

OKR for Agile Teams



Felipe Castro

felipecastro.com



felipecastro.com

**Agile as a
delivery
mechanism**

Delivery Agile

Waterfall Legacy

Culture

**Top-Down, Command
& Control**

Strategy

**Project-based, Annual
Static Planning**

Tactics

**Big Bets, Long Feedback
Cycles**

Operations

**Kanban / Scrum +
scattered experiments**

Companies today need
full-stack agility

Full-Stack Agility

Culture

**Aligned Autonomy
Around Outcomes**

Strategy

**Data Driven, Iterative,
Hypotheses Validation**

Tactics

**Safe-to-fail Experiments,
Short Feedback Cycles**

Operations

Kanban / Scrum

To move to full-stack
agility, we have to
reinvent goals.

Delivery Agile

Culture

**Top-Down, Command
& Control**

Strategy

**Waterfall
Goals**

**Project-based, Annual
Static Planning**

Tactics

**Big Bets, Long Feedback
Cycles**

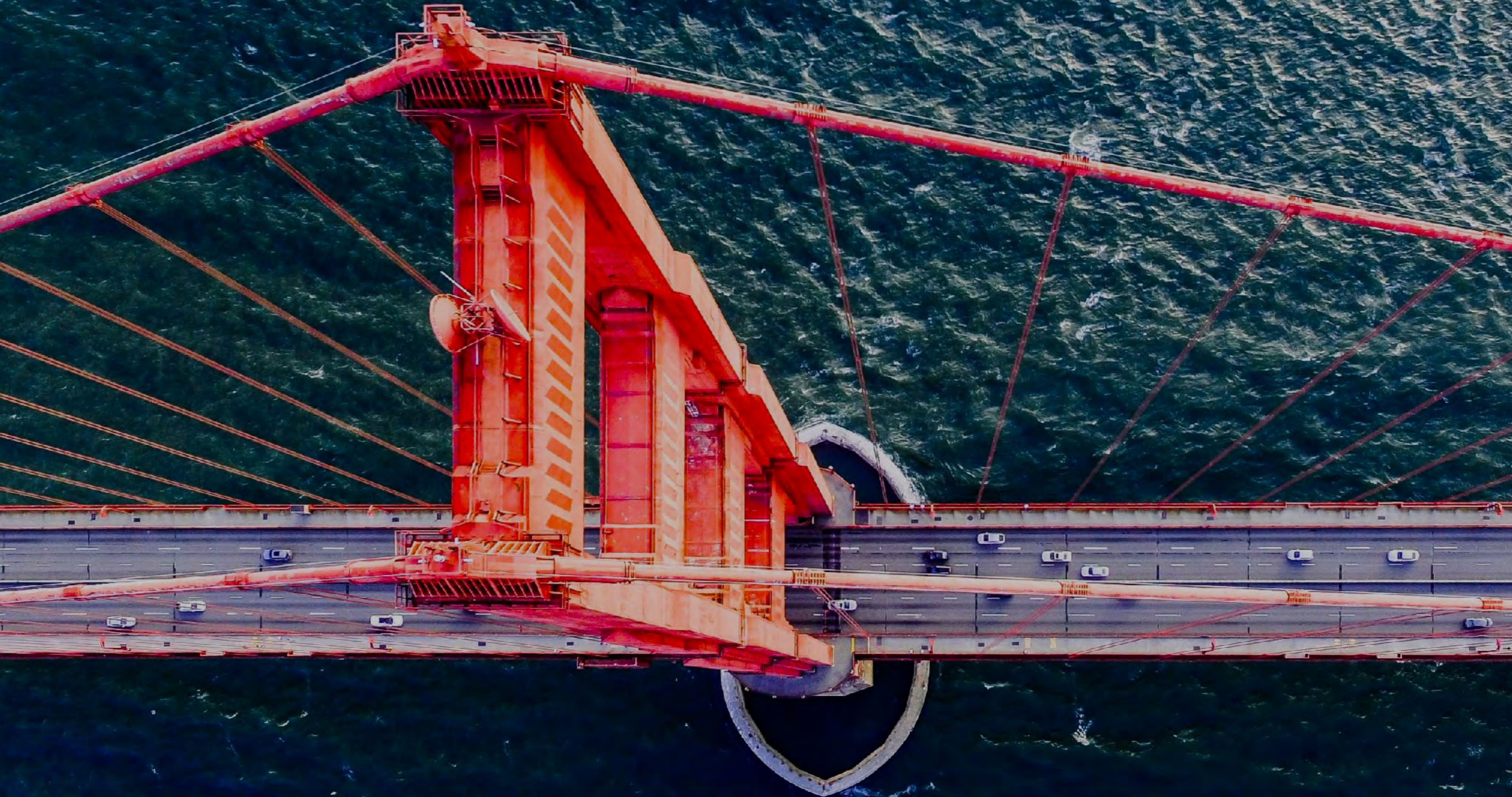
Operations

**Kanban / Scrum +
scattered experiments**

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

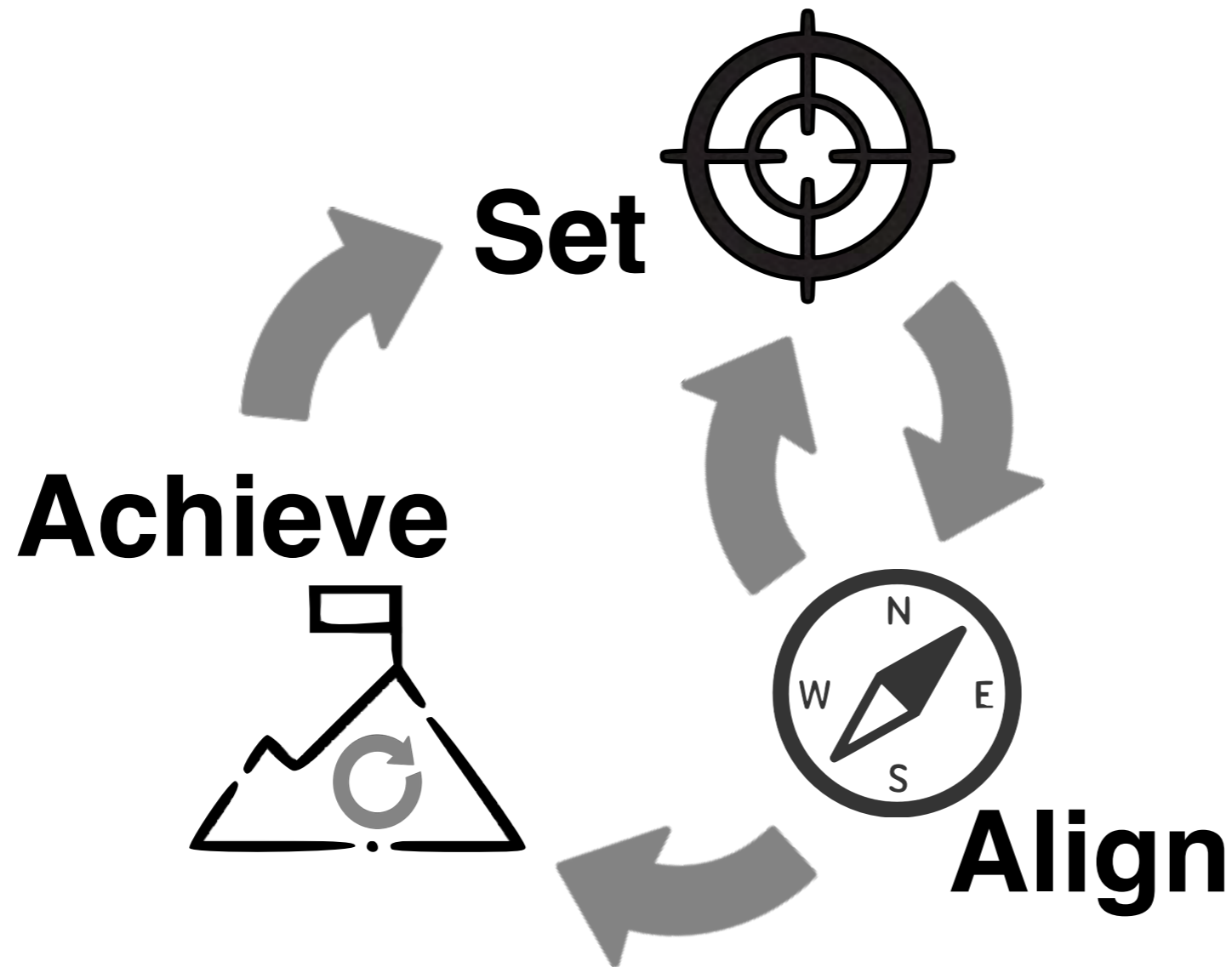


Beijing 2008



felipecastro.com

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



Initiatives, Output, Outcome, Impact

Impact

High-level measures of business performance such as revenue, profits, and customer satisfaction.

Outcome


Measure the benefits you deliver to your customers or your company.

Output

Measure the throughput or the volume of initiatives delivered: velocity, points, etc. *They do not measure the value delivered.*

Initiatives

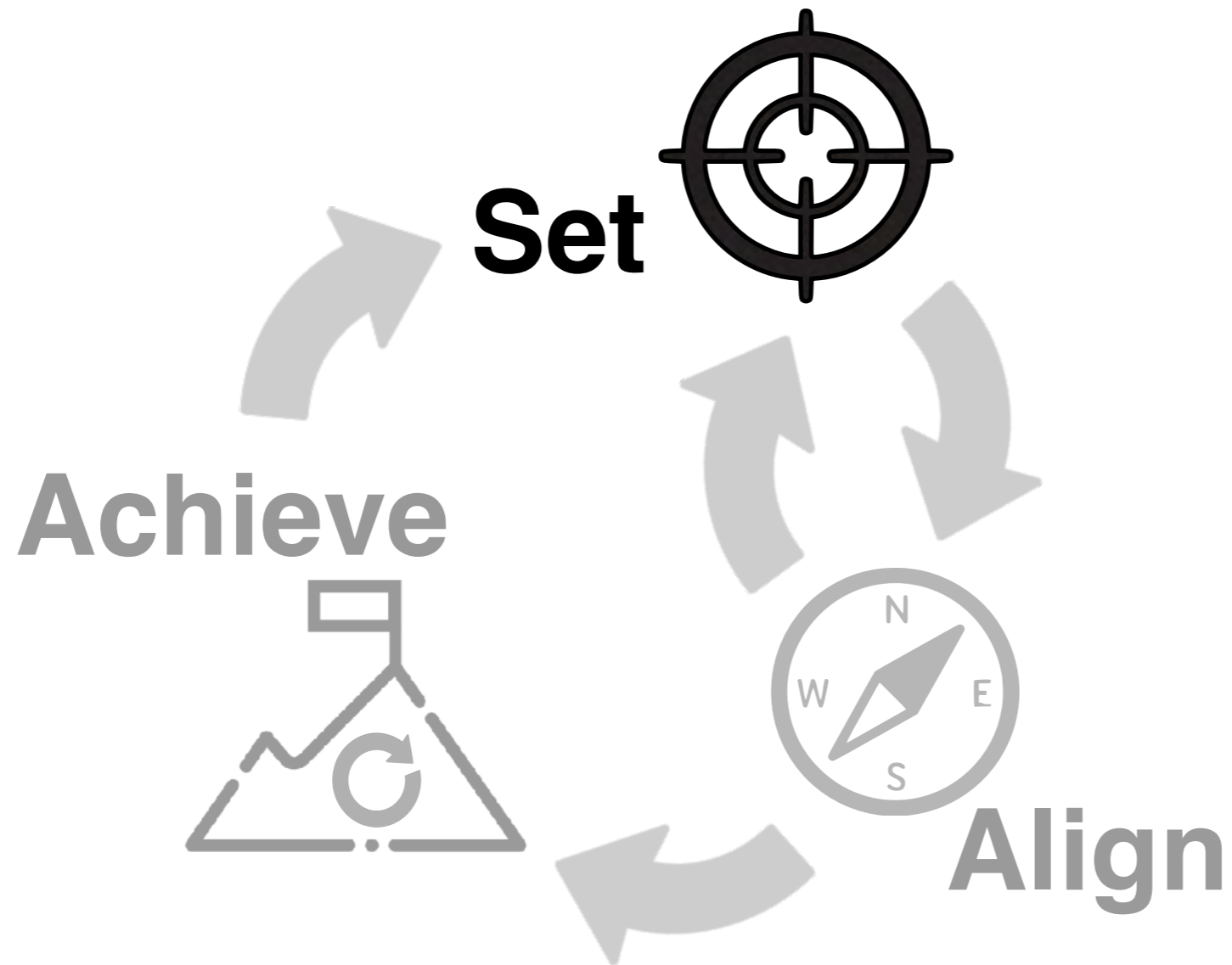
Actions and deliverables associated to achieving team or company-level OKRs: epics, features, and stories. *They are usually binary.*

A close-up photograph of a hand holding a silver pen, writing on a checklist in a notebook. The notebook is open, showing two pages. The right page has a list of tasks with checkboxes, some of which are marked. The left page is a grid. The background is a blue patterned surface.

If you deliver all your
tasks and nothing
improves, are you still
successful?

OKR is about measuring
outcomes and impact

The OKR Cycle: *Set*



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.

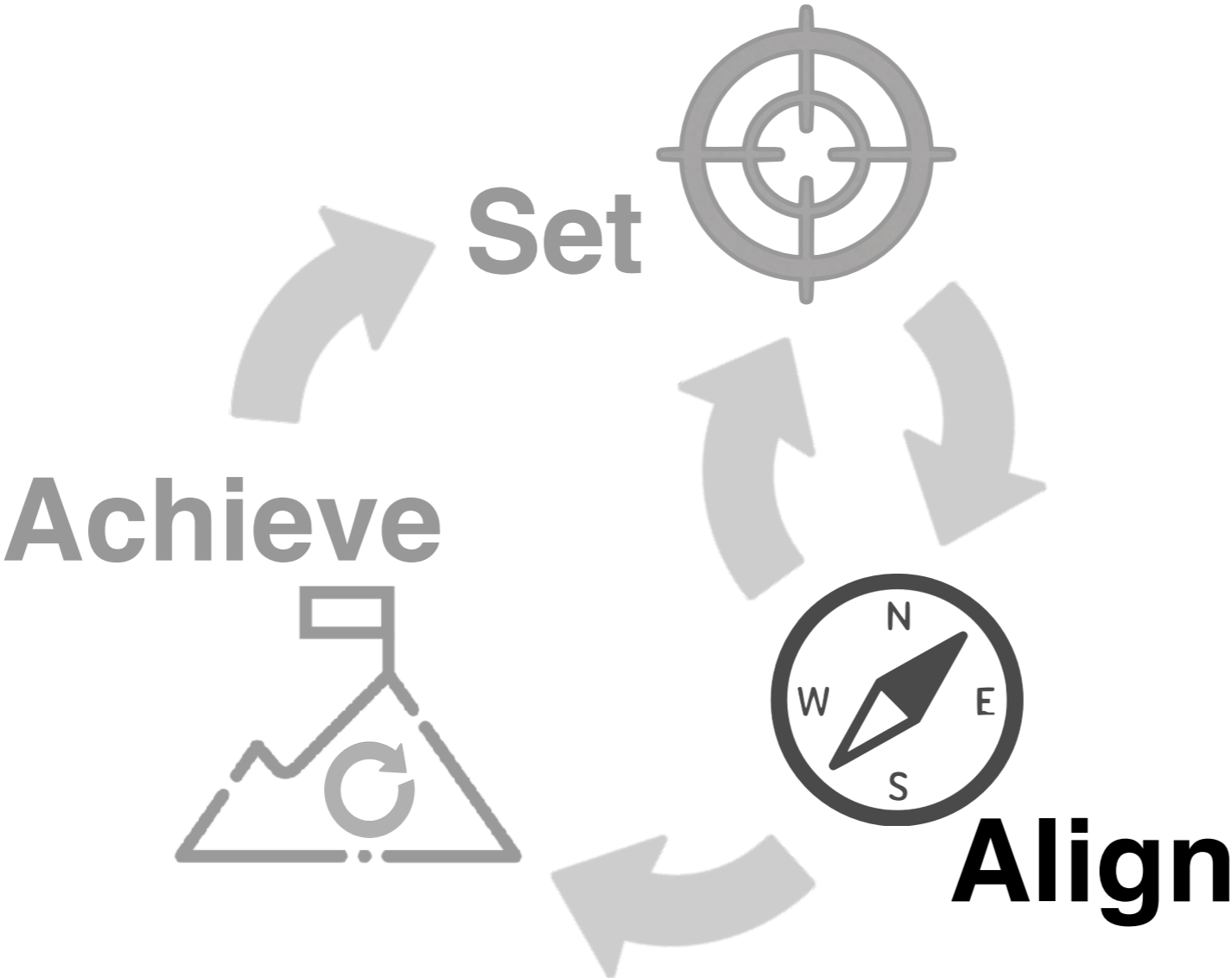
But you should start here instead.



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*

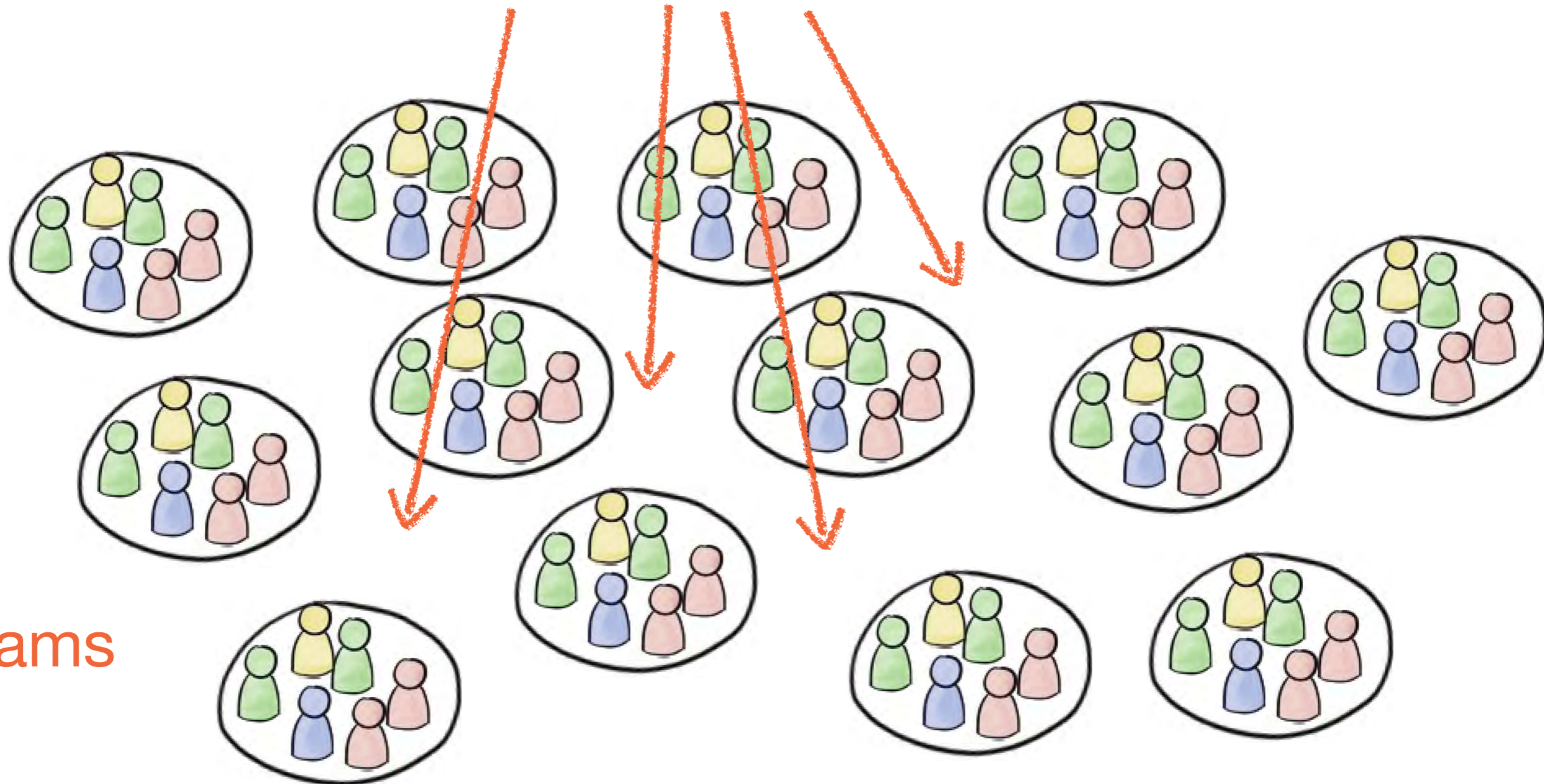


Align Around Outcomes, Not Structures

- “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

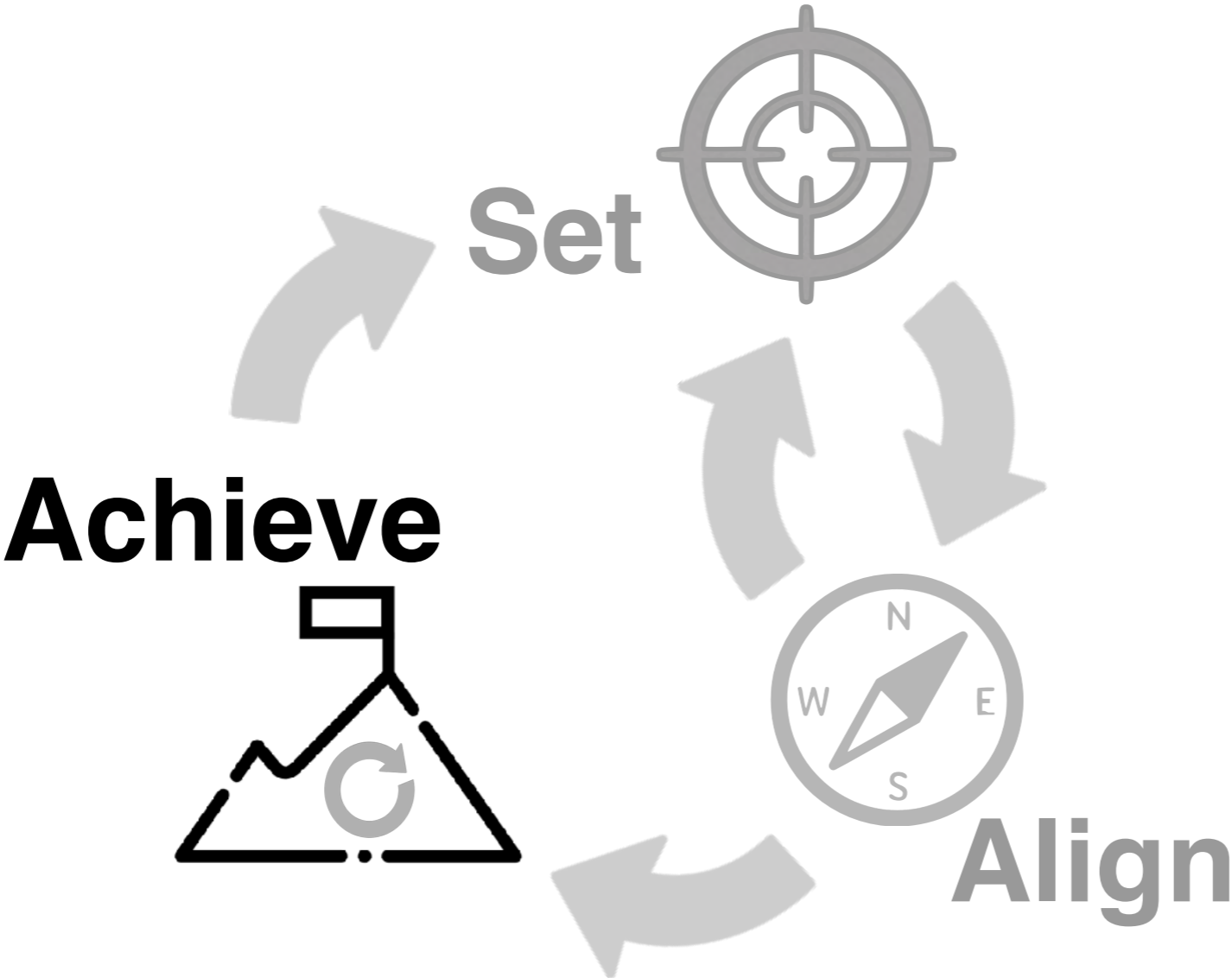
Who manages the
“white space”?



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*



Create a Follow-through Cadence

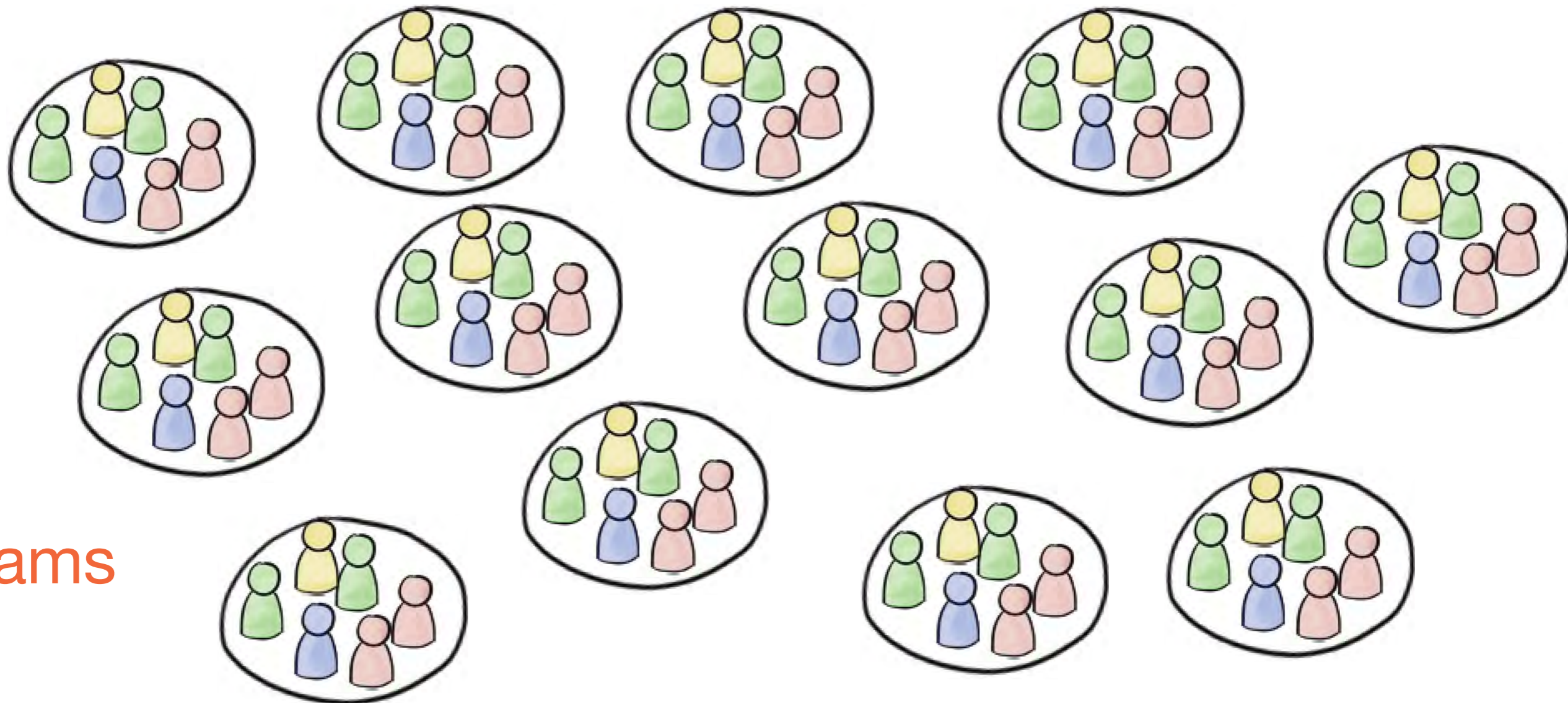
- The Check-in is a weekly ceremony for measuring OKRs and adjusting the corresponding initiatives
- Adopting it is crucial to success.
- Focused on improving OKRs vs. putting out fires.
- Can be merged with Agile ceremonies, usually the sprint review.



Getting Started

Simplify: Use Only Two Levels

Company



Teams

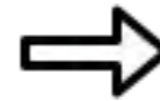
Incremental Rollout



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.



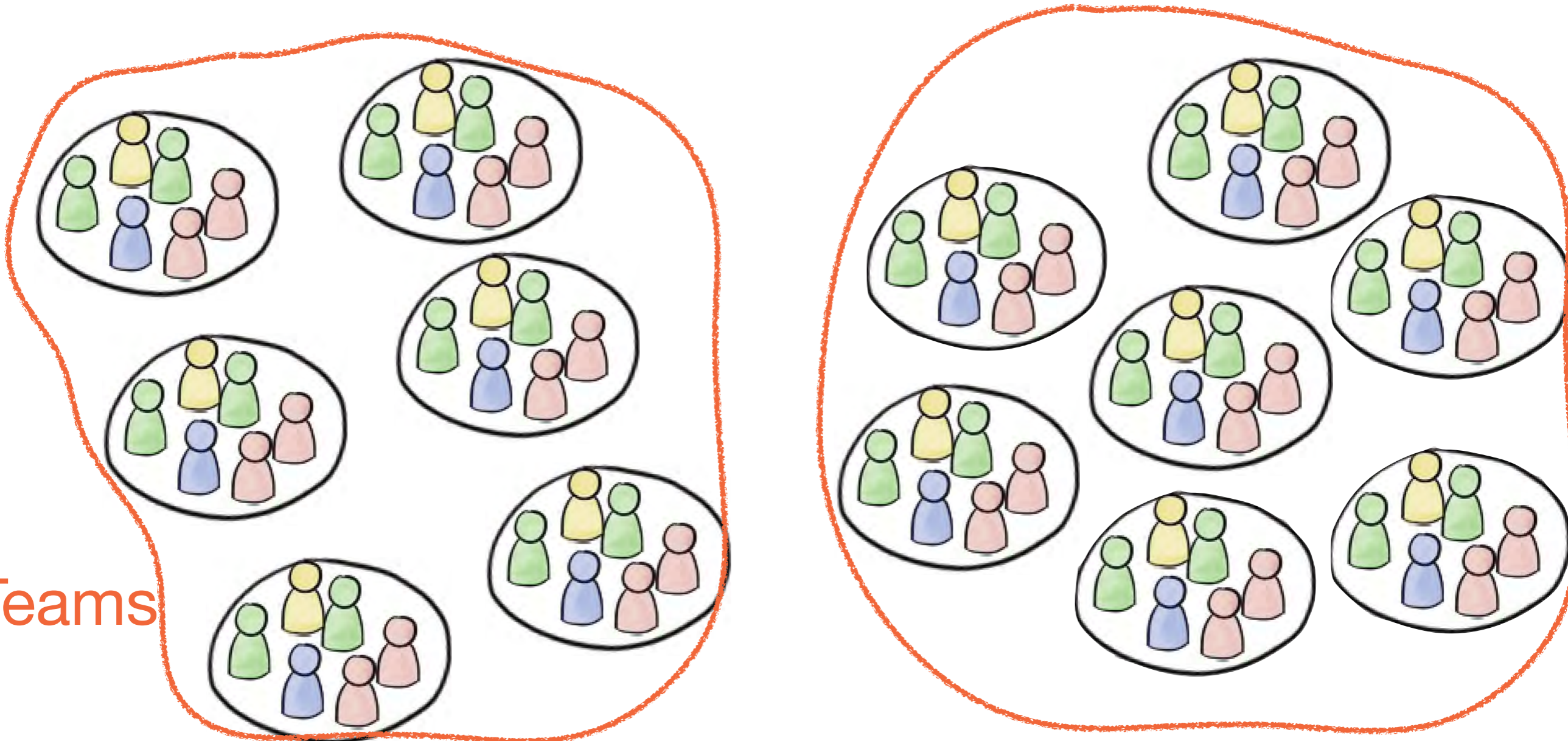
**OKR at
Scale**

Set at Scale: Large Products

Company



Product or Tribe



Teams

Align at Scale

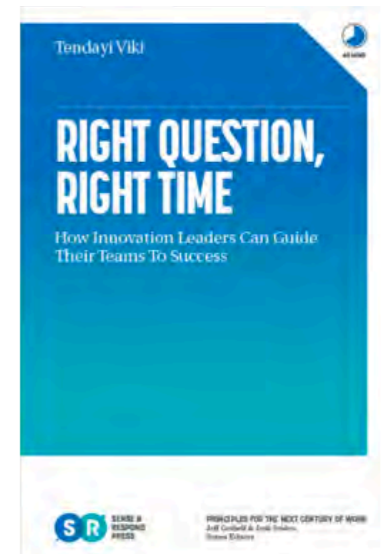
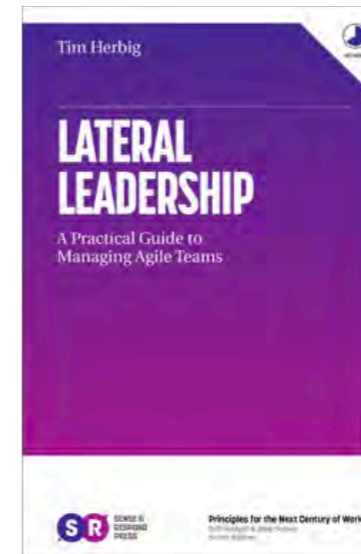
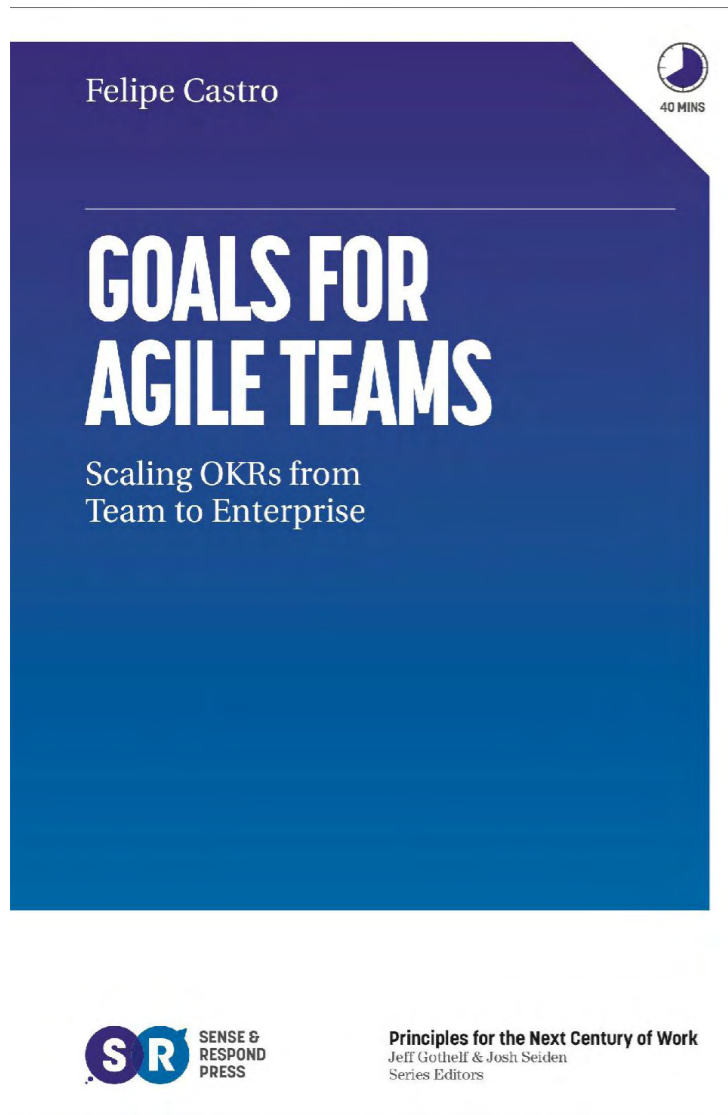
- Getting every one in the same room (aka *Big Room Planning*), does not scale, especially for distributed teams.
- At scale, we need a decentralized approach to help teams map dependencies and create shared OKRs.
- We need to ensure *360° Alignment*: top, down, and sideways.

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.



SenseAndRespondPress.com

Short, practical, business books for innovation and transformation leaders.

Join our next webinar:

Making the case for (digital) change

March 28, 2018 || 12:00 EST



Sonja Kresojevic **Jonathan Bertfield**



Sign up: bit.ly/caseforchangewebinar

Short, practical, business books for innovation and transformation leaders.