Measure What Matters: How Google, Bono, and the Gates Foundation Rock the World with OKRs
John Doerr, New York, NY: Portfolio/Penguin, 2018. 306 pp.

This review is for the well-educated, high-income earners under 30 years of age who buy management books[1] and anyone else who is interested in management. John Doerr worked for Intel where he met Andrew Grove and learned and implemented Grove's "Intel Management by Objectives ('iMBOs')"[2] which employees called "imbos."[3] Doerr worked for Kleiner, Perkins which encouraged its venture capitalists to advise and sit on boards of directors of companies in which they invested.[4] Imbos, renamed Objectives and Key Results (OKRs) by Doerr "to avoid confusion,"[5] were presented to Google and other ventures using a professional football team example.[6] Doerr invested in BetterWorks which developed software[7] to schedule and track Conversations, Feedback, and Recognition (CFRs) trademarked under the name of Continuous Performance Management™ (CPM).[8] Such is the backdrop for *Measure What Matters*.

This first-class publication was superbly-promoted and is outstandingly-readable, wonderfully-edited, well-packaged and well-promoted. The writing is clear, enthusiastic, organized, forwarded by Alphabet CEO and Google co-founder Larry Page,[9] and loaded with testimonials and stories from Doerr and owners, executives and managers some of whom are famous or associated with well-known organizations lauding the benefits of OKRs and CFRs.[10] Doerr's tribute to executive coach Bill Campbell is heartwarming.[11] However, the book is guilty of some inaccuracies and includes some examples inconsistent with Doerr's definition of OKRs.

MBOs vs Intel MBOs Comparison

Doerr's Perception of MBOs (2018)[12]	Doerr's Intel iMBOs per Doerr (2018)[12]	MBO per Odiorne (1965),[13] Humble (1967),[14] Grove (1983),[15] and Curtin (2009),[16]
"What"	"What" and "How"	Odiorne: MBO "How" in the form of "superior and subordinate … promised milestones" related to targets such as "Time, cost, quantity, quality, and service" checked at times during the year.[17] Humble: MBO "How" in the form of managerial accomplishment of "*Key Results* and *Performance Standards* … in line with unit and company objectives."[18]
Annual	Quarterly or Monthly	Odiorne advised MBO "goals" and "milestones" be checked throughout the year.[19] Humble suggested annual objectives be "re-set" quarterly if necessary.[20]
Private and Siloed	Public and Transparent	Odiorne stated communication of "job-related … information" is the "first priority" of MBO.[21] Humble advocated an "organizational 'climate' which encourages … an easy flow of communication."[22]
Top-down	Bottom-up or Sideways (-50%)	Doerr's football example is top-down with the owner's key result becoming the coach's objective[23]. Both Odiorne and Humble advised the manager and direct-report work together and agree upon the nature of managerial objectives and subordinate goals.[24]
Tied to Compensation	Mostly Divorced from Compensation	Grove stated "compensation should obviously be tied to performance."[25] Humble stated salary review should not be linked to performance directly and both salary review and financial rewards should reflect employee-worth to companies within company policy.[26] Odiorne believed financial compensation should be separate from MBO with compensation discussed at times separate from MBO-discussions.[27]
Risk Aversive	Aggressive and Aspirational	Odiorne stated communications of "risk-taking information" is the "first priority" of MBO.[28] Humble charged the "Chief Executive" with the responsibility of encouraging the creation of "a risk-taking, entrepreneurial spirit" within the organization.[29]
"By the 1990s, … falling from vogue" [30]		Curtin found nearly 80% of Fortune-1000 company-respondents claimed their companies were using MBO in 2008.[31]
	"Key Results" term seemingly coined by Grove[32]	Humble published the term, "Key Results," in 1967[33] three years before Grove started iMBOs at Intel in 1971.[34]

The bottom line is MBO in whatever modified form it took was more popular in 2008 than it was in 1984.[35] In addition, before Grove began implementing his iMBO, either Odiorne or Humble or both had published already all of the characteristics Doerr claims MBO lacked.

Performance Management (PM) vs Continuous Performance Management (CFRs)

By 2014, BetterWorks had developed software named "Goal Science"[36] and by August of 2017 had trademarked "Continuous Performance Management™," software which tracked and analyzed employee meetings and communications.[37] BetterWorks' website states CPM software provides "ongoing feedback, frequent coaching conversations and increased recognition."[38]

With words which could be interpreted as employing a strategy of "Differentiation" introduced by Porter in 1980,[39] Doerr implies Performance Management (PM) before CPM was annual.[40]

Doerr stated CPM possesses "Continuous feedback."[41] PM which advocated conversation, feedback both positive and negative and positive recognition was first introduced by Daniels and Rosen in 1982.[42] They stated an example of recognition which stated "Within a day or so … publicly commend the person…" after a person suggests a cost-saving idea.[43] Daniels continued to refine PM and in 1985 advocated "daily feedback."[44]

Doerr stated CPM is "Decoupled from compensation."[45] As late as 2018 when a recent study of CPM was published, "data are used for reward or sanction…"[46]

Doerr stated CPM was "Coaching/democratic" and "Process focused."[47] In 1986, Schneier, Beatty and Baird advocated process-focused democratic coaching CPM.[48]

Doerr stated CPM was "Strength based."[49] In 1999, Buckingham and Coffman published the results of a study analyzing 25 years of data acquired as far back as 1973 which reported that over 80,000 "great" managers in over 400 companies applied PM and "When motivating someone, they focus on strengths."[50]

Doerr stated CPM was "Fact driven."[51] In 1985, Daniels included "results" within the "measurement" element of PM with examples such as "tons of steel, yards of concrete, boardfeet of lumber, or dozens of widgets…" and recommended formulating creative/imaginative measures for others.[52]

Continuous performance management in the form of CFRs has been published in the literature and implemented in organizations by consultants such as Daniels and consultants and academics such as Schneier, Beatty and Baird since the 1980s or earlier. The only thing new may be the computer software which aids implementation.

Google OKR Example

Objective: Build a planning model for Google.[53] If building a planning model means formulating a model of how Google is going to plan to succeed in the marketplace, the three KRs are inappropriate.

KR #1: "I would finish my presentation on time."[54] is not relative to "HOW" Doerr would accomplish the objective of building a planning model. An appropriate KR might be "Agree on a definition of success in the marketplace."

KR #2: "We'd create a sample set of quarterly Google OKRs."[55] would have been appropriate if the objective had been for Doerr to gain agreement for a three-month OKR trial instead of building a planning model of how to succeed in the marketplace. An appropriate KR #2 might be "Agree on a methodology for creating a model of how Google will plan to succeed in the marketplace."

KR#3: "I'd gain management agreement for a three-month OKR trial."[56] is not relative to "HOW" the objective of building a planning model will be accomplished. An appropriate KR might be "Implement the methodology for creating the planning model."

Fictional Football Team OKR Example

At some time after he began working for KPC&B in 1980, Doerr presented a fictional-football-team example of OKRs to companies in which he invested and to Google in 1999[57]. The General Manager's OKRs follow.

"General Manager Objective: Make $ for owner."[58] Doerr stated if both of the "HOWs" were fulfilled, "win the Super Bowl and fill the stands to at least 90 percent capacity", … there is no way we can fail to show a profit. So it's a well-constructed OKR."[59] No, it wasn't.

"Key Result 1. Win Super Bowl."[60] is not relative to making $/showing a profit. In 1990, Freeman McNeil, a running back for the New York Jets, filed suit against the National Football League (NFL).[61] In 1992, The Associated Press (AP) published some team financial information for seasons 1986-1989 which was disclosed at trial.[62] A day after the AP, George of The New York Times disclosed information as well.[63]

The New York Giants who won the Super Bowl after the 1986 season, lost money.[64] Owner Jack Kent Cooke whose Washington Redskins won the Super Bowl after the 1987 season, didn't earn a cent that year and complained to the Washington Post he was losing money and subsidizing the team personally.[65] The San Francisco 49ers won both Super Bowl after the seasons of 1988 and 1989 but lost money both seasons and lost the most money of all of the 1989 teams.[66] About a third of the 28 teams turned a profit in all four seasons,[67] but barely broke even record-wise posting a regular-season winning percentage of 0.510.[68] Specifically, the Philadelphia Eagles who earned the most money of the consistently-profitable teams[69] posted an aggregate regular-season winning percentage of 0.524, played one playoff game and lost it.[70] In relation to profitability of NFL teams those four seasons, 1986-1989, there was a definite lack of correlation of Super Bowl wins and regular-season.

The second KR which Doerr claimed would ensure profitability, "General Manager Key Result #2: Fill home stands to 90%+.,"[71] does not ensure an owner will show a profit. The Super Bowl Champion New York Giants filled their home stands to 95%-capacity[72] and lost money during the 1986 season.[73] The Super Bowl Champion Washington Redskins did not fill their home stands to 90%+ during the 1987 season,[74] but neither did any of the other 27 NFL teams.[75] The players' struck that year and fans rejected watching replacement players.[76] Washington's attendance the year before their Super-Bowl winning season was 95%.[77] In 1988 and 1989, normal NFL operations resumed for the entire year, but despite San Francisco's 96%-and-97% attendance-rates respectively,[78] the San Francisco 49ers lost money both years.[79]

Winning a Super Bowl and filling home stands to 90% did not guarantee an owner would show a profit. OKRs for a General Manager in 1999 should have been either one of the two examples which follow.

The General Manager should make a decision as to which organizational structure he prefers. Based upon prior history, most professional head coaches are not capable of being responsible for selecting players through drafts, trades, free agency and other means in addition to coaching players and selecting, leading, and terminating coaches. Quantitative KRs should be agreed upon by the person responsible for achieving the KR and not beforehand. Therefore, the OKRs which follow would be best.

General Manager

Objective

Win Super Bowl at a profit

Key Results

1. Acquire and maintain head coach who wins Super Bowl.
2. Acquire and maintain players who win Super Bowl.
3. Achieve 10% annual net-income profit or more.

Head Coach

Objective

Win Super Bowl within first five seasons and once every five seasons thereafter

Key Results

1. Acquire, maintain, and manage assistant coaches within budget.
2. Recommend players to be acquired and employed by Director of Player Personnel.
3. Coach, maintain, and terminate players.

Director of Player Personnel (with input from Head Coach and Director of Business Operations)

Objective

Acquire players which win Super Bowl

Key Results

1. Draft players.
2. Trade for players and select free agents.
3. Acquire, maintain, and manage staff within budget.

Director of Business Operations

Objective

1. Achieve 10% annual net-income profit or more

Key Results

1. Achieve profitable stadium-related operations, media contracts, merchandising contracts and other revenue-producing activities and operations.
2. Acquire, maintain, and manage staff and achieve general- & administrative-overhead expenses within budget.
3. Employ coaches within budget and players within budget and salary-cap requirements of Collective Bargaining Agreement (CBA).*

* The first NFL salary cap became effective during the 1994 season.[80]

Culture

Doerr stated OKRs and CFRs are tools which can "ease and expedite culture change" by providing a "blueprint" enabling organizations to "define and build a positive culture, … springboard an enriching cultural reset, … transform culture change from the top," and "lock in culture change post hoc."[81] Claiming OKRs and CFRs provide a blueprint for defining and building a positive culture is analogous to claiming paper can design, build and transform skyscrapers. People create blueprints and people establish and change cultures — not MBOs, not imbos, or OKRs and CFRs.

Doerr gives two examples of culture change: Lumeris, a company which provides health-care software and services[82] and ONE, rock-star Bono's nonprofit, social welfare organization.[83] Interpreting information in the book, it appears Lumeris accomplished culture change by firing people[84] and ONE accomplished culture change as a consequence of Doerr's contribution to ONE's strategic planning.[85]

One of the reasons Niven & Lamorte's book, Objectives and Key Results, is better than Doerr's is because those consultants include the strategic planning foundational-essentials of mission, vision, and strategy within their publication.[86] Organizational culture is the assumptions, beliefs, values, attitudes, and behavioral norms which influence an organization's mission, vision, strategy, policies and procedures.[87] On the observable behavioral level, consultant Bowers defined culture as "the way we do things around here."[88] Cultures are established by founders of organizations and changed later by those same founders or others who have acquired the power to do so.[89] People in power change cultures; measurement systems do not.

MBOs, imbos, OKRs are goal-setting, progress-monitoring, and performance-evaluation tools.[90] CFRs are performance-management communication-and-recognition tools.[91] Cultures are defined by surveys, interviews, observations by outsiders, etc.[92] — not by MBOs, imbos or OKRs and CFRs. Change is expedited by power from the top exercised throughout the organization and accomplished through proven processes of change such as those published by Schein, Burke, Cameron & Quinn[93] — not by OKRs and CFRs although those management tools can complement essential elements of culture-definition and change.

Joseph Curtin

Notes

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[11] Doerr, *Measure*, p. 247-254.

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[18] Humble, *Management*, Management by objectives: Techniques section, para. 1.

[19] Odiorne, *Management*, pp. 71, 78.

[20] Humble, *Management*, Improving management performance section, Diagram 4; Key Results Analysis section, para. 2.

[21] Odiorne, *Management*, p. 66.

[22] Humble, *Management*, The proper use of human resources section, para. 2.

[23] Doerr, *Measure*, pp. 81-82.

[24] Odiorne, *Management*, p. 55; Humble, *Management*, The proper use of human resources section, para. 5.

[25] Grove, *High,* p. 214.

[26] Humble, *Management*, Management development section, para. 8.

[27] Odiorne, *Management*, p. 79.

[28] Odiorne, *Management*, p. 66.

[29] Humble, *Management*, The personal leadership of the chief executive section, para. 2.

[30] Doerr, *Measure*, p. 25.

[31] Curtin, *Values-Exchange*, pp. 66.

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[52] Daniels, *Performance management: the behavioral*, p. 231.

[53] Doerr, *Measure*, p. 8.

[54] Doerr, *Measure*, p. 8.

[55] Doerr, *Measure*, p. 8.

[56] Doerr, *Measure*, p. 8.

[57] Doerr, *Measure*, pp. 8, 80.

[58] Doerr, *Measure*, p. 81.

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