

Inside Amazon's 'culture of metrics'



Knowing, beyond a doubt, what customers want requires a zealous commitment to metrics. And no one commits better than Jeff Bezos, CEO of Amazon.

Here's what a "culture of metrics" has allowed Bezos to do as a leader:

1. Keep all eyes focused on the customer. Amazon tracks its performance against roughly 500 measurable goals, and nearly 80% of those have to do with customer objectives.

(Bezos also has a habit of keeping a seat empty at the conference table to represent the customer, "the most important person in the room," he says.)

2. Allow for feisty debate, knowing the best idea will triumph. Amazon employees often debate about which of the many metrics is worth watching.

"If you can stand a barrage of questions, then you have picked the right metric," says Manfred Bluemel, a former senior market researcher at Amazon. "But you had better have your stuff together. The best number wins."

3. Weed out customer turn-offs. Because nearly everything is measured, Bezos can tell when the site begins to function in a way that will irritate and turn off customers.

Bezos relentlessly conveys to his team that even small issues are far from trivial. For example, one of Amazon's metrics shows that even a minuscule 0.1-second delay in a webpage loading can translate into a 1% drop in customer activity.

4. Take risks. Because the data speaks to him, Bezos feels more secure when he takes innovative risks.

"We are comfortable planting seeds and waiting for them to grow into trees," says Bezos. "We don't focus on the optics of the next quarter; we focus on what is going to be good for customers. I think this aspect of our culture is rare."

Example: Synthesizing hundreds of data points, Bezos came to believe that consumers would want an e-reader that could download a book in less than 60 seconds. The idea of the Kindle was born, though Bezos left it to engineers to figure out the technical challenges, a process that took years.

Bezos didn't waver. When one finance exec asked how much he was prepared to spend on the project, the CEO replied, "How much do we have?"

— Adapted from "[Inside Amazon's Idea Machine: How Bezos Decodes the Customer](#)," George Anders, *Forbes*.