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

My specialty is transforming organizations, large and small, to a Lean and Agile mindset.

www.agileleantransformation.com
“The thing about goals is that living about them is a lot more fun.”

- Seth Godin
ACTIVITY 1

1 True or False?
Step 1. SET OKRs
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.

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 outcomes by systematically removing waste and reducing variation. This is achieved by continuous improvement.

PROGRAM GOAL PERSPECTIVE

INDIVIDUAL GOAL PERSPECTIVE

Team-level objectives enables teams’ collaboration and their ability to innovate and cross-pollinate. Team alignment empowers self-organizing teams.

TEAM GOAL PERSPECTIVE

OKRs help establish high-level, measurable goals by establishing ambitious outcomes that can be tracked long-term. OKRs cascade across the enterprise, thus aligning all functions and creating transparent outcomes.

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

*OKRs are a goal-setting framework for thinking big.
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?**

**4. ORGANIZATIONAL ALIGNMENT**

*What can go wrong?*

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

*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

**3. PROGRAM-LEVEL DELIVERY**

**2. TEAM-LEVEL GOAL SETTING**

*What can go wrong?*

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

**1. INDIVIDUAL MOTIVATION**

*What can go wrong?*

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

*What can go wrong?*

- No business analysis
- OKRs are “selfish” and optimize a component rather than the system
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- No cascading OKRs
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)

*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 increase efficiency of QA processes by:
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
KEY RESULT 3 – Bug leakage to production for critical issues is less than 1%
KEY RESULT 4 – Less than 3 bugs reported by end users per release

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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 <Provider> (move everything to the cloud)
**KEY RESULT 2** – 10% reduction in <cloud implementation> operational cost
**KEY RESULT 3** – Zero single points of failure

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OKR WORKSHOP STEP 1: Define

Company OKR

Annual Objective: ____________________________________________________________

KR1: ____________________________________________________________________________
KR2: ____________________________________________________________________________
KR3: ____________________________________________________________________________

1 State your mission.
2 Formulate a compelling objective.
3 Split it into key results.
4 Share and get feedback.
Step 2. ALIGN
“Don’t limit your challenges. Challenge your limits.”

- Jerry Dunn
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
- Architecture: 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&Dev: Pilot TDD practices for 2+ teams
- DevOps: Logging and Monitoring established with clear highly automated processes

- 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

- Architecture: Proactive architecture definition and communication bi-weekly
- QM: 100% regression automation; 80% test automation
- Dev: Ensure 100% compliance with code quality standards
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 priority features on a quarterly basis
- Customer Service:
- Product:
- IT: Delivery
- Agile Practice:
- Solution Architecture:

Key Result 3: Establish a continuous customer feedback loop via three channels
- Customer Service:
- Product:
- Analytics:
- Security:
- Other functions?
OKR WORKSHOP STEP 2: Align

Objective: Improve Customer Experience

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

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

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

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
“Measure what is measurable and make measurable what is not.” – Galileo Galilei
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>
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<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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OKR WORKSHOP STEP 3: Refine

1. For each of your objectives, create quarterly KR.

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

3. For each external dependency, get a handshake. If not possible, refine until it is achievable.

4. (Optional and controversial) Agree on ownership.

### Annual Objective:

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Step 4. ITERATE
“Continuous improvement is better than delayed perfection.” - Mark Twain
Sample Annual OKR Cadence

- **Early Nov.**
  - Announce Enterprise OKRs
  - Divisional OKR Drafting
  - Team OKR drafting and alignment

- **Mid-Nov.**
  - OKR Retrospective
  - Alignment Workshops

- **End of Nov. – early Jan.**
  - Review the grading of last year’s OKRs
  - OKR Kick Off

- **Q1 grading and refinement**
- **Q2 grading and refinement**
- **Q3 grading and refinement**
- **Q4 grading and refinement**
**SUMMARY: 4-STEP OKR PROCESS**

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

2. **Align**
   - Team OKR drafting and alignment
   - OKR Retro
   - Divisional OKR drafting and alignment
   - Workshops
   - Review and grading of last year’s OKRs
   - OKR Kick Off

3. **Refine**
   - Enterprise OKRs
   - Divisional OKR
   - Workshops
   - Alignment
   - Review and grading of last year’s OKRs
   - OKR Kick Off

4. **Iterate**

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OKR Manifesto

“The thing about goals is that living about them is a lot more fun.”

“Don’t limit your challenges. Challenge your limits.”

“Measure what is measurable and make measurable what is not.”

“Continuous improvement is better than delayed perfection.”
True or False?
OKR BIGGEST SECRET

“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!
You can find me at:
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