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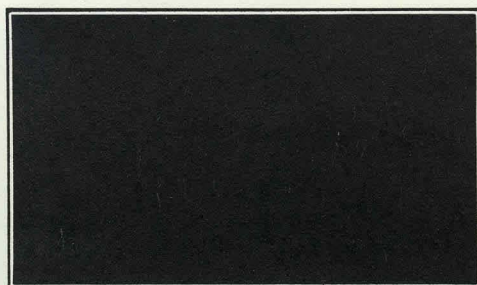
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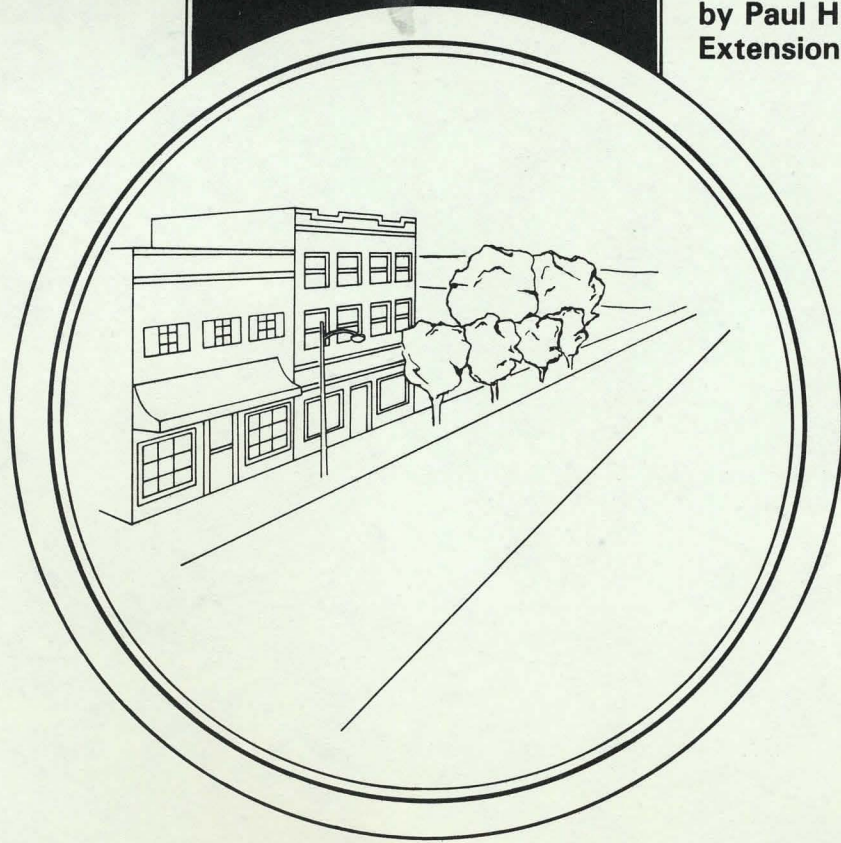


GOALS FOR BUSINESS OPERATIONS AND FAMILY LIFE



PART IIIa: IDENTIFYING GOALS FOR THE RETAILER

by Paul H. Gessaman
Extension Agricultural Finance Economist



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GOALS FOR BUSINESS OPERATIONS AND FAMILY LIFE

PART IIIa: IDENTIFYING GOALS FOR THE RETAILER

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This document is for use by persons and families who operate retail businesses. Other versions are available for those who are service providers (plumbers, electricians, attorneys, etc.), and for those who transform raw materials into products that others purchase and use (construction contractors, manufacturers, etc.). If this is not the correct version for you, ask your workshop leader for a copy of one that's more appropriate.

INTRODUCTION

Imagine that you are on an airplane that has just taken off from Honolulu for a non-stop flight to the mainland. What would you think if this announcement came over the intercom:

Ladies and gentlemen, this is your captain speaking. As you know, we just left Honolulu and now we're traveling east across the Pacific Ocean. If all goes well, in a few hours we should be able to look down and see land below us. If we do, we'll hunt for a city. If the city we find has an airport that's large enough, we'll land and find out where we are. Then, we'll decide where we want to go on the next leg of this flight. Meanwhile, folks, just sit back, relax, and enjoy the flight. The jet stream is behind us today, and we'll soon be traveling more than 550 miles per hour.

Would you want to ride on that airplane? How confident would you be that you would arrive safely and on-time? Would you wonder what you gained by traveling more than 550 miles per hour when you didn't know your destination?

Do you and your family ever feel that your life is going by at 550 miles per hour, but you don't know where you're going? As a family, are you charter members of the "Non-directed Business Ratrace?" If so, you may be like our fictional airplane and pilot. You may be moving fast, making a loud noise, but uncertain of your destination, and without a place to land.

If you want to be effective managers of business and family life activities, you need to know WHERE you are going, HOW you intend to get there, and WHEN you intend to arrive. These insights come directly from your goals — your statements of the things you want to achieve in life.

If you and your family have never identified your goals — or if you've identified your goals, but don't know how to attain them, you are not alone. Most people hope for a better future, but few identify goals that describe the future they want. And, even fewer consistently manage for goal attainment. To help you be a better manager, this series of documents provides a method that you can use in identifying goals, setting priorities, and developing a goal-directed management plan.

IDENTIFYING GOALS FOR BUSINESS OPERATIONS AND FAMILY LIFE

Many of your interests and sources of motivation, and those of family members, were identified when you responded to the self-assessment questions. You've summarized those insights in your Interest and Preference Statements, and may have identified conditions of life that are of special interest. (If you've not completed the self-assessment, please do so before going on with your goal identification.) As you identify goals, use your self-assessment insights to help you focus on aspects of life where you excell.

Be sure to identify goals that reflect the full range of interests within the family unit. To ensure that you don't leave out important aspects of life, it's useful and important to initially identify the full range of things family members would like to achieve. Don't be surprised or concerned if goal conflicts are evident. Such is the case for most businesses and families. Initially ignore goal conflicts and concentrate on writing goal statements describing the future you and your family would like to see come to pass.

Goal conflicts will be dealt with later through priority-setting. In priority-setting you'll examine your high-ranked goals and set priorities that "narrow down" your goal-attainment efforts so you can concentrate resources on attaining the most important and/or urgent goals.

Guidelines for Goal Identification:

All of us have goals that we work toward over many years — goals such as business profitability, "burning" the mortgage on the family home, or receiving a particular form of recognition. Some goals will require a lifetime to attain. Others can be attained in a year, a few years, or a decade. Goals that will be attained over many years are called long-term goals. Those that can be rapidly attained usually are called short-term goals.*

Short-term goals identify things that are to be achieved this year and next — such as adding a new product line, learning to use a new type of computer software, remodeling the family home, buying a new car, launching an advertising campaign targeted on a new customer group, or starting goal-directed management of work and family life.

To the extent possible, one seeks to have short-term goals that directly support attainment of long-term goals. When this is true, the stage is set for more effective management. But, it's rare when all short-term goals

* Short-term goals often are referred to as objectives. For simplicity, this discussion uses only the short-term goal and long-term goal terminology.

directly support attainment of long-term goals. And, business goals may be somewhat in conflict with important short-term family life goals. So, at this point don't worry about inconsistencies and conflicts among the goals you identify. Those will be dealt with later. For now, the important thing is to identify goals that represent your interests, hopes, and aspirations for life.

When writing goal statements, be sure to observe these guidelines:

- Goals are written as action statements. "To complete . . .," or "To earn . . .," or other action statement introduces a typical goal.
- Long-term goals usually specify the time by which the goal is to be attained. "To pay off the home mortgage by . . ."
- When long-term goals do not specify a time dimension, they usually refer to qualitative aspects of life. "To ensure that my customers are treated with honesty by . . ."
- Long-term goals should be believable in that they should describe situations or conditions in which you can believe over the years. Avoid "pie-in-the-sky" long-term goals that you can't believe in. They will lead to disappointment.
- Short-term goals have a time dimension that indicates when the goal is to be attained. "To stock and have for sale by _____, 19__ the _____ line of products."
- Short-term goals should be attainable in that they should describe situations that you can rationally believe are possible to attain (achieve) in the designated time. Avoid short-term goals that you know cannot be attained, as they will cause continuing discouragement.

As you write goal statements you are expressing your hopes and dreams and ambitions for the future by identifying what you want to achieve, how you intend to achieve, and when you intend to achieve each desired outcome. In terms of our fictional airplane and pilot, you are preparing your flight plan.

* * * * *

IDENTIFYING LONG-TERM BUSINESS GOALS

The approach used here parallels that used in the self-assessment. Each person should initially complete this section without discussion. After you and others in the workshop have completed your initial goal identification, there will be a time for sharing and discussion. In that time, you and your family members and/or business associates will have time to share and discuss your initial goal statements.

To the extent that it is feasible to do so, base your goal statements on the insights gained from completing the Part II self-assessment. Identify goals that will build on and use your interests, motivations, and abilities as identified in the self-assessment.

Remember, you are identifying LONG-TERM BUSINESS GOALS.

Over the next five to ten or more years, what do you expect will be your most important long-term business (retailing) goal?

In that same period, what will be your second most important long-term business (retailing) goal?

Several statements that might be important long-term business goals for retail store operations are listed below. (Some may be virtually the same as the ones you have written out above.) Place a check mark to the right of each one that you feel is important with respect to your own situation, and is not a goal that you wrote down above. (On some you will need to fill in a blank.) If you have other important goals, add them on the lines at the end of this listing:

_____ To increase sales by an average of _____ percent per year over the next decade. _____

_____ To move from my present store to a higher traffic location in _____. _____

_____ To reduce my work load while maintaining store operations for at least _____ hours per week. _____

_____ To pay down the existing mortgage to _____ percent of its present balance by _____. _____

_____ To reduce borrowing for inventory purchase and operations by _____ percent during the next decade. _____

_____ To expand my store to _____ square feet of sales area by building on _____ square feet by 19____. _____

_____ To find a purchaser for my existing store, inventory, and goodwill under an arrangement that allows me to continue as a profit-sharing operator of the store. _____

Now go back over all the long-term business goals identified thus far — the ones you've written and ones you marked with a check at the right margin. In the blanks at the left margin, assign to each a ranking number reflecting your view of its importance and/or urgency. Put the number "1" beside the one that you think is most important and/or urgent, the number "2" beside the next most important and/or urgent, and so forth.

When you and others in the workshop have completed and ranked your long-term goal statements, there will be a period for discussion and sharing. Join your family members or business associates (if any), or confidant, in sharing and discussion of initial versions of long-term goals. In your discussions during or after the workshop, remember to observe these discussion rules:

- Be open and honest with yourself and one another.
- Resist the temptation to make value judgments about each other's statements or perspectives.
- Don't react until the other person has fully expressed his/her ideas and/or point of view.

As initial versions of goals are shared and ideas and insights become evident, note them in the margins of your goal listing. When you are satisfied that you have "sharpened up" your thinking about long-term business goals, use an additional copy of this document as a "record copy" to enter goal statements and rankings that reflect the best thinking of family members and represent your interests and needs for the future.

* * * * *

IDENTIFYING SHORT-TERM BUSINESS GOALS

Goals that are to be achieved within the next one or two years, are called "short-term goals." They usually contain a measurable element that can be used to determine whether the goal has been attained (achieved). For example, a short-term goal could be, "To reduce back inventory by 50 percent by March of 19____." When the month of March has ended, it's easy to know whether the goal was attained.

As you did previously, start this goal identification process by working individually. To the extent that it is feasible to do so, base your goal statements on insights gained from the Part II self-assessment. Identify short-term goals that will build on and use interests, motivations, and abilities of family members as identified in the self-assessment.

Remember, you are identifying SHORT-TERM BUSINESS GOALS.

Over the next one or two years, what do you expect will be your most important short-term business (retailing) goal?

In that same period, what short-term business (retailing) goal will be the second most important?

Several statements that might be important short-term business (retailing) goals are listed below. Use them in the same way as you did the sample listings of long-term goals. Fill in blanks and place a check mark to the right of each one that you feel is important with respect to your business and work. Add other important short-term goals on the lines at the bottom of the page.

_____ To keep current in my record-keeping, ordering, and daily assessment of business operations. _____

_____ To increase traffic through my store by at least _____ percent over the same months of last year by special sales promotions and advertising. _____

_____ To participate in management update training that will add to my use of the computer for records and advertising. _____

_____ To work with other businesses in my town on at least two special events (sales promotions) to be held in the next twelve months. _____

_____ To increase support for our commercial club by \$ _____ per year through work projects and/or by soliciting contributions from my fellow merchants. _____

_____ To reduce my existing mortgage balance by \$ _____ by the end of this calendar year. _____

_____ To reduce my back inventory by _____ percent during the next six months. _____

_____ To remain fully current on remitting sales tax, payroll taxes, and state and federal income taxes for this year. _____

Now go back over your list of short-term goals as you've identified them on the previous page -- the ones you wrote down and the ones you marked with a check at the right margin. In the blanks next to the left margin, assign a ranking number reflecting your view of the importance and/or urgency of each. Put the number "1" beside the one that is most important and/or urgent, the number "2" beside the next most important and/or urgent, and so forth.

When you and others in the workshop have completed and ranked your short-term goal statements, there will be a period for discussion and sharing. Join your family members and/or business associates or confidant in sharing and discussion of initial versions of short-term goals. In your discussions during or after the workshop, remember to observe these discussion rules:

- Be open and honest with yourself and one another.
- Resist the temptation to make value judgments about each other's statements or perspectives.
- Don't react until the other person has fully expressed his/her ideas and/or point of view.

As initial versions of goals are shared, ideas and insights will become evident. Note them in the margins of your goal listing. When you are satisfied that you have "sharpened up" your thinking about short-term business goals, use an additional copy of this document as a "record copy" to enter goal statements and rankings that best represent the interests and needs for the future of your business operation.

* * * * *

IDENTIFYING LONG-TERM FAMILY LIFE GOALS

The approach used here parallels that used when identifying long-term business goals. However, attention is focused on goals for family life. Family life goals will, of course, interact with your business (retailing) goals, but should represent your best thinking about the things you want to achieve in family life. Each person should initially complete this section without discussing it with others. When workshop participants have completed their initial goal identification, there will be a time for family sharing and discussion.

To the extent that it is feasible to do so, base your goal statements on the insights gained from completing the Part II self-assessment. Remember that long-term goals can identify a year at some distance in the future, or a stage of life, as the time of completion. They can, and often do, identify qualitative aspects of life that you wish to attain.

Remember, you are identifying LONG-TERM FAMILY LIFE GOALS.

What do you expect will be your most important family life goal for the next five to ten or more years? Record it on these lines.

What will be your second most important family life goal for those years?

Several statements that might be important family life goals are listed here. Place a check mark to the right of each one that you feel is important to you and your family, and is not a goal already written down. Other important goals can be added on the lines at the bottom of the page:

- _____ To maintain a level of living that does not consume (reduce) _____
our net worth.
- _____ To take at least one vacation per year in which we travel to _____
_____ for a period of _____
_____ days.
- _____ To provide donations of money, goods, or time and effort in _____
support of _____ (organization).
- _____ To ensure that interested family members can participate in _____
continuing education and self-development activities by _____
_____.
- _____ To provide _____ percent of the costs of higher education _____
for _____.
- _____ To reduce our home mortgage balance to _____ percent _____
of its present level.
- _____ To buy a replacement automobile every _____ years. _____
- _____ To arrange my work in such a way that I can pursue my _____
interest in _____.
- _____ To provide for an adequate level of retirement income _____
starting in 19____ by _____.
- _____ To encourage family members to improve physical appearance _____
and health by regular exercise and good diet.
- _____ To save and invest at least _____ percent of our income. _____
- _____
- _____

Now go back over all the long-term family life goals that you have identified thus far -- the ones you wrote down and ones you marked with a check at the right margin. In the blanks next to the left margin, assign to each a ranking number reflecting your view of its importance and/or urgency. Put the number "1" beside the one that you think is most important and/or urgent, the number "2" beside the next most important and/or urgent, and so forth.

When you and others in the workshop have completed and ranked your long-term goal statements, there will be a period for discussion and sharing. Join your spouse and/or other family members in sharing and discussion of initial versions of long-term family life goals. In your discussions during or after the workshop, remember to observe these discussion rules:

- Be open and honest with yourself and one another.
- Resist the temptation to make value judgments about each other's statements or perspectives.
- Don't react until the other person has fully expressed his/her ideas and/or point of view.

As initial versions of goals are shared and ideas and insights become evident, note them in the margins of your goal listing. When you are satisfied that you have "sharpened up" your thinking about long-term family life goals, use an additional copy of this document as a "record copy" to enter goal statements and rankings that reflect the best thinking of family members and your interests and needs in the future.

* * * * *

IDENTIFYING SHORT-TERM FAMILY LIFE GOALS

Goals that you hope to achieve within the next one or two years, are commonly called "short-term goals." Short-term goals contain a measurable element that you can use to determine whether you have achieved what you hoped to do (attained the goal). For example, a short-term goal could be, "To reduce our credit card balance to less than \$300 by June 30, 19____." When June 30th comes, you will be able to look at your credit card balance and know whether you attained your goal.

As you did before, start this goal identification process by working individually. To the extent that it is feasible to do so, base your goal statements on insights gained from the Part II self-assessment. Identify short-term goals that will build on and use your interests, motivations, and abilities as identified in the self-assessment.

Remember, you are identifying SHORT-TERM PERSONAL LIFE GOALS.

Over the next one to two years, what will be your most important goal for family life?

What will be your second most important goal for family life during the next one to two years?

Several statements that might be important family life goals are listed here. Place a check mark to the right of each one that will be important for you and your family, and is not a goal that you already have written down. Other important goals can be added on the lines at the bottom of the page:

_____ To fully insulate our home so it will be more comfortable and utility expense will be decreased. _____

_____ To reduce our short-term debt by at least \$_____ per year in each of the next two years _____

_____ To provide financial or other support of _____ (organization) in the amount of \$_____ or _____. _____

_____ To allocate \$_____ for orthodontic work for _____. _____

_____ To reduce household operating expense by _____ percent per year in each of the next two years. _____

_____ To provide each family member with a "personal allowance" (a specified amount for each time period) that can be used for personal purposes without accounting to anyone. _____

_____ To set up an "emergency fund" that can be used use to pay unexpected expenses such as car or home repair costs, uninsured losses, accident damage repairs, or similar costs. _____

_____ To encourage family members to become involved in community activities important to their health, values, or self-image. _____

_____ To set aside at least _____ evenings per week for "family time" and/or time for visiting with friends. _____

Now go back over the short-term family life goals that you have identified thus far — the ones you wrote down and ones you marked with a check at the right margin. In the blanks next to the left margin, assign to each a ranking number reflecting your view of its importance and/or urgency. Put the number "1" beside the one that you think is most important and/or urgent, the number "2" beside the next most important and/or urgent, and so forth.

When you and others in the workshop have completed and ranked your long-term goal statements, there will be a period for discussion and sharing. Join your spouse and/or other family members in sharing and discussion of initial versions of short-term family life goals. In your discussions during or after the workshop, remember to observe these discussion rules:

- Be open and honest with yourself and one another.
- Resist the temptation to make value judgments about each other's statements or perspectives.
- Don't react until the other person has fully expressed his/her ideas and/or point of view.

As initial versions of goals are shared and ideas and insights become evident, note them in the margins of your goal listing. When you are satisfied that you have "sharpened up" your thinking about short-term family life goals, use an additional copy of this document as a "record copy" to enter goal statements and rankings that reflect the best thinking of family members and your interests and needs in the near future.

THE NEXT STEP

In the next part of the GOALS Process, you and other family members will examine your goals and make decisions about priorities. It's important that the goal statements used when setting priorities are ones that reflect your best thinking about the future you and your family would like to attain. In preparation for the Part IV priority-setting, take at least two occasions prior to the next workshop to consider and discuss the results of your self-assessment and goal identification activities. If possible, have family discussions at a time when the persons involved are not over-tired and not distracted by other concerns. Discuss, negotiate issues where you differ, and compromise wherever possible. By doing so, you'll be better prepared for the priority-setting activities of Part IV.