



Aligning Employee Execution  
with Business Strategy

**The OKR Maturity Model**

# Conquering the OKR Maturity Curve

Every company wants to succeed, but what is the difference between those that do and those that don't? For years business executives and entrepreneurs have searched, trying to understand which elements play a critical factor in building and sustaining business success. How do influential leaders turn a bias for action into business success?

In short, they are doing it with a simple business equation that defines where they want their business to go and how they will measure the path to success of that achievement. It's a proven approach to goal-setting based on Peter Drucker's original 1954 work on Management by Objectives (MBO) and later refined by Andy Grove at Intel in the 1970s to create Objectives and Key Results (OKRs).

Unfortunately, as we speak to business leaders, entrepreneurs, and even team managers new to the OKR methodology, we find that many of them think of it as a way to create a task list or a loose set of aspirational goals. However, that couldn't be further from the truth. In practice, adopting OKRs is about implementing a well-defined, cohesive plan that unifies the business and drives organizational outcomes. It is built on a simple equation, one that defines the outcome you want to achieve, and the metrics on how you will measure the success or failure of that achievement.

Now, we want to point out that even though the equation itself is simple, adopting the true OKR methodology takes a bit of planning and dedication. If you know anyone who's been through any form of business or cultural transformation, they would tell you to make a change takes time and commitment. It can't happen overnight, but should instead be a journey with upward progression, one that slowly replaces old ways with new. Adopting OKRs is really no different.

Regrettably, we continue to see far too many businesses fail long before they get started. This is due to a lack of understanding of what it takes to truly embrace and harness the power behind the methodology. These organizations fall short before ever reaching the level of maturity where their company is fully aligned and transparent, accomplishing their goals with a collaborative, cross-functional approach.

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**Achieving OKR maturity takes time and commitment, but the benefits you will see as a result will be transformative to every part of your business.**

– Vetri Vellore,  
Founder and CEO

To some, OKRs start and stop with creating a high-level list of tasks in excel, Google Sheets, or other manual forms of tracking. For others, company-level objectives are created, and successfully cascade and align to the goals and work other teams are doing, but may lack a proper check-in and update cadence. You see, the approach of adopting OKRs can differ from business to business, and in most cases is a process held back by a lack of expertise.

Fortunately for the businesses who truly commit to the process and take their time to adopt, measure, adjust, repeat and refine, they find themselves achieving greater program maturity, and inevitably change the way their employees think about and approach their work. These organizations successfully cultivate a culture of collaboration, transparency, and cross-team alignment, one where teams and individuals work autonomously, self-organize, and come together to accomplish the right projects at the right time. These organizations reach a place where execution is no longer about checking the box of doing, but instead, driving real impact through measurable outcomes. In turn, their teams become more agile, innovate faster, and accomplish more in less time, and with fewer resources.

In an effort to help business leaders further understand the various stages both the company and team will go through to reach program maturity, Ally.io has developed the OKR Maturity Model. Our team of OKR experts created this model to help businesses self-identify their current program stage, identify where they want to be, and create a plan of upward progression.

This paper explores the five stages of OKR program maturity, citing specific examples of OKR initiatives and benefits as they pertain to each stage of the maturity curve. By defining each OKR stage, we find businesses gain a better understanding of where their goal-setting culture and management programs currently stand and how they can grow in the future.

# The Natural Progression From Goal-Planning to Strategy Execution

Contrary to what you might believe, driving alignment between goal-planning and strategy execution is about more than adopting OKRs. It actually requires a broader, more cultural initiative within an organization set forth by senior leadership.

This approach can be broken down into three parts. The first part will focus on developing an organization's mission, vision, and values. The second, breaking down the five levels of OKR maturity in order to assess where a program is, and where it can go. Finally, the third part will look at how OKRs can be operationalized into the DNA of a business.



## PART ONE:

### Creating the Right Culture through Mission, Vision, and Values

## PART TWO:

### Breaking Down the OKR Maturity Model

## PART THREE:

### How to Support an Upward OKR Journey

## PART ONE:

# Creating the Right Culture through Mission, Vision, and Values

By starting at the top, you are not only demonstrating the company's commitment to the goal-setting process, but you are also ensuring you communicate the purpose to your team, customers, partners, and investors.

An organization's mission statement defines its reason for being; its values, culture, purpose, and direction. It makes it clear what you do, who benefits from it, and how you will do it well. It's succinct, clear, outcome oriented, and memorable, and should be short enough for everyone to memorize. It motivates and inspires the organization to stay focused on their day to day activities with an eye toward how that moves the mission forward.

With your mission statement defined, communicated, and internalized by the entire organization, you are now in a position to articulate and pursue your vision. The vision statement is an audacious dream of a future reality based on the work you do in your mission. If everything goes right, it articulates how your organization will change the world. It should be inspiring and uplifting, well understood and shared by everyone at the company, and short enough to be memorized by all. The mission statement keeps everyone focused on the "everyday", while the vision statement articulates the aspirational goals to achieve "someday".

Finally, it's important to ensure the business identifies the right core values that will drive further focus and purpose while facilitating a healthy business culture. These values should be embedded into the fabric of the organization and be the principles on how work is done and how progress is measured. They should speak to the need for collaboration, transparency, and the autonomy of self-driven individuals and teams. In short, the business values should always incorporate key elements of your culture and business environment, providing a prolific environment for the adoption and management of OKRs. If they don't, the business will find their mission, vision, and values will inadvertently challenge and work against the future adoption of OKRs.



# Remember What OKRs Are All About



**Achieving strategic and tactical alignment** within and across all organizations and teams, in order to deliver each element of each Objective at the required time; with the required capabilities, performance, support, and quality; in the required market window.



**Enabling transparency** so everyone understands what everyone else is working on and how individuals, teams, and the company as a whole are progressing toward the desired business outcomes. It's about giving everyone a map on where they are going in the organizational dependencies, and how to quantitatively track the progress on a timely basis against that map and whether course corrections are required.



**Feeding collaboration** to encourage various minds and functions to come together by habit, to achieve goals. It's about empowering knowledge sharing across the company to enable employees on the ground to promote great ideas.



**Driving focus** for both short and long term work that needs to be accomplished. It empowers employees at every level to demonstrate how their contributions influence the company's broader mission and vision.



**Creating accountability** through prescriptive focus. The goal is to provide every individual and team concise direction on "where" and "how" time and resources should be spent. This enables expectations to be set on a yearly, quarterly and/or monthly basis, giving teams and individuals the autonomy to do what needs to be done, while at the same time, empowering them to understand what is expected of them.



**Bidirectional goal-development** that includes a mix of top-down and bottom-up collaboration. This bidirectional approach requires overall goals to be set at the top, then cascaded across and through all teams. From there, team leads and individuals are given context on how their goals should be developed. By understanding first the strategic direction of the executive leadership team, employees are better equipped to understand how their goals should be written and aligned to the broader goals.



**Developing agility** so teams can execute without distractions and bureaucracy, and instead focus on the top priorities that will make the strongest impact day in and day out. It also enables for quick pivots should and when business priorities change.

PART TWO:

# Breaking Down the OKR Maturity Model

After the company has defined their mission, vision, and values, it's time to begin adopting OKRs. When the time comes to adjust the company's approach to setting and achieving goals, it's important to take a holistic approach. This approach should begin with a strong foundation that then refines and develops greater process, practice, and maturity over time. Failure happens most often when businesses ignore these principles of upward progression, and leap head first instead.

To provide further guidance, we will review the five stages of OKR maturity most organizations will go through in their journey to achieving alignment between employee execution and business strategy.

Use the chart below to better assess your current OKR maturity, and identify which levels you can apply to drive greater impact across your business.



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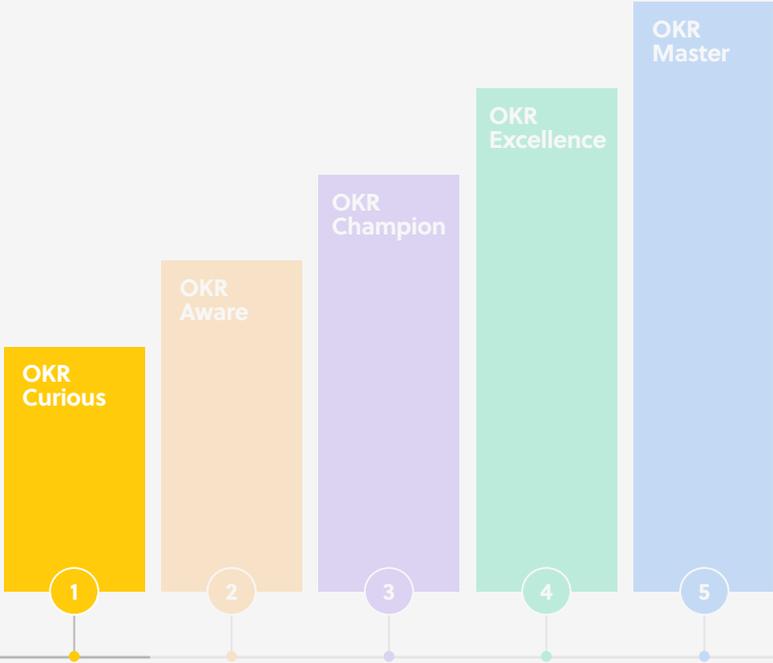
STAGE ONE:

# OKR Curious

**Goal Method:** Has an existing task management or goal-setting system in place at either the company or team level. Familiar with the OKR concept, but have little to no experience implementing the framework.

**Process/Methodology:** Nothing formal or organized.

**No Structured Business Rhythm:** Defines goals based on a given period of time. Share those goals with others, and may or may not track results such as KPIs. Progress may be updated but is not managed on any defined cadence.



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**STAGE TWO:**

**OKR Aware**

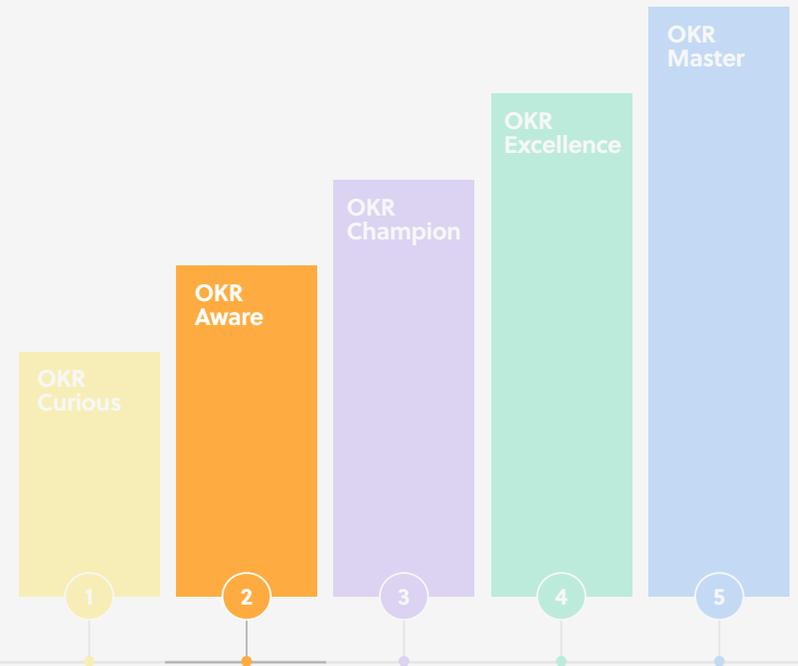
**Goal Method:** Have committed to trying out the OKR methodology for a select period of time.

**Process/Methodology:** Developed an initial OKR tracking process, but OKRs are not eliminating business distractions.

**Business Rhythm:** Goals are defined at a single level and may be shared more broadly. Each objective has measurable key results, but may not be defined at an individual level.

**Meetings:** Team(s) meet a few times per cycle to share progress and discuss status.

**Alignment:** There is little to no alignment between employees and teams across the company. You might say OKRs are happening in a silo.



3

STAGE THREE:

## OKR Champion

**Goal Method:** Have committed to using OKRs and have more than one quarter of experience.

**Process/Methodology:** Implemented a formal OKR tracking process to eliminate business distractions.

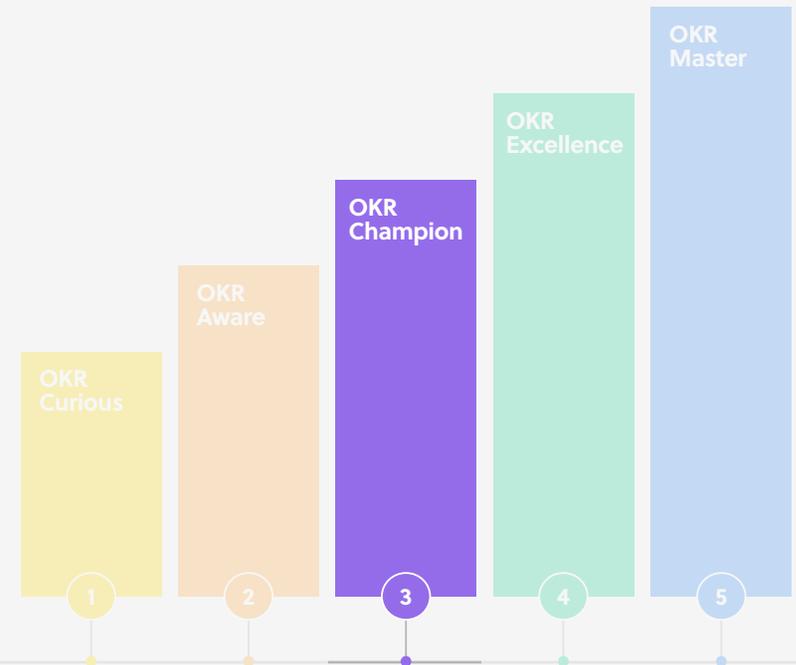
**Business Rhythm:** Goals are defined at more than one level and shared broadly. Each objective has measurable key results that are owned by individuals.

**Meetings:** Managers meet a few times per month to share progress and update OKR status.

**Limited Transparency:** Tracking OKRs enables managers to monitor goal progress, share feedback, and provide support.

**Limited Alignment:** Team objectives are aligned to broader business objectives. Individual objectives may or may not be aligned.

**Basic Scoring:** OKRs are being scored at the end of a cycle.



**STAGE FOUR:**

## OKR Excellence

**Goal Method:** Have committed to using OKRs and have more than two quarters of experience.

**Process/Methodology:** Implemented a formal OKR tracking process that connects objectives with employees day-to-day work. Employees are focused, and use OKRs to prioritize work.

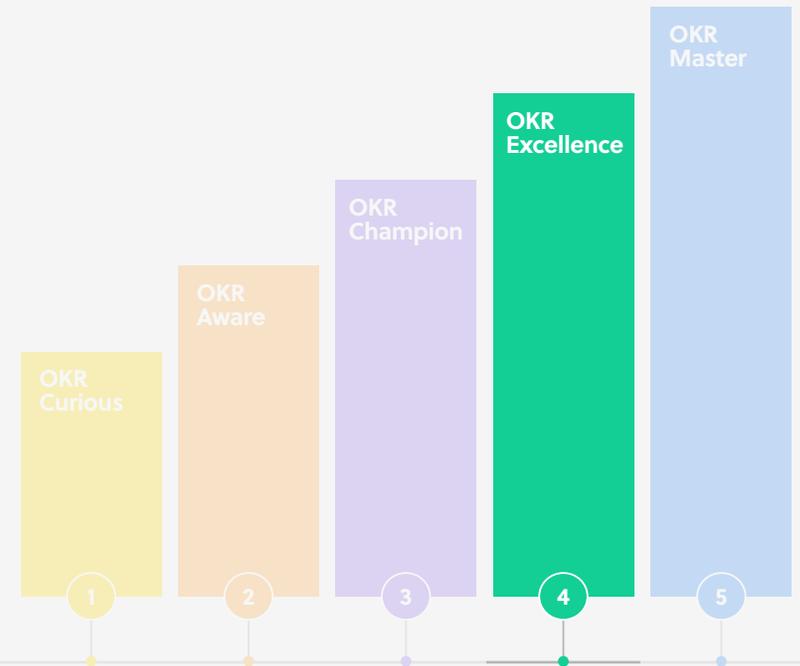
**Business Rhythm:** Goals are defined at more than two levels, and shared across more than two teams. Each objective has measurable key results that are owned by individuals.

**Meetings:** Managers run bi-weekly OKR reviews to discuss progress and at-risk challenges. Individuals are updating goals prior to OKR reviews and tracking progress in the system.

**Greater Transparency:** Tracking OKRs enables managers to monitor goal progress, share feedback, and provide support. Other teams are reviewing OKR progress and understand performance as a whole.

**Greater Alignment:** Team objectives are aligned to broader business objectives. Individual objectives may or may not be aligned.

**Enhanced Scoring:** Scoring is a priority at the end of every cycle. Teams use a proper scoring model and discuss wins, losses, and lessons learned in a quarterly OKR review. Challenges and learnings are used to adjust planning for next quarter.



## OKR Master

**Goal Method:** OKRs are embodied into the fabric and culture of the organization. Goals are developed through both a top-down and bottom-up approach. Priorities are set based on the mission, vision, and values of the organization and clearly connect employee execution with business strategy.

**Process/Methodology:** Implemented a formal OKR tracking process that connects objectives with employees day-to-day work. Employees are focused, and use OKRs to prioritize work. Metrics from data sources enable a clear representation of business performance. Individuals and teams can clearly understand if an objective was achieved or not.

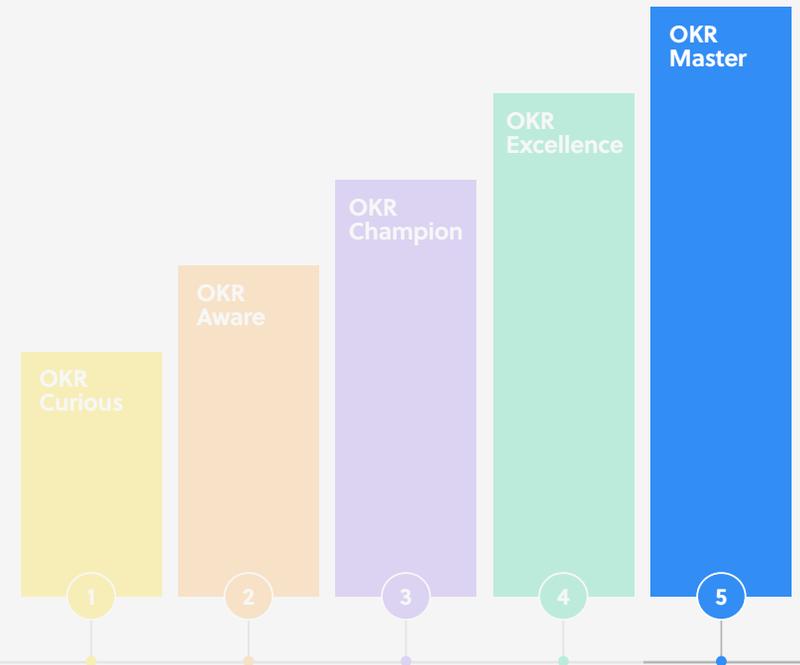
**Business Rhythm:** Goals are defined at each level and shared across all teams. Each objective is outcome-driven with measurable key results. OKRs are owned by individuals as well as teams and align to top-level business objectives. The business is aligned both vertically and horizontally, enabling full accountability and autonomy.

**Meetings:** Managers run weekly OKR reviews to discuss progress and at-risk challenges. Individuals update goals prior to their weekly OKR reviews and all tracking of progress is done from within the system. Managers and direct reports have 1:1 meetings, share feedback and provide actionable direction. Leadership manages a holistic view of company progress, across time periods, down to the function, team and individual level.

**Greater Transparency:** Tracking OKRs enables managers to monitor goal progress, share feedback and provide support. All teams review OKR progress and understand performance as a whole. Managers use OKR insights to manage behind and at-risk goals to reduce the risk of missing targets. OKR progress is easily shared across the company, so every employee remains aware of how goals are progressing.

**Greater Alignment:** Individual and team objectives are aligned, and in some cases, may be multi-aligned to broader business and team objectives. There is both vertical and horizontal alignment that ensures every goal has purpose and ladders up to a broader initiative.

**Enhanced Scoring:** Scoring is a priority at the end of every cycle. Teams use a proper scoring model and discuss wins, losses, and lessons learned in a quarterly OKR review. Challenges and learnings are used to adjust planning for next quarter.



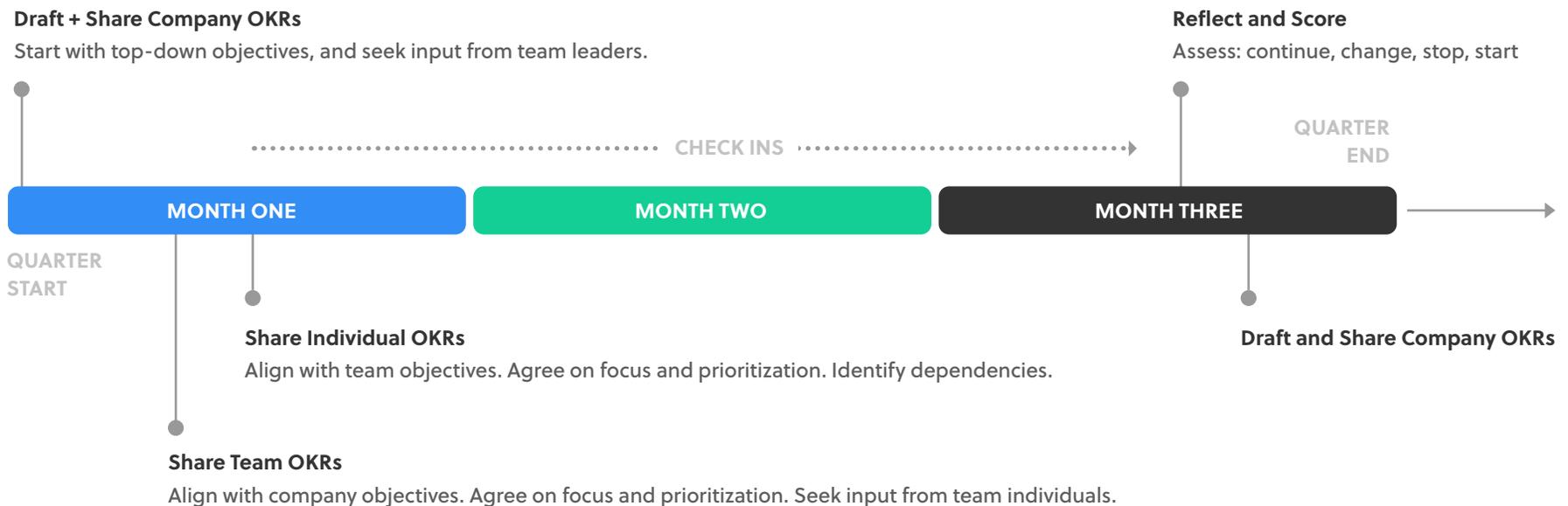
# How to Support an Upward OKR Journey

Like we stated previously, operationalizing OKRs isn't one size fits all. Instead, each element in the framework and across cycles serves its own purpose. Timing of updates, reviews, planning and scoring cycles can remain flexible and be adjusted to fit the unique rhythm of any business, however, it's important that each element remains intact and an integral part of the program.

The reason? OKRs are implemented in a well-defined framework that includes a series of touchpoints across cycles. An example of an OKR cycle can be seen below.

Each element, starting with planning and writing OKRs, to team reviews, to ongoing check ins, scheduled reviews, and finally scoring, is critical to the overall success of any OKR cycle, regardless of how short or long the cycle is. It is only when all of these elements are working together in harmony, can a business truly reap the full benefits of the OKR methodology.

When looking to operationalize OKRs, you should plan to incorporate each element (regardless of cadence) into your program.



# An OKR Champion Checklist



**Mission, Vision, and Values:** Start with a description of your company's vision and purpose. This will help validate where you are today, and where you want to go in the future.



**Define company-level objectives:** These objectives should be lofty, and focus on how you want to move the company forward over the next several months, quarters or years.



**Choose your planning cadence:** Cadences can be as sophisticated as you like, however, best practice starts with defining annual objectives, then quarterly. If your company is forward-thinking, you can even create objectives for three to five years ahead.



**Establish your mid-term goals or time periods:** Once you define your planning cadence, it's important to establish which time periods or "OKR Cycles" will be included in the planning process. These mid-term goals will serve as the link between your company's mission and employees' OKRs.



**Set your rhythm:** Creating the right rhythm for your business is everything, as it serves to guide how frequently and thoroughly OKRs are reviewed and updated. Rhythms can span anywhere from daily, weekly, monthly and quarterly touches that inform and drive employee execution.



**Nail the planning process:** This process is critical, and where a true OKR champion will shine. During the planning process, a company's objectives are drafted, shared and reviewed with leadership. Once high-level OKRs are created, they are then distributed and cascaded down across teams, where managers work with their department to identify team-specific and individual-based objectives that will contribute and drive broader outcomes.



**Reviewing OKRs in the planning process:** Once teams and individuals draft their objectives and key results, they should be reviewed with broader teams. This team can be as large or as small as your company desires. However, the goal here is to include cross-functional teams, to drive transparency, alignment and collaboration.



**Establishing weekly reviews:** Creating a habitual cadence of weekly meetings will ensure focus and purpose is integrated into the day-to-day process of each and every employee. Weekly meetings should serve as a reflection of the work that was accomplished the prior week, and as a guide to determine priorities for the upcoming week. It's a great rhythm for driving progress, while keeping teams aligned and on track.



**Schedule monthly OKR reviews:** Unlike weekly meetings, monthly OKR reviews should be used as an opportunity to drive deeper into the performance and progress of each OKR. This gives teams the opportunity to assess how the OKR is pacing against set targets, and what they can improve upon in the weeks and ahead.



**End of cycle OKR reflection and scoring:** The end of cycle review and scoring of OKRs is the final assessment or grading of how well an objective was accomplished. Scoring is based on a scale of 0-1 and is calculated based on the progress completed. Remember, reflecting on progress is important when evaluating what could be done differently or better next quarter. This includes grading key results as done or not done, and scoring the objectives.



**Kick off planning for next quarter, and rollover any unfinished OKRs:** Sometimes objectives do not get completed, and that's okay. Just remember, if the objective is still a priority, it might make sense to roll it over into the upcoming cycle, opposed to abandoning it. Begin working with your teams to identify priorities for the upcoming cycle, including which measurable outcomes that should be tracked. Once top-level priorities are established, move into the OKR drafting process similarly how you did previously.

 **Tip**

After an OKR cycle or time period has been completed, it's time to rinse, adjust and repeat. Make sure to ask your team what lessons they learned, how you could improve your process, save time, and remain focused. Take that feedback and incorporate it into the next planning process. Know that finding OKR maturity is all about iteration, practice and learning from what didn't go well just as much as from what did go well.

Remember to take your time and know that struggling is okay, and a lot more common than you think. Developing a fluid business rhythm with effective collaboration and teamwork takes time. It's a process that requires long-term commitment and above all else, learning to walk before you can run. Refrain from "trying it out" for a few months or quarters, and know that the true value and payoff takes most organizations anywhere from six months to a year to reach optimal performance.

# The Role an OKR Tool Plays in Program Maturity

It's no secret that managing anything at scale becomes easier with automation. Well, managing OKRs is no different. Given the depth of detail, and how OKRs can be matrixed across hundreds, thousands and even hundreds of thousands of teams and individuals, it's important to consider how an OKR tool can reduce manual efforts, increase engagement, and provide real-time data driven insights. An OKR tool can even connect your employees' OKRs into the popular tools and applications they're using on a daily basis to ensure they remain the priority that drives day-to-day execution.

**Here is a shortlist of benefits businesses can gain by implementing a dedicated OKR software tool.**

- Integrate OKRs into other popular business applications and tools
- Support complex organizational hierarchies
- Easily align OKRs vertically and horizontally across the company
- Create OKR dependencies and multi-align Objectives and Key Results
- Weight Objectives and Key Results differently
- Tie KPIs to OKRs
- Delegate OKR updates
- Create and receive smart alerts to encourage OKR check-ins
- Give and receive feedback in real-time
- Create and receive smart alerts to encourage OKR check-ins
- Compare OKR progress across periods
- Configure planning and check-in cadence
- Keep data private and secure
- Personalized onboarding and OKR rollout
- Expert OKR training and support

Having an OKR tool isn't a requirement to reach full maturity, however, it does go a long way in making a program more effective and efficient. Especially when mid-to-large size organizations implement OKRs across multiple teams. Just the sheer volume of manual inputs, reminders, and reviews is enough to derail a program and cause an organization to miss out on a large piece of the value OKRs provide.



## Wrapping It Up With a Quick Recap

We hope this has been useful in helping you and (hopefully your team) understand what it takes to successfully adopt OKRs.

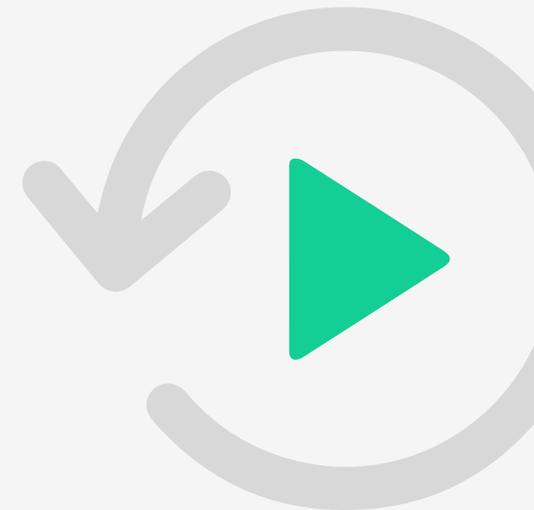
Remember, start at the top with your mission statement, then create a few company-level objectives at the leadership level. Once the team is comfortable, start cascading those objectives down to a team or two. Take your time learning how to align goals vertically and horizontally, play with the flexibility of aligning and multi-aligning objectives and key results.

Don't lose sight of the need to establish a good planning and review cadence, leveraging automation and integrations where appropriate. (This is a great time to begin testing out an OKR tool that offers integrations into the applications that run your business. Both from a collaborative and data perspective.) Get comfortable with OKRs becoming an every day, and every week habit. They should be organic, and a holistic part of the culture of the organization.

Once you've done all that, encourage it to spread. Include every team and individual to align employee execution with business strategy.

**Looking to get started using OKRs?**

[Download The Secret to OKR Success](#)



# How Ally Enables Leading Brands to Achieve OKR Success

Ally.io is enabling businesses to align employee execution with business strategy through a custom approach we tailor to your specific needs. We're not just another OKR provider, we're a strategic partner ready to support your OKR journey.

**Our team will work together with your team to assess:**

- Your current OKR state and learn what's working and what isn't
- How goals are being broken down today
- What your strategic planning process looks like
- How you approach annual vs. quarterly goals
- The dynamics of the company, team and individual goals
- Whether you're looking to adopt OKRs on some teams, or all teams

We'll develop a plan, a timeline, and a training and support program to meet your needs. Whether you're looking for dedicated coaching and support, technical customization, or enterprise-grade security and compliance, the breadth and depth of our credibility has you covered.

- Teach the OKR methodology and how to adopt the framework
- Manage the success and implementation of your OKR program
- Provide OKR coaching and consulting
- Deliver software training in a variety of methods including 1:1 sessions for ELT, or role-based webinars at scale
- Deliver technical customization with rapid speed
- Provide a tailored approach to support a successfully program launch
- Ongoing support that includes bi-quarterly reviews, end of quarter scoring and annual planning

**No matter what OKR support you may need, our team has you covered. In fact, our team can even lead, participate or simply observe sessions to ensure your OKR process is running smoothly.**

## Curious?

Let's show you how Ally is enabling leaders to understand business performance and execution.

[Request Consultation](#)



## About Ally

Ally.io is trusted by over 650 companies across 73 countries to make OKR management both intuitive and flexible for their entire company. Ally connects directly with the tools you use daily, and offers built-in OKR best practices and sample objectives to make getting started easy.

We invite you and your team to try Ally.io free for 14 days, and see first hand how your team can benefit from managing OKRs with Ally.

[Free 14 Day Trial](#)

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