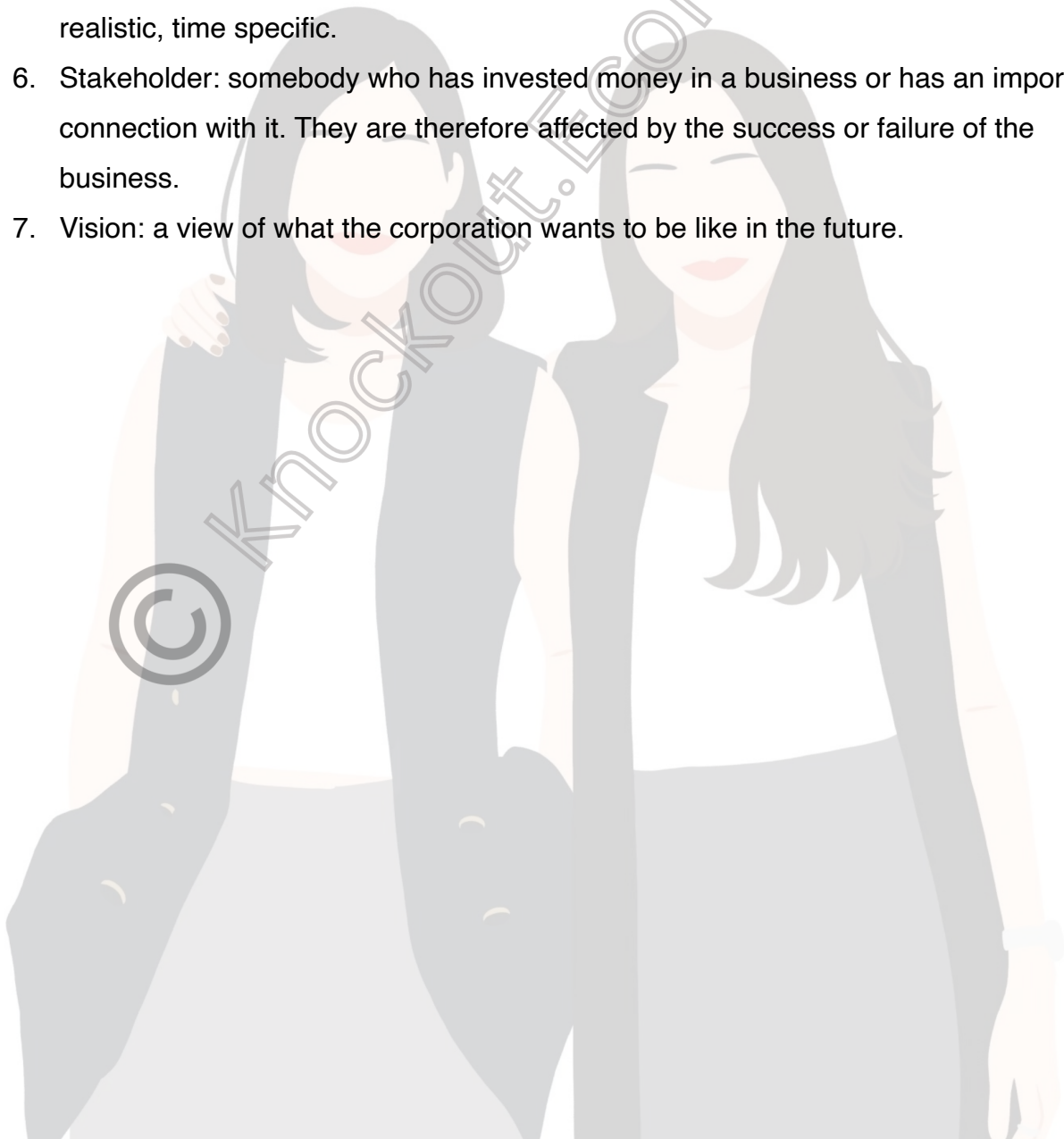


## **Section 1: Business objectives and strategies.**

### **Chapter1 corporate objectives**

#### **Key terms**

1. Break even: when a business generates just enough revenue to cover its total costs.
2. Corporate aim: the specific goal a corporation hopes to achieve.
3. Mission statement: a brief statement written by the business describing its purpose and objectives, designed to cover its present operations.
4. Shareholder: somebody who owns shares in a company or business.
5. SMART: acronym for attributes of a good objective: specific, measurable, agreed, realistic, time specific.
6. Stakeholder: somebody who has invested money in a business or has an important connection with it. They are therefore affected by the success or failure of the business.
7. Vision: a view of what the corporation wants to be like in the future.



## 1. Business aims

- **Business aim**; the things that the business wants to achieve in the long term.
- **Vision**; a view of what the corporation wants to be like in the future
- **Mission**; a brief statement written by the business, deriding its purpose and objectives, designed to cover its present operations.

### The main elements of mission statement

1. Purpose
2. Values; the corporate value that they emotionally invest in, including qualities, innovation, sustainability
3. Standards and behaviour ; a business's commitment to high standards e.g. ethical behaviour
4. Strategy e.g. TOYOTA develops driverless cars to achieve aims of convenience.

## 2. Development of corporate objectives.

- To help a business achieve its aims, corporate objectives must be **SMART**
  - Specific**; clear
  - Measurable**; quantifiable element by a number e.g. increasing sales by 30%
  - Agreed**; happy & understand the objectives
  - Realistic**; the objective should be achievable
  - Time specific**; timeframe required to achieve the objectives.

## 3. Department and functional objectives

- Departmental and functional objectives; the objectives of a department within a business. These set the daily goals that may include human resource, finance, operations, logistics and marketing.

## 4. Objectives of business.

1. making profit
2. achieving cost efficiencies
3. looking after its employees.
4. ensuring customer satisfaction.
5. aiming for social purpose