

Aims and Objectives of a Business

Strategic aims and objectives of two different organisations

- Aims are just general statements briefly outlining what a business plans to achieve.
- Objectives are much more specific and should clarify the aims in more detail.
- A Business Strategy is the conduct of drafting, implementing and evaluating cross-functional decisions that will enable an organization to achieve its long-term objectives.

Aims are broken down into individual objectives which are **SMART**

Specific – the objective will have a purpose

Measurable – growth can be measured

Achievable – It will not be impossible to achieve

Realistic – It

Time specific – It will be able to be achieved within a certain time frame

Strategic plans enable a business to achieve its Objectives. They are based on what is happening in current marketplace. So a business must do research and find lots of different information about its, customers, competitors, sales, market shares, price, costs and profits. This information is found by doing Market Research. This information can either be Quantitative or Qualitative.

Quantitative data – information easily gathered by numbers.

Qualitative data – information based on opinion, beliefs, feelings.

A strategic plan considers the future of current decisions, overall policy, organizational development, and links to operational plans. It establishes imperatives, goals, strategies, and performance measures for the organization that can be used as a management and communications tool.

Strategies for the Public Sector

A hospital may have the aim to provide better customer service.

Their objectives;

- Make sure all patients in A&E are seen within 15mins
- Always having ambulances ready
- Answering all phones within ten seconds

Plans to achieve this:

- Constantly checking the quality of customer service
- Buying more ambulances and hiring more ambulance staff
- Provide services at cost, below cost or free where appropriate

It is then up to the management to ensure that these plans are executed properly so that taxpayers' money is well spent in providing these health services. The most important stakeholder is us.

Strategies of the Private Sector

The most important stakeholder in a Private Sector organisation is the owner.

They would aim to;

- Maximise profit
- Increase sales
- Cut costs
- To survive
- To breakeven
- To expand

To maximise profits the long term strategy would be to;

- Increase prices
- Reduce costs
- Increase sales

Sometimes in order to make money you have to lose money first. A business might reduce its prices to gain more sales and customers and in order to do this their profits have to fall. However, a business must make a profit in the long term or it will go bust.

A Short term strategy to maximise sales would be to;

- Reduce prices
- Improve product quality
- Add new products
- Spend more on advertising
- Spend more in market research

Cutting costs

- Reduce number of employees
- Reduce wastage of materials
- Conserve energy

If a firm decides to get rid of employees it has to be careful not to get rid of staff who might be needed in the future or even be hired by a rival company. It is also important to keep the standard of quality high, if you choose to go to a low cost supplier you might lower your standard of quality and customers might go to a rival store.

Survival

- In this economic climate the main aim of a business may be to survive. They may have to drop prices drastically and cut costs.

Breakeven

- All businesses must at the very least cover all their costs in the short term
- Their revenue must cover their fixed and variable costs
- Fixed costs are those unaffected by sales; e.g. rent, rates, insurance etc.
- Breakeven can be measured using a graph, chart or formula

Growth

- In order to become a market leader a firm has to grow
- Growth can be internal or external
- There are three ways to measure growth; profit, sales, and market share

Private Sector Objectives

- Maximising profits – may benefit shareholders and managers but at the expense of employees, customers and suppliers if the business decides to increase prices and/or reduce costs.
- Maximising Sales – to maximise sales a business may have to reduce prices, increase quality, or even introduce a new product.

Public/Voluntary Sector

Businesses in these sectors usually serve the public in some way. Their aim is to help people.

They may have different objectives than a private sector business as a business in the public/voluntary sector does not aim to make a profit.

For example a charity may want to increase the amount of aid it gives to a third world country. So they will try to raise more money to be able to send things to them. This will

benefit the people of the third world country, however the people that are giving the donations may then have to do so without something else because they have given their money to the charity.



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Boots mission is to become the world's leading pharmacy-led health and beauty group. They seek to develop their core business of pharmacy-led health and beauty retailing and pharmaceutical wholesaling across the world and become a significant player in many major international markets.

Boots ~~aims~~ to;

- Be the place for health and beauty customers.
- Secure market leadership in the UK.
- Build on their brands' growing success internationally.
- Create shareholder value by investing to become a more modern, efficient and competitive health and beauty retail business.

Objectives

Their strategy is underpinned by their continued focus on patient/customer needs and service.

The key steps Boots are taking in the UK to execute their **strategy** are:

- **Making Boots more convenient and accessible for customers.** They are re-branding over 1,000 outlets into "your local Boots pharmacy" and relocating more Boots stores/pharmacies to improved locations.
- **Improving customers' in-store shopping experience** by consistently providing best in class customer care and service. This being achieved by operating efficient walk-in prescription services staffed by friendly, knowledgeable and accessible pharmacists, and faster till service.
- **Creating a compelling multi-channel health and wellbeing consumer offering.** Initiatives include making shopping at boots.com easier, expanding

product ranges available on-line and rolling out their “order on -line collect-in-store” concept.

- **Continuing to provide customers with excellent value** by providing trusted ranges of Boots branded products, executing strong promotional offers and rewarding customer loyalty with Boots Advantage Card points.

The key steps Boots are taking in their International health and beauty markets to execute their **strategy** are:

- **Opening new stores in markets where Boots is already well established** , including the Republic of Ireland, Norway and Thailand.
- **Selective franchising of the Boots pharmacy-led health and beauty retail proposition** in areas such as the Middle East.

Boots ~~aims~~ for Alliance Healthcare to be the world’s leading wholesaler and distributor of pharmaceutical products. To make this possible they have come up with a number of Objectives to make this possible, including;

- **Ensuring that they continue to deliver an excellent core service to all customers.** By delivering prescription medicines to pharmacies at least twice a day on a just-in-time basis to meet patients’ needs.
- **Differentiating their product offering.** They are achieving this through a series of initiatives which include the development of Almus, their exclusive range of generic medicines, and the extension of Alvita, their branded healthcare product range.
- **Entering new geographical markets** where stable regulatory environments, large populations, growing healthcare expenditure, scope for wholesaler consolidation and the right management can be found, such as in Russia and China.

Stakeholders

Shareholders - an individual or company (including a corporation) that legally owns one or more shares of stock in a joint stock company.

Shareholders would have particular interest in the aim ‘ **Secure market leadership in the UK**’, because to secure Market Leadership in the UK would mean the company is expanding and making more capital. A Shareholder in any Business is mainly interested in the company making a profit so that their shares go up in value, therefore they get more money.

Customers - **someone** who pays for goods or services.

Customers would have a keen interest in the aim '**Ensuring that they continue to deliver an excellent core service to all customers**'. This is because when a customer goes into a shop they expect there to be great customer service, they are there spending their money on that companies goods so they expect the highest standard of customer service. Otherwise they would take their custom elsewhere.

Suppliers- someone whose business is to supply a particular service or commodity.

Suppliers would have a keen interest in the aim '**Differentiating their product offering.**' This is because if Boots want to offer new products to their customers they will have to buy them off their suppliers. This means the Suppliers would be making more money. Making a profit is the Suppliers main aim.

Boots order **on-line collect in-store strategy** would affect the following stakeholders;

Customers – would be winners, as it makes shopping more convenient for them. They can shop 24/7 and they don't even have to leave their own homes.

Shareholders – would be winners because when shopping is more convenient for customers sales will go up therefore shareholders will make more profit.

Older Customers – would be losers, because some older people may not own a computer or even know how to use one. So it would not make shopping more convenient for them at all.

Boots strategy of **Differentiating their product offering** would affect the following stakeholder;

Customers – would be winners as they would have a wider and better range of products to choose from.

Suppliers – would benefit as they would make more money because boots are buying more of their products.

The Environment – may suffer though. Because new products have to be developed and tested, some may harm the environment.

Boots Strategy of **Opening new stores in markets where Boots is already well established** would affect the following stakeholders;

Shareholders – would be winners because if new stores were opened they they would gain more service and customers and therefore make more money.

Suppliers – would be winners as they would be getting more business as they would have to supply for the new stores.

Customers – would be winners and losers. The customers that are getting the new shops in their area would be winners but customers that live in more isolated areas and will not benefit as they would not be able to use the store.



Oxfam International is an international group of independent non-governmental organizations dedicated to fighting poverty and related injustice around the world. The Oxfams work together internationally to achieve greater impact by their collective efforts.

Oxfam Aims to:

- To Aid third world countries in any way they can
- To relieve poverty, distress and suffering
- To educate people about the nature, causes and effects of poverty
- To campaign for a fairer world
- To work with others to find lasting solutions to poverty and suffering.
- Help people to help themselves, supporting local organisations in poor parts of the world.

- Campaign for national and international policy changes that will help the world's poor.

Though Oxfam's initial concern was the provision of food to relieve famine, over the years Oxfam has developed ~~strategies~~ to combat the causes of famine. In addition to food and medicine Oxfam also provides tools to enable people to become self-supporting and opens markets of international trade where crafts and produce from poorer regions of the world can be sold at a fair price to benefit the producer.

Oxfam's program has three main points of focus:

- development work, which tries to lift communities out of poverty with long-term, sustainable solutions based on their needs;
- humanitarian work, assisting those immediately affected by conflict and natural disasters (which often leads in to longer-term development work), especially in the field of water and sanitation;
- lobbying, advocacy and popular campaigning, trying to affect policy decisions on the causes of conflict at local, national, and international levels.

Oxfam works on;

- trade justice,
- fair trade,
- education,
- debt and aid,
- livelihoods,
- health,
- HIV/AIDS,
- gender equality,
- conflict (campaigning for an international arms trade treaty) and natural disasters,
- democracy and human rights,
- climate change

Another of Oxfams ~~aims~~ is to ensure Women have the same rights as men.

Project aims

During 2007-8, people from 30 remote districts of Nepal will participate in Oxfam's WE CAN campaign. The campaign is based around volunteer **Change Makers**: men and women who pledge to change their own attitudes and practices and to spread the message that women deserve equal respect and rights in society. **Change Makers** tell others that violence against women is not socially acceptable. WE CAN's long-term aim is to challenge and change attitudes.

In order to generate support for their campaign and to recruit male and female **Change Makers** in Nepal, members of local organisations will arrange 60 community-based events and one national event in 2007/08.

By the end of the year, 35,000 new **Change Makers** will be active in Nepal. And because each **Change Maker** pledges to influence at least ten people, more than 350,000 people in Nepal will have heard the WE CAN message.

The aim is to recruit 35,000 Change Makers across South Asia in 2011.

Another of Oxfam's **Aims** is to Improve Health Care in Rural Georgia.

This project will ensure that 50,000 people in the isolated and impoverished regions of Ajara and Samegrelo can receive local, affordable health care.

Project aims

The aim of the project is to improve the health of people in Georgia. It will:

- Implement community-based health care schemes
- Improve health awareness and practice among the wider communities
- Help people to know and demand their patient rights and state health benefits
- Influence the government to fulfil its commitment to provide basic health services nationwide .



Another part of the Oxfam group is Oxfam International Youth Partnerships.

Their Mission

The Oxfam International Youth Parliament (Oxfam IYP) is an initiative of Oxfam International, managed by Oxfam Community Aid Abroad. IYP mobilises a global network of young leaders and activists to bring about positive and sustainable change. It does this through supporting youth led initiatives, facilitating skills and capacity building programs and supporting young people to advocate for their rights and freedoms and those of their communities.

Aims

Oxfam IYP encourages and supports young people as leaders in developing positive, sustainable, innovative and community oriented change initiatives . IYP aims to support youth led initiatives that will make a significant contribution to:

- An increase in the number of people who have a sustainable livelihood.
- An increase in the number of people who have access to social services.
- an increase in the number of people who have an effective voice in decisions that affect their lives.
- An increase in the number of people who are live free from fear and discrimination, especially those who are currently oppressed or marginalized due to their gender, ethnicity, Indigenous status or cultural identity.
- An increase in the number of people who are safe from conflict and disaster.

Objectives

To achieve these ends IYP has the following objectives:

Support youth led initiatives:

To support Action Partners in the development, implementation and evaluation of social change initiatives (individual and collective action plans) through the provision of strategic and financial support.

Skills development and capacity building

To increase the effectiveness of Action Partners as social change leaders through further developing skills and knowledge necessary for implementing positive and sustainable change.

Networking and Alliance Building

To encourage and support action partners to exchange information and learning, build alliances and partnerships amongst themselves and with others to support their work for change.

IYP Sitings

To inspire, empower and grow the next generation of young leaders and activists. IYP sittings are international meetings between action partners that are convened every 2-3 years. Through IYP sittings action partners build skills, networks and develop social change initiatives. IYP sittings launch a cycle of activity and programs to be implemented over the next two years.

Research and information exchange

To establish a significant exchange of learning, information and research relating to the issues that face young people and the actions they have taken for the positive and sustainable change locally, nationally and globally.

Youth Participation

To actively promote the right of young men and women to meaningful participation in the decision making processes that affect their lives. IYP empowers Action Partners to participate in policy development and decision making at all levels.

Oxfam International

To facilitate and enhance the work of Oxfam International and its affiliates with young people around the globe.

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Stakeholders

A key Stakeholder in Oxfam would be ~~the World Bank~~ ~~the World Bank~~ ~~the World Bank~~ that it helps. They are probably the most important stakeholder as their lives often depend on the goodwill and charity Oxfam provides for them. Third World countries would have an interest in all of Oxfam's aims, 'To relieve poverty, distress and suffering', 'To campaign for a fairer world', etc.

Another Stakeholder would be the Employees (Volunteers). Oxfam employees do not get a Salary; they work for free (volunteer). This means they will have a keen interest in helping the business provide aid for third world countries. So they will have particular interest in aims such as ~~'to reduce the number of Change Makers across South Asia'~~ ~~'to reduce the number of Change Makers across South Asia'~~ ~~'to reduce the number of Change Makers across South Asia'~~ **2011'**.

The Government would also have a keen interest in the aims of Oxfam. They would in particular be interested in the aim to 'stop conflict (campaigning for an international arms trade treaty). They would be interested in this as international arms would be very important to the Government.