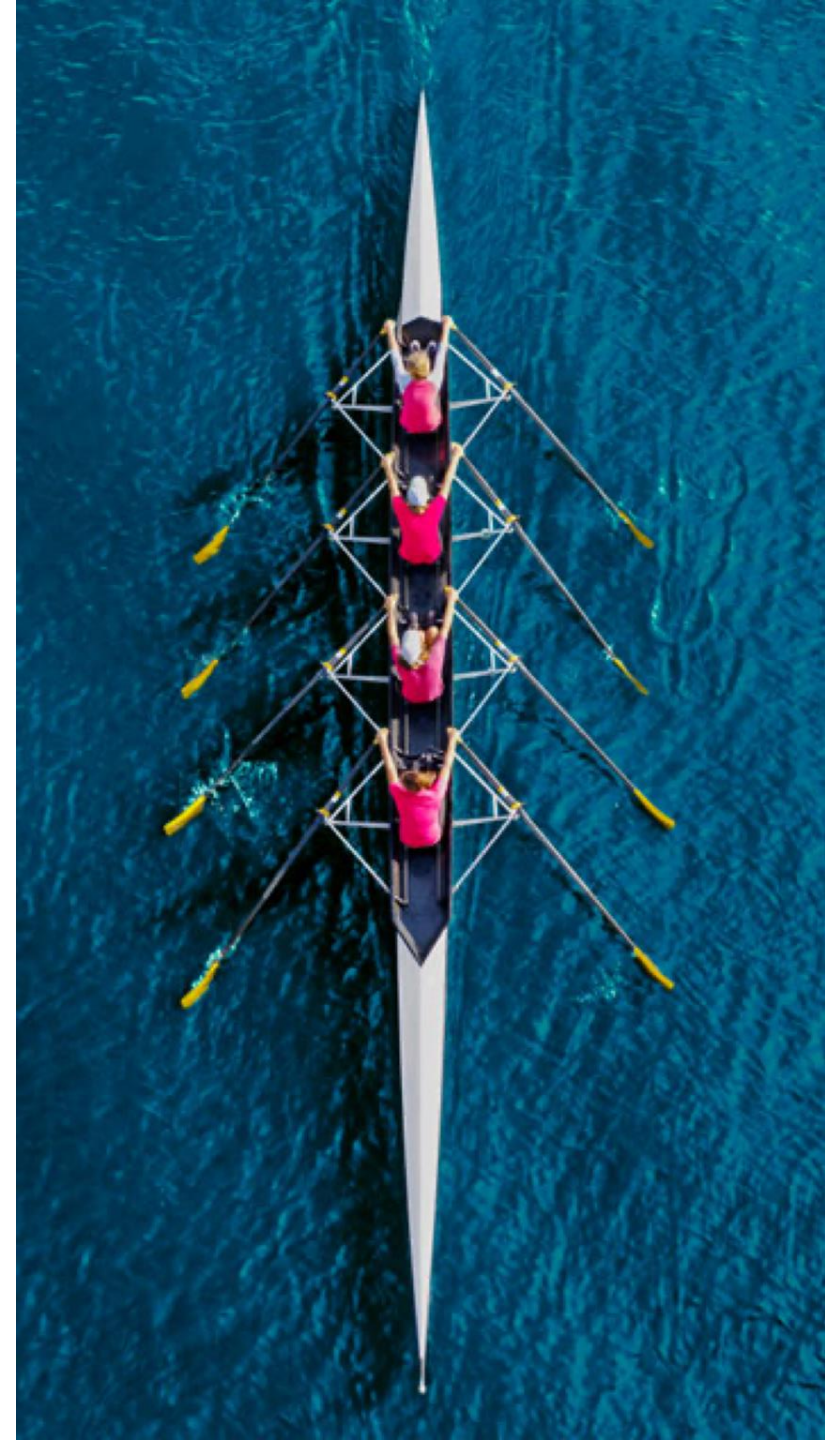




# How to implement successfully **OKRs** in an organization in a sustainable way

Dirk Schmellenkamp



## Topics



1

**Foundation of OKRs**

2

**Weak / Strong OKR Examples**

3

**Drafting strong OKRs**

4

**OKR Heartbeat (OKR Cycle)**

5

**Implementing OKRs**

# Google

A black and white photograph of Larry Page, co-founder of Google, speaking into a microphone. He is smiling and looking slightly to his right. The background is a large, light-colored wall with the word "Google" written in a large, serif font.

**“OKRs have helped us to 10x growth, many times over.”**

Larry Page, Google

# History of Goal Setting

**MBOs**

1967

**S.M.A.R.T.**  
(KPIs)

1981

**OKRs**  
(popular)

1999

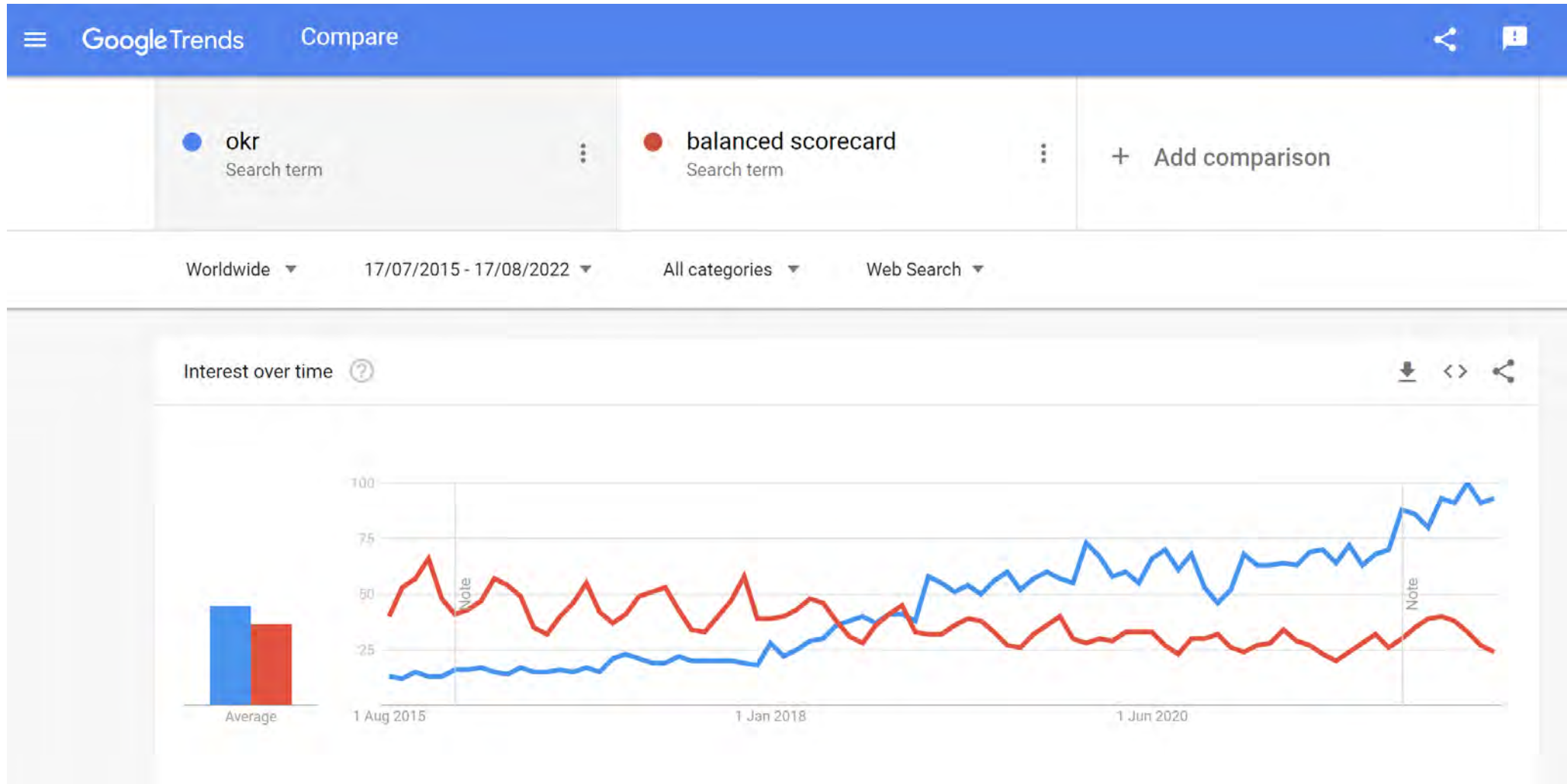
**OKRs**

**BSC**

1990

2020

# Popularity of OKRs



# OKRs are **Not New**. They are Best Practice



Andy Grove creates OKRs to execute Operation Crush at Intel

1970's



John Doerr introduces them to Google

1999



Google using OKRs and become successful the next 20+ years

2000's



OKRs become a **Best-Practice** agile goal setting framework in many organizations

Today

# Organizations that are using the OKR System

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# How OKRs helped me...

- Established **High-Performing Teams** in my fitness chain
- Expanded my business & entered into **5 countries**





# State of Affairs

## Shocking Facts Discovered by Harvard & Gallup



90% of Employees need clear Goals & Directions\*



85% of Employees are not engaged at work\*



90% of Organizations fail to execute their strategies successfully\*



95% of Employees are unaware or don't understand the company strategies\*



# The Strategy & Execution Gap



# Prioritization

The OKR process  
force the organization  
to align strategic  
objectives

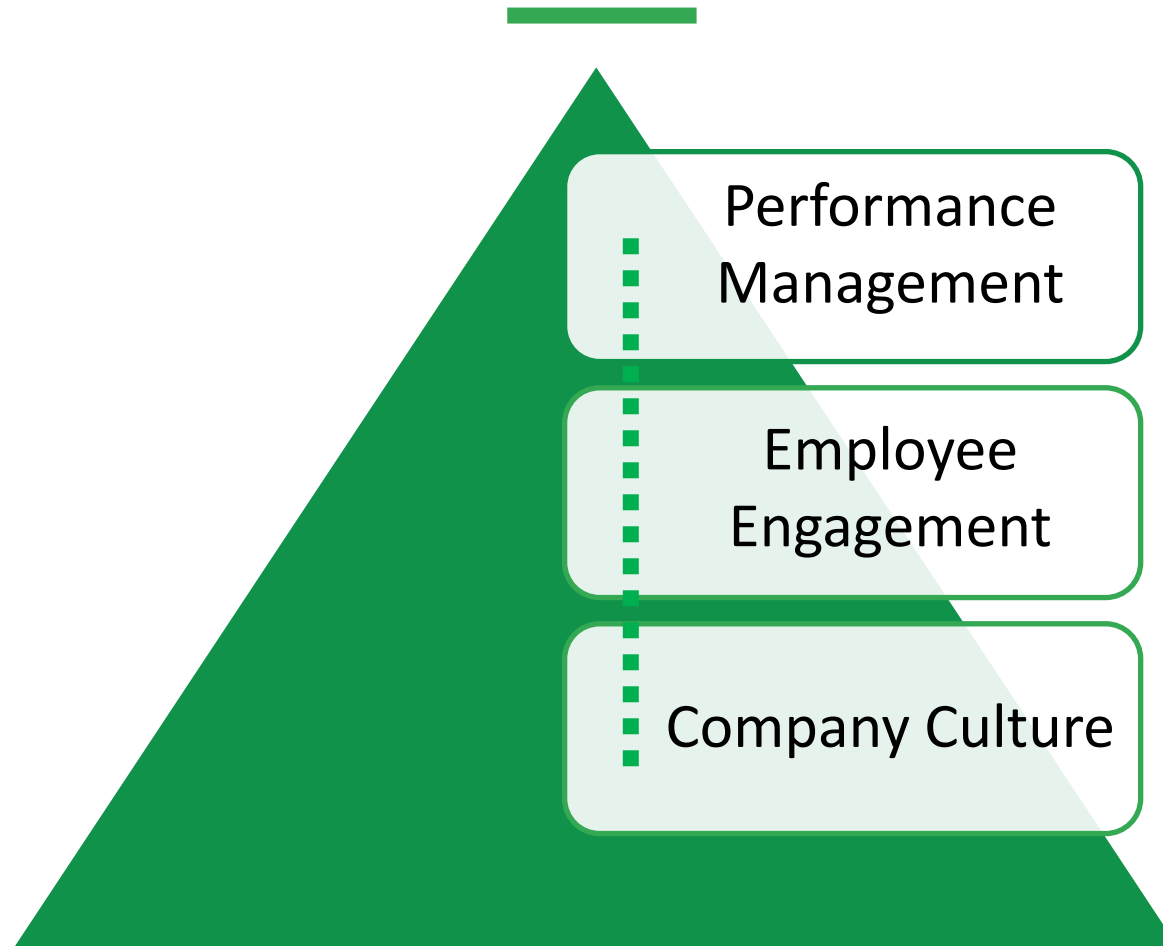


# Sharing - Discussion

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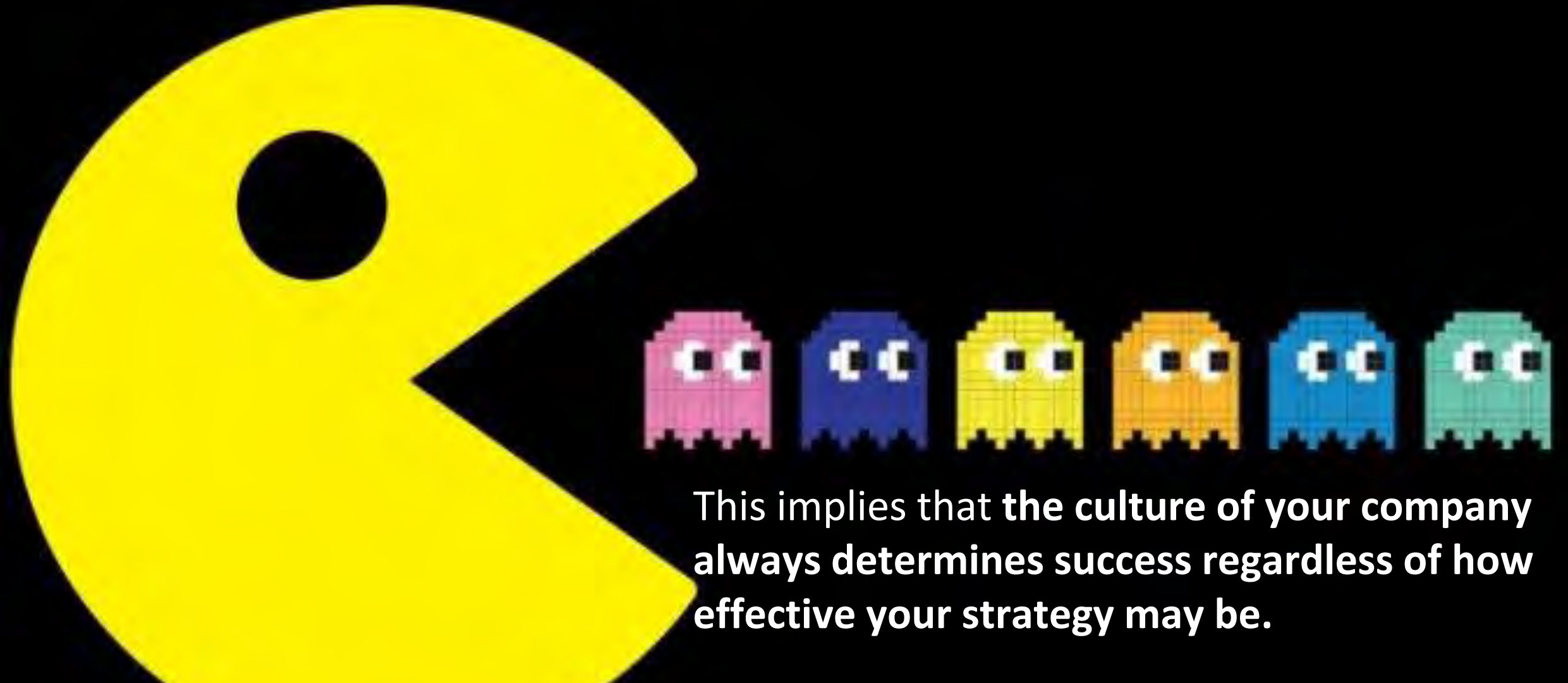
- Does your organization reach its strategic goals?
- Does your organization deliver to it's full potential?
- What are some reasons this may not be the case?

# Foundation for OKRs



# “Culture eats strategy for breakfast”

Peter Drucker



This implies that **the culture of your company always determines success regardless of how effective your strategy may be.**

## 3Ms in OKR

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- **Mindset - Empowering**
- **Mission - Objective: Outcome over Output**
- **Measurement – Movement & Behavior: Leading & Lagging**



1. Give everyone ownership of something
2. Involve people as much as possible in decisions
3. Give everyone a challenge
4. Let people set their own objectives and key results
5. Provide security
6. Give lots of praise and encouragement
7. Coach rather than criticize
8. Know what motivates each unique

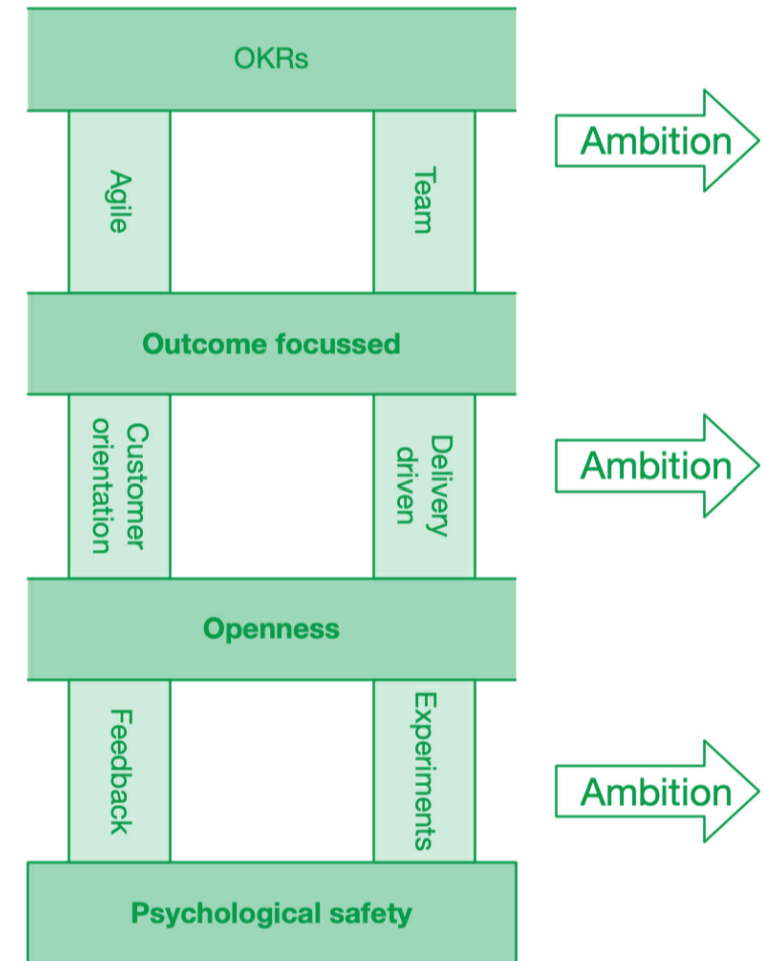
9. Offer constant learning
10. Unleash full potential of each team member
11. Build a team ethos and feeling

**My Top 11 Motivational Essentials for Employees and how OKRs can help...**



# OKR Culture

- **Teams, not leaders, plan.** Leaders frame the planning discussions through big goals, culture and strategies.
- Leaders need to leave space for **teams to create their own solutions and innovations.**
- Ideally OKRs should **cascade up**, not down.



# Big Benefits of OKRs

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“OKRs are not a silver bullet. They cannot substitute for sound judgment, strong leadership, or a creative workplace culture. But if those fundamentals are in place, OKRs can guide you to the mountaintop.”

John Doerr

# When OKRs?

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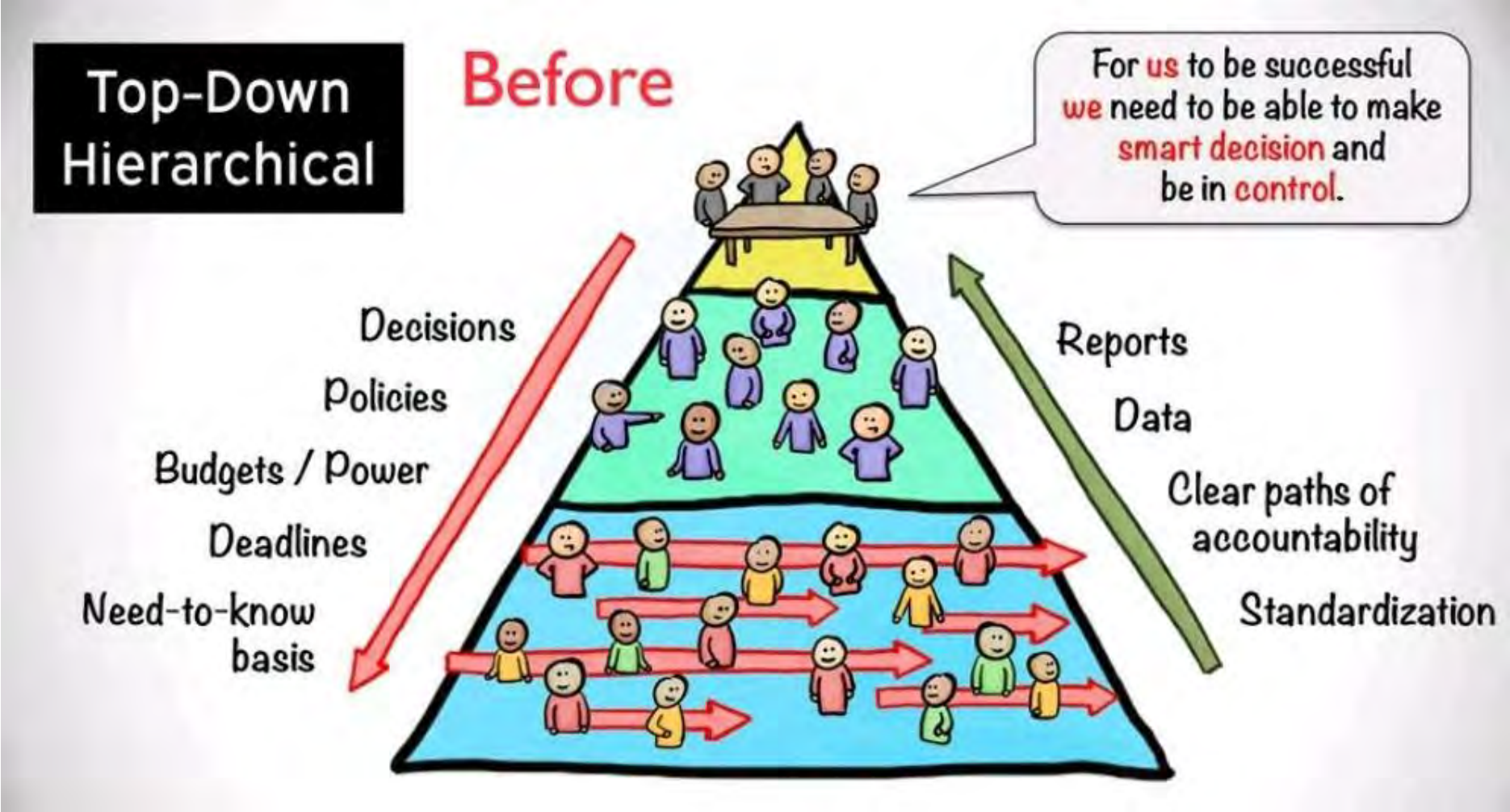
- if you are considering adopting OKRs in order to better **control your employees' activities, that won't work.** OKRs are based on giving employees freedom to decide how to get to the outcomes you want.
- If you want to use OKRs to get ever-increasing productivity in a **toxic culture**, OKRs will just look like a new kind of whip to your employees.
- And if you are doing a dozen different things in a dozen different markets and are unwilling to give that up in **favor of focus**, well, good luck with that.
- OKRs are most likely to work when a company has a strong mission and when the company hires **great people** **and then trusts them to do great things.**

# Traditional Organization

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Culture	<b>Waterfall Goals</b>	Top-Down, “Command & Control”
Strategies		Annual Static Planning
Tactics		Big Bets, Long Feedback Cycles
Operations		Waterfall Development / Project Management

# Traditional Organization



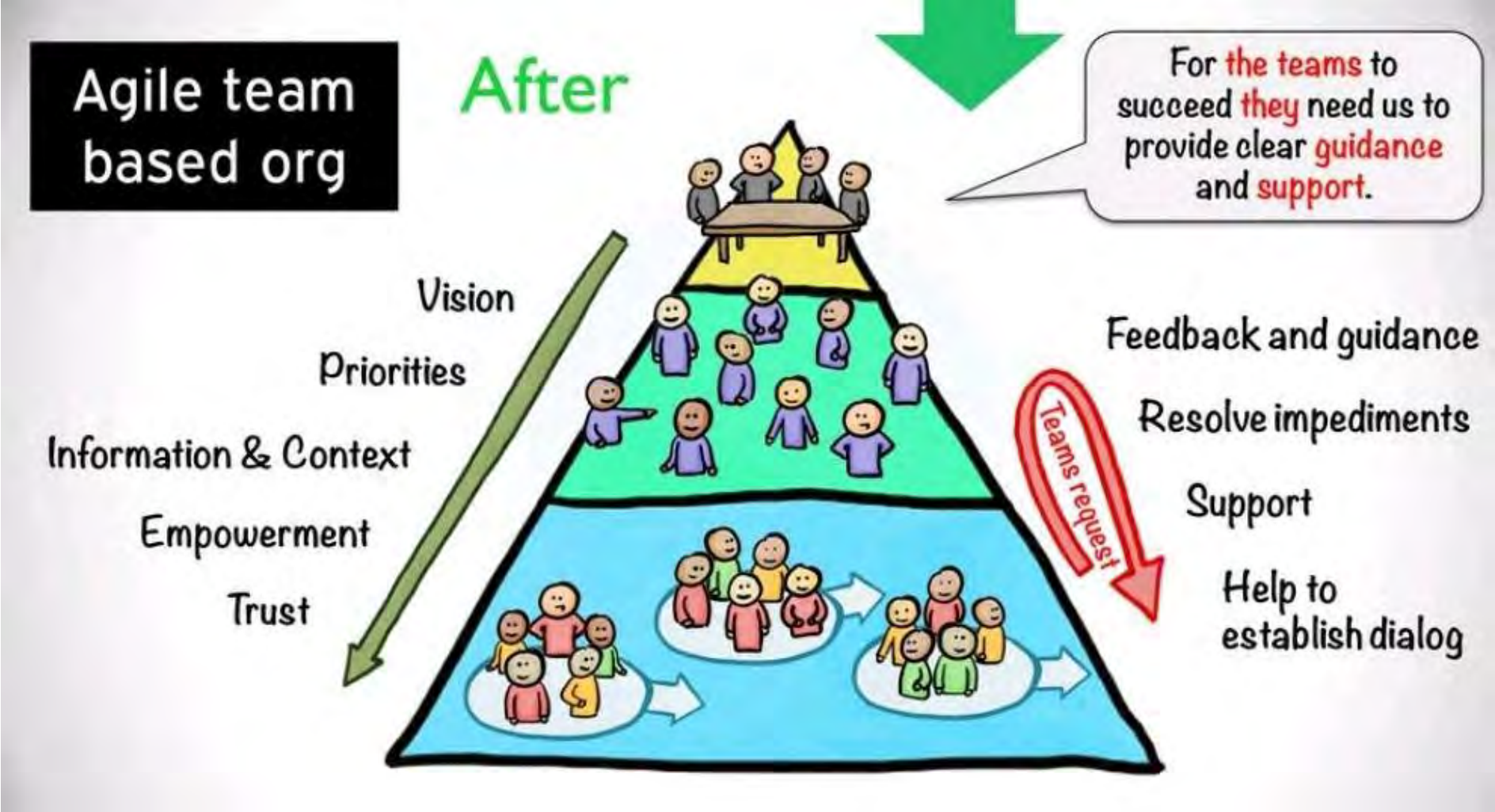
# Agile Organization



Culture	OKRs	Aligned Autonomy, "Vision - Mission Command"
Strategy		Data Driven, Iterative, Hypotheses Validation
Tactics		Safe-to-fail Experiments, Short Feedback Cycles
Operations		Agile Development, applying different Agile Tools

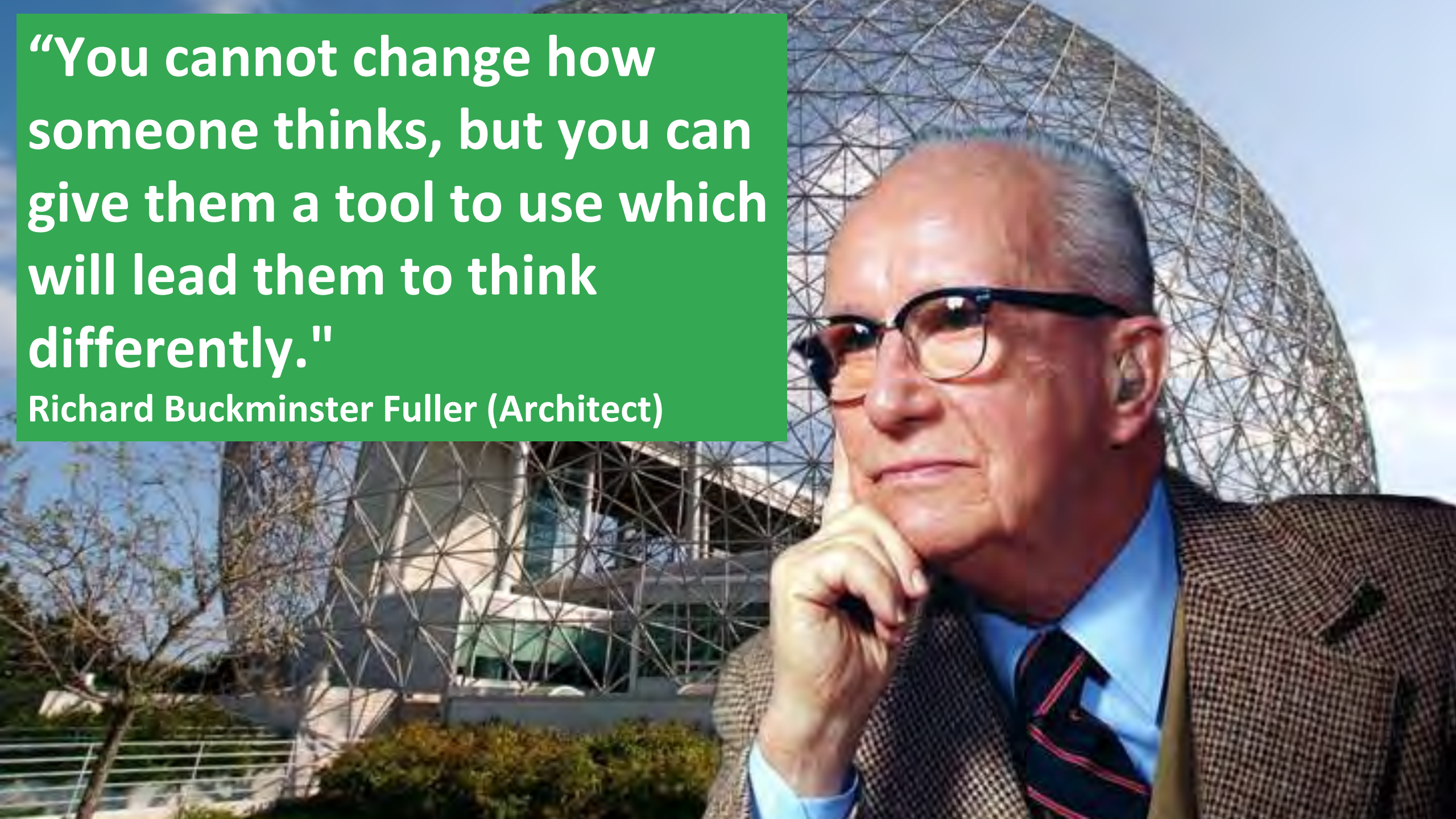
OKRs are not about top-down control, they are about **bottom-up engagement.**

# Agile Organization



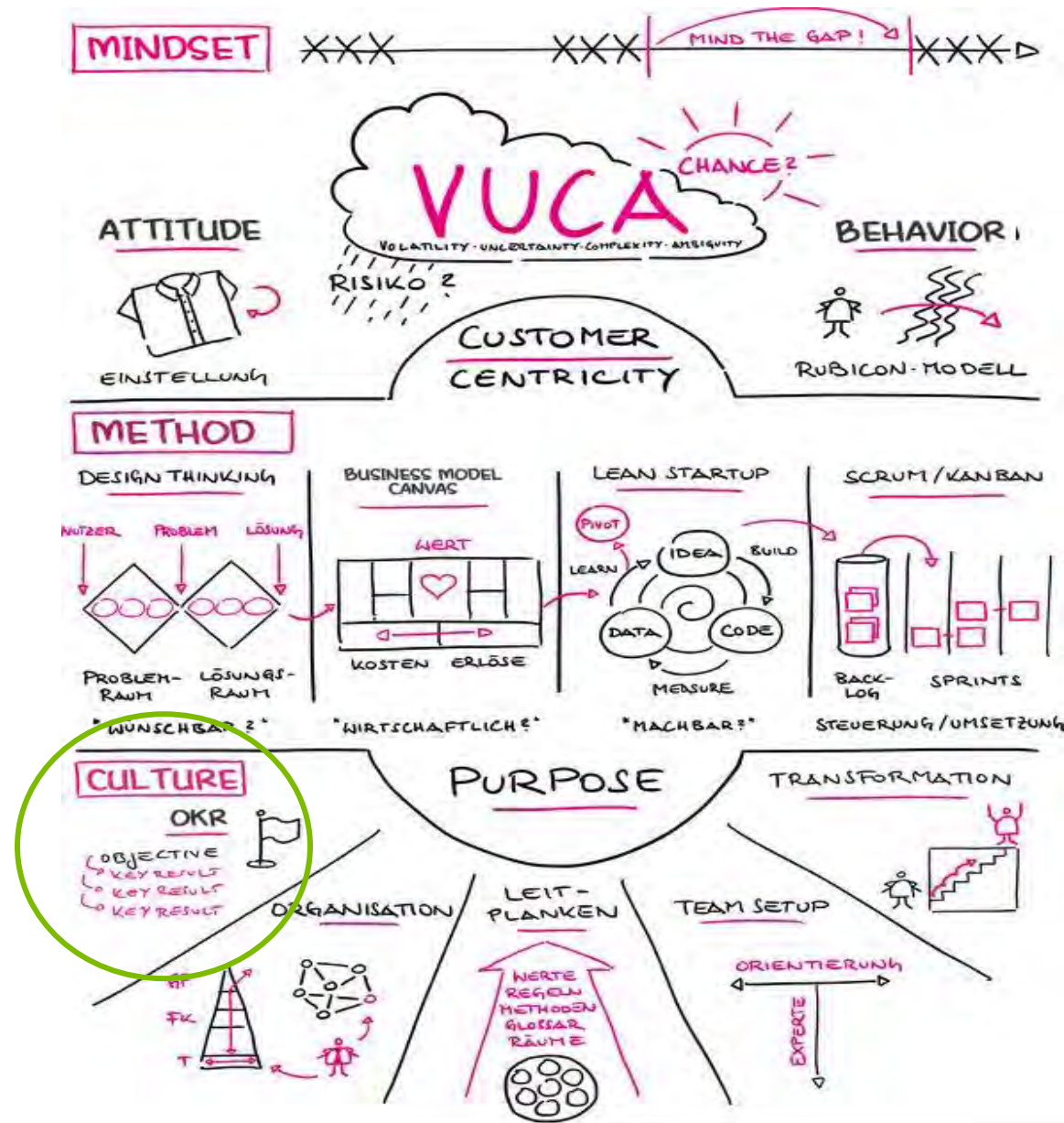
**“You cannot change how someone thinks, but you can give them a tool to use which will lead them to think differently.”**

**Richard Buckminster Fuller (Architect)**





# Agile Methodologies and OKRs



# Agile Methodologies

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- Scrum
- OKR
- Kanban
- ...

# Agile Mindset

## 11 Agile Principles

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**Deliver Value Faster** Our highest priority is to satisfy the customer / stakeholders through early and continuous delivery of valuable deliveries.

**Welcome Change** Welcome changes to requirements, even late in projects. Agile processes harness that change for the customer's / stakeholder's competitive advantage.

**Deliver Working outcomes Frequently** Working deliveries should be provided after a couple of weeks to a couple of months, with a preference to the shorter timescale.

**Work Together** Business people and developers must work together daily throughout the project.

**Self-Organizing Teams** The best architectures, requirements, and designs emerge from self-organizing teams.

**Reflect and Adjust** At regular intervals, the team reflects on how to become more effective, then tunes and adjusts its behavior accordingly.

# Agile Mindset

## 11 Agile Principles

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**Build Teams Around Motivated Individuals** Give them the environment and support they need and trust them to get the job done.

**Collaboration - Conversations** The most efficient and effective method of conveying information to and within a development team is with face-to-face conversation.

**Sustainable Development** Agile processes promote sustainable development. The sponsors, project team members, and users should be able to maintain a constant pace indefinitely.

**Attention to Excellence** Continuous attention to excellence enhances agility.

**Simplicity** The art of maximizing the amount of work not done is essential.

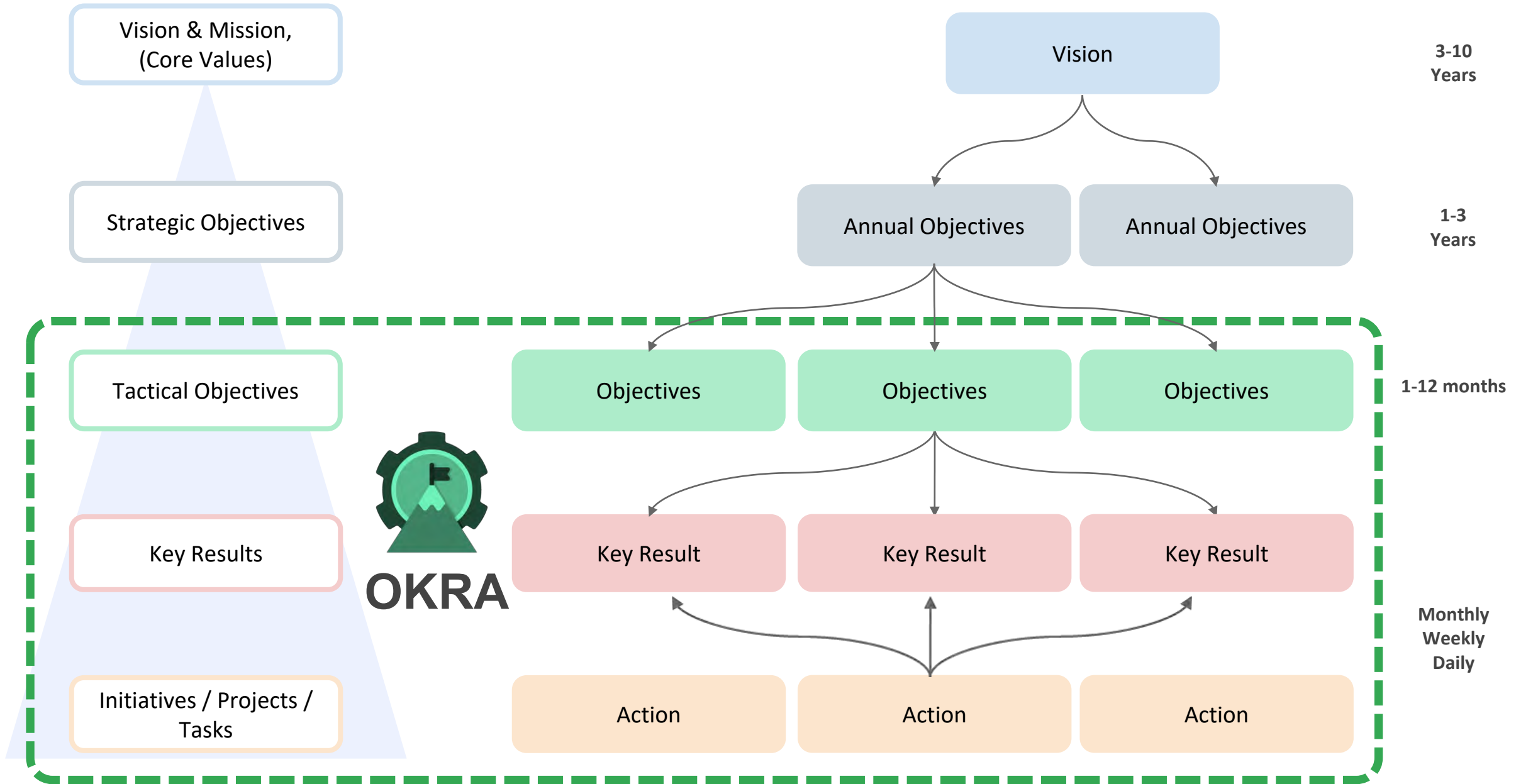
# In Your Opinion what are the 3 Top Agile Principles?

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**1. Why?**

**2. Why?**

**3. Why?**





**Vision**

I'm trying to think about the future and not be sad (change the world)

**Mission**

Tesla: to accelerate the world's transition to sustainable energy.

**Strategies**

Build electric cars for the higher prices segment before going into the mass market.

**Operational Goals (i.e. via OKRs)**

Build effective production plants; build efficient battery



**Vision without action is a daydream,  
Action without vision is a nightmare**

**(Japanese proverb)**



# Strategies

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- Use OKRs for **defining and driving your strategies**
  - Objective creates **transparency** of strategy
  - Key Results tell how **success is measured** for the strategy
- Transparent strategy **creates shared understanding** that drives **collaboration**

# Study on Strategies in an Organization

(knowing company strategies)

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## Alignment of Strategies!

- Top Team: **51%**
- Senior Executives: **22%**
- Middle Management: **18%**
- Front Supervisors: **13%**

# Power of Purpose

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Few people get out of bed in the morning thinking “Yippee, today I’m going to make more money for the company.”



**“Great vision – Fail on execution,  
Ideas are easy – Execution is everything”**

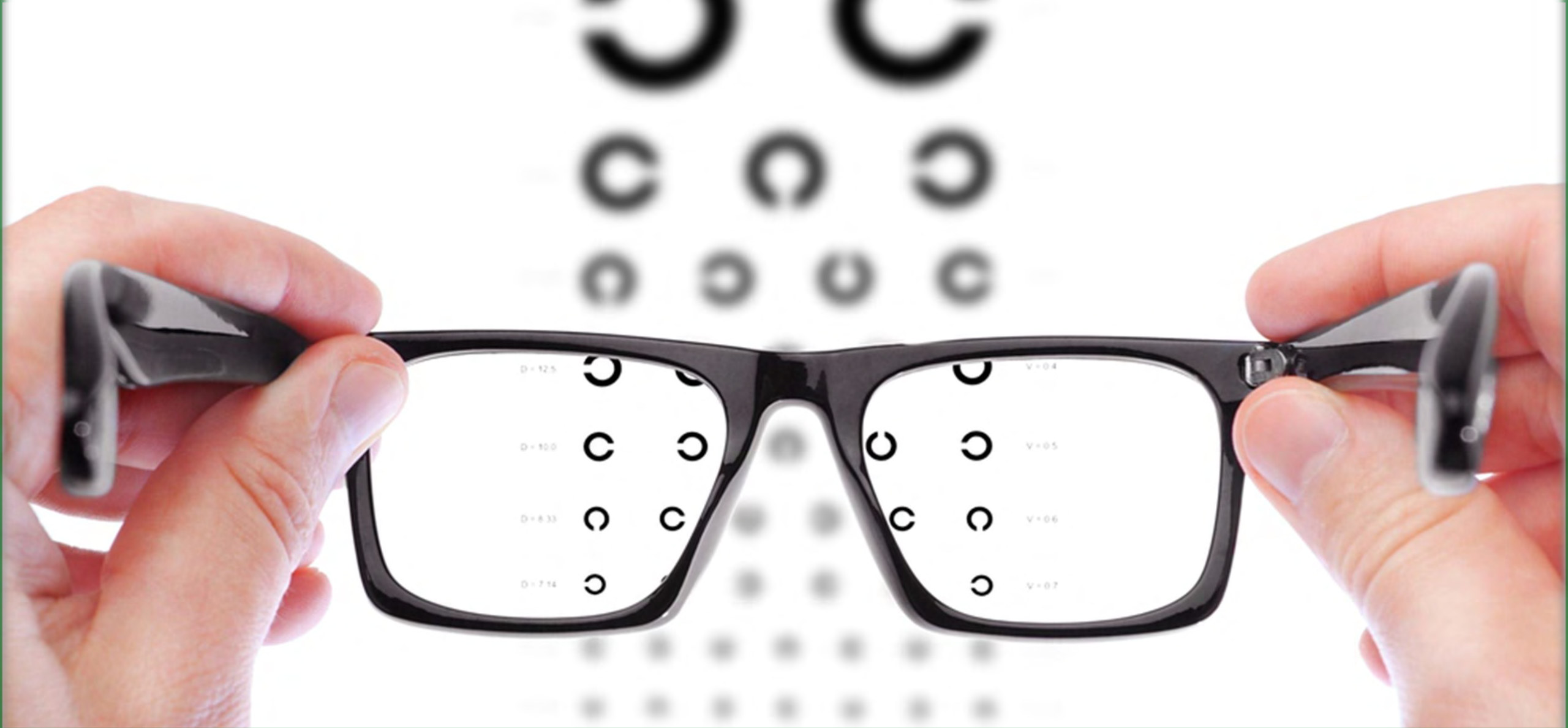
John Doerr Author Measure What Matters

2.695 in



Execution does not like complexity.

The 2 best friends of execution is **Transparency & Simplicity**



**OKRs magnify Vision, Mission and Strategies and make them visible**



Focus only happens when you **have partial blindness**: as with a camera lens, focusing on one thing means not focusing on others – it means **some things move out of vision**. Of course that is dangerous, but **how is one to focus if one is constantly looking at everything?**



**Not Too Many OKRs. Less is More. If everything is a Priority, Nothing is.**



# OKR Example Personal Goal

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**Objective:** Running a marathon



**Most of us give up at some point**

# OKR Example Personal Goal

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Choosing the **right cadence**  
of **breaking down** this goal  
and setting **ambitious OKRs** would look like this...

# OKR Example Personal Goal

Q1 OKR

Triggering Behaviour



**Objective:** Build the foundation for a fitter me

**KR 1:** Lose 3 kg

**KR 2:** Increase stamina to reach my first 2k run

**Action Plan:** Keep a food journal, Start running 1k daily

# OKR Example Personal Goal

—  
Q2 OKR

Guide Focus

**Objective: Get stronger and build endurance**

**KR 1:** Run my first 5k

**KR 2:** Bring my BMI down from 36 to 28

**Action Plan: ....**



# OKR Example Personal Goal

—  
Q3 OKR

**Sustain Your Momentum**

**Objective: Get stronger and build endurance**

**KR 1: Ready to compete in a 10k run**

**KR 2: Improve BMI from 30 to 25**

**Action Plan: ....**



# OKR Example Personal Goal

—  
Q4 OKR

Promotes Mastery

**Objective:** The fit me is crushing it

**KR 1:** Win 10k run

**KR 2:** Improve BMI from 25 to 18

**Action Plan:** ....



# OKR Example Personal Goal

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1. Trigger the Behaviour
2. Guide Your Focus
3. Sustain the Momentum
4. Promotes Mastery

# OKR is a Goal Setting Framework

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It is a simple system to create

**Alignment** & **Engagement** around **Measurable** & **Dynamic**  
**Goals.**



# 5 Super Powers+ of OKRs

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**Focus** and Commit to Priorities

**Align** and Connect for Teamwork

**Empower** Team Members – Ownership

**Stretch** for Amazing

**Track** Progress

+ Drives motivation / engagement

+ Clear connection between strategy and operations

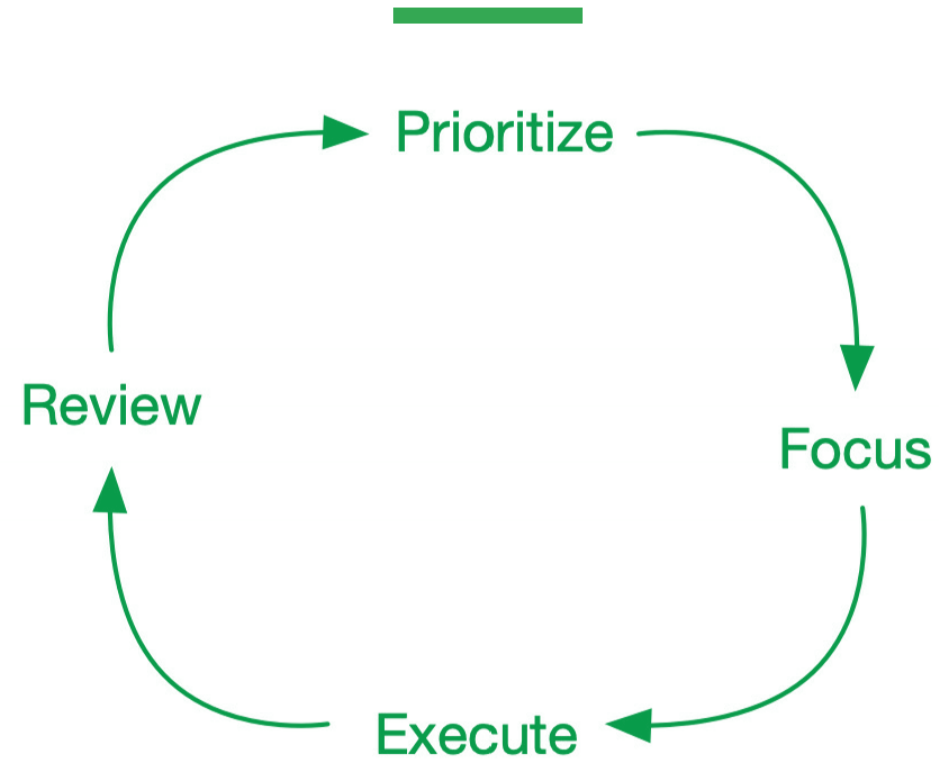
+ Drives innovation

# 4 Disciplines comes with OKRs

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1. Focus on the **Important Goals**
2. Act on the **Lead Measures (Leverage)**
3. Keep a **Compelling Scoreboard (Engagement)**
4. Create a **Cadence of Accountability**

# OKR Cycle



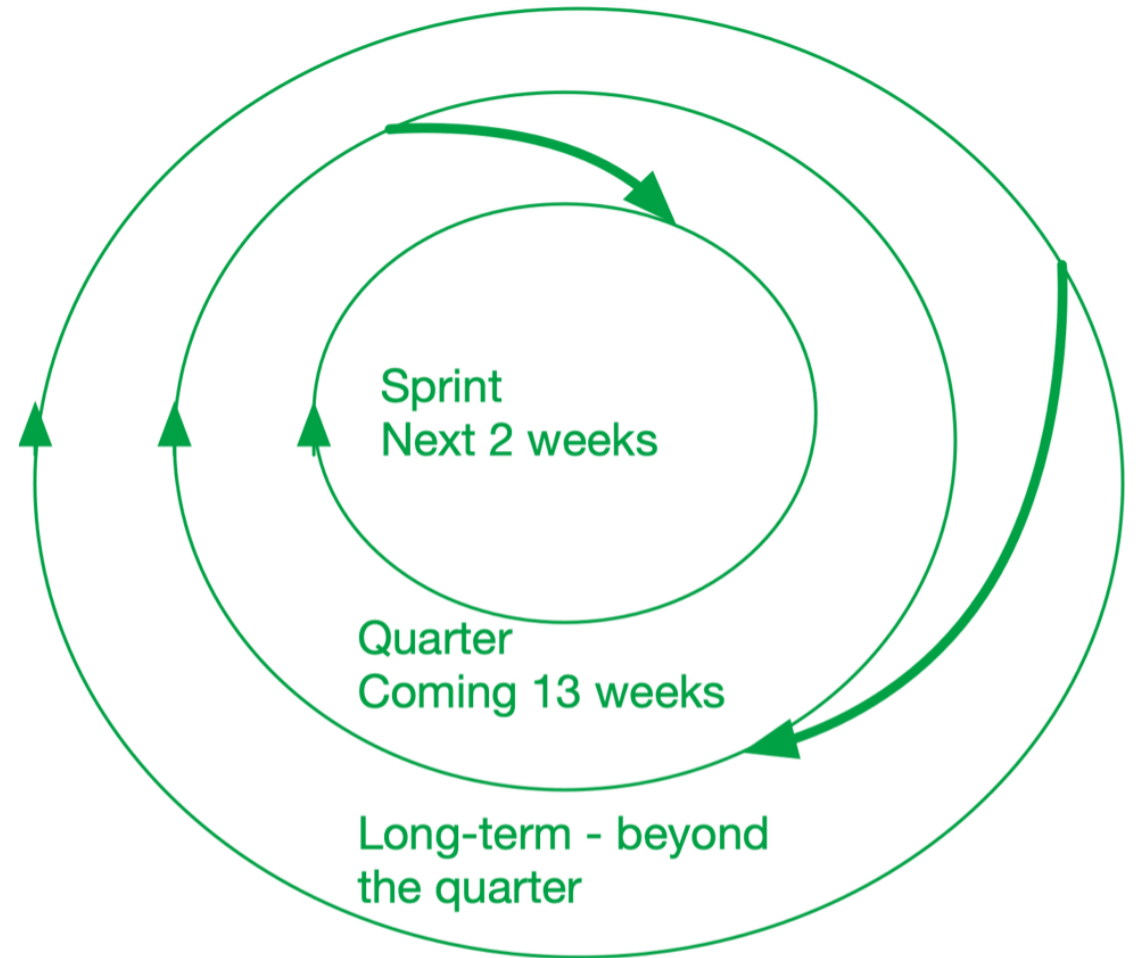
OKRs operate within a cycle: **Prioritize, Focus, Execute and Review**

# OKR Planning

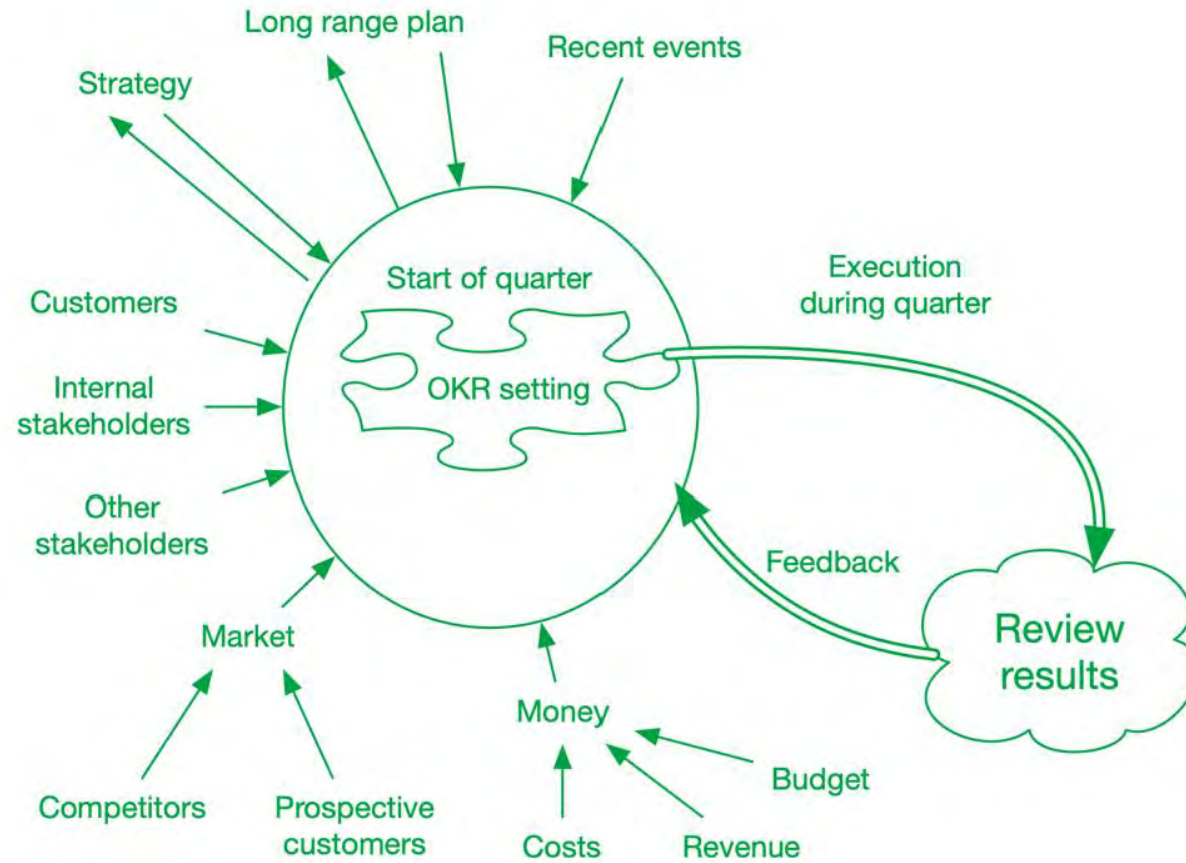
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Planning in terms of 3 horizons:

- **Now:** sprint planning looks a few weeks into the future.
- **Soon:** OKRs look to the next few months.
- **Later:** looking months and years into the future can create valuable learning, so is useful, but things change, so don't expect plans not to change over time.



# OKR Planning



OKRs act as **'planning glue'** between **long-term plans** and **short-term sprints**.



# Start with 1<sup>st</sup> Gear

1

Set  
Vision & Mission  
(Core Values)  
& Strategies



2

Set  
Objectives



3

Set  
Key Results



4

Set Tasks &  
Initiatives



O

I want to achieve X  
...

KR

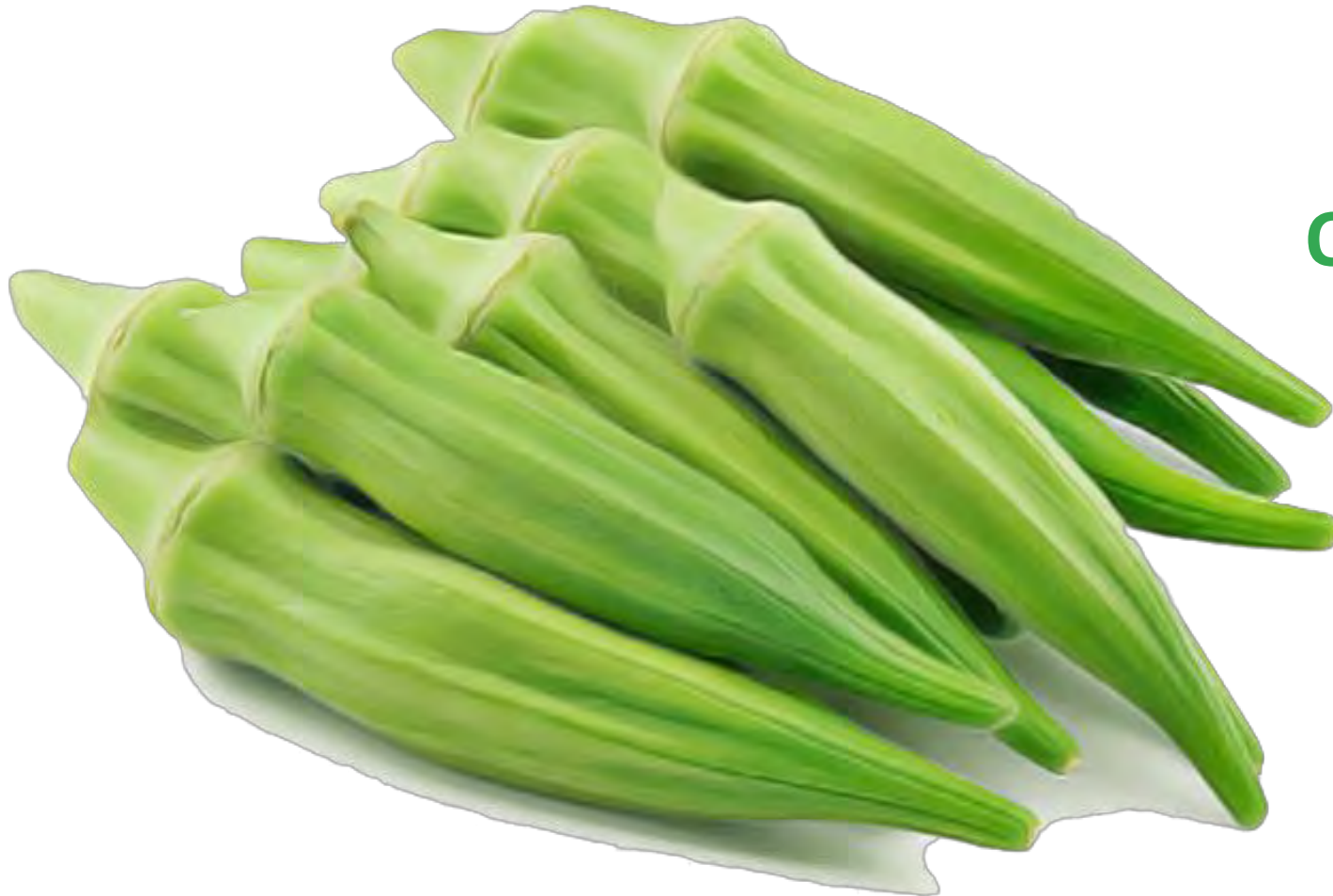
...as measured  
by Key Metrics

A

...and I will do x  
things to achieve  
these Key Results

# Introduce OKRs as Vegetable

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**OKRA**



# Levels of OKRs

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Strategic OKR

**Organization OKR**

Tactical / Operational  
OKR

**Team OKR**

Can include if they are  
part of Team OKR

**(Individual OKR)**

## Cons of individual OKRs

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- **Too complex:** with Organization and Team OKRs in place, individual OKRs add an extra level of complexity
- **Too much focus on Me vs We:** risk of individual performance management - KPIs
- **They narrow employees down on the “how”:** force fitting individual OKRs will give you a list of everyday to do's as OKRs

# OKR Levels

## OKRs

## Leads

### Organization OKR

**O:** Become the Market Leader in Germany

**KR 1:** Increase outlets from 4 to 10 in area A,B,C

**KR 2:** Increase conversion rate from 25 to 40% in area A,B,C

CEO

Head of Business Development

Head of Sales & Marketing

### Team OKR

**O:** Become Market Leader in area B

**KR 1:** Increase Brand awareness from 30% to 45% for persona C

**KR 2:** Increase marketing campaigns from 3 to 5 based on best campaign from last quarter

Head of Region B

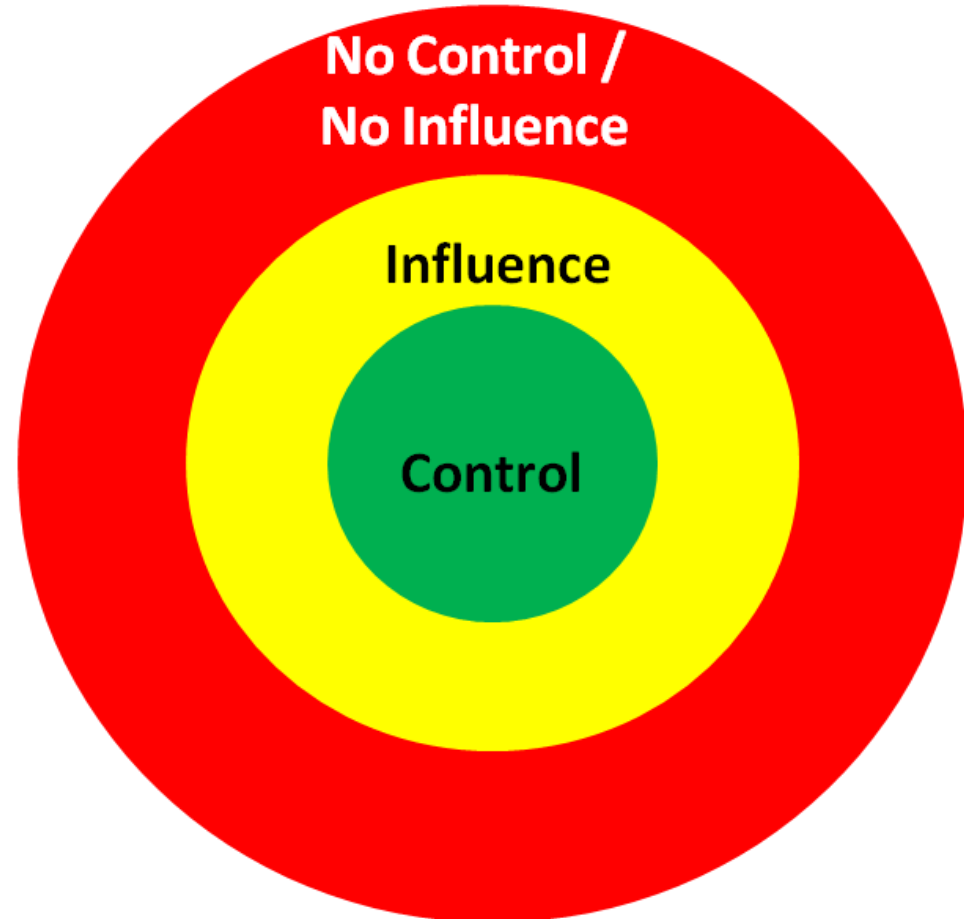
Head of BD Region B

Head of Marketing Region B

# Influence

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- OKRs ask the organization / teams "what can you do to help?"



# Top Objectives address these 6 topics

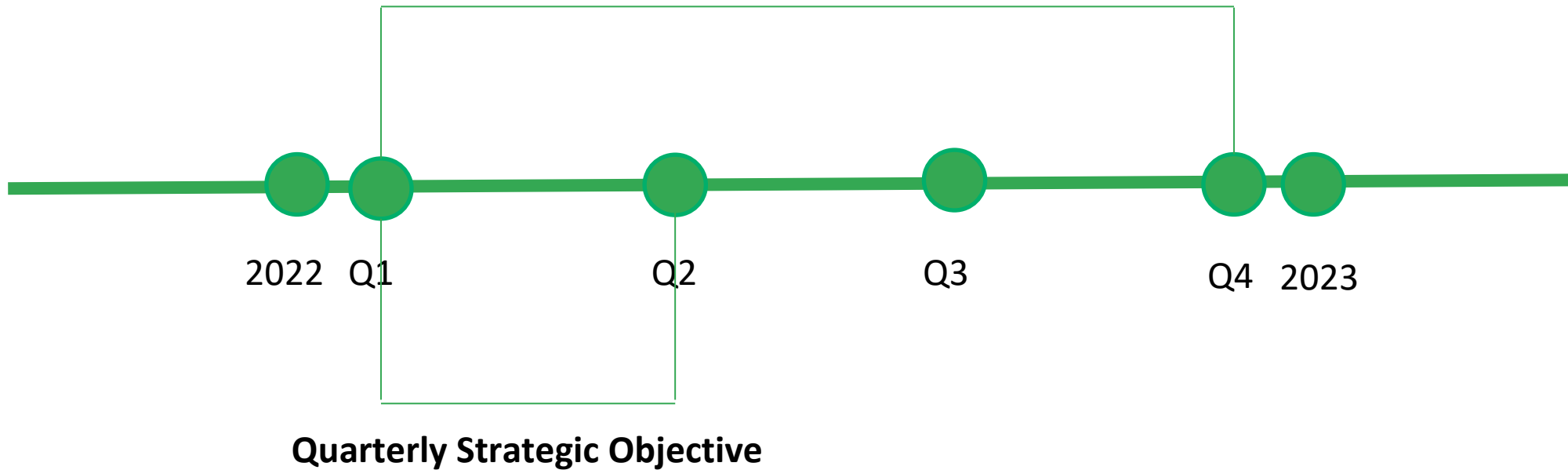
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- Growth
- Customer
- People / Culture
- Optimization
- Excellence
- Innovation

# Objectives



## Annual Objectives



- Larger Organizations typically set annual Objectives
- While start ups prefer quarterly strategic Objectives

# Objectives

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## Objectives



**Where** do I need to go?

## Examples

**Objective:** Conquer the German market

**Objective:** Become a great place to work

**Objective:** Make customer love our product

# Objectives Exercise

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## Objectives



Where do I need to go?

## Examples

Objective: ?

Objective: ?

Objective: ?



# Internal – External Objectives

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## External Objective

- Win the German market
- Successfully launch product X

## Internal Objective

- Increase employee engagement
- Increase employee job recommendation

# Internal – External Objective Exercise

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**External OKR (Financial #, Products, Processes)?**

**Internal OKR (Company & Team Culture)?**

The ultimate objective of any OKR is to produce an **outcome that creates value** and benefit to customers, employees and stakeholders.