

The Framework for Radical Focus

Why We Can't Get Things Done

We all have things we want. Maybe it's a trip to Thailand or to go back to school. Yet year after year passes and that goal is still only a goal, and not a reality.

If you are a CEO or a manager, you want things for your company. You want to move into that new market, or figure out mobile, or build a competency in an area you are weak, such as design or customer service. Yet even in the most successful companies, the thing we have determined must happen, often doesn't.

Why is this? If it is important, then why doesn't it happen? I believe there are five reasons.

One: We haven't prioritized our goals.

There is an old saying, "If everything is important, nothing is important." Too often we have many competing goals that all seem equally important. And they may *feel* equally important, but if I asked you to stack rank them instead of choose between them, you could probably put them in order of importance. Once you've prioritized them, choosing to work on them one at a time has a much higher incidence of success.

It's the same with a company, only worse. With so many people running around, you are sure you can get many goals to move forward. But the reality is, running a company takes work all by itself. Each day people are running hard to stay in place: fulfilling orders, stroking customers, minding hardware. Add to that the background noise of a half dozen goals, and you assure very little beyond the bare necessities will happen.

By setting a single Objective with only three Key Results to measure it, you can provide the kind of focus needed to achieve great things despite life's little distractions.

Two: We haven't communicated the goal obsessively and comprehensively.

"When you are tired of saying it, people are starting to hear it" – Jeff Weiner, CEO of LinkedIn

Once you have picked the goal you want your team to focus on, you have to reiterate it daily. But it's not enough to talk about it, you must weave reminders into every aspect of the company life. Progress toward the goal must be marked in status meetings and weekly status emails. Projects must be evaluated against the goal. To set a goal and then ignore it is an easy recipe for failure.

By continually repeating the goal every Monday in the commitment meetings, in the weekly status emails and in the Friday wins celebrations, we assure that the goal is in the front of everyone's mind and tied to all activities.

Three: We don't have a plan to get things done.

Once we know the one thing we must make happen, we think willpower is enough. Just Do It, right? Wrong.

When people want to lose weight, they do better with Weight Watchers than willpower. When people want to get fit, they do better with personal trainers than willpower. That's because willpower is a finite resource. This was shown in a famous 1996 study by Roy Baumeister, in which subjects forbidden to eat a bowl of radishes were able to work twice as long on unsolvable math problems than those who had been forbidden to eat freshly baked chocolate cookies. (I also learned that it doesn't take much willpower to skip eating radishes.) After a long day of not quitting your job, killing your coworkers or hitting Reply All on that email chain, trying to turn down a slice of birthday cake is beyond anyone's will.

You need a process that helps you make sense of the work you need to do, and keeps you on track even when you are tired. The process reminds you what to do, even when you don't feel like doing it. The original OKR system was just a way to set smart stretch goals. But the system around it—commitment, celebrations, check ins—makes sure you continue to make progress toward your goals even when you feel more like eating a cookie.

Four: We haven't made time for what matters.

"What is important is seldom urgent, and what is urgent is seldom important." – Dwight Eisenhower

The Eisenhower Box is a common time management tool. Most

people focus on the lower right, where you stop doing what is unimportant and not urgent. But how many people take the upper left seriously and schedule what *must* be done? Urgent things get done, both important and unimportant, because we feel keenly the pressure of time. Unless we bring that pressure to other important things, they will continue living in the land of tomorrow. And because we live in the land of today, we never do them. Block out time to do what matters.

There is nothing as invigorating as a deadline. By committing every Monday to work toward the Objective, you assure you'll be held accountable to progress.

Five: We give up instead of iterate.

"Happy families are all alike; every unhappy family is unhappy in its own way." – Leo Tolstoy

When I work with clients to implement OKRs, I give them a warning: you will fail the first time. They do all fail, but they all fail in their own special way.

Maybe a company will find they have sandbaggers, and they manage to make all their Key Results in the first try, because no one ever sets hard goals. This is a company that is afraid to fail, and has never learned what a stretch goal really is. The next cycle, they have to push themselves farther.

Maybe a company is the opposite, and no one makes their Key Results, because they are constantly over-promising and under-delivering. This is a company lying to itself. It needs to learn what it is actually capable of.

The most common fail is no follow-through. I've seen any number of companies set OKRs, then ignore them the rest of the quarter. When the last week of the quarter shows up, they seem surprised when no progress has been made.

However, the successful ones all have the same characteristic: they try again. The only hope for success is iteration. This does not mean blindly trying the same thing over and over again. I believe that is the definition of insanity. Instead, you track closely what works, and what does not, and you do more of what works and less of what doesn't. The heart of success is learning.

A Path to Success

It's not complicated. It's merely hard. Very hard. You have to pick what goal matters most, and not be greedy and unrealistic and try to do everything. You have to get clear in your mind and your message, then communicate it out over and over until everyone is on the same page. You have to dedicate time to accomplishing the goal, instead of endless hoping for a tomorrow that never comes. You have to have a plan that will keep you moving forward, even when you are tired and disheartened. And you have to be ready for failure, ready to learn and ready to try again.

453 Highlighters
We start our journey to our dreams by wanting, but we arrive by focusing, planning and learning.

Before Starting OKRs, Check Your Mission

Most startups resist creating a company mission. It seems like an exercise in big company propaganda, and not something Lean and Agile folks should be fiddling around with. But this is a misconception. Almost all startups start with a mission, even if they haven't written it down.

If you think that you create a startup to make money, you are misinformed. Ninety percent of startups fail, according to a recent study by Allmand Law. If it's a payout you want, it's a much safer proposition to join a Wall Street consulting firm. But if you want to change the world — an already ridiculous goal — you can do worse than starting a company to do it. Which means you think the world needs changing. Which means you probably have a mission in your back pocket.

It probably started with the founders saying, "If only students could figure out which teachers are actually good," or "I wish there was an easier way to share videos with my parents in Poland," or "I wish I could get decent tea at my favorite café." Then a little poking around led to the realization there was a market who wanted the same problem solved. Finally, that leads to a mission, "Know who knows how to make you know," or "Connecting far flung families through easily shared memories," or "Bringing great tea to people who love it." They don't have to be great works of poetry. They do have to be simple, memorable and act as guide when you make a decision about how to spend your time.

A good mission is short enough everyone in the company can

keep it in their head. Great missions are inspirational, yet directed. Google's is so powerful that even non-Googler's know it: "To organize the world's information and make it universally accessible and useful."

Amazon's is: "To be Earth's most customer-centric company, where customers can find and discover anything they might want to buy online, and endeavors to offer its customers the lowest possible prices," which, even if you forget the rest, you can remember the first part about being customer centric. Zynga's is the simple: "Connecting the world through games." And if you get a coffee at Philz, you can ask anyone there and they'll tell you their mission is to: "better people's day."

Your mission is short and memorable. When you have a question in your daily work life, the mission should be top of mind to help you answer.

To make one, start with this simple formula:

We [reduce pain/improve life] in [market] by [value proposition].

Then refine. As you can see from some of the shorter missions above, just value proposition can be enough.

Now I know you may change markets, or add a business model as you go along, but try to make a mission that can hold you for at least five years. In many ways, a mission and an Objective in the OKR model have a lot in common; they are aspirational and memorable. The key difference is time scale. An Objective takes you through a year or a quarter. A mission should last a lot longer.

A mission keeps you on the rails. The OKRs provide focus and milestones.^{246 Highlighter} Using OKRs without a mission is like using jet fuel without a jet. It's messy, undirected and potentially destructive. Once you have a mission, selecting each quarter's Objectives is straightforward. You are no longer faced with a crazy world of possibilities. You can have a conversation about what will move the mission forward. You can fight about sequencing. But once the dust has settled, you can pick the one big bold thing you will do because you know where you are going.

OKR Fundamentals

The OKR approach to setting goals has been used at Google, Zynga,

General Assembly and beyond, and is spreading like wildfire across successful Silicon Valley companies. The companies that have adopted the approach are growing like weeds.

OKR stands for **Objectives** and **Key Results**. The form of the OKR has been more or less standardized. The Objective is qualitative, and the KR^{209 Highlighter}s (most often three) are quantitative. They are used to focus a group or individual around a bold goal. The Objective establishes a goal for a set period of time, usually a quarter. The Key Results tell you if the Objective has been met by the end of the time.

Your **Objective** is a single sentence that is:

• Qualitative and Inspirational

The Objective is designed to get people jumping out of bed in the morning with excitement. And while CEOs and VCs may jump out of bed in the morning with joy over a 3% gain in conversion, most mere mortals get excited by a sense of meaning and progress. Use the language of your team. If they want to use slang and say "pwn it" or "kill it," use that wording.

• Time Bound

For example, doable in a month, a quarter. You want it to be a clear sprint toward a goal. If it takes a year, your Objective may be a strategy or maybe even a mission.

• Actionable by the Team Independently

This is less a problem for startups, but bigger companies often struggle because of interdependence. Your Objective has to be truly yours, and you can't have the excuse of "Marketing didn't market it."

An Objective is like a mission statement, only for a shorter period of time. A great Objective inspires the team, is hard (but not impossible) to do in a set time frame, and can be done by the person or people who have set it, independently.

Here are some good Objectives:

- Pwn the direct-to-business coffee retail market in the South Bay.
- Launch an awesome MVP.
- Transform Palo Alto's coupon using habits.

• Close a round that lets us kill it next quarter.
and some poor Objectives:

- Sales numbers up 30%.
- Double users.
- Raise a Series B of 5M.

Why are those bad Objectives bad? Probably because they are actually Key Results.

Key Results

Key Results take all that inspirational language and quantify it. You create them by asking a simple question, "How would we know if we met our Objective?" This causes you to define what you mean by "awesome," "kill it," or "pwn." Typically you have three Key Results. Key Results can be based on anything you can measure, including:

- Growth
- Engagement
- Revenue
- Performance
- Quality

That last one can throw people. It seems hard to measure quality. But with tools like NPS, it can be done. (NPS = Net Promoter Score, a number based on customer's willingness to recommend a given product to friends and family. See HBR's "The Only Number You Need to Grow" Harvard Business Review, December 2003.)

If you select your KR^{348 Highlighter}s wisely, you can balance forces like growth and performance, or revenue and quality, by making sure you have the potentially opposing forces represented.

"Launch an Awesome MVP" might have KR^s of:

- 40% of users come back 2X in one week
- Recommendation score of 8
- 15% conversion

Notice how hard those are?

KRs Should Be Difficult, Not Impossible

OKRs are always stretch goals. A great way to do this is to set a confidence level of five of ten on the OKR. By confidence level of five out of ten, I mean "I have confidence I only have a 50/50 shot of making this goal." A confidence level of one means "never gonna happen, my friend." A confidence level of ten means "yeah, gonna nail this one." It also means you are setting your goals way too low, which is often called sandbagging. In companies where failure is punished, employees quickly learn not to try. If you want to achieve great things, you have to find a way to make it safe to reach further than anyone has before.

As you set the KR, you are looking for the sweet spot where you are pushing yourself and your team to do bigger things, yet not making it impossible. I think that sweet spot is when you have a 50/50 shot of failing.

Take a look at your KR^s. If you are getting a funny little feeling in the pit of your stomach saying, "We are really going to have to all bring our A game to hit these..." then you are probably setting them correctly. If you look at them and think "we're doomed," you've set them too hard. If you look them and think, "I can do that with some hard work," they are too easy.

What Makes OKRs Work?

OKRs Cascade

The company should set an OKR, and then each department should determine how *their* OKR leads to the company's successful OKR. A team can focus their OKR on a single Key Result or try to support the entire set. For example, Engineering might decide satisfaction is tightly connected with speed (and they'd be right.) So set an OKR like:

Performance Upon Launch Equivalent to an Established Company

- 99.8% uptime
- <1 second response time
- Instantaneous perceived load time (measure by survey, 90% users say page loaded "immediately")

(I'm not an engineer so please do not mock my KR^s too hard.)

As you can imagine, some teams, like Product Management, can easily align their OKRs with the company OKRs, while others may have to dig a little deeply to make sure they are supporting the company goal. Much of the value in OKRs comes from the conversations on what matters, how it will be measured and what it means for the teams who are used to working from their own standards, apart from the business goals. Customer Service, Design and Engineering often have to work a little harder to find meaningful OKRs that will move the business goal forward. But it's worth doing. Can Customer Service upsell disgruntled customers to a better plan? Can Design create an onboarding flow that improves retention? Can Engineering increase satisfaction with a better recommendations algorithm? No department can be an island.

As well, each individual should set individual OKRs that reflect both personal growth and support the company's goals. If the company's OKRs are around acquisition, a product manager might decide she wants to "Get great at sales." She then might choose KRs of completing sales training with a high score, as well as improving the conversion rate of the product she runs.

Individual OKRs are about becoming better at your job, as well as helping your product get better. It's also a gift to managers struggling with a difficult employee. In the individual OKR- setting process, she can work with that person to set goals that correct those problems *before* they blossom into full disciplinary actions. By setting measurable KRs, she can avoid accusations of personal bias if things do not improve.

OKRs Are Part of Your Regular Rhythm

When people fail to achieve their Objectives, it's often because they set OKRs at the beginning of the quarter, and then forget about them. In those three months, you are barraged by teammate requests, the CEO sends you articles you should read and incorporate, you get customer complaints... there are always 101 interesting things to spend your time on that do not lead to success. I highly recommend baking your OKRs into your weekly team meetings (if you have them) and your weekly status emails. Adjust your confidence levels every single week. Have discussions about why they are going up or down.

OKRs Provide an Unmoving and Clear Goal

Do not change OKRs halfway through the quarter. If you see you've set them badly, suck it up and either fail or nail them, and use that learning to set them better next time. No team gets OKRs perfect the first time. Changing them dilutes focus, and keeping teams focused is the entire point of the OKR. Changing them halfway through teaches your team not to take the OKRs seriously.

Get Ready to Fail... BIG!

Let's be honest: we hate to fail. Everyone in the Silicon Valley gives lip service to failure, but really we still don't enjoy it. OKRs aren't about hitting targets, but about learning what you are really capable of. Failure is a positive indicator of stretching. OKRs are designed to push you to do more than you knew you were capable of. If you shoot for the moon, you may not make it but it's a hell of a view.

Setting a Rhythm of Execution

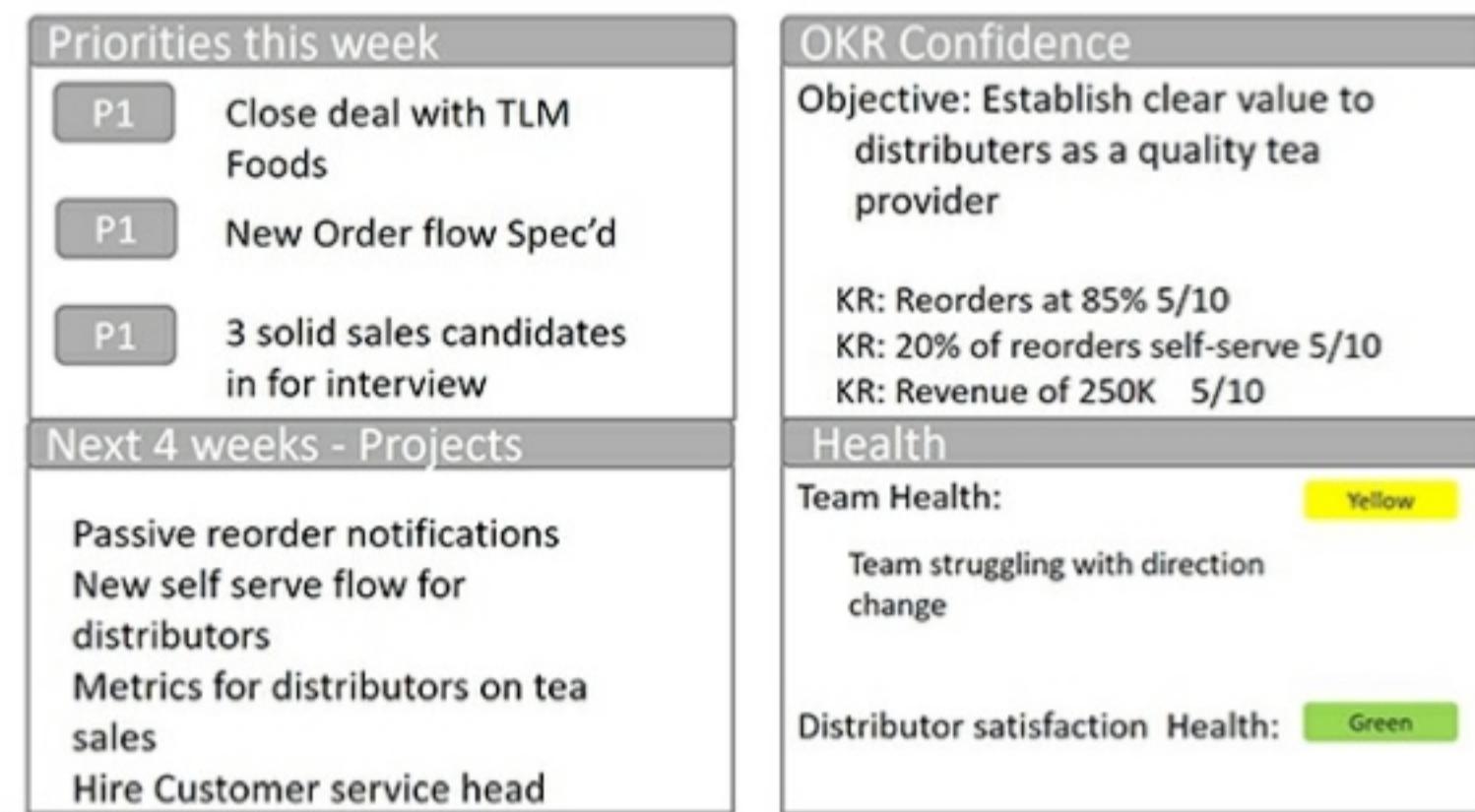
Many companies who try OKRs fail, and they blame the system. But no system works if you don't actually keep to it. Setting a goal at the beginning of a quarter and expecting it to magically be achieved by the end is naïve. As I covered in the story of Hanna and Jack's company, it's important to have a cadence of commitment and celebration.

Scrum is a technique used by engineers to commit to progress and hold each other both accountable and to support each other. Each week an engineer shares what happened last week, what they commit to doing next week, and any blockers that keep them from their goals. In larger orgs, they hold a "scrum of scrums" to assure teams are also holding each other accountable for meeting goals. There is no reason multidisciplinary groups can't do the same.

Monday Commitments

Each Monday, the team should meet to check in on progress against OKRs, and commit to the tasks that will help the company meet its Objective. I recommend a format with four key quadrants:

- Intention for the week: What are the 3-4 most important things you must get done this week toward the Objective? Discuss if these priorities will get you closer to the OKRs.
- Forecast for month: What should your team know is coming up that they can help with or prepare for?
- Status toward OKRs: If you set a confidence of five out of ten, has that moved up or down? Have a discussion about why.
- Health metrics: Pick two things you want to protect as you strive toward greatness. What can you not afford to eff-up? Key relationships with customers? Code stability? Team well-being? Now mark when things start to go sideways, and discuss it.



This document is first and last a conversation tool. You want to talk about issues like:

- Do the priorities lead to our hitting our OKRs?
- Why is confidence dropping in our ability to make our OKRs? Can anyone help?
- Are we prepared for major new efforts? Does Marketing know what Product is up to?
- Are we burning out our people, or letting hacks become part of the code bases?

When you meet, you could discuss only the four-square, or you can use it to provide a status overview, then supplement with other detailed documents covering metrics, a pipeline of projects or related updates. Each company has a higher or lower tolerance for status meetings.

Try to keep things as simple as possible. Too many status meetings are about team members trying to justify their existence by listing every little thing they've done. Trust your team makes good choices in their everyday lives. Set the tone of the meeting to be about team members helping each other to meet the shared goals they all have committed to.

Have fewer priorities and shorter updates.

Make time for the conversations. If only a fourth of the time allotted for the Monday meeting is presentations and the rest is discussing next steps, you are doing it right. If you end early, it's a good sign. Just because you've set aside an hour doesn't mean you have to use it.

Fridays Are for Winners

When teams are aiming high, they fail a lot. While this it's good to aim high, missing your goals without also seeing how far you've come is often depressing. That's why committing to the Friday wins session is so critical.

In the Friday wins session, teams all demo whatever they can. Engineers show bits of code they've got working and designers show mockups and maps. But beyond that, every team should share something. Sales can talk about who they've closed, Customer Service can talk about customers they've rescued, Business Development shares deals. This have several benefits. One, you start to feel like you are part of a pretty special winning team. Two, the team starts looking forward to having something to share. They seek wins. And lastly, the company starts to appreciate what each discipline is going through and understands what everyone does all day.

Providing beer, wine, cake, or whatever is appropriate to your team on a Friday is also important to making the team feel cared for. If the team is really small and can't afford anything, you can have a "Friday Wins Jar" that all contribute to. But as the team gets bigger the company should pay for the celebration nibbles as a signal of support. Consider this: the humans who work on the project are the biggest asset. Shouldn't you invest in them?

OKRs are great for setting goals, but without a system to achieve them, they are as likely to fail as any other process that is in fashion. Commit to your team, commit to each other and commit to your shared future. And renew those vows every week.

How to Hold a Meeting to Set OKRs for the Quarter

Setting OKRs is hard. It involves taking a close look at your company, and it involves having difficult conversations about the choices that shape the direction the company should go. Be sure to structure the meeting thoughtfully to get the best results. You will be living these OKRs for the next quarter.

Keep the meeting small – ten or fewer people if possible. It should be run by the CEO, and must include the senior executive team. Take away phones and computers. It will encourage people to move quickly and pay attention.

A few days before the meeting, solicit all the employees to submit the Objective they think the company should focus on. Be sure to

give them a very small window to do it in; 24 hours is plenty. You don't want to slow down your process and, in a busy company, later means never.

Have someone (a consultant, the department heads) collect and bring forward the best and most popular ones.

Set aside 4.5 hours to meet. Two 2-hour sessions, with a 30-minute break.

Your goal: cancel the second session. Be focused.

Each exec head should have an Objective or two in mind to bring to the meeting. Have the best employee-generated Objectives written out on Post-it notes, and have your execs add theirs. I recommend having a variety of sizes available, and use the large ones for the Objectives. Cramped writing is hard to read.

Now have the team place the Post-its up on the wall. Combine duplicates, and look for patterns that suggest people are worried about a particular goal. Combine similar Objectives. Stack rank them. Finally, narrow them down to three.

Discuss. Debate. Fight. Stack rank. Pick.

Depending on the team you have, you have either hit the break, or you have another hour left.

Next, have all the members of the exec team freelist as many metrics as they can think of to measure the Objective. Freelisting is a Design Thinking technique. It means to simply write down as many ideas on a topic as you can, one idea per Post-it. You put one idea on each Post-it so you can rearrange, discard, and otherwise manipulate the data you have generated.



It is a far more effective way to brainstorm, and results in better and more diverse ideas. Give the team slightly more time than is comfortable, perhaps ten minutes. You want to get as many interesting ideas as possible.

Next, you will Affinity map them. This is another Design Thinking technique. All it means is you group Post-its with like Post-its. If two people both write DAU (Daily Active Users), you can put those on top of each other. It's two votes for that metric. DAU, MAU, WAU are all engagement metrics, and you can put them next to each other. Finally, you can pick your three types of metrics.

Write the KRs as an X first, i.e. "X revenue" or "X acquisitions" or "X DAU." It's easier to first discuss what to measure, then what the value should be and if it's really a "shoot for the moon" goal. One fight at a time.

As a rule of thumb, I recommend having a usage metric, a revenue metric and a satisfaction metric for the KRs; but obviously that won't always be the right choice for your Objective. The goal is to find different ways to measure success, in order to have sustained success across quarters. For example, two revenue metrics means you might have an unbalanced approach to success. Focusing only on revenue can lead to employees gaming the system and developing short term approaches that can damage retention.

Next, set the values for the KRs. Make sure they really are "shoot

for the moon" goals. You should have only 50% confidence you can make them. Challenge each other. Is someone sandbagging? Is someone playing it safe? Is someone foolhardy? Now is the time for debate, not halfway through the quarter.

Finally, take five minutes to discuss the final OKR set. Is the Objective aspirational and inspirational? Do the KRs make sense? Are they hard? Can you live with this for a full quarter?

Tweak until they feel right. Then go live them.