

BEN LAMORTE

The OKRs Field Book

*A Step-by-Step Guide
for Objectives and
Key Results Coaches*

The **OKRs** Field Book

*A Step-by-Step Guide for Objectives and
Key Results Coaches*

BY BEN LAMORTE



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*To my father, Mario,
for being the constant force that
guided me to find my path
during our time together.*

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INTRODUCTION

WHO THIS BOOK IS FOR AND WHAT IT CAN DO FOR YOU

THIS IS THE FIRST BOOK dedicated to OKRs coaching. This is not an introduction to OKRs. I wrote this book for external and internal coaches looking to take their OKRs coaching skills to the next level.

If you provide OKRs coaching services to your clients, you are an external OKRs coach. This book speaks directly to you. It enables you to better support your clients as they launch OKRs or improve their existing OKRs program.

If you work at an organization that is using (or about to use) OKRs and are tasked with helping your organization deploy OKRs effectively, you are an internal OKRs coach. Although this book addresses external coaches, internal coaches can also benefit.

To get the most from this book, you should be familiar with books such as *Radical Focus*, by Christina Wodtke; *Objectives and Key Results*, a book I coauthored with Paul Niven; and *Measure What Matters*, by John Doerr. These three books provide an excellent introduction to OKRs. They cover the first layer of information, such as the history and benefits of implementing OKRs, success stories, and the distinction between an objective and a key result. However, OKRs coaches want to go deeper. My colleagues and clients are asking for the answers to these deeper questions. Here are ten examples¹:

¹ Answers to these questions are included in the appendix.

1. How can we scale OKRs across a large organization with hundreds of departments?
2. How can we set team-level OKRs to ensure cross-functional alignment rather than simply using the org chart to define the teams that will set OKRs?
3. How can infrastructure teams such as legal, human resources, and finance benefit from OKRs?
4. How do we integrate OKRs into our performance management system?
5. How do OKRs compare with KPIs?
6. When do OKRs *not* add value?
7. How do we ensure that most OKRs reflect team thinking rather than orders from the boss?
8. How do we avoid OKRs that look like a “to-do list”?
9. What if some employees do not see how their work contributes to company-level OKRs?
10. How do I facilitate an executive workshop to draft top-level OKRs?

Although there are no magic answers to these questions that work for every organization, this book gives you the tools to answer these and other questions in the context of your client’s situation. It’s called a “field book” because it focuses on nitty-gritty advice, tips, and tools to help you apply OKRs in the field with confidence. For example, this book includes a sample handout that you can use to draft OKRs, sample worksheets that organizations use to track their OKRs, and sample agendas with tips for facilitating OKRs workshops.

HOW THIS BOOK IS ORGANIZED AND HOW YOU CAN BEST USE IT

The five chapters in this book provide a step-by-step guide to support your client’s OKRs program. Though this book provides a step-by-step guide to OKRs coaching in chronological order and it may be read from cover to cover, it is best used as a reference guide that you can come back to as you master each step of an OKRs coaching engagement. Each chapter begins

with the skills it teaches and ends with an exercise to transfer content from theory into practice. Exercises are your opportunity to critically reflect on your OKRs coaching approach. They also help you internalize the concepts in this book so you can bring OKRs coaching to your clients in your own way. If you're an active OKRs coach, consider completing the reflection exercise at the end of this introduction right now.

Chapter one is the foundation for the entire book. It offers an analysis of why OKRs coaching is so vital right now and features the first collective definition of OKRs coaching.

Chapter two summarizes the nine roles, three phases, and recommended duration of an OKRs coaching engagement. Roles include 1) external OKRs coach, 2) internal OKRs coach, 3) OKRs project lead, 4) OKRs coordinator, 5) human resources lead, 6) executive sponsor, 7) team lead, 8) team members, and 9) key result champion. Phases include 1) deployment parameters, 2) OKRs training, and 3) OKRs cycle coaching. *The OKRs Field Book* gives coaches a detailed guide for each phase.

Chapter three is the playbook for Phase 1, OKRs deployment coaching, in which you help your client define their deployment parameters. As an OKRs coach, it is imperative that you absorb and master this content. Think of these parameters as answers to the questions you must have in place before rolling out OKRs. There are ten universal parameters you must address from the start of any OKRs program:

1. At what level will we set OKRs?—company, team, individual?
2. How many OKRs will we set? How will we balance internal and external objectives?
3. How will we score OKRs? How will we update progress?
4. How long is an OKRs cycle?
5. What are the three types of key results? Are milestones appropriate?
6. Where will we draft, publish, and track OKRs? What templates do we use?
7. How will OKRs relate to performance reviews?
8. How are OKRs different from KPIs?

9. How will we ensure OKRs are aligned?
10. How will we ensure most OKRs originate “bottom-up”?

With parameters in place, you can design and deliver OKRs training.

Chapter four is the playbook for Phase 2, OKRs training. You’ll find the three types of training workshops proven to be most effective along with actual agendas from the field. Workshops create enthusiasm and often yield a solid set of draft OKRs. But, the first two phases are just a means to an end. To be an effective OKRs coach, you must stick around to coach your client through at least one OKRs cycle.

Chapter five is the playbook for coaching your client through each of the three steps in an OKRs cycle: Step 1) set and align OKRs, Step 2) check-in and monitor progress, and Step 3) reflect and reset. In addition to an analysis of each step and questions to ask along the way, this chapter includes excerpts from actual OKRs coaching sessions. We conclude with a case study that illustrates how one of our clients used an OKRs tracker at each step of the cycle.

The epilogue previews content available exclusively to members of the OKRs Coach Network. This content includes 1) the questions OKRs coaches ask, 2) a sample OKRs drafting handout you can use with clients right away, and 3) sample ineffective and effective key results. We end the book with two stories that reflect lessons learned with vital implications for OKRs coaches. With this overview out of the way, let’s get to know each other.

OKRS ORIGIN STORIES

When I met Christina Wodtke, author of *Radical Focus*, she asked me to describe how and why I got into OKRs. I found the conversation immensely valuable. It was the first time I reflected on why I became an OKRs coach. Christina suggested that sharing OKRs origin stories is a great place to start when meeting other OKRs coaches. So, whenever I meet an OKRs coach colleague, I begin with origin stories. I will share mine now and hope you will share yours.²

² For details on how to share your story, see the exercise at the end of this introduction.

My OKRs origin story goes back to graduate school. As a twenty-something working on my doctoral degree in management science and engineering at Stanford University in the late 1990s, I completed my coursework and was about to start research for my dissertation. Faced with several more years of living on a teaching assistant's income and the rising cost of housing around the Stanford campus, I decided to drop out of graduate school and get a job. I took a position with a leading management consulting firm. But I was desperate for approval from Michael Fehling, my academic advisor. I asked Michael, "Is it OK for me to take this job? Do you approve?" to which Michael replied,

"As long as you have time for critical reflection, you'll do great."

Michael was so right. In the first year, the consulting firm had me working eighty hours per week—I did not have time to reflect. I spent countless hours editing PowerPoint slides, linking tables in databases, and building macros in spreadsheets. I just kept doing whatever I was asked to do. I developed practical skills, but I had no time for critical reflection. So, I left and joined a well-funded dot-com startup.

After a decade of working, first as a management consultant and later for dot-com startups, in 2010 Jeffrey L. Walker introduced me to OKRs. Jeff was the founder of Oracle Applications and later served as CFO during Oracle's rapid growth in the late 1980s. Jeff used OKRs at Oracle. Importantly, he taught me how to communicate more effectively by emphasizing the desired result rather than listing out all the projects and tasks that are on my to-do list. With Jeff's guidance, I began working with the OKRs model in 2011.

My first paid OKRs engagement began with a request to "support the creation of Key Performance Indicators and performance dashboards for dozens of departments across several business units." My client sent me a twenty-page strategy document packed with KPIs, strategic pillars, and priorities. After reading the document, I felt lost. So, I reread it several times and translated the entire strategy document into the OKRs framework. When I presented the strategy as a set of OKRs on a single page to the CEO and CFO, they asked me to create the exact same OKRs document for each business unit and department.

The critical thinking that occurred during my first wave of OKRs coaching sessions with this client marked a turning point in my career. For the first time, I knew I was engaged in a work activity that could change the game. Nearly all the forty managers in my first round of paid OKRs coaching gave me feedback that was 10x more positive than any feedback I had ever received. I was onto something big. Rather than the old model of managers asking questions in order to get data to populate a financial model for their boss, I showed the mid-level managers how to ask a different set of questions—questions such managers need to be asking themselves. Here are some examples:

Why does our team exist?

What is the most important area for us to make measurable progress in the near term?

How will we know we've achieved or made measurable progress on the objective?

These questions are the very same questions Jeff Walker asked back when he introduced me to OKRs. They shook my world.³ They forced the critical reflection professor Fehling advocated. I realized that great mentors and coaches tend to emphasize asking questions over giving advice.

As there were no job openings for “OKRs Coach,” I settled for the next best thing—I joined Betterworks, an OKRs software company. I felt that joining the five-person team at Betterworks, which was in the pre-funded early stage startup phase, was the big break I was looking for. Just a few months after I accepted the job offer, the legendary Silicon Valley investor and OKRs evangelist, John Doerr, agreed to invest \$12 million in our young company, his largest A-Round since Google!

I provided training to Betterworks customers to help them define and load their OKRs into an early version of our software. I took roughly two days with one client to train several teams. While the feedback from this client was quite positive, the Betterworks CEO was not happy. Software companies get big valuations by delivering scalable technologies, not

³ Refer to “Questions OKRs Coaches Ask” in the epilogue for more OKRs questions.

time-consuming services. Betterworks leadership expected me to train all teams in several hours, not to train some of the teams in several days!

So, I left Betterworks in 2014, started OKRs.com, and decided to focus on OKRs coaching. While I felt as if I was heading in a good direction, I faced three challenges: 1) I lacked a steady source of income, 2) it was not easy to find clients looking for OKRs coaching, and 3) I had no marketing budget. At that time, almost no one had even heard of OKRs, so I decided to postpone my dreams and take on consulting work unrelated to OKRs. Something didn't feel right, so I turned back to Jeff Walker.

Jeff: *What is the one thing that you do best that also has significant business value?*

Me: *OKRs coaching.*

Jeff: *How many hours per week have you been doing this OKRs coaching on average?*

Me: *Three or four.*

Jeff: *Why not make that thirty to forty?*

Me: *But there's no way to do that. My consulting clients are paying me to build financial models.*

Jeff: *Stop doing that other stuff and start focusing on OKRs coaching. If you can't get paid to do it, just do it for free. Make it your goal to do as many sessions, free or paid, as possible. If you are adding business value, people will start paying for it. And, if you can deliver significant value, you'll find out just how big the market really is.*

After this brief interaction, I embraced Jeff's challenge. I started offering free OKRs coaching to anyone who would give me an hour of their time. I recorded dozens of sessions from my free OKRs coaching days. I reviewed each recording and transcribed certain sections of these coaching sessions. I analyzed where we got stuck or made breakthroughs using the Left-Hand Column (LHC) reflection exercise that Professor Fehling introduced to me at Stanford.⁴ It took me a while, but I ultimately confirmed the value of OKRs coaching.

⁴ For more on the Left-Hand Column exercise, see the end of chapter one.

By mid-2014, I was 100 percent focused on OKRs coaching. I managed to have a slight profit in 2015, and 2016 was my first truly profitable year as well as the year I coauthored a book on OKRs. By 2018, I could barely meet the demand for coaching services. So, I expanded my team to include Dikran Yapoujian.⁵ Building off the success with Dikran, I started mentoring additional OKRs coaches. By mid-2018, OKRs coaches from around the world were approaching me for advice on how to provide OKRs coaching to their clients.

This book contains the foundational content you need to be an effective OKRs coach. It is based on OKRs coaching projects with hundreds of organizations over the past decade as well as input from the OKRs coach community. The use of “I” refers to me, Ben Lamorte. The use of “we” refers to the coaching team at OKRs.com.

TRENDS OKRS COACHES SHOULD KNOW

While the 2016 book, *Objectives and Key Results*, is still relevant today, we’ve since learned a lot and seen some big changes. Here are seven developing trends that we believe you should know before we get into the nuts and bolts of OKRs coaching.

1. **Organizations are postponing discussions of setting OKRs at the individual-person level.** Back in 2016, nearly half of our clients wanted to get going with company-level, team-level, and individual-level OKRs right from the start.⁶ Now, most organizations are embracing the notion that we should begin by defining OKRs at the highest possible level and pilot OKRs with several teams prior to even considering setting OKRs at the individual-person level. Nearly all of our clients agree that we should never require all individuals to define

⁵ For more on Dikran, see the Contributor Bios at the end of this book as well as his coaching tip in chapter five.

OKRs. This is a great development from our perspective. Chapter three analyzes the level at which to set OKRs in an organization.

2. **Organizations are allowing more time to deploy OKRs and embracing a *crawl-walk-run* approach.** In 2016, quite a few organizations asked for a brief OKRs project that might include a call or two along with an onsite training workshop without ongoing OKRs coaching. Now, nearly everyone looking for help with OKRs is demanding an ongoing support program to ensure that their organization succeeds with OKRs over the course of at least one complete cycle. Chapter two explains how we arrived at eight to twelve months as the ideal duration for an OKRs coaching engagement.
3. **The definition of OKRs as a “critical thinking framework” is resonating even with organizations that do not formally adopt OKRs as their goal-setting model.**⁷ Several of our recent clients are bringing the discipline of OKRs coaching to improve their existing non-OKRs goal-setting systems. In fact, several of our more established clients (think of the leading bank in the U.S.) have goal-setting systems such as KPIs, MBOs, and/or balanced scorecards in place already, but they feel something is missing. They approach us with concerns that introducing an OKRs system could be a step backwards based on their legitimate concern that adding more acronyms and jargon to their existing goal-setting system could increase overhead. Nonetheless, these organizations are asking us to train their staff to focus more on outcomes, connect their work to the bigger-picture strategy, or even to just get better at writing goals in general.

⁶ The motivation for starting OKRs at the company, team, and individual levels was inspired by the 2014 Google Ventures Workshop Recording in which Rick Klau explains that OKRs exist at 3 levels. Subsequently, in November 2017, Klau clarified via Twitter: “6/ Skip individual OKRs altogether. Especially for younger, smaller companies. They're redundant. Focus on company- and team-level OKRs.” So, it is no surprise that the message to delay or even “skip individual-level OKRs altogether” is now becoming the default approach.

In these cases, we bring OKRs coaching into organizations that choose not to formally deploy OKRs. We explain to the staff that as OKRs coaches, we ask structured questions designed to improve their existing goal-setting process. We ask fundamental OKRs questions such as: 1) “why is this objective so important now?” 2) “how will you know you’ve met the objective by the end of the year?” and 3) “what is the intended outcome of the task?” These questions force their staff to engage in critical reflection and inevitably help optimize their existing goal-setting system even though we may not be naming it “OKRs.” When working with such clients, we provide ad-hoc coaching rather than taking the phased approach outlined in chapters three through five in this book.

4. **The number of OKRs that an organization defines is trending down.** Back in 2011, we often heard “5 +/- 2” as the guidance for the optimal number of objectives an organization should set. This translates to 3 as the minimum, 5 as typical, and 7 as the recommended maximum. By 2016, most of our clients targeted 3 to 5 objectives, each with 4 to 5 key results. As of 2020, nearly all our clients defined at most 3 objectives, each with just 2 to 4 key results. We consider this a good development, as OKRs are often intended to drive focus and the *less is more* mantra seems to be gaining traction.
5. **“Objective Descriptions” replaced with “Why Now?”** Back in 2016, we recommended including an “Objective Description” after each objective.⁸ This confused our clients, and not everyone adopted the recommendation. By mid-2018, all our clients adopted “Why Now?” in place of objective descriptions. They align on 3 to 5 sentences that answer the question of why the objective is so important right now. The emphasis on “why” tends to be emotional. It educates and motivates the workforce. This step ensures alignment on the

⁷ This definition for OKRs is as follows: A critical thinking framework and ongoing discipline that seeks to ensure that employees work together, focusing effort to make measurable contributions.

⁸ Think of objective descriptions as “the rationale for being, like a note to the CEO justifying why this objective should exist.” (Refer to page 68 of *Objectives and Key Results*)

essence of the objective before taking on the time-consuming process of drafting key results.

Beginning with “why now?” appears to add value every time. In fact, several clients report that beginning with “why” and getting clear about why each objective is so important right now is the biggest benefit of their OKRs program. Leaders often present the “Why Now?” analysis as a full slide before presenting key results.

- 6. OKRs cycles shifting to four months.** The default OKRs cycle time is still a quarter. However, beginning in 2019 nearly half of our clients adopted 4-month cycle times to avoid problems due to holidays and the quarterly crunch. Organizations on a quarterly cycle typically announce their Q1 OKRs in mid or even late February. This gives them just a few weeks before it’s time to draft Q2 OKRs. They often experience another delay in July due to summer vacations. In addition to holiday-related delays, they feel pressure from the quarterly crunch.

The sales team is often focused on closing deals near the end of a quarter. Other teams such as finance may be swamped with closing the books as a quarter begins. Introducing another quarterly process with more work can be overwhelming, exacerbating the quarterly crunch. Teams making the move from a 3-month to a 4-month cycle report a preference for three OKRs cycles each year rather than four.

- 7. Organizations are adjusting their approach in the face of the 2020 global pandemic.** While there is no one right way to leverage OKRs during the COVID-19 crisis that makes sense for all organizations, here are two developments. First, many organizations are replacing the goal of achieving aspirational key results with a plan to maintain health metrics. For example, one of our clients decided to remove their key result to add new customers and focus on maintaining their high level of satisfaction with their existing customers.

Second, certain organizations that are being hit particularly hard by the pandemic choose to put their entire OKRs program on hold.

They are effectively taking some time off from OKRs. However, these same organizations consistently report that OKRs coaching questions are helping them navigate the crisis. They simply modify the standard OKRs coaching questions. For example, the standard OKRs question, “What is the most important objective to *improve in the near term?*” in crisis mode might become, “What is the most important area to focus on *maintaining or protecting during the crisis?*”

This book elaborates on these seven trends and more. As noted earlier, each section concludes with an exercise. If you’d like to skip this exercise and read chapter one, that’s fine. However, the exercise below comes first for a reason. This is your chance to share your origin story and what led you to pick up this book.

Introduction Exercise: What is your OKRs origin story? Reflect on your OKRs journey thus far.

Use the following prompts or simply write whatever comes to mind.

Why do you want to be an OKRs coach?

How can you relate your experiences with coaches and/or mentors throughout your education and professional career with your OKRs coaching work?

Were you ever an OKRs coachee who received coaching from another OKRs coach?

What is the impact you want to make as an OKRs coach? How can we measure this impact?

Bonus: Send your OKRs story to Ben@OKRs.com, with "MY OKRS ORIGIN STORY" in the subject line. We can then begin a conversation and explore ways to collaborate.

1

What Is OKRs Coaching? Why Is It So Important Now?

BY THE END OF THIS CHAPTER YOU WILL BE ABLE TO . . .

- Describe why OKRs coaching demand is on the rise in the 2020s
- Define “OKRs coaching”
- Apply a reflection exercise to improve your OKRs coaching skills

THE MOST IMPORTANT THING I learned in graduate school was not part of the engineering curriculum. It was something I learned from Dennis Matthies, a lecturer in the 1990s at Stanford’s Center for Teaching and Learning. As part of his Accelerated Learning course, Matthies explained that prior to embracing a new skill, you should take the time to define and clearly state why you’ve chosen to take on the challenge in the first place. He presented data and shared examples to back this up.⁹ It seems obvious to me now, but the bottom line is that our learning is accelerated when we can clearly explain why we are putting in the time to learn a new skill. So, building off Dennis’s teachings, let’s begin with “why.” Why develop OKRs coaching skills now?

⁹ In my first week at Stanford, I was introduced to Stephen Covey’s “Begin with the end in mind.” The image of climbing ladders leaning against the wrong wall reminds me of what Dennis taught in his Accelerated Learning course. Think of “beginning with why” as determining why you are climbing a ladder before you start your ascent. Ask yourself what’s at the top? In this book, the ladder is OKRs coaching.

This chapter begins with a brief recap of the history of OKRs. It describes how OKRs coaching demand emerged in the 2010s and started growing exponentially in 2018 into a mainstream business practice across the globe. After presenting the definition of OKRs coaching, the chapter ends with excerpts from actual coaching sessions to make the definition more concrete. The goal for this first chapter is for you to be able to clearly state why you feel OKRs coaching is important right now and why you've chosen to develop your OKRs coaching skills.

THE CURRENT STATE OF OKRS AND WHY NOW IS THE TIME TO DEVELOP OKRS COACHING SKILLS

As context for the current state of OKRs, let's go back to where it all started. In the late 1970s, Andy Grove introduced OKRs as an evolution of Management By Objectives (MBOs). Grove was then the CEO of Intel. As key executives left the company, they spread the word on OKRs to emerging big players such as Oracle in the 1980s and Google in the 1990s. By 2010, dozens of tech companies in Silicon Valley were using OKRs as a system for defining and achieving their most important goals.¹⁰ So, if OKRs had been around for nearly fifty years, why the sudden interest in OKRs in 2013? Short answer: Google.

In early 2013, Google Ventures partner Rick Klau shared a video on how Google was using OKRs.¹¹ The video was wildly popular, and its impact led to the first spike of interest in OKRs outside the Silicon Valley and, indeed, outside the tech world.

@klau tweet: "My OKRs video just passed 150,000 views. That's about 149k more than I thought it'd get."

In 2014, when the CEO of Sears viewed Klau's video, he immediately rolled out OKRs across the entire organization. Sears Holding Company is

¹⁰ Three notable tech companies using OKRs back in the early 2010s include LinkedIn, Twitter, and Zynga.

¹¹ Here's the link to the Google Ventures OKRs video that got so many views: <https://www.youtube.com/watch?v=mJB83EZtAjc>

not a tech company by anyone's definition. The introduction of OKRs at Sears exemplified its expanding popularity and is just one of many examples of the growth of OKRs across many business sectors.

With the popularity of OKRs gaining traction, business leaders and management consultants from all over the world began approaching OKRs coaches for both coaching and support. In 2016, Christina Wodtke published *Radical Focus*, the first book dedicated to the topic of OKRs. Later, in 2016, the book *Objectives and Key Results*, by Niven and Lamorte, introduced the steps for deploying OKRs. This book offered case studies from organizations around the world, as the interest in OKRs was growing outside the United States. Both *Radical Focus* and *Objectives and Key Results* became essential reading for anyone interested in OKRs, and both were translated into several languages.

In 2017, I made multiple trips to China where I partnered with Beisen, a leading HR software company based in Beijing. I delivered a series of OKRs training workshops in Beijing, Shanghai, and Shenzhen to certify two hundred business leaders. During one of these trips to China, I was lucky enough to spend a couple days with executives at Huawei, one of China's leading technology companies. At Huawei, I met Kuang Yang, an OKRs expert who not only translated the OKRs book I coauthored, but also went on to write the first book dedicated to OKRs written in Chinese.¹² Kuang explained that the impact of Huawei's success with OKRs in China was comparable to the impact of Google's success with OKRs on tech companies in the United States.

By the end of 2017, OKRs were taking off across the globe. In addition to collaborating with organizations in China, I had clients based in Singapore, Australia, Poland, South Africa, France, Germany, Israel, India, Norway, the Netherlands, the U.K., and Canada. However, even in 2017 the demand for OKRs coaching was still nascent. In early 2018, I had about a call a week with a different company exploring OKRs. I continued to allocate a portion of my time to marketing efforts such as speaking on OKRs and posting content to The OKRs Blog on OKRs.com. But then 2018 happened.

¹² As of early 2020, Kuang's book has already sold more than 30,000 copies in China.

The interest in OKRs started to grow exponentially after John Doerr's book on OKRs, *Measure What Matters*, hit the market in April of 2018. The stories in Doerr's book featured big names like Bono and Bill Gates. With a growing interest in OKRs came an increased demand for OKRs coaching. I shifted my focus exclusively to deliver OKRs coaching to my clients. I finally had the problem I always wanted: too many leads! Thanks in large part to John Doerr, the global demand for OKRs coaching is likely to continue to rise throughout the 2020s.

Given OKRs coaching is such a big deal, we decided to define it.

WHAT IS OKRS COACHING?

To define what OKRs coaching is, let's begin by looking at what OKRs coaching is not. OKRs coaching is not consulting. Unlike consultants, who mostly advise their clients, coaches focus on inquiry.

The International Coaching Federation defines coaching as “partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential.” Where a consultant tends to offer recommendations and answers—advocacy; a coach tends to ask questions and clarify thought processes—inquiry.¹³ The part of the Federation's definition that we want to emphasize is the “thought-provoking and creative process” as that reflects the OKRs coaching focus on inquiry.

If you are already an experienced coach, making the transition to OKRs coaching may be quite natural. Seasoned coaches often report that they just need to make minor adjustments as they are already asking many of the same questions we classify as “OKRs questions.”

However, if you are making the transition from consulting to coaching, you may need to make a concerted effort to focus on inquiry rather than

¹³ I am inspired to use the distinction of “advocacy versus inquiry” based on the powerful impressions Chris Argyris made on me as a guest lecturer at Stanford. For the purposes of this book, I am equating the “advice” with “advocacy” and “inquiry” with “questioning.” More on advocacy and inquiry comes from the field known as “Action Science.” For a brief overview, see: <https://actiondesign.com/resources/readings/advocacy-and-inquiry>. For a more academic treatment, see the book *Action Science*, by Chris Argyris, Robert Putnam, and Diana McLain Smith.

What Is OKRs Coaching? Why Is It So Important Now?

simply giving advice. An OKRs coach does not focus on providing answers; an OKRs coach focuses on clarifying and providing the questions that help their client find their own answers.

Whether you have a consulting or coaching background, it is essential that you balance advice with inquiry. Inquiry is foundational to OKRs coaching and helps discover answers. An OKRs coach must know when to provide advice on the best way to phrase the answers in the context of objectives and key results as well. To arrive at a definition of OKRs coaching, it helps to understand your role as an OKRs coach and the extent to which you advise or inquire at each of the three phases of OKRs coaching.¹⁴ Notice how your role shifts between acting as a consultant in Phase 1, as you advise and guide your client, to being a coach in Phase 3, as you focus on inquiry to let your client create and reflect on their OKRs.

In Phase 1, OKRs deployment, you take a structured approach with your client to align on the answers to the critical questions that will define their OKRs program. During this phase, you play both a coach and consultant role. While you do ask questions, your client often looks to you for guidance about how best to get their OKRs project going. You advise your client based on your knowledge of OKRs best practices and lessons learned from prior OKRs deployments.

Let's define this first phase as **OKRs deployment coaching**: a structured series of discussions with several key stakeholders¹⁵ in which the OKRs coach guides a client to align on the answers to the critical questions that define their OKRs program and define the roles and resources that will support the program.

¹⁴ We introduce the 3 phases of an OKRs coaching engagement in this first chapter as context for the definition of OKRs coaching. Chapter 2 has the high-level summary of these three phases. Chapters 3, 4, and 5 are detailed playbooks for each phase. The phases of OKRs coaching appear in all 5 chapters of this book for a reason—They are important. The role you play as OKRs coach varies at each phase. So, to understand what it means to be an OKRs coach, you need a deep understanding of these three phases.

¹⁵ As we see in chapter 2, “key stakeholders” include the OKRs project lead and executive sponsor.

In Phase 2, OKRs training, you start with a section on theory and conclude your workshop by applying this theory. You begin as more of a consultant when introducing theory and best practices. You end as more of a coach, asking OKRs coaching questions that let your client translate theory into the creative process of drafting their OKRs.

Let's define this second phase as **OKRs training**: an interactive workshop designed to create a common understanding of OKRs through examples and collaboration. You provide both an educational presentation and facilitate a workshop to ensure students translate theory into practice through the creative process of drafting their OKRs.

In Phase 3, OKRs cycle coaching, you focus almost exclusively on coaching. You must be careful not to overplay the role of consultant. You are the expert on OKRs, not your client's business strategy. You guide your client to critically reflect on their most important contributions at work through a series of questions that form the foundation of the OKRs approach. This inquiry is an ongoing process that helps your client complete each step in the OKRs cycle: 1) set and align OKRs, 2) check in and monitor progress, and 3) reflect and reset. Phase 3 is, from a content point of view, the most important phase as it mines the client's brain to harvest their critical thinking about their business.

Let's define this third phase as **OKRs cycle coaching**: inquiry that enables a client to critically reflect throughout the three steps of an OKRs cycle: 1) align on where and why to focus effort to make measurable improvement, 2) communicate and monitor progress, and 3) document and apply learnings to the next OKRs cycle. Combining the role an OKRs coach plays across these phases leads to the following definition:

OKRs coaching: Partnering with clients in a thought-provoking, creative, and structured process over three phases.

Phase 1: OKRs deployment coaching to align on the answers to the questions that define an OKRs program and define the roles and resources that will support the OKRs program.

Phase 2: OKRs training to ensure a shared understanding of OKRs.

Phase 3: OKRs cycle coaching, inquiry that enables a client to critically reflect throughout the three steps of an OKRs cycle to align on where and why to focus effort to make measurable improvement, communicate and monitor progress, and document and apply learnings to the next OKRs cycle.

EXCERPTS FROM ACTUAL OKRS COACHING SESSIONS

To bring this definition of OKRs coaching to life, here are two excerpts from actual coaching sessions. The first excerpt is taken from a remote 1:1 OKRs drafting session from the beginning of Phase 3, OKRs cycle coaching. The second excerpt is taken from an in-person training workshop with a larger group at the end of Phase 2, OKRs training.¹⁶ After you read through each excerpt from the coaching conversations below, review the Left-Hand-Column (LHC) reflection.¹⁷ The LHC exposes my thought process as a coach, capturing what I thought and felt but did not say along the way.

Excerpt 1: Remote 1:1 coaching session with VP of engineering

Context: The CEO of a large software company based in the U.K. set a top-level goal to be more “sales-driven.” Shortly thereafter, I was asked to facilitate a 1:1 remote coaching session to help the VP of engineering, Rajeev, draft OKRs for his team. Rajeev was totally new to OKRs but quite motivated to define goals that clearly aligned with the CEO’s top-level vision. This excerpt is taken directly from the transcript of my actual 1:1 coaching session.

¹⁶ While we do not include a sample coaching excerpt from this first phase on deployment parameters, refer to Chapter 3 for material to coach your client through Phase 1.

¹⁷ For more context on the Left-Hand Column exercise, refer to *The Fifth Discipline Fieldbook*, by Peter Senge, et al, page 246.

1:1 OKRS COACHING TRANSCRIPT EXCERPT

VP Engineering/Rajeev: My key objective is to help our sales team achieve their targets.

OKRs Coach/Ben: At the end of the quarter, how would we know if Engineering helped Sales achieve their targets?

Rajeev: Hmm, that's a good question. (Pause)

Ben: OK, can you name a customer who purchased within the last year where Engineering clearly contributed to the sales process?

Rajeev: Actually, no. But that would be very good data to have. It's not so much that we help sales close deals; it's more like we keep the prospect in the mix.

Narrator/Aside: The engineering VP went on to propose the following key results:

- Provide sales support for five major prospects in Q2
- Develop training for sales team by end of Q2

Ben: Is there a distinction between a major prospect and a minor prospect?

Rajeev: Not really

Ben: Do you and the VP of sales agree on the definition of a "major prospect"?

Rajeev: Let's replace "major prospect" with "prospect with \$100,000 year-1-revenue potential." Then we can run this definition by the VP of Sales.

Ben: Have you measured the number of these sales support events in the past?

Rajeev: No.

Ben: What is the intended outcome of having Engineering provide sales support?

Rajeev: It results in either a continuing sales process or it kills the deal.

Ben: What if all five sales support calls result in dead deals? Will we have achieved this goal?

Rajeev: No. The meeting is not really considered a success when we lose the deal for technical reasons. Maybe we should define this as, "provide sales support with no more than three \$100,000 prospects deciding to not evaluate our product for technical reasons."

Ben: It feels like we're heading in the right direction, but the key result is now framed negatively. I recommend the following positively framed version: Obtain a baseline on "technical pass rate." For example, if we have meetings with ten \$100,000 prospects and eight of them advance without technical objection, the technical pass rate is eight out of ten, or 80 percent.

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LEFT-HAND COLUMN: SAME TRANSCRIPT BUT WITH REFLECTION ON WHAT I THOUGHT, BUT DIDN'T SAY	
Left-hand column (my thinking)	Right-hand column (said)
<p>This seems questionable. I'm not clear how engineers help the sales team achieve their targets. . . . But OK, I trust this VP does have a way to help drive sales, so let's see if we can get to the bottom of what he's really trying to achieve.</p> <p>I will stick to the basic OKR coaching framework and ask the fundamental OKR coaching question.</p> <p>It is not surprising to me that he cannot answer this question—it's unusual when someone can. That's why I'm here. OK good, I feel useful. However, the pause is going on for too long, so I guess it's my turn to talk. OK, let's get specific. Let's look back in the past and try to get a data point of success to see if we can build off a baseline.</p> <p>OK, now we're making progress. As I suspected, engineers are not actually closing deals, but I wonder how they "keep the prospect in the mix."</p> <p>These 2 statements are directional, but they are not measurable. I'm going to have to help the VP translate these two statements into measurable KRs.</p> <p>For Statement 1: "Provide sales support for five major prospects in Q2" I'm not clear what "major prospect" means, so I need to clarify.</p> <p>I made up "minor" prospect to try to ensure I understand what a major prospect is, but now I'm really confused.</p>	<p>Rajeev: My key objective is to help our sales team achieve their targets.</p> <p>Ben: At the end of the quarter, how would we know if engineering helped sales achieve their targets?</p> <p>Rajeev: Hmm, that's a good question. (Pause)</p> <p>Ben: OK, can you name a customer who purchased within the last year where engineering clearly contributed to the sales process?</p> <p>Rajeev: Actually, no. But that would be very good data to have. It's not so much that we help Sales close deals, it's more like we keep the prospect in the mix.</p> <p>Narrator: The engineering VP went on to propose the following key results:</p> <ul style="list-style-type: none"> • Provide sales support for five major prospects. • Develop training for sales team. <p>Ben: Is there a distinction between a major prospect and a minor prospect?</p> <p>Rajeev: Not really.</p> <p>Ben: Do you and the VP of sales agree on the definition of a "major prospect"?</p> <p>Rajeev: (Pause) Let's replace "major prospect" with "prospect with \$100,000 year-1-revenue potential." Then we can run this definition by the VP of sales.</p> <p>Ben: Have you measured the number of these sales support events in the past?</p>

I imagine the VP of sales feels like I do. Seems like we're making up words like "major prospect." But this could be good since we may be on track to solve a communication problem. Also, the sales team usually defines things about prospects, so I better see if the VP of engineering and VP of sales are on the same page to ensure **alignment** across departments. This seems like a case where a metric may need to be jointly defined.

Good, \$100,000 potential is starting to sound more concrete to me. I like that the VP of engineering is proposing we run it by the VP of sales; another indicator that we're going to improve alignment across teams.

I still don't know what "sales support" means, so I'm going to confirm metric history as this ensures the KR is **measurable**.

Aha. This sounds like a possible time to develop a **baseline metric** since we don't have any historical measurements.

It's time for me to ask the **Fundamental Task-to-OKR question**, since I need to probe the intended outcome of achieving the goal and get us focused on **results, not tasks**.

Great! We know the outcome of "sales support," so we are getting closer to measuring that outcome. But we want the metric to measure something good, so it's framed in the positive, not the negative, and "killing the deal" does not seem good.

This is great! But it does sound negative. Plus, we have no historical data here, so I am NOT comfortable setting a target for the number of prospects that decide not to evaluate for technical reasons.

We can reframe this Key Result as a baseline metric that is positive.

Rajeev: No.

Ben: What is the intended outcome of engineering providing sales support?

Rajeev: It results in either a continuing sales process or kills the deal.

Ben: What if all five sales support calls result in dead deals? Will we have achieved this goal?

Rajeev: No. The meeting is not really considered a success when we lose the deal for technical reasons. Maybe we should define this as, "provide sales support with no more than three \$100k+ prospects deciding to not evaluate our product for technical reasons."

Ben: It feels like we're heading in the right direction, but the key result is now framed negatively. I recommend the following positively framed version: Obtain a baseline on "technical pass rate." For example, if we have meetings with ten \$100k+ prospects and eight of them advance without technical objection, the technical pass rate is eight out of ten, or 80 percent.

DRAFT OKR AND OUTCOME FROM COACHING SESSION

Objective: Sales Support - Measure and improve engineering's support of sales

Why Now? Leadership wants to create a more sales-driven culture and is asking everyone to find a way to contribute to the sales process.

Key Result: Obtain a baseline metric to reflect technical pass rate metric by end of Q2 with at least ten documented outcomes from engineering engagements with the sales team on \$100k+ prospects

Outcome: Rajeev, VP of engineering, liked the idea of tracking the technical pass rate. After the session, Rajeev agreed to confirm with the VP of sales that technical pass rate was a useful metric to quantify the extent to which engineering contributes to sales. The VP of sales reacted favorably and proceeded to describe the columns in the spreadsheet that would be used to start tracking the technical pass rate. The VP of sales felt this spreadsheet would provide data that could prioritize which types of technical objections to focus on removing.

This excerpt focuses on how the vague notion of “supporting sales” was translated into a key result. It is worth noting that we created another key result that translated the task of “develop training materials for sales team” to the measurable key result of “Increase percentage of account managers in one region certified on product X selling technique from 0 to 60 percent by the end of Q2.”

COACHING TAKEAWAYS

- ✓ When in doubt, go back to fundamental OKRs coaching questions such as:
 1. Fundamental key-result question: How will we know we've achieved the objective?
 2. Fundamental task-to-key-result question: What is the intended outcome of the task?

Excerpt 2: Group coaching session with VP of accounts receivable and database administrator

Context: An IT team brought me in to help expand the use of OKRs from IT into the “business teams.” The VP of accounts receivable (let’s call her Mary) was asked to attend a brief, thirty-minute training on OKRs followed by a two-hour workshop to draft the OKRs. At first, Mary was resistant to the idea of setting more goals because her team already tracked tons of metrics. When I asked for introductions, she expressed her skepticism about setting OKRs, “We already have so much data to track, and adding another system is probably the last thing we should do.” The CIO as well as several IT managers and other teams from within the finance department participated in the workshop.

After a short presentation on OKRs, I asked each team to take forty-five minutes to draft their OKRs. Mary showed me about twenty-five metrics with nice charts on a dashboard and had a puzzled look on her face. Here’s an abbreviated version of our OKRs coaching dialog.

OKRS COACHING TRANSCRIPT EXCERPT
<p>OKRs Coach/Ben: Wow, I see you’re tracking a lot of metrics. That’s great you have lots of data at your fingertips. But what is the most important thing your team would like to improve over the next three months?</p>
<p>VP Finance/Mary: I want our team to be more strategic about how we handle AR.</p>
<p>Ben: How would we know your team was more strategic about handling AR by the end of the quarter?</p>
<p>Mary: The problem is that once AR gets aged 90 days, it’s harder to collect. The big opportunity right now is to reduce the AR that is aged over 60 days.</p>
<p>Ben: What would be the most amazing reduction for AR aged 60 days that you could imagine this coming quarter?</p>
<p>Mary: I know we can cut it by 10 percent, since we have a few key accounts in there that are going to pay soon, but 50 percent would really be amazing.</p>
<p>Aside: This accounts receivable team decided to create just this one objective with just one key result.</p>

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When the VP of finance shared her draft key result with IT, it read:

Key Result: Reduce AR>60 days by 50%. Enter Sumit, a database administrator. Sumit raised his hand and started a short dialog to help clarify the key result in front of the entire workshop audience of about thirty people.

Database Administrator/Sumit: Do you mean reduce the number of customers that have invoices due past 60 days or the total dollars that are past 60 days due?

Mary: OK, let's adjust the key result to reduce the total dollars from our invoices that are 60 days or more past due by 50 percent.

Aside: The energy in the room changed.

Sumit: Would you like me to help with this key result?

Mary: Yes! I asked for help with this last year, and I got this great dashboard, but I don't understand how you can help me reduce the AR by 50 percent.

Sumit: I can provide a report that lists the top ten accounts by dollar amount that are aged 30–45 days, 46–60 days, and 60–90. Then, we can proactively reach out to the big customers who are possibly headed into this AR bucket as well as the big-ticket items that are already in the bucket right now.

Mary: OK, really? This is just like the report I asked for about a year ago!

Sumit: Well, you probably ask for a lot of reports, but now you're only asking for one.

LEFT-HAND COLUMN: SAME TRANSCRIPT BUT WITH REFLECTION ON WHAT I THOUGHT, BUT DIDN'T SAY

Left-hand column (my thinking)	Right-hand column (said)
<p>I see this a lot. People who track lots of data can benefit with some OKRs coaching. Let's ask a question to help her focus on a single objective.</p> <p>This simple question is really getting her thinking. This is going good so far.</p> <p>What does it mean for AR to be strategic? I will stick to the basic OKR coaching framework and ask the <i>fundamental OKR coaching question to define key results</i>.</p> <p>Aha! So, now she has focused on a specific metric and her logic makes sense.</p> <p>Let's see if we can get a number to quantify this 60-day key result.</p>	<p>OKRs Coach/Ben: Wow, I see you're tracking a lot of metrics. That's great you have lots of data at your fingertips. But what is the most important thing your team would like to improve over the next three months?</p> <p>VP Finance/Mary: I want our team to be more strategic about how we handle AR.</p> <p>Ben: How would we know your team was more strategic about handling AR by the end of the quarter?</p> <p>Mary: The problem is that once AR gets aged 90 days, it's harder to collect. The big opportunity right now is to reduce the AR that is aged over 60 days.</p>

Hmm. We'll need to look at the baseline to change this from X to Y, but clearly she has a good feeling for what we can achieve with a business-as-usual effort versus what would be an amazing outcome.

That is a good question! I suspect since we're dealing with finance, this is about total dollars not the number of accounts that are past due.

This is an improvement. Good to be specific.

OK, now we're getting somewhere. I am not going to interrupt this conversation. It seems like we're on track for some alignment across teams.

Wow! Sumit really is excited to run some reports. This is a great sign.

Oh no. Mary seems mad.

I love this! Sumit is like the OKRs coach now and is getting Mary to see the value of focus.

Narrator: This accounts receivable team decided to create just this one objective with just one key result. When the VP of finance shared her draft key result with IT, it read: **Key Result: Reduce AR>60 days by 50%**. Enter Sumit, a database administrator. Sumit raised his hand and started a short dialog to help clarify the KR in front of the entire workshop audience of about thirty people.

Database Administrator / Sumit: Do you mean reduce the number of customers that have invoices due past 60 days or the total dollars that are past 60 days due?

Mary: OK, let's adjust the key result to reduce the total dollars from our invoices that are 60 days or more past due by 50 percent.

Aside: The energy in the room changed.

Sumit: Would you like me to help with this key result?

Mary: Yes! I asked for help with this last year and I got this great dashboard, but I don't understand how you can help me reduce the AR by 50 percent.

Sumit: I can provide a report that lists the top ten accounts by dollar amount that are aged 30–45 days, 46–60 days, and 60–90. Then, we can proactively reach out to the big customers who are possibly headed into this AR bucket as well as the big-ticket items that are already in the bucket right now.

Mary: OK, really? This is just like the report I asked for about a year ago!

Sumit: Well, you probably ask for a lot of reports, but now you're only asking for one.

DRAFT OKR AND OUTCOMES FROM COACHING SESSION

Mission: Ensure our customers pay in a timely fashion

Objective: Strategically reduce dollars not yet paid, stuck in accounts receivable.

Why Now? We already track lots of metrics; however, we cannot focus on everything. Research suggests that once a customer passes 60 days past due, odds of recovering that payment drop significantly. Even worse, we often lose these customers, which can damage ongoing revenue.

Key Result: Reduce total dollars that we have invoiced in the 60 or more days past due category by 50 percent. (Note: we were at \$24 million as of March 31; we want this down to \$12 million by August 30.)

Outcome: Reduce total dollars that we have invoiced in the 60 or more days past due category by 50 percent. (Note: we were at \$24 million as of March 31; we want this down to \$12 million by August 30.)

Outcome: The company ended up reducing dollars in AR, positively impacting cash flow.

Coaching Takeaways

- ✓ **Cross-team alignment.** Mary took time to define her key result in such a way that others outside her team, such as Sumit, could understand. Encourage teams to present key results to dependent teams for feedback before finalizing.
- ✓ **Less is more.** We find effective communication with OKRs is negatively correlated to the number of OKRs. Defining a small set of OKRs tends to enable better communication. People seem to pay more attention when there is less content to absorb. Consider sharing this example to illustrate the power of defining a small set of OKRs to drive focus. In this case, Sumit listened deeply to a single OKR with a single key result. Mary got the data she needed to manage AR more strategically.

Chapter 1 Exercise 1: Begin with “why”!

Anyone reading this book: Why do you want to develop your OKRs coaching skills? Why do you feel OKRs coaching is important? Urgent? Interesting?

Internal Coaches: If you are helping your company succeed with OKRs, how will developing OKRs coaching skills benefit your organization? How will these skills benefit you personally?

External Coaches: If you are coaching your clients, describe why it’s worth your time to develop OKRs coaching skills. Do you have a client right now who’s using OKRs that you want to support? Are you looking to develop OKRs coaching skills to expand your offering?

Chapter 1 Exercise 2: Improve your OKRs coaching skills now!

Use the Left-Hand Column (LHC) exercise to reflect on YOUR coaching session.

Record a few of your actual OKRs coaching sessions. Get permission!

Transcribe a portion of a session where you got stuck or felt like you had a breakthrough.

If you had a breakthrough, share how it emerged.

If you felt stuck and did not have a breakthrough, reflect on what questions could have led to a breakthrough.

Use the LHC exercise format as illustrated in the two examples at the end of this chapter.

Context: Start with a few sentences to describe the context for your coaching session.

Transcribe: Transcribe what was said.

Reflection: Next, write down what you thought and felt but did not say in the LHC.

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Outcome: Include the OKR developed during the session along with any key takeaways or learnings.

Bonus: Send your completed LHC reflection exercise to me for feedback. Email: Ben@OKRs.com