CHAPTER ONE

What Is OKRs Coaching? Why Is It So Important Now?

By the end of this chapter, you will be able to . . .

- Describe why OKRs coaching demand is on the rise in the 2020s.
- Define *OKRs coaching*.
- Apply a reflection exercise to improve your OKRs coaching skills.

THE MOST IMPORTANT THING I learned in graduate school was not part of the engineering curriculum. It was something I learned from Dennis Matthies, a lecturer in the 1990s at Stanford's Center for Teaching and Learning. As part of his Accelerated Learning course, Matthies explained that prior to embracing a new skill, you should reflect on why you've chosen to take on the challenge in the first place. He presented data and shared examples to back this up. It seems obvious to me now; learning is accelerated when we can clearly explain why we're putting in the time to develop new skills. So, building off Dennis's teachings, let's explore why now is the right time to develop OKRs coaching skills.

This chapter begins with a brief recap of the history of OKRs. It describes how OKRs coaching demand emerged in the 2010s and started growing exponentially in 2018 into a mainstream business practice across the globe. After presenting the definition of OKRs coaching, the chapter ends with excerpts from actual coaching sessions to make the definition more concrete. The goal of this first chapter is for you to clearly state why OKRs coaching is important right now and why you have chosen to develop your coaching skills.

CURRENT STATE OF OKRs AND WHY NOW IS THE TIME TO DEVELOP OKRs COACHING SKILLS

As context for the current state of OKRs, let's go back to where it all started. In the late 1970s, Andy Grove introduced OKRs as an evolution of Management by Objectives (MBOs). Grove was then the CEO of Intel. As key executives left the company, they spread the word on OKRs to emerging big players such as Oracle in the 1980s and Google in the 1990s. By 2010, dozens of tech companies in Silicon Valley were using OKRs as a system for defining and achieving their most important goals.[1] So, if OKRs had been around for nearly 50 years, why the sudden interest in OKRs in 2013? Short answer: Google.

In early 2013, Google Ventures partner Rick Klau shared a video on how Google was using OKRs.[2] The video was wildly popular. Its impact led to the first spike of interest in OKRs outside the Silicon Valley and, indeed, outside the tech world.

> @klau tweet: "My OKRs video just passed 150,000 views. That's about 149k more than I thought it'd get."

In 2014, when the CEO of Sears viewed Klau's video, he immediately rolled out OKRs across the entire organization. Sears Holding Company is not a tech company by anyone's definition. The introduction of OKRs at Sears exemplified its expanding popularity and is just one of many examples of the growth of OKRs across business sectors.

With the popularity of OKRs gaining traction, business leaders and management consultants from all over the world began approaching OKRs coaches for both coaching and support. In 2016, Christina Wodtke published *Radical Focus*, the first book dedicated to the topic of OKRs. Later, in 2016, the book *Objectives and Key Results*, by Niven and Lamorte, introduced the steps for deploying OKRs. This book offered case studies from organizations around the world, as the interest in OKRs was growing outside the United States. Both *Radical Focus* and *Objectives and Key Results* became essential reading for anyone interested in OKRs, and both were translated into several languages.

In 2017, I made multiple trips to China, where I partnered with Beisen, a leading HR software company based in Beijing. I delivered a series of OKRs training workshops in Beijing, Shanghai, and Shenzhen to certify 200 business leaders. During one of these trips to China, I was lucky enough to spend a couple days with executives at Huawei, one of China's leading technology companies. At Huawei, I met Kuang Yang, an OKRs expert who not only translated the OKRs book I coauthored, but also went on to write the first book dedicated to OKRs written in Chinese.[3] Kuang explained that the impact of Huawei's success with OKRs in China was comparable to the impact of Google's success with OKRs on tech companies in the United States.

By the end of 2017, OKRs were taking off across the globe. In addition to collaborating with organizations in China, I had clients based in Singapore, Australia, Poland, South Africa, France, Germany, Israel, India, Norway, the Netherlands, the United Kingdom, and Canada.

However, even in 2017 the demand for OKRs coaching was still nascent. In early 2018, I had roughly one call per week with a different company exploring OKRs. I continued to allocate a portion of my time to marketing efforts such as speaking on OKRs and posting content to The OKRs Blog on OKRs.com. But then 2018 happened.

The interest in OKRs started to grow exponentially after John Doerr's book on OKRs, *Measure What Matters*, hit the market in April of 2018. The stories in Doerr's book featured big names like Bono and Bill Gates. With a growing interest in OKRs came an increased demand for OKRs coaching. I shifted my focus exclusively to deliver OKRs coaching to my clients. I finally had the problem I always wanted: too many leads! We expect the global demand for OKRs coaching will continue to rise throughout the 2020s. Given that OKRs coaching is such a big deal, let's define it.

What Is OKRs Coaching?

To define what OKRs coaching is, let's begin by looking at what OKRs coaching is *not*. OKRs coaching is not consulting. Unlike consultants, who mostly advise their clients, coaches focus on inquiry.

The International Coaching Federation defines coaching as "partnering with clients in a thought-provoking and creative process that inspires them to maximize their personal and professional potential." Where a consultant tends to offer recommendations and answers (advocacy), a coach tends to ask questions and clarify thought processes (inquiry).[4] The part of the Federation's definition that we want to emphasize is the "thought-provoking and creative process," as that reflects the OKRs coaching focus on inquiry.

If you are an experienced coach, making the transition to OKRs coaching may be quite natural. Seasoned coaches often report that they just need to make minor adjustments as they are already asking many of the same questions we classify as "OKRs questions."

However, if you are making the transition from consulting to coaching, you may need to make a concerted effort to focus on inquiry rather than simply giving advice. An OKRs coach does not focus on providing answers; an OKRs coach focuses on clarifying and providing the questions that help their client find their own answers.

Whether you have a consulting or coaching background, it is essential that you balance advice with inquiry. Inquiry is foundational to OKRs coaching and helps discover answers. An OKRs coach must know when to provide advice on the best way to phrase the answers in the context of objectives and key results as well. To arrive at a definition of OKRs coaching, it helps to understand your role as an OKRs coach and the extent to which you advise or inquire at each of the three phases of OKRs coaching.[5] Notice how your role shifts between acting as a consultant in Phase 1, as you advise and guide your client, to being a coach in Phase 3, as you focus on inquiry to let your client create and reflect on their OKRs.

In Phase 1, OKRs deployment coaching, you take a structured approach with your client to align on the answers to the critical questions that will define their OKRs program. During this phase, you play both a coach and consultant role. While you do ask questions, your client often looks to you for guidance about how best to get their OKRs project going. You advise your client based on your knowledge of OKRs best practices and lessons learned from prior OKRs deployments.

Let's define this first phase as *OKRs deployment coaching:* a structured series of discussions in which the OKRs coach guides a client to (1) align on the answers to the critical questions that define their OKRs program and (2) define the roles and resources that will support the program.

In Phase 2, OKRs training, you introduce your client to OKRs theory and get them to apply this theory in an interactive workshop. You begin as more of a consultant when introducing theory. You end as more of a coach, asking OKRs coaching questions that let your client translate theory into the creative process of drafting their OKRs.

Let's define this second phase as *OKRs training:* an interactive workshop designed to create a common understanding of OKRs through examples and collaboration. You provide both an educational presentation and facilitate a workshop to ensure students translate theory into practice through the creative process of drafting their OKRs.

In Phase 3, OKRs cycle coaching, you focus almost exclusively on coaching. You must be careful not to overplay the role of consultant. You are the expert on OKRs, not your client's business strategy. You guide your client to critically reflect on their most important goals through a series of questions that form the foundation of the OKRs approach. This inquiry is an ongoing process that helps your client complete the OKRs cycle.[6] Phase 3 is, from a content point of view, the most important phase as it mines the client's brain to harvest their critical thinking about their business.

Let's define this third phase as *OKRs cycle coaching:* inquiry that enables a client to critically reflect throughout the three steps of an OKRs cycle to (1) align on where and why to focus effort to make measurable improvement, (2) communicate and monitor progress, and (3) document and apply learnings to the next OKRs cycle. Combining the role an OKRs coach plays across these phases leads to the following definition:

OKRs coaching: Partnering with clients in a thought-provoking, creative, and structured process over three phases.

Phase 1: Deployment coaching to align on the answers to the questions that define an OKRs program and define the roles and resources that will support the OKRs program.
Phase 2: Training to ensure a shared understanding of OKRs.
Phase 3: Cycle coaching, inquiry that enables a client to critically reflect throughout the three steps of an OKRs cycle to (1) align on where and why to focus effort to make measurable improvement, (2) communicate and monitor progress, and (3) document and apply learnings to the next OKRs cycle.

Excerpts from Actual OKRs Coaching Sessions

To bring the definition of OKRs coaching to life, here are two excerpts from actual coaching sessions. The first is taken from a remote 1:1 OKRs drafting session from the beginning of Phase 3, cycle coaching. The second excerpt is taken from an in-person training workshop with a large group at the end of Phase 2, training.[7] Each excerpt includes two columns. The right-hand column provides the transcript of what was said. The left-hand column exposes my thought process as a coach, capturing what I thought and felt but did not say along the way.[8]

Excerpt 1: Remote 1:1 Coaching Session with VP of Engineering

Context: The CEO of a large software company based in the United Kingdom set a top-level goal to be more "sales-driven." Shortly thereafter, I was asked to facilitate a 1:1 remote coaching session to help the VP of engineering, Rajeev, draft OKRs for his team. Rajeev was totally new to OKRs but quite motivated to define goals that clearly aligned with the CEO's top-level vision. This excerpt is taken directly from the transcript of my actual 1:1 coaching session.

1:1 OKRs Coaching Transcript Excerpt

What I was thinking (LHC)	What we said (RHC)
	VP Engineering/Rajeev: My key objective is to help our sales team achieve their targets.
Hmm. I'm not clear how engineers help the sales team achieve their targets. But this VP might have a way to help drive sales, so let's get to the bottom of what he's trying to achieve. I will stick to the basic framework and ask the ***fundamental key result coaching question***.	**OKRs Coach/Ben:** At the end of the quarter, how would we know if engineering helped sales achieve their targets? **Rajeev:** Hmm, that's a good question. [Pause]
It is not surprising to me that he cannot answer this question—it's unusual when someone can. That's why I'm here. OK good, I feel useful. However, the pause is going on too long, so I guess it's my turn to talk. Let's try to get a data point of where engineering contributed in the past to see if we have a ***baseline***.	**Ben:** OK, can you name a customer who purchased within the last year where engineering clearly contributed to the sales process? **Rajeev**: Actually, no. But that would be very good data to have. It's not so much that we help close deals, it's more like we keep the prospect in the mix.
OK, now we're making progress. As I suspected, engineers are not actually closing deals, but I wonder how they "keep the prospect in the mix."	**Aside:** Rajeev proposed two key results:
These two statements are directional, but ***not measurable***. We must convert these tasks into measurable KRs. For KR1, I'm not clear what "major prospect" means.	*1. "Provide support for 5 major prospects."* *2. "Develop training for sales team."*
I made up "minor" prospect to understand what defines a major prospect.	**Ben:** Is there a distinction between a major prospect and a minor prospect? **Rajeev:** Not really.
Now I'm really confused. Rajeev is making up words like "major prospect." I better see if Rajeev and the sales team are on the same page to ensure ***alignment*** across departments. This seems like a case where a metric may need to be jointly defined.	**Ben**: Do you and the VP of sales agree on the definition of a "major prospect"? [Pause] Continued ➔

1:1 OKRs Coaching Transcript Excerpt *(continued)*	
What I was thinking (LHC)	**What we said (RHC)**
Good. "$100,000 potential" sounds more concrete. I like that Rajeev is proposing we run it by the VP. This could improve alignment across teams.	**Rajeev**: Let's replace "major prospect" with "prospect with $100,000 year-1-revenue potential." Then we can run this definition by the VP of sales.
I still don't know what "sales support" means, so I'm going to confirm metric history as this ensures the KR is ***measurable.***	**Ben**: Have you measured the number of these sales support events in the past?
Aha! This could be a ***baseline metric*** as we lack historical measurement.	**Rajeev:** No.
It's time for the ***Fundamental Task-to-Key Result question*** to uncover the intended outcome and focus on ***results not tasks***.	**Ben**: What is the intended outcome of engineering providing sales support? **Rajeev**: It results in a continued sales process or it kills the deal.
Great! We are now closer to measuring the outcome of "sales support." But "killing the deal" does not seem good.	**Ben**: What if all five sales support calls result in dead deals? Will we have achieved this goal? **Rajeev**: No. The meeting is not really considered a success when we lose the deal for technical reasons. Maybe we should define this as, "provide sales support with no more than three $100k+ prospects deciding to not evaluate our product for technical reasons."
We're getting closer! But it feels negative. As we have no historical data, we cannot set a target for the number of "prospects that decide not to evaluate for technical reasons." I will reframe this key result as a baseline metric that is positive.	**Ben**: We're heading in the right direction, but it is framed negatively. I recommend: obtain a baseline on "technical pass rate." If we meet with ten $100k+ prospects and eight advance without technical objection, the technical pass rate is 80 percent. **Rajeev:** That's perfect.

Draft OKR That Resulted from the Coaching Session with Rajeev

Objective: Measure and improve engineering's support of sales.
Why Now? Leadership wants to create a more sales-driven culture and is asking everyone to find a way to contribute to the sales process.
Key Result: Obtain a baseline metric to reflect technical pass rate metric by end of Q2 with 10 documented outcomes from engineering engagements with the sales team on $100k+ prospects.
Outcome: Rajeev liked the idea of tracking the technical pass rate. After the session, Rajeev agreed to confirm with the VP of sales that technical pass rate was a useful metric to quantify the extent to which engineering contributes to sales. The VP of sales reacted favorably and proceeded to describe the columns in the spreadsheet that would be used to start tracking the technical pass rate. The VP of sales felt that this spreadsheet would help prioritize which types of technical objections to focus on removing.

Coaching Takeaways

When in doubt, go back to fundamental OKRs coaching questions such as:

- ✔ *Fundamental key result question*: How will we know we've achieved the objective?
- ✔ *Fundamental task-to-key-result question*: What is the intended outcome of the task?

This excerpt focuses on how the vague notion of "supporting sales" was translated into a key result. It is worth noting that we created another key result that translated the task of "develop training materials for sales team" to the measurable key result, "Increase percentage of account managers in one region certified on product X selling technique from 0 to 60 % by the end of Q2."

Excerpt 2: Group Coaching Session with VP of Accounts Receivable and Database Administrator

Context: An IT team brought me in to help expand the use of OKRs from IT into the "business teams." Mary, the VP of accounts receivable, was asked to attend a brief, 30-minute training on OKRs followed by a two-hour workshop to draft OKRs. At first, Mary was resistant to the idea of setting more goals because her team already tracked tons of metrics. She expressed her skepticism about setting OKRs, "We already have tons of data to track. Adding another system is probably the last thing we should do." The CIO as well as several IT managers and other teams from within the finance department participated in the workshop.

After a short presentation on OKRs, I asked each team to take 45 minutes to draft their OKRs. Mary showed me about 25 metrics with nice charts on a dashboard and had a puzzled look on her face. This coaching excerpt starts right after Mary showed me this dashboard. It is presented in the same two-column format as the first excerpt with Rajeev.

Group OKRs Coaching Transcript Excerpt

What I was thinking (LHC)	What we said (RHC)
I see this a lot. People who track lots of data can benefit with some OKRs coaching. Let's ask a question to help her focus on a single objective.	**OKRs Coach/Ben**: I see you're tracking a lot of metrics. It's great that you have lots of data at your fingertips. But what is the most important area for your team to focus on over the next three months?
What does it mean for AR to be strategic?	**VP Finance/Mary**: I want our team to be more strategic about how we handle AR.
I will stick to the basic OKR coaching framework and ask the ***fundamental key result coaching question.***	**Ben:** How would we know your team was more strategic about handling AR by the end of the quarter?
Aha! So, now she has focused on a specific metric and her logic makes sense.	**Mary**: The problem is that once AR gets aged 90 days, it's harder to collect. The big opportunity right now is to reduce the AR that is aged over 60 days.
Let's see if we can get a number to quantify this 60-day key result.	**Ben**: What would be the most amazing reduction for AR aged 60 days that you could imagine this coming quarter?
Hmm. We need the baseline so we can write this as a metric key result "from X to Y." But she does seem to have a good feeling for what would be an amazing outcome. So, I'll ask about the current value of AR>60 days later.	**Mary:** I know we can cut it by 10% since we have a few key accounts in there that are going to pay soon, but 50% would really be amazing.
	Aside: Mary's team decided to create just one objective with a single key result. Mary shared her draft key result: **Reduce AR>60 days by 50%.**
	Enter Sumit, a database administrator.
Sumit is asking a good question! I am guessing total dollars but good to clarify.	**Database Administrator/Sumit:** Do you mean reduce the number of customers that have invoices due past 60 days or the total dollars that are past 60 days due?"

Continued →

Group OKRs Coaching Transcript Excerpt *(continued)*	
What I was thinking (LHC)	**What we said (RHC)**
This is an improvement, more specific. I am not going to interrupt this conversation. It seems like we're on track for some alignment across teams.	**Mary:** OK, let's adjust the key result to reduce the *total dollars* from our invoices that are 60 days or more past due by 50%.
	Aside: The energy in the room changed; everyone was clearly engaged.
Wow! Sumit is excited to run some reports.	**Sumit:** Would you like help with this key result?
This is a great sign, but hold on, now Mary seems mad.	**Mary:** Yes! I asked for help with this last year and I got this great dashboard, but I don't understand how you can help me reduce the AR by 50%.
I love this! Sumit is like the OKRs coach now and is getting Mary to see the value of focus.	**Sumit:** I can provide a report that lists the top accounts by dollar amount that are aged 30–45 days, 46–60 days, and 60–90 days. Then, we can proactively reach out to the big customers who are possibly headed into this AR bucket and the big-ticket items already aged greater than 60 days.
It's much easier to communicate when there is focus on one thing. The critical thinking inherent in OKRs coaching is enabling Mary and Sumit to collaborate.	**Mary:** OK, really? This is just like the report I asked for about a year ago! **Sumit:** Well, you probably ask for a lot of reports, but now you're only asking for one.

Draft OKR from Coaching Session

Mission: Ensure our customers pay in a timely fashion.
Objective: Strategically reduce dollars not yet paid, stuck in accounts receivable.
Why Now? We already track lots of metrics; however, we cannot focus on everything. Research suggests that once a customer passes 60 days past due, odds of recovering that payment drop significantly. Even worse, we often lose these customers, which can damage ongoing revenue.
Key Result: Reduce total dollars that we have invoiced in the 60 or more days past due category by 50 % (at $24 million as of March 31; we want this down to $12 million by August 30).
Outcome: Sumit listened deeply to a single objective with just one key result. Mary got the data she needed to manage AR more strategically. The company ended up reducing dollars in AR, positively impacting cash flow.

Coaching Takeaways

- ✔ *Cross-team alignment*. Mary took time to define her key result in such a way that others outside her team, such as Sumit, could understand. Encourage teams to present key results to dependent teams for feedback before finalizing.
- ✔ *Less is more*. Defining a small set of OKRs improves communication. People seem to pay more attention when there is less content to absorb.

NOTES

1. Notable tech companies using OKRs in the early 2010s include LinkedIn, Twitter, and Zynga.
2. Here's the link to the Google Ventures OKRs video that got so many views: https://www.youtube.com/watch?v=mJB83EZtAjc.
3. Kuang's book has sold more than 50,000 copies in China as of August 2021.
4. I am inspired to use the distinction of "advocacy versus inquiry" based on the powerful impressions Chris Argyris made on me as a guest lecturer at Stanford. For the purposes of this book, I am equating the "advice" with "advocacy" and "inquiry" with "questioning." More on advocacy and inquiry comes from the field known as "Action Science." For a brief overview, see: https://actiondesign.com/resources/readings/advocacy-and-inquiry. For an academic treatment, see *Action Science*, Chris Argyris, Robert Putnam, and Diana McLain Smith, Jossey-Bass Management Series.

5. We introduce the phases of an OKRs coaching engagement in this first chapter as context for the definition of OKRs coaching. Your role as OKRs coach varies at each phase. So, to understand what it means to be an OKRs coach, you need a deep understanding of the phases. Chapter 2 provides a summary of these phases. Chapters 3, 4, and 5 include detailed playbooks for each phase.
6. Chapter 2 provides an overview of the three steps of the OKRs cycle. Refer to Chapter 5 for a playbook detailing how to coach your client through each step of the cycle.
7. While we do not include a sample coaching excerpt from Phase 1, deployment coaching, Chapter 3 includes resources that will help you coach your client through this first phase.
8. For more on the left-hand column exercise, see *The Fifth Discipline Fieldbook,* Peter Senge, Charlotte Roberts, Art Kleiner, Richard Ross, and Bryan Smith, Currency Doubleday, pp. 246–252.

CHAPTER 1 EXERCISE 1: **BEGIN WITH "WHY?"**

- **Anyone reading this book:** Why do you want to develop your OKRs coaching skills? Why do you feel OKRs coaching is important? Urgent? Interesting?
- **Internal coaches:** If you are helping your company succeed with OKRs, how will developing OKRs coaching skills benefit your organization? How will these skills benefit you personally?
- **External coaches:** If you are coaching your clients, describe why it's worth your time to develop OKRs coaching skills. Do you have a client right now who's using OKRs that you want to support? Are you looking to develop OKRs coaching skills to expand your offering?

CHAPTER 1 EXERCISE 2: **IMPROVE YOUR OKRs COACHING SKILLS WITH A LEFT-HAND COLUMN REFLECTION**

Record an actual OKRs coaching session. Get permission! Use the left-hand column examples at the end of this chapter as inspiration with four sections:

1. **Context:** Start with a few sentences to set the stage for your session.
2. **Right-hand column:** Transcribe what was said.
3. **Left-hand column:** Write down what you thought but did not say.
4. **Outcome:** Include the OKR that evolved along with any key takeaways.

Bonus: Send your reflection to me via Ben@OKRs.com for feedback.