
A GUIDE TO IMPLEMENTING OKR IN ORGANIZATIONS

PT&L By KPMG Israel



A DISRUPTIVE ERA

We live in a dynamic world.

Organizations worldwide are faced with challenges and a requirement to adopt new managerial approaches that enable flexibility to new situations. Companies wishing to survive and grow in a constantly disrupted market must take significant action.

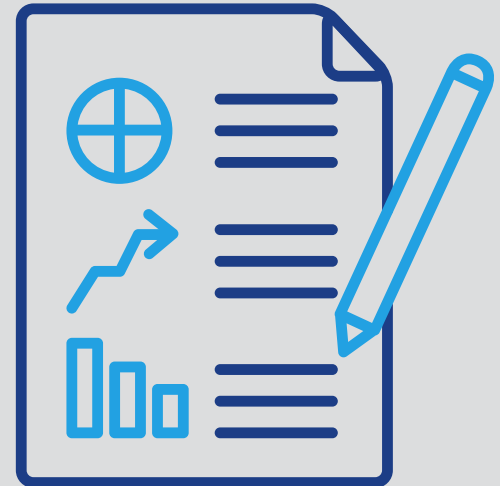
We recommend examining 3 primary areas of activity:

- Your business-strategic focus
- Streamlining internal organizational processes and setting up auxiliary mechanisms
- Employee engagement and organizational resilience



To understand your business-strategic focus, start by answering the following questions:

- 01 Is our business strategy relevant and well-promoted?
- 02 Are departmental work plans up to date with the current strategy?
- 03 Are company employees engaged and committed to the results of their work and to the company's situation?



- 04 Are the departments working effectively and do they communicate well with each other?
- 05 Are learning and improvement processes implemented in the organization?



WHAT'S OKR?

OKR is a goal-setting methodology which helps each one in the organization to focus their daily work with the organization's strategy. O stands for Objective, meaning: the goal we would like to achieve. KR for stands for Key Results- the measurements: How do we know that we have achieved our goal.



An example of a typical Company OKR:

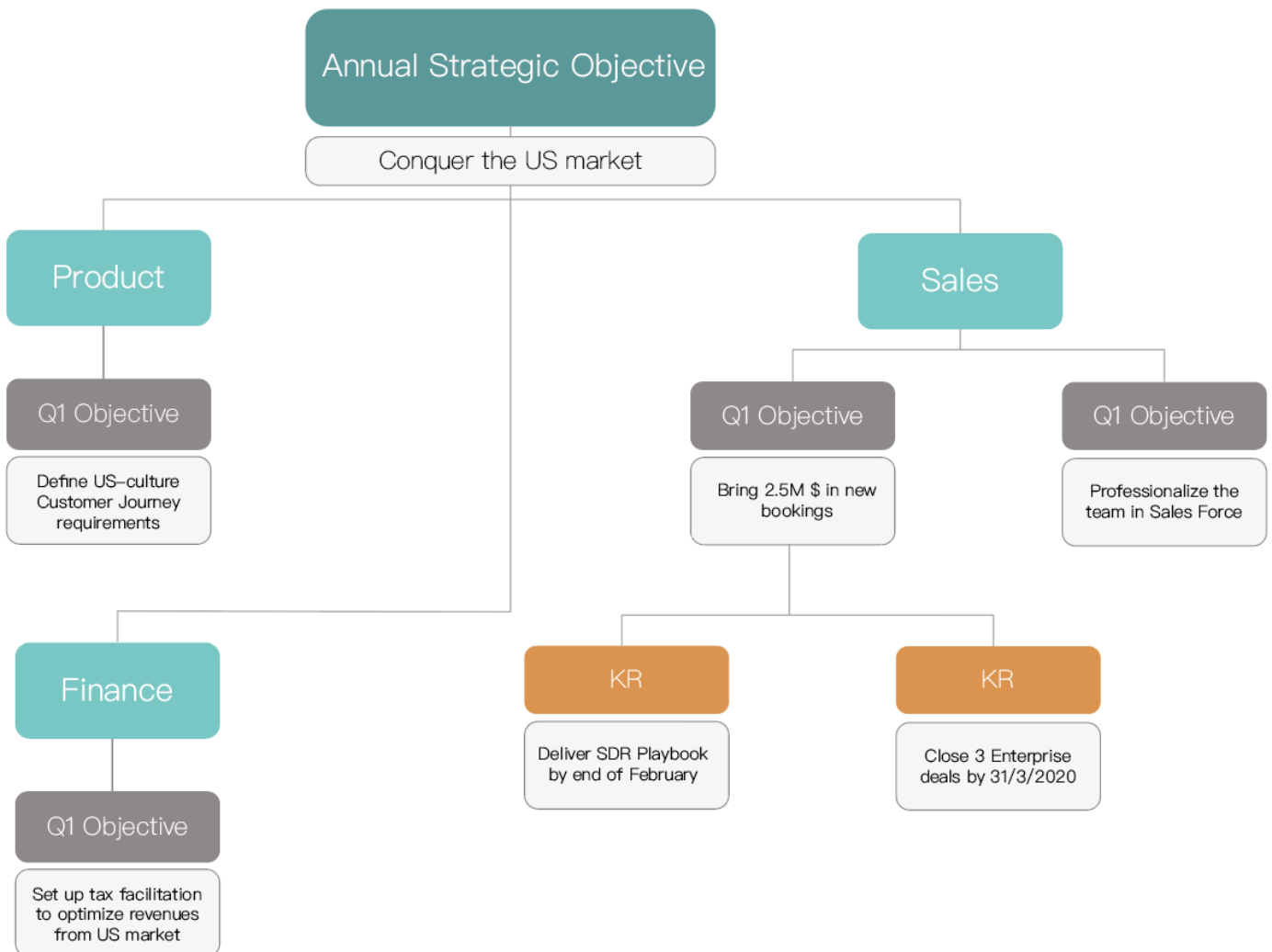
OBJECTIVE: WOW our customers

Key results:

- Interview 20 customers per month and get feedback
- Achieve an NPS of 9 from our customers
- Increase customer retention to 98%
- Achieve a product engagement of 80% WAU

HOW DOES IT WORK?

The organization sets 3-5 annual strategic company level OKR. Each department/ business unit sets itself 2-5 quarterly OKR derived from the strategic ones. The next level does the same, and that's how strategy is being cascaded throughout the organization. Initiatives- tasks and work plan are the execution of the OKR. OKR shapes a result-driven culture.



WHY OKR?

Organizations that implement OKR exemplify the method's slogan - 10X Growth; and succeed in bringing the organization to achievements - set ambitious goals, which push everyone to achieve more, sync between all parts of the organization and advance quickly and efficiently.

FOCUS OUR STRATEGY & RESOURCES

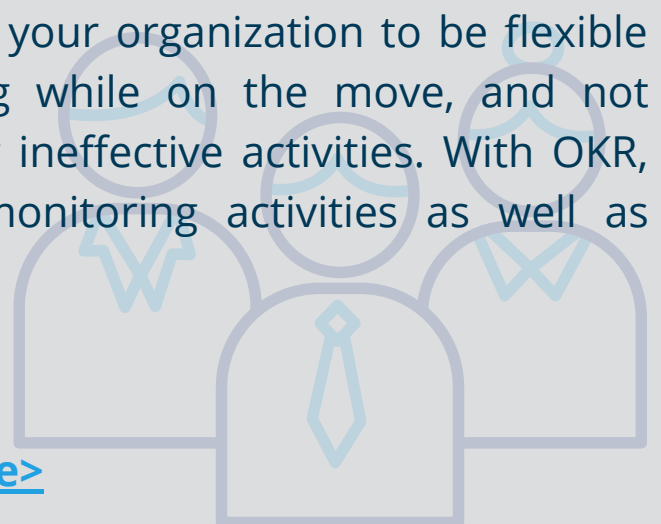
OKR process starts with focusing the organization's strategy into 3-5 Objectives: Strategic goals, which help prioritize what's important. The entire organization pulls together in the same direction and shifts resources wisely to obtain specific achievements.

WHEN SETTING OKR GOALS, YOU'RE CONSTANTLY TUNED IN AND READY TO CHANGE COURSE AND IMPROVE YOUR ORGANIZATION'S POSITIONING WHILE ON THE MOVE.

Organizational strategies are determined annually, while departments and employees usually get quarterly goals. OKR goals ensure the relevance and effectiveness of goals on an ongoing basis and in short periods of time, which allow for trial and error and better risk management.

Ongoing control mechanisms enable your organization to be flexible and adapt to the market. Changing while on the move, and not wasting time on irrelevant indices or ineffective activities. With OKR, organizations develop means for monitoring activities as well as learning and self-improvement.

[Implementing OKR at Atera. Read more>](#)



SYNCED REMOTE WORK

In a global environment, companies must also have remote sites, which they have to manage remotely and ensure that employees who work in different time zones are in sync with the activities of headquarters. As more and more employees work from home - remote management, leading processes, and ensuring outputs become increasingly difficult, not to mention the communication between different teams. Thanks to our method's principle of transparency, the organization's goals are exposed to all employees, thus enabling streamlining and coordination of work between interfaces, and the identification of dependencies. Knowing everyone's indices and the ability to see the progress in each of the actions they have committed to, produces alignment between departments, between employees, and between sites.

This way, employees may be managed according to their output, and organizational activities are oriented like a spearhead in a single direction.

[O K R! The goal setting method that has executives on the edge of their seats. Read more>](#)



ENGAGED, SATISFIED EMPLOYEES WHO STICK AROUND AND DO THEIR BEST

OKR enables employees to take part in setting goals. The ability of employees to control the product of their work produces meaning. Meaning produces engagement. Engagement produces satisfaction that keeps employees in the organization and increases productivity. With OKR, employees:

1. Have a better understanding of the organizational strategy and the broader context of their work.
2. Are more committed to the goals they have set and therefore more motivated to achieve results.
3. See the direct correlation between their work and the organization's goals.

This way, employees may be managed according to their outputs, and organizational activities are oriented like a spearhead in a single direction.



WHAT IS THE DIFFERENCE BETWEEN OKR AND KPI?

KPI (Key Performance Indicator) is a method of measuring the success of an organization, project and/or activity. It is based on numbers which serve to indicate whether the organization has achieved its goals – it measures the end result. This method is very efficient in business. But how do you set measurable goals in departments which are process based such as HR and R&D?

OKR measures not only the end results but also the journey to get there and therefore can have an impact on the prospects of success.

The OKR method focuses on qualitative goals in addition to the quantitative goals, and offers processes that specify the steps a department or employee must implement in order to achieve the organization's goals. These may include 'soft' actions such as running a campaign or survey, learning a particular technology, implementing a system, etc. it's a means to make everybody in the organization feel connected to their goals.

Moreover, the organization/ employee meets their goals during the quarter while promoting significant milestones on the way to accomplishing their goal and not only at the end of the quarter. They have the ability to influence results on the go.

In addition, employees and managers need an added value, not just numbers. OKR reinforces their sense of meaning and significance. People seek a sense of belonging and meaning, and therefore employees want and need to take an active and integral part in setting their own goals and realizing the plan to achieve them.

[OKR for HR? Of course! Gett's story. Read more>](#)



OKR OBJECTIVES ACHIEVE ADDITIONAL GOALS RATHER THAN JUST MEASUREMENT

- Activities that are more goal oriented
- Optimal utilization of resources
- Syncing between departments and sites
- Output-based management
- Mechanisms for organizational improvement and learning
- Achieving ambitious goals and a growth engine
- Having engaged and committed employees

IS ANY ORGANIZATION READY FOR SUCH A GOAL ORIENTED PROCESS?

In order for an organization to be able to challenge itself and achieve its objectives (and more), it needs to be accustomed to setting and realizing goals, it needs to have an organizational culture that encourages ambition and development. Once the organization begins to implement OKR, the organizational culture changes naturally. The implementation of the process actually aims to generate such an organizational culture. Once the organization knows how to accomplish goals, it can set ambitious and inspirational goals as well. Goals that push the organization to grow.

Does the method require implementing or integrating dedicated management systems?

If you wish to have good monitoring and transparency in the process, you may choose to work regularly with MS Excel or you may use a dedicated software such as Weekdone, Perdoo, Ally or other - each system with its benefits. Choose the one that best tends to your organization's needs.

[OKR like a glove! Lusha's story. Read more>](#)



WHAT DOES THE PROCESS LOOK LIKE?



PHASE ONE: DIAGNOSIS AND PROCESS FORMULATION

Diagnosis of the organizational culture and goals, and characterization of the organization's needs.

An expert-assisted implementation, enables a quick and accurate process of diagnosis and tailoring to needs. This reduces implementation time, prevents waste of organization resources, and prevents compromising employees' trust and willingness to implement processes and systems.

Elements considered in the process:

- Organizational Structure
- Urgency and availability
- Management style & culture
- Types of departments
- Integration with existing processes (performance, sales commissions, Agile etc.)
- Change management factors

Consider questions such as:

Why do we want OKR? To engage employees? To expedite delivery of results? To improve execution?



What is our managerial approach? Who is a good manager in your company?

The outcome of this step: A tailored OKR implementation plan, including:

- Customized OKR language
- Formulation of work routines tailored to the organization's needs and existing work methods
- Recommendation for a platform to sync and monitor the OKR process.

PHASE TWO: LEARNING THE METHOD

Start the execution of the implementation plan by setting effective OKR. How?

- Management meetings for setting strategic organizational OKR
- Workshops for managers & employees: Learning how to formulate OKR: What is a good objective? How to build a robust 'key results' mix? And more.

- Goal oriented management: How to conduct team brainstorming to formulate goals? How to talk with employees about performance? And more.
- Refine results- personal work with managers on their unit's OKR drafts.
- Preparation of work materials and useful guidelines for the organization's managers and employees on how to formulate OKR and implement the method.

The outcome of this step: Set of effective OKR to all relevant units.

PHASE THREE: IMPLEMENTATION & CHANGE MANAGEMENT

All changes move people from their comfort zone. Management of the implementation in a way that reduces resistance is critical to the success of the process. How?

- Training of OKR leaders to support the company from within and expedite independence.
- Formulation of an intra-organizational communication plan to increase transparency and ease acceptance of change.
- Recruitment of opponents.
- Agility is our way: Status analysis and process' adaptation to changing needs

The outcome of this step: smoother transformation into a result-driven organization

PHASE FOUR: END OF QUARTER

One of the main anchors of the process is the ability to finalize a full OKR cycle while creating a sharp learning curve of the way the organization works and measures its effectiveness.

How?

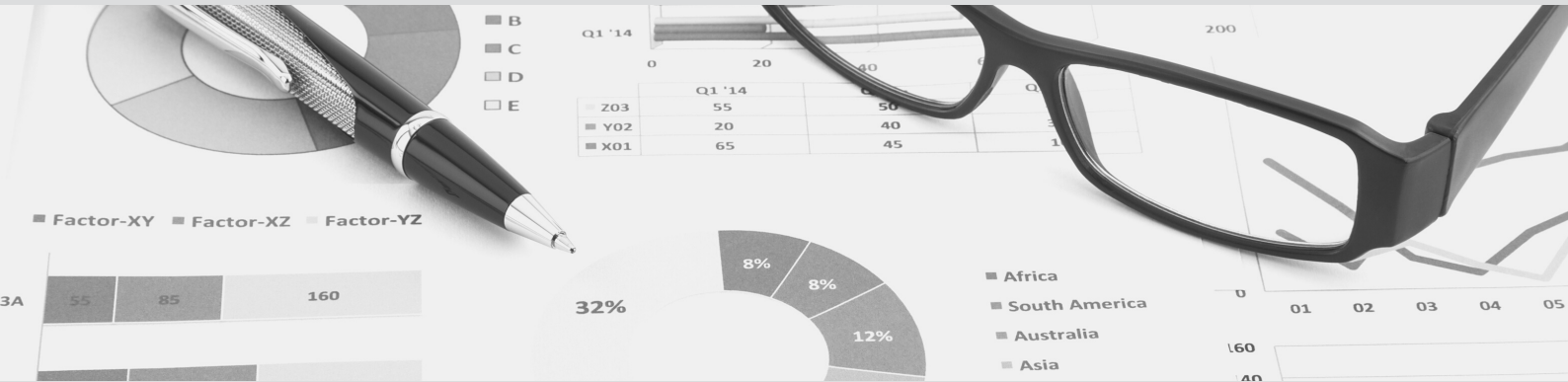
- Workshop: How to run a Retrospective meeting?
- Management meeting to experience OKR retrospective routines
- Preparation of materials for retrospective & scoring
- Refine results- personal work with managers on their unit's OKR drafts

Outcome of this step: An effective Q2 set of OKR to all levels

With most companies, these three phases take about 2 months.



TO SUMMARIZE



We touched on the main aspects of OKR – 3-5 goals or meta-goals for the current year.

The determined meta-goals seep down through the tiers to get employees engaged and onboard to realize secondary goals and bring the organization closer to meeting its objectives.

Achieving ambitious goals and making the organization goal-oriented through:

- Strategic focusing and achieving better delivery of results
- A method of measurement that enables an output-based management
- Flexibility - the ability to change the course of action while on the move
- Transparency – syncing between departments, sites and remote employees.

How can you ensure the success of OKR in your organization?

- ✓ Formulate a process that's tailor-made to your organization's needs
- ✓ Have your organization ready and available for a new process, and your executives onboard with the implementation and change
- ✓ Perseverance, perseverance, and more perseverance.

Yes, it's a relatively complex process, but it's a much easier one with the help of our experts!

We at PT&L have an excellent track record and a proven proprietary method for a smart and well managed implementation of OKR. We are here for you, available to answer any question, provide advice and of course to support and guide you in the process.

Some companies choose to implement OKR independently and take external consultation to accurate and optimize the process.

What's your way?

To speak to a consultant about implementing OKR in your organization, please [click here](#)

About Us

AL Consultants is a global organizational consulting firm, that specializes in startups and growing companies, starting with internal strategies through actionable solutions to retain market advantage and fulfil the organization's business potential in the dynamic domain of employment.

Our firm's staff has gained extensive professional experience in providing organizational consulting for leading companies through uncompromising quality, tailor-made solutions, commitment and an attitude of partnership.

AL Consultants specializes in leading strategies processes such as employee engagement and employee retention, working with senior executives and managers at all tiers and providing consulting services for HR departments. We also organize and hold lectures at professional conferences about the new world of employment.

