EPISODE 1378

[INTRODUCTION]

[00:00:00] INTERVIEWER: To many people's surprise, tech sales is not much of an art. It's actually a regimented science where reps have clear step-by-step processes to bring in new business. Each stage takes the customer closer to the end of the deal and consists of learning more about the customer's needs. A CRM is a database reps use to track this customer journey, and help sales leaders forecast their revenue. But the output is only as good as the input sales reps provide. Given the sales rep is the only person who talks to the customer, there's no way for sales leaders to check the quality and completeness of the information reps are providing. This is where products like Gong come in. Gong gives their customers insights into sales conversations to provide more accurate data to sales managers so they can better forecast revenue and coach their teams turning sales data from a game of telephone into a coordinated team sport. Today, I met with a very special guest, Gong's, Executive Vice President of Research and Development, Ohad Parush.

[INTERVIEW]

[00:01:04] INTERVIEWER: So, Ohad, thank you so much for joining us.

[00:01:07] OP: It's a pleasure.

[00:01:09] INTERVIEWER: Of course. In your own words, what is Gong?

[00:01:13] OP: That's an excellent question. So we just defined our mission for Gong. And I think it's so accurate that I just like to share it with you. And the mission is that we unlock reality to help people and companies reach their full potential. So in a sense, what we do at Gong is that we take a lot of data, conversations, and data that reflects reality, we analyze it, and we draw insights and guidelines from it. So all the Gong users can actually use it to enhance their game.

Now, currently, Gong is mainly focused on sales tools. So you have sales conversations that are being uploaded to Gong. Gong, by the way, it does it on its own. So we can connect to your calendar, connect your email. Understand what's happening there and join conversations, just like the conversation we're having now. We ingest emails. We ingest CRM data. We ingest text and other engagement data. We bring it on to Gong. And then we apply the magic, which is understanding what's going on. What's going on within deals? What's going on within conversations? And then we basically display it to the relevant people.

Today, we're doing it for sales. In the future, we plan on doing it for additional applications for additional areas. So in a sense, this is the essence of Gong. Taking data and turning it into guidelines and insights so you, as a user, can meet your full potential. Does that make sense?

[00:02:39] INTERVIEWER: Yeah. And I think maybe on a deeper level, what's interesting is why is that necessary for sales specifically?

[00:02:45] OP: Oh, that's an excellent question. Because sales, as a whole, went through a transition about 20 years ago when CRMs were introduced. So Salesforce was kind of piloting the field. And everything changed around sales. When people started using Salesforce, it was also one of the first SaaS applications. And then suddenly people stopped using spreadsheets. And they use Salesforce to manage their contact relationships. And they recorded their sales, their opportunities, the people they were in touch with, the accounts that they were dealing with. They were setting up their quotas and setting up the likelihood of closing a deal and all of that, and looking back and doing some weight loss analysis. And it became this amazing tool that companies were using to manage their wholesales, and in the sense, manage their whole revenue operations.

The problem is that it's very much based on opinions. It's very much based on the data that the salespeople and everyone around them inputs into Salesforce and the 200 other CRMs that are out there. Now, this means that if the data is great, then the output, and the analysis, and the conclusions that you can derive from it are amazing. But if you don't invest the time into actually inputting the data into the CRM, then obviously you're going to make a lot of mistakes based on wrong assumptions.

Now, we're seeing this in many, many aspects because some – To give you a few ideas about what's happening around in sales. There is a concept of sandbagging. So sandbagging is you as a salesperson, you have this deal. You're keeping it on the side. You're kind of nurturing it. You know that there's a high chance that it would close. But at the moment, you don't want to expose it to your manager, because then this manager would start pushing you and she would come onto you and try to put it into your quota and try to commit to a higher number. So you sandbag it.

Now, in a way, this is a practice which maybe salespeople endorse and they love. But at the end of the day, it hurts them, and it hurts the whole company. With Gong, we see everything. We see your all your interactions with your prospects, with your companies. We know exactly. We, Gong, and then through us, the frontline manager, the people in sales ops, the VP sales, the CRO, all of them are aware of what's happening in the deal. And not only can they challenge you and see what's going on, but they can also help you.

So the interesting part about Gong, because I'm sure this was going to be your next question is, is Gong to big brother for sales? Because you cannot avoid – We know everything. And, ironically, the first week that salespeople use Gong, the first couple of days, they feel like they're being watched. Everything is recorded. Everything is tracked. We know everything about them, what they're doing, their emails that they exchange, obviously, with their prospects, the conversations that they have. And it's a bit intimidating and daunting.

But after a few days, suddenly they change perspective, because suddenly they realize that – I don't know if you've been a salesperson. I've never sold a bubblegum. But doing sales is a tough job. And it's mainly a lonely job. You have your quota. It could be a monthly or quarterly quota. It's very cool world. You have to meet your quotas. You're there on your own. You can bring people in to help you out with the deal. But if you're – At some point, you're there. You have to be independent.

Now, this can be very daunting. It's very a very hard experience especially when the going gets tough. Suddenly, with Gong, you're not alone. Your manager can listen in to calls, whether in real time, or in retrospective. You can tag your manager on any quote. You can ask for assistance. Suddenly you don't lose context. A lot of what happens with the interactions

between R&D and in sales is that sales go to a prospect and the prospect says, “Well, I'll buy your product only if it had this and that feature.” And then it goes through kind of lost in translation process where, until it comes to R&D, and they actually start thinking about what it is, it's completely lost in context.

Suddenly, the salesperson can tag the R&D person or the product person, and they can listen into that segment, the snippet of the call and understand what's going on. Issue result. What more? You're having this conversation with a prospect, and the conversation, it could be an hour-long conversation. You spend a lot of time taking notes. And again, something is lost. You understood one thing. The customer understood another thing. But when the conversation ends, you can actually send a snippet of the conversation to the customer and tell them, as a follow up to our conversation, we talked about this. These are the follow-up actions.

So suddenly, the salesperson is not alone. He can get as much help as he or she needs from their surroundings, from their environment. And suddenly, in a sense, we're creating a feeling of a community, feeling of collaboration.

[00:07:43] INTERVIEWER: It seems almost, like you said, it's this extra layer of depth now, where previously the sales rep owned the entire relationship with the customer. And any question you had or anything you needed to know went through him or her. And now, it's kind of an open eyes. Anybody can see exactly into the granularity of what's going on with a specific deal.

[00:08:05] OP: Exactly. Obviously, we're dealing with sensitive data. So it's all permission-based on a need to know basis. But exactly that, when we look at the world before Gong, which is based on traditional tools and CRMs, we’re seeing that the world was very much opinion-based. Whatever you put into the system, that's what you felt the – It was your opinion on how the deal was progressing. It was labor intensive. You had to do a lot of stuff on your own. And think especially people who sell to small businesses, they might need to manage between 30 and 50 accounts in parallel. The context switching is just unbelievable. It's very hard to manage it and not lose track of the goal.

And I think one of the most important aspects, you're misaligned. And this is especially important for the bigger accounts. So you have an enterprise deal. You may have 20 people working on it. And these 20 people, they're not in every conversation because they're busy. But now they need to sync between conversations and prepare for the next conversation.

Now, if you're doing this kind of sync up an hour or 30 minutes before the conversation, you're never able to convey exactly all the aspects, all the details, all the depth that there was in the previous conversations. At Gong, actually we're giving you the conversation, the call, so you can listen, the emails. You'll know exactly the context. But then we're applying another layer of AI. We can direct you to the topics that were discussed. We can give you a summary of what was discussed so you can focus exactly on that. We can take a conversation that was an hour long and summarize it into a minute and a half, which would give you enough information to know where to focus on and what to do next.

So from something that was opinion-based and very much focused on, relied on labor intensive and it was misaligned, Gong is shifting this area into something which is reality-based. What is actually happening? It's autonomous because we assist you with everything that needs to happen. And we're creating alignment between teams that are working on deals and opportunities together.

[00:10:17] INTERVIEWER: When you look at something like Zoom. So Zoom does a good amount of what you described, right? So Zoom, you can record. It'll let you organize your recordings based on who you talk to. And of course, there's transcripts. I don't know if there's a summary. But you could search for keywords and leverage that in the way you described. What is the magic sauce above that for Gong? Is that the fact that you can collaborate? Is it the fact that there's telling you what you need to say for reps during calls? What is the extra layer there that Gong provides?

[00:10:56] OP: An excellent question, especially because we are great partners with Zoom. And for that matter, with additional web recorder systems and about 50 telephony systems that you can upload calls from these systems on to Gong. Now, Zoom, an amazing product and an amazing company, it's very wide. It addresses a plethora of use cases, from schools. When I do

my parent-teacher meetings, I do it through Zoom. I do sales calls. And then I do some family reunions on Zoon. So the use case is very wide, it's very generic.

In Gong – And obviously, they have an amazing – Their transcription engine is top class and the other aspects and capabilities that they have there. Now, we're bringing another layer because we're looking – First of all, we're focusing on the sales aspect. And in the future, we'll do it for other areas. But as a salesperson, now we're taking the call. We understand what's happening within the code, because we're taking all of these calls together. We have an unsupervised AI model that understands the topics that are being discussed in your conversations. So suddenly, we can look and understand hundreds of calls and understand which topics are being discussed in each stage of the deal. We can also take it to another layer. And because we know that conversation usually are structured, especially discovery conversations, are structured that there is some sort of an informal kind of introduction. Then you go into describing the pain, then the solution, then you have next steps and actions, and you have closures.

Actually, because we know that sales conversations are structured around these concepts, we can actually identify them and help you out with understanding how to structure a call and then use it in various applications. We take it to the next level, because we have – And this is just a snippet of what we do. We're not just looking at the conversations. We want to look at the whole deal execution. So Gong is actually inaugurating this whole notion, this whole area segment of revenue intelligence. And revenue intelligence, we started off with conversation intelligence. Revenue intelligence takes you to the next level.

Now, it helps you actually close deals and be a better salesperson. Meet your potential. So we have conversations. It could be coming from Zoom, or emails, or texts. You have your data from the CRM, and now we can actually enable you to understand not only what's happening in the conversation, but what's happening in the actual opportunity. And because we look at previous sales, wins and losses, we can actually tell you what's the likelihood of this deal to close? You've put this deal in commit. Is it in the proper stage? Or should it be in a different stage.

And also, we can give you some prescriptive advice. We know that, for example, deals that you are in touch with three or more contact people on the other end are 50% more likely to close. Now, this makes a lot of sense, because, obviously, you start off with one person on the other

end. And then as the deal intensifies, you speak to the budget owner. You speak to someone who actually can make a difference. More people are brought in to the conversation in order to close the deal.

So we can actually tell you, “Well, so far, both your emails, your chats and your conversations are with just one person.” Either it's going south, because they're not really interested. And that's why no additional people are joining the cause. Or get your act together. Bring more people. Invite more people if you actually want to close this. And in a sense, it's thinking about the whole notion of sales and the whole area of sales and what the salesperson has to do in order to be successful and taking it to layer above the whole notion of conversations.

[00:14:51] INTERVIEWER: And I'd love to zoom in on what you just described. Knowing if a deal is going to close, how do you do that? What's the methodology there? Is this something that's very heavy in deep learning? Is this something that's more heavy in business logic?

[00:15:04] OP: So it's a combination. It's an excellent question. It's a combination. So it could be as simple as doing some statistical analysis. Looking back at deals from the previous six months. I'll give you an actual example that we have. Looking back at deals from previous six months and analyzing – Doing some sort of a win-loss analysis on deals based on the appearance of an executive person in the deal at a certain stage. And this is simple, because we have the calls, we have the emails. We know who these people are. We have the data from the CRM. It's just a matter of connecting the dots and giving you the information. And then we can see, “Okay, deals that had a VP involved in a certain stage close 50% more than deals that did not.” Okay. Simple analysis. And then we presented to you this analysis. And then we actually superimpose it on the deals that are currently open. And we tell you, “Okay, this is the analysis. And this is how it actually reflects or imposed on the deals which are currently open. Decide how you want to deal with it. Make the difference.” So that's one aspect, which is more kind of heuristic-based.

The other aspect, which is deep in machine learning. And deep learning is we take a huge amount of features that we collect. It could be features, like simple features like the stage, the people involved in it. But it also could be kind of the how long it takes you to respond to emails. You have an email from a prospect. How long does it take to respond? Or how long it takes on

average for the customer, for the prospect to respond to you when you send out an email? And we have a lot of features that we'll bring together and we start playing around with them to come up with an understanding of the likelihood of the deal to close, or whether you are actually in the correct stage that's been defined in the CRM and with reference to how we're seeing it in the data. So it's very complex. It's kind of predictive analysis. And it's a tough job. We're still trying to figure this out. So we have some success, and it's going to be reflected in our future products. But it's not an easy thing to do. But we like these challenges.

[00:17:15] INTERVIEWER: In this heuristics aspects that you described, which was the first option, when you say this analysis, are we saying here that you have data analysts who are looking and combing through large groups of data and find trends?

[00:17:30] OP: No. No. No. No. No. This is all done automatically by the system. We have data analysts that have identified aspects that are critical for the deal's success. First of all, it's based on common sense or a lot of interviews that we've done with sales professionals. And then we've also looked at the data. And we came up with a set of features that we know are critical for the success of a deal. And then we take them and we run the analysis automatically. This is being done by the system with no human intervention.

The nice thing is that, let's say you're managing a team of eight people, eight salespeople. Now, the data that we will give you is not generic as a company. It's not generic kind of best practices. It's not generic in the sense that this is based on the stats for the whole company. It's actually specific to your team.

So no Mr. Frontline Manager. And that if you do this and that, past experience shows that this is your likelihood to succeed. Now, what we found out, and this is very interesting, that a company can have tens of sales team, and they're actually very, very different. Someone who's selling to SMBs, small-medium businesses, you need to close a deal – The time that it takes you to close a deal is about four to five weeks, okay? And we know that our sales people, they need to close – In order to meet their quotas, they need to close between four and six deals a month. It's very intensive.

On the other hand, strat companies, strategic companies or enterprise companies, it takes between six to 12 months to close a deal. Now, if you try to combine the insights or the stats between these two teams, it's just going to be an average, which tells you nothing. So we can actually dissect the data. Again, the system does it automatically for each team, for each person so it becomes much more relevant. We reflect reality and make it as relevant as possible for the person who's actually looking at it and trying to draw conclusions from it.

[00:19:44] INTERVIEWER: And with option two, when you describe these deep learning models, is that currently being used? Is there machine learning models that have seen 1000s and 1000s of good deals and 1000s of 1000s of bad deals and can come to a conclusion and say, “This deal is not going to close. This deal is going to close.” Is that currently being in use?

[00:20:05] OP: That's the goal. We're still in development. We're trying this out. We have some interesting success stories around this. But we're still in the process of maturing it into a full-fledged product that will be part of our next releases.

[00:20:22] INTERVIEWER: That's very interesting. With facial analysis too, I'm sure, does that ever come into play? Can you look at a customer's face and say he's not looking very happy at this moment? And that correlates with – Well, obviously, you wouldn't. The deep learning would, but –

[00:20:36] OP: Yeah, it's interesting, because we played around with – We didn't do facial analysis, but we tried to look at sentiment analysis, the way that people are speaking, kind of their language, many aspects. Results that that we received were not accurate enough. It's very hard for a machine to take this data and come up with actual conclusions that hold in reality. So for the time being, it's something that we've tabled. With time, we may come back to it and embed into the whole kind of engine that is being built.

[00:21:14] INTERVIEWER: I'm guessing part of that is simply because people are just not very honest on sales calls and not very honest when speaking. So everyone's always happy. And then when it comes down to the actual deal, it probably doesn't fall through due to someone smiling too much, or being very happy on the call with their words.

[00:21:31] OP: Correct. Correct. And one of the things that now we're trying to figure out, and it's a tough job, is the essence of being able to sell something is that the buyer has a pain that you can actually solve. Now, how do you identify pain? We're having conversations. I'm trying to sell you barbecue grills, or I'm trying to sell you a car. It's a different pain altogether. It could be that this pain is coming from the need for luxury, the need to show off, or for the fact that I need to feed my family with steaks every Wednesday.

So because we're a generic tool, how do you identify whether what is the pain that was discussed and whether there was no pain discussed? And hence, we know that the likelihood of this deal to close is very low. So it's very tough challenges that we're dealing with. Obviously, as human beings, you can come out of a conversation and you can immediately tell me, "This customer, this prospect has a pain, and we can solve it." Now we want the machine to actually

do this in a generic manner. And this is part of the challenges that we're targeting. It's amazing stuff. Some of the algorithms and the models that we've been able to build, it's just breathtaking. It's a lot of work that we're doing constantly and meticulously. And it's a lot of data that needs to be ingested. A lot of trial and errors. But we're getting there.

[00:23:01] INTERVIEWER: With the rise of transformers in the last two years of natural image processing, I don't doubt it. It's been insane. Walk me through those challenges a bit. How does a model identify pain like you've described?

[00:23:13] OP: That's interesting. I'll give you – Without going into the specific ideas, is one of the areas that we're targeting, and this is something that we're currently developing, is let's say there is some notion or some concept that you want to identify in a conversation to find its existing in a conversation. Now, the trivial or heuristic-based approach would be to identify keywords, or as we call them, trackers. So you have a list of keywords. You might have. You might bundle together a few keywords together, and they would form some sort of a tracker. So you have a tracker with a bag of words, and you use it in order to identify concept.

The reality shows that this could be very inaccurate, because, for example, words can have ambiguous meanings. Because, for example, I can flag something. But you can also wave the flag. Both are using a flag. If I'm using the key word that I'm identifying as a flag, am I waving a flag and happy on the Fourth of July? Or am I flagging some concern that I may have? It's very hard to understand.

So we built a model. We have very creative and very capable machine learning scientists that, first of all, what it does, you start off by writing down the notion or the concept that you want to identify, okay? And then the system has indexed all the conversations, and it can bring use what we call similar sentences.

Now, we take these similar sentences and then you use these similar sentences. And for each one – And this is specific to each customer. For each similar sentence, you as a customer actually do the labeling. In a sense, you actually say, “Okay, this fits the concept that I'm looking at. Or this doesn't fit the concept.” And you go through a few tens of these sentences.

Once you've done that, we go and generate. We have this kind of generic engine or model generator and we go and build this model, which is specific to the concept that you're trying to identify. So, for example, one of the examples that we're giving is that, let's say I want to identify a need to get budget approval from an executive team. So one person might say, “Well, this looks good, but I need to check with my CFO.” Okay? Another person might say, “Well, I don't know it's a bit expensive. I'll need to run this by my board.”

Now, these two sentences have no words in common. But what we found out is that if you labeled enough sentences, and because this model also – It's built on GPT and other pre-built models that are out there in the market, which we've enhanced, you can now take it and it will actually know to identify these two sentences as coming from the same family.

Now, once we build this model, we can now run it on every conversation and identify these models. So this is how you can identify pains. Let's say you have a new messaging that you want to ensure that is being delivered. How do you ensure that it's actually being delivered and whether it's delivered in the right manner or not? You can use this, build a model around this, and use it to identify these concepts within calls. So this is a technology that we've refined, and it's patent-based. It's patent pending. And we're trying it out these days with a few customers, and we hope to launch it by the end of the quarter. And it's very exciting, because it changes the whole notion of understanding conversations and making sense of them in a very unique and concise manner.

[00:26:54] INTERVIEWER: So if I understood that correctly, you have a sentence similarity model that essentially will help you group together similar structures of sentences. And you use this for pain. And then from there, you have a list of sentences that are similar to pain and you use that as labels to essentially extract the – Or essentially feed the model with the features of the conversation.

[00:27:18] OP: Correct. And some of the models that we're building are generic, which means that they apply to all customers. And some are more unique and need to be defined by each customer on their own. So, for example, you have an enablement team. There's always a sales enablement team that you want to make sure that, as a sales enablement team, you train your salespeople. But then you want to see whether they're actually delivering the messages that

you taught them to deliver. How do you do that? So you train the system for a specific messaging concept, which is unique to your company, which sells barbecue grills. And then you train the system. And then once it's out there, you can now go through all of your conversations, the model. We can have all the conversations go through this model. And then the ones that are using this concept or this messaging will pop up. And when we show it to you, we'll also show you the exact message that fits the model, the concept that you've built. It's very cool. And it's very powerful.

[00:28:22] INTERVIEWER: And you do this in real time while a salesperson is on a call or no? Like does the salesperson get to see this is what it should be saying when he's on the call?

[00:28:30] OP: That's an excellent question. So at the moment, in real time, we have the ability to join the conversations for most of the web recording systems. We are thinking of adding real time. We call it real time guidance to conversations. It's a bit tricky. It's a bit tricky. Because think about it, have you been in a situation, I know I have, where you're on the phone and your significant other is trying to tell you what to say while you're on the phone? These things have led to divorces. It's not a pleasant experience. So when you're actually proposing active or real time guidance, it has to be done in a very subtle and smart manner. Because our experience shows that salespeople, they don't necessarily want the system to always tell you exactly what needs to be done next or what you haven't done or have done. But we are seeing a trend that this is coming up from our customers and it's definitely something that we're contemplating how to add into our product offering over the next year or so.

[00:29:34] INTERVIEWER: I wanted to talk a little bit about the data pipeline. Can you take me through how a customer integrates Gong and then all of the data steps in between until they can receive those insights?

[00:29:48] OP: It's very, very simple. That's something that we're very proud of. In a sense, there are some very few connections that you need to implement. And then you're often running. Essentially, we need to connect to your email or provider. Usually, there are two main email providers in the world. It's either G Suite or Office 365. The connection itself could be done on a company level, or a group level, or person-by-person level. It's all OAuth based. Very secure. And we apply filtering that we only see the data that is relevant for us. We also make

sure that the data that Gong actually sees is only relevant for active accounts or opportunities. So everything is filtered. So we only see the data that is relevant for the insights that we want to provide you. That's one aspect of the connection.

So once we have that, in a sense, we have your emails. We can ingest the emails. We have the calendar. And now when we're looking at the calendar, we can actually join the conversations that, again, we know that are taking place with salespeople. So we see that David is having a conversation with, I don't know, a potential prospect. Okay? Barnes and Nobles. We know that Barnes and Nobles are a prospect because we're also connected into your CRM. And I'll talk about that in a second. And now we know that this is a sales call. It's not a call that is happening with someone internal. We ignore internal meetings. We can join the conversation. And that's it. We join the conversation either through native recording that we're doing with Zoom, or we add a bot that joins the conversation itself. This bot records the call. Uploads it to the Gong platform. End of story. From there, the magic happens.

On the other end, we connect to your CRM. So currently, we have connections with – We have integrations with Salesforce, with HubSpot, with dynamics. And we also have a generic API that there are hundreds of CRM that they connect and push data to us through this API. And again, once the connection is set up – And again, very secure, limited by scopes and so on and so forth, we ingest or upload the relevant data and take also historical data so we can do some analysis of previous deals. We take this historical data. And suddenly, we have the opportunity, the account, the contact, the user information, and we can use that in order to make sense and to connect between the conversations and the context around the opportunities that they are connected to.

Another aspect that sometimes happens is that if your conversations are not taking place through a web recorder, but through a telephony system, for example, 8x8, 99.999, and whatever. Again, there are 10s of these, we currently are connected to around 60 of those. You can upload through our API and various other mechanisms calls to Gong. Now the nice thing is that when you upload to Gong, especially if it's from a telephony systems and emails, we allow you to upload up to a year of data, historical data.

So you can upload immediately historical data from the past year, both emails and calls. We take the CRM data for that period. The system analyzes it. It might take some time, because we're looking at hundreds or sometimes millions of data points, conversations, emails. We make the connection. And then from day one, you suddenly have historical data for the past year. We make the connections. We tell you what has happened.

Now, some of these deals may be already closed, but you can have the insights, you can have the analysis, because you have all that information in. And all of that has happened within – Literally, if you have the right people that can make the connection within five minutes, the connections are in place, you can start recording new calls. And within a few days, all the historical data will be Gong and for you to use and learn.

[00:33:40] INTERVIEWER: With a lot of these other systems, they have to encounter issues with existing CRMs where, for instance, Salesforce has these metered limits on how much data you can pull in at a given time. Is that not a factor for Gong? Or does Gong usually not require that data so it can go up and running a lot faster?

[00:34:01] OP: No. No. So we need updated data. People update their opportunities, their accounts on Salesforce. They go to Gong. They'd like to see it within a reasonable time. And this reasonable time usually is within minutes. So we need to keep on applying or calling through the API's to Salesforce, HubSpot and others to get the information. We have various mechanisms to ensure that we don't run into over usage issues. Also, we can use the bulk API. Salesforce has a bulk API that you can then download the data through CSVs. And then it's much less cores, number of cores. And you take all the data. We process it and then we upload it as a batch into our systems. We work closely with our customers to make sure that we don't overuse their API quotas. And if there is an issue, we make the adjustments.

[00:34:55] INTERVIEWER: I wanted to talk a little bit about training. This would definitely not be a very relevant question maybe two to three years ago. But today, with the incredible cost of cloud computing, a lot of companies have decided to train in-house, to buy their own GPUs, buy their own servers and train their models in-house. Is that something Gong has done?

[00:35:18] OP: It's an excellent question. By the way, when you started asking about training, I thought you're going to ask about sales training, which it's an interesting topic. But if you want, I'll give you an answer about that later. So, at the moment, we are doing everything on an AWS. So we're running mainly on AWS with some presence on GCS. Now, the reason is that it is expensive. But at the end of the day, the hidden costs of maintaining servers and maintaining also aspects of security, privacy, if you're running it locally, or in a data center, and also handling failure issues with your machines and so on so forth, put us in a position where we'd rather, in a sense, pay a bit more, but have the knowledge that we have someone to back us up when issues arise and if we need more assistance.

So we have contemplated actually over the last year whether we need to buy some GPU machines. And we have some conversations with Nvidia. But at the end of the day, we decided that we'd like to invest our efforts and our attention on building new stuff then maintaining hardware and saving might be 1000s of dollars. But this time, it's time well spent when we're actually focusing on training and letting AWS deal with the hardware and all of that setup. Sometimes it is expensive.

[00:36:53] INTERVIEWER: I'm glad you brought up sales training, as you did want to talk about that as well, because that is one of the key things Gong does. We talked a lot about revenue, intelligence and call intelligence. But there's also a coaching aspect to Gong that uses AI and leverages a lot of these business rules around sales to coach sales reps. Could you talk more about that?

[00:37:17] OP: Yes. So let's start with the basics. So you're a new salesperson, okay? If you're lucky, you came from a company that sold something similar. So you have an idea of how to sell this new product. Sometimes you come from a whole different sector. And now they give you this material. You're stuck in your room. You have this kind of the user guide and some presentations. And after you finish reading this, you get your quota. If you're lucky, then your quota is stalled for the first two quarters. But then you need to start selling. How do you do that?

So you start fiddling around and hopefully you're joining a few people in their sales conversations and you're learning from others. But still, it's a very intimidating experience the first few quarters or even the first year or so. With Gong, this is also. And this is very simple. It’s

one of the most simplest applications that we have. You have a library where me as the sales enablement group within a company, I can pick the conversations which are most typical or the best conversation. So the best salespeople. Put them in a library. And then when you as a new salesperson, when you do your onboarding, we send you to this library. You listen to 20 sales calls. You even actually record your own sales conversation. And you record your pitch. Your manager listens to it. And bang! Within a couple of days, you've listened to 20 sales calls. You've learned them by heart. You actually understand what you're doing. And you can start selling. So the whole notion of onboarding, the learning curve has flattened dramatically.

Now, so this is just for the onboarding. But coaching never ends. Now, the notion of ongoing training, for me as a manager that has salespeople, is something that we strongly believe in. And again, this is based on feedback from our customers. So you have a team. You want to be able to listen into their conversations. You want to be able to listen in exactly to a specific segment of the conversation when they talk about, let's say, you want to see how they present a specific slide. So we've added the capability for – We call it slide analytics, where you can actually see the slides that are being presented and you can jump to a specific slide. You can also search for a slide-based on its title.

Now, me as a manager, I can go and listen to how you're actually presenting a specific slide. I can then give you feedback within the actual product. Or you can ask for feedback. And then you get that feedback and you can improve. And I can also see how many feedbacks, how many feedback comments I've been given I have given as a manager to my team over the last month, because I want to stay in touch. I don't want to lose track of how they were doing. It's also a notion of me as a manager, what I can actually do give you in order to make your – It's not only about quota. It's also about making you a better salesperson.

Now, one of the interesting things that we've seen, and this is feedback that we're also getting from customers, is that how do you choose who to make a sales manager? Usually a sales manager is someone who was the best salesperson. It doesn't necessarily mean that they actually know how to manage.

Now, with Gong, suddenly you have all of these tools that help you out. We help you give feedback. We help you actually point to the areas where feedback might be given. We also

collect statistics about how the conversation is actually going. For example, basic statistics. We know that if you want to be successful, you shouldn't talk for more than 60% of the conversation. Because it means that then you're preaching and you're not actually listening to the prospects.

We collect that data across all of each salespersons conversations, and we bring that data. So first of all, you as salesperson can actually try to improve. And me, as the frontline manager, as a sales manager, I can actually look at it and come back to you and tell you, “This is where more improvement is needed.” And so on and so forth. So the whole notion of ongoing training and coaching is completely evolving through Gong. And it's also based on actual data. It's based on reality. It's based on quote. And the cool thing is that what we're seeing is that people actually ask for coaching. And it’s not only salespeople. It could be the SCs. It could be other people that were involved in the conversation. They're seeking some feedback. People want to get feedback, whether it's a compliment or a way for them to improve.

[00:41:44] INTERVIEWER: Yeah. No. I completely agree. I've seen that definitely many times that there's never a simple way to make sales more coachable until, I think, Gong has come out and really allowed for that granularity. I wanted to talk a little bit about your company culture and how you've scaled. What I found really interesting is that in March, you said, there were only three QA testers at Gong, and there was no dedicated infrastructure team. Why is that?

[00:42:19] OP: So, first of all, thank you for reading my blogs.

[00:42:22] INTERVIEWER: Of course.

[00:42:23] OP: I appreciate it. So you're the one who actually read it. So thanks for that. Secondly, yes. So at Gong, we've developed these operating principles. And one of the operating principles that we have is #challengeconventionalwisdom, which means that when we do things, we don't necessarily go in the regular path. We try to see whether it makes sense. And if it doesn't, we adapted to our culture. So, what we've seen is that – In previous companies that all of us has worked in, there is the notion that there are the engineers, and there are the QA people. And the engineers usually code and then they throw their code over the wall to the QA people. It's usually in a so-so state. The QA people, actually they're in charge of testing.

They throw back the bugs that are found over to the engineering people. Sometimes there's a lot of animosity, because the quality of the product being delivered is not very high, especially if you're pressured, especially if you're working in sprints. The responsibility is very clear. I called. You test. And this is screwed up. It doesn't make sense. Because in a sense, who's responsible for the quality? Is it the engineer? Or is it the QA person.

And what we've done is that we've actually we – What we mostly believe in is instilling trust and responsibility on each and every developer, each and every engineer. By the way, our QA people are amazing. Their focused mainly on automation, on deep integration testing. They're doing some great stuff, which we keep on doing. And this team is growing. But at the same time, our engineers, they are responsible. So they're in charge, responsible of writing their unit testing, component testing. They're in charge of making sure that their code actually works, looking at the various scenarios. And they're in charge of pushing – Once it goes through the automated testing suite, they're in charge of pushing it to merging into master and pushing it to production.

Now, what happens is that, suddenly, because they're responsible, and because they are the owners, it's like this child that you give them, “You are responsible,” and suddenly they understand this and they're doing this in a more kind of responsible manner. This is exactly what happens.

So the number of issues that we have is reduced. Actually the feedback that we're getting from the salespeople is that the quality of the product that they're seeing at Gong is the best that they've ever had with other products that they've sold. And people are responsible. People are actually happier both on the QA side and also on the engineering side. Because when you're responsible for something, and you're actually the one that's pushing it to production, first of all, when you push, your hand trembles a bit for all of us, for all of us, that you know that you're in charge. There's no one that's actually cleaning up after you. You are the man. You are the one that's pushing.

Now, if shit happens, and my French, it always does, because we're dealing with software. We almost never roll back. We always roll forward. Within half an hour, you fix the bug, you roll in, you push the fix into production, and you carry on. And again, people take it personally.

By the way, I was just speaking to some of the product managers. Our Slack channels around bugs and issues, the response rate there is amazingly high, because people take pride in what they do. And if something goes wrong, they immediately respond, they take responsibility, and they fix it. And in a sense, in a culture where people are responsible, people are doing stuff, and people are actually in charge of getting their stuff into production faster, people are happier.

One last story. When I joined, I spoke to one of the junior engineers in the team, and she told me, she started the gong about a year before and straight from university. And I asked her, you speak to your friends that work in big companies, without naming names, what's the major difference in your experience from what they're experiencing? And she told me, “At Gong, within a couple of weeks, I was pushing stuff into production. I felt responsible. It was scary, but I was doing it. I was making mistakes. People were holding my hand doing code reviews and stuff like that. But I was doing stuff. I made a difference within a couple of weeks coming out of uni.”

In other companies, it took them months, months and months. And when you have this kind of culture, first of all, you feel like you make a difference even in smaller teams, even when the company grows. And that's the essence of the culture that we're trying to retain and keep as we're growing.

[00:47:13] INTERVIEWER: I don't know if you've read The Lean Startup, but that's actually one of the principles, is have everybody push to production. But as far as infrastructure, why not have an infrastructure team?

[00:47:23] OP: Excellent question. So first of all, at some point, we may or probably would have an infrastructure team. I've been scarred with infrastructure team. And that's also in the blog. I've been in companies where, at some point, the infrastructure teams grows, team or teams grow beyond the focus on actually understanding that an infrastructure is a means to an end. The pursuit for perfect. And for the ideal kind of platform or infrastructure sometimes gets people confused. And then you have a notion of an infrastructure team that actually feeds on itself. So that's one element that I've seen.

Another aspect is that you have this infrastructure team that suddenly you have a lot of teams that are coming up with requests for infrastructure changes, enhancements, or new stuff. And the backlog keeps on piling up, and they're a team, and they need to prioritize. And then your product teams, suddenly, they're waiting for them. And product teams hate to wait. So what do they do? They go and develop stuff on their own.

So what happens usually is that you have this infrastructure team, and I'm taking to the extreme, that build stuff that they're thinking is great. Sometimes it's being used in the extreme cases, by the way. At some point, it's just deprecated. And then you have the product teams are also frustrated. And because they're frustrated, because they're not getting the service that they need, and they need to go and build stuff on their own.

In another aspect, which is, to some extent, in previous companies I've had teams in the US. And I must say that this specific issue is very much prevalent in Israel. Infrastructure teams have the notion of being like the Navy SEALs of the development department. Everyone wants to be in infrastructure, because that's where you do the cool stuff. That's where you actually understand how the inner stuff goes. And you develop stuff in cool technology. And then suddenly you have people wanting to be there, and it creates some sort of imbalance within the team.

So the approach that we've taken is that we have people who are focused on infrastructure, but we're trying to do it more in kind of a shift pace. And people actually do shift working on infrastructure stuff. Again, we do have ownerships, and we will have more of that as time progresses. But just think about this. And this is huge. I actually understand how huge it would be. Let's say you have someone who's working on a feature. Let's say a coating feature. But then they get two weeks where they can change context and work on enhancing a wrapper for Elasticsearch. Now, it's amazing, because suddenly they have this context switch. They're working with other people. They're working on infrastructure stuff. They know that there'll be coming back to working on their coaching applications. But this context switch, and understanding stuff, and broadening their horizons is just amazing. And people love it. And so far, the overhead of managing it is quite big. But the yield that we're getting is just amazing.

[00:50:25] INTERVIEWER: What I really liked about that is you allow your employees to almost see other aspects of the organization. It sounds like nobody's very siloed, which is definitely an issue I've seen throughout many organizations. I want to just end here with a final question for you. If you listen to Elon Musk or Andrew Yang, you'll often hear this sentiment where all jobs will be automated away. I think they even have a timeline where you can go and pick and see when your final day is going to be. Do you see that in sales? Do you subscribe to that? Do you believe AI will ever take over sales and automate that job?

[00:51:01] OP: Completely not. And this is not something that that we strive to do. No way in hell. But at the same time, you as a salesperson can become more efficient. And this is where we want to help you through Gong, first of all, automate the mundane tasks that you have to do on a regular basis. To make you more sharp, to make you more efficient, and to help you do your job much better. Because at the end of the day, selling is mostly about human interaction. And human interaction requires humans. But understanding everything, pointing out what needs to be done, helping out with the mundane tasks is where Gong wants to be. And in a sense, and this is what we're saying, we're not here to replace you. We're here to help you and your company meet your full potential.

[00:51:53] INTERVIEWER: Ohad, thank you so much for joining us.

[00:51:47] OP: Thank you