Gabriel Almeida Dude, what's going on at this coffee shop, bro? Yeah, it's a party at 9:00am yeah. Emilio Alvarez You know how we roll. Gabriel Almeida Yeah, it's funny. You got to stay on mute, bro. You're not too much. Emilio Alvarez I know. Gabriel Almeida It's like a concert. Emilio Alvarez I know, but it was like. Literally, the one was like, it's right next to Blue bike station. See what I can do. Gabriel Almeida All good. Like, if your mic is on the. On your headphones. Emilio Alvarez it is. Gabriel Almeida Damn, it's really blasting. What? Emilio Alvarez Is this any better? Gabriel Almeida Yeah, I can't hear the music at all now. Emilio Alvarez Okay, cool, then. I thought it was already by but yeah. Gabriel Almeida Wow, look at that, man. The headphones are working. Emilio Alvarez Yeah, yeah, they're good. Gabriel Almeida They're not catching any of the surround noise. Emilio Alvarez Like, the issues, like, Bose is not great with. It's like, noise canceling and stuff like but it's not great with. With audio generally. Gabriel Almeida Yeah. So. Emilio Alvarez Morning, Ria. Riya Patel Hi. How's it going, area? Emilio Alvarez Good, good. You? Riya Patel Good, good. Emilio Alvarez How's life in the big city? Riya Patel It's not too bad. Why do you have purple lights and at 9am you're not in. You're not in America. Emilio Alvarez No, no, I am. I'm. I'm in Jaho. So, long story short, every. My phone died and I left my charger and the Martin Trust Center. Riya Patel Emilio Alvarez So I couldn't get them to my blue bike on time. So I was like, you're just gonna have to get going to a coffee shop. If you don't mind. I'm gonna have to, because we have a meeting with a board member from Delta V. If, like, if you. If you don't mind if I walk and talking a little bit. Sl. Try to walk and talk. Riya Patel Why are you being so formal? Emilio Alvarez Awesome. Do you guys know each other? Riya Patel I don't think we. I think we've met in but not really spoken. How's it going? Gabriel Almeida Good. How are you? Nice to, finally, like, properly meet you. Riya Patel Yeah, you too. Where are you based right now? Gabriel Almeida I'm with Emito in Boston doing Delta V. Nice. But we'll see where it leads to after, right? Probably. I'm gonna go back to Miami. That's my home base, but. Riya Patel Okay. Gabriel Almeida Still figuring it out. Riya Patel Nice. Nice. Well, how's Delta V been this so far? It's been, what, a couple of weeks? When did you guys Gabriel Almeida It's been a month and a half, actually. We started in the first week of June. Riya Patel Okay. Gabriel Almeida Yeah. But it's, like, flying by. It's been great. Honestly, I think it's like, it'll never be more fun to try to start a business than it is now in that environment. Riya Patel Yeah, When. it, when is it too? Gabriel Almeida Delta V's until the end of August 2nd. Yeah, until the first week of September, Riya Patel Nice. That's when you have your big presentations. Gabriel Almeida Yeah. Demo day. Riya Patel Nice. Gabriel Almeida We're excited for that. And I you're working on your startup too. Is that the case? Riya Patel No, that's what I'm using for recruiting right now. Gabriel Almeida Okay, cool. Riya Patel That's smart. Gabriel Almeida I like it. Riya Patel We started working on the idea when were at but my co founder had to go full time to another job and I, I. He was a technical guy, so I feel like I needed to find some. A team and it was Emilio. Emilio Alvarez That's hard. Gabriel Almeida I'm reading you know, Ria was doing with this project, Generative AI software startup, focusing on streamlining CAD editing workflows for architects. Riya Patel Yes. Emilio Alvarez Yep. Gabriel Almeida That's super relevant to what we're looking at. Emilio Alvarez I know. That's why I was. Oh, we should talk to Ria. Riya Patel Oh, nice. Well, would love to hear what you're building. Gabriel Almeida Yeah. You want to go ahead, Amino? Emilio Alvarez Sure. So basically, more broadly, we're looking at getting into the BPO space, business process, outsourcing. like, we have. We're still in the exploratory phase. We're trying to figure out what specifically our beach head should be. One of the candidates is interior design slash architecture firms, just because they work. Gabriel Almeida Really closely and wood mills, furniture design studios, gcs. Riya Patel Right, okay. Gabriel Almeida That whole environment. Emilio Alvarez Yeah, that's like the, that's a, that's like a theory. We still have super early days because we literally went through massive pivot two weeks ago. Riya Patel Okay, okay. And so in what way would you like to. no, go ahead. Emilio Alvarez Yes, we're really looking to better understand, the architecture workflow, what pains there are in repetitive work where like, you're like, okay, that like, things that basically are outsourceable or near sourable, ideally that are not. That are going to be very tough to replace with AI. And we also want to better understand. Riya Patel To replace with AI. Okay, tough. Emilio Alvarez Yeah. And we want to better understand how you interact with different parts of like, the ecosystem. Riya Patel Okay, okay. Happy to walk you through that. I just was curious, what was the initial inkling that made you think that bpo, like, why did you pick this space, like, in terms of why did you feel. What was your hunch about interior design for architecture firms needing. Emilio Alvarez Part of it is it's highly fragmented. Riya Patel Okay. Emilio Alvarez It might be too fragmented is one of my concerns. But like, the more fragmented in general, the less likely it is that an Accenture and Infosys is going to try to enter the market. Those are the big players in bpo. And then there's a human element that requires discernment and feel that our intuition is that this is what's going to make outsourcing. And Gen AI more difficult actually work. Gabriel Almeida But more broadly, Ria, as to like, why we're looking into this. We're super passionate about Latin America. Like, I'm from I mean, just from Mexico. like, we've been trying to find a business that's worth building together for two years. Riya Patel Yeah. Gabriel Almeida And I have a mentor and we recently went through a massive pivot. two weeks ago we stopped looking at which is what our backgrounds because we didn't find anything worth building there. And I have a mentor in my network that he's already quite in the end of his career, 60 something years old. And in the last two years he built a BPO business from scratch based in Colombia with a Colombian workforce serving US clients, small medium businesses. Riya Patel Yeah. Gabriel Almeida And he took the business to 3 million in ARR in two years. 1 million in EBITDA. Riya Patel Yes. Gabriel Almeida Cash flow positive for one year. And all while like. And I think this is the coolest part, like, all while creating 50 savings to us clients because just of the label arbitrage and creating economic mobility in Latin America. Because he's able to pay 60% above current market wages in Colombia while still creating those savings. Riya Patel Yeah. Gabriel Almeida And he did so by finding niche, what we're calling premium white collar services. Riya Patel Yeah, yeah. Gabriel Almeida Which are different from call centers. Because call centers the US market has already set the expected cost rate for those is the lowest rage that the workers overseas are willing to take. Riya Patel Yeah, yeah. Gabriel Almeida But there's a lot of more highly skilled labor. Labor arbitrage opportunity in terms of cost is super real and you can still pay people really well. Riya Patel Yeah, yeah. No, that's amazing. It gives me a good sense of how you're thinking about the business as well. So I'd be happy to walk you you know, what are given my experience as an architect and where I see opportunities for great work. Emilio Alvarez So here we. I'm just. Quick thing. Do you mind if we. If we use an AI note taker? Riya Patel That's fine. Of course. So you know, I was working at a firm out of New York City and we worked on a number of global projects. So that would mean we'd have a lot of local architecture partners in those areas because they were more aware you know, the local design codes, what sort of material specifications work in those zones. In terms of the way the architectural system would work is a client will come to a you know, reputable firm which has this, like, flashy name, especially for the big projects, right? You're thinking Saudi Arabia or huge skyscrapers for Rockefeller Group. like, they'll come to these you know, the big star architects for the concept design phase. So you'll see the beautiful renderings and those sort of things which will be done by us. Riya Patel And then the next phase will be perhaps us in coordination with those local architects who tend to be cheaper because the concept design phase is really quick and it's just ideas. But then when you move on to the next phase is typically schematic design. That's when you're really starting to flesh out, okay, what is actually the material, what is actually the dimension of things. Gabriel Almeida The shop drawings. 2D drawings, right? Riya Patel Yeah. You start to get a sense of a shop drawing in schematic design. Design development is the third phase and that's when it really gets into nitty gritty of, okay, these are like, you have three 400 page drawing sets which are extremely. Gabriel Almeida Sorry to interrupt but just so we learn the language. So what's the difference between the schematic drawings and the shop drawings? Riya Patel Yeah, good question. I mean, I'm happy to even share. I have to dig it but I'm happy to share, examples of the differences. But schematic drawings are still very diagram. there are basic dimensions and, you know, basic areas that you'd share and you'd we have so many square foot office space, you don't really flesh out. You, you'll tell people the floor plan, you'll show them the sections, you'll show them the elevations, but you really won't go into details of showing them the joinery methodology. That's more shop drawing. So shop drawing will be like, this is the column. This is how the column meets the floor. This is how you know, this. This is the Lobby desk. I'm designing the full desk for you. Here are all the dimensions of the desk across like. Riya Patel So that's the more detail oriented, like drawing. So it's broken up into concepts. Schematic design still very diagramy. Design development where you start to flesh out some more of the important details and then construction documents, which is the shop drawings you're referring to. So construction documentation is very time consuming. And that's where we, a lot of star architects hand off the project. After design development, they'll hand it off to the local partners because it is a lot cheaper. They know the local laws a lot better. But I can, you say if were working on a project in the US and we had a construction document set to put together and we could outsource that, I could see a lot of efficiencies that could be achieved. Riya Patel Particularly with, you if we outsourced it to India, for instance, people would you know, hours and were sleeping and we would get those drawings in and be able to make changes and edits to it. Gabriel Almeida One you talked about the design development, Is that a next phase of the drawings from the schematic drawings, it becomes a little bit more detailed. Until then it's the construction documents and shop drawings. Riya Patel Yes, exactly. Emilio Alvarez And design four phases from what I'm hearing. Riya Patel Yes, yes. And then there'll be the on site construction, administration stuff. And so I think the CD space is the one you're talking about where there's the most scope you know, having impact here because that's the most time consuming. But also the, the fees are necessarily a lot higher at that stage. So yeah, I think that could be a really cool space to. Gabriel Almeida And the renderings, Ria, you guys all did them in house in house employees. Riya Patel It depends really because the renderings tend to be focused more up till the design development phase is when we'd be issuing renderings and that. We do some for some projects in house. For some projects there are marketing agencies that we'd outsource the renderings to. Gabriel Almeida Got it. Riya Patel There's also 3D models that are actually built for this and those tend to be outsourced as well. Emilio Alvarez And quick question, how does the collaboration work? Is it via email, phone call, Zoom combination? Riya Patel It's a combination of zoom and email. There have also been a lot of 3D modeling tools that allow a lot of cloud based collaboration. So we, when I were really using that so that we could be in sync with our engineers. They could see our live model, we could see their work and see it integrated. Gabriel Almeida So Ria, you mentioned how most architects, when it gets to the shop drawing, especially the big guys, they hand it off to someone else. in terms of they don't do the shop drawings themselves. is, if that's the case, who do they hand it off to most of the times? Riya Patel And I, I don't know if I wouldn't say most architects. I'm, I'm speaking about a very niche. I, mean, perhaps it's a niche architect because I'm talking about extremely large projects. So the star architects, the Arc Angels take off Freed Renfro, so these sort of. Renzo Piano, all of them would hand it off to like, say, building this master plan india. The Indian architects will take over from there. Gabriel Almeida What if it's in the US for these big guys and they're local? Riya Patel Then they would do it most of the times, yes. when we've done projects for the sca, we done the shop drawings as well. Gabriel Almeida but what I'm hearing from you is these big guys, apart from whenever they're doing something international overseas that obviously they hand out to the local experts, like, it seems like they're not outsourcing much. To your knowledge. Emilio Alvarez I guess I need to head out or I won't make it. But. Sorry, I'll put. Riya Patel Yeah, it was good to see you. Of course, of course. Gabriel Almeida I think the quote. What was the question? I forgot. Riya Patel Outsourcing it. They're not outsourcing it when they're doing the international projects. Is that it? Gabriel Almeida Yeah, no, when they're doing. So it's what I'm hearing from you to see if I'm. I'm correct. is apart from when they're doing international projects that they hand it over to local, architects. Because they just know. Know that market better. It seems like these big firms are not doing outsourcing to your knowledge, right. Outside of their office? Riya Patel No, I don't think so. I think that it might be too, in the sense, in the form of the 3D modelings. 3D, sorry, renderings that you spoke about. Maybe some sort of video animation. If we do, we might outsource that. And we would outsource fabrication for prototypes. Gabriel Almeida Prototypes, yes. a little 3D printed things that you put in a showroom or something. Is that what you mean? Riya Patel No, most architecture firms have 3D printers in house. Might outsource It. There are places in New York that do it for but I'm talking about a facade prototype that would be almost like my height. Gabriel Almeida Okay, got it. Riya Patel Those large sort of prototypes. Gabriel Almeida Okay, interesting. Like. And how much do you think? like, my intuition is maybe they don't outsource as much like, the small guys, the small architects, the small interior designers, like, the small. They seem to be outsourcing a lot, the people that we talk to. Riya Patel Okay. Gabriel Almeida And I wonder if it's, like, the reason why you don't see the big guys doing it based on what you've saw is just because, like, what they do is so much more complex. Their projects like, so. So much bigger. And, like, it's like, it's hard for you to outsource something that complicated. Riya Patel I think it's a combination of that and a little bit of ego. Like, they feel like they have this, like, years of experience, that they've honed their craft, and how could anybody sort of. Gabriel Almeida Right. Riya Patel Figure out what they want? At least that's how I felt in. In my company, everyone was very proud of the details. Gabriel Almeida So. Interesting. And they have the pockets to pay for the local workforce. For the US Workforce. I mean, they don't have. Doesn't seem like they're pressed to, cut costs. Riya Patel No, I think it would help. I think it would help. Yes, it would help. Gabriel Almeida Okay. I'm just trying to understand. It's because our intuition, is we're probably better off in the beginning trying to out. Even if it's not for the interior design architect ecosystem, we're probably better off trying to offer outsourced labor to small, medium businesses first. Riya Patel Yeah. Gabriel Almeida Just because those are less, like, penetrated from, like, existing BPO companies and. Riya Patel For sure. Gabriel Almeida And. And we probably wouldn't be biting on more than we can you know, to begin with. Riya Patel Yeah. Gabriel Almeida That it's super important to us to understand, like, if big architecture firms, for is a possible follow on market. Riya Patel Yeah. I'm curious, though, because, see, it's like a very iterative process. So, like, if I do a drawing today, I might have an idea next week where I'm continuing to work on and something will change. So I guess there's a lot of close collaboration that would need to take place between the bpo. Gabriel Almeida Exactly. Riya Patel And the architecture firm working on. Gabriel Almeida Yeah. Like, I. My girlfriend, she's an interior designer in Miami. Riya Patel Yeah. Gabriel Almeida a small boutique firm. And what they do like, they hire informally, almost track workers. Riya Patel Yes. That happens on large projects especially. Gabriel Almeida Yeah, they don't really do a part time plug and play because like, they don't have the network to be able to activate that, to be honest. But what they do is they hired like, we spoke to like, four or five other designers that have her profile my, in the Miami area. And like, they all pay for rendering services based in Latin America because they're cheaper. And most of them already have found someone that they actually employ full time, full remote to do drawings for them in Latin America. Riya Patel That's amazing. Gabriel Almeida but it's they're not satisfied with that structure because it's like they, it's very sketchy to pay them last for my girlfriend, for example, they literally pay taxes on the transfers every month to the employee as if it was revenue because there's no other way for them to recognize it with the irs, you know? Riya Patel Yeah. Gabriel Almeida like, they kind of are really hesitant to fire the person even though they're not super satisfied with them because they don't have an internal recruiting team. And like, it's a freaking tragedy when they have to recruit and someone leaves because nobody has time for that. They don't know how to do that well. And it's all kind of like word of you know, someone in Brazil that could draw for me and like the community. So. Riya Patel Yeah, and I also think that it's very cyclical in nature. you get one big project and it'll occupy your whole workforce for a couple of months or maybe a year. And then after that's you're waiting for the next. If you don't have anything else in the pipeline, you know, And I'm thinking airport scale. That's a two year engagement. You need a lot of people to flesh out all those details and then what you do with all that stuff. So I've heard a lot of contractors in that case. Gabriel Almeida Yeah. One thing that we're betting on, Rhianne, I think it'd be good to hear your opinion on it because I know you looked into it a lot your, the project that you work on when you were in school. when we thought about outsourcing, for example, I think the path we're leaning most now is specializing in outsourcing, at least to begin the drafting for interior architecture firms, Riya Patel Yeah. Gabriel Almeida Do you think that's something AI is close to completely replacing Riya Patel No, not really. I because I think that drafting, while there are a lot of 3D modeling tools that are trying to make drafting a lot easier. For instance, there's Revit where you can 3D model something. You can get different views of that 3D model in plan view and elevation section and all of that. It makes the process but it doesn't replace the process of actually drafting. Gabriel Almeida Got it? Riya Patel Yeah. Gabriel Almeida Do you have any intuition, if, because we know there's a lot of single shop architects and interior designers as well, a kind of one person show. Riya Patel Okay. Gabriel Almeida if those people do all the work themselves or would you imagine that they do just like the smaller boutiques? They kind of have outsourced resources that they tap into. Riya Patel Yeah, I do know a lot of professors that I they would often tap into students to do part time work for them. Gabriel Almeida Okay. Riya Patel And they would do one off, you know, homes in the Hamptons or things like that. And they really rely on cheap student labor to get this stuff done. Gabriel Almeida That's good then because it can be limiting because it's like we don't have a lot of revenue expansion potential per customer. But it doesn't mean that they couldn't be potential clients even if they only hire one person for us. Riya Patel Yeah, there are many of them, so. Yeah, I'm sure you get a volume. Gabriel Almeida The other thing I wanted to ask you, Ria, is like, we're hearing something that's exciting us is apparently like the need for drafting is not only for architects and interior designers. Apparently, woodmills need to do that a lot. Riya Patel Yeah. Gabriel Almeida And furniture design studios quite often as well. And GCS themselves a lot too. Hopefully if we specialize in drafting, we can reach and gain demand from that entire client base. Riya Patel Yeah. Gabriel Almeida Does that resonate with you? Does that make sense or. Riya Patel Yeah, I think so. I. I do think that drafting is the most time consuming part. It's the least glamorous part as well. So I think that I would definitely see outsourcing opportunities there. I think in terms you know, the rendering space we spoke of I think there are already a lot of people that do. Gabriel Almeida Yeah. Emilio Alvarez Rendering. Gabriel Almeida Yeah, that's what we're hearing. That's kind of well served already, apparently. Riya Patel Yeah. But I think drafting is definitely one thing that, that could have a lot of potential to scale. Gabriel Almeida Okay. Do you think that, like, how do I ask this? Do you think that Drafting is something that, like, for example, one. One of the things that concerned me, is these. A lot of these shops already have outsourcing. Like, they already figured out a way to outsource. Like, they have a guy in Peru, a guy in Ecuador, a guy india, a guy in, you know, like. Yeah, they've already found their informal hires that work for them either full time or part time. Some of them are happy with them, some of them aren't. Gabriel Almeida But I feel like to really have a high potential in this market, we have to be creating a value prop that's strong enough for them to wanna get out of those people and be like, I'm going to stop hiring you independently and like, embrace our service and our employees. And our value prop is like, you don't have to worry about attrition. Because if one of them leaves, we. You don't have to put any time into it. And you're interviewing great other candidates in one week. Because that's what we do. You don't have to be worried about hiring them informally like, we pay employee benefits. You pay us as a company and they're your contractor, right? Riya Patel Yeah, yeah. Gabriel Almeida And. But I'm still worried like, they might just be like, happy enough with the people that we've already found overseas for yours for them to make the switch to us, you know? Riya Patel Yeah, yeah. Gabriel Almeida Do you have any thoughts around that? Riya Patel Yeah, I'm curious. I mean, if the thoughts that come to mind are related to, you like, making it more official as a pathway for as you said, like, it's a little bit shady how they're making payments across the border. So maybe stressing on those points you know, we can be like you know, remote HR for you and this employee. We'd be happy to get both of them on board and then I guess it serves them in that way. Gabriel Almeida got it. That's super helpful, Ria. Thank you so much. Riya Patel Yeah, let me know if there's anything else that I could, you clarify or if you guys have questions on the space. Because it's something we both look like my co founder and I looked at quite a bit as well because we realize this is the most time consuming part of an architect's work and it's also the least. Gabriel Almeida Absolutely, we'll let you know. I wanted to ask you to. Ria, do you have like, friends that are designers or other architects or wooden woodmill workers? I don't know are people working for Mood Wheels or Furniture Design Studios that you introduce us to? Riya Patel Yeah, of course. I'll. I'll put you in touch with a couple of my friends. I. I know that they're working in larger companies right now, but they started off working in smaller shops, so I'm sure they'll give you a good breadth of different experience. Gabriel Almeida Great. Thank you so much. We'll follow up with you on that. Riya Patel All right, thank you. Gabriel Almeida Have a good day. Take care. Riya Patel Keep in touch.