



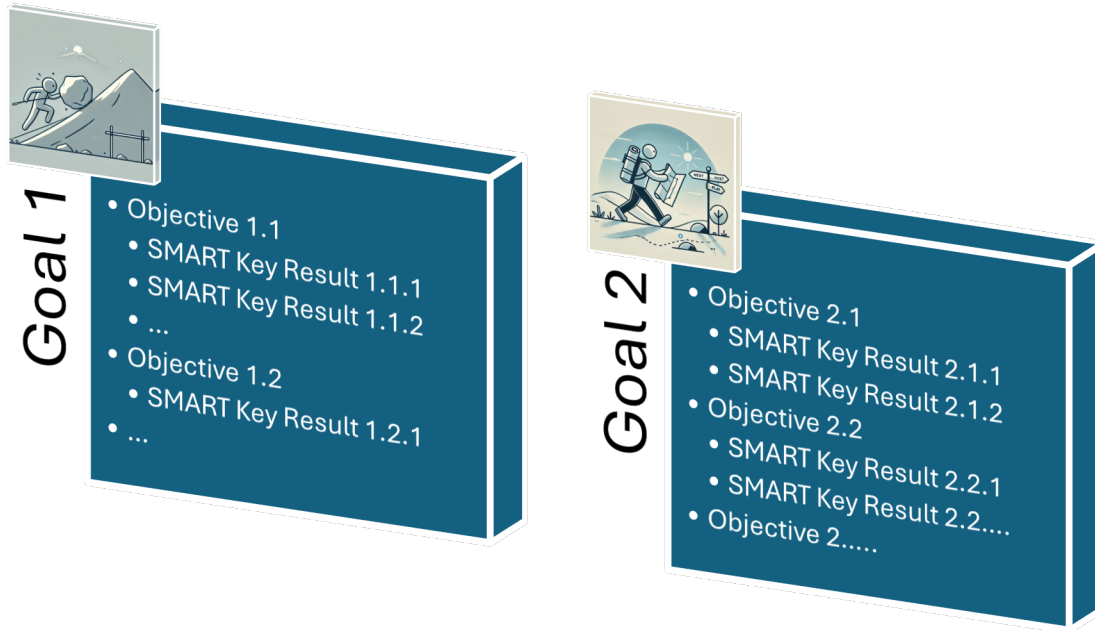
# FINANCIAL HOPE™

*Steward Today, Impact Forever*

Equipping Individuals To Budget  
Like A Business For Their Personal Finances

Set Direction - Setting Goals

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## Setting Financial Goals— Objectives, and SMART Key Results

You have your mission, and you know where you want to be, but how do you get there?

Taking a page from the world of business, success is rarely accidental. Companies employ strategic frameworks to set objectives, align work, and measure progress. Two of the most effective goal-setting methodologies are **Objectives and Key Results (OKRs)** and **SMART goals**. These frameworks are widely used in corporate environments, and they can be equally powerful when applied to personal finance.

we are going to walk through how you can simply adopt these strategies to:

- Focus your Finances
- Have clear Goals
- Make a simple Vision for each Goal

### *Objectives and Key Results (OKRs)*

#### **What Are OKRs?**

**Objectives and Key Results (OKRs)** is an objective setting framework that originated at Intel and was popularized by companies like Google. OKRs consist of two components:

- **Objective:** A clear, qualitative goal that defines what you want to achieve.
- **Key Results:** Specific, quantitative metrics that measure your progress toward the objective.

### Businesses use OKRs to ...

- **Align Teams:** Ensure everyone is working toward common goals.
- **Promote Transparency:** Make objectives and progress visible across the organization.
- **Encourage Ambition:** Set challenging goals to drive innovation and growth.
- **Facilitate Focus:** Prioritize efforts on what truly matters.

A business might have an objective to increase revenue of their products by 10% this quarter. Or they might have an objective of decreasing the lead time to fulfill an order in 2 days. These objectives are not too specific or narrow and at the same time and they are not so broad so that success is not defined.

The point of the objective is to **make sure that everyone knows what success looks like**. With them, everyone understands the problem to be solved, and it's evident what the result of the outcome is.

## *Goals, Objectives, And SMART Results For Your Personal Finances*

Now is the fun part. Let's break down your Goals! With your mission in hand, you should be able to begin identifying key goals that fit within your mission. These goals are the high-level themes of the direction that you want to be heading in.

### **Step 1: Define Your Financial Goals**

Your Goals should be ambitious, yet achievable, and must help you get to where you want to be as outlined in your mission, while avoiding ending up at a dead end.

I find it helpful to not limit yourself here. Write down all the goals you may have and, in another exercise, we will walk through prioritizing and selecting the most important ones to you.

*Examples:*

- **"Achieve Financial Independence in 15 Years"**
- **"Eliminate All Debt"**
- **"Build a Robust Investment Portfolio"**
- **"Be on Track to Retire by 60"**

### **Step 2: Write Down Specific Objectives For each Goal**

Objectives must be specific outcomes that indicate progress toward your Goals. They contain the definition of success so that it is clear if you are on track. They support your broader life aspirations, such as early retirement, traveling the world, or starting a business.

*Examples for "Achieve Financial Independence in 15 Years":*

1. **Increase Net Worth by 10% this year**
2. **Maximize Retirement Contributions for the next year**
3. **Develop Passive Income Streams Generating \$3,000/Month**
4. **Reduce Total Debt by 20% in 12 Months**

### **Step 3: Create SMART Key Results for each Objective**

**SMART** is a framework for setting clear and achievable results. SMART key results are well-defined and clear, quantifiable so you can track progress, they are realistic and attainable, aligned with broader objectives, and have a deadline or time frame. To make them you can fill out the acronym SMART

- *Specific:* State what specific actions you are performing.
- *Measurable:* State what you are looking at, to know if you succeeded.
- *Achievable:* State what your logic is in being able to do this action.
- *Relevant:* State how this action helps you meet the objective.
- *Time-Bound:* State when you will complete the objective.

Let's pull this together with an example, if you have a Goal to **"Eliminate All Debt"** the following could be an example of the Objectives that would pair with that goal.

Goal: **Eliminate All Debt**

Objective: **Increase Monthly Debt Payments to 20% of Net Income by the End of Q2**

- *Specific:* Adjust your monthly budget to ensure that at least 20% of your net income goes toward debt repayment.
- *Measurable:* If your net income is \$3,000, target \$600 per month in debt payments.
- *Achievable:* Analyze and cut discretionary expenses if needed to free up cash flow.
- *Relevant:* Increasing monthly payments will help you reduce debt faster and lower overall interest costs.
- *Time-Bound:* Reach this target by the end of the second quarter.

Objective: **Eliminate High-Interest Credit Card Debt Within 9 Months**

- *Specific:* Identify credit card balances with interest rates above a set threshold (e.g., 15%).
- *Measurable:* Pay off the entire balance on those cards.
- *Achievable:* Use strategies like the avalanche method (focusing on highest-interest debts first) to maximize impact.
- *Relevant:* Removing high-interest debt reduces the cost of borrowing and accelerates financial progress.
- *Time-Bound:* Set a 9-month deadline for complete payoff.

## Final Key Takeaways

- **Think Like a Business:** Adopt proven business frameworks to manage your personal finances effectively.
- **Set Ambitious Objectives:** Don't be afraid to aim high in your financial goals.
- **Be Specific and Measurable:** Clarity and quantifiable metrics are essential for tracking progress.
- **Ensure Relevance and Alignment:** Your goals should support your broader life aspirations.
- **Commit to Time Frames:** Deadlines create urgency and motivate action.
- **Regularly Review Your Goals:** Life changes and so should your goals. Stay adaptable.

## Action Steps

### 1. Define Your Financial Objectives:

- Write down your main financial objectives. You can start out with as many as you want. Later we are going to trim down the objectives to the most important and impactful 2 or 3.

### 2. Develop Supporting SMART Key Results:

- Establish Specific, Measurable, Achievable, Relevant, and Time-Bound Key Results. 2 to 5 Results that are measurable and time-bound for each of those objectives that outline how you'll achieve it.

By adopting OKRs and SMART goals in your personal finance journey, you equip yourself with the same tools that drive some of the world's most successful businesses. This structured approach not only clarifies your financial path, but also enhances your ability to achieve lasting financial well-being.

Goal

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Objective

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*Specific:* State what specific actions you are performing.

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*Measurable:* State what you plan to use to validate that you have succeeded in your goal.

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*Achievable:* State what you believe is possible to do this action.

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*Relevant:* State how this action helps you meet the objective.

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*Time-Bound:* State when you will complete this.

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