

How A High-Growth Social Impact Culture Is Connecting A Million People To Online Work

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Contributor

High-growth tech businesses usually aren't renowned for their desire to change the world through fighting poverty. Nor are they known for originating in Nepal.

CloudFactory has both boxes ticked, and is a remarkable example of a company that is pushing the boundaries while overhauling an entire industry – changing what they see as an inefficient and broken outsourcing model – while simultaneously creating a way to provide work to people in communities where opportunities for meaningful work are limited.



CloudFactory Training NLP
CloudFactory

Taking inspiration from Henry Ford's assembly line, they realized that almost every organization has business processes that can be solved with the same approach. The company uses a combination of the latest technology and an on-demand, global workforce to scale high quality data for use cases like natural language processing and computer vision.

The company originally began in Nepal. Its headquarters are based in the UK, with offices in the UK, the US, Nepal and Kenya. There are over 300 people on the core team, with around 5000 CloudWorkers right now – although that number is going up all the time.

I sat down with Joel Montgomery, VP of Culture at CloudFactory, to talk about the company's culture and approach to building a culture-driven business. Key highlights include:

- How the team communicated the ten core principles to employees via a Scavenger Hunt
- Why bamboo growth is a great way to describe a principle
- Why a candidate can choose not to answer a key question on their job application and still be offered a role
- How the company is rethinking the definition of Impact Sourcing
- Why the company doesn't see worker turnover as negative.

Brett Putter: Thanks for taking the time to speak with me. How and why did you come to work at CloudFactory?

Joel Montgomery: Before I joined CloudFactory, I was working for an organisation called Endeavor, which finds the highest-potential entrepreneurs in growth markets and helps them to expand globally. At Endeavor, I loved the power of what they call high-impact entrepreneurs– these amazing people with the ability to have social impact. Most of the entrepreneurs we worked with were not actually social entrepreneurs, but their focus on scaling businesses, creating jobs, investing in the community and mentoring the next generation of entrepreneurs was, for me, equivalent to making a big social impact. It was exciting and rewarding to be a part of Endeavor.

I wanted to double-down on this idea of building purpose-driven, values-oriented organisations. High growth is exciting and important, but I wanted to answer the question of how to scale in an intentional, socially-minded way. One of the first things I did was to look for entrepreneurs who are achieving high-growth while also creating high social impact. There are lots of organisations out there doing one or the other – high-growth with little to no social impact, or socially-minded, primarily non-profit organisations seeing little growth. Very few manage to do both.

One of my contacts put me in touch with Mark Sears, the founder of CloudFactory, saying that he was definitely bridging both. I first interviewed him with the aim of understanding how he viewed social impact and what he was trying to build. That was about five years ago and over time the relationship developed. We kept in touch, would see each other at different events, and about two years ago I reached out to him and he said, “I’ve been thinking about you because we really want to double down on our culture.” That conversation initiated a consulting project that eventually landed me a position at CloudFactory. Our mutual interest in culture and building a high-growth socially-minded organization was the initial connection and the relationship has developed from there.

Putter: You’ve met and worked with a lot of entrepreneurs. What was it about Mark that stood out?

Montgomery: I have spoken to lots of entrepreneurs – social and otherwise – and Mark is one of the most clued-in founders that I’ve ever met. A lot of people are jumping on the culture bandwagon these days and there is more and more research showing that culture is important for a variety of reasons. People are beginning to talk the talk, but Mark is someone who genuinely gets it and he’s also very knowledgeable, much more so than you would typically find in a CEO. Although he is very well read, his insight into culture is natural and innate. It doesn’t matter if culture is in my job title or not; Mark will always be the Chief Culture Officer, just like any CEO. My job is to try to drive the culture that starts with him. My job is made much easier if I am working with a CEO like Mark who is clued in, cares and gets it at a deep level.

The second thing that makes Mark stand out is how socially minded he is. You can obviously have a culture that is not built around social impact but I think that's another unique facet of what drives me and interests me about what he's doing. The final draw for me is that CloudFactory is a bit of a sandbox. Mark is a typical tech founder in that he likes to try a lot of new things, and this is an environment where you can celebrate innovation and know that everything's not going to work. To be in that type of environment provides a lot of momentum – especially working in the area of culture, where not everything has been figured out – but there's still a lot of blue ocean out there. It's pretty rare to be with a CEO who gets culture and is able to give you the freedom to be able to explore, experiment and learn.

Putter: What criteria do you use to decide whether someone is suitable to work as a CloudWorker?

Montgomery: The two things we focus on are skill and need for opportunity. All potential CloudWorkers take a test that assesses their skills and ability to do certain fundamental tasks, which our clients ask us to do. Right now, that is the most important element, but we're currently doing a lot of research to better understand our CloudWorkers so that we can refine the profile of what we are looking for. We also intentionally go into developing markets where there's high unemployment combined with a lack of opportunity and provide good, meaningful work for people. That's a big part of how we create social impact.

We also want to be known as the best gig in town in the locations that we operate in. A lot of CloudWorkers hear about working with us via friends and family who are already doing it. There is more demand than we have work right now, so we're working hard to continue to bring in more business to be able to offer more work to more people.

Putter: What is a typical CloudWorker requirement for one of your clients?

Montgomery: Our clients use us for all different kinds of work. There's a bit of an AI arms race going on at the moment, and every quarter it seems that people are finding new applications for it, but it all requires good quality data sets to be reliable. That usually entails inputting or processing thousands of pieces of data. There's a mind-blowing amount of satellite imagery out there that needs to be categorized and structured. For example, companies developing autonomous vehicles (self-driving cars) need data sets of hundreds of thousands of tagged images highlighting cars, trucks, people, stop signs and so on. The information is fed into computers to literally teach them how to drive. Humans are needed to facilitate that. Another use case would be the transcribing of documents for insurance purposes or receipt-processing.

The team
CloudFactory

Putter: What are your thoughts on the impact or benefit of a well-defined company culture?

Montgomery: Well, if any group of people – whether they're an organisation or a rowing team – don't know what the goal is or how to get there, they are not going to be very effective. So, purely from a practical perspective, when people know why they're doing what they're doing, what they're aiming for and how to get there, then they are going to function at a higher level.

I also think a well-defined culture can create material results for an organisation, reducing recruiting costs, increasing engagement and productivity, resulting in lower turnover. That's not why we do what we do, although it is a benefit. We do it because we are fundamentally driven by a purpose and we want to hire people who are also driven and excited by that same purpose. We want to be really clear about how what we believe is going to make us able to create meaningful work for a million people.

Putter: Talk me through the company's mission, purpose and values.

Montgomery: CloudFactory's mission is to connect a million people in the developing world to online work, while raising them up as leaders to address poverty in their own communities. Instead of values we have 10 principles that we developed and released almost two years ago. These are:

1. We work to love and serve
2. We are one body with many parts
3. We build relationships
4. We speak truth and life
5. We practice humble courage
6. We grow like bamboo
7. We make the complex simple
8. We think big, start small, scale fast
9. We do more with less
10. We respect data

Putter: "We grow like bamboo" is a pretty unique principle. What does it mean?

Montgomery: There are several elements to that principle. For the first five years of a bamboo plant there's no growth above the ground. The plant is creating a dense root system so that it can eventually grow really quickly. At around the five year mark it becomes the fastest growing tree. So, an obvious element to the principle is about growing and learning. The second piece is recognizing that it's not just about personal growth but about growing the people around you. A lot of people come into companies and try to suck value from the company which is parasitic to some extent. So growing like bamboo is saying, "Yes, we want you to grow, but we want you to grow the people around you as well. If you're the only person who's growing, that's not success: it's you plus the people around you." We tend

to attract voracious learners – people who just love reading and love all the different topics that we have via Team Time. They're hungry and always pushing us to do more, which is a good thing!

Putter: How did you launch the 10 principles?

Montgomery: CloudFactory has been values-oriented and purposeful from the very beginning. I think that every organisation goes through a process when small wherein people simply absorb the culture through interacting with the founding team. That's what happened during CloudFactory's first eight years. As a company gets larger and larger, that doesn't work as well! One of the reasons Mark brought me on board when he did was to codify the culture, which is what we have been doing over the past two years. That process isn't finished yet, but one of the big pieces of that project was releasing our principles. We created a few different groups to work on different culture initiatives, including a ten person 'Culture Crew' made up of members from all of our offices working at different levels. Their task was to de-construct our culture over a period of about three months.

I was relatively new to the organisation when this project started, and initially I talked to lots of people trying to figure out who people thought of as being a good culture fit or even a culture champion – the people who are really respected within the organisation. I began to ask those people if they would be interested in joining the Culture Crew and everyone I asked accepted. We went on a journey together to reflect on what we had already discovered because the reality was that we knew a lot about our culture; it just hadn't been formally encoded or structured.

We took all the data and ideas and whittled them down to the most critical elements and eventually landed on the ten principles. Once we had refined them, we shared them with the rest of the company via a virtual Scavenger Hunt. We divided the whole company into cross-office teams and over five days, released ten puzzles – one each morning and one each evening. Each team had to work together to solve the puzzle. When they did, it gave them one of the principles. Doing it that way was more fun than me or Mark giving an hour-long presentation on "our new principles." The Scavenger Hunt brought the company together in an interesting way because we designed the puzzles to make sure the people had to rely on each other and work together in order to solve them. For example, we included a lot of references in the puzzles that only certain team members from Nepal or Kenya or so on would know, stuff that you couldn't Google. It offered a fun way of bonding people over the principles that already existed in the organisation but which we hadn't yet explicitly named.

Now, we talk about the principles all the time, for example during Team Time: every week for an hour the whole company stops, and we go through an activity together ranging from something to encourage personal growth, to learning about AI, to talking about our principles. After we released the principles, we had 10 weeks of Team Time dedicated to

them. We produced one video per principle in which Mark talks about what each one of them means, with an accompanying worksheet, to help make it more tangible for people. We have since incorporated those videos and worksheets into the second week of our onboarding process for new team members.

Last July we also started what will now be an annual Culture Awards ceremony. There are 11 awards, one for each of our principles and an 'X Factor' award which is the top award at CloudFactory. We seek nominations from the whole company and particularly look for stories of how people embody the principles, not just people telling us that their colleague is "good at" the principles. We want to see it in action.

Putter: In terms of hiring, I've found that companies with a purpose can be lazy when it comes to culture development because the purpose can be such a powerful magnetic force. How do you hire for purpose?

Cloudworkers
Cloudfactory

Montgomery: It's really hard. I'll be the first to admit that I don't think we've got the 'magic sauce' yet. We do a pretty good job of weeding people out and hiring good culture fits – we've created score cards and interview guides – but it's not the scalable process yet and there is still more intuition than I would like there to be in the process. We are trying to refine our understanding of what is essential and what is nice-to-have when hiring for culture fit. The big part of what drives the process at present is trying to understand people's stories and their motivations. We look at the culture bucket and the competency bucket. You can be great in one and not so good in the other, which isn't going to work. One of the challenges we're facing is that there is a high expectation that new joiners need to be at 100% on the culture side. It isn't easy to fulfil our principles – for example, it's not easy to love and serve people all the time.

The application process starts with a set of five questions, two of which are optional. One of the questions is, "Tell us about your story," while another optional one is, "Do you have a purpose in life?" They are thoughtful, hard questions to answer. You can tell almost instantaneously whether or not someone actually put effort into their application. You can have the most brilliant person on earth, but if you can tell that they didn't put effort into their application, I'm not interested in having them on board. For me that is way more important than the competency side. You have to have that as well but I think the culture side is more difficult. So our starting point is really trying to understand the people who apply and have them put some thought into their application.

We had an applicant from Kenya who answered all the questions except the one about having a purpose in life. In the interview I said I was curious why she skipped it. She was really open and honest and said, "Honestly, I just really haven't figured it out yet." I'm okay with that because it doesn't help anybody if somebody pretends to be something they're

not. That's another thing that we've been really honing in on – recognizing that this is not the place for everybody. If we can help people realize where their best fit is, they're going to be happier. We want people who genuinely fit here.

Putter: How do you approach onboarding?

Montgomery: Our Human Resources Information System drives the back end onboarding process. We use the culture training I mentioned a moment ago, and we also have some videos we produced internally that really go into the story of CloudFactory. We have had a lot of good feedback on that because it really helps people to understand the history of the organization and why we exist.

I also do a monthly culture orientation where I get all the joiners from the past month on a call. For most people, that's the first time they really interact with all the offices at the same time and it's one of my favorite things to do every month because it's fun to be able to see all the new people and give them a taste of the culture in each of the offices. So, our principle "We're one body with many parts" is a powerful way for people to get a taste of the different cultures that are part of the body that makes up CloudFactory. The call is a touchpoint that reinforces that we want to be a place that's authentic where the words that we say are consistent with the actions that we take.

Along with the culture orientation and the training, when people start with us we try to be really intentional about welcoming them because it's always weird when you start at a new organisation. You don't know anything yet, so I think we try to make people feel welcomed and to go out of our way to build relationships with them. Typically, that means taking them out to lunch and stuff like that. One thing I haven't implemented yet but have in my head is an onboarding training that I hope will provide a robust onboarding experience for people over the next year or so.

The probation process in most of our offices is pretty standard. We do a 90-day check in and a 180-day check-in. There is also a survey that goes out to the individual and their peers to get feedback and make sure that everybody's on the same page.

We've been growing 100% year on year for a number of years, which is really exciting, and we have big plans for the next two years to be able to continue to grow and scale. My biggest concern and fear when thinking about culture is that it can be hard to absorb a vast number of people in a short period. Over the past year, we went through a massive growth spurt; around 60% of our people started in the last twelve months. It happens in bursts. You go through a wave of growth and hopefully you are able to catch your breath a little bit and freshen up before the next one.

Putter: How do you celebrate the different personality types in the organization?

Montgomery: One of the things that we try to do, which is related to our principle of being

one body with many parts, is to look at the shortlist for the Culture Awards and ask ourselves whether the list includes people who are not in the spotlight. There are often going to be personalities that are very vocal while others are happy to be behind the scenes and frankly don't *want* to be in the limelight. But those people are probably my favorite award recipients. You can see they feel uncomfortable about getting attention, which to me means that we did a good job of not just looking at the people who are naturally more extroverted or verbal. It tells me that we canvassed the whole organization and recognized that throughout it, there are lots of different types of people with different personalities. Our awards are an opportunity to celebrate all of those people, not just those who are the most visible.

Nominations for awards come from the whole company and go to a selection committee. This year, former winners are going to be a part of the selection committee. Last year because it was the inaugural year, we had a more executives on the committee, but this year I want the previous award winners to vote.

Putter: In terms of culture across different locations, do you have any remote workers or is it all location based?

Montgomery: Most of our core team does usually work from an office, but the reality is that as long as there's an internet connection, there tends to be a lot of flexibility in where people are working from. Even in this office we've got a number of people who will work from home. We have a team lunch on Wednesdays so almost everybody is in the office on Wednesdays, and then on the day when Team Time is happening in their group, people are usually in the office. We have a lot of people who are spending parts of their time working remotely. We don't have many full-time remote workers.

Putter: How do you deal with subcultures in different locations while ensuring that the umbrella culture is retained?

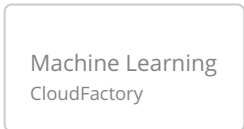
Montgomery: That's a good question. We have a couple of groups who help keep an eye on the culture. There is the X-Squad – the Experience Squad – which is a team responsible for the experience of our clients, our core team and our CloudWorkers and which is made up of the key leaders in each of our offices. There's also the FM Squad, made up of frontline managers. Both groups are incredibly attuned to the mission of the organisation and the principles, and I think that's one of the biggest reasons why we have a consistent culture, because all those people have a level of buy in that means they're invested in making sure our culture is stable.

When you visit a CloudFactory office, you'll be able to tell that it is CloudFactory, but you'll also notice the flair that's unique to that specific location. I'll give you an example. We have Monday morning All Hands meetings in all of our offices and in Kenya all of the new team members have to dance on their first day. It's a very Kenyan thing, and it's awesome

(although thankfully that doesn't happen in the UK office!). I was there one Monday morning for it. I was surprised by how beautiful and choreographed it was! Another thing that changes from office to office is the food.

There's a pride in each of our offices about being connected to the other cultures that are a part of CloudFactory, and to some extent those are the kind of people we naturally recruit – people who appreciate other cultures. You see and feel that when you visit one of our offices.

Putter: What approach does the company take to communicating the strategy to the team?



Montgomery: We have a global All Hands meeting every six months with all 300 members of staff, where we share the strategy of the organisation, and not just at a superficial level. We go deep into every aspect of the business. Since our most recent global All Hands, we've had a number of Team Times specifically focused on our strategy because we recognize that no matter how well Mark, the X-Squad or the FM-Squad knows a part of our strategy, to be able to go in the direction that we want to, the whole company needs to understand it and be thinking about it together. We spend a lot of time in each Team Time session looking deeply at the different aspects of the strategy and where we're headed so that we can develop a shared understanding and institutional memory about it. To back this up we've also created an internal blog that goes into some of the concepts more deeply, and we're assigning homework such as reading articles about an advanced or specific business concept. It's important to us that everybody is thinking about the strategy. We know that not everybody is going to understand 100% of what they read or hear but being continually exposed to it really expands the thinking of the team.

This need to go deeper into our strategy came about through one of our feedback surveys. Every quarter we do a "How are we doing?" survey and I got the sense from the results that there wasn't full understanding of it across the organization. We hadn't done enough to communicate our strategy completely to the team so we decided to double down on it.

Putter: How deliberate are you about diversity and inclusion?

Montgomery: I think that a company can always be more diverse. I know certain people caution against looking for culture fit in interviewing because there is a risk that you will end up with a lot of people who are the same. Thankfully we haven't had that issue. The majority of our workforce is Nepalese and Kenyan and we have eight different cultures here in the UK office. The mission to create meaningful work for a million people unites us, and certain people get excited about that while others don't. We have found that there's a wide variety of people that get excited about our mission so we're lucky in that regard.

We have an innate focus on being one body with many parts. In my culture orientations I say that we truly need all of the different groups and teams to be able to do what we do. In many companies, the sales or the go-to-market team are seen as the 'best' team because they're the ones bringing in the money and the ones who are lauded. In research oriented companies like Dyson, that 'special' team might be the engineers. We want to be a place where everyone is valued.

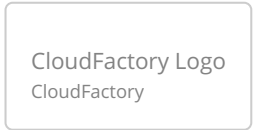
I think the challenge we've encountered is trying to find diversity in the candidate pool for certain roles. How you handle candidate pools is really interesting to me. To some extent that means seeking out people who, for whatever reason, are not finding you. The number of women engineers that we have in Nepal is very high – I think it's 25% which is pretty rare for a technology company, and in Nepal it's even rarer. I'm really proud that we've got so many women engineers in the company, but the reality is that we can always do more.

Putter: Do you have a learning and development program?

Montgomery: This is an area I would like to see us go to the next level in. I would say to some extent our L&D program is kind of 'baked in' via Team Time, which is both a driver and a growth engine for it. Then other things are happening at a departmental level. For example, in Nepal all of the leaders are going through a three-month management training that's based on Harvard material, so that's something that's happening at a departmental level.

Putter: On the website there is a page called "I am more." What is that about?

Montgomery: It's about representing our community on our website and this started with our CloudWorkers. The initial idea was to be able to show the lives of the people who are behind the scenes doing client work. It's about recognizing human beings, that we're not a number, a position or a function – we're real people who have their own story. The delivery team also posts internal blog posts on our culture channel, sharing stories from our CloudWorkers roughly on a weekly basis. One of the core things of being in CloudFactory is being in a community that's serving the community. It's always been a part of our DNA, so it's exciting to be able to hear those stories. A lot of us are more removed from the people we give meaningful work to, so that's one of the ways we connect people to the stories.



We've also done over 5000 community service projects in the organisation. For example, in Nepal there are a lot of old, ornately carved stone wells which act as public baths and public wells. There was a well that hadn't been cleaned in around 100 years, and a group of CloudWorkers showed up and just started cleaning it. People asked them which non-profit they were with and they said that they worked for CloudFactory and showed up to be of service to the community. There are a lot of examples like that. In the last month alone,

we've done over 100 community service projects. We created a design-thinking workshop where we set constraints and challenged people to figure out what they could do within those constraints. There are some obvious ideas like going to an orphanage and teaching for example. At a later stage in the process, people begin to generate ideas that you never would have thought up in a million years.

Putter: Tell me about impact sourcing, which you talk about on the website.

Montgomery: The impact sourcing movement is all about providing a job to communities that have struggled to find opportunities for decent work. We've been a part of that movement for a number of years. The interesting thing is to consider how you define impact. Most in the impact sourcing world define impact as providing a job. At CloudFactory, we focus first on meaningful work versus a job because what we're aiming for is a more holistic transformation of the area the CloudWorker lives in.

I'll give you an example: a writer by the name of David Brooks wrote a piece called 'The Moral Bucket List' for the New York Times where he talks about this difference between 'resume virtues' and 'eulogy virtues.' He says that for most of our lives – in education, in our career – the focus is on success and that's what we strive for. At people's funerals though, no one really talks about their success. Instead, people talk about the eulogy virtues: "They loved well," "They took care of their friends and family," and so on. That legacy is what everybody talks about and that is what we are trying to develop through our CloudWorker program.

So our view of leadership is not what many people think about as leadership – it's more holistic. For us, a good job matters, but we hope to offer more than that and we recognize that we have an opportunity to invest in CloudWorkers and support them while they work with us. Most CloudWorkers are not going to work with CloudFactory for more than two to four years. It's a stepping stone for them. We celebrate when they leave because we have helped them move on to something greater.

CloudWorker turnover for us is not necessarily a negative thing. We know that we have an opportunity to give meaningful work, to invest in them in this period of time for however long they're going to be with us, and then commission them on – and that's really addressing poverty in their communities. We understand that CloudFactory as an entity is not going to be able to address the issues in the communities in which we operate: rather it's our core team and our cloud team who are going to be able to truly impact the community. For us it's really around investing in the people and I think the great benefit of that is (coming full circle back to the beginning of the conversation), when people feel like you care for them and when you're investing in them, their motivation skyrockets, their productivity skyrockets, turnover goes down. You don't have to have a big outbound recruiting department because everyone wants to work for you. So there's this amazing

tangible benefit to why we're there – but that's not why we do it, it's more of a great side benefit. Admittedly, the CFO loves that side benefit, but it's the authenticity part of culture that you can't fake.

Brett's first book Culture Decks Decoded was published on the 8 November 2018. His follow up book The Culture Gene will be published in Q2 2019.

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