THE NONPROFIT IMPACT SYSTEM

PROSPER STRATEGIES

How-To Guide:

# Use OKRs in Your Strategic Planning

## Driving and tracking meaningful progress is key to your nonprofit's success.

Using **Objectives and Key Results (OKRs)** will help you take your strategy from plan to action. These elements are important for successfully implementing the Nonprofit Impact System™ and driving more positive change through your work.

**Read on to learn more about how to implement OKRs at your nonprofit. →**

# Introducing OKRs

The OKRs measurement system started out in the tech industry. Nonprofits have adopted this system because it allows for adaptive planning, while increasing transparency across your nonprofit team.

Each OKR consists of an **objective**, which qualitatively describes what you want to achieve, and several **key results**, which are concrete, measurable changes that will indicate progress toward the objective. While OKRs can be set over any duration, nonprofits typically set them annually and quarterly.

In between these main OKR checkpoints, each team, program or department at your nonprofit should check in on OKR progress weekly. These regular evaluations ensure work is steadily progressing, and also provide opportunities to adjust OKRs as needed. Don't be afraid to edit OKRs.  Working toward an initial objective may reveal that your nonprofit actually needs to try a different approach. Or, unexpected circumstances like COVID-19 may upend your usual service model and require creative problem-solving, altering what must be done and the results you expect.

Here's an example, which you can also find in our OKR template. To keep it simple, we're just showing the objective and key results now — we'll show you in a moment how to assign and track these.

| | |
|---|---|
| **Objective** | Become less reliant on changeable government funding. |
| **Key Results** | Private donations increase from 30% to 60% of incoming funds by EOY. |
| | Increase number of committed monthly donors by 300 by EOY. |
| | Develop and launch plan to acquire new private donors. |

Generally, you'll aim to have three to five key results per objective. That will keep your work toward each one focused on the most important means for achieving it.

Each OKR is owned by one member of your team, from the executive director to your newest junior hire. Many of your OKRs will be set such that they support each other, and allow your team to collaborate toward organization-wide goals, but it's important to note, they don't have to cascade from the top. In fact, bottom up OKRs give everyone within your organization a sense of ownership.

A new strategic plan provides the ideal opportunity to introduce OKRs to your nonprofit. In fact, if you use the Essential Nonprofit Strategic Plan Template, you'll be guided through a brainstorming exercise to help set your objectives.

# Aligning OKRs with Your Mission

As a nonprofit, it's key that the OKRs you set align to your mission. This will be most central to setting your top-level OKRs during the strategic planning process. However, for your team and departmental OKRs, it's likely some will tie directly to making progress on your mission, while others will likely focus on your nonprofit's operations. By checking OKRs at every level against your mission, you can ensure that none contribute to mission creep.

OKRs can be used on a team or department-wide level, but they're particularly useful when implemented on an individual level, for each staff member. In order to do this, take the organization-wide goals defined in your strategic plan and make sure they inform the goals in each of your programmatic and departmental plans. When those plans are complete, use them to set OKRs for the members of each department.

While many of the OKRs from these departmental plans will flow directly from the strategic plan's OKRs, some should also come from the bottom up. Since each employee should end up with three to six OKRs in progress at a given time, the easiest way to achieve this is to assign several OKRs that support the organization-wide goals, and then ask each employee to add one or two that they feel are missing. Socialize these OKRs within each department to ensure that none are overlapping in unproductive ways. During discussion of these bottom-up OKRs, your team members may also find productive connections or be inspired to see other OKRs they ought to pursue.

For example, if we assign our sample OKR above to the executive director, here's an objective the marketing director could take on that will help build toward that larger objective.

| | | |
|---|---|---|
| **Executive Director** | **Objective** | Become less reliant on changeable government funding. |
| | **Key Results** | Private donations increase from 30% to 60% of incoming funds by EOY. |
| | | Increase number of committed monthly donors by 300 by EOY. |
| | | Develop and launch plan to acquire new private donors. |

| | | |
|---|---|---|
| **Marketing Director** | **Objective** | Build stronger relationships with existing donors. |
| | **Key Results** | Develop a plan to show one-time or occasional donors the value of committing to monthly giving, by end of Q2. |
| | | Create monthly marketing content demonstrating how monthly giving commitments create impact, to launch September 1. |
| | | Create an incentive for donors to make a monthly commitment, to launch on Giving Tuesday. |

# Tracking OKR Progress

In order for OKRs to actually help your nonprofit hit your benchmarks, you need to check in on them regularly and ensure that your team is steadily moving toward the objectives.

Weekly, each department should check in on work toward both quarterly and annual OKRs. Monthly, the entire team should come together to report on progress toward each objective. The key result system makes it easy to quantify progress by setting measurable goals that align with each objective.

Let's take a look back at our sample OKR. Here, we've entered some tracking information. Each time you benchmark OKR progress, you can update this column to record progress. At the end of the year for which this objective was set, you'll evaluate overall success.

| Owner | OKR | | % Complete |
|---|---|---|---|
| **Executive Director** | **Objective** | Become less reliant on changeable government funding. | 62% |
| | **Key Results** | Private donations increase from 30% to 60% of incoming funds by EOY. | 60% |
| | | Increase number of committed monthly donors by 300 by EOY. | 75% |
| | | Develop and launch plan to acquire new private donors. | 50% |

Between checkpoints, all OKRs will be visible to all members of the team in an open, accessible spreadsheet. You can use our OKR template to start your own.

Let's look at how each of these numbers was determined. For the sake of this exercise, we'll assume these are the results at the end of the year for which the OKR was established.

**Key Result:** Private donations increase from 30% to 60% of incoming funds by EOY.

In this example, the year ended with private donations comprising 48% of incoming funds. This is an increase of 18 percentage points out of the desired 30. Therefore, 60% of the goal was accomplished by the end of the year.

**Key Result:** Increase number of committed monthly donors by 300 by EOY.
In this example, the organization managed to increase their monthly donors by 225 by the end of the year, making this KR 75% to goal.

**Key Result:** Develop and launch plan to acquire new private donors.

Because this KR does not include a numerical benchmark, the organization agreed on what would be considered 25%, 50%, 75% and 100% completion benchmarks. The plan was developed but not yet launched, so this KR is considered 50% complete.

**Objective:** Become less reliant on changeable government funding.
This total for the objective is an average of the completeness of each key result.

At first glance, this 62% completion rate for the objective may seem like a poor showing, but this is actually in the range you should expect for an appropriately challenging OKR. If your nonprofit uses OKRs correctly, you should find that most of them end up 60-70% achieved.

Why not aim for 100%? Of course, each member of your team should strive to finish the quarter and the year with as high a completion rate for each OKR as possible. However, these are meant to encourage stretch goals that will push your nonprofit to grow, not tasks that are easily attainable.

# OKRs and the Nonprofit Impact System™

**Objectives and Key Results** are just one feature of the many essential elements in the Nonprofit Impact System™. To make the most of OKRs at your nonprofit, you should pair them with the other Progress elements of the System to build in regular work sessions and additional layers of measurement and evaluation.

**Learn more at prosper-strategies.com/nonprofit-impact-system.**