business bitesize
business breakthroughs in minutes

Anthony Russel
www.anthonyrussel.co.uk
01376 550295

How often should you set goals for your business to survive and thrive?

A simple business idea connects Bono (from U2) to Google to Intel and other high-growth businesses...

It's almost too simple to share, but it works!

Late in the 1990s 17 different search engines were fighting it out to dominate the web.

Then the 18th search engine started up – Google.

Normally such a latecomer wouldn't stand a chance, having given the others such a head start.

The best place to work...

So how did this business start-up repeatedly race on with 10x annual growth whilst managing the most volatile and tumultuous changes in technology?

Google did this by using a method that ensured company-wide focus on a handful of important priorities.

This has continued as Google has grown, and every 13 weeks (for the last 20+ years) Google's leadership team evaluate the company's progress against a handful of top-level priorities.

Every single person in the business is clear on Google's priorities for that quarter and the key measures used to evaluate progress.

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In a nutshell

Have a single quarterly priority focus, share it across all your team and set up ways to track activities and results.

If you set out to change three things or more you'll dilute the focus and continue to be swamped. Or you'll need a bigger team. Instead, work out what to focus on, and what not to focus on for this quarter.

A proven solution for you...

Work out the **OKRs (Objectives and Key Results)** for your business:

1. Focus on one significant **Objective** in the next 13 weeks – give clear direction to your team
2. Measure what matters (**Key Results**) to help you achieve your goal – set measurable milestones to monitor progress

BONO loves focus too...

In 2004, Bono co-founded ONE – a global coalition of 11 organisations campaigning to end extreme poverty and preventable disease by 2030.

With such an ambitious goal, and so many passionate and talented people involved, the ONE CEO, David Lane, rightly said:

"We needed a process of discipline to keep us from trying to do everything"

And so, like Google, ONE worked out a key focus, agreed key measures and then shared them with everyone involved. A heady blend of passion, talent and disciplined focus. Like Bono says:

"...choosing one fight at a time and going at it with a vicious schedule"

So far, ONE has helped deliver nearly £40billion in funding for health initiatives. They've helped to almost halve AIDS related deaths and also halve the number of HIV infections in children.

Here are Bono's thoughts on OKRs:
"OKRs forced us to think clearly and agree on what we could achieve with the resources we had"

Google, Bono and the team at ONE learned the OKR lessons from another landmark success story – Intel.

Intel now control more than 70% of the Integrated Circuit market worldwide – demonstrating more evidence that OKRs work.

Less is more...

You already know that if you spread your time, effort, energy and team across too many projects you'll complete very little. Frustration will dominate your feelings.

Your results will be poor, your team disheartened.

...so, choose your priority

A definition – priority – one thing held as more important than others.

This means working out what you need to downgrade or exclude from your efforts for the next 13 weeks whilst you focus on your primary goal.

To join the ranks of Intel, Google and ONE, simply focus on one significant **Objective** in the next 13 weeks. What one primary goal do you wish to achieve in this quarter?

Key Results – time-sensitive and specific measurements to monitor progress in achieving your primary goal this quarter.

At the end of the quarter you then move on to focus on the next significant objective with key results for the following 13 weeks.

Important or urgent?

Most business leaders and managers will consistently say yes to requests from their customers, team and also to their own ideas. Their to-do list gets longer and longer with more and more urgent priorities.

However, a business only running on urgent priorities will perform less well in the long term than a business which also focuses on a strategic priority every 13 weeks. A strategic priority that may not be seen as urgent but is important to the growth of the business.

For example, you can put off hiring a key person for a couple of months or you can delay reorganising your stock control system for a whole year if you wish.

These strategic projects remain important and will probably hold your business back if you delay them.

However, these projects require large levels of commitment. Taking on more than one large project at any time may be paralysing without the resources to follow through - make one of them your primary goal for the next 13 weeks...and then move on to the next one next quarter!

Right time right place...

John Doerr author of the insightful book 'Measure What Matters' worked with Andy Grove, CEO of Intel and 'father of OKRs'.

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John witnessed how Grove turned Intel into the world's dominant integrated circuit producer – with the help of OKRs.

After leaving Intel, John invested in Google at its start-up phase and introduced OKR insights learned from his time working at Intel.

John later advised Bono and ONE on how to put OKRs to work.

Put 4 superpowers to work...

In 'Measure What Matters' - John talks about the 4 superpowers that result from the use of OKRs:

Superpower 1 – Focus and Commit to Priorities

High-performance businesses home-in on one priority.

They are equally clear on what doesn't matter for the next 13 weeks.

OKRs compel leaders to make hard choices on what to exclude from their focus for the next 13 weeks.

Build a list of things you should (or even must) do to improve your company's performance.

When you have your list, choose the one priority that will get full attention for the next 13 weeks.

Then move on to the next priority for the following quarter.

Superpower 2 – Align and Connect for Teamwork

Each OKR brings transparency about what's important this quarter.

OKRs also make everyone's goals—from the directors down – openly available for everyone to see.

As a result, every individual links their personal work goals to the company's clear priority. Teams and individuals coordinate efforts with each other.

With your company's clear priority identified, you can work with your people on what actions you and they are responsible for.

Superpower 3 – Track for Accountability

OKRs are driven by data. What measures will help you track performance?

You and your team will be energised by regular check-ins, objective grading, and continuous review – in a spirit of no-judgment accountability.

Should a key result look in danger of failing your reporting prompts action to get it back on track, or to revise or replace it if warranted.

Superpower 4 – Stretch for Amazing

OKRs motivate you to excel by doing more than you'd thought possible.

Bringing ambition to your quarterly priority infuses an energy and a striving to your thinking and actions.

By testing your limits and affording the freedom to fail, they release your most creative, ambitious selves.

Can you get your team's buy-in to a stretch goal like Bono and Google?

Using clearly defined and time-sensitive OKRs will channel everyone's efforts, and will bring a sense of purpose and unity to everyone in your business.

Are you now ready to set your business goals, every 13 weeks, so that you survive and thrive?

Take the next steps to identify one key objective from your list of priorities, and work out the key results to share with your people that will achieve your objective in the next quarter.

TIME TO DISAGREE

"Being open and transparent about performance results is new to us and will shock our people"

It pays to handle performance management carefully. Especially if it's new or hasn't worked in the past for you.

Try concentrating on **team activity** key results rather than individual activity measures.

Talk these activities through with your team and the key people so that you together work out measurable activities for everyone to achieve your key results and objective.

"Big business OKRs for tech companies just won't suit my small local business"

In John Doerr's book you'll find stories about OKRs working for pizza and healthcare companies, not just tech companies. On Doerr's website you'll see OKRs working for a single freelancer business and a university too! Does 'size of business' really matter? No.

A lack of focus derails individuals, businesses and even governments.

To achieve your goals requires focus.

You might have ambitious goals for your business. You might have grand plans to achieve them. But work overload (busy-ness) either prevents you getting started or slows you down.

Time scarcity holds businesses back from implementing change.

Setting a **single priority** for the next 13 weeks means most of the other (normal) work can get done and one important change priority can also get done ***at the same time***.

Set out to change three things or more and you'll continue to be swamped. Or you'll need a bigger team. Instead, focus.

"What if my team want more money when we start measuring performance?"

John Doerr points out that:

"Google is careful to segregate raw goal scores from compensation decisions."

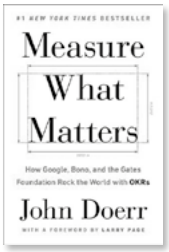
Ask your team to test the OKR process before getting into performance related payments.

Measures of Key Results don't show context, outside influences, other people's contribution and many other factors. Prove the OKR concept first and when you are successful, then you'll have the funds to say thank you to those that have contributed to the success.

NB the science of motivation shows that our **intrinsic motivation** (we all want to do a good job for the sake of doing a good job – purposeful work) is the most powerful motivation we all have.

There's lots of evidence showing that financial incentives can actually reduce intrinsic motivation.

"Please tell me more"



If you're serious about the success of your business, you should read John Doerr's book. He shares many more OKR stories and examples working for a wide selection of businesses, from healthcare to education, software to pizza.

Here's what Bill Gates, co-founder of Microsoft Corporation, says about John's book:

"I'd recommend John's book for anyone interested in becoming a better manager"

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4 helping hands for you…

Something as simple as making a priority focus for 13 weeks, sharing it across all your team and setting up ways to track activities and results sounds so obvious.

But most owners and managers are busy being busy. Good people being busy just want to get on with things. Planning is using valuable time up when they could be working!

However, by agreeing on one core focus (priority) for the next 13 weeks, it means you're doing what Google has done more than 80 times since they started up in the late 1990s! Worth giving it a go don't you think?

1. **Write out a list of ALL the goals you have for your business.**
2. **Choose ONE priority OBJECTIVE for you and your team to focus on in the next 13 weeks. Leave the other goals for another time.**
3. **Ensure everyone is clear on the handful of KEY RESULTS that together will deliver your OBJECTIVE. Work out how to benchmark and monitor these activities.**
4. **Make sure your leaders are seen and heard giving your company's OKRs their wholehearted and committed support and diary time.**

ULTIMATE ARGUMENT:

"How do I know that using OKRs will pay off for my business?"

Intel, Google, YouTube, a pizza company, a healthcare company, an educational homework service and many more examples suggests all businesses can use OKRs to help them grow.

It's worth testing and you can test it in 13 weeks! So why not give it a go?

If you need more convincing, get John Doerr's book and read the examples of OKRs working and how they did it.

STOP: thinking you can do multiple business projects at the same time

START: making hard choices and exclude all but one priority for the next 13 weeks

Your next steps:

When struggling with a mix of economic uncertainty, cash flow challenges and people issues, goals can seem like an unwanted luxury.

However many different types of businesses achieve real growth in volatile and difficult situations because they put OKRs to work. Like Google and ONE and others.

Freelancers, charities, educational organisations all make OKRs work too. This suggests that you too can survive and thrive by bringing real focus to 13 week goals - OKRs are...

...too valuable to ignore

Using the 4 superpowers suggested by John Doerr's experience at Intel, Google and ONE, move you and your business...

...from **'Could do'** all sorts

...to **'Must Do'** one thing

OKRs get all your people connected to your priority and remove any doubt what you're 'gunning' for this quarter. Very simple and very powerful.

More tools and information for you:

Download the supporting tools and resources for more help on using OKRs. You'll find links to video resources and other tools to help you implement OKRs – use the URL link in the box below.

Are you ready to choose business goals that help you survive and thrive?

The energy and enthusiasm you see at every sporting event would vanish if there was no hoop, goal post or try line to score.

Remove all ambiguity and doubt from your team about where you're heading, your goal (your OBJECTIVE), and what needs to be done to get there (your KEY RESULTS). And you'll be on the road to choosing the right goals for tumultuous times.

OKRs do not work in isolation from the culture of your business or the commercial realities of your sector or industry. But OKRs do raise the possibility of you succeeding in your sector. With quarterly OKRs Google beat 17 other established search engines, Intel beat Motorolla. ONE are beating AIDS in Africa. What can you achieve using OKRs?

Superpower 1 – Focus and Commit to Priorities

Build a list of things you should (or even must) do to improve your company's performance. When you have your list choose the one priority that will get full attention for the next 13 weeks.

Superpower 2 – Align and Connect for Teamwork

With your clear priority identified, work with your people on what actions you and they are responsible for. Make it clear for everyone.

Superpower 3 – Track for Accountability

OKRs are driven by data. Work out the activities and measures that will help you track performance.

Superpower 4 – Stretch for Amazing

Bringing ambition to your quarterly priority infuses an energy and a striving to your thinking and actions. Can you get your team's buy in to a stretch goal like Bono and Google?

Check out the downloadable tools for more on these insights and skills – use the URL link in the box below.

YOUR SUPPORT TOOLS ARE HERE: Go to the link below and you'll find a selection of practical support tools to help you survive and thrive with the help of quarterly OBJECTIVES and KEY RESULTS for your business.

Find the support tools to help you here - www.businessbitesize.com/anthony_russel

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Quarterly OKRs

Support tools and resources

How often should you set goals for your business to survive and thrive?

You already know that if you spread your time, effort, energy and team across too many projects you'll complete very little. Frustration will dominate your feelings. Your results will be poor, your team disheartened.

Instead, work out what to focus on, and what NOT to focus on for this quarter.

Google, Intel, a pizza company, a sole-owner designer and many more companies have seen the power of having a clear business priority each quarter. You can do the same.

What is the single priority focus for your business this quarter?

To help you answer this question, here are a few insights, tools and exercises so that you can 'nail' your priority for the next 13 weeks in your business and behave a little more like Google, or Intel, or Bono!

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1. **The one 'BREAKTHROUGH QUESTION' you must ask to help you…**
2. **OKRs defined – be clear on where you're going and how you measure progress**
3. **What do OKRs look like in real life?**
4. **Googles execution of OKRs**
5. **Bono puts the magic of OKRs to work too...**
6. **The book and other resources**

STOP thinking you can do multiple business growth projects all at once

START making hard choices and exclude all but one priority for the next 13 weeks

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Quarterly OKRs

Support tools and resources

1. The one ‘BREAKTHROUGH QUESTION’ you must ask to help you…

If you set out to change three important things in your business in the next 13 weeks, you’ll end up diluting your focus and will feel swamped by multiple projects. Alternatively, you can try recruiting a bigger team and tackle more priority projects, but won’t that simply add yet another ‘to-do’ to your list?

Instead, work out what to focus on, and what NOT to focus on for this quarter.

Your answer to this question tells you whether you and your team are clear on the single business priority you have this next 13 weeks in your business:

What do your team say is the single priority focus for your business this quarter?

Where is the value in this question?

The value in this question lies in knowing you have worked out the single focus for your business tis quarter.

It also tells you whether your priority has been clearly communicated with everyone in your business.

The Bitesize Business Breakthrough that accompanies these tools and the exercises and insights you have below will help you work out your business priority (and then share it with everyone).

NB. This quarterly focus means that at the end of 13 weeks you then have a decision to make - depending on how successful you’ve been in achieving your objective –

- run the project for a further 13 weeks to get your objective ‘over the line’
- move on to focus on the next significant objective with key results for the following 13 weeks.

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2. OKRs defined – be clear on where you're going and how you measure progress

OKR stands for Objectives and Key Results.

An objective is a qualitative statement about what you want to achieve.

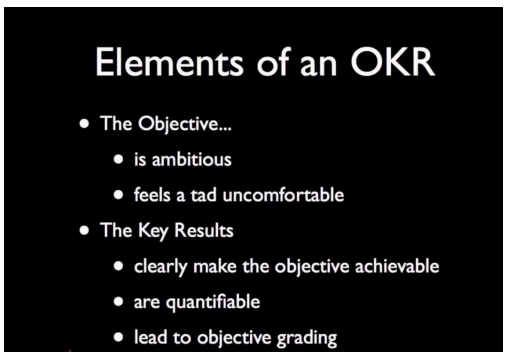
A key result is a quantitative definition of what success looks like. It's how you plan to measure the key activities that drive you to achieve your objective.

Examples:

OBJECTIVE:	I want to eat more fruit and vegetables
KEY RESULT:	Writing down the consumption of fruit and vegetables every day in your daily food diary – noting the change.
OBJECTIVE:	I want to get fit
KEY RESULTS:	Lose 5 lbs – exercise 4 times a week for 20 minutes or more – No dairy for 13 weeks
OBJECTIVE:	Win 5 new 'A' grade clients
KEY RESULTS:	Hold referrals conversations with every existing client – Adopt 2-meeting strategy with all prospects – Use 3-option pricing with every prospect - record the results
OBJECTIVE:	Improve on-time delivery
KEY RESULTS:	1. Stock-check raw materials are available on receipt of every order 2. Start two new delivery contractors in Scotland 3. 'Red flag' all orders with less than 2 weeks to delivery date

Objectives are always qualitative and aspirational. They are something that you, your team, or your organisation aim to achieve (and should not contain numbers!)

Key Results are always quantitative. They will tell you if you have achieved your objective, so they should be measurable to avoid any doubt. Even Yes / No key result is (really) numeric since the outcome is binary. For example, "Pass an exam" is a valid numeric key result which can have for values either Yes (1) or No (0).



More help. Here is a link to a very helpful 'playbook' to help you install OKRs in your business. Worth looking to help you engage with your team and give your OKRs the best chance of success at improving the results of your business.

'The ultimate OKRs playbook – written by Gtmhub – http://bit.ly/OKRsplaybook

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3. What do OKRs look like in real life?

In the business and accountancy world Intuit and QuickBooksOnline are a major worldwide success (you may have seen their TV adverts).

Intuit have been another success story and recognised user of OKRs.

Here's an example Intuit OKR shared by John in his book:

OBJECTIVE Deliver awesome end-to-end workforce technology solutions and strategies.
KEY RESULTS
1. Implement 'Box' (file sharing) pilot for first 100 users by mid-quarter.
2. Complete 'BlueJeans' (video conferencing) rollout to final users by end of the quarter.
3. Transfer first 50 individual account 'Google Doc' users to enterprise account by end of the quarter.
4. Finalize 'Slack' (team messaging) contract by end of month 1 and complete rollout play by end of the quarter.

The important strategic priority of providing a worldwide solution to its customers fuelled Intuit to focus on aligning and authenticating a suite of tools for maximum team interaction and connectivity.

Focusing and integrating these tools into a single authentication system allowed people to focus on their work rather than figuring out which tools to use, these 4 key results helped achieve the overall objective to deliver awesome end-to-end workforce technology solutions and strategies.

Throughout John Doer's book – 'Measure What Matters' – you'll find many examples of OKRs like the Intuit example above. It's worth grabbing a copy and immersing yourself in the achievements other companies have created, thanks to the use of OKRs.

Here is a link to get the book from Amazon: http://bit.ly/Measurewhatmatters

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4. Googles execution of OKRs…

Do you want to dive into the detail on how Google set their OKRs every 13 weeks (they've done this every quarter for the last 20 years!)?

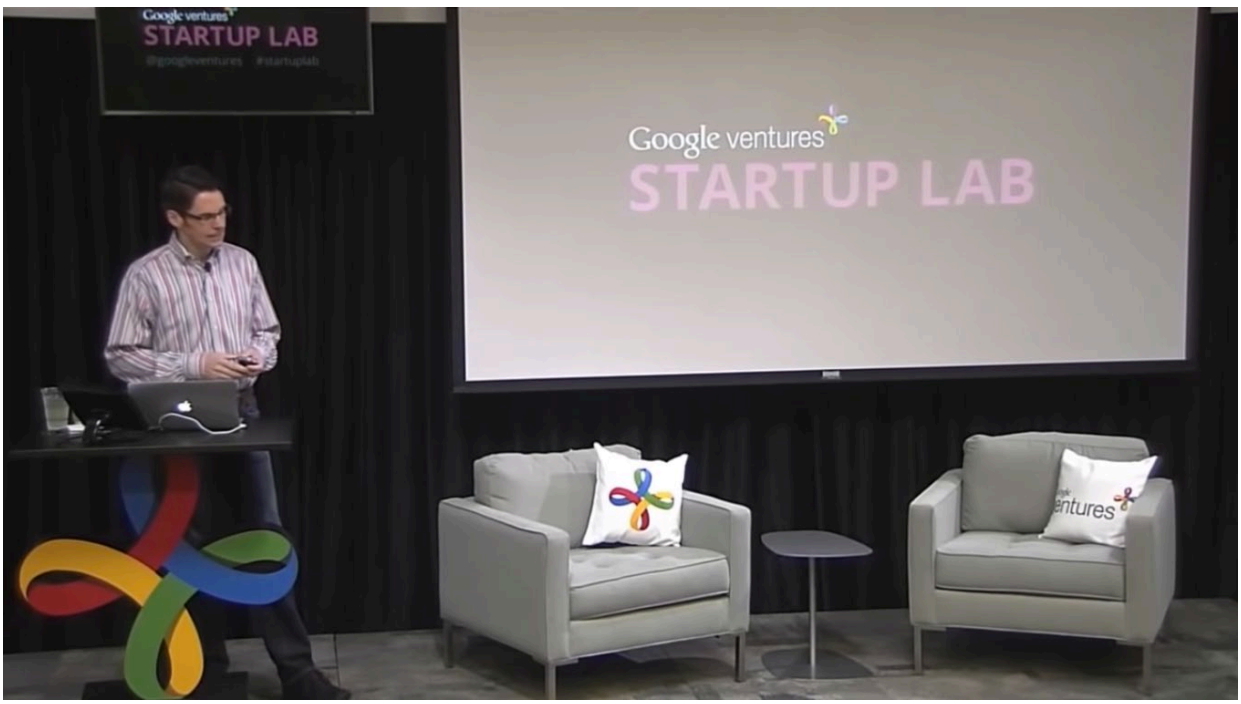
What's neat about this video is that it describes Google's early approach to OKRs and how they used them to kick-start the amazing success experienced by Google.

As Rick says:

"Google wasn't Google when it started using OKRs..."

Here's Rick Klau sharing a whole raft of detailed insights into how Google execute their OKR process:

http://bit.ly/GooglesOKRs



If you want a quick summary of a few key insights from Klau's deep-dive detailed video, check out this page which shares a few key slides from Klau's slide deck and drills down into a few valuable details to help you put your OKRs to work successfully:

https://www.businessinsider.com/googles-ranking-system-okr-2014-1?r=US&IR=T

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5. Bono puts the magic of OKRs to work too...

Bono is an unlikely user of OKRs, but his experience of helping create the charitable organisation 'ONE' has two significant, meaningful and ambitious OBJECTIVES:

a. Universal access to anti-HIV drugs

b. Debt cancellation

On this TED video you'll see and hear the author of the book 'Measure What Matters' share a few profound insights that add to your learning and your confidence in the power of OKRs.

John showcases Bono talking about OKRs (go to 5.45 on the video if you want to hear Bono first – then rewind to watch the whole piece) – http://bit.ly/JDTTOKRs

Here's part of what Bono says:

> *"If the heart doesn't find a perfect rhyme with the head, then your passion means nothing.*
>
> *The **OKR framework cultivates the madness**, the chemistry contained inside it. It gives us an environment for risk, for trust, where failing is not a fireable offence."*

And given the halving of child HIV infections thanks to the efforts of 'ONE', Bono and his colleagues are proving the true value of using OKRs.

What could they do for you and your business?

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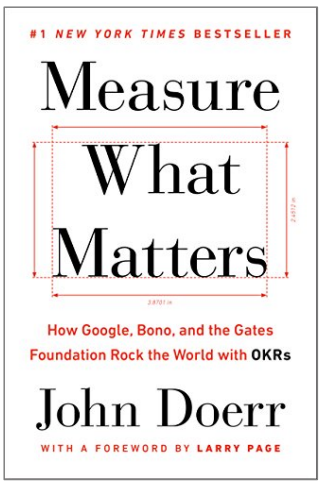
6. The book and other resources

If you want your business to succeed and are keen to use OKRs as a way of focusing on one priority, then start by reading this brilliant and insightful book. Measure What Matters by John Doerr.



Measure What Matters is about using Objectives and Key Results (OKRs), a revolutionary approach to goal setting, to make tough choices in business.

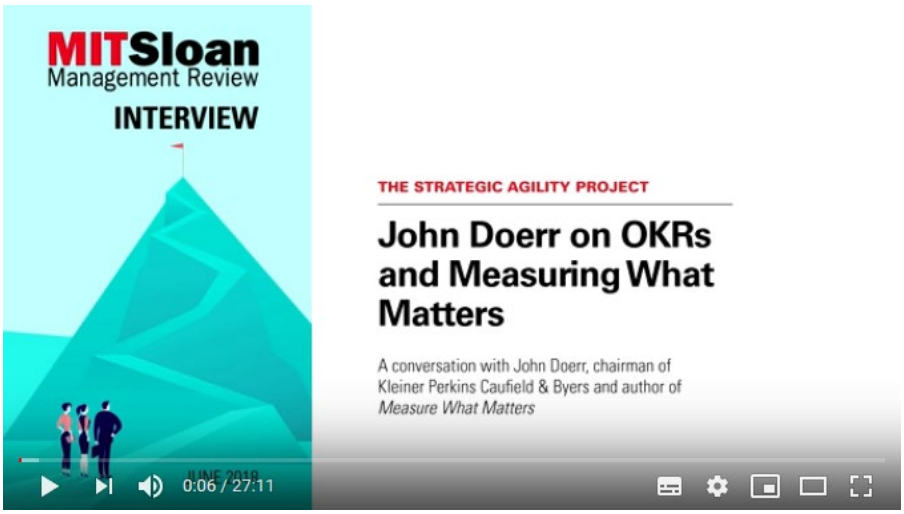
As with John's philosophy, the execution of defining both Objectives and Key Results is the main focus. Through the many case studies featured in the book, John demonstrates how the OKR strategy has been successfully implemented in well-known and successful technology companies - this is clear in the Google OKR playbook section near the end of his book where he says Objectives and Key Results written poorly are a waste of time.

'Management magic....Measure What Matters is a must read for anyone motivated to improve their organisation' - Former Vice President Al Gore, chairman of the Climate Reality Project

Here is a link to buy the book: http://bit.ly/Measurewhatmatters

And if you want a more in-depth explanation in to how to make OKRs work in your business then watch this interview with John Doerr and he digs into some of the issues holding businesses back and talks about how implement focus and direction to your business priorities.

http://bit.ly/JDinterviewMWM



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