

Culture Analytics Platform



Didier Elzinga
Co-Founder & CEO

CEOCFO: *Mr. Elzinga, your website indicates, Measure, Learn, Iterate, The power of People Analytics. How does Culture Amp carry out the mission?*

Mr. Elzinga: We have built a culture analytics platform. It is a software product that our clients use to measure, learn and iterate about people and culture.

CEOCFO: *What kinds of information might a company learn that they may not realize without using your platform?*

Mr. Elzinga: It depends on the company. Sometimes there are companies that focus on the customer or on a particular strategy, or being the leader in a particular market. However, by using a tool like Culture Amp you can get an understanding of what motivates individuals. If they do not believe that they are part of a winning company, then that can affect motivation. There are also things like whether or not they feel like the leaders believe the people are important to the organization. They also consider whether there are learning development opportunities. These are things that can heavily influence how motivated those people are and whether or not they are going to stay. The learning for companies can either be on a macro level, where they realize that there might be things that they should be paying attention to, that they are not, across the board, or more commonly it's pockets. There may be parts that are humming beautifully, but there are areas that are not. There are areas where what they are promising their people is not being delivered. Therefore, tools like Culture Amp can help to surface that so that they can address those issues before it is too late.

CEOCFO: *Are companies reacting to the needs of millennials who want to be happier at work and feel different about their careers than people did in previous generations or overall wanting to understand people more and reaching for a tool like Culture Amp?*

Mr. Elzinga: I am largely skeptical on the generation y, x and millennials thing. It is essentially a cohort effect. Therefore, if you go back and look at how people felt when they were 22, thirty years ago, it is not that different to how people at that age today. However, there is a very important point in all of the conversation to which all of the talk about the gen y, x and millennials overshadows. It is that the actual nature of work has changed, which is true for everyone, whether they are 15 or 50. If you go back to 1938, Henry Ford said, "Why is it when all that I want is a pair of hands that I get a brain attached". That was and is the prevailing wisdom for how to motivate people. What do you need to do to get them to move their hands faster? As Daniel H. Pink says very well in his book, "Drive", the way that you need to motivate somebody to do what you would call high cognitive load work, which is work that requires ingenuity, creativity or thinking, and is 99% of work today; what is needed there is very different. The sorts of things that lead to that are the things that we are subscribing to for millennials, such as purpose, autonomy and mastering. Therefore, I do not think that it is just that we have millennials in the workforce, so we have to treat them differently. It is that we are asking people to do a different type of work, because work has changed and if we want to be successful in this world of work and motivating people to do that type of work, then we need to approach them differently today.

CEOCFO: *What goes into a Culture Amp survey that might not be found in a survey developed by another company?*

Mr. Elzinga: We bring together two things. The challenge for many people is if they would try to do this themselves, such as using SurveyMonkey, where you would write your own questions and run your own surveys. One of the questions there is what questions do you ask? Then, how do you use those questions to unearth these full bits of information? We help people by starting with a platform. They are given a very powerful instrument for understanding your people and your culture. We have spent years designing that and we have Ph.D's on staff who were involved in the design. The second piece that sets us apart from some of our other competitors with significant amounts of research and knowledge in this

space, is that we do not believe that there are perfect questions. Therefore, we do not go to an organization and say that they have to ask this question because it is the only question that will ever make sense. We believe that there are good ways of asking questions and we want to help the organization understand that. Therefore, part of our process if you are using the Culture Amp platform, is that actually have one of our team sit down with you upfront and help you design that survey to match your needs. Hence, you would use items or you would customize and use some of your own. I often say to clients that, great survey design is not a psychologist in an Ivory tower telling you what makes people happy, it is a company intentionally describing the experience that they want their people to have and measuring it. We help people solve the latter.

CEOCFO: *How do you handle that in your own company?*

Mr. Elzinga: That is a great question. Being a startup, at the start of the year we were just 14 people and now we just past 30 and in 3 locations. Yesterday we were having a meeting internally and running our own survey, as we have run them in the past, though at 14 people you kind of know what they are thinking. It generally starts at between 50 and 100 people, because at 50 it starts to become uneconomic for one person such as the CEO, to go and talk to everybody. Therefore, the survey is used for a mechanism, but we are just going through that process now, so we are doing it ourselves and even for us it is a fascinating conversation about what to ask and the level of confidentiality. It is always a confronting process and one of our values as a company is to have the courage to be vulnerable and part of that is beating yourself up and letting people tell you do well and do not do well.

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CEOCFO: *Do you work with companies on an ongoing basis or more on a one shot deal?*

Mr. Elzinga: Almost all of our clients are ongoing clients and we have very few people leave us, so that is one thing that is part of our promise, which is that we are not coming to you and saying, “Here, run an engagement survey”. What we are providing a culture analytics platform that they can use to run an engagement survey. In addition, you can capture data in onboard and exit, to look at specific programs like manager effectiveness, and a range of different things where you want to use data to make better decisions about people and culture. The entry point for most companies is something like an engagement survey.

CEOCFO: *Would you tell us about your mobile app and how it is applied?*

Mr. Elzinga: First, we are often asked if we have a mobile app and our answer would be no, because nobody would want to install an application to take a survey. However, what we have done is spend a great deal of time insuring that our application works beautifully on a mobile. It is a responsive application where someone will receive a notification to take the survey and when they click on the link it will open on their phone. It works really well; even down to for some questions we use a 5. like it scale, and there is some academic argument about whether it should be 5., 7. or 11., and from an academic point of view there are reasons why makes sense, but one of the other reasons is that from a user experience point of view, people’s thumbs are relatively wide and 11., is quite wide to fit on a mobile device. Therefore, a 5., works better on a mobile device. From the beginning we optimized it to work and that is because that is where things are going. Then specifically in certain industries, we work with a great deal of retail and manufacturing companies as well, where people are not completing the survey on a staff computer. They are completing in on the smartphone in their pocket. Particularly for food retail and places like that, which have many younger people that work for them, since they do not have emails, we just send it to their smartphones, as they all have them in their pockets.

CEOCFO: *What is different about Culture Amp today? What have you learned over time?*

Mr. Elzinga: That is another great question. The product has been on the market and being used by people for almost three years now and we are solving the problem in largely the same way. For what we have learned over the past three years, there was no shortcut to learning this, and that is much of the user interface. It is not so much in capturing the data, but how you take that data and present it back to people as actionable information. That is actually at the heart of the problem that we are solving, which is not only how we collect this data, but how we present it, so that you can make sense of it and use it. It is about finding the two or three things that they need to focus on to make a difference and to move the needle. Therefore, over the three years we have learned a great deal on our own and in working with our clients, about what works and does not work. Then there are different ways in presenting that information for different types of people in the organization. What the manager needs to see is different from what the executive needs to see. Then it is how we support that whole process. It is probably the sophistication and the understanding of peoples’ needs and consuming the data that has changed the most.

CEOCFO: Are people coming to you because they are aware of the depth of your offering or pleasantly surprised to find out what you have to offer?

Mr. Elzinga: It is a little of both. We were very successful in Silicon Valley, so many of our customers were word of mouth referrals. However, occasionally people will find us through a Google search and then we go through the process in explaining what we offer. They generally find what we offer fantastic, because our goal was not just to create a better tool, but to create a better user.

CEOCFO: What might be different a year from now at Culture Amp?

Mr. Elzinga: We are growing very fast. Therefore, we raised a Series-A in February, to help us accelerate our growth. From the very beginning our goal was to be able to help 10,000 plus organizations become culture first companies by using our culture analytics platform. With the path that we are on already, we are growing much faster than we were three months ago, but our goal is to accelerate that. We are focused on continuing to make the platform faster and easier for people to use, and also to allow them to collect data from different parts of the process and bring all of that data together and use that data. Therefore, we have some really interesting stuff coming in the second half of the year on reporting. That would be, how to take that data and get it to the person that needs to use it and help them act. As we grow and get more customers, that all fades into our benchmark model as well. That is an increasingly rich set of data that we use for both benchmarking, but also for research and helping people understand what things they may need to think about as they move forward.

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