



Measuring Business Outcomes

with Objectives and Key Results



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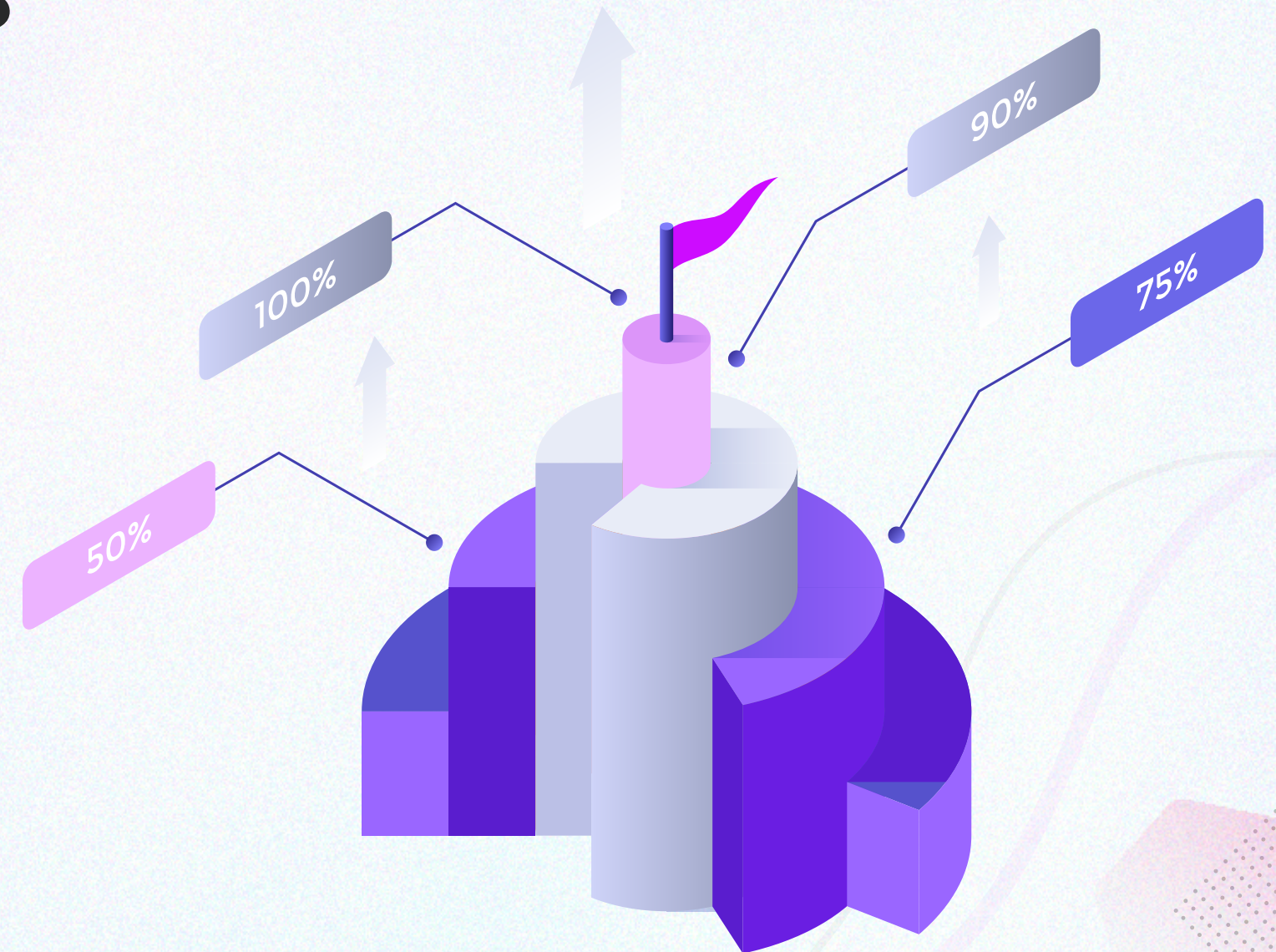
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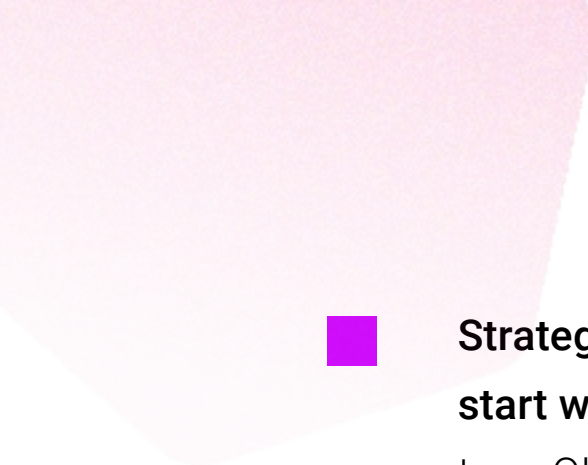
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Introduction to Measuring Business Outcomes with OKR

There's no one perfect way to create a great OKR. However, few moving parts make common threads throughout getting on the right path to a great OKR.

To start, we want to help you understand how business outcomes and objectives complement and empower the other rather than compete.





■ **Strategic business outcomes are the best place to start when it comes to creating measurable goals.** In turn, OKR workflows act as a measure and a visual representation of business outcomes.

■ **In business, objectives and key results should be used to guide outcome-based success. They are** not a secondary checklist or task management process. Instead, they complement your workforce's day-to-day work by measuring outcomes.



■ **Through metrics and milestones, objectives focus** on the outcome that day-to-day work combined generate for your business.

■ **They help define success criteria, align efforts** cross-functionally, and help measure everyone's impact.

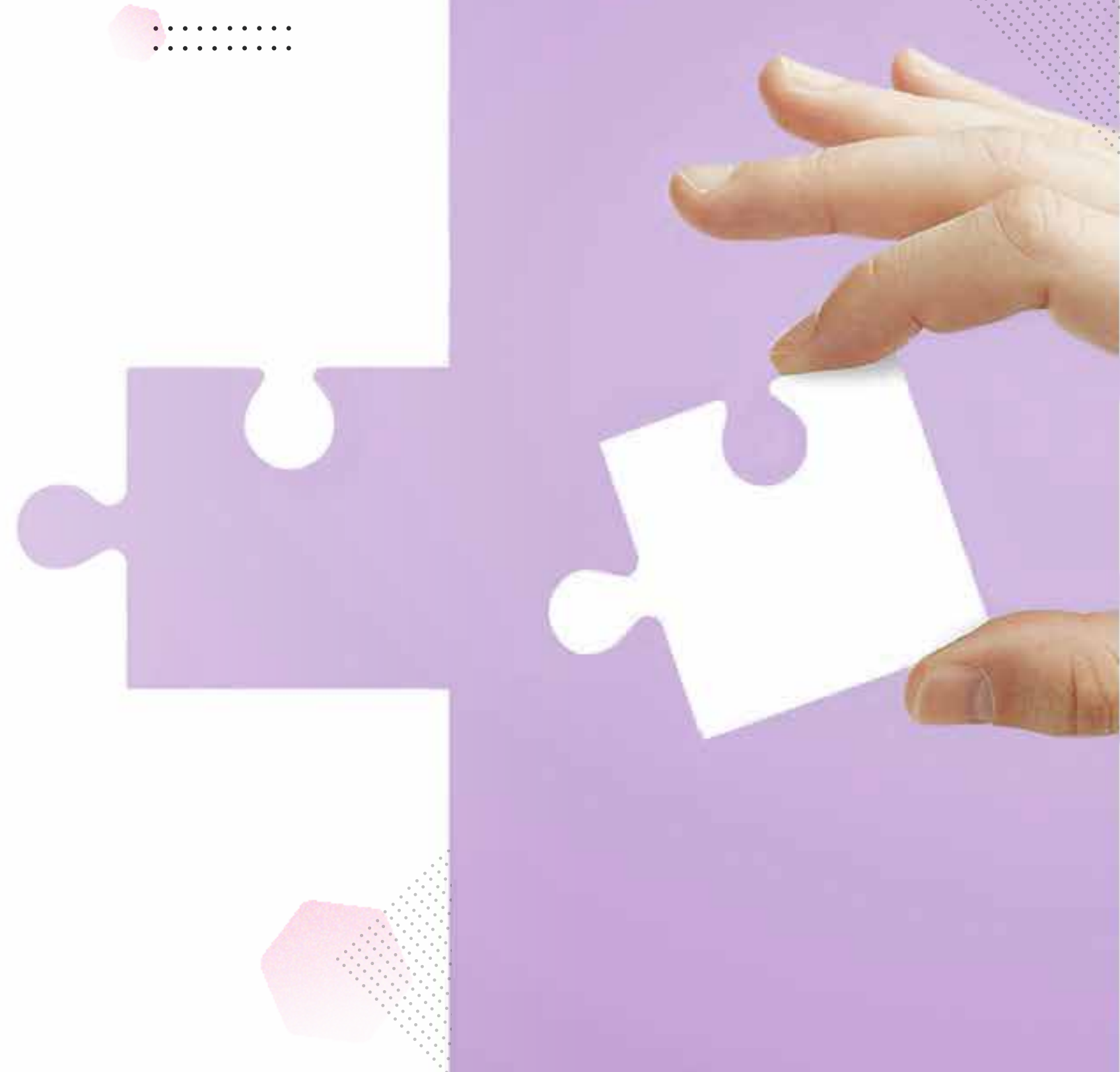


An Example

Here's an example of putting things in context: a few weekly tasks could be **"improve brand strategy"** or **"revamp company website."** These two tasks can bring different outcomes. Are you increasing web traffic? Trying to generate new leads?

These small tasks should help move the needle on business outcomes. Referencing the example above, the tasks impact the business outcome of becoming a thought leader in your industry.

Objectives go one step above day-to-day tasks by including an element of measurement. In this way, OKR lends a hand to measuring business outcomes with visualizations that help leaders confidently say, **"we're a thought leader!"**



OKRs that Accurately Measure Business Outcomes

The most common roadblock when creating OKRs is how to transform business objectives into measurable outcomes. In the following section, **we're bringing you some tips** and tricks to distinguish the difference between the two and create OKRs using business outcomes.

Take the example of a team in your workforce, for instance: the Product development team. This department often works on bite-sized tasks which culminate into big business outcomes

Engineering operates in sprints, uses agile frameworks, and tackles small tasks to **build product customers want**. This is what the organization aims for as the ultimate

business outcome, as well. With multiple team members contributing to the same business outcome, it can make it hard to see how that work contributes to the big picture business outcome.

Similarly, they measure small tasks like the number of conversations sent by customers for customer support—breaking them down into positive and negative feedback. **Customer feedback is great** – it makes way for relationship building! But it can also indicate problems in onboarding, lack of proper support documentation, and so on. All these issues translate into measurable objectives, of **the business outcome delivers world-class customer satisfaction**.

Each bug that a developer works on contributes to removing tech debt, **improving product performance, eliminating duplicative code**, which is directly aligned to creating a product customers want to buy. Each support conversation is contributing to customer satisfaction. While its not efficient to track every single task or bite-sized to-do, it is important to relay how that work contributes to business outcomes using OKRs.

So instead of using language such as "Complete 50 product pull requests" in the team OKR, consider what that effort feeds into the grander picture. Try something like, "Improve the ten slowest, most used areas of the product." **This helps leaders measure and understand the efforts being invested into business outcomes.**



Start OKRs with Baseline Metrics

A good OKR incorporates a baseline measure in what you're aiming for or moving away from—not tracking day-to-day tasks. This baseline measure often appears as the key result of your objective.

For example, you could be making \$250,000 in revenue per month. You'd like to increase revenue to \$275,000 as a team. Hence the baseline measure for your key result is "Increase revenue by 10%."

As you can see, the baseline measure used above accurately reflects the business outcome of growing revenue but does not track day-to-day tasks.

Tracking day-to-day tasks would measure the number of product demos and signed contracts contributing to the business outcome.

Instead, **we recommend using baseline metrics in your OKRs**. An example of this is tracking the percentage of sales prospects converting to signed contracts—the rest is just personal to-do's.

Examples of OKRs with Baseline Metric Key Results (highlighted):

Objective #1

Improve overall product usability

Key Result 1

Release 2 product updates that improve core feature adoption by 5%

Key Result 2

X-feature retention increases to over 50%

Objective #2

Increase recurring revenue by 10% from last quarter

Key Result 1

Release 2 product updates that improve core feature adoption by 5%

Key Result 2

Lead to close rate increase by 2.5%

Key Result 3

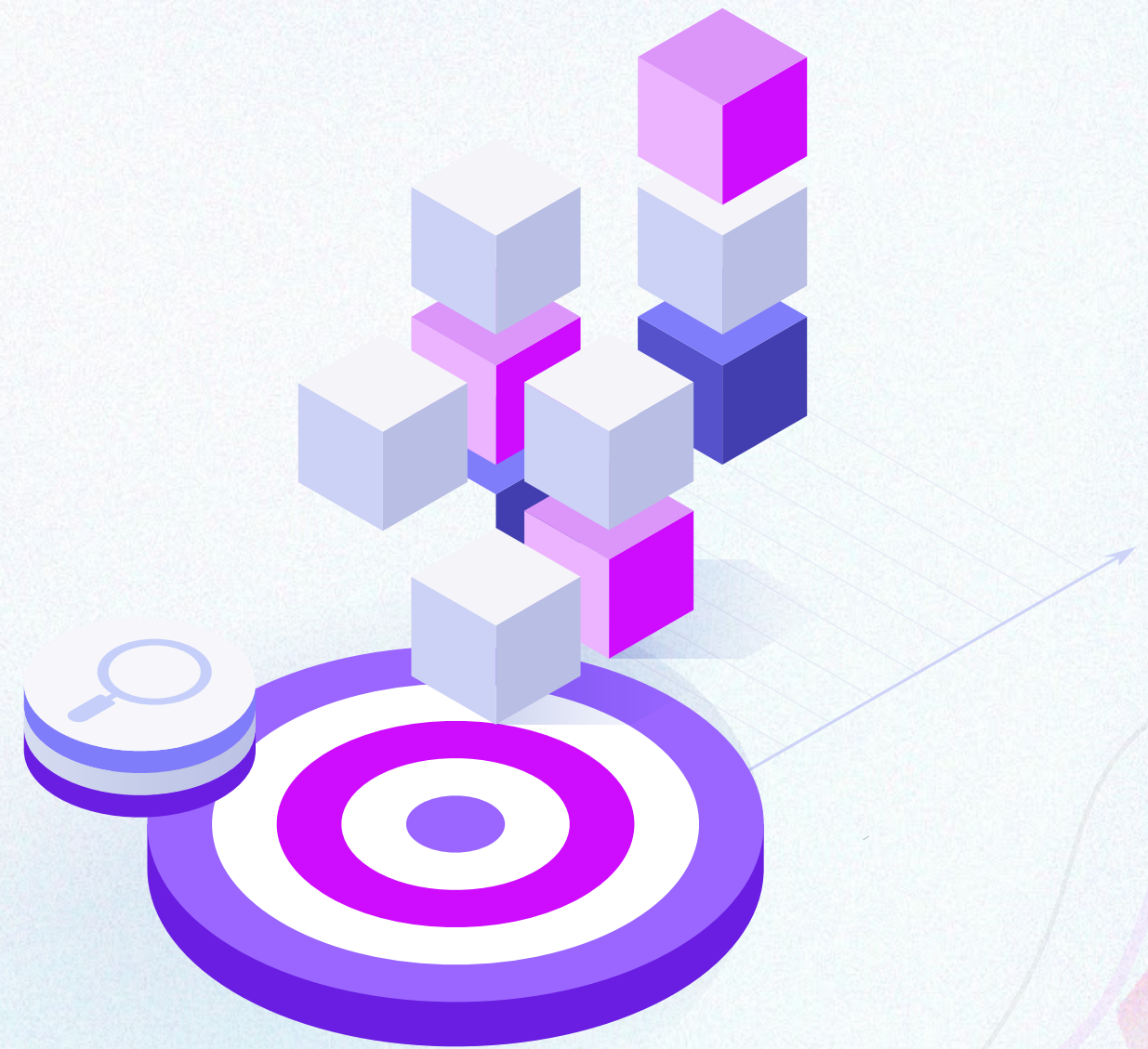
Target of \$300,000 new sales

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Measuring Business Outcomes with Quantitative OKRs

Any number used in key results should follow the S.M.A.R.T model—specific to the business, measurable, attainable in the given cycle of the objective, relevant to your OKR, and is time-bound.

Business outcomes measured using quantitative OKRs are typical **counts, integers, or measures** you wish to reach, or dollar figures. Numeric insights can move conversations from actions taken to data patterns across quarters. **This helps when analyzing patterns and assessing the next steps.**



Examples of Quantitative OKRs:

Objective #1

Be the leading thought expert in our industry

Objective #2

Dominate sales like a rockstar



Key Result 1

Overall 30-day rolling average of customer adoption rate grows by 10% KR: Increase press mentions by 10% from the previous quarter.

Key Result 2

Participate in 3 public conference events as the main keynote.

Key Result 1

Be a demo champion (100 demos/month).

Key Result 2

Close \$75,000 in new sales

Key Result 3

Define sales-success customer journey map process using new personas.

Measuring Business Outcomes with Qualitative OKRs

Not every business outcome will have a clear numeric value or metric measured using quantifiable data. Some are based on qualitative data, such as customers reporting great experiences and support interactions.

For instance, when thinking about checking in with progress updates, you'll have to look at how you receive customer feedback. **These check-ins should be based on the meaningful impact each interaction brings.**



Examples of Qualitative OKRs:

Objective #1

Provide a stellar support and education experience

Key Result 1

No piece of content/how-to video is more than one month out of date.

Key Result 2

Continue to establish strong relationships with customers reporting a fantastic support experience.

Objective #2

Minimize the effort our customers take to get started

Key Result 1

Customers say spending less time training their team on our space/product.

Key Result 3

Time to successfully onboard new customers decreases by 50%.



Recommended Workflows: From Task to Achieving Business Outcomes

Many small tasks feed into a single OKR that measures the impact it has on a business outcome. That's why it's essential to visualize the OKR workflow, which shapes how we measure business outcomes from beginning to end.

Our recommended OKR workflow comes in four steps. Using the example of the business outcome of integrating your product with another software to generate more customers, **we will illustrate how OKRs act as a measure of success throughout a complete workflow:**



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Planning

Objectives and Key Results help track and measure shared tasks that are structured during the planning phase.



Building

In the building stage, OKRs are used to measure development time to build the integration. Typically, this stage takes up the most time from start to completion.

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Objective Owner

Product Manager

Objective

No piece of content/how-to video is more than one month out of date.

Key Result

Complete prototype to get feedback before building.

Objective Owner

Software Developer

Objective

Improve customer experiences through product development.

Key Result

Deliver on 150 story points that focus on providing a great product experience.



Launching

In the launching stage, the team will collaboratively brainstorm key customers who should be notified first and receive messages.

Because this is a task, this is not something that should be measured using OKRs aligned to business outcomes. Hence, there are no applicable objectives at this stage in the context of this specific example.



Measuring Success

In the measuring success stage, OKRs are completed with a final reflection, used for feedback and future coaching.



Objective Owner

N/A

Objective

N/A

Key Result

N/A

Objective Owner

Product Manager

Objective

Improve product workflows to support customer needs to improve adoption.

Key Result

Help improve product adoption using the new integration



TIP! As you can see through the example above, the same objective often requires several different key results to measure a business outcome's success accurately. Each key result can vary in the way success is measured and updated when applicable during the workflow.

Key Takeaways

Remember, objectives and key results are meant to motivate and rally people to work together towards business outcomes and give insight into otherwise siloed measures of success. They spur perspective sharing, moments of discovery and make even your high performers achieve more.

While there can be intricate workflows and moving parts to link tasks, business outcomes, and objectives together, the focus should be always on increasing your team's transparency, accountability, and empowerment.



To wrap things up, we'll leave you with four takeaways:

1

If you find yourself duplicating a key result somewhere, take a step back. Reflect on the most appropriate for tracking this type of update and alter your other notes accordingly.

2

Visualization is key. If you're looking to elevate your OKR workflows, visualize your steps towards business outcomes before. This helps to set and focus on the right business goals and align them to the desired key results that measure success **aligned with objectives.**

3

Keep your objectives simple. Adding complex quantitative measures to the desired outcomes is not needed. Business objectives are well-defined and communicated to keep everyone focused and aligned. If you have to spend huge time and effort to

4

Focus on sharing significant amount of information. If you are concerned about under-sharing or over-sharing, then share a significant amount of information that others should get when they check-in. You can even set expectations for when OKR updates will be shared during an OKR cycle.

About

Unlock:OKR

Unlock:OKR is a product of Infopro Learning Inc, part of a global organization with 7,000+ employees and office all around the world. Helping organizations adopt new processes has been core to our business for over 25 years and we are widely recognized for our work in this field with some of the world's most powerful brands. Our 3 brand promises for the organizations that utilize Unlock:OKR are-

- Outcomes Culture- Turning OKR theory into reality
- Lean Software- Executing OKRs in the flow of work
- OKR Adoption Guarantee- Ensuring successful adoption of OKR framework



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