

The OKR Effect

A guide to practical goal setting with OKRs



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“OKRs are living, breathing organisms.”

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That’s it. That’s the unadulterated essence of OKR in a nutshell.

There’s no scarcity of educational materials and quick guides on OKR and how organisations set goals using the framework, but no other definition can capture the soul of OKR than these few well-chosen words penned down by the author of **Measure What Matters** and legendary venture capitalist [John Doerr](#).

The OKR methodology has changed the course of several well-known companies, most notably Google. It took ninety minutes and a powerpoint presentation for John Doerr to convince their core team to start implementing OKR back in 1999. The visionaries in them recognised the value in it, the underlying principles, and the more obvious practicality of the process. Fast forward to the present, Google’s management team credits a vital part of their outstanding success to OKR and the ideologies it embodies.

They were, indeed, the perfect match.

However, blindly emulating Google’s OKR Playbook and guidelines and silently hoping for a resounding success won’t help you bring it to fruition.

Several companies learned that the hard way.

No two organisations are built on the same foundation; they have different values, capabilities, missions, and visions. How they grow and

scale depend on several factors that consequently affect their capacity to implement OKR as their goal-setting methodology.

To understand the art and science of OKR, and most importantly, how it can be customised and adopted by companies that run on a different scale than Google, we sat down with Cecilia Westerholm Beer from Bisnode for multiple knowledge-sharing sessions.

At [Bisnode](#), 2,100 experts work daily to interpret, refine, and understand the data that forms business decisions. Bisnode helps make day-to-day life easier by delivering thousands of decision-making documents to companies, government agencies, municipalities, and organisations every day.

[Cecilia Westerholm Beer](#), CHRO at Bisnode, is an experienced HR Leader with vast experience in transformation and change. In this e-book, she shares her honest and unbiased outlook on how OKR works, how challenging it is for companies of all sizes to set the first goal, the hurdles they still have to overcome, and how to continue working with it to see the magic unfold. Moreover, she tosses in invaluable nuggets of wisdom to help you get started with the revolutionary goal-setting methodology that is OKR.



On OKR

Inspired by the 'Father of OKR' [Andy Grove](#), John Doerr, in his book, talks at length about a goal-setting system that combines quantifiable progress with human values.

It paves the way for horizontal collaboration and disciplined thinking, establishes harmony, spurs innovation, and drives the entire organisation towards a common goal.

His powerpoint presentation defined OKRs as

"A management methodology that helps to ensure that the company focuses efforts on the same important issues throughout the organisation."

OKR stands for Objectives and Key Results.



The objective is the **direction**. It defines what is it that the organisation must achieve.

- Your long-term objective should be closely associated with the vision and purpose of your organisation. This should be inspirational yet attainable.
- Once you've decided on the long-term objective, segment it into concrete organisation-wide objectives with clear action plans.
- Now it's your employees' turn. They can set individual or group OKRs based on the organisation-wide OKRs. Train your employees to not only set objectives that they must achieve but also to set aspirational, audacious goals that enable them to unlock their creativity.



Key Result is the **execution**. These are the requirements that are needed to achieve the objective. These are number-bound, measurable, and verifiable. Completion of all the KR^s indicates that the objective is achieved.

- A key result must be number-oriented, but it should also be backed by the quality of the result. It evolves over time as the task progresses.
- Treat these as milestones that you need to cover to reach the objective. KR^s should be tough to complete, but again, these should be realistic.
- KR^s provide the focus and accuracy that's required to align your entire organisation and unite them to attain the objectives.

Through coordination, planning, strong leadership, and transparent company culture, OKRs reveal the path towards greatness and provide everyone with clarity and purpose.

On a much more practical level, the framework promotes self-leadership, disciplined thinking, and team collaboration by removing unnecessary silos and increasing workplace satisfaction.



Why Bisnode chose to work with OKRs



"As an HR professional, I've always been curious to know what motivates people to get up in the morning, put their feet on the ground, and be excited about going to work. On the other hand, why is it that some people would rather stay at home under the cover on rainy mornings?"

Her curiosity led her to study the works of authors such as [Daniel Pink](#), who in his book **Drive: The Surprising Truth About What Motivates Us**, talks about two specific types of motivation – extrinsic and intrinsic.

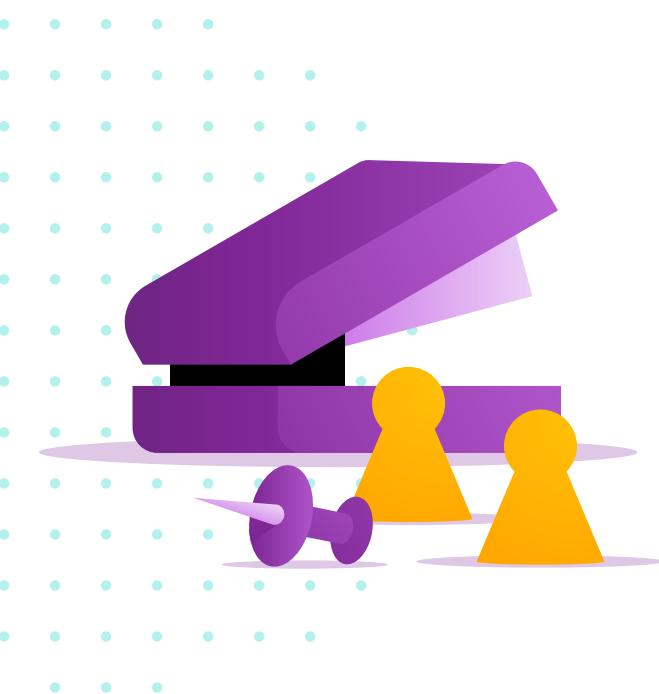
As the names suggest, extrinsic motivation depends on external forces such as monetary benefits, praise from the supervisor, whereas intrinsic motivation drives people from within. It can be the feeling of euphoria after a job well done, the sense of contentment when someone achieves their goal.

"Both in theory and practice, I know that someone who has clear goals will jump up in the morning (even before the alarm goes off!), go to work and feel that what they're doing is meaningful.

If we look at growing startups – you have startups in the basement with lousy working conditions. They work round the clock, but they still love their job. So, obviously, **it's not extrinsic factors such as fruit baskets or other fancy things that matter. When push comes to shove, it is about that clarity of vision, and I believe, OKRs can give that clarity.**"

Cecilia, and other modern HR professionals who believe in the agile way of working and driving the business forward, resort to OKRs to align the entire organisation with one common purpose – **the business objectives that matter.**

It helps battle cynicism and demotivation by enabling the people to focus on the big picture. Employees feel personally accountable for their job and become motivated to contribute to the overall goal of the organisation.



Bisnode's OKR Template



“Every company needs to interpret and adopt OKR differently. What worked for Google may not work for others, so it’s pointless to try and copy how Google used OKRs, but rather draw inspiration from their way of thinking and customise OKR to the needs of your company.”

The Scandinavian touch

“Working with OKRs and agile technology go hand in hand with Scandinavian leadership.

It obviously happens in the US, and that's where it was developed, but I think that one of the reasons why we are one of the early adopters is because concepts such as self-leadership, taking responsibility, setting your own goals is quite close to the Scandinavian culture.”

“The beauty of OKR lies in the fact that it forces us not to tell employees what to do.”



On getting executive buy-in

The most crucial step forward



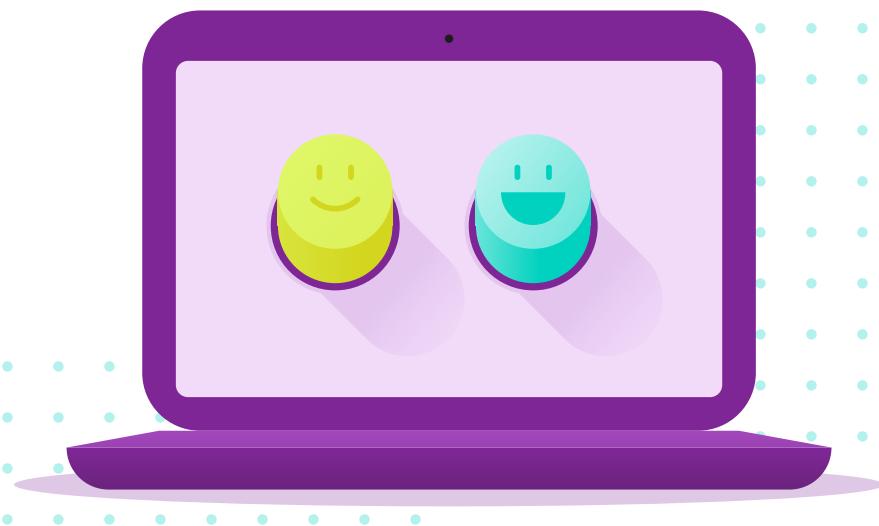
Practising what you preach should be the mantra when it comes to OKR implementation. If the goal is to instil a sense of accountability in your team members for them to start taking OKRs seriously, you have to start by convincing the top line leadership team. They must drive the project forward and push people to set their OKRs.

It's not an easy feat to change the mindset of the entire organisation in one day, it's a gradual process and the leaders should exhibit the behaviour for it to be reflected on the people. They have to set their own OKRs and stick to them religiously.

This is something Cecilia struggled with in the beginning, but thankfully, she got the support she needs from the rest of the leadership team.

“It was super difficult to get everybody on board. One of the primary reasons why it was so difficult was that we had already done a lousy implementation of something that was kind of like OKR before. So last year I decided that now we will start working with OKR for real, and we’re going to change the system.

Slowly and surely, we got the managers on board. **You need to be determined and your top-line leadership team needs to be determined.** Our CEO is completely on board, and he is dead set on getting OKR implemented.”



On people, culture, and capacity

The Bisnode cultural trinity



At Bisnode, Cecilia focuses on developing their cultural trinity: People, Culture, and Capacity. Cecilia believes that OKR has a huge effect on all three of these pillars.

“The obvious effect can be seen in the ‘Capacity’ - OKRs ensure that everybody in the organisation is aware of where the company is heading, and all of them contribute to its growth journey.

We are incredibly transparent when it comes to company ‘Culture’. First of all, everyone can see each other’s goals. Second of all, in many companies, people feel like they can’t fail, which leads to the practice of sandbagging. But in Bisnode, we encourage people to have goals that are aspirational, way more than what is absolutely required. It doesn’t matter if they fail to achieve the goals in one shot; we celebrate their efforts. **For us, it’s not just three words without heart and context - it’s culture for real.**

As far as ‘People’ is concerned, we actively promote self-leadership. We empower our people to set their own goals. They have to figure out how their team can connect themselves to the overall goals of the business. This way, we put a lot of burden on the employee because they are the ones who know what they require to perform better, not their managers.”



On the OKR magic

The real values that Bisnode witnessed

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Transparent company culture

If done right, OKRs help establish transparency in the organisation which paves the way for ownership, collaborative teamwork, and camaraderie. At Bisnode, Cecilia and her team encourage people to take their own decisions and set their personal goals by aligning those with the primary organisational objective.

After all, with complete autonomy, comes great responsibility.

“One of the most significant things we had to do before implementing OKR is to convince people that they must understand the strategy. **If they don't understand the strategy, they can't really set the goals.** We organise ‘Strategy Translation’ workshops where each team works on its individual strategy regarding what the goals mean for them and the entire organisation. That's one of the biggest processes that we streamlined.”

Decreased redundancy

In large organisations, it's often challenging to keep track of all the activities everyone has undertaken. Sometimes it so happens that more than one employees focus their efforts on a specific task, thus increasing redundancy. With the OKR framework in place, it becomes easier for the contributors to divide the responsibilities and work more efficiently.

Helping where help is needed

Since all the objectives are clearly visible, teams can divert their attention to what demands the most attention. When a team struggles to achieve their goals, other teams can pitch in and contribute in any way they can.

Improved employee engagement

“We can see that in the numbers that people get more and more engaged with the passing time! Eventually, it solves the problem of attrition, as people want to stay longer and commit to the goals that they set for themselves.”

“Goals that people set for themselves and that are devoted to attaining mastery are usually healthy. But goals imposed by others—sales targets, quarterly returns, standardised test scores, and so on—can sometimes have dangerous side effects.”



On fuzzy OKRs

Challenges while setting goals

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Getting rid of fuzzy goals

Fuzzy goals are bound to create confusion among people who are working hard to achieve something completely arbitrary.

How do you measure your efforts when you don't have a clear idea of the direction and the journey milestones? To give clear instructions to the people, the leaders need to have a concrete plan and measurable steps to achieve that. The hardest part is, it's a mindset more than anything else.

Not only do your people have to set clear objectives, but they also have to dare themselves to quantify the steps they are taking to get closer to the goal. As explained succinctly by John Doerr, OKR is **"a vaccine against fuzzy thinking and fuzzy execution"**.

"We constantly nag about how to set a goal that's measurable, both qualitatively and quantitatively. But, **nagging is required to start changing the mindset of the entire organisation**. You need organisation-wide training to ensure that everybody is on the same page. At Bisnode, we have an HR organisation that helps people with their OKRs. It's definitely a learning curve.

If you're just getting started with OKR, don't focus too much on fuzzy and clear goals in the first year. Let people set their goals; let them get used to the system and then try to quantify the goals."



Daring to be audacious

“People are afraid of setting aspirational goals. They still mentally connect it to monetary incentives. We are very clear on this aspect – there shouldn’t be any direct connection to bonuses or incentives. Having said that, **I think it’s in our DNA. We are taught for so long that it’s nice to reach that 100% mark**, to get that medal. So, we do not dare to set those audacious goals. Naturally, people want to over-achieve, so then they do not set the bar high enough.”

“**We need to solve this challenge with education and training. Do not underestimate the amount of training it requires to write clear goals. If you want to witness the magic of OKR, you have to repeat everything multiple times to get people on board.**”

Setting only financial goals

“At traditional hierarchical companies like Bisnode, we struggle with the primary objective being a financial one. For companies like ours, **I suggest you have one such financial goal, but dress it with a couple of other qualitative, personal goals.** It helps the employees feel comfortable. Strive to achieve the committed ones, but also write aspirational goals to aim for more, to boost innovation and change the way of thinking.”

“The main challenge with having just financial goals are you have to be transparent to measure it. Companies that are on the stock market can’t reveal their financial status in real-time. Then there’s a delay in measuring results which affect the entire organisation. I understand that’s a hardcore goal, but there should be other equally important company growth objectives that should be measured.”



Setting Key Results

"We let people decide their key results. We tell them to set both quantitative and qualitative key results that will help them reach their objectives. **I don't believe in the cascading OKR format where someone's key results are being set as an objective for somebody else** - that doesn't solve the purpose. We encourage people to think about innovative ways to achieve their quantitative goals."

"If you are a Sales rep who has to record X calls a day and book Y number of meetings, then think about what can you do differently to sell to the prospects, what new methods you should employ. Maybe you should sit with Customer Success, or get training to sell better. That's when the magic happens - when you start to think about what you can do differently to reach the goals. That's also the hardest part."



Examples

Objective:

Together we will create a friction-free everyday life for both our customers and for each other.

Key Results:

10 improvements connected to friction-free everyday life

Decrease credit notes and increase customer satisfaction by implementing NPS during Q3 for category 1 customers

Increase Customer Satisfaction by fast handling of incoming customer cases and by being best in class at closing the loop, measured by NPS

Scale work with continuous improvements by delivering 100 improvements Q2

Examples

Objective:

We will drive a superb Go To Market 'machine' in collaboration with Sales and Marketing for commercial success of scalable analytics offerings

Key Results:

XX MSEK sales
XX MSEK revenue

Cross-sales, marketing & analytics members jointly develop, test, refine, and launch a new insight

Develop blueprint of delivery process for scalable analytics cases and test for at least 3 cases in Q1





The magic number

How many OKRs should you set for yourself and your company?

The ‘magic number’ can vary, depending on the size of the company and how ruthlessly you want your OKRs to be. It takes practice to remove all the fuzzy goals and select the objectives and key results based on priority and effectiveness.

Cecilia suggests “as few as possible. On the highest level, we have four objectives now.

Three of those are numbers-driven. I think the biggest bottleneck is that people set too many. **Irrespective of the size of your organisation, you must set 3 – 4 objectives with maximum 3-4 KRs.”**

Here’s what Bisnode’s OKR cycle looks like.

“The way we do it in Bisnode is that the company objectives are done annually and the key results on the highest levels are broken down into quarterly goals. However, eventually, we want people to set more objectives and KRs each quarter or more often depending on their roles. That’s how agile we want to be.”

Setting OKRs

1 Set organisational OKRs

The organisational objectives describe the big picture, the top-level focus for the entire company. They are written and agreed upon by the leadership team.

After this is done, all others can write their objectives in alignment with the company objectives and find how they can contribute to it.

2a Unit OKRs

Setting the unit OKRs is an iterative process. The management team of each unit conducts a workshop to write a draft of the objectives and then iterate before having it all in place.

Unit OKRs should define joint priorities, not just a collection of individual OKR.

If you have common Objectives or Key results with other regions/functions – collaborate and connect.

Unit OKRs could be a mix of annual and quarterly OKRs.

2b Team OKRs

The team objectives is an iterative process as well – it can be done IN PARALLEL with the unit OKRs and follows the same process as theirs.

Team OKRs should define team priorities, not just a collection of individual OKRs.

Team OKRs could be a mix of annual and quarterly OKRs.

3 Individual OKRs

Personal OKRs define what a team member is working on. By the end of the OKR period, he/she can show what progress was made.

To define individual objectives, the person involved discusses with his/her leader to know what is expected. It’s a dialogue with the leader and both have to agree with the defined list of objectives.

If you have common OKRs with other team members – collaborate and connect. Individual OKRs could be a mix of annual and quarterly OKRs.

On hierarchy (or the lack of it)

Top-down or bottom-up OKR?

Top-down OKRs allow a baseline, a foundation for the entire organisation to build upon. However, it also curbs engagement, flexibility and ends up being one-dimensional. Even the slightest change in the middle of the quarter has a domino effect that directly affects the front-line contributors.

“When you only have top-down goals, it directly affects the level of involvement, engagement, and the sense of ownership of your employees.

I can, for example, set the direction but it would be

wrong for me to set the individual OKRs. If I do that, the key results will turn to KPIs. **The best key results are actionable, and it's very hard to have top-down actionable key results.”**

Bottom-up OKRs gives the contributors the freedom to think strategically and choose most of their OKRs. However, relying on people to make the right choices requires immense control and careful consideration. The best way to approach this dilemma is to have a mix of top-down and bottom-up OKR to hit the right balance.

- ➡ Employees can decide how they can contribute to the top-down OKRs and book some time for their passion projects.
- ➡ They become more involved in the projects and do not hesitate to share their thoughts and ideas.
- ➡ It also promotes cross-functional collaboration as the teams can see each other's OKRs and decide to link some of their objectives or key results to improve the existing process.
- ➡ Especially for remote employees, this process can do wonders as it aligns all the teams with the primary objective and clears the way for horizontal linkage.

“Combining top-down and bottom-up also means that you have a follow up a lot to ensure that their OKRs align with the overall company OKRs. To achieve that, you should have a dedicated person whose responsibility will be to align all the OKRs. That, of course, depends on the size of the organisation and how you are doing financially.”

“It should definitely be a mix of both. I would recommend to my fellow traditional companies to dare to set more bottom-up OKRs. Your employees know more about their capabilities and ambitions than the managers, so naturally, it should be their decision.”



Team Collaboration

Removing hierarchy from the equation solves one of the biggest challenges of cross-functional team alignment.

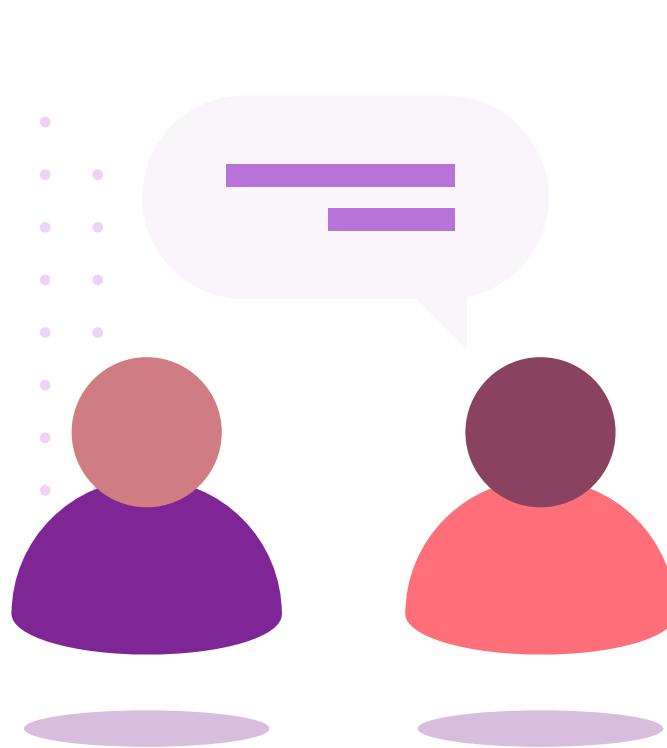
Since the employees are free to link to others' OKRs, they tend to think more critically, take the objectives as personal challenges, and strive to achieve those to the best of their capabilities.

That also means they are more willing to work with their colleagues to get the job done as smoothly as possible.

However, like everything else, it also depends on your employees' preferences and the choices they make for themselves.

"Horizontal linkage between teams is obviously important, but it's not suitable for every team. The more experienced teams enjoy collaborations and this way of working. That's great, but let your insecure teams find their own pace. Give them the freedom to do their best work; it will take time to have them do what everybody else is doing."

**"You have to wait for the BIG WINS;
it's a journey."**



On implementing CFR

OKR Scoring

Google's OKR grading method is simple, qualitative, and self-explanatory.

(Source: Google's OKR Playbook)

0.0 - 0.3 is red
0.4 - 0.6 is yellow
0.7 - 1.0 is green

Committed OKRs should ideally get the maximum grade, while the grade for aspirational OKRs should be in the red or yellow zone. If that's green in the first go, that may indicate that the goals aren't aggressive enough.

That's the theory behind the scoring method. Take inspiration from the structure and create your own that'll make sense for your organisation. Cecilia follows the 'traffic sign' method, but she hasn't attached any numbers to it yet.

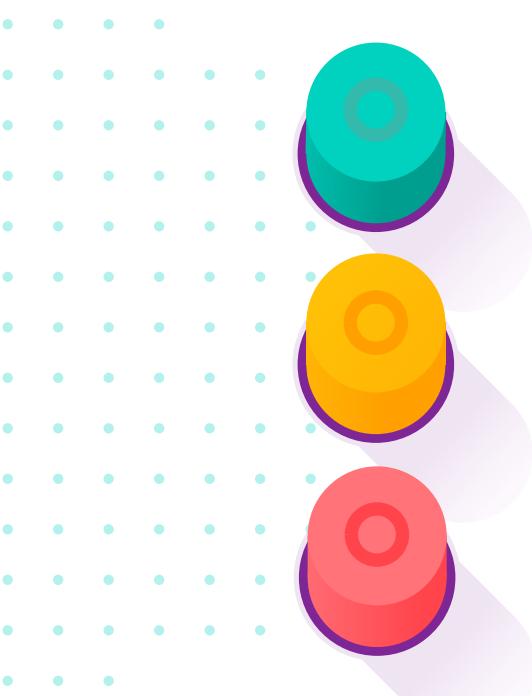
"We don't follow the Google scoring method. I believe it's a bit premature for us. How do you grade your KR when you've mixed audacious goals and committed goals? It's a hard nut to crack."

We use the 'traffic sign' method – Red, Yellow and Green, but we don't have the mathematics around it yet. **We're more focused on complementing our OKRs with CFR (Measure What Matters) to drive better performance."**

Conversation, Feedback, Recognition

Conversation adds the fuel your employees need to stay motivated and find innovative ways to achieve their objectives.

Cecilia attaches more importance to the outcome of the OKR, rather than how much each contributor scored. Managers should carve out time to reflect on the results, and have goal-oriented dialogues regularly to give detailed feedback, understand their thought process and identify triggers of dissatisfaction.



Set the agenda of the meetings and keep the questions ready to ensure that the sessions are productive and meaningful. Gather the required insights by asking questions such as,

- How have you helped and learned from colleagues?
- What challenges did you face? How did you overcome those?
- Is there any OKR that needs to be adjusted? Why?
- Are the OKRs aligning with your career goals?
- What could you have done differently?
- How can the leaders help the employee succeed?

Get inspiration from performance review conversation templates that'll help the leaders run effective meetings, provide action points, and motivate their team members to reach their potential.

[DOWNLOAD THE QUESTIONS](#)

"Without conversation and feedback, the method is nothing.

You must have frequent one-on-ones to stay on track. **We have stopped having annual performance evaluation forms, as no one reads the stuff anymore!**

We encourage people to have a one-on-one with anyone they want – let it be their colleague or supervisor, or the HR manager.

We even ask them to choose the frequency of their one-on-one meetings. They must have one of these meetings at least once a quarter, but it's up to them to decide if they want to have it more often."

Talk about failures and challenges, but at the same time celebrate even the smallest accomplishments openly and credit the individual/team where credit is due.

"The best way to recognise someone's efforts is to have it done publicly, in front of the entire organisation. It's a huge morale boost."



OKR and compensation

Recognition is no doubt imperative, but should you reward your employees when they achieve the objectives?

“OKRs shouldn’t be connected to compensation and monetary benefits. The second you connect the objectives to bonuses, everyone will become more careful in their approach. It’s just human nature.”

If I aspire to sell 1000 bananas, but I’m eligible for a bonus when I sell 750 instead, that will automatically curb my aspiration to do more. That’s the core reason why OKR should be free from compensations.”

“On the other hand, if someone’s individual OKRs are relevant to the overall organisational OKR and they achieve those goals, then you have to incentivise the person for doing a great job.

It’s tricky to detach OKR from compensation in sticky situations like this. The total progress on OKRs can be used as an input by the leader to determine if a person has performed below expectations, as per expectations, or above expectations. Completing OKRs demonstrates hard work and commitment.

But bonuses or salary increments shouldn’t be based exclusively on whether OKRs were hit. The leader will want to factor in other considerations - such as skill development and growth, attitude and professionalism, and the difficulty level of OKRs. Personalise your own system so that you can keep OKRs and bonuses separate, there’s no hard and fast rule.”

Failure to achieve the objective

What happens when your employees fail to achieve their aspirational objectives in the first try? How can you combat the feeling of failure and keep their morale high?

Cecilia believes emotional support is the key here.

“I think it all goes back to CFR, that’s when the leader can make a difference.

They need to evaluate the progress the person has made and encourage their efforts through more in-depth discussions.

Talk about the purpose and the insights, ask them what they need from the leaders to succeed.

You must have a human touch, don’t just rely on the numbers.”

OKRs are instrumental in keeping your employees’ engagement levels high, but attaching negative consequences to goals will have an adverse effect. Push your people to aim higher instead of punishing them when they fail.



On dropping OKRs

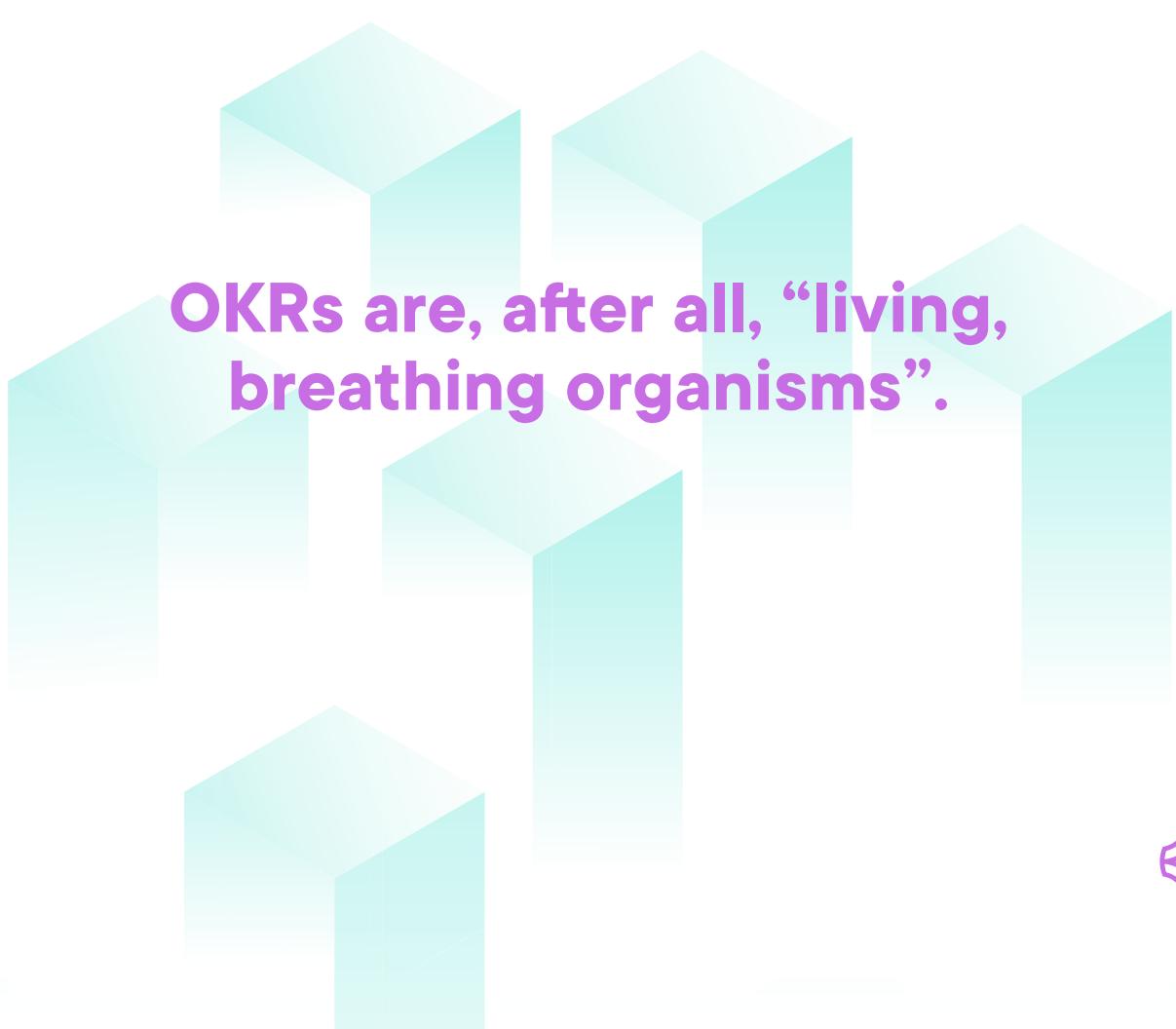
The OKR methodology enables fast-moving organisations to utilise their resources better, to break the conventional norms and hierarchical models to succeed as a team.

Naturally, it takes time and training to set the long and short-term OKRs before the start of a cycle and get every employee on board. However, these goals aren't set in stone. Being agile in your approach also implies that you should be able to adjust the OKRs and even drop the irrelevant ones in the middle of the cycle.

"If you change the direction of your company in the middle of the financial year, you must drop the OKRs that doesn't make sense any more.

Similarly, when you measure the KRs, and you see that a lot of time and resources are being wasted on a goal that doesn't really solve any purpose, or it doesn't have any impact, stop and think if there's something wrong with the objective, or the key result.

Drop the OKRs when they have served the purpose or set new ones once you achieve your existing goals. It's a dynamic process, be agile like that."



OKRs are, after all, “living, breathing organisms”.



About Winningtemp

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Winningtemp was conceptualised by two Swedish visionaries and developed by a dynamic team of data scientists and behaviour psychologists.

The unique platform incorporates the best of employee engagement, satisfaction, and performance tools to provide progressive organisations with

the insights required to create a productive, growth-driven, and fun work environment.

Along with millions of data points from various industries and an exceptional Customer Success team, Winningtemp offers:

- **Modern engagement surveys with research-based questions**
- **Real-time employee happiness and well-being data on a beautiful, user-friendly dashboard**
- **Employee turnover prediction and immediate suggestions for improvement**
- **Skills development and training platform for employees and leaders**

Take a tour of the platform

In theory you can do OKRs in excel or PPT, but in practice you need a tool – at least when working in such a complex organization as Bisnode. In Winningtemp we get “three wishes in one” – we measure our engagement, we register our performance conversations, and we register and administer our OKRs. The fact that we have everything in one place makes us efficient.

What I really like about Winningtemp is that we have a great collaboration with the crew.

We collaborate on the user experience and new features and they are always responsive to our needs.

–
Cecilia Westerholm Beer

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