Netflix’ Analytical Culture: Freedom & Responsibility
We Seek Excellence

Our culture focuses on helping us achieve excellence
Seven Aspects of our Culture

- Values are what we Value
- High Performance
- Freedom & Responsibility
- Context, not Control
- Highly Aligned, Loosely Coupled
- Pay Top of Market
- Promotions & Development
Core Values

- Judgment
- Communication
- Impact
- Curiosity
- Innovation
- Courage
- Passion
- Honesty
- Selflessness
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Great Workplace is

*Stunning Colleagues*

Great workplace is *not* espresso, lush benefits, sushi lunches, grand parties, or nice offices

We do some of these things, but only if they are efficient at attracting and retaining stunning colleagues
Honesty Always

As a leader, no one in your group should be materially surprised of your views.
We Help Each Other To Be Great
Why are we so insistent on high performance?

In procedural work, the best are 2x better than the average.
In creative/inventive work, the best are 10x better than the average, so huge premium on creating effective teams of the best
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The Rare Responsible Person

- Self motivating
- Self aware
- Self disciplined
- Self improving
- Acts like a leader
- Doesn’t wait to be told what to do
- Picks up the trash lying on the floor
Most Companies Curtail Freedom as they get Bigger
Chaos and errors spike here – business has become too complex to run informally with this talent level.
The Key: Increase Talent Density faster than Complexity Grows

% High Performance Employees

Business Complexity
Increase Talent Density

- Top of market compensation
- Attract high-value people through freedom to make big impact
- Be demanding about high performance culture
Minimize Complexity Growth

- Few big products vs. many small ones
- Eliminate distracting complexity (barnacles)
- Be wary of efficiency optimizations that increase complexity and rigidity

Note: sometimes long-term simplicity is achieved only through bursts of complexity to rework current systems
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If you want to build a ship, don’t drum up the people to gather wood, divide the work, and give orders. Instead, teach them to yearn for the vast and endless sea.

-Antoine De Saint-Exupery, Author of The Little Prince
Context, not Control
Provide the insight and understanding to enable sound decisions

**Context (embrace)**
- Strategy
- Metrics
- Assumptions
- Objectives
- Clearly-defined roles
- Knowledge of the stakes
- Transparency around decision-making

**Control (avoid)**
- Top-down decision-making
- Management approval
- Committees
- Planning and process valued more than results
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Three Models of Corporate Teamwork

1. Tightly Coupled Monolith
2. Independent Silos
3. Highly Aligned, Loosely Coupled
Highly Aligned, Loosely Coupled

• **Highly Aligned**
  - Strategy and goals are clear, specific, broadly understood
  - Team interactions focused on strategy and goals, rather than tactics
  - Requires large investment in management time to be transparent and articulate and perceptive

• **Loosely Coupled**
  - Minimal cross-functional meetings except to get aligned on goals and strategy
  - Trust between groups on tactics without previewing/approving each one – so groups can move fast
  - Leaders reaching out proactively for ad-hoc coordination and perspective as appropriate
  - Occasional post-mortems on tactics necessary to increase alignment
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Pay Top of Market is Core to High Performance Culture

One outstanding employee gets more done and costs less than two adequate employees

We endeavor to have only outstanding employees
Three Tests for Top of Market for a Person

1. What could person get elsewhere?
2. What would we pay for replacement?
3. What would we pay to keep that person?
   - If they had a bigger offer elsewhere
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Baseball Analogy: Minors to Majors

- Very talented people usually get to move up, but only true for the very talented
- Some luck in terms of what positions open up and what the competition is
- Some people move to other teams to get the opportunity they want
- Great teams keep their best talent
- Some minor league players keep playing even though they don’t move up because they love the game
Three Necessary Conditions for Promotion

1. **Job has to be big enough**
   - We might have an incredible manager of something, but we don’t need a director of it because job isn’t big enough
   - If the incredible manager left, we would replace with a manager, not with a director

2. **Person has to be a superstar in current role**
   - Could get the next level job here if applying from outside and we knew their talents well
   - Could get the next level job at peer firm that knew their talents well

3. **Person is an extraordinary role model of our culture and values**
Your Economic Security is based on your Skills and Reputation

We try hard to consistently provide opportunity to grow both by surrounding you with great talent
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Netflix is proud to introduce our new Netflix-OSS project called Surus. Over the next year we plan to release a handful of our internal user defined functions (UDF’s) that have broad adoption across Netflix. The use cases for these functions are varied in nature (e.g. scoring predictive models, outlier detection, pattern matching, etc.) and together extend the analytical capabilities of big data.

The first function we’re releasing allows for efficient scoring of predictive models in Apache Pig using Predictive Modeling Markup Language. PMML is an open source standard that supports a concise representation of predictive models in XML and hence the name of the new function, ScorePMML.

Here is a recent article discussing the project:

We keep improving our culture as we grow…

We try to get better at seeking excellence…

Find current open positions at:

https://jobs.netflix.com/