C-Level

Things no one told you about OKR

There's a lot of hype around OKR, especially in agile environments. But there's also a lot of bad usage of OKR. This talk takes a look behind the curtain and tries to emphasize how you as a C-Level and Top Management Leader can avoid this bad usage by sticking to some principles and practices outlined in this talk.

If you have further questions, contact me on Linkedin or via bjoern.schotte@mayflower.de

And if you want to discuss OKR topics, join theagilehub community at https://community.theagilehub.io/

The reality

Too much *Push* from top to bottom

Most important
Freedom to be able to contribute

The Nr. 1 thing to remember as a C-level is: Your teams need to have the freedom to be able to contribute to company objective by deriving their own initiatives.

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So let's go and fix it

A lot of companies we see in our OKR consultings and coaching make a lot of mistakes.

This leads to impediments that could be easily avoided if they stick to some simple rules and practices.

So let's see what you can improve.

Purpose?
Use OKR as a change management tool

When introducing OKR, you need a purpose.

Use OKR as a change management tool.

What is the ONE most important change we want to achieve in the upcoming cycle?

Thinking in this way is powerful.

Less is more
1 Company OKR
2-3 Key Results

There's a notion in the community you could have 2 to 3 company objectives with 3 to 5 key results each.

We believe that this is way too much. People are so over burdened with work.

We believe in "less is more", unless you are Google.

So go and focus yourself on 1 top-level objective. One goal you want to achieve for the upcoming cycle.

And reduce that to the most important Key Results that support achieving this goal.

Reduce until you have more practice after some cycles.

Then carefully add one or two key results if needed.

But stick to ONE company objective.

OKRs don't reflect full product / project roadmap

A lot of companies put their day to day work or feature ideas into top-level OKR sets.

This leads to distraction and defragmentation.

A product roadmap can inform itself from a company OKR set.

But you should stick to the most important goal you want to achieve in the upcoming cycle.

Free time
OKR buddies have to support the company

There has to be some kind of support structure inside the company. Hence, OKR buddies.

They guide the teams including top management through the OKR process. They have responsibilities, they help and support the organization.

Therefore, they need free time. Maybe not that much, depending on size, maturity and other factors.

But it should be crystal clear that their work is important for the enablement of good OKR practice in the company.

So give them time.

No shopping list
Avoid integrating every idea from leadership into OKRs

Do you have a great leadership team which is very engaged and where everybody has personal, separated goals (incentives)?

Maybe you experience that they want to integrate their personal goals into the top-level OKRs which leads to the tendency that you want to create more than one company OKR set.

Avoid this by focusing on what's most important for the company.

So, talk openly about personal goals and why you have to look at global optimization for the company.

Maybe you want to get rid of personal goals/incentives, but that's for another talk. :-)

Looking glass
OKR show you org impediments

"OKR doesn't work", some companies tell us.

Our answer ist: Like Scrum or other Agile frameworks, using OKR will be like a looking glass onto your org impediments.

Management is in charge for solving these org impediments. So welcome if org impediments arise, put them on a board and then, as a leadership team, go reduce or solve them.

Empower!
Succeed with lots of bottom-up OKR from teams

To succeed with OKR, there's one simple rule: You need lots of bottom-up ORK sets from the teams.

There's a rule in the community that says 40% top-down and 60% bottom-up.

I would say you need only 20% or 30% top-down and 70-80% bottom-up.

Free time
Teams can derive work initiatives out of their OKRs

So, now you did the first steps and the teams wrote their own OKR sets and did the horizontal alignment. Great!

But then, in a lot of companies, comes reality: Teams aren't able to derive their own initiatives because they are already over-planned due to several processes.

So you have to have in mind that teams should be able to derive their own initiatives / projects / feature ideas / whatever to contribute to the overarching goal.

Overall processes
Change planning processes to reflect team empowerment

A lot of companies, especially those with unempowered cross-functional product teams, have planning processes like a project planning or portfolio planning process.

These are often planned way in advance and due to always shortage of humans (or not prioritizing in a good way), the existing teams are overplanned with projects.

In order to succeed with OKR, you need to adapt your existing planning processes to reflect team empowerment and to enable that initiatives are created when OKRs are set for the cycle.

No short-circuit
Don't derive OKR from project or product roadmaps

There's also a tendency to use short-circuits. While these usually are great, they can lead to a bad usage of the OKR framework.

So don't derive OKR sets from project or product roadmaps.

It may be a good idea to start with when you begin using OKRs. But the better idea is to have it the other way round.

Output vs Outcome
Use Outputs if it leads to progress

Yes, we totally recommend to create outcome-oriented key results.

But maybe you are struggling to define the outcome-oriented key results. So it's okay to start with output-oriented key results as long as they are not binary (so you can measure progress along the way), and they are not task lists.

You can also define output-oriented key result first and then think about what do you want to achieve with this? This leads you to more outcome-oriented thinking.

Nevertheless, it's more about conversations than about hard metrics, right?

Retrospectives FTW
Inspect & Adapt at every level

In the Agile world, we use retrospectives to continuously improve ourselves and the outcomes we are working on.

So it's a good idea to use retrospectives and to reflect about the progress of OKR and the OKR process itself through retrospectives.

Use Inspection & Adaption at every level – from the top-level of the leadership team down to the teams that contribute with their OKR sets to the company goal.

We would not recommend to use existing product retrospectives at the sprint-level for this. Carve out extra time for OKR retrospectives because OKR is at the strategic level.

Ownership != Leadership
Somebody has to own the OKR process

Somebody has to own the OKR process in order to drive improvements.

Some companies tend to put this at the leadership level. I wouldn't recommend that.

Look for people that are not at the leadership level and who want to own and improve the OKR process together with the teams. A "OKR buddy" group may be a good idea. They should also work with the leadership team who owns the top-level OKR.

Leadership needs time to "drive" company KRs

There are companies where people from the leadership team are responsible for driving the company KRs.

While we wouldn't recommend that, it should be clear that those people also need time to talk to the teams, address the WHY of the key result and maybe adapt the KR if you see you won't reach the KR.

But we'll talk about better ideas how to improve that in a minute.

No pressure
Don't "drive" KRs, support 'em

First rule is: Don't drive key results as a leadership team. It is "old words" and thus "old habits" which may lead to too much pressure on the teams and the system itself.

So, choose your words wisely.

Driver's seat
Let somebody from crew drive the company KRs

There's a better idea to solve the problem: Let somebody from your crew (your employees) be the driver of a company key result.

Define clearly what to expect from a driver, i.e. support the teams, uncover impediments and such.

This frees the burden from the leadership team. And distributes leadership as a function into the company.

Maybe it's also a good idea to have a tandem, i.e. one member of the leadership/management team together with one employee. They form together a KR "driver" tandem where the employee gets contextual support from the leadership team member, but the employee is responsible for talking to the teams and supporting them.

Whatever you decide, have a look how you distribute the leadership function in the company and where and how enablement & empowerment take place.

No success with KR during mid-cycle? Change it!

This is hard to believe, isn't it?

If you have your bi-weekly company checkins and look at the progress of the company objectives, and you see you don't have any good progress and there are too many impediments:

You should think about changing the key result. There's nothing wrong with NOT reaching your key results. It's just a sign there's something wrong at another level. And so maybe you have to work harder on resolving impediments or just change the key result, especially when you realize the key result is not a good KR anymore.

Same Objective in next cycle if it's yet important

Some C-levels ask us if you have to think about a new objective for every cycle.

Usually, we say "No". It's okay to repeat the same objective for the next cycle IF you think it's yet the most important change you have to achieve.

But you should also reflect WHY you have to repeat it: Is the objective too big? Are the key results too hard to reach? Just use the time and reflect on the objective and its key results and think about what changes on the OKR set can help you to succeed better.

Vision!
Go have one for the company

Numerous companies don't have a company vision. While it's okay to start an OKR implementation without a company vision, we really recommend that you create or have one in order to align your strategic better on the company vision.

Derive Objective from mid-term goals

In order to have better stability and alignment for your company OKR itself, you should have mid-term goals: Goals for the next 12-24 months which support the company vision.

Then it's easier to derive company-level objectives from those mid-term goals, or short: MOALs

Align OKR to pre-existing structures

If you're a big company, chances are high that you have an existing strategy process.

If you want to implement OKR for your business area, try to align the OKR on those pre-existing structures.

This might be a little tricky, but it's worthwhile. External consultants could help here to bridge the gap between those two things.

Communication about the WHY of change is more important than good-looking OKRs

We believe that while it's good to have well-written OKR sets, it's better to have a crystal-clear communication about the WHY of the intended change, that means the WHY of the company objective and WHY you want to measure those key results.

Give additional context to the company.

Horizontal alignment

# Better horizontal aligned than 100% contribution to company OKR

We believe that if you get great horizontal alignment, this is better than everybody contributing 100% to the company OKR.

Why is this? Because the art of horizontal alignment means that there's healthy exchange between the teams, a lot of grading of the team OKR sets and more camaraderie regarding the company goal.

Try to focus on this and you will get great motivation to contribute to the company goal.

Tools
Don't matter.

And, my famous last words: Tools don't matter for OKR. Really.

The Journey
of a thousand
miles begins
with a single
step.

-Lao Tzu
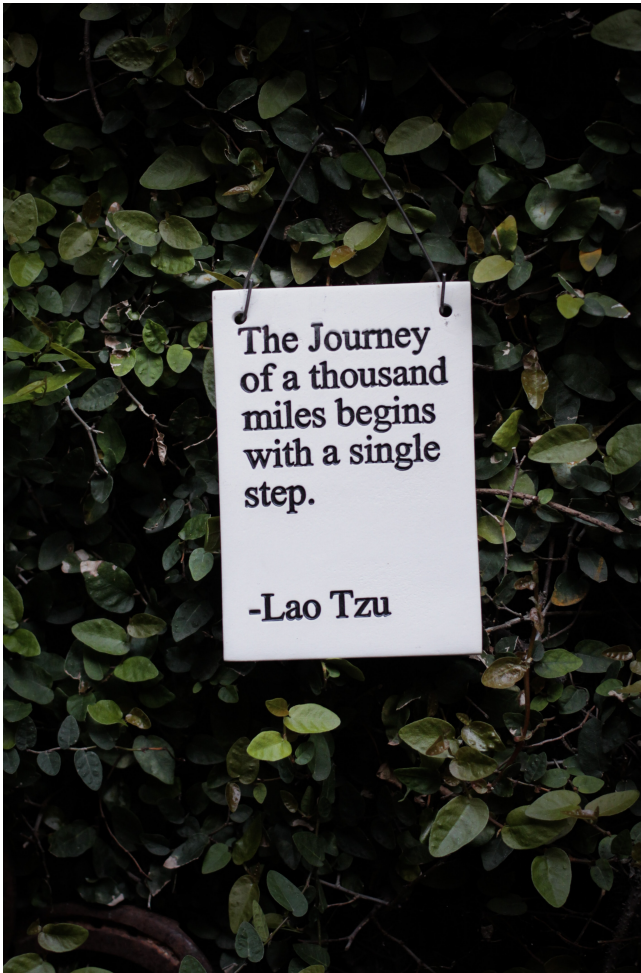
Go succeed!

Connect with me on Linkedin

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