

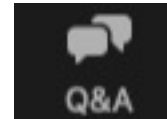
How to make OKRs better. Outcomes over outputs.

Matthew Hodgson & Patricia Kong

13 July 2021

Quick Guidelines

- Your microphones will be muted throughout
- This session is recorded. The recording and slides will be available after the webinar within 24 hours.
- Please ask questions!
- Submit questions by selecting the Q & A icon:



Who is Scrum.org



Ken Schwaber
Scrum.org Founder,
Chairman and
Co-creator of Scrum



Bio



Matthew Hodgson

**Zen Ex Machina, CEO &
Professional Scrum Trainer**

Matthew has been coaching agile transformations for two decades: from executives and leadership to help scale agile across portfolios, programs and teams. He's highly regarded amongst his clients and peers for the unique approach he has brought to the industry focussing on scale using [organisational psychology](#), change and culture.



Patricia Kong

**Scrum.org
Enterprise Agility and Leadership**

Patricia Kong is co-author of "The Nexus Framework for Scaling Scrum" published by Pearson and a well-known public speaker and mentor. She is a co-developer of the [Evidence-Based Management Framework](#) for Business Agility and Nexus Framework for Scaling Scrum. Patricia helps organizations thrive in a complex world by focusing on enterprise innovation and leadership and teams.

The opportunity

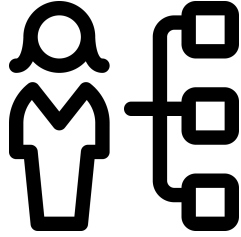
- Unrealised value / huge market for a product in Europe.
- Opportunities to deliver to APAC market.
- Adapt learnings to APAC team.
- Accelerate time to market for a new set of products.
- Improve market share.
- Deliver desired customer experience.

The Problem



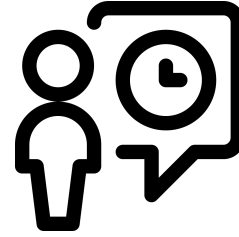
Competitors

Others already in the APAC market



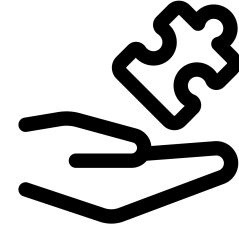
Internal Silos

Impeded speed of decision-making



Slow to adapt

Slow to pivot to changing demands relative to competitors



Time to market

Size, process and bureaucracy impacts

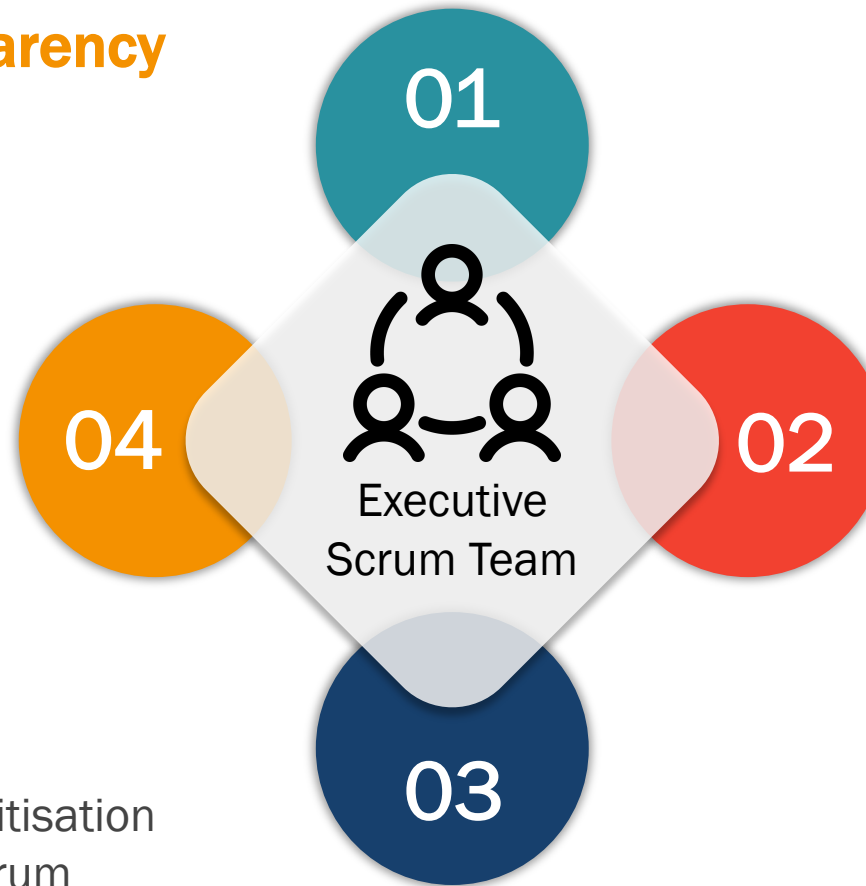
Scrum for strategic initiatives / executives

04 Artefacts for transparency

- Product Backlog
- Sprint Backlog
- Increment (of the solution)

03 Agile product development roles

- Product Owner – Value/prioritisation
- Scrum Master – Effective Scrum
- (Product) developers – Deliver the product initiative



01 Cross-functional team

- Break down traditional silos
- Reduce hand-overs
- Marketing, sales, distribution, and legal

02 Feedback loops

- 2-week planning cycle
- Inspect outcomes at the end
- Feedback into next cycle
- Inspect goal progress daily
- Assess market learnings
- Create implement improvement actions

Outcomes

- Improved customer satisfaction gap
- Decreased customer cycle time – from years to months
- Improved market share
- Improved alignment – traceability of work to strategy, reduced silos
- Improved transparency – actual status c/w % complete & plan milestones
- Improved time to learn
- Decreased time to decision-making

Missed opportunities?

- Empiricism
- Goals
- Were OKRs actually evidence?

Disruptive change

- Shifted into crisis management during COVID-19 pandemic
- Churn in the executive Scrum team
- Lost focus on strategic intent of initiatives
- Product Backlog and Sprint Backlog not kept up to date
- Mixed business as usual work with their teams with their own strategic and tactical initiatives

Professional Agile Leadership (PAL / EBM)

- Back to Scrum basics through scenario based learning
- Measures and behaviours – how they influence executive focus
- Setting goals through hypotheses
- Feedback and learning loops
- Examined metrics – track the impacts of the solution

PRODUCT

We Believe that offering relevant, differentiated and accessible ~~to make ANZ Consumers~~ fall in love with ~~the~~ ~~business~~ ~~model~~ ...
Will unlock a sustainable business model ...

that this
is not when
needed

EVIDENCE / METRICS

"Zero Carbon impact"
- Green

Feedback loops: helping adapt to uncertainty

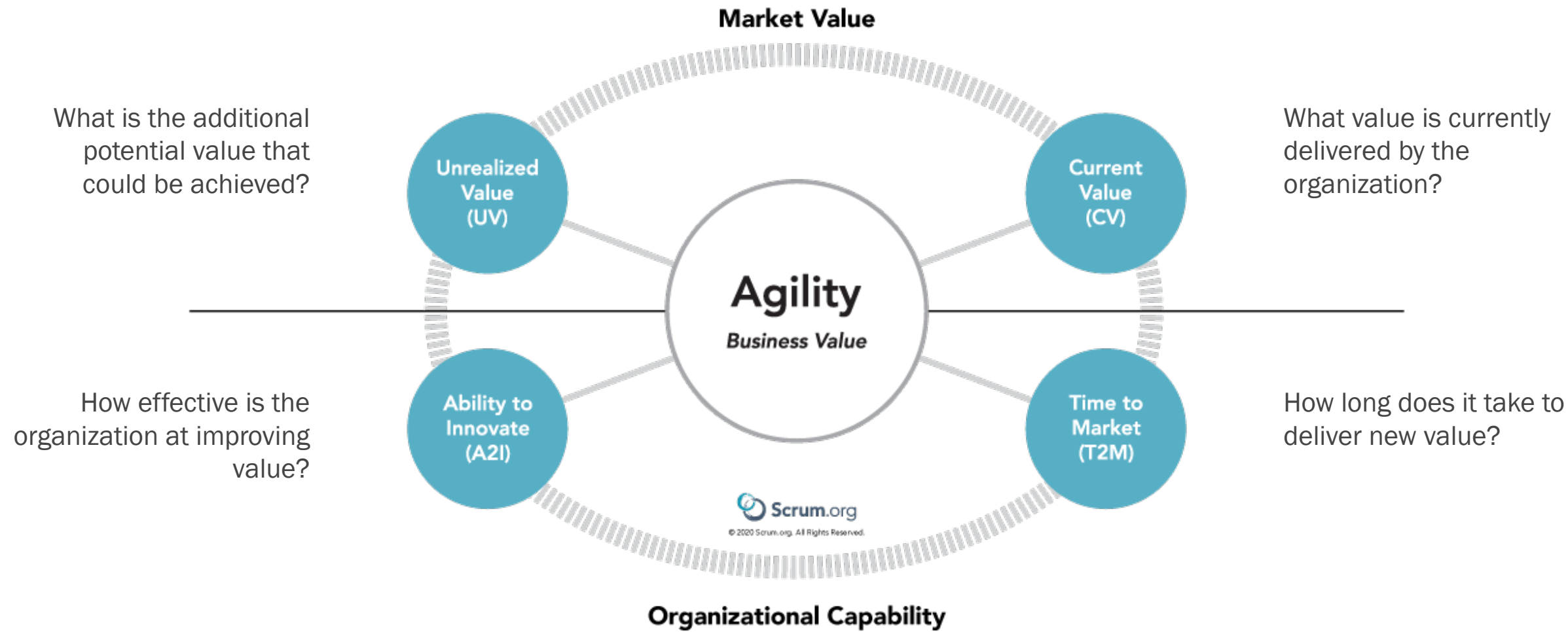
Use empiricism each Sprint Review to help assess:

- **Traction** – have we made a real impact with the customer?
- **Need to adapt** – pivot vs continue
- Use **EBM framework** to support behaviour



Evidence Based Management (EBM)

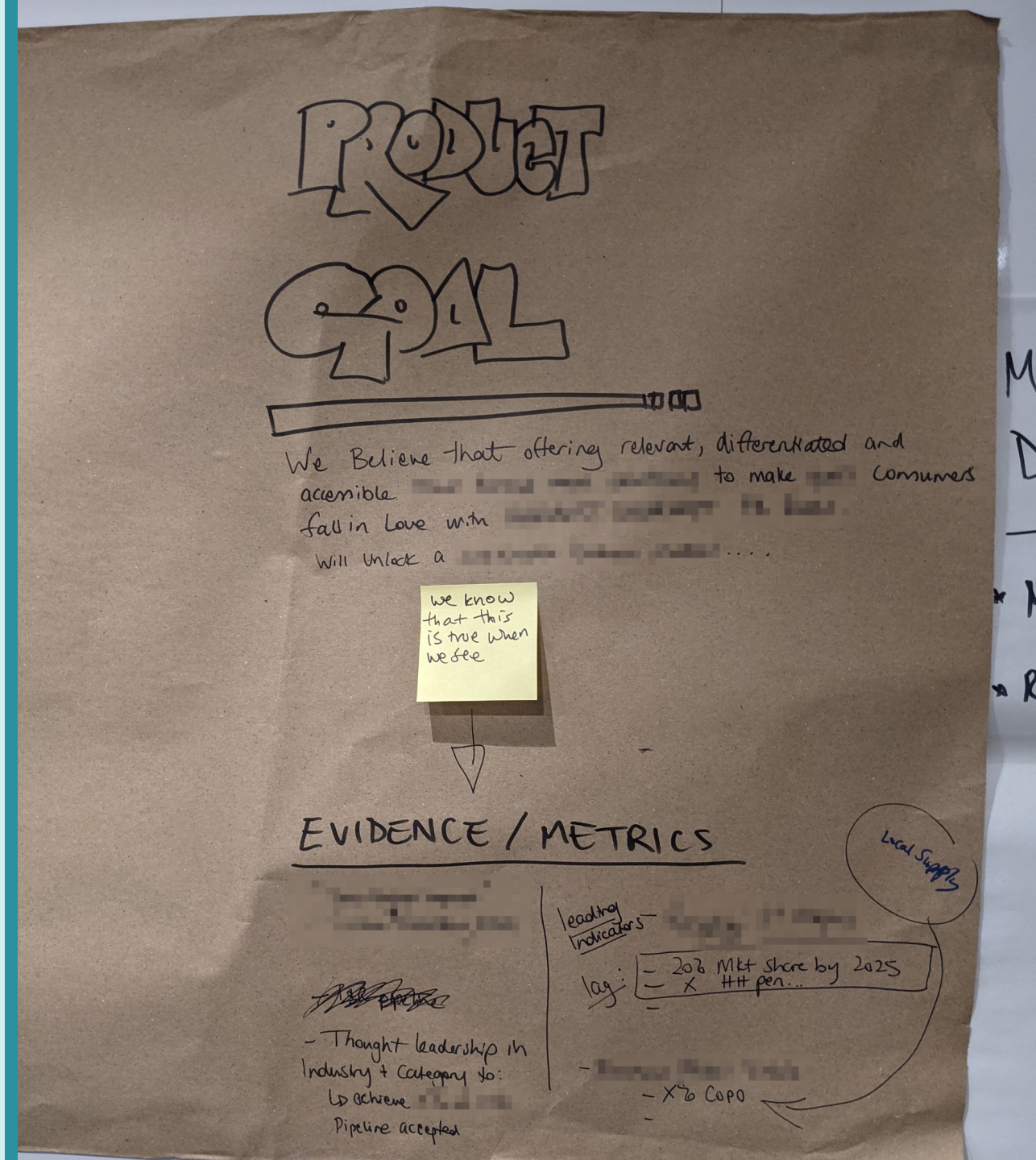
Evidence: Measures and Key Value Areas



“Evidence-Based Management Guide” 2019, www.scrum.org/ebm

Setting goals through hypotheses

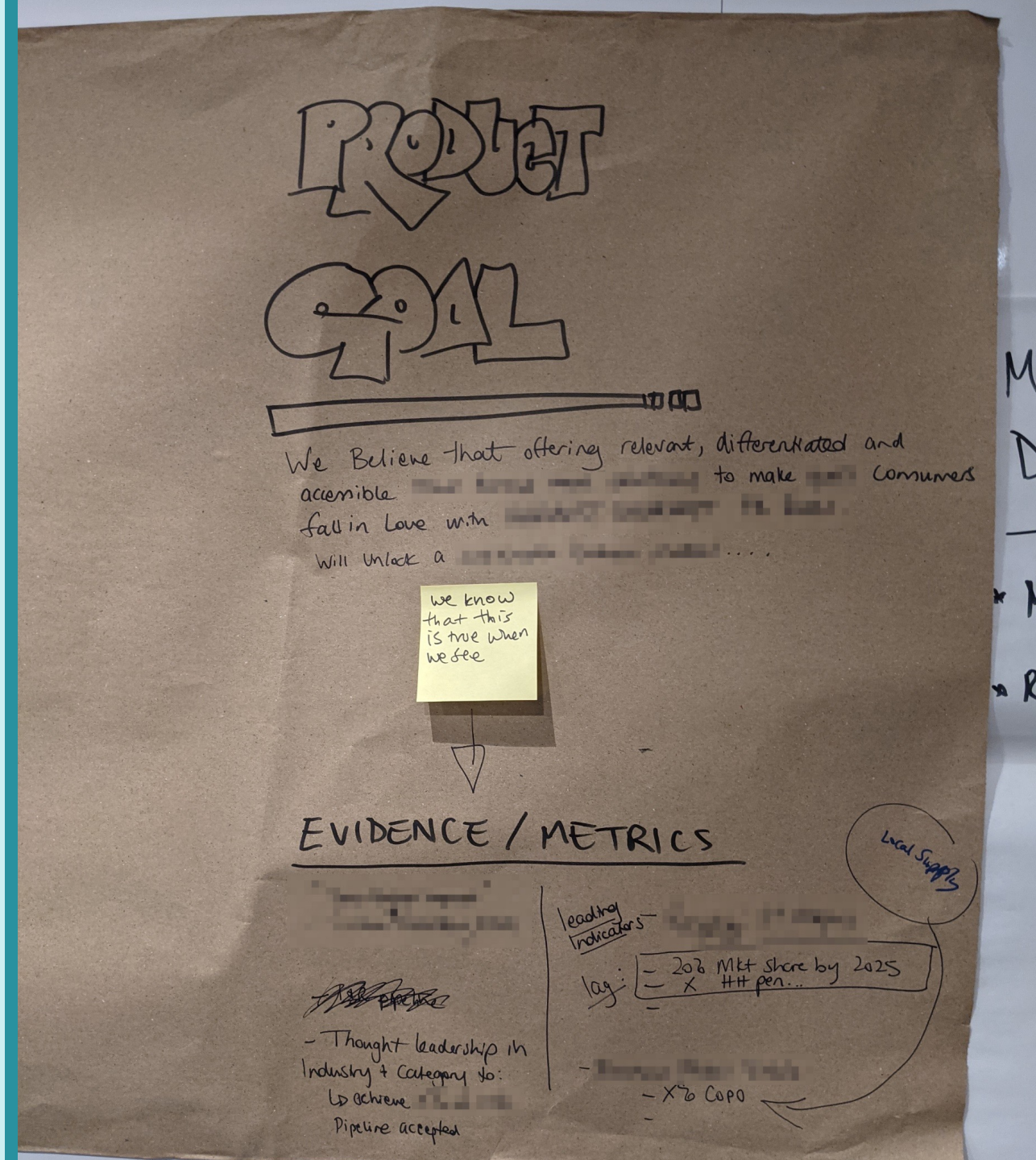
- We hypothesise that *product solution*
- For *target customers*
- Will achieve *outcome* (e.g. *reduced carbon footprint*)



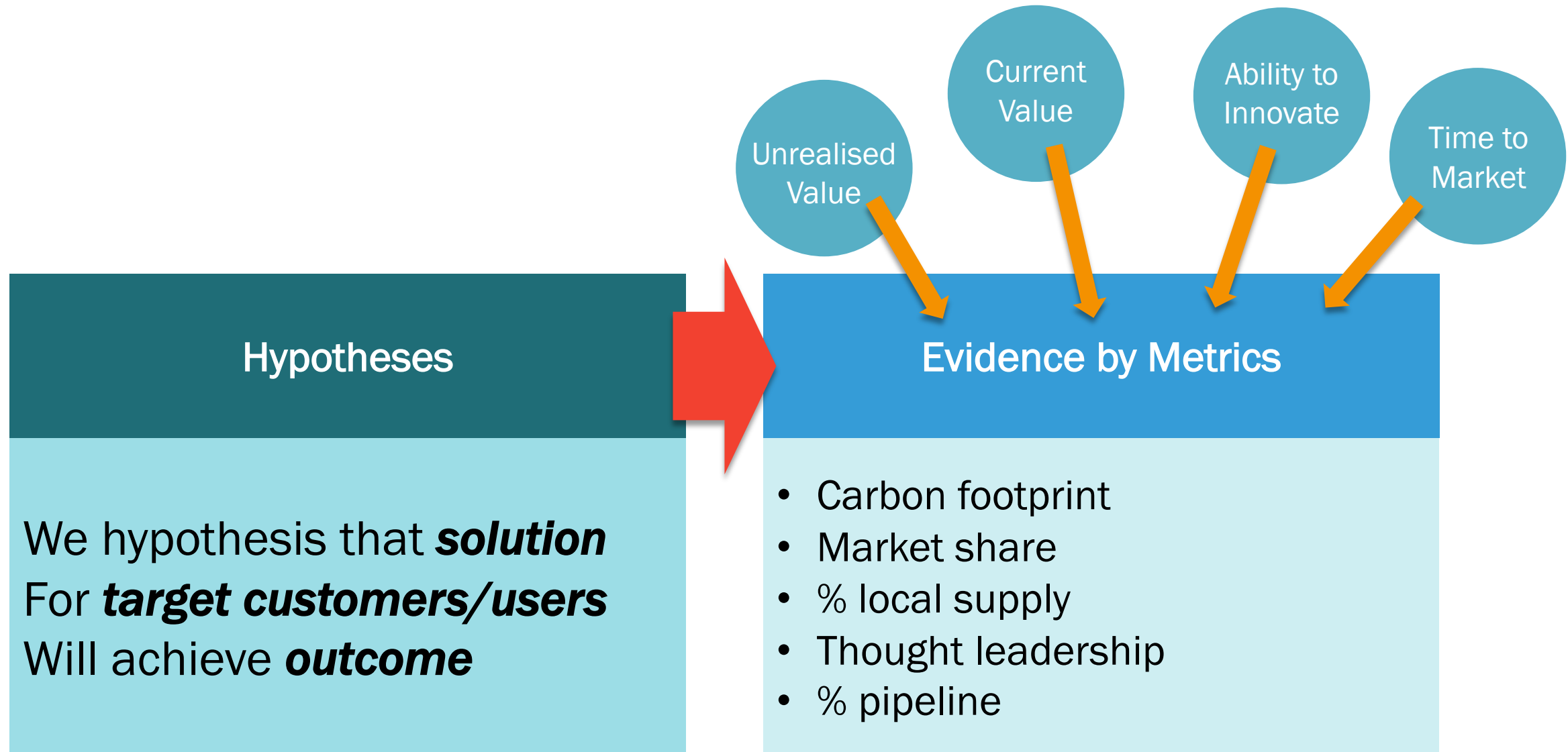
Setting metrics

We know this will be true when we see
measures change

Empirical evidence



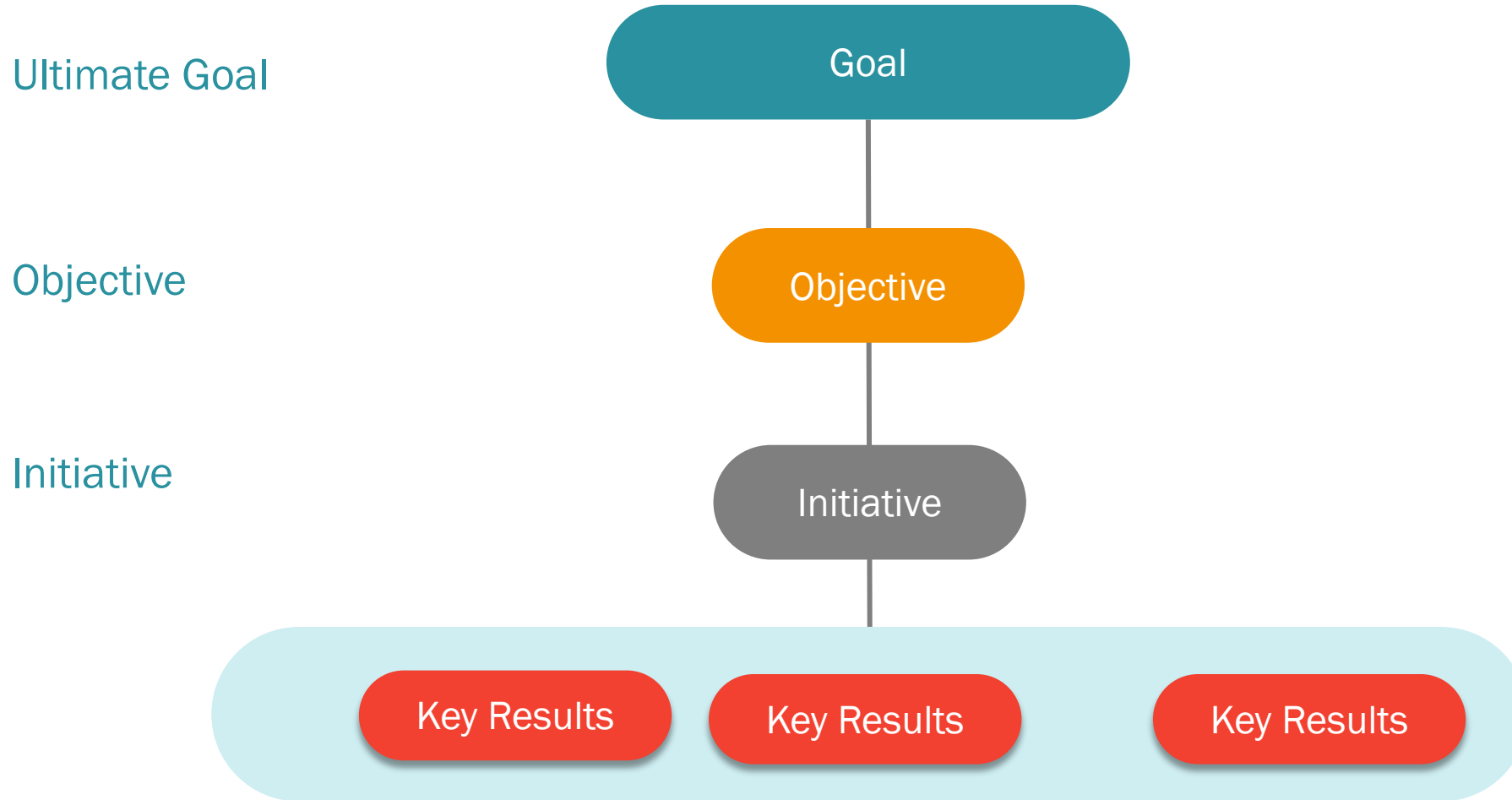
Hypotheses, Impacts and Evidence by Metrics



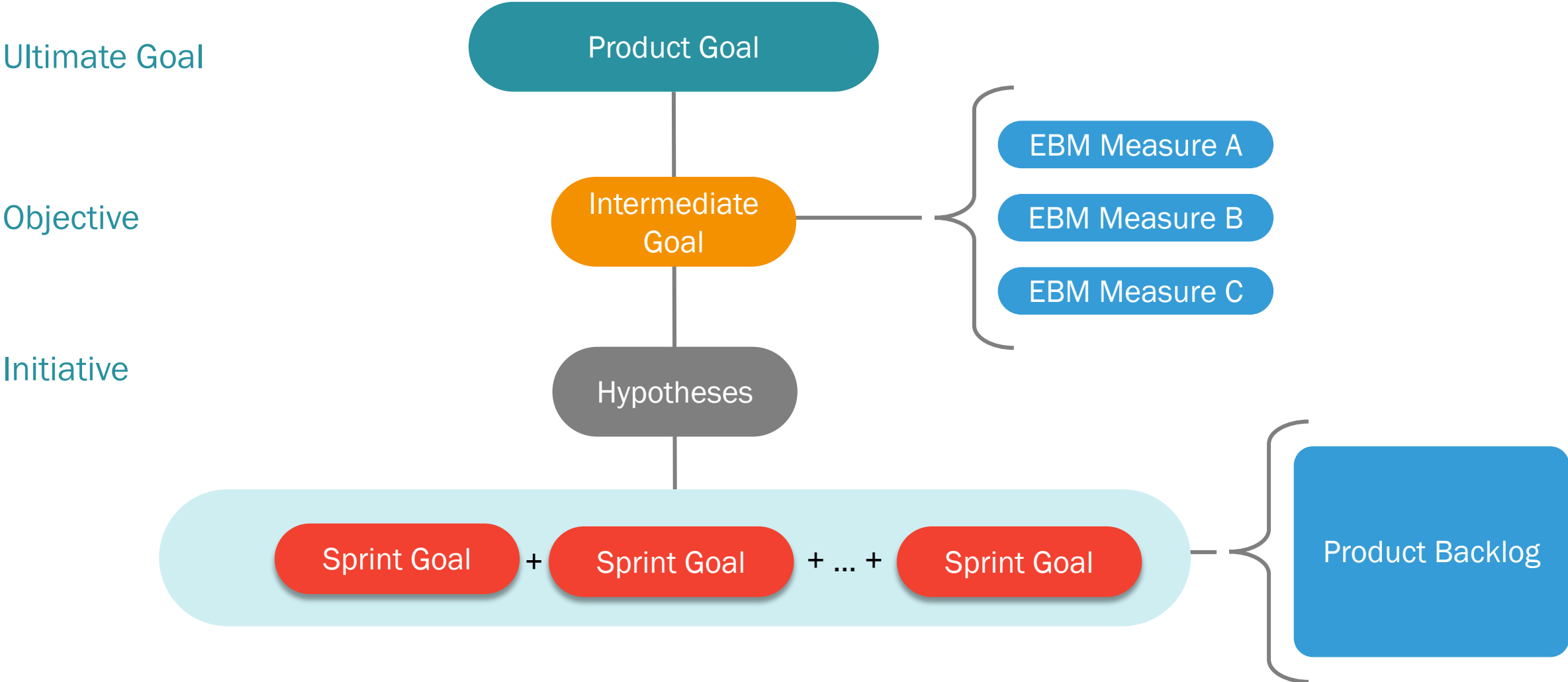
Creating the Product Backlog

- Goal provided the focus needed – work that didn't contribute to the goal was not included
- Worked backward from the goal
- Identified the 'known' work (experiments) to achieve the goal
- Forecast hypothesised intermediate goals
- Added EBM metrics
- Resumed Sprinting

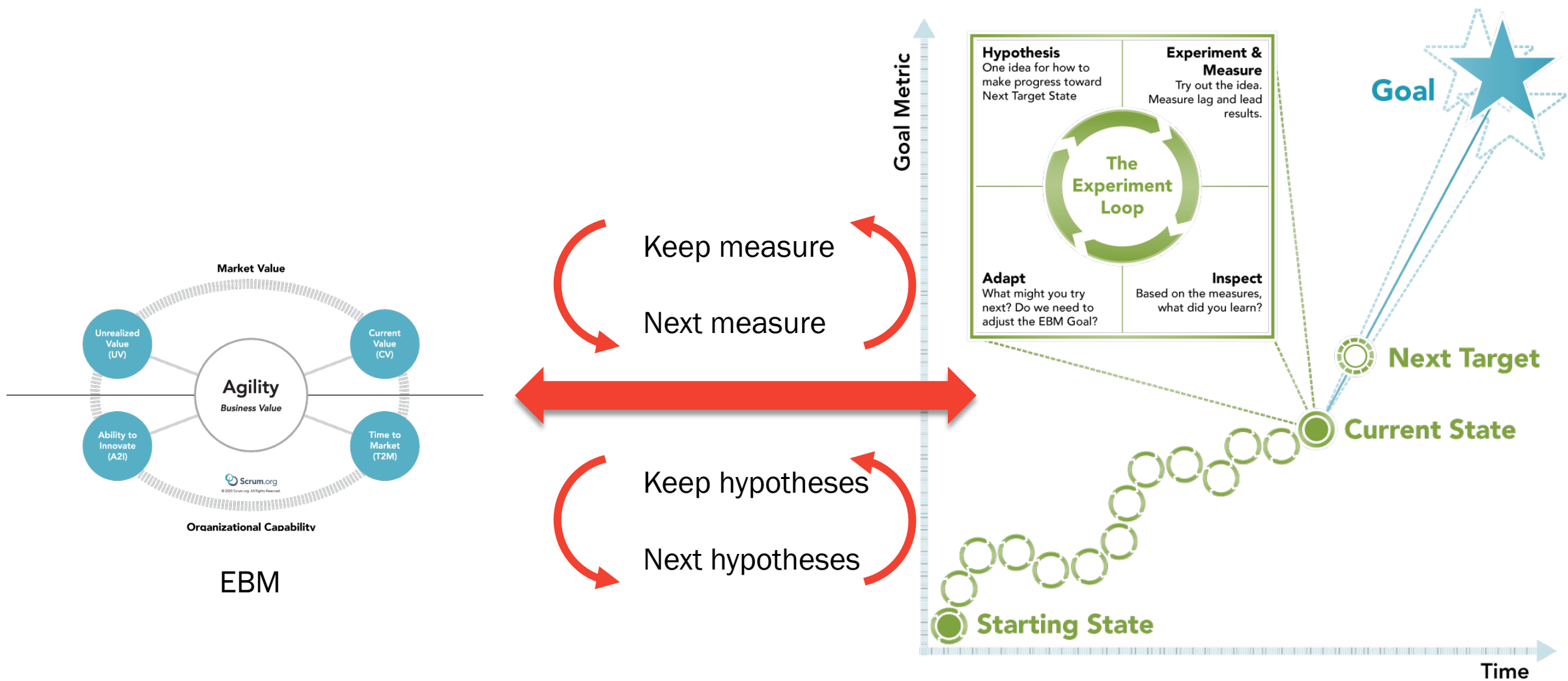
Old vs the new: OKRs with Evidence Based Management (EBM)



Old vs the new: OKRs with Evidence Based Management (EBM)



The new Executive feedback loop



Outcomes

- Improved focus
- Improved sense of team purpose
- Improved alignment
- Improved ability to pivot when measures don't provide clarity regarding goal progress
- Improved ability to pivot hypotheses
- Reduced wasted effort

Conclusions

- Traditional OKRs
 - Create focus
 - Tend to create “fixed mind” about achievement
- EBM
 - Creates same focus
 - Hypotheses with measures **allows for flexibility through experimentation** to achieve goals
 - Scrum can provide executives with behaviours that reinforce inspection and adaptation toward strategic goals – are we using the right measures? Is the goal the right goal at this time?

Questions

Each role has a clear Learning Path

Product Owner

Developers

Scrum Master

Agile Leaders

Product Owner Learning Path

★★★★★ 4.9 from 5 ratings

Unwatch

As described in the [Scrum Guide](#), a Scrum Product Owner is responsible for maximizing the value of the product resulting from the work of the Development Team. How this is done may vary widely across organizations, Scrum Teams, and individuals.

The learning path is organized by a set of [Professional Scrum Competencies](#) which each contain a number of focus areas. Resources are laid out in a prescribed order, however it is your journey, so follow in the best way that helps you learn.

Understanding and Applying the Scrum Framework

Empiricism

Scrum Values

Scrum Roles

Scrum Events

Scrum Artifacts

Sprint Goal

Done

Scaling Scrum

Managing Products with Agility

Understanding and Applying the Scrum Framework / Empiricism

The Agile Manifesto

Created by 17 visionaries in 2001, the Agile Manifesto was developed to look at the core principles and values for Agile software development. [0:04:00]

★★★★★ 4.8 from 6 ratings

Completed

Empiricism, the Act of Making Decisions Based on What Is

Ken Schwaber writes about commitment and Scrum as an empirical process. [0:03:30]

★★★★★ 4.8 from 7 ratings

Completed

The Three Pillars of Empiricism (Scrum)

READ THE SCRUM GUIDE

VIEW THE SCRUM FRAMEWORK

THE SCRUM GLOSSARY

FIND TRAINING

GET CERTIFIED

- <https://www.scrum.org/pathway/scrum-master>
- <https://www.scrum.org/pathway/product-owner-learning-path>
- <https://www.scrum.org/pathway/team-member-learning-path>
- <https://www.scrum.org/pathway/agile-leader-learning-path>

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SCRUM PULSE

A free monthly webcast by Scrum.org **Professional Scrum Trainers** addressing common challenges faced by the software profession.



Thank you!