



From KPIs to OKRs: What's the Difference?

Measure performance. Drive change. Know the role of each.



What Are KPIs?

Key Performance Indicators (KPIs) are **ongoing metrics** that monitor the health, efficiency, or quality of something important to the business.

- They **track performance over time**
- They are **stable** and often **long-term**
- They help answer: “*Are we doing well?*”



Examples of KPIs

- Uptime (% availability)
- Churn rate
- Conversion rate
- Average ticket resolution time
- Monthly recurring revenue (MRR)

KPIs are like the **dashboard of a car** — they tell you how things are going.



What Are OKRs?

Objectives and Key Results (OKRs) are **temporary goals** that focus the team on *change*. They help you define what success looks like **in the next cycle**.

- They are **ambitious and time-bound**

- They are **set by teams**, not just leadership
- They help answer: *“What do we want to change or improve?”*

Structure of OKRs

- **Objective:** A clear, inspiring goal
- **Key Results:** 2–5 measurable outcomes that show progress toward the objective

Example:

 **Objective:** Improve user onboarding experience **by the end of Q2**

✓ KR1: Increase activation rate for new users (within 7 days) from 35% to 50%

✓ KR2: Reduce drop-off in onboarding step 2 by 30%

✓ KR3: Maintain Customer Satisfaction (CSAT) ≥ 4.5 for onboarding experience during the quarter

KPIs vs OKRs – Key Differences

	KPIs	OKRs
Purpose	Monitor performance	Drive focused change
Time frame	Ongoing	Time-bound (e.g., quarterly)
Stability	Usually stable	Changes every cycle
Ownership	Often owned by function/leadership	Owned by teams
Inspiration level	Neutral — describe “what is”	Motivational — describe “what could be”

Using KPIs and OKRs Together

KPIs tell you what’s steady. OKRs tell you what you’re changing.

You can use KPIs to inspire OKRs:

- If a KPI is flat or below target → set an OKR to improve it

- If a KPI matters but hasn't changed → use an OKR to spark movement

Example:

KPI: Average delivery time = 5.4 days

OKR: Reduce average delivery time from 5.4 to 3.5 days by end of quarter



More about the Team OKR book at:

<https://caroli.org/en/livro/team-okr/>