



## THE TIMES 100

### BUSINESS CASE STUDIES

## Aims, objectives and vision - Zurich

Zurich does business in over 170 countries and has over 60,000 employees. Zurich combines its knowledge of local markets with international expertise. It aims to offer its customers a high level of service. To do this, Zurich has recently developed a new **customer-centric strategy**. This strategy sets out plans to provide customers with the products and services they require accompanied by a high level of customer service. Zurich continually monitors its activities to make sure that its customer-focused objectives are being achieved.

**Vision** - An organisation's **vision** is a clear statement of what it seeks to achieve. The vision should inspire everyone associated with the organisation. It should motivate employees to strive to achieve the vision. If the vision sets out what an organisation seeks to achieve, then it needs to have a means to fulfil that vision. The means to achieve the vision is termed a strategy. Zurich's vision is set out in this way: *'At Zurich, we aspire to become the best global insurer as measured by our customers, our shareholders and our people.'* To achieve this aim, Zurich's strategy involves being effective in the key areas that add value to its stakeholders. Adding value is the process of increasing the market value of a product. It is a key part of ensuring stakeholder satisfaction. Zurich's key value-adding activities are:

- meeting customers' real needs – this is what the company means by customer centricity
- providing products and services where and when customers want them
- making sure that all processes involved in providing financial services are done effectively.

### Aims and objectives

The relationship between a business's aims and its objectives is important. Aims are general statements of what a business is seeking to achieve. They are closely related to its vision. Objectives are much more specific. They often include quantifiable elements that specify precise performance targets. Managers can use these objectives to monitor progress. They can compare actual performance against the targets set out in the objectives. They can then take corrective action if the business looks like it will fail to meet targets. The relationship between aims and objectives can be illustrated using examples from Zurich. The company's vision is to be the 'best global insurer'. This is backed-up by three key long-term aims:

- to ensure customer satisfaction
- to deliver shareholder value
- to be the employer of choice.



The company has a series of objectives to help it measure progress towards these aims. In relation to the aim of customer centricity, one of Zurich's objectives is to be in the top 25% of insurance and financial services providers for all aspects of its performance as measured by independent research. In relation to the aim of giving shareholder value, Zurich wants to achieve a £16 profit after tax for every £100 of capital that it holds. Zurich will be able to pay dividends to its shareholders if it makes sufficient profit. In relation to the objective of being the employer of choice, one of Zurich's objectives is to secure high **employee engagement scores**. These are measured through employee satisfaction surveys. A committed and motivated workforce are more likely to deliver high levels of customer service and be loyal to the company. Note that all these objectives set by Zurich are measurable. In general, objectives should be SMART:

- specific – exactly what is to happen
- measurable – by quantity or proportion
- achievable – capable of being achieved within available resources
- relevant – to the overall business or corporate objectives
- time-related – with a deadline attached.



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### Questions

1. What is a vision?

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2. Give examples of Zurich's aims.

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3. Explain what is meant by SMART objectives. Give an example.

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4. Using examples from the case study show the relationship between a company's vision, aims and objectives.

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### Task

For an organisation with which you are familiar, write:

- A vision
- At least three supporting aims
- SMART objectives to help the business meet these aims

Explain why these are appropriate for the chosen organisation.

### What have you learned?

*60 second challenge* - split into pairs and nominate one of the pair to go first. They must talk for 60 seconds, without stopping or hesitating, about what they have learned in the lesson. After 60 seconds is over, the second in the pair has to talk for 30 seconds without repeating something the first person had said.