

"CONSISTENT DISRUPTION CALLS FOR DISRUPTION IN PEOPLE POLICIES"

Naveen Tewari, 37, chief executive and cofounder, InMobi, talks about the need to turn HR policies on their head. Edited excerpts.

On the importance of people policies:

Mobile advertising is a massive space. Soon this will be a \$250 billion market. We are going to be a massive global internet company. Fortunately the approach we took ages ago to be mobile focused allows us to take a global leading role. We have Facebook, Google as competitors. We can't win this game operationally unless we have amazing and disruptive technology. We have to create disruption not once or twice but constantly and consistently. For this we have to create disruption in people policies.

On the journey so far:

Two years back we started this journey. Today the result is very evident. Two weeks ago, we made a massive announcement (of the launch of discovery platform Mibp) in Silicon Valley. It is two years of disruptive work and it has been done totally out of India. We are creating a culture that is not just about incremental

improvement but 10x improvement.

On talent supply in India:

India has the top talent that we need. It is just that Indian companies have not created an environment that will help them work to their potential. At InMobi, we are creating an environment of bold thinking and risk-taking. So much so that many of our employees have gone ahead to start a company. And we are absolutely okay with that. In fact we have an open-door policy – they can come back whenever they want to, if their startups fail.

On the future of talent management:

If India has to go to the next level of creating world-class organisations, then it is critical that companies evolve policies that enable them to be disruptive and innovative. We, at InMobi, are building our own culture branded YaW/O to do that. Ambitious Indian companies will have to evolve their own version of YaW/O to maintain their edge and be world class.

Innovative Company

The mobile ad platform that has Google and Facebook in its sights is pushing the envelope by focusing on its most precious resource – people

:: Malini Goyal

"That has been one of the keys to our growth – making sure we get the right people in from the beginning. If you get that right, you hire amazing people, they'll be fine, and they'll do amazing things"

Lastio Bock, HR head, Google, at a Forbes Reinventing America conference in May

Till 2012, it wasn't as if Naveen Tewari and the three other cofounders weren't signing on the right people for the eight-year young InMobi. It's just that leading them was now becoming cumbersome, as the numbers got larger. The quartet were wrapped up in scaling what they claim is today the world's largest and most powerful independent mobile advertising platform. In four months – between April and July, 2012 – the company's employee base surged from 200 to 900. "We hired people to be on a massive growth trajectory," recalls 37-year-old Tewari.

That growth, however, was proving elusive. What prevailed instead was chaos: people had overlapping responsibilities, the 700 new hires had lit-

VITAL STATS

InMobi claims to be the world's largest independent mobile advertising platform

BUSINESS: Provides ad platforms for companies on mobile phones and competes with big guns like Facebook and Google.
Serviced 2.2 trillion ad requests in 2014

SIZE: Headquartered out of Bengaluru, has a presence in **20 countries and 24 offices with over 900 employees**

INVESTORS: Raised **\$220.1 million** funding so far with investors like Mumbai Angels, SoftBank, Kleiner Perkins Caufield & Byers and Sherpalo Ventures



Wooring & Wowing Employees

REFERRAL REWARDS: Rewards like an exotic Europe trip for two help it to hire better and cheaper (cost of recruitment at \$2 million in 2013 was down by 95% in 2014)

LEAVE POLICY: Employees do not need any prior approval from their supervisor for up to six days of leave

ENTREPRENEURIAL CULTURE: Open-door policy generously welcomes failed entrepreneurs and ex-employees who quit to set up their own startups. About 40 plus startups have so far been set up by ex-InMobians.

INCUBATING IDEAS: Allows ex-staff, who quit to start up to operate out of its office, offering free space, food and brainstorming sessions with ex-colleagues. For example, Atul Satija, its chief revenue officer, quit to set up a social startup and operates out of InMobi office

CROSS-FUNCTIONAL EXPOSURE: Three-month bridge assignments help staff learn new skills. 'Live your potential' programme gives them the option to switch roles if they want

LEARNING AVENUES: Offers a \$800 learning wallet to all its employees which can be utilised to take up courses or learn new skills

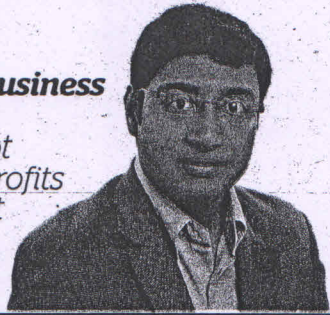
BUILDING LEADERS: Its 'Founders Staff' leader development programme hires smart talent, attaches them to top leaders and puts them through nine-month intense exposure to groom them as leaders

QUITTING BONUS: All new recruits go through multiple screening rounds. But if they want to quit within 30 days, they can walk off with three months' salary



We are in the business of innovation. People - and not products and profits - are our biggest asset

Abhay Singhal,
cofounder, InMobi



the clue about InMobi - why they were brought in, and what they had to do. Result: unrest and inefficiency. In desperation, the company attempted to throw in some systems and structures, but that only further slowed down the lumbering tech startup.

"We realised we had made a big mistake around managing our people," says Tewari. Corrective measures duly followed. For the past three years, InMobi has experimented with some very refreshing, counter-intuitive and even bizarre people policies to recruit, retain, engage and reward its employees. Just like Google and Facebook, which InMobi wants to go head-to-head with. To do that, their talent management has to be as disruptive and far-reaching - and perhaps even more than the tech giants it is keen to emulate.

No Attendance Issues

Facebook is known not to track employee absences; John Sullivan, a professor of management and consultant at San Francisco State University, in a recent presentation titled 'People Management Practices from Google, Facebook and Apple', said the key lesson to learn from that is "if you focus on measure and reward performance, you won't have attendance issues".

InMobi isn't there yet, but it has got its own variant of this Facebook policy: employees don't need their supervisor's approval for up to six days of leave. And there's more - everybody gets a 100% bonus (except the sales team, which could get more or less depending on performance), and performance appraisal systems have gone out the window. There is no international travel expense policy; InMobi employees travel and spend as they please. If a new InMobi recruit quits within a month, he gets a quitting bonus - three months' salary to go! Everybody at InMobi gets \$800 annually as a 'learning wallet' which they can utilise to do anything - cooking classes, scuba-diving lessons, learning a new language or simply mastering new technologies. Also, everybody gets \$200 every year to change their handsets.

When any InMobians - as the staff is called - want to quit and start a new venture, the company does everything

they possibly can to support them. So instead of taking their access card away when they quit, InMobi is happy offering them free office space, allowing them to intermingle, brainstorm with their ex-colleagues and even eat the free food that a well equipped cafeteria serves round the clock.

"We have made some radical, disruptive changes around people management. And the results are visible,"

says Tewari. Earlier this month, InMobi made a big announcement in Silicon Valley with the rollout of a discovery feature called Miip on its platform. Miip, the company claims, is a "revolutionary discovery platform" that delivers "a consistent, personalised and content-rich experience that users will fall in love with" by presenting a curated collection of product feeds, apps and content with "stunning" visuals. "It is so advanced and cutting edge that it is ahead of its time. And all that work was done in India," beams Tewari. InMobi is targeting a revenue of \$1 billion by 2017 through Miip alone. It is also partnering with handset makers like Samsung to target 650 million smartphone users by embedding technology in the hardware so that ads are displayed while users are on their home screens.

Tewari gets a pat on his back from Nandan Nilekani, cofounder of Infosys who is an advisor to the InMobi board. "InMobi is truly an Indian company that

NURTURING PEOPLE

As it competes with giants known for being among the best employers in the world, InMobi is helping its workforce blaze a trail

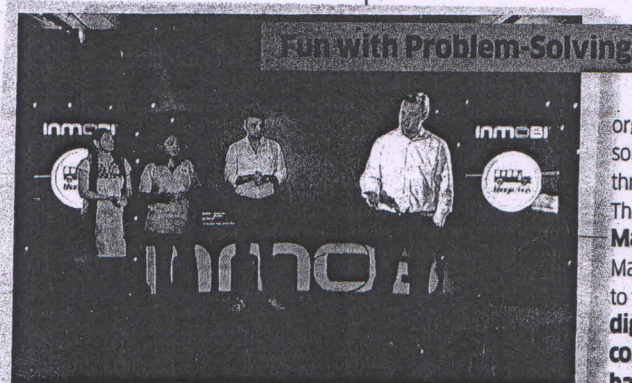
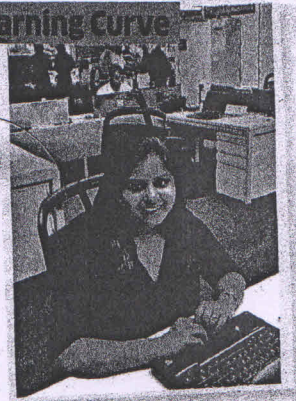
From Employee to Entrepreneur



Atul Satija, InMobi's global chief revenue officer, quit in April to follow his passion - **tackling poverty in India through his social startup, Nudge Foundation.** With five employees and 35 volunteers, **he still operates out of InMobi's office and taps into the InMobi ecosystem** when he needs to. For example, his ex-colleagues chipped in to make his website and design the logo

Offering a Learning Curve

Nandika Pradeep, manager (HR), was happy with her job but wanted to get a flavour of what life could be on the other side. She **volunteered for a three-month bridge assignment with the business development team**, stretching her work day a little. It's been a great learning experience, she says, and has **given her a more rounded view of the business**



InMobi calls its people culture YaWiO and organised a festival to solve some big problems through technology. They worked with **Mathew Spacie** of Magic Bus (in white shirt) to find a way to **send digital education content through low bandwidth internet**

NURTURING PEOPLE

Grooming Leaders

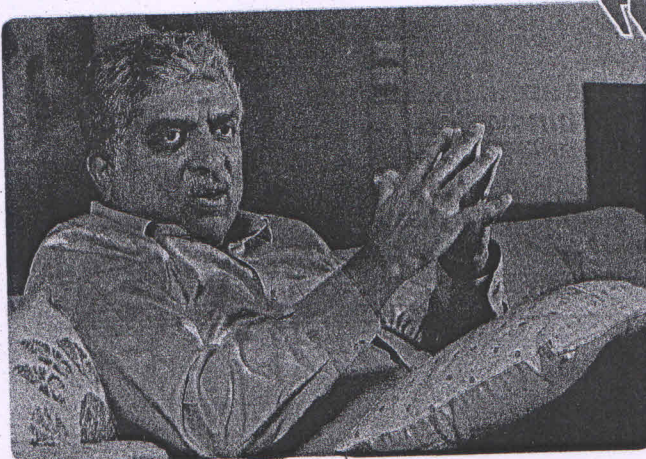
Vasuta Agarwal, 31, an engineer and an IIM alumnus, honed her skills at Intel and McKinsey before joining InMobi in 2012 as part of a 'Founder's Staff program'. **After working closely with one of the founders on a range of projects, from product to business development,** she is now head of business development, Asia-Pacific



Food for Thought

InMobi offers four meals (breakfast, lunch, dinner and evening snack) to all its employees. But **providing free food isn't that big a deal any more.** What is special here is how InMobi does it. Take a sample of the evening snack on one day: fruits, cookies, cakes, rusks, healthy munchies (roasted chana), hot milk, milk shakes, coffee and tea

Lina B



InMobi is truly an Indian company that has achieved global status... They were 'mobile only' and 'mobile first' long before the terms were invented. They are one of the few companies in the world that have over a billion users"

Nandan Nilekani,
 Infosys cofounder and advisor to InMobi

has achieved global status and we all should be proud of it. They were 'mobile only' and 'mobile first' long before the terms were invented. They are one of the few companies in the world that have over a billion users. As they transition from a B2B [business-to-business] company to a consumer brand, and from advertising to commerce on the smartphone, they will continue to break new ground."

People: Biggest Disruptive Force

The rules have changed. In the 21st century knowledge-led world, it is possible for an 11-year-old Facebook to overtake 220-year-old GE in market capitalisation. The three most valuable companies in the world today are Apple, Microsoft and Google – technology-led giants that are relative newcomers on the corporate landscape. And if there is one weapon these giants are using effectively and efficiently to give them the competitive edge, it is their smart talent base.

"We are going to be a massive global internet company," says Tewari. Harbouring such sky-high ambitions, Tewari knows where to look for cues. Pitted against giants like Facebook and Google, in an industry that is changing and growing at frenetic pace, the relatively small home-grown Indian company (media reports put its valuation at around \$2.5-3 billion; still insignificant compared to Facebook's \$270 billion and Google's \$440

billion) is making some smart innovations around people policies to get ahead in the game. "We are in the business of innovation. People – and not products and profits – are our biggest asset," says Abhay Singhal, cofounder of InMobi in charge of the people function.

There are many reasons why InMobi thinks that way. It is the only way it can flourish – or even survive. Operating across over 20 countries, pitted against giants, it knows well that it cannot win the game operationally. It has to be on the back of disruptive technology. "We have to create disruption in technology and innovate not once or twice but constantly and consistently. Everyday. It demands disruptive people policies to achieve that," says Tewari.

Born in 2007 and focused on mobile as the platform, InMobi operated in a niche space when it started. As smartphones and handheld devices get ubiquitous, the head start is proving useful. According to a March 2015 eMarketer report, mobile ad spend is expected to grow from \$19.2 billion (16% of digital ad spend and 3.7% of total media ad spend) in 2013 to \$101.4 billion by 2016 (51% of digital ad spend and 16.5% of to-

tal media ad spend).

While Google is king in capturing both digital ad spend (31.45% in 2014) and mobile ad spend (50.2% in 2014), it is increasingly seeing tough competition in the mobile space. Facebook is playing catch-up rapidly, with mobile ads counting for almost \$3 billion of its 2015 second quarter revenues of \$4 billion, an all-time high. That's because Facebook users are spending more and more time on their smartphones. Facebook's mobile ad spend surged from 5.4% in 2012 to 22.3% in 2014, according to eMarketer.

To be sure, in the past two years, there has been significant consolidation in the ad-tech industry. In 2013, Twitter acquired MoPub, a start-up that helps mobile publishers manage their ad inventory, for \$350 million. A year later, Facebook acquired LiveRail, a video ad startup, for \$500 million, Yahoo

acquired BrightRoll, another video ad firm, for \$640 million and Google acquired Adometry, a marketing attribution company, for an undisclosed amount.

Unsurprisingly, in March this year, the grapevine crackled that Google would acquire InMobi at a valuation upwards of

InMobi is targeting a revenue of



by 2017 through Miip, its discovery feature



We have some of the best problem solvers. And while taking a break [with events like cultural festival YaWiO-x], if they can help solve some of humanity's biggest challenges, nothing like it"

Ansen Ben, director, learning & development, InMobi



The Milestones

2007: Founded as mKhoj, an SMS based mobile search engine. Funded by Mumbai Angels

2008: Gets series A funding from Kleiner Perkins and Sherpalo Ventures

2009: Rebrands as InMobi, launches in Europe

2010: Launches in the US

2011: Acquires Sprout in the US. Gets funding from SoftBank

2012: Acquires US-based MMTG Labs and UK-based Metaflow

2013: Acquires Overlay Media; Chipin.com merges with it

2014: Hits **759 MILLION** unique users per month, second only to Facebook

The Numbers

JAN 2007: Gets funding of **\$50,000** from Mumbai Angels

JAN 2008: Gets funding of **\$7.1 million** from Sherpalo Ventures, KPCB

JULY 2010: Receives further funding of **\$8 million** from Sherpalo and KPCB

MAR 2011: Reports sales of **\$27.8 million**, loss of **\$10.2 million**

SEP 2011: Receives **\$200 million** from SoftBank

MAR 2012: Reports sales of **\$60.2 million**, loss of **\$43 million**

MAR 2013: Reports sales of **\$104.3 million**, loss of **\$84.5 million**

JAN 2015: Reports turning profitable in fourth quarter of 2014

The features and analytics on the InMobi ad platform are not as rich and robust as some of its competitors like Facebook and Google"

Jayant Kolla,
partner, Convergence Catalyst



Instead of giving cash, we prefer to give awesome experiences as awards. They work great"

Kevin Freitas,
director, human resources,
InMobi

\$2 billion. InMobi dismissed the rumour, and now seems keen to instead go head-on with the global giants. And its people are visibly the centrepiece of its innovation gambit. "We have to create a people culture that is not just about incremental improvement but 10x [10 times earnings multiple] and truly disruptive," says Tewari. That of course isn't easy. "The features and analytics on the InMobi ad platform are not as rich and robust as some of its competitors like Facebook and Google," says Jayanth Kolla, partner, Convergence Catalyst, a tech research & advisory firm.

YaWiO Culture

InMobi says it is now fashioning its own people culture that's curiously called YaWiO – imagination (haYa in Turkish), Oneness (aWirodhin in Sanskrit) and Action (Opus in Latin). "All people initiatives that we undertake at InMobi are a reflection of the YaWiO culture that we live," says Anson Ben, director, learning & development, InMobi. Their cultural fest is called YaWiO-x; the first one was held early this year. The festival, like the name, is off-the-wall. For a reason. "Often it happens that you go really deep into a problem, and then take a break. Giving your mind that rest is a critical step in the idea generation process. Think Archimedes – his Eureka moment was in a bathtub. The incubator was created when an obstetrician visited a zoo. Throughout history, we find stories like these," explains Ben.

The three-day YaWiO-x invited three not-for-profits institutions XPRIZE (focused on technology) and Magic Bus (focused on education), and aerospace startup Team Indus – to solve some of the big problems. XPRIZE, with impressive advisory board members like Elon Musk, James Cameron and Ratan Tata, threw a challenge to help solve women's safety issues using technology. Magic Bus, which works with 4,00,000 children in slums and villages, threw a challenge to transmit educational content through extremely low bandwidth. And Team Indus, which is looking to land an unmanned rover on the moon, wanted help in setting up a communication system between the rover and the lander amidst harsh conditions on the moon.

"At InMobi, we have some of the best problem solvers. While taking a break, if they could help solve some of humanity's biggest challenges, nothing like it," says Ben. InMobi's 20 teams came together to find solutions to the problems.

"It is an interesting initiative. At a humanistic level, all of us want to get involved with something bigger than the self. We are on our way to solving the problem," says Matthew Spacie, founder, Magic Bus.

The only way Indian companies can move to the next level, becoming global players with world-class products in this knowledge-led world, is by finding new ways to hire and manage smart talent. They need to do what Silicon Valley companies like Google and Facebook have managed to do around talent management which has helped them disrupt markets and bring about innovations. "They need to have their own version of

YaWiO, to unleash their talent," says Tewari.

There are two broad themes that are shaping InMobi's people policies and its YaWiO culture. The first is the realisation that the world has changed. "About 25 years ago, GE set the benchmarks and the GE Way was the Bible for the corporate world in managing its people. That is no longer true," says Tewari. The complex performance management system that these companies set up was geared to test how people behaved in predictable circumstances. In traditional industries, where the job was repetitive, the thrust on process excellence worked.

The world today is far more unpredictable with many disruptive forces at work. How to remain nimble and flexible despite scaling up is a constant worry. Companies today need people with very different skills to survive and flourish. "They should be comfortable taking risks and think of disruptive ideas. We should work to remove the fear of failure," says Tewari.

New Rules for 21st Century

With 100% bonus policy for everyone (except sales team), the focus clearly is to push employees to give their best – not for a short-term financial incentive, but to create something truly disruptive. Similarly, conventional HR policies pertaining to travel and leave were dustbinned as often they are drafted keeping in mind that violations happen in 1% of the cases. For example, the company had a 10-page elaborate foreign travel policy document listing out expense limits in each country. One day they decided to get rid of the policy and asked people to travel and spend as if they were spending their own money. The fear of massive overspending was belied with only two out of a thousand-odd employees doing so. Even that 0.2% quickly fell in line.

Similarly, the HR team analysed past leave approval data, which revealed that 90% of leave requests were for under six days and almost 99% of them got approved by the supervisor. So the company decided that for leave requests for up to six days, no supervisor approval is required. "We took away that power from the managers. Nobody misses it anymore," says Kevin Freitas, director, human resources, InMobi.

InMobi aspires to give lot of learning and growth opportunities. One such is called a bridge assignment where employees can volunteer to take up short-term (three-month) projects alongside their day job. So a finance professional can take up a bridge assignment in marketing. This helps the company break down the silo culture.

As InMobi experiments with these employee policies, it is clear that some policies will work and some will not. "We will revisit them if we find they are not working," says Singhal almost casually. As they go about attempting to become as big as the Facebooks of the world, the InMobi cofounders are also, either consciously or otherwise, going by the lessons of their iconic founders. After all, it was Mark Zuckerberg who said: "You're better off trying something and having it not work and learning from that than not doing anything at all." ■



Mobile ad spend is expected to grow from \$19.2 billion in 2013 to \$101.4 billion by 2016

ET magazine VIEW

TALENT MANAGEMENT IS THE BIGGEST DIFFERENTIATOR FOR DIGITAL INC

In July, 11-year-old Facebook overtook 220-year-old GE in market cap. The question on people's minds was how can a company with \$12.5 billion in revenues and \$1.5 billion in profits in 2014 overtake a conglomerate with about \$150 billion of revenues? The bigger irony was that Facebook gets that valuation with just 10,082 employees on its rolls. GE does that with over 3,00,000.

Clearly, the rules in the corporate world have changed. Once upon a time, scale and efficiencies turned corporates into leaders. Think of Toyota Motor and other manufacturing giants that focused on mastering processes and structures. Those giants are still around – except that they are increasingly being dwarfed by newer, smarter and smaller guys. And clearly it is their smart talent management policies that are giving them the competitive edge.

Today, Indian companies are small and nowhere on the horizon on the global digital map. A combination of millions of users, armed with cheaper connected smartphones, and a young population provides just the right kind of breeding ground. But to break out at a global level, their biggest differentiator will be how best they recruit, reward, retain and motivate top talent. InMobi realises this. Do others of its ilk do too?