



# **A Product Manager's Guide to OKR Goal Setting & Department Management**

# Table of Contents

**03** ..... **OKR implementation as a product manager**

**05** ..... **Blueprint of a product management OKR**

**08** ..... **Areas of responsibility for product management in OKRs**

**12** ..... **The difference between aligned objectives and key results**

**14** ..... **Aligning organizational key results to product department OKRs**

**15** ..... **How to keep product management objectives agile**

**17** ..... **Commonly asked questions around product department OKRs**

# OKR implementation

## as a product manager

The typical structure of any great OKR system is that each objective is made up of a high-level objective, a more detailed description of why that objective is necessary, a summary of how the objective aligns with the broader goals of both the person's department and the company, and the three to five key results that will help them achieve that goal.

**To create a successful goal-setting planning process that allows for this type of OKR, everyone in the department needs to be invested in the process from the start.**

As a department, you have to understand cross-functional operations and what defines a successful project. For example, success for the product management department may vary from how sales and customer support define success.





In particular, there must be no gaps in large product management departments between understanding what everyone is working on and how it aligns to business success. It's also essential to have a clear understanding of how their work influences the success of other stakeholders or utilizes resources available to the entire department.

**OKRs are about transparency and alignment. By nature, it's a collaborative process and benefits the organization. That's because having leadership determine OKRs and priorities alone means a restrictive top-down model is in place, not a self-defined motivating coaching model.**

Habits around goal-setting are also best developed when the person responsible for execution has been involved along the way. For example, product managers need to execute change and guide the organization through a clear product vision. It's also essential for department members at all levels to have a defined purpose and strategy backing up the execution of their OKR.

There's an inherent sense of collaboration with a great objective. Just because you're writing it doesn't mean you should be the only one to say it, and it still rings true. For example, if the organizational priority is to achieve product-market fit, everyone in the department can say that and see how they can focus their efforts towards it.

# Blueprint

## of a product management OKR

As a product manager, you're responsible for everything from product planning to gathering customer requirements and working cross-departmentally to ensure revenue growth and customer satisfaction. In other words, a product manager is the swiss army knife of a department. That's why it's crucial product managers have a blueprint to how OKRs can be set that reflect business priorities that have touch points across their organizations.



**Objectives are outcomes that reflect current business priorities. They are:**

- Time-based (Due date)
- Non-numeric (Qualitative)
- Aspirational (Saying this with confidence sounds hard)
- Answers: “What am I working towards without focusing on the tasks that get me there?”
- Empowers and promotes collaboration and cross-functionality
- Has a clear subject, object, and journey that the matter goes through

**Every objective has corresponding key results that are:**

- Numerically measured
- Utilize a threshold or delta to measure change (from x to y)
- They are the result of a series of tasks, but not the tasks themselves
- There’s a baseline measurement to move away from or towards
- Answers: “How do I know if I have achieved my outcome?”

Each key result has supporting projects, which have their to-do tasks but are kept separate from OKRs.

Great OKRs have a clear subject, object, and journey that the subject aims towards. Here's an example of an OKR that follows this model:

### **Customers consistently find our product useful.**

'Customers' (the subject) consistently find our 'product useful' (the object) (the journey the subject takes to finding your helpful product)

#### **Key Result 1**

**80%** of new customers continue their subscription after two months.

#### **Key Result 2**

**50%** of new users return within two weeks.

#### **Key Result 3**

Churn rate is **< 2%** this quarter.

This objective is challenging. A stretch goal as the above means it's challenging and aspirational but can also have multiple projects spanning multiple quarters to be worked on continuously. Various departments can adopt this OKR, creating different key results that fit their projects.

# Areas of responsibility

## for product management in OKRs

OKRs are unique because there will be a different ideal number every time you create them based on your current priorities and strategies. **Goals in the form of OKRs link to areas of responsibility, business priorities, stages of business (start-up vs. well-established organization), and how a department chooses to divide ownership over results.**

Stick to a max of 5 OKRs per person, with approximately two per department and three at the organization level. It can confuse more critically and slowly become a task list rather than an outcome with main targets.

With too little, you may not be measuring important information, challenging yourself, or critical thinking about an area of responsibility.

The best way to get started about mapping out the right amount that fits your department's needs is to define who's responsible for what area and what that department defines as success. From there, have discussions around projects needed to make that outcome successful and what results you're hoping to achieve.



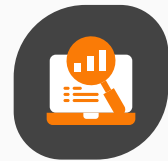
Here's an example for product management:

**Role:** Director, Product Management

**Areas of responsibility:**



Understanding and representing user needs



Monitoring the market and developing competitive analyses



Defining a vision for a product



Aligning stakeholders around the vision for the product



Prioritizing product features and capabilities

**Themes:** Learning, development, engagement

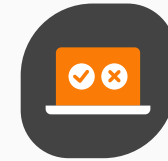
## Measures of success:



Competitive intelligence and analysis updates are frequent



Product roadmap planning and presentations for organization communication is up to date



User testing to validate assumptions



Customer visits for retention

## OKR starting points:



Provide good product updates (roadmap communication)



All users feel supported throughout their journey (customer visits)



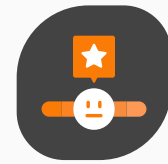
Streamline product planning with customer needs (user testing)

**Supporting Projects:** Creating product resource guides, planning customer retention programs, customer surveys, etc.

**KPIs / Targets:**



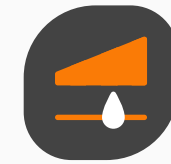
Monthly Active Users  
(MAUs)/Daily Active Users  
(DAUs)



Customer Satisfaction  
Score (CSAT)



Customer Retention  
Rate (CRR)



Net Promoter Score (NPS)

# The difference between aligned objectives and key results

**An aligned objective is a separate goal, whereas a key result is an indicator that you've met your goal.**

A key result is how you know you've hit your goal. It's typically a numerical target/milestone measure that you can check into knowing you've made progress. Key results are unique to the objective and only impact one OKR. KRs are designed so that you can continually check in with where you're at. The best practice is to check in weekly.

**Key results are where you measure how you will define the objective's success within the constrained time frame.** A common mistake is listing task items as key results. This is a great starting point, but it's important to dig a bit deeper.

For instance, collectively, what are these tasks aspiring to result in? A tremendous key result has a baseline metric that you're looking to either increase, decrease, maximize, etc. It's about moving an impact in a direction—this is known as a delta.

**The most important thing is that key results answer how you know you have achieved something from your work.**



Here's an example of both key results and aligned objectives being associated with the same objective:  
"Improve customer product adoption."

### Example of Aligned Objectives

**Objective:** Improve customer product adoption

**Key Result:** Design customer engagement email campaign

**Key Result:** Reach a 70+ NPS score

#### Aligned Objective

Increase monthly active users by 20%

#### Aligned Objective

Create customer beta testing campaign

#### Aligned Objective

Improve user testing across the organization

The KR "Design customer engagement email campaign" is what the OKR owner is doing to contribute to this goal. It's a measure of success. They're working on contributing by executing an engagement campaign. You can also see **two department goals (shown in green)** and **one personal goal (shown in blue)** that other department members are working on to improve customer product adoption.

Everyone's key results will be different per objective, but they still influence customer product adoption, so they're aligned to the organizational objective.

# Aligning organizational key results to product department OKRs

First, think about how the organization is going to be contributing to making the product OKR happen. Take, for example, an organizational objective: **Grow an active customer base and revenue.**

You may have a range of departments contributing to growing active customers and revenue directly from the product, marketing, and even customer support.

The organization objective itself would have key results that outline what revenue increases are the primary target. How everyone is going to contribute to making that happen is widely different depending on their functional area. This is where you'd want to start making aligned objectives. For example, what will the product department be doing to increase active customers?

The product management department also builds customer relationships and engages customer in-product, but not necessarily revenue quotas.

Aligned objectives align efforts across departments to highlight the collaborative nature of success. Think of aligned objectives like a step ladder. The top of this ladder is the main goal, where the rungs along the way are all the aligned objectives that help you get to the top. Those in the middle can be classified as both parent and aligned objectives as they have OKRs that sit both above and below them, impacting success.

However, each rung has multiple dimensions that keep it working. These are your key results and targets. The best practice is to have 3-5 key results; otherwise, it gets more into the task management realm and can be overwhelming to track than measuring results of outcomes.

# How to keep product management objectives agile

Tasks are small, bite-sized chunks of a product roadmap that lead to the results you track in your OKRs. Measuring results, not tasks, moves conversations away from “what steps (task) am I going to take to complete this outcome” to “what am I expecting to achieve if I complete this objective? What target indicator will define success?”

OKRs aim to have a more significant impact by splitting time on fewer things and focusing on results, not tasks. In addition, OKRs encourage discussion on how one person’s objectives impact the rest of the department.

Once you’ve established what result you’re hoping to achieve, think about the supporting projects you will get you there. From there, think further and more specifically down to the tasks to complete that project.



Tasks often change day-to-day, as they are short bursts that help you assess what is working and what's not. You can cross them off a sticky note, to-do list or mark them as complete/incomplete. However, they typically don't measure success.

This is why it's essential to try to steer clear of making tasks a key result—they can't be graded. The conversation then becomes “did you hit your target? yes or no?” not “how did you perform, what were the roadblocks you faced, did you aim too high? Were you supported in achieving your results?”

Be sure to keep task/milestone OKRs (complete x or execute on y) as high-level as possible to not bog your department down in paperwork. On the other hand, you don't want your OKR to be so long that it's more like a project plan/task list.

Multiple actions within each KR will need to be done/triaged to prioritize accordingly when you make them higher level/end result-driven. This keeps the KR's "how-to" implementation plan agile.



# Commonly asked questions

## around product department OKRs

Because the practice of product management is so broad, it's common for us to get lots of questions on what product managers should own. In the following section, we share some best practices for product managers to understand better who is responsible for making objectives happen.

### **Q: Should product managers always own department-level OKRs?**

- The product manager of the OKR should be the individual(s) responsible for seeing it hit its mark. Should there be many product managers, the OKR should fall under the product manager whose area of responsibility is defined by the key OKR theme. So typically, that falls into one specific place of the product itself.
- However, product managers owning the department objectives should still have their objectives. This is with the understanding that most of their time will be working towards supporting their department. Coaching and managing is a goal itself!
- If you're at a loss, think about how OKRs should follow your responsibility tree. For example, product managers are responsible for keeping a specific part of the product build on track; they should own the department objective.

### **Q: When do I use department objectives versus personal goals that align to a department objective?**

- Set the department OKR first, owned by the department lead. For example, increase monthly recurring revenue by 5%. Then, have each different department member create a personal OKR depending on their exact role. Everyone should own an OKR that they are responsible for. Align each personal OKR to the department objective to have cascading progress. It's essential to ensure everyone has their OKRs and is not just added as additional owners to the department. The individual-level objective is meant for reflection and coaching purposes at the end of the quarter or annual performance review. Breaking it down makes it easy to target specifics of someone's progress.
- OKRs should start at the department level. Define first what you are accomplishing as a department. Next, ask yourself, "will each person be responsible for a different section of this department goal?" For example, if we look at sales, most sales reps have different targets, but together they're working to achieve one target.

### **Q: Is it always the CEO who should be the owner of all the organizational OKRs?**

- The best practice for organizational objectives is to have the owner be the individual(s) responsible for overseeing that area. The CEO can own the organization's objective, but if the accountability to make something happen ultimately lies on someone else's shoulders, they should acknowledge that objective!
- For example, if the organizational objective is a revenue goal, the CRO owns it. If there's an investment goal, typically, that's a CEO. If there's a retention and department growth goal, perhaps it's the head of HR.

## About

# Unlock:OKR

Unlock:OKR is a product of Compunnel, a consulting organization with over 1,000 employees located in USA, UK, and India. Helping organizations adopt new processes has been the core of our business for over 25 years and Unlock:OKR is our offering that helps unlock the employee potential through seamless integration of the OKR framework.



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