

The OKR Guide

"Objectives & Key Results"

The official guide for
the agile operating system OKR

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Motives for the guide

OKR ("Objectives & Key Results") is a framework to better achieve goals and more reliably implement strategies in dynamic times full of surprises and uncertainties.

Framework means that there can be no exact process or "OKR-by-the-book", as OKR must always be considered individually in the context of the company. Nevertheless, there must be a framework that defines what the basic pillars are that any lived OKR has in order to achieve effectiveness. The basic pillars are the framework described. Accordingly, this guide is considered a promise by all people who come into contact with OKR in a wide variety of roles. We promise to abide by these ground rules so that OKR can help employees work together effectively, as equals, and with motivation.

In order to visualize exactly these rules in a compact way, Patrick Lobacher and Christian Jacob have created this guide from their many years of practical experience in countless introductions, accompaniments and coaching sessions. Both are completely dedicated to the topic of OKR and therefore stand unconditionally behind the guide. Furthermore, the entire worldwide available knowledge about OKR has also influenced the contents of this guide.

What is OKR?

OKR is a framework for strategy implementation in complex and fast-moving environments, such as the digital transformation now predominantly causes and also demands - in every industry and every company size.

OKR succeeds in creating a framework for employees within which they can help the company to follow its vision in a self-organized manner and to sustainably drive forward the implementation of its strategy.

The agile target management system OKR was brought to life in 1971 by Andrew Grove at Intel. For this purpose, the then CEO of the IT group further developed the "Management by Objectives" (MbO) founded by Peter Drucker, in which he changed three aspects in particular: shorter cycles, more focus and the involvement of the employees themselves.

But now it was a question of how to get this slogan to all the employees so that they could develop appropriate ideas to make it a reality.

OKR was to be given precisely this task - initially under the direction of Andrew Grove - but soon, in about the mid-1970s, by former Intel intern John Doerr.

As late as the mid-1970s, other organizations - mainly in California's Silicon Valley - were adopting OKR and gaining initial experience with it.

Finally, in 1999, the Google founders had contact with Andy Grove and John Doerr at Stanford University. When asked which "operating system" would be the most suitable for building the company they had planned for Google would be the most suitable, Grove and Doerr answered: "Try OKR". And so it happened almost by chance that today's most successful company in the world used OKR from the very beginning.

It was only in 2013 - more precisely on May 14, 2013 - 14 years after the launch of OKR at Google, that Rick Klau published the video "How Google sets goals: OKRs". This was also the starting point of an unbelievable hype, because for the first time the interested world public seemed to have come across something that they held responsible for Google's success - OKR.

Retrospectively, one can say that OKR was of course not responsible for Google becoming so successful - but - Google could probably never have become so successful without OKR.

Today - more than 50 years after its birth - we see successful OKR in any company or industry, regardless of size or geographic region.

Whenever an organization wants to seriously deal with the complex and dynamic world, it needs a new operating system in this area - OKR.

The active principles of OKR

For OKR to be effective, there needs to be a harmonious and orchestrated play between these three factors:

- **Mindset**
- **Skillset (exercise)**
- **Toolset (Framework Process & Elements)**

It is important, on the one hand, to always see and evaluate everything within the world of OKR from the perspective of "Holistic (Business) Agility" and, on the other hand, always "systemically" (following systems theory).

The latter means that in systemic thinking we focus our attention less on the individual parts of a system (as would be the case in analytical thinking), but rather on the interactions between the various individual parts and on the overall interrelationships. In doing so, we not only look at the system itself, such as the person, the team or the company, but above all at the interactions between them and with higher-level systems, such as the economy or society.

Furthermore, there are four key operating principles that are critical to the success of OKR in the enterprise:

- **Transparency**
Everything in the OKR is made transparent to everyone. For example, the target sets of a team (i.e., their objectives along with the associated key results) are made

transparent to every other team so that they can provide feedback if necessary or align their goals with them.

- **Focus**

OKR is all about getting rid of things. Because if we take care of everything that seems important to us, we overload the organization - especially in a dynamic environment.

Therefore, it is not only important to decide what is really important, but rather also to make decisions about what is just not so important. Therefore, prioritization (i.e. a list in descending order of importance) is not the desirable goal in OKR, but rather a shorter list of really important things to work on, e.g. as a team.

This frees you up immensely, as you no longer have to waste thoughts on topics that are not in focus, leaving more energy and power for the focus topics.

- **Team Orientation**

If one deals in detail with the science behind complex systems (either from the direction of cybernetics, psychology or sociology) one inevitably comes to a single correct form of organization between people for solving complex problems: teamwork.

People need to collaborate, communicate, and emerge in order to arrive at effective solutions, even in highly complex, dynamic environments.

Therefore, OKR must also focus exclusively on teams and never on the individual. Thus, there is always team OKR as the last level and the team acts in self-organization how it wants to deal with the operationalization of this OKR.

- **Outcome orientation (instead of output)**

At best, OKR always contains the outcome, but never the output. The outcome is the behavior of the people (ideally the customers) who positively influence our business. The customer is therefore radically placed at the center of OKR, at every level: Vision & Purpose, Goal, Objectives and Key Results.

The OKR Master

The OKR Master plays a critical role in the OKR system to lead it and its participants to effectiveness. There is almost always more than one OKR Master - they form a **Community of Practice (CoP)**.

The role of OKR Master is usually filled several times in a company and is almost always a part-time role with about two to four hours per week, with about five percent OKR Master in relation to all employees who are in the OKR process. With 500 people, about 25 OKR Masters are needed.

The OKR Master is explicitly **not a disciplinary leader**, otherwise the role as coach becomes ineffective and, in addition, systemic problems arise that can lead to the ineffectiveness of the OKR system.

In addition, the OKR Master also does **not** work in **his own team**, because otherwise there could be a conflict of objectives. No expertise from the team's domain is necessary.

Globally, we can say that the group of OKR Masters form a so-called Community of Practice (CoP). This is a network organization, which is distributed over the traditional organization.

OKR Master Facets

The role of the OKR Master includes ten facets, which we will present below:

- **Process owner**
The OKR Master is primarily responsible for the OKR process and designs it independently with the CoP.
- **Expert**
The greatest expertise on the subject of OKR and related topics such as Agile Leadership etc. lies with the OKR Master and is passed on via training courses, among other things.
- **Facilitator**
All events in the OKR process are group dynamic workshops. The OKR Master acts here as a neutral process facilitator who prepares, moderates, controls and follows up on them.
- **Coach**
The OKR Master acts as a (systemic) coach for the people involved in the OKR process.
- **Change agent**
The introduction of OKR is associated with comprehensive change processes in the organization. The OKR Master accompanies and supports these changes as a change agent.
- **Servant Leader**
Although the OKR Master is not a disciplinary leader, he leads the team or even the management. He does this in the attitude of "servant leadership".
- **Mentor**
The OKR Master helps the team to process its agile experiences and ideas. As a mentor, he takes a step back and lets the team find its own way. He helps individuals realize their potential while providing guidance and support.

- **Conflict Navigator**

The OKR Master addresses conflicts and obstacles so that the team can work on its own goals undisturbed and with high energy. It also protects the team from disruptive external influences.

- **Connector**

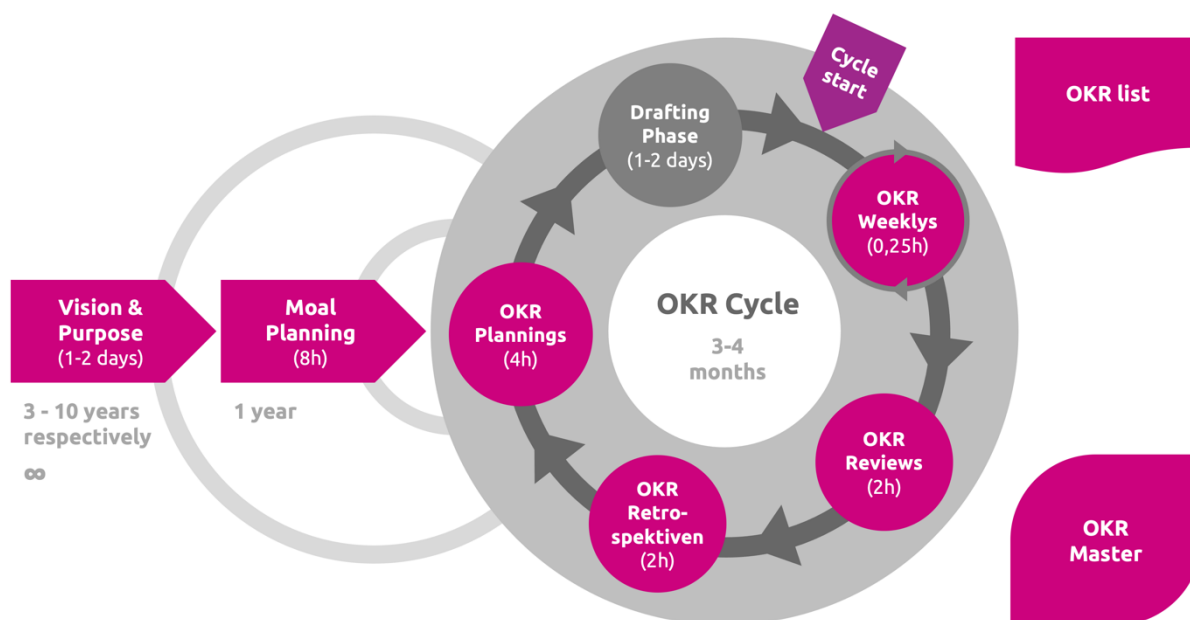
The OKR Master establishes the alignment of the teams with each other and carries out communication work - for example, between the management circle and the teams.

- **Organizational Development Observer**

OKR Masters are often the ones who develop an early sense of the changes needed to the organizational structure in which OKR teams operate. Even though they usually cannot change it themselves, their observation is helpful in addressing the changes.

The OKR process

At OKR, there are well-defined events to establish a certain routine and to reduce unnecessary additional events and meetings. Each event is based on the values of OKR and has a specific purpose. If one forgoes an event, not only the pursuit of the purpose of this event is missing. In this case, the entire success of OKR is in jeopardy.



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After either a **Vision & Purpose Statement** is developed (duration approx. one to two days) or an existing one is reviewed for suitability with OKR (duration approx. four hours), at least one **Moal Planning** Workshop takes place (duration eight hours) in which the Moal for the entire organizational unit (e.g. the entire company, if it participates in the OKR process as a whole, the department or the team).

Each team (participating in the OKR process) starts its own OKR cycle with a duration of, for example, three months, which starts with an **OKR Planning** Workshop (duration four hours), in which the Objectives & Key Results are autonomously created, which the team assumes will have maximum impact on the Moal.

As soon as all teams have completed their planning, the OKR **drafting phase begins** - here each team has the chance to take a detailed look at the OKRs of the other teams and align their OKR accordingly. This is where the alignment takes place.

Each week, the team now comes together briefly in a 15-minute **OKR Weekly** to answer the question, "What can we do today to ensure that we will safely achieve our goals in the end?"

Towards the end of the cycle, the team comes together for an **OKR review** (lasting a maximum of two hours), evaluates the achievement of objectives, and asks how to improve the OKR process and the OKR itself in the next cycle.

The cycle is completed with the **OKR retrospective** (two hours in duration) following the review, which focuses on improving systemic collaboration among team members.

In addition, the OKRs are made visible to everyone in a transparent **OKR list** to enable alignment (i.e., the alignment of one's own team goals with the goals of the other teams) and to exploit synergies, as well as to be able to address conflicts early on.

All events are group dynamic workshops accompanied by an OKR Master as coach and facilitator.

Sources

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Closing words

OKR is to be understood as the interaction of the elements presented. Only if all elements are used in a targeted manner will OKR actually be used. The selection of individual elements can be a possibility, but does not ensure the success of OKR and is therefore also not OKR, but merely an "OKR-But" (in the style of "ScrumBut"). Each element has emerged empirically and pursues a very specific purpose. If you stick to the rules of the game, you will quickly notice the success of OKR.

The following additional information is deliberately missing from this guide:

- Metrics
- Controlling
- concrete implementation details
- Scaling
- Best Practices
- Problem solving
- OKR Coaching, Sparring, Consulting and Training
- Mapping of the framework through software

We assume through our experience that these elements are individually designed for each use case with the consultant and thus cannot be generalized.

We welcome feedback of any kind on the OKR Guide or translation requests:
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