



The Ultimate OKR Guide

How to use OKRs to drive engagement
within your company

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1. Introduction

What are OKRs?

OKRs stand for Objectives and Key Results.

An OKR is a goal-setting framework that creates alignment around measurable goals.

Here's an example of a typical OKR:

Objective:

We will deliver a "must-have" product in order to delight customers and grow our user base.

Key results:

1. Reach an NPS of 9
2. Release 5 new competitive features
3. Onboard 25 enterprise clients
4. 5 million daily active users
5. Increase of 65% in renewal and upsell revenue



OKRs are an effective goal-setting and leadership tool for communicating what you want to accomplish and what milestones you'll need to meet in order to accomplish it.

– John Doerr
Author of *Measure What Matters*

Here's why your team needs OKRs

69% of employees with strong goal practices are highly engaged at work.
On the other hand:



Only 16% of frontline employees have a clear understanding of their connection with organizational policies.

Source: HBR



Just a 10% improvement in employees' connection with the mission or purpose of their organization leads to an 8.1% decrease in turnover and a 4.4% increase in profitability.

Source: Gallup



50% of employees want to know better what is expected of them at work.

Source: Gallup



Only 2 in 10 employees say that their performance is managed in a way that motivates them to do outstanding work.

Source: Gallup

OKRs are more common than you think

Many of the world's leading organizations use OKRs to achieve their business strategies. Here are a few examples:



2. How do OKRs work?

Here's an example of how OKRs can be used in real life to achieve your personal goals:

Objective >>	Key Results >>	Tasks
Where do you want to go?	How will you know you're getting there?	What will you do to get there?
<p>Objectives set a clear direction and simply describe what you want to achieve.</p> <p>Objectives are ambitious, action-oriented, and (ideally) easy to rally around.</p>	<p>Key results are quantitative measures used to track results against objectives. They are outcomes based on the business value delivered and not just a list of tasks/projects to be carried out.</p>	<p>Tasks are the work you'll do and outputs you will deliver to influence a Key Result.</p> <p><i>Rule of thumb: If we successfully do <task> we will improve <key result metric>.</i></p>
<p>Example: Complete the Iron Man in 2023</p>	<p>Example: KR1: Improve running speed by X KR2: Improve swim speed by Y KR3: Improve cycling speed by Z</p>	<p>Example: T1: 312 training hours – 7 per week T2: Eat balanced high-protein diet daily T3: Compete in 1 10K per month T4: Cardio to improve resting heart rate</p>

To sum it up: OKRs bridge the gap between strategy and execution.

Benefits of OKRs

When you implement them within your company, OKRs:



Drive company-wide alignment. Because OKRs break down silos and centralize goals, every level of the business becomes connected with the outcome.



Enhance agility. Teams can swiftly reprioritize efforts if needed or use resources more strategically to support key initiatives.



Promote innovation. Setting challenging objectives motivates team members to think outside the box.



Boost engagement. Since every team member has their own objective to work toward, OKRs instill a sense of purpose, autonomy and accountability.



Help individuals focus on critical outcomes. OKRs help employees draw clear parallels between their daily tasks and big-picture goals.

3. Monitoring progress

OKRs can become a set-it-and-forget-it situation if leaders do not make it a consistent focus. To ensure that OKRs are a part of your team's work routine, there has to be continuous open communication. This will help fix delays or missed targets in real-time. Cross-functional teams will then be able to work around solutions for changes or course-corrections.

To track results, a pro-tip is to schedule **regular check-ins** that are brief and limited to one hour or less. Team check-ins tend to be shorter, with some teams doing 15-minute stand-up check-ins.

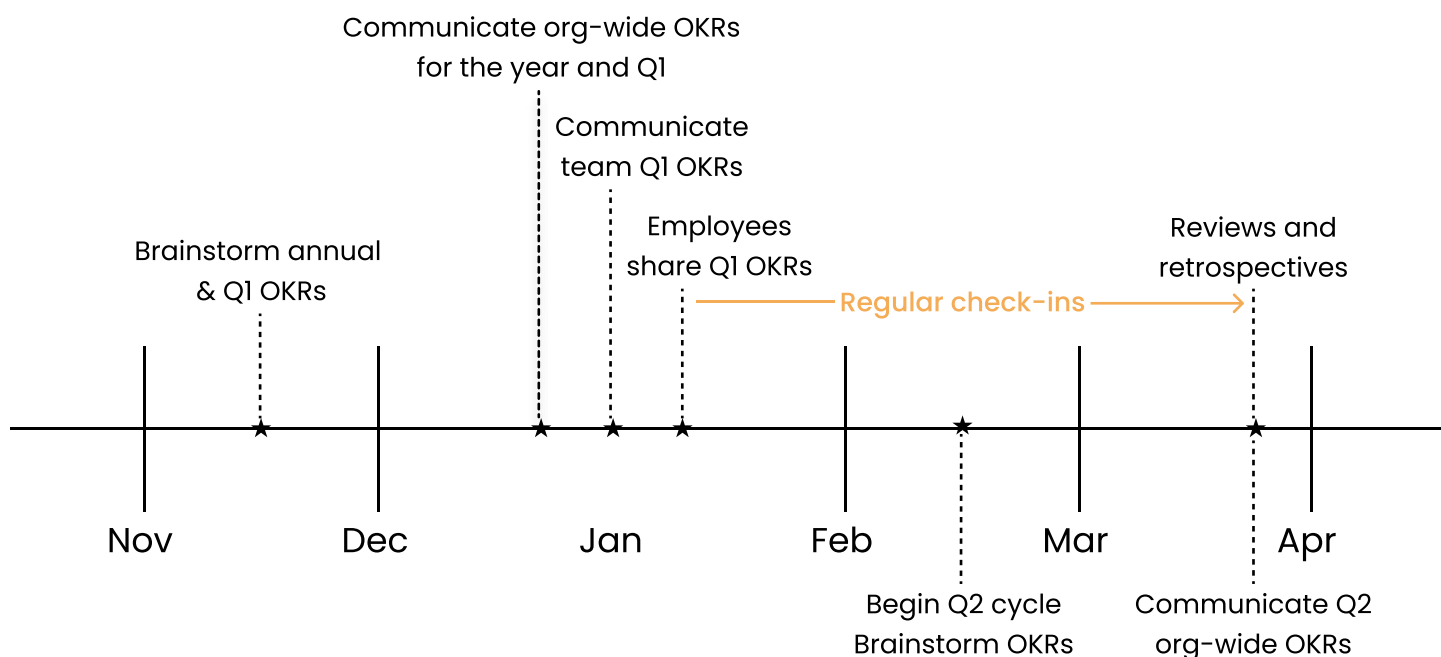
Here's an example of a good check-in structure to follow:

Progress	Confidence Level
<ul style="list-style-type: none">• Quantitative check on where we stand vis. our key result targets today.• Where should we have been by now?• What has changed since the last check-in?	<ul style="list-style-type: none">• How confident are we about reaching our targets by the OKR deadlines?• Do we need to change our targets?
Challenges	Initiatives
<ul style="list-style-type: none">• What are the roadblocks we are facing?• How can we unblock them? Who can help?	<ul style="list-style-type: none">• What new tasks, initiatives do we need to carry out to achieve our OKRs?

4. Rolling out OKRs

The timeline of an OKR cycle

To drive a balance between strategy and tactical priorities, organizations can build nested cadences of OKRs – with strategic OKRs having an annual or bi-annual timeline and more tactical OKRs having a quarterly timeline. When designing quarterly OKRs, a typical timeline should look like this:



A typical OKR cycle

1. Set organization-wide strategic priorities.

At the beginning of the year, the company leadership defines a set of organization-wide OKRs based on strategic priorities and inputs from key stakeholders.

2. Share organization-wide OKRs publicly.

Teams then begin to devise their OKRs in alignment with organization-wide goals using a bi-directional approach (i.e., top-down cascade and bottom-up alignment).

3. Map team interdependencies.

Teams check that they are aligned with each other's goals and initiatives. For example, if an objective of the sales team is to 'improve sales performance in the target market', the marketing team can help support them by setting one of their objectives as 'increase Marketing Qualified Leads (MQLs)'.

4. Hold regular check-ins.

These help keep a track of results and initiatives. Use the check-in structure above to keep a track of OKR progress, confidence levels, challenges, and initiatives that need to be taken to achieve the KRs.

5. Reviews and Retrospectives.

A retrospective is a meeting held outside day-to-day work to reflect on OKR performance, past events and behaviors. Team members and leaders share hits and misses; and keep this learning in mind while devising and delivering the next set of OKRs.

Key personas in your organization and the roles they play

Here are the typical personas in an organization and the role they play in goal management.

C-Suite

The C-suite refers to executive-level buy-in that is crucial for a successful program. Executive sponsorship ensures that there is accountability with regard to engagement, setting the tone for the entire company. The C-suite develops OKRs that are aligned to the company's mission, vision, and values. They drive focus on OKRs by basing business reviews on them and following a regular cadence of check-ins with 1-level-downs.

OKR Champion

The role of the OKR Champion is to support the process, as opposed to decision-making.

The OKR Champion:

- Ensures that the team follows the agreed upon OKR practices
- Mentors and coaches the team on the OKR process
- Facilitates OKR adoption
- Helps teams come up with great OKRs
- Administers OKRs tools

Function Leader

These leaders or managers ensure a blend of top-down and bottom-up goal-setting. They drive alignment of OKRs vertically and horizontally across functions, and are responsible for maintaining rigor and cadence.

People Manager

First-level managers use OKRs to clarify job expectations and help teams set bottom-up OKRs that are aligned with functional OKRs. These leaders conduct regular check-ins to take stock, point out red flags and maximize chances of achieving OKRs. They also create a psychologically safe environment where missing challenging targets on OKRs is okay – that way the focus is on lessons learnt.

Individual Contributor

Individual contributors use OKRs to drive focus and alignment between the various projects they might be working on at any point in time.



The one thing an [OKR] should provide par excellence is focus. This can only happen if we keep the number of objectives small.

– Andy Grove
Former CEO of Intel Corporation

5. Common mistakes to avoid when setting OKRs

Avoid these common mistakes when it comes to OKR implementations:

- **Setting non-measurable Key Results:** If there is no number or metric, it is not a Key Result.
- **Creating too many OKRs or Key Results:** Less is more. It's ideal to have 3-5 Objectives and 2-5 KRs for each Objective. When tagging OKRs to a team or individual, ensure that you're not putting more than 6-8 KRs for each individual.
- **Including tasks as Key Results:** A KR is not something that can be checked off a to-do list. It is a successful outcome of what you did. Tasks are activity-based and should also be outlined to give teams a clear picture of what all needs to be carried out to achieve a KR.
- **Creating OKRs in silos:** OKRs can be an effective way to drive collaboration amongst teams. It's important for open communication across teams while setting OKRs to ensure alignment.
- **'Set and forget' mindset:** OKRs are meant to be continuously worked upon. If there isn't continuous communication around OKRs and their progress, it can lead to surprising messages at the end of the year when evaluations come around.
- **Copying philosophies blindly:** There is no one-size-fits-all when it comes to OKRs. Understand the principles involved and tailor them to your organization's needs.

6. A 1-page OKR snapshot

Need a quick takeaway on OKRs? Refresh your OKR skills on the go with this 1 page pull-out when designing your next OKRs.

1. What your OKR should look like

I will (Objective) as measured by (this list of Key Results).

2. Objectives

- Have **3 to 5 Objectives** at any level, with a specific key owner
- **Ambitious:** Do they motivate and push your team?
- **Memorable:** Are they inspirational and easy to remember?
- **Qualitative and purposeful:** Do not add numbers; these statements are meant to show where you want to go

3. Key Results

- **Set a target:** Every Key Result should be measurable and have a numeric value
- **Value-based:** Avoid mixing tasks and deliverables. Instead, measure outcomes.
- **Deliver your results during the set time period:** And if you can't, break down your objective into smaller pieces to consistently realizing impact.

4. Zero-in on your Key Results by using this trick

Cut through the haze of multiple activities being carried out and articulate the end outcomes i.e. the Key Results that you are looking to achieve.

Here's an example:

We will be successful in (Objective) delighting our customers if we are able to (Key Result 1) reduce customer complaints to <5 per month and (Key Result 2) achieve an NPS of at least 8.

To achieve this OKR, we have to complete the following **Tasks**:

- Interview 20 customers per month to get feedback.
- Drive specific improvements to our account management process by the second month.
- Ensure compliance with the revamped account management process throughout Q1.

5. Alignment

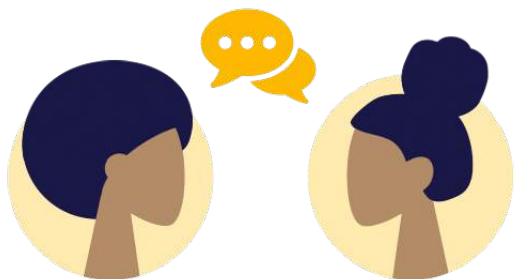
- Communicate publicly to drive alignment from day one.
- Review your OKRs regularly.
- Check if your OKRs align with the company's as well as other teams' OKRs.
- Personal OKRs are great but most of your OKRs should fit in with the company's OKRs.
- Confirm if you have to create shared OKRs with other teams.

7. CFRs – Your OKRs' best friends

CFRs stand for **C**onversations, **F**eedback, and **R**ecognition.

OKRs can come across as a to-do list to achieve your goals. To humanize the OKR and goal-setting process, you've got to integrate them with CFRs. Let's look at each aspect closely:

Conversations



When there's a real, authentic connection between a manager and an employee, it builds mutual trust. For this to happen organically, people need to have frequent conversations. And when OKRs are a part of these conversations, they tend to stay fresh on top of each other's minds.

Here are some best practices when it comes to having effective conversations:

- **Consistency is key.** Schedule regular 1:1s.
- **Set an agenda.** This way, you can have more intentional conversations.
- **Listen.** Conversations work both ways, so listen as much as you talk.
- **Be mindful.** Learn to be direct, empathetic and non-defensive.

Feedback



Ideally, feedback should be multi-directional, in real time and ad hoc. Constructive feedback can help cross-functional teams build effective solutions while also enhancing connections.

Tips to give effective feedback:

- **Be specific.** Avoid vague generalities. If you're going to say 'great job,' make sure to also point out precisely what was done well. This applies to constructive feedback, too!
- **Consider the medium of the message.** Positive feedback is great when done publicly – it can keep employees motivated. Negative feedback, on the other hand, is best given in private.
- **Don't wait to give feedback.** A common mistake is to reserve feedback for the performance review meeting. It's actually more effective to give immediate feedback – it allows the recipient to process the information while it's still fresh.
- **Avoid using the 'positivity sandwich.'** It may seem easy to package negative feedback between two pieces of positive feedback. But this can feel inauthentic and confusing to the recipient.



Recognition

According to a [Glassdoor study](#), 81% of employees say they feel motivated to work harder when their boss shows appreciation. It's a small effort, yet so many managers fail to do it.

Here are some tips that can help organizations develop the habit of recognition:

- **Celebrate the small wins.** Recognize the effort it takes to get a job well done, regardless of how big or small the task is. It can be as easy as sending a Slack DM to say thanks. The cost of one's time is small, and the impact is huge!
- **Share stories of recognition.** Take the time out to share appreciation with the whole team, be it via the company blog, an internal messaging group, a peer-to-peer recognition platform, or the notice board in the tea room.
- **Recognition has to be in real-time.** Tie in company goals with recognition of achievements. When significant milestones are achieved, give real-time shout-outs and don't shy away from mentioning the specifics!
- **Promote peer-to-peer recognition.** Positive feedback from peers who are 'in the trenches' with each other can be especially meaningful.

8. Bonus: Function-wise examples of OKRs

Here are some sample OKRs for every function within an organization.

Company-wide OKRs

Objective:

Crush revenue goals for Q2.

Key Results:

- Increase average deal size by 30%.
- Attain 15 enterprise clients.
- Hit \$15M USD in revenue by target ICP.

Objective:

Deliver a must-have product to delight users.

Key Results:

- Attain a user NPS of 85%.
- Maintain a retention rate of 95%.
- Launch a new and improved mobile app before end of Q2.

Product OKRs

Objective:

Become a mobile-first product.

Key Results:

- Achieve app rating of 4.8.
- Increase mobile DAU from 1m to 3m.
- 100% of the new features in Q2 to launch on iOS first.

Objective:

Build an intuitive user experience.

Key Results:

- Launch Module X before the end of Q2.
- Reduce usability-related user tickets by 55%.
- Bring the volume of tickets on the new features to below 5 per client.

Engineering OKRs

Objective:

Drive platform stability and speed.

Key Results:

- Maintain a 99% uptime.
- Time to load any page <0.5s.
- Reduce the number of bugs created per feature by 50%.

Objective:

Offer seamless, integrated and inclusive UX.

Key Results:

- 100% plugin coverage across mobile apps, Slack, MS Teams, and Chrome.
- Increase new language support to 10 in Q2.
- Update 100% features for visual impairment accessibility in Q2.

Sales OKRs

Objective:

Achieve record net-new revenue.

Key Results:

- Create \$9M in new pipeline revenue.
- Increase multi-year contracts signed from 15% to 30%.
- Increase close rate from prospect to lead by 15% across all reps.

Objective:

Optimize revenue ops processes.

Key Results:

- Increase the return on advertising spent from 60% to 80%.
- Reduce the cost of customer acquisition to <\$12K.
- Increase SQL percentage via SEO to 30%.
- Increase SQL percentage via ABM to 45%.

Marketing OKRs

Objective:

Grow digital presence.

Key Results:

- Increase LinkedIn followers to 180K.
- Manage the website to have a google SERP ranking within 10.
- Increase the website traffic to 20,000 monthly visitors.

Objective:

Clarify product messaging to attract relevant prospects.

Key Results:

- Update the website and digital channels content before end of Q2.
- Run 4 weekly ads on LinkedIn in Q2 and measure performance.
- Attract 300 new MQLs in Q2.

Customer Success OKRs

Objective:

Ensure all clients understand value of Q1 feature releases.

Key Results:

- 95% clients are aware and use new features within 30 days.
- Increase weekly active users to 20m.
- Launch re-engagement messages for 7 customer lifecycle touchpoints.

Objective:

Earn customer love and trust.

Key Results:

- Achieve renewals rate of 85%.
- Decrease onboarding time from 5 days to 3 days.
- Attain user NPS of 85%.

Finance OKRs

Objective:

Keep the company financially stable and set up for hypergrowth.

Key Results:

- Reduce monthly cash burn by 7%.
- Increase cash reserve days by 15 days.
- Improve the quick ratio to 2.5.

Objective:

Optimize operational efficiency and increase financial maturity.

Key Results:

- Achieve a 95% conversion to cloud-based version of QuickBooks in Q2.
- Complete 100% of financial process within 10 working days from Q2-end.
- Reduce the financial reporting inaccuracy error rate to 2%.

Culture OKRs

Objective:

Build a workplace people LOVE to work at.

Key Results:

- Attain an employee NPS of 85%.
- Launch an advanced D&E inclusion program in Q2.
- Increase company diversity from x% to y% to better reflect the local community that we serve.

Objective:

Drive a continuous performance and goal-setting culture.

Key Results:

- 100% implementation of Mesh's OKR program in Q2.
- Reduce department-level OKR review and prep time from 14 to 5 days.
- 100% of employees scheduled for OKRs refresher workshops with OKR Champions.

Would Serena Williams be one of the most successful tennis players of all time if she only set goals and didn't action them?

The only way to make goal-setting a transformative process for your team is to make it a part of their daily routine.

[Mesh](#) integrates into your team's daily workflow and the results speak for themselves: more productive 1:1 meetings, performance reviews based on continuous feedback, and alignment within the organization. High-growth teams across the globe love Mesh.

[Schedule a free demo](#) with us to learn how we can help you set and achieve goals.