

OKRs

THE GOOD, THE BAD AND THE UGLY

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What are OKRs?

Objectives and Key Results (OKRs) is a goal system popularized by Silicon Valley.
It is a **simple** tool used to create **alignment** around **measurable** goals.

I will (Objective) as measured by (these Key Results).

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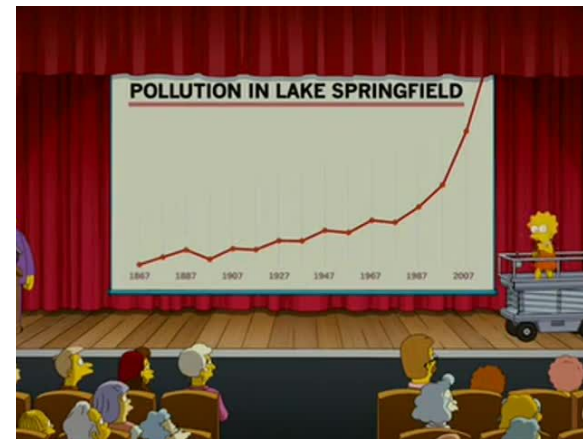
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Objective 3: Fight pollution in Springfield.

- Key Result A: Raise \$1,000 for charity.
- Key Result B: Pick up 7 pieces of garbage per week.

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yahoo!

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- Key Result A: Leave the bar after 10 beers (doh!).
- Key Result B: Eat max 5 doughnuts per week.

Objective 2: Train by running 1 mile in 10 minutes.

- Key Result A: Finish a 1 mile walk without stopping.
- Key Result B: Manage to run for 5 seconds.



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Objective 1: Reduce utility bill.

- Key Result A: Save \$20 on electricity by turning off lights in the house.
- Key Result B: Save \$30 on water by taking less baths.

Objective 3: Raise money for an environmental charity.

- Key Result A: Raise \$100 with apple pie fundraiser.
- Key Result B: Distribute flyers to promote apple pie fundraiser.

The Good, the Bad and the Ugly of OKRs



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- **Simple and Transparent.** Everyone shares their goals
- **Alignment.** Homer distributes flyers for Lisa by walking
- **Agile.** Homer changes OKR when Covid closes the bar

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- **Goal-Setting.** Should Homer limit beers or dollars?
- **Resource Constraints.** Should Lisa spend time on fundraiser or flyers?

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Ugly

- **Conflicting Goals.** Baking pies increases the electricity bill



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- **Bi-Directional.** PM proposes ideas that ladder up to corporate KR
- **Transparent** Marketing sees that Product is focused on subs
- **Alignment.** Editorial & Product decide to collaborate on logins

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- **ROI** How do you define “return” and “investment”?
- **Balance.** How do you ensure that in the aggregate teams contributes to all KR equally?

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- **Conflicting Goals.** Pageviews vs User Registrations. Subscriptions vs Ads. Growth vs Profitability.

Common Mistakes

- **Setting OKRs top-down.** OKRs do not cascade. Trust your team and help them understand how they can contribute.
- **Creating OKRs in silos.** Teams have to talk to each other when setting OKRs, otherwise achieving alignment will be impossible.
- **“Set it and forget it.”** Don’t treat your OKRs as new year’s resolutions. OKRs have to be part of the culture of your organization and has to be tracked at a regular cadence.
- **Including OKRs in a compensation formula.** OKRs are not for employee evaluation. It is a management tool.

Summary

- OKRs are a **simple and fast** way to ensure everyone is going in the **same direction**, with **clear priorities**, in a **constant rhythm**.
- Key challenges are the ability to [1] accurately **measure** key results and [2] setting **conflicting goals**. OKRs don't solve this but highlight it.
- In fact, a lot of the value comes from **debating** OKRs to crystallize and align on overall thinking and priorities. Debating should happen bottom-up, top-down and laterally.
- Adopting OKRs is a **journey**, not an event. As in any cultural transformation, change doesn't happen overnight. But it is possible to modify the company's dynamics in a few months, aligning and engaging the team.

Thank you!



I CAN'T BELIEVE I'M ACTUALLY RUNNING
A MARATHON—ARRGGHH THE WALL

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