OKR IMPLEMENTATION
STEP-BY-STEP
GUIDE

Preface

So, you've read a book, watched some videos and now you are ready for your OKR Implementation journey! You go ahead and even get yourself a 'fremium' software to run OKRs. You talk to your peers, colleagues or leaders in your company, and everyone is gung-ho about the idea of exponential growth and alignment through OKR Implementation. You start crafting your OKRs and even begin implementing them. The first quarter may have looked slow, the second and third quarter is when you start realizing – 'Hey, are we missing something here?' or 'Why are we not seeing the results?' Does all this sound familiar?

Nearly 70% of companies fail with their OKR Implementation the first time. Simply getting an OKR software or reading a book does not ensure success in your OKR Implementation journey. Designing OKRs is one thing; OKR Implementation is another. OKRs may be simple to understand but tricky when the rubber meets the road. There are a host of factors that need to come together as a recipe for OKR Implementation to work within your organisation. And the difficult part is that this recipe is not the same for all OKR Implementation projects.

This article highlights the step-by-step guide to implementing OKRs and also lays out some critical factors that are important to get your own recipe going. However, this is indicative and not exhaustive in its intention to help you, the reader, in getting your act right.

Symptoms of Poor OKR Implementation

So how do you know that your OKR Implementation is going astray? Here are some symptoms that act as tell-tale signs before its too late for you to salvage your OKR Implementation program within your company.

1. Leadership Buy-in: You can be sure that your OKR Implementation program will take the wrong turn if your CEO/MD along with the key leadership team is not fully bought into the program. In one organisation, the CEO had actually deferred the onus of the entire OKR Implementation initiative onto the CHRO. One can almost set a wager that the OKR Implementation will not have the desired impact.

2. Poor Communication of Rationale: Another symptom often seen is the lack of or insufficient focus on communicating the rationale and intent of the OKR Implementation program. The rationale of OKR Implementation may differ from one company to another. Sometimes it could be growth, sometimes alignment and sometimes changing the mindset to outcome thinking. When employees don't know why OKRs are being implemented, they are unable to contribute accordingly.

3. OKR Ham: Getting excited about OKR Implementation is good. When teams are over excited, you end up seeing more than 3 to 5 OKRs per cycle. This loses the laser focus OKRs are meant to bring. The OKR Implementation will sure take a beating because if everything is a priority, nothing is.

4. Poor Review Discipline: This is another oft-observed symptom of OKR Implementation going wrong. It's easy to set OKRs, its 20% of the job. The real challenge lies in the OKR Implementation phase where teams are required to check-in on a weekly or fortnightly basis. These so-called cadence review meetings form the backbone of OKR Implementation. When teams fail to meet as a discipline, the OKR Implementation process goes for a toss. Many a times, teams are found exhausted with death-by-meetings. Its important to remember that OKR Implementation meetings are not an 'add-on' but a way to enhance your existing meetings.

5. Breakdown in Progress Updates: Whether you use a software or simple google sheets doesn't matter. What matters is how often teams are updating progress during OKR Implementation. When you can see your teams are not doing this on the go, you can be certain that you are not leveraging the power of transparency that OKRs are meant to provide.

6. Absence of Strategy Linkage: OKRs are not a replacement of your company's strategy. They are a conduit to enable your strategy to yield results. When you see that the strategic intent is not clear, your OKR Implementation will be 'vanilla'. This is another symptom that your OKR Implementation process will not give you the desired results you are looking for.

7. Poor Psychological Safety: This final symptom is connected to organisational culture. When you notice that teams are failing to stretch or report where they are failing, it results in creating a 'good news' culture within your organisation. Here, teams are constantly 'sandbagging' so as not to fail. This is a sign that your OKR Implementation will take a beating.

OKR Implementation: A Step-by-Step Guide

How to get your OKR Implementation, first-time right?

Getting your OKR Implementation right the first time requires a ton for spade work and diligence in ensuring you have ticked all the right boxes. The steps you see below have been suggested based on years of OKR Implementation expertise gathered working across companies and cultures, globally. This by no means is a rule book, more a guidebook for you to use as a navigator in your own OKR Implementation endeavor.

1. Deciding on OKRs

Your OKR Implementation journey begins with first ensuring that the CEO/MD of the company is clear why he/she want to run an OKR Implementation program. That clarity is the starting point. Sometimes, it's the CEO himself/herself deciding to run an OKR Implementation program – which is great news.
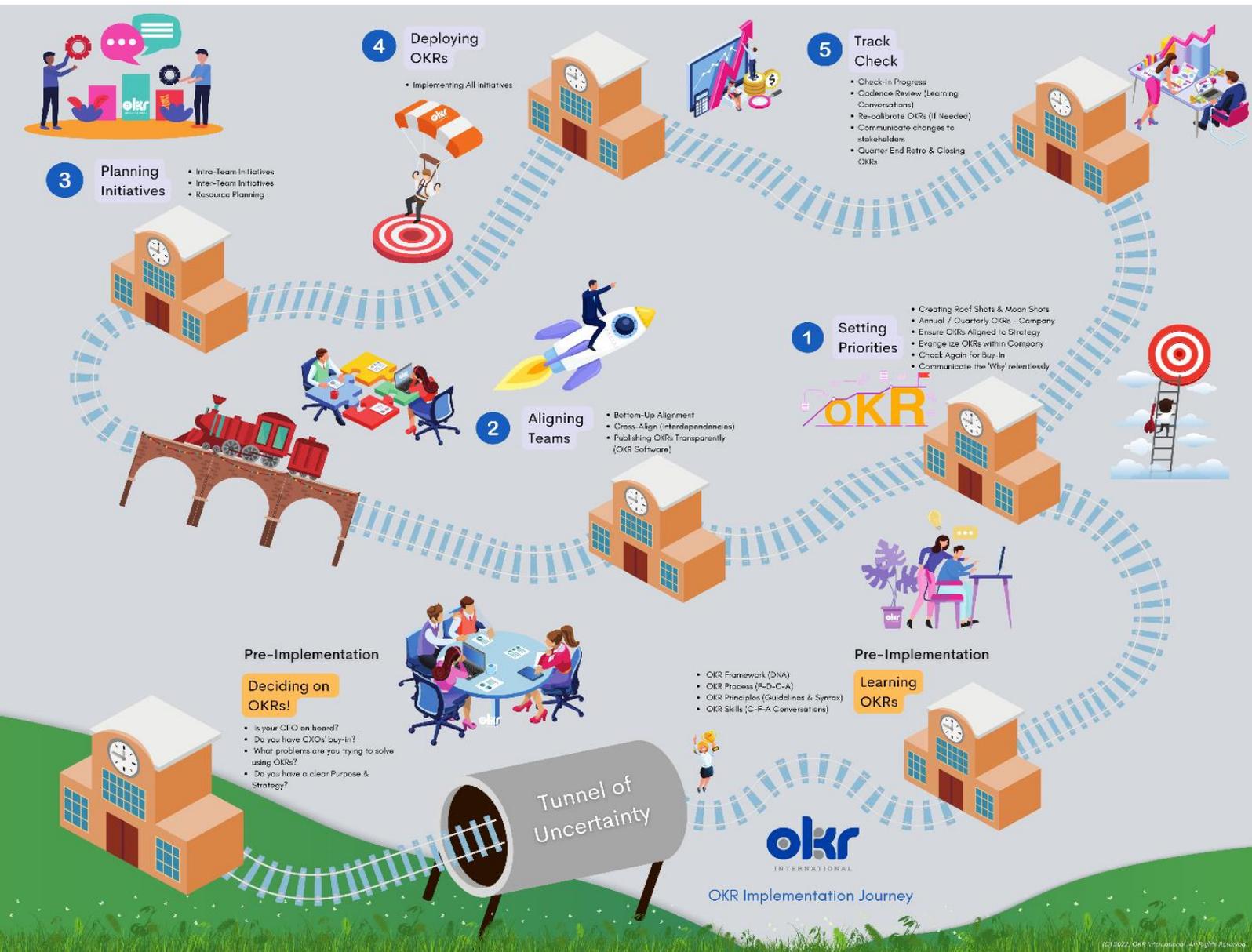
2. Enrolling the Leadership Team

The OKR Implementation process will not work until the leadership team is bought into the 'why' of your OKRs. Strong influencing and clarity of thought are necessary at this stage. I have seen many teams set off on an offsite to trash this out. Getting a facilitator always helps in this case.

3. Why OKRs?

Create clarity on what problems are you trying to solve using OKRs. Remember, OKRs are a means to an end – not an end in itself. This means being clear on what the OKR Implementation will anchor itself on.

Most times, OKR Implementation hinges on the need to getting better alignment, more focus on priorities, more agility, better collaboration and engagement, more transparency, more outcome mindset or a combination of these factors. Once this is clear, you can use the OKR framework to fit your needs.

4. Link OKRs to Strategy, Vision, Mission, Values, Purpose

Creating and aligning OKRs is the initial part of the OKR Implementation process. Whilst running an OKR Implementation program for the first time, especially, care must be taken that the leadership team is clear about where the OKRs are emerging from.

First, of course, OKRs need to be drawn at an organisational level (strategic OKRs). This is a crucial step in the OKR Implementation process. At this stage, the organisational OKRs must be derived from the overall strat-plan and if possible, also anchored in the organisation's purpose and values. This helps you to not just choose what you want as your priorities but also choose where you will not play.

5. Learning OKRs

Little knowledge is a dangerous thing. Many teams have struggled with OKR Implementation simply because they have moved with half-baked knowledge. Re-booting an OKR Implementation program is always painful and costly, leave alone the angst that come with it. Invest in learning OKRs from a place that offers the right training.

OKRs are simple to learn, but deceptively simple to implement. Learning the nuances of OKRs, how to set good OKRs and align them, OKR Implementation Process, creating an internal champion pool, using the right OKR software, managing the change process, etc. are all important aspects of learning OKRs.

Make sure you get this right, before moving ahead with OKR Implementation. Remember, this learning is not just knowledge based. One needs to develop the right skills and behaviors as well that are essential ingredients in a successful OKR Implementation.

6. Crafting OKRs at Organisational Level

Writing OKRs at the organisational level is an important step in the OKR Implementation process. I have seen companies begin by crafting annual and then the first quarter OKRs. I have also seen organisations directly start with first quarter OKRs. Whatever floats your boat – although I recommend the first option.

Many a times this step could also be embedded with the previous one and both are run concurrently and in real time. Once the OKRs are set at the organisational level, I also recommend you evangelise this within your organisation and share why you have chosen these OKRs, so people understand the direction they need to take.

This also helps teams in preparing their own OKRs and getting ready to align them bottom-up. Keep checking for buy-in from key stakeholders as the OKR crafting process can be quite daunting at this stage.

7. Bottom-up & Cross Alignment

This step is where the real challenges in the OKR Implementation process begin. Poor buy-in (again) can be a derailer for sure. Teams need to understand the organisational OKRs to begin with. Since OKRs are a social process, its critical for the teams to come together in creating their OKRs and checking for interdependencies.

Bottom-up alignment is about the teams writing OKRs that contribute to and align to the higher-level OKRs of the organisation (quarter level mostly). The linkages need to be clear and contributing stakeholders and interdependencies need to be equally clear here. Checking for the right stretch is also important. The sum of parts to need to be equal or more than the overall OKRs at the organisational level.

Getting an OKR Coach to do this exercise is a good investment to make at this stage. Starting your first cycle is a learning process. Before you scale your OKRs deeper within your organisation, it's important to restrict your first cycle at an organisational level and one layer below (team or functional level).

Once your OKRs are finalised you are now done with the OKR Planning process barring one crucial step – Planning your Initiatives / Tasks.

8. Planning Initiatives / Tasks

During the OKR Implementation process, many teams take this step for granted. This step is where OKR Implementation begins; its where your execution excellence comes alive. Once the teams are done writing OKRs and aligning them, they need some time before the start of the quarter cycle to plan their Initiatives. Initiatives are nothing but activities, tasks, projects or programs that are required to achieve every single Key Result that has been drawn by the team. These initiatives, often times, require resources and intra/inter team collaboration. Give time to each team to plan these initiatives, assess the resources they need and prepare for them and also reach out to other teams to seek and offer support. After all, every team is gearing up to now achieve and contribute to the common goals of the quarter.

9. Calendarised OKR Implementation Rituals

Right before your first quarter implementation, especially when rolling our OKRs for the first time, getting clarity on what OKRs rituals you will undertake is an often-missed step. Get the teams together in an all-hands meeting and agree to how often these rituals will take place. I also recommend putting it in their calendars right away. This ensures that teams have blocked time for the whole quarter, and this must not be compromised.

OKR Check-ins, OKR Cadence Reviews and quarter-end OKR closing are important rituals during the OKR Implementation process. Designated OKR champions or OKR Coaches could lead these rituals. When key members are unable to attend these rituals, they mustn't be cancelled – handovers are a good fix here.

10. Track Check & Pivots

Teams are to review their OKRs first before reviewing OKRs at an organisational level. One can run organisational OKR reviews once a month with leadership team members, if need be, while team level reviews should be weekly or quarterly. This step is not just about reviewing progress but also about looking for opportunities to be nimble footed with the OKR Implementation.

There are opportunities to calibrate OKRs and Initiatives here, learn from what's working and what's not. Assess the external and internal environment and adjust on the go. This is where you derive agility through the OKR Implementation process. Care must be taken that any changes to the OKRs or initiatives are not done in insolation; the relevant stakeholders must always be involved in this process.

11. Quarter-End OKR Retros

Towards the end of the quarter cycle is where the OKR Implementation for that quarter must be closed. This is usually done through an OKR Retro. It begins with a learning conversation help by each team as OKRs get graded and closed. This is then fed bottom-up as the organisational OKRs are closed through a similar ritual. These retro paves the way for the subsequent OKR cycle planning process.

12. Next Quarter Plan

This is coming a full circle with your quarterly OKRs. At this stage of the OKR implementation process, we begin first with the organisational level second quarter planning process. Reference must be made to any changes in the strat-plan or tactical ideas, any headwinds, or tailwinds to be considered as leaders gather to craft and align the next quarter OKRs.

Once this is done, we repeat the process of inviting teams to create their own OKRs and commence the alignment process. Again, enough time must be given to teams to plan their initiatives as they set about with their OKR Implementation for the next quarter.

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Summary

While these steps may seem exhaustive for a first timer, the trick lies in the iterative nature of the OKR Implementation cycles. What may take a few days when done for the first time may start taking a few hours after a couple quarter cycles of OKR Implementation. This is called developing the OKR muscle.

It's also important to get the process right in the first cycle and strengthen the ways of working before going on to setting more aspirational OKRs. Remember, it a change process and one must nudge their way through rather than overwhelm the teams with an 'OKR Ham'.

I also recommend teams that are gunning for OKR Implementation for the very first time must choose a few OKRs to start with and be ready to scale them once the muscle has been developed.

Leadership communication must be taken seriously here. When the organisation sees that are leaders are well invested in the OKR Implementation Journey, they tend to follow their role models. Active presence of key leaders in OKRs planning and OKRs Implementation process is the bed rock of successful OKR Implementation.

About Nikhil Maini and OKR International

Nikhil Maini is the founder and Managing Director of OKR International– a leading OKR consulting and training services company globally. Nikhil has consulted more than 450 organizations globally in areas of strategy planning & execution, culture transformation, agile leadership and organization development. He brings nearly 25 years of experience across 20+ industry sectors and is a behaviorist and coach by profession.

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