



STRATEGY TO SUCCESS:

# Aligning OKRs & financial planning



# Table of contents

Introduction	3
CHAPTER 1 - The power of OKRs	4
CHAPTER 2 - Setting meaningful finance OKRs	9
CHAPTER 3 - Pit-stop: ensuring company-wide buy-in for OKRs	16
CHAPTER 4 - Driving actions from OKRs	18
CHAPTER 5 - Feedback: fine-tuning financial strategies with OKRs	26
Transform FP&A with OKRs	29

# Introduction

As a finance leader, the stakes have never been higher. The decisions you make have the power to drive your organization towards financial success, or guide you down a path of uncertainty.

To ensure you're heading in the right direction, it's not just about obtaining financial foresight; it's about bridging strategic objectives with financial realities. OKRs—a proven framework trusted by giants like Google and Intel—offer that crucial bridge.

This comprehensive guide is designed to help you integrate OKRs seamlessly into your financial planning so you can enhance decision-making, optimize resource allocation, and boost overall financial performance.

*Ready to elevate your financial strategy?  
Let's get started.*



## You'll discover:

- Expert tips for setting meaningful finance OKRs
- Strategies for translating OKRs into actionable financial metrics
- Best practices for effectively measuring and evaluating performance

*...and so much more.*



## Chapter 1

# The power of OKRs

When not grounded by clear goals, traditional financial planning often falls short when it comes to agility and alignment.

This is because such planning typically relies on static assumptions based on past data. Without a distinct direction or objective, it becomes challenging to anticipate market shifts or internal business changes. This lack of foresight can result in financial plans that are neither adaptable to emerging situations nor aligned with the company's evolving strategic needs.

Let's dive deeper into these challenges and how finance leaders can overcome them.



# The gaps in traditional financial planning

Without clear direction for an organization's goals, traditional financial planning poses many challenges for today's finance leaders, including:

## Resource misallocation

When objectives aren't defined sharply, resources—whether it's manpower, finances, or tools—might not be channeled effectively, leading to inefficiencies and missed priorities.

## Communication breakdowns

Without a unified vision and clear objectives, different departments might not be in sync, leading to misunderstandings or conflicting priorities.

## Management that's always playing catch-up

Without a dynamic and responsive planning system, management often finds itself reacting to situations rather than proactively steering the course, reducing the agility of the business.

## Inaccurate predictions and plans

Traditional models can be rigid, making it harder to adjust to new data or market conditions. This rigidity can lead to outdated or off-mark forecasts.

## Trouble navigating change

Sticking to a rigid plan can mean missing out on new opportunities or not addressing emerging threats in time.

## Weak support from key stakeholders

If stakeholders aren't entirely bought into the plan because it lacks clarity or seems misaligned with the broader vision, it can be challenging to secure the necessary resources or get the required backing for initiatives.

## Falling team spirit and motivation

When teams don't see a clear connection between their efforts and overarching company goals, morale can dip. This disconnect can lead to reduced motivation and productivity.

## Overlooking growth avenues

A planning system that doesn't regularly revisit and revise goals might overlook new areas of expansion or improvement.

## Struggles in gauging success

The old frameworks often focus on multiple metrics, some of which might not be directly aligned with the company's core objectives. This can cause confusion when assessing genuine progress.

*Sound familiar? We feel your pain.*

Today's finance leaders need more than just traditional methods to overcome these challenges and stay ahead. **This is where OKRs come into play.**

# What are OKRs?

The OKR (objectives and key results) methodology is a goal-setting framework that helps organizations align goals across teams and individuals, ensuring everyone is moving in the same direction with clear objectives in mind.

OKRs originated from Intel in the 1970s and were later introduced to Google by venture capitalist John Doerr. Google adopted and popularized the method in the early 2000s, attributing much of its success to the OKR framework. Since then, many other organizations, from startups to large enterprises, have adopted OKRs to drive alignment and performance.

Here's a quick breakdown of OKRs:

## *Objectives (O)*

These are clear, qualitative descriptions of what you aim to achieve. Objectives should be short, inspirational, and engaging. They articulate the direction the team or organization should move towards.

## *Key results (KRs)*

For every objective, there is a set of quantitative outcomes that measure the achievement of that objective. Key results should be specific, time-bound, and measurable. By the end of the OKR period (often a quarter or a year), it should be unambiguous whether you've met the key result or not.



→ **One way of putting it into a sentence is:**

I will (Objective) as measured by (Key Results).

Here are some examples of finance OKRs:

<b>Objectives (O)</b>	<b>Key results (KRs)</b>
<b>Improve the efficiency and accuracy of financial reporting.</b>	<ul style="list-style-type: none"><li>• Reduce the time taken to close the monthly financial books from 10 days to five days.</li><li>• Implement automated financial reporting software to eliminate manual data entry and reduce errors.</li></ul>
<b>Enhance the organization's cash flow management.</b>	<ul style="list-style-type: none"><li>• Increase cash reserves by 20% by the end of the fiscal year.</li><li>• Reduce outstanding accounts receivables by 30% in the next six months.</li></ul>
<b>Reduce operational costs across the organization.</b>	<ul style="list-style-type: none"><li>• Identify and eliminate three cost-inefficient processes or tools in the next quarter.</li><li>• Implement a cost-monitoring tool to continually assess and optimize operational expenses.</li></ul>



# The not-so-hidden magic behind OKRs

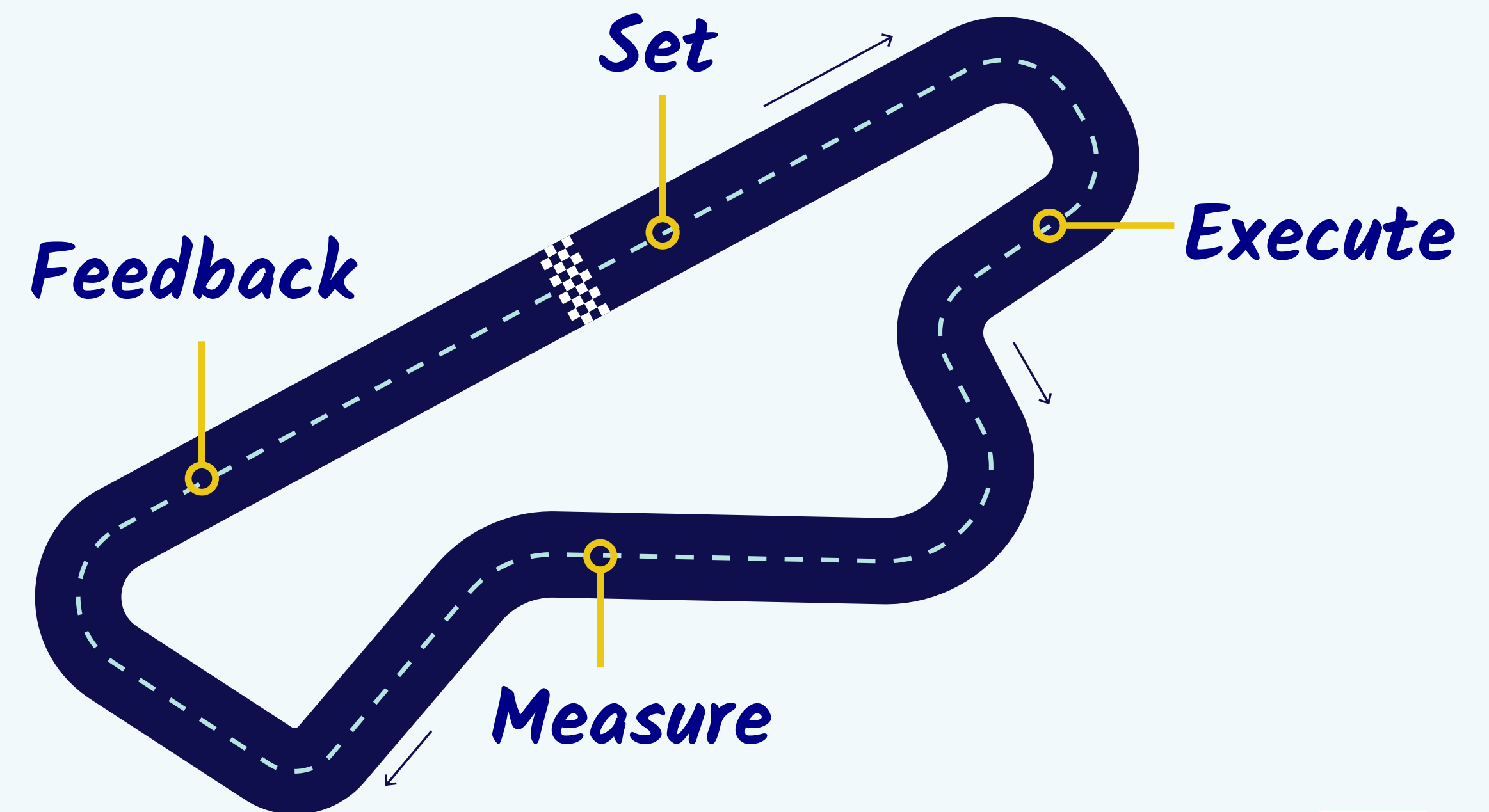
One of the primary deterrents for finance professionals when considering new initiatives is the daunting thought of starting yet another project. There's a valid concern: is it really worth the time and energy?

Here's the thing: embracing OKRs doesn't mean upending what you know. Instead, it's like dusting off an old, familiar book and discovering it's been updated with fresh, relevant insights. You're not starting from scratch; you're building on a foundation you already understand, but enhanced with strategies tailored for today's dynamic business world.

The beauty of OKRs lies in their inherent design. Instead of viewing them as a "new project," think of OKRs as a racetrack. There's no distinct beginning or end, just a continuous circuit.

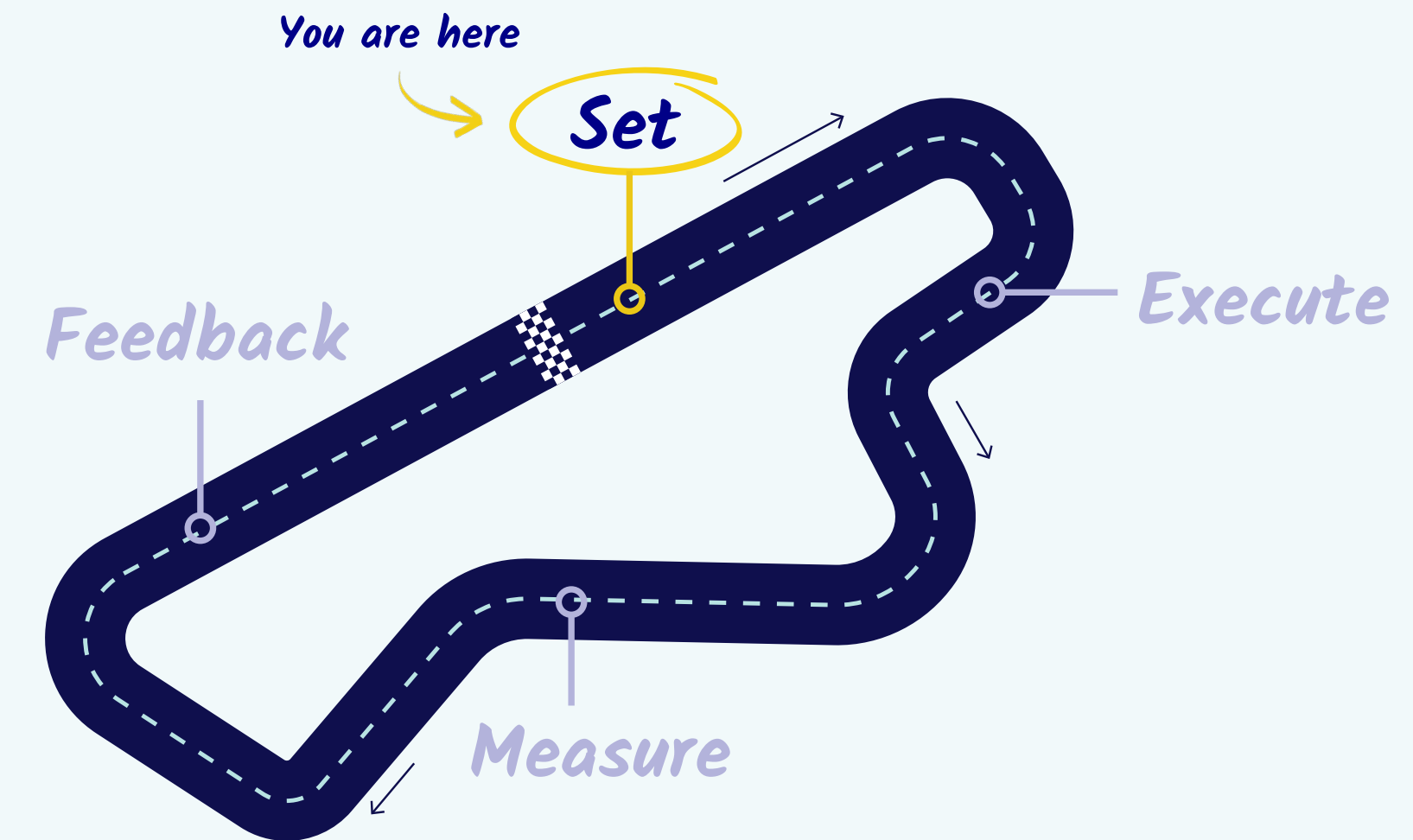
Just like a racecar driver continuously laps around the track, with OKRs, you set, execute, measure, receive feedback, and then dive right back in. This looped nature ensures you're always in motion and always refining, without the feeling of being burdened by another starting line.

The importance of embedding OKRs across your entire business to align with the financial plan is crucial. This ensures all departments are moving in sync and contributing towards achieving common business goals.



## Chapter 2

# Setting meaningful finance OKRs



Now that you have a better understanding of OKRs, let's jump right into the first step in the circuit: **Set**.

Setting OKRs is not about jotting down any goal that comes to mind. It's about crafting precise, ambitious, and transparent objectives that provide a solid foundation for your team and shape your financial decisions.

By focusing on what truly matters, you position your organization to make impactful strides forward.



# Principles of effective OKR setting

While the idea behind OKRs is simple, setting them requires a deep understanding of their underlying principles. This is because, as we mentioned before, it's not enough to just set goals—you need to make sure you're setting the right goals for your business.

The principles of effective OKR setting ensure you have a clear, aligned, and actionable roadmap towards achieving strategic goals.

They include:

## *Focus and commitment to priorities*

OKRs emphasize setting a limited number of high-impact objectives, ensuring that teams and individuals remain focused on the most critical priorities.

## *Alignment and connectivity*

OKRs should be set so individual, team, and organizational goals are aligned. This ensures everyone is working towards a unified vision.

## *Transparency*

OKRs are shared openly in the organization so everyone knows what others are working on, fostering collaboration and reducing overlapping efforts.

These principles ensure that OKRs are not just another "tick-box" exercise but drive genuine focus, alignment, and performance improvements across your organization.



Here's an example of finance OKRs for a B2B SaaS company that embraces these principles:

**Objective: Boost recurring revenue streams**

*Key result 1*

Increase monthly recurring revenue (MRR)  
by 15% by Q4

*Key result 2*

Reduce churn rate by 2% by year-end

*Key result 3*

Increase the average contract value (ACV)  
by 10% for enterprise clients

The B2B SaaS company's finance OKRs clearly spotlight their main goal: enhancing recurring revenue. By setting precise targets for metrics like monthly recurring revenue (MRR), churn rate, and annual contract value (ACV), they create a roadmap that's easy for all teams to follow. This clarity promotes teamwork, keeps everyone informed, and allows for timely feedback and adjustments.

# Aligning OKRs with strategic objectives and financial targets

Setting OKRs is a process that turns an organization's vision and strategy into tangible, actionable steps. This alignment ensures that once we enter the execution phase, every department, team, and individual will be working toward a cohesive goal. Here's a step-by-step guide to aligning your OKRs with both strategic objectives and financial targets:

## 1. Understand the bigger picture

Before setting specific OKRs, get a firm grasp on the company's broader mission and strategic vision. Dive into questions like:

- What are the long-term goals of the company?
- What financial milestones must be achieved this year, the next three years, or even the next decade?

Understanding these overarching objectives is what will help you set the “O” in your OKRs and ensure they’re relevant to achieving your goals.

Imagine you work at a startup specializing in sustainable technology solutions. Your company’s broader mission is to drive the transition towards sustainable technologies, making them accessible and affordable for all, and your strategic vision is to be a leading provider of green tech solutions in North America by 2030.

Given that info, a solid “O” (objective) could be: "Solidify our position as a top contender in the North American sustainable tech market." This objective is both aspirational, reflecting the company's ambition to be at the forefront, and directly aligned with the broader mission and strategic vision, ensuring that efforts are channeled towards the company's long-term goals.

### Finance OKRs: Q1 Progress / Results

Co*	Objective	Key results & comments
A	Solidify our position as a top contender in the North American sustainable tech market.	A. Measurable result B. Measurable result C. Measurable result D. Measurable result
B	Goal	A. Measurable result B. Measurable result C. Measurable result D. Measurable result
C	Goal	A. Measurable result B. Measurable result C. Measurable result D. Measurable result
D	Goal	A. Measurable result B. Measurable result C. Measurable result D. Measurable result



## 2. Break down your strategy into tactical components

While strategic objectives are fundamental to the OKR framework, they're often broad in nature. Consider the objective, "Solidify our position as a top contender in the North American sustainable tech market." It's a compelling vision, but how can you tangibly measure progress towards this goal?

This is where “KRs”, or key results, come in. KRs help break down these overarching objectives into specific, measurable components. Ask yourself:

- **What are the key initiatives or projects that will drive this strategy?**
- **What are the financial implications of each of these initiatives?**

For example, a KR could be: "Increase investment in sustainable projects by 30%." This KR is specific, measurable (with the 30% increase metric), and clearly tied to the broader strategic goal of market leadership in sustainable solutions.

## Finance OKRs: Q1 Progress / Results

Co*	Objective	Key results & comments
A	<b>Solidify our position as a top contender in the North American sustainable tech market.</b>	A. Increase investment in sustainable projects by 30% B. Measurable result C. Measurable result D. Measurable result
B	<b>Goal</b>	A. Measurable result B. Measurable result C. Measurable result D. Measurable result
C	<b>Goal</b>	A. Measurable result B. Measurable result C. Measurable result D. Measurable result
D	<b>Goal</b>	A. Measurable result B. Measurable result C. Measurable result D. Measurable result



### 3. Link strategic objectives to financial KPIs

Each of your company’s strategic objectives will likely have a financial component tied to it. By determining these **financial KPIs** early on, you're ensuring that the key results (KRs) are financially oriented, measurable, and directly tied to the overall strategic objective. This ensures alignment and clarity in your financial planning using the OKR framework.

Here, you're essentially:

- A) Identifying a broad strategic objective for the company.
- B) Associating it with high-level financial metrics that serve as KPIs to gauge progress towards that objective.

Drawing from the previous example, if one of the KRs is to "Increase investment in sustainable projects by 30%", the associated financial KPI might be the actual dollar amount allocated towards these projects.. Monitoring this KPI ensures that adequate resources are being channeled to support the strategic objective.

We’ll dive deeper into KPIs in the “Execution” phase, focusing on how to get where you want to go.





#### 4. Collaborate across departments

Financial objectives and their corresponding KPIs shouldn't exist in isolation. Engage with leaders of various departments to align their specific OKRs with the overall financial and strategic objectives of the company.

For instance, the Marketing team could set an OKR like "Promote green energy products through five new campaigns, targeting sustainability-focused demographics."

The power of OKRs lies in their ability to provide clarity and focus. By aligning them meticulously with strategic objectives and financial targets, you create a roadmap that's not just actionable but also pivotal in steering the organization toward its overarching goals.

### Marketing OKRs: Q1 Progress / Results

Co*	Objective	Key results & comments
A	<b>Solidify our position as a top contender in the North American sustainable tech market.</b>	A. Promote green energy products through five new campaigns, targeting sustain demographics B. Measurable result C. Measurable result D. Measurable result
B	Goal	A. Measurable result B. Measurable result C. Measurable result D. Measurable result
C	Goal	A. Measurable result B. Measurable result C. Measurable result D. Measurable result
D	Goal	A. Measurable result B. Measurable result C. Measurable result D. Measurable result

## Chapter 3

# Pit-stop: ensuring company-wide buy-in for OKRs

Before we continue with the rest of the process, we need to make a quick pit-stop to discuss one of the most important parts of embedding OKRs into your organization: **obtaining company-wide buy-in**.

As we mentioned in the previous chapter, the successful implementation of OKRs across an organization requires the alignment and commitment of all departments—not just finance. This buy-in is crucial for the seamless integration of OKRs within organizational workflows.

It's essential to communicate the value OKRs bring to each department, focusing on enhanced goal clarity, alignment, and tracking to ensure everyone is on the same page. This alignment promotes collaboration and clear communication, prevents siloed operations, and ensures all teams work cohesively towards shared objectives.



# Obtaining buy-in for the OKR framework

Here's how to lay the foundation for achieving broad organizational consensus and support for the OKR framework:

## 1. Be clear and concise.

Clearly explain the OKR framework, its benefits, and its potential impact on the organization's success. Consider creating a short slide deck detailing what OKRs are, how to set them, and how to measure them to introduce teams to the topic.

## 2. Use real-world examples.

Showcase other organizations that have successfully implemented OKRs, like Google (and Cube!).

## 3. Address concerns proactively.

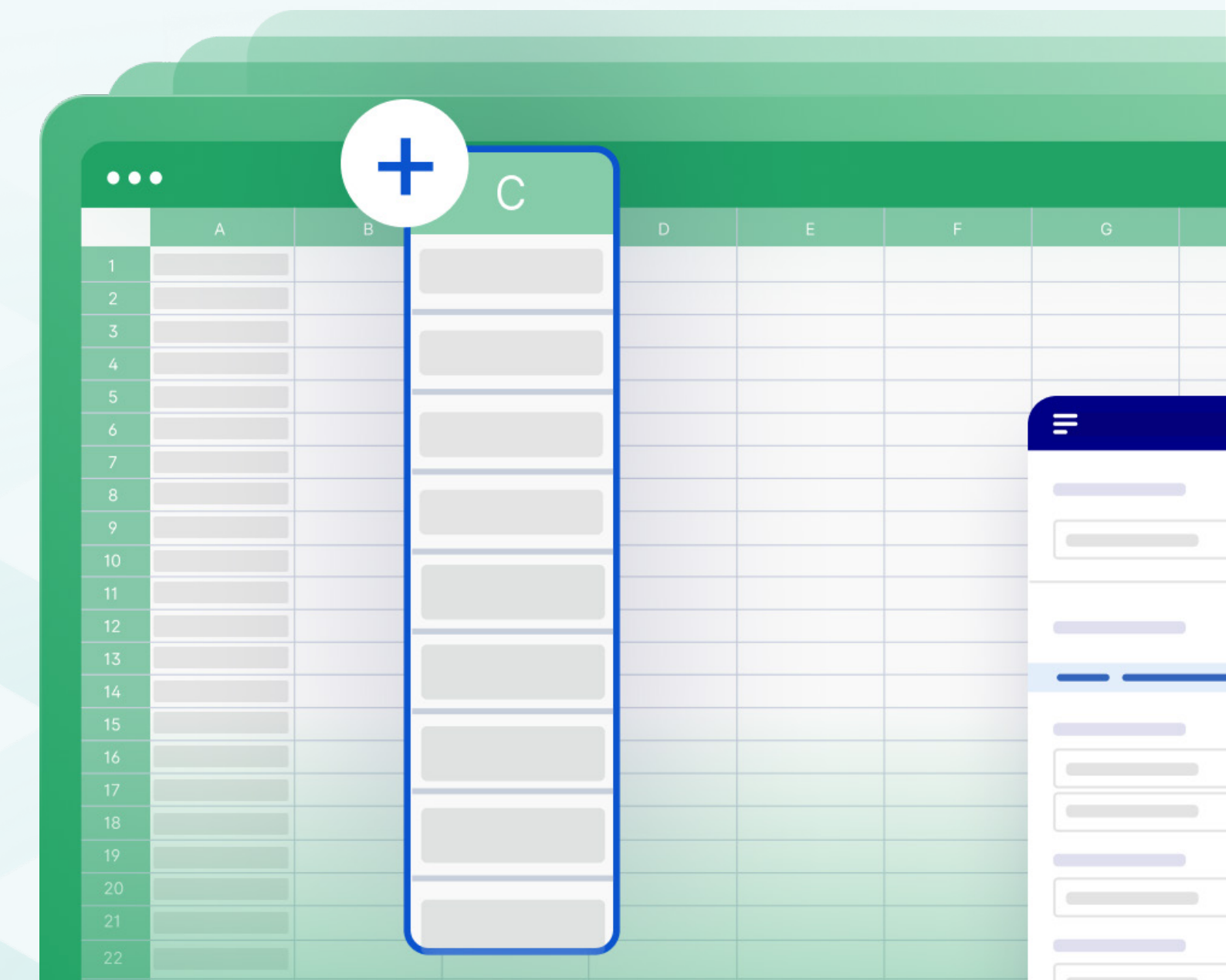
Anticipate and address potential questions or concerns—such as not knowing how to measure progress, or concerns about the additional time and resources required to implement and monitor OKRs—from team members across departments.

## 4. Showcase the benefits of OKRs for all departments upfront.

Explain the ways OKRs can positively affect all departments, not just finance. For example, OKRs encourage alignment and collaboration among different departments, provide clarity in objectives and measurable results, and enhance individual and team accountability.

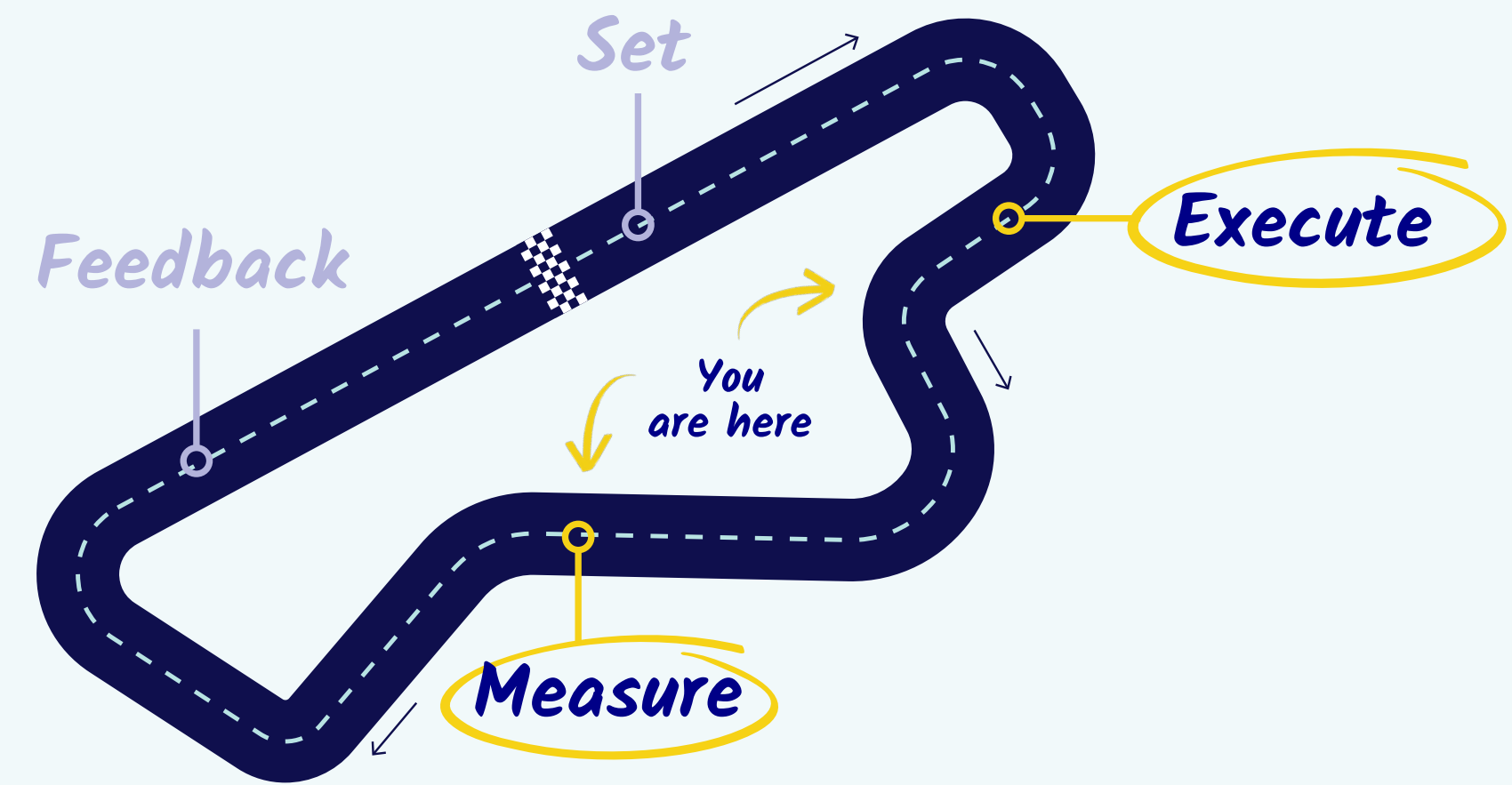
## 5. Continuously reinforce and communicate the value of OKRs.

Ensuring lasting buy-in requires continual communication and reinforcement. Be sure to keep teams updated on the progress and success stories related to OKRs, encourage feedback and make necessary adjustments to the OKR process based on team input, and acknowledge and celebrate the successes achieved through the OKR framework.



## Chapter 4

# Driving actions from OKRs



Now that you know how to set your OKRs and obtain organizational buy-in, you're ready to approach the second and third steps in the circuit: **Execute and measure**.

Why are we lumping these together? Simply put, execution and measurement are intrinsically linked. You can't effectively execute without measuring progress, and measurement alone is meaningless without action. Together, they ensure that you're not only making strides but also moving in the right direction.

This phase is where 80% of your effort will be directed. It's all about turning plans into action, with a laser focus on making your financial objectives a reality through OKRs.



# Translating strategic OKRs into actionable financial metrics



The “Set” phase was all about understanding where your company wants to go, setting financial benchmarks that give a big-picture view of the journey ahead.

This phase, on the other hand, is all about determining how to get there, breaking down those broad financial KPIs into more detailed metrics that can be used on a daily, operational level. These detailed metrics provide a more granular view of the journey ahead, ensuring your company stays on track to meet its strategic goals.

Here’s how to translate strategic OKRs into actionable financial metrics:

## 1. Deconstruct strategic OKRs

Now that you’ve set your OKRs, break each one down into its underlying actions. This bridges the gap between high-level strategic intent and the concrete steps needed to achieve it.

Let’s use this marketing OKR as an example:

**Objective:** Increase our market share in Region X.

**Key results:**

- Increase sales in Region X by 20% by the end of Q3.
- Collaborate with 3 local influencers for promotional events by Q2.
- Launch 2 targeted marketing campaigns in Region X over the next 6 months.

The underlying actions to support these key results might include:

- Conducting market research in Region X to identify untapped customer segments and potential opportunities.
- Building a dedicated sales team or providing current sales teams with specialized training focused on Region X's specific market dynamics.
- Reaching out to potential influencers, vetting their relevance and reach, and negotiating collaboration terms.
- Designing, planning, and executing the two targeted marketing campaigns, which could involve content creation, media buying, and campaign monitoring.



## 2. Assign direct financial metrics

Each of the underlying actions to support your OKRs should be paired with a relevant financial metric. For example:

- The budget set aside for conducting market research in Region X helps quantify the financial implications of identifying untapped customer segments.
- The investment in building a dedicated sales team or training translates to the financial commitment to improving sales in Region X.
- Collaboration costs associated with reaching out to potential influencers reflect the monetary aspect of influencer partnerships for promotional events.
- Designing, planning, and executing the two targeted marketing campaigns will have an associated campaign budget, which will include costs for content creation, media buying, and campaign monitoring.

By pairing these actions with direct financial metrics, you can better understand the cost implications of your strategies and ensure that your resources are being allocated effectively.

## 3. Tie financial metrics to numbers

For your financial metrics to be effective, they must be quantifiable. Quantifiable metrics not only provide clarity but also facilitate consistent tracking and evaluation of progress against the set goals. Building off the previous steps:

- **Specify numerical targets:** Rather than having a vague budget allocation for market research in Region X, you might determine a specific amount, e.g., '\$50,000 set aside for market research in Region X.'
- **Detail out costs:** If you're investing in a dedicated sales team for Region X, provide a detailed breakdown of expenses. Instead of merely stating 'investment in sales team,' specify 'hire 5 sales personnel at an average annual salary of \$70,000 each.'
- **Clarify collaboration expenses:** When collaborating with influencers, instead of broadly categorizing it as 'collaboration costs,' be more detailed: 'Allocate \$10,000 for influencer partnerships, with an average spend of \$3,333 per influencer.'
- **Delineate campaign budgets:** For your marketing campaigns, detail out expected expenditures. Instead of a general 'campaign budget,' state 'Allocate \$20,000 for each targeted marketing campaign, including \$5,000 for content creation, \$10,000 for media buying, and \$5,000 for campaign monitoring.'

By ensuring every financial metric from the underlying actions is quantifiable, you create clear, actionable benchmarks that allow for regular assessment, helping to keep your strategic objectives on track.



## 4. Link metrics to departmental responsibilities

Ensure each department knows which financial metrics they're directly responsible for. For the Sales team, metrics might include sales targets and training budgets, while the Marketing team might focus on campaign budgets and influencer collaboration costs.

Assigning specific metrics to departments clarifies accountability, ensuring each team understands its impact on the overall financial goals and can focus its efforts effectively.

To ensure each department knows which metrics they're responsible for, consider conducting regular inter-departmental meetings to discuss and clarify ownership, documenting and distributing a clear list of financial metrics per department, or using a project management tool that allows for a clear assignment of tasks and associated financial metrics.

## 5. Review metrics regularly

Given the dynamic nature of businesses, your financial metrics may need adjustments. Maybe a campaign outperformed expectations, or a product launch was delayed. Regular reviews ensure your metrics remain relevant and aligned with current realities.



# Developing a financial blueprint with OKRs

After converting your strategic OKRs into actionable financial metrics, integrate these insights into a cohesive financial blueprint.

A financial blueprint is a comprehensive, detailed financial plan outlining paths and strategies to achieve specific financial goals, while OKRs cover broader organizational objectives, including finance. Integrating these two concepts can lead to more synchronized and actionable financial strategies. Here's how to develop a financial blueprint with OKRs:

## 1. Set financial priorities based on OKRs

Before diving into specific figures, identify the most critical OKRs that will have a substantial financial impact. Are there any key results that require significant investments? Which objectives have the potential for the highest ROI?

## 4. Monitor cash flow

Given that certain OKRs might require up-front investments (like R&D or marketing campaigns), it's important to maintain a steady cash flow. Plan for any large expenditures and ensure there are enough funds to cover them while keeping the business running smoothly.

## 2. Budget allocation

Allocate funds based on the priority of each OKR. This means:

- Dedicating a higher percentage of the budget to high-priority OKRs.
- Setting aside contingency funds for any unexpected costs or opportunities that might arise.

## 5. Assess risk and return

Every OKR, especially those requiring significant financial commitment, comes with associated risks. Evaluate the potential risks of each objective and the expected returns. This will provide a clearer picture of which OKRs are worth the investment and which might need reconsideration.

## 3. Forecast revenue and expenditure

Use your OKRs to project potential revenues, especially if any key results target sales growth or market expansion. Concurrently, forecast expenses based on the actionable steps and financial metrics derived from your OKRs.

## 6. Document and share throughout the organization

Maintain a clear record of the financial blueprint, including budgets, forecasts, and actuals. Make this accessible to stakeholders so everyone is aligned and aware of the financial direction based on the OKRs.



# Measuring the impact: how financial metrics reflect OKR achievement

Once you've put your plans into action, the next logical question is: "Are we on the right track?" This is where measurement takes center stage.

Here's how to effectively measure financial performance in accordance with OKRs:

## 1. Establish monitoring mechanisms

Start with an effective system to monitor real-time progress. [FP&A software](#) can be invaluable here, providing real-time data on financial metrics and laying the groundwork for more in-depth future evaluations. Here are a few of its key benefits:

### Holistic financial overview

FP&A software provides a unified platform to view all financial data, making it easier to track OKRs against financial metrics.

### Real-time tracking

With real-time data updates, FP&A software offers live insights into how various financial metrics are moving. This immediacy allows for swift decision-making, especially when certain metrics are veering off-course from the OKRs.

### Scenario modeling

If an OKR targets a specific financial outcome, FP&A software can model different approaches to achieving that outcome, providing insights into the most effective strategies.

### Collaborative planning

These platforms promote cross-functional collaboration. When an OKR involves multiple departments, FP&A software ensures everyone is on the same page and is working towards a common goal.

### Automated reporting

Manual report generation is time-consuming and prone to errors. FP&A software automates this process, producing regular, accurate updates on how the organization is performing against its OKRs.

### Integration capabilities

FP&A platforms often integrate with other enterprise tools, ensuring that data flows smoothly across systems. This ensures all relevant data is taken into account when measuring against OKRs.





## 2. Short-term check-ins on progress

Hold periodic reviews—be it weekly or monthly—based on the nature of the OKR. This not only keeps you on track but also provides immediate feedback on the effectiveness of your financial strategies.

## 3. Compare financial performance against OKRs and adjust strategy

Measuring your financial outcomes against your objectives isn't just about seeing if you're on track. It's also about understanding deviations and making strategic adjustments. For instance, if an OKR was set for "10% increase in sales for Product X," and halfway through the period you're only seeing a 2% increase, it's time to investigate why.

Here's what you should consider:

- **Diagnosis:** What are the factors contributing to the performance gap? This could be external market conditions, internal operational issues, or a combination of both.
- **Adjustment:** Based on the diagnosis, consider adjusting strategies. This could mean intensifying marketing efforts, revising sales tactics, adjusting financial forecasts based on new information and strategies, or even reconsidering product pricing.
- **Stakeholder communication:** If a significant adjustment is required, it's essential to communicate with relevant stakeholders. This keeps everyone aligned and aware of changes in direction.

By comparing financial performance against OKRs and taking actionable steps in response to deviations, businesses can be more agile, adaptive, and goal-oriented.

## 4. Recognize immediate wins and challenges

If a metric suggests you're on the right path, it's worth acknowledging the teams involved. On the flip side, if there's an evident gap, flag it for a more thorough review and understanding in your subsequent analysis phase.



# Overcoming common execution and measurement challenges

While integrating OKRs into financial strategies promises a clear direction and actionable results, it often presents challenges. These challenges can range from shifting corporate priorities to the unpredictability of external markets. Addressing them head-on ensures that both the execution and subsequent measurement of outcomes align with your strategic intent.

Here are some common challenges encountered during the execution and measurement phase, along with strategies to overcome them:

## 1. Shifting priorities

In finance, priorities can change rapidly. What seemed critical yesterday might become less important today. To tackle this challenge, regularly reassess your OKRs and ensure they remain aligned with your organization's evolving strategy. If a shift in priorities is necessary, be prepared to adjust your financial actions accordingly.

## 2. Resource constraints

Whether it's budgetary restrictions or a lack of necessary personnel, limited resources can hamper the progress towards OKRs.

Regularly evaluate and prioritize OKRs based on their potential impact. Allocate resources where they'll make the most difference and consider reallocating or optimizing costs elsewhere.

## 3. Stakeholder alignment

Misalignment among stakeholders can be a significant impediment. They might have different visions or interpret OKRs differently.

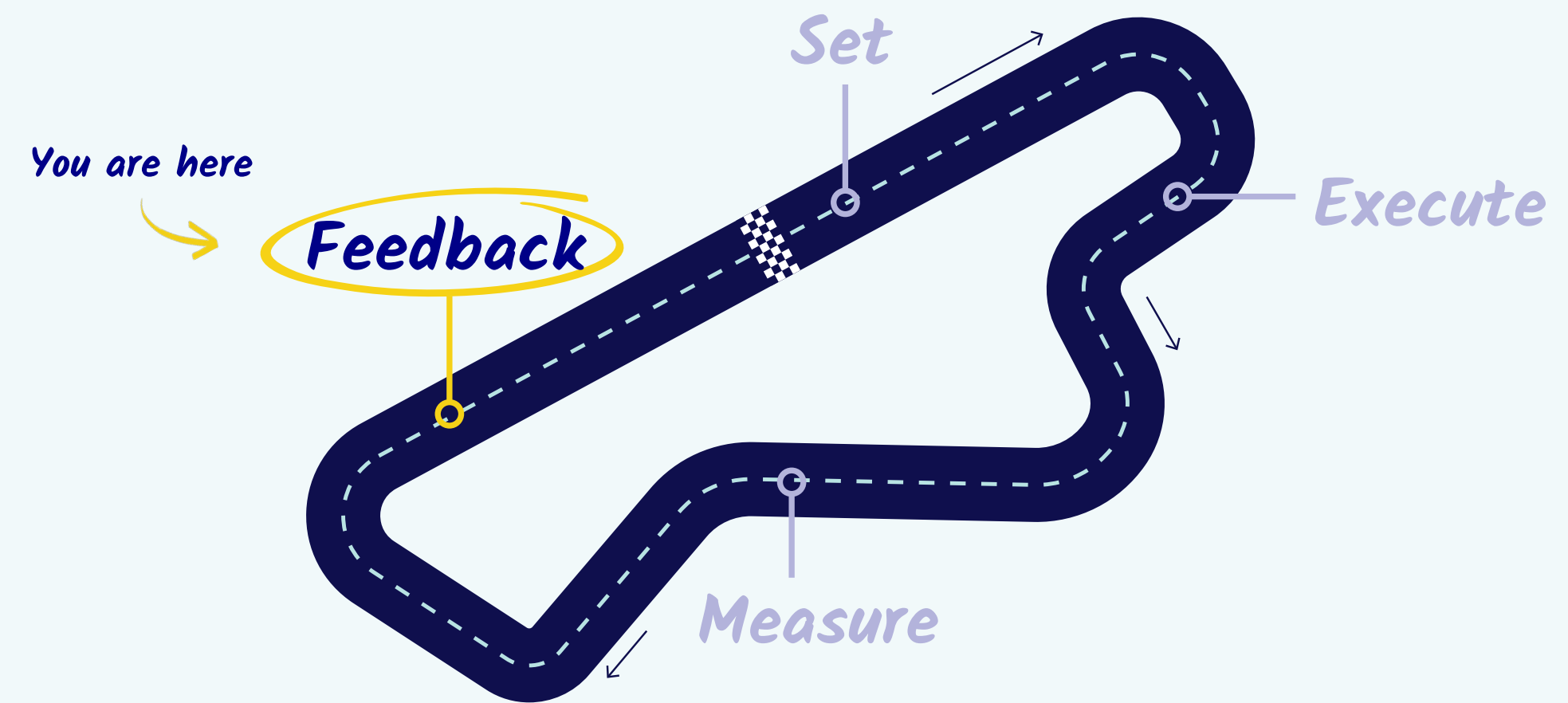
Make sure you're presenting OKRs in a way that's easily digestible for financial and non-financial stakeholders. Consider using data visualization tools (like dashboards) to present information in a clear, compelling way.



**By anticipating these challenges** in execution and measurement and having a strategic approach to each, you'll be better equipped to ensure that your OKRs not only guide your financial strategy but also lead to measurable and impactful outcomes.

## Chapter 5

# Feedback: fine-tuning financial strategies with OKRs



Now that you've executed and measured your performance against OKRs, you've officially arrived at the final step in the circuit: **Feedback**.

In this phase, we'll focus on retrospective analysis, the transformative power of feedback, and implementing strategies to keep OKRs and financial goals in perfect harmony.



# Evaluating past performance to inform future OKRs

By evaluating past performance, you can use feedback as a transformative tool, turning historical data into actionable future strategies. This ensures that your organization doesn't just move forward, but does so strategically and effectively.

Here's how to harness feedback-driven analysis of historical data to refine and inform OKRs:

1

## Review historical data with a feedback perspective

Analyze previous financial metrics and juxtapose them against the set OKRs. Don't just stop at numerical assessments. Engage with relevant teams to comprehend the underlying narratives and reasons for those outcomes.

Suppose a past OKR aimed at a 15% sales increase, but the realization was only 10%. In this scenario, a feedback-driven approach would involve discussions with sales and marketing departments. Delving deeper into aspects like market conditions, strategy implementations, and external factors can uncover actionable insights.

2

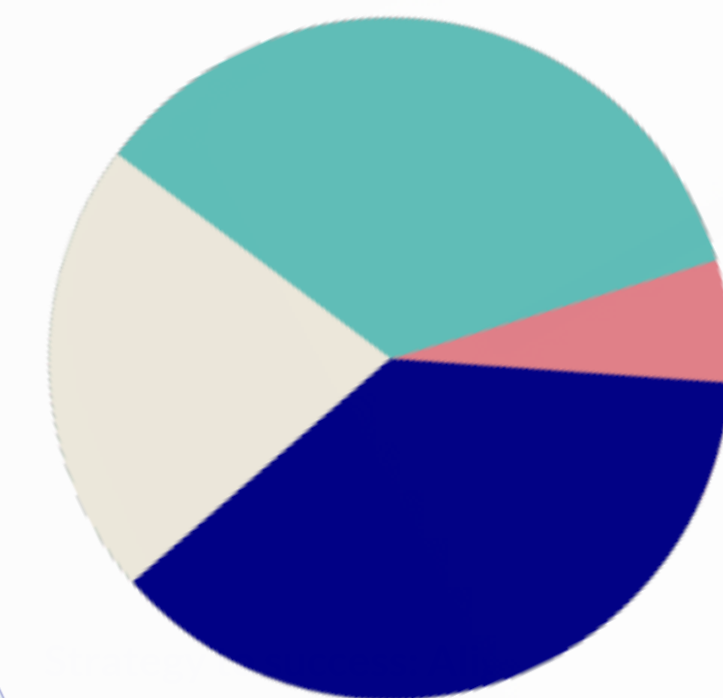
## Identify patterns and trends

Look for recurring challenges or consistent positive outcomes over multiple periods. Feedback from these patterns can be especially powerful in predicting future challenges or taking advantage of ongoing strengths.

3

## Host feedback sessions

Regularly schedule meetings with cross-functional teams to gather feedback on the past OKRs' execution. Understanding the practical challenges faced during implementation can provide a clear direction for setting more actionable and achievable OKRs in the future.



# How feedback loops refine OKR-financial linkage

Maintaining a strong alignment between OKRs and financial objectives is not a one-time task, but an ongoing endeavor. Feedback loops play a big role in ensuring this alignment remains coherent and updated. They provide a continuous process of input, evaluation, and adaptation to keep financial strategies and objectives in sync.

Here's how to incorporate feedback loops:

## 1. Establish regular feedback channels

Institute channels like monthly financial reviews, departmental meetings, or quarterly OKR evaluations where feedback is consistently solicited and shared. This regularity ensures timely identification and resolution of misalignments.

## 2. Engage diverse stakeholders

Feedback isn't solely the domain of financial teams. Involve departments like sales, operations, and marketing to get a holistic perspective. Their on-the-ground insights can reveal nuances that might not be evident from numbers alone.

## 3. Use technology for real-time feedback

Leverage FP&A software and other digital tools to obtain real-time feedback on financial performance relative to set OKRs. This allows for prompt interventions if metrics start deviating from expected paths.

## 4. Address feedback in strategy iterations

Feedback loops should culminate in actionable changes. When a recurring piece of feedback points towards a gap or an opportunity, it should be reflected in subsequent financial planning and OKR-setting sessions.

## 5. Educate and encourage a feedback-oriented culture

For feedback loops to be truly effective, it's essential to nurture a corporate environment where feedback is valued. Train teams to give and receive constructive feedback and emphasize its pivotal role in aligning OKRs with financial goals.

## 6. Analyze and adjust

Post feedback collection and dedicate time for analysis. Understanding the 'why' behind the feedback aids in making informed adaptations. For instance, if feedback suggests that a certain OKR is consistently challenging to achieve due to market dynamics, it might be time to reconsider or recalibrate that OKR.



# Transform FP&A with OKRs

Through this guide, you've seen the tangible benefits of aligning objectives with financial realities.

As you move forward, use OKRs as a tool to sharpen decision-making, allocate resources wisely, and drive your organization towards its financial goals. The path to financial success is clearer with strategic alignment, and OKRs are the map that gets you there.

Remember: the right FP&A software can make this process simpler, more efficient, and highly effective for your business. Want to learn how a solution like Cube can help you hit your numbers? Schedule a free demo with one of our experts today.

*Discover how Cube can help  
you hit your numbers*

**Get a free demo**

Source: "Measure What Matters: How Google, Bono, and the Gates Foundation Rock the World with OKRs" by John Doerr.



Cube is the first spreadsheet-native FP&A platform that focuses on meeting strategic finance teams where they already live and enhancing the workflows they use everyday. By pairing the ease and familiarity of Excel & Google Sheets with the power and control of a purpose-built FP&A platform, Cube helps companies of all sizes plan and analyze for the unexpected and stay one step ahead.

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