How To Run An OKR Setting Meeting
The Design Thinking Way

Introduction   Setting OKRs is hard. It involves taking a hard look at your company, having difficult conversations, and making choices about where the company should go. Here's how I run an OKR setting meeting with execs.

Select the Team   Keep the team small, ten or fewer people if possible. It must include the senior executive team.

Schedule the Meeting   Set aside 4.5 hours to meet with the team. Plan for a two-hour session, then a 30 minute break, then another two-hour session.

Note: Your secret goal is to be so productive in the first two-hour session, that you can cancel the second session.

Do The Pre-Meeting Work   A few days before the meeting, solicit **all** employees to submit the Objective they think the company should focus on that quarter. Be sure to give them a very small window to do it in; 24 hours is plenty. You don't want to slow down your process, and in a busy company, later means never.

Have someone (a consultant or the department heads) collect and bring forward the best & most popular objectives. Write these out on sticky notes, preferably larger ones, prior to the meeting.

Each executive should also have an objective or two in mind to bring to the meeting as well as those generated by employees.

Gather your supplies. I recommend having a variety of sizes of sticky notes available for the meeting, and use the large ones for the objectives. Cramped writing is hard to read.

Conduct the Meeting   *Note: Stay focused at this meeting to achieve your secret objective of cancelling the second two-hour session. Take away phones and computers if at all possible. It will encourage people to move quickly and pay attention.*

1.   <u>Add Objectives.</u> Have the objectives from employees already up on a board or wall. Ask the team to write theirs on the large sticky notes and add them to the wall. Give the team slightly less time than seems needed, to encourage focus and fast work. 5 minutes is a good start, you can always extend it if needed.

2.   <u>Discuss. Debate. Fight. Stack rank. Pick.</u> Have the team combine duplicates, and look for patterns that suggest people are worried about a particular goal. Then, stack rank them. Finally, narrow them down to three.

Conduct the Meeting cont.

Note: *Depending on the team you have, you may have either hit the break, or you have another hour left.*

3. Freelist Metrics. For each of the three objectives, have all the members of the team freelist as many metrics as they can think of to measure the objective.

   Freelisting is a Design Thinking technique. It means to simply write down as many ideas on a topic as you can, one per sticky notes (I recommend the small ones for this exercise). Freelisting is a far more effective way to brainstorm, and results in better and more diverse ideas. Give the team slightly more time than is comfortable, perhaps ten minutes per objective.

4. Affinity Map and Select. Next, you will affinity map them. This is another Design Thinking technique. All it means is you group sticky notes with like sticky notes. If two people both write DAU (Daily Active Users), you can put those on top of each other. It's like two votes for that metric. DAU, MAU, WAU are all engagement metrics, and you can put them next to each other. Finally, you can pick your three types of metrics.

   I tend to write the KRs as X first, i.e. "X revenue" or "X acquisitions" or "X DAU." It's easier to first discuss what to measure, then what the value should be and if it's really a "shoot for the moon" goal. "One fight at a time," is my motto.

   As a rule of thumb, I like a usage metric, a revenue metric and a satisfaction metric for my KRs, but obviously that won't always be right. Try to find multiple different ways to measure success. For example, two revenue metrics means you might have an unbalanced approach to success. Focusing only on revenue can lead to employees gaming the system and developing short term approaches that can damage retention.

5. Set Values. Next, set the values for the KRs. Make sure they really are "shoot for the moon" goals. You should have only 50% confidence you can make them. Challenge each other. Is someone sandbagging? Is someone playing it safe? Is someone foolhardy? Now is the time for debate, not halfway through the quarter.

6. Evaluate Work. Finally, take 5 minutes to discuss the final OKR set. Is the objective aspirational and inspirational? Do the KRs make sense? Are they hard? Can you live with this for a full quarter?

   Tweak until they feel right. Then go live them.

OKR Worksheet

Company Mission

What is your company mission? Hopefully you already have a mission. OKRs are like trains running in the tracks of the mission. Without a mission, they can go all over the place (or more likely, they can go nowhere). If you don't have one, take the time to set a simple mission. If you have one, write it here as a refresher.

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How Many OKRs Should I Have?

If you are a big company and have many very different business lines (think Google: if you have essentially unrelated businesses like search and social and self-driving cars), then you will have a set of OKRs for each unique business model. But those OKRs should still help the company OKR if at all possible.

Small companies should only have one objective and three KRs for the entire company, then each group sets their own OKRs that make the company's OKRs happen.

Remember, **FOCUS**.

Annual Objective

What is the theme for the year going to be? Retention? Awareness? Acquisition? What is the one big objective you (as a company) would like to accomplish? This will be your annual objective. Small companies rapidly iterating can skip annual OKR and just set quarterly.

O: _____

_____

_____

Annual Objective Metrics

What are three metrics that would tell you that you had indeed succeeded in that objective? Reminder: a metric is not a task you mark done, it is numerical metric that moves up and down depending on how effective a task is at creating change. For example, a good KR would read, "Sign-up is up 10%." A bad KR would read, "launch new sign up flow." Launching something is a task, not a metric.

KR: _____

KR: _____

KR: _____

**Annual
Objective
Metrics cont.**

CHECK:
- *Is the Objective inspirational and challenging? Are these tough KRs? Do you have only a 50/50 chance of making each KR?*
- *Will it really take a year to do this?*
- *Does it tie together everyone's efforts?*

**Quarterly
Objective**

What is one big objective toward your company mission that would take the company 3 months to do, and you are only 50% confident you could do? Gather ideas for this from team. Successful OKRS are set together, not handed down.

O: _____

_____

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**Quarterly
Objective
Metrics**

What are three metrics that would tell you that you had indeed succeeded? Reminder: a metric is not a task you mark done, it is numerical metric that moves up and down depending on how effective a task is in creating change. For example, a good KR would read, "Sign-up is up 10%." A bad KR would read, "launch new sign up flow." Launching something is a task, not a metric.

KR: _____

KR: _____

KR: _____

CHECK:
- *Is the Objective inspirational and challenging? Are these tough KRs? Do you have only a 50/50 chance of making each KR?*
- *Will it really take an entire quarter to do this?*
- *Does it tie together everyone's efforts?*

**Division/Dept.
OKRs**

What Objective and three Key Results will you set to support the company OKR (for each group/function, i.e. marketing, engineering, product, design)?

_____

_____

_____

_____

Division/Dept.
OKRs cont.

Check:

- *Are these things you can do without support of other groups? (You don't want to have your OKRs tanked by someone else)*
- *Are your results actually results, or are they tasks you do to get results? i.e. Launch a pricing page vs launch a pricing page that has 12% conversion to contact.*
- *CEO: do you really believe these will take a full quarter and each KR has only a 50/50 chance of success?*

Invidual OKRs

What Objective and three Key Results will you PERSONALLY set to support the company OKR this quarter? Examples might include learning a new skill, hiring good people, results on a project you alone are doing. DO NOT enforce individual OKRs on everyone. This is a personal choice.

Tactics

Now you've set goals, you can begin to focus on tactics to make the goals happen.

What big projects are needed to make each OKR set happen? This becomes your roadmap. Here is where those pesky tasks go. List as many as you wish, and you can reorder them as often as needed through the quarter to hit the OKRs. OKRs don't change (strategy) but projects and priorities do (tactics). Here is a good way to validate the projects' value.

1. _____

   _____

2. _____

   _____

3. _____

   _____

4. _____

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. . . _____

Weekly Progress

What steps are taken to make projects happen (priorities) this week! This will be shared and set weekly in a planning meeting and in email.

Note: This part goes into your weekly status meeting and email reports. Practice writing one for the first week of the quarter!

P1: _____

_____

P1: _____

_____

P1: _____

_____

P2: _____

_____

P2: _____

I hope this worksheet helps you structure your thinking around objectives and key results!

Visit http://eleganthack.com to learn more.