Objectives and Key Results (OKRs):

An alternative to traditional planning methods

@homelessimpact
Introduction

OKR is a framework for setting goals and tracking their achievement

The application of the framework generates statements of:

**Objectives:**

Bold and qualitative goals that an organisation wants to accomplish in order to fulfil its mission.

**Key results:**

Tangible and quantitative means of assessing progress towards the realisation of objectives.

In its simplest form, the OKR approach leads to statements that take the form: ‘We will [Objective] as measured by [this set of Key Results].

OKR can be used at the level of a whole organisation or the component divisions/groups/teams within an organisation; it can be deployed over annual and/or quarterly cycles – and/or, occasionally, over more frequent timescales.

The OKR approach has been applied by high-profile corporations (notably Google, Amazon, BMW) and philanthropic organisations (notably the Gates Foundation and the ONE campaign). Public sector users of the approach include GOV.UK and a number of state (e.g. Minnesota) and city (e.g. Syracuse, NY) government bodies in the US.
The approach in more detail:

Don’t have too many OKRs: Have a maximum of five Objectives – maybe just one! And for each Objective, have a maximum of five Key Results.

Objectives should be:
Significant, action-oriented, inspirational and concrete

Key Results should be:
Specific and timebound; challenging and not always achievable; and measurable and verifiable

When applying the OKR model:

Don’t try and get the framework to include everything you do. KPIs, as means of focusing on day to day operations, are important but should be kept separate from agreed OKRs. The focus on OKRs should be on the small number of things that can generate sustainable improvements in performance.

Remember that OKR is about changing behaviours, systems, tools, or processes so that you can achieve and maintain new levels of performance. So it can be helpful to have a third category, focused on the Initiatives – projects, tasks, activities etc. - that will allow the realisation of the agreed OKRs.

There may also be value in highlighting any Resourcing Issues around the achievement of the OKRs – who leads, how much time people will need to commit, any implications for day-to-day operations etc.
OKRs: Top 10 tips

1. Prepare quickly – seek to agree in days or weeks, not months.

2. Make it ambitious – goals and KR metrics should feel uncomfortable...

3. So don’t use OKRs in employee evaluation processes.

4. Make the majority of the OKRs bottom up, to support team ownership.

5. Align, don’t cascade – groups should take note of organisation-wide wide metrics but make their own decisions (how can we contribute to strategic goals?), rather than having quotas handed down.

6. Seek alignment in 360 degrees – up, down, and sideways (it’s important to explore interdependencies with other teams).

7. Keep outputs short – 1 page is best, 2 pages max.

8. Make OKRs visible and transparent - to the team, to the rest of the organisation, and maybe to external stakeholders.

9. Regular check-ins are important – to assess progress, measure confidence that the OKRs will be achieved by the end of the period, to identify risks and impediments and explore potential courses of action – keep the focus of these check-ins on improving results, not preparing excuses!

10. At the end of the period: debrief, learn, and adapt for the next cycle of OKRs – to support better use of the method over time.
OKRs example 1: Gov.uk

**MISSION**

Prepare the GOV.UK platform for the scale demands of Brexit (Platform Health)

<table>
<thead>
<tr>
<th>Key results</th>
<th>Confidence</th>
<th>Progress</th>
</tr>
</thead>
<tbody>
<tr>
<td>We have assisted Reliability Engineering to migrate all GOV.UK applications to AWS and can terminate our contract with Camenz</td>
<td>x/10</td>
<td>n%</td>
</tr>
<tr>
<td>We’ve set publishing speed and reliability benchmarks and have improved them by 10%</td>
<td>x/10</td>
<td>n%</td>
</tr>
<tr>
<td>We’ve stress-tested our publishing pipeline, with 2x, 4x and 8x previous peak activity. We have hypotheses for how to make concurrent content changes happen more quickly in Q4</td>
<td>x/10</td>
<td>n%</td>
</tr>
<tr>
<td>GOV.UK is ready to serve a spike of visitors, handling 2x previous hourly peak hourly traffic with no significant drop in performance. We know what impact 4x and 8x spikes would have</td>
<td>x/10</td>
<td>n%</td>
</tr>
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**Priorities**

- Benchmark performance, set SLAs for publishing speed and reliability
- Produce and test hypotheses for improving benchmark figures
- Set out a reproducible approach to measure performance, speed and error rates under load, using benchmark conditions for publishing and site visits
- Produce hypotheses for alleviating the most risky problem areas relating to concurrent content changes

**Planning**

- Teams size: One x large or two medium
- Urgency & cost of delay: De-risk EU exit by preparing for large numbers of visitors and public alive
- Cost of delay: Increase in incidents and 2nd line work, reputational risk for GOV.UK and GDS

OKRs example 2: City of Syracuse

**Objective: Achieve Fiscal Sustainability**

The City is on a path toward achieving fiscal sustainability. To show our city’s growth, we have to show that we can manage spending and grow revenue. The City projected an $11 million budget deficit for the 2019 Fiscal Year (July 2018-June 2019). The key metrics for achieving Fiscal Sustainability will include both for and be a signal of a growing city.

- **Problem Solving**
  - Reduce the general fund budget variance from 11% to 5% (5 of 18)
  - Spend 15% of authorized capital project dollars by the end of the fiscal year (0 of 5)

- **Problem Solving**
  - Spend 50% of grant dollars for grants from prior fiscal years (2 of 6)
# OKRs: Template

**Organisation**

**Time period**

**Objective**

**Key Results**

<table>
<thead>
<tr>
<th>Key Results</th>
<th>progress to date</th>
<th>confidence we will complete</th>
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**Initiatives**

**Resourcing Issues**
Sources / further reading

**Books**

**Articles**
Castro, Felipe (2019) OKRs vs KPIs, what is the difference?
Messer, Steve (2019) how we use OKRs on GOV.UK.