

# Corporate Governance: Success by setting goals & strategy

By Paul A Zaman MBA, MSC



## **Paul A. Zaman highlights that setting well-formed goals and forming a strategy to achieve them is success.**

One definition of success is setting and achieving your own goals. This definition is true whether the person setting the goals is a multi-national corporation or an individual. In business the focus of corporate goal setting and business planning is often focused upon tangible financial parameters or physical operational measures. In executive and life coaching the focus is often upon achieving new behaviours and overcoming limiting beliefs. Creating well-formed goals is a discipline. Formulating strategies to achieve goals requires a mix of good judgement and insight. Lastly execution requires knowledge in action that is wisdom. Sadly many people including Directors on the Boards of Companies may not have the knowledge and experience to formulate well-formed goals, strategies and direct execution. Being successful could be taught in primary schools as a basic life skill set.

Let us consider a goal to be the same as a target or objective. It is something we set to achieve. There must be an activity, which creates an output that is a result. In an ideal situation the result is exactly the same as the objective. This is rarely the case. Therefore setting a goal also relates to setting the direction from the activity. Many people get confused between goal setting and activity results. The goal is set before you set about an activity and start judging the results. Even in experimentation, prototyping and exploration goals are first established; in these contexts the goal is often about the proof of feasibility or concept, which then later allows a more refined goal to be set.

Goals need to be well formed. Corporate goals are the easiest to set, as they are often financial and operational based and are easily measured. Executive and life coaching goals are often more abstract. However good coaches can help the coachee form measurable goals often based upon the effects of achieving the results. For instance if the coaching goal is a leadership behaviour such as delegation. Then measuring levels of delegation may be one, measuring anger on a qualitative scale using self-assessment or perhaps a peer and subordinate 180-degree assessment techniques. Goals must be well formed often described as being Specific,

Measurable, Achievable, Relevant and Timed, a SMART goal.

A goal, which is not specific, can be called a dream. A dream can be useful for initial motivation. However like Don Quixote de la Mancha the idealistic and impractical windmill fighting knight of Cervantes, dreams are transient, never achievable and likely to drive you to despair.

A goal must be measurable, otherwise how will you know when you have achieved it?

A goal must be achievable within the person's own scope of influence and capabilities. A coachee often wishes to set a goal about improving others, such as making them more creative, tolerant, smarter etc; however you can only change your own behaviour and beliefs not others. A good coach will ensure the goal is achievable and the coachee takes responsibility for themselves. In business, too often goals are set which assumes the business environment and customers behave in a predicted way or for competitors to sit on their hands and do nothing and not react.

Goals must be relevant and ecological. Setting a single extreme and demanding target such as becoming a millionaire, may mean extreme work hours for months or years. Yes, you achieve being a millionaire but when you look around and go home to celebrate, the wife, kids and even your pet goldfish have left home. Was the single focus goal really worthwhile?

A goal must be timed. To become a millionaire is easy. Each and every one of us is likely to have earned a million dollars of income or have that amount in assets by the age of 60. Yet becoming a millionaire in one year versus 20 years is very different.



Many people and business feel that setting a SMART goal is enough to form the strategy that is the set and sequence of activities needed to achieve the goal. Prior to forming the strategy, you must know where you are starting. The goal is the point of destination or the desired state to achieve. Before you can form the strategy, the road map of actions on how to get there, you must know where you are starting. This is often the biggest challenge for a good strategy

management consultant. They have to rigorously assess and then tell the client company the ugly truth about all that is wrong in their current undesired state. Often senior management and directors are blind and deaf to such expert

# Corporate Governance: Success by setting goals & strategy

By Paul A Zaman MBA, MSC



advice, without which no well-formed strategy can be developed and the tragedy of failure. Again, lets say you wish to become a millionaire in 12 months time. Think of the different strategic options that may work. Now lets consider two different points of departure. First situation is a stockbroker, with assets of \$999,999 a large salary and a large year end bonus. The strategy here is just staying employed for one more day! Second situation is a refugee, does not speak the local language of the host country, unemployed with no friends or assets. Do any of your strategies work now?

Strategy is simply what you do to close the gap between the undesired state and the desired state. It is a road map of activities and outputs that move you steadily towards the destination. If the goal is well formed it would have taken into account assessing the achievability, and so the strategy will also be do-able. If we were unrealistic, then the strategy may assume incorrectly that there are the skills, capabilities and resources available to achieve the goal. Good strategy management consultants know how to deal with the challenge of assessing the company and then telling the senior management team, that the candidate strategy will not work because it is too complex, sophisticated and beyond their capability to execute. Sadly senior management can be blind and deaf and so prevent their own success by following a strategy of pure folly.

Having formed the well formed goals and strategy and a clear action plan with milestones. Every journey starts with the first step. In executive and life coaching, a good coach always gets the coachee to form and agree the next actions and immediate next step. In business execution sometimes does not gets underway, perhaps due to too much senior management politics, no clear leadership and ownership, or perhaps an over zealous financial controller who simply says No budget!

The good executive and life coach encourages the coachee to enhance the initial well-formed goal into a motivational goal. The famous motivational life coach and speaker Tony Robbins would amplify the pain of the current undesired state and the pleasure of the desired state to create motivation. Another approach is to focus upon three aspects. Firstly set a goal, which challenges the individual yet is not so hard that it would disillusion. Secondly center the coachee upon the celebration of achieving the goal that is the positive feeling of success during the celebration with significant other people. Lastly, a motivational goal is a win-win-win outcome as opposed to a win-lose. A win for the coachee, a win for the other people closely involved and win for the extended community.

In business, a motivational goal could be expressed in terms of a win for: the shareholders, employees, suppliers and customer; the broader society and environment. The corporate setting motivational well-formed goals can easily do so with triple bottom line reporting, also known as the corporate sustainability report. Companies with good corporate governance, therefore set motivational win-win-win triple bottom line reporting goals. Likewise when a good corporate achieves its goals, there is great opportunity for all stakeholders to celebrate!

END

*Qualvin Advisory was founded in 2003. We provide advisory services to the Board, CEO and CFO of listed and unlisted companies in S.E.Asia. Qualvin facilitates the Board in areas such as formulating corporate goals & strategy and governance & CSR. Qualvin also formulates and executes the financial investor relations strategy to: increase shareholder value and institutional following; firm the share price and raise new capital. Contact Paul Zaman at email pzaman@qualvin.com.*