Mariya Breyter
Beginning with an end in mind:
Re-Shaping an Enterprise with OKRs
Why am I here?

My specialty is implementing Lean and Agile mindset at enterprise level.

www.agileleantransformation.com
Step 1. SET OKRs
OKRs are a goal-setting framework for thinking big*. OKRs help establish high-level, measurable goals for a business by establishing ambitious goals and outcomes that can be tracked for a long-term. OKRs cascade across the enterprise, thus aligning all functions and creating transparent outcomes.

**ORGANIZATIONAL GOAL PERSPECTIVE**

OKRs help companies set goals at enterprise level and then focus on achieving the outcomes quarter after quarter. OKRs are a powerful investment and budget allocation tool, as well as a dependency management mechanism.

Agile enterprises implement collaborative effort to improve performance by systematically removing waste and reducing variation. This is achieved by continuous improvement.

**PROCESS GOAL PERSPECTIVE**

**INDIVIDUAL GOAL PERSPECTIVE**

Well-defined goals in an agile environment foster individuals’ motivation, ability to learn and grow, and impact their sense of meaningfulness by establishing ownership and accountability.

Agile team structure enables teams’ collaboration and their ability to innovate and cross-pollinate. Well-balanced team structure empowers self-organizing teams.

**TEAM GOAL PERSPECTIVE**
OKRs are based on the lean theory of system thinking and value delivery. This is an alignment and value delivery tool, not a performance assessment or productivity measurement tool. If used right, OKR framework supports alignment in value delivery and employee motivation across the enterprise. If used wrong, OKR lead to command-and-control methods and loss of trust.

### WHAT CAN GO WRONG?

#### 1. INDIVIDUAL MOTIVATION

- OKRs used for performance assessments
- Individual career aspirations not aligned with the role or with the team/management OKRs

#### 2. TEAM-LEVEL GOAL SETTING

- Top-down OKR assignment
- OKRs are not aspirational
- Key results are not measurable
- OKRs not aligned with the program

#### 3. PROGRAM-LEVEL DELIVERY

- No business analysis
- Top-down OKR assignment
- Budget allocation or bonuses based on OKR completion
- OKR can be “gamed” to be easy to achieve

- OKRs are “selfish” and optimize a component rather than the system
- OKRs are not aligned with organizational priorities
- No cascading OKRs

#### 4. ORGANIZATIONAL ALIGNMENT

- What can go wrong?
  - OKRs are “selfish” and optimize a component rather than the system
  - OKRs are not aligned with organizational priorities
  - No cascading OKRs

- What can go wrong?
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  - OKR can be “gamed” to be easy to achieve
GOOD or BAD OKRs?

OBJECTIVE - We will achieve market leadership for GitLab by
KEY RESULT 1 – Growing use of GitLab for all stages of the DevOps lifecycle by 10% via establishing three proven case studies (Product)
KEY RESULT 2 – Ensuring appropriate transactional business pricing (Sales)
KEY RESULT 3 – Launching advertising for the customer base for Manage, Plan, Create and increase overall pipeline coverage by 8% (Marketing)

GOOD or BAD OKRs?

OBJECTIVE - Increase efficiency of QA processes
KEY RESULT 1 – Test cases for all P1, P2 stories are completed & handed over to dev before development starts (compliance to be measured every sprint)
KEY RESULT 2 – 1 week before release date, no blocker & critical bugs should be open
Bug leakage to production for critical issues is less than 1%
KEY RESULT 3 – Less than 3 bugs reported by end users per release

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*Source: https://about.gitlab.com/company/okrs/fy20-q2/#ceo-grow-incremental-acv-grow-website-visitors-introduce-a-certification-program-add-a-devops-transformation-offering
GOOD or BAD OKRs?

OBJECTIVE - We will deliver working software to the customer every sprint with high quality by
KEY RESULT 1 – Delivering to production every sprint (no single release is more than 1 day late)
KEY RESULT 2- Achieving over 80% regression test automation
KEY RESULT 3 - Increasing unit test coverage to 75 % from current 45 %
KEY RESULT 4 - Implementing a continuous monitoring tool to ensure “six nines” uptime for lower environments
KEY RESULT 5- Enabling engineers manage lower environments within required SLAs

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*Source: https://upraise.io/objectives-key-results-okr/examples/engineering/
GOOD or BAD OKRs?

OBJECTIVE - We will achieve a higher operational availability and lower operational costs as measured by
KEY RESULT 1 – Zero DevOps owned services in Rackspace (more everything to AWS)
KEY RESULT 2 - 10% reduction in AWS operational cost
KEY RESULT 3 – Zero single points of failure

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ACTIVITY 1

Company OKR

Annual Objective: ____________________________________________________________

KR1: ____________________________________________________________________________________________
KR2: ____________________________________________________________________________________________
KR3: ____________________________________________________________________________________________

1. Come up with your startup idea.
2. Formulate a compelling objective.
3. Split it into key results.
4. Share with other teams.
Step 2. ALIGN
Sample Objective: **Improve Application Quality, Stability and Reliability**

### Key Result 1: Reduce number of production defects by 50%
- QM: Reduce the number of missed defects to no more than 1 per 3 releases
- Dev: Ensure 100% knowledge transfer and SME on core systems
- Agile Practice: Ensure that 20% + of sprint capacity is allocated to defect fixing

### Key Result 2: Improve quality of delivery within a sprint
- Release Mgmt: Guide the process via reviews, reporting, and strategy definition
- Chief of Staff: Establish Production Support Team & define the process
- Agile Practice: 100% architecture reviews completed within a sprint

### Key Result 3: Increase System Stability and Reliability by 30%
- Dev: Establish 100% coverage for peer reviews
- QM: Pilot TDD practices for 2+ teams
- Architecture: Proactive architecture definition and communication bi-weekly

- Data: 99% data stability
- Security: Secure solutions defined, established and monthly communicated
- Agile Practice: ensure that each backlog is balanced between functional user stories and non-functional technical tasks

- QM: 100% regression automation; 80% test automation
- DevOps: Environment setup allows for integration testing
- DevOps: Logging and Monitoring established with clear highly automated processes
- Data: 99.9% data accuracy
- Architecture: 100% architecture reviews completed within a sprint
- Data: 99% data stability
- Security: Secure solutions defined, established and monthly communicated
- Agile Practice: ensure that each backlog is balanced between functional user stories and non-functional technical tasks

- QM: 100% regression automation; 80% test automation
- DevOps: Environment setup allows for integration testing
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Objective: Improve Customer Experience

Key Result 1: NPS score goes 2 points up
- Customer Service
- IT: Delivery
- Agile Practice
- Solution Architecture

Key Result 2: Implement 10 highest priorities features on a quarterly basis
- Customer Service
- IT: Production Support
- Agile Practice
- Solution Architecture

Key Result 3: Establish a continuous feedback loop via three channels
- Customer Service
- IT: Production Support
- Solution Architecture
- Analytics
- Security
- Other functions
# ACTIVITY 2

## Key Result 1: NPS score goes 2 points up
- Customer Service
- IT: Delivery
- Agile Practice
- Solution Architecture
- Sales
- Marketing

## Key Result 2: Implement 10 highest priorities features on a quarterly basis
- Customer Service
- Product
- IT: Delivery
- IT: Production Support
- Agile Practice
- Solution Architecture

## Key Result 3: Establish a continuous feedback loop via three channels
- Customer Service
- Product
- Analytics
- Security
- Other functions

### Objective:
Improve Customer Experience

**1.** Select an alignment opportunity based on the value proposition.

**2.** Define your org structure and distribute roles.

**3.** Create a cascading view of one of your objective.
Step 3. REFINE
Company OKR: Respond to market needs by delivering new functionality to global customers daily

**Objective:** We will enable daily production deployments to global customers with high quality at no additional expense by

**KR1:** Performing 80% of application testing without requiring an integrated environment.

**KR2:** Enabling daily deployments with full regression testing.

**KR3:** Reducing high priority and critical production defects to no more than one per 20 deployments.

<table>
<thead>
<tr>
<th>Objective</th>
<th>Key Results</th>
<th>Score</th>
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<tbody>
<tr>
<td>Q1: Improve application architecture to decouple solutions for testing and deployment purposes</td>
<td>Perform 80% of application testing without requiring an integrated environment</td>
<td>0 - integrated environment is required in 100% of testing; 0.5 – 50%; 1 - integrated environment is required in 20% of testing</td>
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<td>Deploy the application independently from other services/applications it depends on</td>
<td>0 – deployments are tightly coupled; 0.5 – deployments are loosely coupled; 1 – components can be deployed independently on demand</td>
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<td>Q2: Ensure that all delivery teams are cross-functional</td>
<td>All delivery teams have skills necessary to design, develop, test, deploy, and operate the system on the same team</td>
<td>0 – none of the teams are cross-functional; 0.5 – 50% of teams, 1 - 100% of teams are cross-functional</td>
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<td>Each team has access to manage relevant lower environments with a dedicated team member authorized to perform production deployments</td>
<td>0 – no access, all done by a dedicated team; 0.5 – lower environments only, 1 – all environments including production within agreed upon process</td>
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<td>Q3: Ensure proper deployment tools and related skills</td>
<td>Optimize deployment tools and frameworks to enable daily deployments with full regression testing</td>
<td>0 – no changes; 0.5 – implement daily deployments with some manual testing; 1 - full regression automation</td>
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<td>Ensure necessary skills are in place on each team</td>
<td>0 – no training; 1 - train everyone</td>
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<td>Ensure all technologies are correctly licensed</td>
<td>0 – no audit; 1 - internal audit, 100% confirmed</td>
</tr>
<tr>
<td>Q4: Build quality in by implementing BDD for 100% of regression testing</td>
<td>Reduce high priority and critical production defects to no more than one per 20 deployments</td>
<td>0 – more than 5 defects per 20 deployments (current data), 0.5 – no more than 3 defects, 1 – no more than 1 defect</td>
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**ACTIVITY 3**

## Company OKR

1. For your objective, create quarterly KRs.

2. Come up with pre-grading for each KR.

### Annual Objective:

__________________________________________________________________________

**KR1:** ________________________________________________________________

**KR2:** ________________________________________________________________

**KR3:** ________________________________________________________________

<table>
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<tr>
<th>Q1 Objective</th>
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Step 4. REPEAT
Sample Annual OKR Cadence

- **Team OKR drafting and alignment**
- **Divisional OKR Drafting**
  - Alignment Workshops
- **Review and grading of last year’s OKRs**
- **OKR Kick Off**
- **End of Dec. – early Jan.**
- **Announce Enterprise OKRs**
- **Early Nov.**
- **Mid-Nov.**
- **Team OKR drafting and alignment**
  - OKR Retrospective
- **Early Dec.**

Quarterly Grading:
- **Q1 grading and refinement**
- **Q2 grading and refinement**
- **Q3 grading and refinement**
- **Q4 grading and refinement**

- **Early Dec.**
- **End of Dec. – early Jan.**
**SUMMARY: 4-STEP OKR PROCESS**

1. **Set up**
   - Early Nov.
   - Announce Enterprise OKRs
   - Review and grading of last year’s OKRs
   - OKR Kick Off

2. **Align**
   - Mid-Nov.
   - Team OKR drafting and alignment
   - Divisional OKR drafting and alignment
   - OKR Retro
   - Divisional OKR Drafting
   - Alignment Workshops
   - Review and grading of last year’s OKRs
   - OKR Kick Off
   - Announce Enterprise OKRs
   - Early Nov.

3. **Refine**
   - Early Dec.
   - Mid-Nov.
   - Team OKR drafting and alignment
   - Divisional OKR drafting and alignment
   - OKR Retro
   - Divisional OKR Drafting
   - Alignment Workshops
   - Review and grading of last year’s OKRs
   - OKR Kick Off
   - Announce Enterprise OKRs
   - Early Nov.

4. **Repeat**
ACTIVITY 4

1. True or False?
“The greater danger for most of us lies not in setting our aim too high and falling short; but in setting our aim too low, and achieving our mark.”

- Michelangelo

Bring OKRs home!
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