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## Goal Setting Best Practices -- Executive Summary

Don't have time to read the entire "Vistage Best Practices: Goal Setting" feature? Here are the key points in a brief executive summary.

### How and Why Goal Setting Works

It's official: We can accomplish more and go farther if we dedicate ourselves to written goals, keep the goals on our corporate and personal radar screens and follow through on the steps required to make them happen.

Vistage speaker **Angelo Kinicki**, who co-authored the textbook "Organizational Behavior," found that 68 out of 70 organizations examined in various studies enjoyed productivity gains as a result of management by objectives. Goal setting is the first step in management by objectives.

"Research on goal setting shows that it's a very powerful technique to improve individual productivity and organizational effectiveness," says Kinicki.

Yet, Vistage speaker **Bruce Breier** finds that many CEOs are not personally goal-oriented.

Goals give us focus, get us going, add to our resolve and lead to actions.

A common element among high achievers is sharing goal-setting behavior, says Vistage speaker and member **Rick Houcek**. In writing goals, high achievers are prepared to risk failure — and the demands of success.

### Setting Achievable Corporate Goals

Before you can begin goal setting, it's essential to create a blueprint for how the process will unfold, advises Breier.

He recommends five points in the company plan:

1. Mission statement
2. Vision statement
3. Fiscal year priorities
4. Strategies
5. Monthly monitoring and managing meetings.

Beginning with a mission statement, each step flows into the next — and goal setting begins after the mission and vision statements are finished. The process needs to be simple. "The more complex it is, the less people are enjoying it," Breier says.

To be effective, goals should follow the “SMART” format. That means they should meet these criteria:

1. **S**pecific
2. **M**easurable
3. **A**chievable
4. **R**esults oriented
5. **T**ime sensitive

As goals are set within the organization, finding the right amount of “stretch” — for growth — is crucial.

“Too easy” goals do not boost performance, so they are of little value, but studies show it is best to challenge employees, expect them to challenge themselves, with goals that are attainable, but with considerable effort.

**Overdoing Financial Goals?** Often, CEOs fall prey to the allure of setting only financial goals. Kinicki says that compromises the other reasons they are in business — such as employing people and contributing to their communities.

**Corporate Goal Categories.** Kinicki talks about goals in four areas — financial, customer service, employee-based (centering on learning and innovation) and internal business process. Breier discusses other categories, including image and reputation, community relations/philanthropy, sales and marketing.

Whichever categories you choose — or if you customize them for your own organization — the final product should reflect your corporate purpose and path.

**Setting Employee Goals.** In his work for the textbook “Organizational Behavior,” Kinicki explored whether it’s better for employees to set goals in a particular environment, or for them to set goals by themselves, or whether they do best with assigned goals. He found that no single method seems to be better than the other, in terms of outcome and performance.

The more closely a manager can match the employees’ wishes with the goal-setting style, the better the chances for an outcome everyone seeks.

**Linking Monetary Incentives to Goals.** Bonuses and other pay-for-performance incentives are gaining in popularity, but Kinicki warns that they work only under certain conditions.

Studies show that pay should not be linked to achieving goals unless:

- The performance goals are actually under the employees’ sphere of influence;
- The goals can be quantified, then measured and
- Frequent, relatively large payments are made for achieving goals.

If these three conditions aren’t met, undesirable outcomes are possible, Kinicki says. Other studies have shown that quality suffers when quantitative goals are given highest priority.

**Leadership in Goal Setting.** Goals are only worth the paper they’re written on if leaders don’t bring them to life for the organization.

“In the 25 years I’ve been working in this field, I am constantly reminded that it is the CEO’s responsibility to bring passion to the mission. When I see CEOs who are passionate about the mission statement, it lights everybody up. If the CEO’s not, neither are they.”

**Cascading Goals in the Organization**

Houcek often finds that there is a “disconnect” between what an executive staff understands about an organization’s goals, and what the CEO believes they understand. In many cases, the staff will tell Houcek they don’t even know what the goals are.

Kinicki coined the term “cascading goals” to describe the process of adopting goals at different levels in a company. Like water over a cliff, goals must spill over and “cascade” throughout an organization to be implemented.

“Cascading creates horizontal alignment in a company,” says Kinicki. All the executives at the same level need to gain agreement about what they will do to support the CEO’s vision and minimize conflict.

A dramatic example: Over the course of two years, a technology division of American Express was able to cascade goals from a senior vice president to the 800 people in that area. The end result? The costs of developing a software system were cut in half over a two-year period.

**How Cascading Works.** Once the vision and main categorical goals are set at the CEO and managerial level, select a person who will champion the process of cascading goals. He or she works to ensure that each department will create goals and action plans that support the goals of the company’s leadership.

**Communicating Goals.** Updating people on their progress is critical. Goals must be visible and repeated to keep the commitment alive. Besides scheduled meetings, goals may be touted in: monthly email messages, company newsletters, bulletin boards, and “surprise” coffee breaks, among others.

### **Ensuring Goal Implementation**

**Action Plans.** When everyone returns to their jobs after goal setting exercises, enthusiasm for the goals can be buried by the demands of day-to-day business. The first step is to develop action plans based on the goals — complete with incentives and consequences for non-performance.

**Accountability.** Discussing consequences is critical in any goals-to-action plan.

Often, the consequences are determined as the team works on the goals in the earliest planning stages. Houcek encourages the team to arrive at the “three strikes and you’re off the team” approach.

In Houcek’s experience, peer pressure creates such an intense expectation of performance that it causes action. “The perceived humiliation of removal from the team is so great that most people act,” he says.

**Monthly Management Meetings.** Once your goals and action plans are set, Breier recommends scheduling monthly management meetings to monitor progress. The original planning group should meet for a 90-minute session to recap the previous month; acknowledge progress and examine shortfalls; amend the plan if it needs to be changed; and, clarify the action plan for the next 30 days.

**Coaching for Goals.** Implementing goals that were set months ago requires discipline.

The planning group has to follow through with their direct reports. The managers need the discipline to make the goals a priority over day-to-day firefighting in a business.

### **When Goal Setting Goes Wrong**

How often have you set goals that are then set aside? Examine roadblocks if you have a pattern of abandoning organizational or corporate goals.

**Commit Goals to Paper.** This may seem obvious. But Houcek is surprised at how often goals are stated but not written down. Let your Vistage or KEY group or chair hold you accountable to writing down your goals.

**Stumbling Blocks for the CEO.** Goal setting is not for the faint of heart. It's not for the passionless, either, says Breier. He suggests that the CEO spend some time weighing vision, goals and priorities alone — or with an advisor — before inviting trusted managers and employees into the goal setting process. And if a working group goes off-site to do visioning, goal setting and planning, don't forget to allow for resting and relaxing as well.

### **Ten Organizational Roadblocks**

1. Lack of clear-cut responsibilities around the goals
2. Lack of a tracking system
3. Lack of an accountability system
4. Lack of commitment
5. Lack of buy-in from people who are expected to fulfill the goals
6. Ineffective communication
7. Lack of time or resources
8. Too many goals are financially driven
9. Focusing on too many or too few goals
10. Goals aren't tied to a longer-term vision

**Personal Obstacles in Goal Setting.** When we fail to meet personal goals, many factors may be at play. Houcek, in his studies of high achievers and his experiences with thousands of executives, finds the following common denominators: CEOs with no passion for the goals they've set; the goals are not precise; the personal goal is at cross-purposes with the CEO's self-image.

**Fearing Failure, Commitment.** Fears can play a role in our failure to make — or realize — goals. "Goal setting is basically making a commitment," says Breier. "Fear of commitment is prevalent in the world. If I don't set a goal, then I'm not accountable for it. That's a subconscious tactic for avoiding goal setting."

Houcek believes the fear of failure is more of a reckoning with the "cost of success." After all, he points out, we fail every day. In fact, we're experts at failure.

"Once I'm a winner, I have to continue to win or I'll be a bigger loser in everyone's eyes. That's an unconscious thought, but it's a very real one," he says.

### **Improving Your Life with Personal Goals**

Houcek leads a life filled with passion. He believes it's because he has mastered the art of goal setting and realizing those goals.

"It makes for a very fulfilling life. I spend virtually 100 percent of my time in four areas." They are: his family, personal health and fitness; his business and playing baseball in a traveling men's league.

Houcek finds that many executives don't spend time with their spouse, and don't do the things that create intimacy in a family. But he believes we can "soar with the eagles" by acting on our passions — if we're honest with ourselves about what those passions are.

**Start with "Master Want List."** If living that kind of life sounds appealing, Houcek says it all begins with a little list called the "Master Want List."

Questions to prompt you: What do you want to do with your life? Who do you want to meet? What new activities do you want to try? What experiences do you want to have again? Where do you want to go? What do you want to learn? What do you want to improve? Who do you want to spend more time with?

**How Will You Benefit?** Choose from the “Master Want List” the goals you would like to pursue and give yourself a timeframe. Next to each goal, indicate how you will benefit from completing it. That’s a prime motivator.

**Framework for Personal Goal Setting.** Breier approaches personal goal setting in a way that mirrors business goal setting. He recommends starting with a personal mission statement, a personal vision statement, the goals for the next 12 months, annual goals, and an action plan with strategies for success. Use your birthday as the date that you review your goals and set new ones.

### **The Quantum Factor: Beginning With Yourself**

Many of us have achieved success based on an external focus — an ability to accomplish what we want outside of ourselves. Vistage Speaker **Tom Hill** has proven that we can make quantum leaps simply by focusing on ourselves first.

To Hill, if you want to have a better business, become a better person. If you want to create new markets, become a better person. If you aspire to greater spheres of influence, become a better person.

Hill contends we can make quantum leaps by creating quantum goals.

**The G-Curve.** As Hill began studying people who have made dramatic improvements in their lives, he noticed that they seemed to do so at 18-month intervals. He calls this year and a half period the Growth Curve, or G-Curve. As a result: If you can stay disciplined and focused on your goals for 18 months, Hill says, you can experience major breakthroughs in your life.

**Creating Quantum Goals.** A quantum goal is reachable, achievable, but beyond your current expectations. “Quantum goals aren’t unrealistic — like, I want to be President of the United States in 18 months — but they do involve taking risks,” Hill says.

**Reviewing Goals for Focus.** “I believe in reading your goals out loud at least twice a day. Carry them with you, put them on your computer screen. By repeating them, they’re in your subconscious all the time,” he says.

Goals are a moving target. As things change, as new opportunities arise and new people come into your life, you will want to adjust your goals. After Hill and his wife realized they weren’t as financially secure as they wanted to be, Hill made an 18-month journey and started over, in his 50s, selling real estate franchises. Eighteen months later, his net worth was \$1 million.

**Developing the Discipline.** Doing what you need to do, until it becomes habit, is a matter of discipline. “Eating less and exercising more isn’t a matter of willpower. It’s discipline,” says Hill.

“Discipline will help you keep the 18-month commitments to get to the next level,” says Hill. “I estimate that it takes about six years to reach the perfect state, the ideal world, from working on your goals.”

**Finding Supporters for Your Quantum Goals.** Focusing on your personal development can pay remarkable dividends. For example, becoming a better “you” can influence who wants to be on your board, who wants to be your COO, who wants to be around you in social settings.

Hill recommends identifying those individuals who, if they chose to, could help you reach your quantum goals. Never ask them for anything. Stay in touch with these people at least once every 90 days. Chances are, they will offer you opportunities beyond your expectations.

That's how it's happened for Hill.

## **Goal Setting Videos**

In addition to offering a complete library of expert-level content about the importance of setting and achieving personal and professional goals, in our Vistage Goal Setting Best Practices Module we're also happy to provide a variety of motivational videos from world-renowned speaker **Boaz Rauchwerger**, author of the Tiberias Success Formula.

From using helpful goal-setting metaphors such as bridge-building and hurricane preparation, to drawing examples from real-life success stories, these videos are designed to put goal setting into terms easily applied to our everyday lives and business operations. [View the \*\*Goal Setting Videos\*\* section here.](#)

## Expert Practices -- How and Why Goal Setting Works

If we know where we want to go, in general, and how we want to get there — more or less — then why is it so important to get more specific about goals and setting them?

The reason is rooted in scientific research and empirical evidence over recent decades. After all, how many gold medal Olympians motivated themselves with “finishing in the top half of the field?”

It’s been proven that we can accomplish more and go farther if we dedicate ourselves to written goals, keep them on our corporate and personal radar screens, and follow through on the steps required to make them happen.

Vistage speaker **Angelo Kinicki**, who co-authored the textbook “Organizational Behavior,” found that 68 out of 70 organizations examined in various studies enjoyed productivity gains as a result of management by objectives.

According to Kinicki, productivity increased an average of 56 percent when the commitment of top management was high, but only six percent — on average — when management commitment was low. Employees’ job satisfaction also correlated positively to management’s commitment to management by objective.

The keys to the “management by objectives” approach are:

- Participation in decision making
- Goal setting
- Feedback

“Clearly, goals are a critical starting point for this process. If you get that right, you’re well on your way to creating the success you envision,” says Kinicki.

### Goal Setting: Not Mandatory?

It may come as a surprise, but Vistage speaker Bruce Breier — who has addressed more than 200 Vistage groups on the subject — finds that many CEOs are not personally goal-oriented.

“Many have succeeded in spite of having no goals at all. An organized program [of setting goals and carrying them out] is very rare,” he observes.

Breier believes that companies that do well often experience low motivation for goal setting and strategic planning.

“They feel no dire need for planning, and they may be right. Excellence and growth are not mandatory, but doing well and succeeding probably is,” he says.

For those bent on “being the best they can be,” goal setting is a first step in getting there.

### How Goal Setting Works

There are four ways that goals help us get what we want, do what we want, and be who we want. Edwin Locke,

a leading authority on goal setting, established this model of goal-setting motivation (outlined in the book that Kinicki co-authored with Robert Kreitner.)

1. **Goals give us focus.** Without them, we can be distracted more easily.
2. **Goals get us going.** Goals not only serve as beacons for our attention, but they motivate us to act.
3. **Goals add to our resolve.** Persistence is key to accomplishing what we want to do. Without goals, we may find ourselves being persistent at low-priority activities.
4. **Goals lead to actions.** Once a person sets a goal, a plan for action is the natural next step. Action plans outline “how” an individual plans to achieve or accomplish the goal.

### “Owning” Your Goals

Vistage speaker Tom Hill explains that — besides the psychological reason for goal setting — there is a physiological reason to undertake this purposeful activity.

“It has to do with the way the brain is wired,” says Hill.

“Once I write my goals, I need to make them my own. The more often I read them, say them out loud, and visualize them, the more they become embedded in my subconscious,” he notes.

### High Achievers Share Goal-Setting Behavior

Vistage speaker and member **Rick Houcek** has always had a personal passion for studying high achievers and how they got that way.

“A common element is that they had a vision of something larger than themselves and an all-consuming drive to get there,” says Rick. “They needed a method — independent of the actions of others — to succeed, and for almost all of them, setting and achieving goals was part of that method.”

Executives need look no farther than Jack Welch, the retired chairman of General Electric, who was an inveterate goal setter. But goal setting, as an activity by itself, is not enough.

“Welch also tracked results, held people accountable and removed non-performers,” says Houcek.

“High-achievers are good about writing things down. They are notorious list-makers. They have a lot on their plates, but that doesn’t stop them. And they’re willing to lose in order to win,” he says.

In writing goals, they are prepared to risk failure — and the demands of success.

## Expert Practices -- Setting Achievable Corporate Goals

Before you can begin goal setting, it's essential to create a blueprint for how the process will unfold, advises Vistage speaker **Bruce Breier**.

“First, develop your Standard Organizational Policy and Practice as it relates to strategic planning and goal setting,” he explains. The keys in this step are to “keep it simple” and make sure timelines are spelled out.

Breier recommends five points in the company plan:

1. Mission statement
2. Vision statement
3. Fiscal year priorities
4. Strategies
5. Monthly monitoring and managing meetings

Beginning with the mission statement, each step flows into the next — and goal setting begins after the mission and vision statements are finished, as managers discuss priorities and then strategies.

For example, a “Standard Organizational Policy and Practice” for goal setting and strategic planning might indicate that a company will:

- Review the mission and vision statements annually, four months prior to the close of the fiscal year.
- Examine fiscal year priorities and strategies three months before the end of the fiscal year, and finalize them two months before.
- Set goals commensurate with these priorities and strategies by six weeks before the new fiscal year begins.
- Announce plans and goals in a company-wide meeting one month before the new fiscal year.
- Solicit feedback three weeks before the fiscal year begins.
- Assign deadlines, responsibilities and incentives/consequences two weeks before the fiscal year begins.
- Announce finalized plans one week before the fiscal year begins.
- Hold monthly meetings on the 15th of every month to monitor progress and make adjustments.

“The process needs to be simple. The more complex it becomes, the fewer people will adhere to it,” Breier explains.

“With a policy in place, the CEO then should decide whether he or she is the right person to lead that process. If not then who? I recommend the second in command, COO, or an outside facilitator,” he says.

### Projecting Long-Term, Short-Term

Vistage speaker Rick Houcek begins goal setting and strategic planning by surfacing issues with a “SWOT” analysis that asks key employees about the organization's:

- **Strengths**
- **Weakness**
- **Opportunities**
- **Threats**

Evaluating the issues that surface is part of the process that helps create the corporate vision. The vision is then translated into long- and short-term goals.

“I ask people to project out three years, only because with the rapid rate of change in life and in business, looking beyond three years is so unpredictable. I’m trying to stay within a reasonable range of predictability,” he says. “Then we ask, what will you do in the short-term to make the long-term happen?”

His goal-setting-to-action plan involves:

- Surfacing issues
- Selecting a “short list” of high impact issues
- Creating three-year goals
- Creating one-year goals
- Developing action plans based on the goals
- Establishing who is responsible for carrying out the goals
- Agreeing upon who is accountable for the goals
- Consequences for non-performance

Building accountability into the equation at the earliest stages helps assure completion of the goals. “We do this so agreements can be reached up-front about what will happen when everyone returns to the office routine,” Rick says.

### **Setting “SMART” Goals**

When it’s time to envision goals that support the vision and mission of the organization, it’s important to select so-called “SMART” goals, Vistage experts agree.

“Research on goal setting shows that it’s a very powerful technique to improve individual productivity and organizational effectiveness,” says Vistage speaker **Angelo Kinicki**.

A goal that says “increase sales in our second-largest market” is too vague to be of value. Instead, for example, the goal in a medical device company might read, “Increase sales to the optometry market by 20 percent within three months.” Or for a non-financial goal, the target might be: “Improve marks on a repeat employee satisfaction survey by five percent within three months.”

### **Balanced Scorecard Framework**

Often, CEOs fall prey to the allure of setting too many financial goals, says Kinicki. Or, their goals are exclusively financial.

This detracts from the other reasons they are in business — such as employing people, contributing to their communities, or providing a needed product or service.

Kinicki recommends setting goals in four areas. They are:

1. Financial
2. Customer service
3. Employee-based (centering on learning and innovation)
4. Internal business process

Within each category, he suggests setting no more than two or three goals to keep energy focused on a volume of activity that is manageable.

Breier expands the framework to include additional categories.

- Customer service
- Profitability
- Sales and marketing
- Employee relations
- Internal operations
- Image and reputation
- Community relations/philanthropy

Whichever categorical approach you use — or if you customize one for your own organization — make sure it reflects your specific corporate purpose and path.

### **On Goal Difficulty**

As goals are set within the organization, finding the right amount of “stretch” is crucial.

“Too easy” goals don’t boost performance, so they’re of little value, studies show.

“On the other hand, researcher Edwin Locke and his colleagues found that — as a goal’s difficulty increased to moderate, and then challenging — performance increased. But performance plateaus at the ‘challenging’ level, dropping markedly when the goal is deemed impossible,” explains Kinicki.

The moral of the study is to challenge employees, and expect them to challenge themselves, with goals that are attainable with a considerable effort.

### **Preferences for Participative, Assigned or Self-Set Goals**

In his work for the textbook “Organizational Behavior,” Kinicki explored whether it’s better for employees to set goals in a participative environment, or for them to set goals by themselves, or whether they do best with assigned goals.

He found that no one method seems to be better than the others in terms of outcome and performance.

“I recommend that managers choose the method that best fits their circumstances,” he says. “Where employees prefer to participate, their preference should be taken into account.”

“Other employees have little or no interest in being involved with goal setting. They prefer to have the goals given to them,” Kinicki says.

The more closely a manager can match the employees’ wishes with the goal-setting style, the better the chances for an outcome everyone seeks.

## **Linking Monetary Incentives to Goals**

Bonuses and other pay-for-performance incentives are gaining in popularity, but Kinicki warns that they work only under certain conditions.

Studies show that pay should not be linked to achieving goals unless:

- Performance goals actually come under the employees' sphere of influence;
- Goals can be quantified, then measured; and,
- Frequent, relatively large payments are made for achieving goals.

If these three conditions aren't met, undesirable outcomes are possible, Kinicki says.

For instance, incentivizing for individual goals can result in situations where otherwise outstanding employees won't help a coworker — or customer — because there's "nothing in it for them."

Other studies show that quality suffers when quantitative goals are given highest priority.

"The cautionary note for executives is clear. Outright pay for achieving goals should be done only when conditions are right for it," he explains.

## **Leadership in Goal Setting**

If leaders don't bring goals to life for the organization, the goals are worth no more than the paper they're written on.

"Part of any successful goal setting exercise is leadership," says Kinicki.

Breier agrees. "The passion has to be there in the mission and statements. In the 25 years I've worked in this field, I am constantly reminded that it is the CEO's responsibility to bring passion to the mission. When they feel strongly about the company's mission, it lights everybody up."

To convey his or her excitement about the goals, Breier recommends writing a narrative that defines and articulates the future direction of the company. It should answer the question, "What do you see, long-term, for our organization?"

"It's interesting to watch the metamorphosis of personality and facial expression in the CEO once the mission and vision statements are composed, because it galvanizes him — or her — and motivates them to action."

## Expert Practices -- Cascading Goals in the Organization

Vistage speaker and member **Rick Houcek** observes a pattern among companies working on goal setting and strategic planning.

“When I interview all the members of the planning team before the retreat, they often say, ‘I have no idea what the company’s goals are.’ But the CEO will tell me, ‘Yes, of course I know what the goals are, and everybody else around here knows what they are, too,’” says Houcek.

That kind of disconnect occurs when the CEO has neglected to get buy-in for the goals, and/or failed to communicate the goals repeatedly.

### Gaining Buy-In

Vistage experts agree the best way to gain buy-in for the CEO’s vision is to include key staffers in goal setting exercises.

“If the CEO is unwilling to put together a team that will set goals, she’s setting herself up for less success than she would like. On the other hand, if she does create a team, then she dramatically increases the odds of success,” Houcek says.

The people who should be invited to join the team include:

- Senior management
- Supervisors at lower operational levels
- Key employees who command the respect of their peers, but whose titles don’t necessarily reflect their influence

### Cascading Goals

Vistage speaker **Angelo Kinicki** coined the term “cascading goals” because — much like a waterfall spills over a cliff — goals must spill over and “cascade” throughout an organization in order to be implemented.

When goals cascade successfully, the results can be dramatic.

“I did this process with the technology division of American Express. That division has 800 people — which makes it hard. We cascaded goals from the senior vice president to the bottom. Over a period of two years we were able to reduce the cost of developing a software system almost in half,” he says.

As natural as it sounds, it wasn’t an easy process. “We encountered resistance in getting people to do this, then we had to follow up with some skills training because people didn’t know how to coach for goals,” he says.

Ultimately, the shift happened. Goals percolated to all levels of the division, and results rose to the top.

### How Cascading Works

“Cascading creates horizontal alignment in a company,” says Kinicki. All the executives at the same level need

to gain agreement about what they will do to support the CEO's vision, and minimize conflict.

"Cascading requires a structured process and someone to support it," says Kinicki.

To cascade goals in your organization:

- Select a person who will "champion" the goal implementation process.
- Work with the planning team to establish goals within the framework outlined below.

The vision/corporate goals may fit into some or all of the following categories:

- Customer service
- Profitability
- Sales and marketing
- Employee relations
- Internal operations
- Image and reputation
- Community relations/philanthropy

Now, the planning team should work out how to take the vision in each applicable area, and set specific goals to meet it.

These goals are brought into the organization, where vice presidents or executives share the information with their managers or supervisors. They then ask themselves: "What can we, in our department, do to support that goal?"

At each level, as the goals cascade, the questions are:

- What must we, on our team, do to support that?
- What must I do to support my team's goal?

"This creates what I call a 'constancy of focus'," says Kinicki. "We want to get everybody thinking about their contribution — that is, their goals — and how they are the foundation for the corporate goals."

"It gets people thinking, 'Everything I do should support my boss' goals, and if I'm doing things other than that, then I have to ask why am I doing it?'," Kinicki explains.

## **Communicating Goals**

Once the initial goal setting process is complete, it's essential to devise a plan for communicating those goals.

Vistage speaker **Bruce Breier** recommends an annual "state of the union" message where the finalized plan and vision are rolled out to the entire organization.

"That's an exciting meeting," Breier says. "It gets the ball rolling."

At the same time, the Vistage experts agree that launching goals with major fanfare isn't enough. Goals must be visible, and repeated, to keep the commitment alive.

Consider communicating goals, with updates on progress:

- In monthly email messages

- At “surprise” coffee breaks
- On computers as screen savers
- In envelopes with paychecks
- In company newsletters or e-letters
- On the bulletin board in a common area.

Adding humor, inspiring quotes, and customized encouragement to the messages enables you to reinforce goals without making employees feel bombarded. Don't forget to communicate *thank you* — effusively — when goals are attained.

## Expert Practices -- Ensuring Goal Implementation

When everyone returns to their jobs after goal-setting exercises, enthusiasm for the goals can get buried by the demands of day-to-day business.

Vistage experts say it's important to keep everyone focused, to keep their "eyes on the prize."

The first step is to develop action plans based on the goals, complete with incentives for achievements and consequences for non-performance.

The action plan includes:

- What steps will be taken?
- Who will do them?
- A date by which they will be completed.

### Accountability in Goal Implementation

Discussing consequences is critical in any goals-to-action plan.

Often, the consequences are removal from the team that's working on the goals. "I usually encourage people to make the consequence, 'Three strikes and you're off the team'," says Vistage speaker **Rick Houcek**.

"I give them a big speech about, 'Do you want to be the New York firefighters of your business? The Navy SEALs or Super Bowl champions of your business? Then have the courage to make it hard to get on, and hard to stay on, the team,'" he says.

In Houcek's experience, peer pressure creates such an intense expectation of performance that it causes action. "The perceived humiliation of removal from the team is so great that most people act," he says.

"On the flip side, anyone who doesn't do what they have agreed to do deserves to be removed from the team. It's actually motivating for everybody else if they are," Rick says. "The eagles who are the high performers don't want to stick around if sparrows are in the eagle's nest."

Whether it's the vice president of marketing, finance, or sales, if that person's not performing for the planning team, he or she is probably not performing elsewhere in the business.

"When that person's removed from the team, they're often removed from the company and replaced. This system has flushed out a weak performer or non-performer who probably doesn't deserve to be on the team in the first place. And it keeps raising the bar for performance," he says.

### Monthly Management Meetings

Once your goals and action plans are set, Vistage speaker **Bruce Breier** recommends scheduling monthly management meetings to monitor progress.

He believes this 90-minute session of the original planning group should:

- Recognize and recap the previous month;
- Acknowledge progress and examine shortfalls;
- Amend the plan if it needs to be changed; and,
- Clarify the action plan for the next 30 days.

“That, to me, is the absolute key to an effective strategic planning and goal setting process,” says Breier.

“As long as there’s an agenda and a get-together of the authors of the plan. Breakdowns occur when the plan is developed, but not managed on a regular basis.”

### **Coaching for Goals**

Implementing goals that were set months ago requires discipline.

The planning group has to follow through with their direct reports.

“Once you set goals and have action plans, managers in the company should periodically take out the action plan and talk about it. They have to coach their team when there are setbacks. Many managers fight fires and do detail work rather than leading,” observes Vistage speaker **Angelo Kinicki**.

Once SMART goals are set, then managers should:

- Assist the employee in creating an action plan that outlines the steps toward goal accomplishment
- Meet with the employee on a regular basis to discuss status toward goal accomplishment
- Recognize and reward employees for success, and coach for success when an employee is not performing up to expectations.

Take Olympic athletes, for example. “Do you think their goal is foremost on their minds every day? Sure it is. It’s the manager’s job to act as a coach to get Olympic performances out of their people.”

## Expert Practices -- When Goal Setting Goes Wrong

How often have you set goals that are then set aside? Whether they're ignored temporarily or forever, goals have a way of sparkling when they're shiny and new, then tarnishing over time.

It's not uncommon, despite our best intentions and efforts, to lose sight of our goals. If you see a pattern of abandoned organizational or corporate goals, examine these common roadblocks and see whether any are undermining your commitment to your goals.

"My biggest frustration with goal setting is that some people think it's worthless and for the birds because they make goals and then nothing ever happens," says Vistage speaker and member **Rick Houcek**. "That's similar to somebody having a car that breaks down and a person says, 'Well, we won't bother to fix it. We'll just junk it.'"

### Commit Goals to Paper

The importance of committing goals to paper may seem obvious, but apparently it's not. Houcek is surprised at how often goals are stated, but not written down.

"When I go to groups, many members will say they haven't committed their goals to paper. First and foremost, it's not a goal if it's not on paper. If it's in your head, it's not really a goal that you're committed to because it's fuzzy, not trackable, void of a specific action plan, and easy to forget. Write it all down," he says.

An antidote to this common problem is to leverage your Vistage or KEY group or chair in this capacity. If you tell them that your goal is to write down your goals, they will hold you accountable to the process.

### Stumbling Blocks for the CEO in Goal Setting

Goal setting isn't for the faint of heart. It's not for the passionless, either, says Vistage speaker **Bruce Breier**.

- **Does goal setting bore you?** If you find goal setting tedious, then your lack of enthusiasm undermines the entire process. Your staff will pick up on your emotional detachment, and won't commit to the goals set.
- **Has everyone retreated to a luxury resort, where they must work nearly around-the-clock to set goals?** Breier says it's not uncommon for CEOs to choose a gorgeous setting, then schedule 8 a.m.-to-10 p.m. meetings. By not giving their staff a chance to enjoy the resort, they're shortchanging the process.
- **Have you involved too many people in setting the vision?** Some CEOs make the front-end of the process too democratic, in Breier's opinion. The vision is the CEO's responsibility. "Many managers don't want to help you define where to go. They want to help you define how to get there," he says.
- **A 'do-it-yourself' attitude about facilitating goal setting sessions.** The annual strategic planning process needs to be organized so that it's finished on-time and with quality. "That can be a cumbersome activity for a CEO to undertake," Breier says. He recommends that someone within the company — such as the chief operating officer — or an outside facilitator should guide the process of goal setting.

To address these issues, Breier suggests that the CEO spend time weighing vision, goals and priorities alone

— or with an advisor — before inviting trusted managers and employees into the goal setting process. And if a working group goes off-site to do visioning, goal-setting and planning, don't forget to allow time for rest and relaxation as well.

## Ten Organizational Roadblocks

Vistage experts agree that many obstacles can sidetrack organizational goals. Among the roadblocks identified by Houcek, Breier and Vistage speaker **Angelo Kinicki**:

1. **Lack of clear-cut responsibilities.** Once goals are defined, it's important to create a plan that supports the "who will do what by when" portion of your implementation. If that isn't clearly spelled out, people will be working at cross-purposes — or not working at all on your goals. You need names and deadlines connected to each goal.
2. **Lack of a tracking system.** When no tracking system exists for people to monitor how they're doing on the goals, there's less motivation for getting the job done.
3. **Lack of an accountability system.** Consequences for non-performance must be assigned.
4. **Lack of commitment to follow through on the accountability system.** When problems arise in the implementation phase, and consequences have been made clear, there may be a lack of will on the part of managers or top executives to carry out the agreed-upon consequences.
5. **Lack of buy-in from the people who are expected to fulfill the goals.** If the goals were created without input from managers and/or employees, they may have no enthusiastic buy-in to realize the goals.
6. **Ineffective communication of goals.** Once an organization has invested time and energy in creating a goal, it can lose a tremendous amount of momentum by failing to communicate the goals properly — or often enough.
7. **Lack of time or resources to implement the goals.** Sometimes the motivation of departments to work on the goals in the strategic plan is low because, "We've got other work to do here, too." Time and resources to carry out the goals must be built in at the front end, taking day-to-day operations into account.
8. **Too many goals are financially driven.** Companies make money because of benefits they provide to customers. So when a company's goals are exclusively financially driven, they ignore other factors that contribute to the existence and vitality of the business.
9. **A team disagrees on how many goals to pursue.** While there's no "perfect" number of goals, the team entrusted with working on them should base its decision on its level of commitment, intensity, the disbursement of responsibility, and so on. Find the number that is manageable — and achievable — in your business.
10. **Goals aren't tied to a longer-term vision.** When goals are made in a vacuum — without taking into account the longer term vision — they are unlikely to be successfully accomplished.

## Personal Obstacles in Goal Setting

When we fail to meet personal goals, many factors may be at play.

Houcek, in his studies of high achievers and his experiences with thousands of executives, finds the following common denominators:

CEOs with no passion for the goals they have set. "The #1 reason for this is that it's not really their goal, but somebody else's goal — maybe a parent's or a spouse's," he says. "Do what you're passionate about. If it doesn't light your fire, consider that it might never light your fire."

The goals are not precise. Fuzzy goals lead to fuzzy results. “If you don’t know where you want to end up, no road will take you there,” says Houcek. “You need a clear destination.”

The personal goal is at cross-purposes with the CEO’s self-image. For instance, a golfer who has never broken 100 may have a goal of shooting par — which is 72. “But if the images dancing in his mind are, ‘Well, you’ve never broken 100,’ then that negative self-image will override the passion and precision in the goal,” he explains.

Within the past 50 years, it’s been proven that we can change our negative self-image to a positive one with the help of positive self-talk and affirmations. “You can change your image in your subconscious mind, then you can align your purpose with the precision and passion for your goals,” Houcek explains. “But you must also take firm action. Affirmations without action are meaningless. You won’t improve your golf game — or anything, for that matter — if you only sit at your desk and think nice thoughts.”

### **Fearing Failure, Commitment**

Fears can play a role in our failure to make — or realize — goals.

“Goal setting is basically making a commitment,” says Breier. “Fear of commitment is prevalent in the world. If I don’t set a goal, then I’m not accountable for it. That’s a subconscious tactic for avoiding goal setting.”

Houcek believes the fear of failure is more of a reckoning with the “cost of success.” After all, he points out, we fail every day. In fact, we’re experts at failure.

“I believe ‘fear of failure’ is a mask for the real fear, which is the fear of the perceived cost of success. Whether people consciously think of this or not, there’s a fear that if I succeed at something, then the cost of success is that everybody’s going to expect me to continue to succeed, and not let me sink back into my comfort zone.”

“Once I’m a winner, I have to continue to win or I’ll be a bigger loser in everyone’s eyes. That’s an unconscious thought, but it’s a very real one,” he says.

## Expert Practices -- Improving Your Life with Personal Goals

Vistage speaker and member **Rick Houcek** leads a life filled with passion. He believes it's because he has mastered the art of goal setting, and realizing those goals.

"It makes for a very fulfilling life. I have clarified my top four life passions, and spend virtually 100 percent of my time with them:

1. My family (wife and kids)
2. My personal health and fitness
3. Helping leaders and teams prosper through my business, and
4. Playing baseball

Yes, baseball. At 50, Houcek plays in a competitive traveling men's baseball league.

"If I say to a Vistage member, 'Give me the short list of things around which you have the most passion, then a list of the things you spend the most time on,' the lists should match," observes Houcek.

Instead, he finds that many executives don't spend time with their spouse, don't do the things that create intimacy in a family, and also don't make enough time for personal hobbies.

"Then I ask them if they're willing to take action on their passions. If they're not willing to, maybe it's not really a passion," he says. "Life is too short to do things you don't feel passionate about every day."

"Two of my very specific goals are: (1) To live to 120 in phenomenal good health, with the ability to run, jump and play as I do at 50; and (2) To hit an 80 mile-per-hour fastball for a line drive up the middle, at 90 years old. And I can visualize both," Rick says.

Houcek believes we can all "soar with the eagles" — that we have the potential to choose stellar success, which is not necessarily measured in money or possessions, by acting on our passions.

### Start with "Master Want" List

If living that kind of life sounds appealing, Houcek says it all begins with a little list called "The Master Want List."

Questions to Answer on your "Master Want List" include:

- What do you want to do in your life?
- Who do you want to meet?
- What new activities do you want to try?
- What experiences do you want to have again?
- Where do you want to go?
- What do you want to learn?
- What do you want to improve?

- Who do you want to spend more time with?

The Master Want List doesn't mean that you will automatically attempt to do whatever is on it. It's a technique to write as many things as you can — to capture your desires for that moment.

Keys to this list:

- You are not committing to do anything on it yet, but
- You've written it down for future reference.

"More ideas of what we could do with our lives are lost simply because we don't write them down," Houcek explains.

From the Master Want List, you can create a list of personal goals to which you are committed. For help creating your list, see our Master Want List worksheet.

### **Setting "SMART" Goals**

Like your business goals, your personal goals should be "SMART" ones. That is, they must be:

- **S**pecific
- **M**easurable
- **A**ttainable
- **R**eviewable
- **T**ime sensitive

If you choose to learn how to ski, for instance, it helps to be more specific about the goal:

"I will take ski lessons this winter and complete ski trips to two resorts."

### **How Will You Benefit?**

Besides listing the goal, it's important to write how you will benefit by achieving the goal.

That's the "what's in it for me?" piece, the incentive that will keep you going.

"It's OK to be selfish. That's one of the things that motivate us," he says.

### **Framework for Personal Goal Setting**

Vistage Speaker **Bruce Breier**, who also facilitates personal goal setting, has found it useful for people to mirror business strategic planning in their personal lives.

To that end, he suggests that personal goal setters create:

- A personal mission statement
- A personal vision
- Goals for the next 12 months
- Annual goals
- An action plan based on strategies for success

Beginning with the context of an individual's purpose and vision, the goals and strategies can be more clearly

defined.

Houcek agrees. "This may be surprising, but even as an avid goal setter, I define my own personal success as: 'Living my mission every day, within my values every minute, whether I achieve my goals or not'."

Birthday Present to Yourself

Breier recommends that you use the reminder of your birthday as the "tickler" to review your goals.

"After all, it's like the beginning of your fiscal year," he says.

It's also the traditional time to "take stock." What better gift to give yourself for the year to come?

## Expert Practices -- The Quantum Factor: Beginning with Yourself

Many of us have achieved success based on an external focus — an ability to accomplish what we want outside of ourselves.

Vistage Speaker **Tom Hill** has proven that we can make quantum leaps simply by focusing on ourselves first.

“One idea — well-executed — or one person who’s attracted to you because of what you’ve become can change your life forever. So goal setting should primarily focus on yourself — becoming the best person you can possibly become so people are attracted into your life.”

To Hill, if you want to have a better business, become a better person. If you want to create new markets, become a better person. If you aspire to greater spheres of influence, become a better person.

- This philosophy helped propel him from a long-time career as an educator to becoming the owner of a \$3 billion business within 10 years.
- It put him in the position to become co-author of “[Chicken Soup for the Entrepreneurial Soul](#),” published in 2006.
- And it has lifted him to a point in his life where he experiences joy and fulfillment in every aspect of his life — in his family, spirituality, health, intellectual and financial arenas.

### Observing the “Growth Curve”

Hill contends that we can make quantum leaps by creating quantum goals.

As Hill began studying people who had made dramatic improvements in their lives, he noticed that they seemed to do so at 18-month intervals.

Amazingly, this mirrored “Moore’s Law,” which originated with Gordon Moore, the co-founder of Intel. “He predicted that the processing power of computer chips would double approximately every 18 months. To me, it seems that important things occur in 18-month cycles.”

Hill believes that if you can stay disciplined and focused on your goals for 18 months, you can experience major breakthroughs in your life. He has dubbed this cycle the “G-curve” for “Growth Curve.”

### Creating Quantum Goals

A quantum goal is reachable, achievable, but beyond your current expectations.

“So, for example, I’ve set a quantum goal to sell five million copies of *Chicken Soup*. That’s achievable, but it’s ‘out there,’” he says.

“Quantum goals aren’t unrealistic — like I want to be President of the United States in 18 months — but they do involve taking risks,” Hill says.

“One of my goals is to run a marathon every five years. I’m 66, and I want to run one on my 100th birthday to celebrate my 100th birthday. So far, I ran a marathon on my 60th birthday, then I missed my 65th, so I will run one this year,” explains Hill.

Another of his quantum goals is shared with his son. They plan to climb every 14,000- foot mountain in Colorado. “There are 52 or 54 mountains to climb, and we’ve done a dozen,” Hill reports.

## **Reviewing Goals for Focus**

“I believe in reading your goals out loud at least twice a day. Carry them with you, put them on your computer screen. By repeating them, they’re in your subconscious all the time,” he says.

Goals are a moving target. As things change, as new opportunities arise and new people come into your life, you will want to adjust your goals.

Hill made a major adjustment when he was reviewing his goals with his wife, Betty, one day. They realized that they were not as financially secure as they would like to be.

That’s when he began an 18-month journey that found him leaving his career, cashing in his retirement fund, selling his house, moving out of state, and starting over — in his 50s — in an entrepreneurial venture selling real estate franchises.

Eighteen months later, his net worth was \$1 million.

## **Developing the Discipline**

It takes discipline to do whatever your personal goals require.

“Doing the things you need to do, until they become habit, is a matter of discipline. Eating less and exercising more isn’t a matter of willpower. It’s discipline,” says Hill.

Goal setting, and reviewing goals, requires discipline. It can help to enlist the support of those around you — family members, friends, your Vistage Chair, or your group — to keep you committed to the goals you establish.

“Discipline will help you keep the 18-month commitments to get to the next level,” says Hill. “I estimate that it takes about six years to reach the perfect state, the ideal world, from working on your goals.”

## **Finding Supporters for Your Quantum Goals**

Focusing on your personal development can pay remarkable dividends. For example, becoming a better “you” can influence who wants to be on your board, who wants to be your COO, who wants to be around you in social settings.

Hill has always collected people who can help him achieve his quantum goals.

The steps he recommends:

- Identify those individuals who, if they chose to, could help you reach your quantum goals.
- Never ask them for anything.
- Stay in touch with these people at least once every 90 days.

Hill has 14 people on his current list of “quantum helpers,” and he stays in touch by sending them an email, a card, a book, or a voice mail periodically to build a relationship with them.

An example of how this has worked in Hill’s life was a chance meeting with Mark Victor Hansen in 1990. Hansen is a co-author of many of the “Chicken Soup for the Soul” books, and this was before the first one was published.

“I stayed in touch with him. I never asked him for anything. In 1996, he asked me to do Chicken Soup for the Entrepreneurial Soul,” says Hill. “I was invited, through a mutual friend of mine and Mark’s, to do it because of who I had become.”

“If you work harder on yourself than on your job or your business, you will succeed. In your efforts to become the best person you can intellectually, financially, spiritually, in terms of your own self-esteem and relationships, it will bear fruit,” says Tom.

## Member Practices -- Setting Goals the SMART Way

**Member:** *David E. Lee (Vistage 158)*

**Member Best Practice:** *Utilizing the S.M.A.R.T. system for setting personal and business goals*

**Benefit:** *Helps you set more realistic, specific goals*

Vistage speaker **Rick Houcek** is my guru on goal setting because he taught me about the S.M.A.R.T. system (specific, measurable, achievable, realistic, time-dated). This has worked fabulously for me.

Each month during our significant events process, my team lays our objectives on the table and discusses improvement goals for the month ahead. My fellow Vistage members act as my main board of directors by holding me accountable for reaching my goals. For years, I found it very easy to have a goal such as, “I want to be in this specific position by this time,” but when Rick introduced me to S.M.A.R.T., it made my goals much easier to track and achieve. Before using Rick’s system, I wasn’t being specific enough about my goals, and I didn’t have the essential elements of a well-planned goal, which are: Is it realistic and doable in the time frame I have to work with? The S.M.A.R.T. system has helped me set smarter goals. I’m not achieving more goals than I did in the past; rather, I’m now setting more realistic, specific goals.

When I turned 30, I said to myself, “What if, when I was 20, I had a set of goals to accomplish certain things during the upcoming decade?” I wrote down everything I learned in my twenties, which included all of my major accomplishments — everything from marriage to starting a business, and having children — and I decided, “When I turn 40, I want to be able to look back on my thirties, and have accomplished my plan.”

Using that goal format, I was able to lay out a decade plan for where I wanted to be at age 31, 32, 33, etc. One of my biggest goals was to be a CEO by the time I was 35, and in fact, I hit that goal by the age of 32! Having that plan in place made me more competitive with myself by helping me try harder to reach it earlier than I planned. All of the aspects of that decade plan came back to Rick’s S.M.A.R.T. system.

The most important thing for me regarding the decade plan has been not only putting together one or more goals, but crafting a plan with dozens of smaller goals as well, to help me achieve the larger ones. The plan has positively affected my company’s bottom line and helped us achieve major milestones in our business. The S.M.A.R.T. formula shows us how to outline our goals and communicate them more efficiently and effectively to our people. Everybody’s on the same page and more clear and focused about our goals. There is less wiggle room for people to get out of the goals. In fact, our objectives are so clear, we know whether we’ve hit them or not. And there’s not a lot of gray area, which is great!

**David Lee** is CEO of AirShares Elite, Inc., an Atlanta, Georgia-based company that creates, sell and manages premier shared-ownership programs for aircraft.

## Member Practices -- Setting Strategic Goals

**Member:** *Alan Barnes, Sr. (Vistage 158)*

**Member Best Practice:** *Utilizing Rick Houcek's strategic planning process to set company goals*

**Benefit:** *Gaining a system that serves as a living instrument to work and live by*

In the distant past, we tried different ways to set goals, but like so many other companies, our strategic plan ended up as a thick document, collecting dust in a desk drawer. To set company goals, my company has adopted **Rick Houcek's** strategic planning process — a working, living instrument that we utilize every day.

Rick's strategic planning process starts with a SWOT (strengths, weaknesses, opportunities, threats) analysis performed by all the participants on the strategic planning team. He also encourages team members to gather insight from other associates in the company, and even from outside vendors and customers as well. Then he does a very good job of pulling the results together and getting them organized. When we go on our planning retreat, which we do once a year off-site for two days, Rick has all of the results organized and grouped together on flip charts, so the process is easy to follow.

Prior to the strategic planning retreat, Rick interviews each team member on the planning team to discuss their input for the SWOT analysis, which is kept anonymous. They're free to offer totally open feedback, which helps people buy into the process. By making sure that team members have a clear understanding of their commitment, Rick gets everyone started on the right foot.

There's a lot of debate during the retreat, and we go through a funneling process to narrow down hundreds of SWOT statements to a manageable number of goals and objectives. At the end of the retreat, when the final strategic plan is fully documented, each team member signs a document entitled, "My Commitment to the Cause," which in essence says, "I'm committed to this process and I will fully participate throughout the year." At that point, Rick charges the team with the responsibility of carrying out the plan. His role is complete, unless we want to get him back for a particular issue.

I chair the strategic planning team and we meet every month to report on progress on the plan. For each goal, there are a number of action steps that we all agree upon. Each goal has a champion, and there is a person responsible for each action step; that person is accountable to another person on the team, so there are really three people involved in each action step. Each month, we report on any action steps that were due by the meeting date. If you can't make a deadline, you have to let the team know why before the meeting; you can't just walk into the meeting and say, "Sorry, I'm not going to meet my deadline." You can petition the group to get a month's extension on the deadline, so that at the following meeting you can report that you finished a particular action step.

A significant aspect of Rick's structure is "accountability." Using Rick's methodology, we agree upon a set of rules that spells out exactly what it takes to get kicked off of the team. The rules are similar to the "three strikes and you're out" law. If you don't make a goal, and you've gotten prior approval from the team to have the goal delayed, the rules don't apply. However, if you don't make a goal and all you do is apologize to the group, you'll get a little bit of hassling from them, so you better have it ready next time! If you commit a second offence, the next step is going before the group and enduring a stricter level of ridicule and embarrassment. If you don't make a deadline for the third time, you have to come before me. By then you're probably off the

team.

Of course, nobody wants that to happen, and thankfully, we've never had anybody even get to the first step, since accountability is built into the process. Team members say things like, "By the way, for the next meeting, you're due to have this action step complete. How are you doing and how can I help you with it?"

This system has benefited the company because our goals require us to perform as a very well-organized team. It's not just me saying, "This is what we're going to do." In the planning retreat meetings, I don't have a greater voice than anyone else, and I don't chair those meetings either. We have Rick facilitate them because I firmly believe we need to keep a free and open process if we want to be productive. From the start, this process creates buy-in and accountability on the part of each team member.

Our controller is such a strong believer in Rick's process that she and the accounting department have formed their departmental strategic planning team. They create their goals at a half-day on-site retreat, and conduct quarterly meetings with accountability and utilize the same sort of process we do as a company. I've seen evidence in other departments of the same sort of process being used — gathering information, setting up ground rules and forming committees to go forward with the plan. People have adopted many of the features of that process into other departmental functions, so they're taking it to another level as well.

***Alan Barnes Sr.*** is president of Aircond Corporation, a Smyrna, Georgia-based company that is an operating division of Consolidated Engineering Services, Inc., a broad-based building technology services company that operates, maintains, or manages more than 9,000 corporate, commercial and institutional buildings in 27 states.

## Member Practices -- Creating a Book of Goals

**Member:** *Wayne Hood (Vistage 177)*

**Member Best Practice:** *Keep a “goals book” to document personal and professional goals and affirmations*

**Benefit:** *Helps you keep on track and focused during tough times*

I “backed into” becoming a business owner, and I was always telling myself a lot of negative things such as, “I don’t belong in this business, because I don’t have a business background,” etc. When Vistage speaker **Rick Houcek** made his presentation on “How to Set Self-Motivating Goals You Can Achieve,” all of this negative self-talk came to the forefront for me. One of the things that Rick mentioned that was very true is that there’s a little voice in our heads that talks to us and tells us things that are going to happen, and then, they do happen! So, you can talk yourself into doing or not doing anything.

Rick’s presentation started me thinking about not only my professional goals, but about my personal goals too. He gave us a book that was divided into these categories: your mission, values, affirmations of fulfilling events, family and personal development goals. I had worked on setting goals in these areas in the past, but unfortunately, they were scattered and fragmented. The book helped me put much-needed structure around my goals, which helped me go deeper and delve into my basic life beliefs. Then I was able to form a solid basis for my goals, and build on that.

Just the physical fact of having a “goals book” has helped me to clearly categorize my objectives. Doing my goals homework has made me focus on what’s really important to me and where my goals actually are in my life. I think that when I go to my great reward, I’m going to leave this book to my children, because it basically shows and tells who I am, what my goals were, and what was important to me. My parents are both gone, and I know if they had left me something like this, it would have been invaluable.

The goals book, particularly the affirmations section, has definitely made a positive difference in my business. Since I began keeping the book three years ago, my company has been through some hard times. I’ve stubbed my toe and made a couple of mistakes, and we almost went out of business. If I didn’t believe in myself, and had not gone through this goal-setting process, I probably would have already told myself, “I’m going to fail, and here’s the proof.” It would have been so easy just to go down into the hole and pull it in after myself. But, I’m happy to say that I worked hard and never gave up and I turned it around! Today, we’re making money and the future looks good. If the belief in myself wasn’t there, and I hadn’t ingrained my goals firmly into my head, I probably would have already shut the doors.

One of the most important things that Rick taught me was when he said, “Whatever you believe is going to happen, will happen.” Turning my negative beliefs about myself around has basically changed my attitude and has affected what I’m doing and what I will do in the future. Personally, I interact much better with the people I want to interact with — my family, the people I love. Just having my goals written down has been pretty far reaching in all areas of my life.

**Wayne Hood** is president of Hood & Associates, Inc., an Atlanta, Georgia-based advertising agency.

## Member Practices -- Setting Company Goals

**Member:** *James R. Hamilton (Vistage 880)*

**Member Best Practice:** *Apply Rick Houcek's goal setting practices throughout your organization*

**Benefit:** *Raises morale and helps people get clear on their goals and objectives*

About 18 months ago, **Rick Houcek** was a speaker at one of my Vistage group meetings, and he dealt with a topic that I'm extremely interested in: personal goal setting. His presentation dovetailed along with things we're doing in our company. We're very goal- and strategic-oriented, so what Rick said really struck a chord for me. He presented a personal development type seminar about setting goals that we can systemically achieve, and measurable goals that we can stay on top of.

As we looked at our corporate strategic plan and the goals and objectives we've set for our company, I felt like it would be a great thing to have an office full of goal-setting, goal-achieving, goal-oriented people. So I called Rick and we set up a seminar last November. We felt like November would be a good time to do this because it's the time of year when people are thinking about the new year ahead, which is generally a good time to set new personal goals and objectives. Rick put on an even better seminar that day!

I don't have a quantifiable measurement how the goal-setting process has directly helped my company's bottom line, but it came at a crucial time: after the September 11 tragedy, when we were reassessing our goals and thinking ahead to the future. Rick's system has allowed for the integration of personal and corporate goals to work together. We use a system called "catalytic coaching," a very goal-oriented process where we get great feedback from our employees during their yearly reviews. By merging goal setting with the review process, we've found a great deal of consistency between personal goals and our corporate goals, so there's a true harmony there.

Our company has been on a growth path for quite some time now, but in the four months since Rick has done his seminar, morale is up, and people are clearer on their goals and objectives. When they come in for their reviews, they know exactly what they want to achieve, and the good news is that they're actually achieving those things! I know that this will have a positive impact on our bottom line and will positively affect their personal lives too.

Because of the goal setting work I've done with Rick and my chair, Larry Hart, I've become very clear on my personal mission as CEO. I'm much more strategically oriented towards growing the company and doing the things necessary to be a more effective manager. In Vistage, we have many speakers present to us, and I would rate Rick as one of the best. He focuses on issues that I can see quick, measurable results from and I think that goes a long way to helping someone really focused and clear set on what their personal mission in life is.

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## Member Practices -- Setting Employee Performance Goals

**Member:** *Mark Foster*

**Member Best Practice:** *Set plan-for-performance goals for every employee*

**Benefit:** *Ensures that each individual knows his or her role against the articulated objectives for their department, their boss and the overall company.*

Our plan-for-performance (PFP) goal setting system gives us an objective tool with agreements in place, so there can be no misunderstanding about what is expected from employees. If you can't articulate and write down what is expected at every level inside the company, how can you expect optimum performance? We build an X and Y matrix for every individual employee. The Y-axis priorities are based on five areas: revenue growth, profit growth, employee satisfaction, customer satisfaction and organizational effectiveness. The X-axis priorities are based on objectives, activities and measurements.

We agreed that it would be wonderful if every employee in our company has a clear understanding from management about what this year's expectations are and how they're going to be measured against these goals. We also decided to build a frequent feedback mechanism into the plan. If employees have questions about issues such as job tenure or bonuses, they know management's expectations in advance and how they're doing according to those expectations. If they're not living up to the expectations, there is an appropriate period for correction already in place.

We sit down with each employee and say, "Regarding your current assignment, but also looking at this with a green field or blank slate about how your position might grow, here's the direction that we would like you to go." Then, we give them initial feedback about how they're measuring up against their personal PFP plan. If they're aren't measuring up, we say, "We need some corrective action over the next 90 days and here are the areas where we'd like to see some results." Then, we build a specific performance improvement plan for them, based on objective, not subjective elements. If the employee is doing well, we can say, "Hey, this is great! You're delivering a good solid job. Keep doing what you're doing." It's really beneficial to the employee if you can identify the specific behavior you're pleased with, or would like them to start doing or think about doing in the near future.

The first benefit of this system is that we get a better management process throughout the whole organization. The second benefit is that there are really no surprises. We're a mile off of plan this year, but because people know what gradients we're using to gauge our success, employees know what our profits and revenues are every month. They can review their own personal PFPs and say, "Gee, we're not meeting our goals this month. How can I help resolve this problem?" They can choose whether or not they want to help get it turned around, or if they just want to cruise. If they cruise, then it becomes very easy for their manager to talk to them about it. When people know what to do or where they're at, they'll usually initiate some form of self-management. This system doesn't eliminate questions entirely, but overall, employees don't have as many questions about where they stand with the company, within their department, and with their boss.

In many small businesses, whenever people get off track, usually the first reaction is to fire them. We avoid this scenario by saying to a new employee, "Hey, you're a mature person, you know your job. We're initiating your own PFP plan to help you get started on the right foot. We'll sit down with you mid-year and let you know how you're doing, so if there are any shortfalls, you have a chance to correct them. If we notice at any time

that corrective action needs to be taken, we may put you on a four-time, 12-time, or in some cases, a once a week follow-up schedule. If we don't get something turned around in a couple of weeks, then we know we have the wrong person for the job.”

I truly believe that you can translate high morale directly into bottom-line performance. When we first installed this system during a very difficult time for our company three years ago, employee turnover was about 18 percent. I'm happy to say that we're now into our third year, and so far in the last 12 months, we've had less than a five percent turnover rate! These are obviously very dramatic, positive results!

Utilizing PFP goal setting has helped us become a better managed company because it's given us a more effective tool for less-than-optimally-skilled frontline managers to use when they're evaluating their employees' performance. The only downside is that it requires a lot of effort for management to do the design work up front. They have to take some time and look over the horizon and say, “What does ‘great’ look like? How do we specifically define excellence now that we have a document to communicate it to our employees?” It's not always that easy for management to do, but the payoff is huge!

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