



**In this episode of Resilient, Ned Segal, CFO of Twitter, shares how he leads his teams to embrace the organization’s purpose. He also discusses the importance of open communication, how to create an environment for constructive conversations, and advice for finance leaders today.**

*Michael Kearney:*

Guess where I am today. I am at the Twitter headquarters in San Francisco. I think I am officially cool with my kids. Today I’m interviewing Ned Segal, Twitter CFO. And I spent a bit of time on Twitter, obviously, that’s of course what I’m going to do getting to know Ned. What’s interesting is, he and I have similar backgrounds. We’re about the same age. We grew up in the Bay area. We absolutely love San Francisco, but we do diverge on one thing. Ned is a diehard Giants fan, San Francisco, and I’m a diehard Oakland A’s fan.

But I am, notwithstanding, really excited to talk with Ned. Obviously, Twitter is a cultural phenomenon. The social impact is immense. Just think about a few things. Think about what it means to elections and our political system, and I am not going to tread into those waters, but I think you get what I mean. What about uprisings around the world?

How about elevating social causes, MeToo? Marketing products, everything, our sports teams—that’s where I go and get my information on the A’s, Warriors, and Raiders. And what about just direct communication between a business and a consumer? I couldn’t tell you how many times I’ve engaged with an airline through Twitter. It’s amazing, and the list just goes on and on and on.

Let me give you a little fun fact about Twitter. A little online research I did. Hopefully, it’s all right. Eighty-three percent of the world’s leaders are on Twitter and about two-thirds of US companies with over 100 employees use Twitter for marketing.

Twitter’s—and this is mind-boggling. I don’t know even know what this, necessarily, number means, but Twitter’s technology can handle 18 quintillion followers. And 74 percent of Twitter users say that they actually go to Twitter to get their news. And a quarter of US marketers run video ads on Twitter. And what I’ve also read is—you’re going to probably hear this from Ned—is that videos are such an important source of where Twitter is going. And videos actually get the most retweets.

Let’s go back to Ned. He’s been the CFO since 2017, and we’re going to get to know him up front. He’s got a very interesting background, so I’m going to ask him some questions on that. There are four topics that I really want to dive into. The first

is, his perspectives on Twitter. I want to learn what it's like actually to work at Twitter. I also want to talk about questions on finance and CFOs, brand and reputation, which is near and dear to my heart.

Obviously, Twitter is in the middle of companies that are creating their brand on Twitter. But, then also, it is a place where sometimes reputations are enhanced or sometimes reputations are taken down. So, I'm going to ask him some questions on that. And as always, I'm going to end up with some questions on leadership.

*Ned Segal:* You don't become whatever the role is that you want in your 40s by mapping it out in your teens and knocking things out along the way. If you, instead, do things that you love, do things where you will thrive, do things that reward your strongest traits, you'll find that you will realize success all along the way and you'll enjoy the journey.

*Michael Kearney:* Welcome to the *Resilient* podcast, where we hear stories from leaders on crisis, risk, and disruption. My name's Mike Kearney. I lead Deloitte's brand and reputation venture fund and Spark experiences. Where we are innovating how we bring tech-enabled solutions to our clients. Like I've said before, in addition to my day job, I have this crazy awesome opportunity to sit down with incredible leaders who define what it is to be resilient. I cannot wait to talk to Ned. He just seems like a really cool guy. That's enough. Let's get to it, my conversation with Ned Segal.

*[Music plays]*

I want to start this on a light note. One of the things you talk about, it's kind of your microcosm for life, is making cookies. And I want to read a quote from you, which I know you're very familiar with, but a lot of people probably aren't. And it goes as follows: "Find something you enjoy, do things that make others happy, keep improving, accept that others may do things differently, share the things that make you happy. Too much of anything"—and I love this—"is rarely a good thing." So, why cookies?

*Ned Segal:* Well, cookies are fun. For me, cookies are something that I've been making since I was a kid. When my wife was my girlfriend in high school, she'd come over to my house, and we would make cookies together. Because cookies make you feel good, if you don't have too many of them, because they're fun to make. They don't take too long, and because there's so many different ways to go about making a cookie, I find you can get a lot of joy from them, and they can be like a lot of other things that you do in life.

*Michael Kearney:* Do you actually use that to think about your kind of motto for life in some respects?

*Ned Segal:* I don't know if I use it to think about life, but I think it's consistent with how I think about life. I'm generally a happy person. I like to do things with other people. I like to adapt and try new things. And I find things that I like, and I like to keep going back to them too.

*Michael Kearney:* Awesome. So, you and I have something in common now, other than just growing up in the Bay area. I met my wife when I was—I can't believe this, 17 years. So, I've been with her since 1989. I met her at an earthquake party. That's a fun fact.

*Ned Segal:* Wow. Well, we met shortly after that. It was February of 1990 at the gym at my

wife's high school.

*Michael Kearney:* Very cool. So, what's more difficult—recognizing what you need to improve or accepting that others may do things differently?

*Ned Segal:* It's a great question. I think recognizing what one needs to improve isn't as hard as improving it. And one of the things that I think a lot about is being realistic, both about myself and about others on where we can improve and what the things are that might be innate or pretty hard to change. 'Cause some things you can change five or eight degrees, other things you can change a lot.

And making sure that you recognize what they are and that other people accept and recognize what they are and really challenging yourself about them is probably more important than recognizing what you need to change. I think a lot of us know the things that we might like to change about ourselves and the harder work is to actually do it.

*Michael Kearney:* Actually do it. So, let me ask you a question, what's given you joy at Twitter? So you've been here about 18 months now. What are the things when you step back you're like, I love this?

*Ned Segal:* So much about Twitter gives me joy. One, we have this incredible purpose to serve the public conversation. And it's something that really resonates with me that attracted me to the company and that we think about in all the work that we do. Second, we have a really fun group of people here.

*Michael Kearney:* I can tell. This is such a cool place. I was going to say that up front. You can tell.

*Ned Segal:* It's a great place to get work done. It's a great group of people with whom to get work done. People also are very different. One of the things that we talk about here is that we want our company to reflect our service. So that means having diverse perspectives. It means having people from diverse backgrounds, and it means being accepting of the people, their backgrounds and perspectives that they bring to the table.

So, I have fun every day. The role of the CFO at a company like ours, with all of this information at your fingertips, being encouraged to ask lots of difficult questions and to help people allocate resources and communicate how we think about things and lead a team. I have fun every day.

*Michael Kearney:* That's awesome. So, you grew up in the Bay area, like you already established. You had one of the coolest high school jobs ever. I worked at a plant nursery; you got to work at the Candlestick Park and the Oakland Coliseum being a vendor. Is there anything when you reflect back on that, because I always think that, in many respects, high school jobs can have a profound impact on who you become later in life. Did you take anything away for that experience?

*Ned Segal:* I took a ton away without realizing it from my job as a vendor. First of all, I learned how important it is to treat everybody the same way. Because people make judgments about you when you're walking up and down the stands with sodas. They make assumptions about your education. People would sometimes do the math or insult you or talk to you in a way that might not feel good to you.

*Michael Kearney:* Interesting.

*Ned Segal:* They might make assumptions of where you live or how you got there or whether you could afford to buy a seat for yourself. And it really taught me from how people treated me that it was really important to treat everybody the same way, first of all. Second of all, the job of a vendor, you start selling sodas in the worst section of the stadium, and if you do a great job, you actually get a higher commission and a better product, programs or hotdogs or drumsticks, in a better section. So, you're making a higher commission selling a better product that doesn't get your hands as dirty that you don't have to walk as far to go refill on. That's a microcosm for life in a lot of ways too.

If you work hard, you get better opportunities, and that was something that I learned a lot from too. A third thing was, do things you like and be places that you want to be. I loved going to the stadium early when there was nobody in it, when it would just be me and a friend sitting there in one of the sections, looking at the stadium, watching it fill up, enjoying looking at all the perfectly manicured grass and all the empty seats and thinking about what it will look like a couple hours later. And then I love stopping a little bit early to watch the fourth quarter of a Niners game or to watch the eighth or ninth innings of a Giants game. There was just nothing better than that to me.

*Michael Kearney:* You were actually there with the Niners then too. So that was in their heyday.

*Ned Segal:* The Niners were a lot of fun then and being able to watch the fourth quarter of those games with all that was happening then was terrific.

*Michael Kearney:* There are so many questions I'd actually love to ask you about baseball, but we've got to move on. So, tell us about your career, kind of in 60 seconds before you came to Twitter.

*Ned Segal:* So, I started as a Spanish major at Georgetown University, which is not the best path to become a CFO at first blush. But, I think if you unpack it a little bit more, it might be. I studied something that I was passionate about. I studied it because I really wanted to learn more about it, and I did well enough that I was recognized for being good at something that I was passionate about.

And that led me to Goldman Sachs. I really had two careers there. The first one in equity sales, where I worked with investors who invest in technology companies, mutual funds and hedge funds, mostly in the Bay area, but also in New York and in other parts of the country. And I got to scratch the surface on what tons of technology companies did when we took them public or did offerings for them.

And I realized that I really wanted to get deeper into what they did. About eight years in, I became a banker where you get much deeper into what a company does. You're still not working at the company. And I ultimately led the software practice in investment banking, helping companies buy or sell things or raise capital.

*Michael Kearney:* You know, it's interesting. There's almost an analogy to consulting 'cause probably one of the biggest challenges is you're so invested in a client doing something, but it's kind of out of your control and kind of that need to get your hands dirty. One

other linkage to you and me, my wife was a Spanish major at St. Mary's College. But she's been an ESL teacher for many, many years, so that was her passion.

*Ned Segal:* That's a more logical path from being a Spanish major, for sure.

*Michael Kearney:* You touched on kind of the culture at Twitter. It is certainly unique. You've got this #growtogether. What do you think makes the culture here so special in your mind?

*Ned Segal:* A lot of it starts with leadership. So, being led by the founder of the company, being led by somebody to whom these things are important, hiring people from diverse backgrounds, hiring people who will bring a different perspective, who get their work done differently. One might notice that Jack is more of an introvert than some of the other people on his staff, like me, who are more extroverted.

That's just one example of how people might get work done differently. And meeting people where they are is a really important way to make sure that you get the best out of all the people that you work with. So, a lot of it starts with leadership. But, then it comes from the people who show up here who believe in our purpose. And when you have a purpose-driven company, when you have people who come not just because they want to make the stock price go up or because they want to get through the day so they can get to whatever's next, you end up achieving great outcomes and having a lot of fun while you're doing it.

*Michael Kearney:* So, one of the questions I would have is, obviously, you're a purpose-driven organization. But if I were to go out onto the floor and just ask everybody, "Hey, do you understand what the purpose is?" what do you think they would say?

*Ned Segal:* I think they'd say the purpose is to serve the public conversation. I'd hope that's what they'd say, and it's definitely been a journey for us to get there, both in being clear what our purpose is and then talking people through it. There's nothing like hearing it from the CEO or the cofounder of the company, and Jack's been great about really being clear with people about what the purpose is.

If you go back four or five years to some more challenging times at Twitter, we, collectively, were much less clear about what Twitter was for, how we were different, what our superpowers are relative to other services that are out there. And as we become more clear about it, our execution has improved, advertisers are more likely to invest in the platform. People are more likely to come to use Twitter for what it's meant to be used for. And our retention of employees has improved significantly too.

*Michael Kearney:* It's gotten a lot better.

*Ned Segal:* And you feel like those things are all directly linked to each other.

*Michael Kearney:* Absolutely. So, let's go back and just talk about Twitter for a minute. And obviously, you're knee deep as a CFO in what drives Twitter and how you make money. But I would say probably a lot of people that are listening, a lot of people that use Twitter use the platform but probably don't understand how you guys make your money. How do you make money? What's the simple overview of that?

*Ned Segal:* So, Twitter has three primary revenue streams. The first one is advertising on our

platform. When you scroll down your timeline, you will see ads. Hopefully, they feel like they're relevant and part of your experience. I see ads sometimes for business analytic software, for example. It seems like I've been well-targeted. We also sometimes show ads before you see live content on the platform.

So, if you're watching a concert, and it was brought to you by Live Nation, a brand may sponsor the concert. So, that's the advertising that's on the platform. We do some advertising off of our platform as well, where we—that's two types, one is where we extend the campaign that you're running on Twitter off of Twitter on mobile publisher's applications or in other places.

And then we also have a business where we sell APIs, which is access to the data on Twitter, to help people build businesses around all the incredible data on Twitter. So, this could be a big brand who wants to know how people are interacting with or talking about their brand on Twitter. It could be a research study out of university where they're trying to understand how language is evolving.

One of the great things about that business for us is, we don't decide what the businesses are that people will create, we just give them access to the data so they can build amazing businesses around the data.

*Michael Kearney:* You know what's awesome? We are a good client of yours in that realm. I have a business called, "Predictive Risk Intelligence," where we leverage some of that data that we license from you guys.

*Ned Segal:* That's great. Thank you.

*Michael Kearney:* Absolutely. So, where do you see this going in the future? Where could you see additional revenue streams? Things that you may be looking at, things that maybe you could share now?

*Ned Segal:* Well, we're always thinking about new revenue streams. But when we think about them, we really try to start with the use case for Twitter. Twitter's the place where people go to find out what's happening in the world and what people are talking about. They come to get informed. They come to discuss what matters. They come to inform others. If we do those things well, the modernization will figure itself out.

*Michael Kearney:* It's simple. Yep.

*Ned Segal:* Advertising has been a very logical way to grow the platform and to monetize the platform for the first 12 years of the business. But we're always challenging ourselves about whether that's the right way or if there are other ways that we can do so as well.

*Michael Kearney:* Absolutely. So, one of the things that I think's incredible, especially preparing for this, and I know the impact that Twitter has, whether it's economic, social, political. Do you ever just step back and think about the impact that Twitter has on the world? What do you think about that? You know, sometimes when you're in the middle of the game, you're doing your job, you may not necessarily spend time. But do you ever step back and think about that?

*Ned Segal:* I think about it a lot.

*Michael Kearney:* And what goes through your mind?

*Ned Segal:* We all think about it a lot. Although my role doesn't involve our policy work as the CFO, we all feel the weight of the impact that Twitter can have on society. Whether it's a conversation about sports or a conversation about politics. Both making sure that it's a constructive, healthy conversation where people feel comfortable being a part of it, where they feel comfortable scrolling through the conversation. Those are critical components to serving the public conversation.

And we feel a lot of responsibility to make sure that we get it right. We think about some of the incentives that we created years ago that still exist today, both on our platform and on others, such as likes and follows, and whether we're creating the right incentive or encouraging the right behavior in the way that those are highlighted below a tweet, and we don't have the right answer yet.

But those are things that we spend a lot of our time thinking about because we see the reach that Twitter has today, and we also aspire to much greater because we feel like everybody in the world can benefit from what's happening on Twitter. And we know that continuing to challenge ourselves around the impact that we have and making sure that we're as thoughtful about it as possible is critical to our work.

*Michael Kearney:* Video's become much bigger. I've actually even noticed it. And it seems like the level of engagement that people have with video is fairly significant. That's become a pretty big part of your platform.

*Ned Segal:* Video is a big part of our platform in a lot of different ways. The first is, user-generated content can include video now. It can be something that you took a video of that you want to share, or it could be live video. Video also is important to our content partners because there's a lot of great video content that comes from other places that people want to include on Twitter because they know the conversation's happening, and they want to be a part of it.

FIFA put the goals from the World Cup on Twitter this past year, which they hadn't done in the past. In the past, there might have been a different mindset of, if people watch the goals, they may not choose to watch the whole game. And this year the mindset was, this is tremendous brand extension for Fox and FIFA to put the goals on Twitter right after they happen.

The conversation was already happening, but for people to be able to see them, for there to be advertising against the goals, that brought incremental dollars to them. It brought more conversation to the platform, and hopefully it drove people to watch the next soccer game because they watched how exciting the World Cup was.

So that's a second example. And then the third one is for our advertising partners. Video can often be a more compelling way to connect with your customers on Twitter than text or a picture can be.

*Michael Kearney:* Absolutely.

*Ned Segal:* But it's different than other platforms. You may not want to watch a 30-second video in your timeline, but if it's six seconds, and it gets to the message really

quickly, you may stop and watch it. But, we have to make sure we have the technology right in order to do that. An example is, we used to not preload the videos, and it turns out, people don't wait around to see an ad load.

But if we anticipate that you're going to get down to that point in the timeline, and we have the video ready to be served, you may watch it, you may watch it and click through to download an application or to go to a website to learn more about whatever that video represented. So video's been a big shift for us. But it's also important to remember, we try to be agnostic to the format in which the content arrives. Whether it's the spoken word, live or stored video, 280 characters, or a picture or whatever else is out there, we want to make sure that you can communicate and be a part of the conversation on Twitter in whatever way is going to be most compelling.

*Michael Kearney:* There's been a lot of conversations about abuse and fake accounts. Can you just touch on what Twitter's been doing to address that?

*Ned Segal:* Our number one priority is the health of the public conversation on Twitter. When we think about that, that can be a lot of different things. That can be making sure that people aren't saying things that make other people feel uncomfortable. It can be making sure that things that aren't true are refuted. It can be making sure that what's happening on Twitter doesn't lead to unhealthy behavior off of Twitter.

Part of that is making sure that the spamming and suspicious accounts that we often find are removed or not even created. I'll give you a couple examples of some of the work that we've done. In the second quarter, we removed tens of millions of accounts that had been created in the past that were largely dormant, but they had liked and followed other people's tweets. So, they could end up amplifying tweets that probably didn't merit that amplification.

*Michael Kearney:* Interesting.

*Ned Segal:* We removed those accounts. Didn't really affect our user metrics that much, although, if it had, we wouldn't have hesitated to do the work. But it did improve the conversation. In this past quarter, in the third quarter, we actually found a way to catch people at signup. Because a lot of the bad behavior is created on web browsers and accounts that don't move off of browsers. And as we started to unpack that, we were able to close some of the ways that the accounts were being created.

It impacted our disclosed user metrics, but we didn't bat an eyelash about the work, and we'd do it over again if we found an opportunity to do something like that. So we're always working hard to be ten steps ahead of the bad actors who are creating spammy and suspicious accounts and to make sure that we've got the right policies so that the conversation on Twitter is a healthy one.

*Michael Kearney:* That's fascinating. You are a CFO, so I'm going to ask you a couple finance/CFO-related questions. So, the first one is around technology. Obviously, you operate in this technology industry. So you're probably more advanced, more up to speed. And technology is obviously having a huge impact across all industries right now. I've been talking to a colleague earlier today. I was up at a healthcare company, talk about an industry that has been impacted significantly by technology. What guidance would you have for other CFOs that may not be as technology literate as somebody

in a tech industry? What advice would you have for them to get smart on the disruption that's happening from technology, digital, trends, things of that nature?

*Ned Segal:*

I think it's a lot easier if you're interested in it, first of all. Second of all, it's a lot easier if you use it. So for me, that could mean using Twitter a lot. But it also means leveraging the analytics tools that we have inside the company to access data. It can also mean using the latest devices, which sounds like a poor excuse to my wife when she sees me buying new devices, but it's important to have empathy for the people who are accessing Twitter and how they might do it.

I'm fascinated by all the technology, having grown up around here and having watched Silicon Valley become what it is today. But I think people don't have to live around here to be fascinated by, to embrace and use the technology, which I think leads to more curiosity around how it's created, around how it could be better used, whether it's in a finance organization or as an individual using a service like Twitter.

*Michael Kearney:*

Do you have a couple examples of, maybe just within your finance group, how you use technology, maybe analytics to do things that really give you insight into the customer or into your performance? Maybe something that if a CFO is listening, which we have many CFOs that listen, that they could say, "You know what? I could potentially use technology in that way too maybe that I'm not today."

*Ned Segal:*

There are a couple of things that come to mind. One is dashboards to look at the business. And one of the things that we've recognized is that everybody has their own dashboard. Different functions look at different things. A different acronym or set of metrics—

*Michael Kearney:*

Metrics or whatever. Yeah. Right.

*Ned Segal:*

—may mean different things to different people in different parts of the organization. We've worked hard over the last year to come to a common agreement around what different things mean to make sure that we agree on what we're solving for, to have a common set of dashboards that we look at to understand what's happening in the business. Because we think that will help us drive clarity in what we're solving for as we build things, as we allocate resources and so on. So that's helped a ton.

The second one, within our finance organization, we're always thinking about what we can automate. Because inputting data should happen as rarely as possible. One piece of information should only be put in once in one place. It should be highly leveraged across everywhere else it needs to be used. And so, we try to have a mindset of constantly thinking about, do we need to put that number into that spreadsheet? Or could it have been done in an automated way, which reduces error.

It also allows the person who's inputting it to spend their time analyzing the data rather than inputting it. Because most of the people who are inputting data are much more interested in analyzing it. They're probably better at analyzing it. That's going to help them grow their career more and it's also going to increase their employee satisfaction more than if they're stuck inputting data.

*Michael Kearney:*

Nobody wants to do that. I want to amplify your first point because I was actually

talking to a chief risk officer on my way into the city this morning. And one of the things I talked about, 'cause she was creating her dashboard for some of the risks. I said, "Step back. Look at what the CEO is using and start to integrate your content into his dashboard so that it's not dueling dashboards," which, I can't tell you how many executive meetings that I've been at where people bring their dashboards, and it has different data, and like you said, different metrics, different acronyms, terms, so I couldn't agree more on—

*Ned Segal:* Having a common language.

*Michael Kearney:* Common language.

*Ned Segal:* And a common set of dashboards that people look at is really, really helpful.

*Michael Kearney:* What guidance do you have for CFOs that may be in a startup company or a company that's really working toward profit to really keep analysts in the street engaged in the business?

*Ned Segal:* I think they first have to start with asking why they want to keep them engaged. Is it because they want to lower their cost of capital? Is it because they want to convey a message that's going to help them execute their business better? Or is there a third reason that they might be thinking of. It's really important to start there.

*Michael Kearney:* To start with why, yeah.

*Ned Segal:* Second is to then think about what you're going to communicate with them on a regular basis so that you can be consistent in reporting out on those things, and so they aren't surprised by what you're talking about, even if the numbers might change. That you're using the same words, you're using the same metrics, you're using the same principles to talk about what you disclose to them and why you disclose it to them.

I find that can be really helpful. So, when we talk to investors, they know our disclosure principles. They know the consistency with which they will see us. I was in Denver a few months ago, and an investor said, "Why are you here?" I said, "Because we're going to come to Denver once a year to see investors. And we're not going to do it when business is good but not do it when business is bad or vice versa. We just want you to know you can set your clock by us coming here once a year, and we're going to be here ready to answer questions no matter what's going on in the business."

*Michael Kearney:* So, consistency. Let's move to brand and reputation. And I think that in many regards, Twitter kind of lives in this really interesting universe. Because I actually think, like I was mentioning before, you contribute to helping companies better manage their brand and reputation through data. That's what I was referencing. But then also, you've been on your journey to enhancing your own reputation.

So, how does Twitter think about reputation? Is there anything specific that you guys are doing now or over the last couple years to consciously think, "How can we improve our reputation in the marketplace with our key stakeholders, with our users, obviously, many different stakeholder groups?"

*Ned Segal:*

Well, the reputation is an output of the work that you're doing. And so, we first think about what our purpose is, how we're going to accomplish it, what we want people to expect from us, and what behaviors we will deploy inside the company or when we're working with people outside the company so that they can know what to expect from us. We think that helps a ton, and it gives people a roadmap that they can follow and by which they can measure you.

Second is, we've tried to be more intentional in the last couple of years than we were previously in how we interact with people externally. Whether it's the example I gave you with investors where I try to be consistent, or whether it's with regulators or legislators all around the world where we try to engage more deeply with them.

Because we recognize that we spend more time around our business than they do, and the better they understand the challenges that we face and how we believe we ought to address them, the more helpful they can be and the more thoughtful they can be around their work and how it impacts businesses like ours.

*Michael Kearney:*

It's fascinating 'cause one of the things that we learned as a firm and one of the things that we recommend to clients is exactly what you're talking about, is almost a conscious view of what your stakeholder ecosystem looks like, which is fine. But then it sounds like you have even thought about, what are the strategies we need to do? What are the strategies we need to put into place in order to enhance those relationships regardless of who they are?

*Ned Segal:*

Our health work is a great example of it, where health has been a priority, our number one priority all year. And we've been really clear with people, whether they are in the political realm, they are our investors, advertisers, or people who use the platform. It's going to be our number one priority in how we allocate resources. We are going to shift resources from other things to health. It's going to be a mindset that we all take to the work that we do.

And that's really helped people understand what they can expect from us, whether it's an advertiser who says, well, the MAU number may go down from one quarter to the next, but what I'm getting is a healthier conversation against which to advertise, and we watch them celebrate our work, or it's regulators who better understand our approach around health. It's helped a bunch to be really clear about that work and how we prioritize it.

*Michael Kearney:*

So, I had interviewed a general counsel of an organization. We actually haven't released the interview because of some ongoing litigation of that organization. But one of the things he said during a crisis was, one of the most important things is transparent communication. Do the right thing and transparent communication. What do you guys think about, if you have, not necessarily a crisis but an incident, what's your perspective on how you communicate both externally, internally within your organization in those times of—I don't even want to say crisis but potentially maybe an incident or a story that's out there.

*Ned Segal:*

Well, let's go back to what Twitter's all about. Twitter is public, open, and real time.

*Michael Kearney:*

That's a good point. Yep.

*Ned Segal:*

When you say something on Twitter, the whole world can see it. When you say

something on Twitter, people can see it immediately. You can respond immediately and people can see your response. So you can refute what others might say. You can offer perspective around what they might say. We try to embody those same behaviors in how we communicate with the team here at Twitter and how we communicate externally.

So if we make a mistake, we want to own it quickly. If we're changing course, we want to declare it quickly and explain why. We share our board documents across the company, so that everybody can know what direction we're going in and what we're communicating to the board. We share the retro process, the process where we go back after we finish something to see what we can learn from it and how we can do it better around earnings or around board meetings or other things, we share it across the company. So everybody can both learn from it, see what we're learning from it, and we can model that we're going to learn and adapt as we go, and you should keep doing the same things yourselves.

*Michael Kearney:* I'm just really curious, so, when you say you share that board information, not just the agenda but the detailed content and maybe what's behind certain decisions? That goes out to the entire company?

*Ned Segal:* It does. You can imagine there are a few pages that get redacted that might have some financial data that we don't share as broadly. But we really want people to know where we're taking the product. We want them to know what the vision is around how we should be resourcing over the next few years. And there's no better way to do it than to use the same information that you share with the board of directors that's providing the oversight for the company.

*Michael Kearney:* I have not been at every company, but you are the first one I've heard that much transparency. That's pretty cool. Are there any final learnings from your journey to continue to improve Twitter's reputation that if an organization was listening to this or if an executive was listening, is there one or two things that you would say are critical in building a really good reputation with your key stakeholders?

*Ned Segal:* Reputations can change very quickly, and they're often deserved. And we have worked so hard at Twitter to be a place that people want to work at, to be a place that has a purpose that people can identify with, and to be really clear with people inside and outside the company what they can expect from us and what our values are. And that has helped us a ton. We went through some really hard times here a few years ago, and as we've begun to come out of those difficult times, it's the clarity of purpose that has helped us a bunch.

The fact that we communicate consistently and use the same words to do it internally and externally has helped a bunch. And we will face challenges in the future, I'm certain of that. But, we'll try to face them the same way that we've addressed our recent success, which is just to communicate clearly and try to help people understand how we think about the issues we face.

*Michael Kearney:* Awesome. So, this is my favorite part of the conversation, and this is really about kind of some of your leadership lessons over your career. So, I want to focus it in two areas. First of all, just broadly making decisions and building a great team. You've already kind of talked about the team, but I want to drill down on a few questions I have. The first one, and to a certain degree, Twitter contributes, we have

so much damn information that is just bombarding us every single day. What tips do you have, maybe that you employ or maybe Twitter employs, around filtering that information to make sure that you're looking at the right information so you can make the best decisions?

*Ned Segal:*

Building a robust timeline on Twitter is definitely the best way to do that. I try to be really intentional about what it is that I'm going to look at every day and to have habits around the time that I'm going to do it and what I'm going to look at. There are a lot of things that are interesting but can be distractions. They can be duplicative. They can pull you off in a different direction.

At the same time, I try not to be too rigid because sometimes people recommend things, or I'll find something interesting whether it's on Twitter or somewhere else. And if I don't make time to look at it, then I've lost the opportunity to learn from it. So, I know the exact things that I look at when I wake up in the morning. I know the things that I like to look at before I go to bed at night, and I always wish I had a couple extra hours so I could read a book or two. But that doesn't happen as much as I would like.

*Michael Kearney:*

What about just advice from people? You probably get an endless stream of advice, especially being a CFO, whether it's other executives at Twitter, the board, maybe external mentors or advisors, how do you filter that information and advice? Do you have a process for doing that? And are there certain people that you listen to and certain things that maybe you do to maybe not listen to certain people that are giving you their opinion that maybe you don't need at that point in time.

*Ned Segal:*

I've got two thoughts about that. The first is, it's really important to be open to feedback, especially in a role that can span a lot of parts of an organization. Because even if somebody is offering a perspective that I might not agree with, there's something inside their feedback that probably is true. It can be that we haven't communicated well. So, it wasn't the answer but it was how it was communicated. It could be the answer. It could be the process that we took to get there.

So, I find my job is to really try to understand why they're giving the feedback that they are because sometimes you have to unpack it a bit to really understand it. And I also try really hard to model that we have to be open to feedback and that if we start being defensive then we don't learn what that person has to offer and they leave thinking that's an okay way to take feedback. That's the first one.

The second is, I believe we all ought to have a personal board of directors. And if you think about how a company is structured, you've got a board, and the board evolves over time. People come and go. Some people offer a fresh perspective. Some people can say, "We tried that ten years ago, and it didn't work." Different people bring different expertise to the board that they sit on where they may be there because they're really strong at policy. They're really strong in finance. They're a great product person.

I try to take the same approach in my professional life where I have a board of directors where people can challenge me and keep me honest and give me input, either proactively or because I've come to them and asked for it around different parts of the work that I do. And it can be that I come to them with a challenge around our planning process. It could be that I come to them because I'm having a

challenge with another person where I'm not communicating, whatever I'm saying isn't getting through to them, or the other way around. Or where we have an open role and I'm having trouble filling it, and I'm seeking input on what I could be doing better to fill that role.

Having a board of directors that's constantly evolving where you can seek input from people and where you know that these are people who will hold you accountable and keep you honest could be really helpful throughout a career.

*Michael Kearney:* You're the second interview in a row, they didn't use that word, personal board of directors. I love that. That's one I'll have to remember. Do you actually consciously cultivate that? Meaning, do you think about, here are the folks that I need in my network and work to cultivate those relationships so that when you do have a need, a question, or input that you need on a topic that you can go out and reach them?

*Ned Segal:* It's less about, I want to know that person so they can help me and more about here are the gaps or needs that I have and who, that I already know, can help me solve that? And sometimes there are people who I already know well and I know that they're the person to whom I can go on a given topic. And other times it's somebody who you realize you don't know as well as you'd like, but they're somebody who could really be helpful around a given thing.

When I look back to my career transition, as I left banking and moved to operating roles, Bill Campbell was incredibly helpful to me. And he first challenged me on if I really wanted to leave banking. And he pushed me on it in a way that others hadn't. And once he accepted my conviction, then he was an incredible facilitator and sounding board as I considered opportunities.

I look at my father when I moved from equity sales to investment banking. And when I explained the problem that I was solving for, that I wanted to get deeper into businesses and what they did as much as I enjoyed my previous role. He's the one who said, "You should be a banker." Because he was, at the time, working with bankers, and he saw the work that they were doing, and he thought it was something that I would enjoy and learn a lot from.

*Michael Kearney:* Interesting. Every day as a CFO, you're probably confronted with big, bold decisions. Maybe bigger ones on different days that obviously are high risk, high reward. What advice do you have for leaders in making those type of decisions?

*Ned Segal:* Regardless of our role, we all face decisions that we have to make or help other people make throughout our day. I like to think of a quote from Yogi Berra, "If you see a fork in the road, take it." And what I think you can take from that is, one, Yogi Berra was a funny guy with amazing quotes and they have tremendous meaning inside of them far beyond that one. But, two, and more importantly, we're faced with decisions all the time, and the worst thing we can do is not make one.

*Michael Kearney:* Absolutely.

*Ned Segal:* When, as a leader, if you don't make decisions or clear out the roadblocks to help other people make decisions, you're slowing down the work. And it can have massive downstream effect where people don't see their work ship, if they're an engineer, or people worked on an analysis and nobody's using it, or they're sitting

around waiting for a decision or a clear next step.

So, being clear with people, as a leader, on what they need from you and what they're empowered to do can help a ton around those things. But I often find a lot of the things that we look at, there are ten alternatives, and three, four, five of them may be perfectly acceptable, but what isn't acceptable is not picking one or giving the team the clear direction that they need in order to be empowered to go in one direction or another.

*Michael Kearney:* There's so much I'd love to talk to you about. That's the one observation I have is oftentimes people try to be perfect, so they're worried about the perfection of their decision when, in fact, a decision leads to potentially your next decision.

*Ned Segal:* A big challenge that Jack has offered the company here is, we should not try to have things be perfect before we ship them. So, when we're putting something into Twitter that we all use, it's okay to test it and learn from it. Because oftentimes, you won't know whether it's going to work or not until you put it out there. And so, waiting is a disservice to the people who worked on it and the people who could benefit from it if we put it out there.

*Michael Kearney:* You know what's funny. I'm not going to go too much into this, but I've been very kind of in the innovative space within bringing consulting services to our clients. And one of the things I learned was, I could spend six or nine months creating something behind the scenes and then share it with the client, 50 percent's going to change. Or I could put something together in a month, put it in front of a client, 50 percent's going to change. You just don't know what that 50 percent is.

*Ned Segal:* That's exactly right.

*Michael Kearney:* I've seen that. What about—if you don't mind sharing—toughest decision you've ever had to make?

*Ned Segal:* Instead of a specific decision, I'll share the hardest kinds of decisions are around people. When somebody is a great person who you really enjoy spending time with who's got a family that they are supporting, and it's not working out for one reason or another. Those are incredibly difficult decisions that I take really personally that I bring home with me, whether I like it or not. That I lose sleep over. In the end, I have to come back to what's best for that person and for our company.

Because a lot of times, if they're not thriving in the role, they'd be better off in a different role. And it's our job to help give them the guidance that they need to find a place where they will thrive. So, those are often the hardest decisions that I face.

*Michael Kearney:* I think you just said something extremely important, and that is you're thinking about the person. And oftentimes, if they're not performing well in the organization, they're probably not really happy either. So, you almost could flip that into, how could I help you be successful elsewhere?

*Ned Segal:* We try to—

*Michael Kearney:* Which sounds like a cliché, but it's actually true.

*Ned Segal:* Or sometimes it shouldn't be, all the time, it shouldn't be a surprise when you're having that last conversation. Because you should've had many conversations leading up to that where it was clear to the person that the work that they're doing wasn't the work that that role needed. And that they may be better suited for a different role, whether it was at your company or at a different company.

One of the things that I think a lot about is, we all have some very strong traits built into us, some of which are innate, some of which are developed. And we all need to find roles and companies where those traits are strengths and not weaknesses.

*Michael Kearney:* Absolutely.

*Ned Segal:* It can be that the same role at one company, certain traits are rewarded. Whereas, that same role at a different company, those traits are actually major weaknesses and can slow the organization down. So, it's not just about having the right role, it's about being surrounded with people who view those strong traits of yours as strengths and not weaknesses and accept you for all of your foibles. Because I certainly have foibles and most others do as well that puts them in a position where they can be successful.

*Michael Kearney:* Great segue way to building a great team. So, I have just a couple questions here. First of all, do you have anything that helps you predict whether or not somebody is going to be successful or not? Is there something that you personally look at?

*Ned Segal:* There are a lot of things that I look at. The first is to be really clear on somebody on what the expectations are for the role and to understand what their expectations are for the role and for their career. Where are they trying to go? Is this their last stop? Or is it a stop along the way to something else, whether it's at your company or at a different company. That can help a lot to be really clear up front.

The second is to try to understand what drives them. Is it the challenge? Is it that particular type of work? Is it building a team? We have some people who lead teams here at Twitter who actually are great individual contributors, but they aren't as good at leading people. They don't get their energy even from the leadership. They get their energy from being a practitioner.

And we try to help those people recognize that they don't have to lead a bunch of people in order to grow their career. They can continue to be individual contributors and have tremendous impact on our business and feel like they're having impact on the business. And so, figuring out what drives people can help a ton in predicting their success but also, just getting them into a position where they're going to be happy.

*Michael Kearney:* Absolutely. It goes back to the strengths conversation that we just had. What about—we've all—maybe you haven't, but I've certainly had instances where I've hired somebody and it just didn't work out. Have you ever had one of those? And is there any learnings that you've taken away from it and maybe changed the way that you think about hiring now?

*Ned Segal:* There have been a number of situations in the past where things didn't work out. And usually it went back to misalignment around expectations or misunderstanding about what the job required relative to what the person delivered. And a lot of times

that's the hiring manager's fault. It's not the individual—

*Michael Kearney:* Individual's. Yeah.

*Ned Segal:* —who took the job's fault. Every time that happens, I go back and challenge myself on if I really understood what it was going to take to be successful in that job. And if I understood the person and what drove them and the traits that they brought to the role well enough to assess if they were going to deliver the way that I hoped or expected in that job.

*Michael Kearney:* What's interesting is, it keeps coming back to your own personal responsibility. If somebody didn't work out, you're not blaming them. To a certain degree, you're almost looking inwardly about what I could do differently in the future.

*Ned Segal:* It's critical as a leader to always think about what you can do differently. Because usually when things don't go well on your teams, usually when things don't go well on other things that you might influence as a CFO or on a different role, there's something that you might've been able to do differently to affect it.

*Michael Kearney:* So, just to paint a picture, I'm sitting in this conference room, so I can see a bunch of people out there. And my guess is there's a lot of super highly motivated extremely smart people that work at Twitter.

*Ned Segal:* Absolutely.

*Michael Kearney:* That goes without saying. How do you motivate them?

*Ned Segal:* We start with our purpose. So, for them to understand and embrace our purpose from their first interview is critical. Second, we try to be really clear what their role is and to empower them to do it. Sometimes we're not great at decision-making at Twitter. Sometimes people think they need to bring things to somebody else before they can keep moving. Sometimes they think that it's a person that it might not actually be or sometimes they might be empowered to make those decisions on their own.

So, clearing out the roadblocks so they can be effective can be a big driver of success at Twitter. A third is to spend a lot of time with them understanding what is in their way, who they need help from, what they're learning about themselves that would cause them to approach things differently. Those are things that we find—they don't just help them with that particular situation, but they help them develop that same mindset that they can bring to the next challenge that they face as well.

*Michael Kearney:* Have you found things that de-motivates them?

*Ned Segal:* When we can't make decisions. When we don't ship things that people work on. When things take longer than they're supposed to. When other people don't do their part, that can be massively de-motivating. When we can do things that don't seem like they're consistent with our purpose, that can be really frustrating to people. So we try to be really clear when those things happen. We try to own it, address whatever causes it, and move on.

*Michael Kearney:* Fascinating. Any advice for up-and-comers? Some kid that's in their last year of college? What one piece of advice would you have or maybe two?

*Ned Segal:* Only one.

*Michael Kearney:* You can keep to one because we've got to conclude at some point.

*Ned Segal:* Do things that you're passionate about. You don't become whatever the role is that you want in your 40s by mapping it out in your teens and knocking things out along the way. If you, instead, do things that you love. Do things where you will thrive. Do things that reward your strongest traits. You'll find that you will realize success all along the way, and you will enjoy the journey. Because the journey should be fun.

And when you look back at some point, you'll be much happier if you've enjoyed the journey than if you just did it all just to get to some unknown destination.

*Michael Kearney:* Last few questions. And this is actually piggybacking off on that one. And that is, it's kind of cliché to ask people, what does success look like? So, I'm not going to ask you that. But what would you intentionally exclude from your definition of success?

*Ned Segal:* Ambition can sometimes really cloud success. Sometimes people define success through a title, an amount of money, a share price, a certain type of recognition. And a lot of times those external validators of success can really cloud all the incredible work that somebody has done, all the progress that they've made, whether it's on their own habits and how they're going to continue to develop those or on the work product that they're creating. Sometimes ambition can really cloud people's ability to either realize success when they've created it or to get to success.

I've noticed that I thrive best in a role where I'm really happy in the role, as opposed to when I'm in a role when I'm aiming for a different role. I couldn't be happier at Twitter as the CFO with an amazing team, with an awesome purpose, where we've got so much work to do in front of us, and all I want to do is be a great CFO.

*Michael Kearney:* Amen. I would imagine being a CFO of Twitter could be stressful. What do you do to manage stress, if anything?

*Ned Segal:* We have three amazing children. They're exhausting and a ton of fun. My wife and I have been married for 18 years. I try to spend as much time as I can with them. We love to eat food. We love to go to sporting events. We love to spend time outside. We love to travel. I try to exercise whenever I can because I find it clears my mind and better prepares me for the day. And whenever I can, I try to get seven hours of sleep.

*Michael Kearney:* Awesome. Last question. Actually, it's twofold. The name of the podcast is *Resilient*. What are the attributes of a resilient leader? And the second question is, is there somebody that embodies those attributes?

*Ned Segal:* When I think of resilience, I think about being able to constantly learn and adapt, being open to other people's perspectives, whether it's about how you can learn or how you can do things differently. I think about being able to take setbacks because we all find setbacks, whether it's in the work that we're doing or in our personal lives. And being able to learn from those and become better coming out of them as opposed to sitting around feeling sorry for yourself and tucking into your shell and

not trying again. Those are things that I think of when I consider resilience.

I look at my father when I think about somebody who embodies resilience, somebody who was the first in his generation to go to college, who carried two bags for 36 holes so he could pay for college, who joined ROTC so that he could also pay for college, who had the courage to move his family across the country to provide for us and to give us the opportunities that we've had and built a company, and is now a great grandfather, as well as a great father, as somebody who really embodies resilience.

*Michael Kearney:* That's awesome. Ned, thank you very much. That was fantastic.

*Ned Segal:* Thanks for having me.

*Michael Kearney:* Right on. That was really, really incredible, Ned. Thank you so much for spending an hour with me. I loved the conversation. I love that we have so much in common, Bay area, love for baseball, all of that good stuff. And in particular, we got into the interview, I loved listening to your lessons from your day as a vendor at Candlestick Park and the Oakland Coliseum. That really impacted me, the fact that you learned that you've got to treat everybody the same and that you're able to take that from a high school job. That was awesome.

I loved also your focus on building purpose at Twitter. And then also I will never forget the transparent communication and the comment that you made around the fact that you make your board materials available to everybody in the organization. I'm sure that happens elsewhere, but I certainly have not seen it.

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If you like my conversation today with Ned, go back and listen to my interview with Tim Brown. He provided some great perspectives on using design thinking to tackle challenging business issues. And if you're enjoying these conversations, share them with your network, family and friends, your colleagues, whoever you think would benefit from it. And I am extremely grateful once again for everybody's listening.

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