How Google sets goals: OKRs

On the day Google's acquisition of FeedBurner closed in 2007, it was also the first day of a new quarter at Google. My new manager at Google asked me to draft my OKRs for him to review. I had no idea what he was talking about.

I've now gone through the process of setting my Objectives and Key Results (OKRs) 24 times, and each time I marvel at what an effective mechanism they are for focusing my effort as well as aligning my work with the company's objectives. Last fall, I led a workshop about OKRs at the Startup Lab, which we're making public today.

John Doerr originally presented OKRs to Google's leadership in 1999 when Google was less than a year old, and they've been in use ever since. In the video, I present a portion of John's original deck, then lay out how we've implemented them at Google over the years. I also shared a few of my OKRs from my time as a Product Manager on Blogger, and answered some questions from the employees at our portfolio companies who were present for the workshop.

Though the video goes into more detail, here are a few keys to what make OKRs work at Google:

Objectives are **ambitious**, and should feel somewhat uncomfortable
Key Results are **measurable**; they should be easy to grade with a number (at Google we use a 0–1.0 scale to grade each key result at the end of a quarter)
OKRs are **public**; everyone in the company should be able to see what everyone else is working on (and how they did in the past)
The **"sweet spot" for an OKR grade is .6—.7**; if someone consistently gets 1.0, their OKRs aren't ambitious enough. **Low grades shouldn't be punished**; see them as data to help refine the next quarter's OKRs.

One comment: in talking recently with one portfolio company who's implemented OKRs, I realized that I should have been more emphatic in pointing out that **OKRs are not synonymous with employee evaluations**. OKRs are about the company's goals and how each employee contributes to those goals. Performance evaluations—which are entirely about evaluating how an employee performed in a given period—should be independent from their OKRs. We'll cover employee evaluations in an upcoming workshop.