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Measuring Alignment



The Leading Indicator Of **Business Results**

Case Study: Measure alignment to detect hidden obstacles and give executives a clear understanding of how to remove them



In a LinkedIn poll of 20,000 business leaders, 73% chose "alignment" over engagement, strategy, culture as the most important factor in business results.

Case Study: Measuring Strategic Alignment

In this case, the CEO of one venture-backed big data company suffered a nagging doubt that key team members lacked 100% confidence in the vision and strategy. The CEO knew the accelerating wave of the big data market represented a huge opportunity for the company, and any lack of confidence in the team felt like a big risk of missing that opportunity.

He found it difficult to tell how much of the team's doubts represented important "signal" to pay attention to, and how much were simply "noise" normal to any team facing a challenge.

Bryan Franklin, a consultant he trusts, suggested that what he was sensing was lack of alignment, and that it could be measured and then dealt with directly.

"When alignment is missing but assumed to be present, it acts like a vague curse: A hidden, corrupting drag on executives, culture, and results"

Your Team Might Have "Cancer" And Not Know It

"I explained four or five possible negative outcomes that result from poor alignment, and the CEO recognized that those outcomes were *already present*. He was feeling the pain, but he hadn't yet tied them all to issues of alignment," reported Bryan.

- High performers on the team were mistrusting each other
- The CEO was privately wondering if one of his VPs might be the wrong fit and needed to be replaced
- A Co-founder was creating conflict around ownership and equity issues
- One key department was starting to lose some good people
- The team met short term tactical goals, while more strategic goals were missed





Good Short-Term Results Masking Critical Long-Term Issues

Even though the team had met revenue targets for the last two quarters, the future depends on making the right strategic decisions and executing on those decisions. The CEO knew that if these key issues were not addressed, then his company would miss their short market window, fail to get another round of funding, and the whole team would suffer a career-limiting setback.

Although initially the CEO saw these issues as unrelated, Bryan suspected that lack of alignment was the root cause that linked them all.

The concrete alignment measurement tool chosen was a **Holograph**, a new predictive performance measurement tool from Holometrics.

Examples Of Strategic Objectives:

"Reduce customer churn by 1% so that we can afford to invest more in customer acquisition"

"Build data assets to increase our intellectual property and the valuation of the company"

"Upgrade our hiring practices and candidate experience so that we can demonstrate our value of being a great place to work"

Strategic Objective:

A specific, measurable goal important to the whole organization and deserving of cross-functional attention, achievable within 90 days to 1 year.

The Starting Situation: Assumed Alignment

As is true in most companies, the CEO believed that the leadership team—and company as a whole—understood the top **strategic objectives** and what was most important each day to achieve them. The CEO predicted that the executives were at least 90% aligned.

As is also true in most companies, the reality revealed by Stage One of the **Holograph** turned out to be different: there was a lot more disagreement and confusion than the CEO thought.

Bryan Franklin recalls:

"The alignment issues were difficult to observe. People were generally positive about each other and about the company, but tough issues were only spoken about in general terms, which can often hide lack-of-alignment"



Stage One: Define Strategic Objectives and Measure Alignment

In order to measure alignment behind the company strategy, the executive team first expressed the strategy in terms of tangible **strategic objectives**. Using the Stage One of the **Holograph**, each executive proposed possible **strategic objectives**, voted on which ones were most important, and agreed quickly on the top three.

Instead of a time-consuming strategic offsite, this was accomplished asynchronously using the **Holograph** multi-voting system in just a few minutes of executive attention.

Three Camps

For this big data company, three distinct camps in the company became clear in Stage One. Each camp had their own strategy and, in their minds, were fitting the current activities into the strategy which they thought they were executing on.

1 Product Camp: Assumed the long term value was in building products. "We're just going to try to pay the bills until we can find a killer app product that secures the future growth of the company."

2 Services Camp: Assumed the long term value was in services. "We're going to grow the largest services company in the world and we're going to use these technology apps, these applications and products, to differentiate our services."

3 Data Camp: "We're going to position ourselves to manage the largest and most valuable data set in the industry, which we can then use as a platform for new products, services, and partnerships."

All three camps require apps, services, and data, but the strategic emphasis among them is quite different. While that might seem to the casual observer as merely semantic, that difference created significant execution issues.

Without strategic alignment between these three camps, it was nearly impossible to answer questions like, "How many salespeople should we hire?" or, "How much of our profit should be diverted towards building apps?"



The insights revealed by the alignment data from a Holometrics Holograph™, creates high-value, high-impact, fact-driven conversation among leadership.



Alignment: The Hidden Root Cause

Holometrics Quantified Alignment

Holometrics Alignment Holograph
Strategic Initiatives

Please answer questions according to your personal opinion and perception. Your feedback will always be held confidential by Holometrics. We guarantee your anonymity.

* 6. To what extent do you sense if and how your day-to-day work contributes to the following strategic initiatives?

Our objective is to improve our production efficiency so that we remain more competitive, timely, and improve margins

Our objective is to improve our marketing platform so that we reduce customer acquisition cost

Our objective is to complete our CRM integration so that we have more seamless and effective sales

* 7. Does your immediate team have a track record of achieving what you set out to do?

- 1 – We have consistently missed our stated objectives and deadlines
- 2
- 3
- 4
- 5
- 6 – We have consistently met our stated objectives and deadlines

* 8. Do you feel the people you work most closely with prioritize the following strategic initiatives?

Our objective is to improve our production efficiency so that we remain more competitive, timely, and improve margins

Our objective is to improve our marketing platform so that we reduce customer acquisition cost

Our objective is to complete our CRM integration so that we have more seamless and effective sales

Back

Stage One of the **Holograph** had already exposed clear alignment issues between the three camps, which were not clearly defined or understood until now.

The CEO started to see that his personnel issues and nagging feeling might all be connected to alignment. In this case, the missing alignment revealed in Stage One was with strategy.

He gave the green light to begin Stage Two of the **Holograph**, choosing to get feedback from the entire organization about the top three vote-getting **strategic objectives** from Stage One.

In most companies, executives have no data to show the degree to which employees and other resources are aligned behind strategic objectives. Without alignment data, strategic errors are common.

Stage Two: A Light-Weight Survey Of The Whole Company

For Stage Two of the **Holograph**, each employee took about 15 minutes to answer a survey with questions like:

"Are these the right strategic objectives?"

"To what extent do you sense if and how your day to day work contribute directly to these initiatives?"

"Does your immediate team have a track record of achieving what you set out to do?"

It took about two weeks to gather the data from employees. The results revealed that the company faced an even more important problem than lack of alignment with strategy...



Phase Two: The 8 Dimensions of Alignment

Measured in a survey that takes only 15 minutes





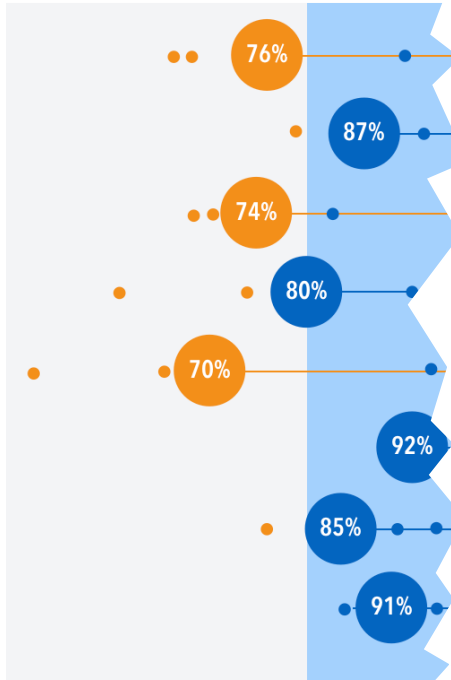
The Insights Meeting: A Roadmap To Full Alignment

Once the Second phase was complete, leadership held a 90-minute "insights meeting" with Holometrics consultants there to help interpret the results.

The results of the **Holograph** made it clear to all the executives that the lack of alignment in the organization was preventing success. Not just the lack of "strategic" alignment that the CEO could sense among the management team, but less visible issues in many of the **eight dimensions of alignment**, especially "capability."

"This was the most important meeting in my entire career as an executive"

- CEO and Holometrics Customer



The executives in the insights meeting experienced long-sought relief and velocity towards a common goal, combined with new clarity about what was and wasn't actually happening.

Because the **Holograph** is comprehensive in the ways it reveals key factors that could get in the way of a company's successful execution of any **strategic objective**, the leaders knew they were looking at data that could make or break their company.

In *ordinary* executive meetings people make opinion-based statements like, "Well, I know that engineering can do it, but we're worried about whether sales can execute." Because there's no visibility into how the actual engineers feel about whether they can do it, nor how the salespeople feel about whether they can do it, the opinions have no facts to ground them.

At this meeting, the **Holograph** brought those facts to the surface and allowed the CEO to finally distinguish the "signal" from the "noise".

As a result, that Insights meeting generated profound impact where the leaders saw fresh, predictive, relevant data and responded with aligned actions and decisions.



The Insights Meeting: Brand New Clarity

From their newly informed, high-value conversation, executives aligned around two key findings.

First, it became clear that the reason employees were less engaged than desired was due to doubt about the direction of the company, rather than other theories which had been proposed.

Second, one of the key strategies, a bigger more hopeful one, wasn't going to fly. The Holograph data showed the company didn't believe they could do it.

They also saw that even if they devoted time, attention, resources and money toward acquiring the necessary capacity, the company as a whole didn't believe it was possible.

Immediate Increase In Team Alignment

There were two leaders at the Insights meeting who traditionally held opposite points of view. One always wanted to go fast while the other wanted to go slow; one wanted to go big, the other wanted to proceed with caution. Before the **Holograph**, the CEO felt pulled between the two, obliged to arbitrate.

When exposed to the **Holograph** data, the two executives immediately came into alignment. The CEO recalled, "At the Insights Meeting, in about 20 minutes [these two leaders] came to the same conclusion looking at the data, and then became teammates in a way they had never been."

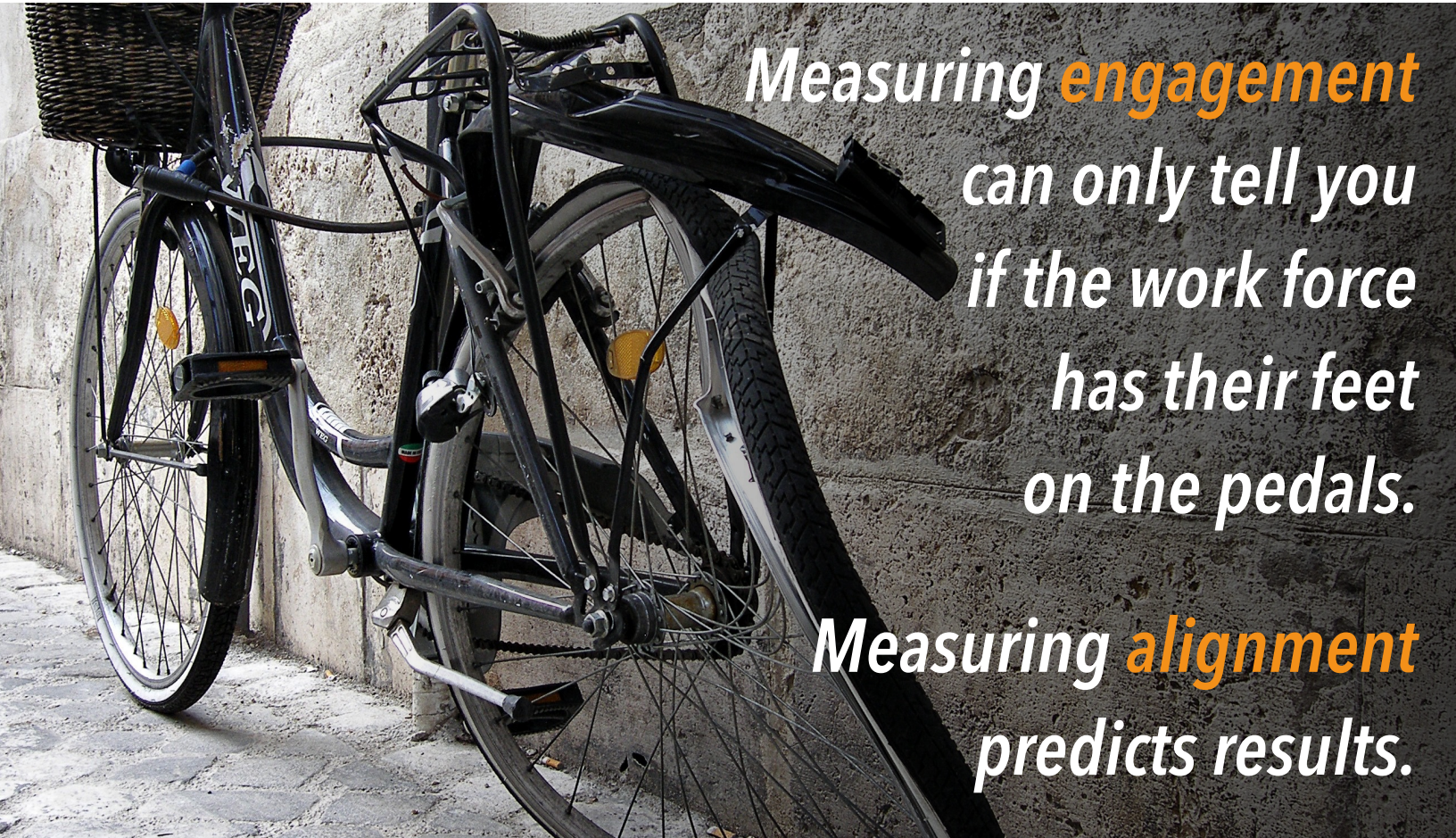
The other shift happened for a new executive. This new person came in with more insight, bandwidth and expertise than his predecessor. He said, "You know, I'm so relieved. I thought because I was the new guy and I didn't understand how this company worked in the past, that I wasn't getting it. Instead, now I understand that I actually was seeing it correctly. Frankly, there are a lot of ideas and insights I had been holding back, but now I see that they are in alignment with the **Holograph** data and I feel confident now that they will apply to this business."



*When alignment is measured,
the results can accurately predict
achievement and effectively direct
leadership focus*



Short Term Value: Immediate Impact Of Alignment On The Executives



*Measuring **engagement**
can only tell you
if the work force
has their feet
on the pedals.*

*Measuring **alignment**
predicts results.*

A Red Herring and a Sacred Cow

One significant conversation that had taken a lot of air time in the executive team was seen through the data to be obviously a red herring, something that takes up a lot of attention but isn't related to achieving results. The **Holograph** successfully put that issue to bed and it didn't come back. That reclaimed an immense amount of executive bandwidth in terms of the amount of time and energy spent together and what they could focus on.

In addition, the company had various projects that had been staffed, that people dearly loved, but it became clear based on the new alignment revealed at the **Insights Meeting** that these projects (sacred cows) were not going to serve the clarified alignment behind agreed-upon **strategic objectives**. The company needed those resources focused on the things that would most increase the chances of success and ultimately the future value of the company.



After The Insights Meeting: Medium Term Value

Many executives resist good measures of performance, KPIs, NPS, and engagement for fear of time-consuming processes

A Holograph sidesteps this by design: less than 20 minutes of asynchronous executive time and then 15 minutes of employee time, once per quarter, to get actionable data.

Seven months after the **Holograph**, things felt totally different at the company to the CEO. The topics that the executives were talking about with each other and the way they were talking about them were almost entirely forward looking, collaborative, and aligned behind a single strategy, which was not the case before.

Even though the feeling of out-of-alignment was vaguely there (but not really admitted) prior to the exercise, the feeling of in-alignment and powerfully making progress towards the right goal was palpable after that. The company had some early wins against their new strategy, which came from the effort to put the sales and product strategies in alignment.

Long Term Value

"The Holograph and the work that followed were a significant part of why we were able to get such a favorable valuation when we sold the company"
- CEO [Big Data Company]

Post Holograph Results: Selling The Company

Following the first **Holograph**, the Holometrics team made a recommendation for a more involved process to fix the problem that the client leadership now all agreed was their number one problem.

They followed that process, and throughout referred back to the data in the **Holograph** to make sure that they were on track and also to validate their conclusions and assumptions back with the employees.

They had created a viable fact-based communication loop, by which they arrived at conclusions which continued to ignore red herrings and kill sacred cows.

Because they had invested in creating unique and valuable IP, on the basis of the Holograph, and because that IP was strategically aligned with their sales and product strategy, they were able to get a favorable valuation in the sale of the company two years later.



Big Data Company Case Study: Holograph Return On Investment

- The CEO saw how each executive prioritized objectives, with some big surprises.
- Three top company-wide strategic initiatives unanimously agreed to by executive team
- Three different "camps" identified and opinions clarified
- Desperate problems throughout the organization linked to a single root cause
- "Undertone" of lack-of-alignment clarified and spoken explicitly, with specific implications understood for the first time

Phase 1

15 minutes of each executive's time

Voting on strategic objectives

- Sacred cows and red herrings exposed
- Executive bandwidth reclaimed
- Product road map and sales priorities completely aligned for the first time
- Poor employee confidence in capability exposed for the first time
- Two leaders dropped opposing views and became true "teammates"
- New executive stopped holding back contributions and insights

Phase 2

Light-weight company-wide survey

90 minute Insights Meeting with recommendations

- Developed a new strategy that took everyone's experience and market intelligence into account
- Dropped expensive projects that were not strategically aligned
- Feeling of alignment palpable on executive team
- Corrections played a significant role in getting a favorable valuation at sale

Long Term

Implementing recommendations based on Holograph data

Additional Consulting Projects As Needed

Cost less than a a1/2 day offsite and takes less time than the average commute



Holometrics Holograph Executive Alignment Tool



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***Contact Holometrics
To Start Your Holograph***

Or schedule a follow up conversation and take a guided tour

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