

# BUSINESS VITAMINS

## Objective and Key Results (OKRs)

### Introduction

We currently live in a fast-paced global community where ideas and innovations accelerate at a rapid speed. As a result, one either proactively keeps up with trends or risk being left behind. Even businesses are faced with the challenge of innovating to stay ahead of their competitors or dying.

To adapt, entities like individuals and businesses need a well-articulated plan because one cannot focus on everything. This need-to-adapt is definitely in line with the objectives of Objective and Key Results as it helps firms, individuals and indeed, anyone that plans to have a successful business or life

A comprehensive OKRs document provides an overview of an organization's mission, planning process, internal structure and the strategies implemented to achieve desired goals. Setting OKRs is usually carried out quarterly. The fact that it stresses the need to keep track of activities in order to help the persons or organization know where they are- if they are meeting up, slacking or just hanging-on, means that it is important in the corporate world.

### Definition

OKR is a management framework that ensures that companies map out their goals/objectives in measurable terms and keep track of the efforts made to achieve them.

### Use OKR

Sometimes employees can't list their employer's objective. OKR can be used to set priorities for your business, drive awareness of these goals amongst employees and check performance.

### Objective and Key Results (OKRs).

An objective is a clear statement designed to guide an organization in a desired direction. Basically it asks, "What do we want to do?" It is more than a short thread of words and it inspires and compels to provide tangible benefits for the business. It spells out what performance each individual employee or business unit or team is supposed to produce.

A key result measures the achievement of a given objective quantitatively. If the objective asks, "What do we want to do?" the key result asks the question, "How will we know if we've met our objective?"

Objective and Key Results involves compiling and documenting factors that quantify an organization's mission and comparing actual results against previously articulated results. It assesses the degree of success the organization had in meeting its targets. In addition, the report details how performance and financial information are handled to ensure accuracy and completeness. As a result, it is recommended to set and/or realign OKRs quarterly or on monthly bases in some cases.

The OKRs methodology is used by thousands of companies all over the world including Google, LinkedIn, Netflix, Twitter but small companies are not left out too. One of the biggest problems in setting OKRs is that organizations are not specific with their terminology. Confusing words can lead to the transmission of mixed signals to employees and result in less than desirable outcomes for the organization. When constructing an OKR, some things to keep in mind include:

- Inspirational: Your objectives should be able to fire up employees to a higher standard of performance based on the inspirational power of the message.
- Attainable: Whereas it is good to inspire employees, it is also good to set realistic and attainable goals.

### Examples

- OBJECTIVE: Make a measurable impact on customers
- KEY RESULTS:  
Collect customer feedback from 50 active customers per month  
Add 100 new customers
- OBJECTIVE: Grow our business
- KEY RESULTS:  
Grow revenue to \$3M  
Launch 2 new products

## Conclusion

OKR demonstrates succeeding in a fast-paced world takes clear-thought planning considering where we and where we want to be.

## References

Niven, P., & Lamorte, B. (n.d.). Objectives and key results: Driving Focus, Alignment, and Engagement with OKRs.

