A FOUR-PART SERIES

THE ULTIMATE STEP-BY-STEP GUIDE TO LAUNCHING AN OKR PROGRAM

PHASE 3: THE OKR CYCLE

WAVENINE

NICE! YOU'RE ABOUT TO START PHASE 3

This is part three of four of our "Ultimate Step-By-Step Guide to Launching an OKR Program." If you haven't read the first two parts yet, you can find links to all four phases below.

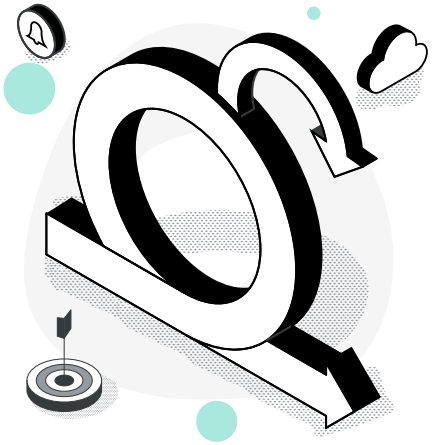
Let's recap what you should already have from the first and second phase.

At this point, you should have:

- A strong, documented OKR process that's accessible to everyone in the organization
- A dedicated program team overseeing the implementation
- A steering committee ready to assess the OKR program's success
- Vocal support from the executive leadership team
- An informed staff that is trained in OKRs and excited to get started
- A certified community of champions prepared to support the initiative
- A strategic direction in place for the upcoming OKR setting workshop with the ELT

Now that we've set up the OKR program and officially announced it to the organization, it's finally time to enter the OKR cycle, set some OKRs, and more importantly, start achieving them!

THE OKR CYCLE consists of three sub-phases. We've broken each one down into chapters for this guide.



ALIGN & LOCALIZE

OKRs are set on all levels of the organization

FOCUS & EXECUTE

Everyone is executing towards their OKRs

REFLECT & RESET

Everyone reflects on the first cycle and uses those insights to improve the next one

DISCLAIMER:

Your first OKR cycle won't be perfect, and that's okay. Approach this first cycle as a learning experience to see what needs to be improved. That's the beauty of short, iterative cycles. The next one will be better, and the one after that even more so. An effective OKR program is about continuous improvement.

Download all four step-by-step guides here:

- Phase 1: **Setup**
- Phase 2: **Launch**
- Phase 3: **OKR Cycle**
- Phase 4: **Mature & Scale**

OVERVIEW

Align & Localize 05

Run an OKR Workshop with the Executive 06
Finalize the Leadership OKRs 10
Localize the Leadership OKRs in Team Workshops 11
Ensure Alignment with Tie-Off Sessions 15

Focus & Execute 17

Start Taking Action! 18
Practice the Results Rituals 19
- Action Plans 20
- Calibrate Monday & Celebrate Friday 20
- Monthly Business Reviews 21
- 1:1s 22
- Mid-Quarter Check-Ins 23

Continue to Monitor Progress & Flag Risks 24
Discuss Progress with the Steering Committee 25

Reflect & Reset 26

Reflect on the OKR Cycle with the ELT & Reset the Leadership OKRs 27
Close Out the OKR Cycle 28
Reflect & Reset OKRs with Your Teams 29
Ensure Alignment Again for the New Cycle 30

Conclusion 31

Phase 3 Checklist 32

ALIGN & LOCALIZE

At the beginning of the OKR cycle, the focus is on setting the leadership OKRs and localizing them down into the team levels. The leadership OKRs are set in an OKR workshop with the executive leadership team. Then, OKR workshops with each team ensure that the strategic intent of the leadership OKRs makes its way throughout the entire organization.

We explain more about this process in this chapter.

STEP 1

RUN AN OKR WORKSHOP WITH THE EXECUTIVE LEADERSHIP TEAM

Remember that leadership alignment survey we mentioned in phase 2? Well, now it's time to take the insights from that survey and use them to set the **'leadership OKRs'**, or sometimes referred to as **'top-of-house OKRs'**.

The first OKR workshop that should be held for any organization is this OKR workshop with the executive leadership team (ELT). The ELT consists of the CEO, and all direct C-Suite reports (such as the CMO, CFO, etc.) This leadership team will set OKRs together, rather than the CEO simply delegating what the OKRs should be.

Every decision made during this session forms the foundation of your OKR program, as all subsequent OKRs will stem directly from those decisions.

These initial leadership OKRs (typically set for the year) set the stage for the entire downstream OKR landscape. Their structure and content will be a reflection of the executive leadership team's view of the most pressing priorities for this OKR cycle and beyond.

While leadership OKRs are typically annual OKRs, the executive leadership team can also break those down into quarterly OKRs, giving each quarter a specific theme.

Keep in mind that the conversations and intentional trade-offs to get to the final OKRs are just as important as the final OKRs themselves. Co-authorship is one of the best recipes for buy-in. Use this to your advantage!

Run an OKR workshop with the ELT in 5 easy steps

1. Strategic pillars

If you haven't already, use the results of the leadership alignment survey from phase 2 and assess what the most pressing priorities are. From there, see if there are any overarching strategic pillars. These broad themes set the course for OKRs that drive progress. Examples of such pillars include business growth, customer service excellence, innovation, etc. Defining strategic pillars helps prevent broad objectives like "grow our business" or "make our customers happy" - those are at best pillars, not objectives.

2. Start with the annual objectives

The ELT can begin by articulating the strategic intent in the form of one annual objective per strategic pillar. This is an essential step in the planning process, as it helps to focus the executive team's efforts and ensures that all of the objectives are aligned with the overall strategic direction of the organization. The objectives should be clear and concise, and should outline the specific actions that need to be taken in order to achieve the desired outcome.

When creating your first objective, start by finding these individual elements:

- **STRATEGIC PILLAR:** The overarching theme
- **NARRATIVE:** Where are we now?
- **DESIRED STATE:** Where do we want to go?
- **STRATEGIC CHOICE:** How will we get there?

After you've defined these elements, you can put them together in this formula:

We [desired state and/or impact] through/by [strategic choice]

Example: We deliver a seamless customer journey through standardization

Avoid the temptation to delve into unnecessary wordsmithing that won't significantly alter the meaning or intent of the objective. The excessive fine-tuning of nomenclature often results in the development of slogans or mission statements rather than genuine objectives.

3. Move on to the annual key results

Once the objectives have been established, the executive team can then move on to creating annual KRs (key results) for each objective. Annual KRs are usually lagging indicators, like revenue, customer satisfaction or employee turnover.

When setting key results, use this formula:

[verb] + [what] from [initial measure] to [target measure]

Example: Decrease the average customer journey time from 6 weeks to 4 weeks

4. Optional: Set OKRs for the first quarter that are more specific than your annual OKRs

Quarterly key results serve as leading indicators, enhancing our chances of achieving our annual goals. For instance, while an annual KR could be "increase revenue," a quarterly KR might focus on "increasing prices." Not every strategic pillar will necessarily have an objective every quarter, and there might be instances where two objectives align with one pillar. However, in general, the strategic pillars establish the tone for our objectives.

DISCLAIMER

We do not recommend setting quarterly OKRs for all 4 quarters right out of the gate. If you choose to break down ELT annual OKRs to quarterly OKRs, only set those for the first quarter and then reiterate. The iteration process of OKRs is key, and we've never seen an organization end up using their pre-planned Q2, Q3 or Q4 OKRs 2-3 quarters later. A lot changes in that amount of time.

5. Assign KR Owners & Develop Action Plans

Once the leadership OKRs are set, you should make sure that each KR has a clear owner. A KR owner owns the outcome and will rally the team(s) needed to execute against it. Make sure that the people taking ownership are part of the conversation and agree. You should take some time in the last moments of the workshop to have each KR owner discuss the initial courses of action and next steps that they will take to ensure their key results are executed against. It's one thing setting OKRs, but having an executable action plan makes sure that they aren't just set and forgotten. For more about action plans, **see: Step 6: Practice the Results Rituals.**

It's a good idea to plan for 4-8 hours for this workshop, as this will allow for sufficient time to thoroughly discuss and align on the strategic direction and OKRs.

Looking for an OKR expert to
facilitate your executive OKR workshop?

Let's Talk

STEP 2

FINALIZE THE LEADERSHIP OKRS

Work closely with the executive leadership team to ensure that the OKRs are finalized and ready for publication.

After the workshop, if targets and certain metrics are still missing, these should be filled in within the next few days. Once these have been added, and before the OKRs are published to the rest of the organization, it's important to make sure that the OKRs are clear, measurable and aligned with the overall strategic direction. Now is a good time to identify any potential obstacles or challenges that may prevent OKR achievement. By identifying and addressing these challenges early on, the executive leadership team can ensure that the organization is able to achieve its goals and objectives in a timely, efficient manner.

Once the OKRs have been finalized, they are ready to be made **available to the entire organization**. This allows everyone to see the goals and objectives that the leadership team has set, and to understand their role in achieving them. After all, these leadership OKRs will serve as the foundation for the OKRs that the rest of your team will create in the upcoming **team workshops.**

STEP 3

LOCALIZE THE LEADERSHIP OKRS IN TEAM WORKSHOPS

Localization is the process of bringing higher-up OKRs into the context and expertise of lower levels. No department or team will set their OKRs in isolation – there will always be context. This entails more than simply copying and pasting OKRs from the executive leadership team or the team directly above. It involves each team defining how their specific team supports the strategic pillars - or more directly: support the upper level OKRs. **That means that L2 teams align to the L1 OKRs, and L3 teams align to the L2 OKRs.**

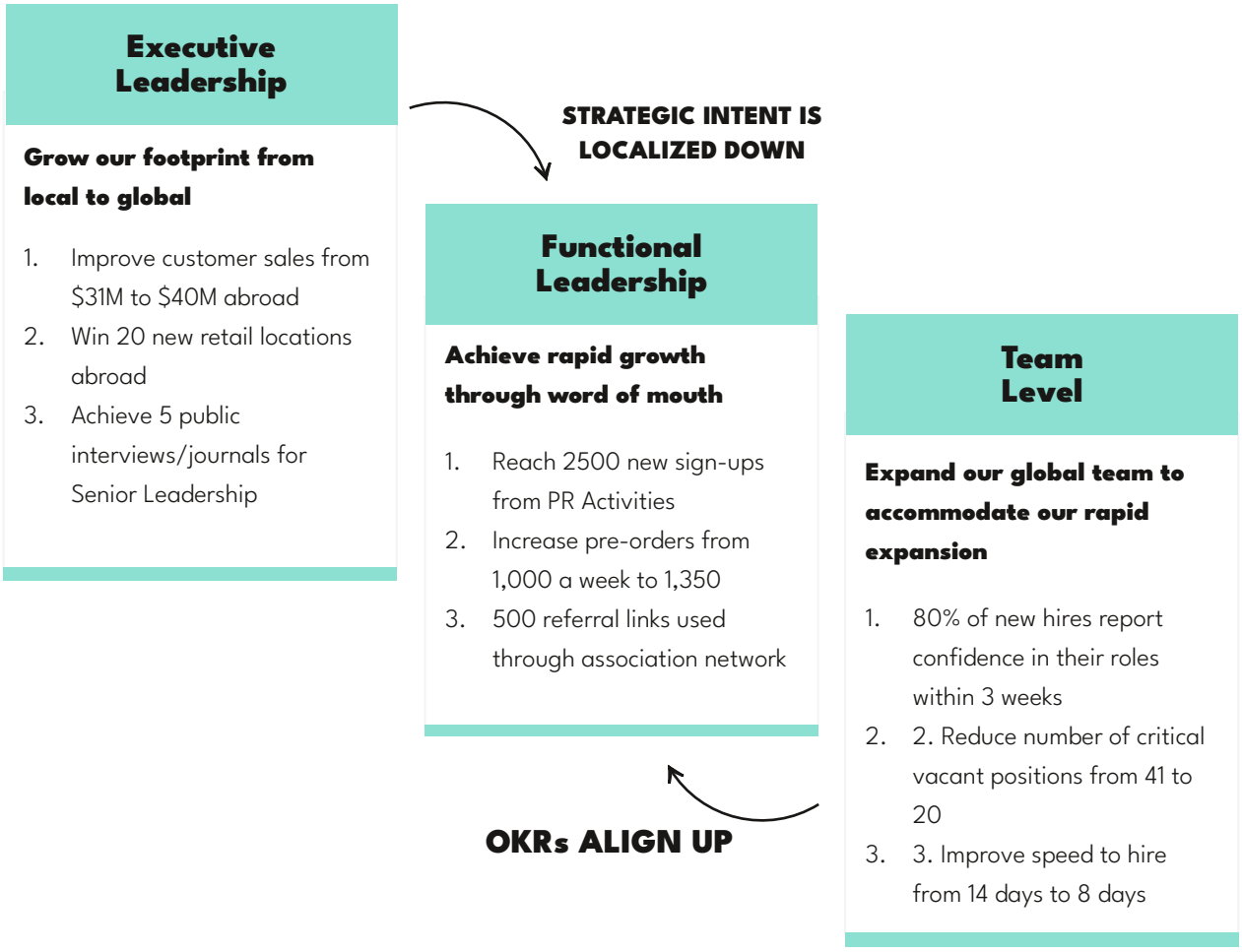
Let's say leadership has an OKR focused on growing in a new market. One of the key results is a sales metric, which directly involves the sales team. They create their own OKR to drive sales in that market.

Meanwhile, the HR team sees the same leadership OKR and interprets it differently. For them, growth in a new market might mean adjusting hiring practices. So, HR might set an OKR to focus on faster hiring or smoother onboarding in that market. In this way, **both teams align with the broader goal, but each creates an OKR specific to their role.**

Sometimes, teams might align multiple objectives into one pillar and not have any relation to another. They may even have a priority that can't be summarized in a pillar. That's okay! The transparency of OKRs and the tie-off, which we will talk about later, will make sure no team is going rogue.

The localization process involves a series of workshops, as well as careful planning and coordination among team leads, your certified OKR champions and the program team.

The program team should work with the team leads to schedule OKR setting workshops in waves. **These workshops are held at hierarchical levels of the organization**, as well as in departmental streams, with a few days in between to allow for finalization.



In the initial ELT workshop, the CEO and their C-Suite direct reports have set the leadership OKRs. Each of those direct reports probably lead their own team. These workshops are for those teams. **And yes, that means that each direct report has to participate in two workshops (the leadership OKR workshop and their team's OKR workshop).**

The **team workshops** are led by an OKR coach (aka. the champions you got certified in phase 2). They will guide each team through the process of setting their OKRs. The coach helps the team identify the most important outcomes that align with the uplevel OKRs, and then works with them to set specific, measurable, achievable, relevant, and time-bound key results to support those outcomes.

The program team is responsible for:

1. Review uplevel OKRs

For a team to create aligned OKRs, it's important for them to refresh their understanding of the direction outlined by the executive OKRs and the uplevel OKRs. The whole point of this workshop is to localize OKRs down into a team's area of expertise, therefore, having a solid understanding of the uplevel OKRs is necessary.

2. Define the team OKRs

First, the team will define up to 5 objectives that are aligned to their uplevel OKRs. Following that, they will define 4-6 key results for each objective. Alternatively, teams can set one OKR at a time before moving onto the next. This is entirely up to the team. However, in most cases, it's recommended to define all objectives first and then move on to the key results. This approach helps people stay in the mindset of defining qualitative statements first, making subsequent tasks easier in the process. In addition, if you are running out of time, it's better to have defined objectives, as KRs can oftentimes be created async.

3. Assign key result owners

Each key result should be assigned a **dedicated owner** who is then in charge of updating it and ensuring it stays on track. As a key result owner, they are responsible for:

- Developing a plan of action to achieve the key result.
- Connecting with relevant stakeholders to align on the plan.
- Providing regular updates on the key result to ensure transparency on progress.
- Using team meetings or other platforms to flag risks if the key result is not progressing well, and collaboratively producing solutions.

We recommend setting aside at least 3 hours per team for these team OKR workshops. Over time, the amount of time and effort required to localize OKRs will decrease significantly. As teams become more familiar with the OKR process and continue developing their operating muscle, the localization process will become more efficient and effective.

Ready to run your own OKR workshops?
Read our guide, **"Running OKR Workshops Like A Pro"**
for more useful tips

STEP 4

ENSURE ALIGNMENT WITH TIE-OFF SESSIONS

Tie-Offs are sessions where team leaders between two levels confirm their OKRs and ensure they address the correct priorities. For instance, leaders from L1 and L2 teams will have a tie-off, leaders from L2 and L3 will have a tie-off, and so on and so forth.

These sessions are extremely effective in addressing a lot of common problems, such as:

- Endless OKR setting
- Misaligned OKRs
- Silos
- Dependencies on other teams
- Duplicated efforts

Presenting OKRs team-by-team isn't the best approach. The aim isn't for each team to go through their OKRs individually. Team leaders should have already received and reviewed each other's OKRs before the session. The tie-off session should be used for aligning and discussing outcomes. Instead of the team-by-team method, where interest might fade after the second team leader presents (talk about a snooze-fest), consider discussing OKRs one by one from the upper level's perspective.

For instance, OKRs from L1 would be discussed first, and any issues or misalignments would be made apparent to the L2 team leaders. **This helps check how well the other level's teams have aligned their outcomes to the uplevel OKRs**.

Keep in mind that we don't want to just align vertically down the organizational structure, but also horizontally. This means taking a look at how well one level's OKRs complement other OKRs on the same level. **Be on the lookout for any inconsistencies, dependencies and duplications!**

It's easy to find a problem and just make note of it. In these tie-off sessions, it's important for those issues to be collectively resolved in real-time. If that is not possible (maybe exact metrics aren't available), then assign actions to those who need it and make sure those actions are complete in a timely manner. **"Perfect" is the enemy of progress**. Make sure teams aren't spending too much time on getting their OKRs just right. As long as they are good enough, it's better to get the ball rolling instead of waiting for perfect OKRs in 3 months.

If OKRs between these two levels are left incomplete, then the next level will be localizing incomplete OKRs into their level.

It's vital that these OKRs are tied off and finalized before they are localized down further.

FOCUS & EXECUTE

Now that all OKRs are set, it's time for everyone to start driving towards their OKRs. This means focusing on outcomes and the actions that directly contribute to those outcomes. Each person should understand their role and the specific OKRs they are responsible for driving forward. By having clear ownership, it becomes easier to track progress, hold people accountable, and ensure there is no overlap or ambiguity in responsibilities.

It's time to focus and execute.

STEP 5

START TAKING ACTION!

All the hard work is finally about to pay off! Your teams have all set their own OKRs and have confirmed that they align with the organization's priorities. Now comes the time to actually **work towards achieving those OKRs.**

Throughout the Focus & Execute phase, your champions should play a supportive role, providing guidance and assistance whenever needed. They help teams stay on track, overcome challenges, and identify opportunities for improvement.

Remind your champions that they are expected to:

- Provide support throughout the OKR cycle
- Be the go-to person for OKR related questions
- Work with other OKR coaches to identify/solve misalignments and risks

It's best to remind everyone of the OKR playbook that you made in phase 1 that documents the OKR process, updating frequency, etc. If there are ever any doubts or discrepancies as to how OKRs should be approached throughout the cycle, this playbook will act as your organization's OKR constitution.

While teams might initially be focused on their routine business-as-usual tasks, the key is to continuously prioritize OKRs and keep them top of mind. By doing so, teams can demonstrate progress early on, creating a positive momentum that moves them forward.

How can everyone make sure that OKRs remain top-of-mind and outcomes are actively being pursued?

By practicing certain habits that we like to call...*drumroll*...
Results Rituals.

STEP 6

PRACTICE THE RESULTS RITUALS

You won't be able to drive strategy execution by simply setting OKRs. You need behavioral change. The success of OKRs often hinges on the **behaviors and habits** that individuals and teams develop throughout the process.

We have identified five essential practices, aka. **Results Rituals** that should be followed to fully reap the benefits of the OKR framework in your organization.

Action Plans	**Calibrate Monday & Celebrate Friday**	**Monthly Business Reviews**	**1:1s**	**Mid-Quarter Check-Ins**

The best part is that a lot of these habits can be integrated with your organization's existing meetings, and shouldn't require a whole lot of additional work. Results Rituals are not about working harder - they're about working smarter! If done well, you will end up having less meetings in the long run because of how aligned you've become.

With Results Rituals you're flipping the switch: OKRs aren't boring, administrative things to update every week. You're ensuring teams and executives receive more information, insights and data from OKRs than they contribute, resulting in decision-making, alignment and execution being so much easier. This means you're building a value-add process, versus a time-invest process.

1. Action Plans

Without action plans, OKRs are just wishful thinking. Towards the end of each OKR setting workshop, teams should briefly discuss action plans.

Start by identifying 3-5 tasks.	Assign owners for those tasks.	Set some deadlines.

Boom, you've created your first action plan. Once the initial tasks are defined, the subsequent steps typically become apparent throughout the OKR cycle. There's no need to plan out 15, 20, or more tasks in advance. In our experience, the most effective action plans are those that can be created in ten minutes.

When considering objectives, key results, and actions, it's essential to differentiate between key results (the outcomes or value) and actions (how we create that value). Aligning only on actions can lead to hollow efforts with no real value, while aligning solely on outcomes can result in them not being achieved. **Both elements are necessary for success.**

By analyzing the cause-and-effect relationship between your actions and the desired outcomes, you can make more informed decisions in the future.

2. Calibrate Monday & Celebrate Friday

This ritual keeps OKRs in focus, week over week, and drives consistent progress throughout the OKR cycle. Weekly focus enables teams to spot and address risks early on.

Every Monday

By recalibrating focus every Monday, teams can adjust their priorities and efforts to stay on track. Teams should use KR data to have better conversations that move the team forward faster. Rather than showing up to be informed, team members should show up already informed and use data to make decisions. **Meeting all day takes away time to do meaningful work** — and meaningful work is exactly where everyone should focus.

Some important conversations to have every Monday:

- What are we going to do this week to ensure we're making meaningful progress on a KR we are behind on?
- What is preventing us from making progress?
- Where do we need leadership's help so we can achieve our OKRs?

The Monday meeting should conclude with **clear action plans for the week.**

Every Friday

When Friday rolls around, **celebrate some victories** and the progress that was made! Update all KRs and provide narratives with confidence ratings. Add the actions that were successfully completed this week, and mark any actions from this week that were not completed yet. It's also a great idea to populate the agenda for next Monday's calibration meeting with observations and important things to tackle. This process can be done async, but most teams benefit from starting with an actual weekly meeting to build a habit.

Discuss these points every Friday:

- What changes were made that improved progress?
- Why did the changes improve progress?
- Why did it move the needle on the KR?
- How can we bring these improvements to other KRs

Take these findings into next week!

3. Monthly Business Reviews

Monthly Business Reviews (MBRs) unlock the benefits of OKRs in cross-functional and collaborative settings.

During **Executive Level MBRs,** which involve all C-Suite members including the CEO, there should be an emphasis on risky OKRs and their corresponding next-level OKRs. This high-level scrutiny helps in identifying critical risks and aligning strategies to mitigate them effectively.

Cross-Functional MBRs, on the other hand, involve relevant C-Suite members and their next-level reports such as SVPs, VPs, and Directors. These meetings should mention the goals that align with the same top-level OKRs, ensuring that there is cohesive support for upstream risks and a keen focus on downstream risks that relate to their specific OKRs. If your organization has a lot of joint goals, projects, and teams with close dependencies, it may be necessary to have more Cross-Functional MBRs.

Leaders responsible for actions or changes are **expected to carry them into their respective weekly meetings**, such as the previously mentioned Calibrate and Celebrate ritual, where they can be distributed more granularly within their teams.

An impactful Monthly Business Review follows this simple structure:

- Anchor the MBR to the long-term strategic priorities.
- Review red OKRs that signal risk.
- Dive into the actions and lower-level KRs that support the red OKRs, to uncover solutions.
- Assign tangible next steps to named people to ensure accountability.

This is also where important trade-off decisions are happening. Do we have the right resources to support this OKR? Do we need to shift away from one OKR to save another that is more important right now?

You don't always have to prioritize OKRs. But you always have to make a conscious decision for, or against, an OKR if a new opportunity or deadline is coming up.

This continuous loop of alignment, action, and review will ensure that **your organization remains agile and responsive** to not only challenges, but also opportunities!

4. 1:1s

1on1 discussions around OKRs are by no means about measuring someone's performance as a function of KR progress. Neither is it about setting OKRs on an individual level. 1:1s should be exchanges between managers and employees with the goal of driving performance.

When you have a 1:1, you should have a clear agenda. Make a list ahead of time of topics you want to discuss but at the same time, keep it flexible.

Start your 1:1 with a quick check-in to see how the person is feeling. This will help build a personal connection and trust. Then, you probably want to continue with some topics around their personal development.

It's great to bring up OKRs, but **don't just talk about OKR progress updates**. Instead, talk about roadblocks. Talk about the challenges they might be experiencing and use the session to really work on solutions.

This should be a collaborative session, and at the end, you want to make sure some 'next steps' come out of it. It's really important to not forget that 1:1 meetings are there to really **support the employee and empower them** to actively be part of the OKR process and overcome their challenges. OKRs should drive these discussions, not dominate them! 1:1s ensure that individual development, expectations, and behaviors are all in harmony with the broader objectives of the team, which are shaped by the company's business goals.

5. Mid-Quarter Check-Ins

The mid-quarter check-in is an async process that serves as **a reality check** for your teams. These should occur, you guessed it, at the middle of the quarter!

It's the perfect time for OKR coaches, teams, and leaders to assess progress and develop a plan to finish the OKR cycle strongly. If certain approaches are not yielding the expected results, teams can pivot and experiment with alternative methods, ensuring that efforts remain aligned with the desired outcomes.

Can we **de-prioritize work** that would enable the team to work more on an important KR?	Can we **add capacity** to an under-resourced team that's currently supporting many OKRs?	Can we **deprioritize** some OKRs and make one KR the priority for the rest of the cycle?

Mid-quarter check-ins are more than just a status update; they're an opportunity to step back and **look at the bigger picture**. It's not just about a team's OKRs but about how the entire company is progressing.

It's the perfect time to **trace alignment and dependency lines**. This means to look at whether your progress depends on other teams' OKRs and whether they are on track. If another OKR you're dependent on is behind schedule, it could block your success toward the end of the quarter. At the same time, if an OKR from your team won't be achieved, it could impact other teams' progress. Therefore, this check-in is a good opportunity to review these dependencies (both vertically within the organization and across teams) and make sure everything is synced. If there are serious alignment issues, they should be discussed at the next Monthly Business Review at the executive and cross-functional level.

STEP 7

CONTINUE TO MONITOR PROGRESS AND FLAG RISKS

Throughout the OKR cycle, you should be monitoring progress and flagging potential risks. In order to do this effectively and accurately, everyone should be updating their OKRs according to the established updating frequency that was set in phase 1. Without teams updating the progress of their OKRs, it's impossible to know how the OKR process is doing.

Regular updates on the progress of OKRs are crucial for understanding how well the organization is performing. To ensure this visibility, it is essential for you, the program team lead, other team leads and your OKR champions to reach out to the owners of KRs that have not been updated.

Teams are expected to update KRs, even if there is zero progress. Without updates, it's unclear whether there hasn't been progress or if the KR has simply been forgotten.

Beware of watermelon metrics!

Watermelon metrics are metrics that appear perfectly **green** for a long time, but when you dig deeper, you realize that they are actually **red** on the inside. For example, a company may report consistent growth in sales revenue, appearing successful.

However, further analysis could reveal that the growth is primarily driven by heavy discounts or short-term promotions, leading to reduced profitability.

It's best to avoid these types of metrics, as they can lead to false confidence and a lack of visibility into underlying problems. It's always better to be proactive and address potential issues early on, rather than waiting for them to become a full-blown crisis.

STEP 8

DISCUSS PROGRESS WITH THE STEERING COMMITTEE

As your OKR process advances and your organization's strategies and objectives evolve, it's crucial for you, the program team leader, to get together with the Steering Committee (SteerCo) that you formed in phase 1. These discussions should be focused on assessing progress so that you can plan ahead.

The SteerCo Meeting offers you and its members the chance to go over accomplishments, tackle obstacles, and **talk about any adjustments needed to ensure all goals are met.**

Top of Mind

Talk about any new insights or feedback from the executive team.

Progress Review

Review OKRs for OKRs and overall program progress.

Bottlenecks

Share and discuss bottlenecks slowing down progress and how to address them.

Next Steps

Clarify the next steps and responsibilities for the upcoming OKR cycle.

One of the best ways to measure how well your OKR process is performing is by taking a look at your OKRs for OKRs. These are the OKRs that you set in phase 1, that should act as your **OKR process' success criteria.**

OKRs for OKRs example from phase 1

Objective: We launch OKRs with high engagement and adoption.

- 100% of teams have their OKRs published.
- 100% of employees in scope have OKRs aligned to strategic priorities.
- 10% of individuals across the organization have been certified to become OKR coaches.
- 70% of teams update their OKRs every week.

"Are we moving in the right direction? Is the OKR program addressing our pain points? If not, how can we make sure it does?"

REFLECT & RESET

With the end of the OKR cycle right around the corner, it's time to reflect. Everyone takes a deep look at the shifts, wins and observations from this last cycle and preps for the next. These insights are then used to reset OKRs for the next cycle, improving focus, measurability, and the overall impact of the process.

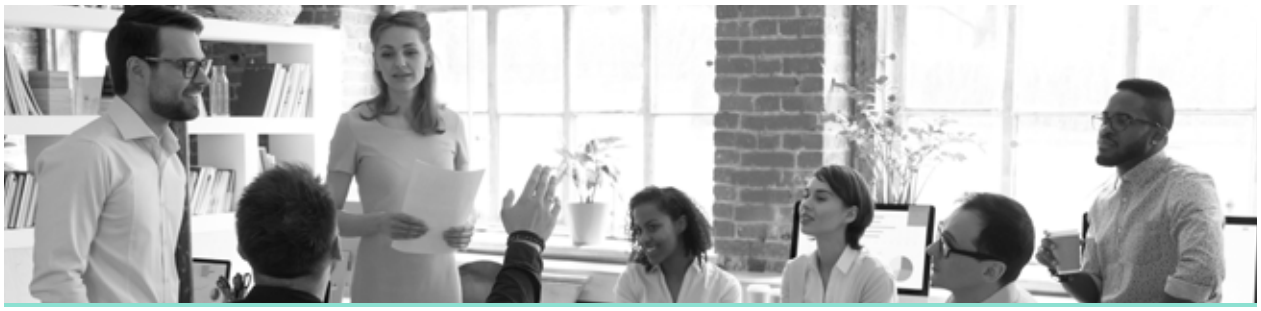
OKR cycles are short, iterative and promote continuous improvement.

STEP 9

REFLECT ON THE OKR CYCLE WITH THE ELT & RESET THE LEADERSHIP OKRS

This process is essentially another OKR workshop with the executive leadership team, where they set their new OKRs for the upcoming cycle. This time, they'll have insights and learnings from the previous OKR cycle that they can leverage.

If you need a refresher on how to run an OKR workshop with the ELT, please see Step 1 of this guide.



In this reflect and reset workshop with the ELT, discuss the following:

OKRs

Did our objectives capture our **priorities, intent and direction** for the quarter?

Can we **improve** our OKRs in the next quarter?

Did we measure the **right** results?

FOCUS

How well did we build our new muscle of **focusing on what matters** most on a weekly basis?

What can we do to **improve focus** even more?

PROGRESS

What internal and/or external dynamics changed and how could we have **addressed them better**?

How will that affect the **next OKR cycle**?

Over the course of 250+ OKR implementations, we've found that many organizations typically have these first cycle learnings:

VICTORIES

Getting to **clarity** was amazing!

We actually **achieved more** than we expected!

Alignment is **connecting our efforts**.

We had the **right conversations** within this team and across other teams.

We are much more **transparent** than before.

CHALLENGES

There are too many key results → less is more.

Our **key results didn't reflect our current state** as accurately as they could have.

We **didn't measure** the smartest things nor do so in the smartest ways.

We **didn't mobilize fast enough** once we set our OKRs.

STEP 10

CLOSE OUT THE OKR CYCLE

The Close Out is an all-hands meeting where the ELT reveals their new OKRs for the next cycle to the entire organization. They can also use this meeting to express the victories, shifts and observations they've made in their Reflect & Reset workshop.

Everyone in the organization can then use these insights to improve their OKR setting and approach to OKR execution in the next cycle.

STEP 11

REFLECT & RESET OKRS WITH YOUR TEAMS

Once the ELT has finalized their new OKRs for the next upcoming OKR cycle, teams are ready to start reflecting and resetting their own OKRs as well. Just like before, the new leadership OKRs get localized down, but this time with much more efficiency and prowess.

In addition, participants should be asked to come to the workshop prepared to discuss their team's top priorities for the upcoming quarter.

In the Reflect & Reset workshop, participants should reflect on what they have achieved in the past OKR cycle, what got in the way, and what they will adjust moving forward.

VICTORIES	OBSERVATION	SHIFTS	KUDOS
What did you achieve? What was awesome? What was powerful?	What got in the way? Where did the team fall short of intended outcomes, and why?	What will you adjust? What will you want others to adjust to achieve more of the intended results next cycle?	Who made it happen this cycle? Whose achievements or impact really stood out?

A **Reflect & Reset Workshop** is essentially a team OKR workshop (step 3), but with a key difference: this time, the team begins by reviewing insights from the uplevel team, along with the new OKRs for the next cycle.

This broader perspective provides valuable context on how the team's OKR setting and execution processes can be improved. From there, teams refine and create their new OKRs for the upcoming cycle.

STEP 12

ENSURE ALIGNMENT AGAIN FOR THE NEW CYCLE

You might be thinking, “But we’ve already done this before at the beginning of the cycle.”

Well, the OKR cycle is called a cycle for a reason. The iterative nature of OKR cycles provides plenty of opportunities to refine your process, test new ideas out and make adjustments where necessary.

Once two levels of the organization have set their new OKRs for the upcoming cycle, they are ready to tie-off again (step 4) to ensure that priorities align both vertically and horizontally.

CONCLUSION OF PHASE 3

Nice, you're well on your way through the first OKR cycle and ready to take on the next!

You've accomplished a lot during this phase:

- Leadership OKRs are in place that inform the organization's strategy.
- Team OKRs are set on all levels and align up to the strategy.
- Everyone is actively working towards their OKRs and keeping OKRs top-of-mind by practicing Results Rituals.
- You're monitoring progress and making sure OKRs are up to date.
- You and the steering committee have had a productive discussion about the OKR process and where improvements can be made.
- Everyone is prepared to make the next OKR cycle the best one yet!

With everyone focusing and executing against their OKRs while continuously improving cycle after cycle, it's important to keep the momentum going. In phase 4, we will discuss how to mature and scale your OKR process.

Next stop, Phase 4!

Download all four step-by-step guides here:

- Phase 1: **Setup**
- Phase 2: **Launch**
- Phase 3: **OKR Cycle**
- Phase 4: **Mature & Scale**

PHASE 2
CHECKLIST

Phase 1: Setup

- ☑ Establish the Program Team
- ☑ Establish the Steering Committee
- ☑ Set OKRs for OKRs
- ☑ Nominate Champions
- ☑ Set OKR Parameters
- ☑ Build Your OKR Playbook
- ☑ Leadership Briefing
- ☑ Prepare Company-Wide Communication

Phase 2: Launch

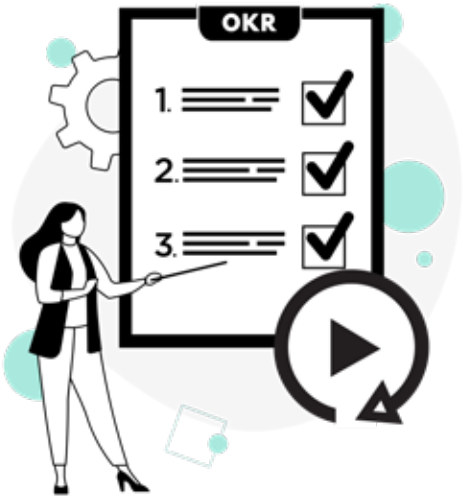
- ☑ Announce the Program to Everyone in Scope
- ☑ Provide Basic OKR Training
- ☑ Get Champions Certified
- ☑ Leadership Alignment Survey

Phase 3: OKR Cycle

- ☑ Executive OKR Workshop
- ☑ Finalize Company OKRs
- ☑ Localize Company OKRs in Team Workshops
- ☑ Action Plans
- ☑ Ensure Alignment with Tie-Off Sessions
- ☑ Start Taking Action!
- ☑ Practice Results Rituals
  - Calibrate Monday & Celebrate Friday
  - Monthly Business Reviews
  - 1:1s
  - Mid-Quarter Check-Ins
- ☑ Monitor Progress & Flag Risks
- ☑ Steering Committee Meeting

Phase 4: Mature & Scale

- Reflect & Reset Company OKRs in an Executive Workshop
- Close Out the OKR Cycle
- Reflect & Reset OKRs in Team Workshops
- Tie-Off OKRs for the Reset
- Start Executing Again!
- Continuously Improve



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