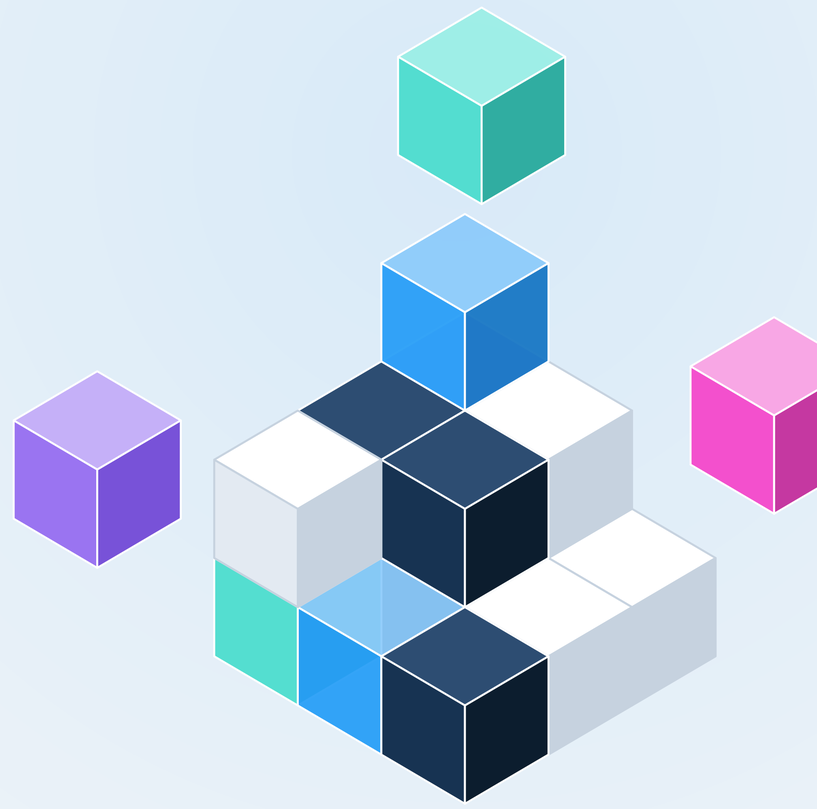
STRATEGY & PERFORMANCE

OKRs vs KPIs

OKRs (objectives and key results) set ambitious goals for change in a fixed period. KPIs (key performance indicators) track the ongoing health of operations.



01 THE CORE MODEL

TWO-COLUMN COMPARISON · CHANGE VS RUN

ASPECT	OKRS	KPIS
Purpose	Drive change toward an ambitious goal	Monitor the health of ongoing operations
Time frame	A quarter or a year, then reset	Continuous, tracked over years
Target level	Stretch: partial success is expected	Realistic: meet it consistently
Example	Launch remote service in two pilot regions	On-time delivery, scrap rate, OEE

Objective

A qualitative, inspiring statement of what to achieve.

Key result

A measurable outcome showing that the objective was reached.

KPI

A measure of ongoing performance with a target or range.

02 USING BOTH

KPIs keep the business running; OKRs move it somewhere new.

RUN — CHANGE

KPIS

- Answer: are we performing as expected?
- Stable definitions, long time series
- Red triggers corrective action

OKRS

- Answer: are we getting where we want?
- Few objectives, reset each cycle
- Missing a stretch goal is normal

03 WORKED EXAMPLE

SERVICE BUSINESS UNIT · ONE QUARTER

KPI
First-time fix rate
tracked every week

•

OBJECTIVE
Win with remote service
this quarter

→

KEY RESULT
2 pilot regions live
by quarter end

→

LINK
KPI as guardrail
must not drop

04 MANAGEMENT TAKEAWAYS

01
Do not turn every KPI into an OKR
Only goals that require change belong in OKRs.

02
Use KPIs as guardrails
Make sure OKR efforts do not damage core performance.

03
Keep OKRs few
Three to five objectives per team and cycle.

05 COMMON MISTAKE

LIMITATION
OKRs as a to-do list
Key results that list activities instead of outcomes turn OKRs into task tracking.