

OKR CHEAT SHEET

WHO USES OKR?



HOW DOES IT WORK?

- 1. Strategy review and discuss priorities before the next cycle**
Alignment starts before end of quarter with informal priority discussions.
- 2. Executive team lessons learned and set company OKR**
Retrospective on last cycle and reset OKR. Seek feedback from teams.
- 3. Teams set their OKR and Playback to align**
Set OKR to align, capture dependencies & walkthrough OKRs in Playback
- 4. Monitor progress with weekly check-ins and a mid cycle review**
Check progress weekly. Perform a deep review mid quarter.
- 5. Aim for 70% achievement across your Key Results**
Learn to excel, make it safe to fail. Target 70% achievement on average.

THE BENEFITS OF OKR

- **Outcome alignment:** Clarity on what's most important right now.
- **Impact focus:** Moving past the todo list, focusing on the outcome.
- **Directional autonomy:** Clear on the outcome, teams create their own path to success.
- **Organisational learning:** Regular reflection, adaptation & improvement creates a smart thinking organisation.

WHAT'S AN OBJECTIVE?

The Objective *is a battle cry, connecting work with purpose.* It answers "**What** do we want to do?"

- Inspirational
- Manageable outcomes
- Provides focus
- Action oriented
- Change, not maintain
- Time bound

Pro tip: Write your objective as if it were a headline in a newspaper reporting on your crazy success this quarter.

Eg: Inspire our customers to refer others onto our product

WHAT'S A KEY RESULT?

The Key Results answers the question, "**How** do we know we're making progress?" with metrics, not deliverables:

- Results based
- Aligned
- Directly measurable
- Indicates progress
- Challenging
- Accountability clarity
- Leading indicator

Examples:

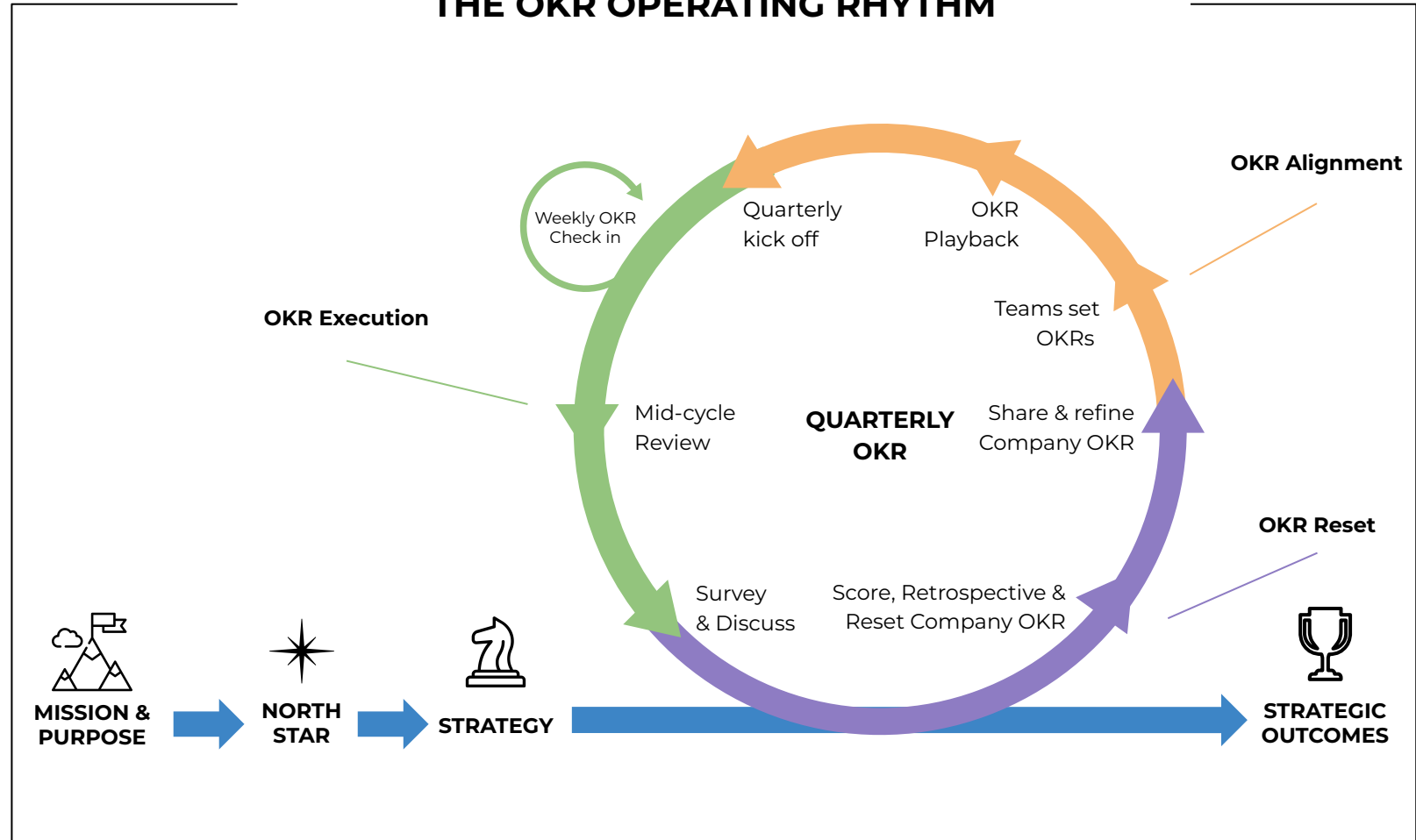
KR1: Increase weekly return customer from 10% to 40%
KR2: Lift referral rate from 25% to 50%
KR3: Customer satisfaction increases from 58 to 83

Objective (Ideally 1)

Key Results (Ideally 2-5)

Initiatives (many)

THE OKR OPERATING RHYTHM



SETTING OUTCOME CENTRIC KEY RESULTS

- ☹️ **OUTPUT** - What we do:
 - Physical product
 - Digital product
 - Project documents
- 😊 **OUTCOME** - Immediate impact:
 - Behaviour
 - Satisfaction
 - Referral
 - Lean process metrics
- 😐 **END RESULT** - Lagging impact:
 - Profits & sales
 - Market share
 - Throughout

FOCUS WITH YOUR WEEKLY CHECK-IN

Turn your team into a heat seeking missile, constantly course correcting to hit your target. Vote on how confident you are that a Key Result will be achieved. Take action to lift the confidence.

Scoring scale:

- 1:** High confidence the Key Result will be achieved
- 0.7:** It's likely we'll achieve this Key Result or get pretty close to it
- 0.4:** It will be a challenge to achieve this Key Result
- 0:** It's unlikely to be achieved

OKR DISSECTION

What we're achieving

Objective scope

OBJECTIVE			
Become the #1 accounting provider for Small Business in San Francisco			
KEY RESULTS		HOW TO MEASURE	INITIATIVES
KRI: Increase reorder rate from 45% to 70% for San Fran Small Business		Weekly order report	1. Subscription service 2. Checkout CX
<p>The measure</p> <p>Current state</p> <p>Target state</p>		<p>KR Scope</p> <p>Understanding of how to measure</p>	<p>Activities and projects separate from Key Results</p>

TECH/PRODUCT EXAMPLE

GROW BY MAKING OUR UPGRADE PATH FEEL LIKE BUTTER

1. Increase sign-up to trial conversion ratio from 10% to 30%
2. Increase trial to paid conversion ratio from 5% to 7%
3. Increase referral rate for < 1 month paid accounts from 2% to 30%

SALES EXAMPLE

CRUSH OUR LAUNCH IN MELBOURNE AUSTRALIA

1. Generate \$200K in Sales Qualified Leads in Australia
2. Progress leads from Marketing Qualified Leads to Sales Qualified Leads within 2 days
3. Maintain a Sales Qualified Leads to Close conversion ratio of above 20%
4. Maintain a profit margin ratio of 45%

FINANCE EXAMPLE

PRIME OURSELVES FOR GROWTH WITH STELLAR FUNDING OPTIONS

1. Reduce average funding costs from federal funds rate +2% to federal funds rate +.5%
2. Reduce additional funding approval time from 30 day average to 2 day average
3. Increase loans with early repayment option from 25% of loans to 75% of loans