# Objectives and Key Results (OKRs)

Aligning strategy and execution in digital engagement

OKRs

A management methodology for work, based on setting specific goals and key outcomes that assist organisations in implementing their strategy. It encourages employees to concentrate on these goals, promotes transparency, and ensures everyone is working towards the same objectives.
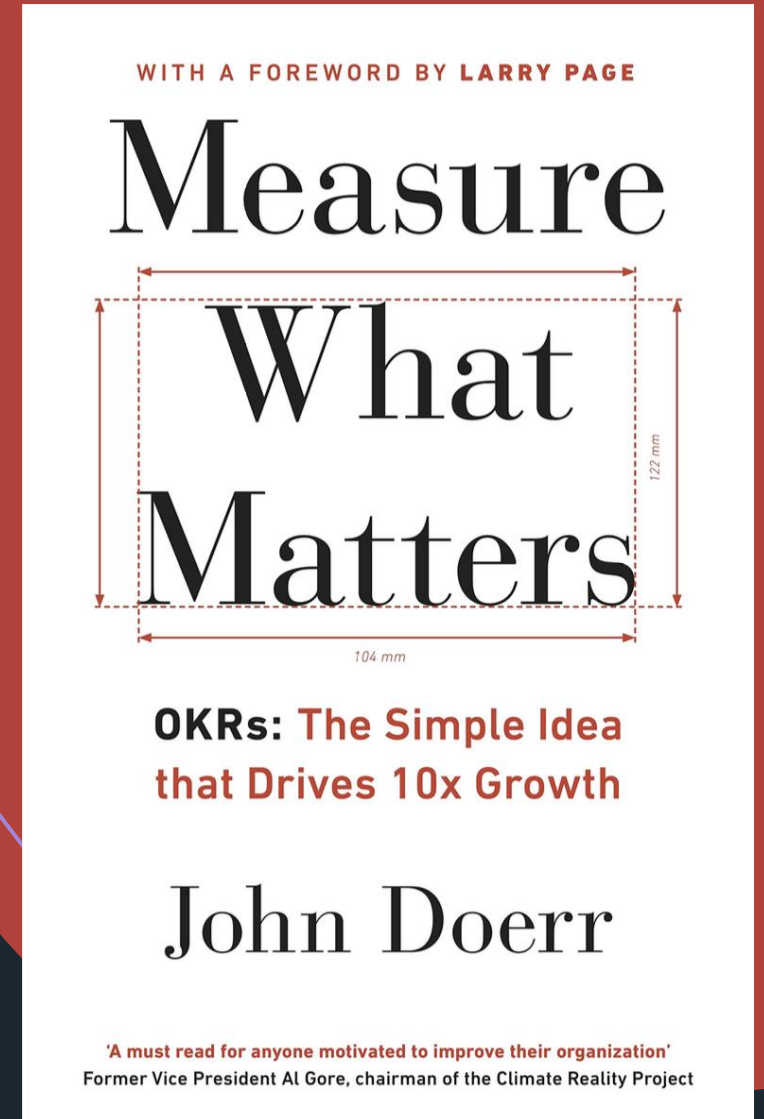
Brief history of OKRs

1950s
Peter Drucker publishes "The Practice of Management," in which he introduced MBOs (Management by Objectives):
- Many objectives are set.
- They are not very ambitious.
- They are tied to compensation.
- They are very inflexible (reviewed annually).
- They are implemented in a top-down and bureaucratic manner.

1970s
Andy Grove introduces OKRs at Intel, focusing on 2 questions: Where do I want to go? How will I get there?
- Limited in number.
- Ambitious and challenging.
- Not tied to compensation.
- Public in the organization.
- Agile; reviewed quarterly.
- Implemented both top-down and bottom-up.

1990s
John Doerr introduces OKRs to Google's co-founder – Larry Page and Sergey Brin. They become a key component to its successful growth.

2000s on
Thousands of companies worldwide have adopted the OKR (Objectives and Key Results) methodology.
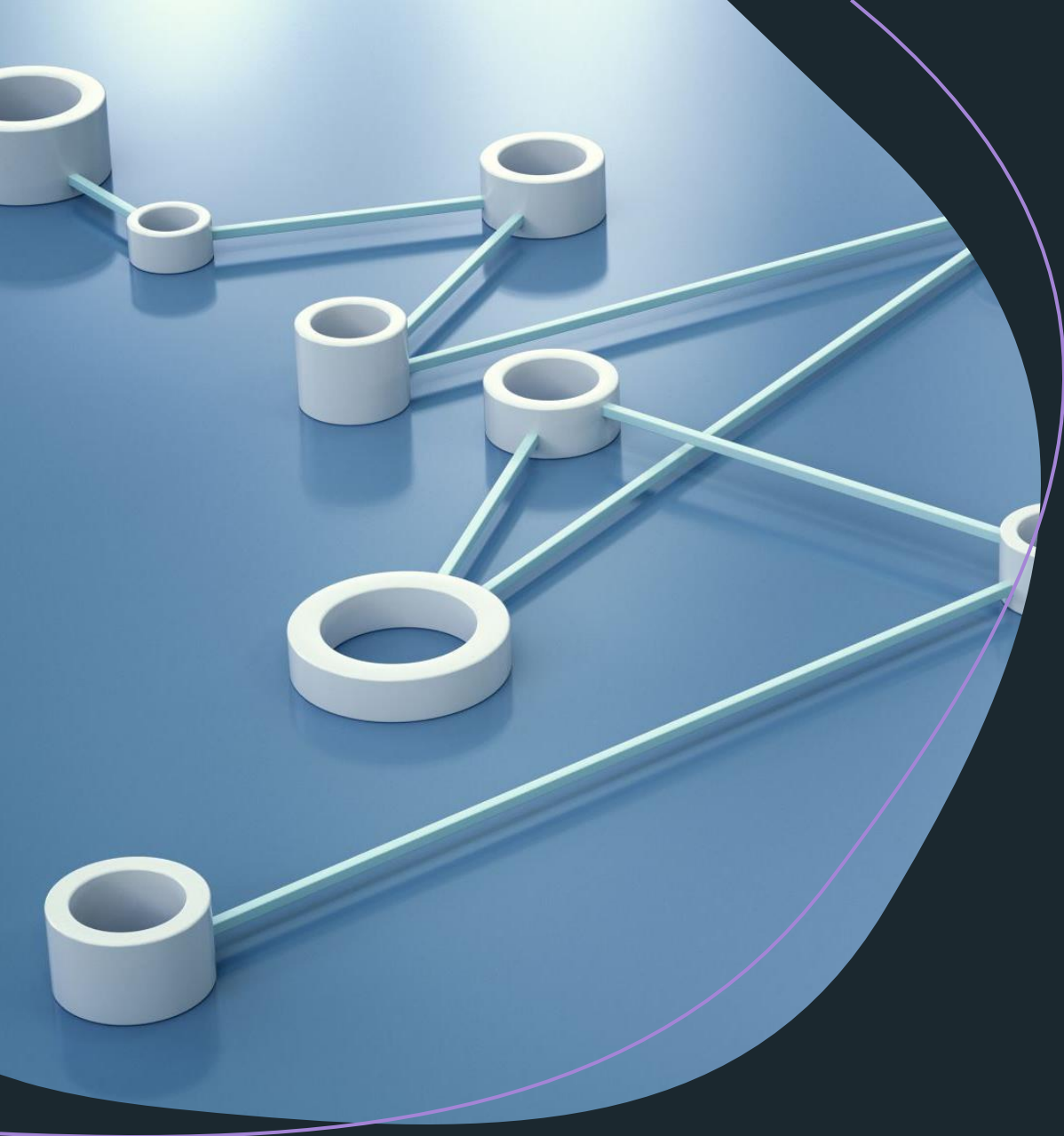
OKRs exist to help organisations focus on **outcomes** over **outputs**

- Too often organisations focus on **outputs**: the activities and initiatives they take.

- The trouble is, delivering an output does not necessarily mean having an impact on the bottom line.

- *OKRs tie outputs to outcomes to impact.*

OKR superpowers

Focus on and **commit** to priorities

Align and **connect** the team's work

Monitor to deliver

Stretch to go that bit further

Objectives, Key Results and Initiatives

Objectives

- **Statements that inspire and define a direction**
  "Where do we want to go?"

Key Results

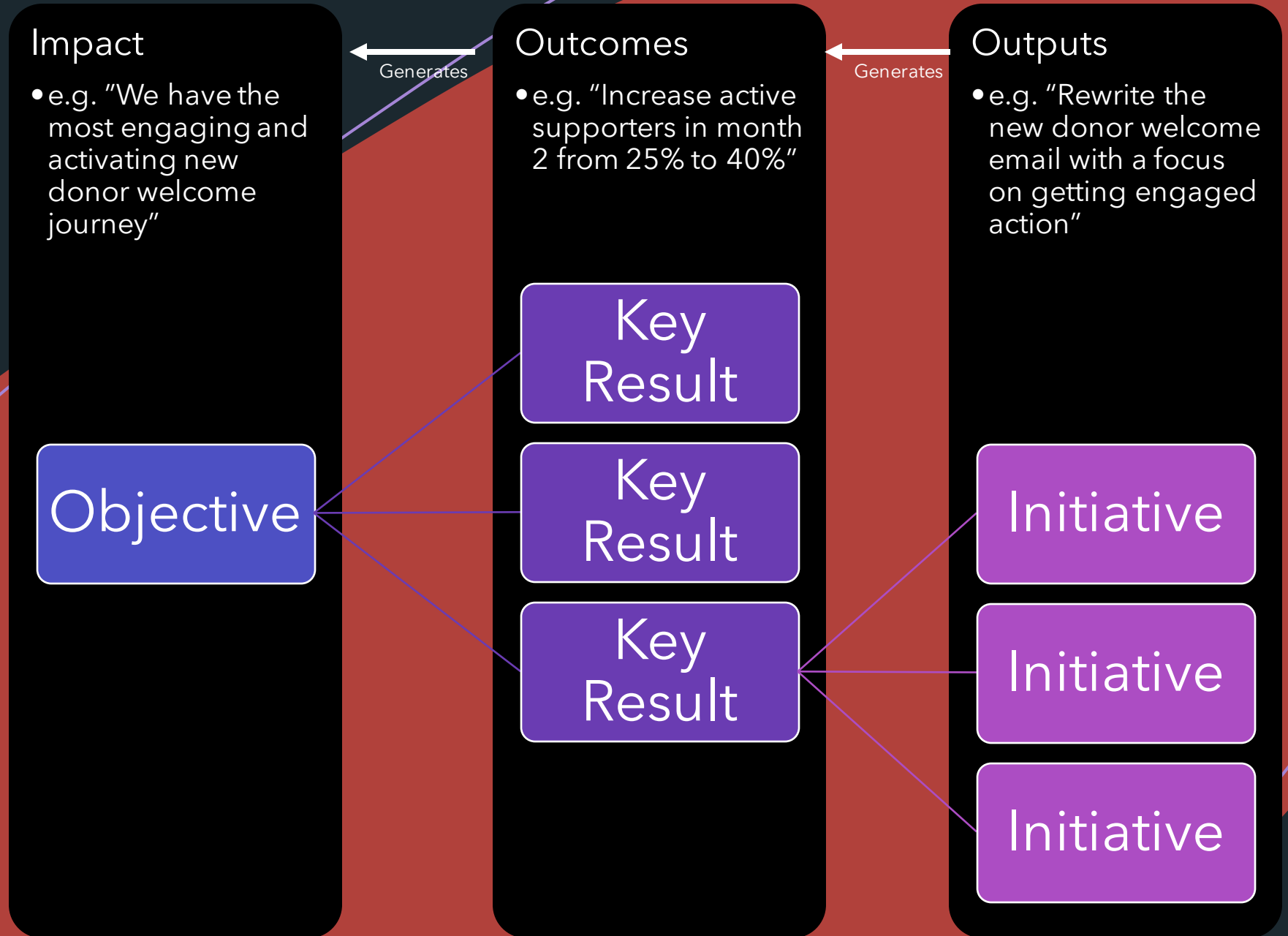- **Measures of progress in the achievement of an objective**
  "How will we know we are getting there?"

Initiatives

- **Tasks that we will undertake to make progress towards a Key Result**
  "What will we do to get there?"

Outcomes v Outputs

Impact
- e.g. "We have the most engaging and activating new donor welcome journey"

Generates

Outcomes
- e.g. "Increase active supporters in month 2 from 25% to 40%"

Generates

Outputs
- e.g. "Rewrite the new donor welcome email with a focus on getting engaged action"

Objective

Key Result

Key Result

Key Result

Initiative

Initiative

Initiative

Objectives

Statements that inspire and define direction

Their characteristics:

- Inspirational
- Qualitative
- Short
- Action-oriented
- Ambitious yet achievable
- Can be met in a quarter
- Under the team's control
- Give value to the organisation

When drafting them, remember to:

- Avoid the status quo
- Use positive language
- Start with a verb
- Use simple language

"Where do we want to go?"

Key Results

Measures of progress in the achievement of an objective

Their characteristics:

- Quantitative

- Objectively measurable and monitorable

- Aspirational

- Specific and action-oriented

- They have an owner

- They drive behaviour

- They make the Objective concrete

When drafting:

- Only choose *Key* results, not all results

- Use positive language

- Clear and simple language

- Keep an open mind to all possible measures

- Make sure you can measure any proposed result
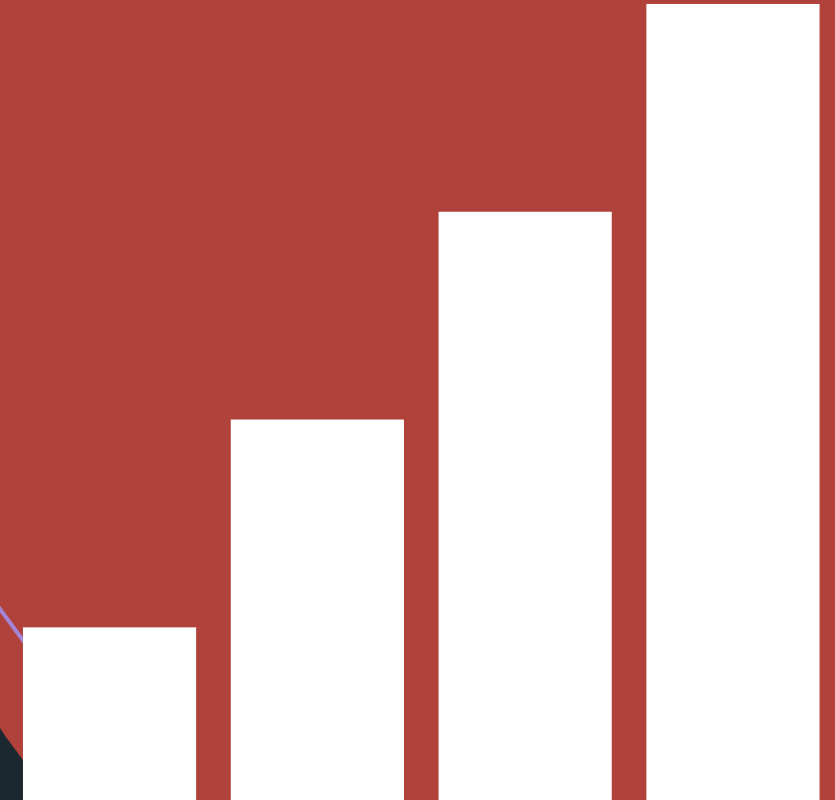
"How will we know we are getting there?"

Initiatives

Tasks to undertake to make progress towards a Key Result

Their characteristics:

- Describe the work to be done to "move the needle" on a Key Result
- They are tasks or activities
- They are specific
- They are under the team's control

"What will we do to get there?"

Work Examples

Objectives

Customer Satisfaction Score of 97%

Average Resolution Time < 12 hours

Initiatives

Become a brilliant place to work

KR: Average Initial Response Time < 1 hour

Interview 10 candidates for Customer Support Representatives

Key Results

Be the biggest player in the UK market

Publish an online Q&A for common issues

Make our clients love our customer support team

Launch an in-app chat service

Rules for using OKRs

Define them frequently

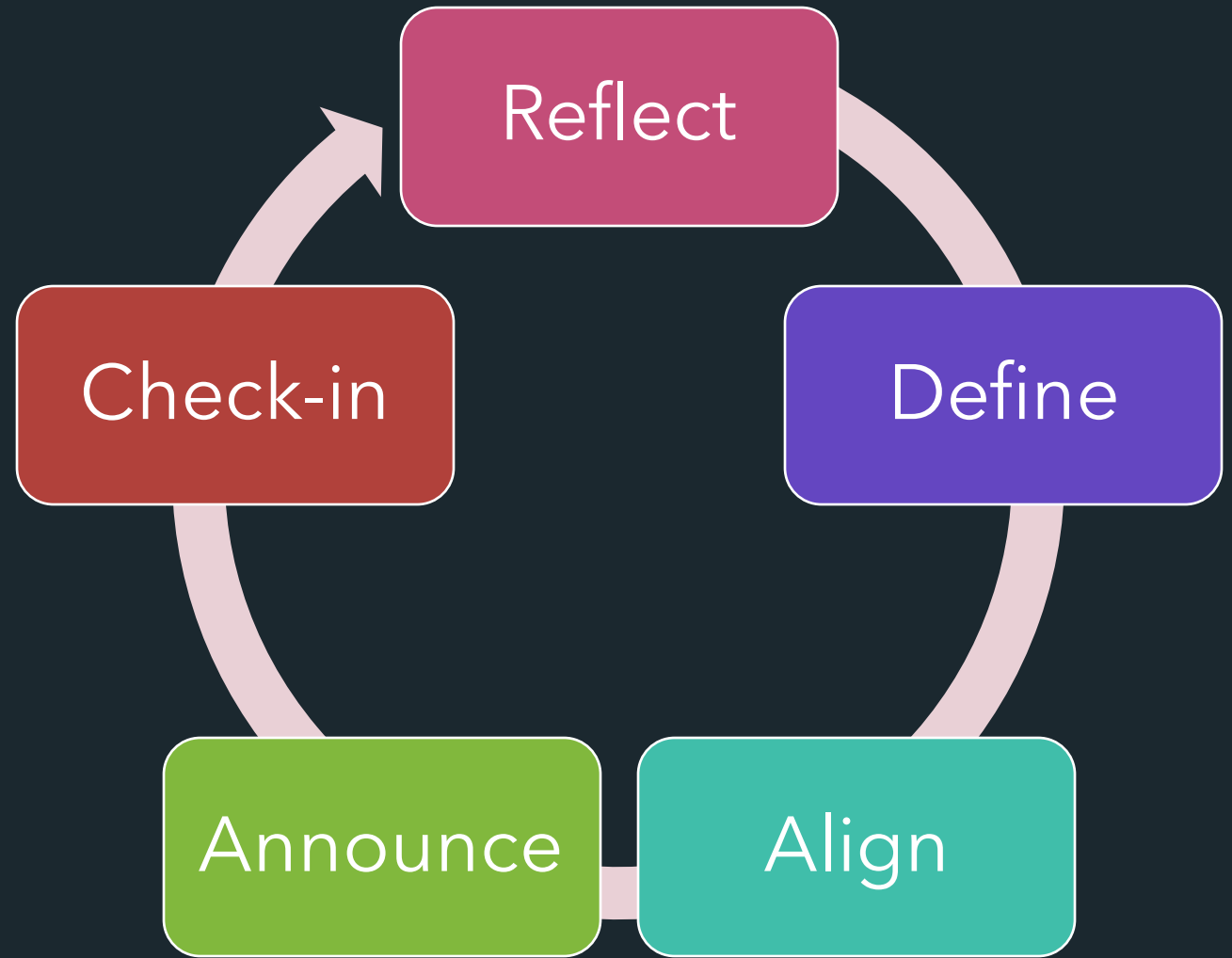Don't have too many

Transparency
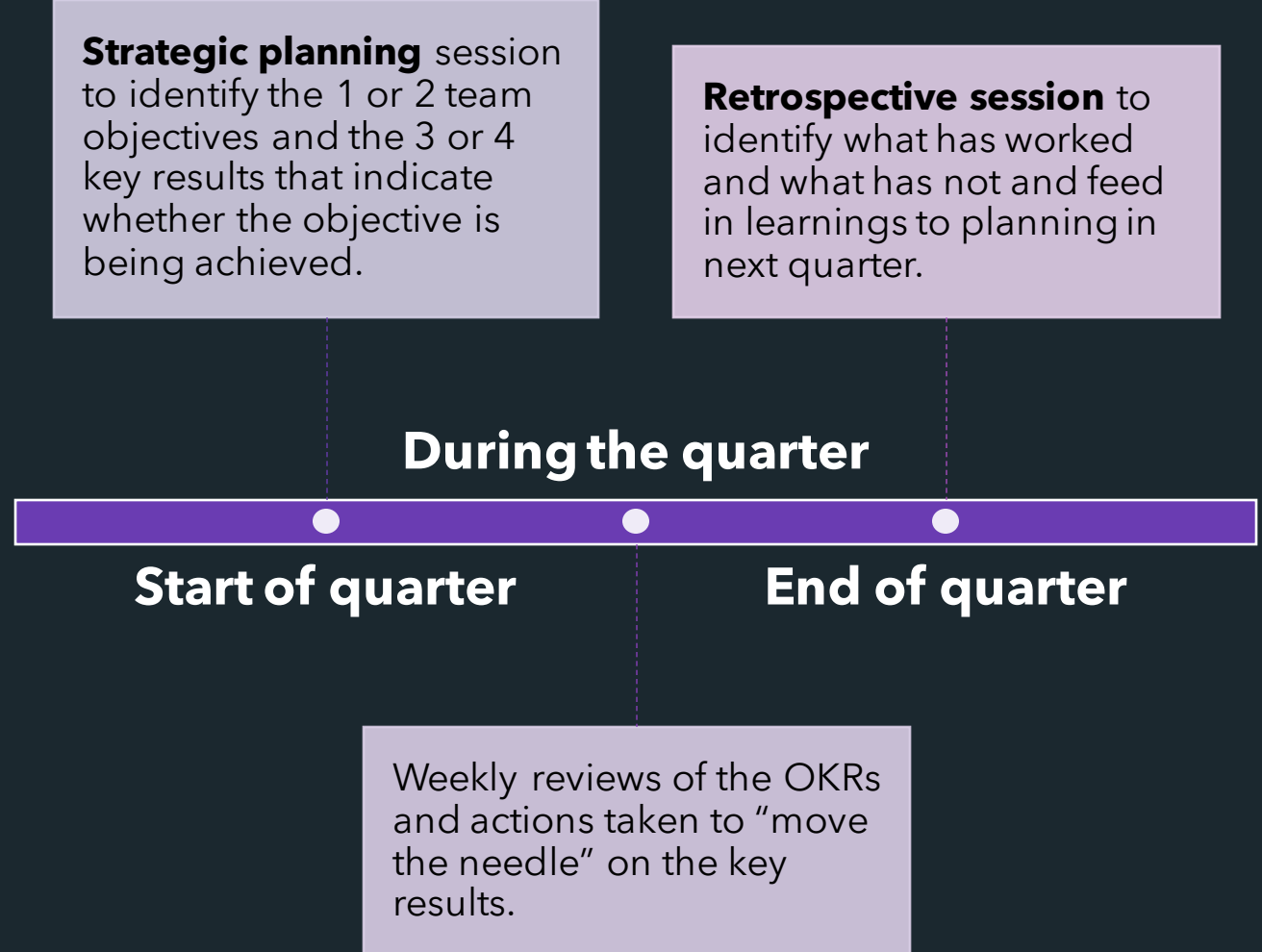
Aligned to the organisation
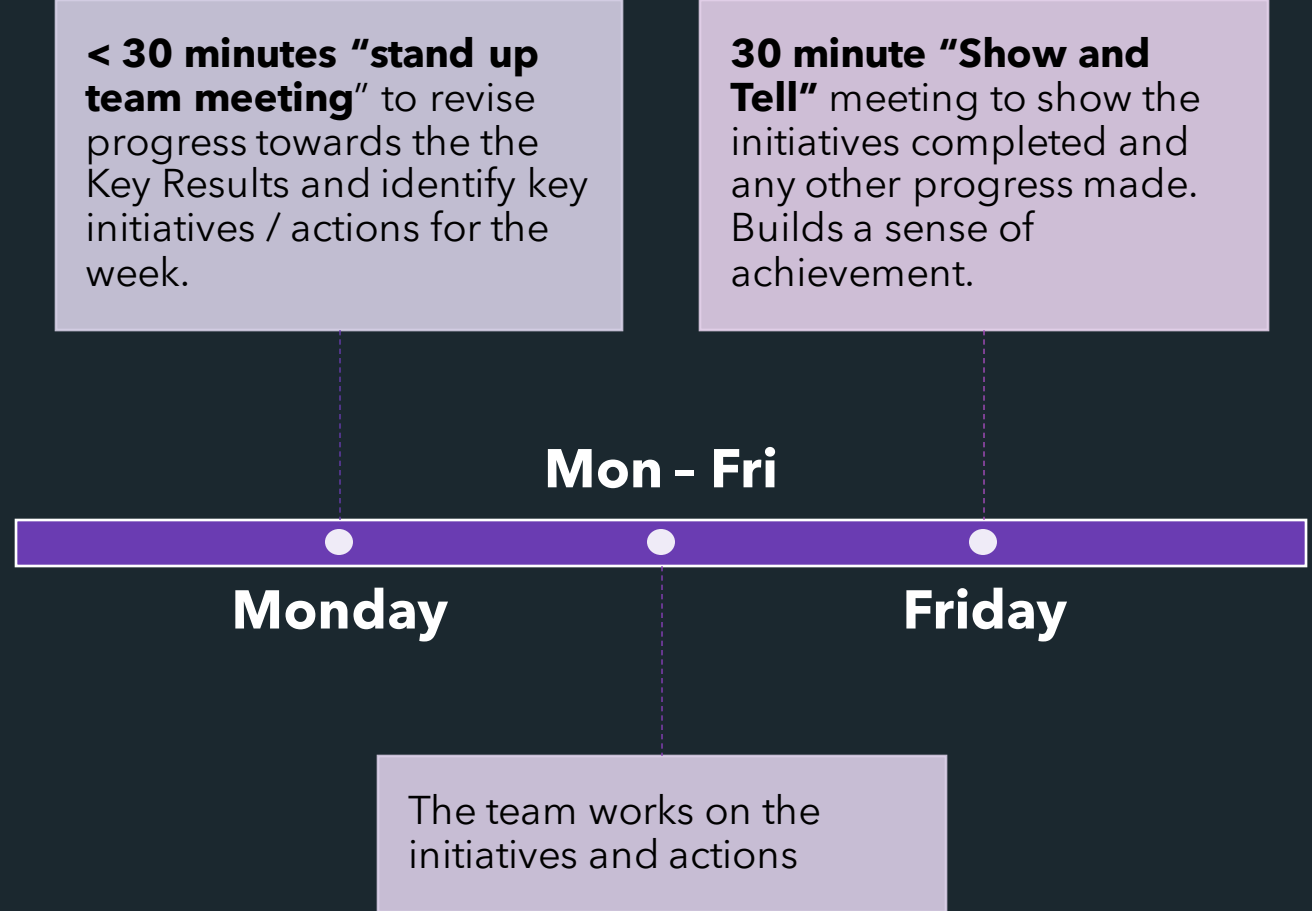
Regularly update on progress

Define an OKR ambassador

The OKR cycle

What this can look like in practice: weekly cadence

< 30 minutes "stand up team meeting" to revise progress towards the the Key Results and identify key initiatives / actions for the week.

30 minute "Show and Tell" meeting to show the initiatives completed and any other progress made. Builds a sense of achievement.

Mon - Fri

Monday

Friday

The team works on the initiatives and actions

Combining KPIs and OKRs

OKRs work alongside KPIs to support strategy implementation.

Both measure results, but with different foci and for different reasons.

KPIs	OKRs
• Define and measure **Business as Usual**	• Define and measure **Change**
• Delivered through **processes** already in place to maintain the status quo.	• Delivered through **initiatives** that seek to advance us towards our strategic goals, mission and vision.

KPIs, again, in more detail

Key Performance Indicators (KPIs) are metrics used to measure the performance of a critical area within a business.

This specific area is often referred to as "**business as usual**."

A KPI defines **what is crucial for the normal functioning of the organisation and allows us to easily *monitor if it is performing well***.

OKRs, again, in more detail

OKRs are steps on a roadmap towards the organisation's purpose and vision.

Build something new
Improve something that already exists
Innovate and reinvent something.

Or you can **correct** a KPI that is off-course.

They are used to determine the essential progress that needs to be made within a specific quarter or year.

Additionally, they serve as a measurement tool to track whether these advancements are genuinely being achieved.

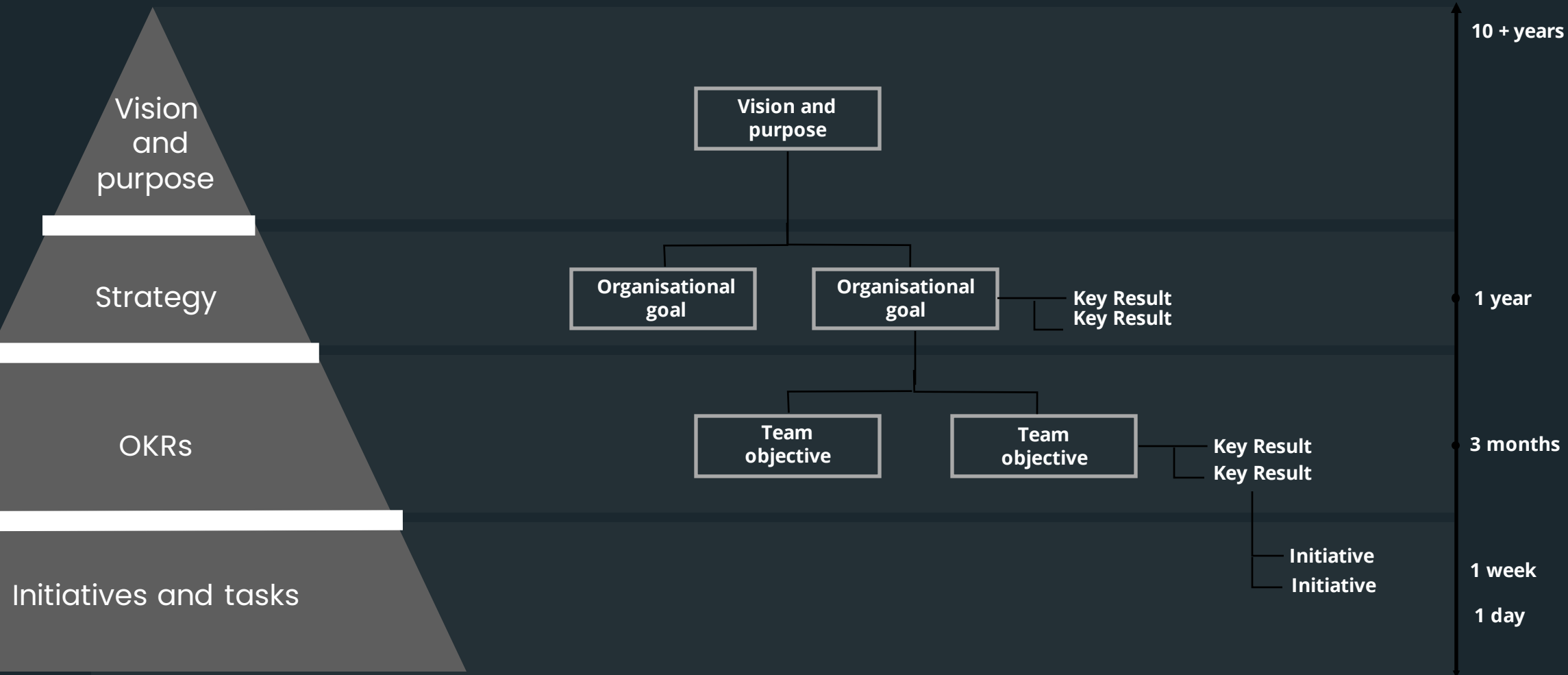# An analogy: strategy as a road trip

Strategy: where do we want to go?

OKR: the route we are taking to get there.

KPIs: is everything else under control?

Putting it all together

Andy Grove, ex-CEO of Intel

"We must realize—and act on the realization—that **if we try to focus on everything, we focus on nothing**. A few extremely well-chosen objectives impart a clear message about what we say "yes" to and what we say "no" to…"