LinkedIn Research

General Overview

About/history
- **Mission:** To connect the world's professionals to make them more productive and successful.
- **Vision:** Our vision is to create economic opportunity for every professional in the world. This vision not only applies to each of our employees, but every LinkedIn member, each of whom has the ability to create economic opportunities for others. We believe this is the fundamental power of our network.
- Founded by Reid Hoffman in 2002
- World's largest **professional** network on the Internet
- 160 million users in ~200 countries since its launch in 2003
- Headquartered in Mountain View, California
- Employs ~4,000 people
- IPO in May 2011
- Core values: Members first, Relationships matter, Be open honest and constructive, Demand excellence, Take intelligent risks, Act like an owner, Transformation, Integrity, Collaboration, Humor, Results
- Made $11.9 million in profits in 2011, down from about $15.4 million in 2010
- $522.19M in sales in 2011, 115% sales growth from 2010. $1bn sales in 2013.
- **2012 purchase of SlideShare for ~$119 million**
- Talent Pipeline, a new recruiter product
- Mobile is another area of focus; in 2011 about 15% of member visits came from mobile, and mobile page views were up more than 300% year-over-year.
- Ramping up international expansion activities, having experienced growth in India, Brazil, and China
- **60% of its member base comes from outside the US**, and its service is available in languages such as French, German, Italian, Portuguese, and Spanish
- LinkedIn recently opened international offices in London, Mumbai, and Sydney. These operations add to its presence in Canada, Ireland, and the Netherlands.
- Key People
  - [Reid Hoffman](), Chairman
  - [Jeff Weiner](), CEO and Director

Recent News
- May 2012 SlideShare Acquisition for $119 million
- Sept 2012 Company pages
- Sept 2012 Removal of Twitter

- Oct 2012 New Profile design rolled out
- Oct 2012 New LinkedIn Blackberry app

Different MBA positions at LinkedIn
- Product Manager:
    - Primary liaison for managing new feature development
    - Engineering background and PM experience preferred
    - Most competitive
- Business Operations:
    - Internal strategy, lots of former consultants
    - Enable business partners to drive results through objective analysis
    - Work on special projects for LinkedIn leadership
    - Drive high level analysis of strategic opportunities with sales, product and marketing leadership
    - Provide support on operational dashboards and metrics
    - Work closely with other Business Operations functions, Finance, Business Development, Corporate Development and the broad organization
- Product Marketing Manager:
    - Driving acquisition of and deeper engagement among LinkedIn members and paying customers, across an assigned product area.
    - Responsible for strategically informing the product road map
    - Creating and executing online and offline acquisition and retention campaigns.
    - Organized into product-specific (Check-in, Recruiter), and segment-specific (SMB, students)
    - Skills: project management, data analysis, cross-functional collaboration and communication, marketing experience a plus
- Sales Operations and Strategy:
    - Working with Senior Leadership to drive sales go-to-market strategy and operating plans
    - Identifying new revenue opportunities through market segmentation and territory alignment
    - Designing and deploying sales processes that result in disciplined and optimized practices across the global field sales organization
    - Deriving sales analytics and insights from our CRM, Finance and Ad Serving systems
    - Streamlining sales processes & operations. Very operational & excel based.
    - Rolling out sales programs to our Global Field Sales team
    - Knowledge of Salesforce & SQL a huge plus.

Financials
- Revenues of $243.1 million in the fiscal year ended December 2010
- Operating profit was $19.6 million in fiscal 2010
- Net profit was $15.4 million in fiscal 2010
- US: 70% of revenues, International: 30% of revenues

Wharton
UNIVERSITY of PENNSYLVANIA

- **Revenue streams:**
  - Talent solutions 50% rev
    - LinkedIn Recruiter Corporate
    - Job Slots
    - Career Pages
    - Media: Talent Direct, Recruitment Ads, Work With Us
  - Marketing solutions 30% rev
    - Company Pages
    - Custom Groups
    - Display Ads, Text ads
    - Sponsorships
    - White Paper Distribution
    - Partner Messages
    - LinkedIn Ads
  - Premium subscriptions 20% rev
    - Enhanced search results
    - Enhanced communication capability
    - Improved organizational functionality
    - Priority customer support

- Free services
  - LinkedIn profiles
  - LinkedIn network building
  - Knowledge platform
  - Mobile apps

- Partners include: Amazon.com, American Express OPEN, Box.net, BusinessWeek, CBS News Moneywatch, Capital IQ, CNBC, eQuest, Eventbrite, Google, Huddle, Jobvite, The New York Times, Palm, Reuters, SimplyHired, Six Apart, TripIt, Twitter, WordPress.com, and Xobni

Competitors
- Members
  - Facebook (partnership with Glassdoor)
  - Twitter
- **Talent Solutions**
  - Online job boards: Monster, CareerBuilder, Indeed
  - SaaS solutions: Taleo
  - Traditional: Recruiters, Executive recruiters, Search agencies
- Marketing Solutions
  - Search: Google, Yahoo, Bing
  - Display: Facebook, Google, Amazon
  - Mobile: Too early to tell
- Sales Solutions

Everyday life at LinkedIn

1. Culture of people who want to change the world
2. Bi-weekly all-hands meetings where CEO and senior leaders give updates and answer questions
3. New hires still get introduced and have to perform a talent in front of the company
4. Speaker Series
5. Tech Talks to keep everyone up to date
6. Hack days once a month for engineers to work on new projects
7. IN days once a month to explore things unrelated to current responsibilities

Risks

1. Short operating history
2. Internet security
3. Member concerns about privacy
4. Recruiting and retaining talent in Silicon Valley
5. Legal -Laws about the internet still developing
6. Monetization
7. **International expansion risks**
8. **Websites that aggregate data**
9. Protect intellectual property
10. Keep up with move to mobile

11. Industry: Downturn → Decrease in corporate profits
12. Company: Inability to integrate acquisitions with company
13. **Competition: Medium barriers to entry**
14. **Customers: Member out-of-date profiles → Obscurity**

Questions for XXX, the Recruiter:

1. Does the global sales organization span across LinkedIn's 3 business lines?
    a. Yes - Sales is Business-line agnostic
2. What would a typical day in the sales organization look like?
    a. Marketing works with product managers and sales team
    b. Sales works with product managers and customers
    c. Sales are outward facing managers
3. What are the specific skills and/or characteristics you're looking for, for this role?
    a. Relevant sales experience
    b. Tech company
    c. MBA
    d. Consulting/finance
4. What types of interview questions should I be prepared to answer?
    a. Case + behavioral

Wharton
UNIVERSITY of PENNSYLVANIA

One of first candidates speaking with for this role
Want someone with relevant experience, top MBA, ideally banking or consulting
Interviewing a few candidates in next few weeks
Eventually bring in top candidates for an in-person invitational - Monday, November 12th

1-2 phone interviews, then invite to in-person interview
Working with several hiring managers to figure out criteria for deciding on candidates

Informational Interview - XXX

- **What were the most useful things you did to prep for your interviews?**
    - Interviews were very standard
    - Didn't do anything special to prep for LinkedIn

- **What types of interview questions were you asked?**
    - Any curve balls? No
    - Interviewed directly for Sales Operations
    - Interviewed w/ former MBAs and consultants - you'll get these types of questions
    - Typical fit questions: resume, background, why LinkedIn, etc
    - Case types of questions based on the person's role at LinkedIn
    - Sample questions:
        - What are the different ways you might structure a sales force? Pros and cons?
            - Geography
            - Product specialization
            - Client specialization
            - Mix
                - Hunter-Farmer (Acquisition and Retention)
                - Grow vs Maintain
        - If you're trying to create a sales forecast, how would you think about that?
            - What's the term? 1 year? 3 years? Accuracy level? Monthly / annual?
            - Check industry forecasts for growth projections

            - Break down into customer cohorts based on company type or based on when the customer joined
                - Stragegic (Multi National Corporations)
                - Enterprise
                - SMB (Small Medium)
            - Factors that affect growth rates:
                - Probability of converting a customer
                - Seasonality
                - How saturated is the market

- ○ Known competitors
- ○ Churn rates
- ■ Market sizing, market opportunity
  - ● Supply side
  - ● Demand side
    - ○ # businesses in territory * % use recruiting services * LinkedIn market share * # licenses per business * rev/annual license
- ○ 1 Case per interview, a few fit and behavioral questions
- ○ Interviewed with each of 4 heads of Sales Ops, 3 had been former consultants

- **Did you intern in the Global Sales Org? Are you going back?**
  - ○ Interned in Sales Operations within Sales Solutions
  - ○ Interviewing for other roles at LinkedIn
  - ○ Interviewing for Business Operations (i.e. Internal Strategy) and Product Management (requires engineering background)

  - ● Interned in sales operations
    - ○ Part operations
    - ○ Part Strategy
    - ○ Aligned with sales solutions, in sales operations
    - ○ Helped sales people make sales by creating strategy
  - ● One project:
    - ○ Strategy for how to cross-sell
    - ○ How to incentivize sales people to share business (monetary rewards, a cut of revenues for introductions, set compensation for introductions)
    - ○ How to identify the best opportunities
      - ● Segment clients by CLV, then find commonalities between high-CLV clients
  - ● Second project:
    - ○ How to structure salesforce
    - ○ Should LinkedIn just copy model from other business lines?
    - ○ Hunter farmer model - People who seek new business vs people who maintain old relationships
    - ○ Very big companies - No hand-off b/c in global companies you are only typically making a sale to a small department

- **Do you know why they are seeking someone who wants to do sales long-term? What exactly do they mean by "sales"?**
  - ○ Sales could also be client-facing types of people
  - ○ Account executives - go after new clients
  - ○ Relationship managers - curate relationships with existing clients
  - ○ Product consultants - help teach recruiting customers how to use LinkedIn's tools, education

Wharton
UNIVERSITY of PENNSYLVANIA

- Different types of sales targets
  - Strategic - Very big
  - Enterprise - Big
  - SMB - Small Medium Business

- **General Info about LinkedIn**
  - Motto: LinkedIn helps companies hire (recruiters), market (company pages, ads - compete with FB), and sell (under premium subscriptions but a little different, started over a yr ago, solution to help salespeople)
  - **Hire, market, and sell**

  - Global Sales Org
    - Sales people within LinkedIn (functional, spans 3 lines of business)
    - Really good culture, nice people, mainly due to great leadership

  - 3 Main business lines: Hiring Solutions, Marketing Solutions, Sales Solutions

  - 4 MBA interns in sales operations
  - Other MBA interns doing analytics, creating tools used by all business lines

  - Hiring solutions and sales solutions - SaaS products, annual subscription, ensure ppl are using it b/c that will determine whether they renew the products

Informational Interview - XXX

1. Global Sales Org
   a. 3 main business lines (hiring solutions, marketing solutions, premium memberships), each one has 2 splits (online and offline business) - 3 by 2 matrix

   b. **Hiring solutions**
      i. Offline business (most of revenue)
         1. Customers: HR groups within companies (Google, Microsoft)- 90% and recruiting agencies - 10%
         2. Business model: Sell 1 year licenses
         3. Costs: LinkedIn sales force
         4. Most money in hiring solutions is made here
      ii. Online business
         1. Customers: One-off recruiters, small businesses
         2. Business model: Packages and licenses only sold online
         3. No sales force required
         4. Self-service model for one-off recruiters or smaller firms
         5. LinkedIn is working to ramp this up b/c there are lower costs

   c. **Marketing solutions**

Wharton
UNIVERSITY of PENNSYLVANIA

    i.   Offline business
- 1. Customers: Big enterprises and their ad agencies (work with both)
- 2. Sales force sells advertising inventory
- 3. Typically sign companies up for year-long subscriptions
- 4. Sell same inventory online and offline
- 5. However, pricing is different for large companies
- 6. Might want to lock-in for a year and do complex campaigns
- 7. Field sales gets preference for inventory because pricing is higher

    ii.   Online
- 1. Customers are smaller businesses
- 2. LinkedIn ads platform - can buy targeted display ads, plain vanilla display ads
- 3. Metrics
  - a. CPM - Cost Per Thousand impressions

d. **<u>Premium subscriptions</u>**
    i.   Online-only business for members to upgrade
    ii.   Don't really sell subscriptions offline
    iii.   Hiring solutions team might sell some of these as part of a corporate package/license
    iv.   Customer segments
- 1. Recruiters
- 2. Sales people
- 3. Job seekers
- 4. Business people

    v.   Benefits
- 1. More results per search
- 2. Can view more stats on people who have looked at your profile
- 3. Can send InMail
- 4. Profile organizer
- 5. Open Link
- 6. Premium badge

e. Sales Solutions (New, 3rd line of business under GSO - others being Hiring and Marketing solutions)
    i.   Customers: Salespeople who want to find the right contacts / decision makers within companies
    ii.   Similar to hiring solutions, but for salespeople
    iii.   New business, rolling out soon

f. Global Sales Org: Two main sub-groups
    i.   **Sales people**
- 1. Traditional sales people

    ii.   **Sales operations**

1. Focused on near-term business opportunities (1-3 years out)
2. Short-term strategy plus operations
3. **Territory planning**
   a. Split companies by size - headcount of employees
   b. Strategic accounts (MNCs) served differently b/c they have a global presence
   c. Company size = approximation for CLV
   d. CLV for every account, size a prize
4. **Account allocation**
   a. Match up companies with sales reps
   b. Match based on experience
   c. Allocated based on industry verticals (tech, financial services, consumer brands)
5. **Quarterly planning** (week to week monitoring)
   a. Each week there's a forecast call
      i. Rep productivity
      ii. Monitor metrics
      iii. Dashboards → Sales management
   b. How many sales reps needed for 2013? What quotas need to be set for them?

2. What types of case questions did you get when you interviewed? How did you prepare for these?
   a. All cases were related to the company
   b. Research the company and understand the businesses, drivers of businesses, and trends affecting the business
   c. Understand DRIVER's of the business
   d. Understand long-term trends

   e. **Hiring Solutions + Sales solutions**
      i. SaaS model (Software as a Service model)
         1. Don't require installation of software, only web and internet browswer
         2. **Subscription fee model** (annual license / contract)
         3. SaaS vendors typically price their applications based on some usage parameters, such as the number of users ("seats") using the application.
         4. Because customers' data resides with the SaaS vendor, opportunities also exist to charge per transaction, event, or other unit of value.
         5. **Freemium model** - Free service is made available with limited functionality or scope, and fees are charged for enhanced functionality or larger scope
         6. Accelerated feature delivery

      a. The application is hosted centrally, so new releases can be put in place without requiring customers to install new software.

      b. The application vendor has access to all customer data, expediting design and regression testing.

      c. The solution provider has access to user behavior within the application (usually via web analytics), making it easier to identify areas worthy of improvement.

7. Issues

      a. Data security, esp with sensitive information

      b. Cloud-based makes it a bit slower

      c. High switching costs if company is already using another vendor

      d. Continuous feature improvements could mean slower learning for clients using the software

8. Cust acquisition cost very high for LinkedIn initially
9. Lower cost going forward, as long as they keep renewing year after year
10. Want to retain customers as long as possible
11. Can we renew them? Upsell them?
12. Benefit for customers: outsource recruiting software maintenance and support to LinkedIn
13. As more services move to the cloud, more companies get comfortable with the SaaS model

ii. Sales force org structure

1. "Hunters"

      a. Focus on acquisition - # new accounts

      b. Account Executives (AE)

2. "Farmers"

      a. Relationship Managers

         i. Keep the customers, make sure they renew, upsell and cross sell

         ii. Success metrics based on **renewals**

         iii. Should also be based on increasing customer CLV via upsell and cross sell?

      b. Recruitment Product Consultants (RPCs):

         i. Support the customer to help them get maximum value from the product

         ii. Work mainly with Relationship Managers (RMs)

         iii. Train customers on **how to do searches and use the product**

3. Previous strategy:

a. Land then Expand - sell a little bit at first, then more stuff along the way
b. However, North American market is getting saturated
c. More business is now shifting to the renewal and upselling side so more attention needs to be devoted here
d. Now people sell as much as they can up front, but later can't sell as much (timing of revenue)

    iii. Drivers of business:
1. **Increase # new accounts**
2. **Increase existing customer CLV**
   a. **Lower churn (biggest thing they worry about)**
   b. **Lower acquisition costs**
   c. **Lower customer service costs**
      i. Currently all in person
      ii. Segment customers into 3: Big, med, small
      iii. Really small accounts have limited upsell potential, just call them 2 months before renewal
      iv. Focus mainly on biggest and best customers
      v. Can monitor customer usage and ID customers who are using the product
      vi. Currently trying to standardize this - early warnings? People not using product much
   d. **Upsell / Cross sell**

    iv. **Find metrics for SaaS businesses**
1. Recurring Profit
2. Customer Lifetime Value of different cohorts
   a. Churn rate of different cohorts
   b. Customer Acquisition Costs of different cohorts
3. Cash

f. **Trends in business - Look at Analyst calls**

    i. Talent Management, Sales solutions (LinkedIn is only game in town)

1. **Value proposition: Passive Candidates**, people update their information, People who are happy in their jobs but are open to considering new positions, Head hunters can more easily identify
   a. **Sweet spot = mid to senior positions**
2. Expansion
   a. Sourcing candidates - LinkedIn is only here, but still hasn't maxed out this market (Just need to focus on this existing business)
   b. Application Tracking System - Can LinkedIn expand here
3. Longer term expansion opportunities

a. Talent assessment
b. Candidate relationship management (Oracle, feedback to candidate)
c. Jobvite, Oracle
d. Corporate Training
e. Retention
f. Perf evaluation
    i. Oracle
    ii. Salesforce
    iii. MSFT / Yammer (internal talent management, internal sourcing)
4. Geographic expansion vs. Expand to rest of value chain

ii. Online advertising trends
1. One out of many publishers
2. **Value prop: Targeted audience, affluent and highly educated professionals (B2B companies)**
3. Display and search ads mainly
    a. Search mainly Google
    b. LinkedIn fighting for display
    c. Inventory constraints - People are not as engaged on LinkedIn, Trying to get ppl to be more engaged
    d. Metrics: CTR, CPA
    e. Display: Brand building
        i. Pay per impression
        ii. Most of this money comes out of Marketing groups at companies
        iii. Fighting against FB, Business publications,
        iv. Questions they get a lot: Why don't they just do a FB display campaign
            1. Context: LinkedIn more for business, not social - display campaigns don't work as well
        v. Social media
            1. People haven't figured out how to make social media work for them
            2. Measure awareness
        vi. Mobile ads
        vii. Companies are still trying to figure out how to monetize mobile page views as the audience shifts to mobile.
4. Get up to speed on various things that are going on with mobile ad monetization efforts at different companies, i.e. Google, FB, etc.

5. Mobile Advertising Trends
    a. The mobile advertising market is growing and will continue to grow
        i. Largest growth in mobile ad markets are in Asia

    b. Growth in mobile devices (tablets, smart phones)
    c. Growth in mobile app downloads
    d. Growth in mobile search and web browsing
    e. Growth in personal cloud

    f. Real-time mobile ad bidding
    g. Behavioral and location targeting
    h. Interactive mobile ads
    i. Google:
        i. Click to call
        ii. Location-based targeting
        iii. Click to download for apps
        iv. Sitelinks to specific web pages
        v. Ads with offers
        vi. Seller ratings
    j. Facebook
        i. Ads integrated into newsfeed (sponsored pages, company likes)
        ii. Mobile ads less expensive, and there's more user engagement
            1. However, clicks could be accidental
            2. Also there is very little inventory, so CPC could go up
        iii. Customer audience - companies can upload email and phone contacts, then target these individuals with ads

6. **Metrics of advertising business**
    a. Increase # Impressions (# people who have seen an ad)
    b. Increase Sell Through Rate (% of impressions sold for available inventory)
    c. Cost Per Mila (cost to reach 1000 people or households)
    d. Maximize Yield (Sell Through Rate * CPM) ← Want to maximize this

    e. No auction yet
    f. Right now, pricing and yield management team
    g. Want to get to same yield across different segments - Maximize value across inventory

Wharton
UNIVERSITY of PENNSYLVANIA

> > h. Use 4Ps to max inventory

> > 7. Premium Subscriptions business - Check this out
> > > a. Similar to Netflix
> > > b. Lower churn, typically through email
> > > c. Introduce different premium packages
> > > d. Dynamic subscriptions page, tailored to your profile
> > > e. Trying to maximize profile of every premium subscriber
> > > f. Not quite a la carte, but tailored packages
> > > g. Localized pricing for different countries
> > > h. Plans are customized: Job seeker, Sales Professional, Recruiter

3. What types of fit or behavioral questions did you get?
   a. Asked a lot about China and Asia (relevant to the role)

4. How many people did you interview with? One-on-one? How long? What were their backgrounds?
   a. 8 people, all one-on-one, 30 to 45 min each
   b. Mostly banking and consulting backgrounds, tech background
   c. Hire for general managers not just sales
   d. Hire people who could be a product evangelist
   e. A lot of customers don't get value from the product b/c they don't know how to use it

5. Any resources you recommend looking into?
   a. Investment bank reports - overview of business
   b. Recruiting reports
   c. IDC reports (International Data Corporation)

Potential Interview Questions

6. **Recruiting Trends (IDC)**
   a. Salesforce acquisition of Rypple → Entry into employee and talent management
      i. Social talent management
      ii. People can give public praise on the platform, and it will be visible
   b. Recruiting and Learning (Training?) = biggest areas for social tech
   c. Talent management = **Attracting**, Developing, Rewarding, and Retaining the workforce
      i. **After recruiting, performance management is most important to HR**
      ii. Talent management functions = Recruiting and staffing, learning and development, performance management, compensation management, career and succession planning, competency management and assessment

         iii. Major players: SuccessFactors / SAP, Taleo / Oracle
- d. Greater demand for integration among the talent functions and a one-stop-shop vendor that can do as many functions as possible
- e. Recruiting is 20-yr-old market (mature)
- f. What is newer is the emphasis on bringing other facets of talent management into use and harmony with recruiting.
- g. Examples of integrating recruiting with other talent functions
  - Expose open position searches to both internal and external candidates
  - Provide a talent success profile with which to seek the right candidates in the future
  - Determine a quality of hire metric that is truly performance based
  - Build succession scenarios that compare internal and external resources
- h. Key stakeholders: Job candidates, Recruiters, Managers
- i. Human capital management moving to cloud in next few years
- j. Many new startups are "growing up in the cloud"
- k. Look into PaaS (Platform as a Service) to host apps and developers

7. Sales Trends (IDC)
   - a. Sales automation, marketing automation, and customer service markets experienced high positive growth rates
   - b. CRM applications to manage the entire lifecycle of a customer — including the conversion of a prospect to a customer — and help an organization build and maintain successful relationships

8. Megatrends
   - a. Online Infrastructure
     - i. Increase in broadband usage
     - ii. Move to Cloud → SaaS
   - b. Social
     - i. The way people represent themselves online
     - ii. Sharing of content, collaboration
     - iii. Implications for recruiting, learning, perf mgmt
   - c. Mobile
   - d. Free Knowledge/Education
   - e. Decline in print media

9. Economic Drivers
   - a. Unemployment rates
   - b. Number of temp workers (Increase in temp workers = decrease in recruiting help for companies)
   - c. Growth of healthcare and IT industries → Growth in healthcare and IT recruitment
   - d. Growth in corporate profits → Growth in hiring activities

10. Major competitors
    a. Monster
    b. Careerbuilder
    c. Indeed
    d. Growth in niche recruiting sites
    e. LinkedIn (8.6% market share)

11. **Ways to structure a sales force**
    a. Geography
        i. Pros
            1. Low cost of travel
        ii. Cons
            1. No specialization of sales force
            2. No tailored customer solutions
    b. Product based
        i. Pros
            1. Sales people develop expertise on product
        ii. Cons
            1. High cost of travel
    c. Industry and client-type based
        i. Pros
            1. Sales people develop better idea of customer needs
            2. Tailored to company org structure
        ii. Cons
            1. High cost of travel
    d. Combination

    e. Mixtures
        i. Hunter-farmer
            1. Acquisition - Sales people who are good at this
            2. Development and Retention - Cross-sell, up-sell, lower churn
        ii. Land and expand
            1. Loss-leader approach, just get them in the door then upsell
            2. However this wasn't working
            3. Now, sell as much up front as possible

12. **How would you reduce churn?**
    a. Understand why there's churn?
    b. Possible reasons:
        i. Only certain cohorts have high churn
        ii. Don't understand the product
        iii. Not seeing ROI
            1. Need more useful product features

Wharton
UNIVERSITY of PENNSYLVANIA

        iv. Pricing too high
        v. Competitor offering
        vi. Need reminders to renew
        vii. Switching costs too low
    c. Address the problems, especially for high value customers
        i. Product consultants
        ii. Sales people dedicated to developing the relationships
        iii. Increase switching costs

13. **How would you expand Hiring solutions?**
    a. Expand in existing markets (only 25% penetration in hiring among 500+ employee companies in US)
    b. Expand into value chain of talent management
        i. Applicant tracking
        ii. Performance management
        iii. Training
        iv. Outplacement services
        v. Temp staffing
        vi. Internal recruitment services
    c. Expand internationally
    d. Raise prices

14. **How would you expand Sales Solutions?**
    a. $50/month
    b. Cross-sell to companies who currently use hiring solutions

15. **How would you increase paid subscriptions?**
    a. Cross-sell with licensing packages for recruiters, sales people
    b. Upsell to members who are very active (need to define this)
    c. Increase customer satisfaction and engagement with free services, make paid services more appealing

16. **What user data could we look at that would help us determine which employers to approach regarding our corporate hiring solutions?**
    a. What positions the company is looking to fill, how many professionals on LinkedIn have those positions
    b. LinkedIn users from that company who have the skiills needed to fill that company's positions
    c. Number of users from that company on LinkedIn, their activity level on LinkedIn

17. **How would you think about creating a sales forecast?**
    a. Use past sales data and create a regression with rolling averages
    b. Adjust growth rates based on:
        i. Saturation

      ii. Competition

     iii. Seasonality:

         1. Hiring - Slower in summer and year-end

         2. Marketing - Slower in summer

18. **If starting a sales development group, what would your first steps be?**

19. **How would you estimate market opportunity for sales solutions?**

20. **Estimate the market for Hiring Solutions**
    a. $27B talent acquisition
    b. $85B hiring and staffing

21. **Estimate the market for Marketing Solutions**
    a. $25bn online advertising

22. **How would you recommend how sales force approach clients?**

23. **How would you incentivize sales force?**

24. **Who are LinkedIn's competitors?**
    a. Members
        i. Facebook, Google, Twitter
    b. Hiring
        i. Recruiting: Monster, CareerBuilder, Indeed, Niche sites
        ii. Talent management: Taleo
    c. Marketing
        i. Search: Google, Yahoo, Bing
        ii. Display: Google, Amazon, Facebook

25. **Value Propositions to Members**
    a. Professional Identity
    b. Insights (follow companies)
    c. Everywhere (mobile)

26. **Value Drivers**
    a. Penetration of 200K addressable enterprise accounts
    b. Page view growth driven by increased user engagement
    c. Increased premium subscriptions
    d. Growth in seat licenses per account
    e. Hiring Solutions: Value from Data, Not Necessarily Engagement
    f. Well Positioned for the Shift to Mobile Internet Usage
    g. Still plenty of room to grow user base (LinkedIn membership = 27% of Global Professional workforce)

27. **Catalysts**
    a. Hiring solutions to drive corporate adoption
    b. LinkedIn Today drives user engagement
    c. Improved international monetization

SWOT Analysis

28. **Strengths**
    a. Leading professional social network
    b. Hiring solutions disruptive to online job market
    c. Barrier to entry = network effect
    d. Value to recruiters depends on data, not on user engagement
29. **Weaknesses**
    a. LinkedIn members less engaged than other social networks
    b. Hiring solutions susceptible to economic conditions
    c. Concentrated usage by a minority of users
30. **Opportunities**
    a. $50bn gap between online internet usage and ad spend
    b. Expansion into B2C online advertising
    c. Under-monetized internationally
    d. Well positioned for shift to mobile
    e. Still room to grow user base (LinkedIn membership is 27% of professional workforce)
    f. Students and recent college graduates = fastest growing member segment
31. **Threats**
    a. Competition
    b. Heavy investments in technology to upgrade product
    c. Increase in international sales force size - longer productivity ramp up in less mature markets
    d. Balance user needs with recruiter and marketer needs. User wins out.

32. **Flagship product = LinkedIn Recruiter**
    a. Intro to product
        i. $8,200 annual seat license
        ii. Enables companies to search for, find, contact, and hire qualified active and **passive** job candidates
        iii. Social proof: 85 of the Fortune 100 use this
    b. Value proposition
        i. **Productivity:**
            1. Can easily search for people rather than sorting through thousands of inbound resumes
            2. Can contact people directly via IN-mail rather than cold-calling

3. Can use "recruitment media" to advertise directly to desired target candidate pool

ii. **ROI**

1. $8,200 annual fee far less expensive than 20-25% of first year salary fee paid to recruiters
2. A company easily spends around $8K for a one-time event sponsorship and career fair appearance that may or may not result in a new hire. Our annual fee is will get you many more qualified candidates for your money.
3. In-mails only charged when people respond

iii. **Passive candidates**

1. Viewed as more valuable by recruiters
2. LinkedIn is first site where recruiters can easily target and speak to passive candidates at scale
3. Better for targeting mid to senior level positions

c. Feature Highlights for MNCs

i. Search, Contact via IN-mail
ii. Recruitment media: Advertise to target candidates
iii. Talent Pipeline: Upload your leads, Track/organize them
iv. Targeted Status Updates for Companies

d. Cross-sell: Hiring solutions customers can also purchase job postings and recruitment media (targeted job ads)

What is the sales operations and strategy role?

· From a goal perspective, it's about enabling the field sales team be as effective as possible when they're trying to sell LinkedIn's marketing and hiring solutions
· Somewhere in between a pure strategy and an operational role; looking at things on a weekly basis and also a couple years out
· Example projects include: Helping sales force prioritize what markets and territories to go after

What are different potential salesforce structures? What are the pros and cons of each?

· By Product: marketing vs hiring
· + Recruiter offering is specific to hiring side of business / marketing folks don't need to know about that
· + Client is very different (marketing dept vs HR); don't think there are many advantages to knowing both of those sides well
· - Some of the specific tools (e.g., ads) are the same in both cases; in the end they're both forms of marketing
· - If specialize by product at more granular level, each customer will have to deal with multiple salespeople. May be bad
· + Better content knowledge about specific product offering
· By Customer
· Marketer vs agencies

- By geography (NY vs CA, NA vs Asia)
- + Less travel
- - Otherwise, not correlated to industry knowledge
- By type of professional they're targeting
- + Those targeting execs vs others
- By company size / budget
- + Vastly different budgets and levels of care necessary
- - Don't have industry knowledge (worse idea of user base)
- By industry
- + Know specific industry well; have different advertising targets (better idea of user base)
- - A lot of differences by size
- Current customers vs potential ones
- + Approach them very differently (maintaining relationship and upselling vs trying to make relationship)
- - Less continuity for clients
- Internal salesforce vs external partners
- Should you rely on external people?

How would you prioritize different accounts? What's the criteria that you would use?
- High level is that you want to maximize the expected lifetime incremental value of each sale effort to LinkedIn, right? So have to consider the net value of the account and the probability of converting them...
- Probability
- Probability of converting - How likely are they to become a customer? How good is the value proposition for them? Can you make that happen? Do we have an "in" with the company that will help? Where are you in the sales funnel?
- Effort
- Effort to make that happen - How much sales investment would it take? Time is money. Also function of where you are in sales funnel
- Value
- Likely spend - If it's marketing, how many ads and how much are they going to go for? Depends on the specific attributes they're trying to target.
- Impact on other accounts? - If it's a saturated market, might win ad space at the expense of someone else, so incremental value to LinkedIn is limited. On the other hand, if targeting keywords that aren't popular, much more upside. Will differ by industry and types of roles / wealth levels they're targeting
- Strategic value of conversion - If it's a big name (e.g., Google), can use it to get other accounts to use LinkedIn as well. So could have a lot of positive externalities
- How does it enhance the community - Is the fact that the company is there help or hurt the experience for professionals? For example, I would think that advertising related to the workplace / hiring would be more likely to be "valued" by the LinkedIn community. Highly valued companies are better than others.
- Other
- Divide account type - Current customers, those near a decision, completely new leads.

Take into account time sensitive ones. Over time, as market matures, will switch more and more towards repeats

·   When are best times to approach these companies - Could differ by season, etc

If starting a sales development group, what would your first steps be?

How would you estimate market opportunity for sales solutions?

How would you think about the addressable market for Marketing Solutions?

·   Can think about all digital marketing on social networks today
·   Facebook - ~$3BN
·   So maybe ~$4BN total
·   Can think about all online advertising space
·   Dominated by Google ($35BN); have around half the market; so $70 total
·   Includes display, paid search, text
·   Will likely grow over time; mobile will take off
·   For each country, scale by GDP

How would you think about the addressable market for Hiring Solutions?

What types of countries/companies would you target first for hiring solutions?
·   Current and potential number of LinkedIn members
·   Has to reach a certain tipping point
·   How quickly the professional market is growing?
·   Potential: do they network a lot?
·   Do people tend to find their jobs online in general (e.g., job boards)?
·   How attractive these members are
·   First look at member data; who are they and what kinds of skills do they have.
·   Do they have a lot of connections?
·   How active are the members? How often they log in / how much time they spend
·   Who do you target - member data
·   What companies would target these types of workers?
·   Which industries are well represented?
·   Which ones are most likely to see people change jobs?
·   Who do you target - companies
·   Which companies have strong online presences and would be open to something like this (more forward thinking ones)?
·   Which ones tend to recruit online a lot?
·   Which ones do you have relationships with already?
·   Competition
·   Collaborators
·   Company

- What are LI's capabilities? Would need to customize offerings to market
- Legal issues?
- e.g., in China

How would you incentivize the sales force?
- Cross sell and up sell incentives: % cut or flat fee paid for successful introductions
- Incentives to get more revenues: commission
- Incentives to be a top performer: bonuses
- Incentives to collaborate as a sales team: team bonuses

My Answers to Interview Questions

Recent Interactions

- Spoke previously with:
    - Summer intern in Sales Operations
    - Business Operations Manager in Singapore
    - University Recruiter
- Went to presentation by Lindsey Pollack of LinkedIn, "Leveraging Social Media in Your Job Search"
- Read "Start-up of You" by Reid Hoffman

Why LinkedIn?

1. **LinkedIn is changing the world**
    a. Helping people find jobs (big deal in recession)
    b. From SG President to Committee Person, I've always wanted to do something meaningful to change the world
    c. LinkedIn would be the perfect place to combine a job and a passion
2. **Culture focused on career development**
    a. Read Start-up of You by Reid Hoffman
    b. Career dev philosophy permeates the company
3. **Perfect place to combine my interests in marketing, sales, and talent management**
    a. Marketing -
    b. Sales -
    c. HR –

Tell me About Yourself / Walk me Through Your Resume

1. Personal motto: Life is short, make a difference.
2. College:
    a. Student Body President: Leave a legacy
3. Work:

      a. Debating between Americorps, Teach for America, and start-up

      b. Start-up founded by a Wharton grad: Triple-bottom-line philosophy

      c. Consulting, Project Management

4. Wharton
   a. Shore-up business skills
   b. Discovered my love for marketing (perfect blend of sociology and math)
5. Internship
   a. Marketing and customer acquisition at XYZ company
   b. Help develop a mobile banker acquisition strategy where none previously existed
6. Going forward
   a. Loved thinking about mobile and social media marketing
   b. Want to move deeper into tech industry where social and mobile are at the core of the company's business

Why Tech Industry?

1. **Change the world**
   a. Note-taking tablet app
   b. Rise of tablets in classrooms
   c. Gap between learning and usefulness of device
2. **Taste of tech and want more**
   a. XYZ company

Experience in Sales?
1. Summer Internship
   a. Thinking about customer acquisition, development, retention
2. XYZ business development

Why Me?
1. Experience
   a. Marketing / Customer acquisition
   b. Recruiting Sales – XYZ company
3. Passion
   a. Change the world
   b. Note taking app

How would your best friends describe you?
1. Passionate
2. Confident
3. Curious
4. Open to new ideas

Bit 5 Personality Test
5. Conscientious

6. Introvert / Extravert

Gallup Strengthsfinder

Strengths
1. Conscientious
2. Adaptable to change
3. Empathetic
4. Confident leader
5. Focused
6. Action-oriented

Weaknesses
1. Bias toward action
2. Too agreeable
3. Need to count my blessings

What do people underestimate about you?
1. Confidence
2. Resilience

How would you improve LinkedIn?
1. Recruiting
   a. Expand down recruiting value chain - allow people to apply for jobs directly through LinkedIn

Why Mountain View, CA?
1. Family in California
2. Location flexible - husband
3. Why WOULDN'T anyone want to live in Mountain View?
   a. Beautiful
   b. Tech Mecca