



CSO *Collaborative*SM

Welcome!

**Say “hi” in chat and let us know where
you are dialing in from.**

*****Turn video on
***Stay muted, please. Raise hand & we will call on you.**

Last Week's Co-Host on Growth & Organizational Impact



Frank Scarpaci

Founder & President



Connect with Frank

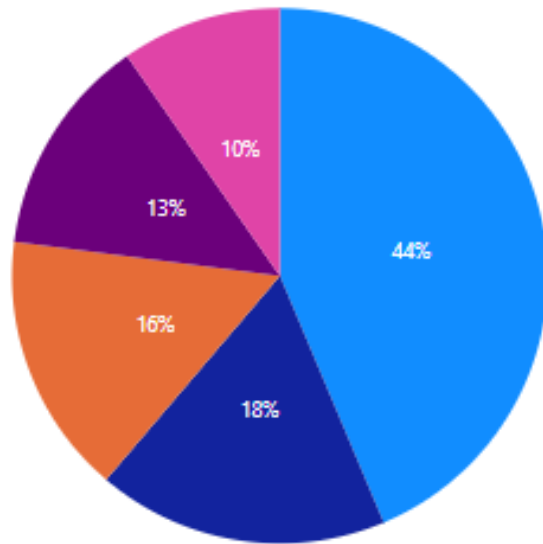
www.thevianovagroup.com

<https://www.linkedin.com/in/vianova/>

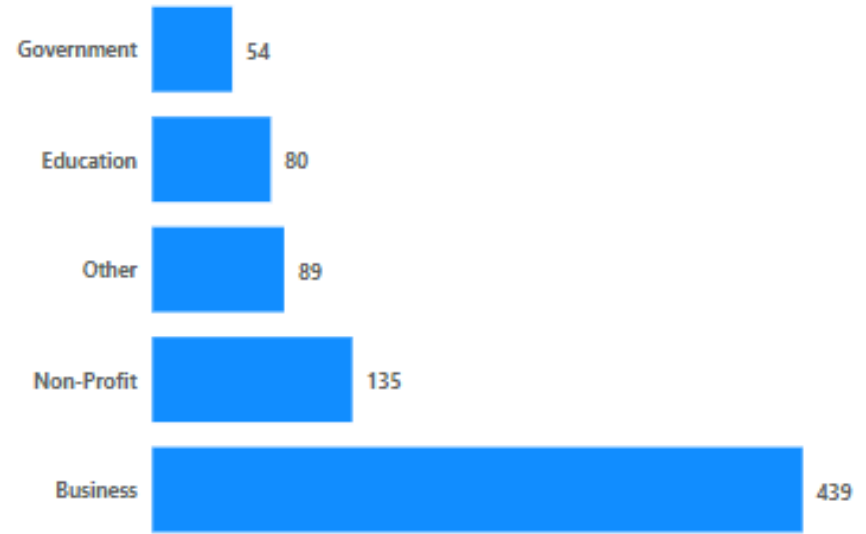
frank@thevianovagroup.com

A little background to understand your peers and their background!

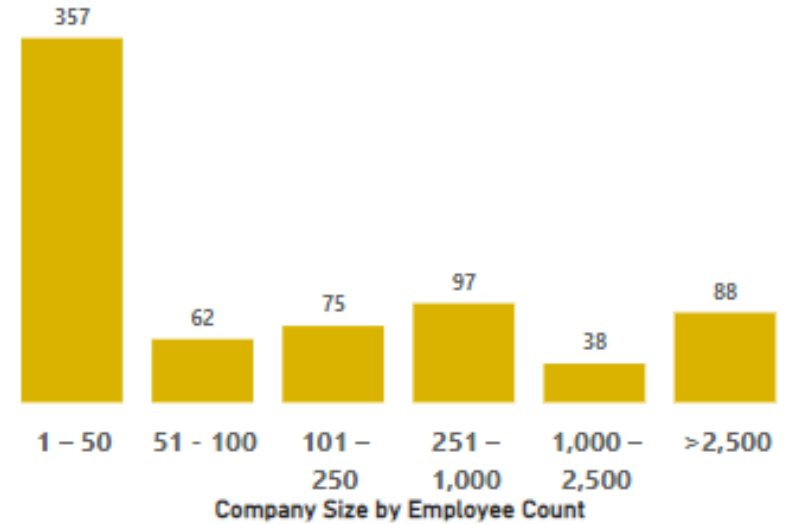
801



- Role In Strategy
- Executive Leader
 - Consultant practitioner working in strategy
 - Aspiring to be a strategy leader
 - None of the above
 - Newly appointed Leader



Organization Type



Company Size by Employee Count

Flow for Today

Annual Team Plan
using OKRs

01

OKRs – Brief Overview

Define and share the framework.

02

Using OKRs to Deploy Organizational Strategy

Overview & Concepts

03

Q&A

Wide open to ask your questions and also share your answers.

Today's expert on OKRs



Larry LaSalle

President



www.scaledokrs.com
www.linkedin.com/in/larry-lasalle
larry@scaledokrs.com

Larry's areas of expertise include, Enterprise Business Agility, The Balanced Scorecard Management System, Objectives & Key Results (OKRs), and Organizational Change Management. Larry has also developed the Innovation Measurement System (IMS), the Business Value Delivery (BVD) Framework, and the 5-Step OKR Cycle.

Larry partners with CEOs, CIOs, and other leaders in organizations to help develop strategies that improve business performance, strategic alignment, and operational effectiveness. This requires a deep understanding of how to structure an organization for optimum flow, how to establish strategic alignment from top to bottom, and how to build and develop a high performing workforce.

What are OKRs?



Defining Great Objectives

Objectives are the “Whats.”

- **Objectives are annual org-wide goals or outcomes.** They always express outcomes in a tangible, objective and unambiguous way. The successful achievement of an objective must provide clear value for the organization.
- Objectives should be both tangible and ambitious.

Questions to identify your objectives

- What do we want to achieve? What must we achieve?
- What do you want to accomplish, and why is it important?
- If others read the objective, will it inform their choices?



Defining Great Key Results

Key Results are “Hows” an objective is achieved.

- KR'S are the inputs to achieve the output - AKA the objective.
- A good KR is **outcome-oriented** and describes a deliverable OR a result, not activities.
- If your KR's include words like "maintain," "strive," "continue to," or "participate" these are activities, not outcomes.
- Answer the question – what business result or customer result will we deliver?
- KR's can be measured by a quantitative result (#, \$, %) **OR** by the verifiable completion of a deliverable or strategic project.
- Start each KR with an action verb and continue the sentence with a description of what will be delivered with evidence of completion. This evidence must be verifiable and accessible to relevant parties

*"With Key Results, this isn't meant to encompass everything that's happening but **only those things that make a truly meaningful difference.**"*

- John Doerr, author of Measure What Matters

OKR is a Framework

OKRs are New Ways of Working

OKRs are a **strategy and alignment framework** that seeks to ensure **organizational clarity** by creating an environment of **common goals and shared commitments**



Implement OKRs with the framework definition in mind



Strategy & Alignment Framework

- OKRs are intended to become a new way of working and aligning on **outcomes**
- Improved focus and alignment (at scale)
- Greater clarity on both the outcomes we are pursuing, and our own definition of what success looks like
- Helps inform decision making on priorities



Organizational Clarity

- OKRs align to the vision and strategy and provide clarity and purpose
- An established cadence of regular checkpoints provides rigor and discipline
- OKRs become the primary filter to ensure teams are working on the right work
- What we don't work on is as important as what we do work on



Common Goals & Shared Commitments

- OKRs are co-created with other groups, teams, and departments
- Cross-functional teams develop localized OKRs (authorship drives ownership)
- The OKR framework must be used to to maximize collaboration and alignment
- Inherent transparency of shared OKRs establishes alignment from top to bottom

*How do you use OKRs
to “deploy” your strategy”*

OKRs are...

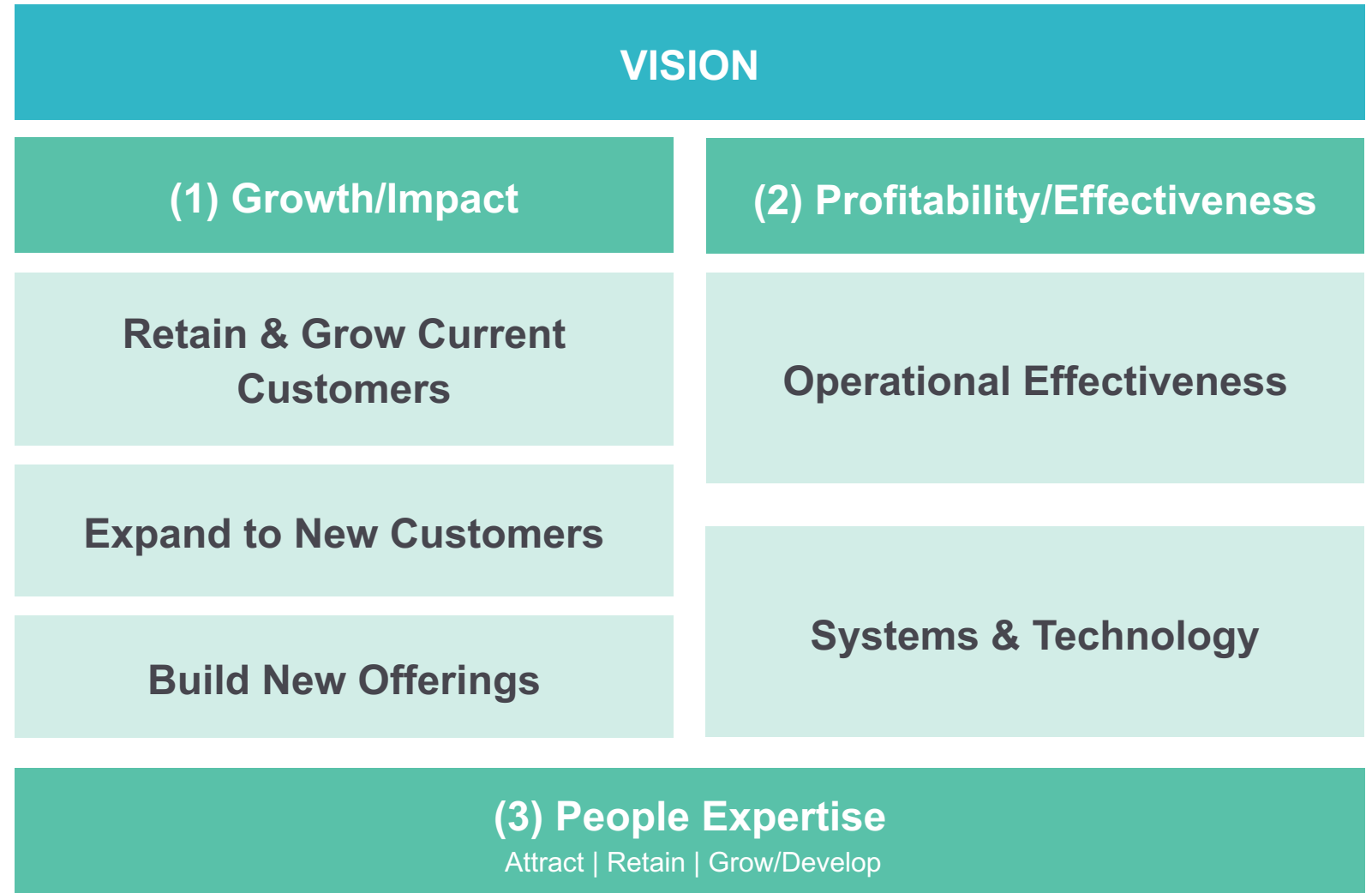
informed by:

*North Star + Strategic
Goals (Framework)*

+

3-year Roadmap

Classic Framework



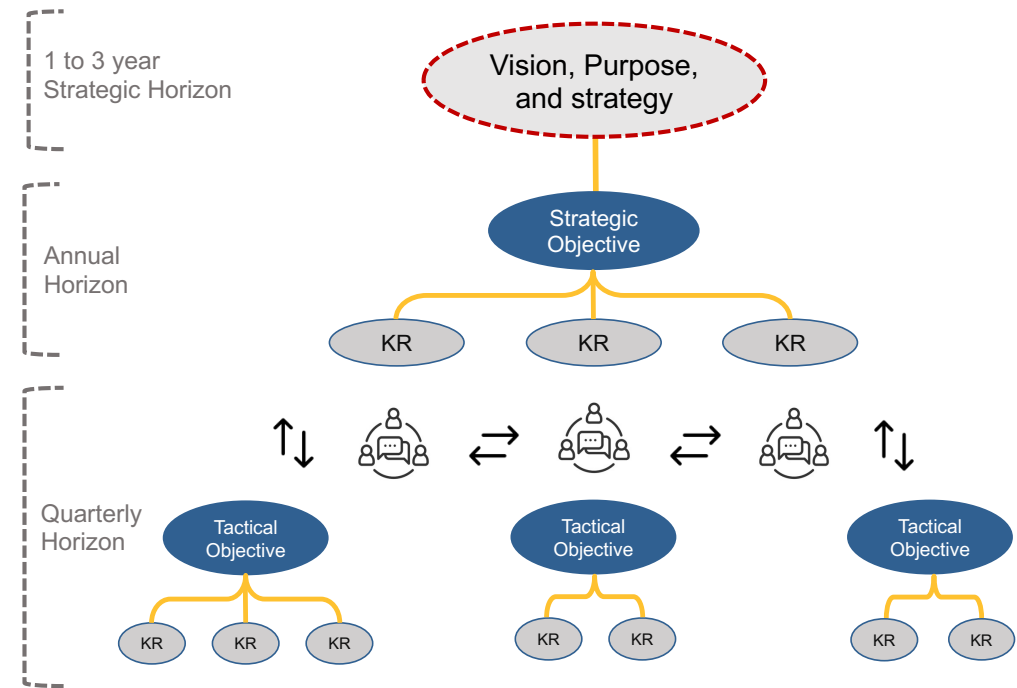
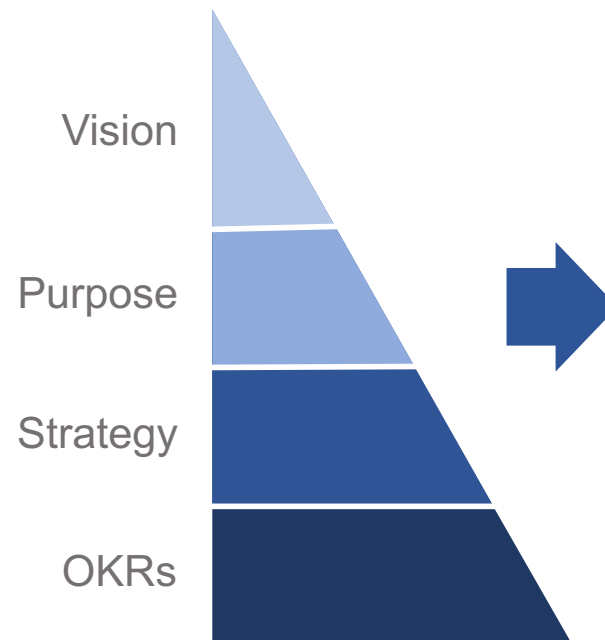
Milestone Roadmap

	Year 1	Year 2	Year 3
Retain & Grow Current Customers	1% churn reduction	1.5% churn reduction	1.8% churn reduction
Acquire New Customers	5% SQL increase	5% SQL increase	5% SQL increase
Build New Offerings	1 new product launch	2 new products	3 new products
Operational Effectiveness	\$350k/FTE	\$375K/FTE	\$400K/FTE
People Expertise	<10% staff turnover	<10% staff turnover	<10% staff turnover

Strategy Informed OKRs

Your 1 to 3-year strategy is an input to the creation of strategic OKRs

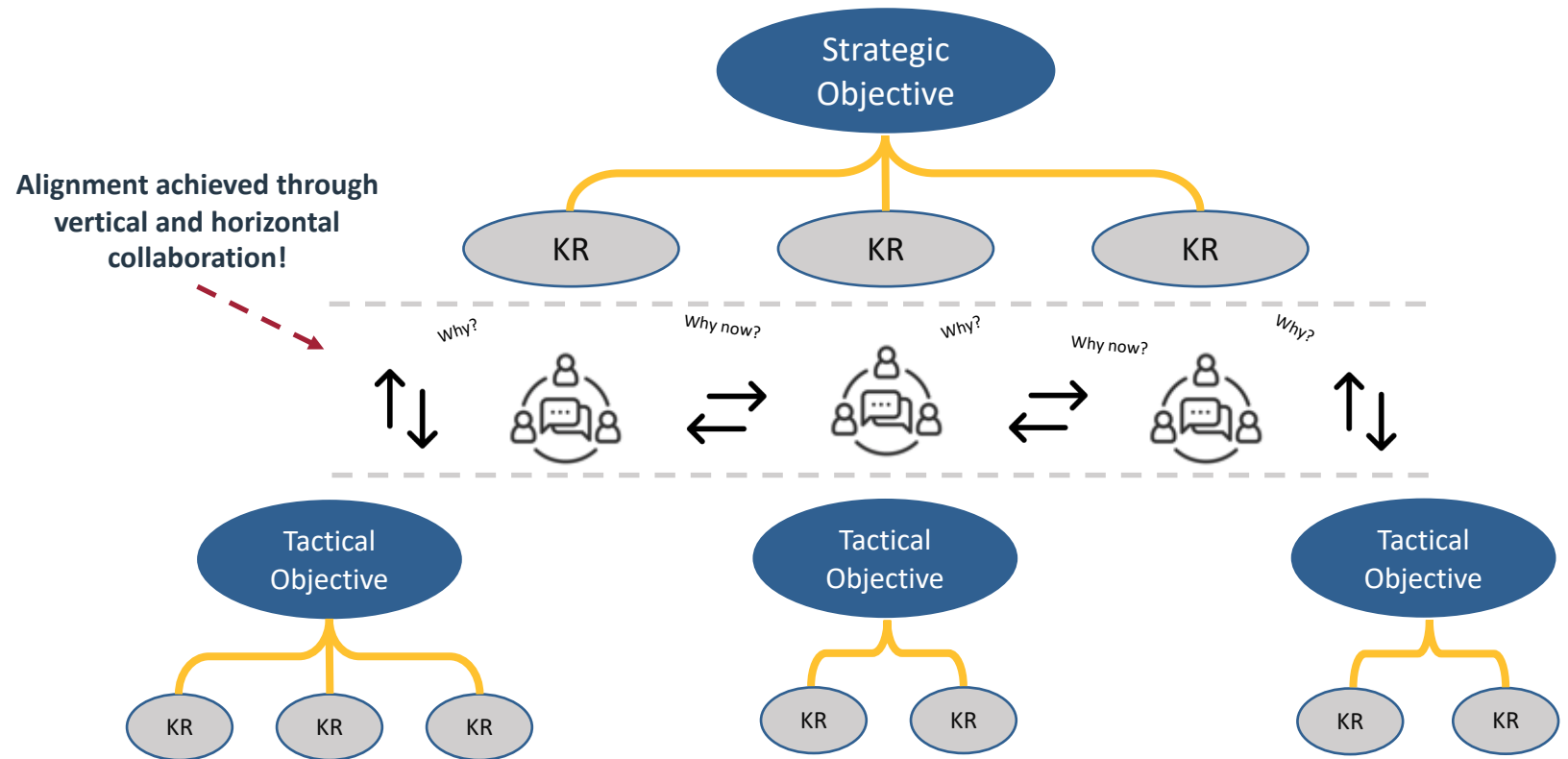
The North Star



Cascade OKRs

Have a conversation
about the “why.”

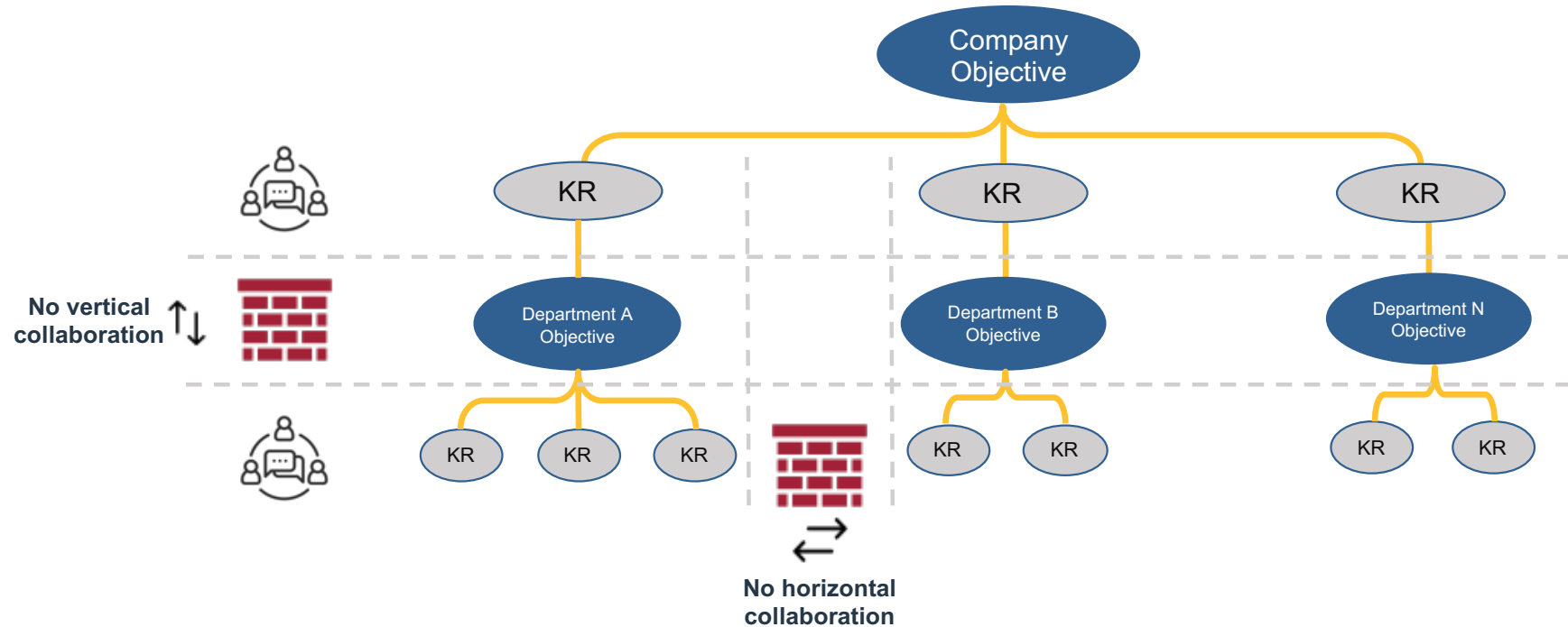
Vertical and horizontal alignment achieved with conversation and collaboration!



How to NOT Cascade OKRs

Anti-pattern 1:
Direct Connect

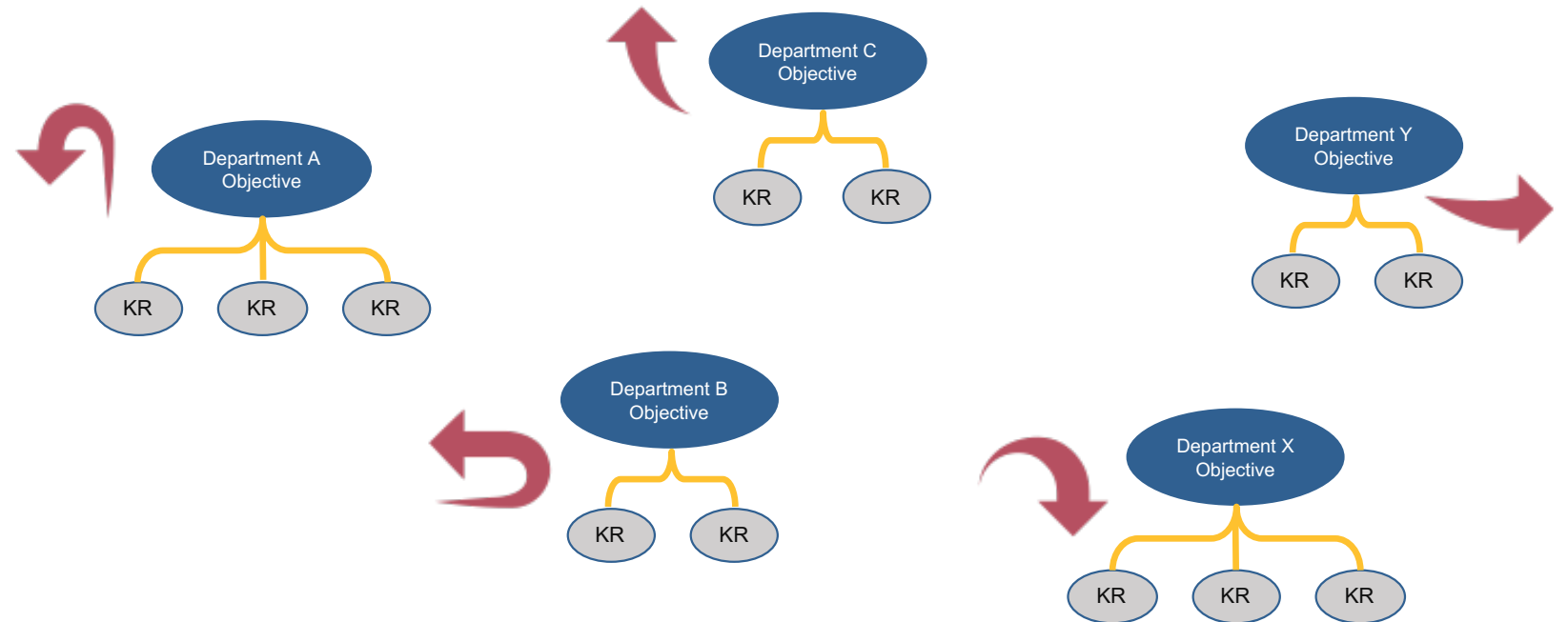
Higher level Key Result becomes the next level down Objective – not good!



How to NOT Cascade OKRs

Anti-pattern 1:
No connection

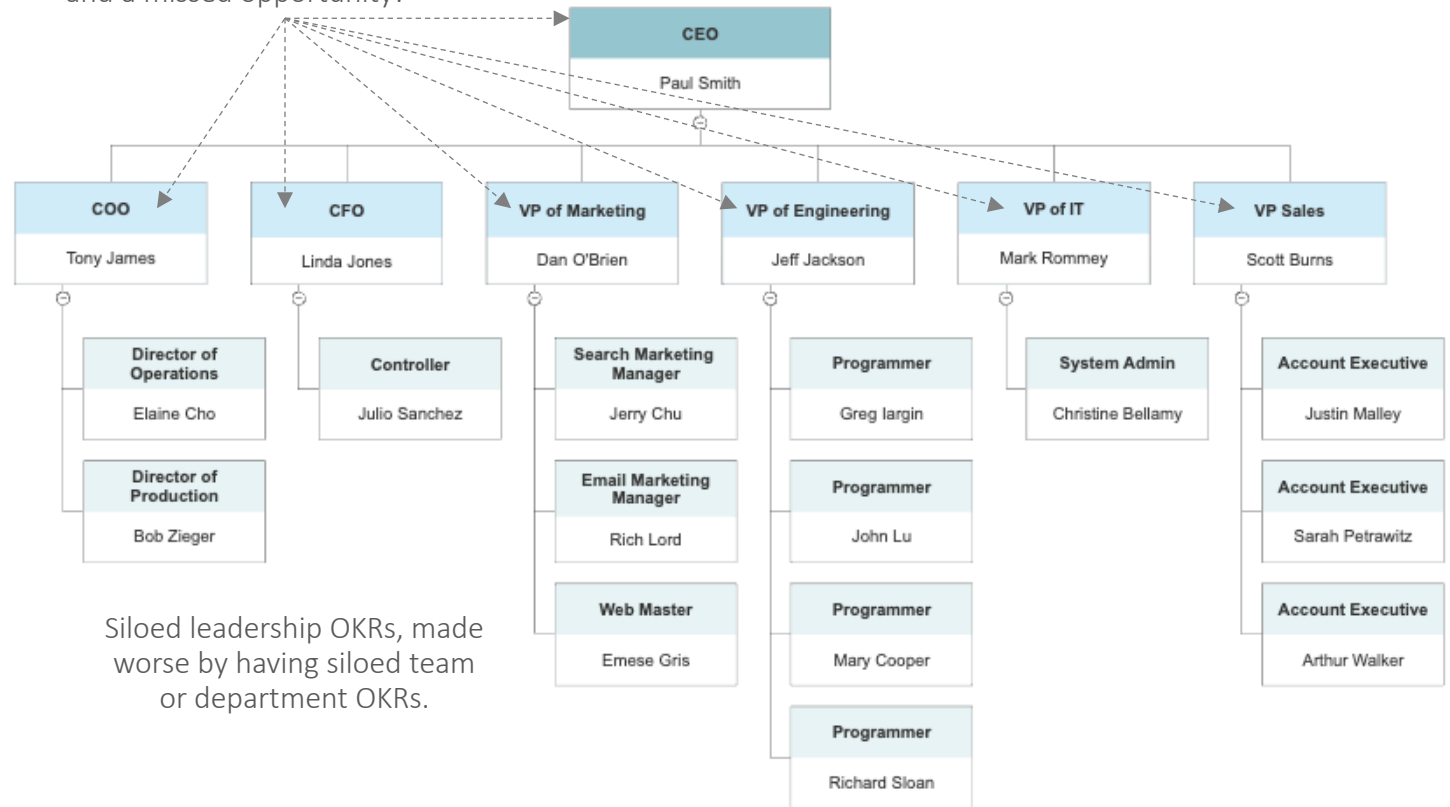
In this approach, teams are doing OKRs, but there is no alignment, resulting in teams moving in opposing directions. No North Star!



Magic of Shared OKRs

Creating an environment of common goals and shared commitments.

Leaders produce their own “siloed” OKRs. This is a mistake and a missed opportunity!

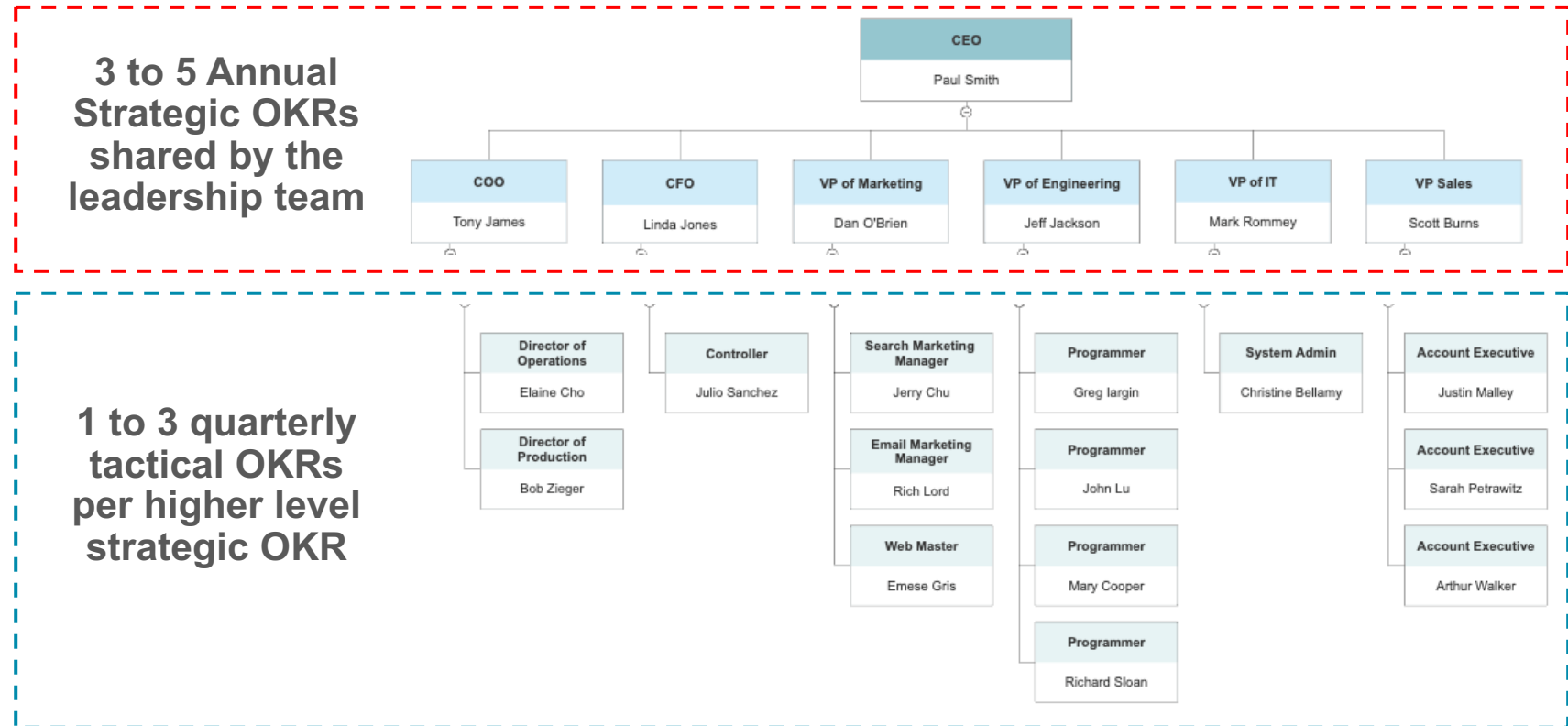


Most organizations mirror their org structure in their cascading model. This approach results in an exponentially higher number of OKRs and the OKRs are siloed to the departments and teams that own them. Alignment is difficult when dealing with **75 to 100+ OKRs - not good.**

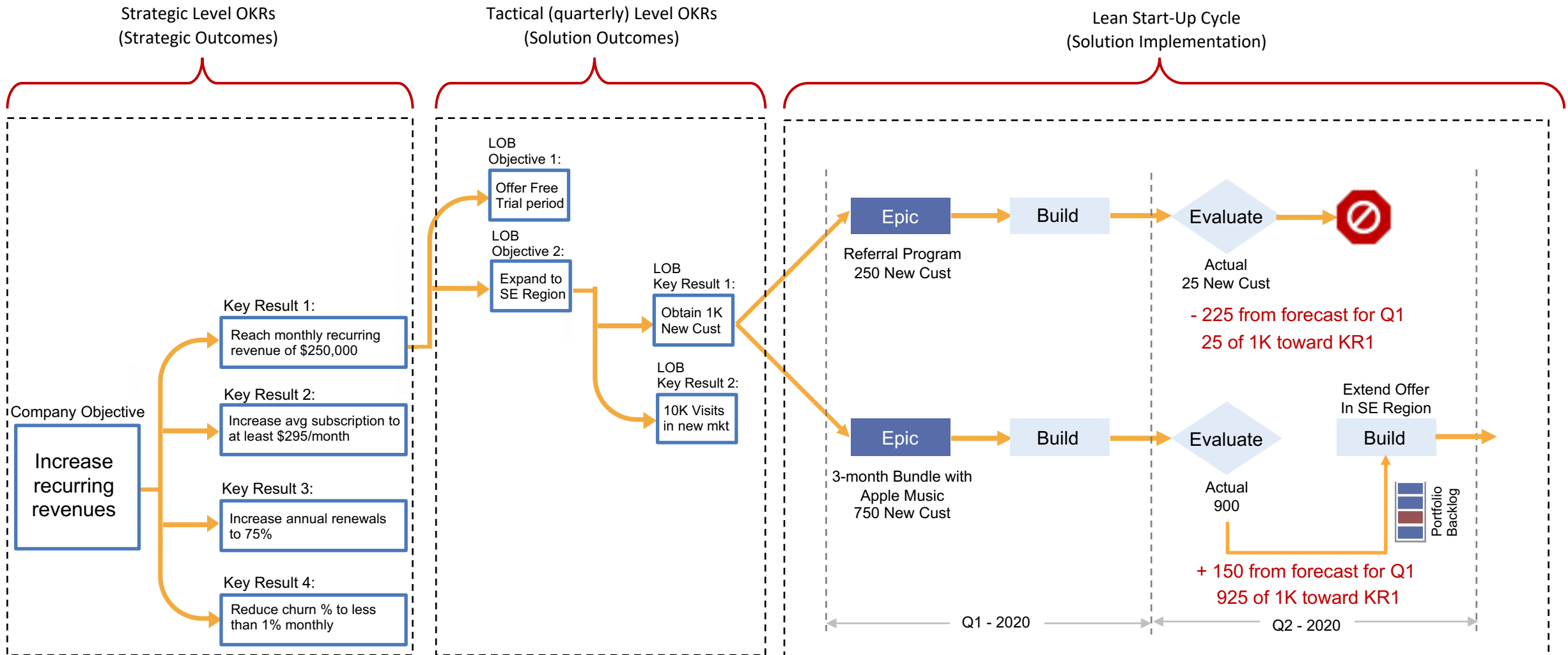
Magic of Shared OKRs

Creating an environment of common goals and shared commitments.

Same organization, with the intention to share their strategic and tactical OKRs, would produce at most 20 OKRs, but more like would produce 10 or 12.



Example



Follow the 5-Step OKR Cycle



Establish Strategic Clarity

Senior leaders establish top-line company OKRs. If you're setting OKRs for Q1, this is also the time to set your annual plan, which can help guide the direction of company.



Co-Create and Localize OKRs

Communicate company OKR to everyone! Based on the company's OKRs, teams develop their own OKRs and share them with each other.



Develop Action Plans

Once lower level OKRs are created, it's time to create vertical and horizontal action plans. This will require negotiation and coordination between and across teams.



Frequent Check-Ins & Scoring

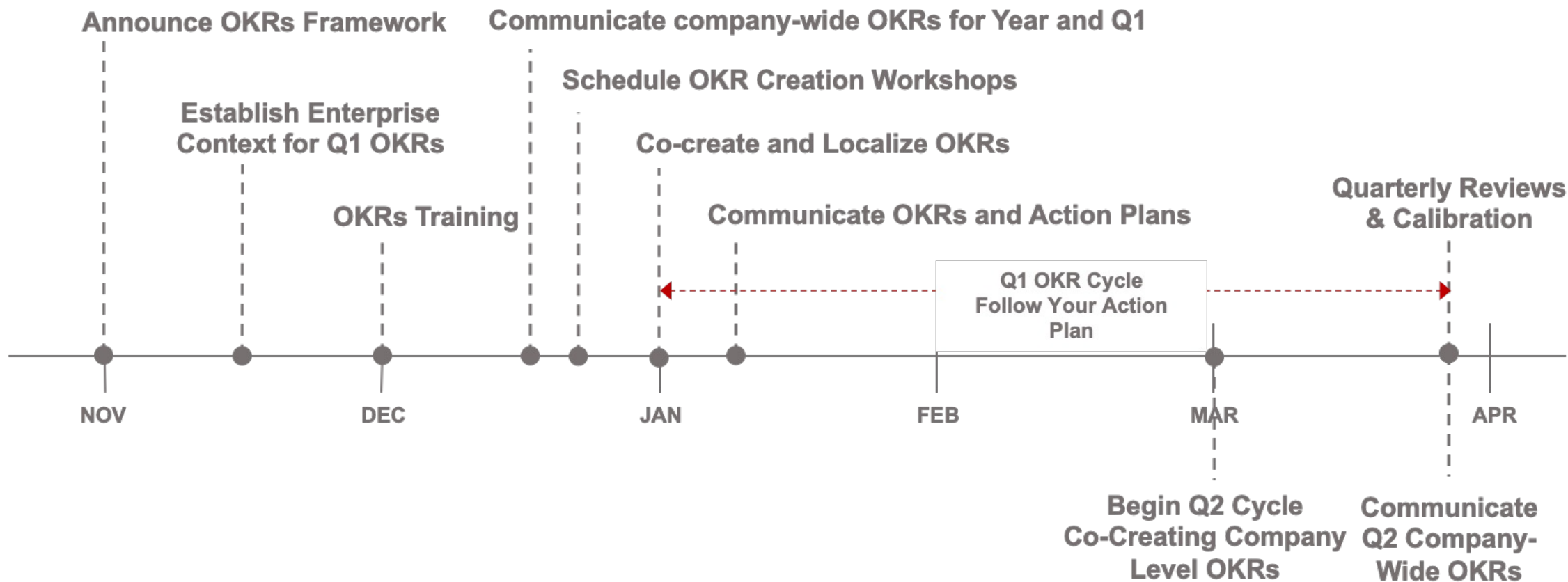
Throughout the quarter, employees measure and share their progress, checking in regularly within and across teams. Assessing and scoring on a monthly basis.



Quarterly Reviews & Calibration

At the end of the quarter, teams score their OKRs, perform a self-assessment, and retrospect on what they have accomplished. Results are shared company-wide.

OKR Cycle – Timeline Perspective



Closing Thoughts



OKRs Organize to Achieve Your Strategy

The purpose of the OKR framework is not to be a new way to set goals. The purpose of the OKR framework is to get your company organized and optimized for strategic agility.



Don't Work in the Constraint of Your Org Chart

Organizations are conditioned to working within the constraints of their org chart. That will work against you when you are working with OKRs.



Say No to Work that Isn't Aligned

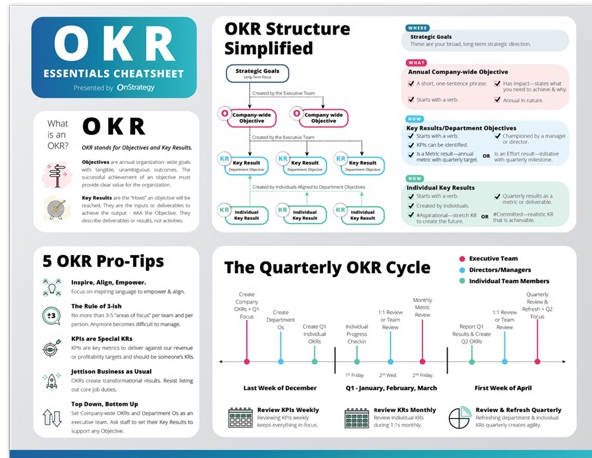
The OKR framework allows the ability to systematically and purposefully say no to work that is not strategically aligned.



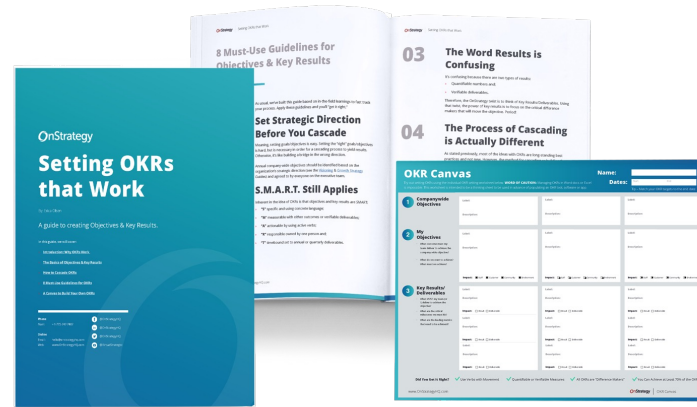
OKRs Create Agility

Done right, OKRs are Agile for executives and OKRs done right, will become the foundation for strategic agility, which is the only true competitive advantage there is.

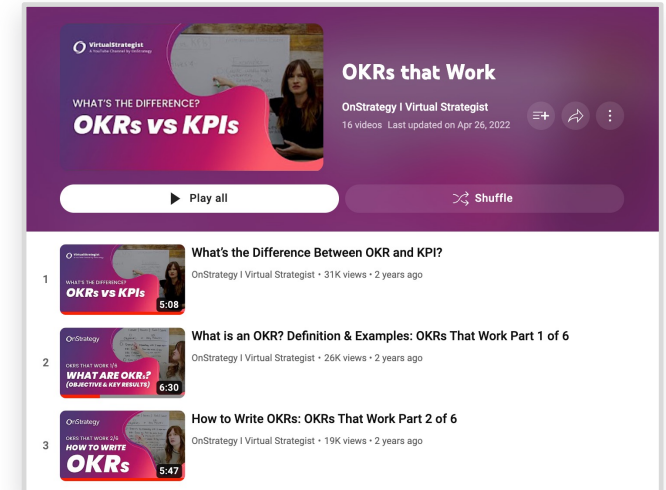
Additional OKR Assets



Download the Cheat Sheet



Download the Guide



Watch the Videos

CSO Collaborative Programming Calendar!

OKRs

Part II: How to do OKRs if you are not Google?

17th Thursday @ 8 a.m. PT
November 17, 2022

Where is this going?

December is dark

2023 is changing the game...
1st Thursday – January 5, 2023
3rd Thursday – January 19, 2023

Connect with us so we can highlight you on one of these upcoming calls.

Email collaborative@onstrategyhq.com

CSO Collaborative

Final thoughts



See you Thursday, Nov. 17 @ 8 a.m. PST

Be sure to reserve time on your calendars if you haven't already.



Expect today's content in your inbox

We'll email by tomorrow with links to resources we talked about.



Suggestion for topics? Feedback?

Drop us a line anytime – let us know what you think and what you'd like to tackle as a group.

collaborative@onstrategyhq.com

Objective	Key Result	Owner	Project Ideas (Show the company and the team how you'll get there)
O1: Our customers use and love being a Ramp customer	KR1: 40%+ of our ITC activated on Ramp (up from 19%)	Geoff	<ul style="list-style-type: none"> - Define ITC and have list of 1,500 - Ship key features blocking activation of committed potential customers
	KR2: Achieve 20% / 40% / 60% Share of Wallet (M1 / M2 / M3)	Charley	<ul style="list-style-type: none"> - Define share of wallet & sales activation playbook - Account management / Customer success performance management
	KR3: 100% of customer requests are acknowledged < 1h email & <5 mn chat/phone	Sophia	<ul style="list-style-type: none"> - Build IVR - Hire support staff - Improve self service
	KR4: 45% of customers would be very disappointed if Ramp disappeared (measured at end of quarter)	Geoff	<ul style="list-style-type: none"> - Rebrand - Physical card - Build key delightful features - Public reviews on our site
O2: We do not take risks that we do not understand, or have not priced	KR1: We have built a risk scoring system that automates 90% of decisioning on underwriting and limit setting (completed by 7/31/20)	Nik	<ul style="list-style-type: none"> - Risk Policy reviewed by expert - Risk Procedures - Risk Scoring System (assesses the probability of default of every Ramp customer) - Bank linking improvements (Tong)
	KR2: Build the risk and credit function by hiring a functional leader	[Eric]	<ul style="list-style-type: none"> - Define search - Close hire (seasoned, risk decisionmaker) by July 15
	KR3: Procedures dictated by the risk policy are taken and are closed within 2 business days, achieving a loss rate of less than 0.1%.	Sophia	<ul style="list-style-type: none"> - Risk tracking system implemented - Underwriting (approve/reject) is automated, manual review period defined - Collections procedures defined / followed
	KR4: Implemented solutions to eliminate controllable leakage	Tong	<ul style="list-style-type: none"> - Payment reconciliation (Ramp/Marqeta, Transaction Auth/Statement, Ramp/Customer payments) - Fraud controls implemented

***2nd Collab in Nov.
Examples + HOW TO!!!***

- ~~***(1) Deploy***~~
- ~~***(2) Operationalize***~~
- ~~***(3) Scale***~~

Implementing OKRs

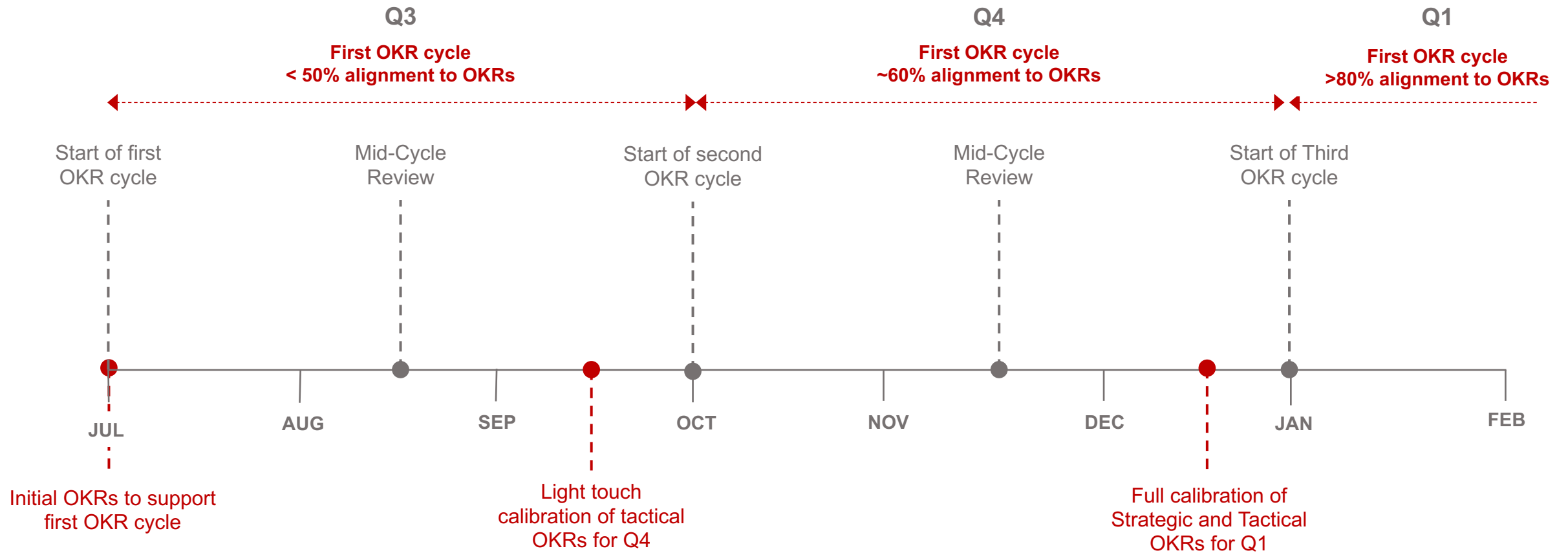
Follow the 10 universal deployment parameters

1. **Levels:** At what level will we set OKRs?—company, team, individual?
2. **OKRs #:** How many OKRs will we set?
3. **Scoring:** How will we score OKRs? How will we update progress?
4. **Timeframe:** How long is an OKRs cycle?
5. **Types:** What are the three types of key results?
6. **Publish:** Where will we draft, publish, and track OKRs? What templates do we use?
7. **Performance:** How will OKRs relate to performance reviews?
8. **KPIs vs KRs:** How OKRs are different from KPIs
9. **Alignment:** How will we ensure OKRs are aligned?
10. **Bottom-Up:** How will we ensure most OKRs originate “bottom-up”?

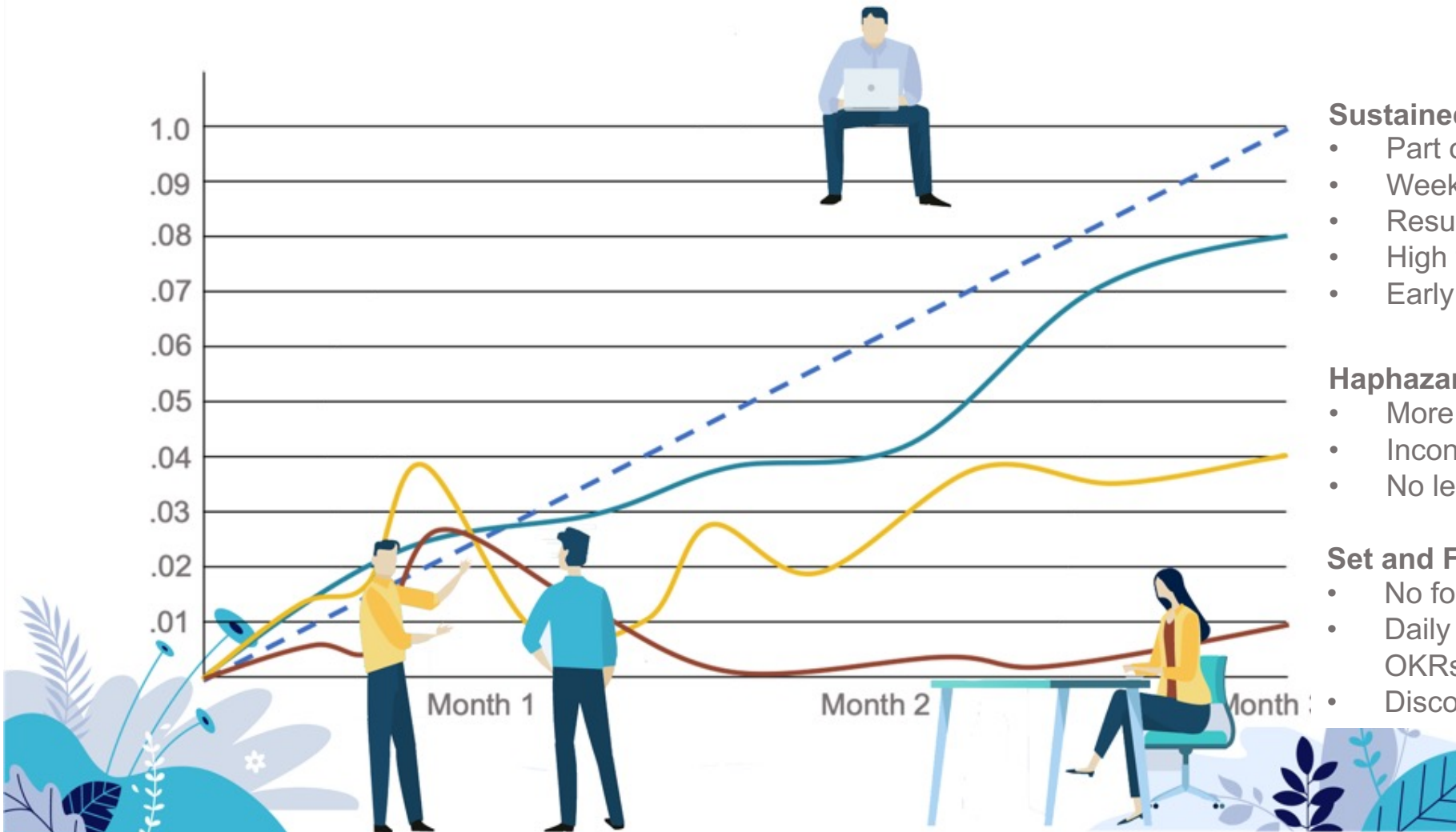
OKR Deployment Parameter Canvas

OKR Program Goals/Objectives			
At what levels will we set OKRs?	How many OKRs will we set?	How will we update progress and score our OKRs?	How long is our OKR cycle?
What types of Key Results will we capture (Metrics, Baselines, Milestones, etc)	Where will we create, publish and track our OKRs?	What is our plan for OKRs and performance reviews?	How will we differentiate OKRs from KPIs?
What steps will we take to ensure vertical and horizontal alignment of our OKRs?		How will we ensure our quarterly OKRs are co-created "bottoms-up"?	

Establish a quarterly delivery cadence



Possible outcomes of the OKR Cycle



Sustained Weekly Focus

- Part of leadership habit
- Weekly updates
- Results and action plans are top of mind
- High transparency
- Early risk detection and response

Haphazard Focus

- More of a distraction
- Inconsistent check-ins
- No leadership reinforcement

Set and Forget

- No focus and no action plans
- Daily work is out of alignment with OKRs
- Discouraged environment



Our Promise: Every session, you'll walk away with one thing you can use.

Always @ 8-9 a.m. PT

1st

1st Thursdays – Deep Dive

Featured Deep Dive: insight, perspectives, and real-world practices presented in collaboration with your peers. Ample time for Q&A will be provided.

3rd

3rd Thursdays – Workshop

Workshop a Topic: a powerful time to share, problem solve and workshop a topic with peers.