



OKR LEADERSHIP COURSE

OKR INSTITUTE®



Introduction

- Kindly introduce yourself
- Please name one element of OKRs that excites you
- Name one element of Objectives and key results frameworks that you find the most challenging

OKR Leadership Course Modules

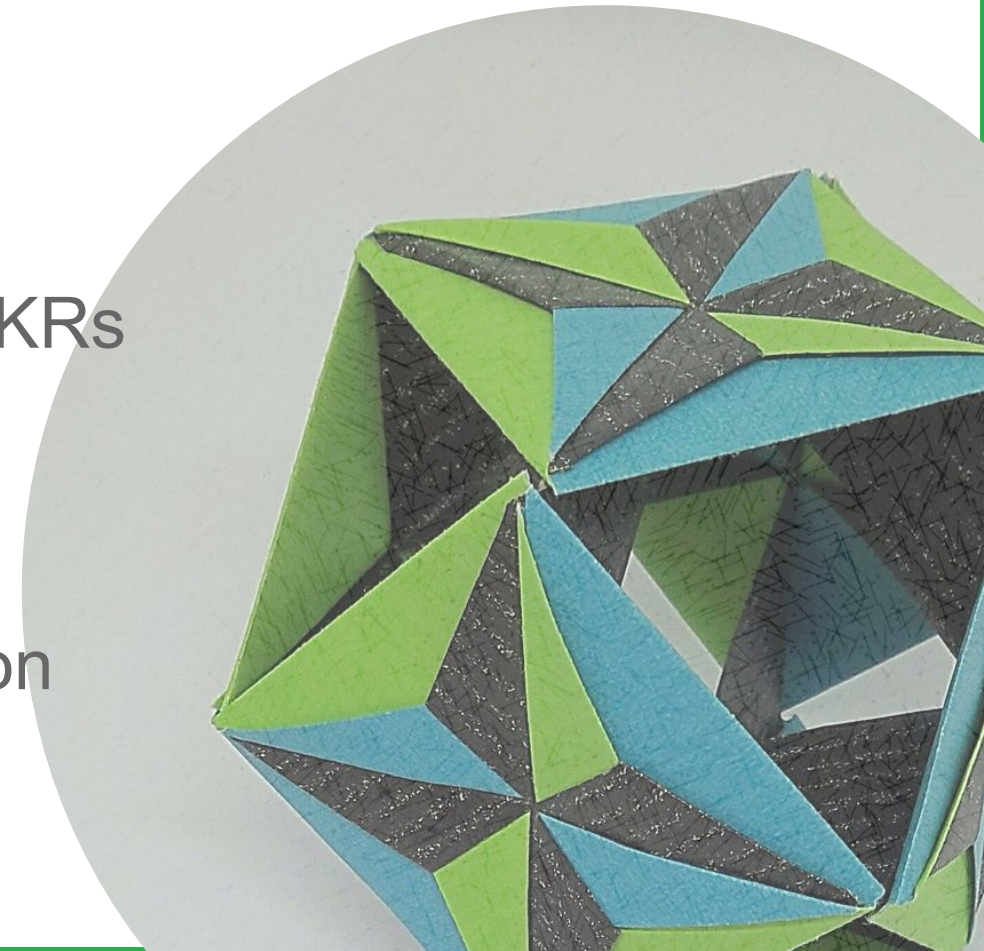
Module 1: Agile Culture and Transformation

Module 2: Purpose

Module 3: Integration of Vision, Values, and OKRs

Module 4: Communication with an ROI

Module 5: Quality of OKRs and Implementation



Introduction - DC

- International Performance coach and Executive Leadership coach for the past 15 years within numerous industries.
- Key focus point: Visual goal management and motivating mechanisms of goals
- Current: Performance director of the OKR Institute



The logo for OKR Institute is a circular emblem. It features a white center with the text 'OKR' in a large, bold, black sans-serif font, and 'INSTITUTE' in a smaller, black sans-serif font below it. This central circle is surrounded by a blue ring, which is further enclosed by a green ring. The entire logo is set against a dark teal background that features a large green semi-circle on the left and a photograph of a rowing team on the right.

OKR
INSTITUTE

MODULE 1

Agile Culture and Transformation

OKRINSTITUTE®



Practical orientation

Please prepare:

- 1 company objective
- 2 supporting key results
- Up to three 'prioritized tasks' most impactful on key results

As context and reference point for discussions during session two and onwards.

3 Essential components of the OKR Leadership course



'A very old but Agile quote'

'Over 2000 years old'



You are what your deep, driving desire is.

As your desire is, so is your will.

As your will, so is your deed.

As your deed is, so is your destiny.

BRIHADARANYAKA UPANISHAD IV. 4.5



'Agile quote analysis'

Deepest driving desire	Thoughts	Deeds
Vision	Alignment	Strategy and execution gap
Purpose	50-70 k thoughts per day – 70% negative	OKRs and skills development
Intent	Development – Embrace change , servant leadership	Engagement
Strategy		

State of Affairs

Shocking Facts Discovered by Harvard & Gallup

90% of Employees need clear Goals & Directions*



85% of Employees are not engaged at work*



90% of Organizations fail to execute their strategies successfully*



95% of Employees are unaware or don't understand the company strategies*



*Balanced ScoreCard Book, 2005 Study, R. Kaplan, P. Norton, Harvard & Gallup 2018

Sharing: Self-reflective questions on current OKR performance

- What should we as a team keep on doing to reach our goals (OKRs)?
- What should we as a team stop doing?
- What should we start doing?

Discussion

- Has the concept of Leadership taken on new meaning in the current volatile state of business and the world?
- What is the difference between Leadership and management?



For the purposes of this course

- Leadership will be defined as: The ability to inspire people
- Management will be defined as: The ability to control people

VISION

Culture: Vision

- The single big goal for the next 5 to 10 years
- Why do so many fail to execute their Vision?
 - ☐ Lack of clarity
 - ☐ Lack of stakeholder buy-in
 - ☐ The how
 - ☐ Capacity




LATER



NEXT



NOW



Vision: Do you want to be **'The Biggest,' The Best, or the most profitable?** And what about impact?

An internal roadmap must be created toward attaining your vision

Vision: What impact do you want to make?

What impact do you want to make collectively on:

**Environmental
OKRs**

ESG OKRs

Internal OKRs

Vision



A person is captured in mid-air, jumping joyfully against a bright blue sky with scattered white clouds. The person's silhouette is dark against the lighter sky. The entire scene is framed by two large, overlapping white circles. In the background, the dark silhouette of a mountain range is visible at the bottom.

Agile culture and transformation: Leaps to the Vision

Agile culture and Transformation: KPIs and OKRs

Vision –
Become world champion
within one year

Strategy –
differentiate
from
competitors in
speed, power,
and endurance

**Thematic goals/
pillars:**
Speed, power,
and endurance

**Define KPIs
and OKRs**

**Create a clear
and concrete
roadmap**

Agile culture and Transformation: KPIs and OKRs

KPI example – 5 rounds of daily punchbag work

- OKR – Turn left hook into a knock out punch
 - KR 1# Increase speed of punch from _____ to _____
 - KR 2# Increase accuracy of punch from _____ to _____
 - KR 3# Increase power from _____ to _____
 - KR 4# Improve from 3 left hooks to 10 per sparring round

The “Art of Strategy” And OKRs

Strategy – is not:

- A list of Goals
- Operational effectiveness
- Catching up with the competition
- Transforming into an Agile organization

Strategy – is:

- Meaningful points of differentiation from
- the competition that you can preserve.

The “Art of Strategy” And OKRs

Strategy – is best when:

- Co-created
- Simplified and presented as choices
- Execution is already built into the Strategy

The “Art of Strategy” And OKRs: Co-Creation through Questions

Wearing the ‘hat of the competition,
How would you beat us?



What do you think should our
priorities be, right now?

The “Art of Strategy” And OKRs: The 5 Strategic questions

- What is our winning aspiration?
- Where will we play?
- How will we win?
- What capabilities must we have?
- What management systems must we have?

It is **Crucial** to make
strategic choices
Simultaneously,
rather than
sequentially



The 'Art of Strategy' and OKRs: Strategies are clearer when they are choices

- Netflix made the clear choice between streaming other studios' content and creating their own original content.
- A children's toy maker who starts to make models at scale to enter the 'adult hobbyists market' has made a clear strategic choice in order to differentiate themselves in a meaningful way.

The “Art of Strategy” And OKRs: Exercise

- ‘ We as _____ choose _____ over _____ in
- in order to differentiate ourselves in a way
- That we can preserve.

Culture

1

Company X was a market leader. They developed performance management software and productivity tools. They became complacent and 'regressed' into a 'top-down, command-and-control' structure.

2

As competition caught up and started to overtake company X, panic set in, and they became a 'feature factory' in an attempt to differentiate themselves from the competition.

3

Company X failed in their attempts to regain their position as a market

From traditional to Agile: Practical continued

Company X wants to Reinvigorate, Reinvent, and take their place as market leader again:



- Distill their Vision into 2-3 Thematic goals or pillars (Strategic direction)
- Create one strategic objective from the thematic goals.
- Draft 3-5 Key results

The IKEA Effect

You give them a sense of ownership that speeds things up when it comes time for execution.

The exaggeratedly high value and attachment placed on products that you build yourself, regardless of the end result quality



OKR Execution Culture

Failing but Grasping

At Peak but Risking Complacency


Recently Successful but Tight on Recourses

Recently Unsuccessful but resource-rich

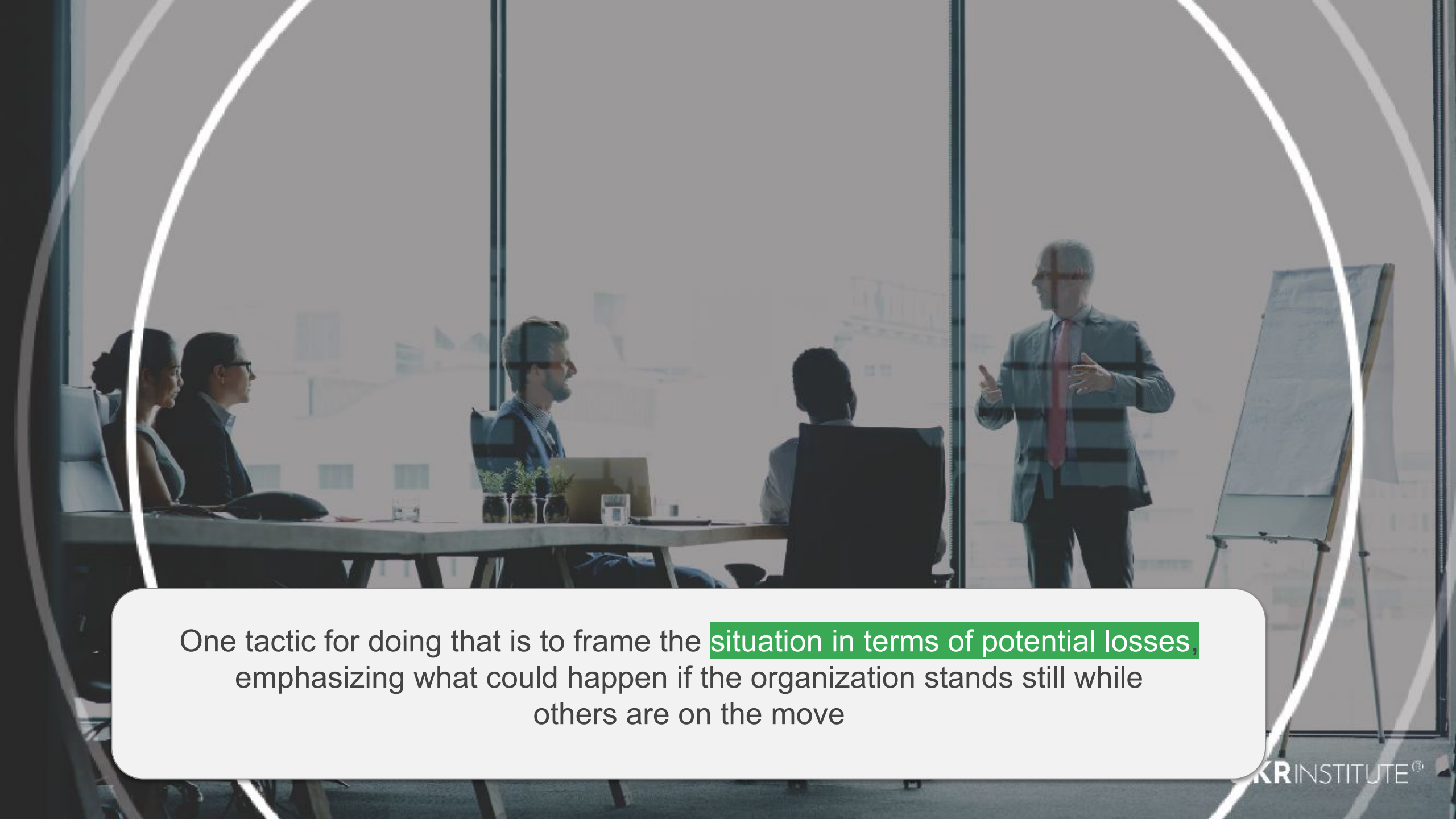


Bear in mind that although they're very useful, small wins are not an automatic gateway to a predefined stretch goal.

By its very nature, a stretch goal requires novel approaches

A person is silhouetted against a bright sun on a mountain peak, holding a trophy. The scene is framed by a large white circle. The background shows a vast landscape with mountains and a city below.

Pursuing stretch goals at your peak actually may be the best way to stay on top—but only if the complacency of success can be overcome



One tactic for doing that is to frame the **situation in terms of potential losses**, emphasizing what could happen if the organization stands still while others are on the move

KAHNEMAN AND TVERSKY'S RESEARCH



Talking about potential hits to market share, jobs, and bonuses

Have a much greater impact than

Talking about possible advances in product quality, sales, and competitive advantage

KAHNEMAN AND TVERSKY'S RESEARCH

CEO Kenneth Frazier demonstrated an understanding of this when urging the executives at Merck to come up **with radical competitor-trouncing innovations.**

He asked them to imagine they were Merck's rivals and brainstorm what they would do to beat Merck. This focused them on what **they had to lose**

Then, he asked them to put on their Merck hats again and address those challenges.

It worked:

Complacency melted away, and the managers eagerly embraced their new stretch targets.

ALTERNATIVES TO STRETCH GOALS

What if your organization is neither flush and successful nor floundering and strapped?



ALTERNATIVES TO STRETCH GOALS

That means it falls into one of the two other categories in the framework:

Confident but constrained
(recently successful but tight
on resources)

Discouraged but capable
(recently unsuccessful but
resource-rich).

ARE STRETCH GOALS COMPLETELY OFF THE TABLE FOR SUCH ORGANIZATIONS?

Not necessarily

Take a **small steps** rather than



Big, audacious leaps

THREE APPROACHES TO LAY GROUNDWORK FOR EFFECTIVE USE OF STRETCH OF GOALS

PURSUE SMALL WIN

REAL STRATEGIES

COMMUNICATE YOUR LOGIC

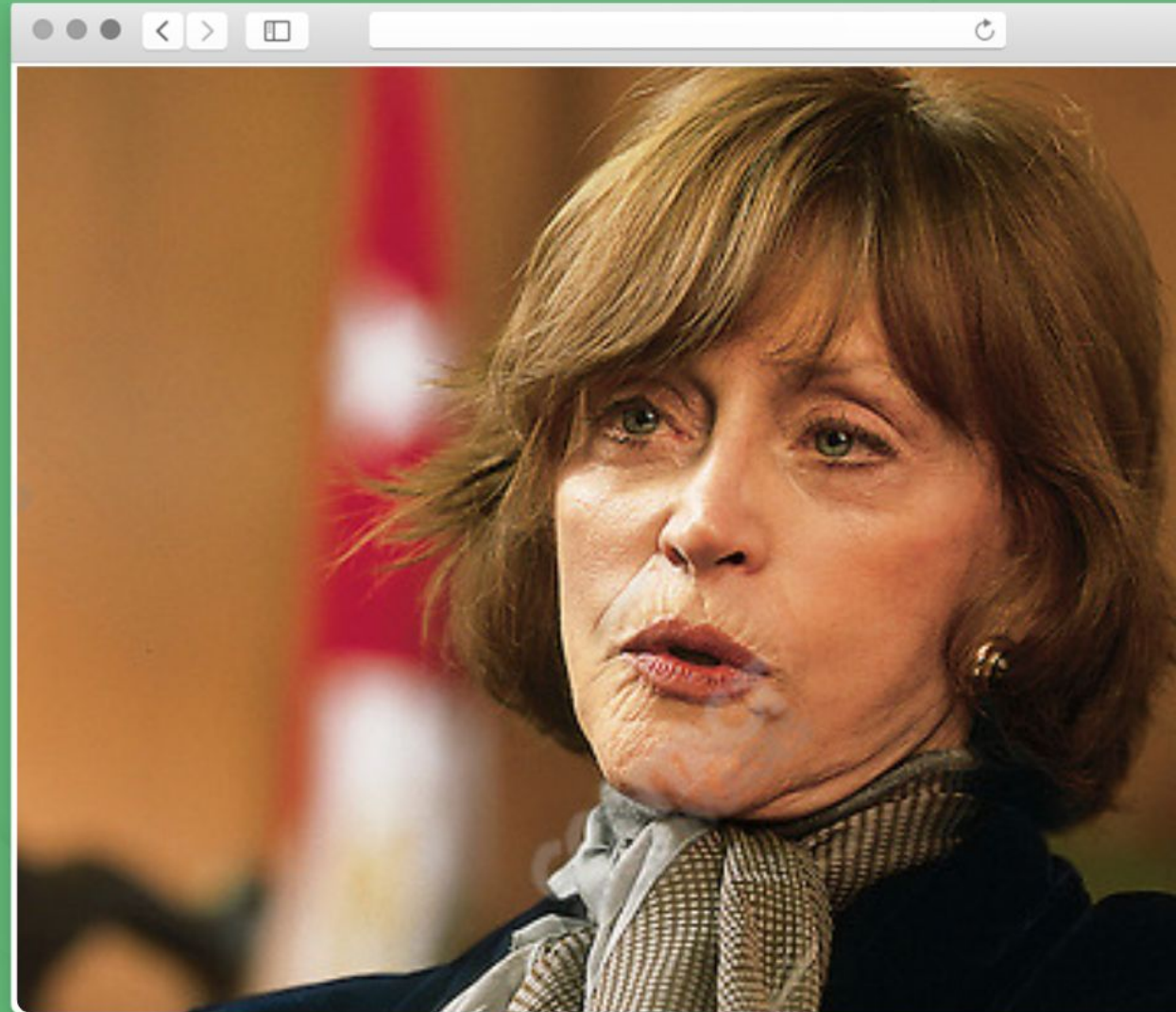
PURSUE SMALL WIN

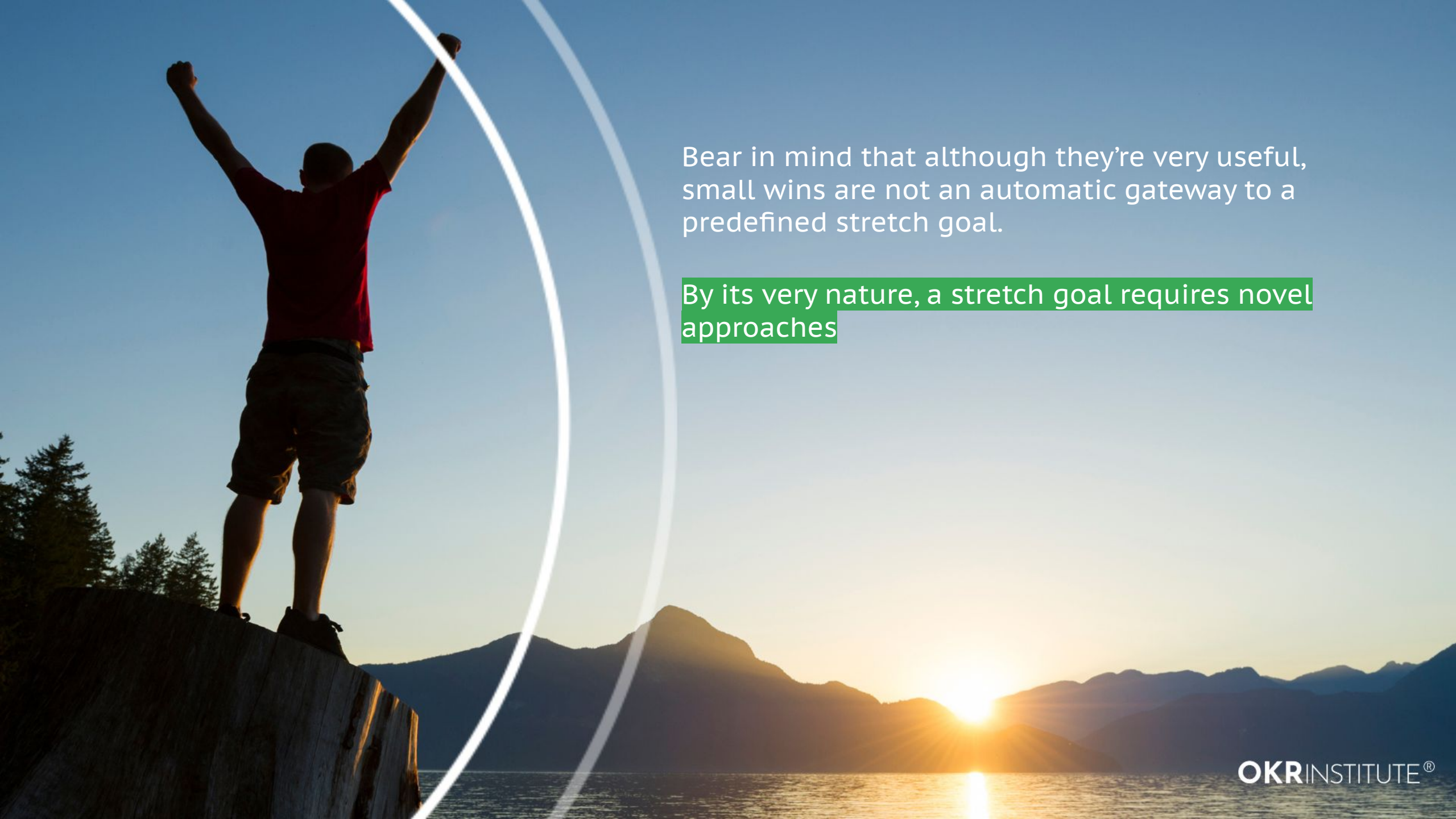
When Charlotte Beers took over as CEO at Ogilvy & Mather in 1992, the storied firm had fallen from its leadership perch in the advertising world.

With confidence inside the firm at a low ebb and disagreements over how to proceed at a high, she decided to initially concentrate on simple goals in the areas of **client security, better everyday work practices, and financial discipline.**

“We must activate the assets we already have”

In her five years as chief executive, she helped Ogilvy regain accounts and increase billings by \$2 billion.





Bear in mind that although they're very useful, small wins are not an automatic gateway to a predefined stretch goal.

By its very nature, a stretch goal requires novel approaches

ORGANIZATIONAL BEHAVIOUR



“Small wins do not combine in a neat, linear, serial form with each step being a demonstrable step closer to some predetermined goal.”



Bottom line:

Don't overestimate your planning ability or expect an incremental success strategy to have an immediate, dramatic impact. Small wins work by building momentum, energy, and resources and fostering learning that will allow a firm to take on bigger, more ambitious goals later.

A glowing lightbulb is positioned on the left side of the image, partially enclosed by a white circular arc. Below it, a pen lies on a notepad with a grid pattern. The background is a solid blue color with a white circular arc that frames the lightbulb and the text boxes.

CLEAR STRATEGIES



One major reason for the lack of action is that “new strategies” are often not strategies at all.



A real strategy involves a clear set of choices that define what the firm is going to do and what it's not going to do.



Many strategies fail to get implemented, despite the ample efforts of hard-working people, because they do not represent a set of clear choices.

Many so-called strategies are, in fact, goals.

Example:

- “We want to be the number one or number two in all the markets in which we operate.”

It does not tell you what you are going to do.

All it does is tell you what you hope the outcome will be.

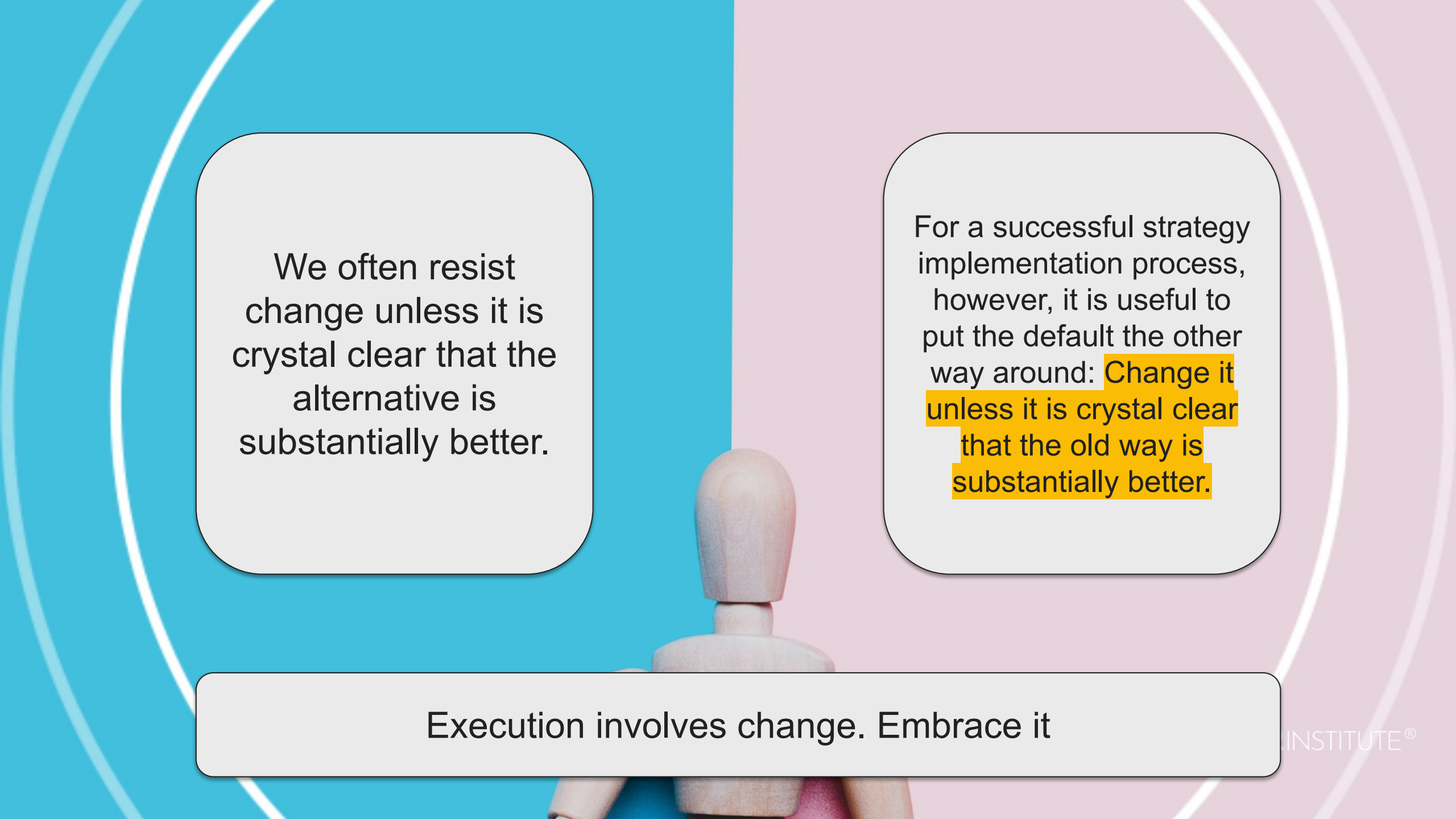
But you'll still need a strategy to achieve it



COMMUNICATE YOUR LOGIC

“If there is one thing I have learned about communicating choices, it is that we always focus on what the choices are. I now realize you have to spend at least as much time explaining the logic behind the choices.”

- Sly Bailey, CEO of Trinity Mirror.



We often resist change unless it is crystal clear that the alternative is substantially better.

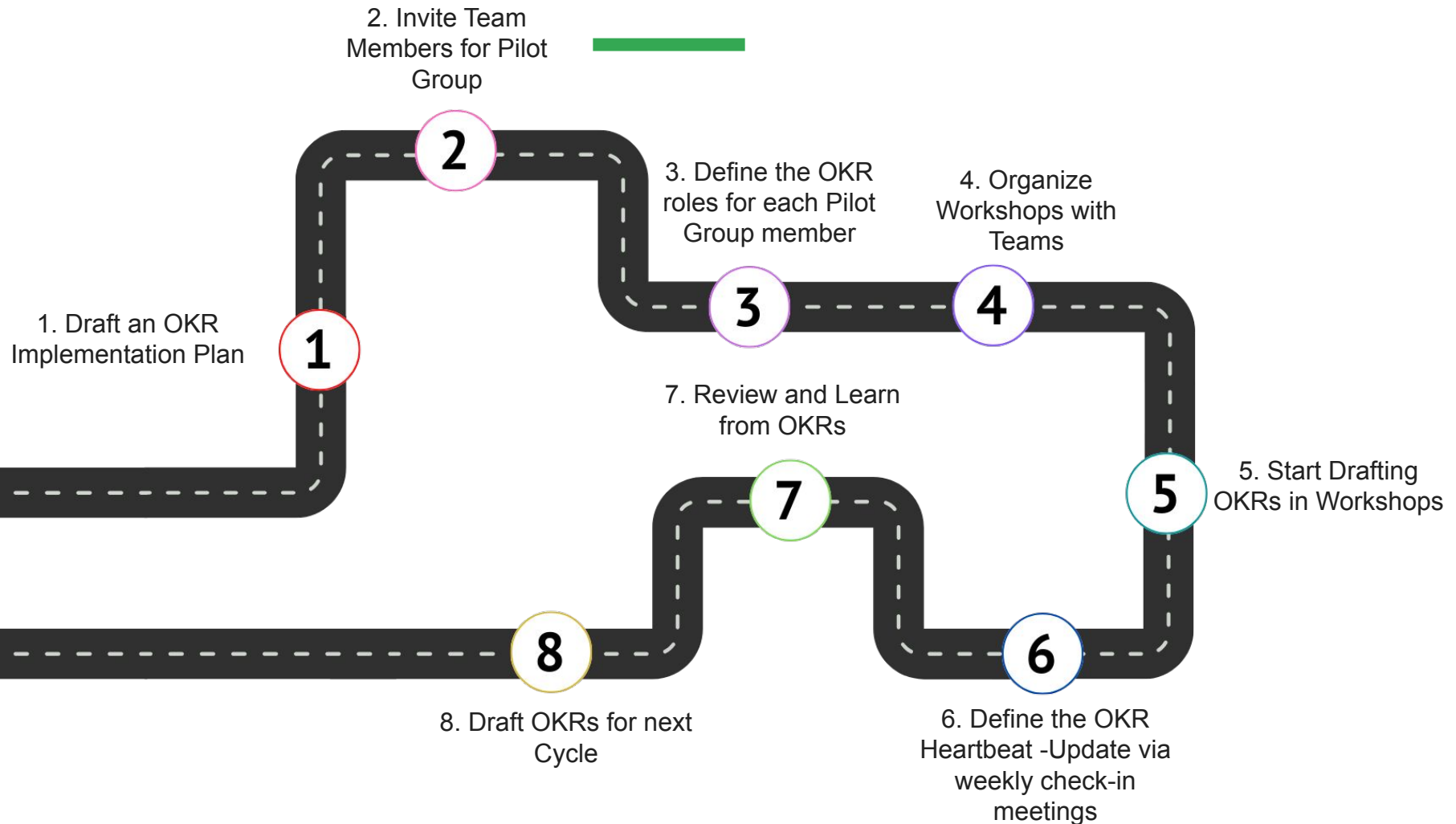
For a successful strategy implementation process, however, it is useful to put the default the other way around: **Change it unless it is crystal clear that the old way is substantially better.**

Execution involves change. Embrace it



A lack of genuine, reciprocal interaction and the feeling of imposed change increases employees' anxiety and resistance

OKR Implementation Roadmap





Culture: Aligned Commitment

Aligned commitment =
Inspiring vision x shared and practical value
system x leadership and management balance x
employee engagement x rewards and recognition

Culture: Values

Values are core and pragmatic behavioral guidelines

These behavioral standards must be 'non –negotiable'

Values must be co-created and distilled into behaviors

Agile Leaders should be living examples of the aforesaid behavioral standards



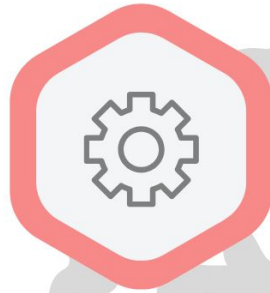


The four values of Agile



Agile Values

Working software
over comprehensive
documentation



Customer
collaboration over
contract negotiation



Individuals and
interactions over
processes and tools



Responding to
change by following
a plan



Culture: Practical Exercise Re-values

- Using the example of the value of 'Caring about our impact,' make it practical within your role:
- I as (state your role) care about our impact when I (do what?)

Engagement : Gallup study

When employees strongly agree that:

* They trust their organizations leadership, they are 4x as likely to be engaged

Leaders who help them to see how changes made today , will affect their organization in the future are 7.5 x more likely to feel connected to their company culture

Culture: Aligned Commitment


Stages of commitment:

- Apathy
- Taking note
- Involvement
- Commitment



Creating Aligned Commitment

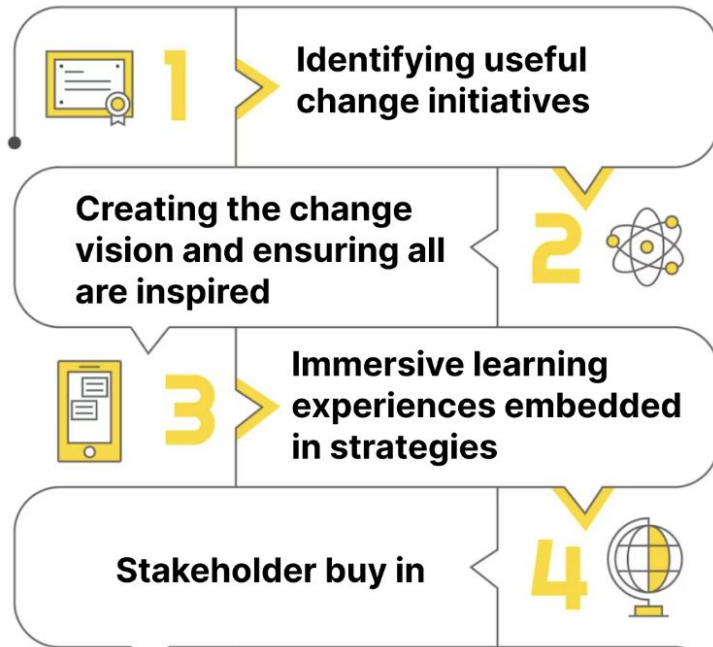
Vision	Values	Leadership/Management Balance	Engagement	Rewards and recognition
Inspiring	Embedded	Inspiration	Inspiring Town Halls	
Simple	Filters for decision making	Management controls	Leader as a coach model	
Known to all	'Non-negotiables during OKR deployment		Immersive skills building	
			<u>Hire Right – Growth mindset</u>	
Roadmap				
Role Clarity				

A conceptual image showing two hands, one from the left and one from the right, both wearing white dress shirts and dark suits. The hands are holding two interlocking blue puzzle pieces. The background is dark blue with two large, thin white circles. The text is centered in the upper right quadrant.

How transformational leadership models and Agile models or 'Agile thinking' can complement each other

John Kotter's change management model





Fixed Mindset

- External locus of control
- Blameshifting

Growth Mindset

- Internal locus of control
- Reflection

Culture
Practical: 3 Key Learnings Exercise