Blackblot® PMTK Management by Objectives (MBO)

Company Name: <Enter company name>
Product Name: <Enter product name>

Date: <Enter creation date>
Contact: <Enter contact name>
Department: <Enter department name>
Location: <Enter location>
Email: <Enter email address>
Telephone: <Enter telephone number>

Document Revision History:

Date	Revision	Revised By	Approved By
<Enter revision date>	<Revision #>	<Enter your name>	<Enter name>

Table of Contents

1. <u>Introduction</u>
   1.1. <u>Document Objective</u>
   This document outlines creating a personal MBO (Management by Objectives) plan. MBO is a systematic approach for instilling flow and structure in one's work by setting clear, achievable, measurable, and challenging goals. MBO is ultimately an intelligent form of self-management.

   1.2. <u>MBO Use</u>
   Personal MBO plans set common expectations and clearly define individual and teamwork contributions in the context of what the organization needs. The MBO approach is most effective if all people working together on the same project, both intra-departmental and interdepartmental team members, have MBO plans.

2. <u>MBO (Management by Objectives) Plan Guidelines</u>
   2.1. <u>Section Objective</u>
   This section outlines the basic guidelines for creating MBO plans. The key to a successful and effective MBO plan is that all plan elements are mutually agreed upon between relevant parties and never imposed.

   2.2. <u>MBO Parameters</u>
   - Timeline increment – Determine the timeline increment applicable for the individual (to complete the objectives), subject to the person's hierarchical level within the organization. Time frames are a specified amount of time comprised of several timeline increments.
   - Managers commonly use months as time increments and three months as the time frame. Directors use yearly quarters as time increments and three to four yearly quarters as the time frame. Vice Presidents and CEOs use years as time increments and one to one three years as the time frame.
   - Strategic objectives – Determine the strategic objectives sought within the chosen time frame. Strategic objectives can be viewed as long-term objectives. Prioritize the strategic objectives.
   - Tactical objectives – Support for attaining strategic objectives is created when tactical objectives are met. For each strategic objective, create its supporting tactical objectives. Tactical objectives can be viewed as short-term objectives. Prioritize the tactical objectives related to each strategic objective.
   - Action items – Action items are drawn from tactical objectives. Determine the realistic, achievable, and measurable actions to be accomplished in the time frame.

   2.3. <u>MBO Plan Principles</u>
   - Cascading dependency – When building an MBO plan, each hierarchical level within the organization should reflect on the MBO plan that belongs to the level above it. For example, the managers' and directors' strategic objectives should provide some foundational support for the VP's strategic objectives.

- Rolling plan – MBO plans are systematically extended with a timeline increment at the end of the first time increment. For example, a manager whose time frame is set at three months will add to the plan at the end of the first month, an additional month with MBO information. This allows the manager to always have an MBO plan with a forward-looking three-month time frame.
- Teamwork – Each team member should be aware of the other members' MBO plans. Therefore, the team should meet every month, and each member presents their MBO plan to the entire team.
- Plan review – At the end of every timeline increment, each person reviews their MBO plan with their manager. The purpose of these sessions is to review the past set of objectives, determine why certain action items and objectives were or are not being met, and then modify the plan accordingly. Ensure the plan is realistic, and approve the added timeline increment.
- Component relations – The relationship between MBO components is one-to-many throughout the internal structure of an MBO plan when viewed top-down. A strategic objective can have several tactical objectives supporting it, and a tactical objective can have many action items assigned to it.

2.4.   MBO Considerations

- MBO is a process-oriented and team-oriented work planning instrument.
- MBO is an effective personal planning, control, and development instrument.
- Strategic objectives are very few and focus on the long term. No more than four strategic objectives are recommended at any hierarchical level.
- Tactical objectives can be numerous and focus on the short term.
- Strategic and tactical objectives loosely span the timeline. Action items are associated with a particular time increment.

<Comment: Although occasionally used as such, an MBO plan is not an effective performance evaluation or reward tool, nor was it meant to be.>

2.5.   <u>MBO Record Example</u>
The following example demonstrates the MBO record structure and how each MBO at different hierarchical levels supports the MBO objectives of the level above it. In the interest of simplicity, only one tactical objective is presented, although several tactical objectives can be introduced to support any single strategic objective. Likewise, for the action items.

Product VP	Year 1	
Strategic Objective	Establish leadership in an emerging market segment.	
Tactical Objective	Initiate a business case to evaluate the market opportunity.	
Action Item	Secure executive management approval to the initiative.	
Product Director	Quarter 1	
Strategic Objective	Plan and implement the product management process.	
Tactical Objective	Assign a product management team to the project.	
Action Item	Seek approval to initial staff, budget, and schedule.	
Product Manager	Month 1	
Strategic Objective	Articulate market problems and needs.	
Tactical Objective	Create a Market Requirements Document (MRD).	
Action Item	Interview selected customers in the market segment.	

3. The MBO (Management by Objectives) Plan

　3.1. Section Objective

　　This section describes the structure and layout of the MBO (Management by Objectives).

　3.2. The MBO (Management by Objectives) Plan Template

Objectives	Time Increment	Time Increment + 1	Time Increment + 2
Strategic Business Objectives			
Supporting Tactical Objectives			
Action Items	Time Increment	Time Increment + 1	Time Increment + 2
Strategic Objective # N Action Items			
Strategic Objective # N+1 Action Items			
Strategic Objective # N+2 Action Items			
Miscellaneous			

<Comment: Miscellaneous action items are activities that are loosely linked to the "Strategic Business Objectives" and the "Supporting Tactical Objectives". The miscellaneous action items constitute the "activity trap" and every effort to minimize their number should be made.>

　3.3. Sample MBO Plan for a Product Marketing Manager

Objectives	October, 20xx	November, 20xx	December, 20xx
Strategic Business Objectives	• Product Launch – Ensure a successful product launch (*from a marketing and MarCom perspective*), and confirm messaging integrity in market launch materials. • Market Planning – Enhance the marketing department's decisions and planning quality. • Domain Expertise – Reduce dependency on internal/external product/market experts.		

Supporting Tactical Objectives	• Complete positioning and value documents. Create a product launch plan and provide input to MarCom. • Create a competitive tracking and analysis process for gathering and analyzing market information. • Establish comprehensive knowledge of the product (*including competition*) and market problems.		
Action Items	October, 20xx	November, 20xx	December, 20xx
Strategic Objective # N Action Items	• Validate customer use scenarios. • Complete and sign off value documents. • Complete product positioning statements. • Complete launch plan draft.	• Present all messaging, value, identity to MarCom and Marketing team members with an explanation on purpose/use. • Choose marketing collateral items and media vehicles for launch.	• Complete launch plan. • Present possible co-marketing and co-branding programs. • Evangelize product to select prospects, partners, and analysts.
Strategic Objective # N+1 Action Items	• Retain market research firm. • Gather input from the research firm.	• Draft data collection and analysis process.	• Present draft of tracking and analysis process. Gain approval. • Begin process implementation.
Strategic Objective # N+2 Action Items	• Undergo product training with the Product Manager. • Exploratory visit to a key customer.	• Undergo product training with the Product Manager. • Attend industry conference. • Exploratory visit to a key customer.	• Provide a list of topics for articles and white papers. • Write a short article on the product.
Miscellaneous	None	• Help MarCom find an external advertising agency.	None