Jira Align

Mars shots, not moonshots

How to use OKRs to take your teams farther than ever before

OKRs were invented to inspire teams to go beyond what they've done before, but too often they become a mechanism for setting easily achievable goals. Here's what to avoid when setting OKRs so your teams can go beyond the moonshot and make it to Mars.

If you're in an organization that cares about innovation, it's highly likely that your leadership sets big goals. Some people call them moonshots, a term inspired by President John F. Kennedy's **iconic 1962 speech:**

> We choose to go to the Moon in this decade…not because [it is] easy, but because [it is] hard.
>
> **JOHN F. KENNEDY**

In other words, moonshots are supposed to be efforts that go beyond what we've done before. We start them before we know how we'll accomplish them. This singular act of seeking pushes us past the edges of our abilities. Or at least that's what the term is supposed to mean. For many companies, the term moonshot has started to become a stand-in for any goal, even easily achievable, business-as-usual goals.

I think we should always think bigger. We've been to the Moon; what comes next? Mars shots, maybe, or the world's first asteroid redirect mission. Those are the ideas that excite me—the goals just out of reach, the ones that push us past our farthest achievements—and then push past those again in a year, and in two years, and again in five years. Whatever the next frontier is at the time that I'm planning, that's what I want to aim for. When I get to the Moon, I plan to keep going.

The same part of me that loves the idea of Mars shots is the part that's embraced Objectives and Key Results (OKRs). Because just like we've been to the moon and now have our sights set on Martian tunnels and asteroid redirection, we used to rely on Management by Objective (MBO) goal planning, and now we've evolved past it to OKRs.

If you want to reach for those kinds of truly audacious goals—whether you call them moonshots, Mars shots, or something else—OKRs are the way to get there.

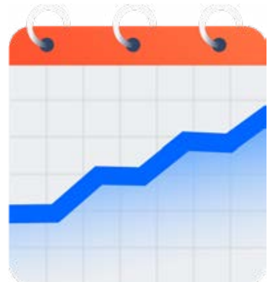
What are OKRs?

OKRs are a goal planning and measurement framework Google adopted in 1999. They're credited as the key to Google's consistent delivery of innovative solutions over the past two decades. And in 2017, the book *Measure What Matters* by John Doerr hit the market to define the strategy and catapult it into more widespread use.

The basic premise of OKRs is that your organization should start with high-level, reach-for-Mars-style objectives and identify key results that help you achieve them. Your company's priorities, budgets, and scheduling should all tie back into those OKRs. As Doerr explains:

> [Setting OKRs are] a collaborative, goal-setting protocol for companies, teams, and individuals...A management methodology that helps to ensure that the company focuses efforts on the same important issues throughout the organization.
>
> **JOHN DOERR**

Learn more about how you can use OKRs to set goals for big outcomes.



The evolution of OKRs

Before OKRs hit the scene, the most common approach to goal setting was Management by Objective (MBO). Back in 1954, when it was introduced by Peter Drucker **in his book The Practice of Management**, the strategy was game-changing. But like other popular inventions of the era–**Swanson's TV dinners** and the first color TV among them–every good idea evolves into something better over time.

So, what's the difference between the MBO strategy of the '50s and today's OKRs? *Measure What Matters* breaks it down like this:

MBOs	OKRs
Tell us what we want	Tell us what we want and how we'll get there
Set unchanging goals, annually	Revisit goals monthly or quarterly
Goals are private and siloed	Goals are public and transparent
Goal setting is top-down	Goal setting is multi-directional
Outcomes are tied to compensation	Outcomes are *not* tied to compensation
Goals are 100% achievable	Goals are audacious Mars shots

The four differences that set your organization up to fulfill your wildest Mars shot dreams

1 OKRs are multi-directional

The MBO method of goal setting goes something like this: business leaders set annual goals, those goals are handed down to the different lines of business, and then they're assigned to teams or individuals.

It's a top-down method of goal setting that assumes the leadership always has the full picture of what's going on in the business. It requires leadership to finalize their goals before teams see them (which means longer timelines from that first strategic meeting to the day that teams start working toward goals). And it doesn't invite teams to take an active role in the goal-setting–just the execution.

OKRs turn this approach on its head, asking both leadership and the teams doing the day-to-day work to take an active role in creating objectives and key results. As Felipe Castro, OKR Coach and the author of *The Beginner's Guide to OKRs* **puts it**:

> OKRs never cascade. OKRs align. OKRs should be…a parallel process in which teams define OKRs that are linked to the organization objectives and validated by managers, in a process that is simultaneously bottom-up and top-down.
>
> **FELIPE CASTRO**

Castro acknowledges that there is often a top-down flow in OKR goal setting, but that shouldn't be the only direction. Companies following OKR best practices are simultaneously top-down and bottom-up. This means high-level company OKRs are visible to everyone. Teams use them to get clear direction and define their own OKRs based on their team's roles within the business. And those team-level OKRs are also visible to everyone, facilitating alignment throughout the organization.

It's obvious that organizational alignment is a good thing. But if your team needs convincing, here's the bottom line: **alignment strongly correlates with business success**. Companies with strong alignment are six times more likely to be organizationally healthy than companies with weak alignment, according to **a study by McKinsey**.

HOW TO DEVELOP AN OKR

Let's say you're a portfolio manager at a company called Acme Corp and leadership sets their first objective: **become the most operationally efficient business in our industry by the end of this fiscal year.**

Now, Acme Corp has policies in place to make sure that no more than 40% of **OKRs cascade downward**. So, after they create this objective–a real ambitious Mars shot–they invite you and other portfolio managers in to explore how to make it happen. You and other portfolio managers discuss ongoing efforts, capacity to achieve these results, current priorities, etc. You talk about conflicts, dependencies, and opportunities.

This collaboration sparks ideas that turn into three key results:

1. Reduce annual IT maintenance and management (M&M) costs from $x to $y by the end of Q3
2. Increase productivity from x% to y% by eliminating redundant/repetitive work by end of Q2
3. Eliminate our data center-related CAPEX by moving to the cloud by the end of Q4

> **The collaborative nature of this approach means everyone is on the same page and leadership doesn't make decisions without factoring in the work on the ground.**

The negotiation process will differ from company to company, but the foundational idea is this: the people closest to the problem or action are often best suited to define the key results that will get us to each objective.

This not only creates better alignment but also keeps companies from spending time and money foolishly. For example, a move to the cloud might mean canceling an ongoing effort to automate data center operations. If the person in charge of that effort isn't involved in the process, it can take longer for the change in plan to get to them and for resources–both talent and financial–to be reallocated toward the new goals.

2 OKRs set their sights on Mars, not business as usual

With the typical MBO approach, everything is tied to a goal, including business-as-usual tasks. And while this sounds good in theory, in reality, it can make prioritization, capacity planning, and budgeting more challenging–because if everything is a goal, which things should be at the top of a team's list? Where should we put our investments and working hours?

In my previous role as a management consultant, customers often lamented that they weren't making any progress on their biggest goals. When I took a look at roadmaps and backlogs, I immediately saw the problem: teams were working on everything simultaneously with even the most trivial items aligned to goals. And because everything was aligned to a goal, there were no clear priorities. No urgency around the most important goals in the organization.

What companies should be doing instead is getting a clear picture of business-as-usual tasks and the capacity they take up on each team, then protecting that time so that the business keeps running smoothly while the rest of the team's capacity is devoted to and determined by those big, audacious goals.

As an example, let's take Acme Corp's second key result: Increase productivity from x% to y% by eliminating redundant work by end of Q2. With this clear direction, teams can prioritize work that moves them closer to that goal and deprioritize work that doesn't. If the support team has to decide whether to put its limited resources on task A or task B, they can use the goal as the tie-breaker, prioritizing the task that will eliminate redundant work.

If, on the other hand, every task on the support team's list, including updating rarely-used printers or writing documentation for little-used systems, is aligned to a goal and tied to their job performance, it's easy to take shortcuts on the most important tasks or prioritize things that may actually need to be taken off the team's plate altogether.

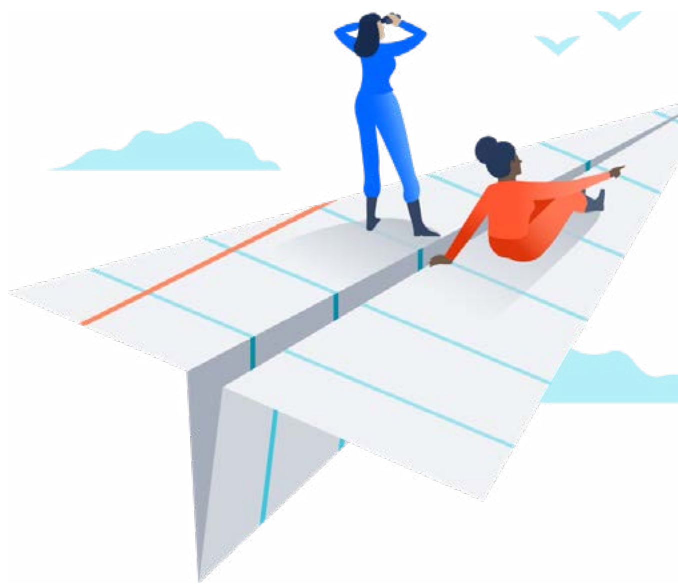
Too many goals can also facilitate a communication breakdown. Leadership may think they have a simple set of goals, while teams may be working on an infinite number of tasks that have all been tied to those goals. At one previous employer, the VP was shocked to learn that headcount-constrained development teams were supporting 150+ products. That VP had been in their role for several years and had no clue the workload was so overwhelming because the only visibility they had was into the high-level goals.

WHY SHOULD WE SEPARATE BUSINESS-AS-USUAL FROM GOALS?

Business-as-usual tasks are everything we do to keep the lights on. We answer our emails. Pay our bills on time. Update our software. Meet the business' basic needs. Goals are designed to push the business farther. They're our Mars shots. The new product that solves a problem. The customer service score that goes through the roof.

Most of us don't make to-do lists for our lives that include the basics–brush teeth, take shower, eat breakfast–because we already know they need to get done and we've already built them into our routines. Likewise, adding business-as-usual tasks to our goal list only clutters it up, takes away focus from the things we're trying to accomplish beyond our baseline.

Research tells us that long to-do lists and too many choices **harm our ability to get things done**. And so OKRs ask us to separate business-as-usual from goals that push us past the baseline.



3 OKRs inspire us to go beyond obviously achievable goals

This is where we come to our Mars shots.

If you're doing things that have been done before, you expect 100% success. When you've gone to the moon once, it's easier to go again. When you've sent up 100 satellites, 101 is pretty much guaranteed.

OKRs ask that we think bigger, that we reach for goals that are just beyond our fingertips. Close enough that we might reach them. Ambitious enough that we might not.

OKRs also ask us to track progress along the way for accountability and course-correct where we need to. If our latest Mars Rover isn't shaping up the way we planned, we pivot mid-project instead of waiting until it's done to seek out the problems.

These regular check-ins and changes can make all the difference. Just ask NASA. Before the **Curiosity rover made its perfect landing on Mars** back in 2012, the team discovered that the coordinates for that landing were incorrect. Without the difficult decisions and coordinated fix that followed, Curiosity's history-making touchdown may have never happened and the 3,000-day anniversary it celebrated in January 2021, **with a panoramic image of the 96-mile-wide Gale Crater**, would have never hit our collective news screens.

As Adam Steltzner says in ***The Right Kind of Crazy***,

> Sometimes a project needs the manager who will keep it moving, and sometimes it needs the troublemaker who will stop and question.
>
> **ADAM STELTZNER**

The best practice here is to measure and check in at least quarterly (not just annually) to make sure we're on the right track and adjust if we're not. Everyone, not just NASA, should expect to test, fail, and adjust course along the way toward truly audacious goals.

4 OKRs don’t tie outcomes to compensation

Most MBO programs tie outcomes to bonuses and evaluations. After all, if you’re setting reachable goals, it makes sense to incentivize your people to reach them.

But when you choose truly audacious goals–to redirect an asteroid for the first time, to send a probe into that lava chute–tying the psychological safety and financial well-being of your managers and teams to success is a recipe for stress. And stress, as social and psychological studies have proven, leads to lower concentration, productivity issues, and even brain function problems.

That’s not to mention that humans are, by nature, risk-averse. If you tell them their bonus is tied to the goal, they’ll identify lower-level goals they know they can hit. They’ll play it safe, keep their most audacious ideas, suggestions, and innovations to themselves. They will, in short, stick to earth instead of aiming for Mars. And your business will miss out on opportunities to push goals farther.

Google, unfortunately, proved this point as they were developing their own OKRs. As **Laszlo Bock explains**:

> One year Google tied OKRs for usage of a product directly to people’s compensation. People started gaming the system to get their bonuses. The very idea of tying monetary incentives to hitting key results was thus deemed detrimental to both the product and the broader culture.
>
> **LASZLO BOCK**

Even worse, incentivizing a win-at-all-costs mindset can encourage people to take shortcuts, ignore legal or compliance requirements that might slow them down, and participate in other counterproductive behavior. This might give you amazing results in the short term but result in legal complications and customer harm in the long term.

So, how do you keep people motivated if you don’t tie outcomes to bonuses? As Maslow’s Hierarchy of Needs tells us, people can’t achieve their full potential unless their basic needs are secure. In a business context, this means psychological safety, job security, and financial security allow people to bring their A-game to the work they do. Putting those things in jeopardy is likely to stunt creativity and productivity, not improve it.

IF WE DON'T MAKE IT A GOAL, IT WON'T GET DONE!

If I had a teaspoon of rocket fuel for every time leadership said this, I'd fly myself to Pluto (which is a planet and yes, I will die on that hill). And my answer is always the same:

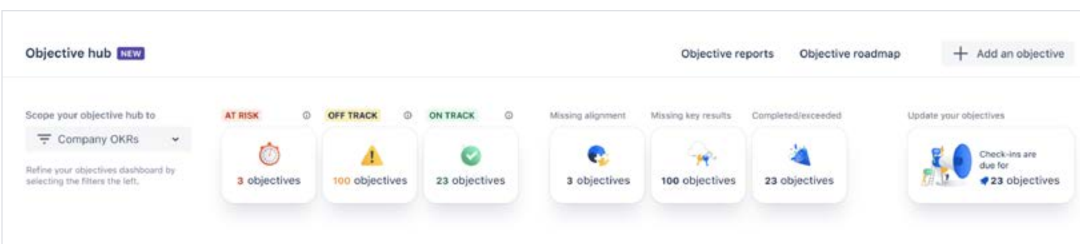
- If you don't have trust, you don't have a team.
- You can trust people to get things done even if those tasks aren't tied to your primary goals. You can trust them to answer their emails, take care of maintenance tasks, and keep your business-as-usual tasks running smoothly.
- If you want to build trust, give people an opportunity to rise to the occasion, as well as to fail. As Daniel Pink tells us in his book *Drive*: people thrive in environments that actively promote mastery, autonomy, and purpose.

How Jira Align supports OKRs

If you're already on board and have your OKRs in hand, the next step is integrating them with your planning and tracking systems.

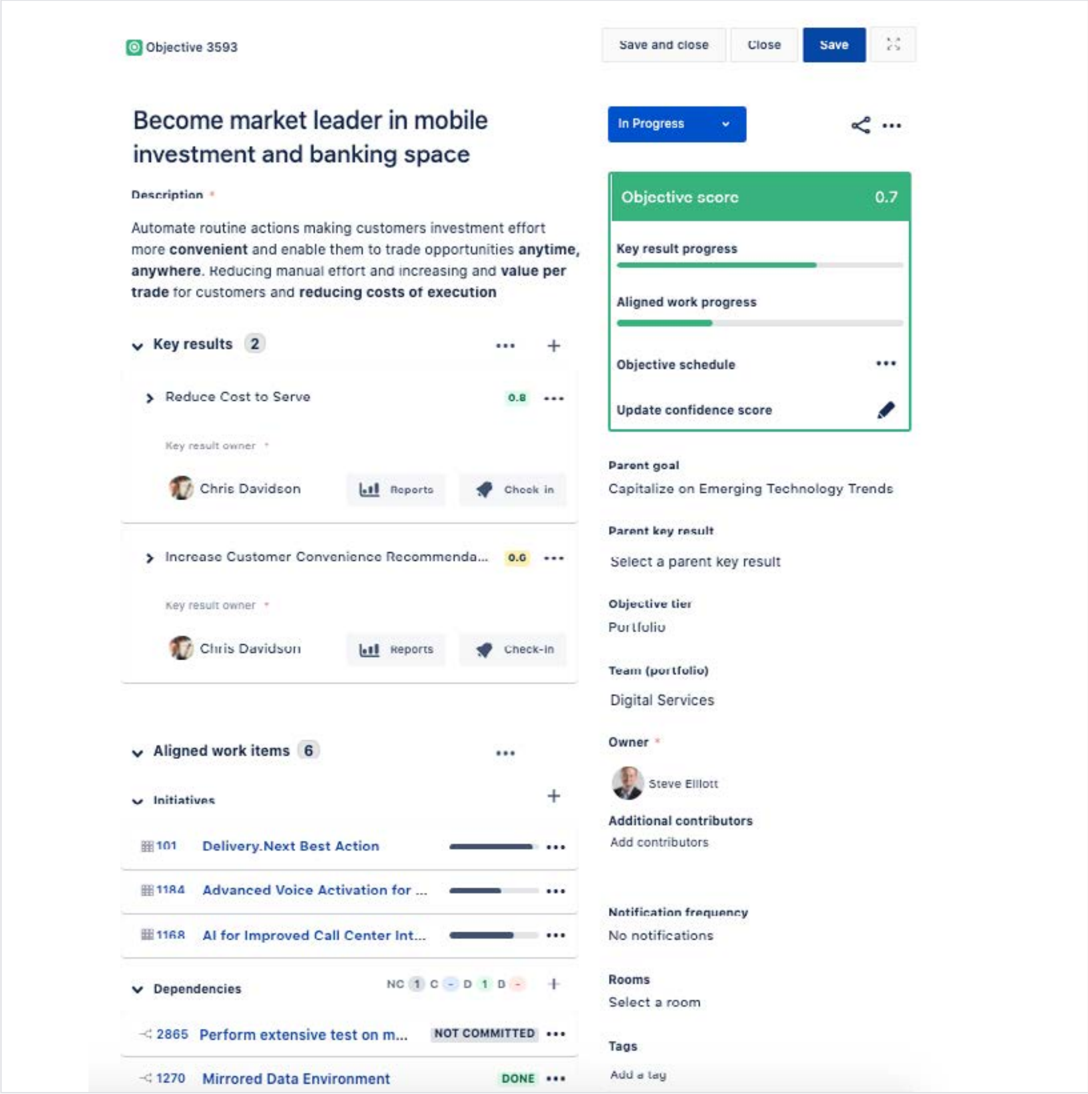
How? In Jira Align, there are multiple ways to do this. One path starts by creating an objective and marking it as an OKR. Then, a wizard will walk you through the steps of creating your OKRs—describing them, assigning a timeline, identifying an objective owner, and scheduling reminders as needed. The system will also give you examples of good objectives and key results to help you understand how to write yours.

Once you have your OKRs set, you can align themes, epics, features, and other Jira Align work items to the OKRs, making sure everything is connected within the system.



Jira Align's Objective Hub gives you quick access to the status of multiple Objectives.

With everything aligned, you'll now have OKR screens you can visit to assess progress toward your objectives. Checking in on that progress should be a regular part of your OKR practice for both teams and individuals. Check-ins are where you can identify new blockers, ask for help, ditch something with a bad key result, and pivot if something isn't working.



In Jira Align, you can track work and progress to your Objectives

On the check-in screens, objectives are automatically scored in Jira Align based on progress within your key results. And you can drill down into the key results to see what's going well and what isn't and make informed decisions about when and how to change course, update expectations, or allot additional resources, time, or budget. You'll also have visibility on these pages into dependencies, risks, and impediments. These are populated live so you can track how they change in real-time.

I recommend OKRs because they've been proven to work. Google, Intel, even Bono have used them to take their own Mars shots—and hit milestones many other companies wouldn't even dream of. But Jira Align is flexible, so whatever moonshots or Mars shots you're taking and whatever framework you use to get you there, we've got you covered.

Want to learn more about implementing OKRs in your org?

Read about how to implement OKRs in a scaled agile organization.

Run the OKR play with our playbook.

Watch this on-demand webinar and learn how SAFe's Strategic Themes works with OKRs.

Want to explore Jira Align for yourself?

Request a demo

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