



# Scaling Culture:

How Mediafly built an award-winning Culture

# Mediafly CMO Isabelle Papoulias Accepting Crain's 2018 Award "Best in Small Business"







**“Our Reps”: TJ, Isabelle, James, Gregory**





# Guess “Our Reps” did a good job...



**Thursday, April 11 | Noon – 1:30 p.m.**  
**Radisson Blu Aqua Hotel | 221 N. Columbus Dr., Chicago**

Toast to your success and find out where you stand on the list before anyone else. This celebratory luncheon will feature a live unveil of the ranking order of the top 100 Best Places to Work companies!

**2019**  
**BEST**  
**PLACES**  
**TO WORK**  
**IN CHICAGO**  
**CRAIN'S**

**Your table package includes:**

- Reserved table of 10
- Lunch and champagne toast
- Name/logo recognition on table signage
- Name/logo recognition on program slideshow during countdown
- Access to 100+ professional event photos
- Name inclusion in online editorial post event recap

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**2019 Crain’s Best  
Places to Work in  
Chicago Ad**



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TJ, Gregory

Because looks  
like Crain's really  
liked us... (our  
people are pretty  
cool)

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**Isabelle, TJ, Gregory**

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# A bit about me... John Evarts

Investment Banking  
1998-2002

Not-for-profit CFO  
2002-2010

XP-74  
Graduated 2005

Mediafly, Inc.  
2010 - Present

Invited Speaker: World  
Economic Forum

Chicago Booth  
Executive-in-Residence



# A bit about me... John Evarts, NFP CFO

- Not-for-profit CFO
  - AIDSCare, growth story:
    - \$1.0 → \$4.5MM Revenue (break-even)
    - \$1.0 → \$20MM Assets (new campus)
  - Lifelink, turnaround story:
    - \$50MM → \$20MM Revenue (break-even)
    - 500 FTE → 150 FTE (new, refocused mission)





# A bit about me... John Evarts, XP-74 (feelin' old)



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GSB,  
Barcelona,  
Singapore





# A bit about me... John Evarts, XP-74 (feelin' old)



# A bit about me... John Evarts, XP-74 (feelin' old)

**Booth,  
London,  
Hong Kong**





# A bit about me... John Evarts, Mediafly COO/CFO

- COO Role - Organizational Step Changes
  - Strategic Planning
  - Key Partner Channel Support
  - Corporate Development
  - Analyst Relations...





The Forrester Wave™  
mediafly  
“BEST IN CLASS”



# A bit about me... John Evarts, Mediafly COO/CFO

- CFO Role - Resource Attainment/Allocation
- Finance/Accounting/IT/HR/Facilities Lead
- Risk Mitigation
- Investor/Board Relations
- Fundraising...



# Mediafly's Series B, by the numbers:

100+ phone calls and in-person pitches (May - Dec. 2016)

15 signed NDAs from prospective investors

4 months of intensive due diligence

20+ investment committee and Board meetings

100's of pages of signed agreements

\$10 Million of investment



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\$10 Million of investment

... and 1 Tombstone!











Me at our  
Series B  
closing  
dinner!!!



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# Agenda

- A Brief Overview of Mediafly
- Growing Pains (circa 2011)
- “The Kiss of Death”
- “Get the Data!”
- “Be Transparent: Walk the Talk”
- “Culture Eats Strategy”





# About Mediafly

Enterprise Software Solution

Sales Enablement Platform

Gartner: Market Guide for  
Digital Content Management  
for Sales

Forrester: Wave for Sales  
Enablement Automation



Inc Best Places  
to Work



Inc 5000  
Fastest Growing Company



Crain's Best Places  
to Work in Chicago



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**Just Announced 2019  
Finalist for Crain's Best!**



Inc Best Places  
to Work



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Crain's Best Places  
to Work in Chicago





# Key Company Stats

\$10.6 MM vs. \$6.4 MM (65.6% growth)

Customers: 102

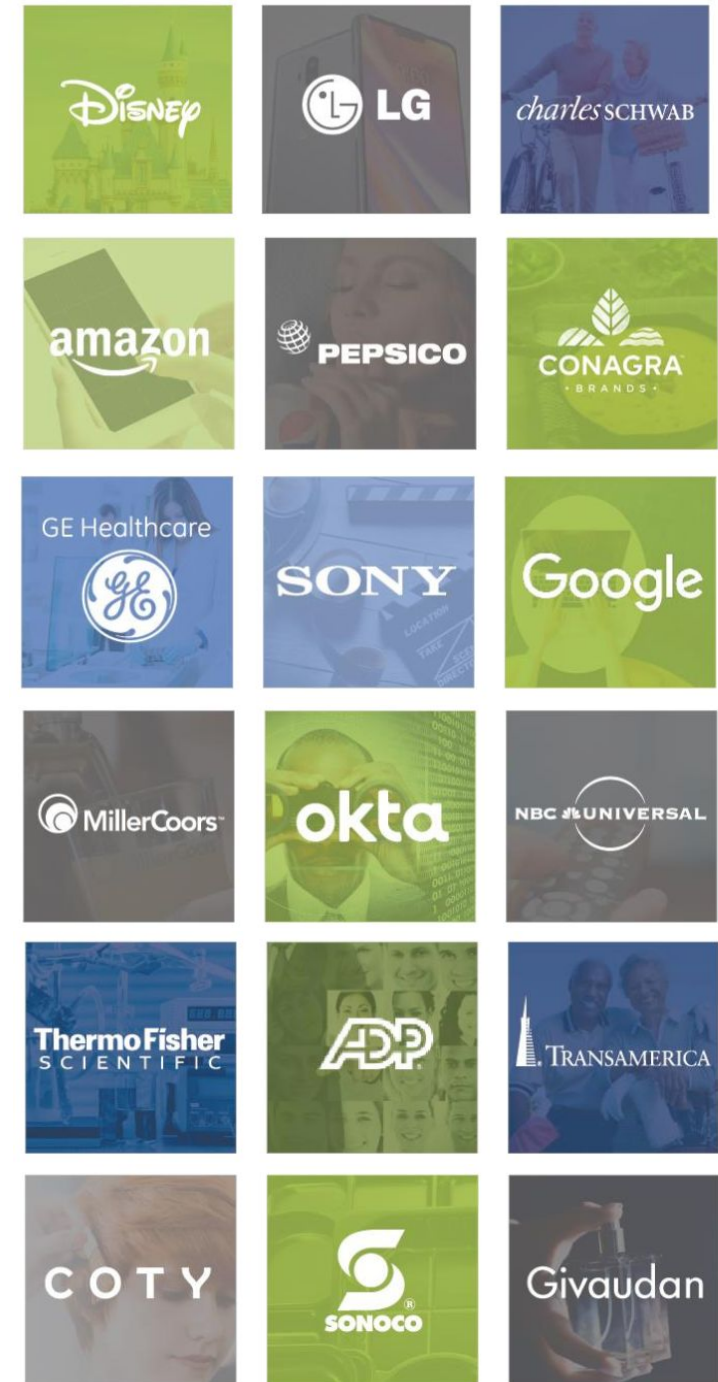
Net Revenue Retention: 103% (Gross: 98%)

Logo Churn: 1 logo

Employees: ~80 (2 Germany, 2 UK)

Primary Competitors:

Seismic, Showpad, Highspot



# Growing Pains (circa 2011)

- (Amazing!) Founder making all recruiting/hiring
- Result 1: strong team of like-minded developers
- Result 2: very strong affinity and excellence level
- Revenue starting (Disney/Goldman Sachs)
- Need to incrementally add to team (e.g. in Sales)





# Growing Pains (circa 2011)

IT AIN'T  
EASY



# Growing Pains (circa 2011)

- Made a couple bad hires
- Waited too long on a few transitions
- Internal grumbling/discontent from our rockstars

**“Okay, John, but how important is that?”**

**\*\*\*\*\***



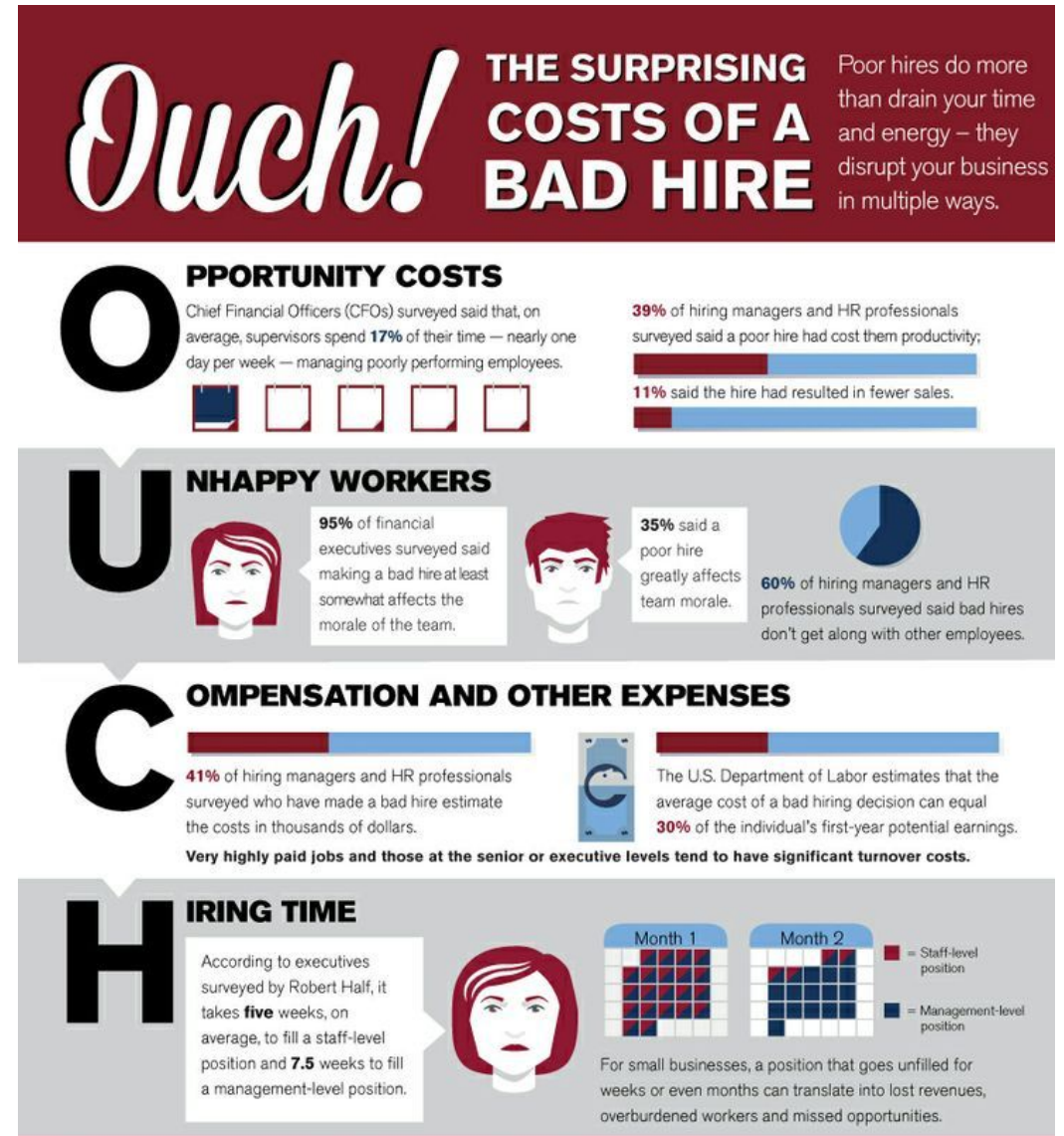
# Cost of a bad hire/late transition...

Supervisors: lose >1 day per week on a bad hire

Team suffers: >1 in 10 report lost sales production due to bad hire distraction/morale

Transition Time: Lose >1 month of productivity managing recruitment and ramp

(2013, Robert Half)





Anyone know this guy?



# Anyone know this guy?



## Antonio Brown Contract Details, Salary Cap Breakdowns, Salaries ...

<https://www.spotrac.com/nfl/pittsburgh-steelers/antonio-brown-6702/> ▼

Antonio Brown contract and salary cap details, full contract breakdowns, salaries, signing bonus, roster bonus, dead money, and valuations.

Contract: 4 yr(s) / \$68,000,000    Free Agent: 2022 / UFA  
Average Salary: \$17,000,000    Guaranteed at Signing: \$19,000,000

### Antonio Brown stats

#### Career stats

Year	Team	REC	YDS	AVG	LNG	TD	ATT	YDS	AVG
2018	Steelers	104	1,297	12.5	78	15	0	0	-
2017	Steelers	101	1,533	15.2	57	9	0	0	-
2016	Steelers	106	1,284	12.1	51	12	3	9	3.0
2015	Steelers	136	1,834	13.5	59	10	3	28	9.3
2014	Steelers	129	1,698	13.2	63	13	4	13	3.3
2013	Steelers	110	1,499	13.6	56	8	7	4	0.6
2012	Steelers	66	787	11.9	60	5	7	24	3.4
2011	Steelers	69	1,108	16.1	79	2	7	41	5.9
2010	Steelers	16	167	10.4	26	0	0	0	-
Career		837	11,207	13.4	79	74	31	119	3.8



# Anyone know this guy?



Best production of  
ANY WR in the NFL

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# Anyone know this guy?



Saturday, March 9, 2019: Oakland Raiders trade for Antonio Brown

Brown had three years and about \$39 million left on the contract he signed with the Steelers in **2017**. According to Pro Football Talk, Brown negotiated a new deal with Oakland that will pay him \$50.125 million over the next three seasons, with \$30.125 million in guaranteed money. 1 day ago



Antonio Brown will be traded to Oakland Raiders, gets new contract ...

<https://triblive.com/.../antonio-brown-will-be-traded-to-oakland-raiders-gets-new-contra...>

Steelers agree to trade Antonio Brown to Raiders for two draft picks ...

<https://www.cbssports.com/.../steelers-agree-to-trade-antonio-brown-to-raiders-for-two...> ▼

19 hours ago - According to CBS Sports NFL Insider Jason La Canfora, the Raiders are giving the Steelers a third-round and fifth-round pick in this year's draft. ... Unlike the reported trade with Buffalo, Brown appears to be more than happy to join the Raiders. According to Pro Football Talk ...

Wait... what? The NFL's best WR for picks?



# Wait... what? The NFL's best WR for picks?



- Yep... “locker room cancer”
- Ate \$21 million on his remaining contract to make him “go away”
- Another way to look at this...



# Cost of a bad hire/late transition...



# THE THREAT...

“Well-known recruiter Jörgen Sundberg puts the cost of onboarding an employee at \$240,000. And, according to the U.S. Department of Labor, the price of a bad hire is at least 30 percent of the employee's first-year earnings.

For a small company, a five-figure investment in the wrong person is **a threat to the business.**”

*(2016, Falon Fatemi @ Forbes)*



# Okay... soooo...

- Need to add only “Stunning” Flyers to the team
- Need to avoid losing ANY “Stunning” Flyers
- No data as to what “Stunning” means
- No talent pipeline, only Carson’s limited network
- No predictability for timing match (super lumpy revenue/cash profile)

**Where do we start? Get the Data!**





# Get the Data!

Enter first ever Mediafly Culture Survey (2011)



# Get the Data!

## Why a Survey?

1. Establish metrics on what is working/not
2. Get qualitative information from our team
  - a. What are common traits of Flyers?
  - b. What traits are needed to be successful?
  - c. What is the experience in the office like?
3. Establish roadmap for priorities to address
4. If done right, team feels ownership
5. Totally anonymous (open and honest feedback)



# Get the Data!

1. Data told us comp was off
2. Data told us benefits sucked
3. Data told us they trusted Carson
4. Data told us they loved the product
5. Data told us necessary traits for Flyer success





# Get the Data!

- We had the data, and we went back heads down...
- Didn't see a need to share the data, just got to work on the problem areas...



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# Trouble Brewing...

After a few weeks, a number of Flyers were grumbling louder:

1. They had been asked for and shared information, but heard nothing
2. They did not know if anything was being done with the information





# Be Transparent: Walk the Talk

Called a meeting to share the (painful) truth:

1. Admitted difficulty in addressing comp near term
2. Immediately addressed the benefits package:
  - a. Eliminated costly STD
  - b. Added 401k match
  - c. Upgraded to BCBS
3. Immediate bump in management credibility
4. Immediate increase in strong referrals from Flyers (including future customer, Pepsi!)

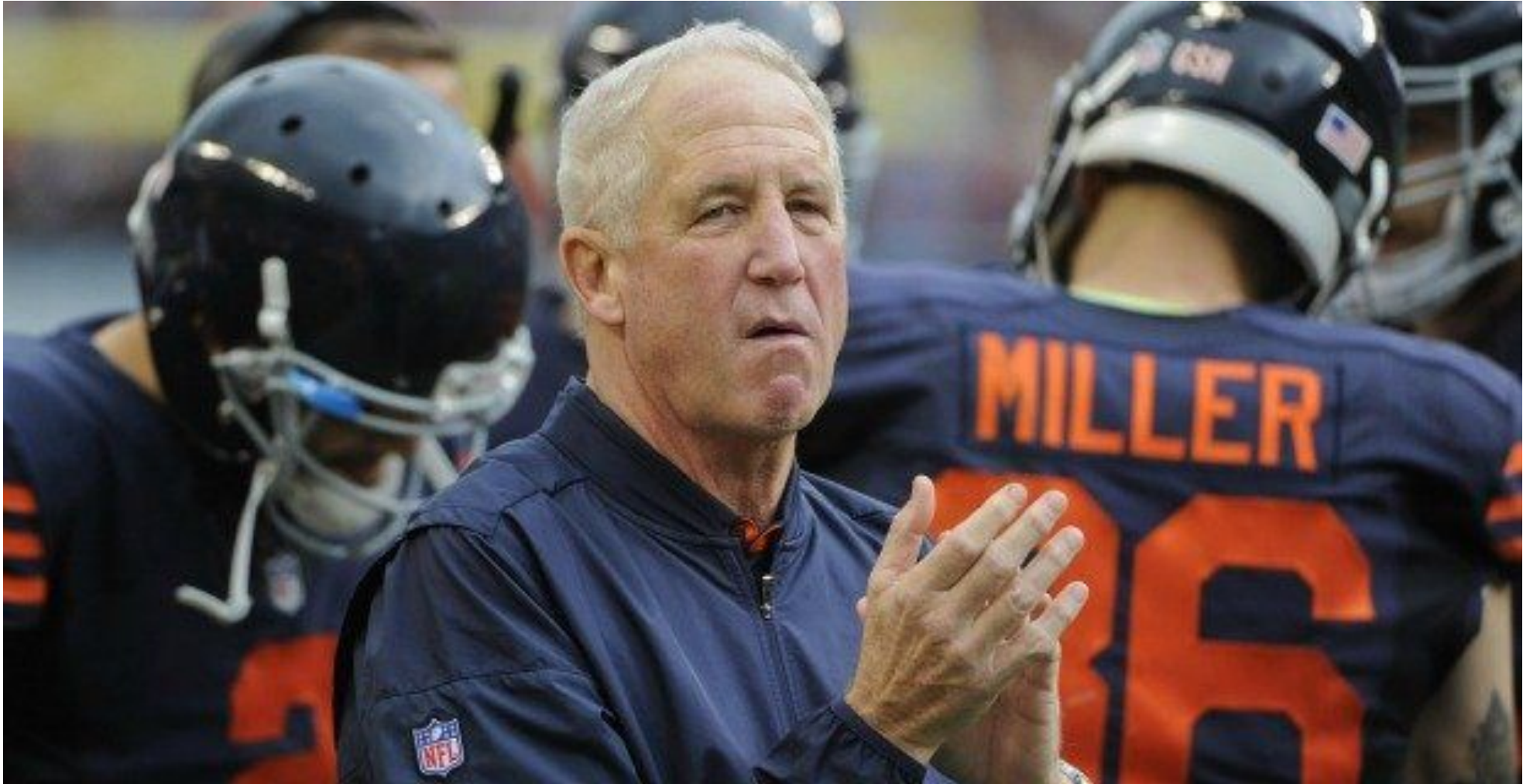


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## Culture Survey



# 2017 Chicago Bears





# 2017 Chicago Bears



**5-11 Record: Last in NFC North**



# Anyone know this guy?





# 2018 Chicago Bears





# 2018 Chicago Bears



**12-4 Record: First in NFC North**

January 24, 2019





# “Culture Eats Strategy”

“From the minute I walked into this facility... **culture eats strategy**... it was so authentic and genuine... it’s everything I ever wanted and imagined, and more. I feel like the luckiest man in the world right now.

We got a bunch of guys that love football and are committed. **That’s why they are so successful.**

The culture it all starts at the top and **the culture that Coach Nagy has created is phenomenal.”**





# “Culture Eats Strategy”



# Okay, John but can a start-up leverage culture?

Yes...



# Mediafly's first acquisition



**Alinean**





# Mediafly acquired Alinean (Nov 2018)

- Provider of interactive value-selling sales enablement tools and services (Complimentary to Mediafly's Extensions)
- 60 blue-chip customers (strong cross-sell, up-sell opportunities)
- Alinean and Mediafly were partners prior to acquisition
- Profitable, Cash flow positive
- 16 people (all retained)
- CEO of Alinean joined Mediafly as Chief Evangelist and EVP of Advisory Services
- **Result:** 2.5X ARR production in 3 months following acquisition
- **Result:** Competitive differentiator, faster sales cycles, land & expand



# Takeaways (I hope!)

1. “THE THREAT” -- \$240k+ lost on each bad hire/slow transition



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# Takeaways (I hope!)

1. “THE THREAT”



2. “Get the Data!” -- measure the qualitative stuff (establish roadmap)



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# Takeaways (I hope!)

1. “THE THREAT”



2. “Get the Data!”



3. “Be Transparent: Walk the Talk” -- gain alignment, show progress





# Takeaways (I hope!)

1. “THE THREAT”



2. “Get the Data!”



3. “Be Transparent: Walk the Talk” -- gain alignment, show progress



# Takeaways (I hope!)

1. “THE THREAT”



2. “Get the Data!”



3. “Be Transparent: Walk the Talk”



4. “Culture Eats Strategy”

- a. Great strategy with wrong folks = disgruntled team members
- b. You get the opportunity to hire the best
- c. With the best people, you get the best ideas and customers are thrilled



# Takeaways (I hope!)

1. “THE THREAT”



2. “Get the Data!”



3. “Be Transparent: Walk the Talk”



4. “Culture Eats Strategy”





# Thank you!

John Evarts, COO & CFO  
Mediafly, Inc.

[jevarts@mediafly.com](mailto:jevarts@mediafly.com)



**Casino Night**



**Paintball**

# Thank you! Questions?

John Evarts, COO & CFO  
Mediafly, Inc.

[jevarts@mediafly.com](mailto:jevarts@mediafly.com)

