



Task 5

Implement & Optimize

Plan the implementation of the new unit by using Objectives and Key Results.

Implement & Optimize: Develop OKRs for FABREX

Develop concrete goals across different departments to generate a change implementation plan

In the last module, the design of FABREX' new organizational structure has been approved by the Executive Board. Now we need to start implementing the transformation process. Therefore, we need to develop a concrete plan. The Executive Board at FABREX has decided that they want to use Objectives and Key Results (OKRs) as a new leadership tool in the future. To get everyone on board with this new style of working, you decide to use the OKR system to plan the different steps of the change process and to measure its success.

Task 5 part of the FABREX simulation comprises the following elements:

- 1. Understanding the concept of Objectives and Key Results**
Goal: Everybody of the class should understand what OKRs are and how they should be developed.
- 2. OKR Workshop**
Goal: Develop first OKRs to implement the change at FABREX
- 3. The Idea of Alignment & the Alignment Workshop**
Goal: Bring all OKRs together and align them with the company's goals.

Tasks of bonus program participants

Your task comprises the following points:

Each of them is described in more detail on the subsequent pages.

You – as change consultant – will work together with key stakeholders of FABREX. **Your task is to guide them through the day to develop OKRs for FABREX' first OKR cycle. This includes the following aspects:**

1. Develop a short presentation about OKRs so that everybody understand what this is about.
2. Conduct the OKR workshop together with the class.
3. Introduce the concept of alignment in the context of OKRs.
4. Conduct the alignment workshop to define the steps for FABREX' change process.

Implement & Optimize: Develop OKRs for Fabrex

Agenda of the session

Timing (hrs:min)	Content
00:00 – 00:05	Welcome and introduction Welcome everyone to class and start with the following points: <ul style="list-style-type: none"> - What happened last week? - Goals of the day
00:05 – 00:20	Presentation Part 1: Objectives and Key Results Give a short presentation about Objectives and Key Results (10-15 minutes).
00:20 – 01:20	Workshop Part 1: Developing OKRs for the FABREX change process Guide the class through the OKR workshop (find more information on page 5 & 6).
01:20 – 01:30	Presentation Part 2: Alignment Present the concept of alignment in the context of OKRs (around 5 minutes).
01:30 – 02:00	Workshop Part 2: FABREX' first Alignment Workshop Guide the class through the alignment workshop to finalize the first set of OKRs for Fabrex. (Find more information on page 7).
02:00 – 02:20	OKRs in practice (done by lecturer) Some more insights about how OKRs work in practice. This part will be covered by the lecturer – so, nothing to prepare on your side.
02:00 – 02:45	Method debrief and outlook (done by lecturer) This part will be covered by the lecturer – so, nothing to prepare on your side.

Note: The agenda does not yet include a break. It is your responsibility to schedule this as well.

Presentations: Working with OKRs

Prepare a short presentation to explain OKRs

Task 5a: Prepare a short presentation on OKRs

Your first task is to prepare a short presentation about Objectives and Key Results (around 10 – 15 minutes). To prepare the contents, feel free to use the information compiled in this booklet. Wherever you think it makes sense, feel free to do some more in-depth research and add more information. Ideally, you also bring some examples of good OKRs (you can find many exemplary OKRs online).

Generally, your presentation should comprise the following parts:

1. What are objective and key results (OKRs)?
2. The purpose and benefits of using OKRs as a management tool
3. Setting good objectives and key results (quality criteria)
4. How to implement OKRs in organizations

After the presentation, everybody in the class should understand the basic concept of OKRs and be equipped to develop own OKRs for FABREX.

After this presentation, conduct the first part of the workshop: “Developing OKRs for the FABREX Change Process”.
(see more information on page 5 & 6)

Task 5b: Prepare a short presentation on OKR Alignment

After the OKRs have been developed by individual departments, they need to be aligned with the overall company OKRs and amongst each other. Give a short presentation (around 5 minutes) about the concept of alignment in the context of OKRs that answers the following questions:

1. What is meant by “OKR alignment”?
2. What is an OKR alignment workshop?
What are the goals?
Who should participate?
How does it typically work?

After this presentation, conduct the second part of the workshop: “FABREX’ First Alignment Workshop”.
(see more information on page 7)

Workshop 1: Developing OKRs for the FABREX Change Process

Plan the Change Process at FABREX with OKRs

Task 5c: Facilitate the OKR workshop

The scenario for this workshop is as follows:

The design of FABREX' new organizational structure has been approved by the Executive Board. Also, based on the Change Vision Statement and the processes of the past month, the Executive Board has already set two strategic Objectives and Key Results on the company level (see on the right).

Today, the key departments that are part of the change process come together to set specific goals (OKRs) **for the next three months (one OKR cycle)** to help the new department take off. The present departments are (1) Communications, (2) People & Organization, (3) Strategic Foresight (future employees of the new unit).

The goal of the workshop is that every departments develop OKRs to implement the change process. Of course, the developed OKRs should contribute to the overarching company goals, too.

Find a proposed agenda for the OKR workshop on the next page.



These OKRs have already been set by the executive board.

Workshop 1: Developing OKRs for the FABREX Change Process

Plan the Change Process at FABREX with OKRs

Task 5c: The OKR Workshop Agenda

1. Present the group the company OKRs so that everybody knows them.
2. Divide the class into groups (around 3 people/ group) and assign them to the different departments.

OKR Development

1. To start, each group gets around 5-7minutes to broadly brainstorm on important tasks/ steps and goals from the perspective of their department (yellow Post-Its). *Guiding question: What is needed from our side for the new department to take off?*
2. Based on their brainstorming, each group develops 2-3 objectives and related key results for their department. (Around 15-20 minutes)

OKR Feedback

After all groups are done, conduct a feedback round. Therefore, everybody gets 10 minutes to read through all OKRs of all departments and give feedback on them (green post-Its).

Guiding questions for feedback: Are the OKRs clearly formulated? Are the objectives inspirational? Are they key results measurable? Does the OKR fit to the company vision? Can the key results be achieved in the next three months?

OKR Revision

Based on the feedback, the individual departments get another 10 minutes to revise and refine their OKRs.



1 | Choose your initiative

The design of Fabrex' new organizational structure has been approved by the Board. Now you can start implementing the transformation process. Therefore, you need a concrete plan. The Executive Board at Fabrex has decided that they want to use OKRs as a new leadership tool in the future. To get everyone on board with this new style of working, you decide that you will already use the OKR system to plan the different steps of the transformation process, measure its success and build a system for continuous improvement in the future.

Step 1 - Pick one of the three areas below for which you would like to develop a change implementation plan:
Drag & drop the emoji-hand to indicate which area you choose.

- Communication**
Plan the communication along the transformation process so that everyone in th company knows what is going on.
- People & Organization**
Plan the recruiting of the new employees. Plan the transfer for people from within FABREX. Help everybody to onboard as quickly as possible.
- First Project: Strategic Foresight**
Plan the first project development of fut an input for future

Step 2 - Brainstorm about your chosen area. What are important tasks and steps that need to be done.

2 | Development of OKRs

Develop 3 Objectives + Key Results for your chosen area.
What are the goals for the next three months (Objectives) and how would you measure their achievement (Key Results).
Remember that **Objectives** should be qualitative, ambitious and motivating.
Key Results should be quantitative, measurable and output-oriented.

Objective 1
Write your objective here
Key Results
KR 1
KR 2
KR 3

Objective 2
Write your objective here
Key Results
KR 1
KR 2
KR 3

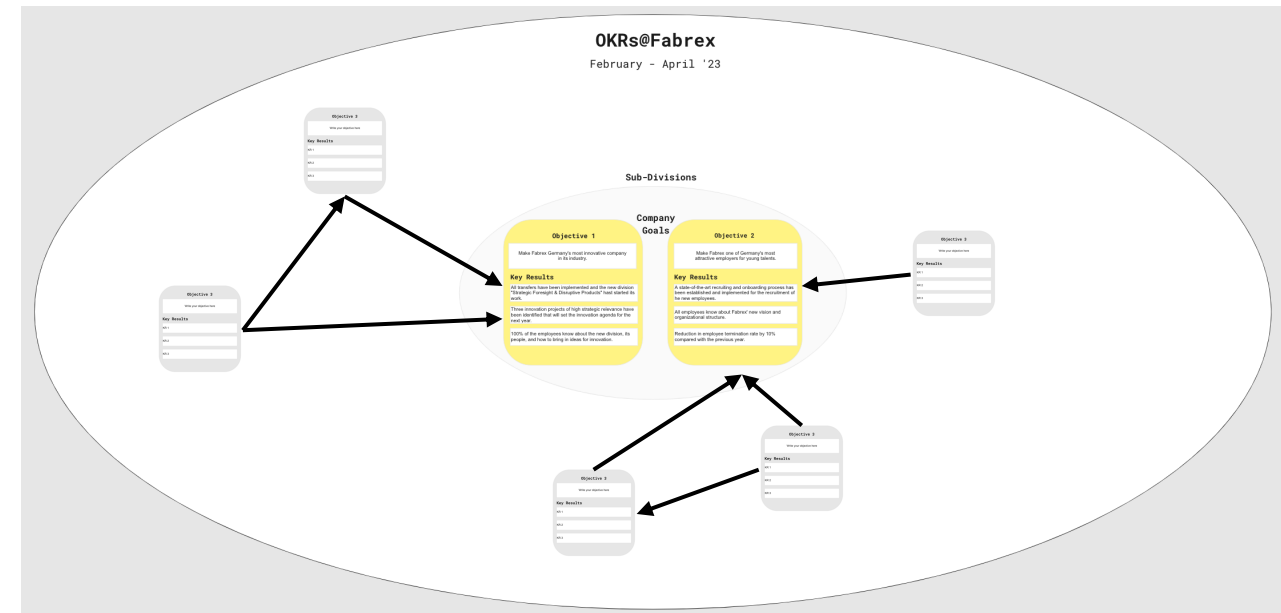
Objective 3
Write your objective here
Key Results
KR 1
KR 2
KR 3

Workshop 2: OKR Alignment Workshop

Plan the Change Process at FABREX with OKRs

Task 5d: The OKR Alignment Workshop (around 30 minutes in total)

1. The different departments copy-paste their developed and refined OKRs to the company board (see screenshot on the right).
2. By drawing arrows between them, they show which other OKRs their own OKRs are connected to. Each departmental OKR should contribute to at least one of the corporate OKRs.
3. Every OKR should be assigned one OKR owner (artificial FABREX employee) who will be responsible for its implementation.
4. The different 'department heads' (need to be assigned) present their OKRs to the class and show the interconnections between them.
5. In a final discussion, possible challenges of implementation are discussed and worked out.



After that, you can officially announce that now everything is ready for the implementation of the transformation.

What is a Change Implementation Plan?

Plan and implement change processes

A change implementation plan is a document or set of documents that outlines the steps, resources, and timeline for implementing a specific change within an organization. It is a detailed plan that outlines the steps that need to be taken to successfully introduce and implement a new process, system, policy, or other change within the organization.

The purpose of a change implementation plan is to ensure that the change is introduced smoothly, efficiently, and with minimal disruption to the organization. It should include a clear timeline for implementing the change, as well as a detailed breakdown of the resources and steps that will be required to implement the change successfully.

Overall, a change implementation plan is an important tool for ensuring that changes are introduced smoothly and efficiently, and that they are aligned with the overall goals and strategy of the organization.

There are many different ways to develop a change implementation plan. In this simulation, we will use the OKR system to plan the change process and align all activities.



Toolbox

A change implementation plan may include a range of different elements, including:

- 1. *The purpose of the change:*** This may include a description of the problem or opportunity that the change is intended to address.
- 2. *The scope of the change:*** This may include a description of the areas or systems that will be impacted by the change.
- 3. *The resources required to implement the change:*** This may include a list of the people, equipment, and other resources that will be required to implement the change.
- 4. *The steps required to implement the change:*** This may include a detailed breakdown of the tasks that need to be completed to implement the change, as well as the order in which they should be completed.
- 5. *The timeline for implementing the change:*** This may include a timeline that outlines the key milestones and deadlines for implementing the change.
- 6. *The risks and challenges associated with implementing the change:*** This may include a list of potential risks and challenges that could arise during the implementation process, as well as a plan for how to address them.

What are Objectives and Key Results?

OKRs are an efficient tool to guide processes and empower everyone to work towards a common goal

Objectives and Key Results (OKRs) is a goal-setting framework that helps organizations set clear, measurable goals and track progress towards achieving them. It is designed to be a flexible, yet powerful way to align the efforts of individuals and teams with the overall goals and objectives of the organization.

OKRs are typically set on a quarterly or annual basis, and consist of two parts:

Objectives: These are the high-level goals that the organization or team is trying to achieve. Objectives should be challenging and ambitious, yet achievable. They should also be specific and measurable.

Key Results: These are the specific, measurable targets that will be used to track progress towards achieving the objectives. Key results should be quantifiable and should be used to measure the impact of the work being done.

The OKR process involves setting a small number of objectives, typically no more than three to five, and then identifying a set of key results that will be used to measure progress towards achieving those objectives. These key results should be challenging, yet achievable, and should be updated regularly to reflect progress towards the objectives.

OKRs are designed to be flexible and adaptable, and they can be used by organizations of all sizes and in any industry. Objectives and Key results (OKR) is a goal-setting methodology driven by outcomes. Using OKRs encourages alignment, transparency and accountability through measurable goals.

“A management methodology that helps to ensure that the company focuses efforts on the same important issues throughout the organization.”



John Doerr

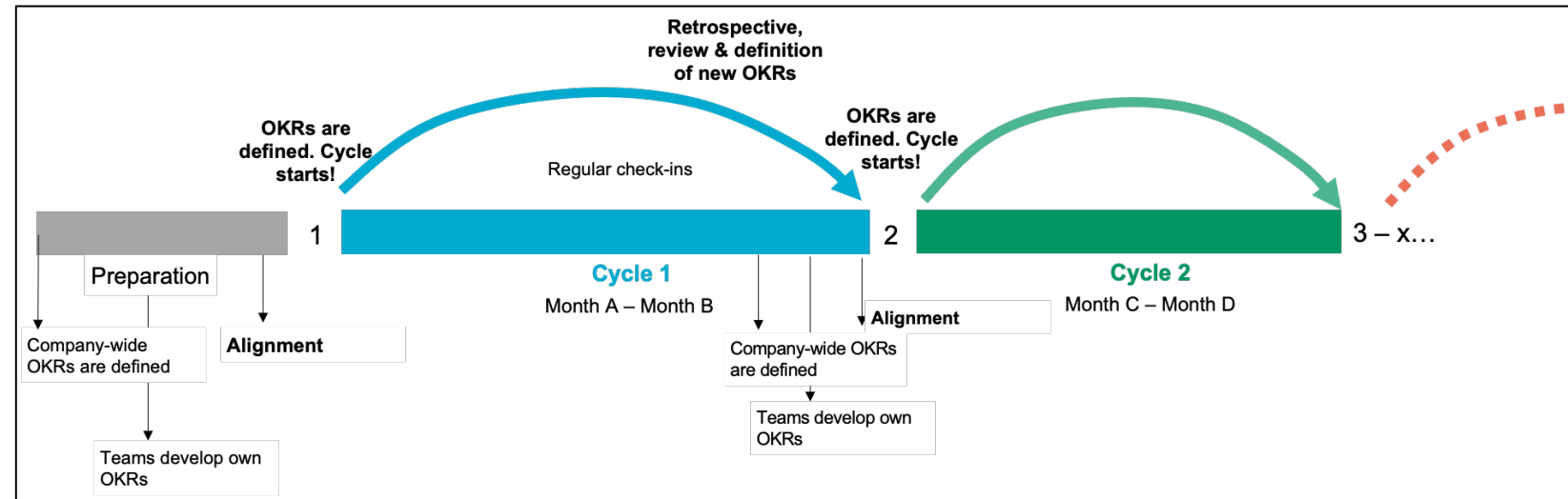
What are Objectives and Key Results?

OKRs are an efficient tool to guide processes and empower everyone to work towards a common goal

THE OKR Process – A Strict System

The OKR cycle is the process of setting, reviewing, and adjusting OKRs on a regular basis, typically quarterly. By following the OKR cycle, organizations can set clear goals, track progress, and make adjustments as needed to stay on track and achieve their objectives.

Here are the steps involved in the OKR cycle:



- 1. Setting OKRs:** This involves identifying the objectives (high-level goals) and key results (measurable outcomes) that an organization or team wants to achieve. In an alignment workshop, company-level and departmental OKRs are aligned.
- 2. Communicating OKRs:** Once the OKRs have been set, they should be communicated to all team members so that everyone is aware of what needs to be achieved and can work towards these goals.

- 3. Tracking progress:** As work is being done to achieve the OKRs, it's important to regularly track progress and identify any challenges or roadblocks that may be preventing the team from achieving the key results. This is done via regular check-ins.
- 4. Reviewing and adjusting OKRs:** At the end of the OKR cycle, the team should review the progress made and adjust the OKRs as needed for the next cycle. This may involve setting new OKRs or modifying existing ones to better align with the team's current goals and capabilities.

What are Objectives and Key Results?

OKRs are an efficient tool to guide processes and empower everyone to work towards a common goal

Working with Objectives and Key Results

Objectives and Key results (OKR) is a goal-setting methodology driven by outcomes. Using OKRs encourages alignment, transparency and accountability through measurable goals.

Objectives are outcomes that reflect current business priorities.

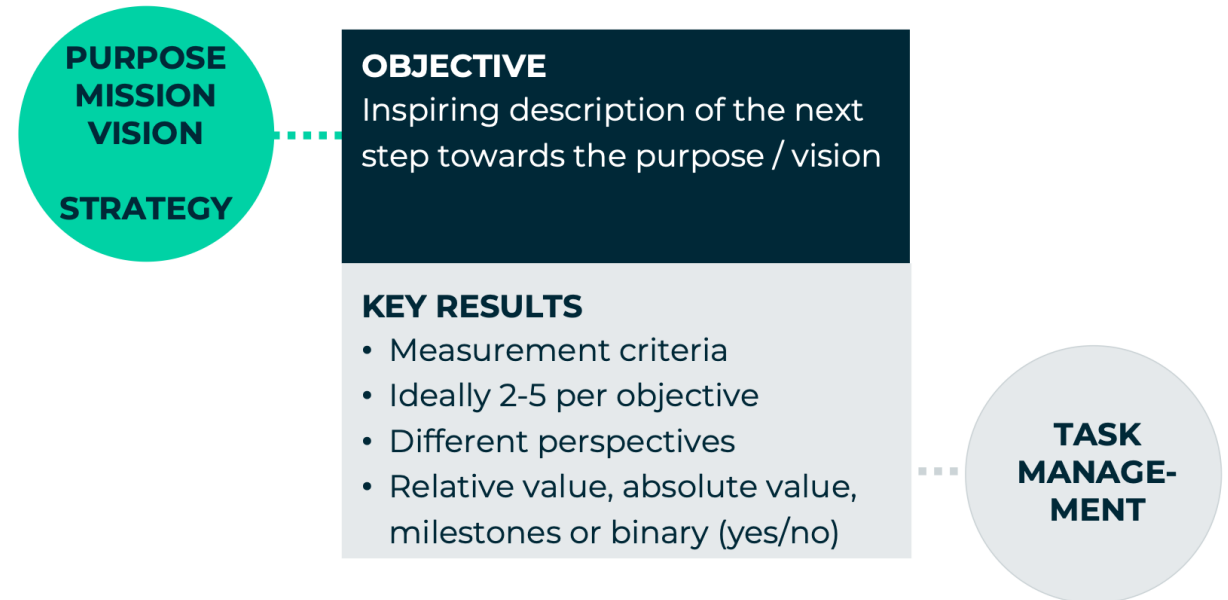
They should:

- Be time-based (i.e., with a due date), non-numeric (qualitative) and aspirational
- Answer the question, “What am I working towards?”
- Empower and promote collaboration and cross-functionality
- Have a clear subject, object and corresponding journey

Every objective has corresponding key results, which should:

- Be measurable with a clear start or end point
- Utilize a threshold or delta to measure change (i.e., from x to y)
- Be the end result of a series of tasks, but not the tasks themselves
- Should be output oriented
- Answer the question, “How do I know if I have achieved my outcome?”

Every key result has supporting projects that have their own to-do tasks but are separate from OKRs.



Developing Good Objectives

OKRs are an efficient tool to guide processes and empower everyone to work towards a common goal



Description of a desirable future



Qualitative (not measurable)



Focus on customer value



Maximum of 5 objectives per business unit



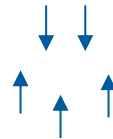
Higher-level and closed work packages



Derived from strategy, long-term goals and team needs



Balance: inspiring, ambitious and achievable



60% Bottom-Up (operations) und 40% Top-Down (strategic)



Realizable in one cycle

Developing Good Key Results

OKRs are an efficient tool to guide processes and empower everyone to work towards a common goal



**Results:
No milestones or tasks**



Maximum of 5 Key Results per Objective



Describe how the objectives will be achieved



Quantitative and measurable



Time limited



Ambitious and feasible



Key performance indicators that can be influenced



Very specific (avoid imprecise words like "implement").



Accepted by stakeholders

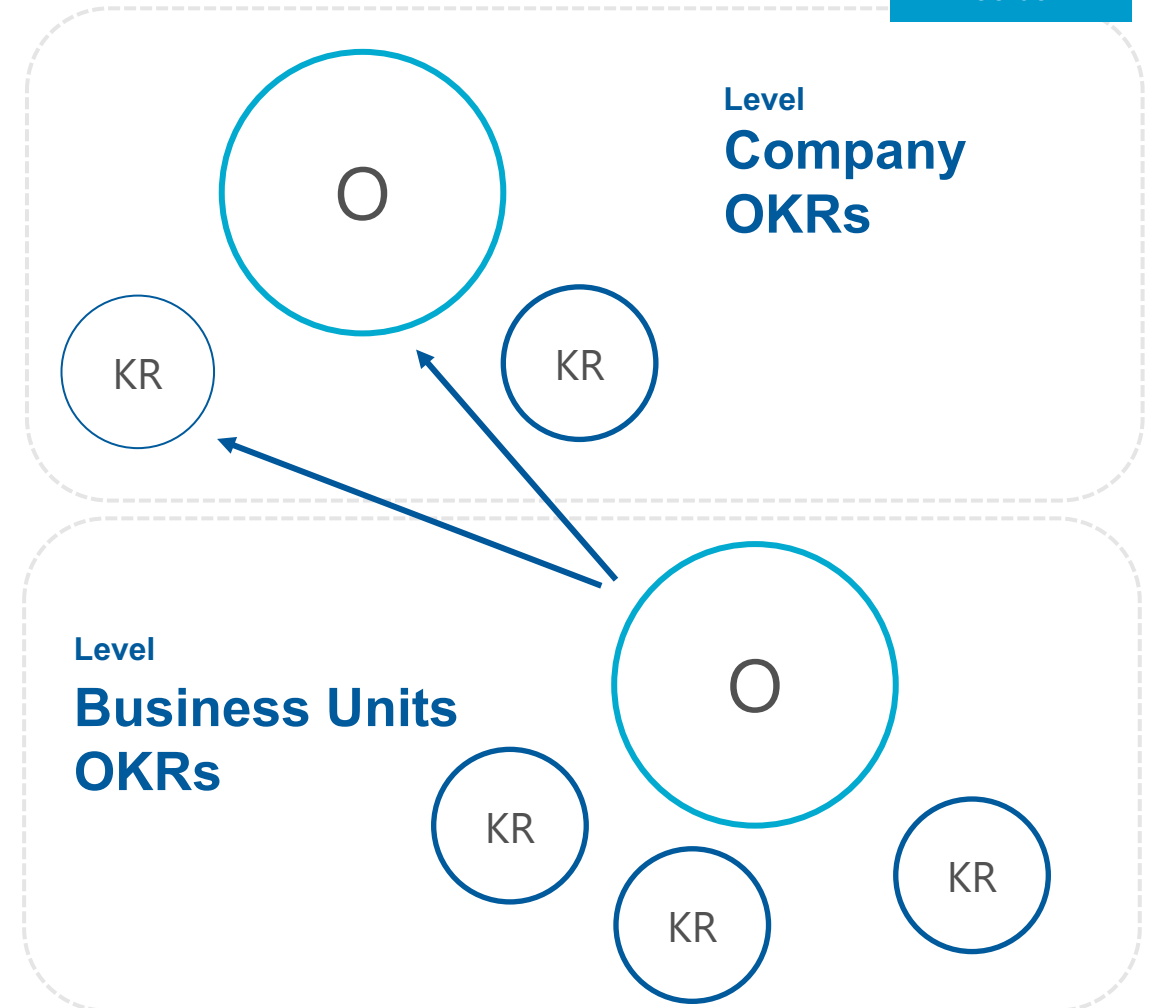
Alignment of OKRs across teams

OKRs are an efficient tool to guide processes and empower everyone to work towards a common goal

In the context of OKRs, alignment refers to the degree to which the objectives and key results of an individual or team are connected to, and support, the overall goals and objectives of the organization. Effective alignment of OKRs is important because it helps ensure that the efforts of individuals and teams are focused on achieving the right goals, and that these goals are aligned with the overall strategy and direction of the organization. When OKRs are aligned, it becomes easier for individuals and teams to understand how their work fits into the bigger picture, and it becomes easier for the organization to track progress towards its goals.

There are several ways that organizations can ensure alignment of OKRs, including:

1. Setting clear, measurable objectives that are aligned with the overall goals and strategy of the organization.
2. Ensuring that key results are quantifiable and measurable, and that they are used to track progress towards achieving the objectives.
3. Regularly reviewing and updating OKRs to ensure that they remain aligned with the overall goals and strategy of the organization.
4. Communicating clearly and regularly with individuals and teams about the OKRs and how they fit into the overall goals and strategy of the organization.
5. Encouraging open communication and collaboration between different teams and departments to ensure that OKRs are aligned across the organization.



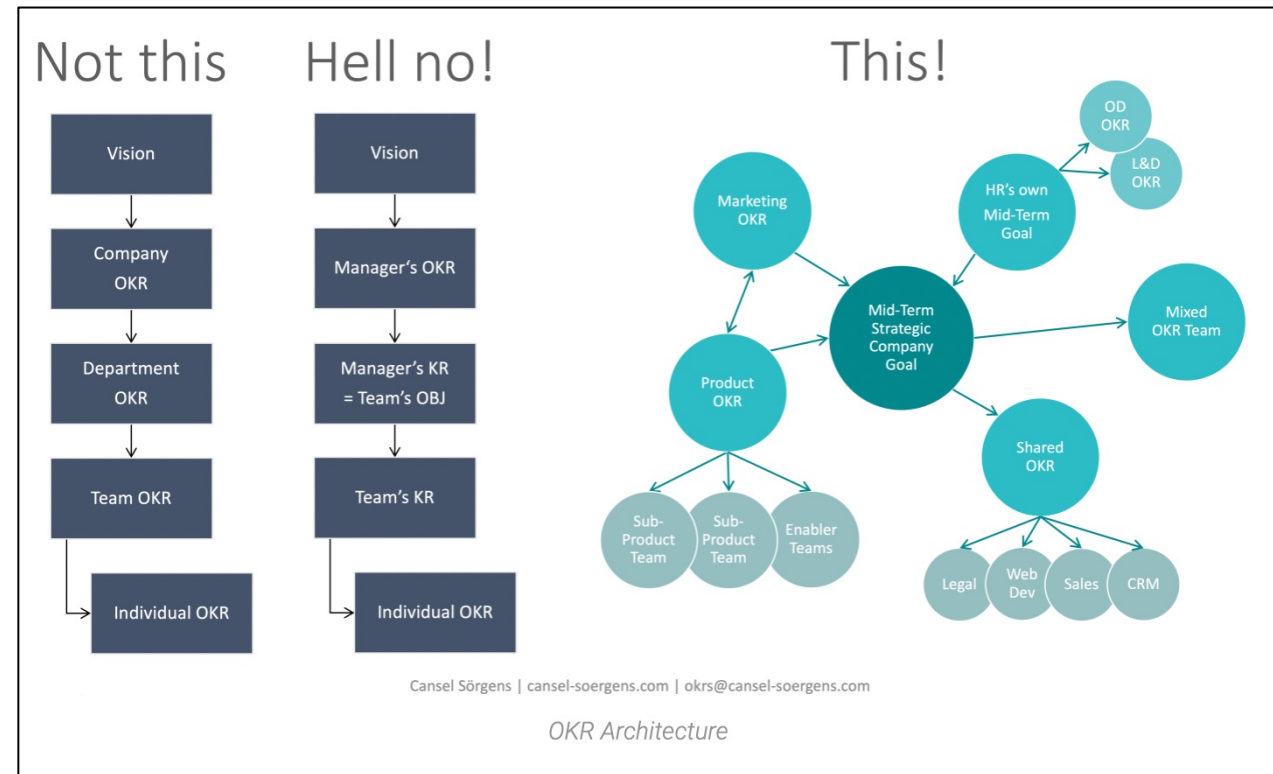
Alignment of OKRs across teams

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The Alignment Workshop

An alignment workshop for OKRs is a meeting or series of meetings that is focused on ensuring that the objectives and key results (OKRs) of an individual, team, or organization are aligned with the overall goals and strategy of the organization. There are many different ways that an alignment workshop for OKRs can be structured, but some common elements may include:

- 1. Reviewing and updating the organization's overall goals and strategy:** This may involve reviewing the current OKRs, as well as any other goals or objectives that the organization has set.
- 2. Setting new OKRs:** This may involve brainstorming and discussing potential objectives and key results and identifying the ones that are most important and aligned with the overall goals and strategy of the organization.
- 3. Aligning individual and team OKRs with the organization's goals:** This may involve reviewing the OKRs of individual team members and teams and ensuring that they are aligned with the overall goals and strategy of the organization.
- 4. Communicating and aligning OKRs across the organization:** This may involve sharing OKRs with other teams and departments and discussing how different teams and departments can work together to achieve the organization's goals.
- 5. Tracking progress and adjusting OKRs as needed:** This may involve setting up systems for tracking progress towards achieving OKRs and adjusting OKRs as needed based on progress or changes in the organization's goals and strategy.



Developing Objectives and Key Results

Tips for OKR implementation



Toolbox

7 tips on how to set your objectives and key results

1. Keep it Simple

Focus on objectives you know you can achieve in the given timeframe. Prioritize your objectives according to what the business needs most. There's no magic number for how many objectives you should have — it depends how complex they are, as well as the time and resources available.

2. Be Specific

When setting objectives, brainstorm different ways you can reach the end result. Draw out your action plan to be more specific on how to achieve your objective. For each key result, think about how performance can be evaluated. The more specific you are, the clearer expectations will be. Concise objectives mean you'll know exactly what's needed to complete your goals.

3. Cascade Your Objectives

A common problem for setting objectives is struggling to see how employees' jobs contribute to overall organizational goals and success. How does a payroll clerk help their company reach 10,000 users? The solution is to cascade your objectives: from an organization level, to the department level and finally to an individual level.

3. Make it Measurable

Key results need a unit of measurement. It doesn't matter what: it could be to write 10 blogs per month or to reach \$10,000 in revenue. What you're trying to avoid is a situation where you're not sure whether a goal has really been reached or not.

4. Don't Worry About Stretch Goals

Goals should be attainable yet challenging. Sometimes managers worry that easy goals will be de-motivating. But are stretch goals a good idea? It all depends how realistic they are. Ambitious goals are great, but don't set employees up for failure.

5. Break Key Results into Smaller Goals

Create mini-goals within your key results. Knowing what you have to do to achieve your key results makes objectives more specific. These mini-goals act as milestones through your progress.

6. Celebrate and Recognize

Reward and recognize yourself and others when a milestone has been reached. Positive reinforcement helps sustain best practice. Don't wait until the very end of an objective to recognize effort—celebrate incremental progress too. Encourage all co-workers to share their OKRs publicly and create a support system within your team.