

Aims and objectives of bussiness

Literature, Russian Literature



Below are some different forms of aim that can be set for a business. Profit Maximisation- to increase profit by increasing sales and reducing costs. Not every business has profit maximisation as it aims. Public businesses, such as. Colleges and schools would not have profit maximisation as its aim. Private businesses, such as Tesco and Asda, would have this as its aim..

Survive- if trading is difficult for some reason, then making good profits may not be realistic. In this situation, the business aim just to survive, until times improve. For example new businesses and small businesses should be worried about this aim.

Break-even- this mean making enoughmoneyto cover the total costs involved in producing and selling the goods or services and running the business. There is no profit, but there is no money either.

Growth- it sells more goods or services. This may mean expanding by opening other branches or buying out a competitor.

Service Provision- this may mean offering a new service or improving current service to attract more customers, such as businesses which expand their website to allow customers to order and pay for goods online and track deliveries.

Market Shares- lots of businesses have a constant aim of growing their market share this normally means taking business away from their competitors. Private sector has aim to increase their market share such as solicitors and manufactures. Developing Relationship with other businesses -

this may involve joint initiatives to offer goods or services to more people. So they get more customers and their sales will grow up.

Purpose of setting Aim: If the business is on clear direction so, it means the business sets their aim and they know that where their business is going.

It will also show us if the business is any kind of a risk. So we can take action to change it if we need to. If business sets their aim then they will have confidence. And they could stop from going bust. Objectives What is an objective? Targets which are set to help to achieve the overall aims of the business depending on the aim set. Example of objectives could be: Different form of objectives: There are some different forms of objectives that may be set for the business. Reduce costs- objective will help business to achieve the aim of relationship and survive.

They get more customers and their sales will grow up. Open two stores by next year- this objective will help to achieve the aim of growth.

Increasing sales - this objective will help business to achieve the aim of profit maximisation.

Purpose of setting objectives: You may have several personal aims you want to achieve - to get fitter, save for holiday next year, achieve your BTEC First Diploma but you are unlikely to achieve your aim unless you set objectives. This is because aims often seem overwhelming.

They are easier to achieve if they are broken down into smaller steps- such as doing 20 minutes exercise everyday to get fit, or regularly saving £10 a

week to go on holiday. So, the purpose of setting objective is so people get smaller goals to achieve.

Smart Objectives: A problem with some objectives is that they are not very clear or specific.

This type of problem can be overcome by setting SMART objectives which are: Specific: there is clear definition, often including a number, for example saving £20 a week.

Measurable: this means achievement can be checked. Banking your savings means your bank statement will record and measure your achievement.

Achievable: this means you can attain your target if you stretch yourself a little- saving £20 a week may be achievable without having to make too many sacrifices. Realistic: this means that target is sensible so that you stand a chance of achieving it. You could not save £20 a week if you did not have a job that paid at least that amount.

Time-Related: every objective should have a date for achievement or review therefore, you could set a time limit to review your progress after three months.

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For example you may decide to join gym but then only go when you feel like it; you may decide to save for a holiday without setting a specific amount. In both cases you may fail to fulfil your aims. This type of problem can be overcome by setting SMART objectives.

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Why business should set aim and objectives: It is important to have an aims and objectives because without setting aims and objectives business goes bust and they can't make profit. Below are some benefits of aims and objectives.