OKR for Agile Teams

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Agile as a delivery mechanism
## Delivery Agile

<table>
<thead>
<tr>
<th>Culture</th>
<th>Top-Down, Command &amp; Control</th>
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</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Project-based, Annual Static Planning</td>
</tr>
<tr>
<td>Tactics</td>
<td>Big Bets, Long Feedback Cycles</td>
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</tbody>
</table>

### Operations

- Kanban / Scrum
- + scattered experiments
Companies today need full-stack agility
## Full-Stack Agility

<table>
<thead>
<tr>
<th>Culture</th>
<th>Aligned Autonomy</th>
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</thead>
<tbody>
<tr>
<td>Strategy</td>
<td>Data Driven, Iterative,</td>
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<tr>
<td></td>
<td>Hypotheses Validation</td>
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<tr>
<td>Tactics</td>
<td>Safe-to-fail Experiments,</td>
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<tr>
<td></td>
<td>Short Feedback Cycles</td>
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<td>Operations</td>
<td>Kanban / Scrum</td>
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To move to full-stack agility, we have to reinvent goals.
Delivery Agile

Culture
- Top-Down, Command & Control

Strategy
- Project-based, Annual Static Planning

Tactics
- Big Bets, Long Feedback Cycles

Operations
- Waterfall
- Kanban / Scrum + scattered experiments

Goals
- Waterfall
Waterfall Goals

- *Cascaded* top-down.
- Annual and static.
- Big Design Up Front.
- Project-based: focus on output.
The alternative is OKR
OKR: Objectives and Key Results

• Silicon Valley's agile approach to goals.

• Includes a qualitative description of the goal (the Objective) and a set of quantitative measures (the Key Results).

• Simple, fast-cadence, bi-directional.

• Set, tracked, and re-evaluated frequently - usually quarterly.
OKR is Hard...
...But it Shouldn’t Be

• For many orgs, it represents a big cultural change.

• The inconvenient truth: OKR is not a method, and will not offer you rules or steps to follow.

OKR is a goal philosophy, closer to Agile than to Scrum or Kanban.

• Companies make the same mistakes over and over.
Usually, when agile teams try to adopt OKR at scale...
1. They Set bad OKRs
Mistakes: Setting Bad OKRs

• Teams use OKR as a to-do list, or a redundant copy of the roadmap.

• They create Key Results that are not measurable and impossible to track.

• They lack focus and set too many OKRs. If everything is a priority, nothing is.
2. They Create OKRs in Silos
Mistakes: Creating OKRs in Silos

• Teams don’t align with each other and end up with conflicting OKRs, local optimization, and poor results.

• They often struggle to align their OKRs with the corporate goals.
3. They Treat OKRs as New Year’s Resolutions
Mistakes: OKRs as New Year’s Resolutions

• Without follow-through, OKRs turn into a list of neglected and unachieved goals.

• Even when teams try to track their OKRs, they often struggle to connect them with the existing agile ceremonies.
How to Be Successful with OKR
The OKR Cycle: Set, Align, Achieve
But first, we need to get the basics right.
The forgotten OKR component

1. **Objective:** What we want to achieve.

2. **Key Results:** How we keep score. We will know that we are successful if those metrics improve.

3. **Initiatives:** What we believe we are going to do to reach our objective: projects, tasks, activities…
Two Boxes
<table>
<thead>
<tr>
<th>Initiatives</th>
<th>Actions and deliverables associated to achieving team or company-level OKRs: epics, features, and stories. <em>They are usually binary.</em></th>
</tr>
</thead>
<tbody>
<tr>
<td>Outcome</td>
<td>Measure the benefits you deliver to your customers or your company.</td>
</tr>
<tr>
<td>Output</td>
<td>Measure the throughput or the volume of initiatives delivered: velocity, points, etc. <em>They do not measure the value delivered.</em></td>
</tr>
<tr>
<td>Impact</td>
<td>High-level measures of business performance such as revenue, profits, and customer satisfaction.</td>
</tr>
</tbody>
</table>
If you deliver all your tasks and nothing improves, are you still successful?
OKR is about measuring outcomes and impact
The OKR Cycle: Set

Set

Achieve

Align
Start with Measurable Outcomes

*Intuition tells you to start here.*

**Objective:** What we want to achieve.

**Key Results:** How we keep score. We will know that we are successful if those metrics improve.

*But you should start here instead.*
Start with Measurable Outcomes

• Start with the outcomes you want to achieve and write your Key Results first.

• Then create an Objective that will make your OKR engaging and memorable.
The OKR Cycle: **Align**
Align Around Outcomes, Not Structures

• “Focus on goals that you can control” is a terrible advice.

• It creates silos as every problem that requires cross-team coordination is stranded.
Creating Silos

Who manages the “white space”?
Align Around Outcomes, Not Structures

• Don’t assume you have a perfect org-chart.
• Don’t sweep dependencies under the rug.
• Create alignment around the outcomes you want to achieve using shared OKRs.
The OKR Cycle: Achieve

- Set
- Align
- Achieve
Create a Follow-through Cadence

• The Check-in is a weekly ceremony for measuring OKRs and adjusting the corresponding initiatives.

• Adopting it is crucial to success.

• Focused on improving OKRs vs. putting out fires.

• Can be merged with Agile ceremonies, usually the sprint review.
Getting Started
Simplify: Use Only Two Levels

Company

Teams
Incremental Rollout

Cupcake → Cake → Wedding cake
OKR Champions

OKR Champions are change agents analogous to Agile Coaches or Six Sigma Black Belts.

They act as focal points and internal coaches, supporting teams with:

• OKR adoption
• Selecting the right Key Results
• Tracking results

Their mission is to ensure that the organization achieves continuous success with OKR.
OKR at Scale
Set at Scale: Large Products

Company

Product or Tribe

Teams
Align at Scale

• Getting every one in the same room (aka Big Room Planning), does not scale, especially for distributed teams.

• At scale, we need a decentralized approach to help teams map dependencies and create shared OKRs.

• We need to ensure 360° Alignment: top, down, and sideways.
Achieve at Scale

• As you scale, you have to remove impediments aggressively, or your teams will come to a halt.

• The Check-ins help highlight them, but we need more than that.

• The use of delivery managers, Executive Action Teams (EATs), or similar techniques are good options here.
OKR Adoption at Scale

• OKR training has to be included in the employee onboarding process.

• For high-growth companies, OKR training should be mandatory for new managers.
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