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Apigee: People Management Practices and the Challenge of Growth

Ranjeet Nambudiri, S. Ramnarayan, and Catherine Xavier wrote this case solely to provide material for class discussion. The authors do not intend to illustrate either effective or ineffective handling of a managerial situation. The authors may have disguised certain names and other identifying information to protect confidentiality.

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It was another pleasant morning in October 2015 in the city of Bangalore, India when Srinivasulu Grandhi met with senior staff at the Apigee Technologies Pvt. Ltd. (Apigee) office to discuss the road ahead for the company. Apigee was doing well and had established itself in the technology space as a well-known application programming interface (API) provider. The enthusiasm among the senior management was infectious, and everyone wanted to be a part of the Apigee growth story. Much had happened since Grandhi had joined as vice-president and managing director of Apigee’s Bangalore office in 2011. The company had been growing very fast, and its revenues had increased significantly.

When Grandhi joined Apigee, approximately 250 staff worked at the Bangalore office, which, by 2015, had increased to more than 400 employees. To compete in high-technology markets, Apigee needed to build a culture of innovation and learning. At the Bangalore office, Grandhi had taken forward the vision of the chief executive officer (CEO), Chet Kapoor, by building a culture of collaboration, openness to experimentation, and an emphasis on learning. As the company was poised for major growth, there were doubts whether Apigee would be able to sustain and nurture its existing culture. A few members of the senior team wondered whether Apigee would need to modify its crucial human resources (HR) practices in light of its anticipated growth. Would it be possible to connect the growing number of employees with the organizational values of sustaining passion and excellence without creating organizational conflict? Although the fervour of the staff was evident, Grandhi knew that he needed to discuss with the HR team and the senior management the integration of Apigee’s unique culture with its growth plans.

The API Industry

API had disrupted the manner in which businesses operated because of its immense emphasis on the digitization of businesses. APIs acted as interfaces between hardware devices and the applications on which they were used, representing both a business development tool and a new go-to-market channel that could generate substantial revenues. A study by McKinsey in 2013 found that adapting digital innovations in terms of their apps, marketing, and business processes could yield average cost savings of 9 per cent, and, that companies that pulled all the transformation levers could boost their bottom line by more than 50 per cent over the next five years.[[1]](#footnote-1) As stated by [Kristin R. Moyer](http://www.gartner.com/analyst/15859), VP and distinguished analyst at Gartner:

The API economy is an enabler for turning a business or organization into a platform. Platforms multiply value creation because they enable business ecosystems inside and outside of the enterprise to consummate matches among users and facilitate the creation and/or exchange of goods, services, and social currency so that all participants are able to capture value.[[2]](#footnote-2)

Given the strategic significance and revenue potential of APIs, many businesses were moving away from the brick and mortar business model to application-based models that could be operated through smartphones and other similar devices. This trend had resulted in huge investments in APIs. According to a 2015 Forrester report, “US companies alone would spend nearly $3 billion[[3]](#footnote-3) on API management over the next five years. Annual spending would quadruple from $140 million in 2014 to $660 million in 2020. International sales would take the global market over the billion dollar mark.”[[4]](#footnote-4)

The API Capability Index, which was created using feedback from information technology (IT) respondents who were part of a global study commissioned by CA Technologies, had identified India as one of the world’s API leaders.[[5]](#footnote-5) Globally, the API management space had been growing rapidly, leading to several prominent players in this space: Mashery (Tibco Software Inc.), Layer 7 Technologies, Apigee, [Apiphany](http://apiphany.com/), 3scale, and Mashape (see Exhibit 1).

APIGEE

Apigee was founded in 2004, and had its headquarters in San Jose, California, and regional offices in Bangalore and London, England. The CEO, Chet Kapoor, joined Apigee in 2007.A proven leader and innovator in the high-tech industry, Kapoor had spent more than 20 years in leadership positions at innovative software and hardware companies.

Apigee delivered an intelligent API platform that enabled companies to securely share their enterprise data and services in an attempt to provide connected digital experiences. Apigee’s platform helped businesses use APIs to accelerate the pace at which they innovate, share their data and services, and adapt to rapidly changing customer and market needs. Apigee’s mission was “To deliver products that help make every business a digital business.” Many of the world’s largest organizations selected Apigee to enable their digital business. These organizations included more than 25 per cent of Fortune 100 companies, 5 of the top 6 Forbes Global 2000 companies, and 5 of the top 10 global telecommunications companies. Apigee customers included global enterprises such as The Walgreens Company, AT&T Inc., The British Broadcasting Corporation, AOL Inc., MapQuest (Oath Inc.), Honeywell Limited, Burberry Group Inc., Royal Dutch Shell plc, Live Nation, and First Data Corporation.

Apigee’s total revenue grew from $27.6 million in fiscal year (FY) 2012 to $52.7 million in FY 2014, representing a 91 per cent increase. However, as often happens with fast-growing companies, its losses had also been soaring, from $8.3 million in FY 2012 to $60.8 million in FY 2014. Losses in FY 2015, however, had slowed compared with the previous year. In April 2015, the company sold 5,115,000 shares in its initial public offering, raising $87 million. Apigee’s was thus the first public offering from a software company that worked on APIs. As stated by Kapoor:

We believe that taking the company public gives the organization greater credibility with customers and partners. From a practical standpoint, it provides a pile of cash that could be used for acquisitions. We intend to expand sales and marketing and pour more investment into research and development. We have a large company in the making.

By 2015, Apigee proved to be a leading player in enabling digital transformation across industries and a thought leader in the management of APIs.[[6]](#footnote-6) Apigee diversified into three main areas of operations: products, consulting, and implementation. In offering digital strategy consulting services to its clients, Apigee conducted a string of strategy workshops and created a warehouse of knowledge through white papers and cutting-edge research on APIs. These efforts enabled Apigee to offer its clients credible and trustworthy advisory services related to digital innovation. Most of Apigee’s target clientele comprised organizations that wanted to innovate while reaching out to customers in the digital space.

In the highly dynamic and rapidly growing API space, Apigee constantly worked on innovation in an attempt to gain a competitive advantage. Innovation had been the key differentiator between vying competitors who weren’t sparing any efforts to incorporate emerging technologies, such as cognitive computing. To combat the intense competition, Apigee created opportunities for collaboration within and outside the organization. Apigee had strategic alliances with Accenture, SAP, and GSMA.[[7]](#footnote-7)

Apigee’s mission was to provide product enhancement and delivery with the aim of helping every business to become a digital business. Its competitive differentiators included a single and secure platform for APIs, predictive analysis, and close interaction with clients in an attempt to build and deliver solutions to meet the requirements of mission-critical digital businesses. Apigee’s approach to client engagement was quite unique. The company’s sales personnel worked closely with business executives and hands-on technologists in client organizations. Typically, they started the engagement by identifying business success criteria for specific digital value chain projects. Given its customer-centric approach, backed by technically sound personnel, Apigee became a category creator and a market leader.

Apigee’s strategy, thus, centred on the rapid resolution of client needs; this included a lower response time for clients. To achieve these goals, the company focused on creating a work culture of autonomy, openness, spontaneity, and courage to empower employees to take new challenges without the fear of failure, and to be able to deliver innovative and speedy responses to clients.

the APIGEE WAY: THE UNIQUE DNA OF APIGEE

Since Apigee’s inception, Kapoor and Grandhi were clear that the organization would be designed and driven by a heavy focus on people and would work toward establishing management practices that empowered employees. Kapoor stated, “We at Apigee deeply believe in the ‘magic of people.’ Apigee nurtures the right environment for people to realize their potential and lets the magic unfold. We constantly look at fine-tuning our ways of working and our hiring approaches to allow this magic to happen.”

Apigee’s prioritization of people over processes was based on the strong belief that focusing on people would enable effective processes, i.e., when people were taken care of, processes would automatically follow suit. This people-focused style of work necessitated an understanding of the culture and the values that prevailed at Apigee. Referring to Apigee’s unique culture and its effectiveness, Michael Fleshman, senior VP for customer digital technology at BBC Worldwide, remarked, “What defines success for us is the design of the APIs themselves. The level of expertise that Apigee brought to the table in terms of individuals who can help with the design of the APIs was an important aspect.”

Culture building at Apigee

The unique culture at Apigee, i.e., “the Apigee way,” was the outcome of culture-building exercises that were initiated to identify the company’s core values. Apigee’s way of building culture was markedly different from traditional top-down culture-building approaches; Apigee’s leadership team devised a bottom-up approach that was accomplished in-house. Dave Hinman, a member of the senior management team, was chosen to drive Apigee’s culture-building exercise, which primarily involved capturing Apigee’s beliefs, sentiments, and values via interviews and conversations with employees. Hinman adeptly drove the identification of Apigee’s values, and was well served by his strong technical qualifications and his close working relationship with Kapoor. The Apigee culture-building exercise provided an opportunity for employees to express what they liked about Apigee, their reasons for working for Apigee, and their perception of its culture. From the interviews and conversations with employees and the leadership team, it became evident that, at Apigee, three critical values were internalized and exhibited in behaviour: passion, a bias for action, and respect.

Passion

A major part of the culture-building exercise involved the leadership team’s decoding of Apigee’s DNA, which centered on answering two questions: Who are we? How do we do things? These questions underscored the value of “passion.” One employee highlighted the passion in Apigee’s culture by saying, “The people at Apigee are incredibly passionate about their work, and supportive of each other.” The passion at Apigee was evident from three unmistakable characteristics that the employees exhibited: an unwavering belief in the future of the API industry, a passion for technology, and employees’ skills as high performers in their own domain.

Unlike traditional, large process-driven firms in which extra-role behaviour was often constrained, Apigee, as one employee pointed out, “fosters a light-hearted and friendly environment; engineers are focused on success and frequently go beyond the call of regular duty.” Employees were encouraged to hold informal cross-functional meetings to enhance their learning beyond their individual roles. In one instance, a group of employees who were not a part of the organization’s hiring process held an informal discussion over coffee on the use of social media in hiring. This informal discussion culminated in the same group of employees launching a social media initiative despite their not formally being a part of Apigee’s hiring process. In another instance, a group of employees got together based on their common interest in the retail industry. They conducted research on the use of APIs in the retail industry. Data were collected to analyze the APIs used by large retailers; the resultant white paper culminated in a digital strategy workshop for the retail industry that provided a new approach for retail sales.

A Bias for action

Another important value that guided Apigee’s manner of operating was its “bias for action.” The secret of Apigee winning deals and appreciation from clients stemmed primarily from Apigee’s culture of taking quick decisions and responding promptly to clients. An employee explained Apigee’s bias for action as follows:“The teams at Apigee are very smart, hyper-focused, and really believe in delivering value and best practice to clients.”

The concept of customer-centricity (i.e., paying the utmost attention to clients by providing immediate responses and solutions to client requests) became the cornerstone of decision making in the organization. For instance, one Apigee client, who had a cloud-based application, required extra bandwidth in anticipation of increased web traffic for a few days. The Apigee employee who was dealing with the client could have responded in one of three ways: by renegotiating with the client for additional licences; by negotiating internally and acquiring approvals from within the organization to enhance the client’s account; or, by responding immediately to the client’s needs by providing the client with the required extra bandwidth, and later ratifying this action with the Apigee team leader. The employee chose the third option.

Respect

Respect, both for each other and for autonomy, was a deeply valued and cherished philosophy at Apigee. This respect was reflected in Apigee’s flat organizational structure (see Exhibit 2). Highlighting Apigee’s culture of respect, an employee remarked,“At Apigee there is hardly any hierarchy. All employees can walk up to the CEO anytime to talk about new ideas or about something the employee is not happy with.”

Another employee stated, “Employees are trusted and empowered to make decisions. We have freedom in doing what we need to do to get the job done. There is no bureaucracy or politics—just a good environment of cross-functional teamwork.” Barriers, restrictions, and employee checks of any sort were absent at Apigee, as were the smart filters used by most IT organizations to block employee access to social networking websites.[[8]](#footnote-8) The lack of restrictions was based on Apigee’s trust that its employees would not compromise either their own work or their clients’ work. Employees, for the most part, responded to the trust invested in them by working sincerely and by involving themselves completely in providing the best experience to clients.

One of the biggest manifestations of the freedom, autonomy, and respect enjoyed by Apigee employees was a two-day program organized by Apigee, called “Hackathon.”[[9]](#footnote-9) This program involved inviting application developers from across India to participate in research and collaboration on application development. Apigee employees who volunteered to support the Hackathon were given complete operational freedom to make critical decisions and to carry out those decisions. This approach ultimately increased their sense of commitment and unwavering loyalty toward the organization.

Human Resource Practices at APIGEE

Considering Apigee’s unique and unconventional culture, it was essential to design human resource practices that supported and enhanced the Apigee’s core values of passion, a bias for action, and respect.

Hiring

In the light of Apigee’s culture of granting its employees total freedom and autonomy, emotional connection with the organization was critical for the success of both Apigee and its employees. Vishwadeep Anshu, the lead for people operations at Apigee, remarked, “At Apigee’s People-Operations, our job is to connect employees emotionally with Apigee.” The culture of Apigee necessitated a rigorous selection process to identify candidates who could blend seamlessly with Apigee’s culture by being able to handle freedom and responsibility in the most productive manner. Most importantly, it was essential to hire employees who were motivated to work and could work independently with the highest integrity and with a sense of responsibility and commitment. The hiring process, thus, was one of Apigee’s most critical human resource activities (see Exhibit 3).

Apigee’s hiring process became more crucial as the company embarked on a rapid growth path, as even a few “bad hires” could render Apigee’s culture vulnerable, thereby jeopardizing the company.

Performance Management

The majority of Apigee’s employees hailed from large IT companies that used a forced ranking or bell curve for performance management. However, at Apigee, its biannual performance management system was aimed at collaboration, and not competition, among employees. Every function had a function head who had overall responsibility for that function, and a coach, or molecule lead, who managed the daily routine operations. For example, the coach for the human resources function was based in Bangalore, while the function head was the vice-president, who was based in San Jose. Grandhi, the India lead, was the second-level coach for most employees in Bangalore. Working in close coordination, the function head set the individual goals, while the coach monitored performance on a regular basis. Each employee had three to four individual goals that were reviewed in April and October each year. Bonus decisions were determined by a combination of self-ratings, coach ratings, and reviews by the function head. The India lead reviewed the ratings of each employee, and recommended changes in the coach ratings if any errors were noticed in terms of the stacked ranking.[[10]](#footnote-10)

As the company evolved, the leadership team introduced performance management via a mobile application that had four or five customized themes for each business function. Using the application, the employees entered their goals, which the coach reviewed at the start of every month. At the end of the month, the employee could perform a self-review, which would subsequently be approved by the coach. The use of innovative technology increased not only the objectivity of the performance appraisal but also its frequency by replacing the biannual performance appraisal process with a dynamic system that captured performance in real time. The employees were fully aware of their performance through real-time feedback, thereby making performance review meetings redundant.

At Apigee, employee growth and promotion were not characterized by a change in designation but by increased responsibility. As a flat organization, Apigee could not frequently change employees’ designations. While growth was not directly linked to performance ratings, it was evaluated based on the individual’s potential, such that greater responsibility was given to those who were found capable of handling it. Thus, it was not surprising to see employees who had spent only two years at Apigee becoming molecule leads because of their demonstrated potential. On one occasion, a top performer in the technical support team desired to be shifted to the pre-sales team; however, as he had no prior experience in sales, he was required to report to an employee who would have been junior to him if a formal hierarchy had been in place. Prabahar, a coach at Apigee, explained this situation, saying, “The core of Apigee employee engagement is to enable the employee’s success through an environment of empowerment, autonomy, self-learning, and fearless communication built upon the absence of hierarchy.” As the company did not have rigid formal designations, when downward shifts occurred that carried no change in salary structure, neither the affected employees nor their peers perceived the movement negatively.

Work-Life Balance

Apigee encouraged its employees to strive for an ideal work-life balance by offering flexible work hours, by giving employees the freedom to work from home, and by enabling employees to take vacations with their family. When surveyed on their top reasons for working at Apigee, 70 per cent of employees mentioned work-life balance. The organization’s culture of freedom, trust, and empowerment rendered flextime redundant, as employees were bound by the organization’s common beliefs and norms. For instance, when employees chose to work from home, they would email their relevant colleagues; this action was guided by Apigee’s culture of respect, in which colleagues were to be informed of such changes. As Apigee’s culture facilitated collaboration and openness within the organization, individual employees did not feel the need to hide information or to make excuses for their absence.

Employees were also given the liberty to plan their workday. A formal “meetings culture” was absent at Apigee, where few formal meetings were held, based on the belief that if a group of employees needed to collaborate on a specific task, they would allocate resources and find ways of coordinating with one another. A small percentage of employees misused this freedom; however, the effects of their actions were minimal compared with the benefits that the majority reaped from Apigee’s spirit of freedom and empowerment.

Compensation and Benefits

As Apigee hired employees who had prior work experience, it offered generous stock options and competitive salaries that were on the higher side of the industry norms. Annual incentives were decided on the basis of an individual’s impact on the job, core values that the employee demonstrated for his or her team, and the employee’s overall contribution to Apigee’s success. The performance review and impact assessment exercises were done together by coaches and all the team members, with their names listed on a board. Each employee was asked to rate other employees in terms of the impact they had created. Self-ratings were taken from every employee. Employees used a high degree of scrutiny for the self-evaluation; in most cases, employees’ self-ratings were lower than the ratings provided by the team. The rating and impact assessment exercise was fairly exhaustive, usually requiring an entire day. Based on their ratings, employees were later sorted into impact buckets. Newcomers and long-standing employees were commonly sorted into the same impact bucket. Apigee’s system of rating was criticized when a senior architect with moderate impact was given a lower rating than junior employees on the same team. However, the large majority of employees believed that the system was successful in fulfilling the objective of identifying and rewarding top performers.

Employees were classified into three categories based on their impact and contribution. The first category of employees who were deemed to be performing below the company’s expectations received both detailed feedback and performance-enhancement coaching. The second category of employees constituted those who met expectations and were rewarded in proportion to the impact they created. The third category constituted performers who created significant impact and were considered to be critical assets; they received stock options. Another important focus of Apigee’s employee-retention strategy was to provide challenging assignments and a supportive work environment.

Apigee also made several innovations in the reward system by providing employees with greater equity in experiential events rather than rewarding them only with monetary or materialistic benefits. For example, the HR team recorded the wish lists of the employees who won awards in the reward and recognition program. The organization then created customized experiences for the employees based on the top-most item on their wish list: an all expense paid vacation to a holiday resort with family, dinner with a spouse at a five-star hotel, or a sponsored flight ticket to Singapore. Apigee management believed that personalizing the reward experience led to a stronger and sustained impact for a longer period of time.

Self-Managed Teams

Keeping with Apigee’s philosophy of driving innovation via a bottom-up approach, the organization formed several small teams called molecules, and used various IT integration tools to manage team goals and facilitate collaboration among employees without compromising Apigee’s unique culture. Such small agile teams were self-managed, and an effort was made to synergize each member’s contribution to attain the overall objective of forming the team. The molecule leads were empowered. Grandhi said, “We clearly defined ‘what’ we expect a molecule lead to accomplish leaving the ‘how’ to him or her” (see Exhibit 4).

The molecule leads were also encouraged to experiment with people management practices within their respective teams. For instance, the molecule leads and their teams had the freedom to decide their arrival time at the office. Any deviations would be dealt with in a manner decided by the team, and the molecule leads were also in no way exempt from the norms set for the entire team. All teams at Apigee were encouraged to create their own norms, and most team norms centred on “empowerment” and “innovation.”

Other HR Practices

Apigee’s people management strategy was characterized by several unique practices. The office, which was designed in bright colours to enhance the overall energy level, had an open-plan layout without any cubicles, and with the desks laid out in a large hall. Grandhi had his desk in a corner of the office. This open workspace policy reduced office gossip and politicking, and offered easy accessibility to all employees. However, this floor plan required hiring employees who had sufficient maturity to respect each other’s work and avoid the temptation of snooping on someone else’s work. Apigee did not have a formal meeting room, as the company did not have a culture of meetings. However, several groups that worked together on matters of mutual interest were provided spaces for discussions.

Also, Apigee did not have a formal leave policy. Unlike the conventional leave policy of 30 days annually, Apigee employees were free to take leave whenever they felt the need to do so, and they kept their colleagues informed of their plans. Even in the absence of any restrictions on leaves, the average number of leave days taken by each employee was well below the standard 30 days per year. Likewise, the company did not have a travel approval policy. When employees travelled for work, they discussed their travel plans with the molecule lead. After the travel was completed, all employee travel expense claims were reimbursed without question after the submission of the relevant bills. In eight years of operation, only one travel expense claim was rejected, as the bill was not produced.

The Road ahead

Apigee’s unique DNA with regard to its HR practices had several positive outcomes, such as enhanced productivity, lower attrition, and better collaboration that resulted in organizational effectiveness. Apigee’s culture of empowerment and freedom enabled it to partner with several large and influential clients, including the British Broadcasting Corporation (BBC) and Adobe. Apigee had undoubtedly created much goodwill among application developers, who constituted another vital stakeholder group and played a major role in contributing to the success of the organization.

However, as Apigee was poised to take the big leap to become the leading provider of cutting-edge digital transformation technology across the globe, Grandhi felt that Apigee’s existing culture was fraught with risk. He anticipated that Apigee’s culture of excessive freedom and empowerment could lead to lower productivity or subpar organizational results. After all, a culture that lacked monitoring could make it easier for employees to set lower benchmarks and to indulge in loafing.

Grandhi and his senior team had invested much time and effort to build the unique culture at Apigee, which assumed that employees had both the maturity and the capability to handle autonomy. Grandhi wondered: Can Apigee’s culture thrive even when the organization grows? Would moving too fast lead to a breakdown of Apigee’s culture? Was it possible to embed Apigee’s culture into people’s consciousness through the use of institutional processes? Or would such an effort betray Apigee’s culture of autonomy and freedom? Would the leadership team be able to install processes without entering into the bureaucracy quagmire? How could Apigee guard against complacency?

In light of Apigee’s ambitious growth plan, Grandhi realized the importance of seeking answers to such crucial questions.

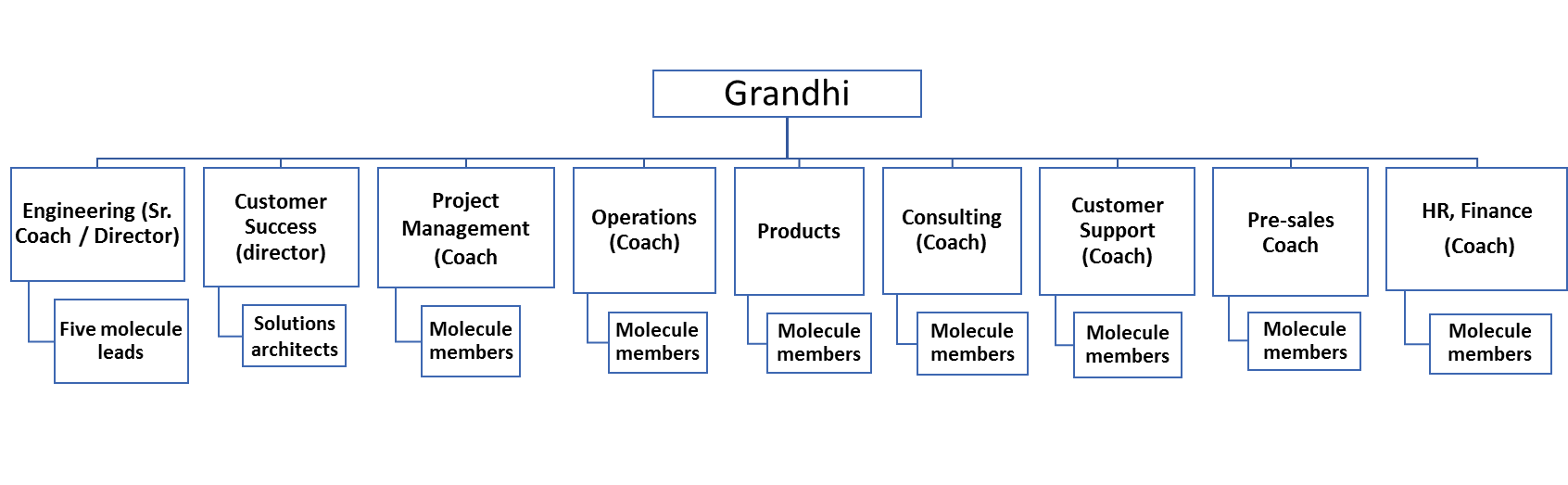
Exhibit 1: apigee’s Competitors in the Application Programming Interface Industry

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| **Mashery**: Mashery, founded in 2006, is the world’s leading provider of API technology and services. It has helped more than 175 top brands—including USA TODAY, Comcast, Hoover’s, Klout, Associated Press, Rdio, and Travelocity—take advantage of APIs to build new revenue channels, speed time-to-market, and spur innovation. In 2013, Mashery was acquired by Intel. |
| **Layer 7 Technologies**: Layer 7 Technologies, founded in 2003, provides security and management products for API-driven integrations spanning the extended hybrid enterprise. Layer 7 is considered to be one of the leaders in the API management space. In 2013, Layer 7 was acquired by CA Technologies. |
| [**Apiphany**](http://apiphany.com/)**:** Apiphany, founded in 2012, is a leading provider of API management and delivery solutions, enabling organizations to successfully leverage the rising mobile, social, and app economy. With its flexible cloud-based architecture, Apiphany empowers companies to securely develop new revenue channels, gain insight in their business, and spur innovation at a fast pace while keeping cost and usage under control. In 2013, Apiphany was acquired by Microsoft. |
| **3scale:** 3scale is an Internet technology company that develops [API](https://en.wikipedia.org/wiki/Application_programming_interface) management software. It was co-founded by Steven Willmott and Martin Tantow in 2007. The company’s commercial product was released in March 2009. It sells [API Management](https://en.wikipedia.org/wiki/API_Management) software called 3scale Connect and a premium version that comes with support and an SLA. |
| **Mashape:** Mashape, founded in 2010, offers open-source platforms and cloud services to manage, monitor, and scale application programming interfaces and [microservices](https://en.wikipedia.org/wiki/Microservices" \o "Microservices). Mashape powers API-driven software with many leading products, including Kong (an open-source API gateway), Galileo (API analytics), Marketplace (an API hub), and Gelato (development portals). |

Note: SLA=service level agreement

Source: Compiled by the case authors from the following sources: Alex Williams, “Mashery Is Selling to Intel for More Than $180M,” Techcrunch, April 17, 2013, accessed April 1, 2016, https://techcrunch.com/2013/04/17/source-mashery-is-selling-to-intel-for-more-than-180m/; Alex Williams, “CA Acquires Layer 7 Technologies to Connect Cloud, Mobile and Internet of Things as API Market Starts to Consolidate,” Techcrunch, April 22, 2013, accessed April 1, 2016, <https://techcrunch.com/2013/04/22/ca-acquires-layer-7-technologies-to-connect-cloud-mobile-and-internet-of-things-as-api-market-starts-to-consolidate/>; Alex Williams, “Microsoft Acquires Apiphany, An API Management Service to Integrate with Windows Azure,” Techcrunch, October 23, 2013, accessed April 1, 2016,https://techcrunch.com/2013/10/23/microsoft-acquires-apiphany-an-api-management-service-to-integrate-with-windows-azure/; “Mashape,” accessed April 1, 2016 , [www.mashape.com](http://www.mashape.com/).

Exhibit 2: Apigee’s Organizational Structure



Notes: SR = senior; HR = Human resources

Source: Company documents.

Exhibit 3: Hiring Process at Apigee

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**Applicants deemed to fit with Apigee’s culture**

**Applicants did not show signs of cultural fit**

**Rejected candidates informed by sending a polite note along with flowers**

**Final interview with Grandhi, especially for molecule leads**

Source: Created by the case authors.

Exhibit 4: Questions for consideration by the Molecule leads

**1. Understanding the context**

* What is the business of Apigee? Why do we succeed? Why do we fail? What are our yearly and quarterly goals? How does my team’s work relate to these goals?
* What is the product value proposition? Who are the users? What are their pain points? Why would they be excited to use what my team produces?
* Does my product interplay with the rest of Apigee products? How do I provide a seamless experience to our customers?

**2. Being the product’s best advocate**

* Can I demonstrate the length and breadth of my product?

**3. Team-building**

* Does my team know what success and failure mean?
* What development approach does my team follow? Why?
* Do the team members just sit back and relax because “things are going smoothly” or do they focus on how to improve?
* Do I know what’s happening in my team? What various dimensions do I engage with my team? Design? Code? Quality?
* How will I manage expectations and interruptions?

**4. Alignment with Apigee’s success**

* Am I invested in the success of my peers’ functions?
* Do I ensure that the product documentation is accurate?
* How do I ensure that the support, operations, and customer success teams are well equipped to achieve goals?
* What is the feedback mechanism around my product and team?
* Do I have a first-hand understanding of how customers are using my product?
* Do I listen to Apigee’s presales and customer success teams? Do I listen to Apigee’s support and operations teams around the “supportability, reliability, and performance” aspects of my product?
* How do I ensure that this feedback gets back into the product backlogs and is prioritized appropriately?

**5. Motivate**: **Expected to lead and not just manage**

* Am I attentive to the team dynamics? How well does the team work together?
* How well do I know my team? What does my team want? What’s their passion? What rewards would they like?
* Is every team member engaged?
* Do my team members critique openly and constructively? Do they play together to win?
* Do I create opportunities for my team members to work together and triumph over an obstacle?
* Do I take calculated risks by giving them new challenges to work on?
* Do they know that I care and trust me to lead them?

**6. Leading from heart**

* Do I have a genuine interest in the good of the company, product, and the team?

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Source: Compiled by the case authors.

1. Tunde Olanrewaju and Paul Willmott, “Finding Your Digital Sweet Spot,” McKinsey and Company, November 2013, accessed November 20, 2016, www.mckinsey.com/business-functions/digital-mckinsey/our-insights/finding-your-digital-sweet-spot. [↑](#footnote-ref-1)
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3. All currency amounts are in U.S. dollars unless otherwise indicated. [↑](#footnote-ref-3)
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5. “India Leads World in the API Capability Index,” *The Times of India*, June 25, 2016, accessed November 22, 2016, http://timesofindia.indiatimes.com/city/delhi/India-leads-world-in-the-API-capability-index/articleshow/52914585.cms. [↑](#footnote-ref-5)
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7. GSMA (Groupe Speciale Mobile Association) was a trade organization that represented the interests of mobile operators worldwide. [↑](#footnote-ref-7)
8. Social Networking Websites: A social networking site is an online platform that allows users to create a public profile and interact with other users on the website. [↑](#footnote-ref-8)
9. Scott Regan, “Developer Adoption: Beyond the Hackathon,” Apigee’s Developer blog, February 20, 2014, accessed November 20, 2016, https://apigee.com/about/blog/developer/developer-adoption-beyond-hackathon. [↑](#footnote-ref-9)
10. Stacked ranking: stacked ranking was an employee evaluation method that slotted a certain percentage of employees into each of several levels of performance. [↑](#footnote-ref-10)