Using OKRs to Drive Results
aka “Secrets to Crushing Your Goals”

Kris Duggan
CEO and Founder, BetterWorks
@kduggan
“In 1999, John Doerr introduced OKRs to Google and changed the course of the company forever...”

Eric Schmidt
A Brief History

MBOs
The Effective Executive by Peter Drucker

S.M.A.R.T
George Doran’s “S.M.A.R.T. Way”
The Good and Bad of MBOs

The Good

• MBOs ushered in era of results-oriented management

The Bad

• Infrequently updated
• Siloed
• Management-driven
• Tied to performance reviews and compensation
A Brief History

MBOs
The Effective Executive by Peter Drucker

S.M.A.R.T
George Doran’s “S.M.A.R.T. Way”

KPIs

OKRs
John Doerr introduces OKRs to Google

The OKRs Revolution

- Objectives and Key Results (OKRs) are invented at Intel
- KPCB’s John Doerr brings OKRs to Google and more

Benefits
- Quarterly vs. Annual process
- Transparent and aligned
- Aspirational
- Not tied to performance reviews/compensation
OKRs are a management methodology that helps companies focus effort on the same important issues throughout their organization.
Objectives
What I want accomplished

• Personally significant and aspirational
  – Should get you out of bed in the morning
• Significant for company
  – Aligned w/, and supported by, entire org

As measured by...
Key Results
How I will accomplish it

• Clearly make the objective possible
• Measurable
• Limited in number
• Time related
Why use OKRs?

- Disciplines thinking
- Communicates accurately
- Inspires confidence that everyone is working together
- Establishes indicators for measuring progress
- Focuses effort
- Know exactly what you’re working on

OKRs tell you & your team what you’re doing THIS quarter & importantly, what you are NOT.

Rick Klau
Product Partner at Google Ventures
John Doerr’s famous football example
John Doerr
Sand Hill Unicorns General Manager
Make $$$ for Owners

Key Results:
1. Win Super Bowl
2. Fill stands to 88%

Larry Page
Head Coach
Win SuperBowl

1. 200 yrd/game passing attack
2. 3rd ranked defence in NFL
3. 25 yds. punt return average

@Jack
Head of PR
Fill Stands to 88%

1. Hire 3 colorful players
2. Get 2 Monday Night games
3. Highlight key players
John Doerr
Sand Hill Unicorns General Manager
Make $$$ for Owners

Key Results:
1. Win Super Bowl
2. Fill stands to 88%

Larry Page
Head Coach
Win SuperBowl

1. 200 yrd/game passing attack
2. 3rd ranked defence in NFL
3. 25 yds. punt return average

@Jack
Head of PR
Fill Stands to 88%

1. Hire 3 colorful players
2. Get 2 Monday Night games
3. Highlight key players

Defense
#3 Defense
Less than 100 yrd passing a game

Offense
200 yrd passing attack
75% completion

Special Teams
25 yrd punt return average
3 Blocked punts

New Staff
Get 2 Monday Night Games
5 ESPN special features

Scouts
Hire 3 colorful players
Visit top 25 colleges

Publicity Agent
3 weekly front-pagers
Hire 10 new cheerleaders
Some Best Practices to Remember

• Focus on 3-5 objectives at a time
  – With 3-5 key results for each

• **At least 60%** of objectives should be bottom up
  – Too much top-down dictation kills motivation and aspiration

• Performance evaluations should be completely separate from OKRs
  – Keeping the two separate encourages workers to set aspirational OKRs
  – Tying the two together stunts innovative thinking, and leads to sandbagging
Grading OKRs

<table>
<thead>
<tr>
<th>Larry’s Objective Win Super Bowl</th>
<th>Owner</th>
<th>Status</th>
<th>Grade</th>
</tr>
</thead>
<tbody>
<tr>
<td>1. 200 yards a game passing attack</td>
<td>Jeff</td>
<td>250 yds/game</td>
<td>1</td>
</tr>
<tr>
<td>2. 3rd ranked defense in NFL</td>
<td>Joe</td>
<td>9th ranked defense</td>
<td>0.7</td>
</tr>
<tr>
<td>3. 25 yard punt return average</td>
<td>Aaron</td>
<td>10 yds punt return avg</td>
<td>0.4</td>
</tr>
<tr>
<td><strong>TOTAL</strong></td>
<td></td>
<td></td>
<td><strong>0.7</strong></td>
</tr>
</tbody>
</table>

- Grading and reflecting on past OKR progress is critical for setting future OKRs
- According to John Doerr & Google, a total grade of 60 - 70% = sweet-spot
Goal Science™ Thinking

**Connected**
Transparent and aligned

**Supported**
Social reinforcement and recognition

**Progress-based**
Frequent and measurable feedback

**Adaptable**
Flexibility to respond to changing priorities

**Aspirational**
Retrospection to encourage excellence
Connected
Transparent, aligned and all individuals participate

People view their manager’s goals 20% more often than their own.
Supported
Working transparently with social reinforcement and recognition

78% increase in achievement when goal information is shared with a peer
Progress-based
Frequent, measureable feedback and ongoing wins

Fitbit users step 43% more steps as progress is tracked regularly.
Adaptable
Flexibility to respond to changing priorities and business needs

20%-25% of goals are adjusted and updated (the targets or milestones themselves) during the period
Aspirational
Retrospection to encourage excellence

Top-performing department at an industry leading energy company:
Average progress: 82%
Average score: 97%
Goal examples
Sales Goal Examples

Role
Account Executive

Goal
Create new bookings pipeline for Q1

As measured by
• Contribute $250K in bookings by Q1
• Contribute $1M in new pipeline by Q1
• Keep pipeline above 3x at all times
• Deliver 40% of territory bookings via upsell and cross-sell

Role
Sales Representative

Goal
Exceed Q4 quotas by 100%+

As measured by
• Create an account plan for each tier by Jan 31st
• Generate 60 QSLs by Q1
• Source 30 Fortune 1000 CXO meetings by March 1st
• Bring in $200,000 in bookings by Q1
Marketing Goal Examples

**Role**

**PR/AR**

**Goal**

Drive awareness through PR activities

**As measured by**

- Publish 20 press pieces by Q1
- Host 2 media dinners with key industry influencers by Q1
- Secure speaking spot for our CEO at TED
- Reach out to 25 publications about Series D round on March 25th

**Role**

**Product Marketing**

**Goal**

Drive an epic launch for product 3.0

**As measured by**

- 10K first impressions/downloads within the first month of launch
- Finalize messaging and competitive positioning by Jan 31st
- Create one customer case studies or 3 testimonials for product v3.0 by Feb 15th
Engineering Goal Examples

Role
Software Engineer

Goal
Implement refactored email delivery architecture

As measured by
• Simplify and clean up the email signals and processing by February 16th
• Ship email delivery architecture by code freeze
• Ship email delivery architecture w/documentation & unit tests by code freeze

Role
Quality Assurance Engineer

Goal
Drive quality for features shipping in February

As measured by
• Find 50 bugs by the end February
• End February with 250 open bugs of P2 or higher
• Increase Karma test coverage from 86% to 90% by end February
• Have zero regressions in March
## Product Goal Examples

<table>
<thead>
<tr>
<th>Role</th>
<th>Goal</th>
<th>As measured by</th>
</tr>
</thead>
</table>
| **Product Manager**   | Increase daily engagement with the product                          | • Interview 50 customers or users to get feedback  
|                       |                                                                      | • Modify onboarding experience with educational content and social features  
|                       |                                                                      | • Identify power users & document their behaviors                              |
| **Technical Writer**  | Restructure content in Customer Support portal                      | • Eliminate redundant documentation  
|                       |                                                                      | • Condense and refine existing FAQs with help from customer support  
|                       |                                                                      | • Develop documentation formatting and style guide  
|                       |                                                                      | • Propose and share new style guide with product team                         |
Design Goal Examples

Role
Product Designer

Goal
Design major interactions for March sprint

As measured by

- Create and present 5 prototypes to head of design
- Participate in 5 user interviews with user researcher
- Increase engagement on all newly designed features by 10%

Role
User Researcher

Goal
Develop more understanding of our user base and target demographic

As measured by

- Travel onsite to 6 partner companies by end of Q1
- Distribute nationwide survey to 10,000 individuals to gather demographic data by February
- Create a model for top 5% of users of the product by February
### Support Goal Examples

#### Role

<table>
<thead>
<tr>
<th>Customer Support Representative</th>
<th>Community Manager</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Goal</strong></td>
<td><strong>Goal</strong></td>
</tr>
<tr>
<td>Make customers’ experience with support enjoyable and helpful</td>
<td>Grow a vibrant customer community</td>
</tr>
<tr>
<td><strong>As measured by</strong></td>
<td><strong>As measured by</strong></td>
</tr>
<tr>
<td>• Respond to new tickets in less than 10 hours, on average</td>
<td>• Publish 7 blog posts by the end quarter</td>
</tr>
<tr>
<td>• Resolve initial questions in less than 24 hours, on average</td>
<td>• Increase forum participation by 50%</td>
</tr>
<tr>
<td>• Maintain a personal satisfaction score greater than 90%</td>
<td>• Increase successful customer referral rate to 9%</td>
</tr>
<tr>
<td></td>
<td>• Develop strategy to engage company’s leading online evangelists</td>
</tr>
</tbody>
</table>
Some personal examples
30 Day Ramp Up Fast Goal with Milestones

Jim Priestley

Due Date: 8/14/2015  Category: Work

This will help me ramp up with specific key deliverables

**Milestones**

<table>
<thead>
<tr>
<th>Milestone</th>
<th>Sort by</th>
<th>Stats</th>
</tr>
</thead>
<tbody>
<tr>
<td>Review each of my team members and peers goals for Q3</td>
<td></td>
<td>93% 14 / 15 Meetings</td>
</tr>
<tr>
<td>Meet with 15 prospects</td>
<td></td>
<td>47% 7 / 15 Meetings</td>
</tr>
<tr>
<td>Meet with 3 existing customers</td>
<td></td>
<td>100% 3 / 3 Meetings</td>
</tr>
<tr>
<td>Make 5 new account introductions from my Network (Genesys, Equinix, HP,</td>
<td></td>
<td>60% 3 / 5 Introductions</td>
</tr>
<tr>
<td>Aerohive, Atlassian, Intel, etc.)</td>
<td></td>
<td></td>
</tr>
<tr>
<td>Review key materials (Goal Science white paper, corporate deck, case</td>
<td></td>
<td></td>
</tr>
<tr>
<td>studies, Performance Mgmt white paper and other key tools on the Solar</td>
<td></td>
<td></td>
</tr>
<tr>
<td>wiki page)</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

**Alignment**

View in Charts

**Progress Over Time**

[Graph showing progress over time]
Support Q2 growth with 750 qualified marketing leads

Monaka Shroff

Current Value: 761 MQL's  Target Value: 750 MQL's
Goal reached in time: 6/30/2015

750 MQL's (marketing qualified leads) for Q2. This is based on the dollars needed to be sold for Q3, so we are bringing those leads in one quarter ahead. This target value does NOT include companies <100 in org size.

This target assumes that we will convert 95 of these leads into QSL (qualified sales leads). Marketing will track these QSL's in their departmental goals as well. Outbound SDR QSL's do not count towards the marketing QSL target.
**Jonathan Cheyer**  
Head of Engineering | Engineering

Manager: Kris Duggan

**Current Stats**

<table>
<thead>
<tr>
<th>Task Type</th>
<th>Progress</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>✨</td>
<td>18%</td>
<td>42%</td>
</tr>
<tr>
<td>📈</td>
<td>14%</td>
<td>0%</td>
</tr>
<tr>
<td>🚀</td>
<td>7</td>
<td>0%</td>
</tr>
</tbody>
</table>

**Lifetime Activity**

<table>
<thead>
<tr>
<th>Activity</th>
<th>Count</th>
</tr>
</thead>
<tbody>
<tr>
<td>📍</td>
<td>429</td>
</tr>
<tr>
<td>📬</td>
<td>745</td>
</tr>
<tr>
<td>📈</td>
<td>60</td>
</tr>
</tbody>
</table>

**Current Goals**

- **2015-Q3 Quality**: 42%
- **2015-Q3 Engineering Capacity**: 0%
- **2015-Q3 Security**: 0%
- **Complete Sales Demo certification**: 0%
- **Release Sprint 20 with High Quality**: 28%
- **2015-Q3 Release sprints with high quality**: 37%
- **2015-Q3 Engineering Story Points**: 17%

**View all goals**
<table>
<thead>
<tr>
<th>Owner</th>
<th>Goal</th>
<th>Checked In</th>
<th>Due</th>
<th>Progress</th>
<th>Actions</th>
</tr>
</thead>
<tbody>
<tr>
<td>Colin Duggan</td>
<td>Fight less with brother (only 3x per week)</td>
<td>3 Days Ago</td>
<td>in 4 months</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Colin Duggan</td>
<td>Get straight As</td>
<td>3 Days Ago</td>
<td>in a month</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Colin Duggan</td>
<td>Hit a homer</td>
<td>3 Days Ago</td>
<td>in 4 months</td>
<td>50%</td>
<td></td>
</tr>
<tr>
<td>Colin Duggan</td>
<td>Run Saturday and Sunday</td>
<td>3 Days Ago</td>
<td>in 4 months</td>
<td>20%</td>
<td></td>
</tr>
</tbody>
</table>
Improving yourself just 1% every day and in a year you are

$$1.01^{365} = 37.8$$

Degrading just 1% everyday and in a year you are

$$0.99^{365} = 0.03$$