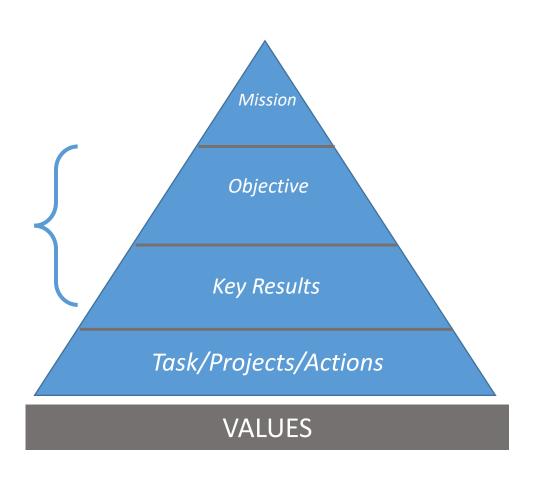
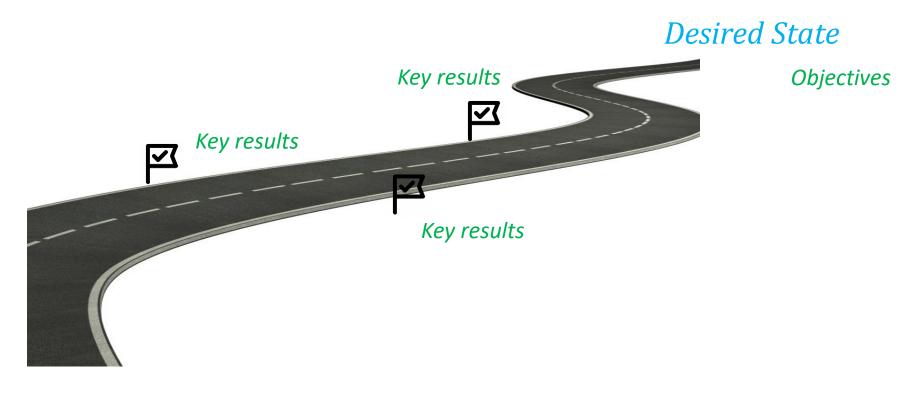
Successfully Leading Technical and Creative Teams: Power and Practice of OKRs

Strategy Pyramid



Strategy Pyramid

"If you don't know where you are going, you might end not get there" – Yogi Berra



Present State

Objective and Key Results (OKRs)

Goal Setting Strategies:

Help <u>individuals and teams</u> set and achieve well-aligned goals



OBJECTIVE → Overarching aspirational goals

<u>KEY RESULTS</u> → Quantifiable targets to meet Objectives

EXAMPLE

OBJECTIVE: Make TOMiScope Exam as fast an Otoscopy Exam—3 months

KR1: Reduce bootup/wakeup time to 10 sec – 1 month

KR2: Improve usability to allow exam in 1 minute – 2 months

KR3: Allow interpretation of results in 10 sec – 2 months

History of OKRs







1954









First Principle Understanding: Why OKR may work?

Why any management principle works ... or not?

- Alignment with human nature

Objectives	Pursuit of something motivating and purposeful
Key Results	Focus through time-bound quantitative goals



BOTTOM LINE:

Always ensure whatever we try is in harmony with the nature of individuals and the team.

OKR Principles: 1. Transparency/Alignment

All company objectives and key results should be transparent



Individual and teams should look for alignment



Are we selling 100 units while have parts for 10!

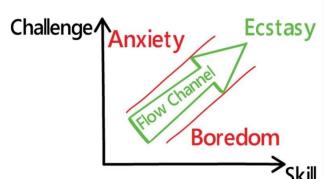
Is marketing launching a product this quarter that will be ready next year!

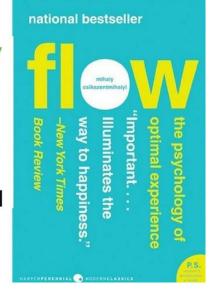
OKR Principles: 2. Stretch Goals

Setting Challenging and Motivating Goals

- Keeps us engaged and happy
- Brings out best in the people
- Careful thought (Stretch goals are not wishful thinking)









OKR Principles: 3. Regular Tracking/Update

- Good goal settings is 80% of the job done
- Review OKR weekly (progress and validity)
- <u>Score</u> OKRs at end of timeframes (<u>monthly</u>)

Examples of OKR Scoring

OKR	Progress	Score	Self-assessment
Bring in ten new customers.	70%	0.9	Due to a slump in the market, the OKR was significantly tougher to achieve than I'd thought. Our seven new customers represented an exceptionally good effort and outcome.
Bring in ten new customers.	100%	0.7	When I reached the objective only eight weeks into the quarter, I realized I'd set the OKR too low.
Bring in ten new customers.	80%	0.6	While I signed eight new customers, it was more luck than hard work. One customer brought in five others behind her.
Bring in ten new customers	90%	0.5	Though I managed to land nine new customers, I discovered that seven would bring in little revenue.

John Doerr 2015

OKR Principles: 4. Ownership



O: Make life difficult for owners

KR1: Chew 1 piece of furniture each month

KR2: Dig 3 holes weekly in the backyard

KR3: Throw up in living room every quarter



Co-Pilot

What OKRs don't do

- They are not task lists (we need OKRTs)
- They are not projects (Usually not binary)
- They don't tell us how, just where/what
- Definitely not silver bullet for management

OKRs vs KPI (Key Performance Indicators)

- Key Results take us from point A to B
- Key Performance Indicators allow continuous monitoring
- Both are required in steady state

OKR Real World Example: Intel Operation Crush

Situation:

Tough competition from Motorola, with better and easier to use microprocessors. (District sales managers Don Buckout and Casey Powell informs management)

OKR Real World Example: Intel Operation Crush

Situation: Tough competition from Motorola

Actions:

Setting company wide
Objectives and Key Results

Goal of achieving 20 design wins in 18 months

INTEL CORPORATION 3065 Bowers Avenue Santa Clara, California 95051 (408) 987-8080



TO: All Intel Field Sales Engineers

المحتمدة: Andy Grove المحتمدة: Subject: OPERATION CRUSH

OPERATION CRUSH is the largest and most important marketing offensive we have ever undertaken. It is large in terms of our commitment—it is the corporation's number one key result; it is large in terms of the manpower we have devoted to it—more than 50 man—years of CRUSH effort in the next six months alone; and it is large in terms of its impact on Intel's revenue—over \$100 million in revenue over the next three years.

The importance of OPERATION CRUSH does not come from its size and business impact alone though. Strategically the success of this campaign will highlight a significant evolution that has taken place—and will continue to take place—in our business. We intend to establish ourselves as offering complete computer system solutions—in VLSI form. The 4 CPU's, 15 peripheral devices, 25 software products, and 12 system level products we will be announcing over the next 18 months are the most tangible and meaningful testimonials to the reality of this strategy. OPERATION CRUSH represents the articulation of this strategy.

As an Intel Sales Engineer you will play a major role in making OPERATION CRUSH a success. We are counting on your efforts in two major areas:

- Sell our total microcomputer solution. Use the information in this notebook and follow on material to sell your customers on the need for a complete and integrated microcomputer solution including both hardware and software, rather than just a set of components.
- Exploit all of Intel's resources to win current designs. Take the lead in formulating action plans that take advantage of all the CPERATION CRUSH resources described in the accompanying material.

With your help, I know GPERATION CRUSH and the Intel of the 1980's will succeed!

INTEL CORPORATE OBJECTIVE

Establish the 8086 as the highest performance 16-bit microprocessor family, as measured by:

KEY RESULTS (Q2 1980)

- Develop and publish five benchmarks showing superior 8086 family performance (Applications).
- 2. Repackage the entire 8086 family of products (Marketing).
- 3. Get the 8MHz part into production (Engineering, Manufacturing).
- Sample the arithmetic coprocessor no later than June 15 (Engineering).

OKR Real World Example: Intel Operation Crush

Situation: Tough competition from Motorola

Actions:

Setting company wide Objectives and Key Results

Goal of achieving 20 design wins in 18 months

Outcomes:

Intel gains 25 design wins! (And one big one)

Captures 85% of microprocessor market by 1985

Lessons:

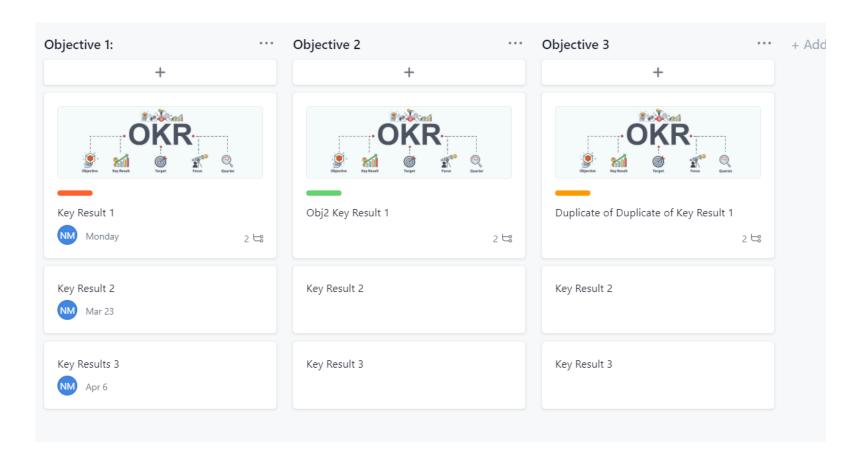
- OKRs for flexibility and ability to pivot
- Paying attention to those in trenches
- Managing chaos

Other Famous OKR examples

- 23andMe increasing sales 3x in 1 year
- Chrome browser getting 100 million user in 3 years
- YouTube with 1 billion hours per day viewed
- Bill and Melinda Gates eradicating malaria by 2040

Structure

- Maintain OKR Board: All company OKRs are visible to everyone.
- Update and track progress weekly (Monday morning): Assign progress percentage
- Update OKRs based on new information



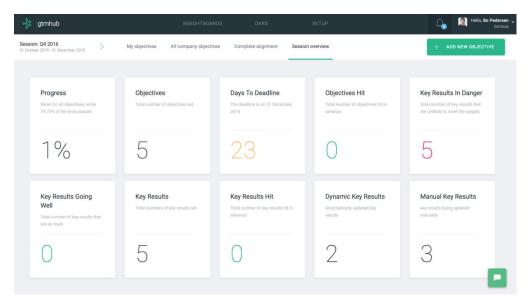
Tools



- Project management tool.
- List tasks, deadlines, owners.
- Record all actions, attachments etc
- Create dependencies, Gnatt chart etc







Summary and Actions

OKRs: Method of Setting Structured, Quantifiable and Trackable Goals

TRANSPERANCY

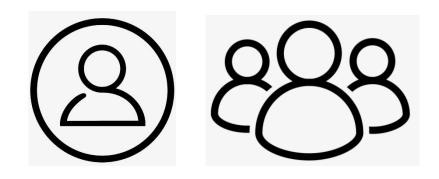
STRETCH

REGULAR TRACKING (UPDATING, GRADING)

OWNERSHIP

- Define current OKRs
- Define Review Process
- Manage all projects/tasks together

OKR and Team Collaboration



Individual vs Team Competence

- Positive work cultures are rare and worth maintaining
- Ability to understand and accept shortcomings is critical
- High-performance teams are supportive in failure while going for big goals
- Pride and respect towards the goals we set ourselves

How do we know it is working

Short term

Sense of clarity

Better execution on critical items

Better Team Collaboration

Long term

Achieving aggressive goals!

Assuming we follow up on OKR setting and updates