

## Goal Setting Guides Your Business Advisory Team<sup>1</sup>

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*Make goals measurable and set a date for implementation to raise success rates.*

In the last article “How to start an advisory team for your dairy,” on page 451, July 2001, issue, we discussed the nuts and bolts of forming a dairy advisory team. Now let’s move to one of the first tasks for your team to accomplish, goal setting. There are several specific written steps that collectively focus you, your advisors, and workers on what is important to succeed. Undoubtedly, you have a vision of how you want the farm business to improve and the goals are the map to achieve that vision.

Setting goals for your business will allow the team to monitor progress and measure successes. For the team to be successful, team members must find mutually satisfying team goals. Teams that fail to set mutually rewarding goals find personal goals creeping into the team process. Conflicting sets of goals will quickly steer the team off track.

Setting goals is an activity that everyone engages in throughout their lives. Many times, goal setting is something we do without being aware of it. For example, you need to pick up parts for the broken harvester. Things that you process in your mind are: How will I get there? Is there fuel in the truck? What else can I do while I am on this trip? When do I need to be back? Who will push up the feed to the cows while I am away?

Before long you have a S.M.A.R.T. goal (see below). In this case you have it in your head instead of on paper and it is for the morning tasks instead of the yearly business cycle. When you share this plan with your spouse they say, “While you are out would you...” and then you tell your employee your plan and they know that they need to push up the feed and why and where to find you if they need other parts or if there is an emergency. Suddenly, you have involved others in your goal setting and action plan.

Below we will discuss this principle of goal setting but on a longer time line, such as six months to three years, and how to formalize it so others can help you achieve your vision.

### ***S.M.A.R.T. Goal Setting...***

While short term goal setting often occurs “on the fly”, there are some definite benefits to using a more, structured approach for the serious business of running a dairy. The goal-setting concept has been taught in business schools for decades. Our aim here is to make the process as simple as possible while maintaining its usefulness.

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## DAIRY ADVISORY TEAMS

We recommend using the S.M.A.R.T concept for goal setting. The concept is simple and effective. S.M.A.R.T. is an acronym for the process of goal setting. These steps ask if the goal is **Specific, Measurable, Achievable, Relevant, and Timely**. Incorporating all five of these characteristics into the new goals will help foster team vision, commitment, and motivation. Let's look at the S.M.A.R.T. characteristics in more detail.

**Specific** goals are goals that are clear and focused and not broad, ambiguous, or general statements. An example of a general goal statement is "The advisory team will improve the Pleasantview Dairy's profitability." A clearer more focused goal statement is "Employees of Pleasantview Dairy will lower feed costs by producing high quality forages (RFV greater than 125), by having forage equipment in top working order by May 1, storing the first crop of haylage by May 25<sup>th</sup>, and continuing to harvest at 31-day intervals throughout the growing season." Specific goals are much more focused and concrete and provide specific information on what behaviors are associated with the goal.

Considering the situation, goals that are set should be as **measurable** as possible. An example of a goal that is not measurable is "Improve quality." To state this goal in a way that is more measurable and, therefore more useful, we could say that the goal is "To increase the average relative feed value from 100 to greater than 125 for all haylage stored this summer." The second statement provides a measurable indicator of success. In a measurable goal, it also becomes easy to monitor progress and to know exactly when it has been attained.

It is important to note that **not** all goals are, or should be, quantified with numbers. As much as possible, however, goals should be verifiable in some way. It may simply involve getting a "yes" or a sign-off from a supervisor, manager, or worker. In these examples, a separate individual provides verification that the goal has been accomplished. As an example "All ingredients in the TMR will be weighed using the electronic scales and delivered to the feed bunk by 10 a.m." Delivering the computer printout to the herdsman showing the scale weights and time stamp would meet this goal.

It is important that goals are **achievable**. The goal should be realistic, well within the abilities, responsibilities, and resources of management and staff. This does not mean that goals should be too easy to achieve. Every effort should be made to reach a higher level of performance. Sometimes called "Stretch goals," goals can encourage the person to step out of their comfort zone and tackle tasks in a new way that is challenging, yet achievable.

A herd feeder could have the personal goal to deliver feed to the cows in less time than any other worker thus showing his efficiency and dedication. His goal is to feed more cows per hour. Changing his goal to delivering feed weighed and mixed properly may increase herd production but lengthen the time required. A goal to "Mix feed ingredients accurately (wet feed less than 5 percent and dry feed less than 1 percent error) and deliver to the cows by 10:00 a.m." could be a challenge for Mr. Speedy and require a complete overhaul of his understanding and approach to feeding cows.

Goals should also be **relevant** or appropriate to the person or to the farm. Relevant means that the goal is more important in some way. In other words, the goal is not simply an activity, but it has a meaningful end result that



adds value to the individual in some way. Because the worker has acquired new skills he is more valuable to the business.

An example of an activity-based goal is placing feed in the bunk by 10:00 a.m., whereas an example of a value-added goal is farm staff who raise milk production and lower feed wasting by assuring that the ration computed on a piece of paper is fed to the cows accurately, in the proper amounts and on time. This value-added goal requires more understanding and self-discipline.

The first example is an activity; the second example is an end-result or an accomplishment (competent employees). The difference in relevance is important to the growth of business capacity and competitive advantage.

Finally, the attainment of the goal should not be open-ended, but **timely**. As much as possible the exact date that the goal is to be achieved should be pinpointed. For example, the goal of “Increase milk sold per worker to 1.2 million pounds” is not timely because a time frame was not stated. A better goal is “Increase milk sold per worker to 1.2 million pounds by July 1, 2002” because it has the exact date that the goal should be completed. When a goal has a deadline it provides a measurable point and speeds progress toward critical goals. It clearly says to the individual this action is more important than other tasks that don’t have deadlines.

### **Celebrate successes...**

Too often producers say “I could have done that with out a team. I can’t really see what we accomplished.” But when reviewing what was accomplished and measuring the progress toward important goals, it is truly significant. When owners are surveyed, they easily identify several successes. By celebrating the little successes everyone feels like they accomplished more, feel better about what the team did together and they remember the progress.

Remember the height marks on the doorway from each birthday as family members grew up? After several years you could visualize the change every time you past the door. Birthday parties were the celebration of growth but that growth was made apparent every day you passed the doorway with the height marks.

A celebration may be as simple as a pizza party, recognition in a newsletter, a compliment in front of peers, or as formal as a monetary reward or certificates. Celebrations help us see and remember the successes but most of all they make us feel good about the change. Take pride in your achievements.

With S.M.A.R.T. goals in hand the next steps are (1) developing action plans, followed by (2) a system of measures to track monthly progress toward goals, and then (3) periodic team review to adjust action plans to meet changing conditions. These topics will be covered another time.