



# Here's how you sidestep second-rate results by using the science of goal-setting...

It can be so frustrating when your business achieves less than it should.

But are you doing enough to help yourself?

Are you making the most of the hard science of goal-setting to help yourself?

A goal in hockey or football is an obvious part of the game.

A goal in business is much less obvious.

And yet, a summary of more than 1,000 studies into business goals suggests:

***"There is strong evidence that the increases in job performance produced by goal-setting have important economic and practical value."***

## In a nutshell

Ignore goal-setting and you'll achieve less than you could.

Use goals to give yourself focus and guide your actions and you'll achieve greater success.



## How do you truly test the power of goal-setting?

It's easy to prove the power of goals with elite sports people or motivated business leaders.

What about testing it with a group of 68-year-old (on average) Scots, who are experiencing the agony of knee or hip replacement surgery?

## Here's a proven solution for you...

Make 'stretch' goals and plans part of your daily or weekly routines and watch your business thrive.

Hip and knee surgery involves sawing through bones and severing joint muscles.

When recovering, even the smallest movements (shifting in bed or flexing a joint) can be excruciating.

To recover well, it's essential that patients begin moving their legs and hips as soon as they wake from surgery. If they don't quickly start stretching their muscles and skin, scar tissue will clog the joint, destroying its flexibility.

But the agony is extreme. It's not unusual for people to skip out on rehab sessions, especially a group that has been experiencing pain for an extended period of time already.

But some people didn't skip sessions...



**Stretch goals help patients recover from knee surgery**

**Which group would you choose?**

In 1992 a study inside two of Scotland's busiest orthopaedic hospitals provided stark evidence that goal-setting works:

- In 13 weeks, patients who had written plans and followed them started walking almost twice as fast as the ones who had not
- Patients following their 13 week recovery-plans were getting in and out of chairs, unassisted, almost 3-times as fast

Having challenging goals clearly worked for pain-riddled hip and knee replacement patients in Scotland.

A review of 1,000 research studies on goals proves the value of goals. The research clearly proves that business goals work when you follow a few 'golden rules'.

**What's stopping you?**

You may be familiar with the SMART goal concept?

Indeed SMART goals get the thumbs up from several research studies.

However one element of SMART proves to get in the way of your high performance!

- S** – they must be **Specific**
  - M** – they must be **Measurable**
  - A** – they must be **Attainable**
  - R** – they must be **Relevant** to you
  - T** – they must be **Time** bound
- The research strongly suggests the middle **A-Attainable** is wrong!

An attainable goal suggests a sense of **comfort** with the goal.

The research, and practical experiences at Jack Welch's GE, suggest **discomfort** is the required emotion to go with your business goals.

Jack Welch was CEO at GE for 20 years.

Jack pushed for **stretch** goals, not attainable goals. In his 20 years as GE boss he increased the company's market value from \$12 billion to \$280 billion!

An article in The Economist (2011) about GE's stretch goals suggests:

*"...if the right environment was created for the group, setting stretch goals and working toward what might seem to be impossible results often became reality."*

Change 'Attainable' to 'Awesome' and you can keep SMART goals!

**SMART goals worked for the knee and hip patients**

The researchers, Sheina Orbell and Paschal Sheeran, gave the patients a booklet describing their rehabilitation schedule.

The booklet also included 13 mostly blank pages with the following instructions:

*"My goals for this week are...?"*

*"Write down exactly what you are going to do. For example, if you are going to go for a walk this week, write down where and when you are going to walk."*

The successful patients completed the 13 pages with written down goals and plans, often in mundane but very specific (SMART) detail. It was this group that were walking twice as fast as those who didn't.

Here are two typical (SMART) remarks found in the patients' booklets:

*"I'm going to walk and meet my wife at the bus stop at 3.30 in the afternoon. If it's too painful I'll take extra painkillers, and I'll take my raincoat if it's raining."*

*"I'm going to get out of my chair and walk to the bathroom. I'm going to take two steps the instant I'm stood*

*up so that I don't sit back down again because of the pain."*

**This is really important...**

The successful Scottish patients anticipated where they might fail.

They then wrote down what they'd do to handle the difficulty.

So when you write down your stretch goals, also write down your expected source of pain or challenge. Then write down your plan to overcome it too.

**Be crystal clear...**

Whether recovering from painful knee surgery or growing your business, one thing is crystal clear.

To succeed, your goals must have four characteristics:

1. Your goals must be stretch goals
2. Your stretch goals must be specific
3. Your stretch goals must be written down
4. Anticipate and plan for the difficulties

**It pays to use two types of goal...**

**a) Stretch Outcome Goals**

The hip and knee replacement patients had a **SMART stretch outcome goal** – to walk without pain again.

GE had a **SMART stretch outcome goal** – to be No.1 or No.2 in every sector they worked in.

**b) Stretch Process Goals**

The patients had **SMART stretch process goals** too – "walk and meet my wife off the bus every day this week."

Every company, division, and manager at GE had **SMART stretch process goals** and KPIs to achieve every week or month.

**TIME TO DISAGREE:**

**“Stretch goals that aren’t achieved deflate me and demoralise my team.”**

The research strongly suggests that performance and results improve when a difficult **stretch** goal is set.

But you’re right to be concerned about the psychological damage of not achieving goals, it can be damaging to morale.

This also concerned the leadership at GE, which is why they used three questions when reviewing performance against goals;

1. Has meaningful progress been made toward the stretch goal?
2. How well are we doing in that area compared with our competitors?
3. How does performance compare to what it would have been had we not set up a stretch goal?

**“Almost as we soon as we’ve set goals we forget them and just get on doing what needs to be done.”**

The Scottish patients and the research have the answer.

“Goals and feedback together work better than either one alone. People need to be able to track their progress toward goal attainment.”

Just like the hip and knee folks tracked their progress on their 13 weekly sheets.

Setting outcome goals and filing them in a drawer or condemning them to the pile of paper on your desk doesn’t work.

Making goals alive every day or every week gets results.

**Use the Business Bitesize Support Tools And Resources to help you make the most of this edition of Business Bitesize – go here: [www.businessbitesize.com/prospero](http://www.businessbitesize.com/prospero) to download these**

**“My people aren’t interested in goals and often actively resist them.”**

Locke and Latham’s book suggests: *“Recent neuroscience research shows that the brain works in a protective way, such that any goals that require substantial behavioural change... will be resisted.”*

You now know you should anticipate resistance to stretch goals. But like the pain killers and the raincoat, you need to have your response worked out. Jack Welch can help you here:

*“We have found that by reaching for what appears to be impossible, we often actually do the impossible; and even when we don’t quite make it, we inevitably wind up doing much better than we would have done.”*

Locke and Latham also go on to say: *“...in the main, (the criticisms against stretch goals) describe weaknesses in the way that stretch goals (indeed, goals in general) are typically conceived and implemented.”*

If all you talk about are outcome goals your people are likely to disengage and resist you. Involve your people in process goals they can relate to, and resistance will be lower.

To help further with the resistance to stretch goals try out the orange exercise that was used at GE when they met resistance to stretch goals. You’ll find this exercise in the accompanying tools to this Bitesize report.

**Tell me more...**

There are more than 1000 research studies captured and reviewed in this book by Edwin A Locke and Gary P Latham. The insights into effective goal-setting make it a worthy and worthwhile investment of time and money.



**Your feedback is important to us.** We’d love to know what you think of this edition of **Business Bitesize** and how you use it or plan to use it. Also we’d welcome your suggestions for future editions of **Business Bitesize**. To give us your thoughts please use the simple feedback form here: [www.businessbitesize.com/prospero](http://www.businessbitesize.com/prospero)



## 4 helping hands for you...

A most compelling argument from Locke and Latham’s research is the need for ‘stretch goals’. It clearly worked for GE and the Scottish hip replacement patients too.

Here are four helping hands to get you started:

1. Your goals must be stretch goals
2. Your stretch goals must be specific
3. Your stretch goals must be written down
4. Anticipate and plan for the difficulties

**ULTIMATE ARGUMENT:**

**“How do I know this will work for me and my business?”**

You don’t know until you test using stretch outcome goals and stretch process goals.

What’s brilliant about goal-setting is you can test it out personally – have a look at the goals wheel exercise in the tools section accompanying this Bitesize edition.

You can also test stretch goals on a department or section before making it company wide.

**STOP:** treating goal-setting as just another annual planning exercise.

**START:** using stretch goals to stretch your thinking, stretch your people and stretch your creativity, regularly.



## Your next steps:

Here's your scientific approach to goal-setting. This checklist will help you set stretch goals and help you achieve the results you want from your business.

## Start by applying the science of goal-setting on yourself:

In the tools section accompanying this edition of Business Bitesize you'll find the goals wheel. It's a visually brilliant way of setting personal stretch goals.

## More tools and information for you:

As well as the checklist here, you can use the exercises and tools in the online supporting material. Together they'll help you achieve business breakthroughs by applying the science of goal-setting.

# Take five scientific goal-setting steps to drive your business forward...

You'll find 'The Goals Wheel', 'The SMART Checklist' and the goals form used by the hip-replacement patients in the tools and resources that accompany this edition.

The orange exercise used by GE to convince managers of the power of stretch goals is also worth investigating. Plus you'll also find some examples of outcome goals and process goals to help you see how you too can release the power of stretch goals.

- 1. Your goals must be stretch goals** – Work out both outcome goals and process goals; get your people involved
- 2. Your stretch goals must be specific** – use The SMART Checklist (in the support tools) to double-check you have your goals structured correctly
- 3. Your stretch goals must be written down** – use the goals wheel and The SMART Checklist in the tools to help
- 4. Anticipate and plan for the difficulties** – work out the expected difficulties you'll encounter when pursuing your goals. Then work out how you'll handle these. Like, if it really hurts, taking more painkillers and using a raincoat if the weather turns for the worse
- 5. Create regular feedback and reward behaviours** – making goals a habitual part of your working week or working month is what successful businesses do. Regular feedback, regular recognition of progress and regular rewards help set up this habit – just like keeping M&Ms near the bathroom as a reward did for one of the hip-replacement patients. You'll find more on feedback in the tools section.

**YOUR SUPPORT TOOLS ARE HERE:** Go to the link below and you'll find a suite of support tools to help you create and fine-tune 'stretch' goals that will help you grow your business. These tools will help you capture well-constructed SMART goals and set you up for future success.



Find the support tools to help you here - [www.businessbitesize.com/prospero](http://www.businessbitesize.com/prospero)

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