

# Readjusting Strategy for Drastic Market Changes



**MINISTRY OF FOREIGN AFFAIRS  
OF DENMARK**

*Innovation Centre Denmark Tel Aviv*



# A Global Crisis is Always Around the Corner



Global crises increase the risk of failure for early stage and later stage start-ups alike. Evidence from Israel shows that key to overcoming crises is internationalization, an expansionist commercial mind-set and a readiness to rethink and reposition yourself.

Our aim is to give start-ups new tools to be more resilient when crises hit and inspire them to apply Israeli start-up methodologies. This project is funded by THE DANISH INDUSTRY FOUNDATION.

# The Israeli Startup Ecosystem



**350+**

R&D Centers  
(multi-nationals)



**6,670+**

active companies



**340+**

VC Funds



**63**

Academic  
Institutions



**250+**

Accelerators &  
Incubators



**320k+**

Higher Education  
students

# **On the Menu**

- **Startup KPIs & Data Driven Decision Making**
- **Objective Key Results**
- **Managing Breaking Points & Responding to  
Change**

Exclusive

# Israeli startup Monday.com is heading for a \$4 billion Nasdaq IPO

The team management company has reached out to investment banks to support the move, targeting the first half of 2021

Golan Hazani 08:02 28.10.20



# KPIs & OKRs



**“The most successful founders tend to be those who have an obsessive focus on their KPIs and the drive to constantly experiment and optimize them.”**

**What are your KPIs?**

# Our top two KPIs currently are:





# Common Startup KPIs

1. **CAC** (Customer Acquisition Cost)
2. **CLTV** (Customer Lifetime Value)
3. **Churn vs. Retention**
4. **Revenue Growth** (MoM)
5. **MRR/ARR** (Monthly/Annual Recurring Revenue)
6. **DAU / MAU** (Daily/Monthly Active Users)
7. **Runway & Burn Rate**
8. **NPS** (Net Promoter Score)
9. **CAC / LTV Ratio** = Golden Metric?

# Vanity KPIs



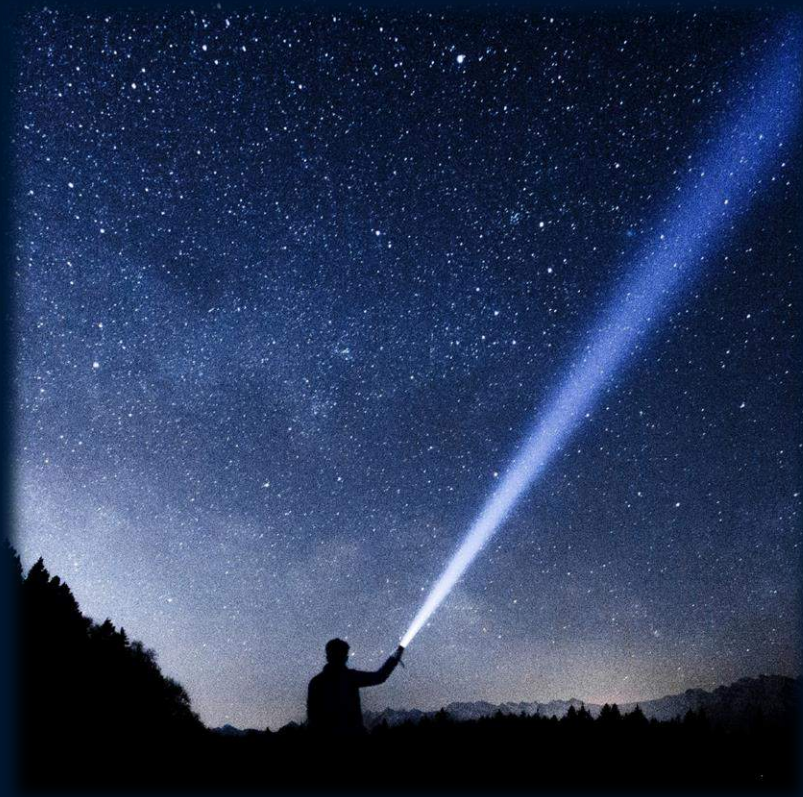
**VANITY  
METRICS  
?**

What are vanity metrics?

# **Validation Stage KPIs**

- 1. Sales Calls/Meetings?**
- 2. Conversion?**
- 3. Product Activation?**

# North Star KPI



# What do they have in common?



# **Objective Key Results**

# **Mission & Vision**



## **Objective Key Results**

# **Mission & Vision**

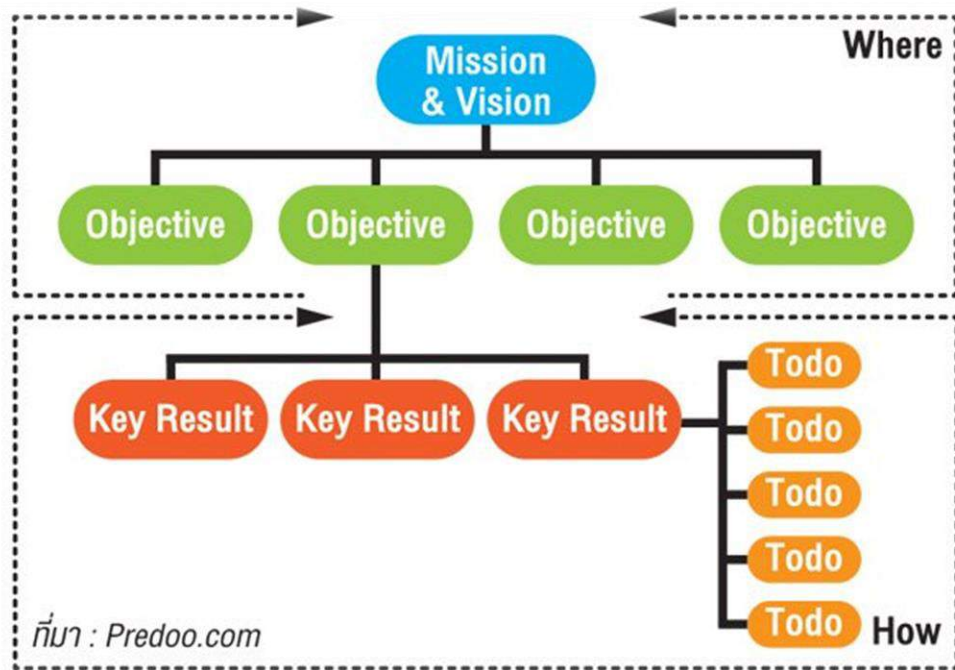






# OKRs

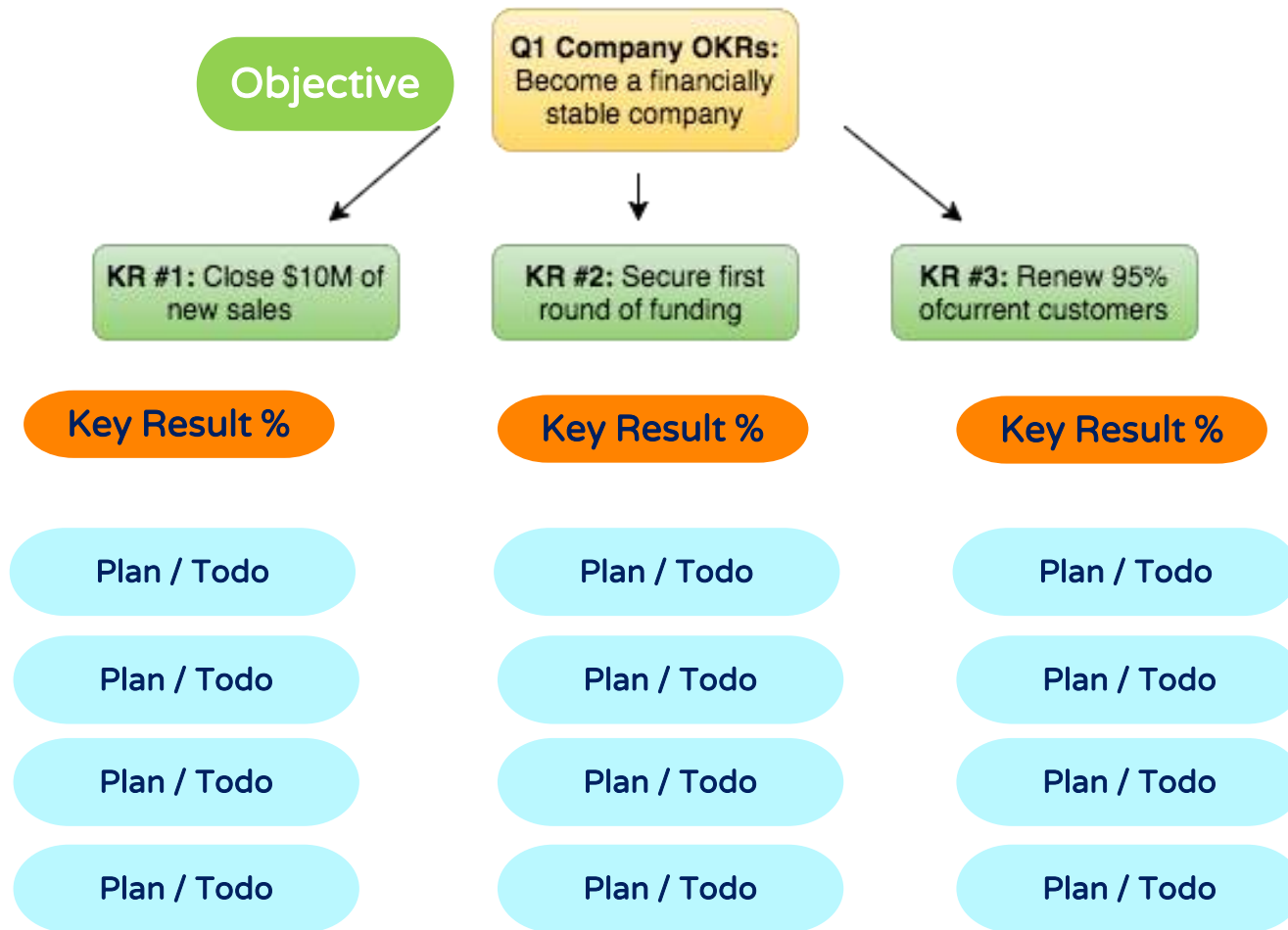
Objective      Key      Results



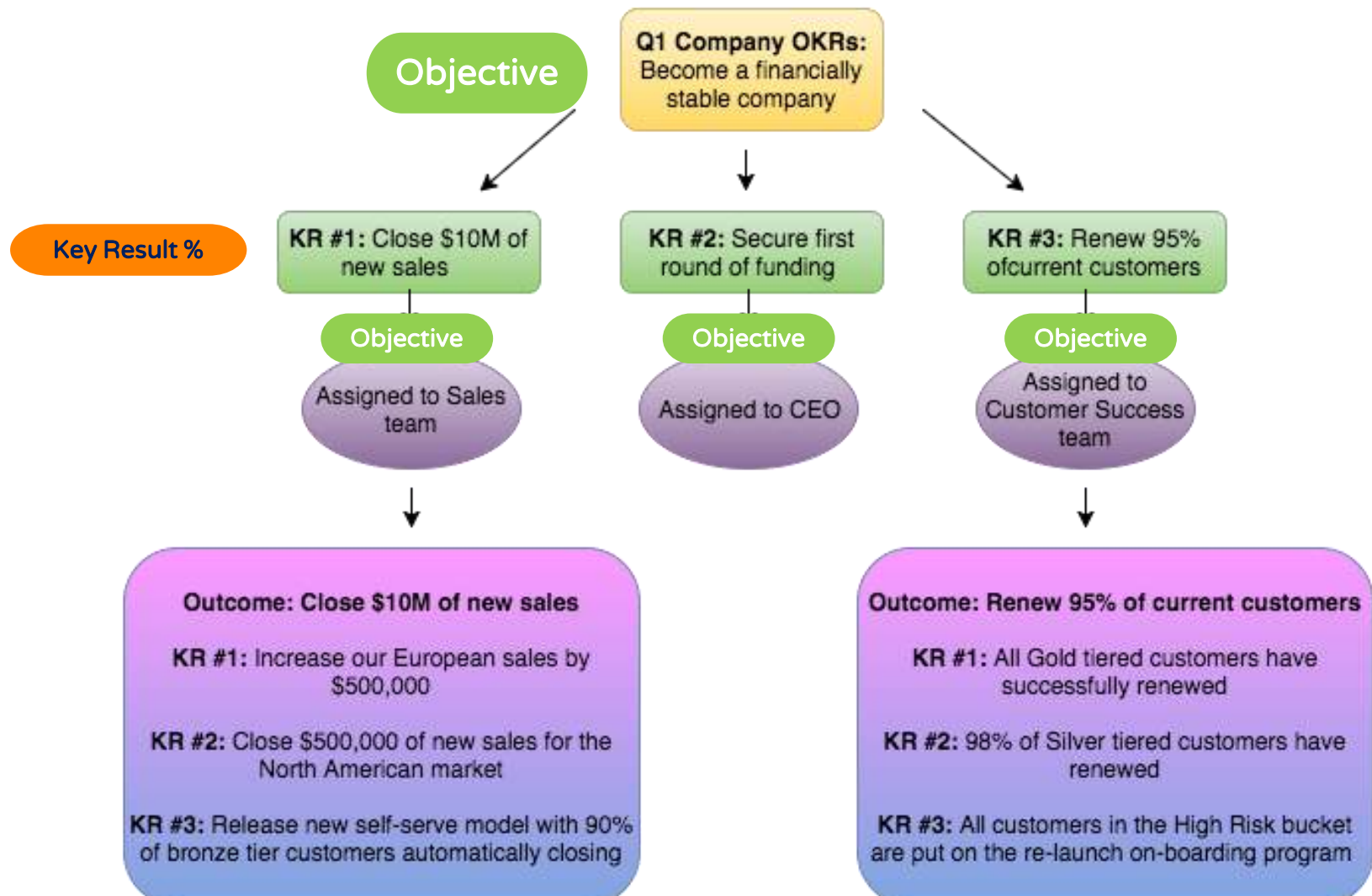
# OKRs

Objective

Quarterly goal



**Bigger Company:**



## Definitions

The “What”

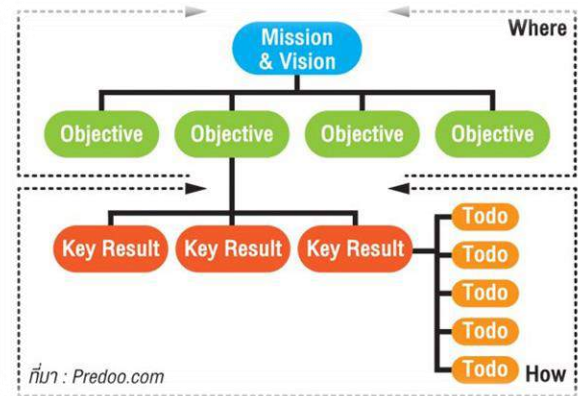
# OKRs

Objectives

**The poster on the wall. Where are we going?**

Ask Yourself - Is it:

- Ambitious and inspirational?
- Time bound (usually quarterly)?
- Max of 3-5
- Clear?
- Moving the company forward / aligned with its goals & vision?



## Definitions

The “How”

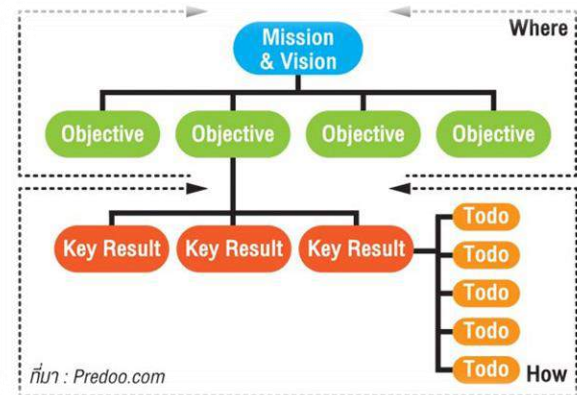
# OKRs

## Key Results

**Key Results are what clearly makes the objective achievable**

They should be:

- 3-5 Key Results per Objective
- Specific
- Quantifiable & Measurable > lead to the objective grading
- Tangible & Outcome related





# S

# M

# A

# R

# T



Specific



Measurable



Attainable



Relevant



Time Based

## Examples

# Bad

Increase revenue

Launch new line of  
business

Get 5-20 new clients

Improve customer  
satisfaction

# Good

Achieve record 3<sup>rd</sup>  
quarter revenue

Generate 100K\$ in  
new revenue

Onboard 55 new  
clients

Reduce customer  
churn by 15%

## Examples

# Good

Make our company  
go viral

Generate 100,000  
views on YouTube  
channel

Get 10,000 new  
Instagram followers

Increase organic  
search traffic by 20%

# Bad

Make our company  
go viral

Make videos for  
YouTube

Get more Instagram  
followers

Improve SEO

## Examples

# Bad

Validate market  
need for product

Talk to customers  
about our product

Assure onboarding  
is done well

Finalize Google  
integration

# Good

Validate market  
need for product

Meet with 45  
potential customers

Sign pilots with 25%  
of customers

## Examples

# Good

Improve internal  
employee  
engagement

Average weekly  
satisfaction score of  
4.7/5

50% of employees  
come from  
referrals

85% presence in  
happy hour events

# Bad

Improve internal  
employee  
engagement

Weekly feedback form

Employees  
recommend the  
company

Two happy hours /  
month

# OKRs

Objectives			
Key Result #1			
Key Result #2			
Key Result #3			

## Examples

# OKRs

Objectives	Achieve record 3 <sup>rd</sup> quarter revenue		
Key Result #1	Generate 100K\$ in new revenue		
Key Result #2	Onboard 55 new clients		
Key Result #3	Reduce customer churn by 15%		

# OKRs

Objectives	Achieve record 3 <sup>rd</sup> quarter revenue	Improve internal employee engagement	
Key Result #1	Generate 100K\$ in new revenue	Average weekly satisfaction score of 4.7/5	
Key Result #2	Onboard 55 new clients	50% of employees come from referrals	
Key Result #3	Reduce customer churn by 15%	85% presence in happy hour events	



# OKRs

Objectives	Achieve record 3 <sup>rd</sup> quarter revenue	Improve internal employee engagement	Validate market need for product
Key Result #1	Generate 100K\$ in new revenue	Average weekly satisfaction score of 4.7/5	Meet with 45 potential customers
Key Result #2	Onboard 55 new clients	50% of employees come from referrals	Sign pilots with 25% of customers
Key Result #3	Reduce customer churn by 15%	85% presence in happy hour events	

# UBER Case Study

Objectives	Increase Drivers in System	Increase Geographic Coverage of Drivers	Increase Driver Happiness
Key Result #1	Increase driver base in each region by 20%	Increase coverage of SF to 100%	Define and measure driver happiness score
Key Result #2	Increase driver average session to 26 hours / weekly in all active regions	Increase coverage for all active cities to 75%	Increase driver happiness score to 75th percentile
Key Result #3			

# 2019 Company Objectives

O1: Become a financially stable company	O2: Establish a leading brand in	O3: Exceed customer expectations & provide kick ass service
150% Revenue Growth	10 in-bound qualified leads	90% contract renewal
30% income from new customers	Program partnerships w/ 10 leading brands	50% customer referral rate
600,000 EUR revenue from XYZ business unit	30 speaking opportunities in conferences	



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fx Objective 2 \_\_\_\_\_

[illegible]

Tips!

# OKRs

## Pre 'Product-Market-Fit'

- Objectives are mostly related to learning and validating
- Shorter cycles (weeks / months)
- Be OK with terminating Objectives

**Tips!**

# OKRs

## Super Simple

- Set 3-5 Objectives (quarterly)
- Define ~3 Key Results / per Objective
- Share it with everyone!
- Continuously communicate it
- Set processes to religiously track progress (part 3)

**Tips!**

# OKRs

## Why Sharing is Caring

- Shared vision of where we are going
- Individual prioritization & focus
- Matching expectations
- Organizational alignment

**Tips!**

# OKRs

## Final Observations

- Measurement methods (the external factor)
- Too many objectives / key results
- Key Results not measurable
- Not challenging enough
- Mistaking Tasks/To-Do's for Key Results

*Don't half-ass OKRs.  
Do them, or don't.*





**Your turn.**

**Exercise!**

- ❑ Define your 2-3 Objectives for your company to be achieved in the following quarter.
- ❑ For each Objective, define 2-4 Key Results.
- ❑ Make sure every KR is measurable & quantifiable and define the way in which it will be measured.

**30-45 minutes**

# **Reverse Planning**

**&**

# **To-Do's**

# Reverse Planning

Seeing the future and reverting back



- **Quarterly Goal**
- **Monthly Milestones**
- **Key Activities, Opportunities & Actions (To Do's)**

# GANTT



Quedma Innovation OKRs 2020

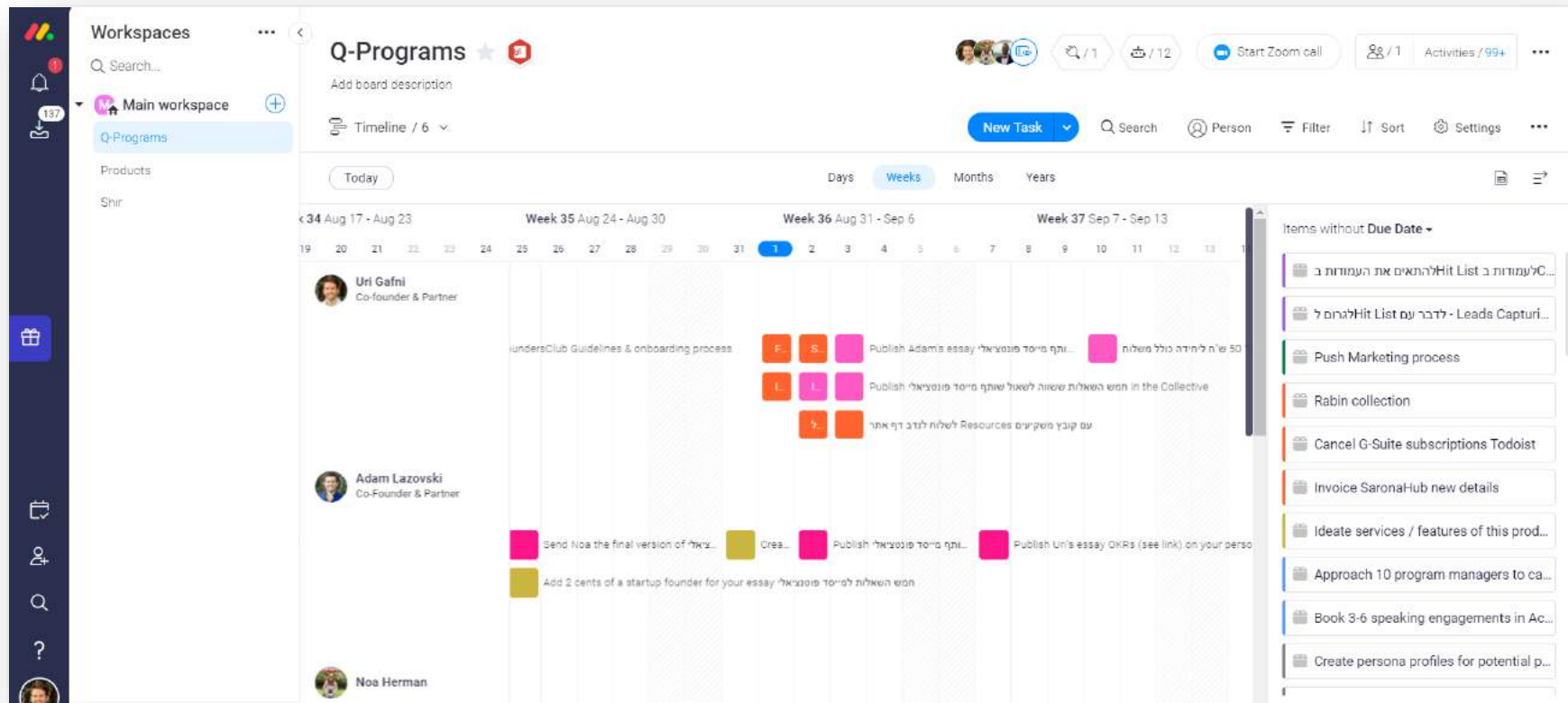
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 Share

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1	Team Management & Training	Review Salary																																		
		Feedback Sessions																																		
		OKRs Review																																		
		Playbook for existing program management																																		
		Qualified PM for existing programs																																		
2	Innovation Center	Complete visibility of all P/L & OKRs																																		
		Peaks & Vacations																																		
		example 1																																		
		example 2																																		
		example 3																																		
3	Marketing & Partnerships	example 4																																		
		Launch 'Collective'																																		
		Launch 'HoSN'																																		
		PR items in leading publisher																																		
4	Sales	Segment & Prioritize Hitlist																																		
		New Sales Closed																																		
		Actual New Sales Closed																																		
		Word of Mouth - Initiatives																																		

# GANTT



# Scenario Based Planning

## •V-shaped recovery:

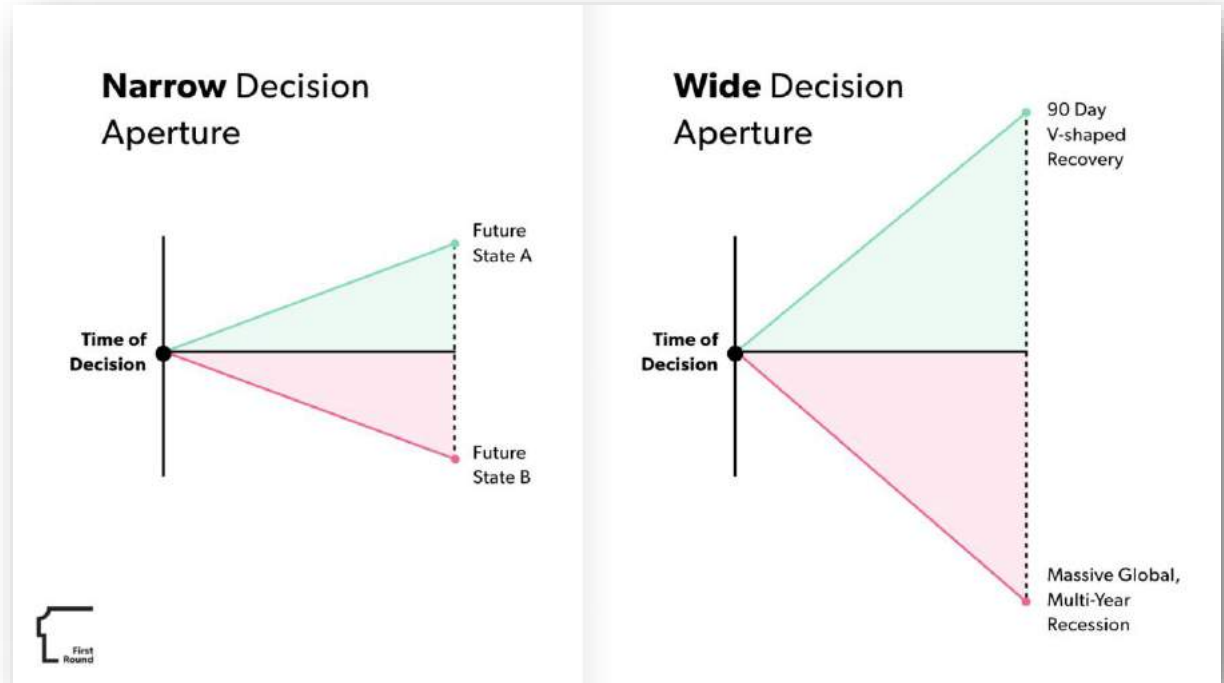
A sharp, precipitous drop, followed by a swift rebound as the economy recovers. The 1953 U.S. recession is an oft-cited example.

## •U-shaped recovery:

The bottom is a less-clearly defined curve, as opposed to a pointy trough. Growth does recover, but it takes longer than planned. Think of the 1973-1975 U.S. recession.

## •L-shaped recovery:

A severe recession or depression, where even after recovery, the growth rate can still be lower. Japan's "lost decade" in the 1990s illustrates this shape.



# Scenario Based Planning

## *Runway Matrix Example*

	Plan Revenue	-10% Revenue	-30% Revenue	No Revenue
Plan Opex	22 months	18 months	12 months	8 months
-10% Opex	24 months	22 months	16 months	12 months
-30% Opex	28 months	26 months	22 months	18 months
-50% Opex	32 months	28 months	22 months	22 months

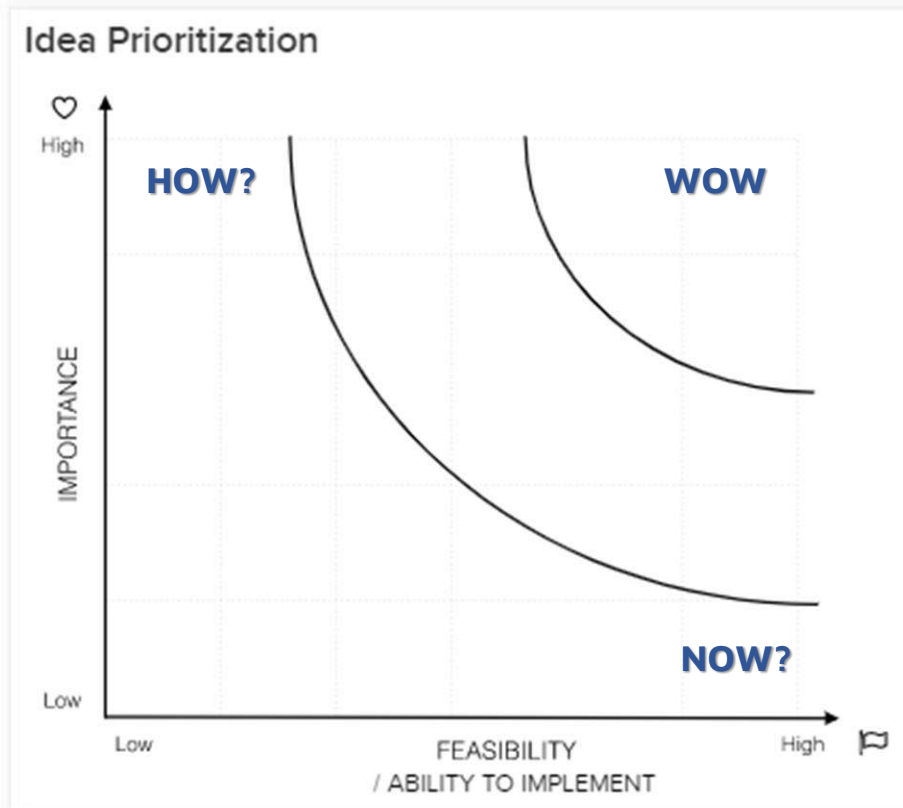


# Scenario Based Planning

## *Scenario Responses Example*

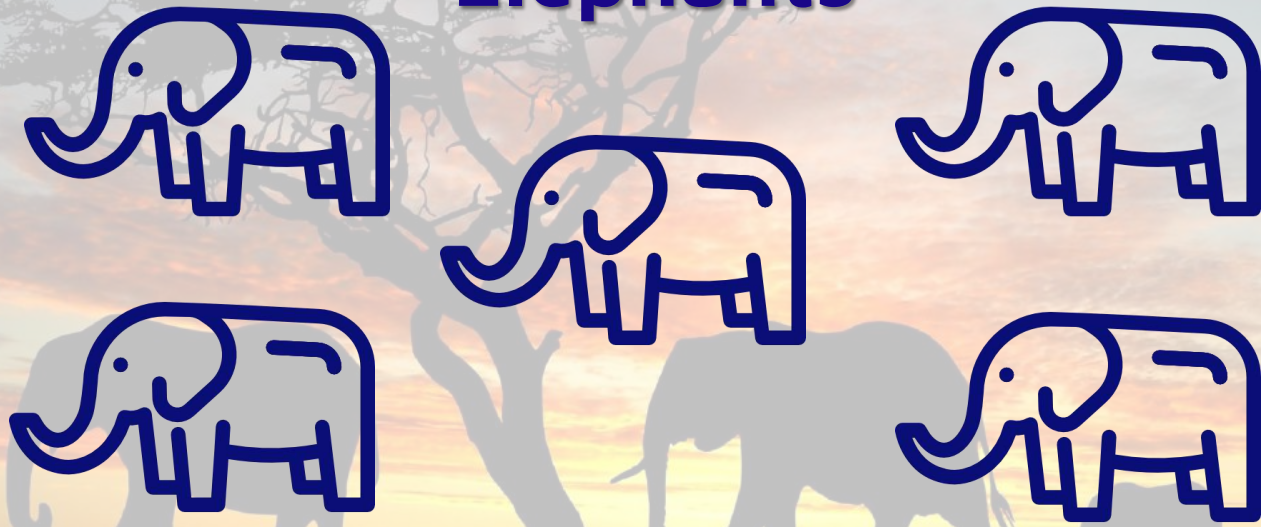
	Worst Case	Middle Case	Best Case
Game Plan			
Product Direction			
Headcount			
Revenue Target			
Runway			

# Prioritizing



# Managing Breaking Points

# Elephants



# Speed & Focus



# Managing 'Breaking Points'

They are a great opportunity

- **Declare (!)**
- **Gather all 'resources'**
- **Analyze - Remap KRs, Key Activities, Elephants**
- **Reflect and iterate**

# Receiving Feedback

- **Be Proactive – ask for it.**
- **Acknowledge it – echo.**
- **Appreciate it.**
- **Act on it.**

# Giving Feedback

1. Ask for permission, ensure the setting.
2. State the trigger event - be factual.
3. State how that trigger behavior makes you feel
4. State thoughts, opinions and judgements around trigger.
5. Make a request (better positive than negative).
6. Ask if the person accepts the feedback & request.



# Quick Summary

# Quick Summary

1. Decide on your **KPIs** (North Star?)
2. Figure out your **Objective Key Results** (end of 2020)
3. **Prioritize To-Do's** and create a workplan (**Gantt**) to meet each **Key Result**
4. **Align** Gantt with OKRs and **set processes** to track and manage everything

(It's okay to change & pivot)



**Your turn.**

**Exercise!**

- ❑ Create a detailed workplan for every Objective and its respective Key Results.
- ❑ Define milestones, key activities & opportunities.

**30-45 minutes**

**Busy  $\neq$  Progress**



**Questions?**