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Goal lines

Ten reasons why companies fall short

Years ago, I was actively involved in the strategic planning process with a local Milwaukee area mid-sized manufacturing company that did about $20 million in sales.

Six months after the process was complete, the company abandoned it.

Michael Canic, a Vistage/TEC speaker, recently discussed 10 reasons why strategies and goals fail. Based on my experience with the company that I saw self-destruct, Canic hit it right on the mark. The company I mentioned went out of business altogether, about 100 years after it was founded.

Reason #1: The goal is not clear

"We want to be the premier supplier of high-end software support systems in the food service industry." This goal is ambiguous, to say the least, and multi-directional at best. Too many companies confuse platitudes with goals or value statements with goals.

A strategic goal can begin with a platitude, but it must end with measurable metrics, or it doesn't mean anything. So, in this case, "premier supplier" must be defined. It could mean consistently reliable, on time delivery/installation, automatic upgrade support or superior customer satisfaction reports. Likewise, "high end" needs a metric to support it and to distinguish what makes it different than "low end."

Bottom line: If you can't measure it, it ain't no goal!

Reason #2: The goal does not inspire

I'm always reminded of the old well-tagged JFK goal: "I believe that this nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to the Earth."

Inspiring, compelling, stretching, improbable? All of the above. What it connotes is the prospect of a big win. In difficult economic times, a "big win attitude" – and that's what it is, an attitude - can do great things for employee morale.

So what about converting that distant, questionable prospect into a bonafide new high-potential customer? What about making a brand new customer service promise that will be truly unique to your industry? What about going green in such a way that competitors, customers and vendors stand up and take notice?

Bottom line: A goal that requires walking only isn't very compelling.

Reason #3: A laundry list of goals

At any given point in time, humans have the capacity to record, save and replay about seven pieces of information about anything. So if the company's strategy is laced with assumptions, initiatives, critical issues, goals and objectives, it's likely that this caldron of redundant information will be reduced to a stew and that no one will remember the ingredients.

Bottom line: No more than four metric goals.

Reason #4: You don't have what it takes to meet your goals

A goal can be metric and well-defined, but it needs the following to get done: An accountable leader and a team to make it happen, adequate resources to implement it, and specific action plans to follow through.

Bottom line: Harness goals to things that are doable.

Reason #5: People aren't sold on the goal-planning process

There is no question that a firm's strategy going forward must be set at the top. But without buy-in from below, following through is doomed to failure, mainly because employees don't feel as though they're part of the process.

Bottom line: Give people a strong voice in action planning

Reason #6: Failure to recognize cultural implications

Every company has a way it gets things done through its people, and usually it's not by following a printed organizational chart. Business strategies are guaranteed to fail when there's a logical way for employees to do something, but you avoid it because it isn't on the printed chart.

Bottom line: Test major goals against cultural implications

Reason #7: Goal progress is assumed, not tracked

Anyone who has lost weight knows that first you must commit to a diet plan and then you must weigh yourself regularly and record the results. In tracking business goals, this means holding regular meetings with a concise agenda to discuss and record progress. Again, the importance of shared metrics cannot be overemphasized.

Bottom line: Make shared goal tracking a high priority.

Reason #8: The implementation plan is too rigid

It is virtually impossible to build a business strategy or goal set without articulating key assumptions about the business environment, customers and competitors. These factors become a part of the "hard copy" of a written strategic plan. The reality is that the foundation for the original assumptions often changes in an unpredictable way over the course of time. These changes often signal the need for new directions in implementing goals.

Bottom line: A quarterly recalibration of the plan is required.

Reason #9: "Round pegs in a square hole" syndrome

No system of reaching goals will succeed if it's beyond the capabilities of the employees who must implement it. Over the years, this is one of the primary causes I've seen lead to failure and disappointment. The plan may be the right plan and make all the sense in the world, but it's people who make it happen.

Bottom line: The plan must align with employee capabilities.

Reason #10: Failure is viewed as an acceptable alternative

A leader's commitment to winning is ever so evident after watching how he or she responds to failure. If the response is to acquiesce or concede defeat, then the culture of the company will similarly be a shoulder shrug. Employees will view new initiatives with the premise "whatever will be, will be." This makes effective planning for the long term all but impossible.

Bottom line: Always regroup and find a way to get there.

We would all agree these are indeed challenging times for small businesses. The system will not reward complacency or failure. Follow these guidelines, and, until next month, build assured success into the process of reaching your strategic goals.

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