

OKRS AND BHAGS: WHAT'S THE DIFFERENCE?

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INTRODUCTION

OKRs and BHAGs: What's the difference?

In *Measure What Matters*, John Doerr touches on “Big Hairy Audacious Goals” (BHAG)—Jim Collins’ memorable phrase in his book, *Good to Great*. According to *Good to Great*, a BHAG can be defined as:

...a huge and daunting goal—like a big mountain to climb. It is clear, compelling, and people “get it” right away. A BHAG serves as a unifying focal point of effort, galvanizing people and creating team spirit as people strive toward a finish line. Like the 1960s NASA moon mission, a BHAG captures the imagination and grabs people in the gut.

Simply put, a BHAG is a goal that pushes boundaries and challenges the company to reach ambitious goals. It sits in the same OKR family as a stretch goal, a 10x or “moonshot” goal, or an aspirational goal in that they all seem to defy possibility.

Still, there are differences between BHAGs and these other objective and key results goal-setting techniques. In this resource, we’ll explain what they are as we answer these questions:

- What is an example of a BHAG?
- What’s the main difference between BHAGs and OKRs?
- How can BHAGs complement OKRs?
- What kind of long-term goals are set with BHAGs?
- If I have more questions, where should I send them?

What is an example of a BHAG?

Collins commonly uses the moon mission in the 1960s to explain BHAGs. [President John F. Kennedy's May 25, 1961 exclamation](#) "that this Nation should commit itself to achieving the goal, before this decade is out, of landing a man on the moon and returning him safely to earth" is a great example of a BHAG.

[As Jim Collins writes](#), "The moon mission didn't need a committee to spend endless hours wordsmithing the goal into a verbose, meaningless, impossible-to-remember 'mission statement.'"

The world transparently understood: the U.S. would put a man on the moon—and bring him back safely.

What is the main difference between BHAGs and OKRs?

There are a couple of "big" difference between BHAGs and OKRs.

First and foremost is that a BHAG is a long-term goal that changes the very essence of a team's existence. Because of this, a BHAG will outlive a typical OKR cycle as BHAGs are usually crafted for commitments 10 to 30 years out. For example, Apollo 11 didn't walk on the moon until 1969.

An OKR cycle, on the other hand, is generally quarterly based within an annual plan.

Another major difference between OKRs and BHAGs is that OKRs don't always have to be so groundbreaking: they are a means to accomplish your goals and intentions with time-bound and measurable milestones. With OKRs, you can walk on the moon, set sales goals, but also train for a marathon.

How can BHAGs complement OKRS?

A BHAG can help a team re-imagine the industry they are in—to think in leaps versus incrementally. Once your team has a BHAG in mind, OKRs are the particulars on how you will achieve every step towards that reinvention.

BHAGs differ from the other goal-types in that they are really built for long-term, far out, overarching goals. Something like an aspirational goal, on the other hand, can still be quarterly-based despite its fluidity.

What kind of long-term goals are set with BHAGs?

Classically, there are four different kinds of BHAGs and all of them can be used with OKRs.

A Target-Oriented BHAG is what the moon landing was. But the target can also be quantitative, like the WhatMatters.com team's goal of helping another 1,000 teams achieve operating excellence through OKRs together.

A Competitive BHAG, also sometimes called "Common Enemy", is a goal that is directed at beating an agreed upon foe. The moon landing also fits into this as the 20th century was really a space race between the United States and the former Soviet Union. But another example is Nike's 1960s mission to "Crush Adidas." However, Competitive BHAGs are a double-edged sword because what happens when you defeat the enemy and become number one?

A Role Model BHAG is where a company picks another business or person and tries to emulate their success. This is best done by smaller, up-and-coming organizations or late joiners to the game. In the 1940s, Stanford made it its mission to become the "Harvard of the West." By the 1970s, it was jokingly calling Harvard "the Stanford of the East."

Lastly is the Internal Transformation BHAG, which work best for large, established corporations that seek to reinvent themselves internally. A good example of this is Netflix, a company that uses OKRs and has since the beginning. Netflix had two major transformations throughout its existence. Not only did it switch from an online DVD rental store to majority streaming in the mid-2000s, it again recreated itself in 2013 when it started offering original content with its debut series "House of Cards."

If I have more questions, where should I send them?

We love getting questions! For anything OKR-related, email us at hello@whatmatters.com.



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