

OKR Objectives & Key Results

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LEVERAGING PEOPLE FOR TOMORROW...

What is OKR

Objectives and key results is a goal-setting framework used by individuals, teams, and organizations to define measurable goals and track their outcomes.

The development of OKR is generally attributed to Andrew Grove who introduced the approach to Intel in the 1970s.



Objectives & Key Results

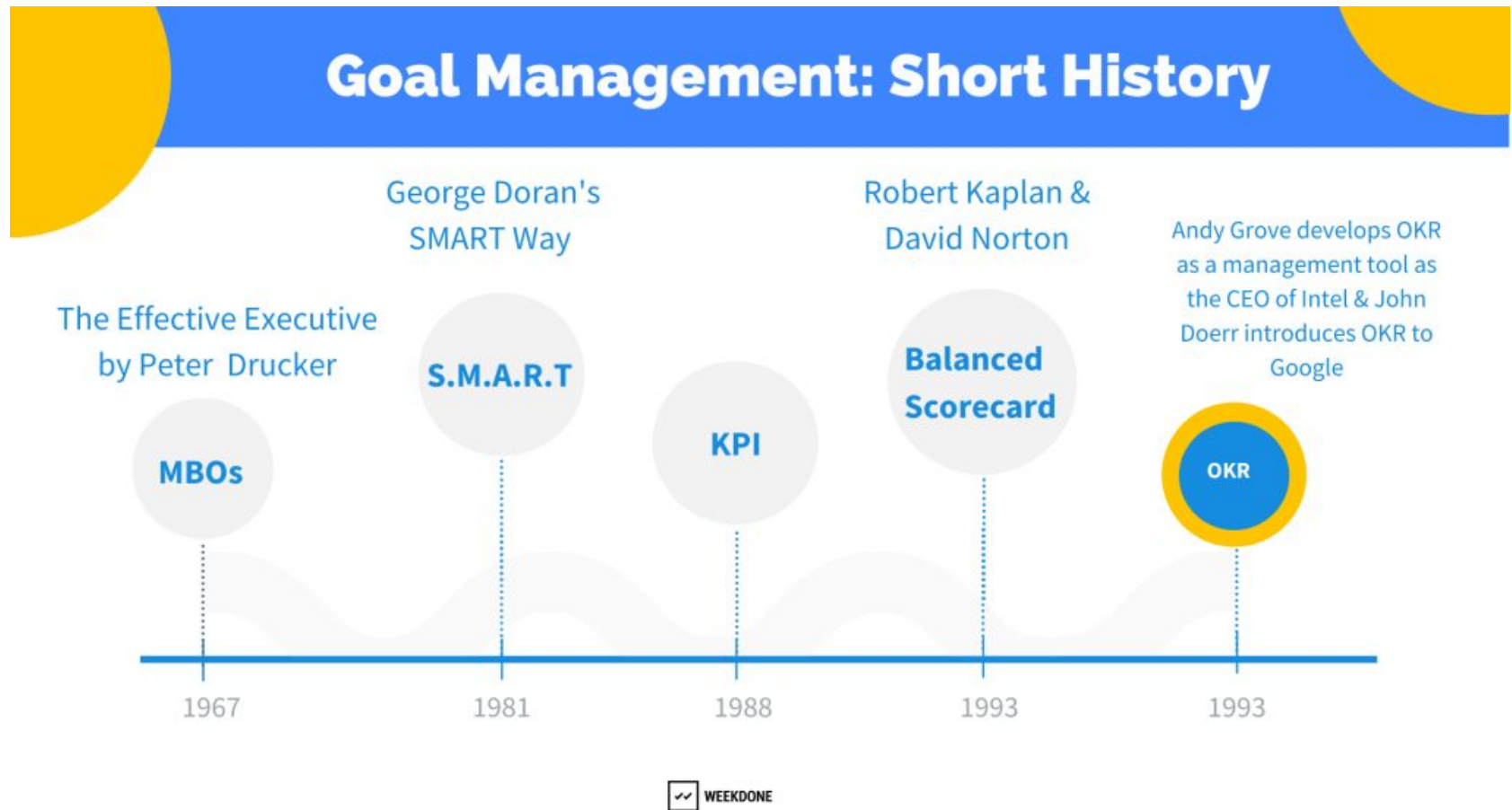
The OKR methodology is a collaborative, goal-setting framework that helps teams and organizations reach their goals through identifiable and measurable results. By design, the OKR framework works across teams to create a standard the whole company can adopt and gives purpose to teams and organizations

Companies from Google, Microsoft, Adobe, Apple, LinkedIn have rolled out OKRs to accelerate growth and drive innovation by helping teams see how their work fits into the overall company's objectives

Big Companies using OKR's



History of OKR

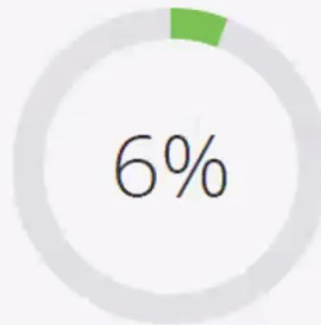


Impact of OKR on a Company

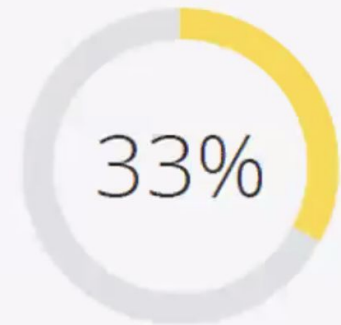
Traditionally, leaders have struggled to execute their long-term strategic initiatives and provide their employees with the frequent coaching they need to achieve their goals and stay engaged.



70% of global CEOs say their top challenge in executing strategy is failure to coordinate and align



Only **6%** of organizations believe their current performance management process is worth the time



Less than **33%** of employees are engaged at work

Benefits of OKR

The OKRs framework can be a superpower for creating an environment where employees work with purpose

Many companies have achieved amazing results with OKRs - what is less often discussed is that deploying a goal setting framework in the right way creates a vastly better working environment

OKRs offer five core benefits - focus, accountability, alignment, transparency, and engagement (F.A.A.T.E)

Committing to transparent OKRs across the entire organization means everyone knows the priorities and can self-organize to achieve the goals

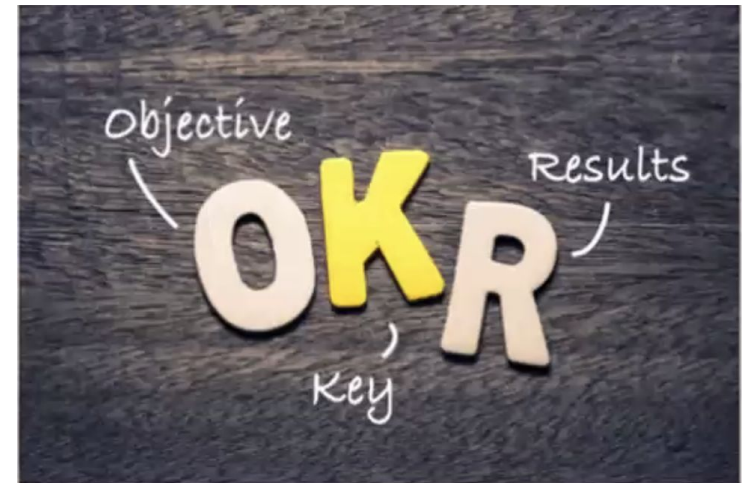
Components of OKR

OKRs have three components:

Objective: what you're trying to accomplish

Key results: how you'll measure whether you achieve the objective

Initiative: is a description of the work a team does to influence the key result




OKR's Leads to

A large red circle containing the text "Be a Great Place to Work".

Be a Great
Place to
Work

- Autonomy
- Voice
- Engaged

A large blue circle containing the text "Have a Clear Path to Success".

Have a
Clear Path
to Success

- Clarity
- Transparency
- Focus

A large green circle containing the text "Consistently Hit Your Goals".

Consistently
Hit Your
Goals

- Align
- Structure
- Data-informed

How to write OKR

Objectives need to be clear, inspiring, and easy to rally around. The golden rule of writing objectives is that any reasonable person should be able to understand the objective's aim and motivation at a glance. When writing your objectives, make sure they are actionable, time-bound, and ambitious. Ask these questions:

- Are there too many or too few?
- Are they actionable?
- Why should anyone care?

We will _____ as measured by _____.

objective these key results

How to write OKR

Key results determine whether an objective has succeeded or failed. The golden rule of writing KRs is that any reasonable person would agree that completing all of the key results would guarantee completion of the objective. Be very clear when defining key results - make sure they are quantifiable and whenever possible, use metrics instead of a binary result. When key results are measurable, it's effortless for the team to see their progress. Ask these questions:

Are the Key result task or outcome oriented?

Are they ambitious enough?

Are targets realistic?

Who is accountable for each Key Results?

OKR's Vs KPI's Similarities

OKRs are the framework used for strategy, while KPIs are the metrics used to set goals. KPIs overlap within the OKR framework and share similarities, but each have different intentions

Both KRs and KPIs should be quantitative and follow the SMART criteria (Specific, Measurable, Achievable, Relevant, Time-Bound). However, the key difference between key results and KPIs is the “achievable” part. OKRs are designed to be aspirational - hitting 70% should be practical or the goal - whereas completely achieving or overachieving KPIs is the goal.

Also, both OKRs and KPIs will have an owner and have a target metric

OKR's Vs KPI's Differences

Although OKRs and KPIs may work together, there are ten core differences between them

Linking: OKRs are linked to strategic goals while KPIs are linked to processes

Strategic timing: OKRs reflect real-time while KPIs are static or lagging indicators.

Cross-functionality: OKRs can indicate cross-functionality while KPIs tend not to

Flexibility: OKRs change as strategy evolves while KPIs mostly remain constant

Nature of design: OKRs are inherently focus-driven while KPIs cover the entire organization

OKR's Vs KPI's Differences

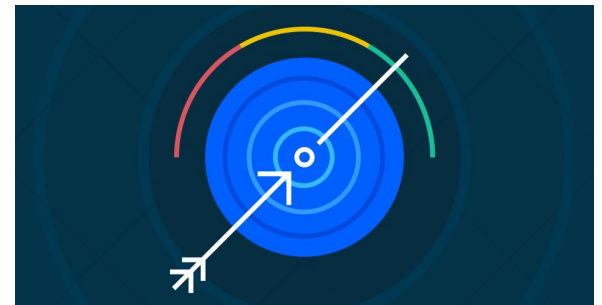
Visibility: OKRs are transparent by default while KPIs constrain to the line of business

Longevity: OKRs typically change each quarter while KPIs tend to maintain

Incentivization: OKRs follow more constraints while KPIs can be gamified

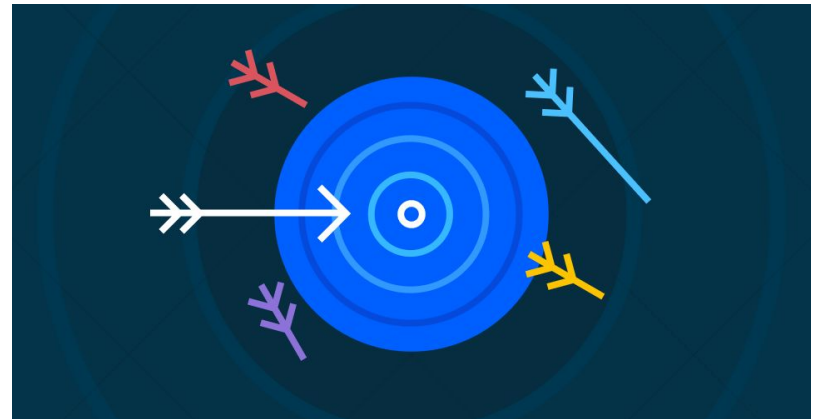
Hierarchy: OKRs support one another while KPIs are flat and share equal importance

Scale: OKRs are a management methodology while KPIs are used within a methodology

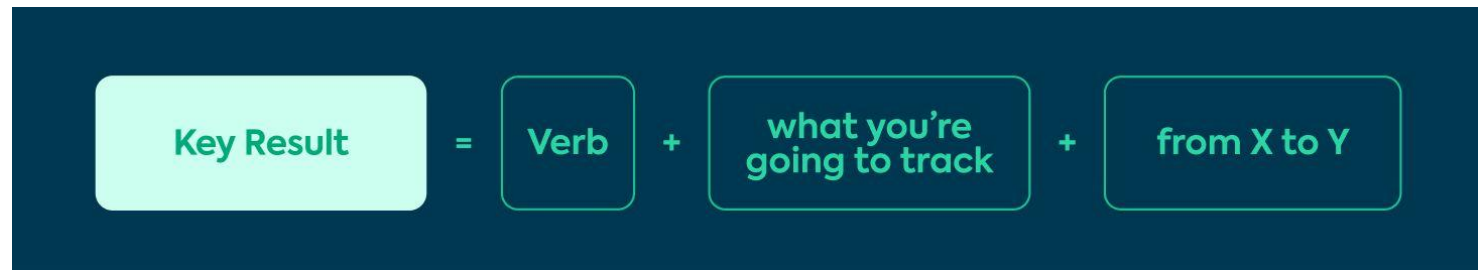


Common mistakes done in OKR's

- Focussing on task rather than outcomes
- Not sharing OKR publicly
- Waiting on cascading OKR's
- Having too many OKR's
- Setting easy & unrealistic OKR's



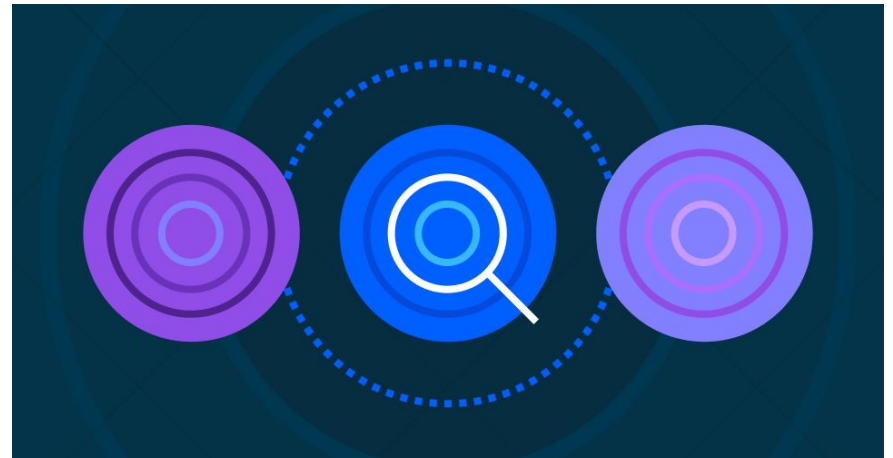
A Great OKR's



A good rule of thumb per OKR is 1 objective and 3-5 key results

Defining OKR's

At Company Level OKR's
At Team Level OKR's
At Individual Level OKR's



Track OKR's

- Hold OKR Weekly check – ins (Weekly Review) 15-20 minutes meeting to reflect progress
- Organize a Quarterly OKR review at the end of the OKR cycle

Review Process includes the sharing of:

1. Accomplished Plans
2. Current Status
3. Lesson learned when moving forward
4. Feedback or Feed forward
5. Setting priority plan for the next week/quarter

Questions about OKR set

How did the team generally perform? What did we achieve?

How was the quality of the OKRs set? Did they help the team to make some improvements?

Did we prioritize the OKRs enough? Were people working on them?

Were people aware of the roles and responsibilities they had? Did they feel that they know what to do?

How often did we discuss the progress? Did we have enough regularity and consistency?

How can we be better with setting OKRs next quarter? What do we have to keep in mind?

Questions about OKR success

Why were we successful with achieving the Objectives?

Was it intentional or it just happened?

What kind of actions brought the highest results?

Are there things that we can improve even more?

Can we use what helped us succeed in some other areas as well?

Superpowers of OKR's

Focus: on the priorities that matter most; the most significant objectives that contribute to our success

Align: allow every individual's work to align with team efforts, department projects and the organization overall mission

Commit: OKR's establish a public commitment to our highest impact goals by publishing our OKR's for all to see

Track: A key advantage of OKR is that they can be tracked revised & adapted

Stretch: OKR's motivates us to excel by doing more than we thought possible

Execution is everything

Thomas Edison once quipped that “vision without execution is hallucination.” It’s an idea that deeply inspired Doerr and the OKR methodology: Good ideas with poor execution will forever remain just that, ideas

Doerr says the biggest lever in execution is goal setting - and by extension OKRs. It focuses our attention, establishes accountability, and highlights the activities that really drive progress

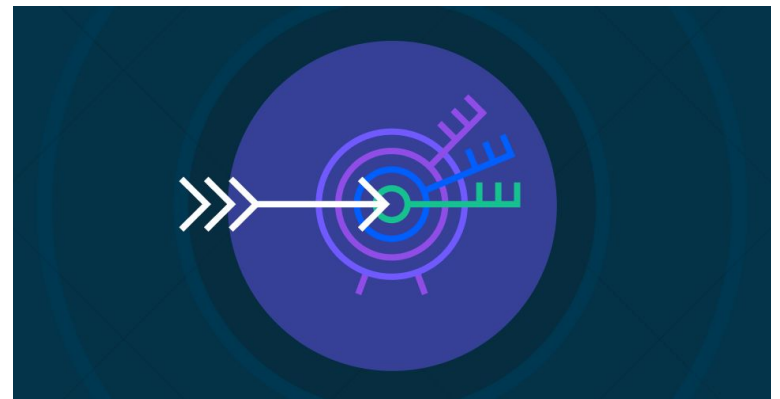
“When done right, goal setting is a very powerful tool,” Doerr told Betterworks. “Every team member in the company can link their goals to the corporate goals, knowing that their work is having a direct impact on the success of the company.”

Closing OKR's Process

When it comes to finishing OKRs, the process should be a team effort. Since everyone worked together to deliver the results, everyone should come together to see the results

Ideal process:

1. OKR Analysis
2. Continue or Complete
3. Look for insight/learnings
4. Celebrate the achievements



Tips for success

OKR's are frequently set, tracked & re-evaluated

- Follow through regularly
- Focus on top priorities
- Engage other in the progress



Some FAQ's

How long is an OKR Cycle ?

How many OKR in a Quarter?

What are the types of OKR's ?

How do I create OKR for something that is not measurable?

How long will it take to successfully implement OKR?

Who should be in charge of my OKR program?

How to cascade OKR Company to Teams?

What is the difference between OKR & MBO?

What is the difference between OKR & SMART Goals?

Is OKR Performance Management Tool?

Should OKR be tied up with Compensation?

What are some good OKR templates/tools to use?

Let us get going



Ordinary people can deliver extraordinary performance





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