

LeSS Layers Between "O" and "KR" Make OKRs More Meaningful

presented by: Gene Gendel

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to



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Gene Gendel

Organizational Design Consultant, Coach & Trainer

Oct 31st

14:30 - 15:00

LeSS Layers Between "O" and "KR" Make OKRs More Meaningful

Gene helps organizations improve system design, structure, and efficiency. He coaches leaders, managers, and teams worldwide, blending coaching with training and mentoring. An active member of the NYC agile community, he promotes accessible agile education and upholds the ethics of agile coaching.

About Me



Gene Gendel is an organizational design consultant, adaptive & lean coach and trainer, and independent adviser to senior leadership. Gene is a widely recognized, world-class trainer/instructor, and is mainly focused on organizational design and product centricity, the experience for which he has gained, over the decades of deeply embedded coaching and consulting. Gene's [clients](#) represent a wide industry spectrum. Almost 15 of 20+ years of his professional experience Gene has dedicated to working with companies of various sizes and lines of business, trying to help them improve internal dynamics, organizational structure and becoming a better place for people to work in. Gene engages at *all* organizational levels: senior- and mid-level management, teams and individuals. In his work, Gene uses various methods, tools and techniques to amplify learning of other people and to ensure that his followers gain autonomy after Gene “coaches himself out of the job”. Over the last decade, Gene’s big focus has been on large financial institutions and consulting companies that struggle with moving away, from traditional budgets and portfolio/program/project work decomposition, towards more adaptive/flexible budgeting and better clearly products (product-centric, customer-focused development).



Gene is the co-founder of **KSTS Consulting**, *the only company in the United States that has the credential of a [Certified LeSS Coaching Company](#)*. Gene’s, highly in-demand LeSS [classes](#), both private and public, are based on advanced system modelling and rich exosystemic perspective that includes intra-organizational dynamics and market realities.



About Me



Your choice of partnership matters

One Stop-Shop For:

- ❖ Organizational and team structure and dynamics
- ❖ Executive coaching and consulting
- ❖ Individual, single team and multi-team coaching
- ❖ Upskilling Scrum Masters and Product Owners
- ❖ HR advisory: building talent and defining careers
- ❖ Training: Agile, Kanban, Scrum, Large Scale Scrum
- ❖ Workshops: product discovery & business agility
- ❖ "SAFe Recovery" Program (gradual improvements)
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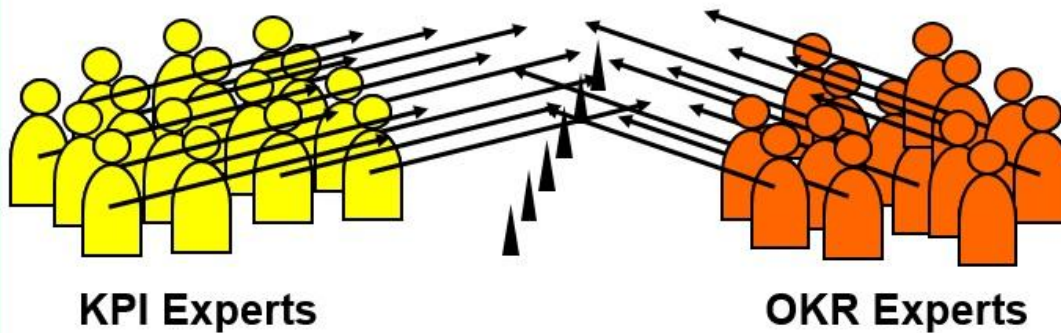
Separating Noise From Signal

KPIs vs OKRs

“Battle Of The Century”

While KPI experts cross spears with OKR experts, trying to decide what is more important to collect, manage and communicate, **who is actually creating business value?**

With too many metrics experts and too few skilled, cross-functional workers, this reminds of the art of Dr. Seuss (Bee Watcher-Watcher)



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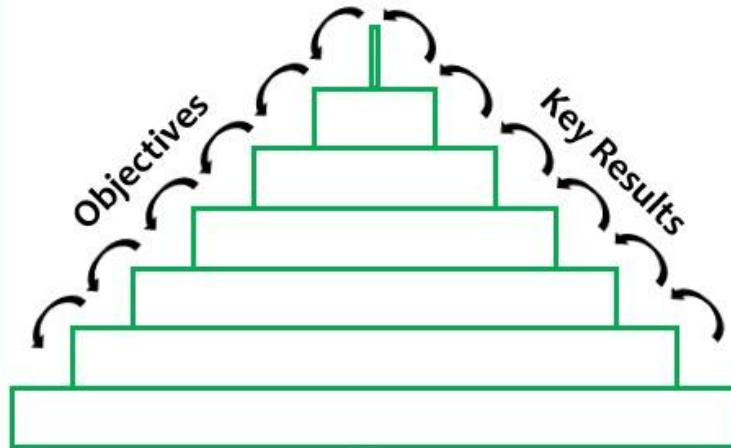
The Flatter The Better (But Not Totally Flat)

OKRs: Narrowing The Gap Between “O(s)” and “KR(s)”

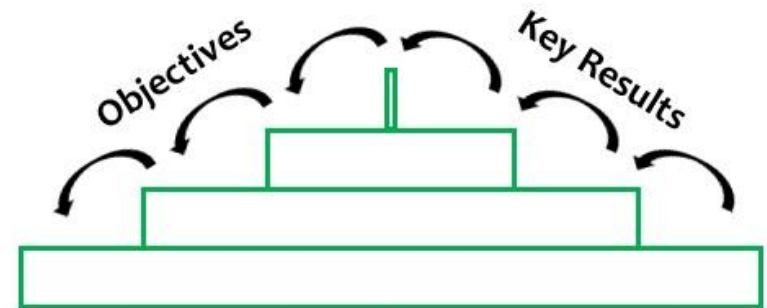
As strategic **objectives** ("O") cascade from-top-to-bottom, through an organizational structure, they get interpreted, at each level. This interpretation is subjected to cognitive bias, variance, errors & omissions... and even intentional numbers gaming. The same is true about **key results** ("KR") as they roll up, from-bottom-to-top.

More hierarchical organizations, with excessive reporting layers and complex WBS (e.g. projects, programs, portfolios) run a higher risk of OKRs, becoming inaccurate and unreliable measures.

Simplicity of organizational design will ensure that OKRs remain a useful framework.



VS



Avoid This:

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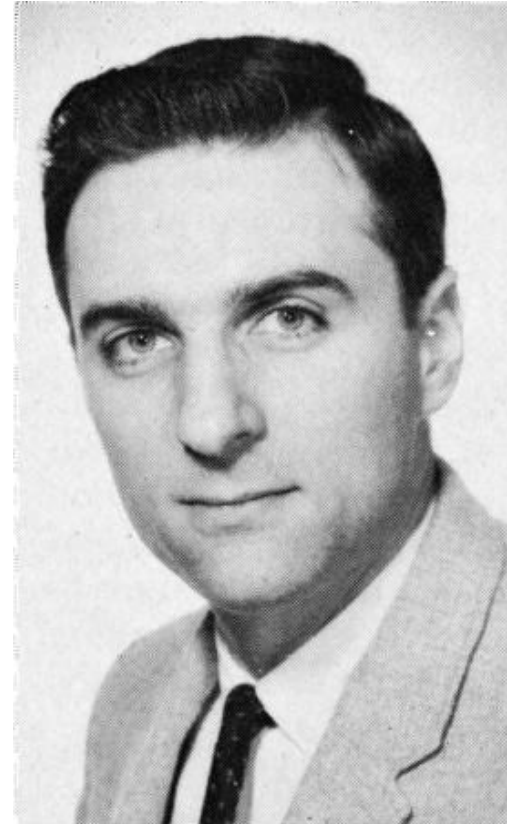
Try This:

Organizational Design Is The Core Of Everything

The Conway's Law

“Organizations, who design systems, are constrained to produce designs which are copies of the communication structures of these organizations.”

Organizational Structure

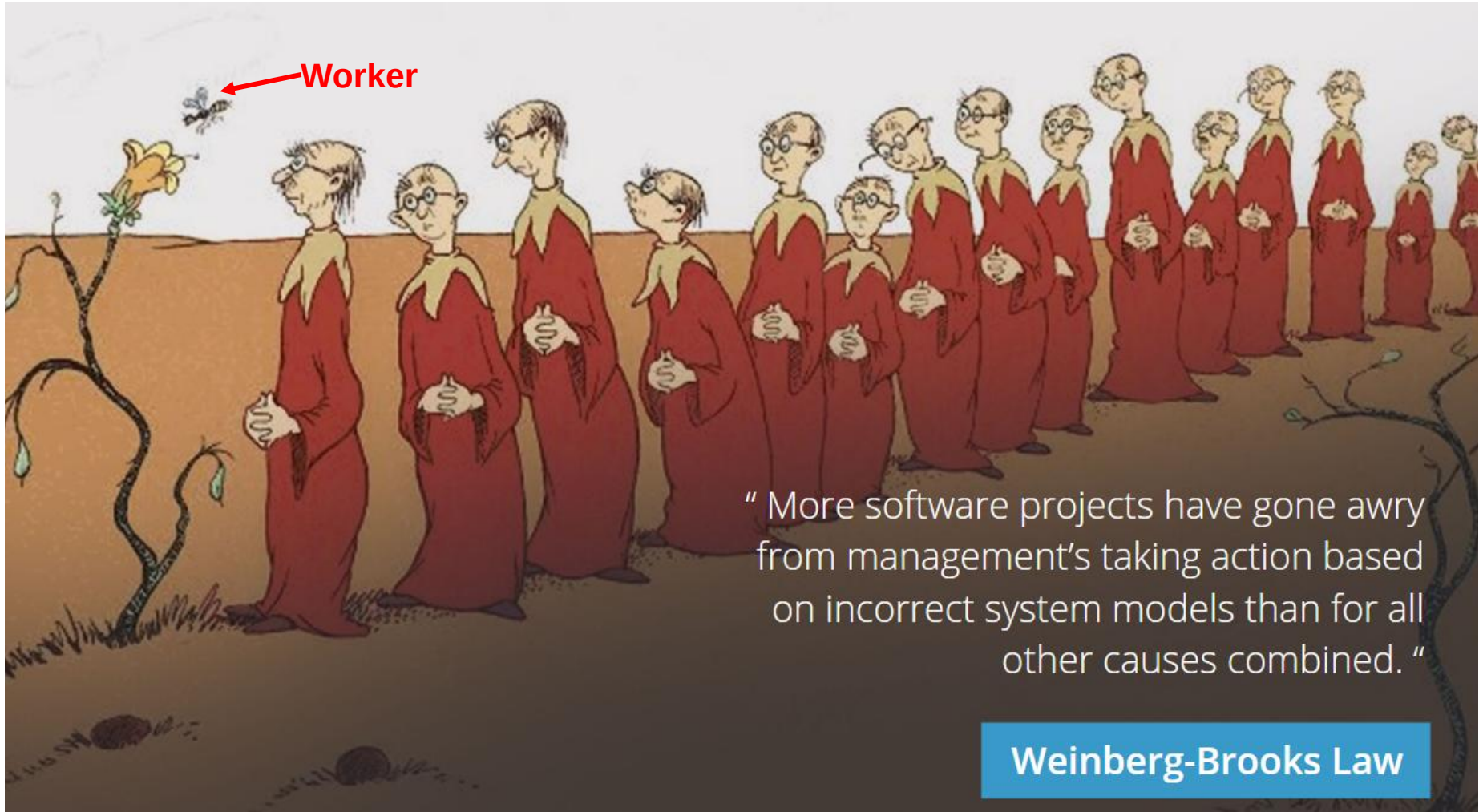


Melvin Conway

Source: https://en.wikipedia.org/wiki/Melvin_Conway

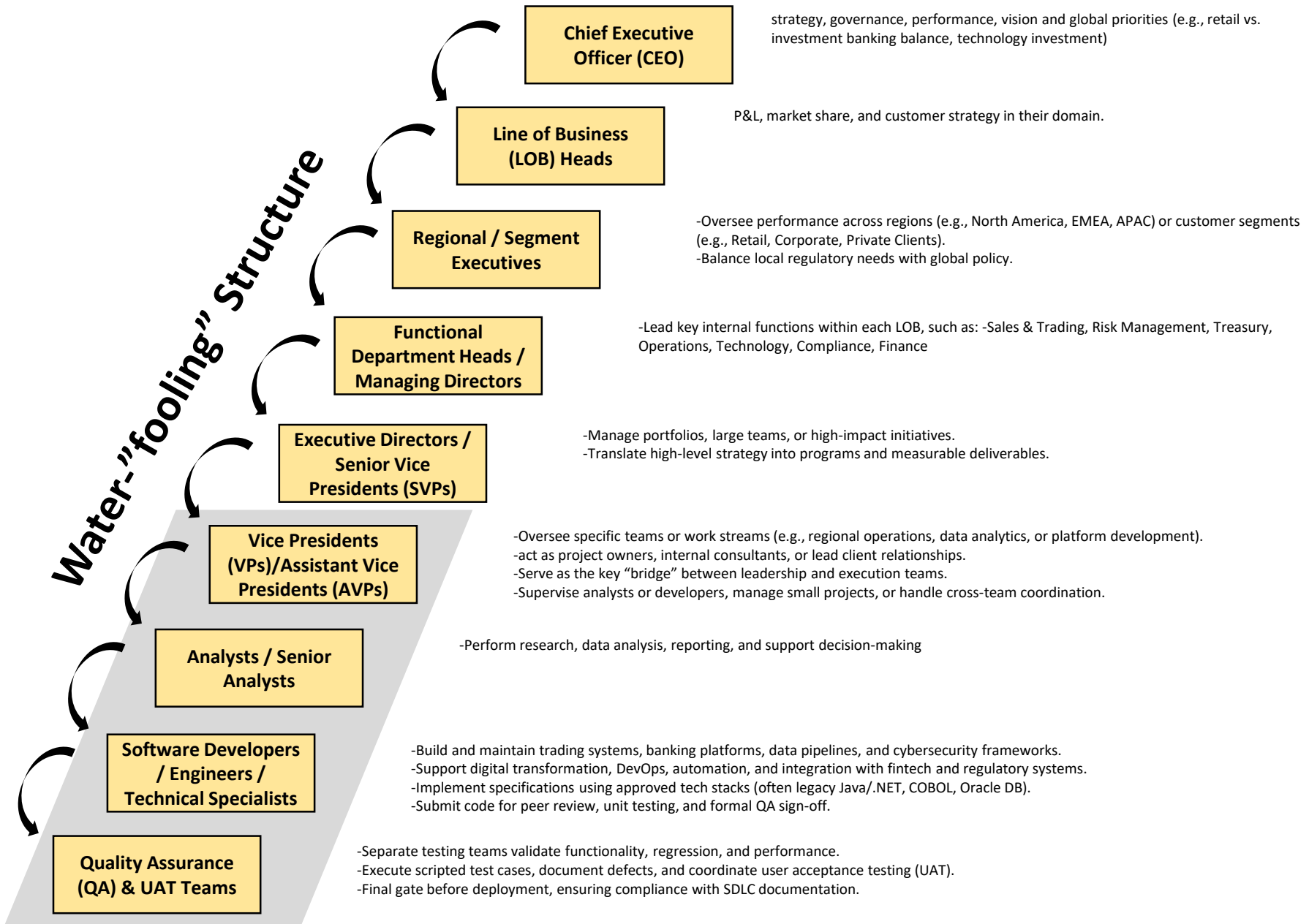
Watching The Bee Watcher's Watcher

Line management Governance PMO Higher management Local Police Federal Gov't



Sourced from creative commons repository of Certified LeSS Trainers: <https://less.works/courses/become-less-trainer>

Traditional Organizational Layers



Traditional Organizational Layers: Os and KRs

Objectives [O]

Key Results [KR]

Executive Directors / Senior Vice Presidents (SVPs)

- Translate corporate and LOB strategy into executable **programs**
- Deliver **portfolio** outcomes on schedule and within budget.
- Build leadership capability and maintain team alignment across large **programs**

- 95% of strategic **programs** delivered on time and within $\pm 5\%$ of budget.
- 100% alignment between **program** KPIs and LOB strategic goals.
- Develop 3+ **high-potential managers promoted** to VP level within the fiscal year.

Vice Presidents (VPs)/Assistant Vice Presidents (AVPs)

- Oversee day-to-day **project** delivery and ensure cross-functional collaboration.
- Ensure consistency and scalability of system architecture
- Enhance execution **predictability** across teams and projects.

- 90% of **projects** meet scope, budget, and quality targets.
- **100% reduction architecture scope creep.**
- 80% consistency in **complexity of work estimation across all project teams.**

Analysts / Senior Analysts

- **Ensure precision and completion of project requirements**
- Standardize methods and **documentation across all project teams.**
- Strengthen the quality and timeliness of reporting deliverables.

- Achieve **100% completion and sign off on all business requirement documents (BRDs)**
- **Reduce change of requirements / change requests** by 25%
- Publish standardized reporting templates used by 100% of teams by end of quarter.

Software Developers / Engineers / Technical Specialists

- Build reliable, scalable software solutions aligned with specifications.
- Increase automation and reduce technical debt in legacy systems.
- Improve collaboration **between development, DevOps, and QA teams.**

- Maintain $< 2\%$ defect leakage rate post-deployment.
- Increase automated testing coverage to $\geq 70\%$.
- Reduce average code review turnaround time by 30%.

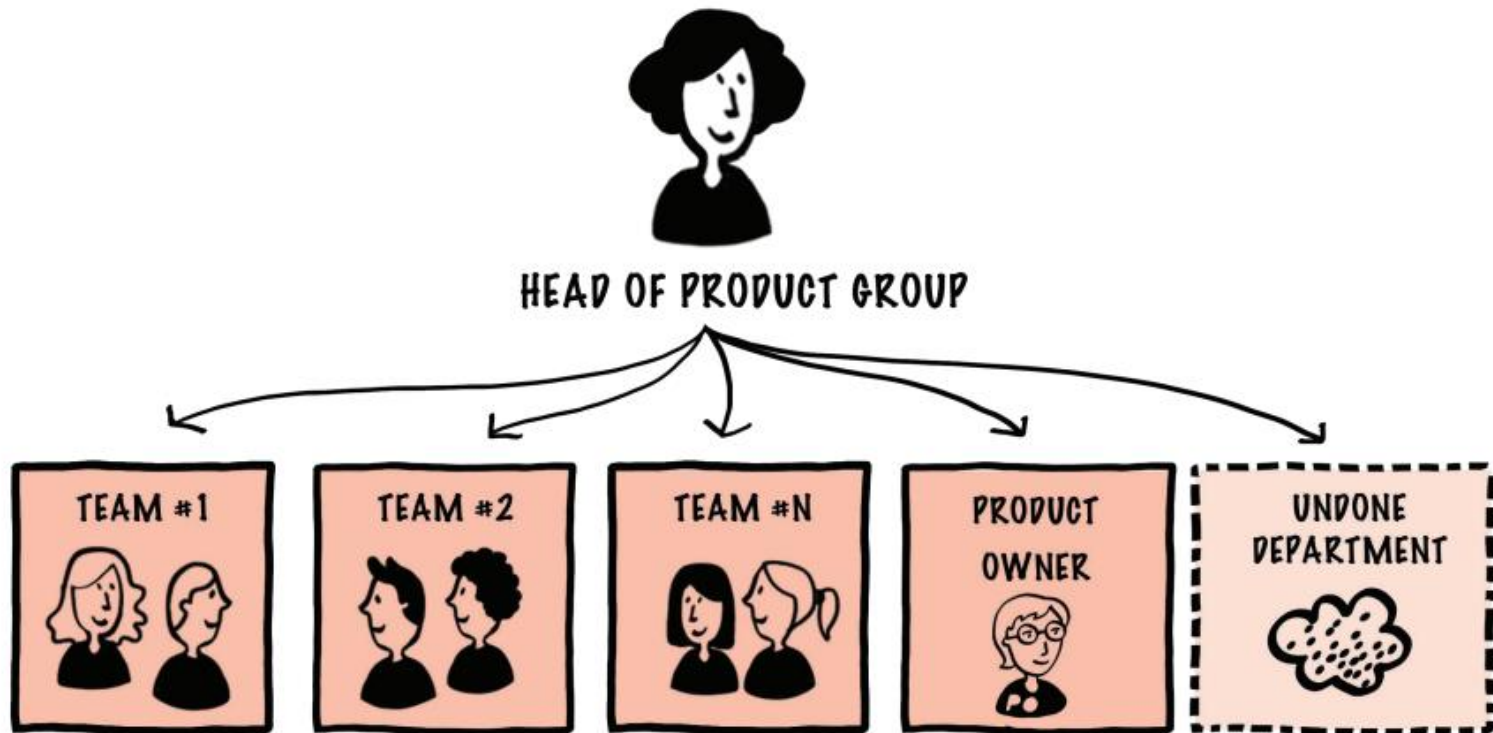
Quality Assurance (QA) & UAT Teams

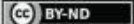
- Guarantee system reliability, compliance, user satisfaction before deployment.
- Strengthen end-to-end testing processes and documentation.
- Minimize production incidents caused by undetected defects.

- Achieve $\geq 95\%$ test case execution coverage per release.
- **Increase defect capture rate in production to 80%, within 24 hours of deployment**
- Complete all UAT cycles within scheduled timelines 100% of the time.

...Red Font = Alarming...

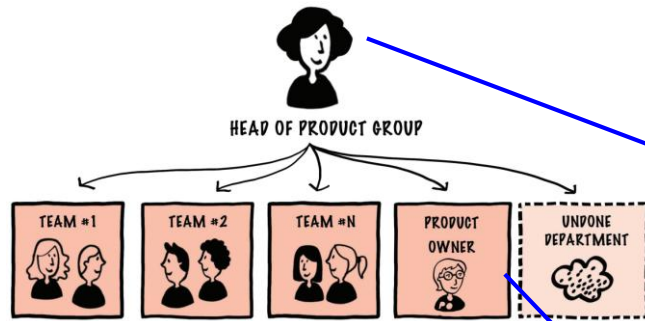
Flattened Organizational Layers



Source: <http://less.works> 

Example of an organizational design system, called Large Scale Scrum Product Group ()

Flattened Organizational Layers: Os and KRs



- **Objective:** Deliver Customer-Centric Features that Deepen Product-Market Fit
 - Ship 3 prioritized features or improvements directly tied to top 3 validated customer problems identified by Product Manager.
 - Achieve >30% increase in feature adoption within 30 days of launch (measured via product analytics).
 - Maintain customer satisfaction score $\geq 4.5/5$ in post-release surveys for new or improved features.
- **Objective:** Accelerate Monetization and Market Reach through High-Impact Deliverables
 - Deliver 2 monetizable capabilities that contribute to at least 10% uplift in paid conversions or incremental revenue.
 - Implement 1 localized or market-segment-specific enhancement enabling entry into a new geography or customer tier.
 - Support pricing and packaging tests by delivering experiment-ready feature toggles and tracking metrics for ROI measurement.
- **Objective:** Improve Execution Speed, Predictability, and Collaboration Across all teams
 - Sustain >90% sprint commitment reliability (completed vs. planned story points).
 - Reduce cycle time from idea to release by 25%, through automation and process simplification.
 - Achieve >90% satisfaction score from cross-functional partners (sales, marketing, support) in quarterly internal survey.

- **Objective:** Ensure Organizational Alignment and Systemic Product Flow Across All Teams
 - Achieve >95% alignment between team and product-level Objectives (validated through quarterly OKR review).
 - Reduce cross-team dependency resolution time by 40%, ensuring uninterrupted feature delivery flow.
 - Successfully integrate 100% of Undone Department work into feature teams' Definition of Done, phasing out the department as a separate entity.
- **Objective:** Maximize Business Impact and Product Group Performance
 - Deliver $\geq 15\%$ aggregate revenue growth across all product lines (Requirement Areas) driven by launched team initiatives.
 - Ensure feature adoption exceeds 30% target across teams for newly shipped functionality (Refer to LeSS FTAM).
 - Maintain average customer satisfaction $\geq 4.5/5$ across all shipped features, supporting a product owner
- **Objective:** Strengthen Execution Excellence and Continuous Improvement Across All [Feature/Product] Teams
 - Sustain >90% average roadmap delivery predictability across all Teams
 - Reduce average cycle time from discovery to release by 25%, driven by process and tooling improvements
 - Establish quarterly team health reviews showing >85% team satisfaction with collaboration, autonomy, and cross-functional communication.

- **Objective:** Drive Product-Market Fit and Customer Value
 - Achieve a >25% increase in product active user engagement (feature usage rate).
 - Improve Net Promoter Score (NPS) from 45 to 60 by end of quarter.
 - Validate three high-value customer problems and convert them into shipped product improvements
- **Objective:** Accelerate Revenue Growth Through Strategic Product Expansion
 - Launch two new monetizable product features that generate 15% increase in ROI.
 - Increase conversion rate from free to paid product subscription from 8% to 12%.
 - Deliver one new product market segment expansion (e.g., new geography, demography)
- **Objective:** Strengthen Product Execution and Cross-Functional Alignment
 - Maintain >90% roadmap delivery predictability (planned vs. actual releases).
 - Reduce average cycle time from discovery to release by 20%.
 - Achieve >85% satisfaction score from internal product stakeholders (sales, marketing, and support)

OKR Template - Example

Product Management Objectives & Key Results (OKRs) Template

O: Improve Product Adoption and User Engagement

KRs:

- ☐ Increase Daily Active Users (DAU) from to
 - ☐ → Unit: Count (users)
- ☐ Improve Day retention rate from to
 - ☐ → Unit: Percentage (%)
- ☐ Increase average session duration from to 6
 - ☐ → Unit: Time (minutes)

O: Grow Revenue and Monetization

KRs:

- ☐ Increase Monthly Recurring Revenue (MRR) from \$ K to \$ K
 - ☐ → Unit: Currency (e.g., USD/month)
- ☐ Improve conversion rate on pricing page from % to %
 - ☐ → Unit: Percentage (%)
- ☐ Decrease Customer Acquisition Cost (CAC) from \$ to \$
 - ☐ → Unit: Currency (USD/customer)

O: Deliver High-Impact Features on Time

KRs:

- ☐ Release major features from the roadmap
 - ☐ → Unit: Count (features)
- ☐ Achieve roadmap delivery rate of % or higher
 - ☐ → Unit: Percentage (%)
- ☐ Reduce average cycle time from days to days
 - ☐ → Unit: Time (days)

O: Improve Product Quality and Reliability

KRs:

- ☐ Reduce production bugs reported post-release by %
 - ☐ → Unit: Percentage (%) or bug count
- ☐ Achieve % product uptime
 - ☐ → Unit: Percentage (%)
- ☐ Increase automated test coverage from % to %
 - ☐ → Unit: Percentage (%)

O: Increase Customer Satisfaction and Loyalty

KRs:

- ☐ Increase NPS from to
 - ☐ → Unit: Net Promoter Score (NPS) score (-100 to +100)
- ☐ Improve Customer Satisfaction score (CSAT) from % to %
 - ☐ → Unit: Percentage (%)
- ☐ Reduce support ticket volume by %
 - ☐ → Unit: Percentage (%), or count of tickets

O: Enhance User Research and Insights

KRs:

- ☐ Conduct customer interviews this quarter
 - ☐ → Unit: Count (interviews)
- ☐ Launch 2 usability studies with at least users each
 - ☐ → Unit: Count (studies/users)
- ☐ Implement % of usability feedback into the next release
 - ☐ → Unit: Percentage (%)



Improving Organizational Design

The Flatter, The Better.



Learning Opportunities

Upcoming LeSS Training

This course is an introduction to product-centric organizational design, business agility and resilience, in the fast-paced and constantly-changing world of GenAI. Learning Large Scale Scrum (LeSS) organizational system gives a strong competitive advantage to individuals, in today's highly marketplace.

Note: *This class is deeply discounted to make it **LATAM** – friendly. Please, reach out directly, if you have any questions.*



10/15-10/16: Certified LeSS Basics

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on EventBrite

<https://www.keystepstosuccess.com/large-scale-scrum-training/>

Q & A

Ways To Contact

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- KSTS Consulting: <https://www.linkedin.com/company/ksts-consulting/>

On Meetup:

<https://www.meetup.com/large-scale-scrum-less-in-nyc/> (close to 6500)