**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 measured it, things got better.”

**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.