

TAX TALKS

Australia's Tax News Podcast - The Podcast for Australian Tax Professionals

The following information is only of a general nature and should not be taken as professional advice.

129 | Strategic Objectives

Your strategic objectives are the measures you take to get from where you are to where you want to be.

Strategic Objectives

In the last episode John Peterson discussed your mission, vision and values (MVV). This episode is about how get there by focusing on your strategic objectives. Here is what we learned.

To listen while you drive, walk or work, just access the episode through a podcast app on your mobile phone.

Measurement

Strategic Objectives give you the road map to achieve your vision. And they allow you to track your progress.

It's important to have a 1 year, 3 year and 5 year objective since this gives you a better sense of what you can achieve over time.

Your income depends on the value you contribute.
John Peterson

Why bother?

Your MVV is where you want to be. But you need to translate this into clear targets you can work towards.

Translate your business' purpose and mission into objectives. Otherwise, they remain insights and good intentions that never become achievements.
Peter F Drucker

SMART

Strategic Objectives must be SMART. They must be specific, measurable, action-oriented, realistic and time specific.

Specific: What exactly needs to happen – Measurable: What will you measure to track progress – Action-oriented: Who will do what – Realistic: Make it achievable with the resources available – Time Specific: When does it happen.

Operational effectiveness is NOT a Strategy.
Michael Porter Strategist

Strategic Objectives

Your strategic objectives depend on your vision and mission, but here are 7 common objectives for accounting practices.

1 Turnover

How big will your turnover be when you have achieved your vision? Break it down into daily portions. Daily habits lead to success.

Make an honest estimate of your business. Traditionally, January is a lost month for revenue, when a lot of invoicing remains unpaid until your clients have returned from their holidays. You may be in the office for a few hours over the weekend – but is your team there?

2 Profit

Focusing on profit builds your business on sound commercial principles, Use figures you believe are possible. You can always increase your objective.

Work out your profit based on a 5 day week and 11 month year.

3 Cash Buffers

Focusing on cash buffers builds sustainability into your business. It improves your potential to stay away from the cash flow cliff edge when you hit a rough edge of road.

Try and build a 13 week cash buffer.

4 Leadership

Empowered staff that you are willing to listen to, will have a profound effect on your journey to business mastery. That is, by doing so, you are allowing your team to contribute and in fact lead you and your business towards success.

Start thinking about what leadership competencies, skills and people your business will need, as well as your own leadership behavior in order to achieve your vision and your strategic objectives.

Use the finder – minder – grinder model to work on this.

5 Marketing

Marketing is essential to transform your business into being less reliant on the founder, senior partners or rainmaker. Great marketing will not just attract clients but also talented staff.

6 Succession

Covered in the next episode, ep 130.

7 Work-Life Balance

Covered in the next episode, ep 130.

All this is just our brief take on the issue, but please listen to the episode above. John Peterson explains all this in a much better way than we ever could.

MORE

[Four Quadrants of Success](#)

[Get the Foundations Right](#)

[Mission, Vision and Values](#)

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