

Subject Content	What students need to learn?
2.1.2 Changing Aims and Objectives	Why business aims and objectives change as businesses evolve: In response to: market conditions, technology, performance, legislation, internal reasons. How business aims and objectives change as businesses evolve

How Aims and Objectives Evolve

Focus on survival or growth: Some companies will need to change their objectives to focus on survival following an external factor e.g. a new competitor or economic collapse. Other firms will be currently successful but will want to capitalise on their position and aim to grow

Entering or exiting markets: New markets such as China or in Africa can provide new opportunities for businesses. However some businesses will want to leave the market if they are struggling e.g. Morrison's leaving the convenience market

Growing or reducing the workforce: Growing businesses may need to hire new staff in order to meet the new demand for their product, however others may be more likely to cut staff to become more efficient or spend more on machinery

Increasing or decreasing the product range: Growing organically can only be achieved in two ways, get customers to buy more existing products or create new products to sell. New products can open up new customers and markets which can help increase market share. However it is also worth reducing product ranges if the products are becoming obsolete or if it is becoming difficult to manage all products on offer.

Business Aims and Objectives

Business aims are the broad targets than an entrepreneur has at the back of their mind

Business objectives are clear, measurable targets of how to achieve business aims. (the stepping stones for how they are going to achieve them)

SPECIFIC - Objectives should **specify** what they want to achieve. - i.e. one named person is responsible for delivering the objective

MEASURABLE - You should be able to **measure** whether you are meeting the objectives or not.

ACHIEVABLE - can the objectives be met?

REALISTIC - Can you realistically achieve the objectives with the resources you have?



Aims and Objectives Change	Description:
Changing market conditions	Markets evolve over time. For example customers now want more luxury chocolate. As a result, Cadbury is now setting new objectives in relation to the
Changing technology	Due to advances in technology businesses have had to respond. For example Ted Baker's sales accelerated dramatically after introducing ecommerce.
Changing performance	If costs start to rise, profits will be squeezed. This is linked to the performance of the business or it could be the industry as a whole. When this happens
Changing legislation	Changes in legislation influence aims and objectives. Or example after Britain voted to leave the EU there was great uncertainty about what changes
Internal reasons for change	Aims and objectives are influenced by a change at the top of the business. If a boss is pushed out and a new one is appointed there will be changes to aims and objectives.