

# OBJECTIVES AND KEY RESULTS (OKR)

# GUIDE



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# What are Objectives and Key Results (OKRs) ?

**OKR stands for Objectives and Key Results**, a goal-setting framework that helps organizations define and track their progress towards ambitious goals. This approach focuses on achieving specific outcomes or results rather than just completing a set of activities. It's about defining what success looks like and then planning the steps needed to achieve it. The emphasis is on the end result rather than the process of getting there.

An **OBJECTIVE**, is simply the GOAL to be achieved, no more and no less. Objectives are significant, concrete and inspirational. When properly designed and deployed, they're a vaccine against fuzzy thinking—and fuzzy execution

**KEY RESULTS** benchmark and monitor HOW we get to the objective.

**“It’s not a key result unless it has a number.”**

## History

OKRs originated at Intel in the 1970s and were later popularized by Andy Grove, the company's CEO at the time. John Doerr learned this method from Andy and later introduced OKRs to Google in 1999 (when google was about 40 employees). Google, now with over 140,000 employees, still uses OKRs. Here are some highlights from Google’s adoption and rules for OKRs.

### Ambitious “Moonshots”

Drafted to be inspiring and ambitious where 60-70% achievement is ‘good’ and 80% is excellent.

### FOCUS

To ensure focus, each quarter a team could only have a max of 5 OKRs with 4 KR.

## Google OKRs at Google

*“OKRs are the cornerstone of Google's culture of ambition and execution.”*  
Sundar Pichai, Google CEO

### Bottom up & Top down

60% of the OKRs are drafted bottom up with the strategic ones shared by leaders.

### Company Wide Sharing

Google makes OKRs visible company wide and conducts company wide and team level meetings to align.

# Sample OKRs

## - city development -

**Objective:** Increase housing unit availability by 10% within 2 years, focusing on affordable options.

- **Key Result 1:** Complete construction of 5,000 new housing units within the next two years.
- **Key Result 2:** Upzone 15% of city land for residential development within the next two years, prioritizing areas with high demand.
- **Key Result 3:** Achieve an average of 15% affordable housing units in new developments
- **Key Result 4 (leading):** Increase building permits issued for residential projects by 20% (YoY)

## - marketing -

**Objective:** Increase brand awareness and generate qualified leads.

- **Key Result 1:** Achieve a brand awareness score of 70% within the target audience.
- **Key Result 2:** Generate 15,000 qualified leads from marketing campaigns within the next year.
- **Key Result 3:** Increase conversion rate from qualified leads to customers by 10%.
- **Key Result 4 (leading):** Increase website traffic originating from organic search by 25% (YoY)

## - technology -

**Objective:** Enhance IT infrastructure and security to ensure seamless operations.

- **Key Result 1:** Implement a cloud-based data management platform with 99.99% uptime.
- **Key Result 2:** Migrate all critical applications to the cloud within the next year.
- **Key Result 3:** Achieve a zero-incident rate for major security breaches
- **Key Results 4 (leading):** Reduce the average time to resolve critical IT incidents by 30% (YoY)

## - culture transformation -

**Objective:** Empower cross-functional teams of teams to achieve shared outcomes faster and more effectively.

- **Key Result 1:** Reduce the average time to complete cross-functional projects by 12%.
- **Key Result 2:** Increase the % of cross-functional projects meeting their target OKRs by 15%
- **Key Result 3:** Achieve a 75% satisfaction rate on employee surveys regarding team collaboration and agility.
- **Key Result 4 (leading):** Establish 4 team of teams by end of 2024.

## - finance -

**Objective:** Achieve sustainable financial growth and optimize resource allocation.

- **Key Result 1:** Increase net profit margin by 10% within the next two years.
- **Key Result 2:** Secure \$100 million in new funding to support growth initiatives.
- **Key Result 3:** Improve return on investment (ROI) for major projects by 15%.
- **Key Result 4 (leading):** Reduce operating expenses by 5% year-over-year through efficiency improvements.

## OKR Benefits

Organizations are embracing OKRs for their ability to laser-focus teams on key priorities, break down silos through transparent goals, and foster a culture of agility and ownership, ultimately driving faster results and higher employee engagement. **KPIs** are also used for goal setting but are usually more fixed and not as dynamic, so modern companies leverage OKRs to move the needle on their KPIs.

*OKRs are your bridge between strategic intent and day-to-day operations.*

The significance of OKRs in organizational success lies in their ability to:

- **Align Teams to Outcomes:** OKRs create a shared understanding of strategic priorities, ensuring that every team and individual contributes meaningfully to overarching goals.
- **Foster Accountability:** Through the transparent nature of OKRs, accountability is enhanced as progress is visible at all levels of the organization, promoting a sense of ownership and responsibility.
- **Drive Focus:** OKRs help organizations prioritize initiatives by directing attention to the most critical objectives, preventing the dispersion of efforts across too many tasks. Incoming new work must be qualified against impact to the key results.
- **Encourage Continuous Improvement:** The iterative nature of the OKR cycle facilitates a culture of learning and adaptation, allowing organizations to respond effectively to changing circumstances.
- **Foster Learning & Innovation:** When leveraging the 'hypothesis' statement as part of forming your OKR, you enable teams to 'learn and experiment' and validate if their strategy is actually working or they need to pivot using a 'startup' mindset.
- **Transparency & Trust:** By setting strategic 3 year OKRs then creating annual and quarterly OKRs teams are able to provide transparency into progress. The OKR check-in cycle creates trust and fosters open communication about challenges and invalid assumptions.
- **Higher Engagement:** OKRs help teams work towards a common goal and understand how their work delivers value. It also fosters teamwork and creative problem solving. This results in higher level of engagement and satisfaction due to work being meaningful and challenging.

## HYPOTHESIS STATEMENT

As you've learned so far, OKRs really have the two parts (objective and key results), however, a critical success factor of OKRs is to add the 'hypothesis' statement which provides more of an 'experiment' mindset and encourages learning. See these examples below.

**Objective:** Reducing Diabetes within a Community:

**Hypothesis:** *We believe that by* **implementing a comprehensive community-based diabetes prevention program focused on healthy lifestyle education, accessible healthcare services, and peer support** *for our at-risk residents , we will* **significantly reduce the prevalence of prediabetes and type 2 diabetes**, measured by:

**Key Results:**

- Increase the participation rate in the community-based diabetes prevention program to 75% among at-risk residents within 6 months.
- Reduce the rate of prediabetes diagnoses by 10% year-over-year within the target community.
- Increase the percentage of participants maintaining healthy lifestyle habits (e.g., diet, exercise) by 15% within 12 months of program completion.

The introduction of this hypothesis format

***“We believe that by <strategy> for <target persona> we will achieve <objective or outcome> measured by <key results>”*** provides a powerful addition to enhance the value of the OKR by

- Clearly outlining the predicted outcome (increased customer retention) and the potential cause (personalized recommendations).
- Specifying key results that directly test the hypothesis, including implementation milestones, engagement metrics, and customer feedback.
- Providing a framework for measuring success and adapting the approach based on the results.

This example demonstrates how hypothesis-driven OKRs can move beyond simply setting goals and delve into the underlying reasons for achieving them. By testing assumptions and iterating based on data, organizations can increase their chances of achieving their desired outcomes and drive more effective strategies.

# Outcomes vs Outputs

The main difference between outcomes and outputs lies in their **focus**:

- **Outcomes** represent the *intended impact or benefit* of an activity or project. They are typically long-term and intangible, focusing on the results and changes that occur due to the effort.
- **Outputs** represent the *tangible deliverables* or direct results of an activity or project. They are typically short-term and concrete, describing the products or services produced through the work.



### Outputs:

- # of employees who completed the training program
- Average score on the customer service skills assessment
- Completion of strategy document
- Launch of new product

### Outcomes:

- Improved customer satisfaction ratings
- Increased customer retention rate
- Higher sales revenue
- Higher product NPS score

## Goal Setting Evolution

Traditional approaches often involved top-down directives with a focus on output-oriented goals measured through the completion of projects within the time-scope,- budget specified. KPIs have been leveraged to set clear goals and measures for success that stay stable and are measured over time.

However, as organizations faced increasing complexity and a need for agility, the limitations of these methods became evident.

The evolution of goal-setting methodologies witnessed a shift:

- from static strategic planning to more dynamic and responsive frameworks
- from outputs/task focused to outcome and results focused approaches
- from top down cascading goals to bottom up + top down aligned and shared goals
- from practical achievable 'rooftop' goals to adding ambitious 'moonshot' goals

# Types of Key Results (Impact, Leading)

Key results can be categorized into two types:



## Impact (lagging) key results

- These measure the actual results achieved in relation to the objective. They indicate the impact of your efforts and show whether you reached your target.
- They are typically lagging indicators, meaning they reflect the cumulative effect of efforts over time. They take time to achieve and measure.
- **Examples:** Increase # of housing units available for new residents, decrease diabetes % in a community, reduce traffic congestion in a city, increase revenue from product sales ...



## Leading key results

- These measure the activities proceeding the desired outcome. They show *progress* towards the objective and gives you 'signals' that you're on track or not
- They are typically leading indicators, reflecting the activities and behaviors that contribute to the achievement of the goal.
- **Example:** # of units started, # of patients completed education program, # of people using ride sharing, # of sales meetings ...

*"Focus on leading indicators, not lagging indicators. Lagging indicators tell you where you are. Leading indicators tell you where you're going."*

*- Andy Grove, former CEO of Intel*

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*"Without leading indicators, you're like driving a car with only a rearview mirror. You may know where you've been, but you can't see what's coming up ahead."*

*- Patrick Lencioni*

## Rooftop Goals



- **What are they?** Ambitious but achievable goals that stretch the team beyond their comfort zone while remaining within the realm of possibility.
- **Focus:** Incremental improvement and exceeding expectations within the current business model.
- **Example:** Increase affordable housing by 500 units in 1yr.
- **Why?** Motivate and engage teams, drive continuous improvement, and achieve measurable progress
- **Ratio:** 70% of goals (or less for more ambitious companies)

Success means achieving 100%



## Moonshot Goals

- **What are they?** Bold and transformative goals that seem impossible or highly unlikely to achieve in the short term. Sometimes called 'Stretch' goals.
- **Focus:** Radical innovation, disruptive change, and exploring entirely new territories.
- **Example:** Develop a program to eliminate housing insecurity within 5 years.
- **Benefits:** Foster creativity and out-of-the-box thinking, inspire long-term vision, and potentially lead to breakthrough discoveries.
- **Ratio:** 30% of goals (or more for more ambitious companies)



Success means achieving 60-70%



*"Aim high, but start small. Set a rooftop goal you can achieve, then set a moonshot goal that stretches your imagination."*

*- John Doerr, author of "Measure What Matters"*

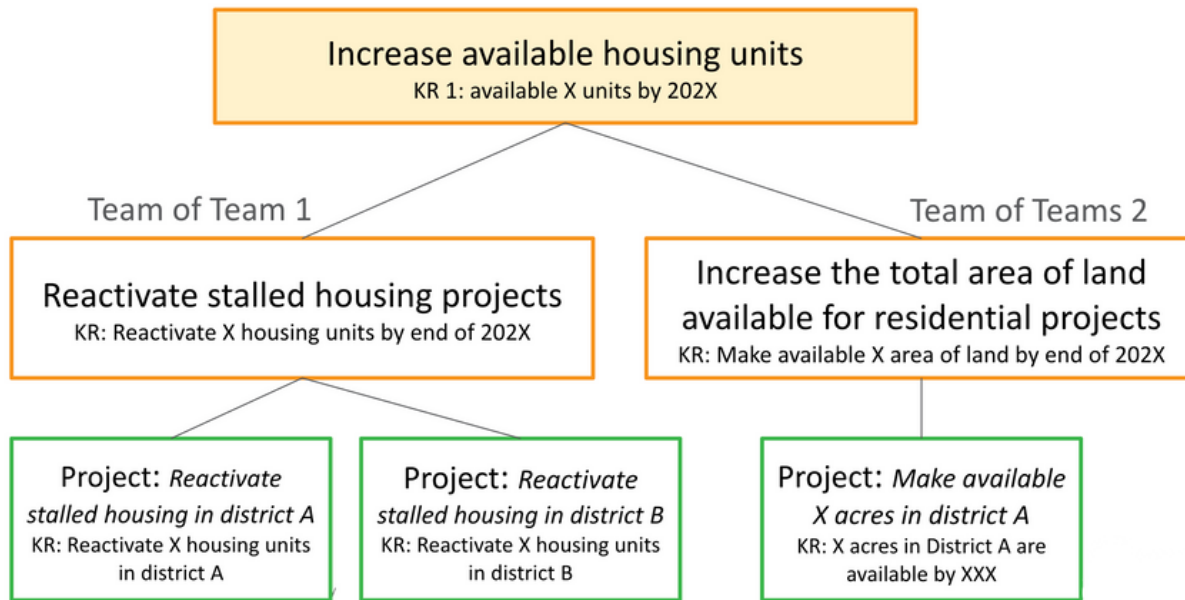
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*"Greatness comes from setting both achievable goals and impossible dreams. Rooftops keep you grounded, moonshots keep you inspired."*

*- Simon Sinek, author of "Start with Why"*

## Shared OKRs

Multiple teams may share/contribute towards a common outcome. This is a very common scenario and when designed correctly, can improve collaboration, reduce cross-team dependencies and increase alignment across the organization #oneteam!



In this example, both groups above are joining efforts to achieve the shared outcome of increasing available housing units. They should meet to 'check-in' on the shared outcome and work together as a 'virtual' team. This helps them remember the overall goal and avoids them falling into the common 'operational/tactical' focus and losing track of the broader objectives.

### Keys to Success with Shared Outcomes / OKRs:

- 1. Collaborative Planning:** Teams involved in a shared OKR must collaborate in the planning process. This collaboration often involves joint meetings, discussions to understand each team's capabilities and limitations.
- 2. Responsibility and Accountability:** Responsibility for achieving the shared key results is distributed among the participating teams. Each team understands its specific role and how it contributes to the overall objective.
- 3. Frequent Check-ins:** Regular check-ins enhance accountability and visibility to obstacles.

### Top Challenges:

- **Coordination Complexity:** Managing and coordinating between multiple teams can be challenging, especially in terms of communication and aligning schedules.
- **Conflict Resolution:** Differences in opinion and approach can lead to conflicts that need to be managed effectively.
- **Balancing Individual and Shared OKRs:** Teams also need to manage their individual OKRs alongside shared ones, which can sometimes lead to competing priorities.

# Best Practices & Anti-Patterns with OKR Adoption

You've probably gained a good understanding of OKRs by now so let's dig deeper into the what you can do to ensure success and how you can avoid the common pitfalls "anti-patterns" with OKR adoption.

## DO THIS

**Ensure OKR Clarity and Simplicity:**  
OKRs should be clear, simple, and easy to understand. Avoid jargon and complex language so that everyone, regardless of their role, can grasp them.

**Communicate Regularly:**  
Regular communication about OKRs is vital. Keeping everyone informed helps maintain focus and alignment

**Use a Centralized Platform:**  
Utilize a common platform where all OKRs are visible to everyone in the organization. This enhances transparency and accountability.

**Be Transparent About Challenges:**  
Encourage teams to be open about challenges they face in achieving their OKRs. Enable managers and leaders to focus on removing these obstacles.

**Encourage Bottom-Up Feedback:**  
While top-down alignment is important, you need to encourage bottom-up feedback. Teams should feel comfortable suggesting changes or improvements to OKRs based on their on-the-ground experiences.

## AVOID THIS

**Setting Too Many Objectives:**  
Overloading teams or individuals with too many objectives can lead to a lack of focus and dilute efforts, making it difficult to achieve meaningful results.

**"Set it and Forget it":**  
Failing to regularly review and update OKRs can make them irrelevant or outdated and reduce their value.

**Not Integrated into Daily Work:**  
If OKRs are seen as a separate, standalone process rather than integrated into daily activities, they are less likely to be effective.

**Silo'd OKRs:**  
When two groups are working towards the same overall outcome, they should leverage shared OKRs and come together to check-in on progress.

**Using OKRs as a Performance Evaluation Tool:** OKRs are meant to set direction and measure progress, not to evaluate individual performance. Using them for performance reviews can create a culture of fear and hinder ambitious goal setting.

# Enterprise Visibility Room | Accelerator Pattern

Almost a decade ago we built this concept of a visual room with vibrant walls that bring visibility into **DEMAND** (strategic and annual OKRs we aim to achieve and related projects/epics) and **CAPACITY** (the teams of teams who are aligned to own and support achievement of these outcomes). Soon it became a popular pattern that has attracted executives and even board members to come visit and tour this powerful room. Annual and quarterly planning happen here collaboratively! [Watch this case study video.](#)

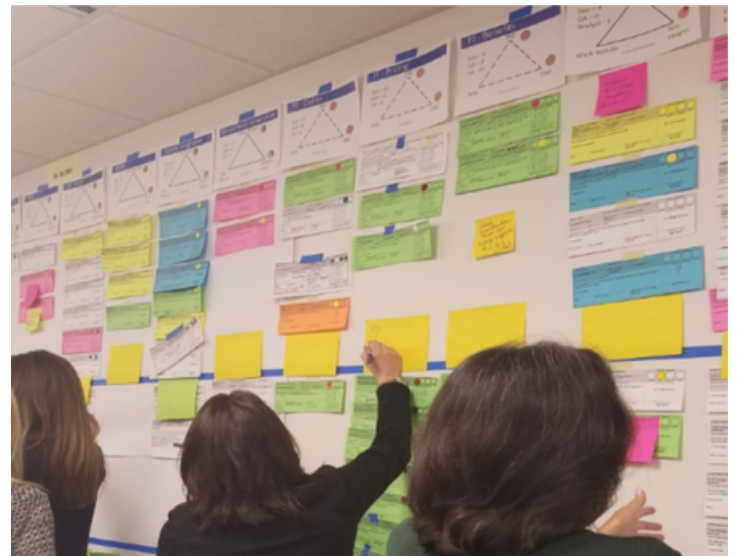
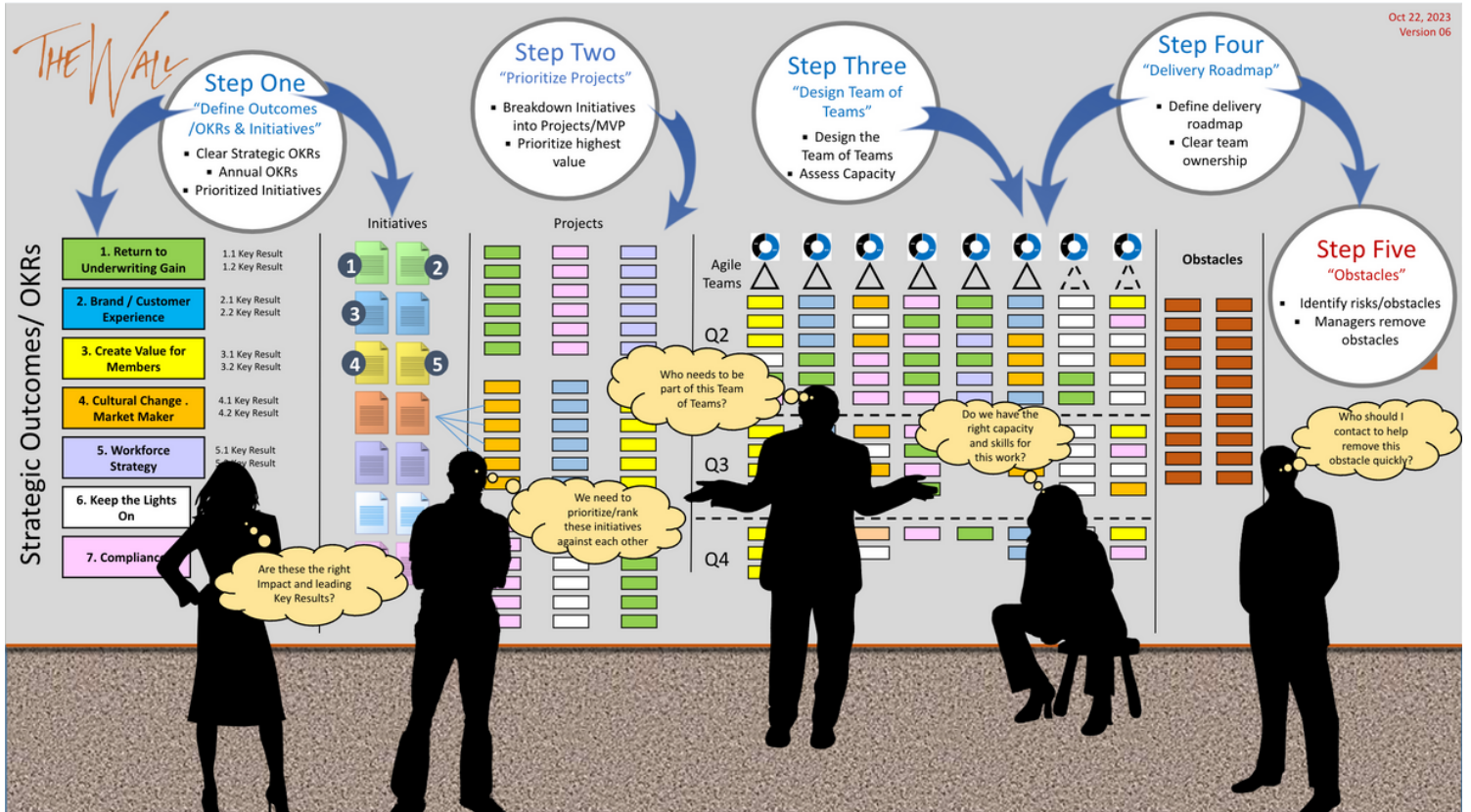


Clarity. Alignment. Focus

# Enterprise Visibility Room | Continued

The power of this room took us by surprise. Many customers, at the executive and team level found it refreshing to ‘see’ the work and align visually. They enjoy planning here and walking across the room to understand capacity and demand. Download the full [PDF of this cheat sheet here.](#)

**Digital Version:** Inspired by this room, we designed the Agility Outcomes Dashboard. [Check it out!](#)



**Clarity. Alignment. Focus**

# Agility Outcomes/OKR Dashboard

## Digital EVR

We have created a digital version of the Demand/Capacity alignment EVR wall within our Agility platform.

The dashboard displays a grid of outcome cards. Blue columns are labeled 'Demand' and purple columns are labeled 'Capacity' representing teams. A callout on the left states: 'Left navigation represents the logical 'team' structure'. A callout on the right states: 'Switch between 'Outcomes/OKRs' to 'Projects''. The cards show progress bars and key results for various initiatives like 'Increase senior market share' and 'Ensure seamless digital customer experience'.

## OKR Card

Each card has an overall outcome statement, hypothesis and objectives, key results (impact and leading). There is a tab to view aligned projects, a tab for learnings/comments and ability to add custom fields and tags. For a full Demo of the platform please [Contact Us](#).

**1 Year Outcome | A Global Financial Company | ID 252**

**Ensure seamless digital customer experience so that we exceed customer expectations**

Created on: 01/01/2024 by Sally Elatta | Last updated on: 02/29/2024 by Kesha Dean

**Hypothesis / Description**

**PROBLEM:**  
Our digital customers struggle to achieve their self-service goals and competitors have built more user friendly capabilities.

**HYPOTHESIS:**  
We believe that by building an omni-channel self-service portal for customers we will reduce customer churn and increase customer satisfaction.

**Overall Progress**  
52%

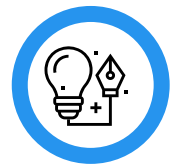
**Tags**  
Approved, Insurance, 2024 - Q1, Off track, Control Cost

| Key Results                        | Linked | Metric             | Progress     | Start | Goal | Current | Actions |
|------------------------------------|--------|--------------------|--------------|-------|------|---------|---------|
| NPS score above 35                 | -      | NPS                | Progress bar | 8     | 35   | 20      |         |
| Increase customer retention by 15% | -      | Customer Retention | Progress bar | 30    | 45   | 45      |         |
| Reduce Customer Churn by 5%        | -      | Customer Churn     | Progress bar | 0 %   | 5 %  | 3       |         |

# Outcome Based Planning with OKRs Lifecycle

To achieve success with adopting OKRs and “Outcomes Based Planning” you’ll need to adopt an effective life cycle for setting, gaining alignment and achieving your OKRs.

Below is our 5 step process to adopting OKRs and accelerating value realization:



## 1. DEFINE & SETUP

*Pre-cycle (6 -8 weeks XLR8)*

- Define/refine your vision and strategy.
- Set ambitious & achievable Outcomes at different levels within the organization.
- Develop a business plan & roadmap (3 year & annual) aligning outputs/projects to outcomes.
- Build the digital and EVR room
- Design the team of team value stream

01



## 3. ENABLE TEAM of TEAMS AGILITY

*Throughout Cycle*

- Build strong cross-functional team of teams.
- Assess and improve Agile Ways of Working and Culture
- Coach and support leaders on removing obstacles

03



## 5. ACHIEVE

*End of Cycle*

- Review/demo progress towards the achievement of OKRs and celebrate successes
- Analyze learnings and identify areas for improvement
- Pivot, change, persevere decision
- Recognize individuals and teams for their contributions

05



## 2. ALIGN & LAUNCH

*Start of Quarterly Cycle*

- Align bottom up and ensure consensus on key results and delivery plan
- Launch quarterly planning and share OKRs, allow teams to define quarterly OKRs & delivery plan
- Plan readout and consensus
- Identify resource gaps to enable the achievement of goals.

02



## 4. CHECK-IN & LEARN

*Throughout Cycle*

- Regularly check-in and review progress towards OUTCOMES, OUTPUT, OBSTACLES.
- Document learnings and insights

04

**How often should you check-in?**  
*Enterprise Level | monthly/quarterly*  
*Division Level | bi-weekly, monthly, quarterly*  
*Team Level | Daily, Weekly*

Ready to implement Outcome Based Planning? We offer a 12 week implementation jump start program that aims to help you accelerate your journey towards Outcome Based Planning with OKRs. [Contact us](#)

# Training Workshops & Certification

We offer a variety of workshops and certification to enable each role to succeed with implementing outcomes based planning with OKRs. See the learning roadmap below.



**Executives & Leaders**

### Outcome Based Planning for Leaders

- Enabling Enterprise Agility | 1.5 - 3 hrs
- Outcomes Based Planning with OKRs | 1.5 - 3 hrs
- Aligning Initiatives/Projects with OKRs | 1.5 - 3 hrs
- Quarterly Planning Prep & EVR Setup | 1.5 - 3 hrs

### Leadership Agility


Leading High Performing Teams

- Leadership Agility Overview | 1.5 - 3 hrs
- Designing Teams of Teams | 1.5 - 3 hrs
- Assessing Agility (Ways of Working, Mindsets & Behaviours) | 1.5 - 3 hrs
- Removing Obstacles | 1.5 - 3 hrs

*\*3hr version includes hands on breakout activity to apply learning to your specific context*



**Change Agents**



### OKR Champion Certification

- Role of an OKR Champion
- Deep Dive into OKRs
- Outcome Based Planning Lifecycle
- Change Management

Duration: 1 day (or 2 half days)



### Agility Facilitator Certification

- Role of an Agility Facilitator
- Deep Dive into the Team Agility Radar (Ways of Working, Mindset and Culture)
- How to facilitate the workshop
- Building actionable growth items

Duration: 3 hrs



### Continuous Improvement Champion

- Role of a CI Champion
- Rolling up and analyzing data across teams
- Bringing visibility to obstacles
- Supporting teams, managers & leaders on action items

Duration: 1 day (or 2 half days)



### Enterprise Business Agility Strategist

- Role of an EBA Strategist
- Business Agility and 7 Pillars
- 5 Areas of Change
- Facilitating the Baseline Assessment
- Developing a Transformation Strategy

Duration: 2 days (or 4 half days)

**We believe strongly in the 'enablement' model where we build internal change agents who can learn and support the implementation and 'Make it Stick'.**

## ABOUT US

We are global thought leaders in the Enterprise Business Agility and Measurement space. Based in the US, our company (AgilityHealth) has extensive experience supporting large scale transformations across many sectors and well known organizations.

Our Capabilities:

1. Transformation Workshops & Jump Starts (training and consulting)
2. Agility Digital Platform (manage teams at ALL levels, assess maturity, performance, outcomes/OKRs)
3. Setting Up or supporting Strategy Management Office (or Enterprise Agility Office)
4. Train the Trainer & Courseware Licensing during transition phase

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## CASE STUDIES

International Investment Banking Company  
2300 teams increase their FLOW (speed) by 29%, throughput by 37% and Leadership maturity by 50% with AgilityHealth®  
[READ MORE](#)

**Top U.S. Financial Services Organization**  
Over 4 quarters, 90+ Agile teams improve their overall performance by 134%!  
[READ MORE](#)

**Fortune 500 U.S. Healthcare Company**  
354 teams at a leading US Healthcare company boosts overall team maturity by 33% using AgilityHealth  
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