



OKRs

at Enterprise Scale

YOU'VE GOT A BUSINESS TO GROW.

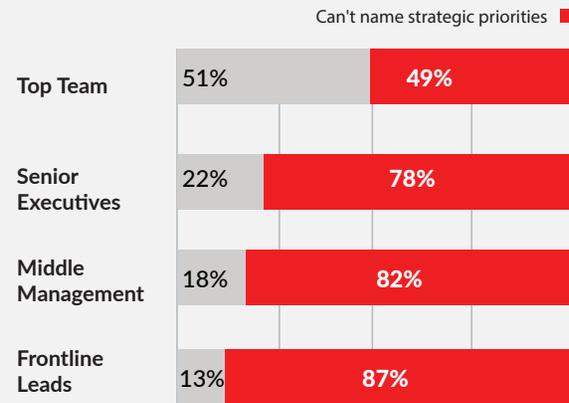
Introduction

Many enterprise leaders are considering incorporating Objectives and Key Results (OKRs) into their business cycle to accelerate growth. At its full potential, the OKR technique inspires and aligns every team on breakthrough results. Companies and investors focus on growth rate as a primary value driver, and OKRs are phenomenal means to unlock faster growth within the organization. In dynamic markets, organizations must iterate on strategic priorities faster, so it's a competitive imperative to align and activate them quickly as well. This is a fundamental, organization-wide shift from driving high output to driving higher outcomes.

Part of the OKR magic stems from tapping the value-creation power of teams across the organization. Their understanding and alignment on strategic priorities is typically very low, according to MIT Sloan research. Low understanding translates directly to slow-mover status, lost capacity, lost time, and slower response to market opportunities – all at higher costs than those faced by better-aligned, accelerating competitors.

“No One Knows Your Strategy”

Decay rate of understanding of strategic priorities



Alignment isn't optional and it isn't a given; it's an essential practice. In fact, the ability to iterate and align on strategic priorities quickly may be the only sustainable competitive advantage.

Four waves of change

A series of changes over the last five years put deep alignment on outcomes and higher flexibility on strategic priorities at the top of CEOs' agendas:

1. **Talent shift & scarcity.** The growing population of young people in the workforce expects authentic understanding of how their contributions fit into the big picture. Competition for top technical talent is intense and they, too, want clarity on how their contribution creates value. When strategic priorities are poorly understood, young high potentials and technical talent leave (often to fast-growth startups driving disruptive breakthroughs). The best people want line-of-sight transparency into how their teams measurably impact the business every quarter.
2. **Technology & complexity.** Products and services are increasingly complex, and there is exponentially more information available everywhere in our organizations. The best decisions are made by those who are closer to data, have deeper domain knowledge and are in alignment with strategic priorities. Without alignment deep into the organization, you risk democratizing chaos, squandering resources and eroding advantage.
3. **New business models.** Reducing barriers to buying and integrating products also reduces barriers to leaving for newer products, as customers can more easily choose to renew, purchase more or turn elsewhere. As organizations shift to more subscription-based and software-based business models, their growth rate is a function of how well aligned marketing, sales, product and customer success are for each product line and offering – this is many layers deep into the organization and crosses silos that have little experience cross-aligning on outcomes.
4. **Market speed.** The most powerful force is the accelerating rate of market change. For many organizations, the external rate of change is greater than their internal ability to iterate and respond – a condition that is ultimately fatal. Traditional annual or bi-annual strategy and planning cycles are under-informed by internal and external facts, too brittle for most markets, and poorly metabolized in the organization. When teams at every level iterate and align on objectives and key results quarterly, the organization can respond and execute fast and intelligently.



Think big, think fast,
think ahead. Ideas are
no one's monopoly.

Mukesh Dhirubhai Ambani,
Chairman of Reliance Industries,
WorkBoard customer and 148 on
global Fortune 500.

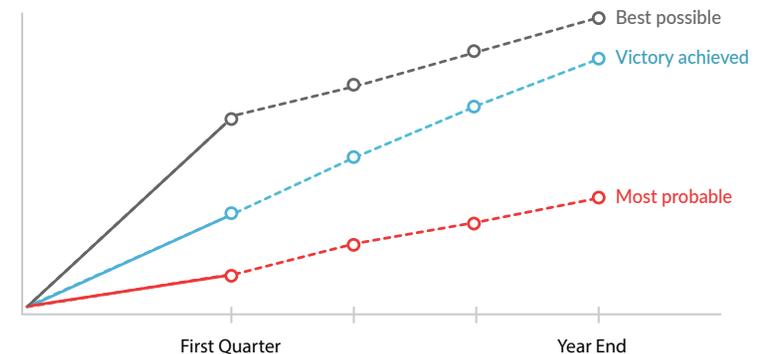
Fueling Faster Results

OKRs and a results management platform enable organizations to more fully and rapidly align on results and to transparently manage and measure those results in real time.

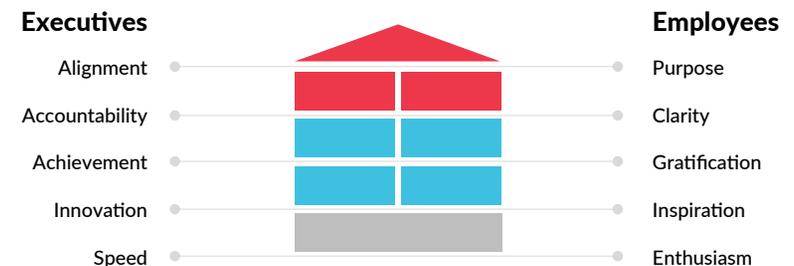
The core tenets of OKRs are:

1. **Aspirational and inspirational** OKRs drive better results faster. Set key results to focus efforts on achieving the best possible outcomes rather than the most predictable. (If teams never discuss the best possible results, they never organize or prioritize to achieve them.)
2. **Radical clarity** is an accelerant, and the absence of clarity wastes time and capacity you can't recover. A 3 hour team conversation at the beginning of the quarter enables every team member to use the 500 hours in the quarter to greatest impact.
3. **Fast, focused** quarterly pace drives better decisions on value and priorities, incorporates learnings systematically, and ensures better outcomes over the year.
4. **Aligned, transparent and localized** OKRs authored by teams in their own nouns, verbs and numbers are more motivating and relevant; it's how they bring their insights, expertise and local knowledge to bear on the company's strategic priorities.

Aiming for best possible outcomes every quarter produces better outcomes over the year



Great OKRs both inspire and align people, linking executive and employee needs



Anatomy of an OKR



OBJECTIVES

What the group wants to achieve

- Communicate the 3-5 things you want to achieve this quarter or year
- The big idea and “why” – not numbers
- Inspire and motivate people with a sense of purpose so they want to be on board
- Objectives may have long or short span
- Cascade down, coalesce up and across



KEY RESULTS

How success is measured

- 4-6 quarterly results for each objective
- Define the best possible results, not most probable – so you likely won’t hit 100%
- Numbers quantifying an end state, not action items, outputs or opinions
- Within your domain, your impact
- Where you will focus efforts because it will create the most value
- Balance key results for best outcomes



WORKSTREAMS

The work that will drive key results

- Our projects, sprints and deliverables
- Contain unique action items and milestones owned by various cross-functional team members
- Align and prioritize this activity to KR
- May support one or more OKRs

SAMPLE OKRs

Align on Strategy

While simplified, the OKRs below show how an organization changing its buyer and market focus aligns using OKRs across sales, marketing, customer success and product.

COMPANY OKR		
<p>Make it easy for the right customers to buy and hard for them to go</p> <ul style="list-style-type: none"> • 75% of Tier 1 and 2 customers are active weekly • 85% of ARR comes from customers in Tiers 1 and 2 segments • 96% revenue retention of T1/2 customers • Release CMO notable quality-of-life features every two weeks into production 		
MARKETING	PRODUCT MANAGEMENT	GLOBAL SALES
<p>Marketing enables Customer Success as much as it does Sales</p> <ul style="list-style-type: none"> • Every CMO quality of life feature released will have a quality customer communication plan executed • Increase cubist score of inbounds from 43 to 50 • Targeted one-to-few campaigns at low usage enterprises drive 10 account management conversations per month 	<p>Define the CMO delight experiences and thread them through journey maps and road maps</p> <ul style="list-style-type: none"> • Instrument CMO use cases in Pendo so we can measure use next quarter • 4 FullStory sessions per PM per week • Get Dev and Jorge's buy in on the personas and use cases for LMNOP • Get direct feedback from 7 CMOs on the prototype of CMO dashboards and drilldowns 2.0 	<p>Engage the right customers and make it simple for them to buy from us</p> <ul style="list-style-type: none"> • 85% of ARR comes from customers segments • Account to close ratio from .51 to .7 • 95% of deals are above discount floor • Handoff scores average 4 or better • Average cubist demo score goes from 62 to 70
CUSTOMER MARKETING	PRODUCT ENGINEERING	US SALES
<p>Because it's cheaper to retain than to obtain</p> <ul style="list-style-type: none"> • Add \$28M of upsell pipeline from customer marketing campaigns or tooling in T1 and T2 accounts • There is a 10% surge in same-week WAU with every customer marketing campaign • 100% of our campaigns are focused on T1 and T2 new logos and customers 	<p>Build irreplaceable products that are critical to CMOs and customers in our target segments</p> <ul style="list-style-type: none"> • Release ABC solution with 4 CMO capabilities that have a 30-day ROI not available from competitors • Pay down 41 prioritized tech debt items tagged as CMO issues/impacts • Release notable CMO quality-of-life features every two weeks into production 	<p>Build skills for executive conversations and credibility with the right customers</p> <ul style="list-style-type: none"> • Every seller completes T1/T2 CMO buyer training and demo check out • 80% of our demos are with CMOs in T1/T2 accounts • ACV increases from \$18k to 35k • Handoff scores average 4 or better

Enterprise Best Practices

There are a number of best practices for enterprises that weren't born with a startup's measurement mindset and don't have Google's supply of capital.

CHOOSE WORDS FOR IMPACT

The company objectives should motivate people to want to engage. Speak to the broader employee community (not the leadership team or the board) in an authentic voice.

INCLUDE RUN AND GROW

Every part of your business is changing and everyone has a contribution to make, so invite everyone to add real value. Including both run and grow requires management to have more intellectual honesty about what the best possible outcomes really are in the short term, and it doesn't leave people guessing whether they should sacrifice "keeping the lights" on for growth objectives.

SET YOUR THRESHOLD, NOT GOOGLE'S

For mature organizations or those without infinite capital, 80-85% completion targets on most key results and 100% on all financial key results may be a better choice. Make an organization-level decision that considers:

- Performance management history
- Financial situation
- Need for alignment between financial targets and other execution

KRs AREN'T OBJECTIVES

One person's KRs are not another person's Os. Localize the company objective into the nouns and verbs of the team; their own objective will be informed by local knowledge and expertise, they clarify their intent, and then they determine how success is measured.

Often leaders communicate either strategic themes or metrics – people need both.

Increase Revenue 20%	 <p>I'm not in sales. That's about your bonus, not my work.</p>
Customer Value	 <p>Uh, what does that mean? Wait, what were we doing before?</p>

DIVORCE FROM COMPENSATION

To help people focus on their best possible outcomes, divorce OKRs from compensation and set them for functional and dynamic teams. Setting targets for compensation purposes only drives predictable, safe results; these are rarely the organization's best possible outcomes. Moreover, if teams never even discuss the best possible results, they certainly never organize to achieve them!

Complement OKRs with individual growth and development goals, conduct monthly (or more) 1on1s, and use the PACE™ framework for evaluating performance. Super performers use the PACE framework in every 1on1 to enable managers and employees to have conversations that elevate them both.

SUBSTANCE OVER FORM

The process isn't the end result – achieving business outcomes is. Don't let the acronym obscure the purpose or potency.

Launching OKRs in Enterprise

Process + Platform

Fortuitously, OKRs appeal to both executives and to self-motivated employees; you may find there is already momentum from the front line and middle of your organization around OKR adoption. Give these champions a clear role and build their expertise with OKR coach development courses.

To gain OKR advantages at scale, you will need a process change and a results platform that enables the organization to set, measure, manage and execute on OKRs across the enterprise. Get coaching to help set high-integrity OKRs the first quarter and drive the process change – it can greatly accelerate your success and virtually ensures material improvement in your first quarter.

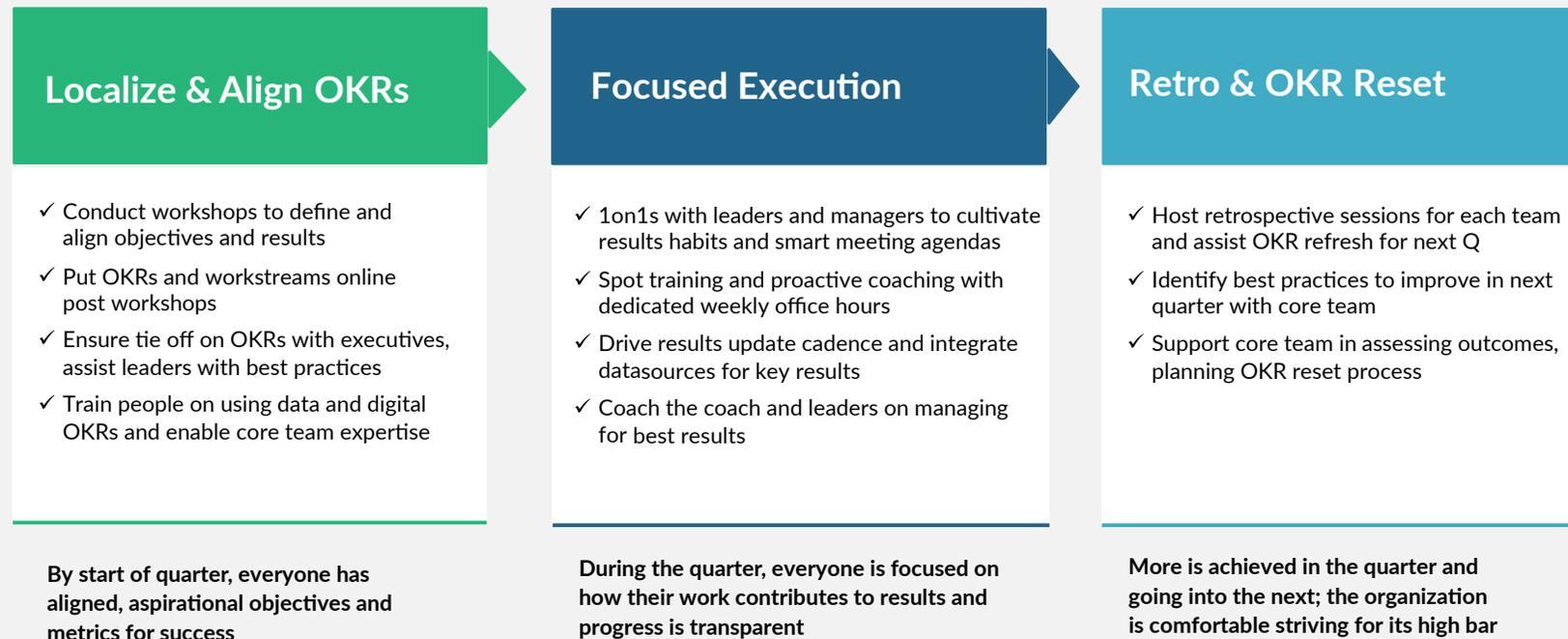
A results platform helps organizations operationalize OKRs and drive key results with real transparency – the last thing an organization needs is another meeting-and-slides process that isn't digital. Measuring, aligning and getting transparency in enterprise aren't fast or scalable without a platform.

To launch the first cycle and institutionalize a results-centric management model and platform requires clear executive sponsorship: the CEO or a division leader with strategic priorities and high urgency to achieve them. One of the biggest accelerants is an actively-involved leader clarifying and communicating company OKRs, validating alignment across their direct reports and recognizing inspired OKRs from downline teams.

<p>1 STAND UP PROGRAM</p>	<ul style="list-style-type: none"> • Communications plan and change management • Core team and sponsor members and meeting cadence • Provision platform and activate results data integrations
<p>2 COACH TO GOOD OKRs</p>	<ul style="list-style-type: none"> • Outside coaches facilitate first round OKR setting and alignment • Executives seminars on the methodology • Certify internal coaches to champion and carry OKRs forward
<p>3 BUILD A RESULTS HABIT</p>	<ul style="list-style-type: none"> • Embed OKRs in existing management flywheel (all hands, huddles, 1on1s, staff meetings, ops reviews, QBRs, etc) • Curate leader and product line dashboards • Coach leaders to lead and inquire on results over activity
<p>4 ENABLE ON THE PLATFORM</p>	<ul style="list-style-type: none"> • Enable teams to manage objectives and key results and align their work to outcomes • Enable chiefs of staff, operations and exec staff on managing with a digital flywheel

The OKR Cycle

A typical OKR cycle establishes objectives intended to span the year and key results for the next immediate quarter. Depending on when they start, some leadership teams will define both annual and first quarter key results. Our experience is that teams beyond the leadership team are well served by focusing on the next quarter's OKRs (not full year or out quarter). When teams have little experience quantifying results for one quarter, they're ill equipped to predict situations and define results further into the future.



Results Management Platform

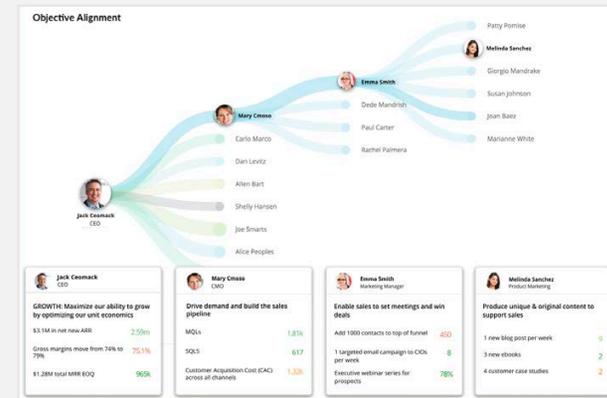
While setting OKRs the first time around requires coaching on outcome-centric, aspirational thinking and uses a new alignment muscle, key results are realized through focused execution. Rather than setting and forgetting OKRs, embed them into operational processes and modernize your existing management flywheel to drive key results. They should be incorporated into staff meetings, ops reviews, business reviews, and 1on1s so that your organization doesn't have two diverging management models.

Your Results Management platform transforms the meeting-and-decks flywheel into a digital flywheel by:

- Enabling multi-directional alignment at scale
- Calculating and communicating result progress automatically
- Providing transparency across large enterprises on objectives and progress
- Helping people visualize how each team contributes to the organization
- Automating business reviews and management reporting
- Making results-aligned work simpler to do, and linking work to outcomes
- Improving meetings and decisions with smart, data-driven agendas

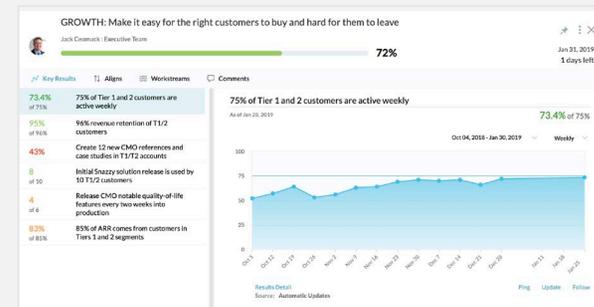
While Google originally did check ins on OKRs twice a quarter, the world is moving much faster today than when their practice originated. Totaling progress on key results twice a quarter is a recipe for failure; as any sales executive who wants to make quarterly targets will tell you, every week counts.

WorkBoard Strategy & Results Management Platform



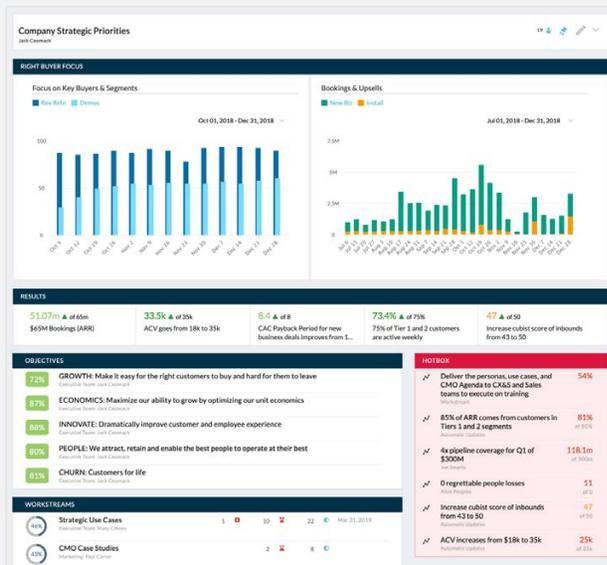
Align Objectives & Key Results

Localize strategic priorities and visualize alignment through the org and by objective



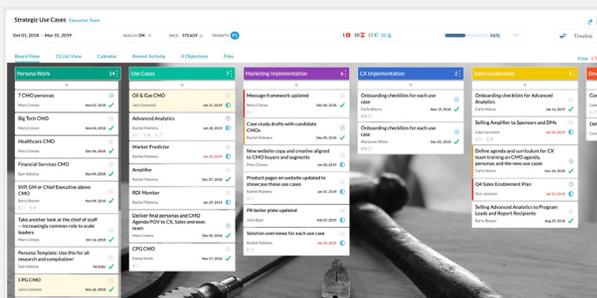
Measure results objectively

Measure progress on value creation and see plan vs actual, trajectory and narrative with the conversations on results



Automate business reviews, reporting

Manage results, not activity, and improve manager impact. Automatic Running Business Reviews give instant contextual transparency and eliminate repetitive reporting motions.



Simplify results-aligned work

Focus on the right work and address risks faster. Collaboration boards link work to results. Smart 1on1s and fact-based meeting agendas drive the right conversation

Unlike Results Management platforms, basic OKR tools are designed for small teams and small businesses as a convenient place to enter OKRs. They lack enterprise-scale alignment, provide no capability or dashboards to operationalize OKRs or execute against them, and don't incorporate OKRs into and automate management reporting to drive accountability.

Power Manager Effectiveness

For most teams in the middle of the organization, managing results instead of activity and reaching for the best outcomes in short intervals are real — and valuable — behavior changes. Key result velocity requires a shift in what team leaders focus on and changes the conversation in team meetings.

OKRs and a Results Management platform enable manager effectiveness by defining how the team creates value, providing data on its progress, ensuring the right topics are on meeting agendas, linking work to results and measuring progress automatically. Teams that focus on results at least weekly perform as much as 20% better than those that consider their results monthly; more time engaged on results almost always translates to an increase in results for mid-level team members.

Modern Management Model

Enterprises launch OKRs at scale because they recognize that the cost of low or no alignment and the pent up appetite for clarity far offset the risk of new process introduction. The instinct to “perfect” OKRs before rolling them out across a substantial part of the organization can be misguided by the presumption that they *can* be perfected without engaging and aligning at scale. (One of the notable behaviors of fast-growth companies is their rapid uptake of processes and tools that help them improve, measure and automate.)

As you scope your OKR rollout, consider the following:

- 1 **Create your OKR for OKRs:**
Define what you’re trying to accomplish, the best possible results and how you will measure them. This will give everyone more clarity and help align your next actions to the outcomes you want to achieve. You may find that your instinctive approach to scope is at odds with your objectives and key results!
- 2 **Scope for purpose:**
Make sure your scope proves your value thesis. If you need to close the strategy-execution gap, make sure execution teams are included. If you want to align more effectively cross-functionally, include 4-6 layers in at least two adjacent functions. If you need faster, better results and more transparency from a large function, include teams throughout that function.
- 3 **Design for success:**
Develop a plan to succeed – one that provides data and *evidence of success* that the organization needs to take the next step. This includes a full communication plan, an OKR for OKRs that you measure, program and change owners, OKR coaching and building internal expert champions who carry the torch.
- 4 **Don’t assume push when you have pull:**
In many instances, front line teams and managers in the middle are already doing OKRs or pulling for them. OKRs are wildly popular and spread quickly as an organizing mechanism by growth and measurement-centered teams. Don’t assume resistance when you actually have groundswell.



In two weeks with WorkBoard’s solution, the company was aligned, motivated and driving measurable progress on our strategic priorities.

– Erik Huddleston, President, Cision

WorkBoard

WorkBoard provides Enterprise Results Management software and a Results Accelerator coaching service to growth-focused companies. WorkBoard's solution integrates with most business systems and can be accessed directly from Web, iPhone, iPad, Android, Microsoft Teams and Slack. Visit www.workboard.com for more information.

About the Author

Deidre Paknad is CEO and co-founder of WorkBoard. She's led high growth organizations as founder and CEO of several companies and as an executive at IBM; she has over a dozen patents and has twice been recognized for innovation by the Smithsonian Institute. Deidre and the WorkBoard team pioneered Strategy & Results Management solutions and a proven proprietary methodology for rapid enterprise success with the OKR technique.

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