

OKRs in Business

VS

SMART Goals

Which One to Choose?



Goal-setting is a vital aspect for improving employee engagement and measuring business success, keeping organizations focused and aligned. **SMART** goals and **OKRs** are the two popular goal-setting methods that drive organizations to sustainable improvement and success.

Choosing **OKRs** over **SMART** Goals

The well-structured **OKR** approach helps set top-level goals and funnel them down at all levels, aligning everyone in the same direction as the company

1.

SMART goals are only suited for setting goals at the individual level as they do not bring alignment across the company

OKRs involve shared goal-setting which drive collaboration and transparency, avoiding working in a silo and giving everyone a clear sense of purpose

2.

SMART goals discipline people around one goal, which may not connect to the company's overall mission and goal

OKRs are set for monthly, quarterly, or yearly basis. They work the best for quarterly cadence as tracking progress becomes easier during regular check-ins

3.

SMART goals do not follow any specific cadence and can be set by employees anytime, whenever they want to

OKRs link every ambitious goal with multiple metrics or key results. Each result becomes equivalent to a SMART goal

4.

SMART goals are measured in single metrics such as profit, revenue, quality, etc.

Both **OKRs** and **SMART** goals are goal-setting strategies but serve different purposes. OKRs in business are considered a better choice for setting goals at the individual, team, and company-wide levels, keeping everyone connected and inspired.

Reference Links

<https://www.perdoo.com/resources/okr-vs-smart-goals/>

<https://www.whatmatters.com/resources/okrs-smart-goals-difference-between/>