



# Luke Mueller Interview - External

Sales Focused Interview for AI\_otter\_ai.txt

The following is an interview transcript with Focused Labs Chief Programmer and co-founder Luke Mueller. Luke has a background in Software Engineering.

## **Restate your name, title and the elevator pitch of your role:**

I'm Luke Mueller, co founder and previously/still CTO at Focus labs. Currently, I run the logo expansion team. So sales at Focus Labs are kind of split into two flavors or categories. One is acquiring new clients or new logos. The other is once we start working with the client, finding other places where help the client get the most value.

## **So how would you describe Focused Labs? How would you describe Focused Labs to a family member?**

When I talk to family members, I describe Focused Labs as a custom software development agency that helps large organizations tackle very difficult software or digital problems. We do a lot of back office and integration work.

We are the plumbers of the software world for big companies and enterprises. If you think about a major city, there's a lot of engineering and work that goes into infrastructure that folks generally don't see or just don't have exposure inside to but is heavily relied upon for like day to day activities. And so oftentimes, it feels like in the enterprise world, we're doing a lot of that.

I'll talk about a use case with a major rental car company where we enabled drivers of ride-share programs like Uber and Lyft to be able to rent vehicles from that rental car company and to paint a pretty picture what an integration is to someone in the tech industry.

We help solve really complex problems and environments that tend to be a little more dysfunctional. So large enterprise organizations who have been around for much longer than like the advent of the computer or the Internet, like car manufacturers have been around for 100-110 years. Their core competencies weren't in the digital space. But in this day and age, you need to have those competencies.

What we do is we help bring, practice methodology and discipline. We're ideally instilling that in your team to be as efficient and as effective as possible. We don't do that from a purely classroom style teaching, but rather by building something together, so it's an immersive experience.

Think like they want to learn a foreign language. You're better off staying with a host family out in Spain than sitting in a classroom for 40 minutes, three times a week.

That's what we do, we target and hire really motivated, energetic, competitive, top talent, and we use that highly skilled workforce to have a large impact on how teams operate while shipping and software.

### How would you describe the culture and the people at Focused Labs?

First and foremost the main adjective that always comes to mind is highly collaborative. I believe very strongly that building products and especially software product is a social endeavor. Teams and organizations of people build and ship software, individuals tend not to be very effective on their own.

A huge part of the way in which we work day to day, week to week, month to month, is all designed around being highly collaborative. When we engage with large organizations as third parties, there's an amount of courageousness that we have to have, being those outside parties, needing to understand very deep domains that we maybe haven't been steeped in before requires a high degree of collaboration and a high degree of not being afraid to ask questions to the root of what it is that we're trying to solve and how it is that we might solution something.

Our people are inquisitive and intellectually curious. They are competitive in some ways, we show up to our clients to be the best designers, product folks, and engineers that they work with.

Our culture is is highly collaborative. We try and have fun. We strive to be very honest.

There's a lot of value that our clients and our employees get out of having this attitude of not just being "the good news consultants" where you go out of your way to talk about things that are going well, or things the client wants to hear. A part of that courageousness and part of that honesty is also not shying away from the hard conversations.

The way in which we leave a lackluster impression on the client is when we don't push them to really drive at and understand the root of problems or the depth of complexity around solutioning for something that seems it shouldn't be simple. So to help our clients get there and then even more importantly, help them understand how we can solution for it.

You have to have the inquisition, you have to have that actual talent, you got to have the raw skills to be able to solve problems, and you have to have an amount of collaboration both internally within our own teams as well as with clients.

We want to show up. We want to be super dedicated to our projects and our clients. We have people crush code for projects. It's important for us as a company to make sure that we are equally investing back into our employees. Reason we spend so much money on these nice offices and downtown, we do our IRLs, and do social events. Our culture is about our people and the discipline and the methodology and the expertise that we have around how to deploy that very effectively and efficiently.

**What type of work does Focused Labs excel at? Provide at least one example of how Focused Labs delivered high quality work for a client.**

We excel at work that has an amount of ambiguity around it. And I think that ambiguity can come in a lot of different flavors. We tend to excel if there is an obvious and blatant pain point within a business or a pain point within a user, but there isn't a clear definition on like exactly what that solution should look like.

There isn't an exact definition on a handful of solutions, which ones will have the most impact on KPIs that are really important to the business, or solving pain points that are really impactful to customers. When we are able to help our clients, both design the solution, and then iteratively, implement, release and test that solution against measurable business problems that we're trying to solve or outcomes that we're trying to achieve or user pains that we're trying to alleviate. That is where our clients get the most value out of us.

So kind of the antithesis of that would be if a client when a client comes to us and already has like a very long laundry list of features that they know they want to build because they've either scoped it all out or they've done all of the mock ups already. We can of course certainly do an amount of that work. There's an aspect of our value that's kind of like left on the table or just not taken advantage of by those kinds of clients. We almost always end up helping the client understand why like an initial plan likes to change or why an initial feature sets, is likely missing some things or some things that we thought were important aren't important.

When we are able to collaborate with our clients, and iterate and test frequently our clients get the most value out of us. One is because it gives them a chance to understand how short or quick cycles (short and quick are relative to the organization), but it helps them understand how it is that they can reduce risk by building less and then validating that it impacts whatever problem that is they're trying to solve much more measurable ways. If you have a high functioning software product team that is able to keep a pace and do it in a disciplined way. We help our clients have “aha” moments or unlock value out of the software that they build and put into the world that they have likely not come across or seen before. It is especially impactful in organizations that are not digital or have been around for a lot longer than modern development practices.

We worked with a major online retailer that operates a drop ship marketplace platform. They had spent years studying this problem and trying to solution for it, but effectively what they had was their merchants, the individuals who actually list inventory on their platform, had a very cumbersome process to just get their merchandise listed. It was causing all kinds of problems for the merchants and made them inefficient and unhappy. Their inventory was almost always out of date, which impacted the end customer who was trying to purchase it. It was an expensive endeavor for the merchants. It was a poor user experience for the customers were actually purchasing from the marketplace.

The reason that this space was so difficult for them to iterate on was there was a lack of a standard around how it is that merchants should integrate their inventory systems to this dropship platform.

We spent a few months conducting a lot of user interviews with merchants and internal teams, doing a lot of technical investigation like what kinds of specifications and systems these merchants used to manage their inventory so that we could provide a facade to allow them to much more easily synchronize and list their merchandise on the platform.

Their pain points were clear, their customer complaints were clear, the cost of the inefficiency was clear, the solution was very unclear.

Over the course of like two months, we figured out how we could build an API interface on top of on top of their internal catalog management systems that would be very easily integrate double for merchants. Within six to eight months we had a solution in place that merchants were integrating against where they had failed to solve this problem for years before.

I like this example because it does relate back to the backend plumbing like back end pages for merchants are a really tough integration problems that tend to be b2b, but are also often b2c.

### **Why as a client should I work with focused labs over a similar company or a competitor?**

If you as a client, have a fixed scope, and a laundry list of features, there are a lot of agencies out there who can build that for you, and who likely have a lower rate than us. If you if you as a client are interested in investing in not just the quality of the software, but improving the quality of how your teams operate, and how your organization thinks about and applies discipline to the craft of building software. We are a great partner.

One of the kind of distinct value propositions that we offer to our clients is this idea of enablement. So, our ideal situation is where we form a blended team, between your designers, product managers and engineers and ours. An immersive experience. That's how we achieve that in actual delivery on projects. Ultimately, our goal is to deprecate ourselves. We define success as being able to enable your teams to deliver confidently, high quality, and frequently.

Ultimately want to do is we want to work with our stakeholders and the managers of those teams to empower that team to continue to operate successfully, efficiently and effectively after we ramp down. We do ramp down, we don't want to disappear overnight, that tends to leave like too big of a gap on a team and the application doesn't is not pigeon holed to just one team. We don't come in do one project and then we deprecate ourselves, a candidate does for some clients and organizations.

Where a client is going to get more value out of us than they would working with one of the other myriad of boutique consulting shops around town with high dollar rates and high skilled people is if they are truly interested in investing and improving the way their

organization operates, the way their teams operate, and the way they think about extracting value out of software.

The other thing I will say about focused labs at this moment in time is we are still small and relatively new. We are really hungry and eager to grow. What that means for you as a client is you get very direct access to the founders of the company.

If this was a client conversation right now, you're talking to the CTO, you're talking to the co founder. We are we are always willing to get creative with our clients when it comes to how it is that we engage.

There are a lot of things that are important to us as a hungry growing company. As a client working with focused labs at this stage like you have an opportunity to really form a partnership, rather than just like a transactional, hey, let's do a project together.

When I think about like the relationship that we have with Lettuce. That's a really good example of a client who continues to come back to us time and time again, because we truly have a partnership together. We've helped them build all kinds of software projects. We've helped them hire engineers, product folks, designers, we pair with those engineers once they come in and help upskill them, help them understand what the digital landscape is at.

Our lettuce partners and our stakeholders do a great job of leveraging us for experimentation. There's the scratch off season that's kicking off now. Lettuce ship out printed "scratch offs" like a lottery ticket for their restaurants. A couple of summers ago, we ran a handful of experiments to figure out what it would look like to digitize that experience. It got really really solid reception they saw a massive increase in the amount of people that were taking advantage of the program, which led to more frequent diners which led to more dollars being spent in restaurant per head.

We're experimenting with some other things as well. They want to try and figure out how to roll out a b2b loyalty programs rather than just individual consumer.

We at Focused labs, order a ton of lettuce food to our offices for all kinds of events. And so we're actually acting as kind of a potential, beta tester there.

Working with focus labs means that you get a true partner rather than just a group of people to augment a team or your staff. We help clients unlock value where they maybe weren't even looking for additional value.

**I have never heard of Focused Labs. Why should I trust you or your teams with this work?**

The company was founded by myself and Austin. We both been in the consulting and software engineering space for over 10 years each, and have spent a lot of time doing consulting here in Chicago.

We used to work for an organization called Pivotal Labs, which is where we kind of honed a lot of our skills run methodology. When Austin and I started the company, we did it because we really truly believe that building software is this continuous learning process. We describe it as a craft. Our core values, they are love your craft, listen first, and learn why.

The learn why and listen first speak to the consulting work like the bravery the courageousness the collaboration that's required. The sheer amount of human interaction that's required to make sure we the understand what we need to design the correct solutions. The craft is really very core to our DNA and core to the founding principles of the company. There's nothing that I like more than to build quality software and everyone that we've hired a focused labs also embodies that. Product, design, and engineering all have a passion and a love for our craft. The quality of our people really is reflective of that. We've got a long demonstrable history of work.

We're four and a half years old at this point. So I'm not surprised you haven't heard of us. We are a smaller shop and we haven't been around for a tremendously long period of time. But we've worked with some of the biggest organizations, both in the country and around Chicago.

So major clients of ours, everything from OEM manufacturers, to more companies like hertz and Wayfair. I can connect you to a handful of stakeholders that would be happy to talk about how it is that they leveraged focused labs. I would encourage you to talk to them and ask them questions around how it is that they found value out of the partnership rather than just like what it is that we help them accomplish and build.

When we enter into partnership relationships with our customers, they tend to be like big accelerators for their careers internally. Because by partnering with focused labs you accomplish more within the portfolio of work that they have that they otherwise would have been able to do just leveraging internal resources.

**Focused Labs doesn't have expertise in my domain or any particular business domain. What makes you capable of doing the work in my industry?**

One of the one of the things that we rely on and count on from our customers is that they are bringing to the table a lot of that domain expertise. Our craft is building high quality software and being able to iterate on it quickly to reduce risk and make sure your business is getting as much value out of it as you can.

We feel strongly that as a industry agnostic consultancy, we're not going to we're never going to understand your business, your customers, your use cases, your unique value proposition as strongly as you are. It would be a fool's errand for us to kind of hone in on day one.

With the assumption that we are experts in your industry, and it's your business, your users know what they do and don't like, you know what your problem spaces are.

Our job is to ramp up and into that domain as quickly as possible and we often have clients who have similar concerns and then within a matter of weeks are like, oh, wow, I can't believe how steeped your team is in our domain and how much they're already speaking our language. We don't do fractional allocations of our folks across different projects. We want them to be fully dedicated to a project at a time, because we understand the depth that industries and individual businesses within those industries have. Every organization has unique value that they add to their customers. They have unique problem spaces and so when we form these blended teams, we're bringing the expertise in the craft of building and designing software that works for your business and for your users. We are counting on our clients to bring the long history of understanding of what it is that makes their business tick and what it is their customers count on or get value out of from your business.

Not knowing your domain is a non-issue. We ramp up in the domain quickly. **We're not going to tell you where the rental car industry is going over the next 10 years in some sort of presentation and convince you to build something that aligns with that vision.**

**But we will over the course of time develop some strong opinions after working with you and steeping ourselves in that domain on like, hey, like where does Hertz think the rental car business is going over the next 10 years? How are we taking those ideas and incorporating them into what it is that we're building?**

Our folks are kind of designed for this. So we rotate our developers, designers and product folks across projects usually like every six months or so. Our folks are very used to jumping into new domains being very effective very quickly, and ramping up on the getting that like depth of knowledge that exists quickly.



**What are Focused Labs rates? Why is the work you deliver worth those rates?  
What are my rate negotiation options?**

We do get creative with our customers and with our partners. To us as a growing business, in exchange for commitments, pre payments, joint marketing efforts, collaborating on developing thought leadership that we can present out to the world in a variety of mediums. Those things are really interesting to us and we definitely leveraged a lot of those to make rates and budgets work for clients who ultimately choose they want to engage with us.

Rates are high because the quality of our people and the quality of our work is high. I wouldn't call our rates exorbitant. There's the obvious value of why any organization chooses to engage with third parties, we have a lot more flexibility.

One of the benefits of engaging with us is you don't have to hire a full time seat, take on all the HR burden and management burden that exists there. We are super simple and super dynamic. It's not uncommon for projects to kick off and have maybe a pair of designers and a product person, and then we do a lot of your interviews. The backlog gets largely flushed out and so we need to like ramp down design because we don't have as much work there. That's a really easy option for to lever as a customer. Same with engineering skill sets, we might be pulling a tough integration and need somebody with experience that maybe you don't need for the entire project. There's the flexibility that you get quality and a responsiveness with our folks.

**What are the benefits of custom built software? Why should I build custom instead of buying off the shelf? Can you provide an example of custom software that that worked better for a client instead of off the shelf?**

Any problem space you're trying to tackle I'm never going to say like custom software is always the right solution. There are plenty of instances where buying off the shelf software makes a ton of sense.

If it feels like you're trying to reinvent a wheel, and you don't have a lot of customization that you need to do, buying off the shelf software can be a really good way to go.

Building custom software is expensive, and it's hard to build custom software. It is this living, breathing thing that you have to nurture and tend to over a long period of time. Long gone are the days where you plan to build something, release it, and then don't touch it. That seldom tends to be the case with custom software.

Where you want to deploy custom software is where the value within your business that is unique or critical.

The Wayfair example I talked about with a good use case there. There are plenty of inventory management, or inventory catalog software that you can purchase and buying. Wayfair even actually tried a whole bunch of those. The issue they had was that they weren't using it right and they weren't integrating with it. It wasn't designed and tailored to you Wayfair's customer base. If they're not making their merchants whole, where they can't drive the amount of volume to the platform that they would expect to be able to do, that's a critical function to their business. So deploying custom software that was like tailored to these merchants that were critical to their platform being able to drive volume as a really good use case.

Another like interesting example is the work we did with Hertz, the rideshare integrations that's a \$350 million business that they have effectively invented by way of having strong partnerships with Uber and Lyft. The core integrations that we did to allow Uber and Lyft drivers to actually book hertz vehicles. They had all kinds of unique and custom aspects of what it meant to be an Uber or Lyft driver in their program of renting from Hertz. You get discounted rates, you get preferred maintenance treatment, you get longer term leases, because you're not just renting a car for a weekend like you're trying to ensure as an occupation. Hertz's obligation as a partner to Uber and to Lyft and to the drivers that they serviced and making sure that that experience is really strong so that they don't jump over to an Avis or a competitor is a really good use case for for custom software. The software directly impacts the experience of their users, which directly impacts the strength of their partnership, which directly impacts a major line of revenue. Around 20% of Hertz's rental vehicles are rideshare.

It depends. There are plenty of instances where buying off the shelf software makes sense. We have a bunch of off the shelf software internally for operating Focused Labs. We can build an invoicing system, we've got the chops to do that, but we don't do anything unique with invoices. There's no special sauce there and so there's no custom software required.

### **What is your favorite FL memory?**

In the early days like I was spending a lot of time writing code on projects and working directly with clients.

Early on and engaging with Hertz, this really interesting thing happened, which was COVID. One of the challenges of working with large enterprise organizations is they're

specifically designed to not take radical risks. Public company, business functions very successfully. So they want to modernize and they want to compete and they want to be creative with you know, software, but they don't have to be radical.

And when COVID hit, there was a complete shift in attitude at some of our major enterprise clients, because a lot of their core businesses went out the window, when everyone went into lockdown, and people stopped traveling. There was this the first summer that COVID hit we had like a lockdown in March.

All of a sudden, the default answer our clients had “was like, yes, go for it”, rather than let's understand what the impact of the existing business could be. So we actually completely pivoted and shifted from what we were engaged with Hertz to do for that particular contract and instead became this like, SWAT team of like trying all kinds of like really interesting ways to generate revenue.

We built a delivery system for balloons. Party City has these large format balloons and Hertz all of a sudden had a bunch of large format vehicles, like painters vans hanging around, and they had a lot of people who were you know, whose job it was to shift fleets and balance fleets across sites. And it's like, cool we have people that can move things, we have vehicles that can move things.

It became what kinds of revenue could be generated by moving things and stuff and so we developed this partnership with Party City to deliver large format balloon arrangements to all of the like backyard parties that people were having during lockdown. So that was a lot of fun and really interesting.

It speaks to our ability to be nimble, to be dynamic, to shift resources around, to shift focus very quickly, and to be able to successfully achieve outcomes in very ambiguous spaces. There is nothing more ambiguous than we can't rent any cars. So what we do instead? That was a really fun time at Focus labs, despite all the non-fun events happening in the world.

### **What's your favorite part about Focused Labs?**

My favorite part about Focused Labs is going to sound cheesy but the amount of like creativity and collaboration that we have. We have such a dynamic, energetic, engaging, creative group of people, that clients put us in positions and we sell projects that allow us to exercise those things. It's a blast to go from, like this ambiguous idea and space to a launch party and then follow suit there. I think everyone I focused labs gets a lot of kicks out of achieving those outcomes, and we have a lot of fun celebrating.

**What would you say is the biggest success Focused Labs has had since inception?**

I'm really proud of the fact that we are a bootstrapped organization that has grown organically and we've been profitable since we launched.

When I look at a lot of our competitors and other folks that I know in the industry have started consulting organizations, the level of quality that we have in both our people amount of dedication that we have to honing our craft are all like, core reasons for why it is that we've been able to operate the business in the way that we have.

I'm really proud of the fact that we've grown year over year actually, this year will be our first year where we haven't double or tripled the size of the company. We also haven't ever had like major shrinkage.

Clients continue to come back to us time and time again because they recognize the quality and they get the value out of our rates in a very clear and obvious way and then we continue to blow away new clients when we first engage with them.

I don't think our business would be as successful, we wouldn't be able to grow as much as we did if we didn't have as much of an emphasis on like quality, love for the craft, rigorous interview process, so that only the best folks are coming through the door, and then making sure that we're giving our folks the kinds of challenges that they expect to be tackling focused labs.