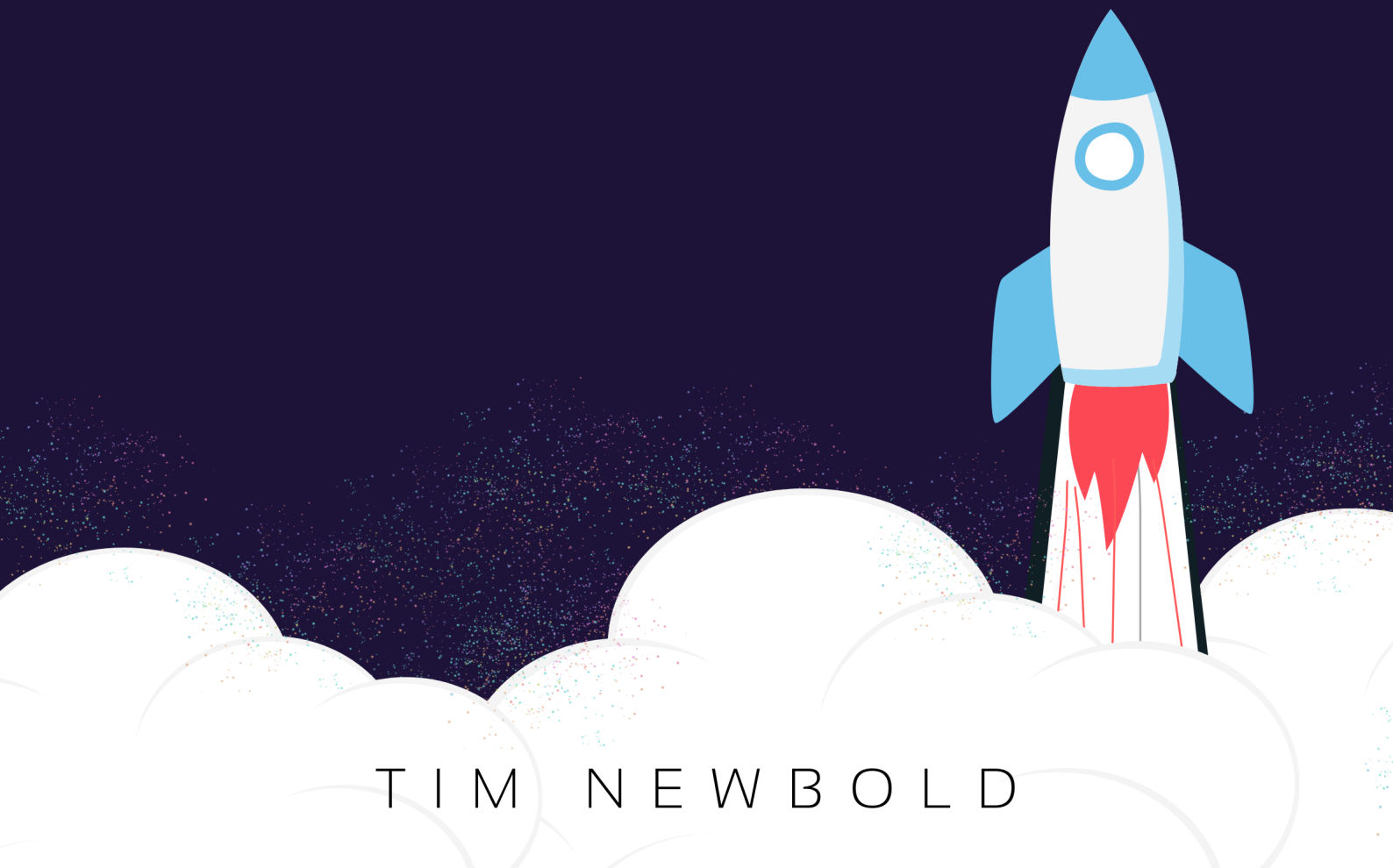
How to launch OKR *fast*

SUPERCHARGE TEAM FOCUS,
ALIGNMENT AND OWNERSHIP



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Why I wrote this guide

Hi there!

It frustrates me no end that only 5% of small business owners achieved all of their goals in 2019. For corporations, it's certainly no better.

You could blame that on poor goal-setting or bad execution—either or both might be true. Ultimately, you need both to be successful. This is where one of Silicon Valley's best-kept secrets: The OKR goal setting and execution framework.

Objectives and Key Results (OKR) is a popular goal-setting method used by some of the world's most successful businesses. It was made popular in Silicon Valley's tech scene powering organisations like Google, LinkedIn and Amazon. Now everyone is discovering its power.

OKR forces businesses to identify what is the most important priority right now and aligns teams to focus on it. Long-term OKR increases organizational effectiveness, promotes revenue growth, and optimizes your startup's chance of longevity. There are some key ceremonies in this article that create an amazing habit and cadence for setting, tracking and achieving your goals.

There is no shortage of enthusiasm and brilliant ideas in the early phases of a start-up. But to get your business off the ground and stay competitive in the marketplace, you need a proven approach to goal setting. Execution beats ideas every single time.

In this guide, **I want to show you how to embed OKR** and **run your first OKR workshop with confidence**. First, we break down why OKR is one of the most powerful tools you can use. Then, we get into the exact steps you need to follow to embed OKR. Read on if you are ready to make this happen!

Stay awesome,

Tim Newbold

Founder, OKR Quickstart

OKRQUICKSTART

Why you need an execution framework

With such a high startup failure rate, it makes sense to pay close attention to how successful businesses got there. The longevity of a company is influenced by a variety of factors. One factor that is undisputed is the need for strong goal setting. This is where OKR comes into play. It gives your business the structure needed to unleash 10X growth and scale.

With so many moving parts, founders benefit greatly from having a goal framework to keep their company on track to achieve their short and long-term goals. By the end of this article, you will have a clear idea of what OKRs are and how you can start implementing this proven strategy for success in your start-up as early as this afternoon!

Four Key Benefits of OKR

Start-ups can benefit from the survival toolkit that OKRs provide, as a business needs a roadmap at the outset to ensure employees are on the same page. Founders must develop clear direction because without a clear vision and mission it is easy to miss the mark overall.

OKRs are a method for sustaining team motivation. As was already noted, there are a ton of case studies from businesses of all kinds, from little start-ups to enormous conglomerates, that demonstrate the advantages that businesses have when employing this approach.

There are three key advantages that OKRs provide for your Start-up.

1. **Pursue the amazing -** Basic OKR requires us to achieve about 70% of our Key Results. This means challenging ourselves while accepting small failures. If we hit all our goals and get a hundred allocations, we will be cheated. Simply put, we are not being ambitious enough. Anything less than 70% and our team isn't trying hard enough. Allowing teams to fail is a critical source of innovation.
2. **Business-wide alignment** - A business-wide OKR is set each quarter. Each team synchronizes its OKR with this overarching objective. Thus, an unstoppable force is created. Each team focuses on the same overall goal to achieve it.

3. **Sense of Progress** - Teams feel meaningful progress using metrics to move throughout the quarter. A prime illustration is customer satisfaction. With every little improvement we make, we see the satisfaction score increase. The team feels good!
4. **Directional autonomy** - Instead of being instructed what to do, OKR lets teams plan their work. Although each team's OKR is in line with the overall business goal, how they accomplish those goals is up to them. They create plans for their projects and initiatives to succeed. The unspoken advantage is that it enables rapid corporate growth. There should be no micromanagement or assigning specific tasks to individuals.

It makes sense that some of the top tech businesses in the world use OKR to focus attention and produce amazing results. Due to this, we think of the OKR architecture as being somewhat similar to a standing desk, but for the entire company. It offers the framework to concentrate on what matters most and the freedom to move around to do incredible things.

What is OKR?

OKR is short for Objective and Key Results. It is a process used by organizations, groups, and people to define goals together. To be clear, OKR is not a panacea. OKRs won't serve as a replacement for good judgment, capable leadership, or a dynamic workplace environment. However, if those foundational elements are in place, OKR will serve as a map to the summit. Focused efforts must be made by everyone working for the company to achieve both short and long-term objectives.

By using OKR, you can make sure that every aspect of your company is heading in the same direction. The alternative to fuzzy thought and fluffy execution, OKR offers a clear goal. Your company won't succeed without a defined path. OKR assists you in determining the main objectives of the company since, without a clear path forward, your company will likely fail.

How do you write an OKR?

The two components of an OKR are the Objective and the Key Results. Your goals are referred to as objectives. Objectives are ideas and thoughts about what we hope to accomplish. Once created, objectives are specific strategies that move us closer to implementation. Key Results are the second element that makes up the OKR structure. It serves as the benchmark for assessing the achievement of the objective.

Key Results must be measurable, verifiable, and time-bound to be successful. Key Results are assigned a deadline after which they are evaluated to see if the intended outcome was achieved or not. If not, the main findings can be modified. The progression towards accomplishing the Objective (goal) is shown based on the key results. Objectives are fixed and long-term, whereas Key Results alter as work advances.

A Metaphor for OKR

To illustrate what we mean, consider this metaphor:

Imagine you are in Melbourne, but you want to travel to Auckland.

Your Objective is to go to “Auckland” (**question 1**).

You've decided to buy a boat and sail for 9 days to accomplish your objective.

Your Initiatives are "purchase a boat" and "sail for nine days" (**question 3**).

You won't be able to tell if you are approaching your location without a navigation system like GPS.

Your GPS device, which indicates if you are travelling in the right way, is one of your Key Results (**question 2**).

Although they might be challenging to develop, Key Results are essential to receiving feedback on whether your Initiatives are having the desired impact. Now you have the basics of writing an OKR, let’s set an OKR with your team!

Some OKR Examples

Setting up your OKR structure is straightforward. By answering the following three simple questions, you can easily identify your Objective, Key Results, and Initiatives.

1. **Where are you going?** The answer gives you the **Objective.**

Examples:

- Make customers our biggest advocates
- Have our customers fall back in love with our advertising platform
- Nail our customer's problems the first time every time

2. **How will you know you're getting there?** The answer gives you the **Key Results**.

Examples:

- A better product experience increases trial to paid conversion ratio from 5% to 7%
- Increase customer number of customers who return twice a week from 10% to 40%
- Customers refer a new customer at the end of a positive call from a current 2% to 20% of calls

3. **What will you do to get there?** The answer gives you the **Initiative.**

Examples:

- Mobile app user experience improvements
- Special offer for at-risk customers
- Customer problem resolution training

Launch your OKR program with a Pilot

Let's discuss how you can get started using OKR today. Starting with a 6-week OKR trial is recommended. Do not overthink it. The best course of action is to simply begin working with your team!

1. Before running an OKR workshop

First, we want to start by introducing the team to what OKR is and why we're doing it. This article covers "the what" so send them this! You'll have to explain "the why". We've covered a lot of the benefits here, but we need to make it real for your team.

To do this, think about what are the biggest challenges holding your business back from the next level of success. Introduce the idea of OKR to your team by outlining these challenges and how OKR will help.

Request your team to start brainstorming objective ideas. The objective must be something achievable within six weeks. Keep it short and casual.

Two tips before you begin:

1. **Start with a single OKR** - don't try to capture everything, just capture the one thing you really must nail.
2. **Set the OKR as a team -** OKR is a team sport. Don't set it on behalf of your team members and definitely do not allocate an OKR to a single individual. It's for you as a team to achieve!

2. Write down the objective

Discuss openly what would be different if the quarter is successful.

Ask the group: "If we could only move the needle on one thing this quarter, what would it be?" The objectives they created previously will make this activity quick.

A good Objective has the following traits:

- **Inspirational -** It excites the team members and gives them a big picture and exciting outcome to strive for.
- **Manageable outcomes -** Make sure that it is in-fact achievable within the quarter! It should stretch the team and demand some different thinking, but it shouldn't be impossible. You should be able to read it and know if you've achieved it.
- **Provides focus -** It should create a lens for the business / team to know what is important / not important.
- **Action-oriented -** It should enable people to create their own action plans on how to achieve it.
- **Change, not maintain -** We want to be using OKRs to change the business for the better. It should never be about keeping up a minimum level of performance.
- **Time-bound -** Don't make it a motherhood statement or something perpetual. You should be able to nail it in the quarter.

3. List the Key Results

Ask the group for Key Result suggestions (stress less about the actual measures). Put pen to paper and list the Key Results that the group comes up with. When writing your Key Results, remember they must be a metric.

A good Key Result has the following traits:

- **Results-based -** Does it measure whether an outcome has actually been achieved? Key Results should never simply list the work to be done.
- **Aligned** - If achieved, would the objective be achieved? Are they collectively exhaustive to validate the success of the Objective?
- **Directly measurable -** Can we easily measure the metric and see the impact of our work? Is it relatively simple to measure?

- **Indicates progress -** Does it actually show I'm making progress on the OKR? Do the numbers move as a result of your work or are they highly variable and therefore cannot be easily tied back?
- **Challenging -** On average we're aiming for a 70% achievement rate of the stretch- this challenges our thinking of what's possible and creates a feedback loop of just how far we can stretch ourselves.
- **Accountability clarity -** Does the team have influence over the Key Results and can the team be accountable for delivering on it? Even if that is with the support of others - or are they totally reliant on another team (in which case they're setting someone else's OKR!)
- **Leading indicator -** Are you using a leading indicator that you can influence within the quarter? If for example, you have a sales cycle of 3 months, then a sales target is a real lagging indicator that you cannot influence within that quarter.

4. List out the Projects, Tasks and Initiatives

Before concluding, ask the team to list the projects or tasks they anticipate completing to achieve the OKR. Don't make a laundry list. Just capture the key items you know you'll want to focus on as a team. This is your to-do list for this quarter!

5. Make it happen with weekly progress tracking

Now that you have your OKR, it's time to get to work! Don't over-plan, we want to have a bias for action. Break every project you're working on into small chunks.

Break projects down by thinking about how we can get a little bit of value out as quickly as possible. Getting these little slices of value help validate our ideas, and help us see early movement on the Key Result metrics. Here are some ideas on how to break big projects down:

- **Marketing related projects:** If one of your projects is a marketing campaign, do a small test with a rough first cut of the content to a small part of your audience or via

a social post. Refine it, and launch to a slightly larger audience. Rinse and repeat until you're hitting the numbers you expected.

- **Software products related projects:** If you're working on a software product or feature, consider launching it to a small test audience. If you have an existing product and want to gauge interest in a new feature, add a button for the feature and see how many people click on it. You don't even need to build the feature! The link can go to a register interest screen or similar.
- **Staff training related projects:** Rather than spending ages designing the perfect training program, sit down and work out the capabilities your training will deliver to the recipients. Think about which of those capabilities is most important right now, create a basic program to train people on this and test it with a few of your team members. Survey them at the end, and if they believe their capability has improved, roll it out to more team members.

Remember, don't strive for perfection! Put it out there and refine it as the quarter progresses. Now that we've broken our work into chunks, we're ready to execute and track progress with a weekly check-in!

If there is one OKR activity that really changes the game in the short term, it's the **Weekly OKR Check-In**. The weekly check-in drives a radical discussion behind each Key Result.

We like to approach it in a weekly team meeting. We allow 10 to 20 minutes to to cover the OKR, discussing one Key Result at a time by answering the following four questions:

1. What's the confidence score? From 0% to 100%, how likely are we to achieve it?
2. What progress was made on this Key Result over the last week?
3. What is the focus for the week ahead to progress this Key Result?
4. What is the primary thing slowing down or blocking this Key Result?

This format might feel a little bit constraining, but it delivers 3 amazing benefits:

1. **Accountability:** Discussing how we think we're going to go and what progress has actually been made unlocks accountability and commitment. This is a simple habit that drives results. It becomes very clear quickly if progress is not being made!
2. **Alignment:** Doing a collective confidence score highlights misalignment and allows us to have the right discussion to get onto the same page. As a rule of thumb when

scoring, stick with the lowest confidence score unless the team agrees a higher score should be held.

3. **Course-correcting:** Agreeing as a team on what we need to do to course correct the current progress of the OKR in a bid to increase confidence. This is where we want to focus the discussion on the lowest confidence scores. Throw the full weight of the team behind the most challenging items!

6. Reset and improve

Finally, at the end of your OKR cycle, reflect on what worked and what didn't about the process. We intentionally call this a pilot as we don't need to perfect it the first time around. Discuss with your team:

1. What did they like most about the OKR itself and the process you used?
2. What did they like least about the OKR itself and the process you used?
3. What would they like to do differently next time?

At this point you're ready to follow the process again. Discuss your priorities and write those OKRs!

Conclusion

OKRs are a technique to set and track goals that drive insane business success. The versatility of the OKR framework makes it simple to deploy in any size team, whether large or small, which makes them particularly appealing over older and out-of-date models.

It's the secret ingredient that has helped companies like Google and LinkedIn become household names. So, what are you waiting for? Give the OKR framework a trial run in your business today. After more ideas and templates? Check out the goodies at OKR Quickstart.

What teams find most challenging and where to find help

The biggest challenge teams seem to have with OKR is making the day-to-day decisions about OKR. Topics such as:

- What should our OKR be right now? (we have too many ideas!)
- What's the right leading metric to use for our Key Results?
- If a team is falling behind, how do we support them to be more successful?
- The teams all seem to be working on different things, is that normal?
- How can I break my projects down into small chunks

OKR Quickstart was founded to remove the mystery. I hope this guide has been insanely helpful, yet I know we can't cover everything. That's where if you have the means, we can help you avoid the wheel spinning and get this happening fast and well. Just imagine what you could achieve if your team was aligned and nailing your biggest priority right now.

Apply to work with us

Follow the button below and fill out your application. It will come to my office where one of two things will happen. One, I'll decide we're not a good match and I'll let you know politely. Or two, I'll decide we MIGHT be a good match and someone from my office will schedule a call to see if we really are. Nobody will pressure you or hassle you. If you want in, great. If not, no problem. We're cool either way.

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