

HOW TO WRITE GREAT OKRs

*Everything you need to know when
setting Objectives & Key Results*

HENRIK-JAN VAN DER POL

perdoo

CONTENT

INTRODUCTION	3
HOW TO READ THIS BOOK	4
OKRS & INITIATIVES EXPLAINED	5
A metaphor	6
NEW TO OKR? HERE'S WHAT YOU NEED TO KNOW	7
Type of Objectives: strategic vs. tactical	7
Different levels: company vs. team	10
PICKING THE RIGHT OBJECTIVES	13
The right Objective at the right time	13
Orientate first	13
Tips to help you pick the right Objectives	14
Objective criteria	16
Frequently asked questions	19
AGREEING ON KEY RESULTS	21
Key Result criteria	22
What everyone gets wrong about key results	24
Frequently asked questions	24
DEFINING INITIATIVES	27
Initiative criteria	27
Roles for Initiatives	28
Frequently asked questions	28
OKR CHECKLIST	32
ABOUT PERDOO	33

INTRODUCTION

This eBook is meant to be a simple but thorough guide to help you and everyone else in your organization set their OKRs successfully. It covers everything you need to know when crafting Objectives & Key Results.

OKR has become one of the most effective and most popular goal management methodologies. The beauty of OKR lies in its simplicity; it's a set of best practices from over 75 years, bundled together and radically simplified.

The modern workplace is complex, often resulting in low employee engagement, strategies disconnected from execution and organizations struggling to unify teams behind bold missions & visions. Problems that stifle innovation, harm growth and prevent people from living meaningful lives.

OKR is well-equipped to fix these problems. This guide will help you pick the right OKRs and set them up in a way that will lead to success.

If you're still left with questions after reading this book, feel free to connect with us via email: team@perdoo.com.



Henrik-Jan van der Pol
Founder & CEO of Perdoo

HOW TO READ THIS BOOK

This eBook is the ideal resource for those who have already implemented OKR in their organization and want to bring them to the next level, as well as those who have been struggling with OKR implementation. If you're new to goal management, we recommend you [book a demo](#) with Perdoo, and see how managing OKRs looks like in action.

If you already have some experience, it's important to clarify what Objectives, Key Results, and Initiatives really are (see *OKRs & Initiatives explained*), after which you can freely jump to the sections most relevant to you and your organization.

At the very end of the eBook, you'll find an OKR Checklist that summarizes the most important concepts and can be used as a handy takeaway each time you and your team craft your OKRs.

OKRS & INITIATIVES EXPLAINED

Before we dive into how to write great OKRs, let's first have a quick look at the different components (Objectives, Key Results, and Initiatives) and how they work together.

Objectives, Key Results, and Initiatives answer three straightforward questions:

1. Where do you need to go?

The answer is the Objective. It should set a clear direction, like a destination does, such as New York.



Examples:

- a. Beat last quarter's revenue growth
- b. Provide an awesome customer experience

2. How will you know you're getting there?

The answers are Key Results. See them as a GPS device. They tell you if you are getting closer to your Objective.



Examples:

- a. Close €1 million in new bookings
- b. NPS at 80

3. What will you do to get there?

The answers are Initiatives, the key things that you will do to achieve your Objective.



Examples:

- a. Host 3 webinars on OKR
- b. Implement in-app live chat

A METAPHOR

To get a better understanding, consider this metaphor:

- Imagine you're in London (UK). You need to go to New York (USA).
 - "New York" is your Objective (question 1)
- To reach your Objective, you've decided to buy a yacht and sail west for 8 days. That is likely to get you closer to your Objective.
 - "Buy a yacht" and "Sail west for 8 days" are your Initiatives (question 3).
- Without a navigation system, like GPS, it will be impossible for you to know whether you are getting closer to your destination.
 - Your Key Results are your GPS device, which tells you if you're heading in the right direction (question 2).

Buying a yacht and starting to sail west isn't the smartest thing to do if you don't have a destination (Objective) yet. A famous quote from Lewis Carroll (Alice in Wonderland) reads: "If you don't know where you're going, any road will take you there". It's, therefore, best to always start with an Objective.

Key Results can be difficult to create, but they are necessary to get feedback on whether your Initiatives have the desired effect.

NEW TO OKR? HERE'S WHAT YOU NEED TO KNOW

If you're new to OKR, it's important to understand that OKR is about your company and what teams and individuals can do to move your company forward. OKR, in other words, is a framework that boosts company success. This is quite different than employee goals that some organizations are already familiar with. These goals usually put the employee first, as they start with what the employee should do and where he or she wants to be in the future. These goals include personal development goals. You can manage these in a dedicated OKR solution or an HR tool, but they are not what OKR really is about.

Let's now have a look at the different type of Objectives there are.

TYPE OF OBJECTIVES: STRATEGIC VS. TACTICAL

Whether an Objective is strategic or tactical depends on the length of the Objective (its horizon) and the cadence it is set on.

Objective Horizon: knowing when your Objective is strategic or tactical

Objectives fall into different categories, based on their start and end date. The length of the Objective is what we call the 'Objective Horizon'.

For instance:

- An Objective with a horizon of 5-10 years is usually called a vision
- An Objective with a horizon of 1 year is often called a strategic Objective
- An Objective with a horizon of 1 quarter is called a tactical Objective

If we plot this on a timeline, this is how that would look like:

Image 1. Your tactical Objectives and your Initiatives together form your execution.



These categories can vary from company to company. For instance: for an early stage startup company, Objectives with a horizon of 6 months could be considered strategic to account for rapid growth. However, most established organizations use 1 year for their strategic Objectives and 1 quarter for their tactical Objectives. For the sake of simplicity, we will use these category definitions throughout this book.

Are Objective horizons really that strict?

No. It's ok to have Objectives with horizons between tactical (1 quarter) and strategic (1 year). At Perdo, for instance, when we were raising a funding round, we gave ourselves 6 months to complete it. The Objective started on October 1, 2015, and its due date was March 31, 2016.

For our expansion to the USA, we also had 6-month Objectives in place. OKR is above all a practical framework.

OKR Cadence: when to define strategic & tactical Objectives

Your OKR cadence is the frequency with which you, your team and your organization set their OKRs. When you define your vision, for instance, you should

set one that will last at least 5-10 years. Similarly, your strategy shouldn't change too often. Hence most organizations define their strategic Objectives only once a year. Execution (tactics and Initiatives) drive strategy, they should be reviewed at least once a quarter.

Ideally, your Objectives' horizons and cadences fall perfectly together.

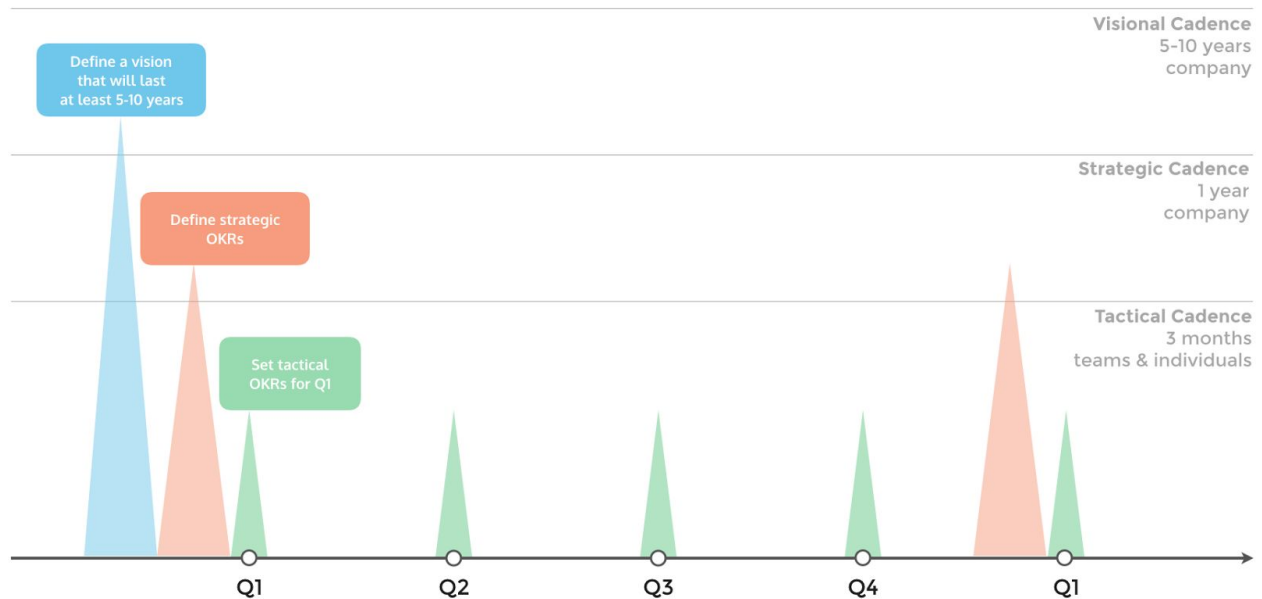


Image 2. These plotted cadences look a bit like a heart's electrocardiograph. At Perdoo, we, therefore, call such an OKR cadence the 'Organizational Heartbeat'.

Are cadences really that strict?

Yes. The reality in almost every organization is many cross-functional dependencies. As organizations grow, it becomes increasingly difficult to coordinate all the activities. Yet, when efforts are aligned, it dramatically improves the clout of your organization and team. To understand this, just imagine a rowing boat. When strokes are aligned, they'll move forward much, much faster.



Image 3. When efforts are aligned, you'll be able to move much faster. Therefore everyone should follow the same cadence.

Applying strict cadences makes sure everyone drafts their OKRs at the same time. This makes coordinating activities much easier and ensures others will be able to deliver on their promises, despite cross-functional dependencies.

The right strategic and tactical cadence for your organization should fall together with your horizons (see above). I.e. if Objectives with horizons of 6 months are strategic for you, your strategic cadence should also be 6 months.

DIFFERENT LEVELS: COMPANY VS. TEAM

Objectives can be set on different levels. The level defines the type of owner of the OKR. A level is, for instance, the company-, team-, or individual level. So when we're talking about a company-level Objective, we are talking about an Objective that is owned by the company.

Group Objectives over Individual Objectives

Perdoo will adapt to your preferred approach, whether you want Objectives to be exclusively owned by individuals or groups (such as teams or departments), or

both. We believe it is better, where possible, to add the company or a group as an owner, instead of an individual. One of the reasons is that most employees do not enjoy checking their manager's todo list, which is the feeling they may get when their manager is the owner of the Objectives they are contributing to. By adding a team as an owner, you emphasize that every team member carries responsibility to bring this Objective to a good end (you can still add a lead in case you want a specific person, such as the team leader, to carry end responsibility). The other reason is that group OKRs help people understand focus and execute with this focus in mind.

Ownership defines focus

Objectives set out clear destinations, are directional, and provide focus. Focus automatically means that the number of Objectives you can have must be limited. This rule applies to company, team, as well as individual Objectives. Too many Objectives suggests an inability to focus, something that we see often. Saying no to things in order to focus is a challenge.

Individual or team ownership of Objectives ensures that everyone is clear about what they need to focus on. This makes it easy to identify areas that fall outside the scope of the Objective, keeping team members focused on Initiatives that really matter.

As a result, if an Objective is owned by the company, it should be something that you want the entire organization to focus on. If the Marketing team is the owner, it should be something that you want every Marketing team member to focus on. Individual Objectives come into play when you just want one individual to focus on a specific Objective.

Leaving out individual Objectives helps you keep things simple. It forces individuals to think what they could *do* to move the needle. It ensures OKRs are backed by action. When multiple people are responsible for metrics, we recommend to assign the OKR on group-level and stop there. Different individual Objectives within a team could mean that the team members don't work together towards the same purpose, which can cause misalignment issues.

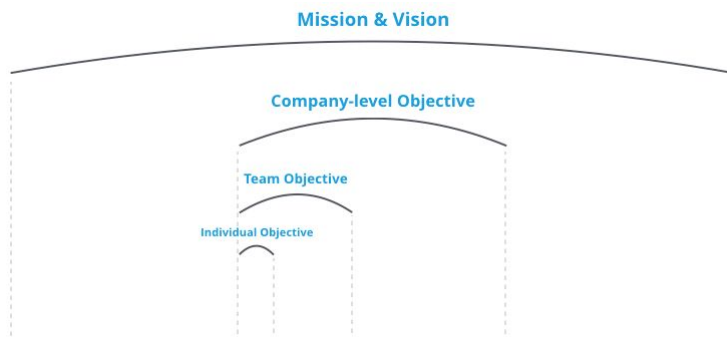


Image 4. An Objective becomes more narrowly focused when you browse down from company- to individual level.

Putting horizons, cadences & ownership together

In most cases, horizons, cadences, and ownership will all be connected. Look again at the 'Organizational Heartbeat' (image 2) where we've indicated ownership on the far right, under the Objective length.

Smaller organizations can also do with strategic Objectives only on a company level. Large enterprises that have subsidiaries or departments might want to consider strategic Objectives for each subsidiary or department, too. Tactical Objectives are mostly for teams and individuals.

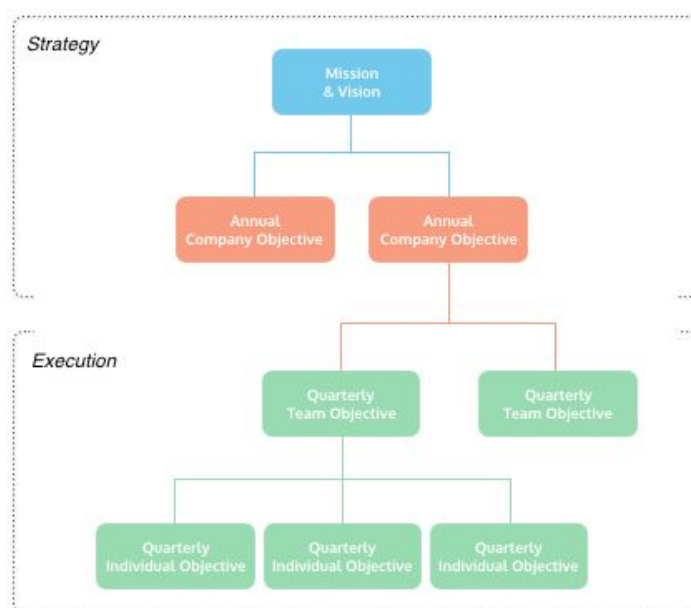


Image 4. Objective hierarchy. Look again also at Image 2 which summarizes cadences and levels that should work for most organizations

PICKING THE RIGHT OBJECTIVES

Picking the right Objectives is harder than you might think. Setting the right Objective at the right time is even more difficult.

THE RIGHT OBJECTIVE AT THE RIGHT TIME

Objectives are destinations that you set out for your organization or team. They need to inspire everyone working on them, and your teams and employees also need to buy into them. Together you'll have to agree that these are indeed the right things to focus on at this moment. You have to believe they provide business value and that management is committed to them.

Imagine, for instance, a company with an Objective for Q4 to become a great place to work, a Key Result could be to get certified by greatplacetowork.com. Even though it would be a great Objective, it's probably hard to buy into for employees if employee turnover is skyrocketing. A better idea would be to fix the turnover problem first: create an Objective for Q4 to *Fix the employee turnover problem* (an ambitious key result would be to reduce it by 50%). Once this problem is fixed, you can focus on becoming a great place to work.

ORIENTATE FIRST

The most important thing to do when crafting Objectives is orientate. With the proper operational context, you know where to focus your efforts. The more you understand for example your company's structure and strategic Objectives, the better relations you can form between them and your own. That way, you'll ensure that your Objectives perfectly support those of the organization.

Where best to orientate, depends on the level for which you're crafting Objectives. Below are some tips to help you get started.

TIPS TO HELP YOU PICK THE RIGHT OBJECTIVES

Look at your mission & vision

Objectives must drive the organization forward. They should get you closer to your vision and/or help you realize your mission. If this connection is clear, it's easy for everyone to see the bigger picture—which automatically improves their understanding of the Objective's importance. Think about the areas that you can influence, and focus your Objectives on these areas.

Browse existing Objectives

When setting team-level or individual-level Objectives, make sure to check the existing Objectives for your organization and/or your team. The people who created these Objectives have defined a clear focus, and it's best to make sure your team or individual Objectives fall within this scope. Again, think about the areas that you can influence and focus your Objectives on these areas.

Check-in with reality

When picking Objectives, it's easy to get over-enthusiastic. Objectives should be inspirational, but they should also have an impact and be attainable within the timeframe you've set them for.

Back to the example above: a company that has severe cultural problems and high employee turnover should not expect to be able to turn the company around and become an awesome place to work within one quarter. Instead, the company should be focusing on tackling the most pressing of these problems first. If people don't believe that your Objectives are realistic, they won't be committed to their success.

Look at your KPIs

Your KPIs tell you how key areas of your business are performing. Are your KPIs revealing certain problems that need to be solved? If so, what could you do to positively influence those KPIs?

Check the purpose of your role

Why have you been hired? What's the purpose of your role and position? Are you living up to these expectations? The Objectives that you've set for yourself, are they in-line with what is expected of you? In other words: should you/your team, or someone else be the owner for that Objective?

Crowdsource the knowledge of your people

In the Industrial Age, the manager was often seen as the person who knew everything and was best equipped to make decisions. Those days are over. It's the people closer to the ball who have unique insights into what's going on, either within the business or in the market. Use this knowledge!

With modern tools, it's easy to collect input. Ask your team to suggest 1 or 2 Objectives for the upcoming period. Discuss the most popular suggestions with management and try to make at least one of them a company or team-level Objective.

Review Objectives from a previous Timeframe

Always review your OKRs when the timeframe is about to end. This task will tell you whether you need to port over any OKRs to the following timeframe, significantly impacting your available bandwidth for the future.

OBJECTIVE CRITERIA

To make working with OKR more practical, we split up the criteria for Objectives by must-haves and nice-to-haves. An Objective must meet the must-have criteria for it to qualify as an Objective. The nice-to-haves further improve the Objective.

Must-have criteria:

- Directional

Objectives tell you where to go, so make sure the Objective gives direction. Having a direction also helps you to focus your efforts. Things that fall outside of the scope of the Objectives, should be said no to. Directional can result in the Objective being a bit vague, that's ok. Remember: the Key Results will specify it.

Being directional, also means that the Objective must help move the company out of the status quo. Consequently, there is no need to reflect business-as-usual in your OKRs. As an example, *Achieve an incredible revenue growth* is directional, *Sell our product to customers* isn't.

- Aligned

Once your Objective sets a clear direction, it is important to align it. This ensures you are moving in the *right* direction. It's a great and easy way to ensure your Objective provides business value and supports the overall organization's strategy. Ultimately, you want all the efforts in your organization to be aligned with the mission & vision.

Alignment kills two birds with one stone as it will also boost employee engagement and lets everyone working on the Objective see the bigger picture. That is crucial to bring the Objective to a good end.

Note for Perdoo users:

The aligned Objective does not drive progress for the aligned-to Objective. Initiatives and aligned Objectives are hypotheses for realizing the Objectives, but only the Key Results will indicate whether those activities have had the desired effect or not.

- Impact

Once your Objective is directional and strategically aligned, you can be sure you are moving in the *right* direction with that Objective. You must now make sure it will be a substantial step in that direction. As you should only have 3 or 4 Objectives, each one of them must have a real impact. Fast forward to the end date of the Objective. Imagine you've accomplished it, would it have made a difference?

- Within circle of influence

The Objective must be inside the circle of influence for the owner. That means that the owner is actually able to influence the area of the Objective. Making an engineer the owner of an Objective that's about bringing on board new customers makes no sense since it's outside their circle of influence.

- Time-bound

Every Objective should be limited in time and therefore needs a horizon. If you set OKRs on a quarterly cadence, the deadline is usually the end of a quarter. Objectives can, however, be due before or after the end of the quarter.

- No numbers

An Objective cannot contain any numbers. Leave the numbers for the Key Results.

- Not too many

There is so much you can do in a year or quarter, OKR forces you to pick the 3 or 4 Objectives that matter the most. Setting too many Objectives usually reveals an inability to focus on what's most important, but it could also mean the impact of each Objective is too small. Many Objectives with small impacts don't provide a clear focus and are probably not inspiring. Less is more.

The following criteria are listed as nice-to-haves. At Perdoo, we consider these must-haves for Objectives on a company-level, but nice-to-haves on a team-level.

Nice-to-have criteria:

- Inspirational

Some people in your company are motivated by numbers. Others need a more inspiring goal. Use inspiring language for your Objective and leave the numbers for the Key Results. Some of our customers use internal rules that state an Objective should be so inspiring that everyone working on it should want to put it on their resume. An easy way to make Objectives more inspiring is to include adverbs and adjectives such as *successful, awesome, best, strongest, steepest, etc.*

- Understandable

Objectives drive your day-to-day work and should be present every time you make a decision. Simple information is more easy to remember, so Objectives should be written down in the language of the organization. Try to avoid jargon specific to your position or team and keep descriptions as short as possible, without diminishing the quality of the Objective. Simple, short language allows for others to connect with it and keep it top of mind.

Writing guru Ann Wylie found that when a sentence length is max. 14 words, readers understand 90% of what they're reading. This drops to 10% if the number of words is around 40. Other studies show that sentences with 11 words are considered easy to read, and those with 21+ words difficult.

FREQUENTLY ASKED QUESTIONS

What if I cannot align my Objective to the company Objectives?

This does not necessarily mean it is a bad team Objective. It means that what you or your team has decided to focus on falls outside of the scope set out by the company. This is worthy of healthy discussion. Why did you come up with this Objective? Why do you believe it is important right now? Talk to the leadership team to see where and how your opinion differs. Considering that you will probably spend the next 3 months working on the Objective, these are exactly the type of discussions you should have beforehand.

What if I come up with Key Results or Initiatives first?

Sometimes you'll come up with the Objective first, other times with Key Results or Initiatives. For some, it can be easier to come up with the latter. When you have your Key Result or Initiative but not the Objective, simply ask yourself: *why* is that Key Result or Initiative important? The answer is your Objective.

Key Results and Objectives inform each other, so often you end up refining your Objective once you have the Key Results. Pick an Objective, agree on Key Results, refine the Objective, tweak the Key Results.

Do I need Objectives to reflect day-to-day work?

Not as long as your day-to-day work is business-as-usual. When it becomes not 'usual' anymore, you may need OKRs. This is where OKRs and KPIs can perfectly work together. Imagine for instance you're a support manager, your day-to-day work would consist mainly out of answering incoming support tickets, it's business-as-usual. To measure performance, you would have KPIs like Average Reply Time and Customer Satisfaction Score (CSAT). As long as these KPIs indicate healthy values, you're good. But now imagine your CSAT dropped and your Average

Reply Time went up. You could create an Objective to improve customer satisfaction.

OKR is not about measuring and tracking all activities in your organization, that's what KPIs do. OKR is about moving forward and realizing your own, your team's, and your organization's ambitions.

What if my work is largely task-based?

If your work is largely task-based, you probably don't need individual Objectives for yourself. You could do this with Initiatives. Initiatives reflect the things that you will be doing to achieve your OKRs (see chapter 4).

AGREEING ON KEY RESULTS

Now that your Objectives are set, it is important to agree—with your manager, team and everyone working on each Objective—what the appropriate Key Results should be. Key Results are feedback mechanisms telling you whether you're getting closer to your Objective or not. A *Result*—as you probably know—is an outcome of something. If a result is a real result (i.e. outcome), you can change your Initiatives until you move the needle. Initiatives like projects, tasks, and todos, drive results. If you only had Initiatives as Key Results, you would find yourself locked into achieving them, even if you find out it's the wrong approach.

The Objective is directional and often contains adverbs and adjectives, which can be vague or ambiguous. If you have for instance words like *successful* or *awesome* in your Objective, different people will have different interpretations of those. At Perdoo, we've seen this first hand with some of our customers. One of our customers had a company-level Objective to *Become the no. 1 startup in the UK*. When others started to create their own OKRs based on this, it became clear that HR and the leadership team (who created the Objective) had completely different interpretations of this: leadership was thinking about becoming the fastest-growing startup, HR about becoming the best place to work.

Make sure directional and inspiring language is specific and that's exactly where Key Results come into play. Only by looking at the Key Results can someone know exactly what is meant with the Objective. If your Objective is about achieving ridiculously steep growth, then that could still mean many different things. If the Key Result indicates a quarter-over-quarter growth of 50%, you could easily conclude that is quite ambitious. We often say that only by looking at the Key Results one can see how ambitious an Objective was intended to be.

KEY RESULT CRITERIA

- Make the Objective achievable

Imagine you have achieved all your Key Results, have you then also achieved the Objective? Remember: an Objective tells you where to go, Key Results tell you how to get there. When creating Key Results for an Objective, you're answering the question *How will I know I am getting to my Objective?*. We are talking about Key Results: those results that are *key* to getting closer to the Objective.

- Ambitious

Your Key Results reflect your ambition, so how ambitious are you? A Key Result that doesn't make you feel a little uncomfortable, is not ambitious enough. Yet, they should not discourage you, so keep them realistic. A good rule of thumb is to forecast 30% to 40% above what you would deem possible. That way you should be able to get to at least 70% of your target. Remember that it must be achievable before the Objective is due.

Working with OKR creates an environment in which every individual, every team, and the company are challenging themselves and each other. Ambitious Key Results unlock creative thinking and challenge people to try *new* things to achieve those results.

- Measurable

Being measurable means that a Key Result is either boolean or has a number. If it has a number, you will be able to track progress. It's boolean when it's either done or not done, completed or not completed, true or false. Since Key Results must be measurable, they help you quantify the Objective. This will allow you to objectively define progress. Marissa Mayer famously said: "It's not a Key Result unless it has a number". If you have a Key Result

that says *Sell books*, it will be impossible for you and others to see how you are progressing. If you have a Key Result that says 'Sell 1.000 books' and you've sold 700 so far, you are at 70% of your target. A Key Result is therefore also called a *KPI with a target*

- Highest denominator

It is important to always go for the highest possible denominator when setting Key Results. This is especially important when setting Key Results for company-level Objectives. If you don't do this, you often end up setting Key Results for specific teams (something that should be avoided when possible). Instead, you should choose the highest possible denominator and let the teams decide themselves how much they think they can contribute to this Key Result.

Imagine that you have created a revenue-related Objective for the company and you are about to create Key Results for it. Your sales team is responsible for bringing on board new customers, and your account management team for extracting more revenue from existing customers. It would be tempting to set specific Key Results for sales and account management. Yet we recommend you to focus on the highest denominator and create a Key Result for general revenue. The Sales and account management teams can then each decide how and how much they can contribute.

WHAT EVERYONE GETS WRONG ABOUT KEY RESULTS

When it comes to Key Results, there is one mistake almost everyone does when getting started with OKR: all too often, people add Initiatives as Key Results. Initiatives are the things that you will be doing, and the owners of the Initiatives must have full control over completing them. The Key Results are the results you expect to achieve by working on your Initiatives.

Let's use a non-business example for once:

- Objective: *Get back in shape after holidays*
- Key Result: *Decrease body fat by 5%*
- Initiative: *Run 5 miles every week*

In a business context, *Run 5 miles every week* could be something like *Publish 10 blog posts*. This is not a Key Result, even though you might find a lot of examples similar to this one if you look at your company's OKRs. A Key Result needs to be an outcome of the Initiative to publish 10 blog posts, like *Have 50.000 unique users on our blog*. If your Objective is to *Become the most popular source of content in our industry*, the number of blog posts published doesn't actually tell you whether you're getting closer to it, but the traffic on your blog clearly does.

FREQUENTLY ASKED QUESTIONS

Can I have Key Results without Objectives?

No. First of all, not everyone is as driven by numbers as you might be. Many people are more motivated by the inspiring language of the Objective. Second, a Key Result without an Objective is even worse than an Objective without a Key Result. Objectives are the focus points that provide everyone with a sense of direction. They help them understand what the priorities for the organization and/or team are at any point in time. They also give a sense of purpose, as the Objective answers the 'why' for each Key Result. The power of why is perfectly explained by Simon Sinek in his book and TED talk *The Power of Why*. Does your Key Result tell

you to increase your Net Promoter Score from 70 to 90? Why? Because we want to have the happiest customers in the world.

What is the difference between a KPI and a Key Result?

Key Performance Indicators (KPIs) and Key Results both use certain metrics, hence the difference between the two can be confusing. A metric is *Customer Lifetime Value*, *Support Tickets per Month*, *Visitor-to-Signup Conversion Rate*, and so on. If you consider a certain metric *key* to the success of your business, you could decide to turn it into a KPI. The KPI will reflect the current value for the metric, and adding it to a KPI dashboard helps you keep track of it.

A Key Result can use the same metric as a KPI, but a Key Result will always contain a target value. Most Key Results are therefore a *KPI with a target*.

In short: a KPI reflects where you are, a Key Result reflects where you want to be.

What do I do with my Key Result, after I achieved it?

After successfully achieving your Key Results, you have 2 options:

- You can create a new Objective that pushes you even further. This would of course only be helpful if it is in line with other Objectives in the company and helps you realize the mission & vision.
- If the Key Results has pushed the metric to where you want it to be, you can turn it into a KPI and add it to for instance a KPI dashboard so you and your team can easily keep track of it. This helps you ensure the KPI stays where you want it to be. If you see it drop, this could inspire a new OKR to fix it.

Why are 'ambitious' Key Results so important?

If you haven't used OKR yet, you probably don't know what you, your team or your organization is capable of. Ambitious Key Results stimulate innovative thinking. With only incremental changes people continue to think along the lines of what

they're already doing. If you're used to selling 1.000 books a month, setting a target of selling 1.100 won't encourage you to try new approaches. With a stretch target of 2.000 books, you will have to explore new methods and are constantly encouraged to find the limits of what's possible.

I can't measure my Key Result, now what?

Measurable also means that you are actually able to monitor progress while working on the Key Result. If you are able to monitor progress, but simply do not have tracking in place yet, you could first create an Initiative first to set up tracking and establish a benchmark. Remember that a Key Result can also be boolean (true or false). If one of your Key Results is *Hire a stellar COO* (the Objective could be *Increase our operational efficiency to best-in-class*), this is either true or false, completed or not completed.

What if I can't come up with a Key Result for my Objective?

In that case, we have a problem. Key Results specify what is meant by the Objective and are feedback mechanisms that will let every contributor know whether they are actually achieving the Objective. How will they be able to figure out how best to contribute to the Objective? How will they know their work has the desired effect?

We acknowledge that it can sometimes be difficult to find appropriate Key Results. But we encourage you to put time and effort into finding one. The benefits definitely make it worth it. Find the answer to the question *How will I know I'm getting to my Objective?*. If you are achieving your Objective, what would happen in the outside world that you could observe and measure?

When new to OKR, this will often mean measuring things for the first time. That's a good thing. These measurements will let everyone what really is working and what isn't. This is highly motivating and dramatically increases your learning curve. When measuring things for the first time, you're probably guessing where to put the target for your Key Result. That's fine, while continuing to work with OKR you will quickly learn what your capabilities are.

DEFINING INITIATIVES

It is important to not mix up Initiatives and OKRs. Your Objective tells you where to go, the Key Results are the metrics that have to move for you to achieve your Objective, Initiatives are the actual work you're planning to do. Initiatives are your hypothesis on how to make it happen. You can be very successful completing your Initiatives, but if they don't move the needle for your OKRs, you're not getting what you were aiming for. OKR puts effectivity over efficiency. If your Initiatives don't have the desired effect, change them.

When you have no idea what Initiatives could drive your OKRs, do the smallest possible thing first. Similarly, in a constantly changing environment, you should constantly try new things. Measure its effect and — if successful — multiply your efforts.

INITIATIVE CRITERIA

- Specific

An Initiative must always be specific. Its scope must be clearly defined, and the owner of the Initiative must know what to do. It cannot be vague like an Objective can be. An Initiative must, therefore, contain verbs which are unambiguous, such as *establish, write, launch, visit, release*, etc. Objectives can contain less specific verbs, such as *improve, increase*, and so on.

- Within control

You should have full control over your Initiatives, which means that it will be in your power to complete them. This means there should be no dependencies on something or someone else. It also means that you can be held accountable for not completing your Initiatives, it will be more difficult to hold someone accountable for not achieving his or her OKRs (as they will not have full control over the latter).

ROLES FOR INITIATIVES

Initiatives have only 1 role attached to them:

- Owner:
Responsible for achievement of the Initiative. These are the individuals with whom you will be working on the Initiative. This can be 1 or multiple individuals.

FREQUENTLY ASKED QUESTIONS

What's the difference between Objectives and Initiatives?

It's easy to mix up Objectives and Initiatives. So let's zoom in on the differences between the two.

Imagine that you need to secure new funding for your organization to allow for the next phase of growth. Although it seems like this is an Initiative that you will be doing, it actually is not. It's not specific and, more importantly, it's not within your control. The things that are specific and within your control, are things like creating an investor overview, crafting a pitch deck, pitching to a number of investors, and so on. Those are the things that you will actually be able to complete, without being dependent on something or someone else. The success of these activities will be measured by the amount of funding that has already been committed, something over which you will not have control and which would probably be your main Key Result.

If you would like to have the happiest customers in the world, then that is again not something that you will be doing. This is clearly directional and something that you would want the entire organization to focus on. Initiatives for your support team could be, for example, to implement an in-app chat functionality such as Intercom so that customers can more easily connect with you.

You could also decide that the first time user experience for your app will have to be dramatically improved, which would be a sub-Objective (i.e. aligned Objective). Why would that be an aligned Objective? For 2 reasons, it is directional, lacks specificity and is not within your control. It is still vague because there are many different things you could do to try and improve your First Time User Experience with each idea representing a valid Initiative. To see whether your Initiatives have had the desired effect or not, you would have to look at the Key Results, which could be for instance increased user engagement.

Can my Initiative also be an Objective or Key Result?

Yes, in different situations (i.e. in different contexts), a certain goal can either be an Initiative, a Key Result or an Objective. But bear in mind that it will have consequences and you will probably have to rewrite it.

Situation A

Imagine that you decide you need to *Publish 12 blog articles on management & leadership*. If you are self-employed, this is completely within your control. It's also measurable, specific and actionable, and therefore qualifies as an Initiative. Why do need to publish 12 blog articles? Because you want to become an authority on management & leadership (which would be your Objective).

Situation B

Now imagine you work for a big corporate that applies strict rules for articles to be published on the company's blog. Your personal Objective is about improving your writing skills, getting 12 blog articles published on the company's blog could all of a sudden be a Key Result. It can be a Key Result in this case because the context is completely different. Due to the strict rules your company applies, getting 12 of your articles published could actually be a way to measure whether you have

improved your writing skills or not. You would probably rewrite it to *Get 12 blog posts on management & leadership published on the company's blog.*

Situation C

Now imagine that you want to focus completely on publishing awesome blog articles about management & leadership on the internet. Since you want this to be your focus, it could be an Objective (and it could be aligned with an Objective about strengthening your brand reputation). Would it be a good Objective? This depends on the impact you think it may have. You can only have 4 Objectives so you must be sure you want this to be one of them.

An Objective cannot contain a number, so you would have to move '12' to your Initiatives. In this case, you'd still require an Initiative anyway, to write 12 blog articles and put them online.

How does the *Circle of influence* relate to *Within control*?

We all face problems, challenges, and opportunities. The circle of influence encompasses those challenges and opportunities that we can actually do something about. An engineer will have little influence on bringing onboard new customers, whereas a marketer will have no influence on areas like code quality or accounting. For owners of Objectives, Key Results or Initiatives, it is important that the OKR and Initiatives fall within their circle of influence.

"Within control" really means something different. It means that it is within your full power to complete them. This goes further than the circle of influence and only indicates you have some influence on the topic. Initiatives must always be within your control, Objectives and Key Result don't. As a result, you can always be held accountable for not completing your Initiatives.

How “big” should my Initiatives be?

An Initiative can be as big as a project and as small as a list of tasks. Most things you are working on can be endlessly split up into smaller tasks. People that have a lot of experience with task management software are probably already familiar with this problem. So to what level of granularity do you split up your Initiatives?

Within Perdoo, Initiatives need to be split up to such an extent that it is still relevant for the owners of the Initiatives, and everyone else looking at it. Initiatives shouldn't be single tasks, and you should be able to progress through them. Initiatives with productivity software, that's where you can further split them up and manage your tasks on micro-level.

What if my Initiative becomes business-as-usual?

Sometimes, Initiatives become business-as-usual after you have completed your Initiative. This happens usually when your Initiative is about doing something for the first time, after which it will be done on an ongoing basis. A while ago, we had an Objective that was about investor relations. One of our Initiatives was to send out a quarterly investor update, which we had never done before. After we sent out the first one, it became business-as-usual: we now send out an update each quarter. It became important to put a process in place that ensures our investors would receive timely quarterly updates. In this case, it was fairly simple: I added a recurring event to my calendar that would block the first Wednesday of a new quarter to put together this update.

OKR CHECKLIST

	OBJECTIVE	KEY RESULT	INITIATIVE
	Destination Where do you need to go?	Feedback How will you know you're getting there?	Hypothesis What will you do to get there?
Directional Break out of the status quo	✓		
Aligned Support the organization's mission & vision	✓		
High Impact Take a substantial step forward	✓	✓	
Ambitious It should feel a little uncomfortable		✓	
Measurable Make it boolean or add a number		✓	✓
Inspirational Would you want to put it on your resume?	✓		
Understandable Terminology should be accessible for everyone	✓		
Specific Ensure it has a clearly defined scope		✓	✓
Within control Have full power over accomplishing it			✓
Within circle of influence Be able to do something about it	✓	✓	✓
Time-bound Add a start & end date	✓	✓	✓
Amount Required minimum - maximum	1 - 4	1 - 5	1+

ABOUT PERDOO

The modern workplace is a complex connection of people and activities.

Perdoo makes it easy for organizations of all sizes to manage and measure their progress towards common goals, improve decision-making, and streamline execution.

Our simple, smart, and scalable software is built on OKR; a framework used by top-achieving companies to attain exceptional success.

Find out why leading organizations choose Perdoo:

www.perdoo.com