

# From BHAG's to SMART Goals

## *What Makes a Good Stretch?*

We'll skip all the research about the importance of goal setting, the impact it has, and all everything about the difference in performance of those with written goals versus those without. If you are reading this, you are well past that.

The question that becomes more interesting at this point is how we set goals that inspire and motivate people. Set the bar to low and there is nothing to feel great about when it is achieved. Set it too high, and it feels unachievable and futile so why bother. Inspiring leaders know how to find the right balance. That is not to say that the very popular term of BHAG (Big Hairy Audacious Goal) introduced in Jim Collins book *Built to Last* doesn't have its usefulness. People love the idea of taking on a dramatic challenge and feeling the excitement of a major achievement. (Be the biggest or the best in the world, for example.) But when it comes to the everyday work of organizations and individuals, there are so many objectives being chased, that it is impossible for everything to be a BHAG.

Of course, any good goal setting conforms to the now ubiquitous SMART (Specific, Measurable, Achievable, Realistic, and Time bound) parameters of establishing goals. And while that helps us on a metric level, the real question is what makes a goal a good stretch?

I have often described this as a goal in which the outcome is not necessarily certain without a significant extra effort. That is, the goal is possible with an extra focused effort. Without that extra effort, the goal is certainly not achievable. Sometimes it is a true stretch just to maintain the status quo (i.e. a championship team trying to repeat as champions, or a company matching a record performance and sustaining profit in a tough economy.) And sometimes that stretch is a matter of significant improvement in results. Either way, it all depends on how you answer the question about the likelihood of the outcome.

Having said this there are a few things that all inspiring leaders can pay attention to that will increase their effectiveness considerably with regard to setting—and—stretch goals.

1. **Focus on the stretch reward.** It is easy to get caught up in thinking about the achievement of goals when you are a hard charging motivated leader. The feeling of achievement fuels so many of us. For a vast majority, many of whom may not be nearly as emotionally invested in the achievement of an objective, acquiring that emotional investment is the key. That is done with stretch rewards. Now this doesn't mean that a great achievement on a minor stretch goal means a week of vacation in Hawaii. In fact, as we talk of rewards an inspiring leader should be mindful that this is about creating the sense that this endeavor is rewarding. Conversely, a great achievement on a major stretch goal should not carry with it a reward of a \$25 gift certificate. The best rule of thumb is to have the reward be commensurate with the achievement and impact on the organization. Err on the side of generosity and you will ensure that the next time you ask for the extra effort, your team is ready to make it happen. Some quick ideas from small to large:
  - Expressions of thanks and recognition of extra effort
  - Company-wide recognition or award
  - Special luncheon to honor the achievement (not McDonalds)
  - Extra day off
  - Discretionary bonus
  - Reward trip



**One last note:** Whatever your stretch reward may be, you really need to establish it upfront. Otherwise, how will people know what is in it for them personally when they are giving all of the extra effort or time the achievement of this goal will require?

2. **Tap into emotion.** As we describe in *The Inspiring Leader*, emotions play a powerful role in the way that leaders inspire and nowhere is it more evident than in getting people to give their all for a stretch goal. Too many leaders show no emotion and treat setting goals as all business in a “just the facts ma’am,” fashion. Worse are the leaders that are filled with anxious or even negative emotions toward goals, bringing a sense of either doom about missing the goals or anger if a goal is not achieved. I once worked for a CEO who, toward the close of every month in the business, whirled around the office like the Tasmanian devil, ranting about what would happen if we missed a monthly target. It was uninspiring to say the least. That means the emotion we need to tap into if we are to inspire to the achievement of stretch goals is positive emotion. High energy is wonderful if you have it to add, but positive emotion taps into the feeling people want when it comes to achievement. Positive emotions fuel the kind of confidence people need to create a culture of achievement.

Some simple ways this is done:

- Regularly discussing how great it will be if a goal is achieved
- Candidly expressing your conviction to achieving an objective
- Showing genuine disappointment when something gets in the way of a goal—and expressing your belief that a set back can be overcome, (people love to rally.)
- Conveying pride with small efforts that contribute to the achievement of a greater goal
- Keep the goal in front of people in your conversations—let your passion for achieving a goal show.

3. **Track and Monitor Progress.** If you want to inspire folks to achieve a stretch goal, setting it and gaining commitment is only part of the challenge. Sustaining momentum toward the goal may be the most crucial part. Ask anyone who has tried to lose even five pounds and they’ll all say the same thing—making consistent and enduring positive strides is incredibly difficult. After all, setting the goal and gaining commitment is one thing, following that through is another. Of all the things that a person can do to lose those five or more pounds, one of the most effective predictors of success is not one that may immediately come to mind. That predictor is whether or not that person kept a food journal. Why is that? It had nothing to do with what they ate or if they exercised! The reason is clear. The food journal helps you to keep everything you are eating at the top of your mind with complete awareness of how much you are eating. After a short while, behavior begins to change based on that level of consciousness about what you are eating—and how much. For some, the thought of having to report a poor result (overeating) even becomes a deterrent at the meal table. Creating a mechanism to keep goals in front of people and regularly providing updates on progress toward the goal has tremendous impact in whether or not it is achieved and further highlights commitment to the objective. Here are some easy ways to track and monitor:

- Electronic or physical progress board (think of the thermometer for United Way fund-raising campaigns.)
- Updates on progress highlighting significant milestones, efforts and good news at weekly meetings.
- Create a blog for those involved in the goal
- Make it a part of daily conversation (like a food journal.)

We hope that these small talking points will help you get started on creating a plan for your stretch goals. After all, starting to develop good stretch goals is a stretch goal in and of itself.