



Setting OKRs that Work

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A guide to creating Objectives & Key Results.

In this guide, we will cover:

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- [How to Cascade OKRs](#)
- [8 Must-Use Guidelines for OKRs](#)
- [A Canvas to Build Your Own OKRs](#)

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Introduction

Why OKRs Work

OKRs are all the rage, made popular by Google, as a **methodology for goal setting and driving accountability throughout high-growth organizations**. The team at OnStrategy strongly resists management fads because they are distracting and confusing to teams at-large.

But, what we love about the OKR approach is that it wraps in the time-tested best practices of creating aligned, outcome-focused goals backed by quarterly reviews. The power of cascading objectives or goals throughout an organization is **connecting everyone on your team to your big, bold vision** AND everyone knows what is expected of them.

We just can't emphasize this enough because being connected - and staying connected - to a bigger purpose and bold direction inspires ownership and commitment that is self-directed. At a business level, it is a **key driver of employee engagement**. Tight labor markets demand that leaders use all tools available to attract and retain talent. Therefore, the practice of cascading goals or OKRs is a must.

Is OKR the Right Methodology for You?

The OKR methodology is not the right fit for all organizations and teams. Here are some considerations:

- » Are you **ready to engage all staff** or at least more than your executive team in organizational performance? OKRs are really built for broad engagement. For executive teams only, the methodology is too heavy.
- » Do you have a **clear strategic direction** that can be shared broadly? If not, wait until this is settled to move into this process.

- » **Do you have too many metrics?** Some organizations need to narrow the focus to the “difference makers”. OKRs are perfect for solving this problem.
- » Do you have a **team culture that is ready** to make commitments and manage to them? Culture fit is critical to the success of OKRs as a goal setting and management approach. You probably have a sense as to your team’s readiness. Trust your instinct and wait if the team is not ready.

The Basics of Objectives & Key Results

OKRs 101

The three-letter acronym - OKR - stands for Objectives and Key Results. OKRs consist of a list of 3-5 high level Objectives. Under each Objective there should be 3-5 measurable Key Results.

Objectives = Outcome. In some cases, this is measurable or is measured based on the performance of the Key Results/Deliverables.

Key Results =

- » **Performance Measures/KPIs** = Measured by quantifiable results (Improving the current).
- » **Strategic Initiatives** = Measured by deliverables (Creating the future).

What is Really Different about OKRs?

Company-wide goal setting and cascading is not new, as noted above. What is different about the OKR approach is:

- 1. The mindset of having staff set their own course of action.** Asking the team to create commitments about outcomes and deliverables that drive the company direction is what makes this process exciting and dynamic.
- 2. The built-in agility of managing performance quarterly.** While this idea is present in other processes, quarterly management and then re-setting the next quarter is powerful to connect individual action to company results.
- 3. The creation of OKRs creates alignment and transparency.** Everyone knows where the organization is going and how they contribute.

Defining Great Objectives

Objectives are the “what.” Objectives are annual company-wide goals or outcomes and quarterly team goals. They always express outcomes in a tangible, objective and unambiguous way. The successful achievement of an objective must provide clear value for the organization.

The WAY an objective is accomplished is through the implementation of the key results or deliverables. Objectives should be both tangible and ambitious.

Questions to identify your objectives:

- » What outcome must my team deliver to achieve the company-wide objective?
- » What do we want to achieve? What must we achieve?

Defining Great Key Results

Key Results/Deliverables are “how” an objective will be achieved. These are the inputs to achieve the output - AKA the objective. They must describe a deliverable OR a result, not activities.

If your KRs include words like “maintain,” “strive,” “continue to,” or “participate,” these are activities. Instead, 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. According to John Doerr, author of Measure What Matters, “With Key Results, this isn’t meant to encompass everything that’s happening but only those things that make a truly meaningful difference.”

Questions to identify your key results:

- » What MUST my team (or I) deliver to achieve the objective?
- » What are the critical milestones we must hit?
- » What are the leading metrics that need to be achieved?

Cascading that Works

Cascading can be confusing and difficult. Our team would strongly advise using the below as a guide, but don't feel like you have to build a linear cascade. What matters is the alignment between the company and teams, and the team to the individual.

Below is an example of one company-wide OKR:

O: Diversify by expanding into three new markets.

- » **KR1:** Customize the highest margin offering to be market and language-relevant.
- » **KR2:** Grow revenue from new markets from 0-10% by the end of the planning period.
- » **KR3:** Complete the contracts with one in-market partner per market.

Here is how a VP of Marketing might convert a key result into its own OKR:

O: Grow revenue from new markets 0-10% by the end of the planning period.

- » **KR1:** Hire two new associates with language specialization.
- » **KR2:** Launch outbound sales campaign.
- » **KR3:** Increase pipeline 5% month-over-month.

Further, how a marketing manager might make one of the key results into an OKR:

O: Increase pipeline 5% month-over-month.

- » **KR1:** Engage all qualified leads weekly.
- » **KR2:** Farm one new lead list monthly.

8 Must-Use Guidelines for Objectives & Key Results

As usual, we've built this guide based on in-the-field learnings to fast track your process. Apply these guidelines and you'll "get it right."

01

Set Strategic Direction Before You Cascade

Meaning, setting goals/objectives is easy. Setting the "right" goals/objectives is hard, but is necessary in order for a cascading process to yield results. Otherwise, it's like building a bridge in the wrong direction.

Annual company-wide objectives should be identified based on the organization's strategic direction (see the [Visioning & Growth Strategy Guides](#)) and agreed to by everyone on the executive team.

02

S.M.A.R.T. Still Applies

Inherent in the idea of OKRs is that objectives and key results are SMART:

- » **"S"** specific and using concrete language;
- » **"M"** measurable with either outcomes or verifiable deliverables;
- » **"A"** actionable by using active verbs;
- » **"R"** responsible owned by one person and;
- » **"T"** timebound set to annual or quarterly deliverables.

03

The Word Results is Confusing

It's confusing because there are two types of results:

- » Quantifiable numbers and;
- » Verifiable deliverables.

Therefore, the OnStrategy twist is to think of Key Results/Deliverables. Using that twist, the power of key results is to focus on the critical difference makers that will move the objective. Period!

04

The Process of Cascading is Actually Different

As stated previously, most of the ideas with OKRs are long-standing best practices and not new. However, the method for cascading or building the objectives/goals from one layer to the next is different.

Instead of "passing down" accountabilities, the idea is to reverse the thinking and ask for individuals to make commitments that line up with company-wide objectives.

05

Think Quarterly Instead of Annually

We mean specifically at the team level! We've been preaching the importance of driving agility into management practices through a quarterly cadence of accountability. At the level below company-wide objectives, plan and manage in quarterly increments.

06

Don't Introduce New Language

If you have an existing process in place that uses different planning terms, there is no need to change and confuse your team. It's okay to not use the OKR terms.

07

Limit Each Person to Three OKRs

Keeping your team focused is the name of the game. Three or fewer OKRs is the key to keeping this process manageable and enabling effective execution at an individual level.

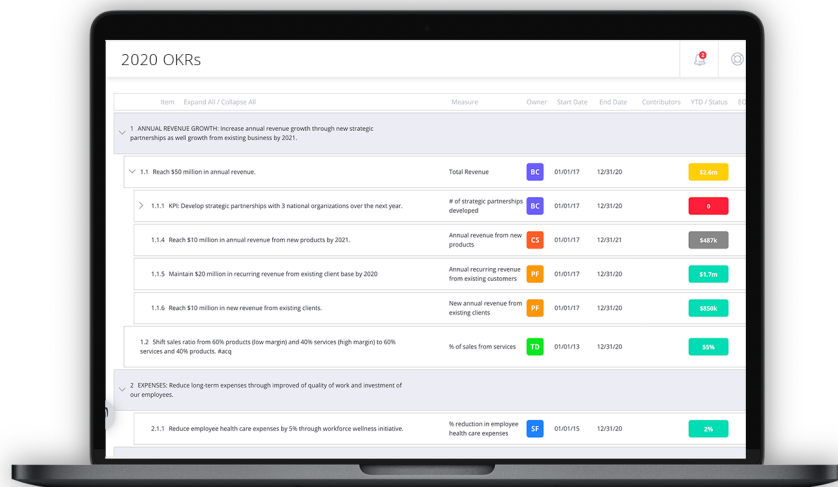
08

Keep the Process Lightweight & Consistent

Set up an easy-to-use tool (see more about the OS App below), determine the cadence for managing and reporting, then stick to the process. Focus more on the conversation and less on the administration.

Using the OnStrategy App to Manage OKRs

The OnStrategy App for OKR Management



The OnStrategy Team built our application to holistically and easily manage organizational, team and individual performance. You can easily:

- » See a quick view of your team's performance.
- » Collect performance updates in 15 minutes or less.
- » See company-wide performance and pre-built dashboard to run quarterly reviews.
- » Everyone sees how they contribute to the bigger picture.
- » Quickly refresh and reset OKRs quarterly.

[Click here to talk to a Senior Strategist to look under the hood!](#)

OKR Canvas

Try out setting OKRs using the individual OKR setting worksheet below. **WORD OF CAUTION:** Managing OKRs in Word docs or Excel is impossible. This worksheet is intended to be a thinking sheet to be used in advance of populating an OKR tool, software or app.

Name:

Dates:

Tip – Match your OKR targets to the end date.

1 Organization Strategic Goals

Label:

Description:

Label:

Description:

Label:

Description:

2 Organization Objectives

- What outcome must my team deliver to achieve the company-wide objective?
- What do we want to achieve?
What must we achieve?

Label:

Description:

Impact: Staff Customer Community Environment

Label:

Description:

Impact: Staff Customer Community Environment

Label:

Description:

Impact: Staff Customer Community Environment

3 Key Results/Deliverables

- What MUST my team (or I) deliver to achieve the objective?
- What are the critical milestones we must hit?
- What are the leading metrics that need to be achieved?

Label:

Description:

Impact: Result Deliverable

Label:

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Impact: Result Deliverable

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Impact: Result Deliverable

Did You Get it Right?



Use Verbs with Movement



Quantifiable or Verifiable Measures



All OKRs are "Difference Makers"



You Can Achieve at Least 70% of the OKRs



Need help building your OKRs? Reach out to learn how a senior strategy expert can help!

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