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Defining a 5-10 Year Vision and SMART Performance Targets

Overcoming Cultural Barriers to Developing and Deploying Strategic Metrics

PART

3



1 SMART Target-Setting – translating high-level strategic vision into explicit objectives with time-bound measures for progress and goal-attainment – is uniquely difficult in higher education. Caution about failing to meet “Moon Shot” goals, lack of consensus about relevant metrics, and difficulty adjusting long-term targets in the face of market volatility are common barriers.

2 However, the benefits of target-setting on engagement morale and productivity are so promising that it’s worth it for institutions to look for approaches to harness goals’ potential, while minimizing cultural risks. EAB research suggests four “hacks” strategy teams can employ:

Overcoming Barriers Cultural Barriers to SMART Targets

Define Strategic Bet Risk Tolerance

Keep to Metrics that Match Your Strategic Vision Profile

Provide a [Pre-Validated KPI Pick-List](#) for Teams to Choose From

Uncouple Consistent Long-Term Targets from Flexible Intermediate Milestones

3 Setting these parameters for “upstream” targets is essential for “downstream” execution when scoping strategic initiative and cascading institutional priorities to unit annual plans. For data-driven institutions, SMART targets are also foundational for performance management systems.

Translating Target Setting Theory into Practice

SMART Targets Challenging to Adopt in Higher Education Context

After defining a differentiated *Student Value Proposition* explaining why students, granting agencies, donors and staff would choose the institution over competitors, the next step in strategy clarification is visioning and target-setting.

Visioning is the qualitative exercise that asks how the institution's unique approach and attributes, if successfully deployed over time, improve students' lives, regional communities, and social problems. How is the world a better place because of us, in 5 to 10 years? Visioning exercises are intellectually stimulating and affirming, and strategy teams generally perform them energetically and inclusively, involving many campus stakeholders. Most presidents are adept at painting vivid, compelling visions to boards, potential donors (and EAB researchers).

At many institutions, however, target-setting is a different story. Target-setting attempts to express the strategic vision in terms of explicit objectives, with time-bound metrics for progress and goal-attainment. Target-setting ought to answer questions like: how much bigger or better do we want to get, by when? Are we aiming for an audacious "Moon Shot," or something more immediately valuable? How will we know if we've succeeded?

A consulting cottage industry exists about target-setting theory, generating library shelves of literature on methodologies like the [Balanced Scorecard](#), [Hoshin Kanri](#), and [Management by Objective](#). Many goal-setting acronyms have gained name recognition, like SMART targets (Specific, Measurable, Achievable, Relevant, Time-Bound); FAST (Frequent discussion, Ambitious, Specific, Transparent), and OKRs (Objectives and Key Results) – if you amassed all their letters, you'd be competitive in Wordle and invincible in Scrabble. We have included a bibliography of some of the best books and articles for those wanting to go deeper.

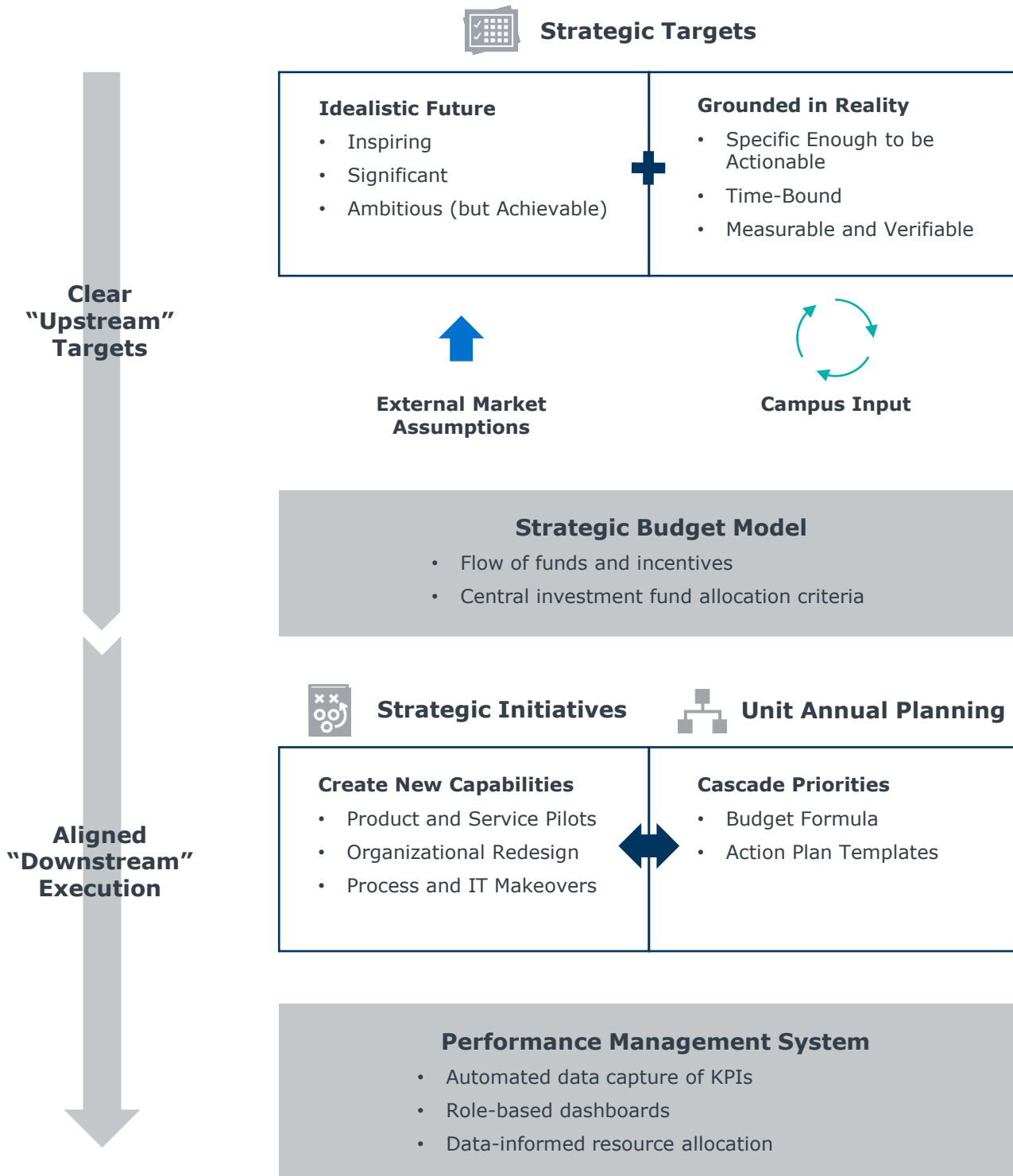
Though these approaches differ in points of emphasis, they agree broadly that effective targets combine inspiring elements appealing to the heart, with practical elements to focus the administrative mind. "Upstream" targets set parameters that are essential for "downstream" execution when scoping strategic initiatives and cascading institutional priorities to unit-level improvement plans. For highly data-driven institutions, upstream targets are an irreplaceable foundation for performance management systems.

A Framework for Target-Setting and Execution

Upstream Goal Development Steers Organizational and Operational Efforts

2,000 Pages of Target-Setting Literature in One Graphic

Effective Upstream Targets are Essential for Downstream Alignment and Execution



Translating Target Setting Theory into Practice (cont.)

SMART Targets Challenging to Adopt in Higher Education Context

Though the value of SMART targets would appear self-evident, EAB's work with partners shows how culturally complex answering target-setting questions – or even posing them publicly – can be. Some of the most commonly-voiced concerns include:

"We Don't Want to Set Targets We Might Not Hit": Some presidents worry that no amount of contextualization with trustees, faculty or alumni can de-stigmatize missed public targets, regardless of how much progress was accomplished in their pursuit

"We Can't Mix Messages about the Need for Execution": Some presidents see cognitive dissonance between long-term visions and immediate challenges, and worry engaging too many stakeholders, for too long, about aspirational Moon Shots might downplay urgency for earthbound execution

"We Don't Want to Lose Consensus on Broad Priorities over Disagreements about How to Measure Them": Diversity & Inclusion, Community Engagement, Student-Centricity, Wellness – these are some of the increasingly common strategy "pillars" arising in university plans that don't come with well-established metrics. This presents strategy teams with three unenviable options:

- Campus debate on strategic KPIs that will certainly take up time, and possibly re-ignite cultural divisions
- Centrally-selected KPIs that risk the perception of targets being dictated top-down
- Strategy vision left undefined, open to widely different interpretations about what they mean, and what constitutes progress







"Investing Time in Targets Feels Futile Because Things Change So Fast": Particularly while higher education fully re-opens from the pandemic and the next normal emerges, some presidents can't justify asking busy staff to develop, much less commit to, strategic targets

Translating Target Setting Theory into Practice (cont.)

SMART Targets Challenging to Adopt in Higher Education Context

How Can We Harness SMART Targets' Benefits While Defusing Their Cultural Risks?

All the concerns and obstacles above are valid. Nonetheless, the weight of 500+ academic studies over the last 50 years and dozens of EAB partner testimonials are so encouraging about the potential for effective target-setting to inflect morale and productivity that it's unclear whether institutions can afford not to try them in some form.

Positive Things Happen When Organizations Set SMART Targets	Negative Tendencies Set In When Goals Stay Undefined
 Reducing the number of targets and assigning metrics moves individuals and teams from the 50th to 88th percentile of performance	 At organizations without targets, only 23% of managers and 7% of frontline employees understand strategic goals
 Applying SMART targets over 18 months increases chances of advancing to next performance quartile by 11.5%	 Only 21% of employees align individual efforts with institutional priorities without cascading targets
 Employees at organizations setting SMART targets are 3.6x more committed and 6.5x more likely to recommend as a great place to work	 Teams with "do your best" goals set excessively conservative annual plan targets, 66% lower than teams with explicit institutional targets

Sources: Pritchard, R. D., Harrell, M. M., DiazGranados, D., & Guzman, M. J. (2008). The productivity measurement and enhancement system: A meta-analysis. *Journal of Applied Psychology*, 93(3), 540–567; MIT Sloan Management Review, "The Strategic Agility Project"; Latham & Locke, *A Theory of Goal Setting & Task Performance* (1990); *Goal Setting: A Motivational Technique That Works!* (1984).

In Search of "Hacks" to Bypass Barriers to Deploying SMART Targets

The good news is that there is a broad middle path—a set of hacks for strategy teams—that harnesses the potential of target setting while defusing cultural obstacles. EAB recommends four approaches to this stage of strategy formation:

Cultural Barrier	→	Hacks for Deploying SMART Targets
<i>Fear of Missing Targets</i>	→	Define Strategic Bet Risk Tolerance
<i>Balancing Aspiration and Execution</i>	→	Keep to Metrics that Match Your Strategic Vision Profile
<i>No Consensus on KPIs</i>	→	Provide Pre-Validated KPI Pick List for Teams
<i>Things Change Too Fast</i>	→	Uncouple Consistent Long-Term Targets from Flexible Intermediate Milestones

Defining Strategic Bet Risk Tolerance

Hack #1

Terms like “Moon Shots,” “Stretch Targets,” and “BHAGs” appear frequently in strategy literature. They valorize setting goals so audacious that teams have no idea how to achieve them with current resources and practices, thus requiring game-changing innovation. You’re likely familiar with hall-of-fame examples like President Kennedy’s directive to NASA that coined the phrase “Moon Shot,” Apple’s goal of personal computers on every desk, or Southwest Airlines competing with the automobile by challenging staff to figure out how to turn around flights in under 10 minutes.

These examples are famous precisely because they’re so rare—most truly audacious targets should and do fail. Yet, the perception exists that, if one is to set strategic targets at all, anything less than a Moon Shot is unworthy. It’s easy to see why university presidents can feel trapped—*if you set a target, it needs to be audacious; if it’s audacious, there’s a chance it might fail; if it fails, well, you’re a failure.*

Define Audacious Targets within the Constraints of Your Situation

This mindset is both inaccurate and counterproductive for strategy teams. As elegantly summarized elegantly in the article “[The Stretch Goal Paradox](#)”, instead of defaulting to Moon Shot targets or settling for no defined targets at all, the better middle path is conducting a short, qualitative exercise to set boundaries about the size and risk of your strategic bets.

This simple exercise asks you to plot where your institution lies on two dimensions:

Investable Resource Availability: While no institution would admit to having slack resources, some are in a position to invest in bigger and longer-term efforts, while others can’t look so far ahead. Would you honestly describe your investable resources as *Available (+)*, or at the other end of the spectrum, *Committed (-)*?

Recent Performance: Is the institution in a strong performance position—meeting or exceeding basic quality and financial measures? Or are things unstable, straining resources and confidence?

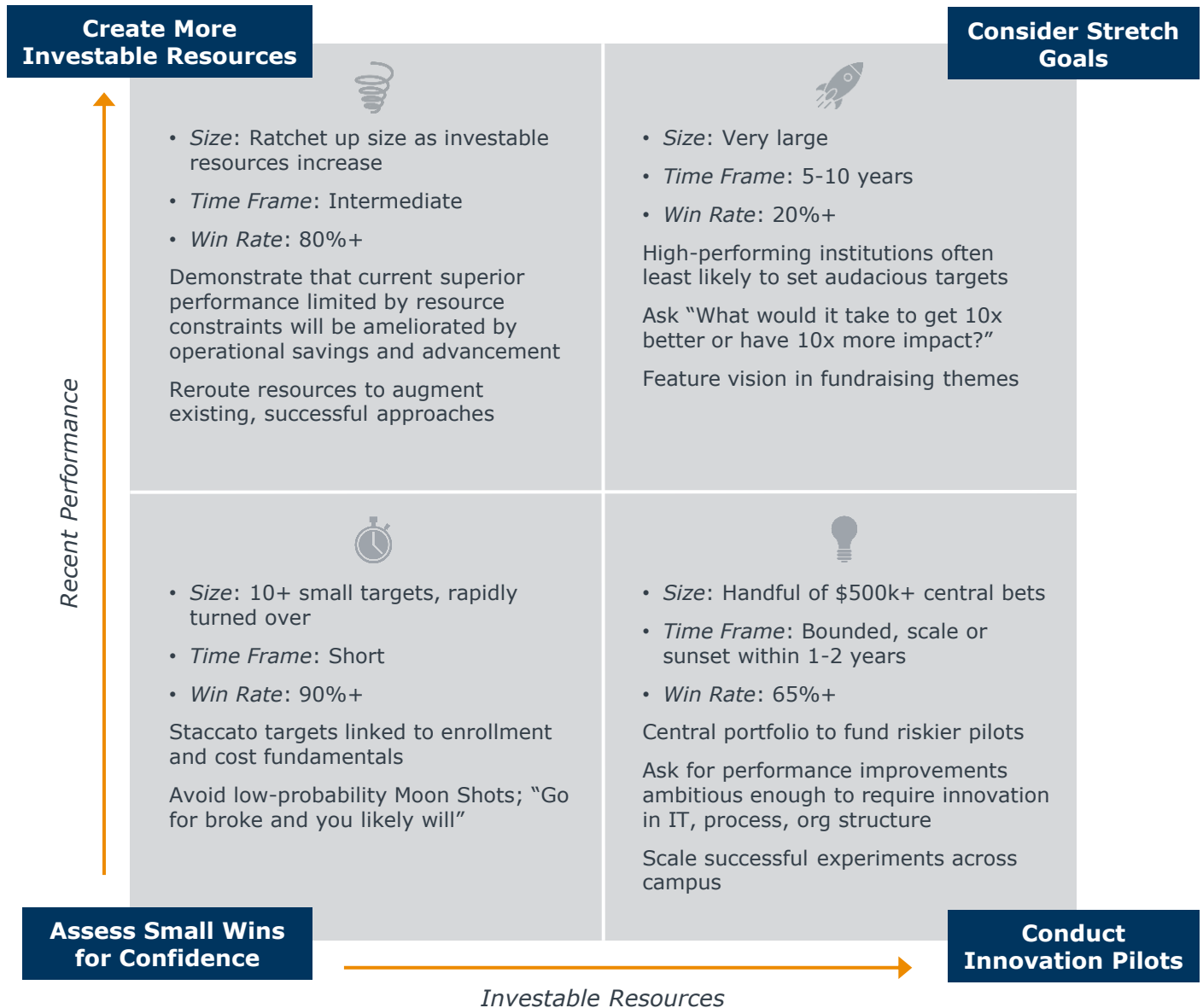
Your location in the *Resource Availability / Recent Performance* matrix helps set general boundaries about for the risk profile of your strategic bets and SMART targets. You can signal to teams in charge of scoping strategic initiatives, academic units, and administrative functions how big their strategic proposals ought to be, what times frames they should strive for, and what of rates of success and “learning failure” to expect.

Resource Availability / Recent Performance Matrix

Hack #1 (cont.)

Use the below matrix guide to discuss allocation of resources, target setting, and calibrating aspirations for each of the "big bets" under consideration by your team.

Resource Availability / Recent Performance Matrix



Keep to Metrics that Match Your Strategic Vision Profile

Hack #2

In the course of supporting scores of university strategic planning efforts, EAB has developed an informal typology of strategic vision profiles. Based on factors like financial stability, geographic scope, and the importance of state performance scorecards and academic rankings, institutions tend to cluster along a spectrum of recurring strategic vision categories, each of which carrying a distinct, optimal approach for developing the most relevant kinds of metrics.

Don't take these profiles too literally or seriously. They're reductionistic and non-judgmental—no profile is intrinsically better than any other, though some are more prosaic and others aspirational.

We point them out because understanding which profile best matches your aims can help overcome the barrier to target-setting that arises when there's no campus consensus on the best measures of progress and goal attainment. On the following pages, we'll briefly outline eight strategic vision profiles, and their imperatives for where to focus your strategy team time defining relevant, forward-looking metrics.

Running to Stay in Place

Vision: Maintain / improve the core amid declining external environment

These institutions seek to restore stability or maintain performance amid challenging competition, funding climates, or campus controversies.



Turnaround Story

Illustrative Presidential Goals:

- "Restore financial sustainability"
- "Heal a culturally divided campus"



Proud Continuous Improvement Steward

Illustrative Presidential Goals:

- "Preserve and enhance success / access / affordability"
- "Excel on state system performance scorecards"

Target-Setting Imperative: Build Targets around Lead-Indicator Drivers of Lagging KPIs

- For these profiles, key output metrics are well understood (enrollments, net tuition, 6-year graduation rate, etc); however, they are lagging indicators
- Strategy team target-setting should focus on developing metrics for the leading indicator drivers of the familiar outputs
- Final goals combine longer-term targets for the ultimate output metric with intermediate targets for input activities needed to reach the end goals

Keep to Metrics that Match Your Strategic Vision Profile

Hack #2 (cont.)

Steady Rankings Climber

Vision: Ascend traditional, publicly recognized academic and research rankings

These institutions aspire to greater regional, peer-group, or ultimately national recognition in industry standard rankings.



Academic Rankings

Illustrative Presidential Goals:

- "Top-ranked liberal arts college in Plains states"
- "Top 100 in US News & World Report"



Research Rankings

Illustrative Presidential Goals:

- "We want \$XXM in expenditures by Year YYYY"
- "R3 → R2 → R1"

Target-Setting Imperative: Reverse Engineer Formula Dial-Movers

- Rankings output metrics are externally defined and well-known; the task for the strategy team is identifying institutional dial movers
- Estimate additional activity needed to achieve desired rankings target, and new resources (faculty lines, research facilities) as well as new revenues, productivity gains, or cost savings to fund them
- Develop SMART targets combining expanding resources and output activity metrics that ultimately climb rankings
- Anticipate rankings ratchet effects—more activity might be needed in out years to rank "top in peer group" or "go from R3 → R2 → R1." Teams need to regularly confirm what activity / quality standards correspond with the stated vision target

Step-Function Scale or Specialization

Vision: Rapid enrollment expansion or national brand recognition

These institutions seek to exploit an existing strength to become much bigger or provably better, typically by aggressive online enrollment expansion or doubling down on niche service of an emerging, high-value student group.



Rapid Enrollment Growth

Illustrative Presidential Goals:

- "We'll have branch locations in every county in our state"
- "We'll become the biggest Catholic institution in the country through online learning"

Target-Setting Imperative: Size the Potential Market

- Metrics currencies are already established; what's unclear is the upper limits of growth
- Teams should pose resource constraint queries and set SMART targets accordingly:
 - "How big could we get with \$XM to invest?"
 - "How many \$XM do we need to raise to get to Y size?"

Keep to Metrics that Match Your Strategic Vision Profile

Hack #2 (cont).

Step-Function Scale or Specialization (continued)

Emerging Segment Leader

Illustrative Presidential Goals:

- *"We'll be the East Coast's biggest Hispanic-Serving Institution (HSI)"*
- *"We're the national destination for students with learning disabilities"*

Target-Setting Imperative: Connect Niche Input Metrics to Established Outcomes

- Establish the link between the "special sauce" services and recognized student outcomes
- Excellent opportunity for starting longitudinal IR or academic research efforts about target student needs and differential impacts of unique support services

New Category Creators

Vision: Achieve ethical, quality, or price breakthroughs utterly different in kind or degree from standard industry practice

These institutions starkly diverge from the status quo, and need to popularize new metric currencies, demonstrate order-of-magnitude performance advantages over industry norms, or both.



Values Pioneer

Established institution elevating a value to become central to identity or strategy

Illustrative Presidential Goals:

- *"We will be our region's linchpin for zero carbon"*
- *"We'll become the county's premier anti-racist research university"*

Target-Setting Imperative: Define and Exemplify As-Yet Unestablished KPIs

- Institution must invent or embrace non-traditional metrics capturing the input activities and output benefits of their ethical value when deployed at scale in the real world
- Tremendous opportunity to burnish brand by helping define *de facto* standards for ascendant values (*"This is what 'holistic wellness' should mean"*)
- Legitimate concerns about first-mover disadvantages and honest differences of opinion on campus (*"How does one even measure 'inclusiveness' in a rigorous way?"*)



Disruptive Business Model

Non-traditional institutions or new units within incumbents featuring dramatically different delivery, credentialing, and pricing features

Illustrative Presidential Goals:

- *Low-Cost, Anytime, Anywhere: Micro-credential hot skills bootcamps (Coursera)*
- *Lifelong Learning: Subscriptions, micro-credentials, job placement (Northeastern)*
- *Online Cosmopolitan School: Global, selective, online, multi-site study abroad (Minerva)*

Target-Setting Imperative: Quality or Price 10x Better than Status Quo Standard

- Don't set "Marginally Better" targets that won't transform student *value-for-money* equation
- Non-traditional disruptors should promise order-of-magnitude improvements in cost or perceived value

Provide Pre-Validated Metric Pick List for Teams

Hack #3

Another way strategy teams can overcome SMART target barriers is to accelerate consensus-building by letting teams choose from among a pool of vetted metrics. Busy staff can divert effort researching new KPIs from scratch to debating how high to set performance improvement targets, over what time frame.

As a labor-saving resource for partners, EAB has compiled a performance target compendium of strategic metrics used in 200+ strategic plans and leadership dashboards by colleges and universities in North America and the UK, organized into the most common strategic themes. You and your teams can access the compendium [here](#) and contact your Strategic Leader to explore how EAB can support target-setting activities through facilitated exercise and expert consultations.

Pick List Metrics Distilled from 200+ Strategic Plans to Give Target-Setting Efforts a Running Start

The screenshot shows a document titled "Enrollment and Admissions" with a table of metrics. The table is organized into categories: Core Performance, Class Demographics, Inquiry Conversion, and Efficiency. Each category lists specific metrics to be tracked.

Type	Metric
Core Performance	Total enrollment
	• Undergraduate
	• Graduate
	• International
	Number of actionable applications (across segments)
	Number of waitlisted applications
	Yield target
	Number of admitted transfer students
	Total acceptance rate
	• By zip code
• By sociodemographic measures (e.g., race, gender, class)	
• By degree	
Growth targets by student segments	
Market share among area high school students	
Net tuition revenue per student	
Class Demographics	Summer melt rates for undergraduate, graduate, transfer and international students
	GPA on high school core courses, entering first-year students
	ACT/SAT scores, entering first year students
	Percentage of students who come from top 10% of their graduating class
	Admitted graduate student test scores (mean, median, range)
Inquiry Conversion	Total number of inquiries
	Inquiry-to-application ratio
	Application-to-enrollment ratio
	Web engagement data (i.e., social media, YouTube views)
	Search engine optimization data
Efficiency	Marketing cost per student
	Number of applications processed per staff member
	Amount of staff time per application

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Key Metrics to Measure Performance in 10 Core Terrains

- Enrollment and Admissions
- Finances
- Diversity, Equity, Inclusion, and Justice
- Student Success
- Academic Excellence
- Research
- Faculty and Staff
- Community Impact
- Advancement
- Sustainability

Uncouple Long-Term and Near-Term Targets

Hack #4

The last barrier to implementing SMART targets EAB often encounters is the sense of futility about investing time on goals when the external environment is changing so fast. Today’s objectives will look off-key after tomorrow’s headlines, so this thinking goes.

To be sure, no strategic plan or GANTT chart survives the first brush with reality. But private sector organizations, and increasingly action-oriented philanthropies like the Gates Foundation and Bono’s ONE Campaign are breaking the compromise between consistency and adaptability by uncoupling long-term targets from intermediate milestones and key results.

Using this approach, strategy teams define a qualitative vision aligned with its main differentiators, expressed in long-term, time-bound targets, ambitious enough to stimulate the “productive discomfort” conducive to innovation. These stay consistent over multiple years.

They inform, but are uncoupled from, intermediate milestones and results, which are owned by strategic initiative stewards, administrative functions, academic units or anyone accountable for shorter-term tangible progress. Some institutions revisit these milestones as often as once per term, to see if the external climate has changed, or internal assumptions about progress potential were inaccurate. If so, milestones and results for the next intermediate cycle are rotated in.

The best learning organizations use target-setting as a way to test hypotheses. Set a key objective with an intermediate result based on best guesses about what’s possible. If you don’t hit the milestones, learn why, and apply lessons to the next intermediate-term milestone. Over many consecutive cycles, the relationships between activities and capabilities and different levels of results become clearer, come into focus, helping to inform the resources and scope needed to meet multi-year, ambitious strategic targets.

Strategy teams should set expectation that SMART targets will remain directionally consistent, but course-correct on short-term milestones. This approach enables the dual benefit of enfranchising staff in target-setting, with all ensuing motivational benefits as well as creating a data-driven feedback loop on the relationship between resource inputs and strategic outcomes.

Qualitative Strategic Vision	Ambitious Long-Term Target	Intermediate Milestones and Results
<u>Institutional Differentiator</u> We will be the premier institution for integrating the classroom and the real world	<u>Metrics for Goal Attainment</u> By 2030, 80% of students will complete an internship or experiential learning activity	<u>Fall 2022 Key Results</u> <ul style="list-style-type: none"> • 1,000 students in co-ops • 20 new employer partners in state • 5 majors revised for experiential programming

Higher-level direction and desired target stay consistent

Term-by-term objectives revised if external conditions change, or internal assumptions about progress prove incorrect

Selected Bibliography on Strategic Target Setting

Key Readings on Methodologies and Higher Education Case Studies

There is a consulting cottage industry devoted to goals and performance management: Balanced Scorecards, Management by Objective, OKRs, Kaizen, BHAGs, and the acronym used in this white paper to stand for strategic target-setting generally: SMART targets. EAB believes that, though these approaches differ in detail and emphasis, they agree on the broad elements of well-constructed strategic targets, and their impact on organizational engagement and productivity.

For EAB partners who want to run deeper on methodological nuances, below is a selected bibliography of excellent books and articles. We've provided links to resources in the public domain.

Landmark/Current Books on Target-Setting and Performance Management Theory

Measure What Matters: How Google, Bono and the Gates Foundation Rock the World with OKRs. John Doerr, 2018. ISBN: 9780525536239

The Long Game: How to Be a Long-Term Thinker in a Short-Term World. Dorie Clark, 2021. 9781647820572

The Hard Things about Hard Things: Building a Business When There Are No Easy Answers. Ben Horowitz, 2014. ISBN: 9780062273208

Articles Specifically about Overcoming Target-Setting Cultural Barriers

The Stretch Goal Paradox: Audacious targets are widely misunderstood—and widely misused. Sim, Sitkin, Chet Miller, Kelly See. Harvard Business Review Jan/Feb 2017

With Goals, FAST Beats SMART. Donald and Charles Sull. MIT Sloan Management Review, June 2018

The Performance Management Revolution: The Focus Is Shifting from Accountability to Learning. Peter Capelli, Anna Tavis. Harvard Business Review October 2106

Application of the Balanced Scorecard in Higher Education: Opportunities and Challenges. Cindy Brown. Society for College and University Planning July 2012.