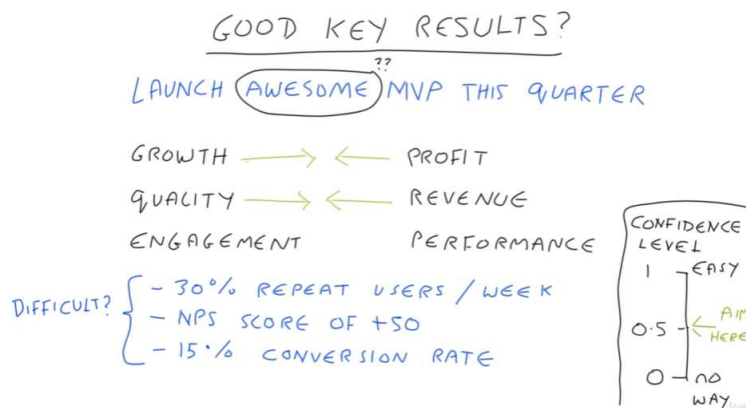


OBJECTIVES AND KEY RESULTS (OKR)

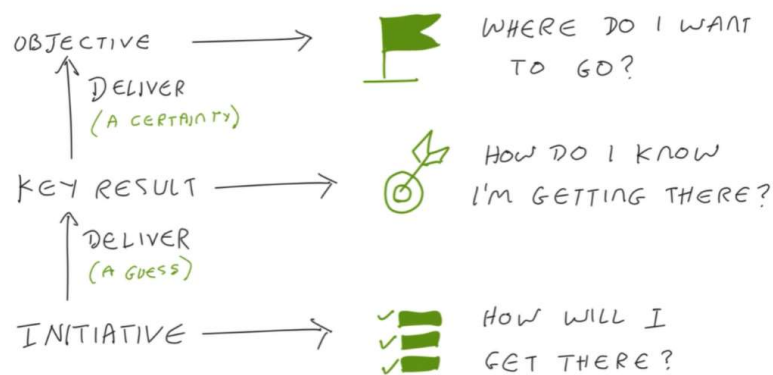
INTRODUCTION TO OKRs

- Objective = Why?
 - o Qualitative
 - o Time Bound: Quarter
- How?
 - o Quantitative: measurable
 - o Objective met at the end of the set period?
- Why? What is the driving motivation behind it?
 - o In a company we can look at the vision
- Good Objective:
 - o Short sentence
 - o Inspirational
 - o Qualitative
 - o Time bound
 - o Actionable

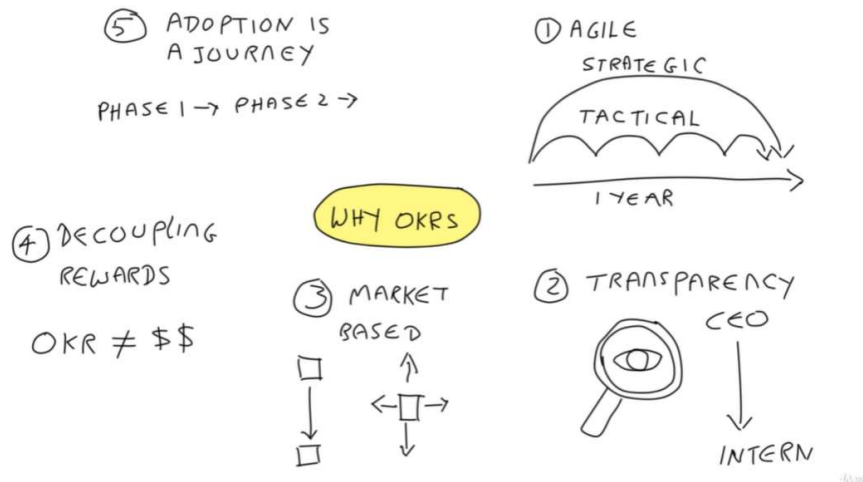
Ensure your objectives don't have any critical external dependencies
- Good key results?
 - o How would we know if we met our objective?
 - o Normally you can have three to five key results
 - o The metrics associated with KR can be based on things like growth and profit, quality, revenue, etc.
 - o They should be difficult to achieve but not impossible. Consider if you can achieve your OKR on a scale of zero to one. Aim at least to 0.5. You should look for a spot where you're pushing yourself and your team to do bigger thing and where you have a 50 50 chance of failing. If the key results make you feel uncomfortable, then you're probably setting them correctly.



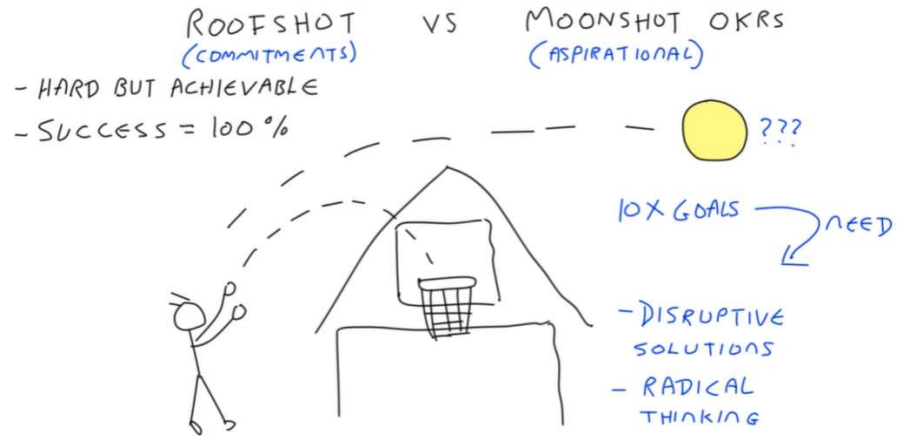
- Example of OKR setting:
 - o I will <objective> as measured by <key results>
 - o Example: I will create an awesome OKR course in 2 months as measured by:
 - a # 1 rank in search results
 - a rating of + 4.5
 - a conversion rate of +15%
 - o Is it short and inspiring? Timeframe? Are you able to achieve it with a high degree of independence? KR are measurable? Yes or No. Will the completion of all the KR mean that you've achieved the objective? Finally, consider the overall difficulty of the OKR. If it makes you nervous, then you've got the right level of difficulty
 - o Try to focus on the value created and not the underlying activity. Or in other words, key results should measure results and not effort. For example, if I said spend at least four hours a day working on the course, that would not be a good key result as it measures effort and not results.
- Building a OKR for an individual who works alone is easy. As you add more people, as typically you would have in a company, the complexity of managing goals increases exponentially because you now need to align your cares both vertically as well as horizontally
- Initiatives are sort of like to do lists. They are the actions you'll take and they essentially determine how you'll get there. So initiatives describe the work that is needed to influence your key results. And while key results clearly measure progress towards an objective, initiatives are often just hypothesis or guesses as to what work by deliver the biggest impact. Only by checking in with your key results, you will really know whether your initiatives delivered the desired results or not.



- OKR allows companies to create agile goals and instead of using annual static planning OKR take an agile approach by using shorter goals cycles.
- Strategic cadence with high level, longer term OKR can be used for the company, that's usually annual. Tactical cadence can be set with shorter term OKR for the teams, which is usually quarterly. And companies also use operational cadences for tracking results and initiatives, usually on a weekly basis.
- OKRs are decoupled from rewards and separating them from compensation and promotions is crucial to enable ambitious goal setting.
- The adoption of OKR is not viewed as an event, but rather a journey.



- Another example:
 - What's wrong here?
 - Objective: Get back in shape after holidays
 - Key Result: Run 5 miles every week
 - Initiative: Eat salad for dinner
 - The Key result is wrong. "Run 5 miles every week" is an initiative, not a key result. A Key Result needs to be an outcome of the Initiative to "Run 5 miles.." e.g. "Reduce body-fat by 5%".
- Moonshot vs Rooftshot OKRs
 - Rooftshot OKR: hard but achievable. You can get it done. They are things that an individual, a team or an organization has agreed will be achieved. Resources and schedules will have to be adjusted to make sure they get done. The expected score, when graded, is 1 and this means that the OKR was fully achieved. A lower score than 1 would require discussion as it shows opportunities to adjust and improve in planning and execution.
 - Moonshot OKR: are really aspirational and they're about how we would like the world to look. No clear path to get there and no real knowledge of what resources will be required. Why should we bother to set Moonshot OKR? Research has shown that teams that set impossible difficult tasks tend to perform much better. Should be used with moderation. The expected average score is 0.6 – 0.7.
 - OKR should always be clearly labeled to indicate whether they are rooftop or moonshot.



- OKR is a tool to help you implement your strategy. It helps you to translate a long-term strategy into short term goals that teams and individuals can then work on. OKR are a great way to measure your progress towards these goals. OKR serve as a map to take you to your desired destination.
- KPI measures things that you have to constantly watch. You need to monitor them on an ongoing basis to make sure that they stay within predefined thresholds.
- Like a car dashboard, KPIs help monitor performance and identify problems; OKRs, like the GPS system, look at the bigger picture of where you are trying to get to.

OKR \neq KPI



- OKR forces you to reevaluate low priority or non-value added activities and reduce, automate or outsource them so that you can really focus on the things that matter.
- Andy Grove method example for grading OKRs is shown below:

GRADING OKRS

SUCCESSFULLY LAUNCH V3 OF PRODUCT

- GET PRODUCT REVIEWS
ON 15 PUBLICATIONS YES

- SIGN UP TO TRIAL RATIO OF +25% NO

- TRIAL TO PAID RATIO OF +50% YES

ANDY GROVE METHOD

A numerical method should look as below:

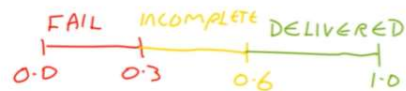
GRADING OKRS

SUCCESSFULLY LAUNCH V3 OF PRODUCT

- GET PRODUCT REVIEWS
ON 15 PUBLICATIONS $10/15 = 0.7$

- SIGN UP TO TRIAL RATIO OF +25% $15/25 = 0.6$

- TRIAL TO PAID RATIO OF +50% $50/50 = 1$



$$\frac{(0.7 + 0.6 + 1)}{3} = 0.76$$

When evaluating OKR successfully sometimes you have to look beyond numbers and also look the context. You want to see variations in your key results, if you're seeing that everything is scoring at 100 percent or 30 percent, then that kind of homogeneous scoring would mean that something is wrong and you should re-examine how you do OKR.

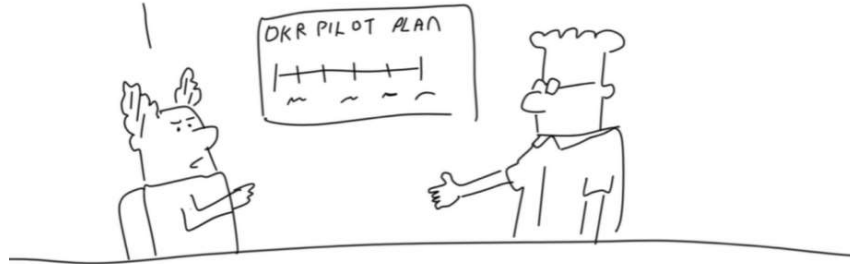
IMPLEMETING OKR

6 KEY PRACTICES

- 1) GET LEADERSHIP SUPPORT
- 2) DEFINE APPROACH
- 3) APPOINT CHAMPION
- 4) CREATE TIMELINES
- 5) TRAIN OKR MUSCLES
- 6) KEEP IT SIMPLE

- 1) If you're starting the OKR implementation in a specific team or department, then getting backing from your department or team head is often all that's needed.

I DON'T GET IT. THAT'S WHY YOU'RE
BUT I SUPPORT YOU. A GREAT MANAGER

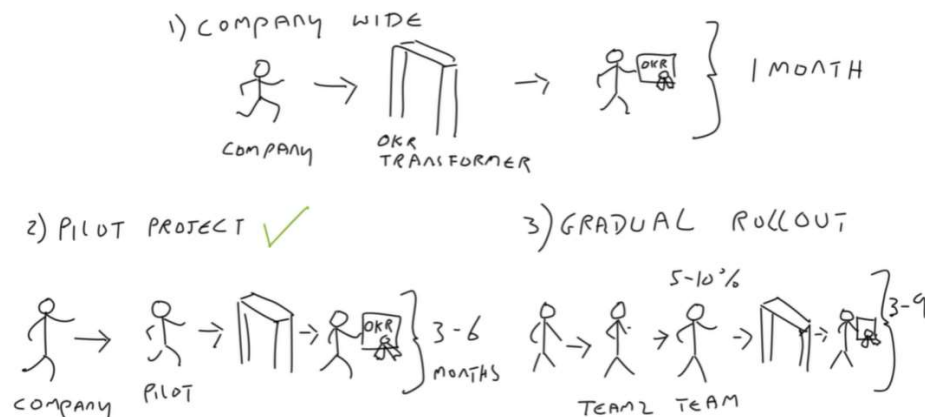


- GIVE INTRO PRESENTATION
- CASE STUDY
- GET OPEN COMMITMENT

2)

- a. Company Wide: Right from the start. it requires that the benefits of okay are clear to everyone. You need to have a culture that is completely open to change.
- b. Pilot Project: starting with a pilot team after which everyone will join.
- c. Gradual Rollout: Start with a small team and scaling up over time. An enrollment schedule is set up. Starts with a small team of around 5% to 10 % of the organization. Instead of rolling out to everyone after the pilot, you gradually add more teams and departments.

3 ROLLOUT APPROACHES



3)

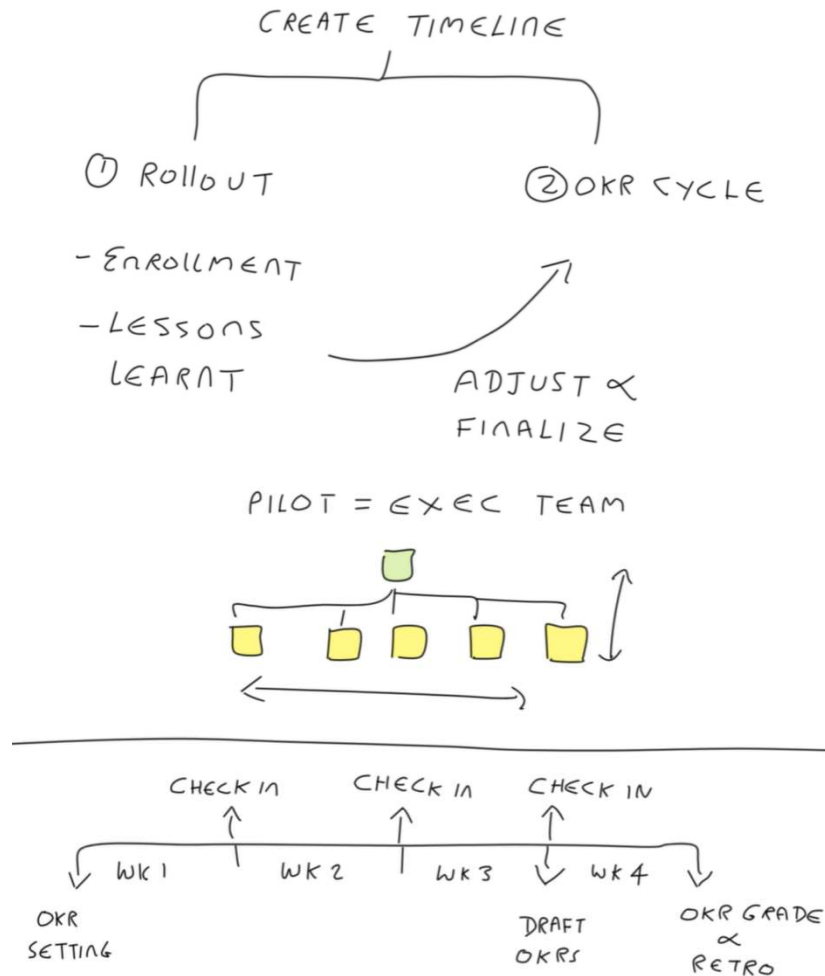
- Drive adoption: sets the milestones and deadlines and ensures the organization is moving along.
 - Design Process: has to design the process. Because OKRs are a general approach for teams to align themselves and drive performance, they have to be tweaked to suit the organization and to really make it work.
 - OKR Expert: the person that every person can turn to and ask to check on their objectives or to get clarifications on what objective confidence is.
 - Maintain tools: person who will choose and maintain the OKR tools.
- This objective of this role is to facilitate the process, not to decide objectives.



4)

- Rollout timeline: should answer the question of when each team and individual within that team will be enrolled onto the OKR system.
- OKR cycle timeline: shows what a typical cycle will look like

Because there is an element of learning and adjustment that happens during the rollout, OKR cycle will only be finalized once we complete the pilot and start the rollout.



The above diagram is an example of a roll out diagram. For the pilot test, we'll be creating a one month OKR pilot. We'll be doing this to try to speed up the feedback loop. We'll have a weekly check in that will initially be time box to under 15 minutes using a standard format. And then in week three, the team will meet again to draft their own OKRs for the next month. And then in week four, we'll close off and grade our own OKRs and hold a retrospective way. We will fine tune and approve the OKR process and consider rolling it out to the rest of the organization.

- Team OKR Workshop

TEAM OKR WORKSHOP

EXEC TEAM

+

OKR COACH

+

OKR CHAMPION

Continuing with the previous one-month pilot example:

TEAM OKR WORKSHOP

1) SETTING OKRS

2) SCORING OKRS

3) OKR RETROSPECTIVE

① SETTING OKRS (2 HOURS)

STEP 1 - OKR REFRESHER
5 min

STEP 2 - CHOOSE OBJECTIVES
30 min

STEP 3 - CHOOSE KEY RESULTS
60 min

STEP 4 - AMP UP YOUR AMBITION
15 min

STEP 5 - NEXT STEPS
10 min

For this use the the template given as a resourse in the course.

② SCORING OKRS

a) WEEKLY CHECK INS

- STAND UP

- 15 MINS

eg KR \rightarrow 10%

WK1 \rightarrow 7%









$$\text{SCORE} = \frac{7}{10} = 0.7$$

The idea behind the weekly check-ins is to catch warning signs early and course correct

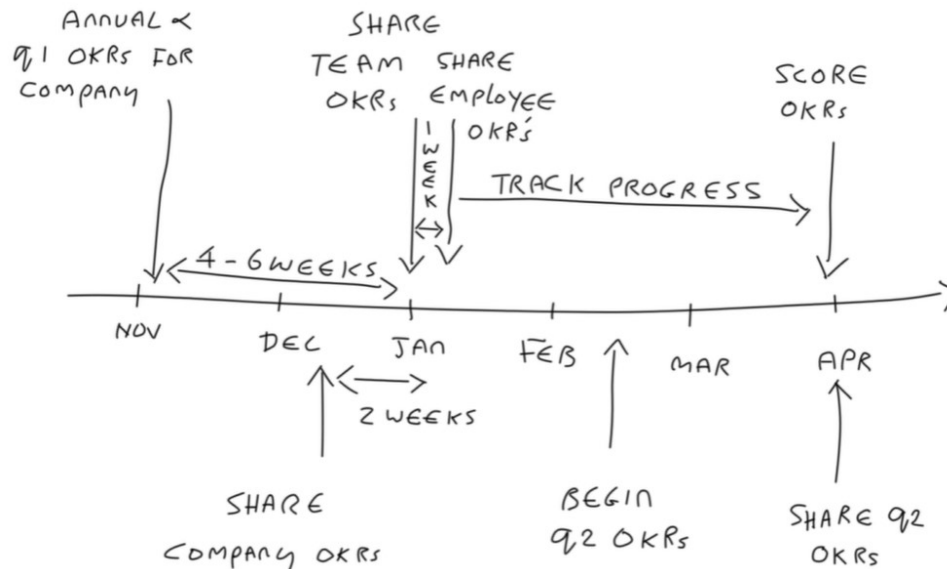
③ OKR RETRO

a) FINAL SCORE

b) RETRO

WHAT WORKED?	WHAT DIDN'T	ACTION
 	 	 
		

Suppose we are planning for the quarter that starts in Jan and goes all the way to the end of March. Let's start from the month of November, about six weeks before the quarter and draw the months. Defining this OKR Cycle looks as follows:



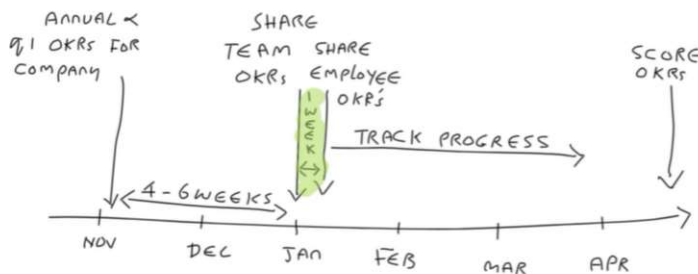
- 5) Set up OKR writing sessions and invite people to attend them. In terms of timing, these sessions could be held during the one week window where contributors are in the middle of drafting their own OKRs and that way they have the option to share their drafts and get feedback.

TRAIN YOUR OKR MUSCLES



OKR WRITING WORKSHOPS

- 5 SESSIONS
- MAX 30 PEOPLE



MANAGING OKR'S IN TRELLO

- Generally there are three main types of OKR's that have to manage.
 - o Company OKR's: set at the highest level and impacts every employee within the company because everyone has to align to the company wide OKR's
 - o Team OKR's: primarily impacts the people who work within that department.
 - o Employee OKR's
- The best practices to aim for is anywhere between three and five objectives.
- Watch videos from course to learn how to implement OKR's in Trello.

AVOIDING COMMON OKR MISTAKES

1) Too many “objectives” and “Key Results”

- The OKR is not a laundry list of everything you need to do, but rather a representation of your top priorities.
- Remember that if objectives tell you where to go, key results are what you need to achieve to get there
- Not always you need to have at least 3 “KR” for each “O”. Sometimes you only need 1 or 2 “KR”.
- When you take all your objectives for the quarter into account, you should not end up with too many key results overall. Since teams typically set OKR’s every quarter, 12 key results, more or less means that your team has only one week to deliver a key result and any more than 12 and you risk losing focus.
- Instead of focusing on the number of key results for an objective focus instead on the total number of key results that you end up with for that time period.

2) Including tasks as key results

- A key result is not something that you do, but rather a successful outcome of what you did.
- Objectives are not tasks and key results are not tasks either and should not be used as a checklist.
- You should use OKR to define the impact the team wants to see and let the teams come up with the methods of achieving that impact.

3) Setting only top-down OKR’s

- Top down cascading can work and is an effective way to very quickly align people towards a common goal and has its rightful place in the correct circumstances. But as a general rule, companies need to employ both a top down and bottom up approach if they want to create a healthy company culture in the long run.

4) See it and forget it

- The primary vehicle to track progress is the check-in meeting. A regular check in meeting is the most effective success driver of any OKR process.
- The check-in meeting is a brief meeting with the purpose of talking about progress and learnings and it ensures continuous feedback.
- Most successful organization will integrate their weekly or biweekly check-ins into existing meetings.
- In each check-in the team discusses the latest achievements, the learnings, as well as roadblocks and how they can be tackled and tasks and priorities for the next weeks are planned.
- Three basic questions you might ask:
 - Why did you work on?
 - What are your plans and priorities?
 - Are there any roadblocks?

5) Sandbagging OKR’s

- Sandbagging is the practice of trying to under promise and over deliver.

- What actually results is lackluster product development and subpar customer service, and this in turn leads to underperforming teams and underwhelmed customers.
 - If your OKR's are consistently above 0.7 then you have a problem. OKR should include an element of moonshots and the moonshots should be difficult to achieve, so your results of OKR should be a mixed bag of successes and failures.
- 6) Setting insufficient KRs
- The question that you really have to ask yourself is, if I achieved all the key results under that objective, would that objective be achieved?
 - Two types of results:
 - Activities based results: measures the completion of tasks and activities or the delivery of project milestones and deliverables.
 - Value based results: measures the delivery of value to the organization or its customers. This measures the outcomes of those activities.
 - Value based result is the correct way of structuring a key result rather than an activity based.
 - Ask yourself the question if you're successful with this initiative, what would that look like? What would be the consequence of being successful with this task or activity? What would be the desired outcomes?
- 7) No OKR owner
- Classic organization approach makes you to focus on goals that you can control alone. This approach creates silos.
 - The solution is shared OKR's. This achieves alignment between teams and in a shared OKR, two or more teams might share the same OKR, but each one might have different activities. You could either share the whole OKR, meaning the objective and a set of key results, or you can share just a single key result.
 - The more dependencies you have, the more you need shared OKR's.
 - An OKR is incomplete if it doesn't explicitly define who owns that OKR and that could be an individual or in the case of a shared OKR, a group.
- 8) Starting with individual OKRs
- Do not try to implement OKR's at all levels of the company. That is because individual OKR's add additional complexity and overhead and are not really necessary when you start with OKR.
 - Most large companies do not use OKR at an individual level.
 - If you're working for a smaller company, it might make sense for you to go down to that individual level. But the recommendation is to begin with simple company and team OKR's.
 - You may choose to defer moonshots and focus instead on your roof shots and leave the moonshots for later.
- 9) Not knowing when to "close" OKRs
- The time to close an OKR is when you stop working on it, either because that OKR is no longer needed or because it's been completed.
 - It's ideal to close the OKR's for the current quarter in the first week of the new quarter at the latest.
- 10) Trying to copy Google blindly

- The first thing to do as a company that is trying to adopt is ask a couple of questions like: what is the nature of the industry I'm working in? Do goals have to be annual and do we need to set goals in days or weeks instead of months? Should we set short tactical goals or do we need long term strategic goals?
- Most companies use quarterly OKR's, but some choose different tempos, some companies set OKR's every 30, 45, 120 or even 180 days. Different business units might have different cadences to fit their needs.
- It is ok for a company to set kind of variations within the company.

11) Not balancing moonshots and roofshots

- Stretch goals are goals that take you out of your comfort zone and that make you go after targets that you really don't think you can achieve, at least not yet.
- The idea of stretching is to try to reach a place that you couldn't reach before and you have to keep trying to reach it, even though you can't reach it now. And after stretching regularly, you start to reach farther than you could before, and eventually you start to achieve things that you couldn't.
- The problem with only including moonshots is that you can firstly demotivate your team.
- One approach is to set one moonshot key result per OKR and the others can be roofshots.
- Start by only using roofshots to develop a results focused culture where you can begin to achieve your goals. Over time, as the culture is more mature, you can evolve to moonshots, where you can start questioning how far the organization can go.

12) Putting HR in charge of OKRs

- The H.R. department in a company can play a critical role in supporting an OKR program by acting as an OKR champion. But they should not ultimately be viewed as owning the OKR program because firstly it's critical to strategy delivery and secondly, to ensure that employees do not view the program as a performance management tool.

13) Not using 1:1s with direct reports

- Save yourself time by only looking at the KPIs that are unhealthy, that is, those that are below the target value.
- A one on one is a great and simple tool for a manager to ensure that his or her direct reports are doing well and performing well at work.
- Ensure that firstly the meeting is regularly held either weekly or biweekly between the manager and his or her direct report. Make sure that there is enough time.
- While the direct report should be on the one on one agenda, for the most part, it is also important to always review progress towards goals and this is done by examining the initiatives that are underway.

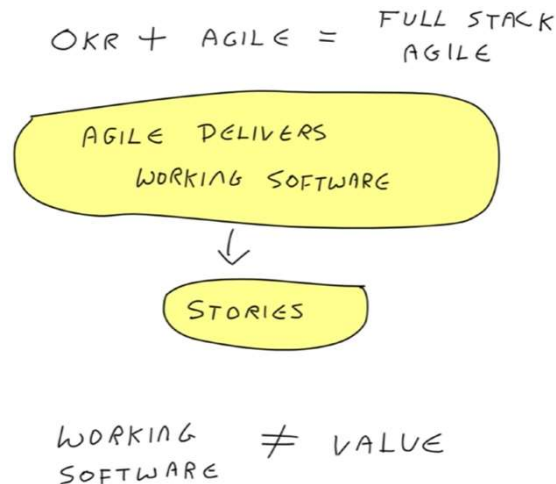
14) Not using experimentation

- The goal of an experiment is to really use the minimum time and resources necessary to examine and either validate or invalidate the hypothesis.
- A company or a team would have an agreement on what an OKR would look like, they have an objective and they have some metrics associated with key results that they want to influence. Then they would come up with ideas, ideas of initiatives that might actually move those metrics.

- The best way to minimize risk is to experiment with initiatives to see what exactly works and what doesn't. That way you can just focus on those initiatives that will actually deliver the results of seeking.

ADVANCED TOPICS













- The focus of Agile has always been on managing the delivery of software via stories or features and not really value or business outcomes.
- There is not a single ceremony in Agile for tracking results of that working software.



- The approach to setting goals would follow an agile model such as OKR's
- Tactics to achieve those goals, in OKR's terms, which would be called initiatives would usually involve experiments that are run with short feedback cycles.
- Operationally you would use a form of agile development such as scrum or Kanban.



- A modified Kanban board would look as the following image:

TO DO		IN DEV	IN TEST		DONE	OUTCOME	
							
							

- The key to becoming full stack agile is to focus on value, and value is not defined by working software. Working software is really not a measure of the ultimate progress. It's simply an output which may deliver the outcomes you are seeking.

EXAMPLES:

- What is your Objective? Remember, good objectives are short, inspiring, time-bound and actionable.
 - What are your Key Results? Good Key Results are measurable and challenging, but also achievable.
-
- What is your Objective? To get better with Data Engineering Skills by next quarter
 - What are your Key Results?
 - o Complete Certification on DP 203 and AWS Solutions architect associate by next 2 months
 - o Build small use cases for each technology learned by 15 days
 - o Train others reflectivity to DE Skills learned by taking a technical session for each skill
 - o Help company to drive a project on the skill learned and grab more projects with it.