

Objectives and Key Results

Agenda

Why user OKR?

What is on OKR?

OKR Superpowers

Integrate OKRs in Agile Workflow

What Makes Great OKR?

OKR Example & Exercise

Expected Outcome

High level understanding of OKR's

Ability to create initial draft of OKR's in your respective domains

Why OKR ?

*Scrum (n): A framework within which people can address complex adaptive problems, while productively and creatively **delivering products of the highest possible value.***
— *Scrum Guide*

*Scrum makes clear **the relative efficacy of your product management and work techniques so that you can continuously improve the product, the team, and the working environment.*** — *Scrum Guide*

Absence of effective product management skills blended with Scrum spawns highly efficient Feature Factories.

Goal Setting History

Cecil Alec Mace	Total Quality Management					
<i>Incentives: Some Experimental Studies</i>	Honshin Kanri		Goal Setting Theory	iMBO	OKR - Intel	
	Toyota/ Deming	MBO Peter Drucker	Locke and Latham	Andy Grove	Andy Grove and John Doerr	OKR - Google John Doerr
<i>1935</i>	<i>+ -1950</i>	<i>+ -1950</i>	<i>+ -1960</i>	<i>+ -1970</i>	<i>+ -1980</i>	<i>+ -1990</i>

What is an OKR ? (Letter O: Objective)



- Objectives are qualitative and clear descriptions of WHAT you want to achieve.
- By definition, objectives are significant, concrete, action oriented and (ideally) inspirational.
- Ideally Objectives are described simply and simply to engage, inspire and motivate teams/people to achieve their goals.

What is an OKR ? (Letter K: Key)



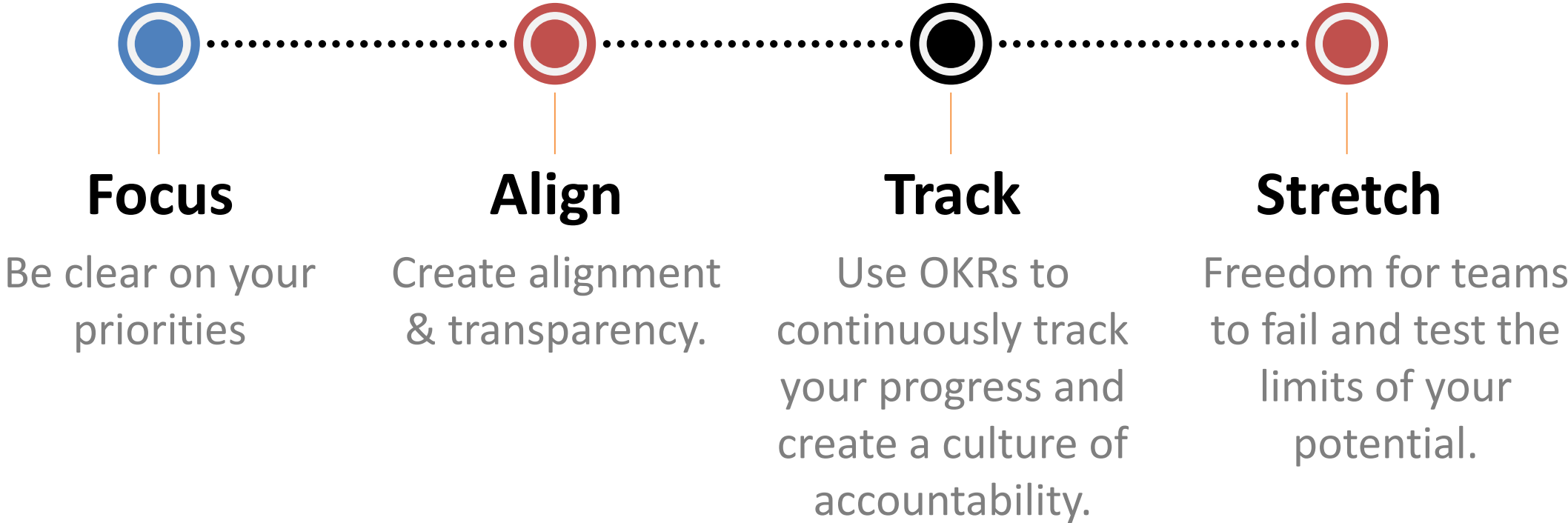
- The Idea of "K" is to identify few indicators which forces our focus on what is really more important (outcome) and adding value while achieving the Objectives.
- If we have many key results or indicators then there is possibly a dysfunction about understanding this concept..

What is an OKR ? (Letter R: Result)

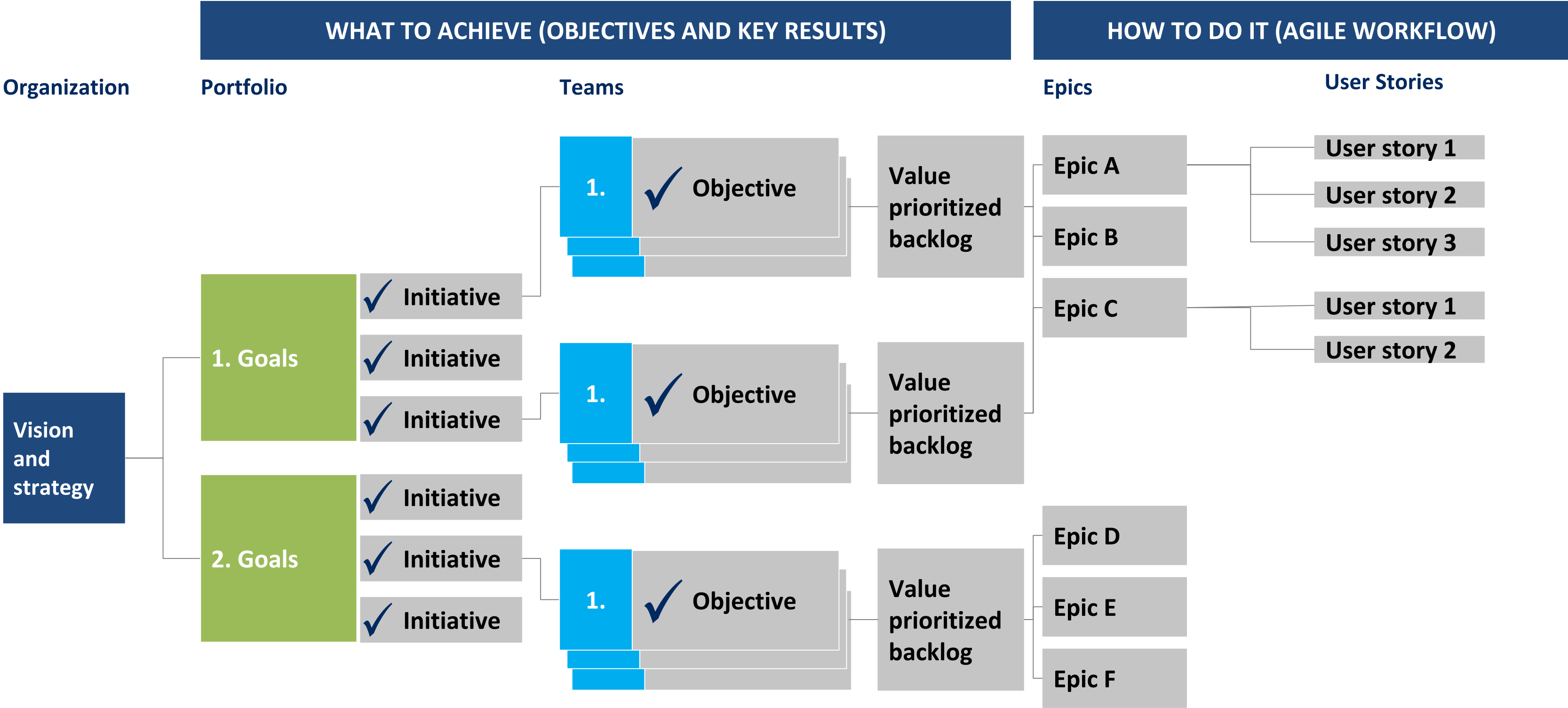


- A set of measures and metrics that evaluate the progress of actions towards the Goal.
- Evaluating the "Keys/Outcomes" against the set of measures and metrics makes it "Key Results".
- Ideally, for each Goal, we must have between 2 to 5 key results. If we set the goal with more than 5 results, we often lose focus and increase complexity beyond what is necessary.

OKR Superpowers



Integrate OKRs in Agile Workflow



What Makes a Great Objective?

Great Objective are often:

Clear (easily communicates what we want to achieve)

Simple / One sentence

Qualitative

Actionable by the team

Independent (as much as possible)

Activity Based Objectives	Value Based Objectives
Respond to new tickets within stated SLA	Minimize customer impact by responding to high priority tickets within stated SLA.
Keep making revenue	Achieve record YoY 3 rd quarter revenue growth
Refactor our old user management module	Improve the scalability and performance of old code base
Successfully launch version3 of our product	Increase reach and relevance of our product with new features

What Makes a Great Key Result ?

Activity Based Key Results	Value Based Key Results
Create employee engagement program	Improve employee engagement from X to Y
Develop 3 new landing pages	Increase lead conversion rate from X to Y. Reduce CAC (Customer Acquisition Cost from X to Y)
Launch new version of the product in the market	Achieve Y% conversion rate from free to paid users. Achieve a Net Promoter Score of Y%.

OKR Guidelines

Key Result Type	When to use	Example
Positive Metric	Set a target for a metric where more is better	Increase revenue per email sent by 10%
Negative Metric	Set a target for a metric where less is better	Reduce invoice processing time from five weeks to two weeks
Threshold Target Metric	Set a target range for a metric	Automated Test suite to maintain defect capture rate between 70% and 80%
Milestone	You can't express the result as a metric	Release push-notification functionality for 2-3 products

OKR Examples

				Weak	Average	Strong
		Objective	▪ Win the Formula One			▪ Win the Formula One
		Key Result	▪ Increase lap speed ▪ Reduce pit stop time			▪ Increase average lap speed by 2 percent ▪ Reduce average pit stop time by one second ▪ Reduce pit stop errors by 50 percent

OKR Exercise

Objective:

Become healthier in Q3'20 to achieve my career goals.

Key Results:

Reduce number of sick days by 50% by end of Q3'20.

Exercise at least 5 hours a week.

Achieve blood pressure level of 120/80 by end of Q3'20.

Cut intakes of sweets and calories by 50% in your diet.

Drive BMI index from current level of 20 to 15 by end of Q3'20.

References

Books:

1. Measure what matters- By John Doerr
2. The Four disciplines of execution-By Chris Machesney, Sean Covey, Jim Huling
3. Radical Focus- By Christina Wodtke

Articles/Blogs

1. <https://www.perdoo.com/the-ultimate-okr-guide/>
2. <https://medium.com/startup-tools/okrs-5afdc298bc28>