

## Q CUSTOMER STORY

# How Nextdoor uses thousands of offers to enhance comp planning with Compa Index

The neighborhood app gains new credibility and foresight in a market rife with uncertainty.

## THE CUSTOMER

# Nextdoor

Nextdoor is a networking platform that connects people to their neighborhoods and helps them find and share local tips, engage in discussions, and get things done.

Today, neighbors rely on Nextdoor in more than 305,000 neighborhoods around the world, including the United States (1 in 3 U.S. households), the United Kingdom (1 in 4 U.K. households), Germany, France, the Netherlands, Italy, Spain, Sweden, Denmark, Australia, and Canada.



*Industry*

**Social networking**



*Number of Employees*

**1,000**



*Location*

**San Francisco, CA**



*Website*

**nextdoor.com**



## THE CHALLENGE

# Real-time signals in a volatile market

For Nextdoor, there was no denying the market's volatility. The Fed was upping rates almost every other month and there was no way, truly, to see how other companies were responding in terms of total direct compensation (TDC). What's more, a swell in overall applicant volume raised deeper concerns about how Nextdoor should respond.

Word on the street told Nextdoor that offer declines had risen alongside the surge in applicants. But its comp team wasn't so sure, wary of anecdotes and their lack of selling power. All too often hiring teams loosely chalked up rising offer declines to low comp.

Though working with talent acquisition and analytics teams proved helpful, Christopher Koski, who leads Nextdoor's compensation, wanted to dig deeper. Koski wanted to capture more real-time information like win rates and TDC trends over time. But he found the lack of recent data and an unyielding ATS left much to be desired.

## Designing comp in a vacuum

It pays to be the first to know, especially in tech. And with long term incentive planning on its radar, Nextdoor needed data as new as two months — two quarters, even — not two years. Nextdoor wanted to see the correlation, if any, between acceptance rates and overall compensation to inform its packages and stay attractive. The issue was that most survey data sources lagged by *at least* 12 months.

Among other companies, Nextdoor also faced added pressure to evaluate its stock-based compensation. Being able to know exactly which direction comp was trending, before it happened, would be imperative to building a competitive compensation strategy. Yet these insights remained unearthed for the Nextdoor team, who felt they were designing in a vacuum.

Seeing his competitors become more judicious in their cash and stock allocations, Nextdoor's Christopher Koski stressed the importance of optimizing resource allocation: "Every dollar I put into one team is a dollar I can't put elsewhere, the business can't put into something that makes us revenue."

## THE SOLUTION

# A direct pulse on market comp

There was nowhere else to look but Compa, and specifically Compa Index, for the solution Nextdoor sought. With all new, up-to-date compensation data, the Nextdoor team instantly gained a direct pulse on offer volume, win rates, and average TDC spend across peers like DoorDash, Square, and Instacart.

The immediate impact for Nextdoor was twofold. First, Nextdoor's comp team found a guidepost in Compa Index's live market data, which helped them properly navigate surging applicants and a turbulent market, and cemented their credibility in lobbying for game-changing comp strategy. Second, Nextdoor gained a leg up in its incentive planning, confirming what once were recruiting anecdotes but are now verified comp metrics.

## Key results

### Reliable source for data-driven hiring

Nextdoor was sold on Compa Index because of its direct access to accurate and reliable offer data. By relying on actual offer data, Nextdoor's team eliminated any uncertainties tied to secondhand or incomplete information, and cemented their trust in Index as the go-to source for making critical hiring decisions.

*"To some extent we can get that information, a little bit, from LinkedIn. But what's useful here is that we know that it's dependable, accurate offer data coming directly from applicant tracking systems. You really can't beat this."*

### Navigating job market trends

Now equipped to spot new trends in the job market, Nextdoor's team found that hiring was tightening up in certain places, indicating increased competition, which informed a pivotal shift in their hiring strategy. Nextdoor then focused its efforts on attracting candidates in high-demand spaces while simultaneously opting for alternatives where the market was less competitive.

## Building credibility in a cutthroat market

For Nextdoor, observing data wasn't as straightforward for its comp folks as it was its TA team, especially in a fast-paced market. Compa Index's real-time offer data helped Nextdoor's comp team close the credibility gap and tie its decisions directly to tangible metrics. Being able to understand offer trends in a frothy market gave Nextdoor the competitive edge it needed to adjust compensation strategies accordingly and attract top talent.

*"With where the market is at right now, we might see some meaningful declines. Compa gives us a live, up-to-date integration that allows us to look for that data, which is something you usually have to wait 18 months to detect in Radford."*

## Informing long-term incentive planning

With its immediate needs covered, Nextdoor also found Compa Index to be immensely helpful in informing long-term incentive planning. Nextdoor used live offer data to better understand the market, design competitive compensation packages, and align its strategies to larger, more meaningful shifts across the industry.

## Evaluating and hiring top candidates

Because Compa Index gave Nextdoor's team a comp-colored lens into ATS data, they were able to keep tabs on early-funnel candidates and use precise offer data to identify those who met their requirements. This empowered Nextdoor to be more selective in its hiring process, making sure it hired and compensated those best fit for the organization.

# Never lag behind the market again.

Compa Index provides real-time compensation data based on thousands of offers from top tech companies. And because offers are transactional, Index never lags.



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