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know it. After asking different economists for an opinion, Harry Truman finally gave up and requested a one-handed economist. He did not want to hear the words: “On the other hand.” Basically, economists exist to make astrologers look good.

In spite of this, in order to be in front your business needs to forecast where customers and the economy are moving. Wayne Gretzky, the brilliant hockey star, when asked how he is always in the right position, said: **“It isn’t where the puck is; it’s where the puck will be.”**

Yet watch out for experts who give a forecast in the form of a number or a date, but not both.

The truth is that the future is already here; it has already happened. The task is to find and study what the small percentage of future-defining customers want. The future is already here but is unevenly distributed in different companies, industries, and countries.

Dennis Gabor, the business strategist, is less concerned with predicting the future. He believes: **“The best way to predict the future is to invent it.”** Your company faces an infinite number of futures and must decide on which one it wants.

Goals and Objectives

The most generic goal of business is to earn more than the cost of capital. The goal is to make today’s investment worth more tomorrow. If this happens, the company has achieved economic value added (EVA).

Companies may add other goals, but they must be thought through carefully:

- *Corporate growth.* Companies need to grow, but it must be profitable growth. Too many companies go on acquisition binges or geographical expansions only to grow their top lines at a terrible cost to their bottom lines. They are buying growth rather than earning it.
- *Market share.* Too many companies aim to collect as many customers as possible. But more market share often means picking up more unreliable customers. These companies would be smarter to focus on nurturing loyal customers, getting to know them better, and finding more goods and services they may need or want.
- *Return on sales.* Some companies focus on achieving or maintaining a certain margin. But the margin is meaningless without matching it to the sales volume generated per dollar of assets (asset turnover).
- *Earnings per share growth.* Companies set targets for their earnings per share (EPS). But EPS does not necessarily reflect the return on capital because companies can raise EPS by buying back shares, writing off certain costs, and employing various creative accounting measures.
- *Reputation.* Companies should strive for a good reputation. A company's main reputational goals should be fourfold: to be (1) the supplier of choice to customers, (2) the employer of choice to employees, (3) the partner of choice to distributors, and (4) the company of choice to investors. Its reputational capital will contribute to its primary goal, earning a higher return than the cost of capital.

After a company clarifies its goal(s), it needs to develop specific objectives for the corporate level, the business divisions, and the

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various departments. These objectives drive the planning process and carry incentives and rewards. Peter Drucker, who fathered the idea of *management by objectives*, nevertheless lamented: **“Management by objectives works if you know the objectives. Ninety percent of the time you don’t.”**

Yogi Berra, the colorful New York Yankees catcher, warned: **“If you don’t know where you’re going, you’re liable to end up someplace else.”** But then how do you set an objective? His answer didn’t help: **“When you come to a fork in the road, take it.”**

Think carefully about your goals and objectives. For example, speed is useful only if you are running in the right direction. A pilot got on the intercom and said: “I’ve got good news and bad news. The bad news first: I don’t know where we’re going. The good news: We’re getting there fast.”

Growth Strategies

It is not enough to be profitable. Companies must also grow. In fact, if you don’t grow, you won’t be profitable for long. Staying with the same customers, products, and markets is a recipe for disaster.

Investors want to see a growing top line; employees want to