

Insights from *Measure What Matters* by John Doerr

“As much as I hate process, good ideas with great execution are how you make magic. And that’s where OKRs come in.” – Larry Page, Google co-founder

The Objective: WHAT you want to achieve.

The Key Results: HOW you’re going to achieve your objective; 3-5 measurements that indicate you’re moving closer to your objective. Common key results include revenue, growth, active users, customer satisfaction scores, etc.

3 Essentials for Setting OKRs

Audacious Objective

Set an audacious objective by being idealistic, not realistic. Ask yourself:

- If I were freed from constraints, what change would I want to make in the world?
- If I had the unique opportunity to be the best in the world at one thing, what would that be?

After discovering a goal that inspires you, scale it back until it’s one step short of being impossible. Your objective must be significant and inspiring, but believable.



When Bill and Melinda Gates started 'The Gates Foundation,' they set an audacious objective of eradicating malaria by 2015. However, they realized it was an impossible goal that demotivated the team, so they adjusted their objective to eradicate malaria by 2040. The new objective was still big, but now it was believable. This audacious objective inspired the team to grow to meet the challenge.

"When you try to do something BIG, you never entirely fail" - Larry Page

Quality & Quantity Key Results

“Objectives are the stuff of inspiration and far horizons. Key results are more earthbound and metric-driven.” - John Doerr

Example Objective (from the book): Win the Indy 500

Weak Key Results:	Average Key Results:	Strong Key Results:
<ul style="list-style-type: none"> • Increase lap speed • Reduce pit stop time 	<ul style="list-style-type: none"> • Increase average lap speed by 2% • Reduce average pit stop time by 1 second 	<ul style="list-style-type: none"> • Increase average lap speed by 2% (quantity result) • Reduce average pit stop time by 1 second (quantity result) • Reduce pit stop errors by 50% (quality result) • Practice pit stops 1 hour a day (quality and quantity result)

A strong set of key results are specific and measurable quality and quantity targets. When you have quality and quantity key results, you reduce costly errors and re-work.

Key results are like gauges on the dashboard of your vehicle. You want to increase average speed while keeping your RPM and engine temperature low so that you can get to your destination as efficiently as possible.

Color Coding Check-ins

Regular color-coding check-ins will keep you accountable for setting challenging key result targets and making progress on those key results.

Each week, month or quarter (you choose the time frame based on your key results), look at your key results and label each result green, yellow or red.

- **Green** means you are 70%-100% on target, and you should continue with your current strategy.
- **Yellow** means you are 30%-70% on target, and you need to develop a recovery plan and adjust your strategy.
- **Red** means you are 0%-30% on target, and you need to develop a recovery plan or replace that key result.

“There’s no need to hold stubbornly to an outdated projection—strike it from your list and move on. Our goals are servants to our purpose, not the other way around.” - John Doerr

WARNING: If you're approaching 100% on all your key results, you've failed. Aim for a mix of yellow and green key results, with an average key result score of 70% on target. **"The biggest risk of all is not taking one." - Mellody Hobson**

“OKRs allowed us to be ambitious and disciplined at the same time.” - Bill Gates