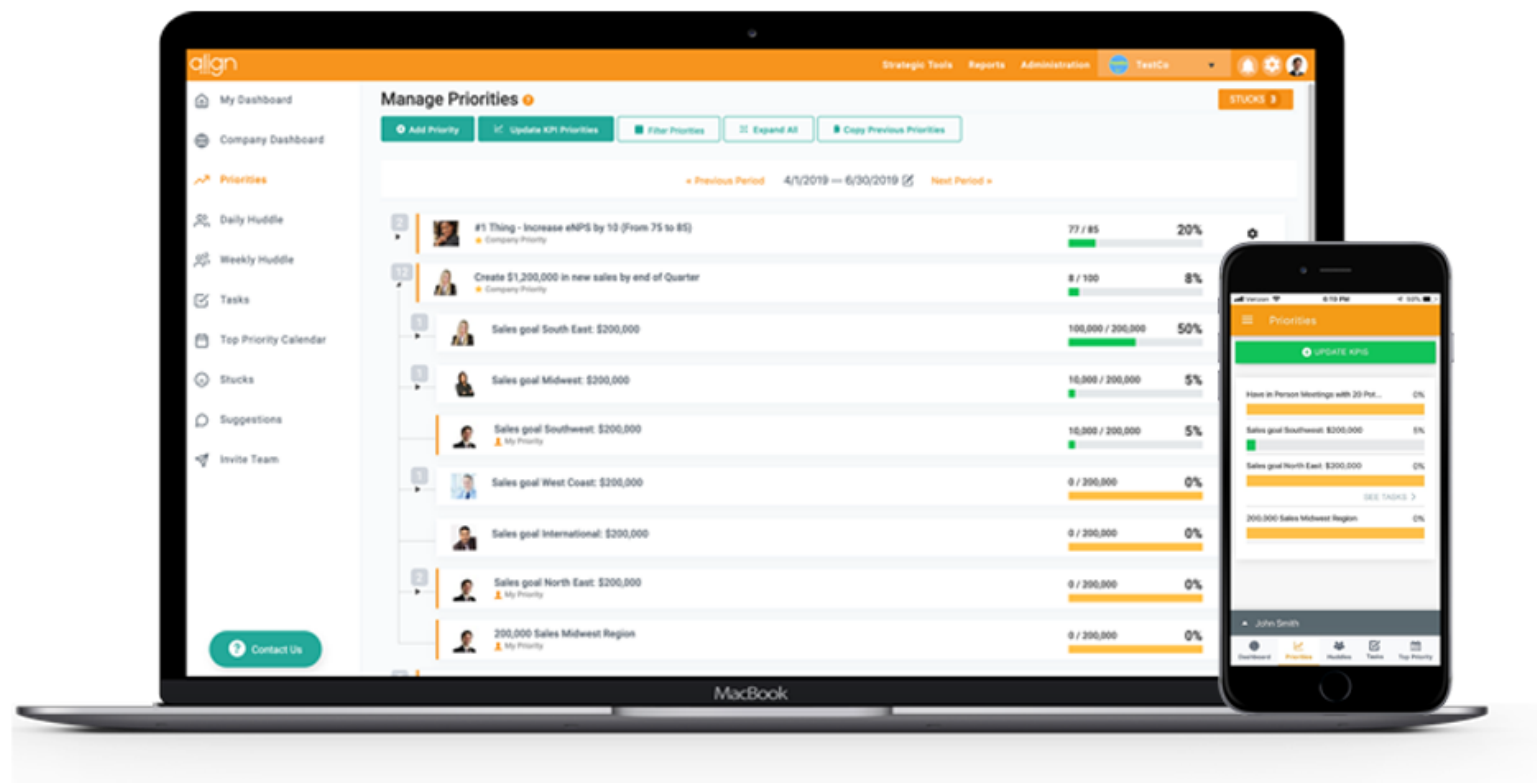# MEASURE WHAT MATTERS IN ALIGN



Every executive has a set of numbers they review daily to check the vitals for their bottom line and the vision for growth.

Imagine if your entire team started their day focusing on those metrics every day as well.

How much faster could your organization course correct or identify opportunities if they did?

That's what the measurement tools in Align help with. Targets, Critical Numbers, Priorities and KPIs help you visualize where you want to go and track progress daily.

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# WHERE TO START?

It can feel a little bit like the chicken and egg complex. Most companies fall in one of these two camps when we meet them.

You have a few areas you already know you want to focus on but haven't yet created a game plan.

Start by putting those 3-5 current goals as priorities in Align. From there, cascade the priorities down to individuals so you create a connection between individual work and company goals. Your top-line objectives become a part of everyday work. Over time, with everyone rowing in the same direction you build capacity to achieve even more.

You have a strategy in place but aren't feeling the traction because it's stuck at the top with your executive team or leadership.

Add your "knowns" into Align. Start with the strategic plan, followed by the individual targets (often an annual plan). Then break that into SMART priorities for each quarter remaining in your plan period and cascade them to your team. Once you have empowered everyone to help achieve those goals, your team will get aligned and focused on the right things. With every individual engaged in your plan they have the direction to prioritize better, increasing your growth capacity for when you create your next plan.

# MEASUREMENT TOOLS IN ALIGN

**TARGETS**
The milestones you reach on your journey to your BHAG. Often broken down by 3-5 years, annual and quarterly views.

**CRITICAL NUMBERS**
Derivative of targets. The 3-5 leading indicators of success for the quarter. They drive the focus of your execution.
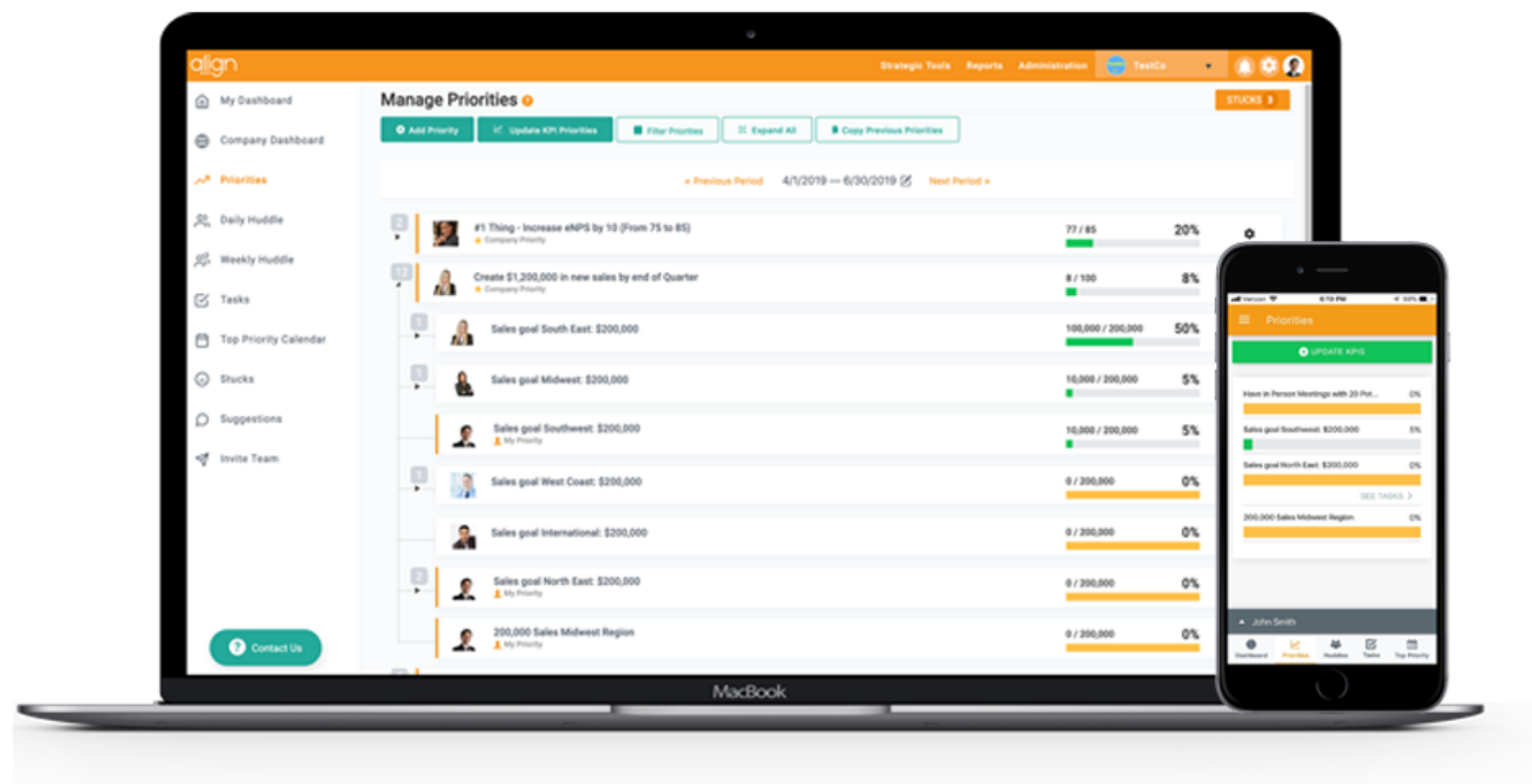
**SMART PRIORITIES**
The action items and the results you need to be successful this quarter. The link between your strategic plan and your day-to-day work.

**KPIs**
Key performance indicators that measure progress of your daily work.

# WHAT NEXT?



Creating company-wide focus on important metrics is more involved than tracking your bottom-line numbers in a spreadsheet. The measurement tools in Align help teams with the following:

- Identify the metrics that matter most.
  - What are the metrics that indicate success this quarter?
  - What are the actions that matter most that affect those metrics ?
- Track and evaluate performance throughout the quarter.
  - What are the right units of measurement for assigned items?
  - What is the right cadence for updating and evaluating?
  - What do I do with this info on a day-to-day or weekly basis?
- Harness data trends to make predictions and discern next steps.
  - What worked or didn't work last quarter?

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# CRITICAL NUMBERS

*Managing critical numbers in Align.*



## 3-5 NUMBERS THAT MATTER MOST

Critical numbers are managed in the One Page Strategic Plan in Align. Only admins can update critical numbers, but they are visible to all. Once added here, they will populate on your company dashboard.
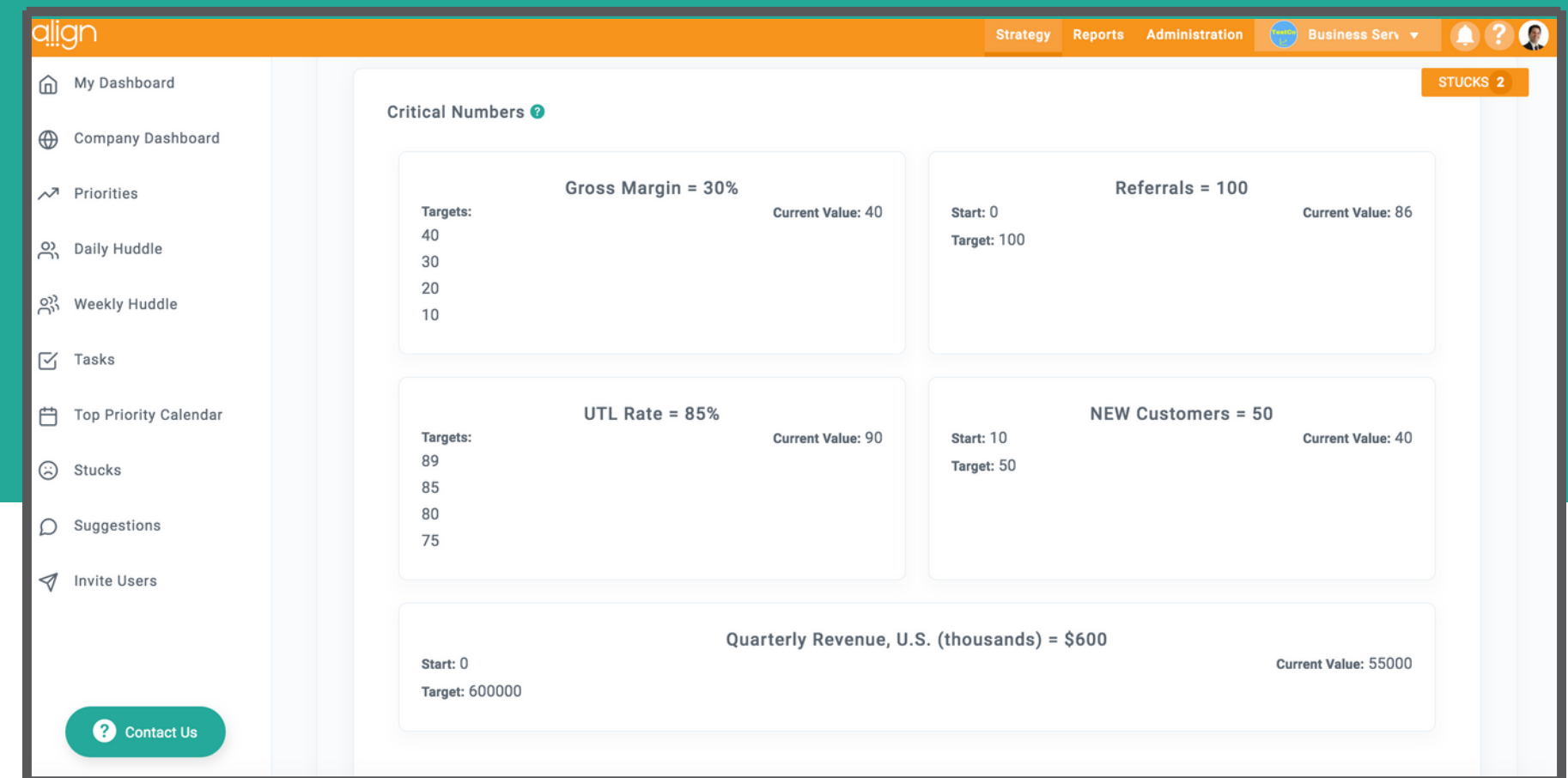


When to use time-based critical numbers:
- You expect steady, linear progress towards your goal value throughout the period.
  - In the example above, customer referrals typically progress linearly throughout the period, there won't be volatility back and forth.

When to use custom targets for your critical numbers:
- The values of the critical numbers aren't expected to progress linearly through the quarter.

# CRITICAL NUMBERS

## *What do the colors mean?*

Critical Numbers are the vital signs for your business. Everyone should be looking at them everyday. Progress is displayed on the Company Dashboard with color indicators for both time-based and custom target critical numbers.

## TIME-BASED

The status bar is positioned in red, yellow or green ranges based on where your current value is relative to the target value.

The period progress bar displays the time lapsed in the period.

## CUSTOM TARGETS

At time of creation, you set target thresholds that correspond to red, yellow, green and super green.

Here's what they mean:
- **Super green** is your stretch goal for the quarter. Set the target 20% higher than what you think you can achieve.
- **Green** is your margin for success.
- **Yellow** and **Red** indicate how significantly you are off target and should be a catalyst for action to be taken.
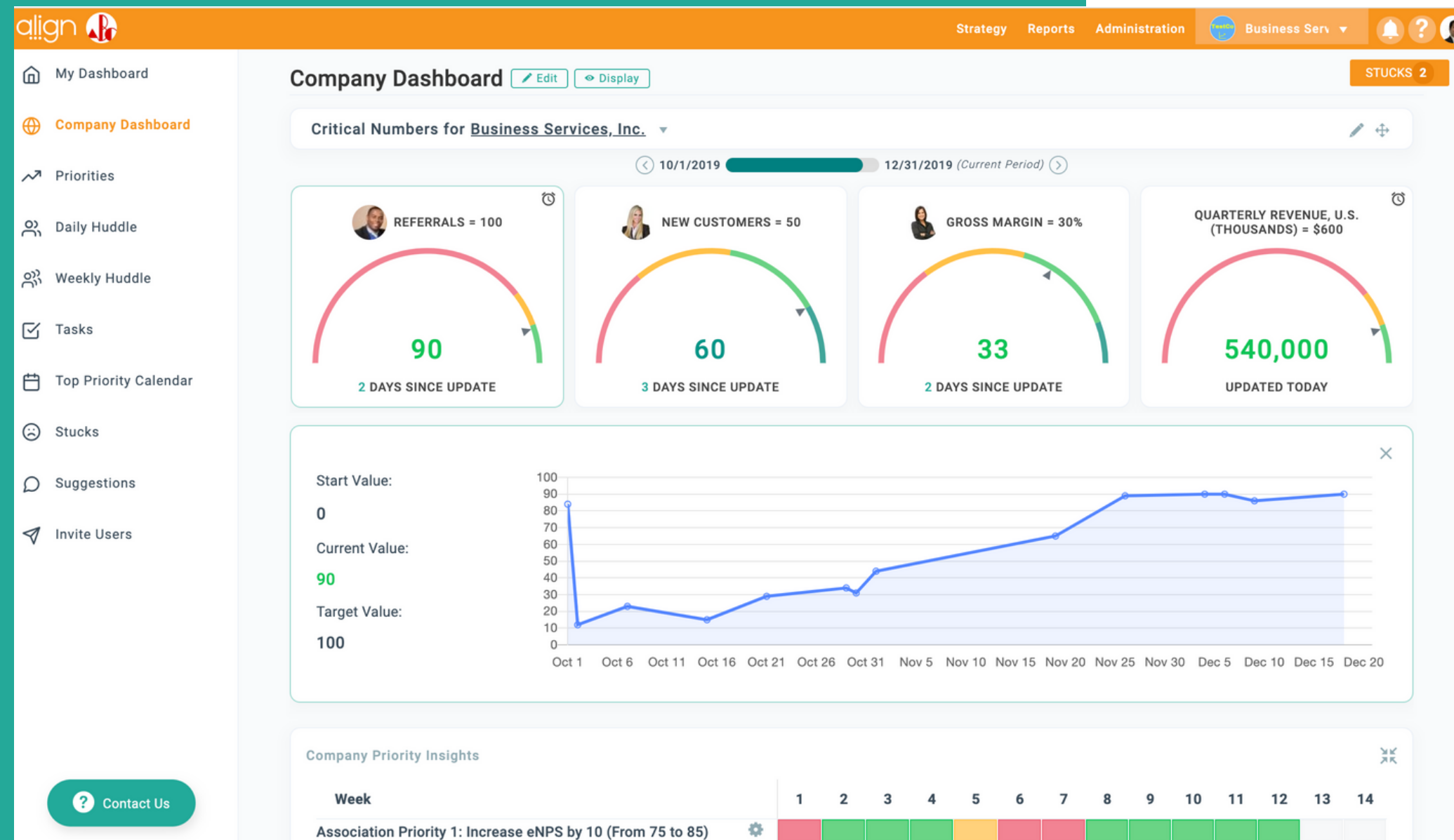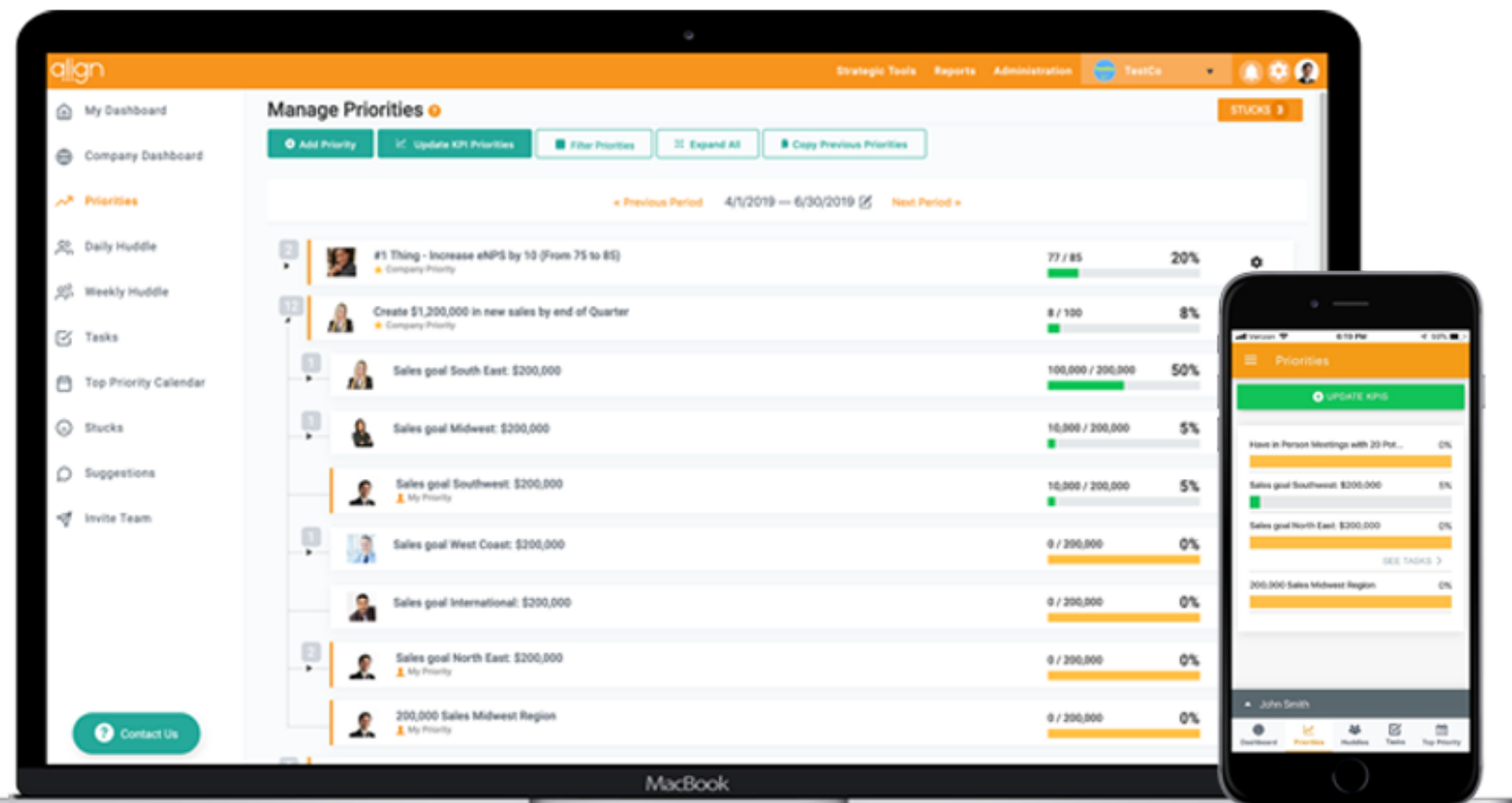
# PRIORITIES

*An overview of Priorities in Align.*



## WHAT IS A PRIORITY?

Priorities are a link between your quarterly strategic plans and your day-to-day work. They are the basis for aligning your company, team and individual work with the number one thing you need to accomplish this quarter to be successful.

Priorities are a mechanism for managing and tracking goals. We'll illustrate how to create these in Align and other aspects of using Priorities, including:

- Defining the #1 Company Priority
- Constructing SMART Priorities
- Creating Company Priorities
- Cascading Priorities
- Measuring Progress

# CONSTRUCTING SMART PRIORITIES

## SPECIFIC

The specific desired result of the priority should be stated, not necessarily the action you will take to get there.

## MEASURABLE

How do you quantifiably know the result is achieved? What is the KPI that equates to success?

## ACTIONABLE

You should be able to execute and build action items to get to 100% priority completion.

## REALISTIC

Strike a balance between something you know you can easily achieve vs. something too lofty. The priority should be aggressive enough to push you beyond your comfort zone and keep you growth-focused, but also within the realm of what your resources and constraints allow you to achieve. Reference performance activity from previous quarters or see if there are any benchmarks to build upon.

## TIME-BOUND

lAlign defaults to quarterly, or 12 weeks because we have found that is the most effective for most organizations, but you can adjust the time settings if quarterly does not match your rhythms. If it's something you can complete in two weeks, then it's not a company priority - it's likely a task or small project.

# DEFINING THE #1 COMPANY PRIORITY

## In short, answer the question: What is the #1 thing the company needs to accomplish to be successful this quarter?

Reference your annual and quarterly targets as a start - your number one quarterly priority should move you closer to your annual targets. The purpose is to create focus and align company activities in a single direction.

## How it fits in with your Critical Numbers.

Both are tools intended to drive focus and execution throughout the quarter. Companies often create the critical numbers and the #1 priority in tandem. They are two separate objects in Align, but to reinforce focus one of your critical numbers can be a metric aligned to your number one priority.

The other critical numbers provide balance and additional context to the health of the company. For example, customer satisfaction (CSAT) may not be your number one priority for the quarter, but you want to monitor CSAT as it's an important indicator of how your customers feel about your product.

## USING OKRS?

If you're implementing the OKR framework, Priorities are where you state the objective and the quantitative desired results. KPIs are how these objectives get measured - the leading or lagging indicators of how you are doing.

# WHAT THIS LOOKS LIKE

If you have a company goal to expand content distribution, a priority designed to achieve that could look like:

- *Sign up 20,000 new subscribers this quarter*

This works because:

- It's actionable - uses active tone and starts with a verb
- The specific desired result is stated, so you know how success is defined
- It's quantifiable with a clearly indicated measurable
  - How to pick the right unit of measurement and know if it's realistic? That's going to be subjective to your business, but a good place to start is to consider your constraints, your capacity and if there are any benchmarks you can build upon.

## RULES OF THUMB

Priorities should always have a verb, a noun and a number. This is a quick gut-check to ensure you've captured what 100% completion entails.

All priorities need an assigned owner. This person is not necessarily responsible for all action items associated with the priority, but they are *accountable* for them.

# CREATING COMPANY PRIORITIES

*Setting this up in Align & cascading them down.*



## LIMIT TO 3-5 COMPANY PRIORITIES

A function of priorities is to create focus around where to spend the most time and energy this quarter to have the biggest impact. For scaling businesses, everything can seem like a priority. To really hone in on what should be a company priority consider the following:

- Does it align with the number one thing I need to accomplish this quarter to move closer to my annual targets?
- Will it pull resources away from completing the number one thing?

You can't accomplish everything. Having too many priorities becomes equivalent to having none.

Company priorities will be flagged on the Manage Priorities page.

# CREATING COMPANY PRIORITIES IN ALIGN

## Priority Details

**Priority Name**

[                    ]

**Priority Owner**

[ John Smith          ]

**Parent Priority** ❓

[ Start typing to search priorities ]

**Description**

[                    ]

☐ **Company Priority** ❓

**Visibility**

[ Everyone          ▼ ]

✅ **Save Priority**    ➕ **Save and Add New Priority**

**Nevermind, Cancel**

---

The Priority Name should be constructed using the SMART formula.

Assign the Priority Owner. Select from all of the users in your Align account. The Priority Owner is accountable for the Priority completion and should be updating priority progress at least weekly.

Select this box to indicate Company Priority. This will trigger the Company Priority flag on the Manage Priorities page.

By default, all priorities in Align are visible to everyone. To create focus and alignment, Company Priorities should be visible to all.

# HOW THE PRIORITY IS MEASURED

On the Create Priority slideout, you can also select Priority Type, Manage Tasks and enter comments.

Priority Type will determine how progress to 100% completion is calculated. You can select from the following options:

### KPI Driven
- Use one of the specific KPI Units in Align, or simply record the values. By default, the unit of measurement will be a number value.
- Priority progress for KPI Driven Priorities is calculated as current value, relative to the start value, divided by target.

### Rollup
- Rollup Priorities consider all of the child priorities beneath it. The status is calculated as the average percent complete of each child priority.

### Task Driven
- Progress on Task Driven Priorities is calculated as the number of tasks completed divided by total number of tasks.

# CASCADING PRIORITIES

## *Creating child priorities in Align.*

Child priorities align individual work with the overarching company priorities. They connect all levels of the organization to the big picture. Everyone can see how their work moves the needle for the company.

Most companies in Align have at least 3-5 priorities assigned to each individual. The goal is to have most of them ladder up to a company priority to reinforce focus around the work that will move your business closer to your annual targets this quarter.
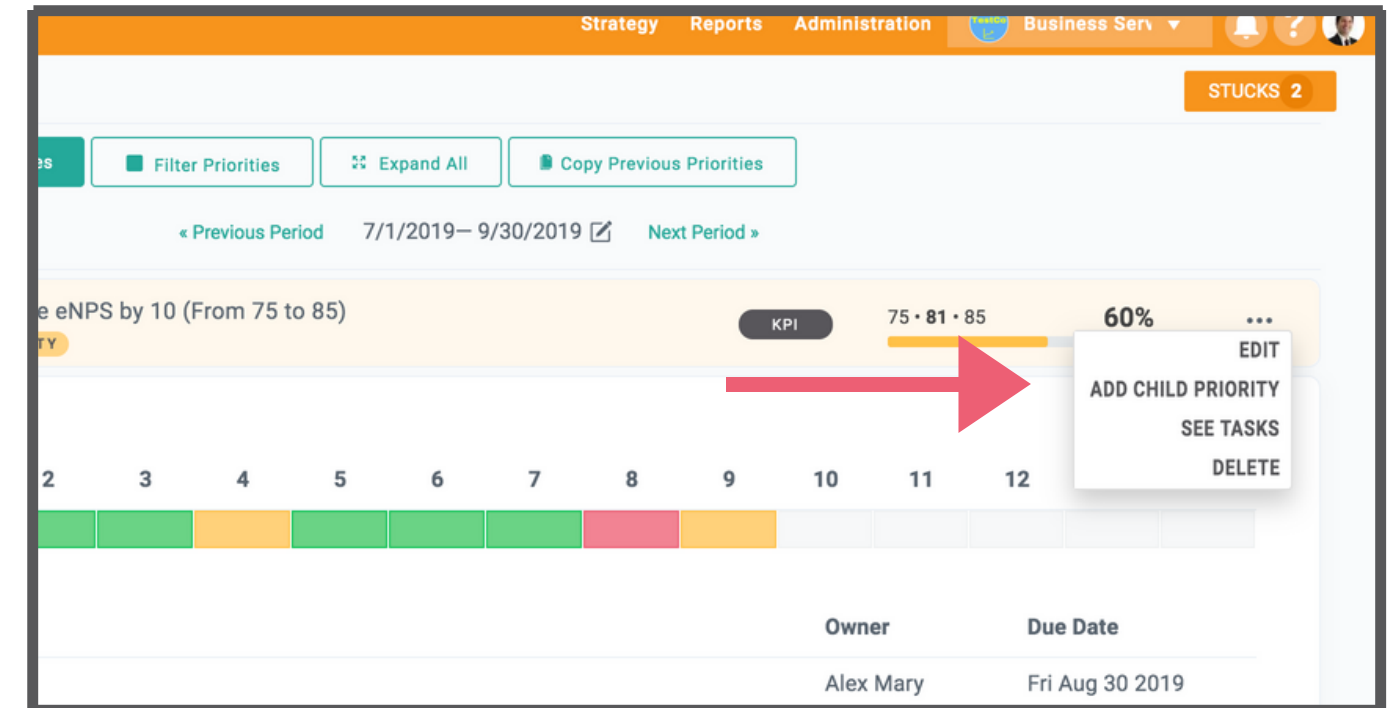


To create child priorities, hover over the three dots on the right hand bar. Click Add Child Priority from the dropdown menu.



You can also create a child priority by clicking the Add Priority button at the top of the Manage Priorities page. In the Priority Details slideout, select a parent priority from the dropdown.

# THE MANAGE PRIORITIES PAGE

*What to glean from this priorities view.*



On the Manage Priorities screen, you'll see all priorities in your company. If you click to expand a priority, you'll see a heatmap view of how the priority progressed through the weeks. You will also see the tasks associated and the priority type at a glance.

You can use this screen to get a quick diagnostic of your company's progress against your strategic goals. Teams also use this page to filter and sort priorities and do a deeper dive into progress during weekly huddles.

Priority owners should aim to update their KPIs and tasks daily and at minimum weekly so the page is always reflective of real-time progress.

# ANNUAL TARGETS IN ALIGN

## HOW TO PICK ANNUAL TARGETS

From your 3-5 year targets, you'll set your 1 year targets. They will likely be inclusive of your 3-5 year targets, but can also include a broader set of metrics you use to gauge the total health of your business throughout the year. Set your annual targets so you are on pace to meeting your longer term targets.

Examples of annual targets could include:

- Expenses
- # of users
- # of employees
- Conversion Rate
- Quality Metrics
- Training Hours
- Down Time

- Cost of Customer Acquisition
- Churn Rate
- Total Qualified Leads Generated
- Customer Satisfaction
- Capacity Utilization
- Safety Metrics
- Inventory Turns

# 3-5 YEAR TARGETS
# IN ALIGN

## HOW TO PICK 3-5 YEAR TARGETS

3-5 year targets are the future-focused milestones you hit on the journey to your BHAG (Big Hairy Audacious Goal). They are typically aggressive and aspirational goals for financial metrics like revenue, profit or market capitalization.

Many companies use these as benchmarks:
- **Revenue:** *today's revenue x growth rate*
- **Profit:** *industry profitability x 3% x revenue*

These are only examples. Your targets will be specific to your BHAG, your industry and your capacity.