

Using OKRs to Improve Enterprise Performance





Contents

Using OKRs for Strategy Execution

5

Mastering The OKR Technique

9

Harmonizing Team OKRs and Performance Management

17

Modernizing Your Operating Rhythm

23

Planning for Roll Out Value and Maturity

30

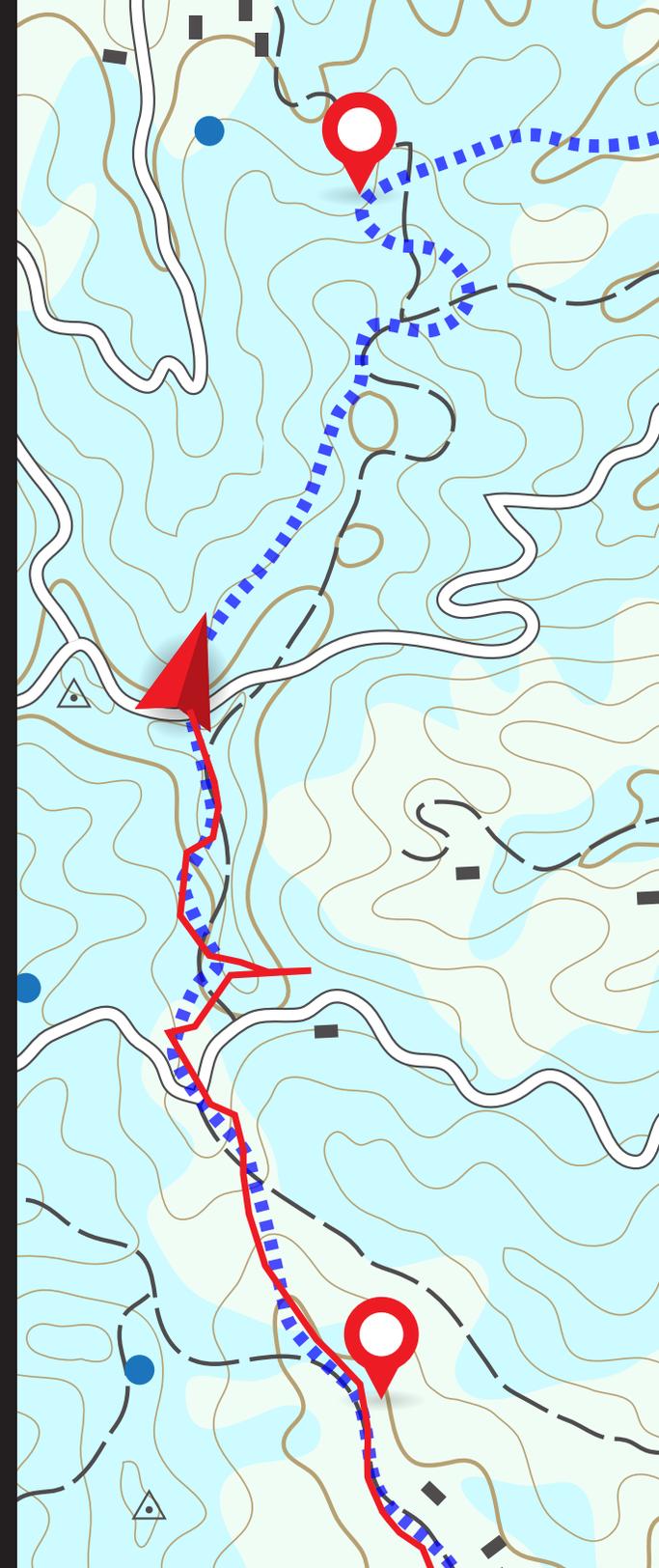


Strategy is a future destination

OKRs are the GPS that help you navigate to your destination in uncertain conditions on changing terrain.

Instead of assuming the future is perfectly predictable as traditional planning often does, OKRs assume change is constant and alignment takes continuous effort.

OKRs are a mechanism to swiftly adapt to macro turmoil, technology advancements, and new opportunities; they are the means to radical clarity across the organization on what the strategic priorities are and how each team contributes at any point in time.



“I’ve long known the power of OKRs to drive growth. I’m delighted to help the WorkBoard team expand their lead at a time when executives in every sector have come to recognize that power.”

Margo Georgiadis

CEO at Montai Therapeutics and CEO-Partner at Flagship Pioneering

Google President of Americas 2009-2017;
Member of the board at McDonald’s,
Neeva, WorkBoard, Handshake and Ro

Introduction

Objectives and Key Results (OKRs) are a strategy execution technique for iteratively defining, aligning, and measuring outcomes that enables organizations to thrive in a rapidly changing world. They play an essential role in any modern operating model as the method of creating organization-wide clarity on the strategy and driving its execution with agility and speed.

Strategy reflects an organization’s ambitions for the future; where it will play and how it will win over the next 3-5 years. OKRs serve as the navigation system or GPS that enables the organization to adjust course and speed as terrain and conditions change.

OKRs are one of many frameworks for strategy execution; other examples include V2MOMs, Hoshin Kanri, Balanced Scorecard, Big Rocks Theory, 4 Disciplines of Execution, and more. These define strategic intentions and measures of success in slightly different nomenclature – all serve to create alignment and accountability for executing an organization’s strategy.

Intel first adapted MBOs into OKRs decades ago, and the framework famously helped Google drive very rapid growth for its first decade and more. It evolved during that time and a great deal since; today, OKRs are the most pervasively used framework because they:

- Enable rapid adaptation
- Are intentionally aspirational and inspirational
- Use company or customer outcomes as the measure of success
- Drive clarity deep into the organization where execution really occurs
- Are familiar to many employees



“Using WorkBoardAI and OKRs we get cross-functional prioritization. We get closer to simplicity in a very complex environment. And when we create that simplicity, we can focus.”

Kate Villari

Senior Director, Transformation,
Strategy & Performance
AstraZeneca

While they originated in the tech world, OKRs are now used by organizations in every sector and size, including 3M, Albemarle, Avery Dennison, AstraZeneca, Capital One, Cisco, Ford, GHX, Humana, Intel, Modivcare, Morgan Stanley, National Grid, State Street, Virgin Media O2, Western Union, and more. The unique attributes that make the OKR framework so popular are:

Results are a team sport – team members actively engage in defining the objectives and results they will achieve together, so there is higher inherent alignment and ownership from the start. Unlike “cascaded” targets that managers hand down the line, OKRs are informed by the team’s knowledge of constraints and opportunities and use co-authorship to foster higher ownership.

Outcomes over output – rather than simply tracking deliverables that assume (but don’t measure) value to the company or customers, key results (KRs) define desired outcomes and assume teams have the authority, accountability, and autonomy to adjust the activity needed to achieve those outcomes.

Aim for great – teams define their *best possible*, not most probable outcomes. This ensures they rally, resource and focus on best rather mediocre results. OKRs give teams “permission for ambition.” A team ideating on what great looks like is far more innovative and engaged than one that is discussing how to make the minimum commitment. When teams under-promise, they rarely over-deliver because resources and attention were never allocated.

Quarterly pace – key results are set for a quarter and intended to *drive* focus and decisions (versus report them after the fact). At the end of the quarter, teams do retrospectives on what they learned and achieved, and what’s changed inside and outside the organization, in order to adjust their target results for the following quarter.

Regardless of which framework you choose, recognize that its purpose is to drive clarity and alignment – so adopt a *single* framework. Attempts to use four or five different frameworks and their various vocabularies create more confusion and less clarity than using no frameworks at all.

OKRs anchor a modern operating rhythm

A management operating rhythm defines the “rhythm of the business,” including how and when an organization sets its strategies, drives alignment on them, and creates accountability for their execution. OKRs have a central role as the alignment mechanism; a robust strategy and a disciplined accountability cadence are equally important to predictable, profitable strategy execution.

Most companies have processes for defining long-range strategies but find that they are rarely understood deep in the organization and age poorly in dynamic environments. The *quarterly* OKR refresh helps leaders and teams take stock of change, define the adjustments needed quarter to quarter, and provide guidance to their organization on where to focus efforts.

As organizations adjust strategies faster to rapidly changing markets, they must also get the organization aligned on those adjustments faster. This is why OKR processes start at the top of the house but shouldn't end there – they are the means of driving radical clarity and rapid iterative alignment.



Defining Our Strategies

Years in the future

Our ambition for unique value and bold outcomes in 3-5 years
Where we will play (segments, markets)
How we will win (by doing what differently)
What must be true to win and what risk factors we must remove or overcome

**WorkBoardAI:
One Source of Truth**

Long range strategies
Pillars
Outcomes
Risks & assumptions

Driving Their Execution

This year and this quarter

Capabilities and products we must build or optimize this year to win in 3-5 years
Results we must achieve this quarter to propel us to win (and de-risk winning) in 3-5 years
Actions we must take this quarter to achieve those results

Annual OKRs
Quarterly OKRs
Workstreams & projects

Creating Accountability

This week and today

How we drive weekly focus and accountability for the outcomes we need now to win
Cadence we will measure to know if we are winning or must course correct
Cross-org transparency and interlock intervals needed to drive certainty that we win

Measurement cadence
Scorecards
Biz & ops reviews

Mastering the OKR Technique

Get the definitions right

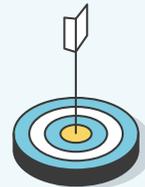
If one person calls an animal “dog” while another calls the same animal “cat”, agreeing on whether dogs bark is impossible. The same is true when one person’s objective is another person’s KR (and when MBOs are rebranded as OKRs); no one is really sure how the process works or what was agreed upon. The primary purpose of OKRs is to drive agreement on strategic priorities and how successful outcomes are achieved and measured – as you roll them out, don’t forget your objective for using OKRs!



OBJECTIVES

Statement of intention, focus, and direction over time

- Declare the big idea and ‘why’ – not numbers
- Inspire and motivate people so they want to be in
- Objectives may have long or short span
- Typically 2-4 per team



KEY RESULTS

The few most important outcomes to drive or achieve in the quarter

- Define the *best possible results*, not the most probable
- Numbers quantifying value, not action items or opinions
- The drivers or leading indicators of the company’s success this year
- 4-6 balancing measures

OKRs are simple but not easy

Adopting OKRs is like learning a common results language across the organization; once you have, the clarity is liberating and simplifying. For those new to OKRs, defining results and outcomes is a shift in thinking from measuring the completion of activities to measuring the value or business impacts those activities should create for strategy achievement.

Grow healthy subscription revenue by focusing on a new segment and products

OUTPUT

Do sales training for the field.

- ✓ Publish the sales playbook
- ✓ Update the personas
- ✓ Update collaterals

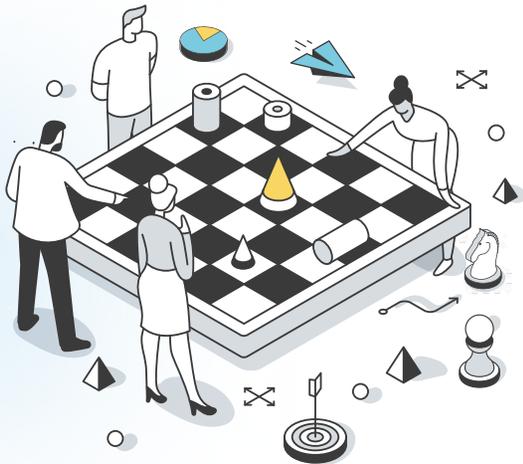
Miss sales targets 2 quarters later, and no one can explain why

OUTCOME

Enable our sales team to compete and win

- ✓ 85% of reps say they are confident they can compete and win after sales training

Keep iterating on deliverables until the sales organization has confidence they can win.



Use impact words and the town hall test

-
- 📌 Aiming for our best time
 - 📌 One shared definition of success
 - 📌 Working to win in unison
 - 📌 No confusion about priorities



The top-level company objectives should motivate employees to engage, invest, and lean in. Write the company level or top-most objectives as if they are communicating the intent and direction to the full organization, not just to the leadership team.

Use an authentic voice that conveys what you want to achieve given where you are now and provides some context on why or the value of the achievement. The most effective OKRs – those that drive growth speed – are not “corp speak” or generic words that could belong to any company, but rather genuinely guidance to the organization.

Assess company objectives and the OKRs at the top of each large functional org. Are the objectives something you want and need to say at a town hall? When you say the objectives out loud, are you bored or disinterested yourself? When they hear them, will people lean in and be motivated? Will they care? Great top-level OKRs should get “I’m in!” reactions.

Expect teams to focus on deliverables, milestones and activity for the first quarter or two. Run a robust education campaign to help teams ask questions that lead them to clarity:

What is the organization trying to achieve?

What are we really trying to achieve with this product or initiative?

Does it genuinely serve the company's outcomes or are we hung up on what we were doing before we had clarity on top-level objectives?

Why are we delivering that?

Why do it at all? What is the result of this work?

What will we or our customers have more of or less of if we do this work?

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 next-level objective will be informed by local knowledge and expertise. This allows them to clarify the intent of the team, and then they determine how success is measured.

When you use one level's key results to set the next level's objectives, the next-level OKR will be too narrow. This will create more misalignment than you anticipate.

For example, assume your objective is to **Differentiate Through Customer Experiences** and one key result is NPS, another is retention, and another is expansion. You'll want each team to think about how it supports and aligns to delivering that differentiated experience, not just rotate in on how they drive retention or measure NPS.

By localizing the objective first, the next-level team needs to consider the big picture, bring their own insights and facts into consideration, and consider the potential results that drive the objective or primary intent as well as the specific aligned key results, not just the results that drive a single result.

“Utilizing WorkBoardAI to write OKRs has been such an improvement.”

Elizabeth Sprunt
Strategy Analyst
Western Union Holdings

Practice makes perfect, but GenAI perfects faster

Driving decisions and outcomes with key results is perhaps the greatest power unlocked by using OKRs, but it takes a few quarters to get really good at it. In fact, the key to perfecting OKRs is to set them *quarterly* and discuss them *weekly*.

WorkBoardAI all but eliminates the OKR learning curve for teams using the platform, by drafting good objectives and key results and iteratively refining them. It applies the framework, incorporates upline managers' OKRs into its suggestions, and transforms a set of activities into measurable outcomes in mere seconds so the team can react to and refine the result.



Caution: When teams generate OKRs with public AI tools, they're sharing your company's intentions and measures with other parties and they're not getting the benefit of suggestions informed by your own objectives. WorkBoard has been awarded Workday's Responsible AI badge because it's a walled garden and your data is strictly yours.

Getting the leadership team aligned is table stakes – it’s the fundamental job of leaders to set and communicate the organization’s strategic priorities.

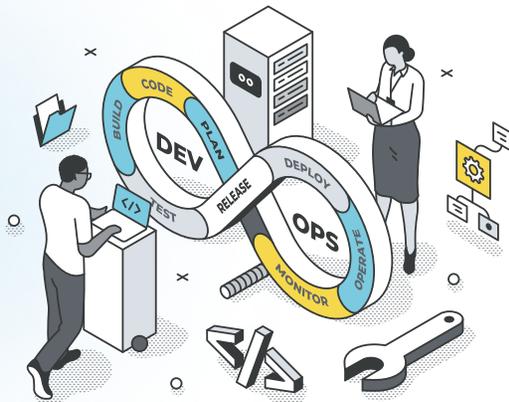
Who does OKRs?

Getting the leadership team aligned is table stakes – it’s the fundamental job of leaders to set and communicate the organization’s strategic priorities. But this team represents just 1-2% of your workforce! It’s necessary, but far from sufficient.

Strategy meets execution between the third and fourth layers in the organization, and that’s where “trickle down” strategy fails. In your first OKR cycle, localize and align OKRs at least through and across the director level in your organization to drive step change in business outcomes.

Product OKRs

For companies that use a subscription business model, lateral alignment has become a rather singular factor in their growth rate, because renewal rates are affected by how products are marketed, sold, enhanced and delivered to customers. When customers don’t realize the value they purchased because what sales sold wasn’t aligned to what customer success delivered, they don’t renew. When the value they did realize isn’t differentiated because customer success implemented fast but not to the highest value use cases marketing and product were driving, churn rates climb. When development builds something but revenue isn’t generated until a quarter or two later because marketing and sales weren’t aligned with development and product, growth comes slower and at a higher cost.



For companies with dozens or hundreds of products, these alignment gaps are compounded into slowing growth and rising costs. Now, many technology companies set OKRs for each product in a joint drafting session with leads across product, dev, revenue or go-to-market and customer experience.

Jointly setting the objective for the product and the quarter outcomes they want to achieve for the product drives radical clarity and alignment. It also enables each of the stakeholders to see how the product is doing overall and how they contribute to the sum of the parts.

Do include run and grow OKRs

Every part of your business is changing and everyone has a contribution to make, so invite everyone to add real value. To drive smart, fast growth, companies need to drive improvements, efficiency, and simplification of legacy processes so they can focus resources on growth drivers.

Including both run and grow requires leaders to have more intellectual honesty about what the best possible outcomes really are in the short term. Moreover, it provides a clear signal to the organization so everyone isn't making a different guess about how they balance run and grow efforts and where to make sacrifices.



“The singular job of the CEO is to create organizational clarity.”

Erik Huddleston
CEO at Aprimo

Change happens

You can't predict the future. Downline teams can't predict it either. Teams that set long-term OKRs – even 6 months – are often unsuccessful; the time horizon makes it too easy to avoid prioritizing on value and removes the sense of urgency.

The 90-day time constraint drives the tradeoffs needed to focus efforts on the highest value activities, and virtually every member of the team has a visceral sense of just how few working days that really is.

By focusing on the best possible outcomes in the next quarter, teams drive to the best outcomes over a year. Moreover, the quarter cycle creates a clear point of introspection and learning that foster change friendliness, growth mindset and improvement practices.

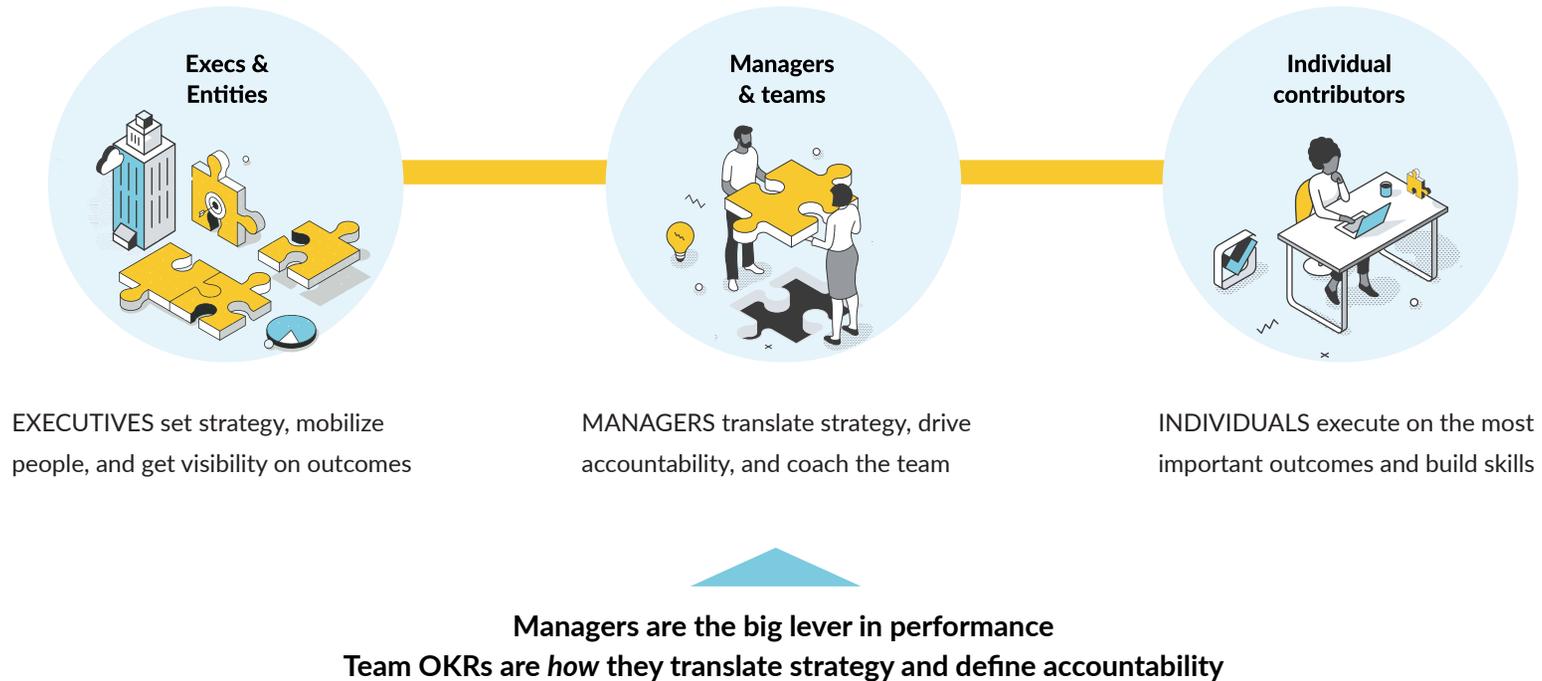
OKRs and Performance Management

When combined, team OKRs and a robust, digital operating rhythm both elevate *enterprise* performance, and give team members the purpose and clarity on the work that matters that is essential to their *individual* performance. When team members have clarity on how their collective efforts contribute to strategy achievement, the age-old gap between company strategy and individual goals which so often shows up in engagement surveys is effectively filled.

Business leaders experience that void as a strategy execution gap and adopt team OKRs to fill it.



Strategy should be the golden thread connecting enterprise, team and individual performance



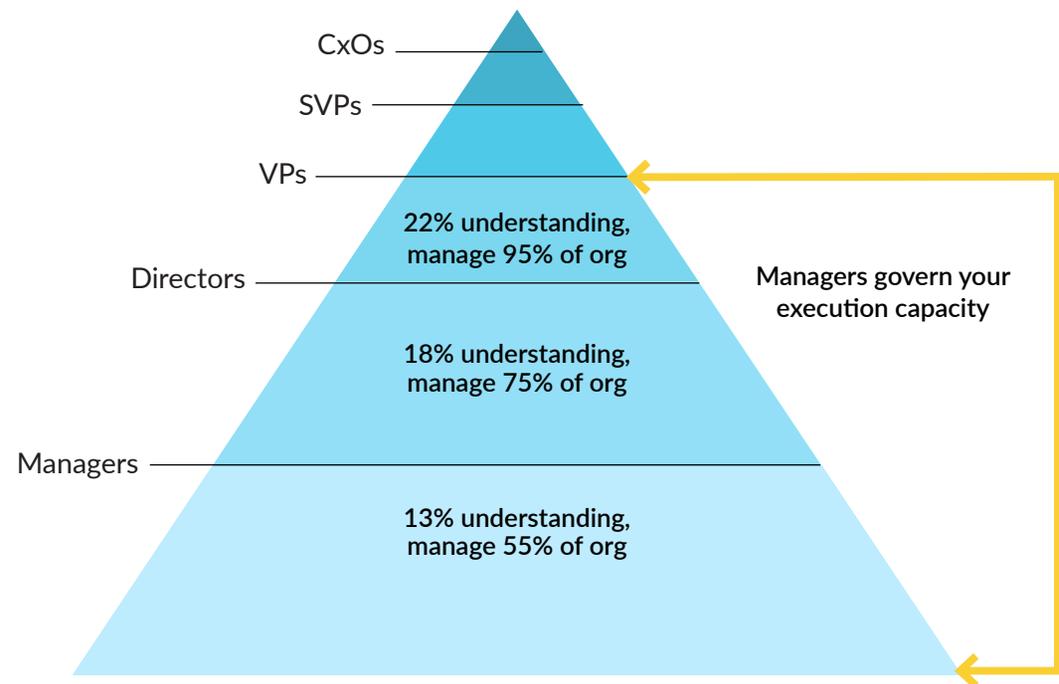
Team OKRs help managers be more effective

Leadership teams are 1% of an organization's capacity – the other 99% consists of teams and managers that don't set the strategy but must execute it. Team OKRs and WorkBoardAI serve as the process and platform to enable the behaviors organizations and employees at every level need from managers: clarity, coaching, and accountability. They improve manager effectiveness by providing a common framework for aligning on outcomes, focusing resources, driving accountability, delivering results, and determining where and who to coach.

Strategy execution is highly dependent on managers translating strategy, driving accountability, and coaching team members

When managers are ineffective, the impact shows in EBITDA and engagement scores

- Upline leaders spend a disproportionate time wading in the business rather than working on it
- Surprises percolate up too late
- Have “too many priorities,” and no focus
- Don’t know what I am accountable for
- Don’t know the purpose of this work
- Team has change fatigue
- Team can win alone - apathetic or destructive to cross-org value coordination
- Hide bad news; broadcast good news
- Avoid hard conversations so issues go unaddressed
- Focus our “skunk works” efforts



Source: Yoder, Donald Sull, Charles Sull, and James. “No One Knows Your Strategy – Not Even Your Top Leaders.” MIT Sloan Management Review, 12 Feb. 2018, sloanreview.mit.edu/article/no-one-knows-your-strategy-not-even-your-top-leaders/.

“On Day 1 of a quarter, we have OKRs in place, dependencies resolved, and major milestones captured all in WorkBoardAI so we are ready to execute well.”

Summers Hutchings

Director, Product Delivery & Portfolio Strategy
CarMax

Managers must guide the team as a whole to its highest impact; individual contributions should support the entire team's performance. Putting team OKRs in place first can improve the quality and integrity of individual goals – they will be more purposeful, aligned and straightforward. Complement team OKRs with individual growth plans as well as fair, frequent and fact-based feedback on how team members are contributing to team results.

Frequent 1on1s on operating topics and roadblocks to key result progress provide weekly opportunities to coach, teach, and empower team members – team OKRs and KRs an individual is responsible for are at the center of these discussions.

Divorce team OKRs from compensation. Team OKRs should be decoupled from individual compensation, but not from the discussion or recognition of a person's impact on the team or in the enterprise. When team OKRs are tethered to individual compensation, teams aim for safety and mediocrity rather than aiming for their best outcomes.

Prescriptive performance conversations and Check Ins with key topics 3-4 times a year, along with PACE™ or other calibration method, ensure that manager and team member discuss skills, behavior patterns, and get feedback over a longer horizon of work – personal OKRs or goals are the center of these discussions.



Tenets of Team OKRs

Align team efforts to business strategy and align team members on the outcomes of their work

- Authored as a team
- Reflects team's intent and best possible outcomes
- Transparent to everyone
- Weekly and monthly attention
- Center of team meetings and discussions
- Reset each quarter
- Aligned up/down and across the org

Objective: *Digipay is delightfully fast for our users*

KR1: Remove 3 steps from users' transaction flow

KR2: 0 spinning wheel hang time in users' experience

KR3: Search results are sub-second



Tenets of Personal OKRs

Ensure individuals get feedback for growth and have personal accountability for their performance

- Authored by individual in concert with manager
- Reflects skill building or personal commitments
- Private to manager and employee
- Monthly and quarterly attention
- Quarterly performance conversations
- Reset once or twice a year
- Aligned up/down manager/employee

Objective: *Build my software engineering skills*

KR1: No code refactors are required from my work

KR2: Complete level 2 solutions architect certification

KR3: Attend all DevOps roundtables in Q3 and Q4 to understand the downstream implications of my work better

“Our Feedback Helper is disrupting hard conversations – making them faster, easier, and more fruitful for everyone so people and teams move forward faster.”

Deidre Paknad
WorkBoard CEO & Co-founder

“WorkBoardAI has enables us to have better, more effective discussions about the results we are aiming for and how we achieve them.”

Rory Thompson
Operations Manager, Pax8

GenAI coach on call helps manager give outcome-oriented feedback



AI has a big role to play here, too: Managers and team members using WorkBoardAI can take advantage of GenAI to summarize a person’s impact on team or personal OKRs since the last conversation, so the discussion is fact-based rather than memory- or mood-driven. A handy Feedback Helper™ helps both parties instantly frame concerns or issues in Situation-Behavior-Impact (SBI) format so it is easy to give and get – move from thorny issue to calm conversation in seconds.

Management Operating Model and Rhythm

The operating rhythm

An organization's operating rhythm is how it aligns and drives execution of its strategy.

An effective operating rhythm ensures clear, continuous linkage between the strategy and execution, and provides stakeholders at every level with facts to optimize and accelerate decisions that drive strategy achievement.

The cycle is a set of related loops: Annual strategy refresh, alignment on which part of the strategy to execute in a quarter, monthly reviews to identify and address friction, and the weeklies that focus efforts to de-risk and optimize results.



A management operating model is a cadence of practices and conversations that ensure daily actions drive strategic wins.



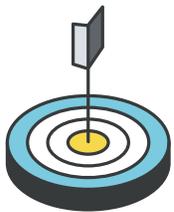
Leading to outcomes

The behaviors that an OKR process enables are the essence of great leadership:

- Creating clarity for teams
- Demonstrating ambition
- Driving alignment within and across teams
- Establishing accountability and clear responsibilities
- Demonstrating hypotheses and outcome mindsets
- Measuring value creation instead of motion

Every manager should have a high-functioning baseline operating model, or they will have a random unintentional one! The long-range strategy and desired objectives and results for the quarter should anchor managers' actions and efforts. Strategy execution and OKR systems like WorkBoardAI make it far easier for managers to operate at and achieve their best by providing the data and workflows for great leadership.

Strategy execution leaders should partner with their L&D colleagues to integrate the training they provide on *what* leaders should demonstrate with *how* they do so in the OKR system and process. Make it easy for leaders and managers to understand how to do the right thing by leveraging the shared mission and resources of your L&D colleagues.



Baseline management model

Company objectives are the foundation, not an afterthought

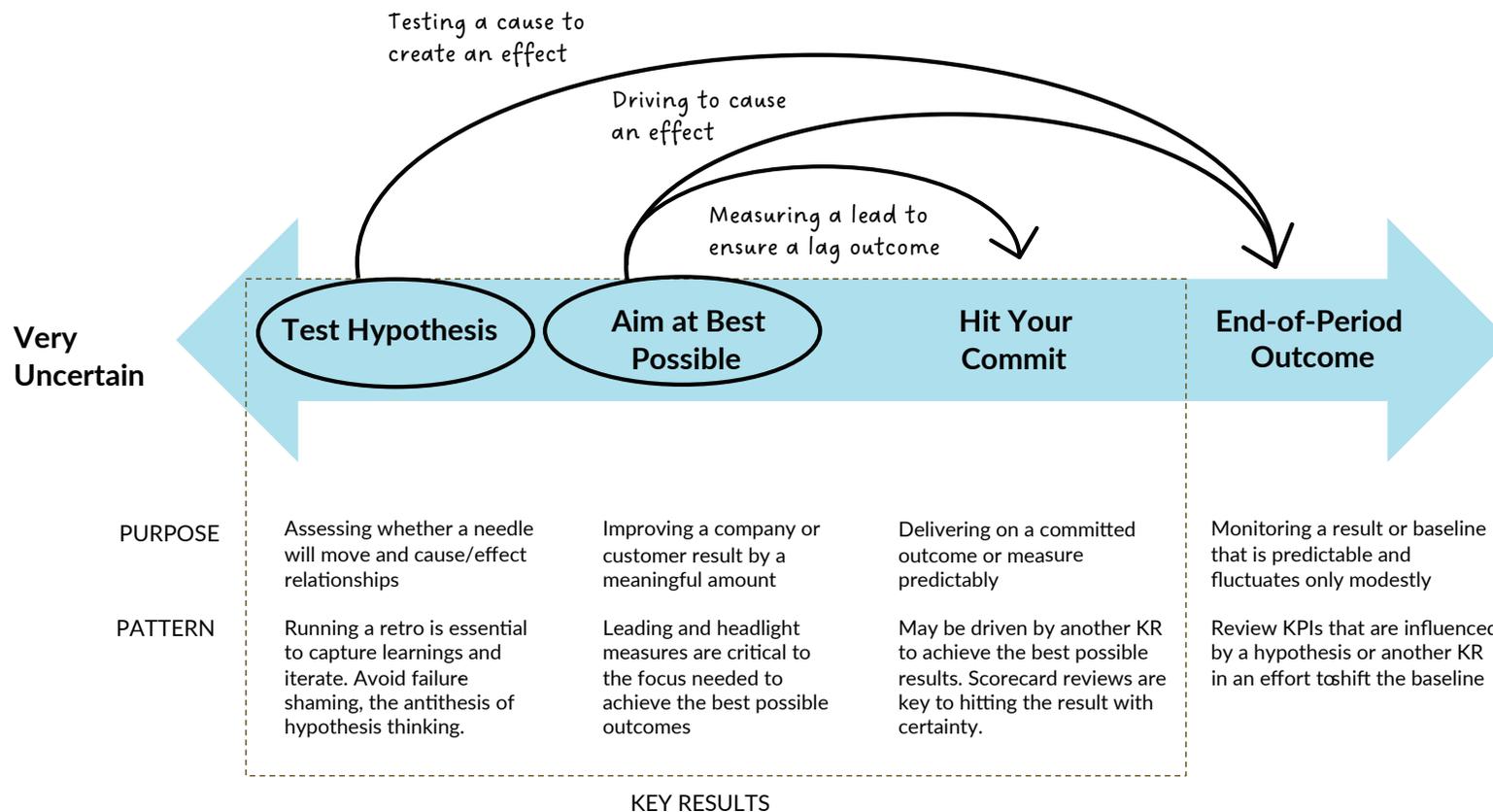
Quarterly	Monthly	Weekly	Daily
Assess learnings and results, iterate and realign	X-function touch point with key stakeholders	Team and 1on1 meetings centered on KR progress	Time to reflect, re-center, and rise above the noise
<ul style="list-style-type: none">✓ Adjust Key Results✓ Build in agility that keeps strategy at the center✓ Help your teams adapt to change intentionally✓ You learn	<ul style="list-style-type: none">✓ Resolve blockers to company OKRs✓ Forest isn't lost for a tree – clarity on the bigger picture✓ Coordinate outcomes faster	<ul style="list-style-type: none">✓ Resolve blockers to team OKRsContinuous alignment and your relay system✓ No risk older than 7 days prevents breakdowns✓ Intentional sequence is 10x more efficient than random sequence	<ul style="list-style-type: none">✓ Control and focus your time✓ Ensure you are not in react mode all the time✓ Get and think about data without meeting✓ Stay connected to strategic outcomes

KRs and KPIs work well together

A key result is a measure of what matters. Think of it as the focal point for effort and decision making in a given time period.

Some organizations draw hard boundaries between KRs and KPIs, and take efforts to isolate them from each other. This ignores the cause-and-effect relationship between the two; when they're viewed separately, decisions may be half-informed while the effort to compile information is twice as hard.

It can be more effective to simply consider what measures need your attention to prove, improve, or maintain. What measures will drive the right discussions and ensure issues are discovered quickly? Don't let acronym religion undermine decisions. Systems like WorkBoardAI make it easy to put the focal measures in line of sight and in context of the choices you need to make for the business.



“We achieved the strategy a full year ahead of plan.”

Joel Neeb

Head of Transformation, Office of CEO,
VMWare

“Almost 100% of our team now knows the strategy and where we’re headed. They can point to it and see exactly how we’re localizing.”

Jim Gawron

Chief of Staff
Ford Pro, Ford Motor Corporation

It’s better to make the news than report the news

Company and team OKRs should *drive* decisions and actions week over week, not document results end of quarter (or worse, end of year). Every day, employees are presented with hundreds of distractions and decisions – team OKRs remind them where to focus and how to make good choices.

Using OKRs as a backward-facing reporting exercise defeats their purpose. It often means there are other labor-intensive mechanisms for getting accountability and visibility that are not anchored on outcomes the organization has aligned. This is the worst of all worlds: An OKR process that has no execution utility combined with reporting theater that has no connection to strategic outcomes.

Substance over form

The process isn’t the end result – achieving business outcomes is. Don’t let the acronym obscure the purpose or potency. Executives and business process owners should be particularly aware of how they message the operational aspects of OKRs.

Instead of saying “it’s time to do OKRs” or “get your OKRs done,” talk about what’s changed in the last 90 days, take stock of progress, and identify and align on what’s important now. The former are tasks, the latter are the fundamentals of smart business.

Instead of asking people to “update their key results,” ask them to “calibrate on their results and gaps.” Great outcomes are achieved with great focus; imagine the acceleration if everyone started their week with a clear-eyed assessment of their gap to the key results they’d set! Nagging for updates turns the most potent part of OKRs – weekly focus – into an administrative task and completely misses the real point.

“I couldn’t run my business without WorkBoardAI. Our company would be much slower and less transparent.”

Tina Murphy
President & CEO
GHX

You can’t grow fast if you manage slow

A results platform – software to align, see and drive results across the organization – ensures key results drive decisions week in, week out. When teams calibrate on the distance to results on Monday morning, they have the data and the focus to make better choices about where to spend their time every week.

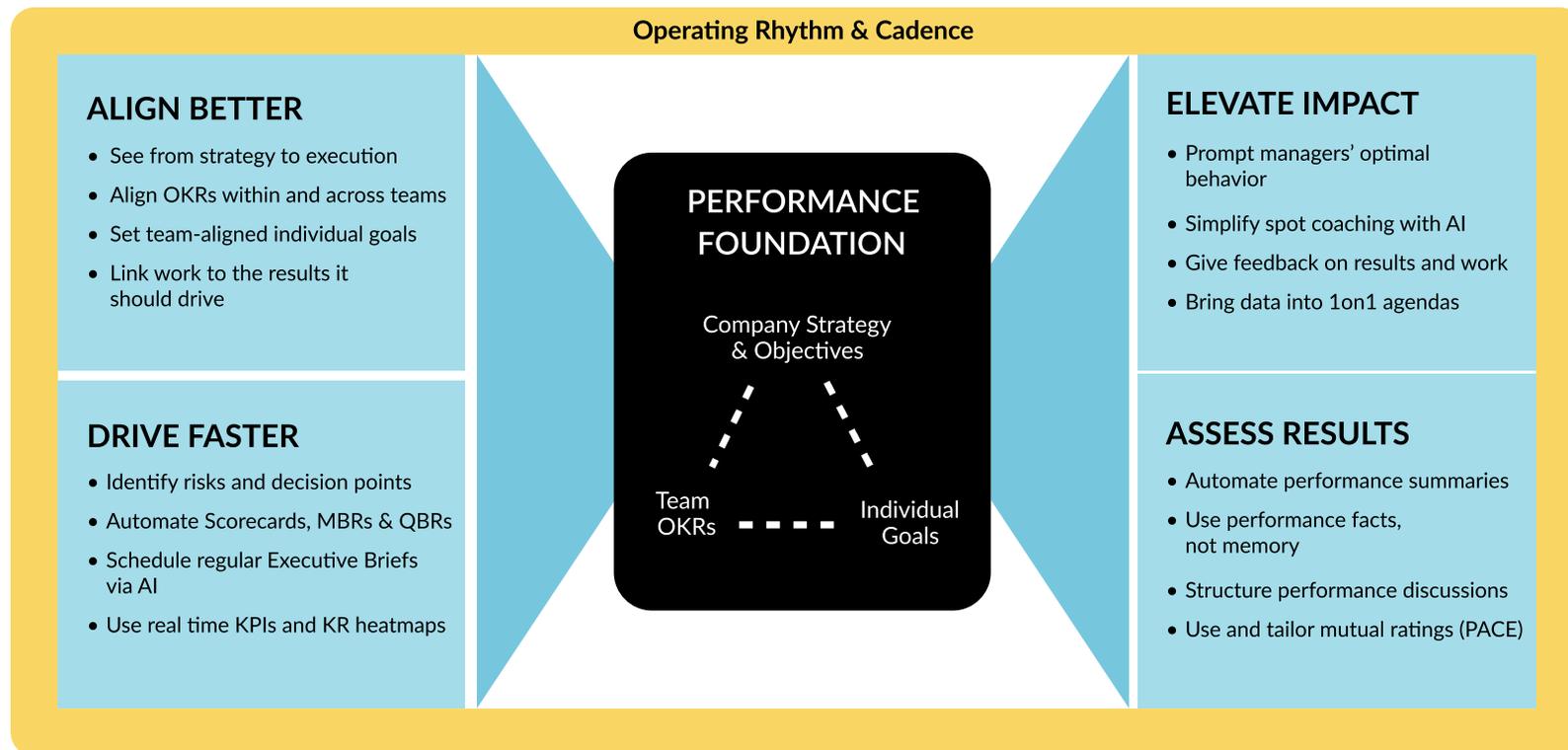
Rather than adding busy work, an OKR platform accelerates results and makes alignment and accountability remarkably easy. Just as you wouldn’t consider managing the sales plan in a spreadsheet or slide deck, it no longer makes sense to manage your strategy in files either.

Operate smart and fast...	...instead of low and slow
<ul style="list-style-type: none">• Digital alignment and accountability	<ul style="list-style-type: none">• Another PowerPoint and doc farm
<ul style="list-style-type: none">• Transparent risks and dependencies	<ul style="list-style-type: none">• Opaque
<ul style="list-style-type: none">• Line of sight	<ul style="list-style-type: none">• Out of sight, out of mind
<ul style="list-style-type: none">• Fact and result-driven meetings	<ul style="list-style-type: none">• Agenda du jour
<ul style="list-style-type: none">• Real-time plan vs actual data	<ul style="list-style-type: none">• Manual, episodic and subjective reconciliation

One source of truth on strategy and its execution

A system of record for strategy execution and enterprise performance is quickly becoming an essential platform in a data-driven world. In the absence of a single source of truth, everyone has a different truth – and spends enormous resources trying to reconcile different versions of it. Long-range strategy, current quarter targets, team outcomes and personal goals aren't connected, and it shows in business results and overhead.

WorkBoardAI is the enterprise standard for strategy execution systems of record used by Astra Zeneca, Boeing, Capital One, Carmax, CrowdStrike, Elevance, Ford, Humana, 3M, Intel, Mars, Trimble, Twillio, Workday, Western Union and many others. It seamlessly connects long-range strategy to company objectives, links those with team OKRs that harmonize with personal goals, and enables accountability at the group, team and individual level.



Rolling Out OKRs and Value Maturity

Whether your organization is new to OKRs or is moving from spreadsheets to a more transparent purpose-driven system, there are several factors that drive success and failure. Organizations that are already doing OKRs, are measurement savvy, have adopted a growth mindset, and are hypothesis- and learning-driven can reap the benefits of broader systematic adoption more quickly than peers with different cultures or norms.

Regardless of where you start, executive sponsorship and clear purpose are essential to success.

Success drivers

- ✓ Execs communicate WHY frequently
- ✓ Leaders exemplify positive pattern
- ✓ “KRs are decision data” mindset
- ✓ Discuss OKRs week to week
- ✓ Amplify the energized adopters’ wins
- ✓ Discuss, aim, go, and learn quickly
- ✓ Owner with strategy and ops skills



Failure modes

- Execs don’t care, so no one else does
- Punitive rather than iterative
- Set and forget
- Launch and forget
- It’s optional + recipe for change
- Perfection before progression
- Delegate to process administration



First-time rollout

The most common failure is spending too much time “perfecting” OKRs as they’re set then ignoring them once in place. Instead, perfect OKRs by discussing them routinely and using them to drive decisions; like every other sport or discipline, you don’t start out perfect – you get there by practicing and learning.

1

Get Transparency

Get transparency on intended and actual results across the organization. Create a common language for results alignment and give people transparency on what matters most so they can focus.

2

Improve Alignment

Drive wide functional and cross-functional alignment on the primary drivers of strategy outcomes so the organization actively drives outcomes rather than passively reports them.

3

Raise Velocity

Gain intrinsic agility and speed. Reduce the lag time from risk to resolution to control your outcomes. Respond, learn, and get leverage faster while avoiding x-org collisions.

Counterintuitively, setting OKRs quickly rather than perfectly the first quarter is a great foundation for alignment if you’re using a strategy execution platform like WorkBoardAI. This provides the transparency to see where resources are going now and enables leaders to make swift, strategic choices for improved alignment.

“There were hundreds of teams that weren’t contributing to the strategy at all - we were able to refocus their efforts to accelerate results using WorkBoardAI data and insights.”

Jamie Temple

Results Management Office Executive -
Office of the CEO
VMWare

Use the first quarter to quickly get an inventory of where teams believe they are creating value and what they believe their strategic priorities are; this gives you a robust foundation and fact base for improving alignment in the following quarters.

If your organization is already doing OKRs, move them into a system to get the same visibility, and build from there.

Over the next 1-3 quarters and using existing OKRs as a fact base, focus on improving:

- **What is measured** so 100% of key results are measuring business value
- **The number of leading (versus lagging) measures** that drive week to week decisions to 50%
- **Vertical alignment** so you have 100% functional alignment
- **Lateral alignment** so at least 40% of key results are cross-functionally aligned

With real alignment on the measures of value, you can increase value and organization velocity. With fewer cross-functional collisions and a strong measurement mindset, the next step is increasing the pace of measurement to accelerate the pace of outcomes. High-performing organizations measure current results progress (or confidence in future progress) weekly – everyone on the same cadence and in the same system. No risk goes undetected more than seven days and everyone has the facts they need to operate at their most efficient.

Challenges obvious to CEOs may not be obvious to those responsible for a single silo

As you roll out OKRs and a strategy execution system, you may encounter questions and skepticism from members of the leadership team. Their assumptions may include false assumptions about both the current and future state.

We got here just fine without this, no need to change now.

This assumes the world isn't changing, neither should you when in fact the world has already accelerated dramatically and continues to an ever-faster pace. Management practices that got you here won't get you to the next level.

It will add to our load.

It will replace and automate thousands of hours of information chasing, compiling, and reporting that suck time from everyone manager level and above, lightening everyone's load and accelerating better decisions.

Implementation will be like long and hard, like SAP or Workday.

Activating the system takes a few days; getting your objectives in takes a few minutes.

It will distract from what is important.

It is how we crystallize, communicate, measure, and drive what is important, and how we enable our teams to avoid actual distractions because the real priorities are efficiently discussed and measured week to week.

We won't see a payback anytime soon.

Alignment, clarity, connection to the mission, and transparency will dramatically improve in the first quarter and each quarter after that, showing materials gains in engagement scores, time saved, and business results.



Strategy doesn't create advantage, its execution does

Get transparency

Start with a "value inventory" - where teams are actually focusing today - as a basis for optimizing capacity and results

- Get visibility to team's objectives and measures of success today
- Resolve alignment gaps quickly
- Identify duplication of effort and recover or reallocate resources
- Lower the cost and raise the speed of transparency with automated scorecards for each leader

Improve alignment

From the transparency foundation, increase both functional and cross functional alignment on the prime drivers of strategy

- Deep alignment across teams simplified with outcome coaching and genAI
- Measure the drivers of strategy outcomes (headlights not taillights)
- Increase XF alignment to reduce surprises and resource collisions
- Drive continuous, pervasive accountability very efficiently

Raise velocity

From strong foundation with fewer x-org collisions, raise cadence of focus and use strategy execution intelligence to accelerate

- Increase cadence of discussion and measures from 1x month to weekly
- Coalesce larger X-F teams more efficiently to accelerate the most important outcomes
- Collapse time to understanding and decision with genAI and analytics
- Incorporate learnings and respond to market changes in <1 month not 1 year, and respond to risks in <1 week

STRUCTURAL

STRATEGIC

Today, there is no source of truth – answers are scarce and expensive

Stakeholders can mistakenly believe an OKR process and system are adding something new when they're actually replacing labor-intensive, inaccurate ways of managing today. Strategy execution systems like WorkBoardAI replace myriad manual processes for tallying, collating, reporting, discussing, and measuring outcomes across the organization with a single pane of glass on how those outcomes align and the gaps to achieving them.

To help others see the need, prepare a presentation that includes:

- ✓ How the organization aligns and measures strategic priorities today, where they're visible, and quantify what goes into their upkeep to develop the before/after picture
- ✓ Gather the last survey results to see how effective the current approach is at driving clarity; how many people know the strategy, how to contribute and say priorities are clear? Quantify the cost of company resources that can't make their best contribution today to demonstrate what's at stake
- ✓ Use the manager effectiveness diagnostics on page 19 to identify pain points a system addresses to put it in words leaders hear often
- ✓ If you're using team OKRs and personal goals today, how good are they and do they serve their purpose well? Use these answers to clarify why improving existing processes is necessary.

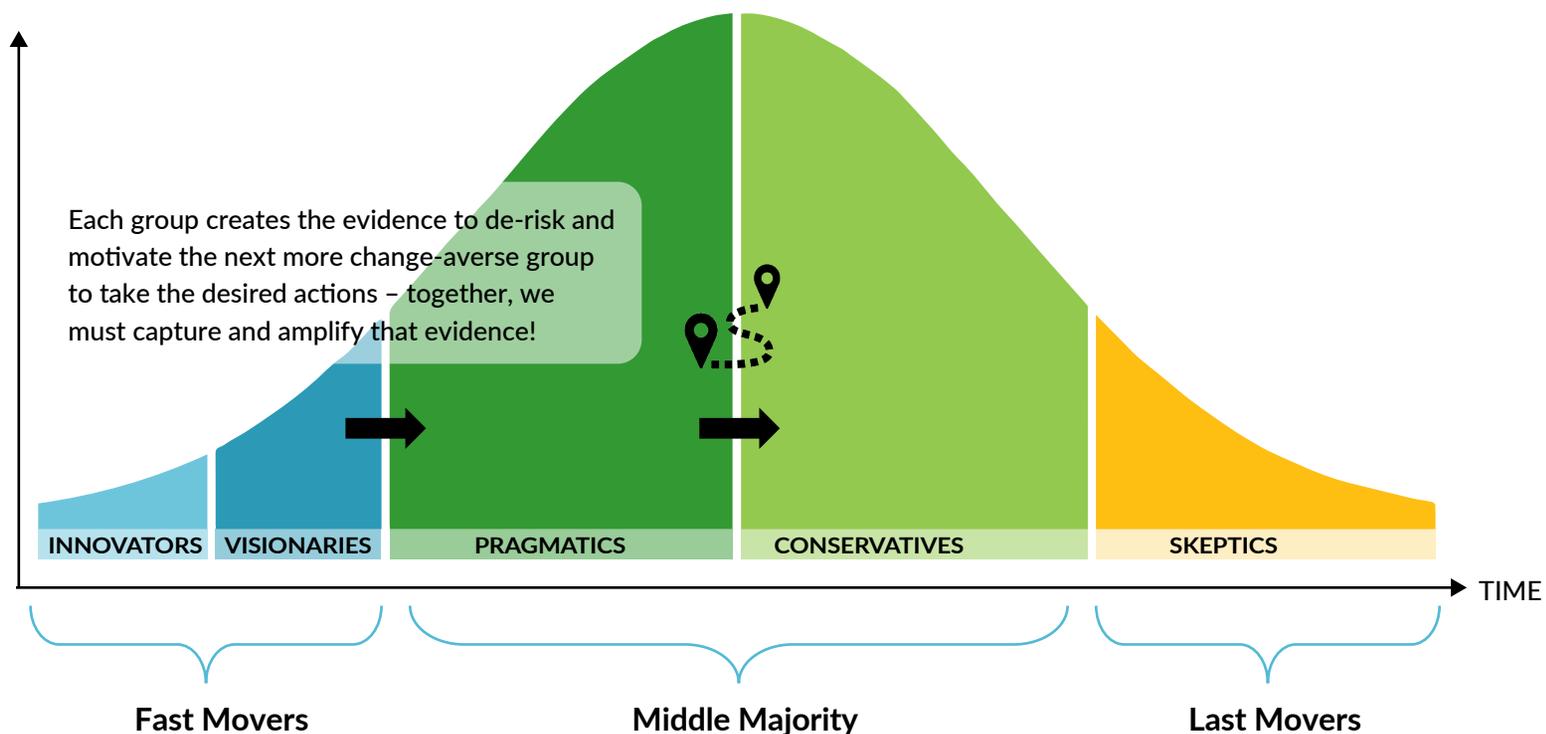


The other Moore's law*: adoption and change occur over time

Change takes time

It's tempting to focus just on launching your execution and OKR initiative and expect everyone to play along as soon as you do. But people change at different speeds and for different reasons!

Build a journey roadmap with business outcomes and benchmarks for at least 6 quarters. Develop an annual communication plan that focuses the benefits to the company and for teams and individuals. Hold yourself accountable for progress and communicate the business value created so far to your senior most stakeholders.



Source: *Moore, G. A. (1991). *Crossing the Chasm: Marketing and Selling High-Tech Goods to Mainstream Customers*. New York: Harper Business.

1 Get Transparency

Keep score and communicate value

Most organizations have a great strategy; it's their execution that fails. The patterns of behavior and even culture that allow that to happen won't be fixed because you launch OKRs – it will be fixed because you drive consistent focus on changing how the organization aligns, drives and measures its execution.

Use a scorecard to measure progress on each stage of the journey and compare yourself against best-in-class benchmarks. Review the scorecard with the senior leadership team to take stock of progress made and remind them of the value yet to be realized. Their sustained intention to drive execution excellence is the key to success, and their anxiety about execution is quite likely what's keeping them up at night too.

GET TRANSPARENCY	Baseline	Current	2H Target	Observations	Peers	Recommendations
Single framework for defining, aligning and measuring strategic priorities and results at the company	7	3	3	SLT now has one standard for aligning on strategic priorities and outcomes; alternative frameworks still used in 2 functions makes cross-functional alignment challenging	1	Reinforce purpose by reminding teams with OKRs they now have clarity on strategic priorities; move past "acronym attachment" to get alignment on how the organization will align!
All employees can see the CEO's strategic priorities and those of their BU leader and function leader on demand	0%	100%	100%	Higher level direction is visible to people and they know how leadership is measuring success in the near term; managers still must translate it to team context	100%	Reiterate in All Hands that everyone has continuous access to these priorities, not just in these meetings but everyday
Teams with OKRs are 2x more likely to know the strategic priorities and how they contribute (vs teams without)	48%	96%	100%	Transparent team OKRs in WorkBoardAI are how team members know they contribute to strategic priorities. Currently capped at 15% of employees.	100%	Continue to deepen OKR alignment to every people manager and team so all of your capacity is aligned to strategy. Company-wide baseline is 52% representing enormous waste of attention/resources.
70% of L1-L4 teams discuss and measure results at least monthly in a single system of record		53%	70%	Half of senior leaders can address roadblocks on a monthly basis and are providing monthly transparency to peers; the other half is not	100%	Expect every leader to drive focus on key results and provide efficient transparency to peers -- what you don't know can hurt you
GenAI briefings provide L1-L4 leaders with weekly visibility on results and risks	60%	60%	100%	Almost 2/3rds of SVPs and VPs have eyes on results and risks each week, eliminating manual reporting and improving decision speed	100%	Meet with the outlier 40% and their chiefs of staff to get an informative scorecard injected in their staff or ops meetings; focus on what 1) they don't have to do and 2) can now see clearly
Leadership cohorts and development content reflects the company's approach to aligning and measuring results	No	No	Yes	Guidance from L&D should reinforce how the company is driving alignment, accountability and transparency so leaders can more easily live the behaviors desired	Yes	Team with HR L&D to ensure this program and HR are aligned on what "effective leaders" do and how WorkBoardAI makes the right behaviors faster and easier
Enthusiast communities meet quarterly to share techniques with at least 25 seed members	25	19	25	Initial meetings were well done and 2 co-chairs have raised their hands to lead this year	225	Give CEO recognition to co-chairs, CEO attends or records a message for next meeting acknowledging the group's impact on strategy execution excellence, transparency and data-driven decisions.
Misaligned teams to or at the Director level redirected to strategic priorities	326	190	326	326 teams have OKRs that are not in service of strategic priorities or are unintentionally duplicative; enormous lost capacity of over 3,000 people	0	Harmonize the duplicative efforts and redirect teams to accelerate execution and avoid unnecessary hiring where possible

2 Improve Alignment

Drive wide functional and cross-functional alignment on the primary drivers of strategy outcomes so the organization actively drives outcomes rather than passively reports them.

IMPROVE ALIGNMENT	Baseline	Current	2H Target	Observations	Peers	Recommendations
45% of team members are responsible for a key result	27%	38%	45%	Steady improvement in delegation and clarity of ownership to improve alignment within teams	45%	When team leads are solely responsible for key results, team members lack clarity on their responsibilities and managers have no scale
50% of key results are lead rather than lag metrics	9%	37%	40%	Lead metrics increase certainty and inform decisions week to week. WorkBoardAI immediately helped teams quickly measure lead vs lag	50%	Amplify the success stories of teams that now enjoy faster course correction, higher transparency x-org, and more clarity on priorities within the team
Every team has aligned upward to company objectives	25%	60%	70%	Vertical alignment more than doubled so more people have clarity on the why of the work	100%	Continue to drive to 100% alignment -- every team should have a material contribution that lines up to company strategic priorities
35% of OKRs align cross functionally	3%	25%	35%	22% improvement but more to go: Cross functional alignment, dependencies, and transparency were major pain points of the Director+ community and the dynamic most likely to undermine company outcomes.	40%	Consider using the Leadership Cohort to assess unseen dependencies, create x-f scorecards, and optimize for company outcomes and resources
KR blockers are visible on 75% of MBR scorecards	0%	39%	50%	Dependency-related risks are more visible week to week	75%	Have Leadership Cohort members reassess their own functions scorecards and bring blockers into line of sight
GenAI briefings or status summaries are used by 65% of people leaders at least 2x a month	10%	50%	65%	Lead metrics increase control and certainty, and can be used to inform decisions week to week. Huge improvement in understanding and measuring the drivers of the business.	75%	Amplify the success stories of teams that now enjoy faster course correction, higher transparency x-org, and more clarity on priorities within the team
30% of KR are updated automatically	11%	21%	30%	Salesforce automation is giving the Revenue organization far better visibility at every stage of the funnel using Biz Reviews	40%	Showcase the business benefits at All Hands and include a Rev Ops person as next guest speaker at the user group meeting
Enthusiast community membership has doubled	25	80	50	Natural momentum is building as enthusiasts find and discuss ways to increase their efficiency, team impact, and company results	200	Use the community as a source for communicating stories of success to slower adopters to create a virtuous circle; have the CEO and other leaders do a cameo thanking the enthusiasts for their contribution to a faster, leaner organization

3 Raise Velocity

Gain intrinsic agility and speed. Reduce the lag time from risk to resolution to control your outcomes. Respond, learn, and get leverage faster while avoiding x-org collisions.

RAISE VELOCITY	Baseline	Current	2H Target	Observations	Peers	Recommendations
Improve OKR cycle speed to 21 days leveraging WorkBoardAI to accelerate discussions	62	23	21	The organization can efficiently adapt to changing facts and opportunities each quarter; every team is able to spend the entire quarter executing rather than guessing the strategic priorities	21	Communicate the hard-earned agility and adaptability to the board of directors and internally at annual kick off
Business reviews are less than 1 hour or replaced by GenAI briefings, saving 45 hours per VP, SVP, and CxO each quarter	5	1	1	Leaders and senior managers can efficiently manage risks and course correct; the org has made significant time savings and speed gains	1	Reward people's participation and behaviors by communicating the cost savings and time gains at an all hands or company-wide communication. Reinforce doing the right thing.
Everyone attending business reviews receives the GenAI summary the day prior to come prepared	50%	100%	100%	Massive improvement in decision quality and speed; efforts to prepare have been automated and eliminated entirely	100%	Capture and quantify the time savings and before/after impacts people feel; celebrate these and use them to demonstrate the execution improvements and advantages the organization has achieved
KRs or confidence ratings are measured weekly so everyone has transparency to make faster, better decisions	15%	63%	65%	For the target population, no risk goes unaddressed for more than a week so reactions and resources are optimized within	80%	Continue to pick up the pace of communicating results or confidence in them so cross functional trade offs are smarter and faster
40% of KRs are updated automatically	21%	28%	40%	Technical organizations have integrated to Jira, linking their work to the results created; While some Revenue teams have integrated to Salesforce, there is more to be done.	40%	Integrating KR updates is "free" cross functional transparency to resolve issues faster and prevent x-functional breakdowns -- remind people why it matters to them.
Coach on Call used by 80% of managers weekly so conflicts are resolved faster and coaching is delivered on the spot	8%	57%	80%	Once managers use Feedback Helper and Impact Summaries, they use them consistently to give more effective coaching and reduce their own anxiety	80%	Ensure every manager knows where and how to see who needs coaching and get instant help framing and delivering it. Faster conflict resolution and feedback drive operational excellence.
Routine 1on1s or check ins elevate people's performance in the context of company strategic priorities at least monthly	22%	40%	50%	Close to half of employees have regular coaching to elevate their impact in the quarter and over time	85%	With HR People Analytics, identify where the right behaviors are not happening; run enablement for managers that haven't developed coaching skills and engage their managers to give more direct guidance



WorkBoard

About WorkBoard

WorkBoard powers the digital operating rhythm for companies around the globe, providing organization-wide clarity, alignment, and insights for growth. 3M, Albemarle, Avery Dennison, AstraZeneca, Capital One, Cisco, Ford, GHX, Humana, Intel, Modivcare, Morgan Stanley, National Grid, State Street, Virgin Media O2, Western Union, and more rely on the WorkBoardAI Strategy Execution Platform, playbook, and expertise to accelerate results by aligning long-range strategy and OKRs, streamlining business reviews and scorecards, focusing weeklies on outcomes, and accelerating with progression analytics. More than 15,000 people are certified in WorkBoard's Outcome Mindset Methodology™ for OKR Coaching and fuel a vibrant community of strategy leaders. WorkBoard investors include Workday Ventures, Andreessen Horowitz, SoftBank, Notable Capital, Intel Capital, Silicon Valley Bank, and Capital One.