OKR
ESSENTIALS CHEAT SHEET
Presented by OnStrategy

What is an OKR?

O K R

OKR stands for Objective and Key Results.

Objectives are annual organization-wide goals with tangible, unambiguous outcomes. The successful achievement of an objective must provide clear value for the organization.

Key Results Key Results are the "hows" an Objective will be achieved. KRs are the inputs or deliverables to achieve the output (Objective). KRs describe deliverables or results, not activities.

OKR Structure Simplified

Strategic Goals
Long-Term Focus

Created by the Executive Team

O Company-wide Objective

O Company-wide Objective

Created by Department VPs, Refined by the Executive Team

KR Org-wide Key Results

KR Org-wide Key Results

KR Org-wide Key Results

Created by Individuals Aligned to Organization Key Results

KR Individual OKRs

KR Individual OKRs

KR Individual OKRS

WHERE

Strategic Goals
These are your broad, long-term strategic direction.

WHAT

Annual Organization-wide Objectives

- ☑ A short, one-sentence phrase.
- ☑ Has impact—states what you need to achieve & why.
- ☑ Starts with a verb.
- ☑ Annual in nature.

HOW

Organization-wide Key Results

- ☑ Starts with a verb.
- ☑ Championed by a manager or director.
- ☑ KPIs can be identified.
- ☑ Are Metric results: annual metric with quarterly target. **OR** Are Effort results: initiative with quarterly milestone.

HOW

Individual Objectives + Key Results

- ☑ Starts with a verb.
- ☑ Quarterly results as a metric or deliverable.
- ☑ Created by individuals.
- ☑ #Aspirational: stretch KR to create the future. **OR** #Committed: realistic KR that is achievable.

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5 OKR Tips

Inspire, Align, Empower.
Focus on inspiring language to empower & align.

±3 The Rule of 3-ish
No more than 3-5 "areas of focus" per team and per person. Anymore becomes difficult to manage.

KPIs are Special KRs
KPIs are key metrics to deliver against our revenue or profitability targets and should be someone's KRs.
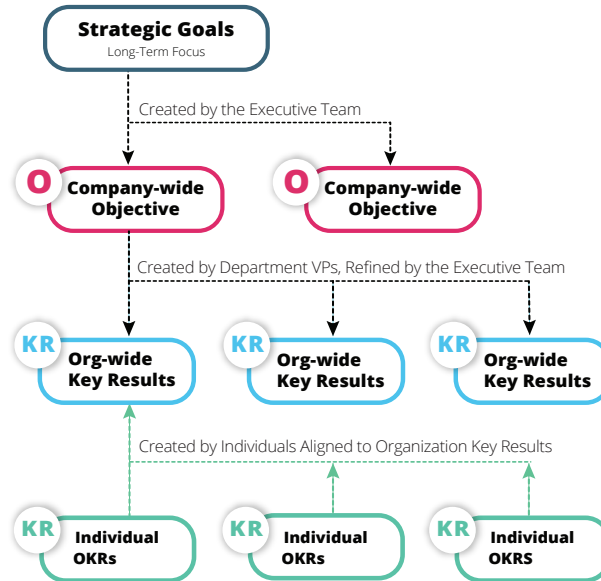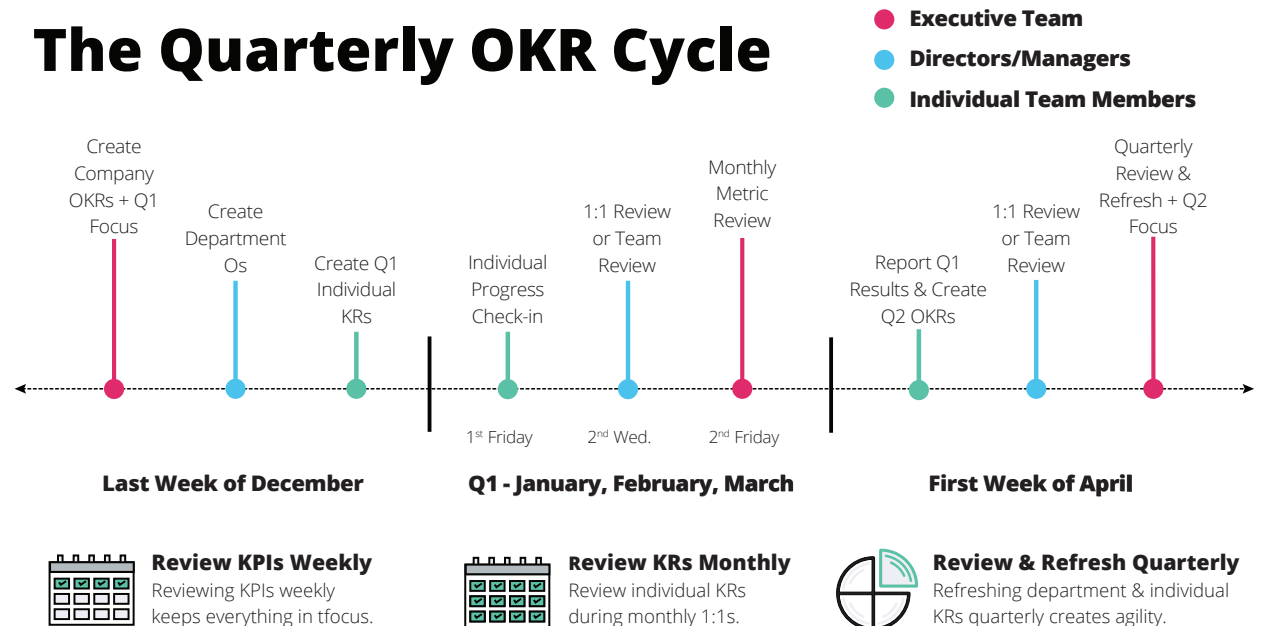
Jettison Business as Usual
OKRs create transformational results. Resist OKRs that list core job duties.

Top Down, Bottom Up
Set Company-wide OKRs and Department Os as an executive team. Ask staff to set their Key Results to support any Objective.

The Quarterly OKR Cycle

- ● Executive Team
- ● Directors/Managers
- ● Individual Team Members

Create Company OKRs + Q1 Focus

Create Department Os

Create Q1 Individual KRs

Individual Progress Check-in

1:1 Review or Team Review

Monthly Metric Review

Report Q1 Results & Create Q2 OKRs

1:1 Review or Team Review

Quarterly Review & Refresh + Q2 Focus

1st Friday   2nd Wed.   2nd Friday

Last Week of December   **Q1 - January, February, March**   **First Week of April**

Review KPIs Weekly
Reviewing KPIs weekly keeps everything in tfocus.

Review KRs Monthly
Review individual KRs during monthly 1:1s.

Review & Refresh Quarterly
Refreshing department & individual KRs quarterly creates agility.

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1 Set Up Your Aligned Company-wide OKRs

The first step is to set the Company-wide Objectives and identify the 3 to 5 high priority *annual* goals. Objectives should align to Strategic Goals. **Note: there are likely more than 3 company-wide Os.**

How: Planning workshops that generate Objectives

Who: Executive Team

Where: In **Mural** or **OnStrategy app.**

Planning Points: Identify company objectives from your high priorities, including the "must delivers" for the first or second half of the year. No more than 3 to 5.

Questions to identify your Objectives:

· What do we want to achieve? What must we achieve?

· If others read the objective, will it inform their choices?

2 Set Company-wide Key Results

The second step is to set the Company-wide Key Results.

Who: Executive Team

How: VPs or Directors populate Key Results after the Org-wide Os are created. Refine them with the whole Executive Team to gain alignment.

Where: In **Mural** or **OnStrategy app.**

Planning Points: Company-wide KRs are Department Os. KRs are annual with quarterly targets or quarterly deliverables. Identify which are #aspirational. All the rest are #committed.

Pro Tips on Developing Key Results

☑ KRs are the inputs to achieve the output, meaning Key Results are how you'll achieve an Objective.

☑ A good KR describes a deliverable *or* a result, not activities. If your KRs include words like "maintain," "strive," "continue to," or "participate" these are activities.

☑ Start each KR with an action verb and continue the sentence with a description of what will be delivered with evidence of completion.

3 Have Your Staff Create Aligned OKRs

The final step is to have individuals create quarterly OKRs aligned to Organization-wide Key Results).

How: Provide everyone a worksheet with Org-wide KRs to add 3 KRs.

OR Set up **Mural** posters with Os at the top and everyone adds their KRs.

OR Do it in the **OnStrategy app.**

Who: Staff members

Where: In **Mural** or **OnStrategy app.**

Planning Points: KRs are annual with quarterly targets or quarterly deliverables. Identify which are #aspirational. The remaining KRs are #committed.

Pro Tips on Developing Key Results:

☑ Team members should create their own Key Results and align them to the organization-wide KRs.

☑ Individual OKRS should be annual with quarterly targets, or quarterly deliverables. In either case, individual Key Results have quarterly focus and targets.

☑ Identify which are #aspirational, meaning it's a stretch result and creates the future. The remaining are #committed, meaning they are realistic and achievable.

☑ Start each KR with an action verb and continue the sentence with a description of what will be delivered with evidence of completion.

Example OKR Stacks

WHAT

Example Objective #1: Improve our sales performance across the whole team.

HOW

Organization Key Result: Maintain a sales pipeline of qualified leads valued at least $500K quarterly.

HOW

Individual Key Result: Increase close rate from 22% to 27% this quarter.

HOW

Individual Key Result: Increase scheduled calls per sales rep from 3 per week to 6 per week.

HOW

Individual Key Result: Grow average deal size from $10K to $12K.

WHAT

Example Objective #2: Support the sales team by bringing in as many qualified leads as possible.

HOW

Organization Key Result: Produce 3 new case studies targeting new customer segments.t.

HOW

Individual Key Result: Revise the standard sales deck and talk track to reflect updated products.

HOW

Individual Key Result: Double webform leads on case study pages this quarter.

HOW

Individual Key Result: Host 2 sales training sessions with our sales team this quarter.