The SMART Framework: How to Set Better Business Goals

Written by **Cole Abbott** • Updated: September 27, 2024 • 11 Minute Read

Welcome to Founder's Framework, offering full access to objective, informational, and researched articles on core business frameworks — aggregated into a single, organized space.

This article provides a detailed overview and expert insights on the SMART approach to help you select the appropriate framework to support business growth and sustainability.

At a Glance

Framework: SMART

Creator: George T. Doran

Stage of Development: **Stage 2: Sustain**

Core Competency: **Goals**

Business area: Management, Performance, Planning

Change required: Low change management level

Key pain points addressed:

- Ambiguity of goals
- Ineffective performance tracking
- Lack of motivation and engagement
- Misaligned priorities compared to strategic objectives

What Is the SMART Framework?

SMART was developed to complement an organization's existing strategies by offering a guide to setting clear and attainable goals. To accomplish this, the framework emphasizes five core elements: specific, measurable, achievable, relevant, and time-bound.

> “THE ESTABLISHMENT OF OBJECTIVES AND THE DEVELOPMENT OF THEIR RESPECTIVE ACTION PLANS ARE THE MOST CRITICAL STEPS IN A COMPANY'S MANAGEMENT PROCESS.”
>
> **GEORGE T. DORAN**

Who Created the SMART Approach?

The SMART acronym stands for specific, measurable, achievable, relevant, and time-bound — a business framework developed by George T. Doran in 1981 to help improve the clarity and achievability of goals within an organization. As a consultant and former director for Washington Water Power Company, Doran saw an opportunity to improve broader business tactics with SMART, ensuring that goals/objectives are clear, actionable, and aligned with existing strategies.

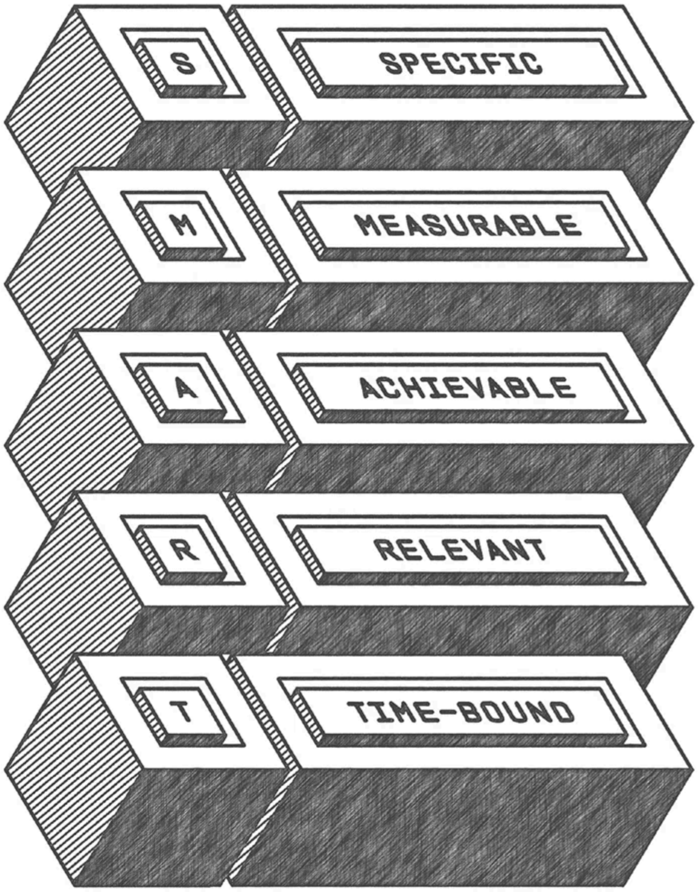
KEY TERM

SMART Criteria

A set of guidelines to help ensure an organization’s goals are well-defined and feasible, enhancing the probability of successful outcomes.

Key Elements of the SMART Model

- **Specific**: Goals need to be clear and specific to answer key questions, including what is to be achieved, who is involved, where it takes place, and why the goal is critical.



- **Measurable**: To better measure progress and success, goals must have criteria assigned that allow for proper tracking and analysis.
- **Achievable**: Considering resources, barriers, and capacity, goals should be realistic and achievable.
- **Relevant**: Goals should align with the organization's broader goals and objectives and be relevant to the mission and vision.
- **Time-bound:** To measure progress successfully, goals should adhere to a set timeline with clear start and end dates.

Also known as:

- SMART goals

Key Pain Points Addressed

The SMART approach was developed to address common **Stage 2** organizational challenges, including:

- **Ambiguity of goals:** Lack of clarity hinders an organization's ability to broadly communicate and achieve goals. When specific, measurable goals and objectives are set, it eliminates ambiguity and provides clear direction for employees.

- **Ineffective performance tracking:** The SMART approach seeks to help organizations set measurable goals that foster effective tracking of progress and performance while also allowing for time adjustments.

- **Lack of motivation and engagement:** When goals are relevant and achievable, staff are motivated to act, promoting broader engagement and commitment to meeting goals.

- **Misaligned priorities compared to strategic objectives:** The SMART approach helps prevent misalignment of an organization's priorities and goals, ensuring efforts contribute to the achievement of strategic objectives.

When to Apply the SMART Framework

The SMART framework is applied in organizations that have reached Stage 2 (Sustain) of Ninety's Stages of Development. A Stage 2 organization:

1. Is one that seeks to prove, stabilize, and ensure by improving clarity of goals and objectives
2. Is focused on developing a clear path to long-term viability
3. Has a founder whose main focus is on the next 3–12 months

Pros and Cons of the SMART Framework

As you evaluate this framework, consider the top pros and cons:

Pros

- ✓ Provides a clear, methodical approach to setting goals
- ✓ Elevates accountability and performance tracking and evaluation
- ✓ Aligns an organization's goals and objectives across departments and individual roles
- ✓ Increases individuals' motivation and engagement by setting realistic, achievable goals

Cons

- ✗ Could limit creativity and flexibility if goals set are too rigid
- ✗ Regular reviews are required, and adjustments may need to be implemented to remain relevant
- ✗ Can be time-consuming to develop, monitor, and track effectively

- May require a dedicated champion to ensure ongoing progress

TLDR: The SMART Framework In Summary

The SMART approach offers a straightforward, guided, and structured framework for setting and achieving **clear and realistic goals** across an organization. With a focus on specific, measurable, achievable, relevant, and time-bound criteria, this approach can significantly enhance clarity, accountability, and alignment with an **early-stage** organization's strategic priorities while also bolstering employee motivation.

This framework addresses several common organizational pain points, including ambiguous goals, ineffectual performance tracking, lack of motivation and engagement, and misaligned priorities. The SMART approach is particularly beneficial for businesses seeking to enhance performance management systems and elevate team members' focus on attainable targets that support overall success and fuel future growth. While this approach does provide several benefits, thoughtful implementation and ongoing review are critical to ensure its effectiveness and adaptability to changing business needs.

Guided Approach to the Smart Framework

If you think the SMART model is a good fit for your organization, it's time to start preparing for a successful implementation. The following offers a guided approach to support your efforts.

Ensure an understanding of SMART criteria.

Dedicate time and effort to team education. This should include training on the principles of SMART goals and how they are applied to enhance goal setting and achievement.

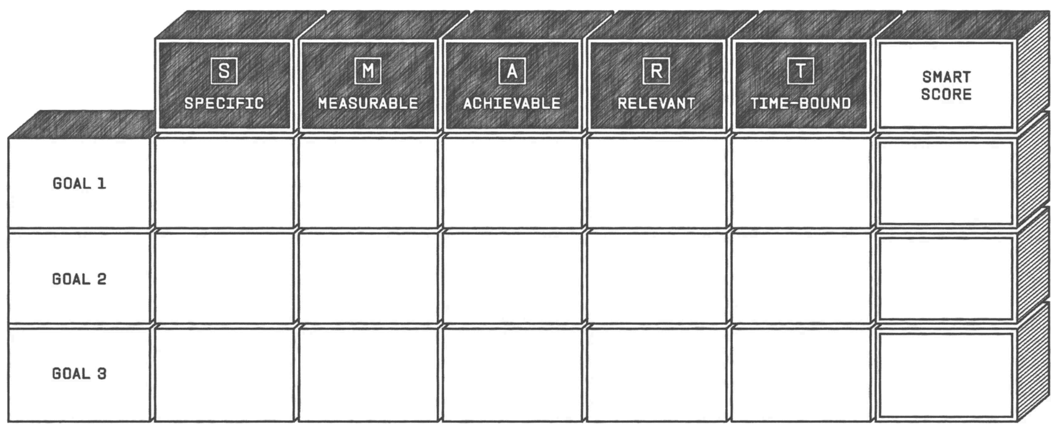
Evaluate current goals.

It's hard to know where improvements are needed until you assess existing goals and determine if they meet SMART criteria. Once complete, you should be able to pinpoint areas needing improvement.

Set SMART goals.

Working collaboratively with a dedicated cross-functional team, develop goals that are specific, measurable, achievable, relevant, and time-bound. Plotting goals on a "SMART matrix" can help organize planning.

While there's no official SMART matrix based on Doran's work, you can devise a simple table to plot and evaluate goals against SMART criteria. For example:



Use the matrix to:

1. List goals in the left-hand column.
2. Evaluate how well each goal meets SMART criteria (for example, 1–5, where 1 is poor and 5 is excellent).
3. In the "Overall SMART Score" column, calculate an average or sum of the individual criteria scores.

This matrix supports:

- Quick identification of SMART criteria where goals may be lacking
- A side-by-side comparison of multiple goals
- Prioritization of goals based on their overall SMART alignment
- The ability to track improvements as goals are refined

Monitor progress.

Set recurring check-ins to review progress and course-correct when needed.

Foster a supportive culture.

Encourage open communication and collaboration to support the successful adoption of the SMART approach across your organization.

Seek expert guidance if needed.

To support efforts, consult with experts in goal setting and performance management to optimize the implementation process.

Overall, implementing the SMART framework requires commitment, time, and a systematic approach if organizations are to realize their full potential in elevating organizational performance and alignment.

Take Ninety

How a company defines and builds goals (especially 90-day goals, or **Rocks**, as we call them at Ninety) can be a deciding factor in whether that organization sinks or swims. We believe that achieving goals keeps teams focused, aligned, and thriving, and using the **SMART framework** helps companies increase their chances of completing those goals. When you create Rocks and other long-term goals to be specific, measurable, achievable, relevant, and time-bound, they help build clarity and transparency around progress. Each element, when clearly articulated and documented, minimizes miscommunication among teams, ensures timeliness, and builds **trust** (which is key in an **agreements-based culture**.)

In fact, at Ninety, we have a step in our goal-setting efforts across our **Quarterly Planning Meetings** and **Annual Planning Meetings** that we call "**SMARTening Up Your Rocks**." Once our goals are assigned, we take additional time to make them "smart." We want to ensure the goal is clear enough for anyone to understand its purpose, and then we add specific milestones that will signal if a Rock is moving on track or off track. This methodology is how we work at Ninety and how our app supports companies using this framework.

Here's how you can use the Ninety app to create SMART goals:

- **Rocks**: Users can create 90-day goals, called Rocks, and make them SMART. The SMART framework helps keep Rocks aligned with an organization's longer-term goals.
- **Milestones**: Team members can add additional details to each Rock as milestones. While the person who owns the Rock is accountable, milestones can be delegated to other team members to help everyone contribute to the organization's growth.
- **KPIs**: Ninety users can track KPIs and easily see if their KPI is off track or on track. For example, if a KPI turns red, it indicates that the KPI has fallen below its target.
- **Scorecard**: Ninety users can add Average and Total columns to their Scorecard to provide context for their data. For example, users can see the average Close Rate or the Total Sales for the trailing 13-weeks.

- **Issues**: Users can create issues from To-Dos, Rocks, or milestones to discuss at team meetings. Issues can be broken into action items and discussed in order of urgency.

Next Steps

For those ready to take action, consider these actionable steps:

- Are you setting the right goals for growth? **Discover the types of goals** your company needs to succeed.
- Don't know what Stage of Development your company is in? Complete the **Stages of Development assessment** to find out.
- What other frameworks would help a company sustain momentum? Find more options in our **Stage 2 frameworks**.
- What does it mean to master the Goals Competency in your company? **Discover the areas to focus on.**
- Are you being intentional about how your business operates? Find out **where your company's approach ranks**.

Tagged with: **Goals**, **Stage 3: Scale**, **Organizational Structure**, **Stage 2: Sustain**, **Stage 4: Succeed**, **Stage 5: Steward**