The Evolutionary OKRs Playbook

for **Thinkydoers**

HOW TAKING A (R)EVOLUTIONARY APPROACH
TO OBJECTIVES AND KEY RESULTS
CAN IMPROVE PERFORMANCE,
INCREASE ENGAGEMENT,
AND MOTIVATE YOU AND YOUR TEAM

BY SARA LOBKOVICH

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What are Objectives and Key Results?

Objectives and Key Results (OKRs) are a collaborative goal-setting practice that evolved out of Peter Drucker's Management by Objectives. OKRs were popularized by John Doerr's book, Measure What Matters (based on his work with Andy Grove and Google's implementation of OKRs).

Based on the excitement Measure What Matters creates, thousands of organizations around the world have adopted OKRs. Some have succeeded; and others have struggled. In recent years, the introduction of over 127 different OKR management software platforms has **complicated** things further.

Here at Red Currant Collective, based on work with thousands of clients in hundreds of organizations, we've evolved a more efficient, coherent, and results-focused approach to the OKR methodology we call Evolutionary OKRs.

In addition to being a collaborative goal-setting methodology, we think of OKRs as:

- a thinking, deciding, and learning practice
- that helps us achieve greater growth, transformation and innovation
- by aligning on our most important measures of progress and success

Evolutionary OKRs mean:
- Thinking deeply about what's important and might be possible
- Identifying which measures of progress and success help us make better decisions in our work and organizations
- Curiousity, experimentation, and even "failure" help us learn how to improve and grow.

Objectives and Key Results are most impactful and effective when leaders recognize they're an opportunity to communicate their vision, clear expectations, and create focus for their teams, colleagues, and leadership.

OKRs are not someone else's responsibility to create and/or administer. Leading goal-setting, setting clear expectations, and helping our teams prioritize and focus are fundamental responsibilities of leadership.
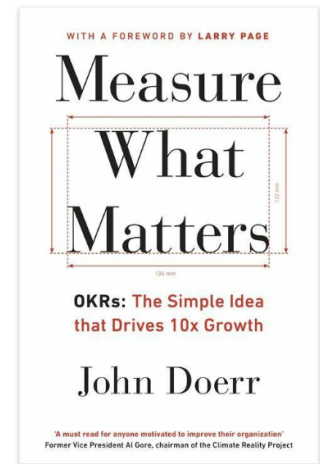
Important Words and Meanings

One of the biggest challenges of working with OKRs in an organization is that we rarely all share the same words and meanings related to our various approaches to strategic implementation across the organization.

To eliminate the confusion this introduces, we begin by learning a core set of words and meanings that we'll work with, in all of our strategic implementation planning.

Objective:

A purpose statement describing what we're pursuing together and why it matters

- ·Directional, inspiring and aspirational description of the changed future we're aiming for together
- ·Objective quality can't be forced, and language usefulness and breadth of applicability may vary. We identify an OKR Objective's theme(s) in addition to the O language, to aid in clarity and usefulness.
- ·Objective duration is flexible. Some Os may span one or more years, quarters, or sprints; and some may be "until achieved." Provide a description to clarify duration.
- ·Focus is important. Aim to limit the number of objectives (not more than 3-5 at the company-level, and teams may have as few as one).

Key Result:

Enunciation of our most important objective measures of progress and/or success for a given time period

- Key results are objective measures with specific targets that clarify how we'll measure success, and how we'll evaluate progress objectively
- Key Results are presumed stretch goals; if achievement at 100% is mandatory, they are identified as a Commit.
- There is no set / fixed number of Key Results. The right number is the number that gives us (1) clarity about what's most important and (2) objective progress information to increase our confidence we'll achieve our outcome goals.
- In our non-committed Key Results, we are safe to try, and even "fail" if in doing so, we learn important new lessons for how to improve in the future.
- Key Results do not describe our planned activities: they quantify the impacts, results, and progress we are aiming to chieve.

Commit:

Commits are goals that *must be achieved, 100%, or we may face serious consequences*

- Typically an organization has only a few commits: often in the financial targets and/or in areas with major product release milestones that cannot be safely missed.
- Where we have commits, responsibilities are shared: our teams must work their hardest to achieve those measures; and our leaders must work their hardest to ensure that teams have what they need to achieve their commits.

Key Initiative

Key Initiatives are the major (often cross-functional) workloads or projects identified by name that help us achieve our organizational OKRs.

OKR:

An OKR is a nested structure made up of a single Objective with (typically) multiple Key Results that describe progress and/or success on that Objective.

- At the company level, we typically see 3-5 cross-functional, theme-based Objectives relating to areas of growth / financial improvement, operational excellence, people and culture, and product and/or customer themes. At the company level, each Objective typically has 2-5 (or so) Key Results aligned to each Objective.
- Among teams, the number of Objectives and Key Results may vary dramatically.
- Some teams will have aligned theme-based Objectives similar to the company Objectives; other more executional teams may shift to identifying Key Initiatives in place of Objectives. Teams also typically have 2-5 (or so) Key Results aligned to each Objective (or Key Initiative).

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What do finished OKRs look like?

People & Culture

High-satisfaction talent creates inspired products that help our users create brighter futures

Key Results

1. Increase employee retention by 30% (from 60% to 90%)
2. Increase the number of employee-led intiatives by 50% (from 5 to 7.5 per quarter)
3. Improve performance on our quarterly employee survey question: "I know how my work supports our strategic priorities" from 25% "strong yes" to 50% "strong yes"

Ops Excellence & Innovation

Improve the efficiency of product development to enable greater innovation

Key Results

1. Improve our product development process efficiency index score by 20% (from 80% to 96%)
2. Increase the number of product development team members who report feeling empowered to innovate by 30% (from 50% to 80%)

Product & Customer

Create a friction-free learner experience

Key Results

1. Improve overall user satisfaction by 20% (from 80% to 96%)
2. Increase the completion rate for lessons by 30% (from 60% to 78%)
3. Improve our Customer Effort Score by 2 points (from 7 to 9) on average
4. Increase the rate at which we hear positive spontaneous statements about "ease" in customer feedback by 1000% (from 3x weekly to 30x weekly)

Key Initiative

NewProduct 2.0 launches ~~~~~~~~~~ perience so delightful our users can't ~~~~~~~~~~ nds about it

redcurrantco.sharepoint.com
Sign in to your account

Key Results

1. Increase initial NPS score compared to the v1 launch from 35 to 65
2. Improve our first 30 day referral rate by 11% (from 9% to 20%)
3. Increase 7-day streak usage rate of the product by 15% (from 25% to 40%)

Characteristics of strong OKRs

1. They fit on a page
2. Objectives are directional (usually not measurable) and have a connection to a clear theme (which helps with alignment during localization)
3. Key Results are measurable. As many as possible of our Key Results are in the form:
   a. Increase / decrease / improve [metric] by ___% (from ___ to ___)
4. Where we can't state Key Results in that ideal form, we create Key Results that are still objectively measurable (and that don't rely on subjective estimation of progress).
5. At the company level, our OKRs are typically communicated annually (sometimes with a quarterly target); at the team level, OKRs are typically communicated Quarterly (even if teams set annual goals elsewhere to be able to work back to their Quarterly KRs.

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Creating OKRs

How to create useful OKRs that achieve change

OKR Formation, Step by Step

When creating OKRs some teams are tempted to look at examples to see what "correct" OKRs look like; or, to see how teams in their discipline have solved for measuring progress and success. We don't recommend that approach since the "right" (or "best, for now") OKR for your team is specific to your exact current state and target state. Instead, we show example common **structures** for Objectives and Key Results so that you can create your own.

1

What are your inputs? Strategic plans, core values, annual operating plan, upline OKRs?

2

What are your most important Objective themes?

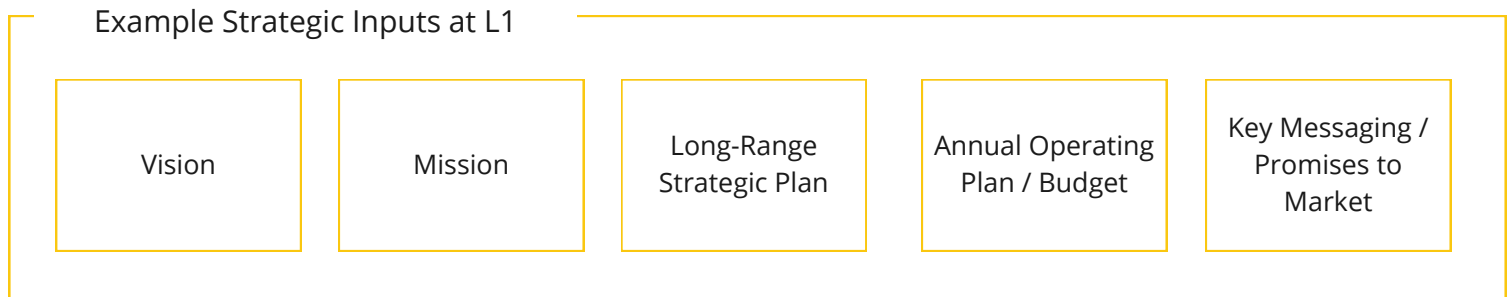What are your 3-5 most important **Objectives or Key Initiatives**?

3

For each Objective, what are your (3-5 max) most important measures of progress & success -- your **Key Results**?

Step 1: Identify your Strategic Inputs

Your strategic inputs are the external expectations that you need to take into account when writing your OKRs to ensure that your OKRs are aligned with your organization's strategic priorities.

Writing OKRs at the Company (L1) Level

If you're writing OKRs from scratch, starting with a clean sheet of paper (e.g. at the company or L1 level) your strategic inputs may include inputs like:

Example Strategic Inputs at L1

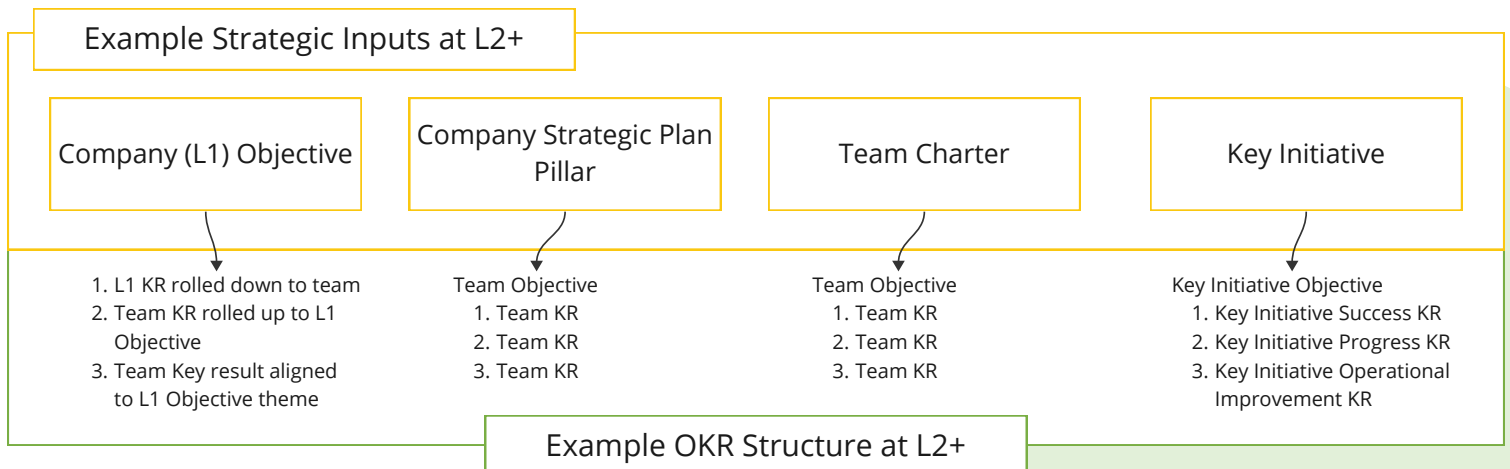| Vision	Mission	Long-Range Strategic Plan	Annual Operating Plan / Budget	Key Messaging / Promises to Market

Localizing OKRs at the Organization (L2) or Team (L3+) Levels

If you sit at L2+, you may be **localizing** OKRs instead of starting with a clean sheet of paper. If you have upline OKRs (at the company level, and/or at your parent organization level, you can review them to determine:

1. Which Objectives (or Objective Themes) does my team need to focus on this quarter?
2. Which Key Results am I directly responsible for? Those may **roll down** to your team directly.
3. Which Key REsults does my team support, but I have a different measure of progress or success than the upline Key Result specifies? In that case, you can identify your own Key Results that **align or roll up** to support the upline Key Result.
4. Are there other external expectations of your team that don't appear in upline OKRs that you need to be sure to support this quarter?

Example OKR Structure for an L3 Team

Example Strategic Inputs at L2+

Company (L1) Objective	Company Strategic Plan Pillar	Team Charter	Key Initiative

1. L1 KR rolled down to team 2. Team KR rolled up to L1 Objective 3. Team Key result aligned to L1 Objective theme	Team Objective 1. Team KR 2. Team KR 3. Team KR	Team Objective 1. Team KR 2. Team KR 3. Team KR	Key Initiative Objective 1. Key Initiative Success KR 2. Key Initiative Progress KR 3. Key Initiative Operational Improvement KR

Example OKR Structure at L2+

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Step 1: Organize your Strategic Inputs

Once you've gathered your strategic inputs:

1. Review them and arrange them.
   a. Group any strategic inputs that should be thought of together into groups.
   b. If you can de-duplicate similar strategic inputs, do so: ideally, we don't have multiple similar but different strategic inputs to try to align to!
2. If you have more than four groupings, can you reorganize the strategic inputs to arrive at four groupings?
   a. If so, what is the theme (or theme combination) that you might use to summarize each?

Worksheet 1: Strategic Input Review + Theme Identification

Final theme 1 goes here:

Final theme 2 goes here:

Parking Lot

Ideation space

Ideation space

Final theme 3 goes here:

Final theme 4 goes here:

Ideation space

Ideation space

Step 2: Forming Objectives

What is an Objective?

Definition	Objectives are **directional** statements of **shared purpose** that describe **what** we're pursuing together and **why** it matters

Why are Objectives important?	• Each Objective provides a clear, inspiring, aspirational direction for the organization • Added together, our Objectives should serve as the pillars to achieve success toward our strategic inputs • Objectives give us focus on the important, usually longer-term, changes the organization is trying to achieve

Example Objectives (with themes identified)

People & Culture

High-satisfaction talent creates inspired products that help our users create brighter futures

Product & Customer

Create a friction-free learner experience

Ops Excellence & Innovation

Improve the efficiency of product development to enable greater innovation

Key Initiative

NewProduct 2.0 launches with a customer experience so delightful our users can't wait to tell their friends about it
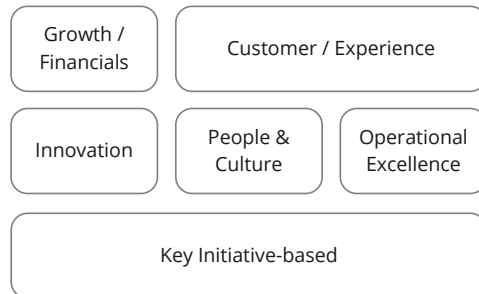
Characteristics of strong Objectives

1. **When possible, borrow Objective language from your Strategic Inputs.**
   a. There is no reason to write a new Objective, unless you have to.
   b. Re-using Objective language from your Strategic Inputs where possible to do so helps your **OKR alignment be visible** at a glance!
2. When you must write Objectives from scratch in order for them to be meaningful for your team, here are some best practices.
   a. Objectives have a strong theme (or themes), so that sub-teams can align to the Objective theme / themes even if they don't align to the exact language of the upline Objective.
   b. Think of Objectives like **strategic or visionary pillars:** Added together, they describe what's most important for us to make progress on, to move toward achieving our strategic priorities.
   c. Our Objectives communicate **what** is important and **why** that matters.
   d. The strongest Objectives **describe their "why" in human terms**: why is this important to the most important stakeholder? When the "why" behind an Objective is "because we're a business and need to generate revenue," that Objective may be inspiring to some people but may not help other people understand the purpose of their work.
   e. The strongest Objectives are **useful**. They are short enough to be memorable, and when we run into a conflict or difficult decision, we can look at our Objective to break ties and/or help us decide how to move forward.
   f. The **language** choices in our Objectives is important. Individual words in our Objective may create opportunities for cross-functional alignment; words in our Objective may give us ideas about our most important measures of progress and/or success.

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Step 2: Forming Objectives

What do Objectives look like?
We focus on efficient, sufficient, Objectives (that get better over time, not on-demand)

Example Objective Themes

Growth / Financials	Customer / Experience

Innovation	People & Culture	Operational Excellence

Key Initiative-based

Efficient / Sufficient

⭐ **Fast and clear: What / Why Objectives**
- Increase revenue so we can reinvest and improve our employee experience

Simplest but less inspiring: Theme-based Objective Example
- Ensure our employee experience is improving

Simple with major projects: Key Initiative Objective Example
- Complete our employee experience overhaul to increase retention

Harder / more time consuming / more memorable / less clear

Inspiring but sometimes prone to confusion: State-based
- Financial health powers our world-class employee experience

Energizing and memorable but hard work: Tagline / rallying cry:
- Profits don't define us, they sustain us

Objective Forming Building Blocks IF you need to create new Objectives

1 **Draw guidance from your strategic inputs & themes**

2 **Reflect on the Key Questions of Objective-forming**

1. **What** is most important to achieve?
    a. Ideate, then identify: what is the most important **single statement** that describes your direction for this goal phase? This is your **What**.
2. Look at that statement of **what's most important** and answer the question: **Why does that matter?**
    a. Ideate, then identify: what is the most important purpose statement for this Objective? To whom does this matter and why?

3 **Create your draft Objective**

1. **Ideate**: **What** is most important for us to achieve?
    a. Organize: Cluster your ideas into themes (if you haven't already) (aiming for 4, if possible)
2. **Purpose**: Look at your ideas by theme. For each, ask: **Why** does that matter? (And, to whom, if it's helpful?)
3. Write a basic Objective candidate. Common example forms include:
    a. Improve [Theme] so we can [Why?']
    b. [What?] so we can [Why?]

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Worksheet 2: Form your Objectives

Use the Objective-forming Building Blocks to ideate one Objective for each Theme (or Key Initiative) you've identified as among your 4 most important.

Worksheet 2: Objective ideation by Theme (or Key Initiative)

Theme 1

Objective 1 goes here:

Ideation space

Theme 2

Objective 2 goes here:

Ideation space

Parking Lot

Theme 3

Objective 3 goes here:

Ideation space

Theme 4

Objective 4 goes here:

Ideation space

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Step 3: Forming Key Results

What is a Key Result?

Definition	Key Results are our **most important objective measures** of progress and/or success.

Why are Key Results important?	- Key Results (KRs) give us clarity about **what progress and success mean.** No more mind-reading or constantly moving goal posts. We agree on what's important before we begin work. - Objective measurements give us data to **make important business decisions based on** - Our Key Results are presumed to be **stretch goals** (unless they are clearly labeled COMMIT) - With stretch KRs, we are **safe to try and even fail** in the pursuit of learning and progress.

Building a "Textbook" KR

Most best-practice Key Results are structured like:

Increase customer retention

[increase / decrease / improve]   [metric of focus]

by 10% (from 60 to 70%)

by [___%]   (From [starting value] to [target value])

Example Key Results

1. Increase employee retention by 30% (from 60% to 90%)
2. Increase the number of product development team members who report feeling empowered to innovate by 30% (from 50% to 80%)
3. Improve overall user satisfaction by 20% (from 80% to 96%)
4. Increase 7-day streak usage rate of the product by 15% (from 25% to 40%)

Characteristics of strong Key Results

1. The strongest key results are **objectively measurable**.
   a. They are clear and complete on their face,
   b. with a starting and finishing value so the magnitude of the target change is clear.
2. Think of Key Results as the answer to the questions: what might success look like? And, how will we know we're making progress?
3. Key Results may not always perfectly align to the Objective itself, but should be placed to align to the Objective or Objective theme **they relate to** the closes.
4. Our Key Results communicate clearly what we're working to improve or measurably impact. We don't typically write Key Results for "maintain" measures (unless maintaining that measure is a significant stretch).
5. Key Results **do not describe our "how."**
   a. Our "how" can be described in our activity and work plans. Our Key Results describe our measurable impacts, not necessarily how we'll achieve them.
6. We should be able to look at the **language of our Objective for inspiration** about what is important to measure in our Key Results.

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Q: Does every team write their Key Results from scratch?

A: No. Typically Team Key Results come from:

- **Roll-downs:** Inheriting some Key Results from elsewhere in the organization that are ultimately owned by this team, where a Key Result **rolls down** in whole or part to this team;
- **Aligning:** Developing some aligned Key Results that align up (or across) to OKRs elsewhere in the organization, but that describe this team's contributing measures to the upline Key Result (so the Key Result metric may be different than the upline OKR); and
- **Creating team Key Results:** Often, once teams are complete with **localizing** Key Results from elsewhere in the organization into their domain, there are still important measures of progress and/or success that need to be quantified and included as Key Results even if they don't perfectly align to an upline Key Result. Sometimes, Team Key Results can align to an upline Objective or Objective Theme (even if they don't align to an upline Key Result). Sometimes, teams don't see where their important Team Key Results align into the larger system: in that case, the team *may write an Objective for their Team KRs to align to.*

There does not have to be a 1:1 relationship between team Key Results and upline OKRs, but where possible, we do **roll down, align up, and create Team Key Results that align to our Objectives or Objective themes.**

That's how we create Team OKRs that are in alignment with our strategic inputs.

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Step 3: Forming Key Results

What do Key Results look like?
We work hard to create objectively measurable Key Results to maximize our OKR impact

- SAAS subscription ROI increases by 20% (from $40k to $60k)

- Increase customer satisfaction with our first 90 day onboarding process by 50% (from 5 [estimated] to 7.5 [estimated])

- Increase the number of times our team hears "that was surprisingly easy!" from our key internal stakeholders by 100% (from 0 to 1 time per week)

- Baseline our time spend of 100% of instances where we follow "business-as-usual" processes in known areas of automation possibility (to reduce in the future)

- Build and instrument a Customer Success Index model in Q1 for improvement by 15% in Q2

"Textbook" KRs
Increase / decrease [metric] by ___ (from ___ to ___)

Estimate for validation baselining KR
Increase / decrease [metric] by ___ (from ___ (estimated) to ___(estimated))

Behavior-driving / "Whiteboard KRs"
Increase | decrease [desired behavior or spontaneous statement] by ___% (from ___ to ___)

Make-the-case KRs
- Baseline [existing problematic situation or area of improvement] to determine whether improvement to [metric] is necessary next quarter

Baseline KRs with commitment to improve
- Build & instrument a [measurement] model in Qa (for improvement by X % in Qb)

Key Result Forming Building Blocks

1 **Re-examine your Objectives / Key Initiatives.**
- Do the words in your Objectives give you any signal / ideas about what may be important to measure or quantify?

2 **Reflect on the Key Questions of Key Result forming**
1. What are our most important measures of progress and/or success?
2. How will we know when we're making progress on this Objective?
3. What would success mean on this Objective?

3 **Create: For each Objective, select which Key Result ideas are most important, then draft your Key Result candidates**
1. If you had to choose **3-5 most important measures** of progress and/or success for this Objective from your ideas, which would they be?
2. What is the most important and impactful **measurable goal** you can think of for each?
3. Can you **refine** each of your 3-5 most important goal ideas into as close to a "textbook" Key Result as possible?
   a. Increase / decrease / improve] [metric] by ___ (from [start value] to [target value])

Worksheet 3: Ideate your Key Results

What are your most important measures of progress and/or success for each Objective?

Worksheet 3: Key Result Ideation by Objective

Theme 1

Objective 1

Theme 2

Objective 2

Parking Lot

Ideation space

Ideation space

Theme 3

Objective 3

Theme 4

Objective 4

Ideation space

Ideation space

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I hope you enjoyed this excerpt! Want access to the full Playbook?

Early

This is the **draft TLDR version** of our full Evolutionary OKRs Playbook, which is currently in Beta, and only available for participants in our courses and participants in our Beta reads.

The full Beta version of this book has 2O+ more pages of helpful background information, worksheets, frequently asked questions, and some particularly helpful step-by-steps for helping form actually-measurable Key Results: the piece of the puzzle most leaders and teams struggle with the hardest.

Want early access? Join me for an upcoming No BS OKRs class! http://findrc.co/nobsokrs

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Sara is a former strategic executive, non-practicing attorney, and current OKR activist whose passion is working with clients tackling transformational change. Her target clients are in human impact industries: education, healthcare, technology, automotive / motorsports, and regulated industries where improving performance on human outcomes improves the bottom line.

Sara works with clients around goal setting (and behavior change for goal attainment), leadership development, and building solid leadership and self-management mechanics. Sara has a special focus on helping introverted, neurodivergent, and other unconventional leaders (and aspiring leaders) develop an approach to leadership and management that works for them.

- Founder & Principal Consultant: Red Currant Collective
- Executive Strategy Leader + Internationally Award-Winning Content & Brand Strategist
- Positive Psychology & Well-being Coach
- OKR Master Coach (certified by WorkBoard Inc)
- Trained 2,000+ OKR coaches in 300+ organizations globally
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Red Currant Collective
Red Currant Collective is a strategy consultancy that works with organizations and people wired for purpose, progress, and change. We help Thinkydoers and status quo challengers unblock, align, and mobilize their resources to achieve the inconceivable. Our learning and development experiences help participants learn essential workplace skills through supported, structured practice in an environment where it's safe to try. We focus on leadership development and goal-setting and attainment using the Connected Strategic model of strategic implementation and Evolutionary OKRs.

Thinkydoers
Thinkydoers is our thought leadership brand: a website, podcast, and educational offerings targeting individuals. Thinkydoers is for those of us whose work spans the spaces between thought, through the messy middle, and finding the courage and confidence to "do." I'm a thinky-doer, and I'm here to help others find more satisfaction, less frustration, less friction, and more flow in our work. Here you'll learn about our Evolutionary OKR approach: our useful and proven Objectives and Key Results playbook, that Thinkydoers and change-makers use to help their organizations move through transformation with big outcomes (when people matter).