

OKR CHEAT SHEET

WHO USES OKR?



HOW DOES IT WORK?

- 1. Strategy review and discuss priorities before the next cycle**
Alignment starts before end of quarter with informal priority discussions.
- 2. Executive team lessons learned and set company OKR**
Retrospective on last cycle and set OKR for quarter ahead.
- 3. Teams review company OKR, provide feedback &, set their OKR**
Teams align to company OKR & capture dependencies on other teams.
- 4. Monitor progress with weekly check-ins and a mid cycle review**
Check progress weekly. Perform a deep review mid quarter.
- 5. Aim for 70% achievement across your Key Results**
Learn to excel, make it safe to fail. Target 70% achievement on average.

THE BENEFITS OF OKR

- **Alignment:** Clarity on what's most important right now.
- **Impact focus:** Moving past the todo list, focusing on the outcome.
- **Directional autonomy:** Clear on the outcome, teams create their own path to success.
- **Organisational learning:** Regular reflection, adaptation & improvement creates a smart thinking organisation.

WHAT'S AN OBJECTIVE?

The Objective is the destination, simply answering "What do we want to do?"

- Inspirational
- Manageable outcomes
- Provides focus
- Action oriented
- Change, not maintain
- Time bound

Objectives act as a battle cry, connecting work with purpose

Example:

Eg: Delight customers with an incredible experience

WHAT'S A KEY RESULT?

The Key Results answers the question, "How do we know we're making progress?"

- Results based
- Aligned
- Directly measurable
- Indicates progress
- Challenging
- Accountability clarity
- Leading indicator

Examples:

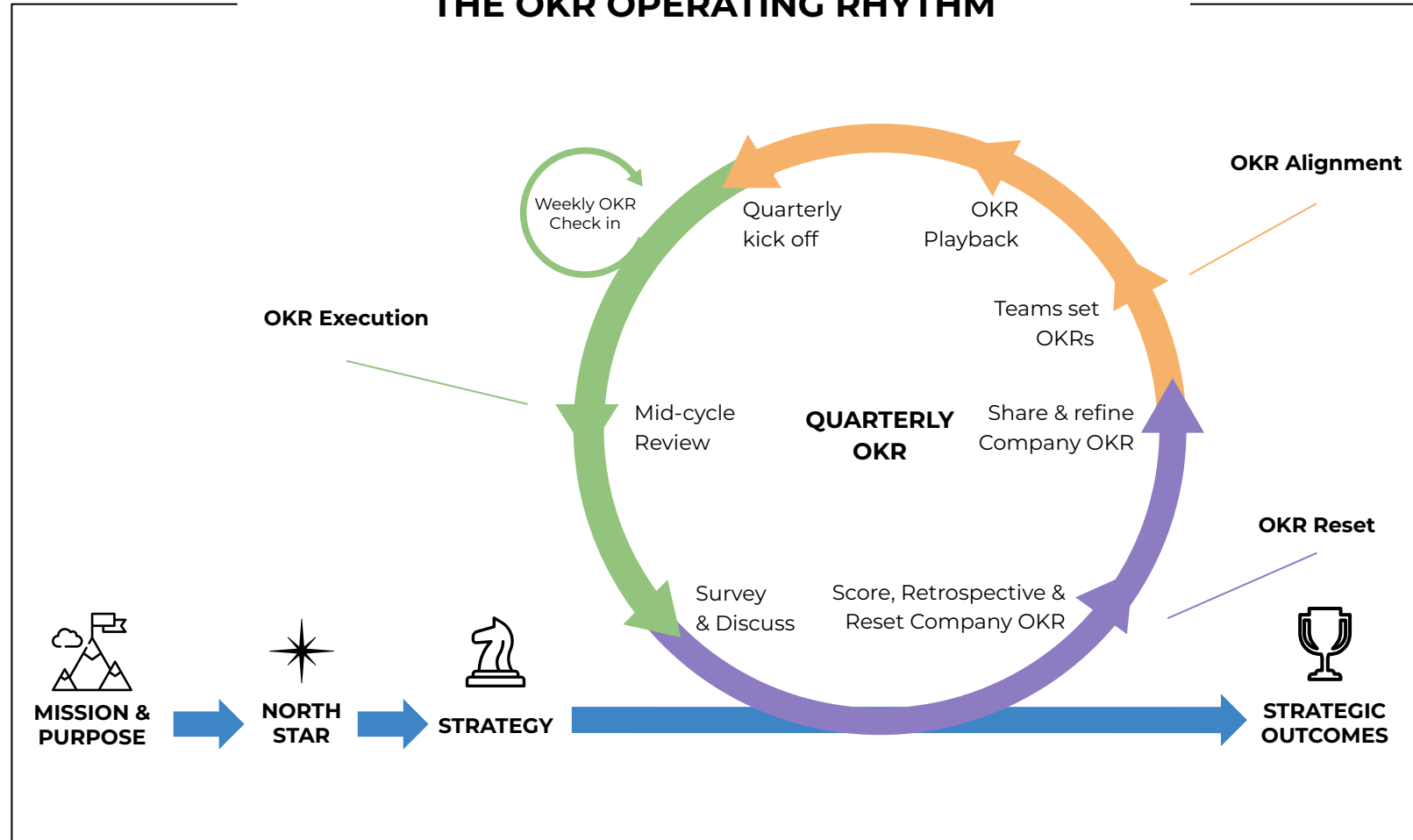
KR1: Increase weekly return customer from 10% to 40%
KR2: Lift referral rate from 25% to 50%
KR3: Customer satisfaction increases from 58 to 83

Objective (Ideally 1)

Key Results (Ideally 3-5)

Initiatives (> 1)

THE OKR OPERATING RHYTHM



SETTING OUTCOME CENTRIC KEY RESULTS

☹️ **OUTPUT** - What we produce:

- Physical product
- Digital product
- Artifacts

😊 **OUTCOME** - Leading indicator:

- Behaviour
- Satisfaction
- Referral
- Lean process metrics

😐 **RESULT** - Lagging indirect impact:

- Profits & sales
- Market share
- Throughput

FOCUS WITH YOUR WEEKLY CHECK-IN

Turn your team into a heat seeking missile, constantly course correcting to hit your target. Vote on how confident you are that a Key Result will be achieved. Take action to lift the confidence.

Scoring scale:

- 1:** High confidence the Key Result will be achieved
- 0.7:** It's likely we'll achieve this Key Result or get pretty close to it
- 0.4:** It will be a challenge to achieve this Key Result
- 0:** It's unlikely to be achieved

OKR DISSECTION

What we're achieving

Objective scope

OBJECTIVE

Become the #1 accounting provider for Small Business in San Francisco

KEY RESULTS

HOW TO MEASURE

INITIATIVES

KR1: Increase reorder rate from 45% to 70% for San Fran Small Business

Weekly order report

1. Subscription service
2. Checkout CX

The measure

Current state

Target state

KR Scope

Understanding of how to measure

Activities and projects separate from Key Results

TECH/PRODUCT EXAMPLE

GROW BY MAKING OUR UPGRADE PATH FEEL LIKE BUTTER

1. Increase sign-up to trial conversion ratio from 10% to 30%
2. Increase trial to paid conversion ratio from 5% to 7%
3. Increase referral rate for < 1 month paid accounts from 2% to 30%

SALES EXAMPLE

CRUSH OUR LAUNCH IN MELBOURNE AUSTRALIA

1. Generate \$200K in Sales Qualified Leads in Australia
2. Progress leads from Marketing Qualified Leads to Sales Qualified Leads within 2 days
3. Maintain a Sales Qualified Leads to Close conversion ratio of above 20%
4. Maintain a profit margin ratio of 45%

FINANCE EXAMPLE

PRIME OURSELVES FOR GROWTH WITH STELLAR FUNDING OPTIONS

1. Reduce average funding costs from federal funds rate +2% to federal funds rate +.5%
2. Reduce additional funding approval time from 30 day average to 2 day average
3. Increase loans with early repayment option from 25% of loans to 75% of loans