Achieving Success with OKRs

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**Why am I here?**

My specialty is transforming organizations, large and small, to a Lean and Agile mindset.

[www.agileleantransformation.com](http://www.agileleantransformation.com)
WHY DO WE NEED OKRs?

Everything is #1 priority – we’re pulled in all directions.

How will we know when we’re done?

Why are we doing this?

Our dependencies are misaligned.

I did not know this was expected.
Once Crawfish, Swan and Pike
Set out to pull a loaded cart,
And all together settled in the traces;
They pulled with all their might, but still the cart refused to budge!
The load it seemed was not too much for them:
Yet Crawfish scrambled backwards,
Swan strained up skywards, Pike pulled toward the sea.
Who's guilty here and who is right is not for us to say —
But anyway the cart's still there today.
WHAT ARE OKRs?

“I will (Objective)” as measured by (Key Results)”

1. OKRs bring alignment and focus around measurable goals.

2. Objectives are memorable qualitative descriptions and what we want to achieve.

3. Key Results are a set of metrics that measure out progress towards the Objective.

4. OKRs set a simple cadence that engages each team’s perspective and creativity.

The goal is to ensure that everyone is going in the same direction, with clear priorities, in a constant rhythm.
Well-defined goals in an agile environment foster individuals’ motivation and their ability to learn and grow.

ORGANIZATIONAL GOAL PERSPECTIVE
OKRs help companies set goals at enterprise level and then focus on achieving the outcomes.

INDIVIDUAL GOAL PERSPECTIVE
Well-defined goals in an agile environment foster individuals’ motivation and their ability to learn and grow.

TEAM GOAL PERSPECTIVE
Team-level objectives enable teams’ collaboration and their ability to innovate and cross-pollinate.

PROGRAM GOAL PERSPECTIVE
Agile programs manage dependencies by removing waste and reducing variation.

OKRs cascade across the enterprise, thus aligning all functions and creating transparent outcomes.
Machine Learning Approach to OKR setting
OKR Anti-Patterns
OBJECTIVE - Improve efficiency with a data-driven approach to sales
KEY RESULT 1 – Complete Salesforce cutover to reduce cycle time by 15%
KEY RESULT 2 – Record all validated opportunities in Salesforce Enterprise Instance
KEY RESULT 3 – Achieve 4x pipeline coverage ratio
KEY RESULT 4 – Increase average deal size from 20.5K to 32K
KEY RESULT 5 – Qualify all sales-ready leads within 7 days
GOOD or BAD OKRs?

OBJECTIVE - Become #1 free mobile banking app in Europe by
KEY RESULT 1 – Deploying three new features by October
KEY RESULT 2 – Launching a marketing campaign in three languages by August
KEY RESULT 3 – Redesigning visuals and layout of the website
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Set and review annually

Establish a repeatable cadence: set quarterly, review monthly, execute weekly, align daily
OBJECTIVE - Support all internal systems by
KEY RESULT 1 – Following all operational procedures
KEY RESULT 2 – Providing tracking and monitoring
KEY RESULT 3 – Following all service level parameters
KEY RESULT 3 – Ensuring proper uptime
KEY RESULT 4 - Providing secure connections
KEY RESULT 5 – Ensuring data security
KEY RESULT 6 – Enabling user logon
KEY RESULT 7 – Cataloguing all systems on a regular basis
KEY RESULT 8 – Providing proper documentation
ANTI-PATTERN 3: “BAU SYNDROME”

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KEY RESULT 8 – Providing proper documentation
GOOD or BAD OKRs?

OBJECTIVE - Increase efficiency of QA processes
KEY RESULT 1 – Test cases for all P1, P2 stories are completed & handed over to dev before development starts (compliance to be measured every sprint)
KEY RESULT 2 – 1 week before release date, no blockers & critical bugs should be open
KEY RESULT 3 – Bug leakage to production for critical issues is less than 1%
KEY RESULT 4 – Less than 3 bugs reported by end users per release
OBJECTIVE - Increase efficiency of QA processes

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ANTI-PATTERN 4: “MISMATCHED O/KRs”
GOOD or BAD OKRs?

OBJECTIVE - Increase the number of stores by 10%
KEY RESULT 1 – Open new stores
KEY RESULT 2 – Implement new store design
KEY RESULT 3 – Attract new shoppers in three new geographies
KEY RESULT 4 – Receive positive feedback from customers
KEY RESULT 5 – Ensure no impact on online store profits
BANTI-PATTERS 5: VAGUE/HARD-TO-MEASURE OKRs

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OTHER ANTI-PATTERNS TO WATCH FOR

- Unrealistic OKRs
- Irrelevant OKRs
- Top-down OKRs
- Set-in-stone OKRs
- Performance OKRs
Exercise 1: Re-write an OKR in 5 minutes
OBJECTIVE - We will achieve a higher operational availability and lower operational costs as measured by
KEY RESULT 1 – Zero DevOps owned services in <Provider> (move everything to the cloud)
KEY RESULT 2 - 10% reduction in <cloud implementation> operational cost
KEY RESULT 3 – Zero single points of failure

OBJECTIVE - We will deliver working software to the customer every sprint with high quality by
KEY RESULT 1 – Delivering to production every sprint (no single release is more than 1 day late)
KEY RESULT 2 - Achieving over 80% regression test automation
KEY RESULT 3 - Increasing unit test coverage to 75% from current 45%
KEY RESULT 4 - Implementing a continuous monitoring tool to ensure “six nines” uptime for lower environments
KEY RESULT 5- Enabling engineers manage lower environments within required SLAs
**OBJECTIVE** - We will achieve a higher operational availability and lower operational costs as measured by

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**KEY RESULT 4** – Implementing a continuous monitoring tool to ensure “six nines” uptime for lower environments

**KEY RESULT 5** – Enabling engineers manage lower environments within required SLAs
Exercise 2: Write your own OKR in 5 minutes
Zoom Video Communications Mission Statement
Our mission is to develop a people-centric cloud service that transforms the real-time collaboration experience and improves the quality and effectiveness of communications forever.

Zoom Video Communications Vision Statement
Video communications empowering people to accomplish more

Exercise: In 5 minutes, create one hypothetical Zoom OKRs for 2021. Document your assumptions. Post in the chat.
OKR WORKSHOP STEP 1: Define

Company OKR

Annual Objective: ____________________________________________________________
KR1: __________________________________________________________________________
KR2: __________________________________________________________________________
KR3: __________________________________________________________________________

1. State your mission.
2. Formulate a compelling objective.
3. Split it into key results.
4. Share and get feedback.
Step 2. ALIGN
“Don’t limit your challenges. Challenge your limits.”

- Jerry Dunn
Sample Objective: **Improve Application Quality, Stability and Reliability**

### Key Result 1: Reduce number of production defects by 50%
- **QM:** Reduce the number of missed defects to no more than 1 per 3 releases
- **Dev:** Ensure 100% knowledge transfer and SME on core systems
- **Chief of Staff:** Establish Production Support Team & define the process
- **Agile Practice:** Ensure that 20% + of sprint capacity is allocated to defect fixing

### Key Result 2: Improve quality of delivery within a sprint
- **Dev:** Ensure 100% compliance with code quality standards
- **Release Mgmt:** Guide the process via reviews, reporting, and strategy definition
- **Release Mgmt:** Ensure that no stories with bugs open against them are deployed into production (exception: risk accepted stories)
- **DevOps:** Environment setup allows for integration testing
- **QM:** Pilot TDD practices for 2+ teams
- **QM & Dev:** Establish 100% coverage for peer reviews
- **DevOps:** Logging and Monitoring established with clear highly automated processes

### Key Result 3: Increase System Stability and Reliability by 30%
- **Data:** 99% data stability
- **Data:** 99.9% data accuracy
- **Architecture:** 100% architecture reviews completed within a sprint
- **Chief of Staff:** Establish Production Support Team & define the process
- **Agile Practice:** Ensure each backlog is balanced between functional user stories and non-functional technical tasks
- **QM:** 100% regression automation; 80% test automation
- **QM:** 100% regression automation; 80% test automation
- **Dev:** Ensure 100% compliance with code quality standards
- **DevOps:** Environment setup allows for integration testing
- **QM & Dev:** Pilot TDD practices for 2+ teams
- **DevOps:** Logging and Monitoring established with clear highly automated processes
- **Architecture:** Proactive architecture definition and communication bi-weekly
- **Security:** Secure solutions defined, established and monthly communicated
Objective: Improve Customer Experience

Key Result 1: NPS score goes 2 points up
- Customer Service
- IT: Delivery
- Agile Practice
- Solution Architecture

Key Result 2: Implement 10 highest priority features on a quarterly basis
- Customer Service
- IT: Delivery
- Agile Practice
- Solution Architecture

Key Result 3: Establish a continuous customer feedback loop via three channels
- Customer Service
- IT: Production Support
- Solution Architecture
- Sales
- Marketing
OKR WORKSHOP STEP 2: Align

Objective:
Improve Customer Experience

Key Result 1: NPS score goes 2 points up
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- IT: Delivery
- Agile Practice
- Solution Architecture
- Sales
- Marketing

Key Result 2: Implement 10 highest priorities features on a quarterly basis
- Customer Service
- IT: Delivery
- IT: Production Support
- Agile Practice
- Solution Architecture
- Sales
- Marketing

Key Result 3: Establish a continuous feedback loop via three channels
- Customer Service
- IT: Delivery
- IT: Production Support
- Product
- Analytics
- Security
- Other functions

Select an alignment area.

Define your org structure and related OKRs.

Create a cascading view of your OKRs with clear ownership.
Step 3. REFINE
“Measure what is measurable and make measurable what is not.” - Galileo Galilei
Company OKR: Respond to market needs by delivering new functionality to global customers daily

**Objective:** We will enable daily production deployments to global customers with high quality at no additional expense by performing 80% of application testing without requiring an integrated environment.

**KR1:** Enabling daily deployments with full regression testing.

**KR2:** Reducing high priority and critical production defects to no more than one per 20 deployments.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Key Results</th>
<th>Score</th>
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<tbody>
<tr>
<td>Q1: Improve application architecture to decouple solutions for testing and deployment purposes</td>
<td>Perform 80% of application testing without requiring an integrated environment</td>
<td>0-integrated environment is required in 100% of testing; 0.5 – 50%; 1- integrated environment is required in 20% of testing</td>
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<td>Deploy the application independently from other services/applications it depends on</td>
<td>0 – deployments are tightly coupled; 0.5 – deployments are loosely coupled; 1 – components can be deployed independently on demand</td>
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<td>Q2: Ensure that all delivery teams are cross-functional</td>
<td>All delivery teams have skills necessary to design, develop, test, deploy, and operate the system on the same team</td>
<td>0 – none of the teams are cross-functional; 0.5 – 50% of teams, 1 - 100% of teams are cross-functional</td>
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<td>Each team has access to manage relevant lower environments with a dedicated team member authorized to perform production deployments</td>
<td>0 – no access, all done by a dedicated team; 0.5 – lower environments only, 1 – all environments including production within agreed upon process</td>
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<td>Q3: Ensure proper deployment tools and related skills</td>
<td>Optimize deployment tools and frameworks to enable daily deployments with full regression testing</td>
<td>0 – no changes; 0.5 – implement daily deployments with some manual testing; 1- full regression automation</td>
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<td>Ensure necessary skills are in place on each team</td>
<td>0 – no training; 1 - train everyone</td>
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<td>Ensure all technologies are correctly licensed</td>
<td>0 – no audit; 1- internal audit, 100% confirmed</td>
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<td>Q4: Build quality in by implementing BDD for 100% of regression testing</td>
<td>Reduce high priority and critical production defects to no more than one per 20 deployments</td>
<td>0 – more than 5 defects per 20 deployments (current data), 0.5 – no more than 3 defects, 1 – no more than 1 defect</td>
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OKR WORKSHOP STEP 3: Refine

1. For each of your objectives, create quarterly KRs.

2. Come up with pre-grading for each KR.

3. For each external dependency, get a handshake. If not possible, refine until it is achievable.

4. Agree on ownership.

Annual Objective: ____________________________
KR1: ____________________________
KR2: ____________________________
KR3: ____________________________

<table>
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<tr>
<th>Q1 Objective</th>
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Step 4. ITERATE
“Continuous improvement is better than delayed perfection.” - Mark Twain
Sample Annual OKR Cadence

- Announce Enterprise OKRs
- Divisional OKR Drafting
- Alignment Workshops
- Review the grading of last year’s OKRs
- OKR Kick Off
- Team OKR drafting and alignment
- OKR Retrospective

Q1 grading and refinement
Q2 grading and refinement
Q3 grading and refinement
Q4 grading and refinement
SUMMARY: 4-STEP OKR PROCESS

1. Set up
   - Q1 Objective
   - Q1 Key Results
   - Score

3. Refine
   - Team OKR drafting and alignment
   - OKR Retro
   - Divisional OKR Drafting and alignment
   - OKR Kick Off
   - Review and grading of last year’s OKRs
   - OKR Kick Off

4. Iterate
   - Early Nov.
   - Mid-Nov.
   - Early Dec.

2. Align
   - Objective: Improve application Quality, Stability and Reliability
     - Key Result 1: Reduce number of production defects by 50%
     - Key Result 2: Improve quality of delivery within a sprint
     - Key Result 3: Increase system stability and reliability by 30%
“The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark.”

- Michelangelo

Let’s Play OKR Jeopardy:
https://jeopardylabs.com/play/okr-jeopardy-by-mariya
OKR Manifesto

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