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Introduction

John Doerr says “Ideas are precious, but they’re relatively easy. It’s execution that is everything”

Does this powerful statement echo your thoughts? More often than not, as a Founder or CXO, you will experience the ‘knowing doing’ gap between a great idea and actually making it happen. How then, as the captain of the ship do you come up with practical and achievable measures which could transform your core vision into what is achievable?

Needless to say, what you need is a team which rallies along your mission and vision. You see them as a group of highly engaged and energized people who want to achieve just as much as you do.

As you flip through success stories of companies that made it big, you will discover that the very key to achieving high growth at a sustainable and scalable pace is to make every employee in the company believe and contribute to the big picture.

And, the best way to get employees to believe and contribute is by crafting the right goals which are *Achievable* yet *Aspirational*.

FOCUS ON THE CORE!



“ Effective goals are to the business world what Pilates is to the core of your body ”

Amused? No, we really mean it! Goals done the right way impact the core functioning of your company just like Pilates, which although works on your core and transforms your entire functioning. When you get the core of your company’s functioning right, it creates the right purpose, increases engagement, enhances communication, increases collaboration and promotes transparency.

And hey, by the way, that’s exactly what forms the core of OKRs, if done Right!

What The Heck Are OKRs?



It's not surprising that companies are stepping forward to use OKRs, to supercharge growth, drive change, innovate or excel in a manner that every employee in the company knows how they contribute to it.

How are they structured?

As a CXO you probably may have these questions on your mind..

Why should I switch to OKRs, when I have KPIs/ Balanced score cards?

Is it just a shiny penny of the business world or does it really work?

Just because Google & a few high growth companies did it does it really mean I need to do it too?

It takes a lot to implement OKRs, is it worth all the heavy lifting?

Objective Key Results (OKRs) have come to be known as the power tool for strategy execution, as they fuel the company's vision, strategic and tactical functions.

Objectives "Are aspirational statements which emote the BIG WHY"

Key Results focus on the "How do I get there? They are measurable outcome driven statements which give clarity on the HOW"

Tasks/Initiatives which is "What do I need to do to get there".

OKRs are not a hand them down framework. They require teams to come together and contribute to Company OKRs, and most important, they to need align cross functionally.

Check out this [blog](#) on getting OKR crafting and alignment right.

Ok, I get the concept of OKRs, but is my company really ready for OKRS?

OKRs propel not just leadership teams, but teams across the organization to get to building that great goal muscle.

So yes, there is a lot of work in getting this right, especially in the first two quarters, after which it pretty much becomes muscle memory.

The question which most often comes up 'Is OKRs only for startups?'

OKRs can easily be adopted by Startups, SMEs and Large Enterprises. Owing to their size, Startups usually are more confident of walking into OKRs and opt for cross company implementation.

SMEs, on the other hand, often go for pilots. These could either be with specific groups which are driving new business Innovation or focused on Leadership Teams (2 levels to the CXO). Many a times, even individual business group/ business units could adopt OKRs as part of the pilot program.

The internet is laden with stories of how companies grew 10X using OKRs. Let's face it, what works for Google, LinkedIn or Twitter may not necessarily work for all. Before you as a Company Founder or CXO embrace OKRs, ask yourself this Socratic question

'What would OKRs really help you achieve?'

✓ Check the option which best works for you:

- ☐ OKRs seem something new , I would like to give this a shot.
- ☐ OKRs will help us achieve things we couldn't achieve with the normal rate of operation.
- ☐ I want to get all teams pumped up & align them to business outcomes.
- ☐ Current performance management sucks, so why not OKRs?

Write your own
.....

Points to Ponder:

- If your answer to the above is new or 'Because Google/ LinkedIn or some other organization has implemented it', go back to thinking about "What will you really achieve by using OKRs"?
- If you want this as an alternative to Performance Management, think again. OKRs are not a substitute for Performance Management.



From our experience, the top most reasons on what makes CXOs and Founders adopt OKRs are Option 2 and 3.

The call out for OKRs is to:

- Drive Sharp Focus & Prioritize
- Align teams to vision and strategy
- Build a culture of result orientation/outcome orientation

REFLECTION TIME:

Think of top 2 roadblocks you are currently facing at your company. Do you believe OKRs can help you deal with these and realign focus?

OK, I understand OKRs and the need for it, but how will they affect my Business As Usual Metrics?

As Christina Wodtke puts it in her book *Radical Focus*: **“OKRs are not the only thing you do. Trust people to keep the ship running, and don’t jam every task into your OKRs.”**

Business As Usual Metrics are your health metrics. You need them as they are your Run indicators. OKRs are set for the quarter, but they make you sharply focus on ‘What Matters Most’.

Should BAUs be part of OKRs?

Most times, while setting objectives and defining the key results, companies and teams start with what activities they are doing and then try to fit it to the overall goal to fact check if there is alignment. However, if you reverse your approach and start with the overall outcomes you want to achieve, your focus automatically sharpens and you start looking at the results which would help you attain the overall outcome.

You now start working on the tasks or initiatives with a different approach. Picking and choosing the right tasks and initiatives which align to giving you the results and the overall outcome becomes **core** to how your team plans and executes their Business As Usual work.

When the focus is on the outcome, tasks become more like a set of experiments which help you have a regular check-in to make sure the impact is on your key results.

Sometimes, you need to speeden them, sometimes you completely overhaul them or better, there may even be times when you realize they are adding no significant value to your overall outcome and hence they need to be dropped completely.

The toxic ‘Mix it all’ mess:

For OKRs to help you set the path on fire, keep them separate from your BaU operational metrics. Companies need to focus on the regular Operational issues and SLAs for ensuring that normal day to day activities are not ignored. However, the need is to understand that these are not OKRs.

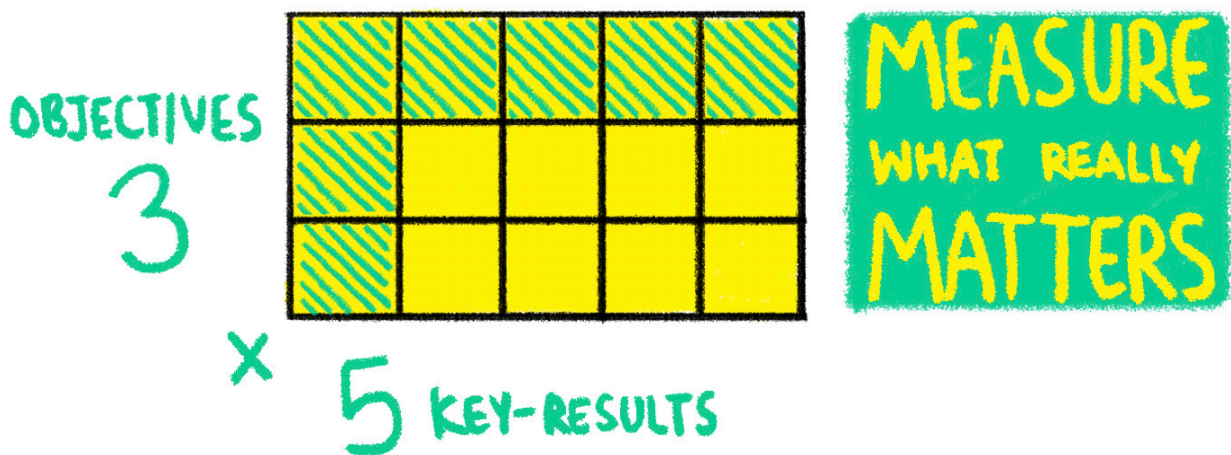
Every operational task, every operational metric need not become a part of your OKRs. Some of them are needed to ensure everything is functioning at the best of its threshold and they should not be touched. This definitely does not mean that they are not important though.

We need to understand that certain metrics are good to be in steady state or incremental improvement.

However, if creating a change to these metrics can firepower your overall company goals and growth plans, it is best to convert them into Operational OKRs and choose the right Key Results to achieve them.

OKRs focus on setting stretch objectives & help you achieve your company goals. Mixing them with BAUs may not really contribute in an effective way and might end up putting you in a trap of focusing on too many things and cause burnout.

• THE GOLDEN RULE OF OKRs •



With that as the underlying principle, its best to follow the rule of 3*5.

Atmost 3 Objectives with 3-5 KR's each is the maximum recommended number to ensure the right focus and outcome based performance that OKRs would drive.

Just imagine, putting all your BAU metrics in OKRs, wow, that would be a haven for micro-managing than empowering your team which is an antithesis to building an OKR driven culture.

Fine! OKRs are a great success Mantra, but could something derail it?

Of course. OKRs are not trap proof. You stumble on the core principles and you have done damage to your system way significant than the benefits you want to reap using OKRs. And how?

#1 You lack Leadership Commitment and Sponsorship

OKRs work best when sponsored by the company CEO or Founder or Committed by senior leadership. Company OKRs stem from the Company Mission, Vision and Long-term goals. When leadership is not aligned to OKRs, how else would all employees associate themselves to the larger picture of what the company wants to achieve?

#2 Fill it and forget it

After all the hard work and crafting them right, beware of the most common trap of Fill and Forget. OKR Check ins do not mean 'yet another meeting'. Check In meetings are part of the weekly sync ups and best driven by teams who update outcome progress.

#3 You use PPTs and Spreadsheets to manage OKRs

This definitely works if you are about 20 people. The operational nightmare associated with reconciliation of spread sheets are definitely not the best way to spend time. OKR platforms help give the ease of updating progress, and the intelligence of dashboards and alignment to cross functional OKRs to really get that birds eye view on real progress.

Check out the top reasons why companies are moving away [from spreadsheets to engaging OKR platforms.](#)

#4 You mix BAUs with OKRs

OKRs should not be about every task at hand. The tasks could be the many steps in achieving the OKRs but not the OKRs themselves. Let the teams come up with the methods of achieving the impact. Many times, companies mistake day to day activities with a delta improvement as key results and that's where the issue lies. OKRs are about creating aspirational goals and not about slightly stretching in your comfort zone!

#5 Your key results are fuzzy

That's right! The term key results implies that they need to be measured, but are you measuring it correctly? What are the indices and benchmarks you use to define the metrics around the key results?

Example:

"Increase customer acquisition by 10%", seems fuzzy.

Make it specific with something like *"Get 1000 free trial sign ups"* - easily understood by all, increases clarity and precision to the result that needs to be achieved.

#6 Stretch Goals are not Stretching You Enough

What's the fun in achieving the 100% committed OKRs Q-o-Q, Y-o-Y and celebrating it. The very crux of OKRs lie in the fact that they help companies achieve 10X growth at a scalable and sustainable rate. And this is done through setting stretch goals which are stretch but not unachievable.

Example:

Look at user interviews and see what your customers really really want. Can you pick one or two top customer issues and set a goal to completely solve that issue in a set time frame? Would that stretch your team enough and help you achieve the top spot in your customer's mind?

Many companies carry forward their aspirational OKRs quarter to quarter and finally decide to drop it if they feel it is not achievable.

Here's how you can avoid that:

- Check if the right resources were in place to achieve the OKR
- Fact check if you underestimated an aspirational OKR?
- Involve the team in choosing this aspirational OKR, time to see what their side of the story is.

Delink OKRs & Compensation

Probably the most spoken about, but least addressed aspect is on delinking OKRs from compensation.

One may argue that achieving the right objectives, and that too a stretch one is a great candidate for offering a bonus, higher compensation raises! Why then would you advocate delinking OKRs from compensation management?

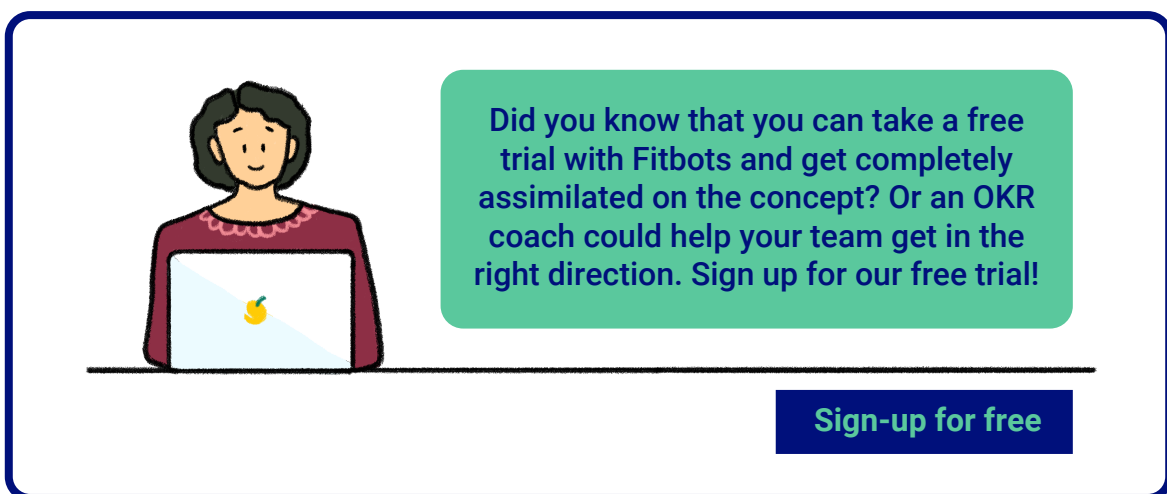
By now, it must be clear that nowhere we mention OKRs to be a performance evaluation tool. Rather, OKRs are a powerful tool for strategy execution. They are used to help companies define how each employee will contribute towards achieving the larger mission.

Some companies go purist on OKRs and offer recognition programs to teams which achieve or contribute

enthusiastically towards OKRs.

Others have a performance evaluation mechanism wherein they use Individual KPIs achieved to calculate the merit increases. Some others, choose to tie compensation increases and short term bonuses to new experiments, stretch goals and quicker turnaround of these goals.

Choose your compensation models based on a mix of what works best for your company and the company culture. But definitely, don't change the model to adjust to the OKR adaptation. The first step is to get complete hold and maturity on the OKR implementation company wide and only then proceed with making changes to your compensation strategy.



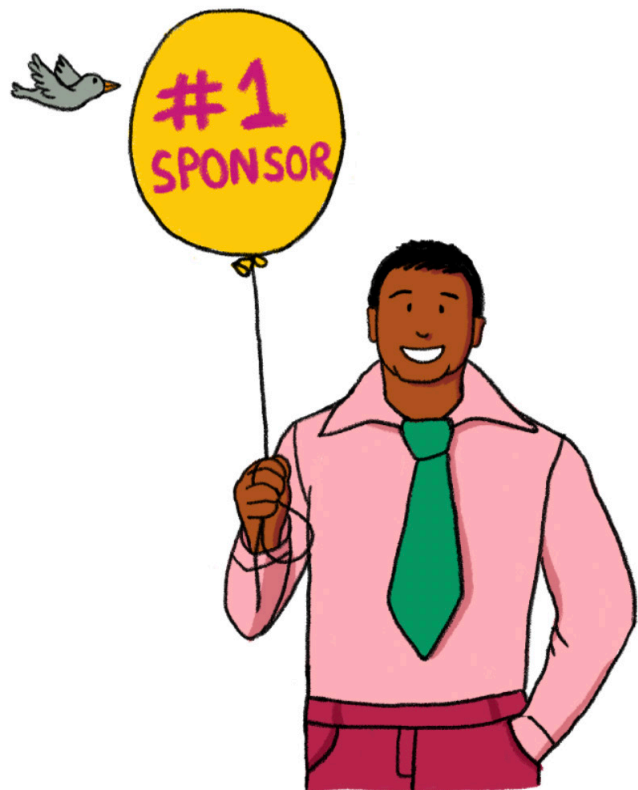
Did you know that you can take a free trial with Fitbots and get completely assimilated on the concept? Or an OKR coach could help your team get in the right direction. Sign up for our free trial!

Sign-up for free

How good a Sponsor are you?

One of the key ingredients for OKR implementation is a strong sponsorship. The role of a sponsor sets the precedent and role modelling for success. 1 in 3 organizations fail in OKR implementation if the role of a sponsor and follow through on OKRs is half embraced.

CXOs AND Founders are by far the best sponsors for OKR implementation. HR Leadership Teams are the biggest influencers and enablers of OKRs, and are key to implementation success.



As an executive SPONSOR, the commitment of time would go towards:

- Rallying OKRs in the organization
- Crafting and Communication of Company OKRs
- Approving forums for teams involved in contributing to OKR achievement
- Check Ins on Progress & OKR achievement weekly or bi weekly
- Driving Business Review meetings with OKR dashboards as top of the agenda

Congratulations, now you are totally assimilated into the concept of OKRs. With this as the foundation, are you ready to take the leap of faith and join organizations championing OKRs? Fitbots can help you craft your growth story with OKRs by engaging your employees just right!

Remember, to get the whole company transforming in the right direction, you gotta get the core strong, and what better way to get started than planking on to OKRs.

Write to richa@fitbots.com or fred@fitbots.com for more questions on making OKR implementation happen.

