



Guiding Star OKRs

Agile Saturday XVII

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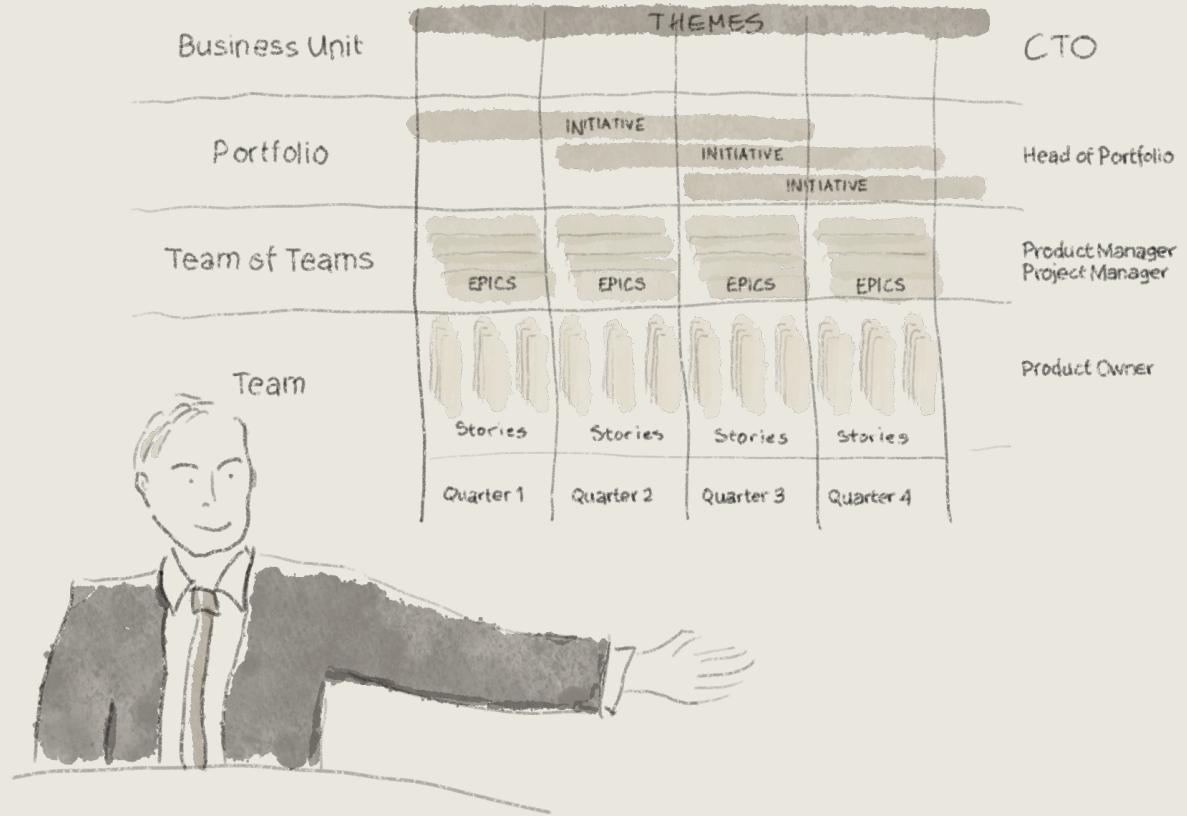
The executive meeting

This time, there was something expectant in George's eyes. It was as if he was about to unveil his plans for a major transformation, and he was curious about the team's feedback.



CTO shares his proposal

The process is based on agile methodology, but it's been scaled up to create a feature factory. This means that all of our work will be broken down into four levels: themes, initiatives, features, and stories.



Head of PMO shares his concerns

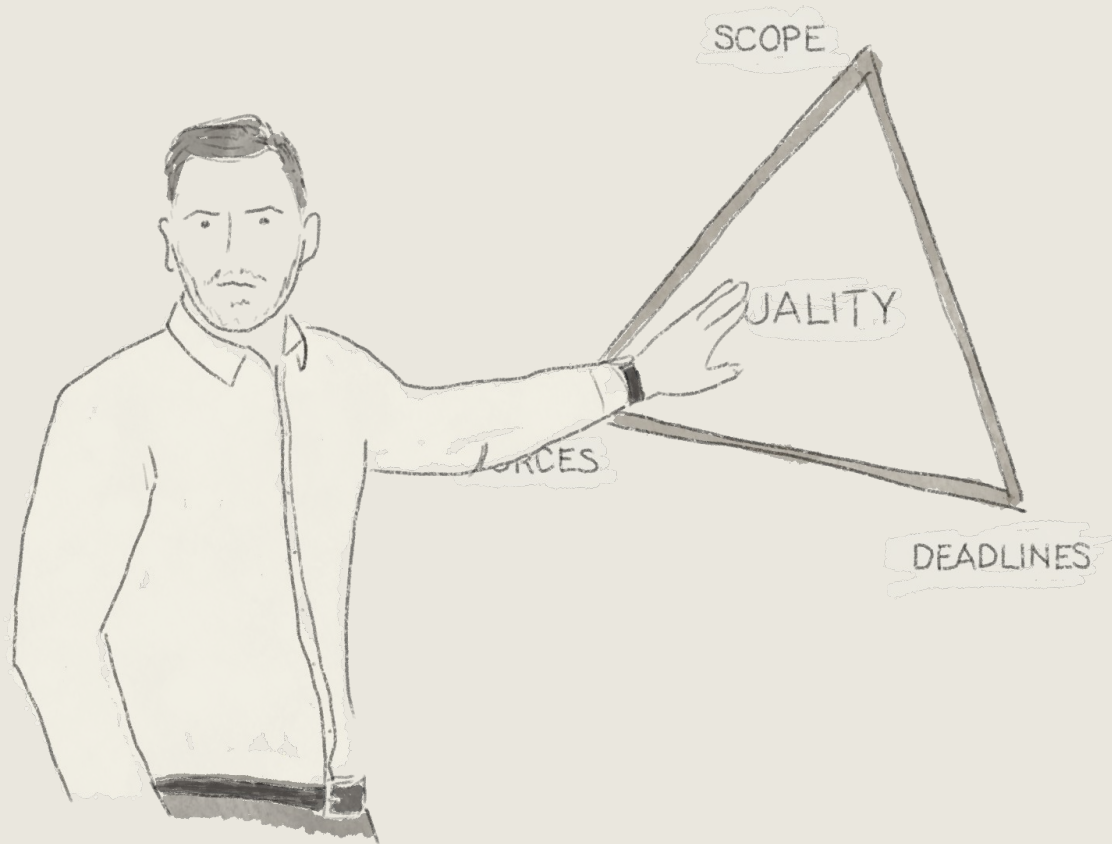
Progress monitoring is aggravated by fragmented and distributed work breakdowns.

Misunderstandings and conflicts follow from a decrease in overall transparency.

Project precision matters.

Meeting regulatory requirements ensures avoidance of fines and bans.

The company's reputation is at stake when tier-one delivery is late.



Agile coach shares his concerns

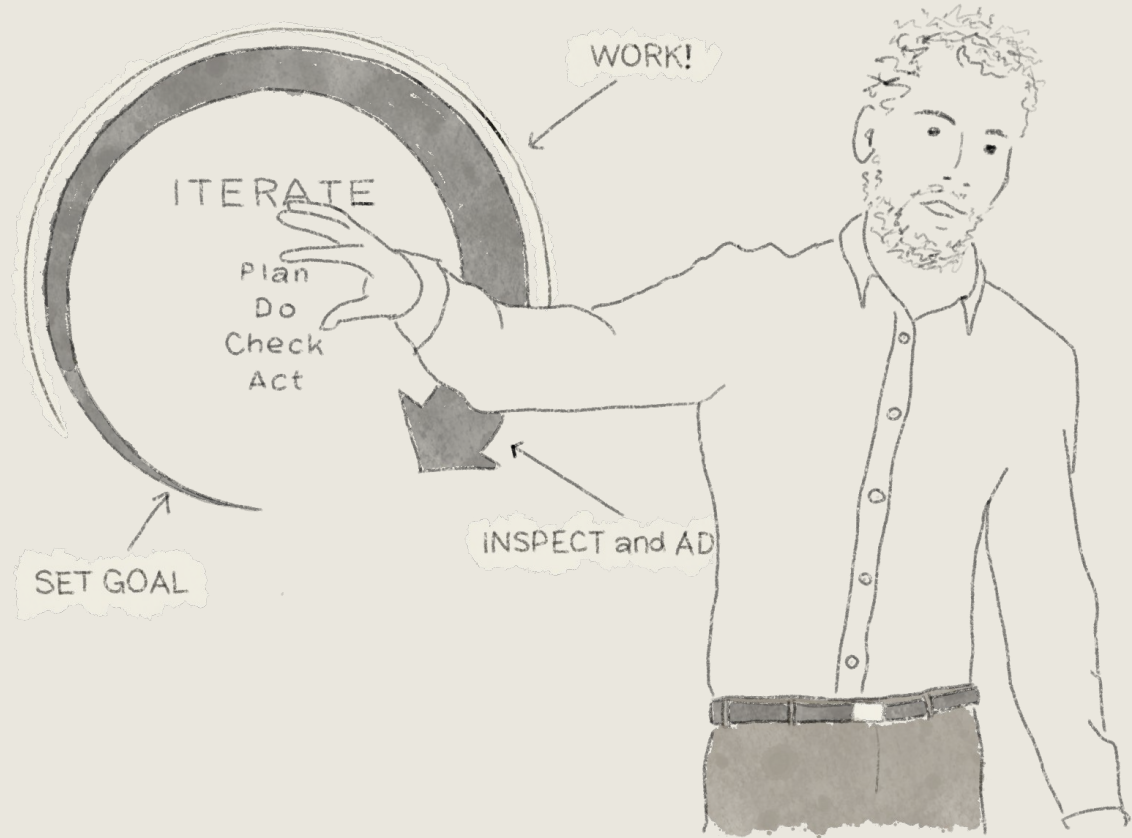
Agile teams are key to success.

Autonomy, mastery, purpose, growth, and social interaction drive teams' intrinsic motivation.

Teams should own their processes to improve continuously.

Technical solutions may emerge through experimentation.

Teams are experts in estimating their work effort and technical solutions.



Head of product shares her concerns

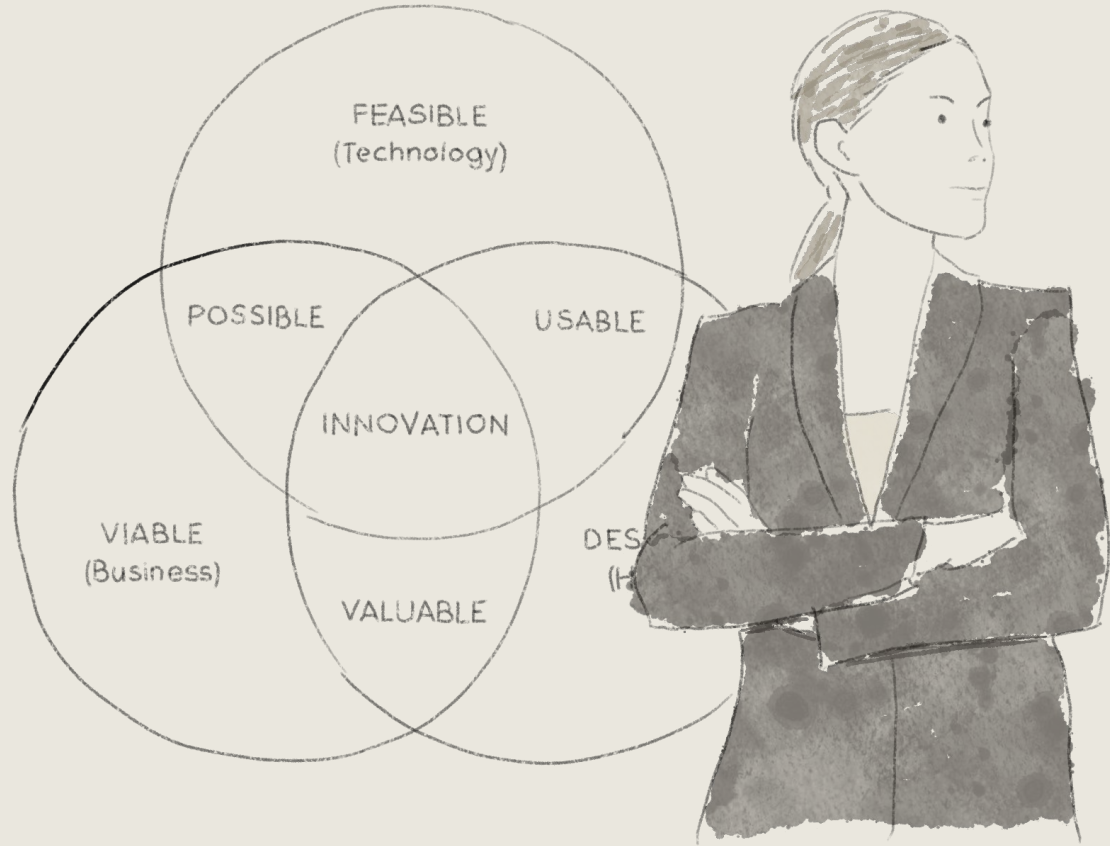
Products should be easy to use and solve customer problems.

Teams should be sliced by customer or product type.

Feature factories focus on specs and forget about the big picture.

Shift from tech-focused proof-of-concept to proof-of-value.

Market research and fast experimentation feedback are needed.



Head of strategy shares her concerns

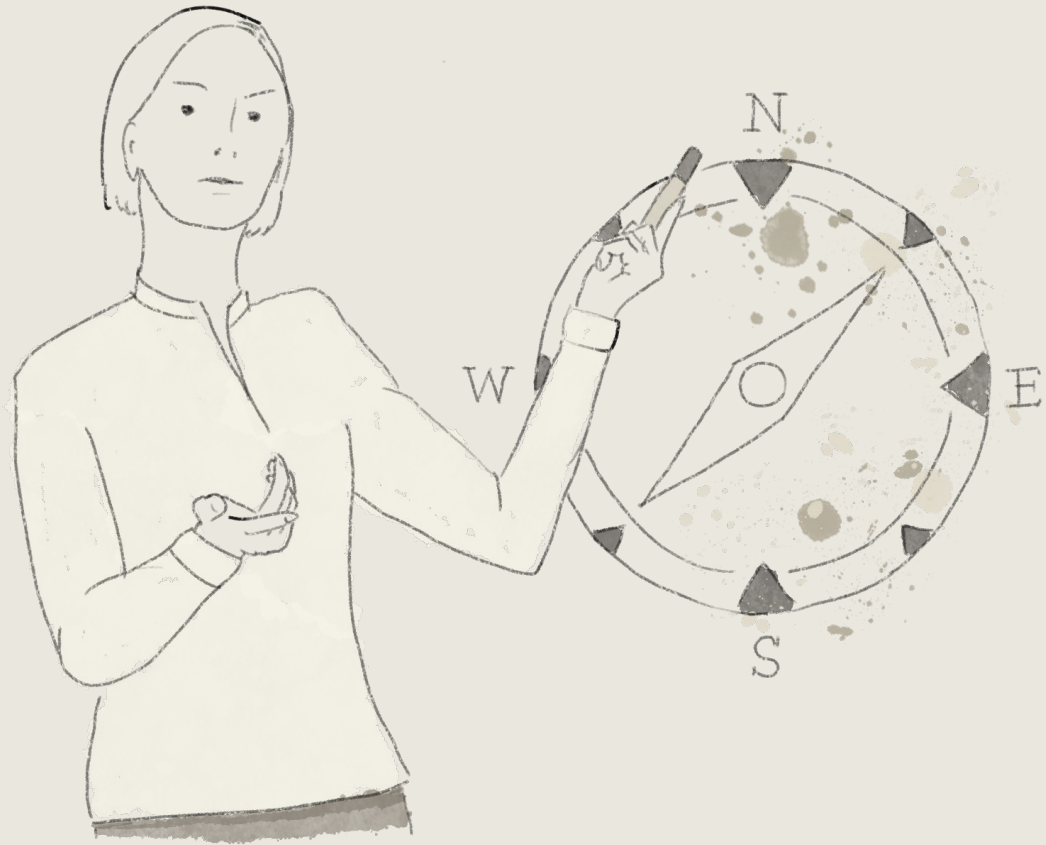
The company needs a long-term and coherent strategy.

Everyone should know the strategy, and it should impact the work.

The feature factory may result in a lack of risk analysis.

The company should be a learning organization.

Employees are asking for broader competence development.



CTO is disappointed

I was hoping for more passion, more willingness to change, and more of a winning instinct. While I can understand some of your concerns, I find it hard to accept the one-sided whining. We are a team working for each other towards a fantastic goal, aren't we?

With the attitude you're showing today, I might as well ask Stella for feedback.



Stella tells about the duck and the ants

Digesting Duck had centralized control and fake sophisticated capabilities.

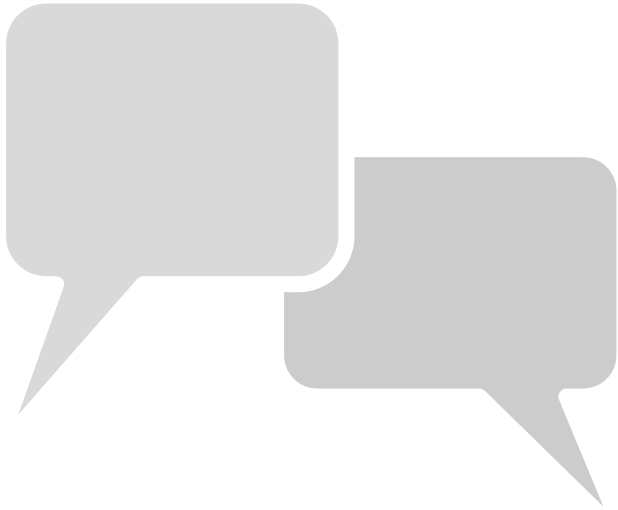
An ant colony is a decentralized system that creates complex outcomes.

Each ant operates based on a simple set of rules.

Dual nature: A 500-person company may resemble BOTH the duck and the ants.

Dual nature emerges from the laws of complexity science.





Does your company resemble a
master and his mechanical duck
or a decentralized ant colony?

Or both?

Stella defines the company as a complex system

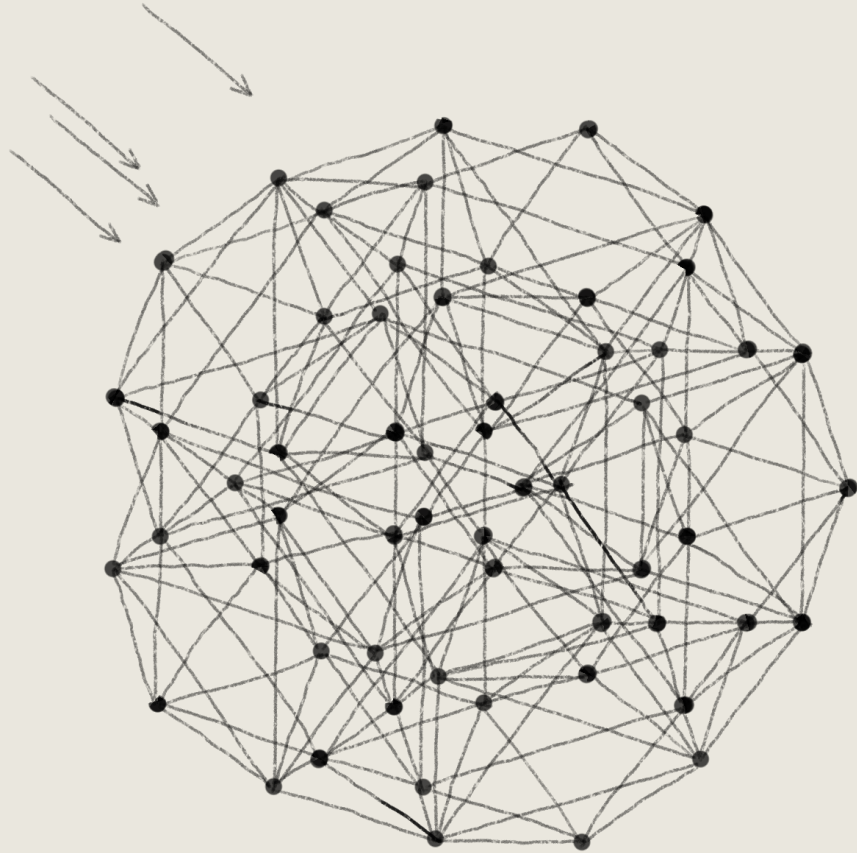
Numerosity. Many people interact many times in many different ways.

Diversity. Many meetings, decisions, and analyses are not centrally controlled.

Feedback. Employees will never stop adapting to new conditions.

Non-equilibrium. Our company is constantly influenced by external factors.

Self-organization. We are partly self-organized, and we should leverage that.



Stella supports both CTO and team's feedback – Whining is opportunities

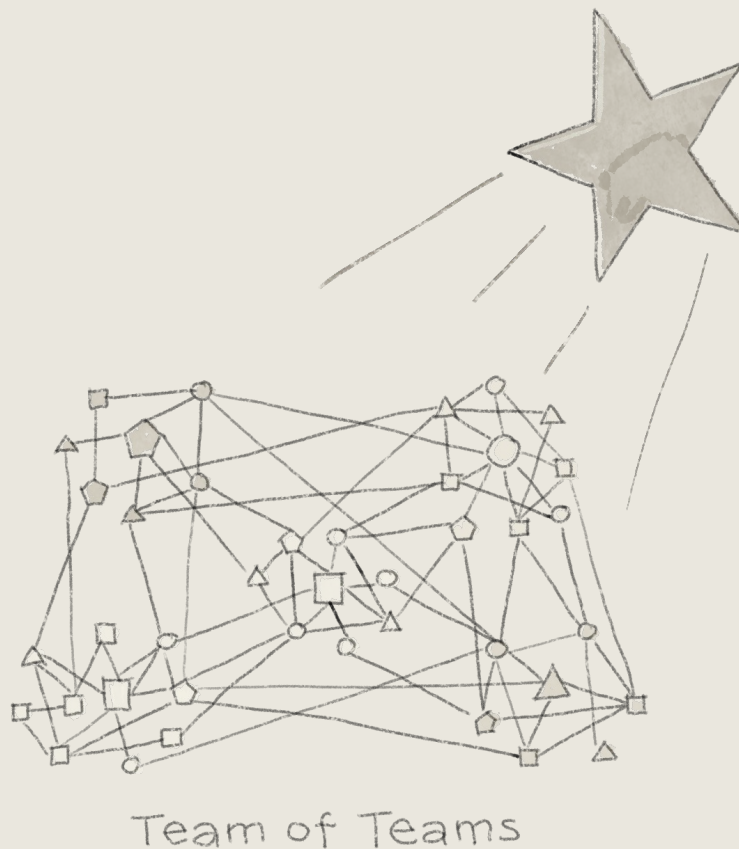
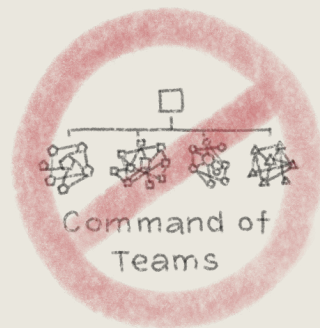
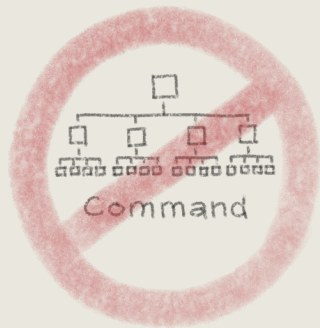
She supports both feature factory and team feedback.

However, the word "factory" leads astray. We are not machine-like.

A feature factory focuses on execution, however...

...the feature factory does not address the most important long-term goals.

The proposal must be complemented by a flexible, sensing, and uniting strategy process.



Stella talks about guiding stars and traffic lights

Ants naturally cooperate based on shared goals for survival.

Shared goals are strategic—they begin with end in mind.

Guiding stars are goals that help us prioritize operative work.

Guiding stars are not for tracking performance.

Guiding stars give purpose and direction while allowing for flexibility and self-organization.



V.S.



Stella dives into the importance of hierarchy

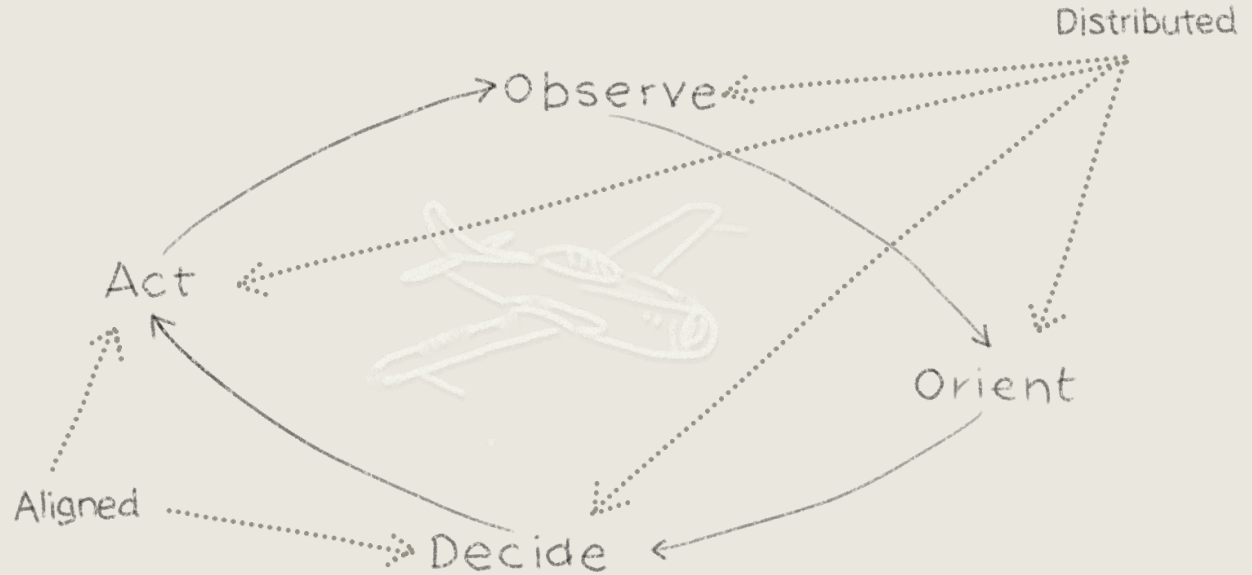
Top-down goal setting doesn't work in complex systems.

Hierarchy still matters, since joint outcomes matter.

Faster OODA than competitors' is like getting two moves in chess for their one.

Everyone should contribute to the OODA loop for speed and accuracy.

Shared goals align decisions and actions across the company.



Stella explains how insights may flow up and down, across the organization

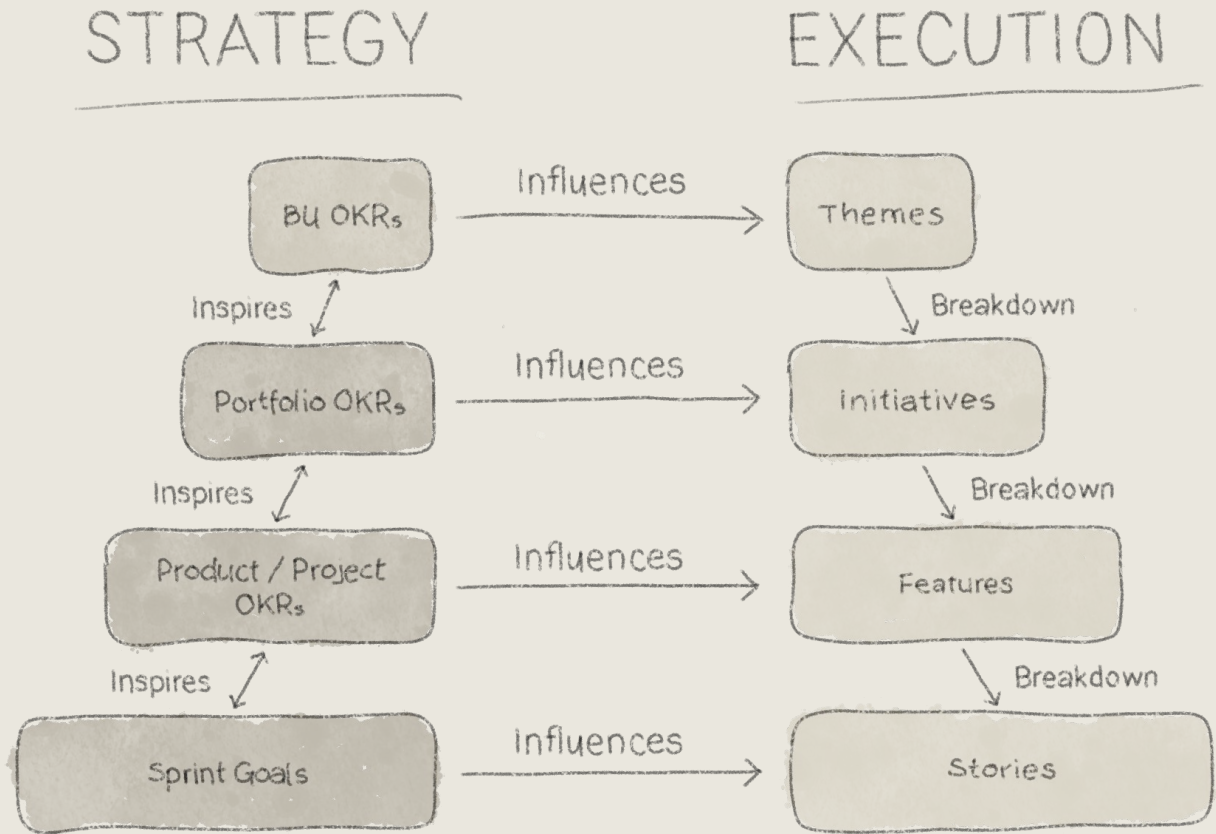
Insights should flow up, down, and across the organization for better decision-making.

Using a modified version of OKRs and Hoshin Kanri for goal-setting.

Inspired, local, shared, owned-OKRs have a mix of these properties.

Goals are set through discussions at all levels, including feedback going upwards.

Hierarchy can coexist with agility when managers own goals and share accountability.



Stella introduces a new kind of OKR: Guiding Star OKRs

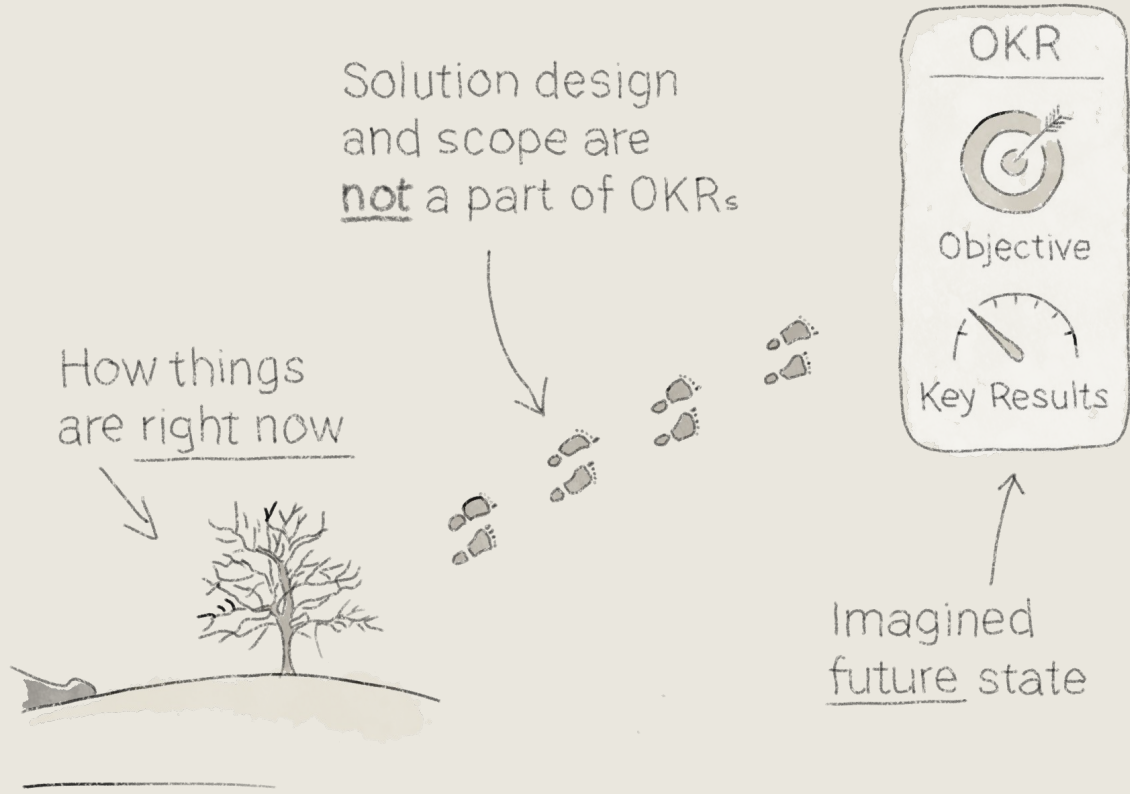
Guiding Stars are used for shared vision not measurement.

Guiding Stars describe the current and the desired future state.

Guiding Stars are not system solutions, activities, or features.

Guiding Stars makes strategy precede execution.

Guiding Stars should be limited to avoid prioritization conflicts.



Stella dissects the objectives of Guiding Star OKRs

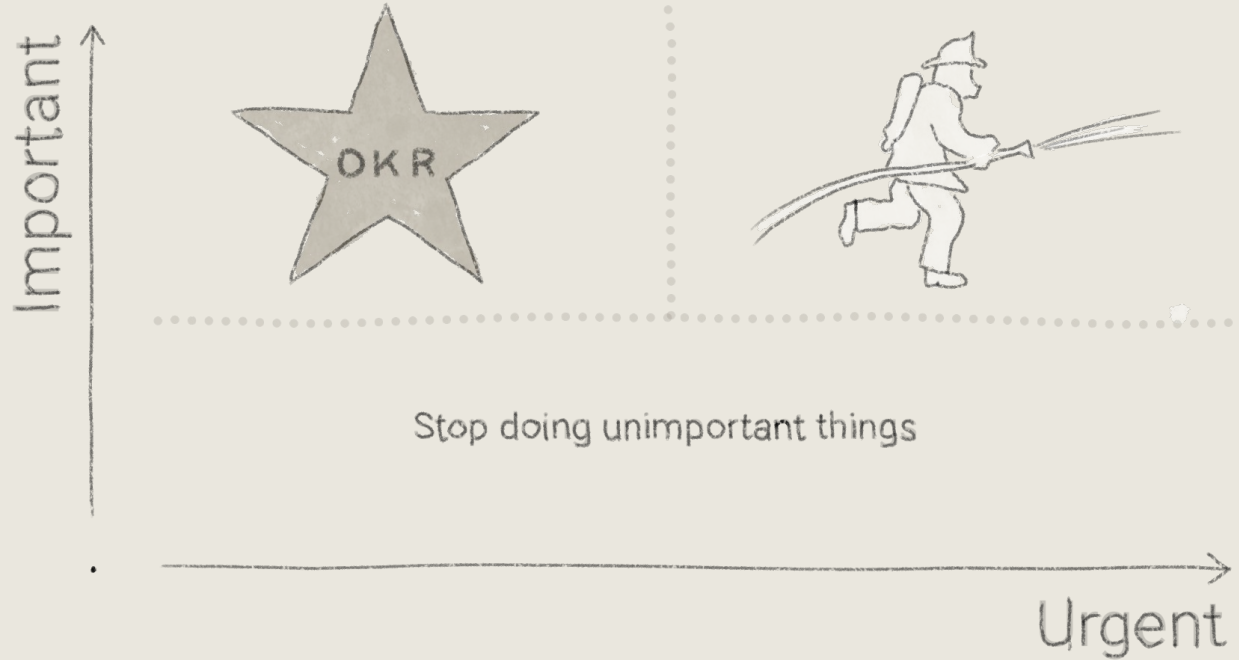
OKRs illuminate important but not yet urgent tasks that focus on new capabilities.

Objectives are short campfire stories focused on customer-valued outcomes.

Objectives focus on outcomes that we can influence, not just on financial or market goals.

Objectives show a clear difference between the current and desired future states.

Objectives help guide choices by aligning decisions with the guiding star.



Stella dissects key results of Guiding Star OKRs

Key results illustrate the objective, but achieving them doesn't guarantee success.

Key results focus on the measurable state of the objective, not the effort invested.

Key results lack verbs like "launch"—they aren't about tasks.

Key results use numbers to define the current and target state—not just true/false).

Key results should be trackable continuously to provide proactive information.



Stella shows how Guiding Star OKRs are customer-centric

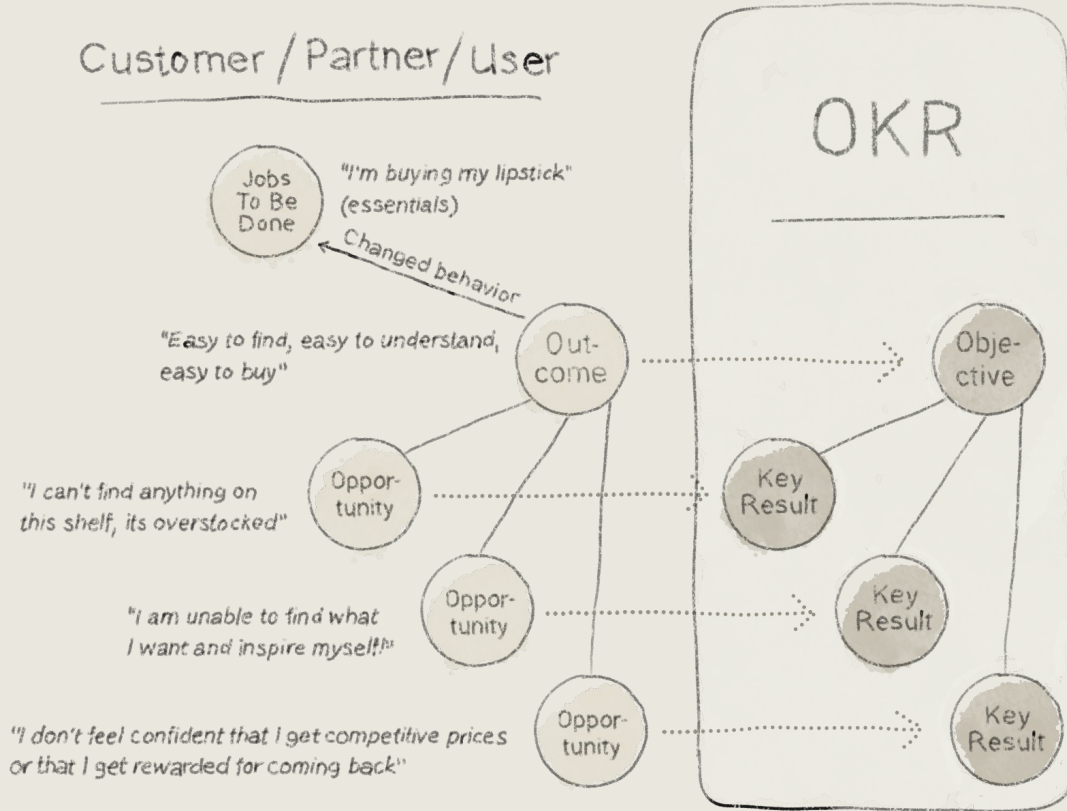
Entirely new customer needs, not incremental improvements to existing products.

Our customers' customers don't care about our features. They want their job-to-be-done to be achieved.

Strategy comes first - guiding stars set direction, not solutions.

Key results are derived from the customer's customer pain points.

By making things easy for the customers' customers, we drive new behavior and create value.



Stella explains a process for Guiding Star OKRs

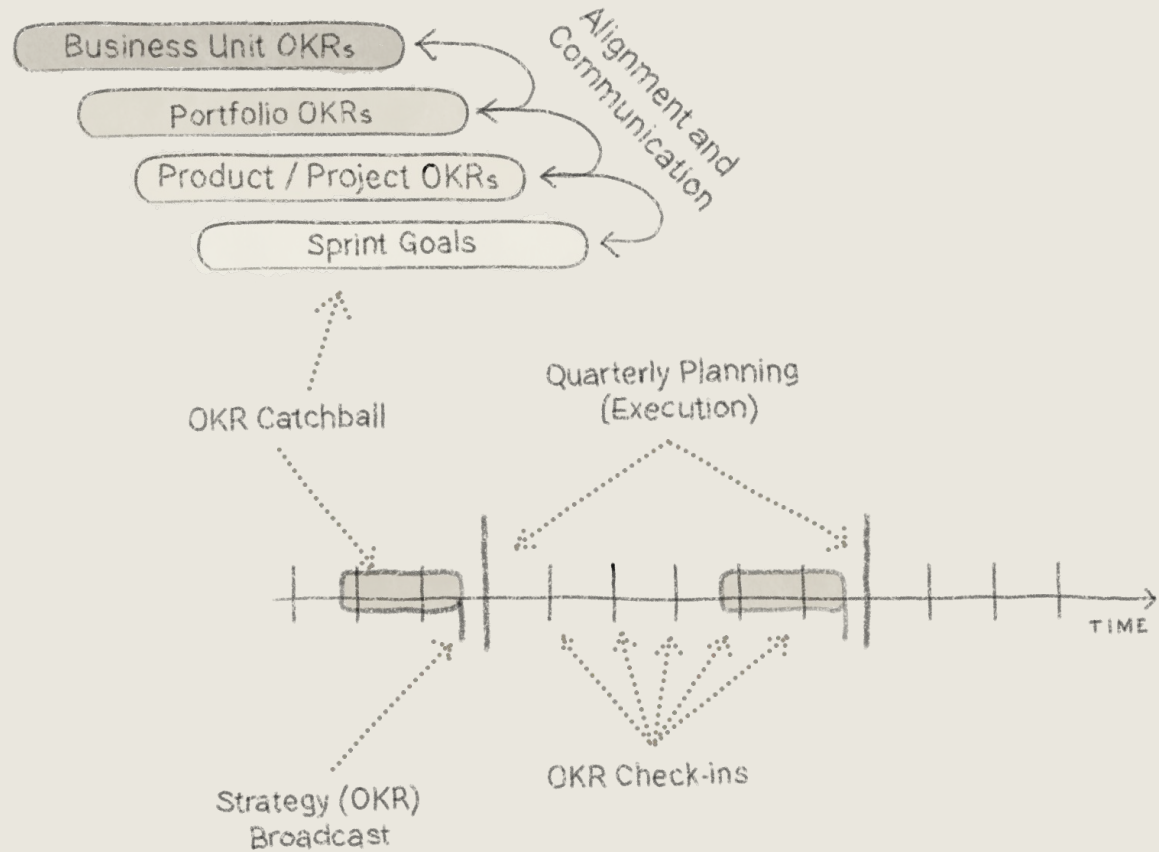
The Guiding Star process is inspired by Hoshin Kanri to address key strategic obstacles.

Guiding Stars are defined collaboratively through the "Catchball" process for insights across the organization.

Guiding Stars are transparently communicated through Strategy Broadcast and Lean Coffee sessions.

Strategy influences quarterly planning sessions.

Guiding Stars drive decision-making during the execution phase, with regular check-ins and Open Space sessions.



Stella rushes off

"This is amazing!"

George exclaimed with a broad smile. "Where did you learn all this?"

"I visit companies.

Talk to people. Read books," Stella answered.

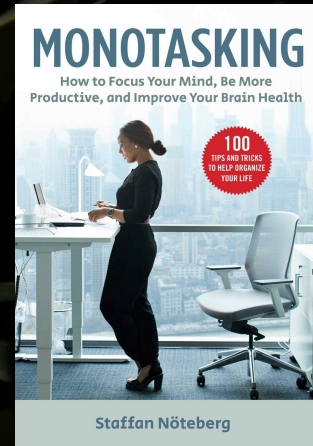
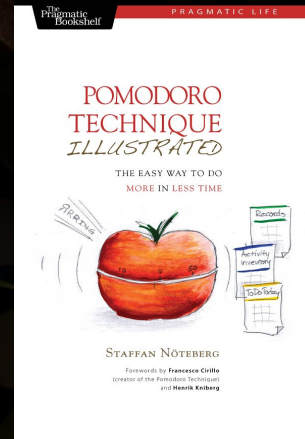
"That kind of stuff."



Thank you.



Session Feedback



« I have a lot to say about this book, primarily because it is one of the few books I've read that has been amazing in pretty much every way »