Tala

How OKRs helped Tala, a growing FinTech startup in a dynamic new industry, attain alignment and operational excellence

WAVENINE

CLIENT

Tala

INDUSTRY

Financial Services/FinTech

EMPLOYEES

500+

CHALLENGES

As Tala expanded, following a $145 million influx of fresh venture capital, they hoped to:

Ø   Gain greater clarity regarding roles and responsibilities throughout their heavily matrixed organization

Ø   Maintain their kind, supportive culture throughout their expansion

Ø   Achieve strong collaboration and communication

Ø   Attain greater sophistication and rigor in planning, operations, and project management

Tala is a lending company with a powerful mission—to offer loans to some of the 2.5 billion people in emergent economies with no credit history and no pathway to funding through the traditional banking system.

In her TED talk, Tala CEO Shivani Siroya tells the story of Jenipher, a 65-year-old Kenyan who ran a food stand in Nairobi. She earned enough to survive, but she was unable to save for emergencies or expand her business until she applied for a loan from Tala.

Even though Jenipher had no formal credit history, she did own a smartphone, like 84% of the world's population today. Her son encouraged her to use the Tala app to apply for a loan, where Tala's algorithm gathered a variety of non-monetary data, such as her local travel patterns and the number of close connections in her life. When properly weighted, these factors predict someone's likelihood of repaying a loan with remarkable accuracy. After evaluating a number of data points that correlate with creditworthiness, Tala granted Jenipher a loan.

Jenipher went on to repay the loan according to its terms, and by the time Shivani delivered her TED talk, Jenipher owned two food stands and had plans to open a restaurant. Her credit history with Tala afforded her the opportunity to apply for a traditional bank loan as well, something that was once completely out of reach for her.

Tala has extended credit to more than 5 million customers in emergent economies, allowing previously disenfranchised entrepreneurs to receive larger sums than micro-loans typically provide. Tala's 90% repayment rates match those of traditional banks, proving there are innovative ways to assess creditworthiness beyond a credit score.

MASSIVE FUNDING AND THE CHALLENGES OF RAPID GROWTH

Tala's successful new business model has attracted a great deal of attention, and they raised $145 million in their Series E funding round last year. At the time of publication, Tala's total funding amounts to just over $389.4 million.

As anyone who works at a burgeoning startup knows, rapid growth comes with new challenges. Tala's leadership hoped to:

Maintain their kind, supportive culture throughout their expansion

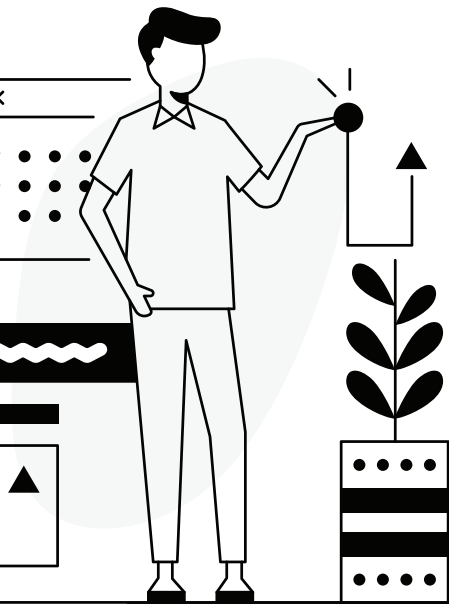**Achieve strong collaboration and communication** as a distributed, asynchronous organization

Map project initiatives to OKRs to improve overall performance

Tala's leadership also hoped to gain greater clarity regarding roles and responsibilities since they are, as Senior Vice President of Operations Ishan Gupta described it, a "heavily matrixed" organization in a fast-evolving space.

What does it mean to be heavily matrixed? Tala groups its employees in sets of cross-functional teams with, for example, members of different departments (e.g., Marketing, Data Science) serving in country-specific business units. This brings innovation and creative problem solving, but it can also create confusion and dilute focus—especially when there are no established playbooks for an emerging field.

Tala brought Ishan on board to increase operational rigor and discipline, and to devise more powerful project planning methods. Ishan's experience implementing OKR programs for Udacity, his previous employer, connected him with Steven Schepurek and Aria Taddey from Wave Nine. Based on Udacity's successful rollout, Ishan believed Wave Nine could help Tala implement an OKR strategy that would help them serve these emerging markets and demonstrate powerful results for their investors.

> " We're a heavily matrixed organization in a nascent, fast-evolving industry. Established industries have set playbooks, but our situation was different. We chose to introduce OKRs to gain alignment, starting at the top of the company and flowing into various functions throughout the organization. "

Ishan Gupta,
Senior Vice President
of Operations
Tala

LEARNING FROM THE PAST

Tala had attempted to introduce OKRs in the past, but they experienced limited success due to:

A set-it-and-forget-it approach that lacked followup and follow-through

An overemphasis on financial targets, neglecting other strategic themes

OKRs that were too wordy and difficult for team members to keep top-of-mind

Challenges integrating OKRs into new employee onboarding and training programs

TALA'S OKR ROLLOUT

Tala and Wave Nine used a 4-phased approach to their OKR rollout, which took the following form.

PHASE 1:
EXECUTIVE WORKSHOP AND LEADERSHIP OKR TRAINING

Wave Nine conducted two separate sessions with Tala's leadership to understand and prepare the company's overall OKR strategy. The two sets of workshops took the following form.

Part 1: Senior leadership OKR training

This dedicated executive leadership training helped executives understand and engage OKRs as a key enabler for strategic alignment and sustained growth, setting a powerful operating rhythm for the program.

Part 2: Second-level OKR leadership training

During the second part of Phase 1, Wave Nine worked with next in-line leadership, training some 50 directors and managers on the OKR philosophy. Once they had wrapped up Part 2 of the first phase, Tala's leaders were fully briefed on techniques for localizing OKRs and managing cross-functional dependencies.

PHASE 2:
CREATING COMPANY-LEVEL OKRS

The Wave Nine team led an on-site workshop with functional team leadership and business group leaders to set company-level OKRs.

These meetings produced radical clarity regarding strategic priorities, helping them identify and measure success.

PHASE 3:
LOCALIZING AND IMPLEMENTING COMPANY-LEVEL OKRS

Wave Nine worked with six different cross-functional teams over the course of two months, conducting team-specific workshops to specify each group's OKRs. During this process, Steven and Aria gathered input from team members and helped them generate OKRs that aligned perfectly with the company-wide OKRs.

In many cases, they discovered that so-called "best practices" needed to be adapted to Tala's specific needs. After all, the company was pioneering a new industry and achieving results nobody had ever thought possible. That required Wave Nine to step back at times, giving Tala's employees the freedom and space to find solutions that worked for them.

Phase 3 resulted in the vertical and lateral alignment of strategic priorities throughout the most important layers of the organization. It also paved the way for increased ownership and a sustainable boost in momentum.

PHASE 4:
ACTIVATING THE ORGANIZATION AS A WHOLE

Activation is critical for focused OKR execution, facilitated by results rituals and other management interventions.

Tala's efforts to improve OKR adoption and increase operational rigor benefited from:

Biweekly check-ins that kept projects on track

Systems and tools that allowed for closer project monitoring

The ability to escalate issues much quicker and address at-risk initiatives

Well defined initiatives that fed into the company's larger goals

Phase 4 resulted in an increased focus on results, better decision-making where trade-offs were necessary, and an efficient balancing of competing priorities.

> "The Wave Nine team was very patient during the training process for both the executives and the company as a whole. They did their homework, learned about our challenges, and came prepared. They worked well with our teams to create a highly-collaborative OKR strategy."

Ishan Grupta
Senior Vice President of Operations
Tala

KEY TAKEAWAYS FOR FAST-GROWING STARTUPS
What can other growing startups learn from Tala's OKR rollout?

OKRs can bring organizational alignment to heavily matrixed organizations—those with many cross-functional teams.

Fast moving startups face unique challenges, and a shared vision is a must. This is especially true for those in nascent industries, where the company is growing quickly and breaking new ground.

Never be afraid to rethink your OKR approach based on your unique situation. Yes, there are best practices, but sometimes you've got to rethink your playbook to make OKRs work for your business and your industry.

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SOLUTIONS

Wave Nine worked with Tala to implement a 4-phased OKR rollout, beginning with an executive workshop to set company-wide OKRs. This was followed by in-depth work with individual teams, in many cases rewriting the standard OKR playbook to fit Tala's unique needs.

RESULTS

Tala's OKR implementation resulted in greater collaboration and operational rigor, thanks to:

Ø   Biweekly check-ins that kept projects on track

Ø   The ability to escalate issues much quicker and address at-risk initiatives

Ø   Systems and tools that allowed for closer project monitoring

Ø   Well defined initiatives that fed into the company's larger goals

Wave Nine will continue to work with Tala for the foreseeable future, helping them refine their OKR program and break new ground in this pro-social, groundbreaking field.

READY TO SEE WHAT WAVE NINE CAN DO FOR YOUR OKR EFFORTS?

WAVE NINE

Wave Nine brings results to OKR programs with your new digital operating rhythm. For startups and enterprises that are serious about OKRs, we built the playbooks, templates, and resources that energize teams, clarify strategies, and drive accountability. We hands-on execute your program in workshops and training from the executives to the teams that make it happen. Headquartered in Silicon Valley with offices in Germany, UK and Australia, we partner with the leading strategy execution platform WorkBoard to make your strategy happen. **www.wavenine.com**