Your Ultimate Guide to Writing Compelling

OKRS

melon

What is OKR?
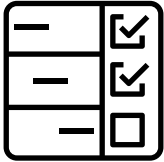
OKR

OKRs are memorable qualitative descriptions of what you want to achieve. Always qualitative and aspirational. They are something that you, your team, or your organization aim to achieve.

(O)
- Make our customers love our support team.

Where do I need to go?

KEY RESULT

Key Results are a set of metrics that measure your progress towards the Objective. Always quantitative. They will tell you if you have achieved your objective, so they should be measurable to avoid any doubt. Typically, well defined OKRs have 2-5 key results.

(KR)
- Customer Satisfaction Support 95%.
- Avg. first response time of 1 hour.

How do I know I am getting there?

ACTIVITY

Tasks required to drive progress.

(A)
- Interview 10 support rep candidates.
- Publish FAQ.

What will I do to get there?

BEFORE WRITING OKRS

1) START WITH PURPOSE & STRATEGY

- Start by convening your leadership team to engage in a meaningful discussion about what truly matters for your organization.

- Consider what specific achievements are critical for driving progress towards your overall strategy and which metrics will demonstrate that progress effectively.

- Identify the areas of your business that require transformation, and establish OKRs that will help you reach those transformative goals.

- Keep the process two-way by encouraging open dialogue and active listening among all team members, ensuring that everyone's input is taken into account."

PURPOSE — What are we trying to build?

STRATEGY — What should we focus on for the next 1 or 2 years?

OKR — What are the topics of importance for the next 3-4 months? What are we going to improve?

ACTIVITIES — Activities are the list of simple to do's on a daily basis.

A well-crafted strategy is the cornerstone of effective goal-setting with OKRs. Don't begin writing your OKRs without first conducting a thorough strategy study.

BEFORE WRITING OKRS

1) START WITH PURPOSE & STRATEGY

When it comes to collaborating with your team to come up with strategic priorities, using digital collaboration tools like Mural and Miro can be extremely helpful. These tools allow you to work with your team in real-time, even if you're not all in the same location.

METRICS MATTER: USING DATA TO IDENTIFY OKR TOPICS AND DRIVE SUCCES

Metrics are indeed important contributors to identifying where to focus when setting OKRs (Objectives and Key Results). By reviewing relevant metrics beforehand, you can better understand the performance of different business functions and use them as a reference when identifying OKR topics.

Some examples of metrics that can be used as a reference for different business functions include:

Product

Retention Rate
Subs Users Rate
Monthly Active Users
LTV:CAC Ratio
Combined Loan-To-Value
Subscriber Conversion Rate

Engineering

Number of Bugs
Deployment Frequency
Pull Request Review Time
Average Downtime
Response Time
Infrastructure & Database Opt.

Sales

Sales Revenue
Average Time to Close
Revenue per Sales Rep.
Opportunity Funnel Value
Average Deal Value
Sales Qualified Leads to
Customer Conversion Rate

IT

Mean Time to Resolve
Mean Time to Respond
Mean Time to Recovery
Cost per Ticket
Uptime

HR

Acceptance Rate
Turn Over Rate
Employee Satisfaction
Employee Well-Being
Performance Training
Learning Diversity

Finance

Gross Profit Margin
Operating Profit Margin
Accounts Rec. Turnover
Return on Equity
Budget Variance
Current Ratio
Accounts Pay. Turnover

Customer Success

Customer Health Score
Expansion Revenue
Customer Retention Rate
Customer Referral Rate
Number of Customers
Successfully Onboarded

Customer Service

First Response Time
First Contact Resolution
Average Resolution Time
Abandoned Call Rate
Customer Satisfaction Score

Marketing

Website Traffic
App Downloads
Visit From Direct Sources
Organic Traffic Rate
Product Review Score
Qualifed Leads by Website

2) DECIDE STRATEGIC FOCUS AREAS

Once you have determined your priorities, it is essential to identify very few focus areas that you would like to operationalize using Objectives and Key Results (OKRs).

To do so, you should build a team of individuals who possess the appropriate expertise and knowledge to craft effective OKRs within those areas. By doing this, you can ensure that your OKRs are aligned with your strategic priorities and have the best chance of success.

3) IDENTIFY OKR SUBJECTS

- Identify OKR subjects that directly contribute to your strategic priorities. Do not ask you team to write everything they do as OKRS.

- It's important to keep business as usual (BAU) activities separate from OKR discussions. By excluding BAU tasks, you can free up more time and resources to concentrate on objectives that will help move the needle and drive innovation

- If you identify top priority OKR subjects, this will ensure that you're focusing on the most important objectives that will drive your organization forward.

- Rather than cascading goals top-down, identify OKR subjects and build teams to write OKRs. This will enable teams to take ownership of their objectives and ensure that they're aligned with the organization's overall strategy.

- This approach will also help prevent the creation of too many OKRs and alignment problems across the organization.

NOT THIS
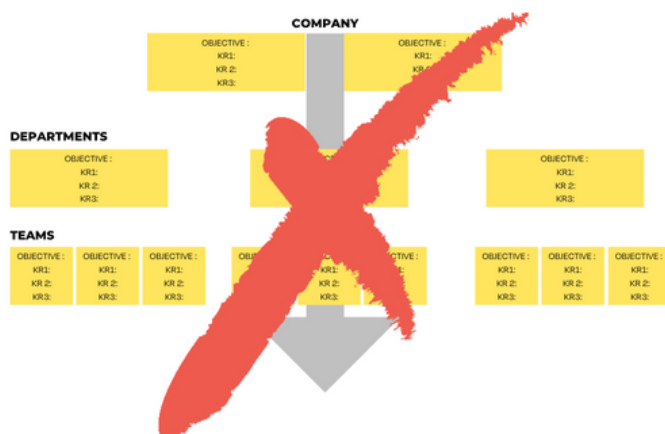
BUT THIS

The more OKRs you try to enforce,
The less focus & engagement you'll have.

Develop a set of OKRs that align with your company's or function's strategic priorities. Instead of cascading goals from top to bottom, identify objective areas and build a team to write the OKRs. Then, ensure that the OKRs directly contribute to the strategic priorities, enabling better alignment and avoiding the creation of too many OKRs.

OKR CRAFTING

STEP 1:
TEAM DISCUSSION

*A proper team discussion might take couple of meetings , during those discussion you should put all of your ideas in writing

-2-
Writing an Objective
What is the problem you want to solve?
What is the highest impact idea?

-1-
Team Discussion

-3-
Writing Key Results
What measure will help you to track your progress towards your objective?

-4-
Alignment

Discussion dependencies:
- During the initial OKR team discussion, it's crucial to identify and involve the right people to ensure that all perspectives and dependencies are considered.
- Make sure to include all relevant stakeholders, even if they're not part of the typical organization chart team.

Defining the problem:
- Review the company's Strategy and OKRs
- Discuss team contribution to the strategy and identify areas for impact
- Analyze data and identify well-performing and problematic metrics
- Begin by identifying the problem that you want to solve. What's the pain point or opportunity that you want to address?
- Identify necessary behavior changes to meet objectives
- Generate ideas to address identified issues, such as improving presence on relevant review websites.

"OKR TEAMS: BREAKING THE SILOS, BRIDGING THE FUNCTIONS!"

OKR CRAFTING

STEP 2:
WRITING OBJECTIVE

*What is the problem you want to solve?
What is the highest impact idea?

OKR Crafting Cycle

- -1- Team Discussion
- -2- Writing an Objective
  - What is the problem you want to solve?
  - What is the highest impact idea?
- -3- Writing Key Results
  - What measure will help you to track your progress towards your objective?
- -4- Alignment

Articulate the highest impact idea to address the problem. What's the most effective solution that will make the biggest difference?

As an example, if the team's objective is to enhance their visibility on review websites, forums, and groups, they might identify the problem as a lack of positive reviews and the highest impact idea as incentivizing satisfied customers to leave reviews. The resulting objective could be something like "Enhance our visibility on review websites, forums, and groups."

FIVE WHYs TECHNIQUE

One effective technique to identify the most compelling objectives is the "5 Why" method.

This method involves drilling down to the root cause of a problem by asking "why" five times in succession. The technique can be applied to any problem, including defining objectives.

For example, suppose you think that your objective is to launch a new feature for your product. However, launching a new feature is not a good objective on its own - it's just a means to an end. To find the real objective, you can use the 5 Why method.

- First Why: Why would launching a new feature be beneficial? Answer: We have been receiving complaints about the complexity of using the product.
- Second Why: Why do customers complain about the complexity? Answer: Our customers find the onboarding process too complex.
- Third Why: Why is the onboarding process too complex? Answer: We want to introduce too many new features too quickly, which confuses our users.
- Fourth Why: Why do we introduce too many new features too quickly? Answer: We believe that adding more features will make our product more attractive to customers.
- Fifth Why: Why do we want to make our product more attractive to customers? Answer: We want to increase our subscriber base and generate more revenue.

With these five whys, we have uncovered the real objective: **to increase the subscriber base and generate more revenue.**

Now, we can start to ask "What can we do differently to grow subscribers in one quarter or quarters?" and use this objective to develop our OKRs.

OKR CRAFTING

STEP 3:
WRITING KEY RESULTS

*What measures will help you to track your progress towards your objective?

-1-
Team Discussion

-2-
Writing an Objective
What is the problem you want to solve?
What is the highest impact idea?

-3-
Writing Key Results
What measure will help you to track your progress towards your objective?

-4-
Alignment

- Start by brainstorming potential actions or outcomes that would indicate progress towards the objective.In the given objective, one potential action could be to start engaging in discussions on the web to test the chosen angles.
- Phrase the Key Result as a specific, measurable outcome that aligns with the objective.
- For example, KR1 measures the increase in positive brand mentions on the web as an indication that the chosen angles are sparking interest.
- KR2 measures the increase in published reviews on Capterra as a way to leverage the credibility of third-party reviews.
- Set a clear, ambitious target that challenges the team to make significant progress.
- Ensure the Key Result is time-bound to create a sense of urgency and accountability.

OKR CRAFTING

FROM PLANNING TO PROGRESS:

HOW WRITING ACTIVITIES CAN HELP YOU REACH YOUR OKR KEY RESULTS.

-1-
Team Discussion

-2-
Writing an Objective
What is the problem you want to solve?
What is the highest impact idea?

-3-
Writing Key Results
What measure will help you to track your progress towards your objective?

-4-
Alignment

- Identify key activities: Once you have set your OKRs, it is important to identify the specific activities that will help you achieve them.
- Break down the activities: Break down the key activities into smaller, more manageable tasks to ensure progress is made towards your key results on a daily or weekly basis.
- Assign ownership: Assigning ownership to specific team members ensures accountability for each activity and a greater likelihood of success.
- Track progress: Keep track of progress by regularly updating each activity's status.
- Adapt and iterate: If an activity is not working, don't be afraid to pivot and iterate. Weekly checking is set for this.
- By writing down the activities that will help you reach your key results, you can better plan your time, identify potential roadblocks, and ensure that progress is being made towards your overall objectives. With a clear plan in place and regular updates on progress, you can stay focused, motivated, and on track to achieving your OKRs.

OKR CRAFTING

STEP 4:
ALIGNMENT STEP

*Alignment is important, but it's not the last step in achieving your OKRs.

-2-
Writing an Objective
What is the problem you want to solve?
What is the highest impact idea?

-1-
Team Discussion

-3-
Writing Key Results
What measure will help you to track your progress towards your objective?

-4-
Alignment

- Alignment is important, but it's not the last step in achieving your OKRs.
- It's crucial to have the right people onboarded in your OKR team to make progress.
- During the initial discussions and finalizing your objectives and KRs, ensure that you discuss with other teams to get aligned and ensure you have their support to achieve your OKRs.
- Getting support from other teams will enable you to leverage their expertise, resources, and networks to achieve your goals.
- Don't hesitate to make changes to your team or OKRs if necessary to achieve the desired outcomes.

## "OKR TEAMS: BREAKING THE SILOS, BRIDGING THE FUNCTIONS!"

What if teams cannot contribute?
*This question often arises for teams like Legal, IT, and Finance.

Encourage those teams to think out of the box. 5% of contribution is better than nothing. Unless there is a real need a behavior change that goes beyond business as usual, don't force your team to write an OKR.

Accept the fact that not all teams can contribute to Company OKRs. Let those team measure their performance with the help of existing KPIs. Setting BAU (Business As Usual) goals is perfectly fine.
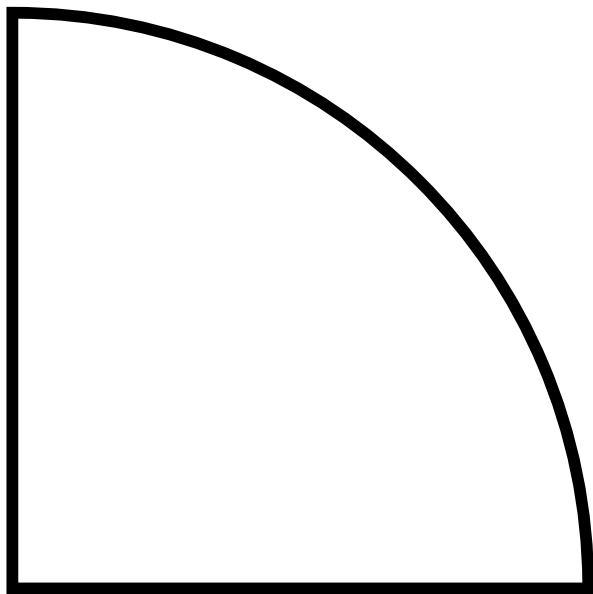
Who is Melon?

We are
the talent partner of
future shapers.

Melon is a boutique consultancy company that provides highly professional people and culture-oriented services for companies that are scaling up their businesses.

We identify as the partner of scaling companies and accompany them through their growth journey, including all people, teams, and lead-related processes. As we build a close partnership with our clients, we do so in alignment with the nature and strategic goals of the businesses.

We are a team of consultants with a strong passion for building and implementing a new-age approach to attracting talent, building teams, developing and retaining high-performing teams, and creating and sustaining a company culture that helps people thrive. We work with fast-growing technology companies in the startup ecosystem (we also provide OKR services to the big companies), which keeps our minds open and creative and our hearts beating for innovation.

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