



WAVENINE

GAINING SUPPORT FOR YOUR NEW OKR PROGRAM

**HOW TO GET BUY-IN FROM STAKEHOLDERS
AND DRIVE OKR ADOPTION**

OVERVIEW

So, you're thinking about implementing a new OKR program in your organization. You're looking forward to transforming your strategy execution with it and getting the ball rolling, but first, you need to make sure the executive stakeholders in your org are on board. You can't drive adoption alone, and it's important for your workforce to have role models to look up to that support this effort for it to be successful.

This guide will help you to communicate the importance of implementing a new OKR program to CxOs in a way that will garner their support and improve your new program's overall adoption.

You will be able to:

- Understand their **priorities**.
- Clearly explain what the program is in their **corporate language**.
- Identify **the benefits** and how they positively impact them and the organization.
- Acknowledge and alleviate their **primary concerns**.
- Emphasize their **roles and responsibilities** to the program and secure the backing of each stakeholder.



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CEO: HELP THEM EXECUTE THEIR STRATEGIES

THEIR PRIORITIES

CEOs have a vision for the organization. They know where they want the company to go, but usually don't know how to get there. OKRs help CEOs translate this vision into actionable tasks throughout the organization.

Explain it in their own language

It's a strategy execution methodology that helps you communicate your strategy and the most important priorities the business needs to focus on. They define measurable outcomes that gauge success. OKRs will also allow you to navigate changes in the market with more ease.

What are the benefits?

- The organization will be able to focus on what matters most. Moreover, OKRs allow for the identification and elimination of objectives that may not align with the business's priorities, streamlining efforts towards overarching goals.
- CEOs typically have a lot of urgency when it comes to strategy execution, but not everyone in the organization feels the same way. OKRs give CEOs a way to communicate that urgency throughout the organization.
- OKRs enhance cross-functional alignment, which makes executing strategies in complex organizations much more efficient. The achievement of certain goals might rely on the work of multiple teams and departments, and OKRs simplify that collaboration.
- OKRs will promote accountability among your workforce. Employees will have clear action plans and deadlines. Since they are the ones setting their OKRs, and know exactly how those OKRs feed into the CEO's overarching strategy, they will hold more accountability for their progress and success.



Key concerns and how to address them

- **“Will I be asking too much of my teams?”** This is a lean process. When it comes to aligning on outcomes and priorities, many teams might be already trying to do this. They are probably asking for guidance and some direction on best practices, but lack an efficient communication channel to get those answers. An effective OKR program provides this communication channel.
- **“Are we even able to do this? What’s the risk?”** If the program is implemented correctly, and utilizes the five building blocks of an effective OKR program, there is very little risk. The five building blocks consist of a strong process, thoughtful change management, engaging OKR workshops, robust training, and a dedicated program team/active community. These building blocks ensure that the organization is capable of sustaining and scaling the OKR program.

CEO’s role in the OKR process

CEOs own the strategy, so they own the program and its success. CEOs shouldn’t delegate that responsibility to anyone else. They are the ideal executive sponsors, and should voice that support to everyone else in the organization.

COO: THE AGILE OPERATING RHYTHM THAT REDUCES ORGANIZATIONAL FRICTION

THEIR PRIORITIES

COOs strive for seamless operations and maximum productivity from all teams and employees. There isn't a better way to achieve this than by implementing an OKR program.

Explain it in their own language

This new process will reduce friction by implementing a new agile operating rhythm throughout the organization. This rhythm promotes steady, consistent progress and strengthens the ability to refocus when necessary. Redundant tasks, outdated procedures, and inadequate communication between departments will be problems of the past. A strong OKR program will simplify workflows, eliminate unnecessary work, and promote transparency, leading to enhanced operational efficiency.

What are the benefits?

- There will be one operating rhythm, not multiple. This will simplify the management of large amounts of teams in a complex organization.
- COOs can steer the organization towards significant results with OKRs that are clear, measurable, attainable, relevant, and bound by a specific timeframe.
- Through the implementation of OKRs, COOs can cultivate a culture of trust within their organization. This can lead to increased employee engagement, lower turnover rates, and ultimately contribute to more successful outcomes.
- Enhancing transparency with OKRs will ensure everyone knows exactly what is expected from them at all times, and make cross-functional collaboration much easier.



Key concerns and how to address them

- **“What happens to our existing processes?”** If OKRs are implemented correctly, they will augment current processes in the organization, rather than replace them. OKRs provide a framework for prioritization, focus, and accountability without disrupting the fundamental operations of an organization.
- **“Will this be a sustainable and scalable change?”** With proper implementation, yes. In order to sustain and scale the program, it is essential to onboard an internal community of OKR champions in the organization. These certified coaches will make sure everyone remains engaged in the OKR program, while fostering a culture of constant improvement. This way, the OKR process isn't just a change on paper.

COO's role in the OKR process

COOs should help design and implement the OKR process. They often oversee initiatives aimed at driving organizational change, so it is only fitting that they have a seat behind the OKR program's wheel and drive the organization towards that change.

CFO: LET'S PROVE THE ROI

THEIR PRIORITIES

CFOs will want to make sure there is a return on investment. They manage the company's finances, making OKRs valuable for streamlining the money flow process.

Explain it in their own language

With this new OKR process, rather than solely measuring financial outcomes, we'll have strategy-aligned measurable outcomes for every team. This provides leading indicators for improved outcomes and enhanced agility. With clearer priorities, optimized operations, and focused work habits, we could potentially save millions each year.

What are the benefits?

- CFOs will have immediate access to the business's pulse, enabling proactive influence on outcomes rather than reactive responses. This will save them time and money spent on risk and performance assessments.
- Other organizations have slashed overhead costs related to strategy meetings and reviews by \$15M or more, and have significantly accelerated their strategy execution with OKRs.
- CFOs can use OKRs to set stretch goals and drive innovation in financial processes, systems, and practices.
- There will be a boost in motivation and engagement among the workforce. A clearer understanding of purpose and tasks leads to heightened retention rates.



Key concerns and how to address them

- **“How does this affect the budgeting cycle?”** Most organizations that implement an OKR program maintain the existing budgeting cycle for the first year. Sequence adjustments can be considered in the second year based on strategy execution performance, capacity, and market dynamics.
- **“Is this going to pay off?”** The return on investment far surpasses the costs. OKRs assist CFOs in integrating vital cost and revenue metrics across the organization, providing early insights into progress on strategic initiatives with significant impacts. Additionally, OKRs streamline reporting processes, eliminate duplicate efforts, identify and remove blockers, ultimately reducing wasted time and resources. For instance, a company with 1000 employees saved \$500K in reporting costs in the first year alone and reduced the annual cost of company business reviews from \$5M to \$3M while also increasing focus and saving time.

CFO's role in the OKR process

Metrics and a budget will be required for certain aspects of this initiative, and it will be necessary to monitor spending and investments. Additionally, CFOs and the finance department should actively support the implementation of OKRs within their function. Given the finance department's proficiency in managing with metrics, they serve as ideal role models for other stakeholders and the organization as a whole.

HR: ONCE ESTABLISHED, HR CAN BE THE OPTIMAL CO-SPONSOR TO MATURE AND SCALE THE PROGRAM

THEIR PRIORITIES

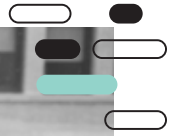
HR is responsible for making sure the organization operates smoothly by keeping tabs on employee performance and developing their skills. OKRs help them do just that.

Explain it in their own language

This new program **isn't** a new way to manage individual performance and won't replace your existing processes. The new OKR program will be an additional process that helps align teams and individual contributors with the organization's strategy. This alignment won't just be top-down; it will also foster collaboration across teams and departments, including HR, enhancing the organization's overall performance.

What are the benefits?

- Employees will have a better sense of purpose and direction. This can lead to increased employee engagement and motivation, as well as opportunities for skill development and career growth aligned with organizational goals. OKRs can help managers bring their management skills to a new level.
- OKRs can be used to align HR activities related to talent acquisition, retention, and development. HR can set objectives for recruiting top talent, retaining key employees, and developing leadership skills.
- OKRs are set more frequently than individual performance measurements, giving a clearer picture of business and employee performance.
- HR can collaborate with other departments to align objectives and share information, fostering better communication and coordination across the organization due to cross-functional and dynamic teams.
- Low engagement, participation, and quality of OKRs can aid in pinpointing employees who may require improvement in their alignment and accountability skills.



Key concerns and how to address them

- **“So, you won’t need us in Human Resources anymore?”** As the person responsible for ensuring that employees have personal goals, receive fair performance reviews, and are compensated appropriately, there is a risk of misunderstanding when the term “goals” is mentioned. Some may interpret this solely in terms of individual performance, rather than considering its broader implications for strategy execution and collective team accomplishments. This might make them feel sidelined or overlooked in their role. It’s essential to choose words carefully to avoid confusion.
- **“How do I effectively communicate this alignment to ensure clarity among all involved parties?”** It’s important for them to grasp how team objectives and outcomes will align with personal performance goals. OKRs accelerate company outcomes while also elevating the impact of individuals. Employees will have more clarity on their roles and responsibilities, bringing more purpose and ambition to their work.

HR’s role in the OKR process

To really change how an organization operates, HR and strategy leaders need to work together. HR should become a co-sponsor, because the success of OKR programs depends a lot on HR. HR should continuously evaluate the effectiveness of the OKR program. This may involve gathering feedback from employees and identifying areas for improvement to enhance the impact of OKRs on organizational performance.

MANAGERS & INDIVIDUAL CONTRIBUTORS: INCREASE OWNERSHIP AND VISIBILITY INTO THE VALUE THEY DELIVER

THEIR PRIORITIES

Managers and individual contributors aim to achieve outcomes that enhance the organization's success, while also seeking acknowledgment for their efforts. OKRs enable them to do so by prioritizing outcomes over outputs, and enhancing visibility into their work.

Explain it in their own language

This is a new way to minimize work-in-progress and focus on what really matters to the organization. Your contributions will become more visible throughout, and give you more ownership over specific tasks. The work you do will be more aligned with the organization's overarching strategy and goals, and become easier to accomplish through rituals and cross-functional collaboration.

What are the benefits?

- OKRs help managers and individual contributors align and collaborate on tasks more effectively. By having full transparency into the OKRs of all teams, it becomes easier to pinpoint and address inter-departmental dependencies.
- OKRs clarify expectations and priorities, helping managers and individual contributors understand how their work contributes to the overall success of the organization.
- Managers will have a better idea of what their teams are doing, IC performance, and the progress being made towards organizational goals.



Key concerns and how to address them

- **“This is just more work to do, isn’t it?”** The goal here is to prioritize and focus on what matters. Getting a hang of the OKR framework may be overwhelming at first, but after time it will become easier as you learn how to integrate it into your current workflows. In the long run, it will render more successful outcomes for the same amount of work.
- **“How will this be implemented into our day-to-day work?”** With an agile operating rhythm, OKRs will become integrated into team meetings, 1:1s with managers, and business reviews. This framework won’t impede on current processes, rather, it will augment them.

Managers & Individual Contributors’ roles in the OKR process

Managers and ICs play an integral part in the OKR program, as they are doing a lot of the heavy lifting, and are expected to set, track and update their own OKRs. 5-10% of the workforce should become certified OKR coaches, and make up a community of champions within the organization. These champions will be responsible for facilitating OKR workshops on both the leadership and team levels.

GENERAL CONCERNS AND QUESTIONS

“What we’re doing now works just fine.”

Right now, maybe. But, what if there is a major shift in the market tomorrow? Strategic priorities typically take a considerable amount of time to filter down to workers. Similarly, it often takes a significant period for a CEO to gain insight into what is or isn't effective within an organization. Even with quarterly strategic reviews, the feedback loop for crucial decisions and progress assessment can stretch over months, rather than days. This means that the organization's ability to adjust course may lag, making adapting to industry disruptions extremely difficult. OKRs offer a solution to this challenge by providing a framework that enables more frequent feedback loops and agile decision-making processes. With OKRs, companies can steer their direction more dynamically, responding to market changes with greater agility and effectiveness, and ultimately future-proofing the organization.

“Won’t employee morale suffer if we don’t successfully reach our goals?”

If a company consistently fails to meet its goals, there are probably underlying causes. Sometimes, the issue lies in unrealistic goals set by the executive team, inadvertently setting up employees for failure. While ambitious objectives can be beneficial, it's essential to strike a balance between achievable milestones and more ambitious targets. Achieving this balance while setting OKRs ensures that morale remains high while still pushing employees to excel in their work.

“Introducing an OKR program will require a significant amount of time.”

If you're proposing a new OKR program to your stakeholders, there's likely a reason. Something within the company's current approach isn't yielding the desired results and can most likely be enhanced. To address any concerns your leadership team may have about the time investment, it's essential to articulate the potential benefits of implementing a new strategy execution framework. Highlight how an effective OKR program can foster alignment across departments, teams, and individuals, propelling them toward overarching company objectives. It's important to emphasize that an OKR program doesn't solely benefit the company; it also empowers employees by providing clarity and ownership in their roles. Your teams are likely already spending a significant amount of time making decisions on what to do and how to do it. They report on goals they think ...

GENERAL CONCERNS AND QUESTIONS

...are important, that align to initiatives that were approved by VPs, and are doing their best to break down the long-term strategy into actionable steps for their team.

OKRs help channel this energy through a process, yielding time savings as early as the first quarter. You're already investing the time required; it's just not readily apparent. Implementing OKRs will systematize and direct that time from the outset, resulting in ongoing returns month after month.

“How do we know if this will have the desired impact on the organization?”

In any business, it's important to adopt a top-down approach to goal setting. This means that leadership should establish the overarching core organizational goals. Then, each department will create their objectives in alignment with these overarching goals. This process, which we call localization, should continue until every team and individual within the organization has specific, ... measurable goals (and action plans for achieving them) that contribute to the organization's overarching targets. OKRs permeate through every level of the organization, fostering focus and efficiency across the entire workforce, and bridging the gap between long term strategy and day-to-day initiatives. However, in order to get the desired impact from an OKR program, it's crucial for it to be implemented correctly.

“Our budget doesn't allow for this right now.”

The true expense lies in ineffective goal-setting and strategy execution practices. Without alignment and communication among teams, companies can waste valuable time, resources, and finances on projects and initiatives that have nothing to do with the overarching business objectives. In addition, an effective OKR program boosts employee engagement, which in turn reduces turnover costs and enhances retention rates. Remind your executive stakeholders that OKRs empower employees and the organization as a whole to be proactive rather than reactive. By encouraging forward-thinking and strategic planning, OKRs enable everyone to take decisive actions today, to position the business for success in the future.



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