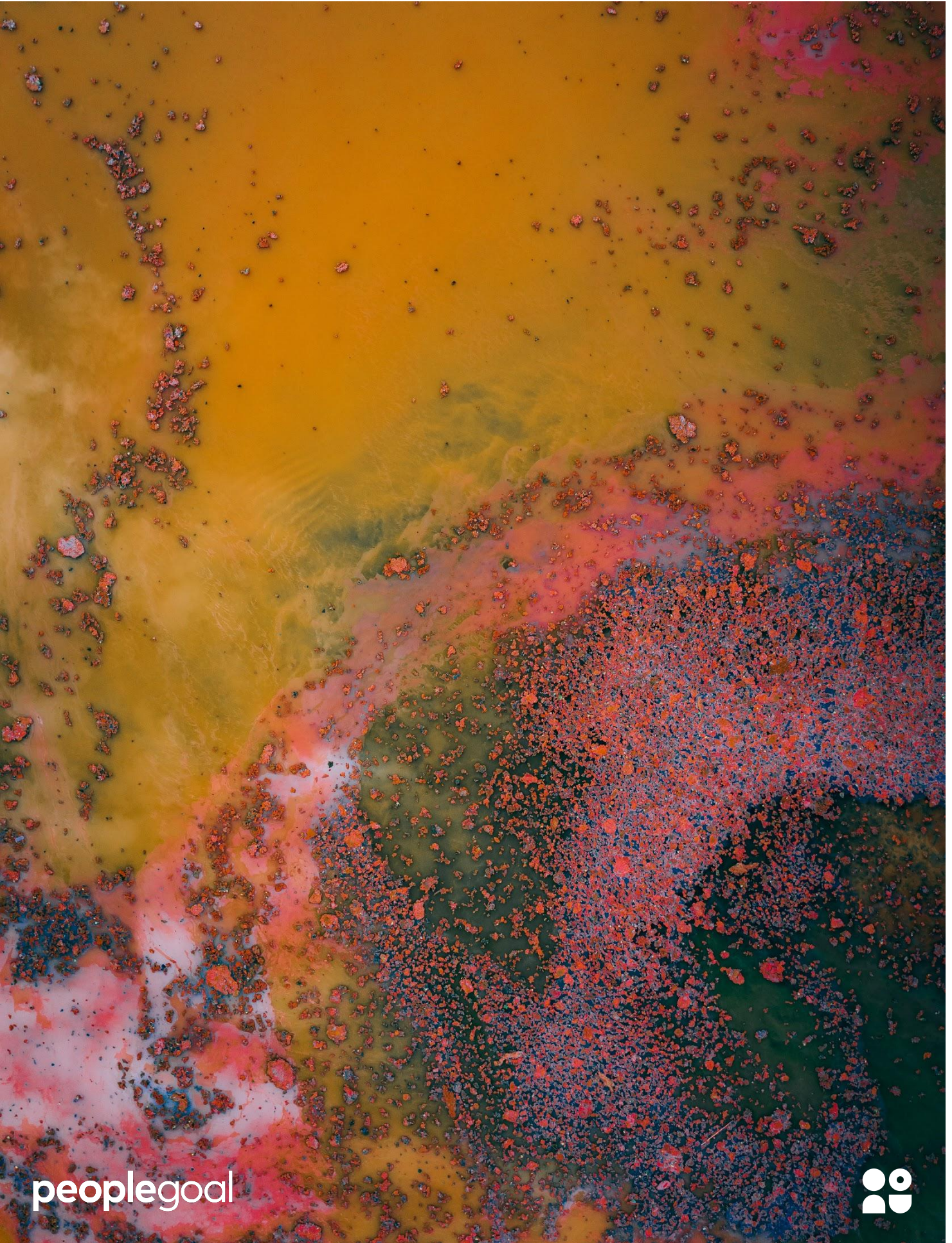


An Essential Guide to OKR (Objective Key Results)

Helpful tips and best practices for setting up OKRs



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Definition of OKRs

OKRs is short for Objectives and Key Results and setting goals with the framework is just as easy as remembering this acronym.

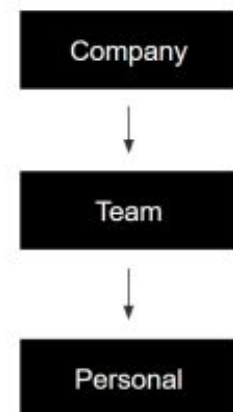
Objectives and Key Results: What does it mean

Objectives

- Goals
- Tell you where to go
- High-level
- Qualitative
- Actionable
- 3-5 objectives

Key Results

- measurable and quantifiable
- make the objective achievable
- lead to objective assessing
- actionable
- ambitious
- S.M.A.R.T.
- 3-5 Key Results



peoplegoal

While we will talk more about the origination of OKRs in the next section you can fast track your goal success rate by using this simple formula for setting OKRs:

"I will < > as measured by < >."

The first blank here is your objective. It could be something inspirational or a little more mundane but should describe exactly what you want to achieve. For our first example, let's say our objective is to "write an amazing blog on setting goals."

The second blank here is the key result. Without this second part, we might end up with goals that are too subjective, so thinking about the desired outcome and quantifying it helps keep us on track. I might add a key result for the objective above of "getting 100 page views in the first week," for example.

And while you may initially think of these goals as coming off binary (like doing $x = y$) the framework really shines when we make multiple key results. This could be a way of adding alternative criteria or complementary criteria to our goals. For example, I might also want to track how many times the blog post is downloaded so I would add "have 50 downloads per week for the first 2 weeks" to my key results.



Once we have the [basics down on setting goals](#) we should add more key results to set stretch goals - multiple levels of achievement that all equal success but push us to do the best we can. My stretch goals in this case might be "500 page views in the first week" and "1000 page views in the first week." The second and third key results may be very difficult to achieve and that's the point! Instead of setting binary goals that only 100% complete or else we assume failure, stretch goals have us reach for the stars with the understanding that we can't also complete everything. Start with an assumption that 70% is an awesome result - somewhere between fully completing Key Result 2 and 3. We may not be able to fully predict how much we can really achieve, so why limit ourselves at the start of the race?

The reason why this method can be so beautifully simple is because the two sides of the equation balance each other out like a see-saw. Adding quantification to our aspirations helps us choose goals that are attainable but also give us something to strive for. While some goals might be very straight-forward and only have a few means of going about them, other goals might need creativity and more planning to get the results you want.

Now you have all the information you need to start thinking about your goals in the OKRs framework. But understanding the history of the methodology and seeing how companies large and small are using it can help take our goals to the next level.





History of OKRs

Creating OKRs

When creating OKRs, use the following sentence to help you set it

- I will _____ as measured by _____, _____, and _____.
- I will develop a new product vision for 2018
- as measure by improving internal feedback score from 7 to 10 from the sales team,
- score from 8 to 10 on UX mockups from 20 prospective customers, and

```
graph TD; Company[Company] --> Team[Team]; Team --> Personal[Personal];
```



Andy Grove is widely considered the “Father of OKRs” in addition to having a large impact on the Silicon Valley and management methodology. As he rose the ranks at Intel during the 70’s and 80’s, becoming the Chairman and CEO in 1997, he focused on continuously striving for excellence and and adapting and transforming processes in order to grow. His management led to great strides in both innovation and market capitalization. He also taught internal classes on his techniques including goal setting with OKRs and documented the approach in his book High Output Management.

And although many of the methods of managing and motivating still ring true today, it’s the OKR framework that is often first remembered. One Intel employee, [John Doerr](#), adopted the framework and when he left to work elsewhere introduced it to two gentlemen looking for venture capital for their startup based out of a garage in California in 1999. Today over 60,000 employees at that company - Google - use the framework to set goals that help organise the world’s information.

Since then the framework has been used, adapted and taught at Fortune 500 companies, top-ranked business schools and motivational retreats across the world. And while new suggestions and additional constraints have been offered by experts, the basic structure has remained the same:

“I will < > as measured by < >.”

You might wonder then if the principles still hold true for the current business environment - from the disruptive tech startups to traditional brick and mortar retailers. Are OKRs still relevant?

Why should you use OKRs in 2019?

Want your company or project to be as successful as **Google? Intel? Spotify? Airbnb? Target? ING?**

These are just a few of the large corporations who put OKRs to use in everyday life. Of course you don't have to 1000's of employees to see the benefits. It's continued use from small to large organisation is a testament to the power of goals that provide direction and objectivity.

Using OKRs will give you the edge to getting things done and holding yourself and others accountable. As the Father of OKRs said "at the end you can look, and without any arguments: Did I do that or did I not do it? Yes? No? Simple. No judgments in it."

While we've touched on some of the benefits along the way, there's 4 reasons you should start using OKRs referred to as the 4 Superpowers of OKRs by John Doerr:

Focus and Commit to Priorities

Having defined and measurable goals help us spend our attention on what is important and makes it easier to get support when we need help. Having a shared format and expectation helps everyone to stay up-to-date and on track.

Align and Connect for Teamwork

Sometimes even when we're working towards the same goal, it can be difficult to see the big picture. Using and aligning with OKRs helps us work together to accomplish both individual and high-level goals.

Track for Accountability

If you can't measure, you can't improve. And if you can't track it, you can't be surprised when it isn't done on time. [Holding ourselves \(and others\) accountable helps motivate us to achieve and OKRs](#) make it easy to track at a glance.

Stretch for Amazing

Setting goals that challenge us but still have full buy-in from the team/individual are key to high performance. When we're empowered to set our own goals that take into account our skills and interest, self-motivation is much easier.

Still on board? Let's take a look at how OKRs can be implemented into a system that gets the results we are targeting.

How to create an organization wide OKRs process



Depending on the size and composition of your organization, setting up a process for OKRs alignment can require varying amounts of effort. In this section we will cover the basics you need to consider when planning for success. After reviewing the following 6 considerations for setting up the process, you can use the example OKRs cycle at the end to plan out how to start right away.

1. Timing

One important thing to consider in setting up the process is timing. Not only do we need to set goals in a timely manner, but we should also evaluate in such a way that provides us with feedback while we can still apply it. The basic mantra is that goals should be set often and monitored continuously. Many organizations use a quarterly process, but it's crucial to include time for planning, execution and evaluation.

Before rolling out to teams, have a schedule of at least the next 6 months prepared to communicate when goals should be set and what period they will be measured over. Just like setting up any other organizational initiative, there will be some expectation setting needed up front and establishing hard deadlines will help give structure the program from the start.



2. Visibility and Alignment

Accountability is also an important part of the framework and one for the ways we achieve this is by offer visibility into what we are doing. Often, giving others a view of our goals can help motivate us to work harder at them. Like any other successful organization effort, this process needs to start at the top.

While you can certainly share the list of example OKRs in Section 4, why not take the company objectives and KPIs or convert the goals of your top executives into the framework. These will serve as concrete reminders that your everyone is responsible and contributing to a common goal. The amount transparency of provided to individuals is a decision that must be made by leadership, but some amount of upward visibility is essential to get full buy-in.

Similarly, the amount of alignment may depend on how much insight is given to top-level objectives. [Software](#) can allows individuals to attach their goals directly to related company objectives, but even if this isn't possible, you can still provide guidelines for the creation phase to make sure goals are aligned. Compile a list of questions to consider that will ensure OKRs are relevant to both the individual and company level such as "Do the results I want to achieve contribution to the continued success of the team/company?" or "Is this objective in keeping with the vision and values of the organization?"

3. Deployment

If you're not ready for a full rollout to all employees/team members, [try a pilot to gauge the reception](#). Or start with an annual goal setting process before moving to quarterly. As mentioned in the alignment section above, it's important to first set higher level KPIs or objectives to give a clear vision of what departments or teams should be aligning to. Since OKRs are designed to be collaborative and visible, try setting up dedicated time to brainstorm, develop and get feedback on goals together in small groups or teams. You might even consider goal-based team building events where your OKR champions can offer tailored, group based goal setting workshops that also improve moral and help team members bond.

Consider online systems that allow for quick entry, tracking and dashboard level views of the goals. [Platforms](#) like PeopleGoal also offer news, timeline, and reminder functionality that help keep even the busiest employee informed and ready to start the OKR approach. Integrating with or choosing a service that also covers core Human Resources functions can ease the transition for end-users and eliminate any feelings that the initiative is only another performance metric to be afraid of.

4. Connection to performance/rewards

Because our OKRs should stretch our perceived limits, it's important to set thresholds for success and de-couple these from the performance review process. Google and others, for example, use 70% as a measure of success. If we're always hitting 100%, then we're simply not aiming high enough. However, it can be discouraging and intimidating if we it seems like we're not performing to our fullest because we don't achieve the highest level of our OKR.

If your employees or team members only associate OKRs with a performance review at the end of the year or quarter, [they're incentivized to choose goals they know can easily be achieved](#). While quantification helps us benchmark and find areas for improvement, our overall performance is more than just a few data points. You can read more about to how to run a successful performance review in our [the essential guide to performance reviews](#), but suffice it to say that while goals are absolutely part of what we all do, OKRs work best when they aren't viewed as simply another metric to rank employees at the end of the year.

Similarly, while it might be tempting to add in a rewards system to OKRs and under some circumstances this can be beneficial, it's important to consider the underlying source of motivation behind achievements. Success is certainly worth celebrating and rewards are one way of recognizing hard work, but linking directly to OKRs can lead to unhealthy competition and a focus on personal achievement at the cost of inclusivity and overall team success.

5. Culture

Closely related to the performance piece mentioned above, there are certain environmental factors that can make or break an OKRs system. OKRs are meant to make us strive to do our best, really shooting for the stars but still being safe to fall on a cloud. While some pressure can motivate, too much can distract us, and cultivating a culture where everyone feels comfortable to try things outside the box and occasionally failing but learn from mistakes goes hand-in-hand with a successful OKRs system.

[Company culture isn't something you can change overnight](#), but it's possible to initiatives like OKRs to solidify and position your culture in the desired direction. Think in terms of how setting high-aspiration goals fits in to “who you are” as a company or a team. If you translate your core values or mission statement into a high-level objectives then it will be easier to align key results at the department or team level. [Creating goals, providing meaning and fostering social connections](#) are all expert-recommended ways to grow a positive culture and these are all achievable through a successful OKR program.



6. Communication

Lastly, but most importantly, communication is key. You need to plan communications out to the group that explain the [benefits of setting OKRs](#), the reason they are being implemented, and what to expect in terms of changes of software and/or operating procedures. From the perspective of management, this communication doesn't cease once the initial OKRs are set. Occasional reminders and updates on high-level objectives should continue throughout the year should set the pace to march for team and individual goals.

Not only should we be communicating about OKRs, but also communication using OKRs. When each individual has goals that share an objective with everyone else we can use the framework to talk about where we need help, celebrate success and updating our priorities. One easy way to increase goal-centric communication is to use business tools that facilitate, and even encourage collaboration. Services like [Slack](#) and [Notion](#) are great ways to foster communication by centralizing work documents, groups, and important links.

Especially if you're able to give full visibility of OKRs across your organization, consider tools that allow easy viewing, updating and commenting on goals. While you might start off with a paper/online document for tracking OKRs, once you begin to have many cycles and iterations of goals, it can be helpful to have an online system that organizes and provides further insights into the data. Bonus points if you can quickly comment on your own, to your team OKRs! Quick communication like this can bridge the gap between weekly and monthly check-ins to get this back on course before the end of the performance period.

How to set up an OKRs cycle?

Company level

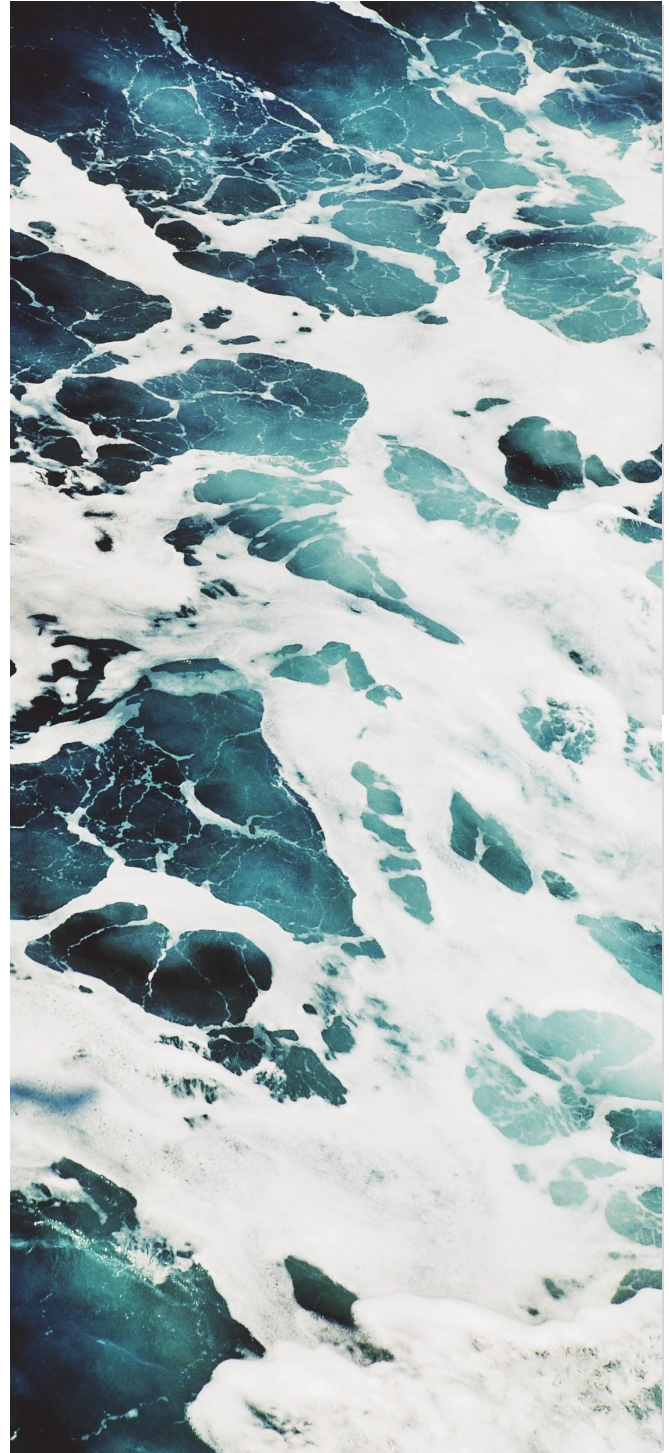
- 5 weeks before the start of the quarter - Brainstorm Company Level OKRs
- 2 weeks before the start of the quarter - Communicate and finalize Company Level OKRs
- 1 Week before the start of the quarter - Develop Team Level OKRs
- Start of quarter - Communicate and finalize Team Level OKRs, begin

Individual Brainstorming

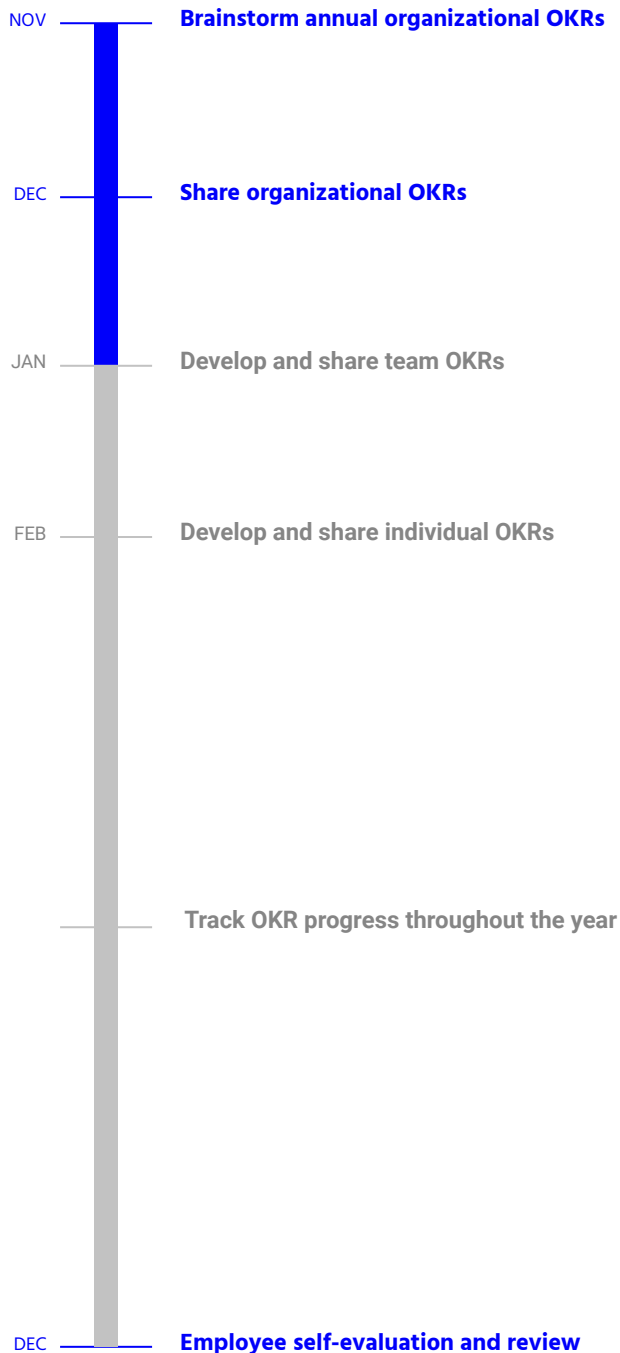
- 1 Week into quarter - Finalize and share Individual OKRs
- Continuously through the quarter - Track progress, give feedback and

Check-ins

- Mid-quarter formal check-ins
- Monthly team/department meeting with updates
- Weekly updates from owners
- 1 week before end of quarter - Close and score OKRs, reflect and repeat process



OKR Goals Cycle



4-6 WEEKS BEFORE END OF THE YEAR

Brainstorm annual organizational OKRs

C-suite should brainstorm and set annual plan goals to determine the general direction of the business for the upcoming year.

2 WEEKS BEFORE START OF Q1

Share organizational OKRs

Ensure everyone in the company is aware of the company goals and strategy.

START OF Q1

Develop and share team OKRs

Develop team goals aligned to the organizational ones and share them with the teams.

1 MONTH AFTER START OF Q1

Share individual OKRs

Ensure every employee sets and shares their individual goals aligned with the vision of the company. This might involve one-to-one meetings of managers and their direct reports.

THROUGHOUT THE YEAR

Track employee progress

Ensure tracking progress and regular check-ins through continuous feedback and, regular one-to-ones.

NEAR END OF Q4

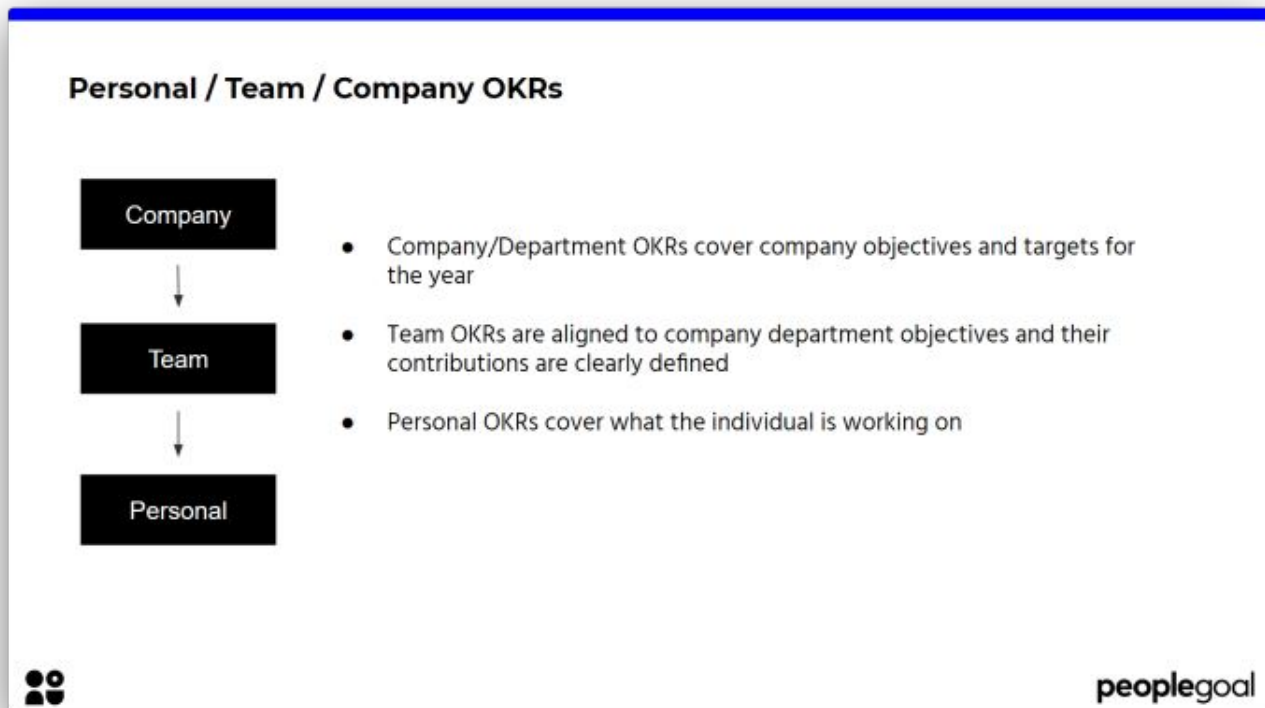
Employee self-evaluation and review

Ensure employees complete self-assessment and review their achievements.



How to Run a Successful OKRs Process?

Now that we have some principals to follow and some structure for the process, let's go back to the 4 drivers of OKRs to highlight some practical advice for running a successful process:



Focus and Commit to Priorities

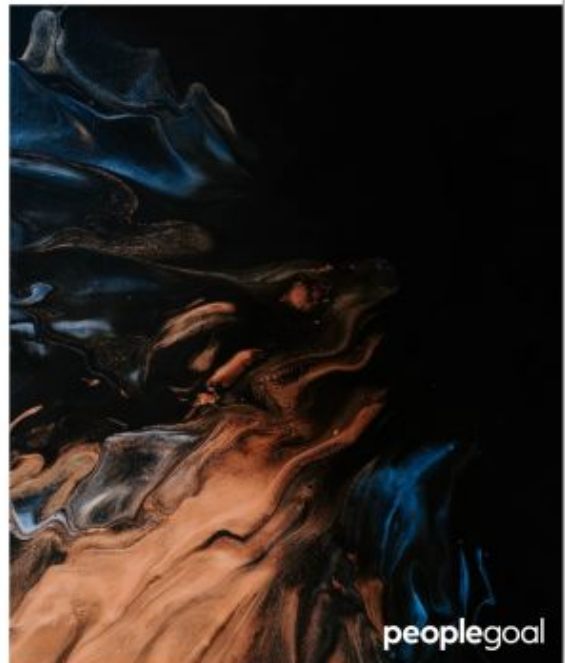
- In order to truly focus and commit, we need the right number of priorities (3-5) and the right cadence for setting them (quarterly).
- Commitment starts at the top and running a successful OKR implementation requires buy-in and follow-through from leadership. This is the most important factor to the entire process.
- When priorities switch, communication is key. Moving objectives up a level when they require help demonstrated what needs the most attention.

Align and Connect for Teamwork

- While some objectives need to come from above, it's important to encourage feedback on area with many contributors. Keep the objectives within the vision of the organization but [gain buy-in by including those who will actually execute](#).
- Include and encourage cross-team OKRs. Not only do they help promote active conversation, they can also uncover strategic advantages between the groups not yet capitalized upon.
- Highlight the importance of objectives in all team communications.

Benefits of using OKRs

1. **Vision** of where you want to get
2. **Prioritization** of how to get there
3. **Know what's expected** of you
4. **Guide people** towards the right path
5. **Shows how far** along you are
6. **Daily focus** on most important goals



Track for accountability

- Just like commitment, accountability starts at the top. Creating a culture where we can admit our mistakes and learn from them takes effort but is well worth it in the long run.
- Cloud-based, collaborative, real-time goal tracking systems are key to driving accountability. Making OKRs public and showing continuous updates pushes everyone to contribute.
- Don't wait until the end of the quarter to review your OKRs. Weekly check-ins, especially on high priority objectives can be the difference between making your target and falling short.

Stretch for Amazing

- It's OK to have some goals that should be 100% completed, but stretch goals should be a part of your strategy at all levels. Don't just think outside of the box, think exponentially.
- There can be a fine line between setting goals that are aspirational or unrealistic. When setting OKRs with stretch goals, it's important to set minimum standards or percentages of success and don't forget to put achievements in the appropriate context (even if the overall percent is low) and celebrate them!
- The only true failure is in giving up; It's important to create an environment where everyone feels like they can fail (at least temporarily), as long as they are putting in due effort and working towards the common goal. When we're not afraid of being judged by the outcomes, we can focus our full efforts on doing our best.

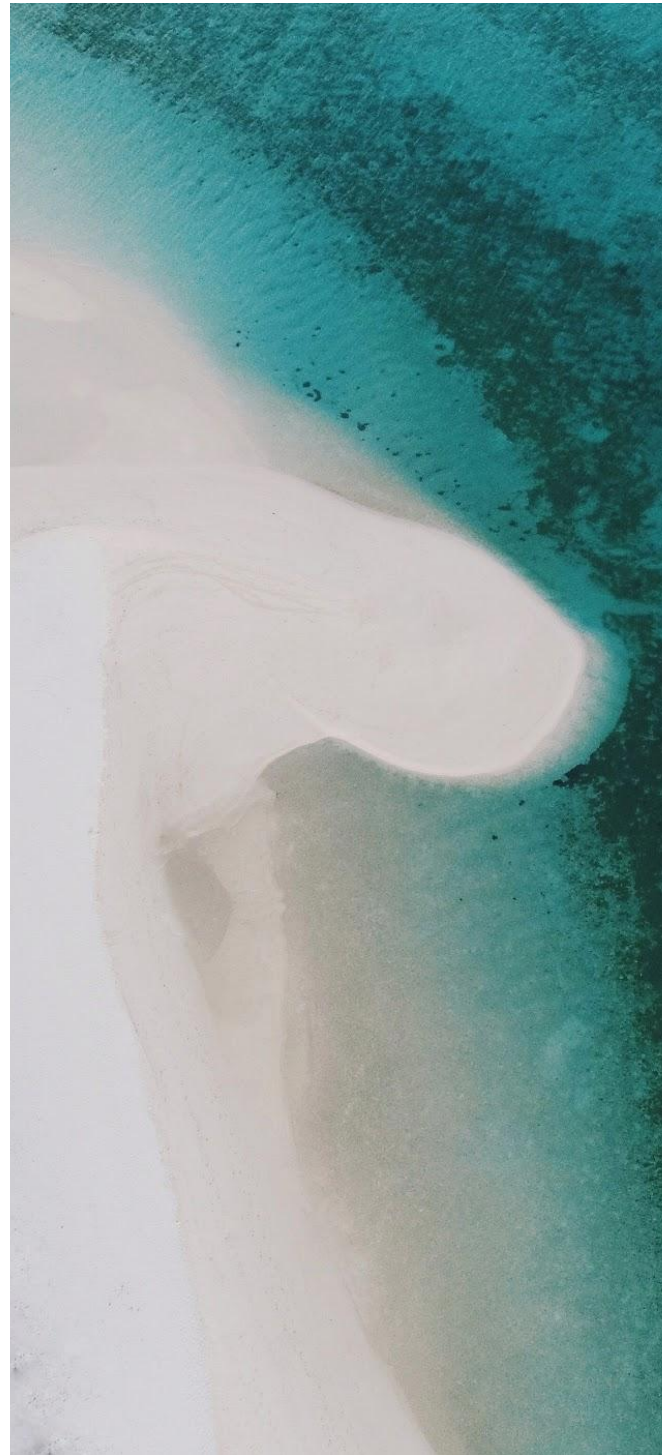


Setting personal goals helps you to align your behaviour with the bigger picture

If you set personal objectives you not only break big dreams into actionable steps, you give yourself time and space to evaluate what you need to do in order to achieve your personal or professional aspirations. [Setting SMART goals also allows employees and managers to align their individual goals to the larger vision of the company][14] which not only improves productivity but helps to maintain company culture and keeps everyone on the same page. Through setting individual goals companies can ensure that every member of the team is involved in the process of improving and growing the business, as well as being aware of what's expected from them.

Setting goals is essential for self-leadership

Last but not least, setting goals is an essential tool for self-leadership. [Setting goals allows you to define what is really important to you, helps you to build your character and maintain personal and professional development][15]. Creating goals makes you continuously reflect on your performance and upskill yourself. Especially if you feel like you lack guidance from your supervisor you need to develop tools to self-coach yourself. And if you're a busy manager you always need to provide your team with tools to improve and engage with their work. It will allow you to become more efficient in your role and sustain a healthy work-life balance.



10 OKRs examples to help you start



Finally, here are some more examples of OKRs to help you brainstorm your own goals. They don't have to look exactly like this, but remember to look beyond tasks and think about what you truly want to accomplish, something you would be proud to tell to your friends and colleagues. No matter the team size, industry or competition OKRs can help you get there.

10 OKRs examples to help you start

Sales

Objective: *Increase the number of qualified leads for Q3*

- **Key Result:** Receive 500 inbound per month
- **Key Result:** Respond to 100% of requests within 24 hours
- **Key Result:** Contact 500 new potential leads per month

Marketing

Objective: *Increase brand recognition*

- **Key Results:** gaining 100 brand mentions or backlinks from publishing quality, related content.
- **Key Result:** 200 brand mentions or backlinks from publishing quality, related content.
- **Key Result:** 300 brand mentions or backlinks from publishing quality, related content.

Company Level

Objective: *Improve customer acquisition process*

- **Key Result:** 30 day average conversion rate for next 3 month
- **Key Result:** 15 day average conversion for customer with under 50 users
- **Key Result:** Increase number of referred customers to 50 per month

Team Level

Objective: *Improve on last month's number of outbound leads.*

- **Key Result:** individually reaching out to 100 potential clients.
- **Key Result:** 200 potential clients.
- **Key Result:** 300 potential clients.

Individual Level

Objective: *Learn a new programming language*

- **Key Result:** completing 3 courses this month.
- **Key Result:** Submit 3 detailed improvement suggestions to development team
- **Key Result:** Complete 10 bug requests per week

Customer Support

Objective: *Improve customer experience*

- **Key Result:** reducing average wait time to 10 mins or less during the month of August.
- **Key Result:** Improve NPS to +50
- **Key Result:** Average 5 stars on App Store

Design

Objective: *Improve quality of team output*

- Key Result: as measured by 90% customer satisfaction rating.
- Key Result: Average of 1 re-design requested by customer.
- Key Result: Net positive cost/revenue for all clients.

Management

Objective:

- Key Results: Achieve monthly revenue of \$500,000
- Key Result: Increase number of sales by 25% by end of quarter
- Key Result: Open 3 new locations by the end of the year

Human Resources

Objective: Gather quality performance information for analysis

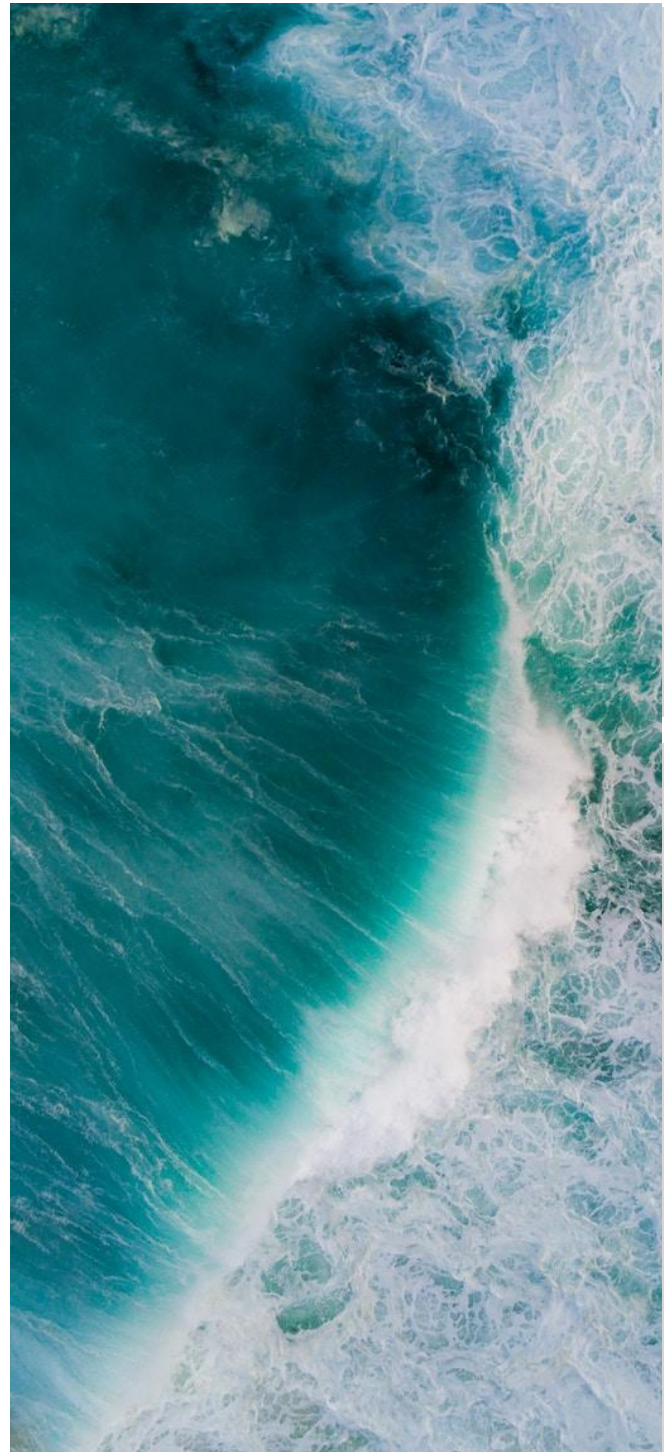
- **Key Result:** Attaining 100% on-time performance appraisals this year.
- **Key Result:** Complete administrative approval of reviews with 24 hour of submission
- **Key Result:** Schedule follow-up meetings for all rating under 60%

IT

Objective: Maintain high quality customer experience

- **Key Result:** Ensuring 99.9% system uptime.
- **Key Result:** Reduce customer tickets to 10 average tickets per customer per month
- **Key Result:** 12 average time to completion for all new tickets

Use our [free templates](#) to start setting your own OKRs today. Or click [here](#) to see how easy it is to start tracking individual, team or organizational OKRs using PeopleGoal.



OKR Goal Setting Template

What's the initial goal you have in mind?

Expand on this goal using the OKR methodology.

O	What do I want to achieve? Be precise.
Objective	

KR	What is the base level required to be successful? What are the metrics and milestones I need to hit along the way?
Key Result 1	

KR	What level of achievement is realistic for me? If I aim to achieve 60-70% maximum of the key results, what can I realistically accomplish given current constraints?
Key Result 2	

KR	How bright can I shine? If I refuse to let myself be limited by anything, even myself, how great of an impact can I make?
Key Result 3	

KR	Aim for the stars. What is the best possible outcome imaginable?
Key Result 4	

Get the picture? Remember that it takes time and reflection to make goals that challenge and motivate people. So don't rush the process! Having something we believe in and want to achieve is the key to being engaged in our work - whether it's a personal endeavor or a game-changing business project.

We hope you've found this guide both useful and a bit inspirational as well. If there's anything you feel is missing or you have general feedback, contact me directly here. When you're ready to learn more about OKRs, drop us a line to see best practices in action in our cloud-based, modular [HR platform](#). Or if you have any other questions contact us here: contact@peoplegoal.com



