

**RECORD OF SOCIETY OF ACTUARIES
1993 VOL. 19 NO. 3**

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

Instructor: ELAINE MANDRISH

This session is geared towards goal setting for actuaries who manage functional areas, departments, or divisions. Participants will gain a better understanding of:

- The reasons why goal setting and achievement is often ineffective
- The key success factors in setting and achieving goals
- A proven methodology for setting and achieving goals

MS. ELAINE MANDRISH: This session is sponsored by the Society of Actuaries Committee on Management and Personal Development. This committee was established a few years ago, with a mandate of promoting, planning, and implementing educational programs for actuaries on management and business skills. Actuaries are being put increasingly into positions where management is a critical dimension of the job, so it's imperative that they develop better management and business skills, to augment their technical skills. The committee sponsors teaching sessions and other sessions at each of the Society meetings that are focused on various aspects of management and business skills. The committee also writes articles in the *Actuary* and provides support to the actuarial clubs across the country. Finally, we're also developing some actuarial guides on management skills.

If any of you have ideas as to topics for future sessions or articles, or would like to join the committee, please let us know.

I'm with a company called Robert Schaffer & Associates, which is a general management consulting firm based in Stamford, Connecticut and Toronto, Ontario. We work with companies to help them improve their performance in ways that get results fast and that also build their own management capacity and skills along the way. I'm a fully qualified actuary, but since I function as a management consultant, not an actuarial consultant, some of my clients tell me I'm a recovering actuary!

The focus of our discussion is on goal setting and achievement. We're going to talk first about why goal setting is often problematic and ineffective. We'll also review some concepts and methodologies that you can use in setting goals and achieving them.

Before we start, I'd like to ask what you would like to get out of this session. What goals do you have for it?

FROM THE FLOOR: I'd like some tips on helping others set and achieve goals. I don't see myself as having a problem setting goals.

FROM THE FLOOR: When I get back to Connecticut I'm going to be taking over an area of about 350 people, and will be coming in above the top management group, and I'm looking for some ideas to help me.

MS. MANDRISH: We may not be able to accomplish all of that in the time we have, but I hope some concepts will help. Before we move on, let's identify how good we are now at setting goals. How many of you don't bother setting goals? One person,

RECORD, VOLUME 19

one brave soul. How many of you set goals but find you're less than successful in achieving them? I see it's the majority of you. Why do you think that is?

FROM THE FLOOR: Maybe they're unrealistic goals.

FROM THE FLOOR: There can be unexpected things that come up and get in the way of achieving the goal.

FROM THE FLOOR: They're imposed on you, they're not your thoughts.

MS. MANDRISH: The boss says, you must cut your budget by 10%, and I don't care how you do it, just as long as you do it.

FROM THE FLOOR: Sometimes achieving goals depends at least in part on other people, and you don't have much control.

FROM THE FLOOR: What about setting too many goals at one time, so you spread yourself too thin?

MS. MANDRISH: Then you are faced with the challenge of deciding which is really important.

FROM THE FLOOR: You set the goal and you know the first step in the process, but you don't know how you're going to get to the goal after that step.

FROM THE FLOOR: Conflict in goals.

MS. MANDRISH: For example, sometimes cost and quality goals are perceived to be in conflict.

FROM THE FLOOR: Lack of commitment.

FROM THE FLOOR: Lack of organizational skills.

MS. MANDRISH: That's a long list, but those items are most of the typical things that get in the way of achieving our goals. I assume that most of you are here because you feel that goal setting is important and you are looking to find a way to get around these types of barriers that you just mentioned.

If you look at people who are successful in life, you find that they don't just let things happen. They recognize that having the right skills, or qualifications, may not be enough to ensure they reach their objectives. Successful people take control of the situation. They recognize that you have to set goals and do something different to reach those goals. Otherwise you end up in the situation that Einstein so aptly described when he said, "Insanity is doing the same thing over and over and expecting the outcome to be different."

Goal setting is not an exact science – it's an art. There isn't a magic formula for setting and achieving goals. It takes luck, intuition, persistence, and trial and error.

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

But most of all it takes *commitment and conviction* – a real desire to do something different.

I'm going to focus my comments on goal setting in a business context, but the concepts apply equally in personal situations.

Goal setting is important for many reasons. Anyone care to say why?

FROM THE FLOOR: If you don't know where you're going, you're not going to get much of anywhere.

FROM THE FLOOR: You just go around in circles.

MS. MANDRISH: There is a saying from *Alice in Wonderland* that, if you don't know where you're going, any road will take you there. Goal setting provides you with an overall direction – a beacon, a point, a yardstick – to aim for. And that's the first step in being able to succeed. Any other thoughts on why goal setting is important?

FROM THE FLOOR: It's a form of measurement. To see how you're doing.

FROM THE FLOOR: You can measure goals and your success.

FROM THE FLOOR: It gives you something to focus your energy on.

MS. MANDRISH: John Kennedy said, we're *going to get* a man on the moon. It provided a clear focus and measure. He didn't say, we're going to go out and research *whether* we can get a man on the moon and what it will take to do it.

FROM THE FLOOR: Goals also help you set a time frame, get you motivated, and get you started on doing something.

MS. MANDRISH: Yes. If you have a time deadline, you focus on what you need to do within that time frame. There are other reasons why goal setting is important. Human beings really are goal seekers by nature. There's the old saying about playing games. "If it doesn't matter who wins the game, why do we keep score?"

Goal setting is necessary for our health and survival. This is evident if you think about people you know in their retirement years. For some people their work is their whole life. When they retire they find it very difficult to adjust and end up leading an aimless life. Often you see these people go downhill fast. Then you see others who are chomping at the bit to retire. They may want to go back to school, travel, or pursue a hobby they've enjoyed for years and would have loved to have been able to do for a living. These sorts of people have a clear focus, and a purpose in life, and typically lead long and healthy lives.

Goal setting provides a focus so that you can channel your energy and ideas in the right direction, and the achievement of a goal generates tremendous satisfaction and builds one's confidence to do more.

RECORD, VOLUME 19

Setting goals motivates people to strive for better performance. And finally it provides a basis for continual learning and innovation. This is particularly true if you set goals that are not too overwhelming or not too long term. If you set a short-term step-up goal, you can begin to test what it really takes to move up to higher levels of performance.

The step-up goal should be a stretch goal, but not one that is outside the realm of possibility. You're not aiming for the "man on the moon" level the first time, but a first step toward that. Setting this kind of goal allows you to experiment, gives you the experience of learning what's needed to achieve higher level goals, and builds your confidence so that you can tackle even more challenging goals in the future.

We talked about why goal setting is often ineffective. One of you said too many goals. I went into one company a while ago and asked about their goals. The client produced a large binder and said, "Well, human resources goals are on these ten pages, information system goals are on these ten pages, corporate finance goals are on these ten pages," and so on and so forth. There were hundreds and hundreds of goals. The result was that employees didn't know what was important, and they couldn't relate them to their day-to-day jobs.

Another point to watch for is a vaguely defined goal. For example, "We need to improve new product introduction." What does that mean? Does it mean getting more products to market? Shortening the product introduction cycle time? Minimizing delays in getting state approvals? Being first to market with the latest product? Having the administration system in place when the product is introduced, not a year later?

Another reason why goals may not be achieved is that they are unmeasurable. For example, "We want our managers to be better leaders." This is a laudable goal, but how would you measure it? How would you know you achieved it? How do you measure "better"?

Sometimes managers set goals with target dates that are far off in the future. It's a natural tendency for people to wait until close to a deadline to move into action. So if you set a long-term goal – say a year out – you run the risk that no action will be taken in the short-term, and that other priorities will naturally get in the way of achieving the goal, or that people will forget about it.

Another problem is when priorities change frequently. For example today everyone agrees there is a need to improve term insurance rates. Then a competitor improves its universal life (UL) product dramatically, so the priority shifts to UL and the term-rate project gets dropped.

Another reason that goals may not be achieved is if they are unrealistic. It's great to think in terms of setting a goal to move to number one in market share within six months. But if you're currently number ten in market share, you're not likely to move nine places in six months without doing something radical, such as acquiring a company, or a distribution system. Or perhaps you set a goal of sales growth of 20% over the next year. If your sales growth has been flat for the last few years, one would question how realistic this is. It's good to set stretch goals, but you need

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

to be sure there is a reasonable chance of achieving them, so that you will build confidence to achieve higher levels. Otherwise, it will just be a self-defeating situation, and will discourage you from setting goals.

Last, fear of failure can be a factor that gets in the way of setting goals. Managers often don't set goals because there is a concern that, if their people don't achieve them, then what? The manager may have to take action, and that creates considerable anxiety.

In our experience working with companies effective goal-setting requires a number of ingredients. First, goals need to be linked -- at all levels of the company -- to the critical customer or other business objectives. A critical objective may be product sales growth, cost reduction, improved quality, accelerated new product introduction, increased market share, better customer service, and so on. Whatever the critical objectives are for your business or your company, the goals established throughout the organization need to relate to and support these objectives.

Goals also need to be timely and compelling. Employees are not going to get motivated to achieve goals if there is no urgency or compelling reason to improve. If you're losing customers or market share, or agents, or incurring business losses, employees will be able to relate to goals aimed at improving those kinds of situations. But if it's just a case of "everyone else is adopting quality programs, so we are going to start one," you may start off well, but in time you will likely find it difficult to keep the momentum going in the face of other more pressing business needs.

Another key is to define the goals in terms of bottom-line, tangible, and measurable results -- as opposed to activities that might lead to results. If there's a need to reduce costs, your goals should be defined in terms of reducing costs, rather than, say, analyzing costs. If the business need is to improve quality, your goal should be to produce a specified improvement in quality. If the objective is increasing market share or getting a new product to market faster, the goal should be to produce a specific improvement in results in these areas.

As mentioned, the goal needs to be challenging but achievable. It needs to be a stretch, so that it will force people to "innovate and think outside the squares." If you set goals that you can achieve simply by continuing to do what you're doing now, you will miss the opportunity to move to significantly higher levels of performance. When people are challenged to achieve tough and important goals, they become motivated to experiment and find dramatic new ways to achieve higher performance.

One of you said that one of the things that gets in the way is that you don't always have control over all factors. If you don't have the available resources or authority to achieve a specific goal, you need to either change the goal or think of some different ways of organizing and involving people in order to get control over the resources needed to achieve the goal. But whatever you do, the goal must be achievable with the available resources and authority.

The goal also needs to be based on the readiness of the people who will be involved in achieving it. If they don't understand or agree with the urgency for change, or

don't see the opportunities for improvement, you will find that it will be very difficult to motivate people to achieve the goal. So it's important that you take the time to focus on goals that those who will have to achieve them will agree are important and achievable.

As I indicated earlier we're strong believers in setting short-term goals. If you have a three-year goal, a five-year goal, or a one-year goal, you need to look for ways to carve off a piece that you can achieve in the next few months, and that will begin to move you toward your longer-term objective. This will keep people focused, enable you to get some results quickly, and act as a building block for further improvement.

Another criteria for success is ensuring there is a clear deadline for achieving the goal. Finally your goal should be worded so that it starts with an action verb, e.g., increase sales, or reduce costs, or reduce errors.

In setting goals, the first step is to identify the most critical improvement performance needs and opportunities relative to key business objectives. This can be done in a variety or a combination of ways. A starting point is to look at the critical gaps against budgets, business plans, or key performance measures for your particular business unit, division, or area.

You may also want to interview customers internally and externally to get their perspective on where there is the most need and opportunity to improve. Third, it's often useful to get input from managers of other areas – particularly if it's something that is outside your control, or where you want to improve a cross-functional process. By interviewing these managers, you will not only elicit ideas, but also engage the managers in the improvement effort.

Setting a benchmark against competitors and leaders in other industries can also be helpful to point up opportunities to improvement. For example, companies often use L.L. Bean as the leader in order entry and inventory control. Finally it's often useful to get input from your own staff people on areas where they see an opportunity for improvement.

Once you identify all of the possible improvement opportunities, the next step is to write them down and then rank them in order of importance. Three categories can be used: "must do," "should do," and "like to do." Must do's are the ones that are most critical. These are improvements you absolutely have to make, for ongoing success or even survival. For example, are you losing market share? Losing customers? Rates very uncompetitive? The only company that doesn't have a particular product on the market?

The next category, should do items, are ones that are important but not critical, that is, not "life and death" ones. Finally, the last group are the ones that are just nice to do. At this point you should be disciplined and discard the nice-to-do items because the reality is they won't get done. Everybody has enough to do on a day-to-day basis, and if you can achieve the must do items and some of the should do's, you'll be doing extremely well. It's unlikely you will have the time, motivation, or the energy to tackle the third group.

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

So try to be realistic about which ones you are likely to accomplish, and then make a note of the main reason for ranking them as must do's, or should do's.

The next step is to focus on the must do goals. First assess them against the criteria that we have discussed: Do they relate to critical business objectives? Are they timely and compelling? Are they results driven? Are they challenging? Are they something that people have some readiness to tackle? Is there likely to be an opportunity for improvement in the short term? Do you have the authority and resources or can you get the authority to achieve the goal?

Then select the top three to five that best meet the criteria. Take each of these improvement opportunities, and narrow it down into a short-term, razor-sharp, results-driven goal. In doing this you will need to think about what it is that you really need to change or improve. Is it expenses? A certain type of expense? Service to a certain type of customer? Compensation? Market share? Sales in certain regions of the country? Turnaround time on claims? Then decide by how much you need to change or improve. Now carve off a challenging first-step goal that you could achieve within a few weeks or months – say two to four months at most. For example, if you need to reduce overtime expenses by 50% in three departments, would a first step be to reduce expenses by 20% in one of the three departments? This first step, or breakthrough, goal is the one that won't get you all the way to your ultimate objective, but is a good step up from where you are now.

Double check whether the goal you've selected is achievable with existing resources, and is something that those who will need to be involved will be motivated and ready to tackle.

Last, put the goal in writing. There are two reasons for doing this. Putting it in writing, forces you to think through and be very clear about what it is that you really want to achieve. Second, if a number of people will need to be involved in achieving the goal, the written statement can be a communication tool.

Those are the steps in the goal-setting process that we encourage people to follow to achieve higher levels of performance. Now let's look at one example of a step-up – what we call a breakthrough – goal from another insurance company. This was in a systems department where there was a huge backlog of maintenance work. The first goal its people carved off was to increase the systems maintenance productivity by 25% in one section of the department in eight weeks from March 1st.

The goal is razor sharp, has a results orientation, is clear on what is being changed, has a clear measure, a clear time frame and is short term. The goal was compelling and urgent, because of the backlog and the fact that all of the users were complaining.

In defining effective results-driven breakthrough goals, it's important to understand the difference between a results-oriented goal and an activity-oriented goal. For example, a goal of "complete training of 100 facilitators on total quality concepts within 12 weeks" is a preparatory step for achieving results, but there is no direct link to results. The presumption is that once they have been trained, they'll be able to apply the quality concepts, and this will lead to an actual improvement in quality. But if the

result you want to achieve is an improvement in quality results, the goal needs to be defined in those terms: "Reduce the number of errors on monthly statements by 50% over the next two months." You may still need to do the quality training, but the training then becomes one of the action steps for achieving the goal.

Take another example, a goal to "redesign the process for introducing new products and present recommendations to management within eight weeks." Here, the outcome is a recommendation, not a change in organizational performance. If the desired change is to speed up the new product introduction cycle time, the goal should be framed in those terms: "Introduce the XYZ product, by (date)," or "Reduce the cycle time for introducing ABC product by X%." The work of redesigning the process then becomes one of the action steps in the work plan for achieving the goal. Is that clear?

FROM THE FLOOR: Sometimes there is a bit of a conflict between really getting that results-oriented goal, and doing it in a short time frame. I mean how realistic is it to, within one to two months say, we're going to be getting a new product out this much faster? I guess I'm not sure if I can resolve that. I'm not sure you can always get an actual result in a really short time frame. You might have substeps that aren't really getting it out, but it moves you toward that time frame.

MS. MANDRISH: It depends to some extent on the nature and complexity of the improvement, and sometimes it's not always possible to achieve a result in two or three months. In some cases "short-term" may be six months. But the notion is to carve off a result that can be done in weeks or months, not years. However, sometimes we assume that we can't achieve a result in the short term, because it's never been done before, and it's not obvious to us how to do it. But there are all kinds of examples of dramatic results that companies have been able to achieve quickly. So I'd encourage you to really challenge the assumption that you can't get results in the short term. For example, could you introduce a prototype product on an accelerated basis in just one region in three or four months instead of six or seven, or in just one or two states and use that as a model to see what it takes to shorten the cycle?

Here's another example of an activity-oriented goal, "Develop a mechanism for measuring customer satisfaction on an on-going basis within ten weeks." Here the outcome is a measurement not a result.

The last example I'd like to share is, "Improve agent retention rate within eight weeks." Here there is a result, but there is no base line against which to measure success.

Now let's look at some examples of effective goals from other insurance companies. In the first case, the company needed to eliminate unnecessary reports. Rather than trying to eliminate all unnecessary reports, it focused on reducing a particular type of report sent to particular areas. The goal was, "Reduce by 25% the paper distribution of mainframe generated reports to Home Office Marketing and Underwriting in Treaty and Casualty Facultative Programs by May 1, 1992."

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

Here are several more examples of breakthrough goals. They're called breakthrough goals because they're designed to help breakthrough organizational barriers, to reach new levels of performance. These are all real examples of first step goals from other insurance companies:

- Reduce turnaround time on new policies issued to Eastern region branches from three weeks to one week, within two months.
- Improve turnaround time to process additions of riders and benefits on life and disability policies from 50% completed in three weeks to 75% completed in two weeks, within ten weeks.
- Implement new billing system in XYZ branch for X type of policies within three months.
- Quote and deliver to quote, at least one two-color job from each marketing group by July 15, 1992.
- Reduce overtime costs for producing annual report by 50% by (date).
- Reduce insurance claims backlog by 30% within two months.
- Reduce administrative form processing time by 20% within two months.
- Introduce XYZ product in 30 top States by (date).

Let's look now at a few examples of how companies shaped an improvement opportunity into a short-term breakthrough goal.

The first example is from an insurance company with an in house print shop. The challenge was the service to internal customers was not good. In fact, key areas of the company were going outside for printing. The printing service people knew that business was going outside, and the company was paying for both their service and for outside printing companies.

Quality, timelines, and cost were the issue. The printed materials wouldn't be quite the right green, or the right blue. They wouldn't be printed on time, and the cost would be over budget. So the need was to improve the whole printing service process. Instead of tackling all customers, they decided to focus first on service to four specific areas and, rather than trying to improve all print jobs to those areas, they decided to focus on one particular type of job -- two-color jobs. The breakthrough goal was to "quote and deliver to quote at least one two-color job from each of the four areas, by July 15, 1992, with the quote to be competitive and timely, and the product to meet quality, cost, and delivery requirements as agreed in the quote."

Another example is from a group new business area where the people needed to improve the group new business process. The focus was narrowed to improving turnaround time on the "end-to-end" new business process. The breakthrough goal was then defined as, "Improve turnaround time on new issue contracts from when

RECORD, VOLUME 19

the group representative receives the application and premium to when the contract is mailed from 40% in 30 working days, to 80% in 20 working days by July 15."

FROM THE FLOOR: When you were talking about prioritizing your goals, you also suggested noting why you prioritized them that way. What do you use the second step for?

MS. MANDRISH: It's the beginning of the process of assessing which of the goals best meet the criteria. It's a reminder as to why you categorized the goal as a must do or a should do. Also, if you have to involve other people, it helps to explain and rationalize the priority.

At this point I'm going to ask you to work individually to go through an exercise of setting a breakthrough goal. The first task is to define a goal using the work sheet called "Selecting and Defining a Breakthrough Goal." To do this you should first identify an urgent business challenge that you're facing in your area, in your division, in your unit, or in your company, and so on. Or if you wish you could focus on a personal challenge that you're facing.

But whether a business or a personal challenge, identify an area where you really need to improve. Use the work sheet to think through and carve off a first-step goal that meets the criteria I talked about earlier. Remember you're looking to define a goal that would produce a result in the space of a few weeks or few months -- but not months and years.

Once you have done that, you can use the work sheet called "Breakthrough Goal Assessment Form" to assess how well your goal meets the criteria.

Once you've defined and assessed your goal, you might share it with another person and get his or her input on how to sharpen or strengthen it. Be sure to think about how realistic it is. And if you think it will be easy to do, question why it hasn't been done before?

MS. MANDRISH: Any observations or insights from that exercise? Anything difficult?

FROM THE FLOOR: Well, the one thing I came away with was, if you're a person who is a head of a project and you have to rely on other people to assist you in completing the project, how do you motivate those people to achieve the goals that you feel are necessary, in order for this project to be successful? It's hard to get people motivated to achieve a goal when they don't have any personal involvement in or motivation, or achievement personally to see that goal is met.

MS. MANDRISH: Is it an area to which they can relate? Can they understand the broader business perspective as to why it's important?

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

WORKSHEET

Selecting and Defining a Breakthrough Goal

Identify an urgent business challenge or opportunity for your organization currently.

What needs to be done differently or better to address the challenge?

Now take some part of this area of improvement and carve out a Breakthrough Goal, according to the criteria in the presentation.

The first step is to define the goal according to the Breakthrough Goal format.

1. Select an action verb that clearly spells out the essence of the goal, e.g., "reduce," "increase," "accomplish," "implement."

2. State in one phrase what is to be accomplished. What will change as a result of achieving the Breakthrough Goal?

3. State how success of the goal is to be measured. How will you know when the Breakthrough Goal is achieved?

4. State the target date by which the goal is to be accomplished.

Now you can put the elements of the Breakthrough Goal statement together. Begin your statement with an action verb; include within it what is to be accomplished; How success will be measured; and a target date for when the goal is to be achieved.

Write your Breakthrough Goal here:

Breakthrough Goal (Draft #1)

RECORD, VOLUME 19

Breakthrough Goal Assessment Form

Use this worksheet to help you to assess your goal, and make any necessary improvements.

To what extent does your goal meet the breakthrough goal selection criteria?

		<u>Meets the Criteria</u>		
		Very Well	Some- what	Not Well at All
1.	The goal has all the ingredients (action verb, specific accomplishments, concrete measures, and target date.)	—	—	—
2.	The goal is timely and compelling.	—	—	—
3.	Success can be achieved in a short time – closer to two to three months than six months.	—	—	—
4.	The result will be tangible, bottom-line gain (as opposed to a study or "preparation" project).	—	—	—
5.	The goal is defined in terms that permit you to influence the outcome with resources and authority available to you.	—	—	—
6.	The goal is based on readiness: in line with what people are ready, willing, and able to do.	—	—	—
7.	The goal is challenging, yet achievable.	—	—	—

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

FROM THE FLOOR: They can understand it. But it might not relate to them personally. They might not receive any remuneration for doing it quicker, or better. It doesn't appear always to be important if they're going to put the time in regardless of whether they meet the goals or not. I think motivation is as important as setting the goals – unless you're able to carry the project out yourself.

MS. MANDRISH: *First, if it's something that is really critical, for the business or customers and you explain the rationale and context, people can usually relate to that and be willing to get involved. This is true even if it's not the first thing that they would have chosen. So if they understand why it's important to the company or department, then they will often get on board.*

Second, it helps if you can allow them to define that first-step goal, rather than mandating it. You may establish the longer-term objective and then allow the staff to define the short-term breakthrough goal.

FROM THE FLOOR: It's hard to come up with that myself. When you're dealing with professionals, you expect them to perform their duties in a professional manner. They don't always do that. Even with all the knowledge of what the goal represents. Maybe you just had the wrong people doing the project down there.

MS. MANDRISH: Well, maybe the accountability isn't right.

FROM THE FLOOR: Yes, that's true. It's hard though because of the risk/reward thing.

MS. MANDRISH: In my experience, if you make sure you identify a critical performance improvement area, if you're in the right territory – a focus area that's really important from a business perspective – if you communicate this, and involve people by giving them the opportunity to identify the specific focus and goal, then rewards and compensation, and "what's in it for me?" doesn't become an issue.

FROM THE FLOOR: No?

MS. MANDRISH: I've never encountered it as an issue in getting people motivated to improve performance – if you've identified the right focus area.

FROM THE FLOOR: Really?

MS. MANDRISH: Yes, but that's why the front-end work in identifying the right focus area is really important. You need to think about where you most need to improve performance and why, and be sure it's compelling and is an area where there is an opportunity to improve in the short-term. Then if it's positioned with people so they understand why it is compelling and urgent and that they will be able to influence the goal and the way that it's carried out, that's sufficient in most cases to motivate people. Would anybody care to share their goal?

FROM THE FLOOR: We have worked so much overtime to produce certain reports, and yet the quality suffers. I don't know what to do about it and what kind of goals to set in that situation.

MS. MANDRISH: Did you take a shot at defining a goal?

FROM THE FLOOR: Well, I shot at the nuisance of overtime, and reexamining all the reports that we're doing, and prioritizing some of the work. But at the same time we're faced with reporting requirements or other things. So it's very difficult.

MS. MANDRISH: So the goal might be to reduce by a certain amount the overtime associated with producing certain reports without impacting quality and to achieve that within a few months? It may not be obvious how you're going to do that. But if that's the critical challenge, then you need to involve your people in determining how to do that.

FROM THE FLOOR: I have a similar problem. The nice thing about that goal is that everybody is going to buy into reducing overtime. They probably will have ideas on how to automate, or make other necessary changes.

MS. MANDRISH: And they'll also understand why you have to maintain the quality of the reports. I might note that rather than giving them a specific goal, you could say that, over the next year, we have to reduce overtime to zero or by 50% or whatever the appropriate number is. Then let them determine what might be the first step-up goal to achieve over a few weeks or a couple of months.

I've talked a lot about short-term goals, but I should say that it's fine to set longer-term objectives. In fact, that's a critical role of management. But employees can be given some freedom and autonomy in determining how to get started to achieve the longer-term objective.

The first key to success in achieving goals is to take the time to do the front-end work, i.e., to identify the most critical opportunity areas, to discuss them with key people: peers, customers, employees, and then to define the goal. A second factor is to ensure that all key players are involved appropriately. The key players might be:

- people who actually perform the work
- people who can contribute special expertise, but who are not directly involved in the work
- people who might be impacted (positively or otherwise)
- people who are upstream or downstream in the customer chain (e.g., agents, brokers)

Identifying key stakeholders is particularly important if you're focusing on a goal that's cross-functional. In the group new business example I referred to earlier, the project involved group representatives, group office personnel, along with people from the home office function – underwriting, issue, and so on.

The following checklist details various ways to involve key stakeholders:

Checklist of Ways to Involve Key Stakeholders

- ___ Progress reporting via memorandums/newsletter/facsimile
- ___ Requests for reaction to what is read or seen or heard.

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

- ___ Telephone progress report and feedback.
- ___ Meetings to review progress, go over plans, get feedback.
- ___ Request help in getting and analyzing data; preparing project specifications.
- ___ Temporary assignment to project.
- ___ Participation in decision-making or policy-formulating work sessions.
- ___ Obtain input on:
 - ___ Overall project strategy – value/use of different aspects of projects; special needs or interests that shouldn't be overlooked.
 - ___ Pace, scope, design of project.
 - ___ How project can make best contribution to and/or interfere least with other related programs.
 - ___ Attitudes and viewpoints of various groups – including potential problems, roadblocks, resistance.
 - ___ Places where greatest readiness, support, and energy can be mustered.

The third key factor is to assign clear responsibility for achieving the goal, in writing, to one person. There may be a team of people involved, but it's important to designate one person to be accountable for mobilizing the necessary resources to achieve the goal.

We suggest putting the assignment in writing for two reasons. First, the fact that it's in writing usually signals that it is important. People have said to me, "This must be important for my boss to put it in writing." It also helps to communicate clearly what you're expecting the person to do.

The fourth factor is to allow your staff to refine the goal statement. We talked about that earlier on. It's interesting that, when employees are asked to define the breakthrough goal, frequently they will develop a goal that's more challenging than their manager might have set. I've seen instances where the manager would have set a 20% improvement and the employees went for 40%.

Sometimes goals aren't achieved because the people involved haven't thought through and committed to the action steps to achieve the goal. We recommended that the goal be supported by a detailed written work plan, that lays out all the action steps, who is responsible for each one, and the deadline for completing each step. The work plan should include not just the technical tasks needed to improve performance, but also steps to gain buy-in and commitment of key stakeholders as well as progress review steps. The work plan can also be used as a dynamic tool for managing the project going forward by including notes on the status of each action item on the work plan itself.

The final key factor is to ensure you monitor progress towards the goal regularly. If you don't do this, you may send a signal that it's not important. Also any corrective action needed may not be in time.

So those are the six key factors in achieving goals. Since work planning is such a critical ingredient, you might wish to refer to the additional notes and checklists on planning:

A. Personal Work Planning

A written personal work plan is essential to the successful achievement of a break-through goal. The personal work plan, as distinct from the project work plan, lists the steps that the project manager must carry out to organize and launch the effort:

- Establish performance expectations.
- Gain the commitment of project participants.
- Gain the support of other departments.
- Inform people who will be affected by the project.
- Establish a review process.
- Report to management.

B. Project Work Planning

The project work plan provides a road map that the project manager and participants can follow from the launch to the completion of the project.

The project work plan:

- Begins with a statement of the goal.
- Lists the major steps to be completed.
- Specifies who is responsible for each step.
- Provides a timetable for completion of the steps.
- Specifies the outcomes expected from each step.
- Establishes a method for reporting progress.

Developing a work plan helps a manager to:

- Think through the various approaches to carrying out a task.
- Identify roadblocks before they occur.
- Determine what resources will be needed.
- Assign responsibility for the work.
- Establish a common understanding of the scope of the project.
- Establish a basis for reviewing progress.

Testing Your Work Plan

Now that you have developed a preliminary series of steps for your project plan, use these questions to determine how you might strengthen the plan:

1. Does it contain all of the basic plan ingredients -- accountabilities, steps, start and end dates, measure of progress?
2. Does it include steps to gain the commitment of people who must contribute to, or can affect, its success?
3. Does it identify the areas of greatest challenge or concern? Have ways to deal with these challenges been thoroughly explored?
4. Does the project seem to be loaded for success on the basis of this plan? Are there any alternative strategies that might increase the chances of success?

GOAL SETTING AND ACHIEVEMENT -- ART OR SCIENCE

5. Are there people with whom the plan should be reviewed or discussed, even though they are not directly involved in the work? Have steps for doing so been included?

Shaping a Personal Work Plan

To shape a personal work plan, on this page:

1. List, in any order, the steps you need to take to launch and manage your breakthrough project.
2. Go back and number the steps chronologically.
3. Determine beginning and ending dates for each step.
4. Finally, organize your work plan on a work plan form showing action step, Date for completion, responsibility, status.

