OKRs or alignment? Don’t shrink your employees’ impact

‘Objective key results’, perhaps most famously adopted by Google, have a long history – harking back to Intel in 1968. Nowadays the startup world is divided. Should you, or should you not, implement them?

Temps de lecture : minute

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2 April 2021

Initially, the three main objectives behind implementing OKRs within a company were achieving strategic alignment, focused execution, and engaged employees. Yet, somehow, whether by lack of expertise or even by lack of experience, their implementation tends to be somewhat chaotic, often confusing, and as companies scale, divisive.

It’s fairly similar to what Szalinski’s kids may have experienced as they were shrunk to the size of a cheerio cereal. Today, we’re talking OKRs and *Honey I Shrunk The Kids.*

> *Amy Szalinski: ‘If you were my brother, I'd put myself up for adoption.’*

The first mistake young companies make when setting OKRs is to disregard their *ultimate corporate objective*. What do they want to achieve? And by when? Setting quarterly OKRs necessitates the inclusion of a long-term vision. You need to provide your employees with time and perspective, so they can engage in strategic execution and make a meaningful business impact.

> *Russell 'Russ' Thompson, Sr.: ‘Hey, Szalinski, your lawn's beginning to look like the Amazon.’*
>
> *Wayne Szalinski: ‘Yeah, producing oxygen, Russ. We all have to do our part. You know how all the jungles are receding everywhere.’*

This is the reason why OKRs are adored by some and disliked by others; why they work extremely well for some companies – but can be a complete failure for others.

> *Amy Szalinski: ‘Mud is still mud, no matter how small you are.’*

Even if you do not choose to implement OKRs, you still need your business strategies to be in complete alignment. What should you do then? How can you ensure a successful deployment of your business strategies?

First, make sure everyone is aligned on your company’s *corporate objective*; this is the single source of truth to which all employees, no matter their department or title, must respond. This is critical whether you decide to deploy an OKR strategy or not.

Most startups’ and scale-ups’ corporate objectives will be related in their early stages to revenue. However, you may also have a long-term vision – such as being the leader of your field or be the most complete platform out there.

Communicating this properly is essential, especially as you scale. You may think your employees know – but don't assume. Be transparent, clear, and repetitive about it. Not all that happens in board meetings should be disclosed – but to ensure the smooth execution of your business plan, this should be.

> *Amy Szalinski: ‘I don't think we're in Kansas anymore, Toto.’*
>
> *Nick Szalinski: ‘I don't think we're in the food chain anymore, Dorothy.’*

Second, once your corporate objective is clear and transparent to all, align your executives on the key business strategies your company should implement to support it.

Each department will then define its own supporting initiatives. Such initiatives will require resources; before moving forward with defining and putting in place quarterly OKRs, make sure that budget allocation, constraint, P&L management and hiring requirements are clear, understood, and ready to be deployed. This must be done, no matter the stage of your company – whether you are 5 people working in a garage, or 50 and growing, or 500 and scaling, the process remains the same.

> *Professor Frederickson: ‘Mr Szalinski, are you trying to tell me that suddenly size is no longer relative?’*

Last but not least, to put a plan in motion, you need an operating rhythm. Objective key results (OKRs) originate from MBO: Management by objectives. These were often linked to additional remuneration. Therefore the OKRs must represent, by definition, an objective – a goal that is attainable in accordance with the plan and the ultimate corporate objectives. It must be measurable and traceable, have a cadence, and mean that each individual employee receives remuneration for his or her efforts.

> *Russel, Russ Thompson Jr. ‘Hey, if we had some rope, we could make a log bridge! If we... If we had some logs.’*

When it comes to sales, it’s rare to see OKRs that aren’t linked to the compensation plan – e.g. the number of new logos, number of deals signed above-average ARR, and so on. When it comes to marketing, we measure leads or ‘marketing qualified’ leads, but how are these metrics really linked to one another? How do they synchronise your departments rather than divide them?

Make sure you choose metrics that are achievable for your departments when they’re working together. Often I see KPIs chosen independently, which end up having the opposite results to those intended. Departments shouldn’t end up working against one another!

> *Ron Thompson: ‘It's just that my dad doesn't understand your dad.’*
>
> *Amy Szalinski: ‘Your dad doesn't understand anything.’*

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