LEADERSHIP SPRINTS WITH OKR

Three goals. No mind holds more.

How strategic intentions turn into quarterly results

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What are OKRs?

OKR stands for Objectives and Key Results — a goal framework in two parts. The **objective** describes what is to be achieved, in one sentence people remember. The **key results** are the measurable outcomes that show whether it has been achieved. Not activities, but effects.

The framework originated at Intel under Andy Grove and came to Google via John Doerr. Today companies from FlixBus to mid-sized firms work with it. Two rules make the difference: no more than three objectives at a time, and a three-month rhythm.

Leadership sprints is our name for applying this framework at the leadership level: all key people come together every quarter, analyze progress, plan the measurable results for the next quarter and assign responsibilities. In between, a cross-functional team works on the key results in a largely self-organized way.

The unpleasant news first

Nine out of ten strategic initiatives fall short of expectations; the Federation of German Management Consultants puts the share of programs that fail completely at one in four. Asked for the reasons, people name the same five again and again, sorted by how often they are mentioned:

- **A lack of clear goals and vision.** A strategy without inspiring goals leads to confusion and disorientation.
- **Resistance to change.** Strategy execution requires changes in the organization that meet resistance.
- **Unclear responsibilities.** Where responsibilities are not defined, confusion and duplicated work arise.
- **Poor communication and transparency.**
- **A lack of resources and support.** A strategy is often developed without providing sufficient means.

Four of the five reasons have to do with leadership, not with the market.

Why clear goals work biologically

The more vivid and specific goals are, the more clarity they bring and the more complexity they remove. In many companies, the goal system is diffuse, especially during strategic change. Often there is no overarching goal.

The brain works like a filter that directs attention to relevant information. This is exactly where the bottleneck of every strategy lies: not in the analysis, not in the paper, but in the question of where the attention of a few hundred or a few thousand people falls on an ordinary Tuesday morning. A goal that does not arrive there does not exist — no matter how carefully it was derived.

The consultancy Deloitte conducted a field study on employee retention and concluded that no single factor has a stronger positive effect on loyalty than clearly defined goals that are written down and shared with everyone.

Where OKR comes from

The objectives-and-key-results approach was shaped by Andy Grove as a more flexible and brain-friendly further development of management by objectives. The Intel co-founder used OKR consistently as his central steering instrument.

John Doerr, who himself worked at Intel for a time, used the system as an investor in Silicon Valley to equip the management teams he invested in. Among them were Larry Page and Sergey Brin, who had set out in 1999 as co-founders of Google to organize the world’s information.

> *There is no return on poorly aligned collaboration and a lack of focus.*

The framework is still used consistently at Google today, as well as at other highly innovative companies.

Objectives and key results

Objectives serve as signposts and set the direction. The target state should be formulated vividly, ambitiously and inspiringly so that it stimulates new thinking. When resources are limited, the objective helps to make decisions.

A **BHAG** — big hairy audacious goal — describes a visionary future and has no precise deadline: becoming market leader in a segment, opening up a new market, becoming the most attractive employer for top talent.

Midterm goals are strategically relevant goals for the next one to two years: winning new customers, bringing a new product to market, filling strategically relevant positions.

Current priorities are interim goals for the next one to three quarters: validating a product idea, closing a sales partnership, developing an offering for graduates.

Key results are measurable outcomes that show progress and serve as leading indicators. For example: with our pilot offering, we will win ten new customers in the new product segment by the end of next quarter. Or: we will raise customer satisfaction by ten points on a scale of one to one hundred.

The rhythm: a leadership sprint

Strategic initiatives are usually implemented in quarterly leadership sprints. Starting from a long-term vision and medium-term goals, clear priorities are defined from quarter to quarter, and everyone involved focuses on them.

Target setting. Begin the sprint with a one- to two-day workshop attended by all relevant key people. Together you set the strategic goals and priorities, with clear key results that make progress measurable.

Refinement. Before the goals are fixed, the owners of the key results plan the initiatives needed for the next quarter — and adjust the key results if necessary.

Check-in meetings. Held regularly to spot obstacles early. Transparency fosters collaboration and makes it possible to respond to changes in time.

Sprint review. Present the results to all relevant stakeholders, celebrate progress and assess whether the requirements have been met.

Retrospective. Reflect, give feedback, identify improvements for the next phase.

The key is to have each goal implemented by a cross-functional team. This team is focused on reaching the key results as quickly as possible and can bring in different experts from quarter to quarter. During the sprint it works in a largely self-organized way, without being disrupted by new demands.

Five principles

Objectives and key results should be complementary. The goals of individual units reinforce the overarching goals of the strategy. The strategic leadership team sees it as its task to ensure that the goals of different units do not contradict each other or compete for the same resources.

No one pursues more than three goals at a time. This rests on the insight that our brain cannot consistently pursue more than three things at once. Alongside strategy execution there is day-to-day business — no organization keeps more than three strategic objectives in view.

A goal is valid for one year at most. As soon as it has been achieved, it is replaced. Every quarter, it is checked whether it needs to be adjusted in the light of new insights.

Every goal has an owner. Someone who puts their skin in the game to bring the right people together and activate them.

OKRs are not a bonus instrument. They formulate a mental commitment and a learning framework. The assessment is not about reaching one hundred percent but about reflecting honestly on what happened and what caused deviations. It is not the percentage that matters but the lessons for the next cycle.

Why OKR alone is not enough

The framework is mechanics. It orders, prioritizes and makes things measurable. What it cannot do: make sure that people actually argue in a target setting.

This is exactly where most OKR introductions fail. After two quarters the procedure is established, the spreadsheets are maintained, the check-ins take place — and no one objects anymore. Goals are formulated so that they can be reached. The owner is whoever was responsible anyway. The steering instrument has become a reporting system.

That is not a flaw in the method. It is a social dynamic: where psychological safety is missing, no one formulates a goal they might fail at. Where status is defined by responsibility, no one takes on a goal outside their own area. Where conflicts count as disruptions, people do not negotiate in the target setting — they agree.

That is why we work on both at the same time. The framework sets the rhythm; the work on social dynamics decides whether anything happens within the rhythm. A company that introduces only the first will have one more meeting format a year later.

Who is responsible for what

The most important leadership task is to set the strategic guardrails and to design the process that ensures a vision and a coherent goal system. Only top management can be responsible for the goals and their quality — it is the only level that sees whether the goals of different units support each other or compete for the same people. However, those who will later be responsible for implementation should definitely be involved in their development. Whoever is assigned a goal they did not help to formulate will renegotiate it in the first quarter.

The OKR sponsor, usually the leader above all the units involved, backs and promotes the approach. The OKR masters take care of process design and facilitation.

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