



ADAPTING TO CHANGE:

# Implementing Agile OKR Practices in Product Management



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## Introduction

### What You'll Gain from this eBook

Agile is the go-to project management framework for many of the world's most successful teams. The Objectives and Key Results (OKR) framework is a proven strategy for achieving ambitious business goals – and it's also a favorite among world-leading organizations (including Google).

The great news for your product team is that you don't need to choose between these two excellent approaches. You can (and should) use them both to aim for big goals, prioritize your work to get there, and track your success.

Agile practices and the OKR framework complement each other extremely well. If you can integrate the two methodologies into your product management process, you can turbo-charge your team's effectiveness, efficiency, and ability to reach your most audacious goals.

That's why we wrote this eBook: To show you **how to integrate agile processes into your OKR framework** for more reliable, consistent product and business success.

But don't worry. We'll take this from the beginning.

We'll first explain what we mean by both agile project management and the OKR approach to goal setting. Then we'll discuss how the two concepts can work together to make your product team – or any team across your organization – more focused, effective, and successful.

We'll show you how to create a hypothetical OKR from scratch, how to apply a series of agile processes that can increase your team's chances of achieving your big-picture objectives, and how you can use these processes to get everyone on your cross-functional team working toward the same strategic outcome.

Finally, we'll show you how the OKR approach can fit seamlessly into your strategic roadmapping and suggest the types of tools you'll need to make your new processes run as smoothly and effectively as possible.

To your team's agile-OKR success!

CHAPTER 1

# How Agile and OKR Complement Each Other

## Chapter 1

# How Agile and OKR Complement Each Other

As ingenious as the OKR approach is – the Google team still evangelizes it every chance they get, after all – it needs the right project management layer to support it. That layer, we'll argue, is the agile framework.

But before we discuss how these concepts work so well together, let's define them both.

### What Is Agile?

Agile is a project management methodology with an iterative approach. In practice, this means breaking large projects into smaller tasks, making frequent updates and improvements, working collaboratively across teams, responding quickly to new learnings, and continually improving.

Agile became popular as a development approach for software companies because it allows these organizations to release smaller pieces of functionality regularly, rather than having to wait until the entire solution is complete before being able to ship anything to customers.

One of the benefits of the agile approach is that it encourages team communication and frequent progress reviews. (Among software teams, these include biweekly or monthly sprint planning and sprint retrospective meetings.)

As we'll explain below, these frequent meetings – often called “ceremonies” in agile-speak – are ideal for helping a team stay on track in pursuing its OKRs.

### What Are OKRs?

The Objectives and Key Results (OKR) framework is a method of collaborative goal setting and success tracking. Any team in a company (product, sales, development, support, marketing, etc.) can use it as a success framework for their own objectives. A company can also use it more broadly to establish business-wide strategic goals.

The **objective** refers to a big, ambitious goal.

**“We’re going to become a world-class customer support call center.”**

The **key results** are the quantifiable outcomes that indicate how well you're progressing toward achieving the objective you've set.

- *Increase our average star rating on TrustPilot, Capterra, and Google Reviews to from 4.3 to 4.7 stars.*
- *Bring our call center team's Net Promoter Score up to 55 (from 43).*

The way the early Google team implemented them, and the way many leading organizations still use them today, OKRs typically follow a few key rules:

- **The objective should be a “stretch” goal – achievable but aggressive.**

John Doerr, who brought the concept to Google when he was one of its early board members, said that these objectives should be big, and the teams behind them should feel a little nervous committing to them. If you meet or exceed every OKR you set, Doerr argued, your team probably isn't aiming high enough.

- **Every key result needs to be quantifiable.**

Doerr also said that if you can't put a hard number to it, you can't use it as a key result. Qualitative goals (“We're going to take our customer service to the next level”) are fine, but they have no place in an OKR because they don't let your team clearly distinguish success from failure.

- **Each objective should have only a few key results.**

Limiting your objective to 3-5 key results will help each individual or team concentrate their efforts on the few key strategic initiatives that will give them the greatest chance of success.

- **Both the objective and all key results should be time-bound.**

OKRs represent big goals, but you'll still want to keep their timeframes short or medium-term – a few months is common – so that you can aim for big goals at least a few times per year. Google typically sets its OKRs to run for one quarter.

## Why OKRs Alone Are Not Enough

That last guideline above – the fact that OKRs generally cover a few-month timeframe – provides a useful segue to our discussion about combining the OKR and agile frameworks.

One of the common challenges facing any business initiative is the inevitable inertia and tunnel vision that will set in after a team establishes a plan and everyone goes off to work on their assignments.

If the sales team decides that its new campaign will center around cold-calling a large list of prospects that the company purchased, the reps will start making those calls and, if they find little success at first, they'll likely keep calling – until their sales manager tells them to stop. That's what the team agreed to do, after all. That's the plan.

In this hypothetical, there is no built-in mechanism to force the team to stop periodically, assess what they've accomplished, share their learnings, and evaluate how effective their current approach has proven so far.

With the OKR method, it's very easy (and therefore common) for a team to fall into the following trap:

1. Establish the big, audacious objective.
2. Agree on 3 or 4 key results to measure success.
3. Go to work on those key results – and keep **working on them for the OKR's entire 3-month timeframe** before the team reconnects to determine if any of their tactics worked.

This is where applying the agile methodology becomes invaluable for giving your OKR the best chance of success. In chapter 3, we'll show you step-by-step how to apply the agile approach to support your OKR processes.

But first, let's walk through how to create the OKR itself.

CHAPTER 2

# Crafting an OKR from Scratch



## Chapter 2

### Crafting an OKR from Scratch

As we noted earlier, an OKR is a way to set an ambitious goal (the **objective**) for an individual, team, or entire business – and then establish a few quantifiable metrics (the **key results**) to evaluate whether or not the team is achieving that ambitious goal.

Many teams use the following simple formula to establish both the objective and the key results to measure it:

“We will \_\_\_\_\_ as measured by \_\_\_\_\_ .”  
(Objective) (Key Result)

To put this in concrete terms, let’s create a couple of hypothetical OKRs from scratch – one based on a product-specific objective, the other based on a broader business goal.

#### Setting the OKR (Product-Specific)

Let’s say you’re a B2B SaaS Product Manager, and you’ve found some disturbing data while researching your recent product launches. Your last few releases have led to a spike in calls to your customer support department, a high rate of churn among free-trial users, and a lot of bug reports.

To make your product release process smoother, you decide to use the OKR approach.

##### Objective:

Improve the product release process.

Then you bring together a few key team members in development, UX design, and customer support. Together, the team devises the following success metrics to help guide everyone toward improving your release process.

##### Key Results:

1. Increase conversions from trial to sign-up from 15% to 30%.
2. Reduce bugs detected post-release by 50%.
3. Improve our customer support survey rating from 58% to 80%.

Before we jump ahead, it's worth reviewing the strategic reason behind each of these key results. We'll work backward on this list.

### **Improve our customer support survey rating from 58% to 80%.**

You can't be sure why so many of your free-trial users are churning and not converting to paid subscribers, but one reason might be a bad experience with your support team.

Maybe users are calling (or trying to reach by live chat) your support reps with questions about the new product, and those reps aren't trained or knowledgeable enough to help the users resolve their issues.

If this is at least a contributing factor to your new products' low conversion rate, one way to improve it will be to improve the overall customer support experience.

### **Reduce bugs detected post-release by 50%.**

If a high number of defects is partly to blame for new users bailing out of your new products, then you'll also want to enlist your development and QA teams to spend additional time finding and fixing bugs before your releases.

This process will obviously also deliver its own benefits aside from improving conversions and reducing your churn rates. But your focus here is making the release process smoother for customers. Reducing the number of bugs that they encounter when they start using your product will clearly be a positive contributor to that objective.

### **Increase conversions from trial to sign-up from 15% to 30%.**

The overall key result you're aiming for here is to persuade more people to sign up for your new products.

Some customers might request a call with a sales rep and then sign up after a live demo – bypassing the free trial altogether. But to the extent that prospects do sign up for a trial use of your software, you'll also want to aim to increase the rate of those people who sign up to be paid customers.

Now you have a complete OKR to start working toward. Straightforward process, isn't it? The OKR approach is designed to be simple and logical and help your team get moving toward a big goal quickly. But as we've already alluded to in this book, the framework is incomplete.

In the hypothetical above, your development and QA teams now have a key result to aim for: Reduce bugs detected post-release by 50%. But how? The OKR framework itself has nothing to say about the tactical steps each team should take to achieve the key results it's responsible for.

That's where the agile framework will play such an important role. We'll discuss that in detail in the next chapter. First, though, let's examine one more hypothetical OKR – a companywide goal that involves teams across the organization.

### **Setting the OKR (Business-Wide Goal)**

Now let's say you're a B2B SaaS Product Manager with a startup, and you're about to launch your company's first software product. With input from your executive team, you devise the following OKR.

#### **Objective:**

Make a name for this product in our market (within the first four months after launch).

Now, because this big goal requires a coordinated effort from teams far beyond product and development, you'll pull together a cross-functional team representing several departments throughout the company to develop key results that affect them all.

#### **Marketing Key Results:**

- Get 2,000 sales-qualified leads to complete the contact form on our product.
- Get 1,000 sales-qualified leads to start the free trial.

#### **Public Relations Key Results:**

- Get coverage in 4 of the 7 top media outlets in our industry.

#### **Sales Key Results:**

- Close 100 subscribers.
- Develop a sales pipeline with 200 additional opportunities.

In this hypothetical, you've again started with the big-picture goal: make a big splash with your new product. Then you've set specific, quantifiable metrics for each of the teams working to help your company achieve that goal.

This is how OKRs work: planning from big to small. You start with the vision, the prize (the objective) and then work backward and identify a few smaller strategic initiatives (the key results) that all lead up to that big prize.

But as you might have noticed, you'll also need to break down each of the key results into even smaller, tactical steps that can help lead to achieving those results.

And for that, we have the perfect project management framework: Agile.

CHAPTER 3

# How Agile Can Supercharge Your OKRs

## Chapter 3

### How Agile Can Supercharge Your OKRs

To briefly recap: The OKR approach is not a work strategy. It's simply a method to identify a big strategic goal and set a few success metrics that will show whether or not you're making progress toward that goal.

But once you've set your OKR, you'll need a set of tactics and tasks to help you work toward each of the key results. Here's where agile comes in.

Like OKRs themselves, agile moves from big to small. You establish your big goals, then set small, manageable tasks to get there.

#### The Agile Approach to Adapting to Change

One big advantage of using the agile framework for your OKRs is that agile is designed to help teams deliver small, completed work frequently, share their learnings about what's working and what isn't, and adapt quickly to new information or other changes that affect their current strategy.

This is why agile development teams break their assignments into very small projects –work that can be completed in a two-week sprint. If the market shifts, or the team needs to change course for some other reason, they won't have to abandon a months-long project that is now incomplete and can't be shipped. Instead, the agile team will be frequently shipping small pieces of functionality, monitoring how the market reacts to them, and always using their learnings to improve the product.

Another reason agile is such a great complement to the OKR approach is its emphasis on team collaboration and communication. A big challenge to any business initiative is that the teams working on it tend to fall into silos and predetermined tactics, failing to step back periodically to assess whether or not the current approach is working. As we'll now demonstrate, agile has you covered here as well.

## Adding an Agile Framework to Your OKR

Agile is a broad philosophy designed to shape an organization's entire culture – favoring communication over processes, responding to change over strict adherence to a plan, etc.

But for our purposes, we're going to pull just a few tactical elements of the agile approach and show you how to use them to guide your company's work toward achieving your OKRs.

### 1. Plan the sprint.

In this brief meeting, the team decides what everyone will work on in the next 2 weeks.

### 2. Do the work.

Each team or individual will focus on the specific tasks set for them during the sprint meeting.

Note: Because agile favors communication and collaboration, team members should not expect to isolate themselves during even this 2-week period as they focus on their work. You should encourage them to ask questions and share important learnings with colleagues as they go.

### 3. Recap the sprint.

This post-sprint meeting will have 2 components:

#### a. The sprint demo

(Each individual or team shares what they've done, what's finished.)

#### b. The sprint retrospective

(The group shares learnings: What did we learn? Where were we successful? Could we have done more? What needs changing?)

With agile's 4-step approach to each endeavor, the team will revisit these 4 steps frequently throughout the longer timeframe of their initiative (in this case, the OKR).

**Step 1:** Plan

**Step 2:** Do

**Step 3:** Recap

**Step 4:** Learn (and apply the learnings)

With that in mind, let's now return to the hypothetical business-wide OKR we created above, where you're a Product Manager about to release your startup's first software product, and you're setting an OKR that involves teams across the company.

After we've established the key results for each of your teams, we'll show you how you might use agile practices to make each of those key results more actionable.

We'll use marketing as our example.

### **Objective:**

Make a name for this product in our market (within the first four months after launch).

### **Marketing Key Results:**

- Get 2,000 sales-qualified leads to complete the contact form on our product.
- Get 1,000 sales-qualified leads to start the free trial.

### **Agile OKR Approach:**

Your marketing team will need to come up with its own internal steps to achieve these key results (although you and your cross-functional team can help). Here's how that team might use agile to tackle its metric of bringing in 2,000 lead forms.

### **Key Result:**

Get 2,000 sales-qualified leads to complete the contact form on our product.

### **Agile steps:**

#### **Step 1: Plan**

For now, we'll ignore the other key result and assume your marketing team gets together to focus on this one alone.

The team will hold its own sprint planning session, where they'll look at the key result – "2,000 lead forms from SQLs" – as the big goal. Then they'll identify various ideas and campaigns to get there. For example:



- Identify the top 20,000 buyer or user personas in our target industries.
- Create and launch a campaign targeted at these personas:
  - Social media posts
  - Paid social ads
  - Google AdWords or other PPC ad campaign

At this point, the team might also set an informal interim goal to reach before the next sprint meeting. For example, they might determine that their campaign of ads and social content should bring in 100 completed lead forms in the next two weeks.

The interim goal isn't necessary. The team's estimate might even prove misleading, because the campaign might take a few weeks to gain traction with search engines, and the team might overinterpret a slow start as evidence of failure. Still, it is a good idea always to create some type of metric to strive for, even within these short timeframes.

### **Step 2: Do**

With those tactics identified, the marketing team will then assign specific action items and timeframes – all ideally within 2 weeks, so they can review progress at their sprint recap.

Then the team will go off and complete their assigned tasks.

Note: The members of the marketing team working on this OKR should devote as much time and energy as they can focusing on these specific key results.

### **Step 3: Recap**

This is where the agile process adds tremendous value for a team working toward a key result.

Rather than moving ahead for the whole 3 months before stopping to assess its progress, the marketing team now has a formally planned meeting to recap what each team member has accomplished and, just as important, whether things are going according to the plan.

The first part of this brief recap meeting will be what agile software teams call "the demo." This is where the team reviews its work to show what they've completed.

For our marketing team, the demo might include a walkthrough of the list of 20,000 key personas identified and an explanation of how the team compiled that list.

The team will probably also review the campaigns they've produced and published in the market: Google PPC ads, LinkedIn ads, organic social media posts, etc. They will likely also review the early analytics from these campaigns.

### **Step 4: Learn (and apply the learnings)**

Finally, the marketing team will take stock of what they've accomplished and determine whether it's working – that is, moving them closer to their targeted key result – or not.

If the early campaigns' numbers are underwhelming, for example, the team might decide to adjust these campaigns for the next 2-week "sprint." They might choose to broaden their target audience in the social or PPC ads, and they might try a new approach with their organic social media posts.

The real value here is that this agile practice forces every team working toward a key result to pause to regularly review what they've done and whether it's working, so that they can continually adjust and improve their tactics to get them closer to success – a fundamental agile principle.

But how do you "do" those key results? That's not part of the OKR framework. So, you need to add another project management layer to there – and that's agile.

Let's use the second OKR we created in the previous chapter – the "name for ourselves in the market" one – and see how we can give everyone a better sense of what to do to achieve the key results they're responsible for.

## Bringing it All Together: Agile OKR

Now you can see how combining agile and OKR processes can help your team in your goal setting with everything from establishing the big vision to the smallest tactical tasks to help each team make progress toward achieving it.

To bring it all together, your organization might approach any hypothetical OKR like this:

1. Set the objective.
2. Bring together a team to strategize on how to reach the objective.
3. Identify and agree on 3 to 5 key results.

Work collaboratively to devise these key results, but to the extent that one team will be responsible for it, let that team be the primary driver of what their own key results will be.

4. Let each team create its own tactical action plan to achieve whichever key results it's responsible for.

Encourage each team to apply the agile framework to its work toward its key results.

For example, encourage them to follow the 4-step agile process of plan, do, recap, learn (and apply the learnings). Encourage them also to operate similarly to an agile development team – breaking work into 2-week sprints, holding regular meetings and retrospectives, and adjusting tactics if their current approaches aren't working.

## CHAPTER 4

# How to Incorporate OKRs into Your Roadmap

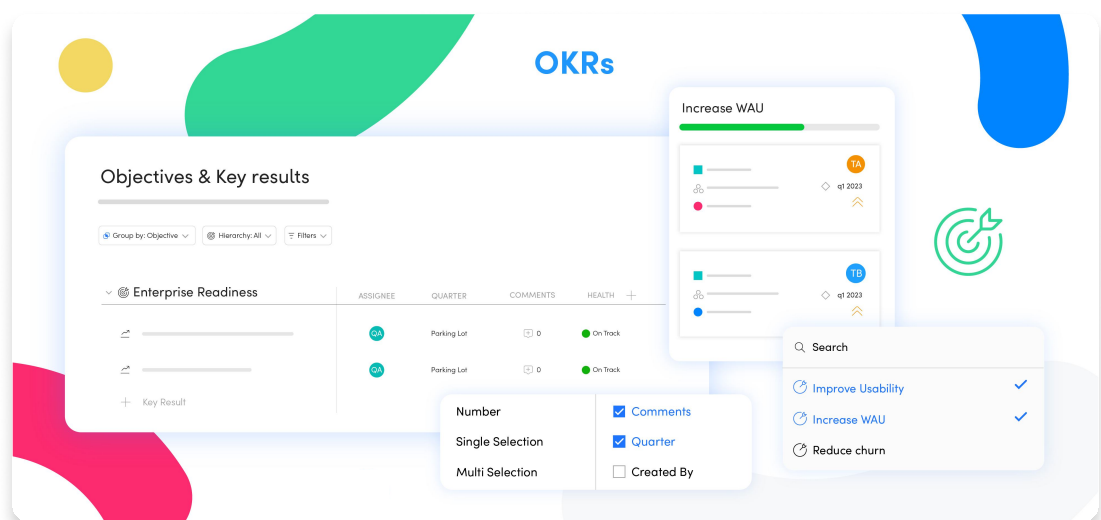
## Chapter 4

### How to Incorporate OKRs into Your Roadmap

As much value as the agile OKR framework can add to your team's effectiveness, you don't want to create a process for it that requires you to create an entirely new series of documents and communication streams and use a completely different set of tools.

That's why it's great to know that the OKR process can fit neatly into your existing product roadmapping strategy. And if you're using the right product management software platform – one with built-in OKR functionality – you can make this process even more efficient and effective.

Look at the following screenshot from the Craft.io platform.



You'll see a "OKRs" toggle highlighted in blue, beside "Epics." Below, you'll see how the user has set various OKRs under each release, and several key results under each objective.

What's great about these purpose-built OKR modules is that they make it easy to connect an OKR to a specific item on your roadmap – for example, a big-picture Theme or a specific Product.

By inputting your OKRs in your product management platform this way, you'll gain several strategic advantages, including:

1. You can sync the progress of each key result with data from other apps (Salesforce for your sales reps' progress, for example), and easily update the status of your key results.

2. You can easily review your progress on any OKR anytime.
3. You can use your product management platform as the basis for your team's OKR sprint planning sessions and other meetings.

Because the OKR data is live and synced with your team's other inputs, you won't need to manually create new presentation slides or other static documents every time you meet with your cross-functional team to review your OKR progress.

**Note:** A less optimal alternative for incorporating OKRs into your roadmap will be to create a separate, standalone roadmap to set and monitor your progress.

For example, you might create a separate roadmap where your objective is the top strategic bar or block – equivalent to the Theme in a typical agile roadmapping approach. Then you might set each of your 3 to 5 key results as the equivalent of an Epic, the groups of related work items that all roll up to the same Theme.

And finally, using our agile approach, you might then create a series of Stories (the smallest unit of complete work in an agile project) that all roll up to one Epic.

Then, if your product management platform integrates with your other cross-functional team's tools (task tracking apps, communication apps, etc.), you can sync their progress updates and have them reflected as updates to your key results.

This is a viable alternative to the fully integrated OKR roadmapping solution. The one challenge is that you'll need to create, maintain, and update separate roadmaps for your OKRs and your products.

**Our recommendation:** Find a product management software platform that offers OKR functionality built right into your existing roadmaps – so you can manage the OKR's progress without having to monitor two standalone roadmaps.

Finally, let's discuss some of the key tools you'll want to make sure your teams have to make the OKR management process as smooth and successful as possible.

CHAPTER 5

# Key Tools for Successful Agile OKR Management

## Chapter 5

### Key Tools for Successful Agile OKR Management

You'll want to make the transition to an agile OKR culture as smooth as you can for your team. The more tools and processes they'll need to learn, the more disruptive this transition will be.

So, from a tech-stack perspective, you'll want to leverage your company's existing software as much as you can.

And if you're using the right product management software, you can make this transition relatively easy and painless. With that in mind, here are the key tools you should consider.

#### **An End-to-End Product Management Platform (with OKR Capability)**

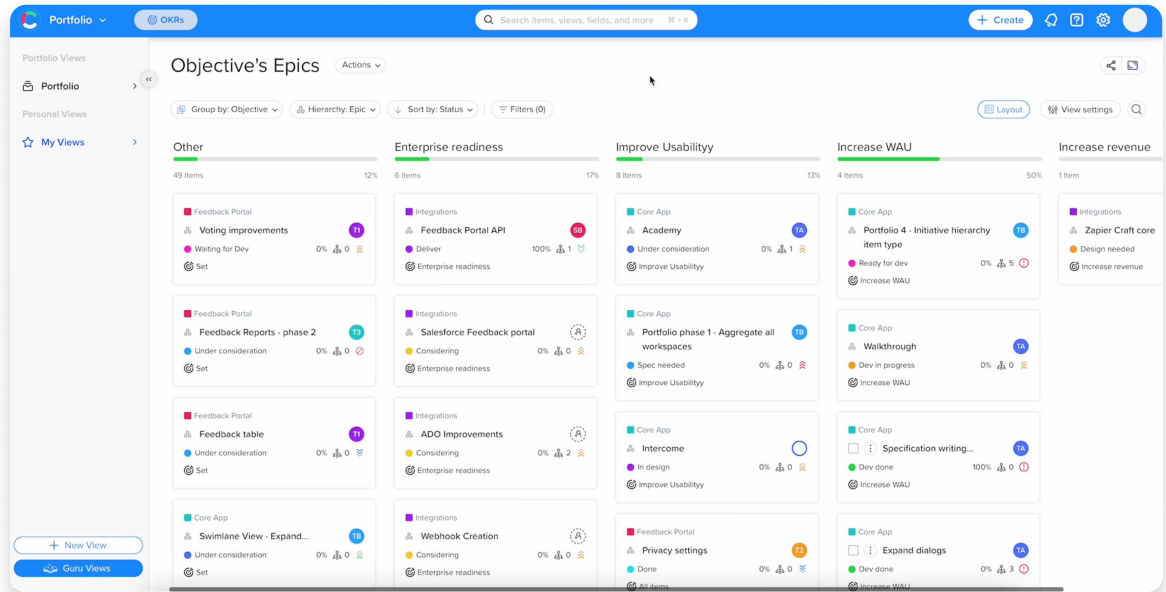
With the right product management software, you'll probably find that your organization already has most if not all of the other tools you'll need to implement an effective OKR approach without much disruption.

That product management platform should be an end-to-end solution – not just a roadmapping tool and not a project management app disguised as a native software environment built for product teams.

The Craft.io platform, for example, is purpose-built for the entire Product Management experience: roadmapping, strategic planning, capacity planning, backlog management, product portfolio management, sprint management, prioritization frameworks, feedback collection and analysis, etc. And, yes, managing OKRs and connecting them to specific business goals.

Finally, the Craft.io platform has a wealth of app integrations (and a user-friendly API), which is why you can use it so easily to sync your OKRs to the relevant data from your other teams – in development, sales, marketing, etc.





Assuming you deploy the right product management platform, what other tools will you need across your company to make the OKR process effective and easy?

Chances are, you're already using them.

### Project Management Tools

If any of your OKRs are going to involve your development team, you'll want to make sure they're using project management apps to track their own tasks that you can sync with your product management platform.

And if you're using Craft.io, chances are this won't be an issue. Craft.io integrates with the most popular dev tools: Jira, Pivotal Tracker, Azure DevOps, GitHub, etc. That means you'll find it easy to pull their internal progress updates right into the relevant key result in your OKR and keep it updated without any manual effort.

### Messaging and Communication Tools

As we've noted throughout this book, frequent communication and collaboration is fundamental to successful agile. For your cross-functional team to keep updated on everyone's progress, you'll want to make sure your teams all have access to tools that make it easy to communicate, share updates, ask questions, and offer new learnings.

Having a messaging app for your various OKR contributors offers a couple of huge benefits:

- You can create dedicated channels for cross-team questions and knowledge sharing.
- With the right product management software, you can also set automated updates to go out to your cross-functional team whenever there is a status update to an OKR.

And again, here you'll find Craft.io to be the ideal platform – integrating with both Slack and MS Team as well as with any other internal messaging app via our user-friendly API.

### **Collaboration Tools**

Let's say your marketing or public relations teams create and track their tasks on a Google Sheet or Doc.

When they go off to assign specific tasks based on each key result, these teams will be in effect creating siloed information. Without an integration into your product management platform, updating those teams' progress will require manual data entry from your team every time.

So again, you'll want to make sure both that these teams have the collaboration tools that best serve their internal processes – in this case, Google Cloud apps – and that you can easily sync with your product management software.

And you guessed it, Craft.io has full integrations with these Google Cloud tools – as well as integrations with other collaboration apps like Trello or Asana via our API.

### **CRM Tools**

Finally, as we explored with the hypothetical OKR we created above, your key results might often be the responsibility of your sales department.

In that case, you'll want to make sure that your product management software can pull in the data your reps update in their CRM tools – say, Salesforce or Zendesk.

And once again, you'll find those easy integrations with the end-to-end product management platform from Craft.io.

CONCLUSION

# 2 Steps Reaching Your Team's Big Goals

We believe we've presented a persuasive case in this book that the shortest path from your current goal-setting process to an approach that significantly boosts your team's opportunities for success is to combine the OKR framework with agile best practices.

That's step 1.

Once you've signed onto the agile-OKR approach philosophically, the next step will be to roll out the process and pull together the software tools you'll need to make it happen – both for your own product team and with any other departments that will be contributing to your OKR success.

To implement that second step, you'll want to start by making sure you're using an end-to-end product management solution – with built-in OKR functionality and that lets you seamlessly pull in relevant data from your cross-functional team, to keep your OKR progress up to date and easy to monitor.

And for that, we're confident your research will quickly lead to just one purpose-built product management solution: [Craft.io](https://craft.io).

