

## Business Aims and Objectives

### Aims and Objectives

**Aims:** Is the long term objective of the business. Its aim might be to become the biggest business in its sector.

Aims should be SMART:



Specific – Measurable – Attainable – Realistic – Time Manageable

**Objectives:** Is a short or medium term target of a business needed to reach its aim. An objective might be to increase sales by 20% in the next 5 years.

Aims of **For Profit** Organisations:

- Survival
- Profit maximisation
- Increase sales revenue / sales maximisation
- Increase market share / gain more customers / customer base
- Growth / expansion / diversification / multinational
- Improve reputation / increase brand awareness
- Improve quality / satisfy customers
- Environmental / ethical aims
- Provide jobs / community aims

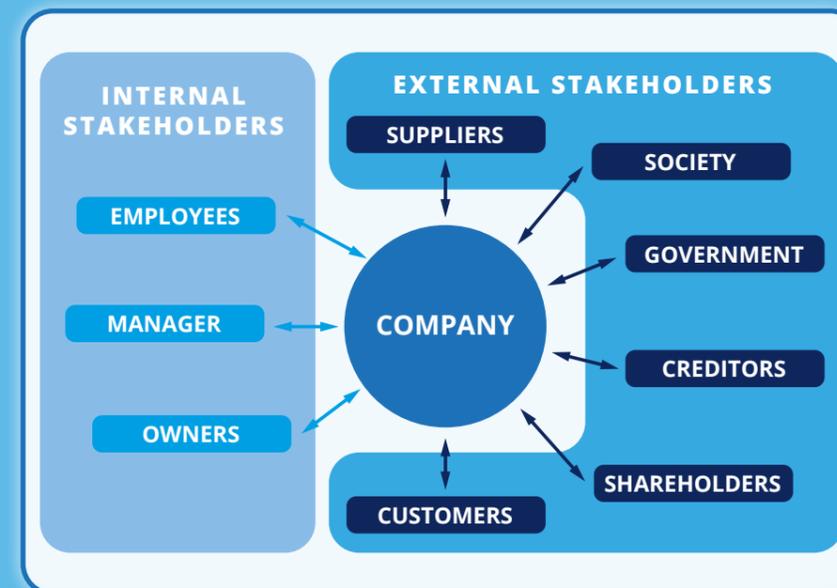


Aims of **Not-For Profit** Organisations:

- To serve the community / ethical aims / environmental / social objectives/ provide jobs
- To provide services
- To avoid wasteful duplication of resources where a natural monopoly exists, such as rubbish collection and beach cleaning.
- To control strategic industries.
- To prevent exploitation by monopoly suppliers.
- To help people in need.

### Why do some businesses decide to remain small?

- Some business owners do not want to grow / are content to operate as a **small business** → without all the stresses and strains associated with a growing business → examples such as; financial limitations, access to resources, management etc.
- Small businesses can survive on a **relatively low cost structure** → may operate from home → have no stock holding costs etc.
- Some serve niche markets and there is **no scope for growth** → the market may not be possible to expand
- Many services can be delivered more **effectively on a small scale** → e.g. hairdressers, personal trainers, etc.
- Some consumers like to purchase goods from **specialist suppliers and outlets / small stores** → they may provide something unique / provide a personal service which some larger organisations struggle to achieve
- Small businesses can **adapt quicker than large businesses** → adapting to change quickly such as technology, fashion → more able to satisfy customer needs effectively than a cumbersome plc



### Stakeholders

**Definition:** Individuals and organisations who are affected by the decisions and actions of a particular business

- **Customers** → best quality / design / material from products bought → may not buy the product
- **Workers** → fair treatment / pay / conditions → may not be able to find employees → hard working → skilful
- **The government** → payment of taxes / keeping to various laws may add to costs
- **Pressure groups** → ethical source of materials / treatment of workers / the environment → may effect way business is seen / costs / profits
- **Local community** → pollution / congestion → effect on demand
- **Suppliers** → prompt payment / ethical treatment → may not be willing to supply
- **Lenders / investors** → repayment of debts / interest → may call in debts → closure of business
- **Owners** → decision making effects on the business/examples
- **Competitors** → price wars