**Google, Meet OKRs**

* “If you don’t know where you are going, you might not get there.” – Yogi Berra.
* John Doerr is a 12% shareholder of Google.
* Google’s motto in 1999, “to organise the world’s information and make it universally accessible and useful.”
* Sergey Brin crafted the commerce of technology.
* Larry Page built the product.
* Ideas are easy. Execution is everything.
* OKRs: Objectives and Key Results.
* It is a collaborative goal setting for companies and individuals.
* OKR cannot substitute for sound judgement, strong leadership, or a creative workplace culture.
* But if these fundamentals are in place, OKRs can guide you to the mountaintop.
* OKRs: A management methodology that helps to ensure that the company focuses efforts on the same important issues throughout the organisation.
* Objective: What is to be achieved.
* Objectives are significant, concrete action-oriented, and inspirational.
* When properly designed and deployed, they are a vaccine against fuzzy thinking and fuzzy execution.
* Key Results benchmark and monitor How we get to the objective.
* Effective KRs are specific and time-bound, aggressive yet realistic, measurable and verifiable.
* It is not a KR unless it has a number.
* You either meet KR requirements or you don’t, there’s nothing in the middle.
* Typically, at the end of a quarter, a KR is declared as fulfilled or not.
* OKRs surface the primary goals. They channel efforts and coordination.
* They link diverse operations, lending purpose and unity to the entire organisation.
* Excerpts from a paper titled “Goals Gone Wild”. “Goals are a prescription-strength medication that requires careful dosing and close supervision.” “Goals may cause systematic problems in organisations due to narrowed focus, unethical behaviour, increased risk taking, decreased cooperation and decreased motivation.”
* Edwin Locke, psychology professor at University of Maryland, said “hard goals drive performance more effectively than easy goals.”
* “Specific” hard goals produce a higher level of output than vaguely worded ones.
* More highly engaged work groups generate more profit.
* A 2-year Deloitte study found that “clearly defined goals that are written down and shared freely” help retain employees like nothing else.
* Goals create alignment, clarity, and job satisfaction.
* However, when people have conflicting priorities or unclear, meaningless, or arbitrarily shifting goals, they become frustrated, cynical, and demotivated.
* An effective goal management system like OKR links goals to a team’s broader mission.
* OKRs are Swiss-army knives, suited to any environment.
* OKR has 4 superpowers – focus, align, track, and stretch.
* ***Focus and commit to priorities:*** High-performance organisations home-in on work that’s important and are equally clear on what doesn’t matter. By dispelling confusion, OKRs give us the focus needed to win.
* ***Align and Connect for Teamwork:*** With transparent OKRs, individuals link their objectives to the company’s game plan, identify cross-dependencies and coordinate with other teams. By deepening people’s sense of ownership, OKRs foster engagement and innovation.
* ***Track for Accountability:*** OKRs are animated by periodic check-ins, objective grading, and continuous reassessment – all in a spirit of no-judgement accountability.
* ***Stretch for Amazing:*** OKRs motivate us to excel by doing more than we thought possible. By testing our limits and affording the freedom to fail, they release our most creative, ambitious selves.
* CFR: Conversion, Feedback, Recognition.

**The Father of OKRs**

* “There are so many people working so hard and achieving so little.” – Andy Grove.
* Peter Drucker discerned a basic truth of human nature: When people help chose a course of action, they are more likely to see it through.
* The essence of a healthy OKR culture –
* ruthless intellectual honesty
* a disregard for self-interest
* deep allegiance to the team
* Some lessons from Dr Andy Groves OKR culture –
* ***Less is More:*** A few extremely well-chosen objectives impart a clear message about what we say ‘yes’ to and what we say ‘no’ to.
* A limit of 3-5 OKRs per cycle leads companies, teams and individuals to choose what matters most.
* In general, each objective should be tied to 5 or fewer key results.
* ***Set goals from the bottom up:*** To promote engagement, teams and individuals should be encouraged to create roughly half of their own OKRs, in consultation with managers.
* ***No dictating:*** Even after company objectives are closed to debate, their key results continue to be negotiated. Collective agreement is essential to maximum goal achievement.
* ***Stay flexible:*** If an objective no longer seems practical or relevant, their key results can be modified or even discarded altogether.
* ***Dare to fail:*** Stretched goals push organisations to new heights. While certain operational objectives can be met in full, aspirational OKRs should be uncomfortable and possibly unattainable.
* ***A tool, not a weapon:*** OKR system is meant to pace a person so that he can gauge his own performance. It is not a legal document upon which to base a performance review.
* ***Be patient, be resolute:*** An organisation may need up to 4-5 quarterly cycles to fully embrace the system. And even more than that to build mature goal muscle.

**Operation Crush: An Intel Story**

* An explicit OKR sounds like this – “We will achieve a certain OBJECTIVE as measured by the following KEY RESULTS…”
* Jim Lally said, “If you tell everybody to go to the centre of Europe, and some start marching off to France, and some to Germany, and some to Italy, that’s no good – not if you want them all going to Switzerland. If the vectors point in different directions, they add up to zero. But if you get everybody pointing in the same direction, you maximise the results.”
* “If you measure them, things get better.”

**Superpower #1: Focus and Commit to Priorities**

* “It is our choices that show who we truly are, far more than our abilities.” – JK Rowling.
* “When you are the CEO or the founder of a company, you have got to say, ‘This is what we are doing’, and then you have to model it. Because if you don’t model it, no one’s going to do it.”
* As a top-line executive, “When you are tired of saying it, people are just starting to hear it.”
* To safeguard quality when pushing for quantitative deliverables, one solution is to pair key results – to measure both effect and counter-effect.
* Steve Jobs said, “Innovation means saying no to one thousand things.”
* Andy Grove said, “The one thing an OKR system should provide par excellence is focus. This can only happen if we keep the number of objectives small. People who plan to have the guts, honesty, and discipline to drop projects as well as to initiate them…”

**Focus: The Remind Story**

* Remind is a company that has developed an app by the same name to help teachers connect with students and parents more often and with privacy of number to help ease the educational struggles of the students.
* With the help of OKRs, they were able to shelve off some seemingly important and urgent problems, which would take a lot of manpower and efforts with minimal results as to new customer engagement.

**Commit: The Nuna Story**

* An advice when implementing OKRs: Doing too much too soon will often result in failure and pain.
* In order to make OKRs a part and parcel of the system, leaders need to commit to it whole-heartedly.
* The hairier the mission, the more important is OKRs.

**Superpower #2: Align and Connect for Teamwork**

* “We don’t hire smart people to tell them what to do. We hire smart people so that they can tell us what to do.” – Steve Jobs.
* Aaron Levie, founder and CEO of Box said, “At any given time, some significant percentages of people are working on the wrong things. The challenge is knowing which ones.”
* Research shows that public goals are more likely to be attained than goals held in private.
* Since everyone’s work is publicly visible, OKRs reduce redundant efforts and save time.
* Studies suggest that only 7% of employees fully understand their company’s business strategies and what’s expected of them in order to help achieve the common goals.
* Some words form Amelia Merrill, an HR and leader of RMS, a California risk modelling agency, “It’s very hard for employees to see what they should work on first. Everything seems important, everything seems urgent. But what really needs to get done?”
* In many workplaces, employees want to know what the leaders are doing and how their work relate to that of their leaders’. OKRs can be a very good way of connecting vertically.
* In a top-down OKR setting approach, the key results for the top-level executives become the objectives for the lower-level people, and so on as it goes down the levels.
* There are some problems with following this approach –
* ***Loss of agility:*** Even medium-sized companies have 6 or 7 reporting levels. As everyone waits for the waterfall to trickle down from above, implementation becomes so cumbersome that quarterly OKRs become impractical.
* ***Lack of flexibility:*** Since it takes so much effort to form the goals in the first place, people will be reluctant to revise them mid-cycle.
* ***Marginalised contributors:*** Inputs from frontline employees are shut out. Contributors often hesitate to share goal related concerns or promising ideas.
* ***One-dimensional linkages:*** It ensures vertical alignment of goals but fails to ensure goal alignment across departments and peers.
* Healthy organisations allow some OKRs to form from the bottom up.
* As Andy Grove observed, “Salespeople observe shifting customer demands before the management does. Financial analysts are the first to know when the fundamentals of a business change.
* A healthy OKR environment strikes a balance between alignment and autonomy.
* An optimal OKR system allows employees to set at least some of their Objectives and almost all or all the Key Results on their own.
* When goals are public and visible to all, Laszlo Bock says, “You can immediately see if someone is hitting the ball out of the park – you investigate. If someone missing all the time – you investigate. The management tax is zero – it’s amazing.”

**Align: The MyFitnessPal Story**

* MyFitnessPal is an app made by two brothers that started with checking the amount of calories they consume.
* Expanding into a company of tens and then hundreds of employees posed quite an issue for them in terms of keeping everyone aligned with one another.
* They started using OKRs companywide and made it transparent for everyone to see. They took steps to align everyone with the core company values.
* The main motto of the company is still the same today, “When our customers succeed at reaching their health and fitness goals, we succeed as a company.”
* It took them 18 months to instil alignment of objectives into the company system.

**Vocabulary**

1. **Venture Capitalist:** A private equity investor who provides capital to companies with high growth potential in exchange for an equity stake.
2. **Market cap:** The total value of a company’s stock, found by multiplying the stock price by the number of outstanding shares.
3. **Revenue:** The total amount of money brought in by a company’s operations, measured over a set amount of time. It is the gross income, before subtracting any expenses.
4. **Esprit-de-corps:** The common spirit existing among members of a group, inspiring enthusiasm, devotion, strong regard for the honor of the group.
5. **Carte blanche:** Complete freedom to act as one wishes.