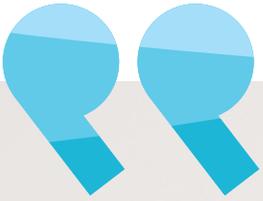


betterworks®



# THE EXECUTIVE'S GUIDE TO GOAL SETTING

Align your organization with  
effective company-wide goal setting  
and management

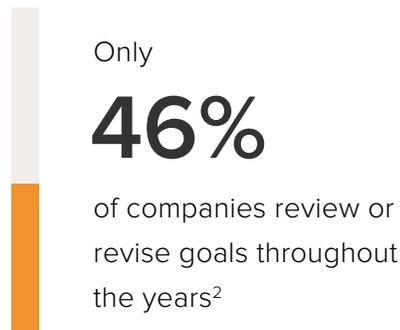
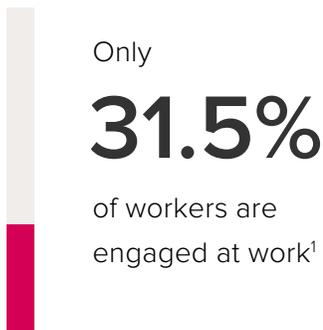


Ideas are precious,  
but they're  
relatively easy.  
It's execution that's  
everything.

*John Doerr, Partner at Kleiner  
Perkins Caufield & Byers*

# INTRODUCTION

Once you've outlined your vision and strategic priorities for the year, how do you align and orient your people to most effectively execute on them? The traditional approach of cascading objectives throughout an organization in a hierarchical fashion has yielded disappointing results for most organizations.



A top-down, cascaded approach to goals often fails to keep up with the pace of the business. On average, half of senior leaders update their goals throughout the year as business needs change, but only 1-in-3 managers do the same. Even fewer front-line employees update their goals — only 1-in-5<sup>4</sup>. A lack of discipline and communication around the goals process results in misalignment, conflicting priorities, and frustration from employees.

Research suggests that companies that revisit and update company goals quarterly are 3.5 times more likely to be a high-performing company amongst peers, regardless of industry<sup>5</sup>. Regular organization-wide goal setting helps executives and line-of-business leaders drive operational efficiencies. It also empowers employees and drives a culture of accountability and high performance. When goals are agreed upon at all levels of an organization, they are an ideal way to turn aspirations into tangible commitments and measurable outcomes.

# WHAT IS EFFECTIVE GOAL SETTING?

High-performing companies have moved away from the traditional, annual and top-down approach to goal setting. Instead, executives are investing time and resources to:

- 1 Set goals frequently**

A best practice is to set and publish high-level goals quarterly; however, more regular (monthly or weekly) check-ins with direct reports help ensure top company goals are included in the corporate DNA and project workflows.
  - 2 Make goals visible**

Top company goals are visible to all employees, and any changes or updates to them are shared. Goals and progress are transparent across the organization to eliminate siloing and politics, and all employees' goals are open and transparent. In addition to improving alignment, employees benefit from sharing their accomplishments with peers and managers. Research has shown that when progress on a goal is shared openly, there is a 78 percent increase in overall achievement.<sup>6</sup>
  - 3 Measure progress**

Regularly checking goals and updating progress helps employees, managers, and executives know what's on track and what's at risk. Real-time measurement allows everyone in the company to make adjustments as priorities shift and quickly take action.
  - 4 Distinguish between vision and short-term execution**

Clear connections between the vision (e.g., long-term improvements in customer service and profitability) and short-term goals (e.g., milestones for product development) help employees understand how their work fits into the big picture.
  - 5 Provide focus**

Best practice is to limit quarterly corporate goals to 3-7 key objectives. This focus provides a common target and clear endpoints, while allowing employees to push back on the projects that won't deliver the biggest impact.
-

# HOW CAN LINES-OF-BUSINESS LEADERS SET EFFECTIVE GOALS?

Traditionally, line-of-business leaders cascade goals from senior management to their functional areas without much cross-functional consideration. To eliminate issues such as siloing and misalignment, line-of-business leaders in high-performing organizations take advantage of transparent goals to:

## **Align team goals**

They coordinate efforts across teams to reduce duplicated efforts.

## **Co-create goals with employees**

Instead of a top-down approach, leaders collaborate with employees to set goals and engage in ongoing conversations to understand the dynamics on the front lines.

## **Maintain focus**

By measuring progress across their teams, leaders quickly identify areas that need attention.

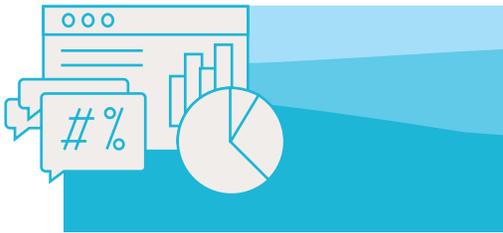
## **Continuously check-in on progress**

Goals should never be considered as “set and forget.” Leaders should hold regular conversations with their reports on a weekly and/or monthly basis to ensure their employees are headed in the right direction, with both the needs of the business and the employees’ personal development goals in mind.

## **Recognize and reward employee successes**

By highlighting achievements, leaders encourage the right behaviors in a public way.

# GOAL SETTING EXAMPLES FOR LINE-OF-BUSINESS LEADERS



## Head of Marketing

### Goals

### As measured by

#### Smash our revenue goal

1. Execute 5 targeted customer acquisition campaigns
2. Generate \$50M in pipeline by end of Q1
3. Acquire 1,000 qualified leads or customers by end of Q1
4. Achieve 100 + downloads of new collateral for specific verticals (e.g. manufacturing or retail) by February 20

#### Solidify brand and position as THE market leader

1. Create a unified comms calendar across content, social, press and launch activities by end of Q1
2. Hire a new branding agency by end of Q1
3. Set up 3 analyst briefings and manage analyst requests and submissions by end of Q1
4. Get 15 media placements and 10 speaking opportunities by end of Q1



## Head of Product

### Goals

### As measured by

**Make our customers love our product**

1. Increase daily active users by 3%
2. Increase weekly active users by 5%
3. Increase monthly active users by 15%
4. Ship top 5 customer requests by March 20th

**Ensure our long-term success through improved planning**

1. Create a use-case messaging document with Marketing by Nov 5
2. Present refreshed vision and roadmap to executive team by Nov 20
3. Implement new prioritization and new feature process for all Q4 products by end of Q4



## Head of Sales

### Goals

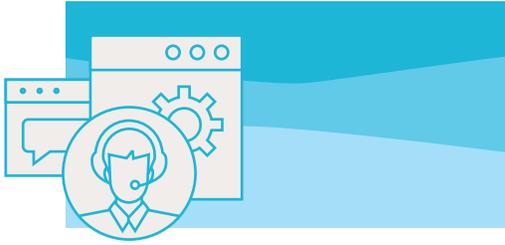
### As measured by

**Soar past bookings target for Q1 in preparation of fundraising**

1. Secure \$10M in bookings by end of Q1
2. Ensure each sales manager contributes \$4M or more in bookings
3. Ensure at least 60% of sales team achieves quota
4. Deliver 40% of our overall bookings via upsell and cross-sell
5. Attend 3 industry events by end of Q1

**Become the most effective sales machine in our industry**

1. Launch the energy vertical sales plan at department all-hands by end of Q1
2. Hire 3 new sales managers by end of Q1
3. Certify 90% of team on new process by end of Feb
4. Receive approval from CEO on new sales compensation commission plan by Jan 31st



# Director of Support

## Goals

## As measured by

**Create and enable an industry leading support team**

1. Achieve SLA fulfillment greater than 95% by the end of Q1
2. Reduce escalations by 15% by the end of Q1
3. Increase NPS score from 30 to 40 by end of Q1
4. Promote 2 customer support representatives to new customer support manager positions by the end of Q1

**Maintain support expertise and ensure team has latest tools**

1. Implement Zendesk Embeddables within product's existing help center by end of Q1
2. Apply for 5 and secure one speaking position at UserConf by end of Q1
3. Submit an article about ROI of strong customer communities to HBR by end of Q1
4. Initiate live chat pilot programs with LiveChat and ClickDesk by end of February



# HOW CAN EXECUTIVES UPLEVEL THEIR GOAL SETTING?

If your company is still setting goals the traditional way, you are not alone. In a survey of more than a hundred businesses, representing 2 million workers, 44 percent of respondents said they set goals annually. When asked if everyone in their organization knew the top company goals, 55% of respondents answered “no.” Most executives have long relied on Microsoft Excel or PowerPoint to manage goals, which limits transparency, visibility, and progress tracking — the very factors that make the process valuable.

The screenshot displays the Betterworks interface for 'Top Company Objectives'. The navigation bar includes 'Home', 'Objectives', 'Conversations', 'Feedback', 'Recognition', 'Calibration', and 'Admin'. The user 'Michelle' is logged in. The main content area shows a list of objectives with columns for 'Objectives', 'Last Updated', 'Due', 'Comments', 'Score', and 'Progress'.

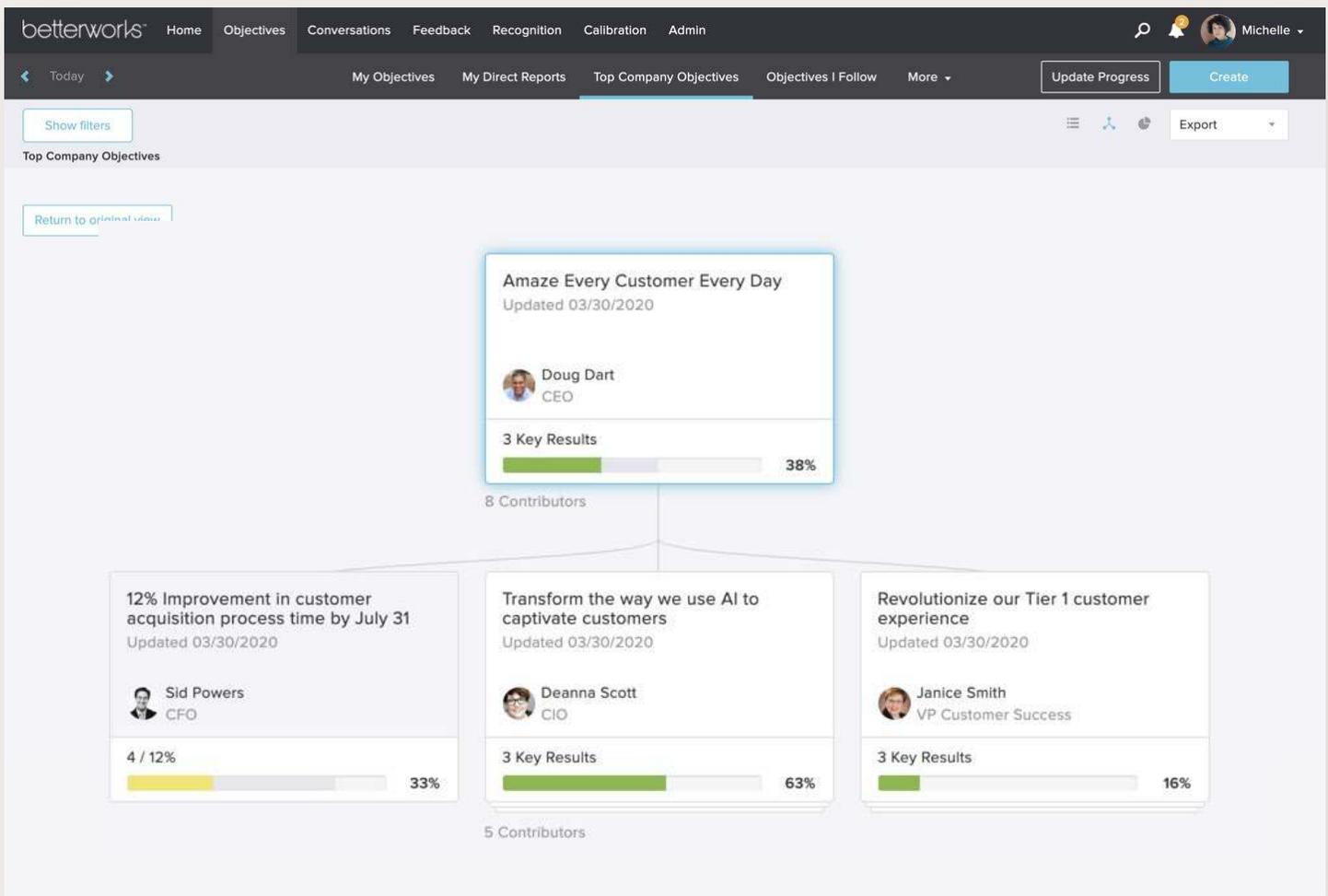
Objectives	Last Updated	Due	Comments	Score	Progress
Amaze Every Customer Every Day Doug Dart	03/30/2020	12/31/2020	1	—	38%
12% Improvement in customer acquisition process time by July 31 Sid Powers	03/30/2020	07/31/2020	0	—	33%
Transform the way we use AI to captivate customers Deanna Scott	03/30/2020	12/31/2020	2	—	63%
Revolutionize our Tier 1 customer experience Janice Smith	03/30/2020	12/31/2020	0	—	16%
Build a World Class Employee Experience Doug Dart		12/31/2020	1	—	60%
Outpace our Competition in Every Market Doug Dart		12/31/2020	0	—	17%

Leaders at high-performing companies have invested in enterprise goal setting and management software like Betterworks to improve a formerly complex and manual process.

# WHERE DO I START?

Teams that measure progress in metrics (e.g., sales, marketing, customer support, and even human resources teams) are good first candidate groups for enterprise goal setting. Because these teams already work cross-functionally and quantitatively, they often have an easier time embracing milestones and goals than other teams such as engineering that have additional existing processes to accommodate.

Executives just beginning the journey and those transitioning from manual goal setting processes can develop their organization's ability to effectively set, manage and execute on goals through education, training, repetition and technology.



## Education + Training

Regardless of which team is first, educating employees about the importance of goals is a critical first step. Organizations that adopt an education-first approach motivate employees to build the muscles necessary for personal and professional development. If employees can set goals that are tightly coupled with organizational objectives, they will also be able to set goals that advance the business, and therefore advance their own careers.

Investing in training around setting, measuring, assessing and adjusting goals will help employees develop the skills they need to be effective goal setters. High-performing organizations also often select internal champions who lead by example, serving as goal-setting experts and sources of peer-to-peer feedback about goals.

## Repetition + Technology

As companies progress, they understand that achieving operational excellence and alignment takes time and continual adjustment. They focus on quarterly repetitions — where each “rep” consists of a three-step process of creating goals, logging goal progress, and assessing results. They strive to show value early, achieve success, and gain support across teams, knowing that goals create and sustain momentum. Most importantly, they get better at setting and achieving these strategic goals for the entire organization. Technology like Betterworks that helps drive engagement can accelerate your organization’s ability to develop goal muscle over time.

<sup>1</sup> Gallup, 2014.

<sup>2</sup> Stacia Sherman Garr, “High-Impact Performance Management: Using Goals to Focus the 21st Century Workforce,” Bersin by Deloitte, Deloitte Consulting LLP, December 2014.

<sup>3</sup> Donald Sull, Rebecca Homkes, and Charles Sull, “Why Strategy Execution Unravels -- and What to Do About It,” Harvard Business Review,” March 2015.

<sup>4</sup> Stacia Sherman Garr, “High-Impact Performance Management: Using Goals to Focus the 21st Century Workforce,” Bersin by Deloitte, Deloitte Consulting LLP, December 2014.

<sup>5</sup> Ibid.

<sup>6</sup> Dr. Gail Matthews, “Goals Research Summary,” Dominican University, 2007.

# ABOUT BETTERWORKS



## Goals and Alignment

Align teams and individual goals to the organization's top priorities



## Conversations, Feedback, Recognition

Facilitate continuous coaching, skill development, goal progress



## Calibration

Up-to-date, real time insights into employee performance



## Insights and Analytics

Actionable program and workforce insights, at a glance



## Engage

Listen to employees at all stages in their lifecycle and take action



## Integrations

Meeting teams where they work

Betterworks is the leading OKR and Continuous Performance Management solution that helps enterprises achieve agility, align their organization and accelerate business and employee growth. Our [award-winning software products](#) deliver the critical insights, conversations, feedback and recognition needed to align, engage and develop today's complex workforce. With Betterworks, organizations can ensure alignment, transparency and accountability across the enterprise for sustained competitive advantage.

Based in Redwood City, CA Betterworks has received more than \$65M in funding and is used daily by employees and managers from 119 countries in more than 20 languages.

[Click here for more resources around OKRs](#), and for more information about the latest people management strategies and best practices visit our [resources library](#).



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