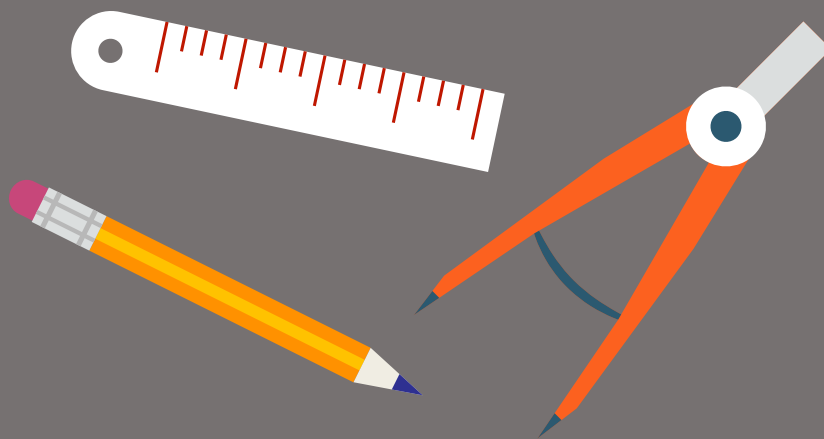


The Differences Between Goals, Objectives, Strategies and Tactics

And When to Apply Them



PRACTICAL TOOLS

The Differences Between **Goals,** **Objectives, Strategies and Tactics**

And When to Apply Them



Goals, Objectives, Strategies and Tactics are terms that are often used as if they were almost interchangeable, but even though they are related and you need all of them to have success, they are very different. You do need them all to get somewhere, but you will need them at different times and in different circumstances.

Using a particular tactic when you don't have a goal, an objective or a strategy doesn't make much sense. It's like taking the right fork of a Y in the road when you don't know where you're going. It may feel like the right thing to do, but you'll likely end up lost. Similarly, having a beautiful strategy but no tactical expertise on how to execute it will not achieve the desired results. Strategists may be the big thinkers, but if there's no action plan with tactics attached to the big idea, nothing will happen.

To be sure, there are similarities between goals, objectives, strategies and tactics, and they all need to work in concert to have success in the business world, but the concepts are perhaps best understood by highlighting the differences:

Goals vs. Objectives

Goals are the "what" an organization is trying to achieve. Objectives are generally subsets of business goals.

Goals are generally long-term aims. Objectives are often aimed at the short or medium term.

Goals can sometimes seem somewhat nebulous and are hard to define; they are ideals to strive for. Objectives must be easily measured and usually have numbers attached to them.

Goals can be hard to quantify both in numbers and in timelines (How will you know when you get there?) Objectives should be given a definite timeline to be effective.

Helpful hint: To be effective, objectives work best when they start with an action verb, like “increase ...,” “speed up ...,” or “deliver ...”

Goals vs. Strategies

Goals are long-term aims and formulate the “what” of the desired results the organization seeks to achieve. Strategies represent the “how” of the ways in which the goals are expected to be achieved. They are methods by which the company will strive toward its goals.

Goals should be capable of inspiring individuals to work enthusiastically and efficiently. People on the team should be able to visualize success when a goal is reached. Goals have inspirational value. Strategies not so much. Nobody looks forward with enthusiasm to go to a strategy meeting. Usually, they're crashing bores. Strategies, as necessary as they may be, are patterns or systems of actions by which goals are to be reached.

Strategies vs. Tactics

To formulate strategies, you need strategic information for long-term planning and direction. This includes external information on macroeconomic development, competitors, and government policies as well as internal information such as the company's vision and mission, audits of past performance and learnings from the past. Strategy deals with the what – and why – a company plans to do in the future. Tactics are how the company plans to go about it – the specific things you'll do to accomplish the goal and execute the strategy. Tactics are required to deliver short-term goals and deliver specific performance and profitability targets.

Strategies can take a long time to execute – up to five years. Tactics have a much shorter time frame, generally less than a year.

An Example from The Business World

Let's see how these terms can apply to the real business world. Let's take the example of a company of real estate brokers that are trying to increase its profitability. The residential real estate market in the community is pretty crowded, and the company has decided that specialization spells success – it won't try to be all things to all people, do rentals, working-class housing, higher-end mini-mansions, etc.

Since margins are higher at the top end of the market, the company has made it its goal to become the leading seller of high-end real estate in the community. There's no specific number attached to this goal, and it is unsure exactly when the goal can be reached.

However, the first objective in furtherance of this goal will be to increase its share of for-sale listings of properties valued at \$1 million or more from 30% to 40% in one year. That's a measurable objective with a specific timeline.

The company has decided that its main strategy to achieve this goal – and the interim objective – will be to market itself through referrals and word of mouth. They have decided to rely less on mass advertising because it is expensive and its reach and effect is uncertain.

The preferred tactics to execute this strategy of gaining market penetration through referrals and word of mouth will be to strengthen relations with funeral homes (establish contacts with heirs who need to sell properties), estate sale companies, financial planners, wealth management advisers, yacht clubs and/or country clubs. The firm will also pay agents to obtain country club memberships to make themselves known among members of the community likely to own high-end properties that they may want to sell someday when they downsize as empty-nesters, for example.