

Stretch Goals vs. SMART Goals: What's the Difference?

[By Indeed Editorial Team](#)

<https://youtu.be/bUHwbM1Vs74>

Video: How To Create Specific Goals

Sinéad gives examples of powerful, defined goals that can help you visualize and paint a picture of what accomplishing your goals would look like.

When making a plan, it's important to find the right framework to help you outline your intentions so that you might increase your chances of achieving your goals. Stretch goals and SMART goals are two approaches you can choose from when setting work objectives. Learning about the differences between these two types of goals can help you decide the best strategy to use for your projects and plans. In this article, we explain what SMART goals and stretch goals are, discuss how they differ and explore factors to consider when choosing which to use.

What are stretch goals?

Stretch goals are ambitious and long-term objectives that organizations can use to inspire change. A key feature of these goals is that they're challenging, which means they can help encourage employees' growth. For example, they may boost morale or encourage positive change in the workplace.

What are SMART goals?

SMART goals are objectives that are specific, measurable, achievable, realistic and have a timeline. They're often helpful for plans that are concrete and plausible. These goals can help both individuals and teams set clearly defined steps toward a target.

Stretch goals vs. SMART goals

<https://youtu.be/4KCJXgUGAsY>

Video: How To Create Achievable Goals

Sinéad explains how to craft achievable goals and gives examples, helping you pursue purpose, meaning, and passion in your work and life.

When choosing whether to use stretch goals or SMART goals, organizations can consider their needs and business models. Both types of goals can be useful, but each type suits particular kinds of improvement. Here are a couple of ways in which stretch goals and SMART goals differ:

Benefits

The main benefit of stretch goals is that they may help a team discover that they can complete more than what they currently achieve. For example, a manager might set a sales goal that's outside the range of how much the team has previously sold in a certain time frame. This could inspire the team to work harder so that they learn how much more they're able to accomplish.

Other benefits of stretch goals may include:

- Getting team members involved in a company's large-scale vision
- Encouraging employees to create more ambitious personal goals
- Expanding the scope of what an organization is able to achieve
- Improving teamwork as everyone works toward a common goal
- Assessing which practices can improve based on goal results
- Increasing employees' confidence to try new approaches and set challenging goals

In contrast, one of the primary benefits of SMART goals is that they have clear steps. This can help ensure that everyone working on a project knows their role, tasks and deadlines. For example, if a project manager wants to finish two mailing campaigns by the end of the month, they can use SMART goals to assign roles, provide specific instructions and set a clear timeline.

Additional benefits of SMART goals include:

- Having a framework that works for both long- and short-term goals
- Assessing strengths and weaknesses by reviewing how each part of the plan goes
- Encouraging team members to try new approaches
- Teaching individuals and team members how to apply the SMART framework in the future
- Improving focus by clearly defining steps toward a target

- Boosting morale by providing team members with a successful framework
- Increasing efficiency through setting a timeline

Industries

Industries such as education and health care often have stable and predictable outcomes. Businesses in these industries might benefit from stretch goals, compared to businesses that have many changing factors. For example, a sales company might create ambitious goals with more possibility for positive outcomes if it knows that its sales patterns are steady. Meanwhile, most industries can usually benefit from using the SMART framework because many companies need to set regular and small-scale goals. For example, the technology industry often experiences fluctuating outcomes, so businesses in this industry may benefit more from SMART goals than stretch goals. SMART goals can help tech companies set clear and timely goals for developing their products and focus on what's achievable for the company, which may be helpful because demand changes frequently in the technology industry.

Uses

Because SMART goals tend to be smaller scale and more clearly achievable, they can help organizations achieve bigger goals with less defined steps. Stretch goals may also help create long-term objectives to help guide the SMART goals.

It may be helpful to think of SMART goals as steps you can take within larger stretch goals. For example, if a stretch goal is to improve a team's overall performance by the end of the year, some SMART goals within that year might include projects and tasks that target specific performance skills.

Factors to consider when choosing between stretch and SMART goals

When deciding whether to use stretch goals or SMART goals, here are some factors to consider:

- **The company's status:** For companies that are doing well financially after becoming established, stretch goals may be more appropriate to help employees think about how they can expand the business.

- **The performance of employees:** If employees want to improve their daily operations, the SMART framework may help them learn efficient methods. If employees are doing well at daily or short-term tasks but not developing overall, stretch goals may help them improve their long-term achievements.
- **The size of the organization:** Employees within large organizations may find stretch goals inspiring because they have a large network of people with which they can work on goals. Organizations with few employees may benefit from SMART goals to help ensure employees are comfortable with expectations.
- **The outcomes of goals:** Objectives that result in immediate but short-lasting changes may fit better with the SMART method. Those that result in permanent and fundamental changes to an organization might work better as stretch goals.
- **The organization's resources:** Organizations that have more resources may be able to apply them toward stretch goals. Those with fewer resources might instead focus on SMART goals so that they can be more economical.

https://youtu.be/iA_i5Tu2jZU

Video: How To Create Time-based Goals

We explain how to harness time-based goals and give examples of powerful goals with measurable milestones along the way.