



AMY PRESSMAN, CO-FOUNDER AND PRESIDENT, MEDALLIA

# Lessons From the Silicon Valley

# FAST LANE

Unlike many high-tech startups, Medallia places high importance on a learning culture.





BY TONY BINGHAM AND PAT GALAGAN

**A**my Pressman co-founded Medallia with Borge Hald as a Silicon Valley startup in 2001. Today, Medallia is a so-called “unicorn,” with a valuation of \$1.25 billion as of July 2015, and is the fastest-growing company in the customer experience management software market.

We spoke with Pressman in the Medallia offices in Palo Alto, California.

You've described Medallia as having a fast learning culture. What does that mean to you?

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Here in Silicon Valley, there's an environment of incredibly fast growth and change. It's not just about changes in the size of companies, but also about changes in how people work and how they buy. So we need to create a work environment that keeps pace with that change. To me, it's about making everybody the stewards of their own learning and then using the learning and development function to shepherd, fuel, and accelerate self-learning.

Getting people to take responsibility for their own learning isn't easy. How does Medallia approach that?

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It starts with hiring. We do a culture interview, where we look for signs that people have owned their development and their career decisions. We look for real thoughtfulness about learning and how a person decided to grow and change. We look for a desire to be a quick learner.

When we interview senior-level people, we look for a growth mindset of the type that Carol Dweck described in her book *Mindset: The New Psychology of Success*. That's when a person believes their intelligence and talent isn't a fixed trait, but is something that they can develop continually.

We have a week-long onboarding experience that many people consider life-changing. It's where we invite people into the idea that they own their experiences and their learning. We're here to facilitate and help, but they need to own their development. To be successful here, you need to be very open to what's working and what's not working with you, with your teams, and with the company. And you need to bring a mindset of curiosity, inquisitiveness, and learning to all you do.

What are your thoughts about scaling L&D while the company is growing fast?

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A learning area for us is how to keep the culture really strong as we grow larger. We're now

at 1,000 people, and we look constantly at how to keep the fire for learning alive in the culture. It involves getting lots of feedback on our culture and training, then channeling that data back into what we do.

Our market—measuring and improving customer experience—is a new space, so there isn't an established pathway to get us where we're going. We have to create it. Our Medallians—that's what we call ourselves—are helping create and evolve those pathways over time.

At your headquarters in Palo Alto, there's a library of books for people to read and keep. Tell us about that.

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It's one of the things that contribute to constant learning here. If you read a book that you think is mind-opening or helpful, we'll buy a copy for the learning library.

Another way we put learning in the hands of everyone is an internal site called "I would, I want," where people can sign up to teach or learn different things. Instead of teaching only skills that are specifically related to one's role or function, we teach what people are interested in learning.

Our philosophy is that all learning is good because it facilitates cross-fertilization of ideas, which is the crucible of innovation. We think that engaging people in areas of learning that are important to them pays dividends in both concrete and subtle ways.

It's uncommon to find high-tech companies in start-up mode that have explicit learning cultures. Typically, startups either hire or acquire the talent they need—but you have a different view. What was it about your past experience that shaped your recognition that learning was important in a start-up culture?

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We're creating a market category, so there is no road map. We have to learn by trying things. Silicon Valley is like that. If companies follow a path that has not been mapped out for them, then, in order to succeed, they need to learn quickly.



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You can become obsolete really quickly here. If you want to be the disruptor rather than the disrupted, you have to constantly learn, learn, learn. We're in an ecosystem here in Silicon Valley where it's all about being nimble.

The product that we sell reflects that reality. We wire companies with real-time data from their customers to understand what's working and what's not working so they can take action to eliminate friction points or identify new sources of value for customers. By definition, our product teaches companies to learn fast and be very nimble.

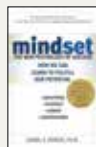
### How does that approach to learning play out in the training you do internally?

We eat our own dog food, as the saying goes. We run feedback on everything we do in learning. Our talent development efforts generally achieve a Net Promoter Score of about 90. It's because we're constantly evaluating what's working and not working and trying to improve.

When we encourage people to act as teachers, we have them practice in front of a panel of people who give feedback about the content and the facilitation. People who are going to

## Recommended Reading

Medallia stocks a learning library with books that employees recommend. These are some of the books mentioned by Co-Founder and President Amy Pressman during our interview:



*Mindset: The New Psychology of Success* by Carol Dweck



*Grit: The Power of Passion and Perseverance* by Angela Duckworth



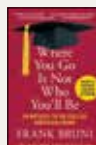
*Hillbilly Elegy: A Memoir of a Family and Culture in Crisis* by J.D. Vance



*What Color Is Your Parachute?* by Richard N. Bolles



*Excellent Sheep: The Miseducation of the American Elite and the Way to a Meaningful Life* by William Deresiewicz



*Where You Go Is Not Who You'll Be* by Frank Bruni

teach also co-lead sessions and receive more feedback. But it's OK if it's not perfect, because that's part of learning too. The last thing I want is for people to hold back on trying to engage in their own learning or teaching because they're afraid of not being perfect.

For programs such as onboarding, leadership development, or sales enablement, we go through a more formal process, but that also involves a lot of feedback.

We have a culture that's very open to feedback. It's a culture where we are constantly evaluating and learning what happened, what worked, what didn't work, and making better or different choices as a result.

[Can you give an example of how that is encouraged?](#)

I encourage tough questions from people at all levels, and when I get one I make a point of appreciating it because I believe it helps open a dialogue. Sometimes I can't answer a question for reasons of privacy or because I don't have an answer at the moment. But that doesn't mean the person hasn't asked a great question.

Probably one of my biggest learnings has been that I don't always have to know the answer. I need to know what I don't know and I need to figure out how I'm going to know it.

[In an interview with the \*New York Times\*, you used the phrase "impostor syndrome." Tell us what that means and how it plays into learning at Medallia.](#)

That's another idea of Carol Dweck's from *Mindset*. Many people leave academic institutions with the idea that they need to have a resume of constant success at work, the equivalent of straight As in school. But deep in their hearts they know that presenting a picture of utter perfection to the world is not consistent with who they really are—human beings with strengths and weaknesses. That can create a sense of being an impostor.

So what I love about a growth mindset is that it invites you to be fully human and comfortable with who you are, and to feel that that is good enough. It enables you to be the best version of yourself. To me, feeling you need to be perfect all the time is something that just hampers people. The faster you can help people break through the impostor syndrome into a growth mindset, the more you unleash them to be amazing.

[In going from a startup to a highly successful and fast-growing business, you must have learned a lot about change management. What lessons can you share about that?](#)

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This is clearly an area where we are learning and trying to get better. Even though people here embrace the idea of being a high-growth startup, changing while you grow fast is very hard. We've learned that we need to communicate over and over about change and use different vehicles, because some people hear things better one way than another.

I'm really adamant about the language we use. In making changes as we grow, there is no "us" versus "them"—there is only "we." I'm allergic to "us"/"them."

And, of course, we collect a lot of feedback about how well we are communicating change, how well it's understood, and how we might do things differently. We hold up the mirror at every turn.

I have anecdotal data that indicates that people who have been here longer are more comfortable with change. If they started when we were 50 people and saw us go through a bunch of change that worked out, then the next time it doesn't feel so scary to them.

[How do you handle performance management at Medallia?](#)

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We do formal performance reviews twice a year, but we try to have more frequent conversations with people about their goals. I like the philosophy of moving people to where their skills and passions are a good fit

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so they're intrinsically motivated. We invest deeply in trying to find a fit between a person and a role for which they have a passion and we have a need.

There was a period early on where we conflated performance and feedback. Performance reviews should be about how you are mapping toward achieving your goals. Feedback should be about your areas of strength and weakness. When you include feedback in a review, you make it hard for people to receive it because their weaknesses become linked to their performance. We want to separate those very clearly.

[Anything else?](#)

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I think education is a huge issue in the United States and that businesses have an opportunity to contribute to the dialogue about teaching active learning early on. Companies like mine want people who are lifelong, active learners, open to feedback. I think business has a role to play in encouraging educational institutions to make students open to honest feedback—and the constant growth and development that comes with it—long before they get to work.

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