

The  
Pragmatic  
Programmers

# Guiding Star OKRs

A New Approach to  
Setting and Achieving Goals



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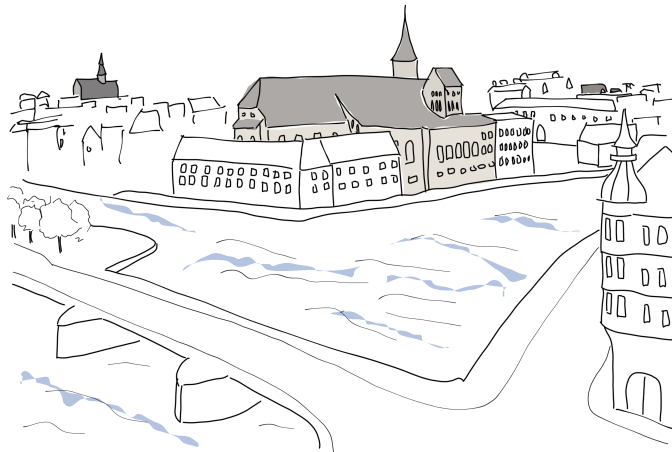
*They departed; and, lo, the star, which they saw in the east, went before them.*

► *Matthew 2:9 (KJV)*

# Introduction: The Strategy Challenge

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Imagine your company is holding a conference in a new city. As you explore, you discover various vantage points offering unique perspectives of the cityscape. From one, you might spot the towering church steeple, while another reveals the grand city hall, and yet another showcases the sprawling sports arena. Each viewpoint provides a glimpse of the city's essence, but none captures its entirety.



The same principle applies in a corporate setting. Let's say you're seeing things from the "Project Management" viewpoint. From here, you clearly see the projects, timelines, and budgets. Your job is to ensure timely and on-budget delivery while meeting all requirements. You focus on the company fulfilling its commitments.

By shifting your focus to the "Agile Coaching" viewpoint, you gain insights into the teams themselves—their drive, their collaboration, and their overall dynamic. Here, your role is to empower them, ensuring they're both productive and comfortable taking risks. Ultimately, you want to foster a sense of ownership and autonomy within each team.

From the “Product Management” viewpoint, you see the customers and their needs. You see how the company’s products are used and what problems they solve. Your job is to ensure that the products are user-friendly and to take care of customer problems.

From the “Chief Technology Officer” viewpoint, you see the technical infrastructure and the need for standardization. You propose a new process to coordinate development, reduce costs, and increase clarity. Your goal is to optimize resource utilization.

But many more viewpoints exist. Take, for example, “Software Development,” where the technical debt is seen, or “Sales,” where the extra feature that enables big deals is clearly visible. “HR,” “Testing,” “Marketing”—there are almost as many viewpoints as there are employees in the company. Everyone in the company, regardless of their viewpoint, wants the company to be successful. They just have very different ideas about how best to get there.

But, wait a minute! Shouldn’t there be a viewpoint marked “Strategy”? A place everyone in the company visits now and again? From there, they can see the company’s long-term goals and how they fit into the larger market. They can see the threats and opportunities that exist and how the company can position itself for success. This viewpoint offers a collective understanding of the company’s future vision, and everyone knows that this understanding is shared by all. This “Strategy” viewpoint is—unfortunately—a whole different ball game compared to the others.

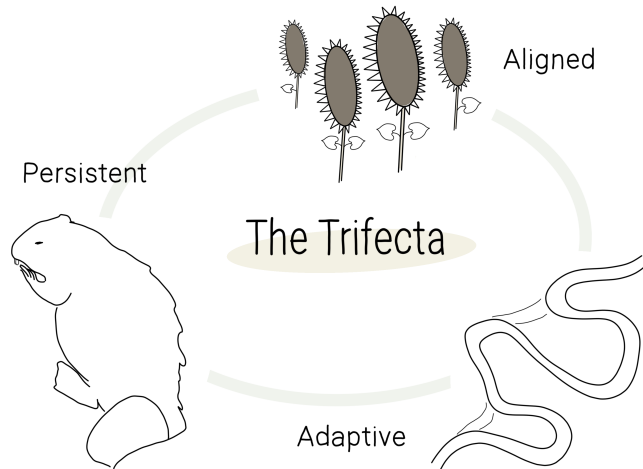
## Balancing the Trifecta of Strategic Execution

Alignment—the ability to ensure everyone works together in the same direction, even when coming from different viewpoints—is the first of three key challenges that this book addresses. The second challenge is persistence—the unwavering commitment to progress in that direction, regardless of obstacles. The third is adaptability—the capacity to continuously adjust and refine your approach based on new information and a changing landscape.

Throughout this book, we’ll revisit the powerful combination of alignment, persistence, and adaptability. To help you remember them, think of a field of sunflowers, a beaver colony, and a flowing river.

- *Alignment:* Each sunflower in a large field has its own place and role, but they all strive to face the same star—the sun. The sunflower bud follows the sun’s movement during the day from east to west. No one gives orders, yet they’re aligned.

- *Persistence*: A beaver colony can patiently work for weeks or months to build a dam, and then the colony maintains and strengthens this structure for years. The largest dams can be 100 meters wide!
- *Adaptability*: The river constantly changes its course to navigate around obstacles and follow the path of least resistance. Changes in the environment cause it to reorganize, but the river still strives toward the same lake or sea.



You can likely think of companies that embody one or two of these characteristics, but the true challenge lies in achieving all three—persistence, alignment, and adaptability—simultaneously in pursuit of long-term goals. This is the trifecta challenge: to balance these forces without stifling any of them.

The desire to achieve this trifecta balance isn't unique to your company. Many organizations struggle to do so. That's where guiding star OKRs come in, and why you might find this book valuable.

## Why You Might Find This Book Valuable

Perhaps you picked up this book because you're a curious leader wondering if OKR—objectives and key results—might be the right tool to help your team achieve its goals. You might hope to learn how to create OKRs that are both ambitious and realistic and how to get the whole team on board.

Or maybe you work in a development team and have heard about OKR as a way to increase focus and collaboration. You're curious about how OKRs can help you deliver the right software without micromanagement from your managers.

Or you might be an experienced consultant who has used OKRs before, and you want to deepen your understanding of the framework. You might be looking for new ideas and inspiration to help your clients make their OKRs more effective.

You might also be a leadership coach who wants to learn more about modern leadership methods. You're curious about how OKRs can help organizations become more agile and adaptable in an ever-changing world.

No matter who you're, I hope this book will be both interesting and inspiring. It might be helpful to know that all examples are drawn from real-world experiences, although some names and industries have been changed to maintain confidentiality. These courageous organizations not only recognized recurring mistakes but also dared to experiment with new, more modern ways of working together toward long-term goals.

## A New Approach to Strategy

The book's theme—guiding stars—is a new approach to the decades-old OKR framework. Back in the 1970s, Intel's CEO, Andy Grove, developed a system called iMBOs (Intel Management by Objectives), likely influenced by Peter Drucker's seminal 1954 book, *The Practice of Management* [Dru54].

John Doerr, a venture capitalist who worked at Intel under Grove, brought the iMBO concept to the venture capital firm Kleiner Perkins. Then, in 1999, Doerr introduced the OKR concept to a young company called Google, where it was a success. Google's founders, Larry Page and Sergey Brin, embraced the OKR framework and adapted it to their own company culture.

With Google's buy-in, the OKR framework spread to LinkedIn, Twitter, Uber, and other tech companies in Silicon Valley. But the practice didn't stop there. There are case studies on how Samsung, Spotify, government agencies, non-profits, and many others use OKRs.

Now, you might be wondering, "How exactly does this Guiding Star approach differ from the OKRs I've encountered before?" And you're right to ask. The truth is that many organizations find themselves trapped in a cycle of setting ambitious goals but struggling to achieve them. Often, this is due to a focus on measuring performance rather than fostering a culture of continuous observing, orienting, and calibrating. For example, John Doerr writes in *Measure What Matters* [Doe18]: "A committed OKR that fails to achieve a 1.0 by its due date requires a postmortem." Regardless of Doerr's intentions, being required to write the postmortem can make an employee feel solely

responsible for the failure of an OKR, fostering a culture of shame that discourages risk-taking and innovation.

The following image illustrates two different approaches to goal-setting. Traditionally, you start a quarter by planning tasks (diamond point) and then selecting one as a challenging goal (open circle). But this goal often ends up disconnected from daily work until the end of the quarter when you check if you achieved it (filled circle). This “set-and-check” or even “set-and-forget” method doesn’t make the goal more likely to happen.

### Traditional: “Did we hit our targets?”



### Guiding Star: “Where are we heading?”



The Guiding Star paradigm is different. Guiding stars establish a clear direction well before planning the quarter (green bar) and then influence both your planning and the teams’ daily work, promoting a proactive approach that the traditional method simply cannot achieve.

With the Guiding Star framework, we shift our focus away from punitive grading and toward a more holistic, scalable, and forward-looking approach that empowers teams to learn, adapt, and ultimately achieve more and more meaningful results. This book will guide you through that shift, providing a roadmap for implementing a goal-setting process that truly aligns with the dynamic nature of today’s business landscape.

## A Map of the Book

Let’s take a quick look at what lies ahead. The success of any goal-setting framework hinges on a process that’s not only understood but also embraced by everyone in the organization. The Guiding Star OKR framework, while

designed to tackle complex challenges in large companies, emphasizes collaboration and encourages the spontaneous interactions that lead to greater alignment, persistence, and adaptability. We'll delve into these collaborative methods in Part II.

Feel free to explore the chapters in any order that speaks to you. To help you get started, I recommend skimming the map of the book, then reading the section that follows, which emphasizes that large-scale collaboration toward a common goal is more natural than you might think, and after that jumping straight into the chapter that sparks your interest.

## Part I—Setting the Foundation

The first two of this book's ten chapters comprise Part I, where we delve into the essence of the objectives and key results that serve as guiding stars, their significance, and their distinctions from traditional goal-setting frameworks. You'll discover that checking off isolated tasks isn't enough—you also want a common direction and meaning for the entire organization.

### *Chapter 1, Guiding Star Objectives, on page ?*

This chapter explains how the objective (the “O” in an OKR) can guide the company's transformation and investments in new capabilities for your customers. We will discuss how to formulate effective and qualitative objectives that inspire and focus your team. For instance, have you considered that objectives can signify far more to the organization than merely a scope of work to deliver?

### *Chapter 2, Guiding Star Key Results, on page ?*

Now that you have a handle on the objectives, it's time to set key results (the “KR” in an OKR) that will help you get there. You'll learn how key quantitative results can be the compass that shows the way toward the objective. You might be surprised that key results within the Guiding Star OKR framework aren't about proving that you've reached the objective. Instead, they're about understanding what the objective means.

## Part II—Guiding Stars in Action

In Part II, it's time to roll up your sleeves and put theory into practice. Chapter by chapter, you get the concrete tools and methods you need to find, formulate, and work toward guiding stars in your organization. We'll examine how you can create engagement, collaborate effectively, and adapt to changes.

### *Chapter 3, Discovering Customer Opportunities, on page ?*

This chapter is about understanding your customers' real needs and desires, even those they might not have thought of themselves. We'll delve into how to set guiding stars that not only improve your current products but create entirely new capabilities for your customers. By understanding the entire ecosystem around your customers, you can create products and services that exceed their expectations.

### *Chapter 4, Catchball: Defining Guiding Stars Cross-Collaboratively, on page ?*

Here, we discuss the catchball process, a way to set goals that utilize everyone's knowledge and experience. You'll discover how hierarchy and collaboration can go hand in hand, even if you might not be so fond of hierarchies. The focus is on setting goals of different granularities, not on who decides.

### *Chapter 5, Pupation: Integrating Guiding Stars with Agile Planning, on page ?*

In the hustle of daily work, it's easy for urgent tasks to overshadow those important for long-term success. We'll explore how to seamlessly integrate guiding stars, your long-term vision, into your agile planning processes—whether it's sprint planning, quarterly planning, or any other timeboxed approach. You'll discover surprisingly simple yet effective techniques to achieve this balance.

### *Chapter 6, Calibration: Fine-Tuning Guiding Stars, on page ?*

Imagine being able to adjust and improve your goals along the way. That's precisely what calibration is all about. You'll learn how to keep your guiding stars up-to-date and relevant, even when you gain new insights or the world around you changes. Calibration is also a powerful tool for increasing motivation and engagement among your colleagues.

### *Chapter 7, Cross-Pollination: Everyone's Ears, Insights, and Ideas, on page ?*

Unexpected encounters and creative discussions can lead to entirely new insights. How can we further enhance this valuable exchange of information? In this chapter, you'll learn a concrete method to mix different ingredients to create, share, and learn something novel. People are often surprised by how much creativity and innovation can be unleashed when you loosen constraints in a session.

## **Part III—Succeeding with Guiding Stars**

In the final part of this book, we will walk through seven principles based on the key takeaways in the previous parts and offer practical guidance on



implementing the Guiding Star OKR framework in your organization. We'll also examine common challenges and how to overcome them, ensuring you're well-prepared to embark on your OKR journey.

### *Chapter 8, Seven Principles of Good Strategy, on page ?*

Here, we distill the key takeaways from this book into seven fundamental principles for crafting a successful strategy. For example, it's important to remember that having all the answers at the outset isn't always essential. Sometimes, the most effective approach is to embrace new opportunities and adapt as you learn.

### *Chapter 9, Implementing the Guiding Star OKR Framework, on page ?*

This chapter serves as your hands-on guide to introducing the Guiding Star OKR framework within your organization. You'll find that involving everyone in the implementation process fosters smoother transitions and greater acceptance. We'll also explore the advantages of starting small and allowing the process to evolve organically, rather than attempting a sweeping, immediate overhaul.

### *Chapter 10, Overcoming Guiding Star Challenges, on page ?*

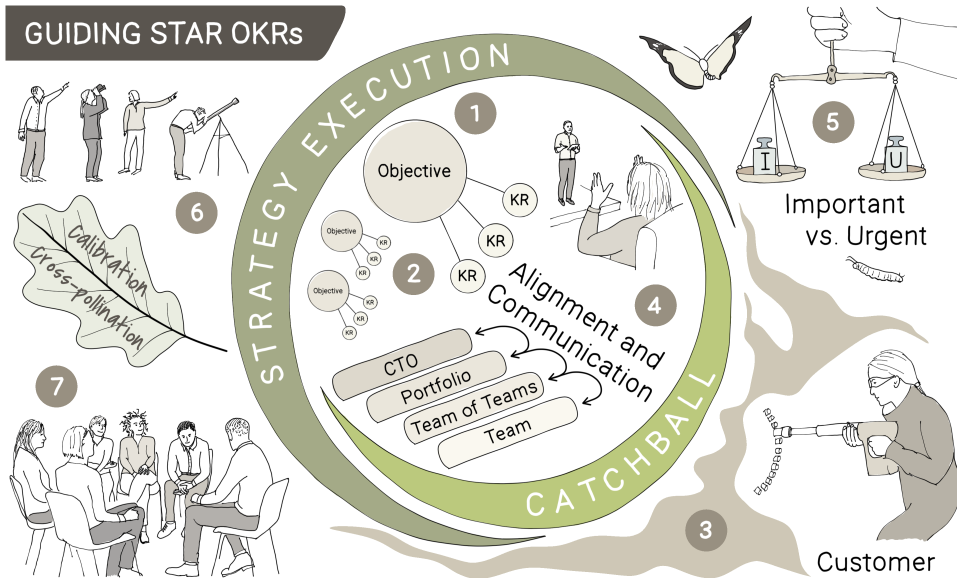
In this chapter, we'll address common obstacles that organizations face when implementing the Guiding Star OKR framework and offer strategies for overcoming them. We'll draw from real-world examples to provide practical solutions and insights. By understanding these challenges upfront, you'll be better equipped to navigate the complexities of your implementation.

## Appendix

### *Appendix 1, Glossary, on page ?*

Some terms are used in specific ways to fit this book's context. They might have different meanings in other fields. To avoid confusion and make sure we're all on the same page, this glossary aims to clarify how key terms are used in the Guiding Star OKR framework.

The [image on page xi](#) illustrates the iterative flow of guiding star OKRs, highlighting the key steps of catchball, strategy broadcast, pupation, and strategic execution. Discovery of the customers' real needs—while not part of a specific iteration—underpins the entire process. The numbers in the image represent the chapters in Parts I and II of this book.



This book has a companion website<sup>1</sup> on [pragprog.com](https://pragprog.com). There you'll find a forum for discussion, as well as a place to report any errors you may encounter. If you have any reflections, comments, or questions, please feel free to reach out to me directly at <mailto:staffan.noteberg@rekursiv.se>. Your feedback is invaluable in helping to make this book the best it can be.

You have an enriching journey ahead of you. The Guiding Star OKR framework is comprehensive, but before you embark, remember that large-scale collaboration toward a shared goal wasn't invented during the Industrial Revolution. It's a fundamental part of nature itself.

## Scaling Collaboration Is Natural

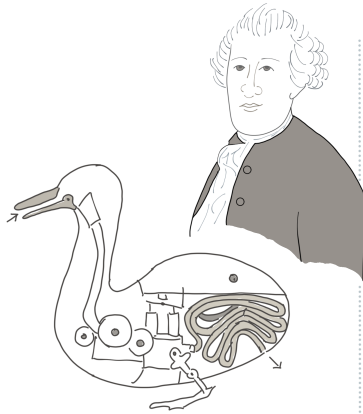
You might have heard of the Digesting Duck.<sup>2</sup> It was a sensation in its day. The life-size duck was made of copper, gold, and steel. It could flap its wings, quack, and even appear to eat and digest grain. Its 18th-century French inventor, Jacques de Vaucanson, achieved this by using a complicated system of gears, levers, and springs. But the "digestion" was fake: the grain was stored in a hidden compartment and released at an appropriate time.

1. <https://pragprog.com/titles/snokrs/guiding-star-okrs>

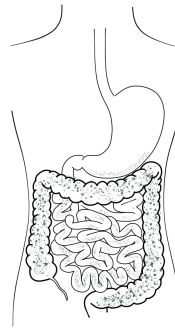
2. <https://www.aps.org/archives/publications/apsnews/201802/history.cfm>

In truth, it's understandable that Jacques de Vaucanson took a shortcut when trying to mimic something as complex as digestion. If you're an average human then you host nearly 40 trillion bacteria.<sup>3</sup> That's, by the way, over 100 times the number of stars in our galaxy.<sup>4</sup> Most of these bacteria live in your gut where they collaborate to break down food, allowing your body to absorb nutrients and convert them into energy.

Your bacteria have no central control mechanism—a boss bacterium micro-managing what each individual bacterium should do. Yet, they spontaneously cooperate to achieve their shared goal of breaking down everything you consume, regardless of the ever-changing variety in your diet.



Micromanagement



Self-organization

Micromanagement structures rarely excel in large-scale human collaboration either, especially not in creative endeavors like developing products and services. When many people work together toward evolving goals, countless interactions occur. Some are planned meetings, but most are spontaneous and shaped by previous events. This constant feedback loop adapts everyone's work. Overly centralized control is a bottleneck in this evolving, complex situation, reducing both speed and quality.

No company has 40 trillion employees, but even with 50 people, the potential relationships exceed 1,000. In a large company with 5,000 employees, over 12 million different pairings could collaborate.

3. <https://www.nature.com/articles/nature.2016.19136>

4. [https://www.esa.int/Science\\_Exploration/Space\\_Science/Herschel/How\\_many\\_stars\\_are\\_there\\_in\\_the\\_Universe](https://www.esa.int/Science_Exploration/Space_Science/Herschel/How_many_stars_are_there_in_the_Universe)

No matter how detailed and prescriptive a company's processes are, smaller groups of employees will always need some level of self-organization to fulfill their tasks. Humans adapt, just like the bacteria in your gut. You should embrace this. By establishing a shared vision and a higher purpose, you can harness this self-organization and create something truly remarkable—together.

The time has come to leave the platform and travel into the core of the book. Hold on to your hat—here we go!

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## Part I

# Setting the Foundation

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*In this first part, we embark on a journey to redefine how we think about strategic planning and goal-setting. We'll delve into the essential elements of a robust strategy, moving beyond the traditional confines of operational plans. We'll then explore the transformative potential of OKRs, not as mere performance metrics, but as guiding stars that illuminate a path toward meaningful change.*

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