

## GOAL SETTING

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*If you don't know where you are going, you'll never know when you are there.*

Business managers need to know where they have been and where their business is going. They also should know where they would like their business to be in the future, and if the present direction is not likely to lead there, changes must be undertaken. Integrated Resource Management (IRM) can be used to more efficiently utilize resources, improve productivity, and increase profitability of farms and ranches. However, before resources can be better utilized, productivity improved, or profits increased, we must identify if those objectives are truly the goals of the business, family, or manager.

There are many different approaches to goal setting, all of which are probably viable and useful for different individuals. The most important step is to **GET STARTED**. The second step is to write your goals down. It also is important to be honest and realistic with the goals you set.

This fact sheet outlines one approach to goal setting. Much of the fact sheet is based on the Animal Management Advancement Project (AMAP) by the Michigan State University Extension Service. More detail into this approach can be obtained by contacting them. Many other goal setting approaches are available. The important thing is to start now and set your goals.

A four-tiered pyramid approach will be used in this fact sheet to discuss the different types of goals a business should have. Each of the four tiers is discussed after providing a perspective on how they fit together. At the base of the pyramid is the mission of the business. A mission statement is an all encompassing, or a holistic, plan for the future of the business, outlining who you are, what your business does and where your business is headed. Long-term goals, the second tier of the pyramid, are specific objectives for the next three to seven years. These goals will give the business direction and should provide a means of measuring the progress of the business. The third level of the pyramid is short-term goals of 1-3 years. They are used to support the long-term goals and you will probably have several short-term goals to help accomplish each long-term goal. At the top of the pyramid are tactics. Tactics are precise plans for action for the current year or production cycle. They describe specific activities that need to be done to accomplish each short-term goal.

In summary, at one end of the goal setting perspective is the visionary mission statement; at the other end is the daily to-do list. In between are the long-term goals each supported by several short-term goals.



## Mission Statement

The mission statement should outline your personal, family and business values. The nature of your business and a vision of where you would like the business to be in the future should be included in the mission statement. A written mission statement can help owners, managers, family members and hired laborers to all understand the direction and purpose of the business.

### An example mission statement

Maintain a prosperous beef cattle ranch that produces superior quality cattle at an economically sustainable level of costs; improve the natural resource base of the ranch; look for growth opportunities so that the business will be sufficiently large to support the next generation of family members; and, encourage family members and employees to be an integral part of and leaders in the community.

## Long-term Goals

Once the mission statement is in place, long-term goals need to be established. Long-term goals need to DRIVE the business. DRIVE stands for directional, reasonable, inspiring, visible, and eventual. Those characteristics should be kept in mind as the long-term goals are set. Often long-term goals may be conflicting, for example a goal of increased profits and a goal of increased leisure time. These need to be prioritized according to how essential they are to the mission statement.

### Example Long-term Goals

Increase the percentage of calves weaned from cows exposed from 75% to 85% over the next four years.

Decrease the level of debt relative to the asset base from 40% to 25% in the next seven years.

Become a low-cost producer with per cow costs in the lower 1/3 for comparable ranches.

## Short-term Goals

The long term goals are more operational than the mission statement but generally still require some specific short-term goals if they are to be attained. For example, the goal of increased calf crop weaned could be accomplished by increasing the conception rate or decreasing the death loss of calves. A smart manager should know which goal would be most appropriate and would set some SMART short-term goals. SMART refers to specific, measurable, attainable, rewarding, and timed. Often short-term goals will be specific to one year or one production cycle but they may also be for two or three years.

### Example Short-term Goals

Decrease calf death loss from 6% to 3% this year.

Increase conception rate of heifers from 80% to 90% over the next two years.

### Tactics

The final steps in setting the goals are the specific actions that will be done, when they will be done, and who will accomplish them. These are the tactics. Tactics are often task or event oriented. Several tasks could be done to help reduce calf death loss.

#### Example Tactics

Cow herd foreman will see that all calves are tagged and vaccinated within 12 hours of birth.

Cow herd foreman will see that all pairs are moved from calving coral to hillside pasture within 36 hours of birth.

### Summary

It is important not only to have goals, but to write them down. In a study done at Harvard, 4 percent of a particular graduating class had written out their goals. A follow-up survey, conducted 20 years later, found that this 4 percent now had their hands on over 90 percent of the wealth in that graduating class.

Wealth is not the only reason for setting goals. Many family conflicts and employer versus employee disputes could be avoided if all parties were aware of, and had input into the goals of the organization.

This fact sheet has outlined one four tiered approach to goal setting. Other goal setting approaches are available. Often, a circular, rather than a pyramid approach is used. The important thing is to start now and set your goals.

Remember, a goal not written, is only a wish, and wishes seldom come true.

## SETTING GOALS FOR THE FARM OR RANCH

Goal setting is an important step in any business. Corporations and small businesses operate with this concept on a daily basis. Family farms and ranches need to do the same. Determining your personal goals is a very important step in your agricultural business planning. Establishing these goals gives you a yardstick to measure your performance as you progress through life. Goals are very personal - there are no right or wrong answers.

Here are some guidelines:

1. Your goals should be your own. You and your family must be personally committed to your goals.
2. Goals should be specific, concrete, clear and written.
3. Goals should be set for a definite and reasonable time period.
4. You should have short and long range goals. They must be consistent.
5. Your attitude towards goals should be flexible.

<b>GOAL #1:</b> _____		
TASKS	Start Date	Finish Date
1.		
2.		
3.		
4.		
5.		

<b>GOAL #2:</b> _____		
TASKS	Start Date	Finish Date
1.		
2.		
3.		
4.		
5.		

GOAL #3: _____		
TASKS	Start Date	Finish Date
1.		
2.		
3.		
4.		
5.		

GOAL #4: _____		
TASKS	Start Date	Finish Date
1.		
2.		
3.		
4.		
5.		

GOAL #5: _____		
TASKS	Start Date	Finish Date
1.		
2.		
3.		
4.		
5.		