

How are OKRs used in partnership management?

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OKRS and their crucial role in aligning partners' objectives

In a constantly changing world, companies must evolve continually to remain competitive. So to achieve this goal they adopt objectives and key results methodology (OKR), as a tool to orchestrate and optimize partnership management. In the 1950s, Peter Drucker introduce OKR as a goal-setting system in the management by objectives process, then the methodology was formalized in the 1980s by Andrew Grove, Intel's CEO.

OKRs methodology leads to set qualitative objectives that must be achieved within a defined period. These objectives mobilize teams towards a common vision and give meaning to the actions taken by the managers. Then the keys outcomes are determined in order to measure elements that contribute to the achievement of objectives. They are based on concrete measures with target values. Many firms, including Google and Spotify, are implementing this system to improve performance and objectives alignment internally.

1. Concrete links between partners via OKR

OKRs are considered as a common language used between internal teams and external partners, promoting a mutual understanding of the objectives to be achieved. The inclusion of hypertext links in communications with partners in order to clarify definitions or relevant information, helps also maintain essential clarity and transparency. In turn this enhances trust and mutual commitment, considered as the two keys pillars for successful collaboration.

2. Strategic alignment for best results

According to Ben Jemaa Boubaya and al. (2020), one of the major challenges in partnership management is related to the alignment of objectives. OKRs provide a solution to companies by setting a clear hierarchy of overall objectives and then unbundling them into specific key outcomes. This approach facilitates the identification of convergence points between partners, enabling the companies to adapt their strategies accordingly. Moreover, OKRs guide actions according to priorities by increasing the effectiveness and relevance of collaborations.

3. Agility to change

The main aim of OKRs is to improve companies' flexibility. Therefore, the OKR methodology leads to reassess objectives and adjust actions regularly according to new data or changes in context. Partners then build a capacity for mutual adaptation that enhances resilience with regards to unexpected challenges.

4. Commitment and visibility

OKRs foster the promotion of partners' common achievements. The content created, related to the OKRs methodology, increase visibility within the professional network. Hence, they lead to integrate dynamic, positive and sustainable collaboration.

The case of a tech start-up collaborating with a cloud solution provider (CSP) is a good example : by applying the OKR methodology, the start-up can set clear goals, such as "increase application usage by 30% in the next quarter". The CSP, in turn, can also set a specific key outcome, such as "integrate cloud computing solutions to improve application load times". Thus, both entities work in harmony with mutually beneficial objectives, exploiting synergies for tangible results.

All in all, OKRs are much than a goals-setting framework, It is an approach that allows to manage successful partnerships, providing transparent communication, strategic alignment, agility to face change and increase visibility. As a result, partners build strong and resilient alliances or channels, adapted to the constant changing business world.

Bibliography

Ben Jemaa-Boubaya, K., Cheriet, F., & Smida, A. (2020). Role of objectives alignment in strategic alliance instability. *Management international*, 24, 78-90.