Some examples:

- To be known as the best local provider of ... services in this area through 3 campaigns comprising ...
- To provide our customers with the easiest and most cost competitive access to our products through a specialist website narrowly focused on the ... product range
- To give a better service than our competitors, measured by ...



Sales

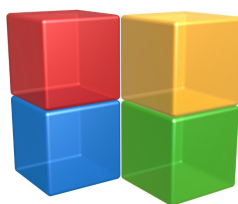
Clear targets are essential for a strong sales performance. Clearly define your target customer segments, how you will gain access to them and capture their business. Some examples:

- To grow our sales by ...
- Increase margins by ...
- To capture two of the four major chains in the market
- To launch an alternative product with these advantages to achieve sales of ... in the first year

Operations

Delivering what the customer wants on time and at the target cost is the essence here. Some examples:

- Reducing operational and maintenance costs by ...
- Achieving on time, in full, order fulfilment of 96%
- Reducing downtime to 10%



Resources

Resources are what you need to get things done and include things such as facilities, people or equipment. These are usually best dealt with as part of your strategy for a particular part of the business. These can overlap, so it is useful to consider them as a whole. Some examples:

- To relocate to a larger warehouse
- To invest in more internal sales people
- To increase R&D in ...

Management Information

All the costs of the various parts of the business and the income obtained from customers are rolled up in the management and financial accounts.

Budgets are what make up the financial goals and are an absolute must. These are all too rare in small to medium sized businesses. In contrast, they are never missing in larger corporations. Some examples:

- Achieve a net operating profit of ...
- Reduce overheads by ...
- Increase stock turnover to 15 times per annum
- Reduce debtor days to 55 days
- Invest in new IT systems and achieve a ... return on investment

Budgets are the best way to articulate these targets.

Build, Fill and Manage Your Sales Pipeline

Build

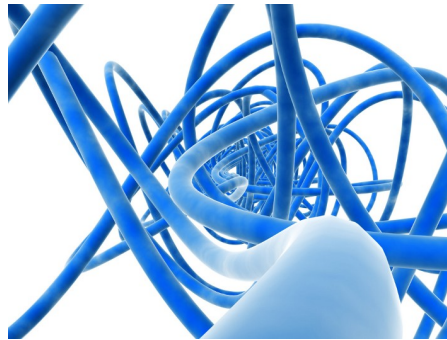
Start today with a simple spreadsheet to document all your current leads using the following headings:

- Lead Number
- Customer
- Value
- Profit
- Probability
- Lead Source
- Next Action.



For probability, we recommend using 90/50/10 where 90% is very close to an order, 50% could go either way, and 10% is a long shot.

Fill



Do you have enough leads to work on?

Most companies don't.

Start an active campaign to create more. Join a networking club, seek editorial coverage or use e-mail marketing or a combination of all three - whatever suits your business best.

Are you promoting your business online?

This can be a most cost-effective way to generate leads for many businesses today.

Whatever you do, do it regularly and systematically and measure the results you get and the cost of each lead. After a fair trial, spend more on what works best and cut back the rest.

Manage

The real value of building a pipeline and writing it down is the opportunity it provides for regular conversations about the progress of each lead and to ask such questions as:

- Is everything being done to convert each lead?
- Is our overall conversion rate good enough?
- Are the leads we are getting of the right quality?



Think about engaging an outsider with broad sales and marketing experience who can bring fresh eyes and ears to your situation.

If you choose to measure only one thing in your business, make it the size and quality of your sales pipeline. It is just as important as last month's invoiced sales or the amount of cash in your bank account as an indicator of the future health of your business.

A typical sales pipeline



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Next month: Marketing For Success