



# OKR PRACTITIONER COURSE

OKRINSTITUTE®

If you need active supporters to master your business journey...

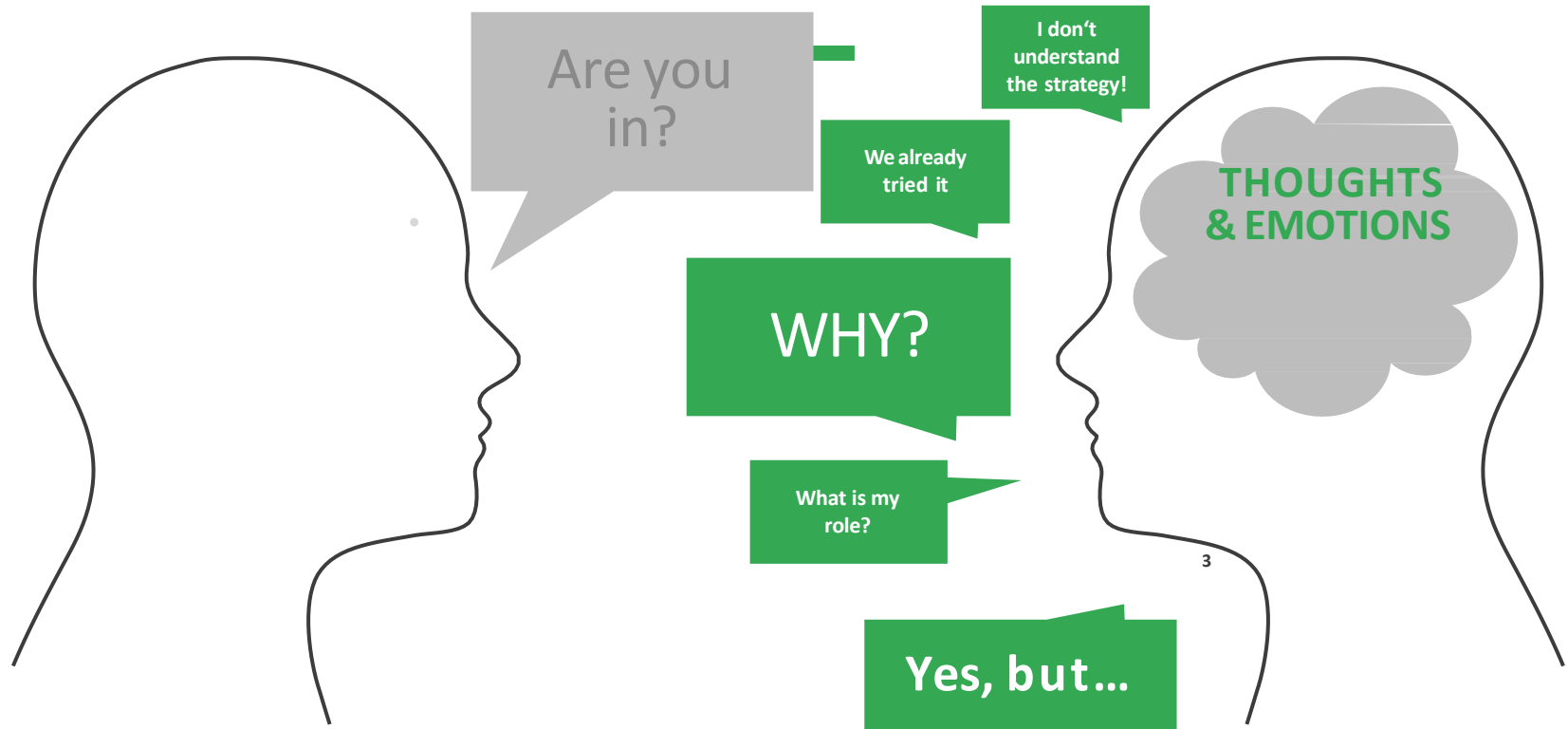


Are you in?

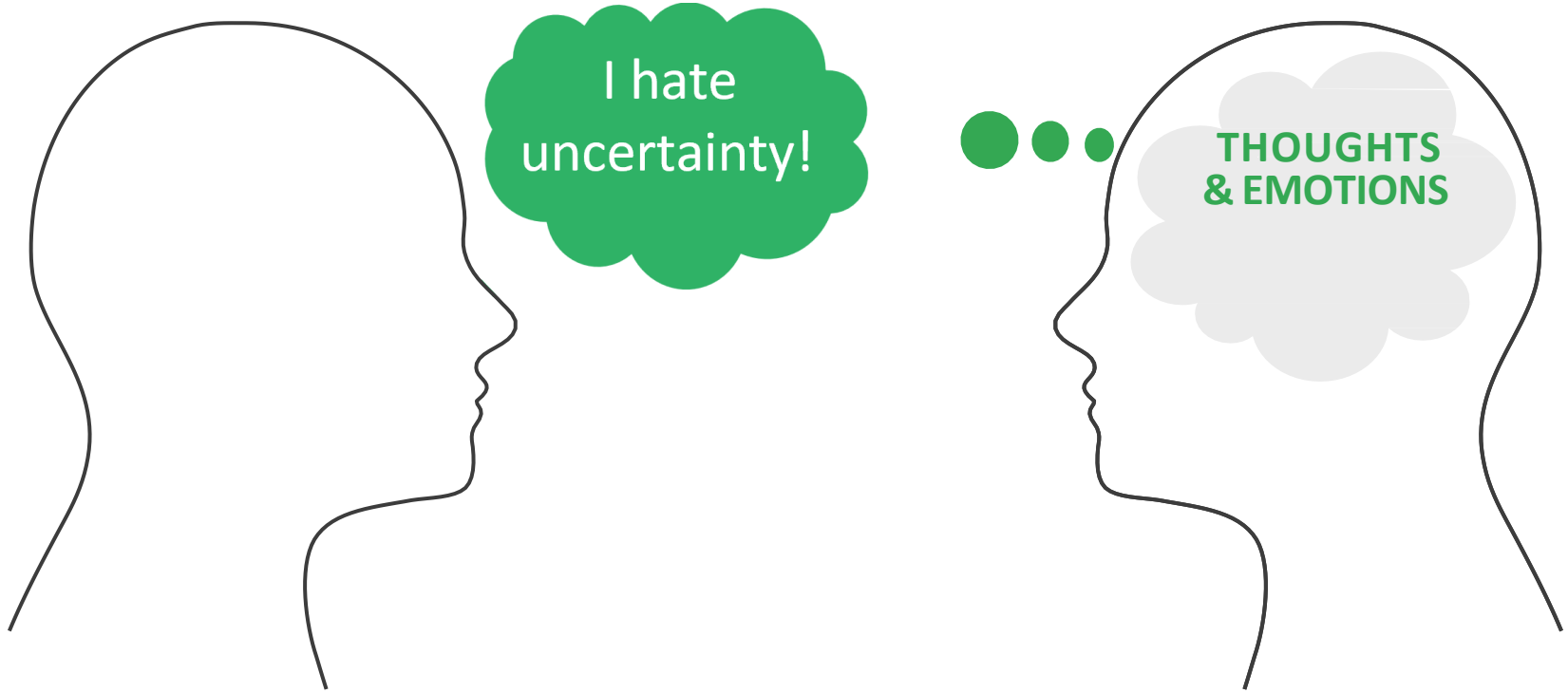


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... you need to overcome a human defense machine: the brain!




And one deeper truth:



## Why aspirational or learning OKRs?

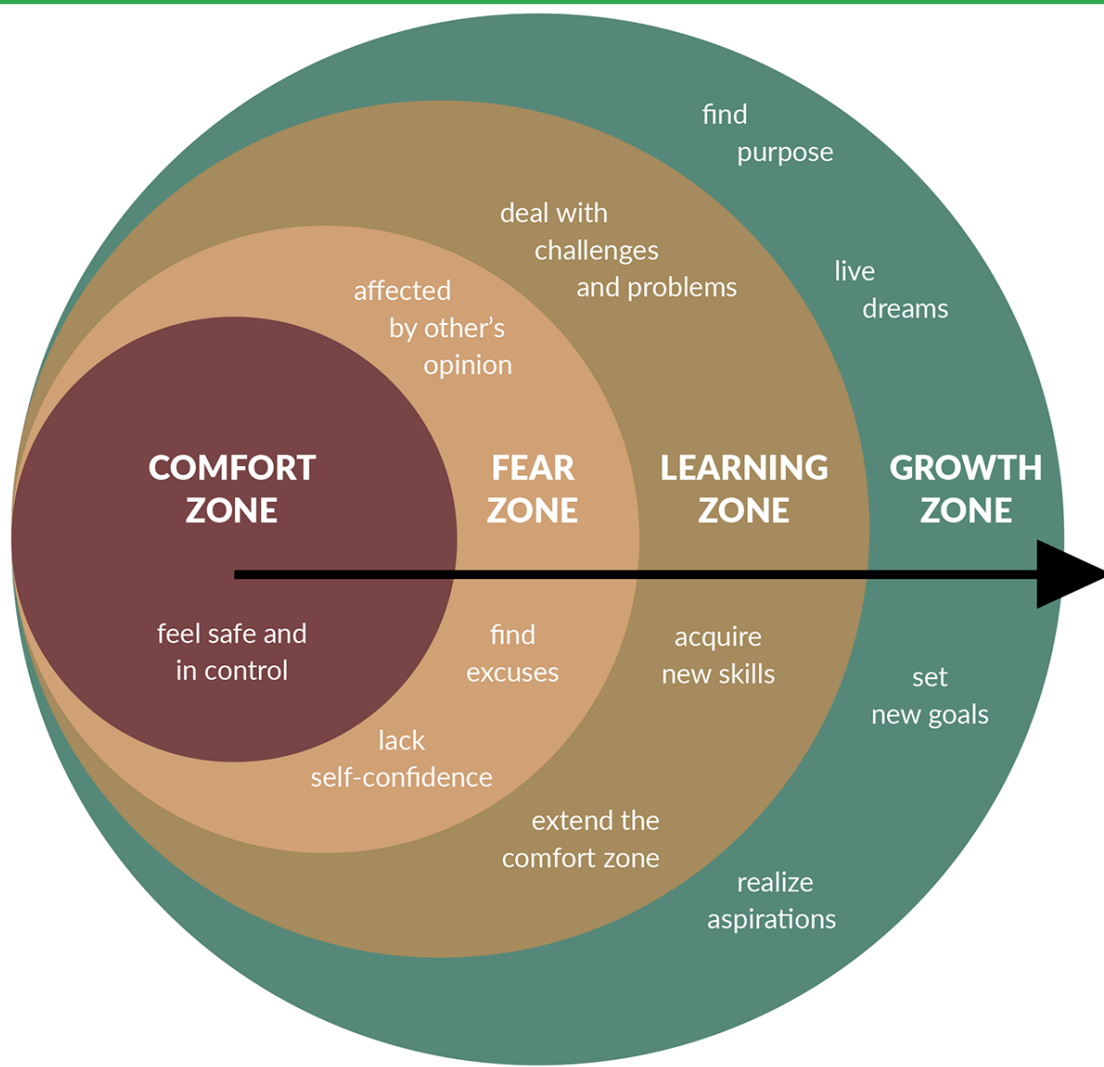
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Ambition triggers better collaboration,  
enhanced learning and innovation.

A photograph of John Maxwell, a leadership coach, smiling warmly. He is wearing a dark blue pinstriped suit jacket over a light blue button-down shirt. He is standing in front of a large, dark wood bookshelf filled with books. The background is slightly blurred, focusing attention on him.

“Stretching is the ongoing  
lifestyle of a person of growth.”

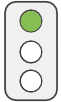
John Maxwell, Leadership Coach



# Social dynamics directly affect the mental and physical state via messenger substances (neurotransmitters)

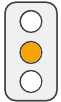
## Serotonin □ Evaluation of the status quo

Satisfaction from **feeling valued and significant** in the here and now.



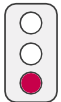
## Dopamine □ Evaluation of future prospects

Motivation through conviction to pursue a meaningful goal and **to be on the right path**; clarity and orientation.



## Noradrenalin □ Stage fright

Increased awareness when **leaving comfort zone**; unfamiliar situations.

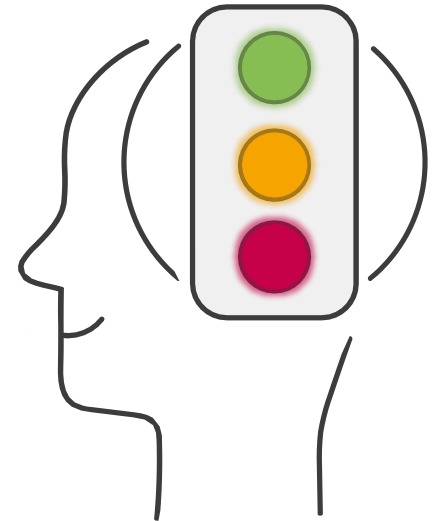


## Cortisol □ Negative long-term stress

**Frustration** - the body adjusts to a long, depriving struggle. Victim mentality and lower performance.

Interpreting signals  
in the working  
context

## Neuro Traffic Lights





# A lack of leadership, empowerment and clarity leads to a „red state“ in which cognitive and creative performance are strictly limited

## Triggers

- Lack of vision and strategy
- Blame culture
- Unrealistic goals
- Bureaucratic planning processes
- Top-down leadership
- Unclear contribution to overall success
- Continuous escalation

## Individual Interpretation

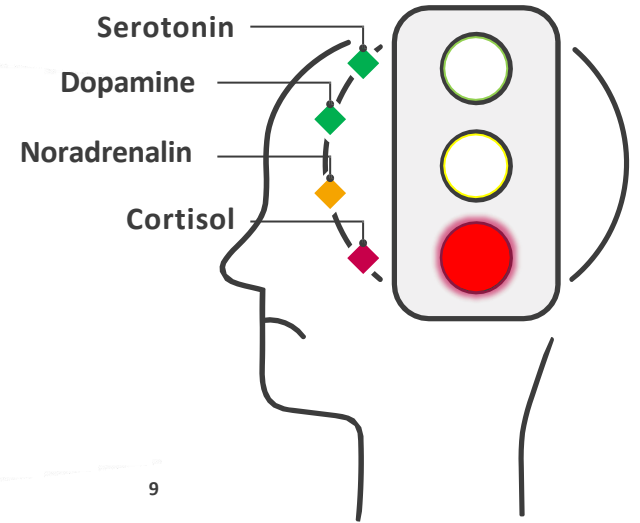
The management does not know where to go

My opinion doesn't count

I work in vain

This fight will go on forever

Nobody needs me



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**State of hesitation and low mental performance**

# Purpose of Neurosocial Leadership: fostering a „green state“, even in difficult times

## Triggers

- Engaging vision
- Explorative growth mindset
- Supportive culture
- Customer focus
- Agile approach/ OKR
- Shared leadership
- Meritocracy
- Continuous reflection and learning

## Individual Interpretation

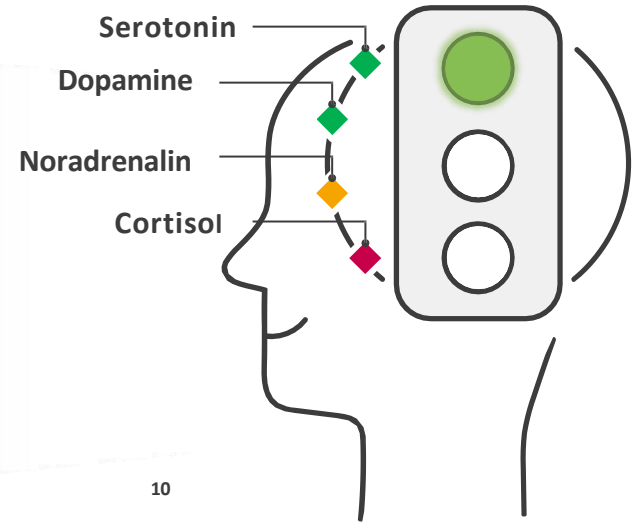
I belong to a strong community

I contribute something valuable

We strive together

I have a motivating perspective

I trust in myself and my leaders



State of ownership and high mental performance

# Setting OKR on Team Level

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- **'Play it safe' and avoid risk** – team members agree to set goals that they feel can be achieved comfortably. While organizations may expect aspirational OKRs, teams may shy away from ambition and play it safe.
- Are you setting **committed OKRs or aspirational OKRs**? Think about **Resources**...
- While one team may embrace **ambition and aim high**, other groups may value predictability and set goals they are **confident can be achieved without stretching**. This causes tension, especially when such teams need to work together.

# Sharing - Discussion

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- How do you experience these challenges (silos, responsibility, accountability, autonomy, alignment etc.) in your organization/teams?

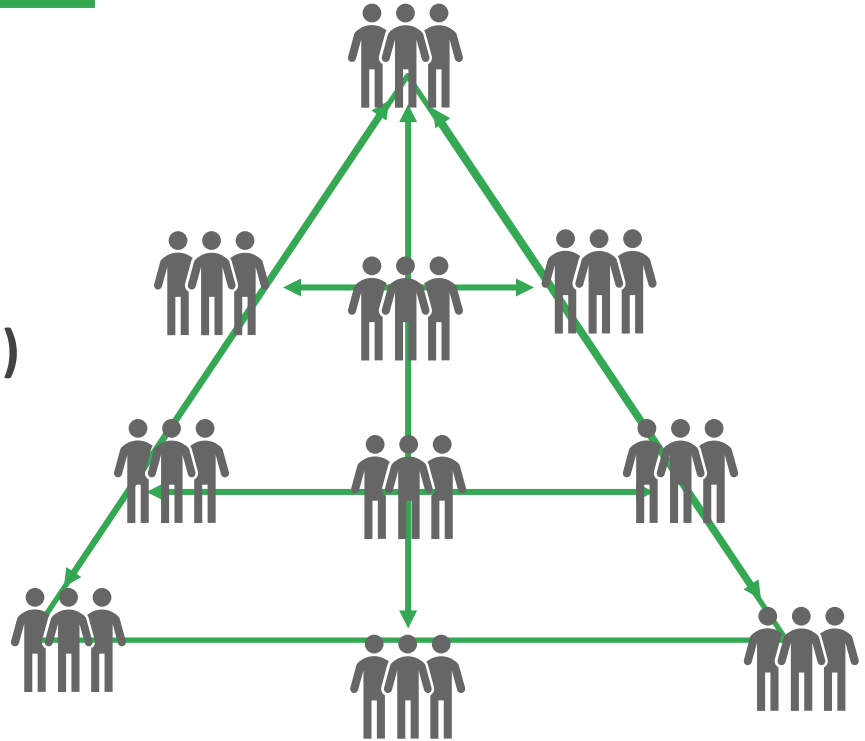


**OKRs create transparency, making dependencies visible and manageable.**

# Alignment

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- Bottom-Up
- Across Teams (Horizontal)
- Top-Down



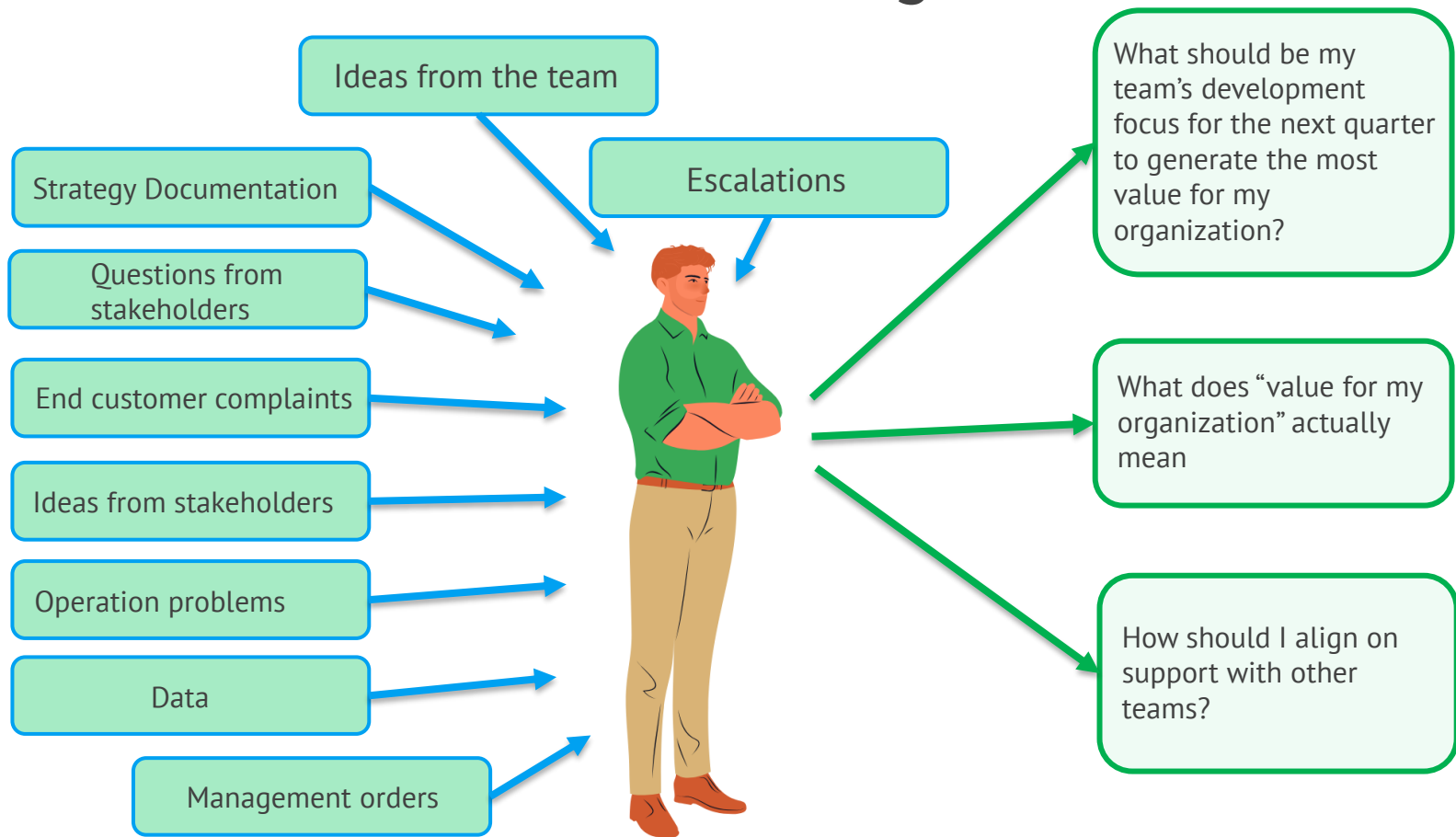


# Horizontal Alignment

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1. Which team(s) are dependent on your Objectives?
2. Which teams do you collaborate with most often?
3. Which teams depend on you? How?

# How to start with Alignment...





# To Decide on Team Goals



# Delegate the Key Results to the Team



- Could be via Objectives (without KRs) on Management Level
- Teams come up with additional Key Anchors for Objectives and set up their KRs

**Tell them the destination – Let them figure out how to get there**

“THE  EFFECT”



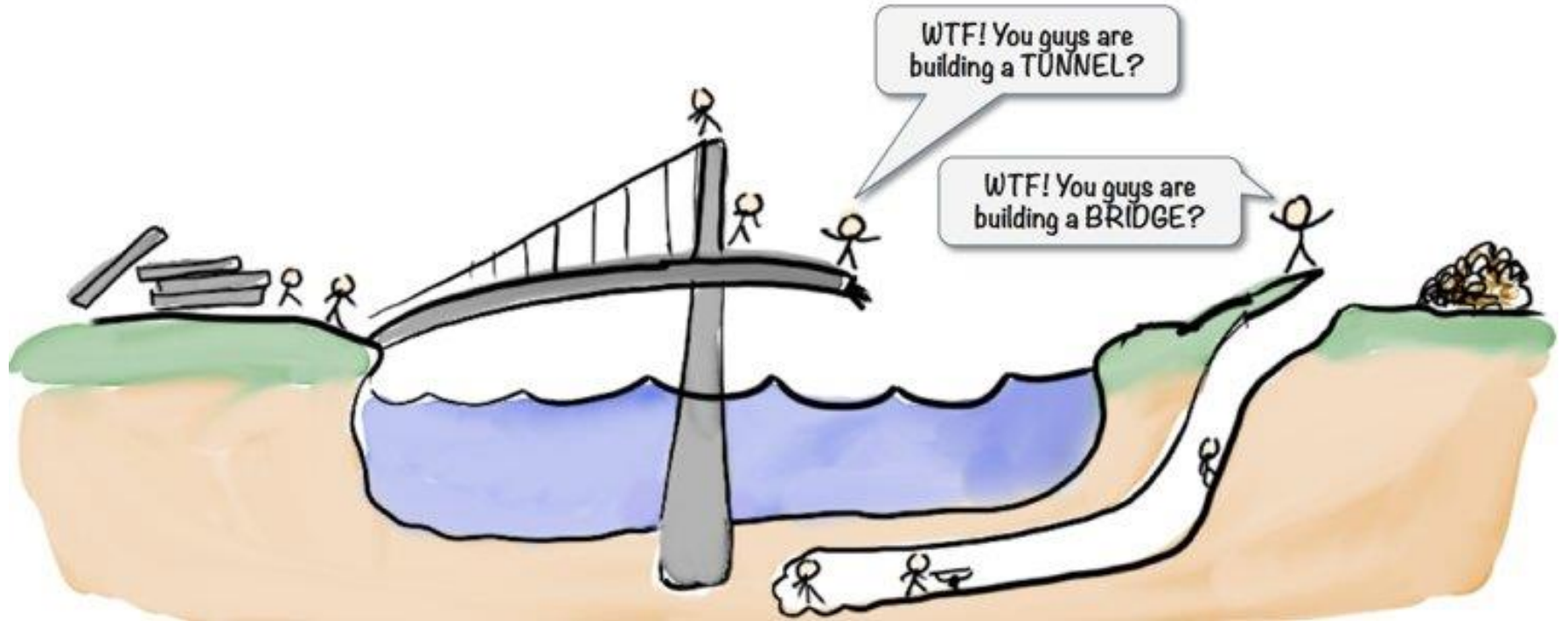
## The IKEA Effect

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



**Avoid Silos**

# Tunnel and Bridge Problem



# Avoid Silos via OKRs

## OKRs

## Leads

### Organization OKR

**O:** Be the preferred CRM online platform in Germany

**KR 1:** Increase engagement rate on website from 20 to 35%

**KR 2:** Increase conversion rate from 25 to 40% in area A,B,C

CEO

Head of IT

Head of Sales

### Team OKR

**O:** Beat the competition with best UX for CRM platforms

**KR 1:** Hire 5 UX designer with skills A,B,C

**KR 2:** Run UX test with 5 selected customers with satisfaction score of min. 80%

Head of Software Development

Head of HR

Head of Market Research

# Avoid Silos via OKRs Exercise

## OKR

Organization OKR

**O:** Increase Shopping Customer Experience

**KR 1:** Reduce churn rate from 6 to 4.5%

**KR 2:** Decrease monthly customer complaints from 1,000 to 200

**O:** ....

Team OKR

**KR 1:** ...

**KR 2:** ....

## Leads

CEO

Head of Software Development

COO

Head of Product B

Head of Business Development

Team Lead Support

# Write Team OKRs

- Identify a team within each business unit. Examples could be a product line team, regional sales team, regional support team, and country business development team)
- Write one monthly objective from a team/department that is linked to a strategic or tactical key result or annual objective
- Write at least one key result for each team objective
- Discuss in a group
- Are the team OKRs relating to the strategic/tactical key results or annual objective?
- Is it clear what it takes to have achieved the objective at the end of the quarter?
- Incorporate feedback to improve your OKRs



# Alignment

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- **Explicit:** turn a tactical or strategic (company) KR into a team objective / **top-down approach**
- **Implicit:** set your team/department objectives linked to an objective at a higher level (innovation OKRs) or other teams/departments / **down-top approach (reverse cascading) and horizontal alignment**

# Real OKR Example by Tesla

## Top – Down Approach

### Objective

Launch the most effective battery system for Tesla's new car model worldwide

#### Key Result 1

Sourcing 3 raw materials with a 30% better conduction rate

#### Key Result 2

Developing a prototype with a 40% higher storage

#### Key Result 3

Include battery system in the car frame

The objective and key results can be **cascaded down** and be **aligned** with different departments, teams & employees

# Alignment

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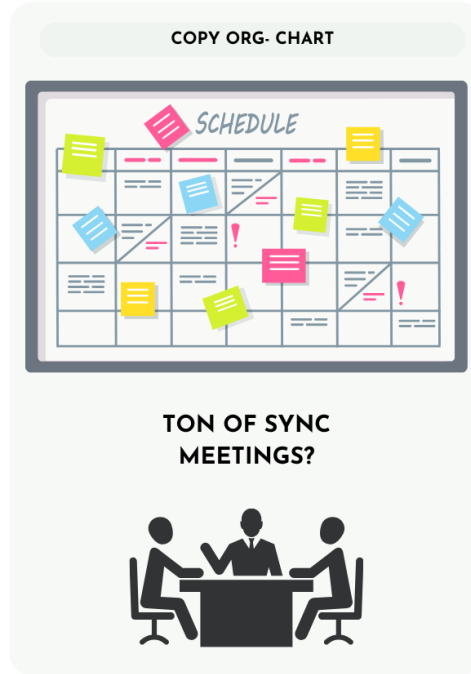
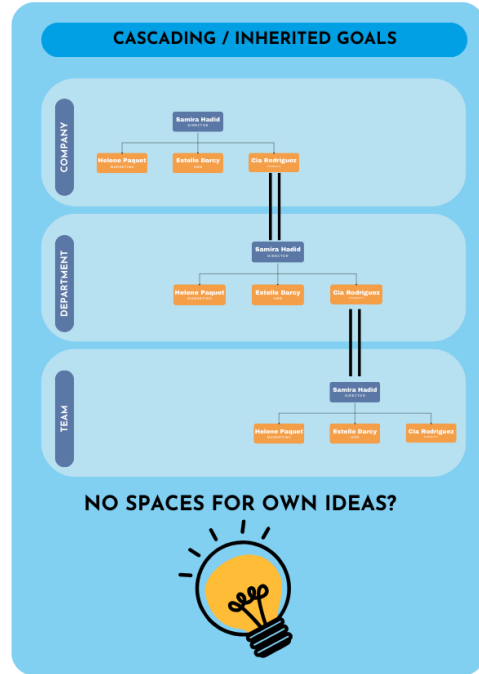
## Alignment is NOT

- Telling what others should do

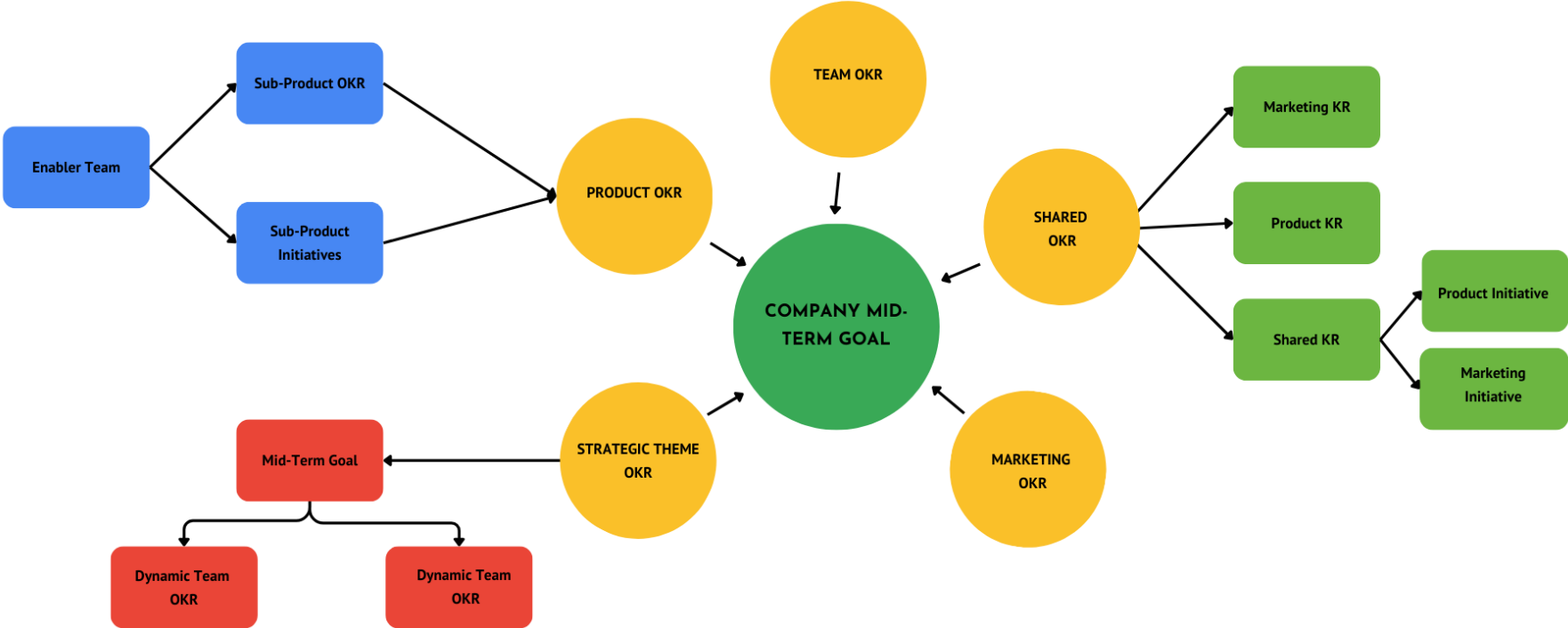
## Alignment is

- Transparency of strategic focus
- Channelling efforts in one direction
- Cross-division & cross-level collaboration

# Alignment Architecture



# OKR Architecture



# Implicit (Reverse) Cascading Bottom – Up Approach

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## Organization OKR

**O:** Let's grow via our outlet expansion

**KR:** Increase revenue from 40 to 50Mil USD

**KR:** ...

## Sales OKR

**O:** Grow Big with national retail outlets

**KR:** Increase revenue from 30 to 40 Mil USD from market A

**KR:**...

## Marketing OKR

**O:** Launch an effective marketing campaign

**KR:** Increase Promotion Sales from 5 to 10 Mil USD

**KR:**...

# Implicit (Reverse) Cascading Horizontal Alignment

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## Sales OKR

**O:** Grow Big with national retail outlets

**KR:** Increase revenue from 20 to 30 Mil USD from market A

**KR:** Increase revenue from 10 to 20 Mil USD from market B

## Marketing OKR

**O:** Launch an effective campaign to support growth of retail outlets

**KR:** Increase qualified leads from 200 to 400 in market A

**KR:** Increase qualified leads from 100 to 250 in market B

# LATERAL ALIGNMENT EXAMPLE

## COMPANY: HAVE OUR CUSTOMERS FALL BACK IN LOVE WITH OUR OFFERING

- Increase customer number of customers who return twice in a week from 10% to 40%
- Customers referral rate from 25% to 50%
- Increase customer satisfaction from 3 to 4.5

## ENGINEERING: HAVE OUR CUSTOMERS FALL BACK IN LOVE WITH OUR OFFERING

- Increase customer number of customers who return twice in a week from 10% to 40%
- ~~Customers referral rate from 25% to 50%~~
- 50% increase in customer satisfaction
- **Increase first month customer satisfaction from 3 to 4.5**

## IDEAS & INITIATIVES

- Notification service
- UX improvements
- Special offer for at risk customers
- New user simplified experience

## SALES: HAVE OUR CUSTOMERS FALL BACK IN LOVE WITH OUR OFFERING

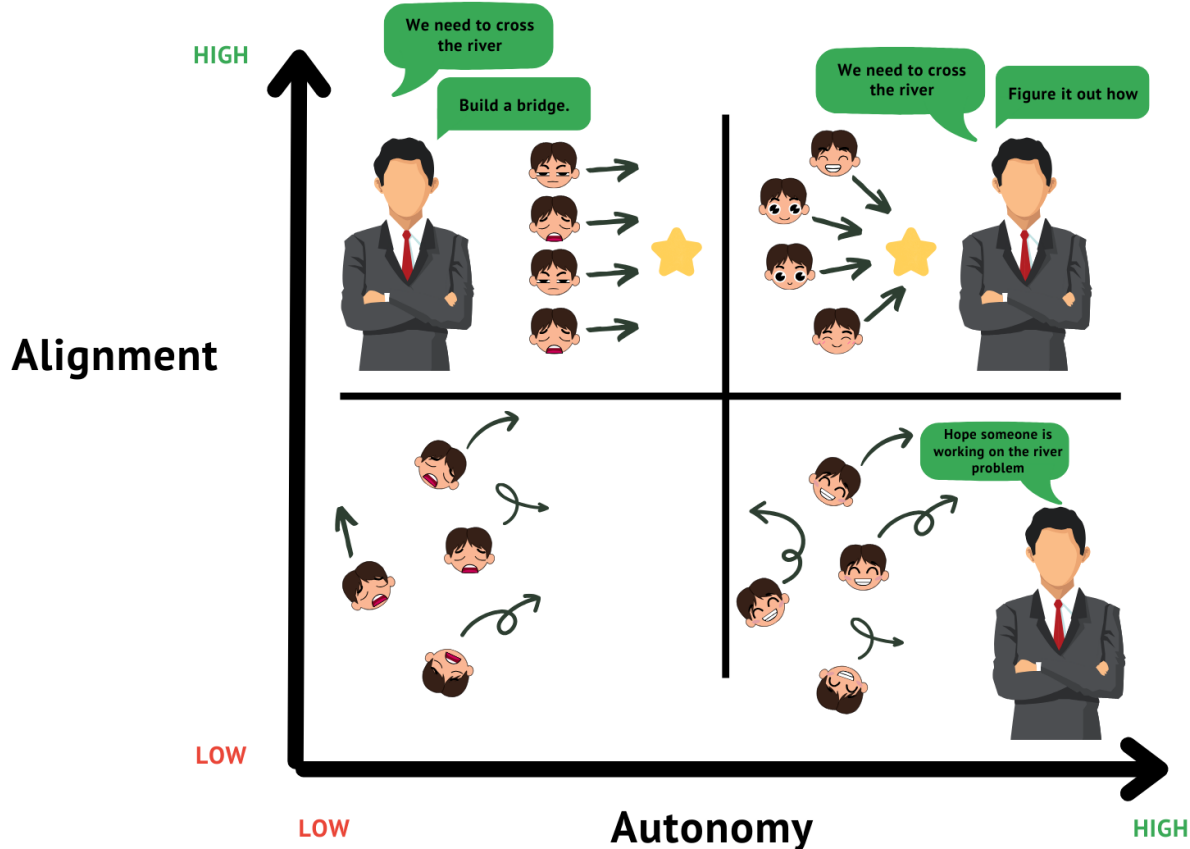
- Increase customer number of customers who return twice in a week from 10% to 40%
- Customers referral rate from 25% to **60%**
- 50% increase in customer satisfaction
- Increase first month customer satisfaction from 3 to 4.5

## IDEAS & INITIATIVES

- Customer check in program
- Uplift product understanding



# Alignment vs Autonomy



# Types of OKR Meetings / Conversations

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- Team Performance Meetings (Weekly Check-ins)
- Strategy Meetings (OKR Set up)
- One – on – One Meetings (CFRs)

# Frequency and Content

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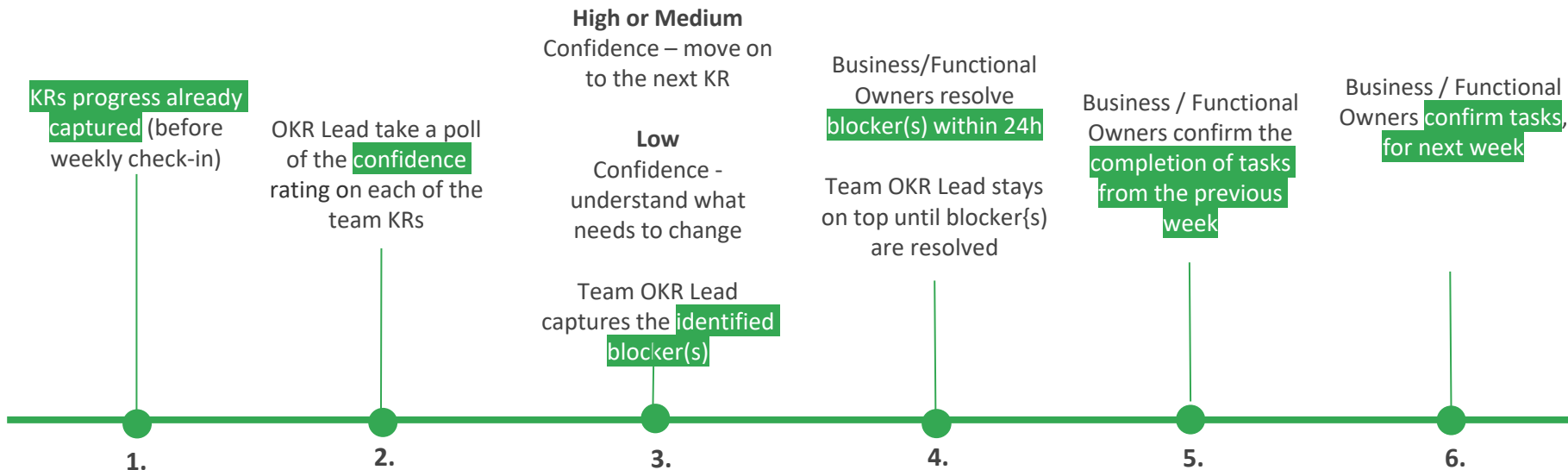
**Design for lightweight status updates**

# Meetings / Communication / OKRs fit in?

Stage & Value Driver	Relevant Business Rhythms
Leadership Vision	<ul style="list-style-type: none"><li>• Monthly Business Review</li><li>• Annual Strategic Planning</li></ul>
Organizational Visibility	<ul style="list-style-type: none"><li>• Monthly All Hands / Town Hall</li><li>• Monthly newsletter</li></ul>
Cross-Group Alignment	<ul style="list-style-type: none"><li>• Quarterly Planning Meetings</li><li>• Monthly Department Meetings</li></ul>
Team Execution	<ul style="list-style-type: none"><li>• Weekly Team Meetings</li><li>• Cross-functional Project Meetings</li><li>• Scrum Meetings</li></ul>



# OKR Weekly Check-ins



**1. Actions 2. Decisions 3. Communication**

**10-30 minutes**

# Capture Blockers / Risks



Task Board

Home • Task Board • Task Board - Risks

[Add Column](#) [+ New Task](#)

[Filter Results](#)

Blockers (24h)

Lack of Resources for KR Milestone A

 Harry Hooper

Normal

📅 09-30-2023

🗨 0

✓ Risks To Be Solved

Need to improve efficiency of outsourcing

 Harry Hooper

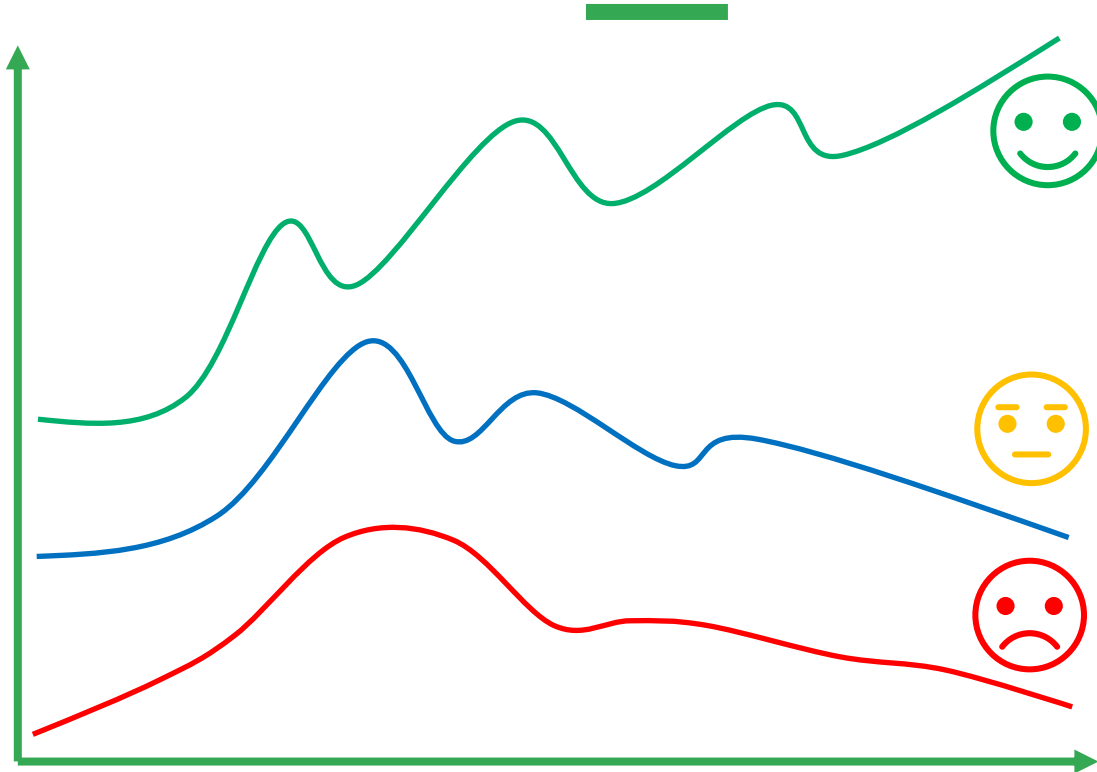
Normal

📅 10-07-2023

🗨 0

Blockers/Risks Solved

# OKR Check-ins – Consistency



## Regular Weekly

- Check-in meetings
- High Transparency
- Leadership
- Weekly updates – top of the mind
- Early risk detection

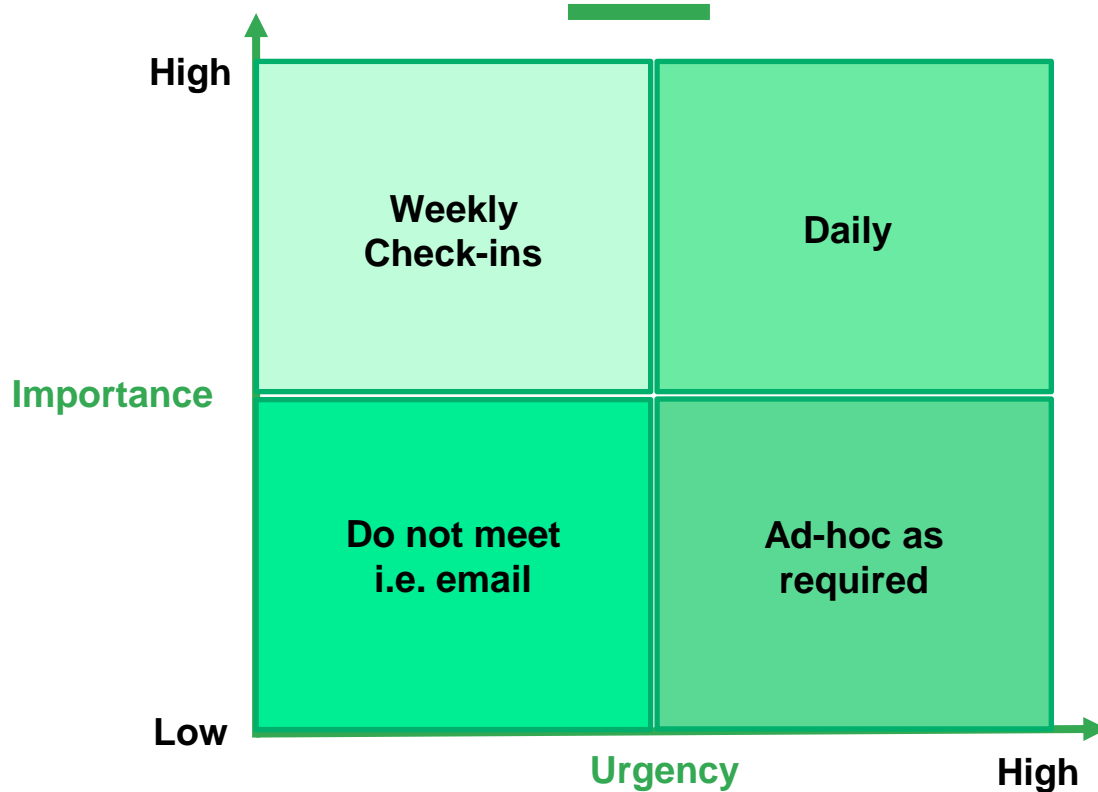
## No plan, once in a while meetings

- Lack of consistency
- Sudden realization we are off course
- No discipline

## Set and forget

- No focus on OKR set
- Lost confidence in Leadership and OKR program

# What should be discussed in Weekly Check-in





# Good Questions asked for Conversation and Feedback (CFR) Weekly Check-ins

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Some questions to get your ongoing Conversation and Feedback started in 1:1s include:

- How are your OKRs coming along?
- What critical capabilities do you need to be successful?
- Are there any blockers that could stop you from attaining your objectives?
- What OKRs need to be adjusted—or added, or eliminated—in light of shifting priorities?

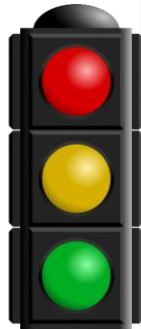
# OKR Weekly Check-ins to Avoid

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- Thinking you don't need to do Check-ins – you need to create stickiness to the system and increase the learning curve
- Organize Check-ins as additional meetings and not integrate them into existing meetings
- Thinking Check-ins are the same as project management meetings – in case you have too many tasks in your OKR set-up

# Rating of OKRs

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Range	Google's Interpretation
0-0.3	Red - We failed to make real progress
0.4-0.6	Yellow - We made progress, but fell short of completion
>0.7	Green - We delivered

# Grade Your OKRs

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stretch target that feels nearly impossible to achieve



what we hope to achieve; difficult but attainable



almost what we hope to achieve, but not quite



what we know we can achieve with minimal effort



no progress; an unacceptable result that requires explanation

# Rating / Reflecting on OKRs

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Key Result	Progress	Score	Self-Assessment
Bring in 10 new customers	70%	0.9	The OKR was significantly tougher to achieve than I'd thought. Our seven new customers represented an outstanding effort and outcome.
Bring in 10 new customers	100%	0.7	When I reached the objective only eight weeks into the quarter, I realized I'd set the OKR too low.
Bring in 10 new customers	80%	0.6	While I signed eight new customers, it was more luck than hard work. One customer brought in five others behind her.
Bring in 10 new customers	90%	0.5	Though I managed to land nine new customers, I discovered that seven would bring in little revenue.

# Reviewing

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- Each Team holds a retrospective meeting
- The Management holds a retrospective meeting

# Reviewing

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- Cadence
- Crafting
  - What went well - Well
  - What could have been better - Better
  - Not needed
- System
- Culture
- Alignment

# Team Retrospective

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## Team Head:

- What did we do well?
- What should we have done better?
- Capture these learnings and send them to the team before start drafting new OKRs for the next cycle



# Organization Retrospective

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## Management:

- Were we focused on...?
- Did we change the culture and dynamics?
- Did we bridge the gap between strategies and operations (teams)
- ....

# How to best close OKRs

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- Keep
- Modify
- Abandon
- Carry forward
- **or Simple: Keep or Remove**

# How to best close OKRs

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## **How would you rate your execution?**

If the OKR wasn't achieved and execution was rated with 2 stars or less, it may not have been achieved because of poor execution — which means you'd have to start all over again (if the OKR is still essential). If the OKR wasn't achieved and execution was rated with 4 stars or more, you may have an entirely different issue.

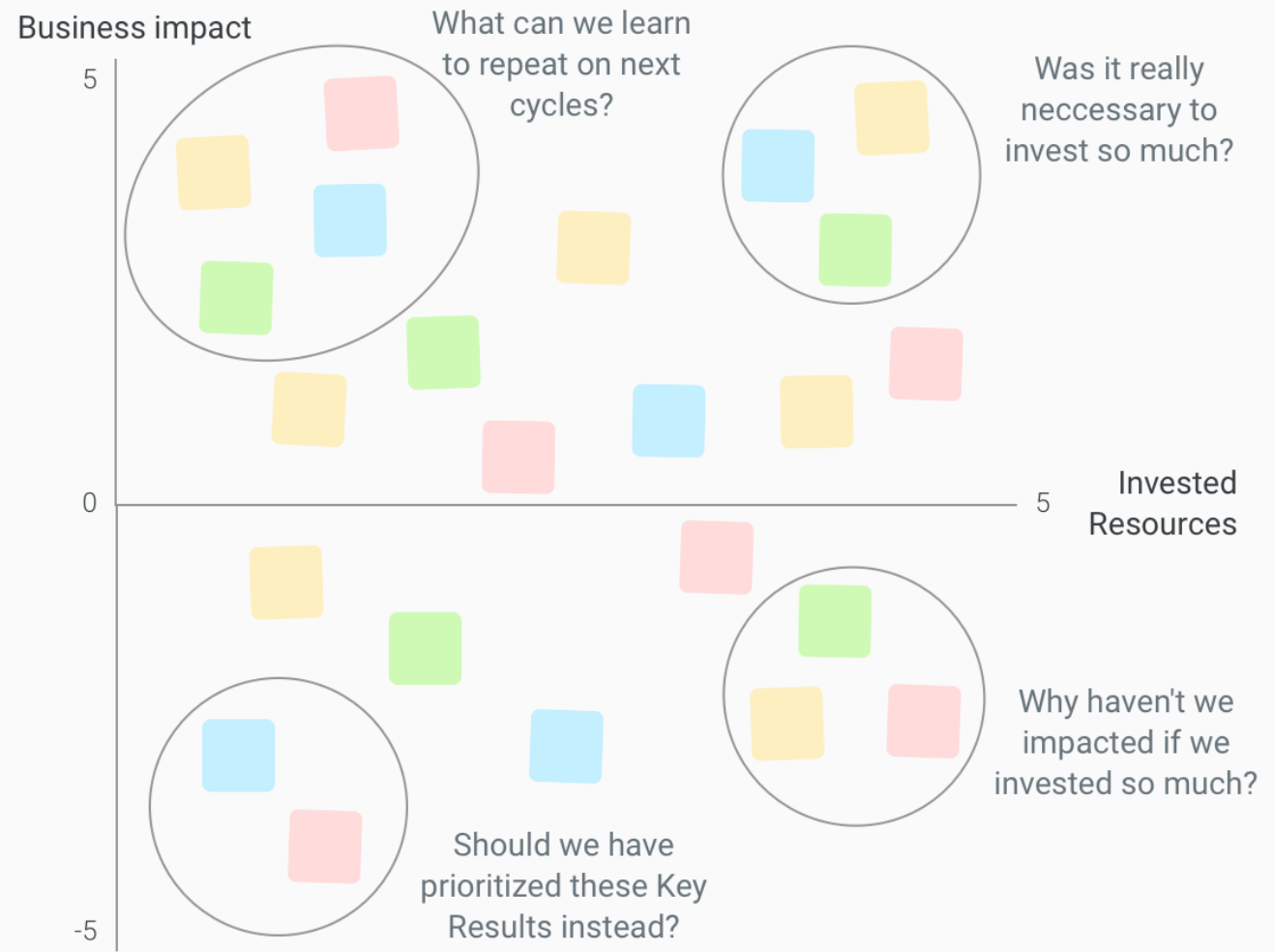
## **What did you learn?**

Whether the OKR was achieved or not, there are always essential learnings you don't want to lose. You want these learnings to be easily accessible to others so they can build on top of them. Hence, the OKR lead must always collect and store all understandings on the OKR.

## **What have you decided based on those learnings?**

Learnings empower decision-making, and decisions are necessary steps forward for a team and organization. Therefore, we always ask the OKR lead what the consequences of the learning will be.

# Learn from OKRs



# Reviewing OKRs

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**“We do not learn from experience; we learn from reflecting on experience.”**

John Dewey- philosopher and educator

## **Here are some reflections on OKRs:**

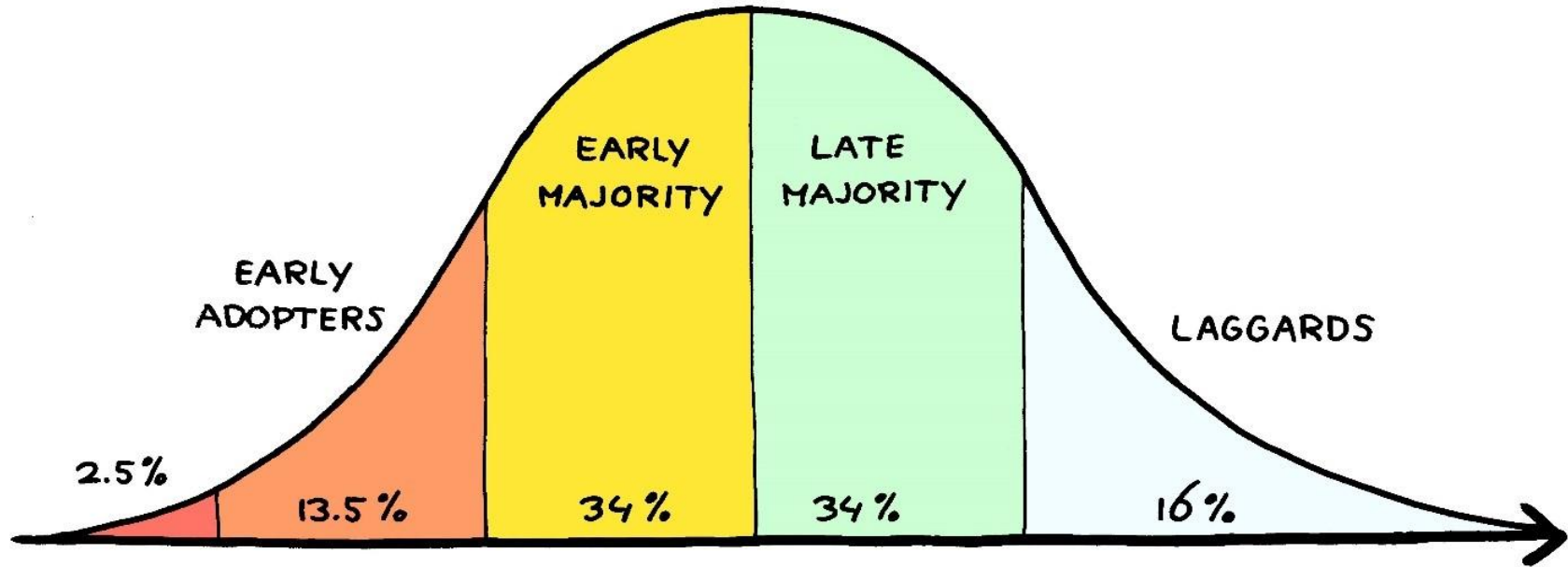
- Did I accomplish all of my objectives? If so, what contributed to my success?
- If not, what obstacles did I encounter?
- If I rewrite a goal achieved in full, what would I change?
- What have I learned might alter my approach to the next cycle's OKRs?

# Reviewing OKRs

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- Some may need to flow over from one quarter to another, but each OKR-setting session should start with a blank sheet.
- If something is worth continuing into the next quarter, it's because there is more value to be gained, not because something wasn't finished.

# OKR Pilot Group



# Identify the Highest-Impact People

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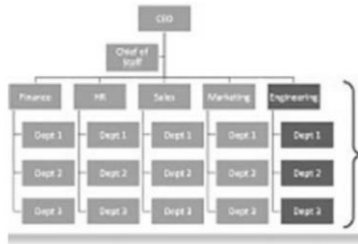
- Who has the greatest capacity to affect the forward momentum?
- Who is an influencer in the organization?
- Who is self-driven?
- Who has an outside impact on our outcome or behavior?
- Those are the people you should choose.



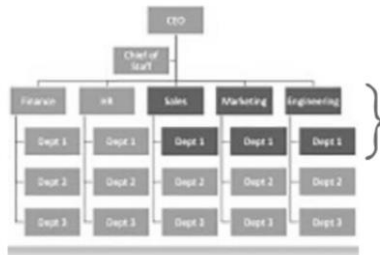
# OKR Pilot Group



- **Option 1:** Executive Level



- **Option 2:** Department Level



- **Option 3:** Strategic Initiative  
Cross Functional / Squad Teams

# Pilot Group Option 1: Executive Level

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- This pilot option includes **senior management at the executive level**.
- The advantages of this pilot program are that **key stakeholders from every department** are involved from the start of the OKR program.
- Once they go through a few cycles, these leaders establish cadence at the executive level and can **include that rhythm throughout the rest of the company**.
- A potential disadvantage to this pilot option is that teams may **not have enough information to report on progress** effectively, as this option does not involve key contributors.

## Pilot Group Option 2: Department Level

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- This pilot option begins with one particular department, commonly the **product or engineering team**, and involves all levels within that team.
- This piloting process more realistically **simulates a company-wide OKR rollout** because all levels of contributors are involved, enabling accurate reporting.
- Yet, the big risk with piloting OKRs at the department level is that it **can reinforce silos**. When starting with just one team, it causes a lack of cross-functional work due to the limitation of only one department.
- OKRs should be guided by strategic priorities, and contributors to each OKR should be drawn strategically from the different departments supporting that goal.

## Pilot Group Option 3: Strategic Initiative

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- This pilot option is focused on a **specific strategic initiative** that helps progress the annual OKRs established by executives.
- This is often a **product launch or tactical campaign and spans cross-functionally across several departments**. OKRs are a great way to monitor progress towards a big goal, and the benefit of this option is that it includes multiple functions across the organization.
- The drawback to this approach is that if the initiative's stakeholder group is huge, it may be challenging to enable everyone on OKRs simultaneously. Additionally, it may be challenging to **train new users of the OKR methodology cross-functionally**. Drawbacks aside, this is an excellent approach.

# Identify who is needed in Pilot Group (Strategic Initiative)



- VP
- Department Head
- Product Manager
- Product Owner
- Team Lead
- Team

**Identify what roles are needed for events on all levels**



# **Big Bang OKR Roll-out**

# Big Bang OKR roll-out

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This generally works better with smaller organizations as there are fewer layers to work through.

## Big Bang Pros

- Teamwork; everyone is in this together and on the same page
- Aligned communication across the entire organization
- Faster OKR rollout to the entire company

## Big Bang Cons

- Potentially challenging with larger organizations
- OKRs aren't easy, and many don't get them right the first time
- Loss of confidence in the process if obstacles need to be overcome in the first implementation

## Best way

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You should consider the **complexities of your organization** and the capacity for change, and any cultural implications when implementing OKRs



# OKR Implementation

- **Levels:** At what level will we set OKRs?
- **Number:** How many OKRs will we set?
- **Scoring:** How will we score OKRs?
- **Cycle Time:** How long is an OKR cycle?
- **Tooling:** Where do we draft, publish, and track OKRs? What templates do we use?
- **KRs update:** How often will KRs be updated?
- **Success:** How do we define success?
- **Incentives:** How do we incentivize OKRs?

# OKR Implementation

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- **OKRs vs KPIs:** How do we differentiate OKRs from KPIs?
- **Alignment:** How will we ensure OKRs are aligned?
- **Bottoms-Up:** How will we ensure most OKRs originate bottoms-up?
- **Agile Tools:** What agile process do you already have? And what heartbeat?
- **Pilot Group:** How will we ensure to include OKR enthusiastic people in the pilot group?
- **Train:** Which OKR Participants do you need to train in their roles?
- **Facilitate:** When do you facilitate OKR drafting, workshop, reviewing / update meetings?

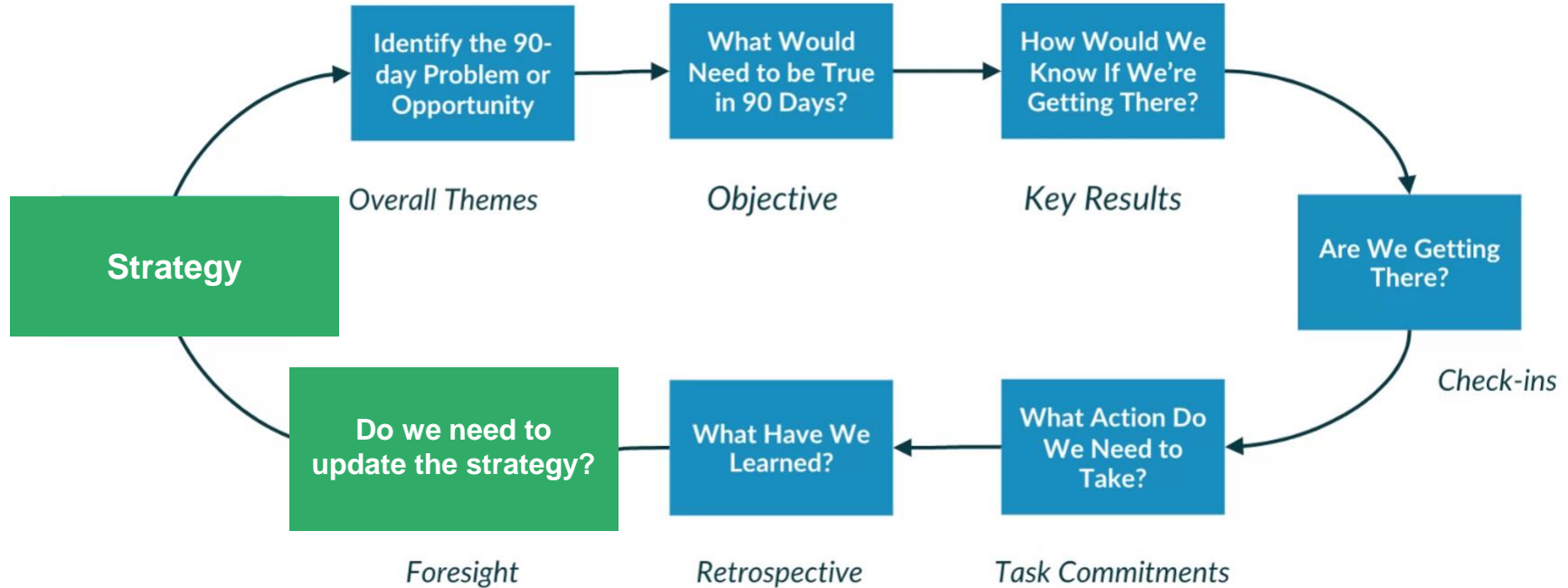
# OKR Implementation Roadmap



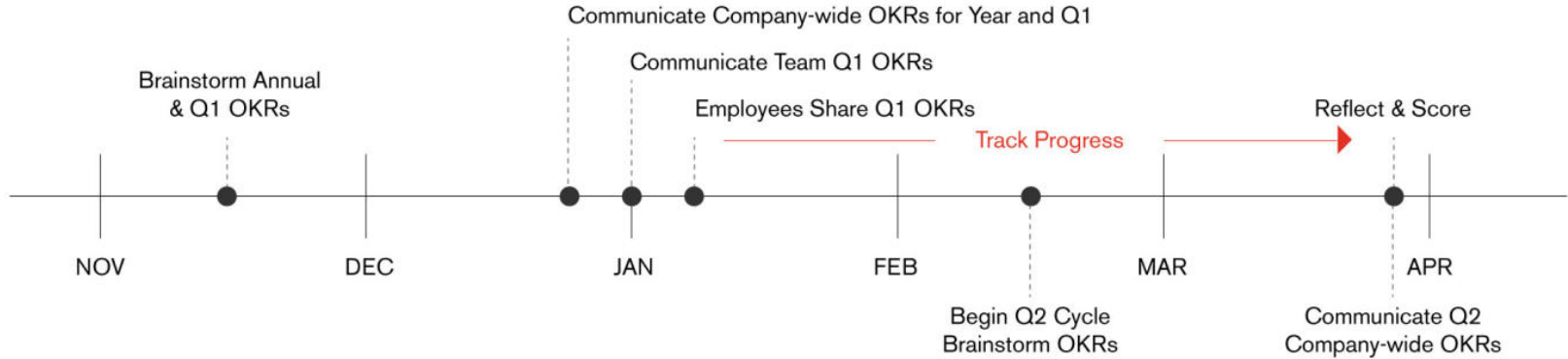


OKRs operate within a cycle: **Prioritize, Focus, Execute and Review**

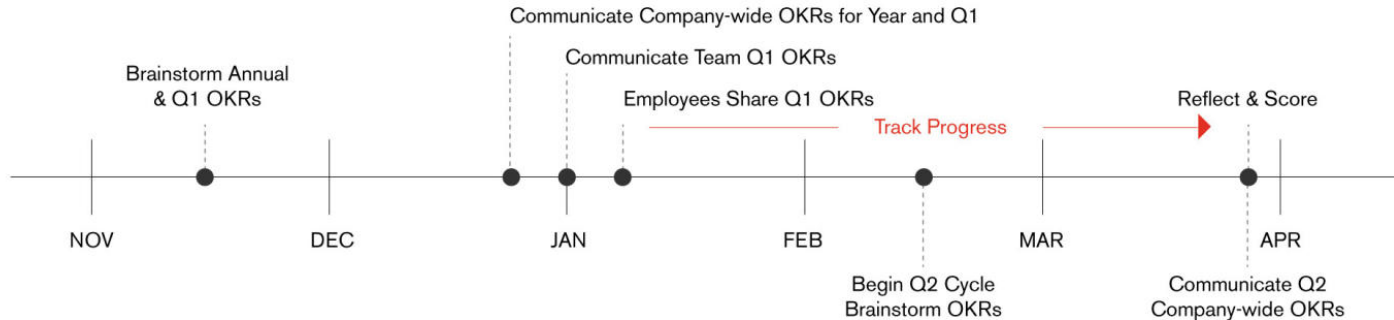
# The Quarterly Sprint



# A Typical OKR Cycle



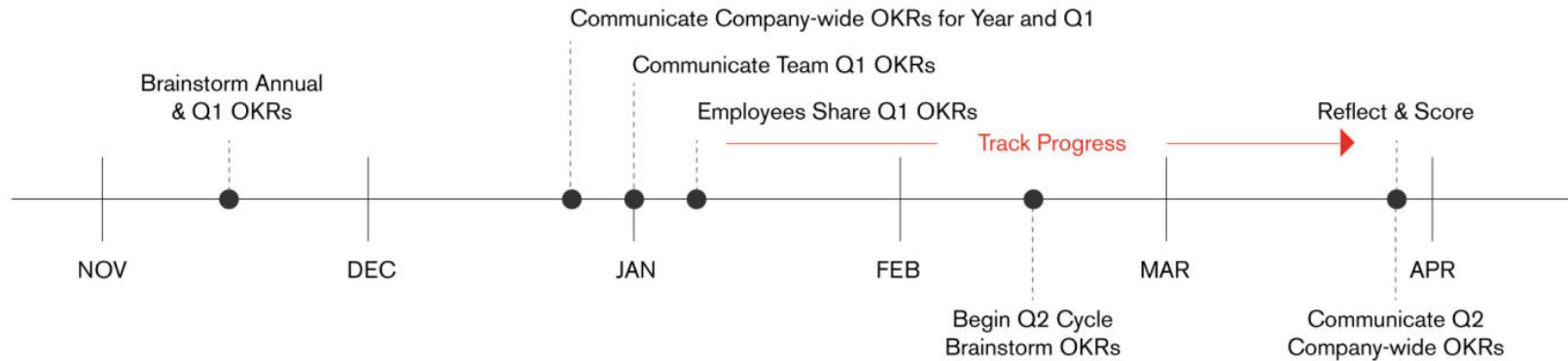
# A Typical OKR Cycle



## 4-6 weeks before quarter

**1) Brainstorm Annual and Q1 OKRs for the Company:** Senior leaders start brainstorming top-line company OKRs. If you're setting OKRs for Q1, this is also the time to develop your annual plan, which can help guide the company's direction.

# A Typical OKR Cycle

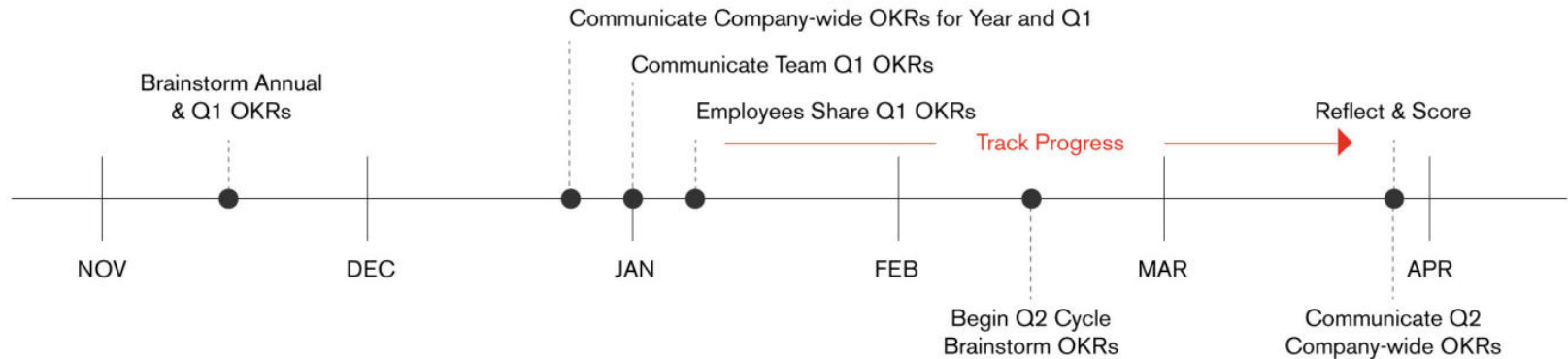


**2 weeks before quarter**

**2) Communicate Company-wide OKRs for Upcoming Year and Q1:** Finalize company OKRs and communicate them to everyone.



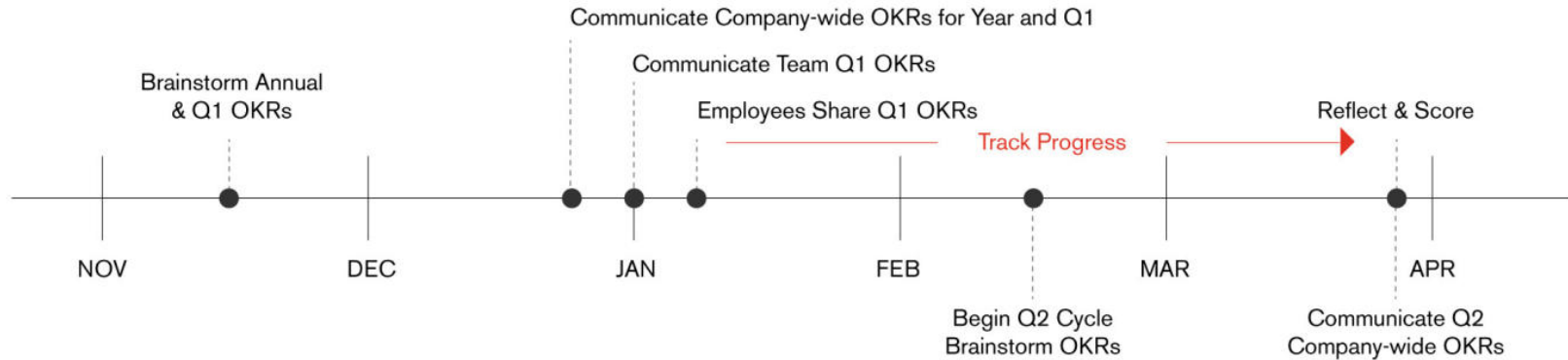
# A Typical OKR Cycle



## Start of quarter

**3) Communicate Team Q1 OKRs:** Based on the company's OKRs, teams develop their OKRs and share them at their meetings.

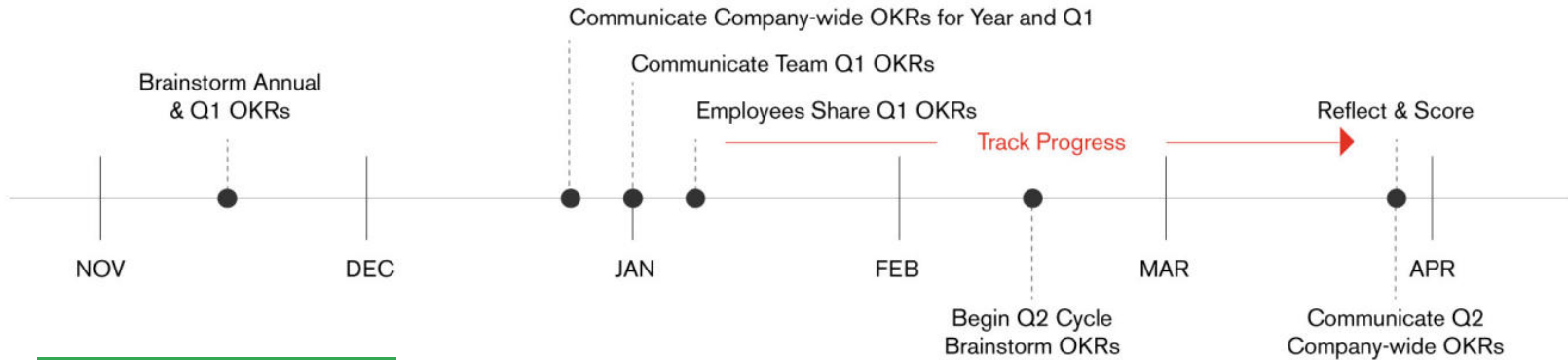
# A Typical OKR Cycle



## 1 week after start of quarter

**4) Share Employee Q1 OKRs:** One week after team OKRs are communicated, contributors share their own OKRs. This may require negotiation between contributors and managers, typically in one-on-one settings.

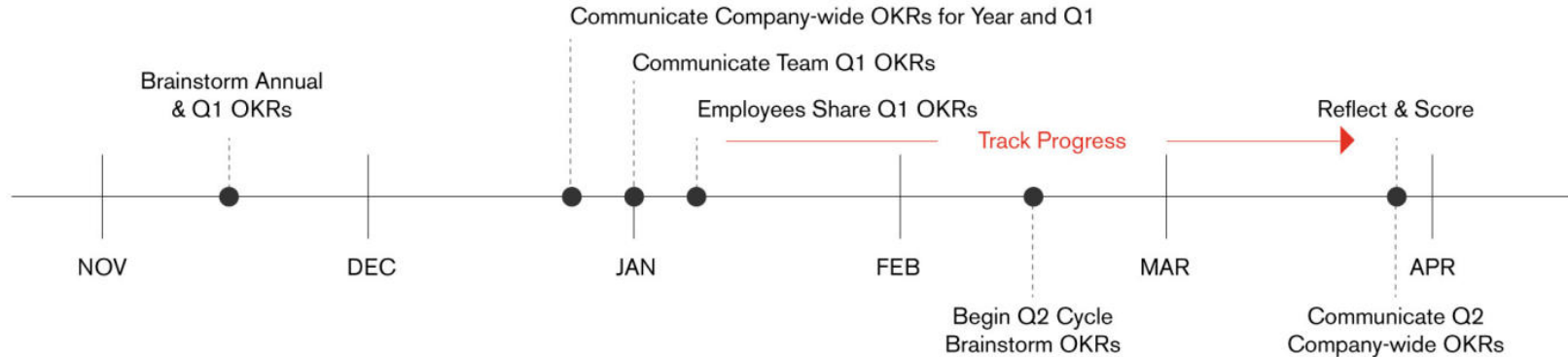
# A Typical OKR Cycle



## Throughout the quarter

**5) Employees Track Progress and Check:** Employees measure and share their progress throughout the quarter, checking in regularly with their managers. Throughout the quarter, contributors assess how likely they are to achieve their OKRs fully. If attainment appears unlikely, they may need to recalibrate.

# A Typical OKR Cycle



## Near the end quarter

**6) Employees Reflect and Score Q1 OKRs:** Toward the end of the quarter, contributors score their OKRs, perform a self-assessment, and reflect on what they have accomplished.



# LEADING IN OKR EDUCATION, RESEARCH & CERTIFICATION