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Austin Vance Interview - External

Sales Focused Interviewed for AI _otter_ai.txt

The following is an interview transcript with Focused Labs CEO and co-founder Austin Vance.

Austin has a background in Software Engineering.

Can you please restate your name your title and just the elevator pitch for your role?

I'm Austin, and I am the CEO and founder of focused labs. My elevator pitch is I am in charge of generating new business and setting a cultural vision and defining the product. That is the services we offer for delivery teams and sales teams ago and so

How would you describe focused labs to a family member versus someone in the tech industry?

To a family member that is non technical, I describe focused labs as a software development agency or a dev shop. We're software developers, designers, product managers, and DevOps folks for hire.

We come in with an expertise on how to deliver digital products or software products in a really modern way and our customers end up being incumbent players inside of disrupted industries.

So think like traditional automotive manufacturers or traditional moving services, restaurants that are being disrupted by the likes of DoorDash and Uber Eats, those tend to be our customers.

We bring in expertise not only in how to develop software and software products, but how to internalize the what is the care and feeding that those products will need over time so that you can maintain relevancy and your power position as an incumbent player, even as there's disruptive innovators kind of jumping at your heels.

How would you describe focused labs and so on in the tech industry?

So when we engage at full inside of the full SDLC.

So, when you think about the software delivery lifecycle, you have everything from the product inception or the ideation and thought process around why should this product be or these sets of features be, then into like a design and usability of those ideas, and then finally into the development, and then after even it's built, you have to operate it, so it has to run in production and be on servers and highly available and all those things.

Where focused labs comes in, we help our clients and our customers solve and create better throughput at the bottlenecks that exist in their SDLC.

So if a customer is struggling, have all the ideas in the world they're a big company and they know what's happening, they have all the ideas in the world but they just can't get the quality of their software good enough to get out in production. Or if every time they release a product, it's buggy and goes down.

Focused Labs comes in and we use things like extreme programming, pair programming, test driven development. Think like one on one programmers sitting next to each other working side by side, writing the same code, writing a test that's automated before every feature to help ensure the quality and craft of the software they're writing.

For example, if their bottleneck exists in their ideation, so say they have a lot of ideas, but every time they release an idea no one uses it. So they think they have all these great ideas but every time they go to market the customers just don't exist. Then they have an inefficiency in idea validation and often what that means is they're betting the house or betting way too much on an idea that could have been validated, researched, and understood a little bit more.

Now that doesn't mean like large discovery and large discovery phases or large kind of traditional waterfall research upfront. What that means is Focused Labs comes in and we look at the highest impact the lowest cost features to get them out, and then we expand on those.

For example. if you think of like Zappos, what's the most important thing that Zappos needed was to like deliver shoes. And so the Zappos founder, the first iteration of his product to validate the idea of delivering shoes is he set up a e-commerce websites where you could order shoes and have free returns.

Anytime you'd get an order, he'd walked down to the local footlocker take the shoes, put them in a Zappos box and then mail them to them. So he's buying retail shoes and mailing them but then he sort of validate the fact that this was a good idea.

And so he didn't have to build a massive website ordering and inventory programs, supply chain management, etc. And then that stuff came as validation came forward.

So when it comes to help validate ideas as they get larger we can de-risk. Then design is really where we figure out the usability of an idea. So good ideas can fail because they're unattractive, and good ideas can fail or can be expanded and small ideas can be highly impactful because of the way those ideas are implemented. So when a product idea comes through, like hey, we want to sell shoes, design comes in and says how do we make sure that this idea is as impactful as possible and as attractive to the user as possible. So not only is it a good business idea, but is there a customer? Are we giving the customer the option that they wanted? And then all that stuff kind of ties together to how we operate, highly available doesn't go down. And focused labs used modern technology like Kubernetes and CI/CD.

How would you describe the culture and the people at Focused labs?

We had a firm come in and do some interviews with our folks and talk to our customers and they came away with this tagline that Focused Labs "has the most unintimidated and unintimidating team I've ever seen."

Unintimidated and unintimidating meaning we aren't afraid to say yes to any problem. We're hungry. We work hard. We are ruthless in the sense that we want to implement something high quality and meet the needs of our customers. And we are passionate about the quality in which we implement but unintimidating in the sense that we approach this extreme dedication towards quality, product, and practice with a sense of community and a sense of building.

It's not a zero sum game, where in order for us to be successful, someone else has to lose. We build and create a better world, a better job, a better whatever it is for our customers for us. We come in and we're friendly and helpful and kind and empathetic

but not afraid to tackle any problem.

But what type of work does focused labs excel at? And can you describe at least one example of how focused labs delivers high quality work for a client?

Why does focused labs exist? We exist because there clearly is a place for a full service firm that understands not only product, the inception and ideation surrounding a product and how to make that efficient, but then also the development process and how to make that efficient.

There isn't really a firm in a world that can that can help you dream big and then build big too. Where we excel, is in working in **legacy systems with incumbent players** in actively disrupted industries.

We tend to tackle the mid market more than the large enterprise and when I said mid market, I mean, 200 million to 2 billion or 3 billion in revenue. Of course we have a large enterprise customers as well like car rental companies and auto manufacturers.

We really excel in the mid market because the mid market is the most vulnerable to venture disruption or any sort of startup level disruption, where new ideas can come in and take what is there already squeezed margins and smaller client pools away. Mid market also has this pressure from above where the larger enterprises just have incredible distribution to keep the solid **Foresman** market prices lower, and margins lower. So we tend to do exceptionally well in the mid market.

So one brand we've really partnered with is Lettuce Entertain You. They are kind of the preeminent private Restaurant Group in the country. But not at the same scale at some of the prep public restaurant groups. And where we've done really well helping Lettuce create a digital presence that not only attracts new diners through a mobile app and a mobile rewards program and loyalty, but also stays competitive with the incumbent players like a McDonald's or a Taco Bell who all have their own custom mobile experiences and you know order on a tablet at the counter kind of thing. So Lettuce competes in that world where they they're bigger and wants to stay more relevant than small restaurant groups, but then they also need to capture some of the market of the

enterprise kind of public Restaurant Group. So that's a really nice example.

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

On the surface, a lot of software agencies look the same.

For example, you're like trying to pick a magic show and go to a city or something silly like that, like, you know, they all look similar, they have all probably a price rather similar, they all you know happen at night and have magic.

We all have developers and designers and PMS but what it ends up being is the is the experience on the specialization of each of these.

So let's keep a metaphor going as the magician table magic or stage magic, you know, kind of shock and awe or whatever it is.

And so I think where we specialize and where we've done very well is and really stand out against all of our competitors is we really **specialize in the legacy systems of enterprise.** We don't demand things to be rewritten it in software, this legacy became like a really bad word.

It's kind of funny because like, in all other walks of life legacy is something that like you're proud of you want to create a legacy that work for your family, but in software means you know, old kind of broke in on immovable software, or API or whatever.

Focused labs really has excelled and we continues to excel is taking the legacy systems that our customers have and actually helping them build a legacy on top of them. We don't come in and say you need to rewrite this or rebuild this or the technology is too old or the stack is too crufty. Instead, we use our iterative and lean approach to say how can we leverage these legacy systems in order to prop up and accelerate new and appealing customer experiences, and validate incremental rebuilds, maybe even leading to a place where you never rebuild the whole system.

A lot of our competitors boutique and massive kind of larger competitors come in and they want to do programs like we want to rebuild an old system or they want to work in the greenfield. Our competitors want to build an app and want to do it in a newer modern language and put it into a new unmarked stack.

Those are limitations that Focused Labs doesn't put on ourselves, but we still are able to deliver sometimes faster, but almost always at the same pace of a competitor working

with green in the Greenfield space.

I've never heard of Focused Labs. Why should I trust you or your team's with their work?

Our industry is very much a cottage industry. And so trust comes from Past performance is predictive of future results. And so really where we shine is our customer referrals and our case studies. We've not just built great products for our customers, but we've built those on top of their existing systems. We've helped them build teams and hire people and train those people so that they can continue to maintain care for and iterate on the applications that we spun up for or helped them finish. And all of those referrals, helped build all those referrals and all those case studies that track record builds an incredible depth of trust.

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

Focused labs are not domain experts. I mean, we have some domain expertise because of, you know, past performance like we have experience in restaurants or insurance or auto, and stuff like that. we understand some of the industry but I wouldn't call us like deep, deep, knowledgeable experts.

Instead, where our customers craft is their domain or their industry. So say, customer was PODS, the moving company. You know, their craft is how to move and ship containers from point A to point B make that as seamless as possible, make sure that they're the right size, cost effective, on time, it's good experience for everybody.

Our craft is exactly the same but instead of moving containers, it's moving, it's shipping software. We are experts in in the in the domain of shipping high quality software and keeping up velocity and momentum in shipping high quality software, the same as if we had been building new software on day one. So we build as fast on day one as we do on day 1000 or 3000. And that's because of some of the practices we deploy and we use.

Along the way, of building these products, like we don't need to be experts in your domain because we don't build in a vacuum. And so one unique aspect of how we engage is we become a part of our customer's IT or or product development organizations.

And another difference between some of our competitors is where some of our competitors take a specification document or RFP and they go build that, we want to be new in constant communication with our customers and we demand it and we come we meet our customers where they are so we don't introduce a whole new set of tooling and communication patterns.

So you have to communicate with us instead we come to you and if you know if you're using JIRA, we talk in JIRA, if you're using teams we talk in teams slack, we talk on Slack, and we set up ceremonies like stand ups and iteration planning meetings, so that every week as we build features, you're given feedback on the domain to make sure that's right. And we're making the assumptions we're making about the domain fit. And so this constant tight feedback, valid feedback with the validation and allows us to be experts in delivering software and you have to inject your domain expertise continuously.

It does require an uplift from our customers if you if people are looking for a kind of set it and forget it delivery partner. We're not the right partner, like we don't do well taking a specification and disappearing and delivering it and instead we want tight feedback loops and constant communication.

What are focused labs rates? Why is the work you deliver worth those rates and what are my rate negotiation options?

So we racket 250 an hour, extraordinarily competitive in the boutique, software field. Focused labs hires only senior talent. So we look for people with two plus years of experience all driving, towards lead. Anyone at focused labs could take a product or project or initiative at any of our customers and lead it.

And so where a lot of agencies who are lower rates on us make up that rate is they they supplement through under skilled talent like junior talent or apprentices.

Focused Labs come in with high focus on high talent. We also believe that good engineers, good practitioners, good designers, product managers, and DevOps people are just expensive. And so in order for us to continue to attract the best talent we have to pay our people the best. So that's why those rates are great, and you should pay them.

As far as rate negotiations go, we do come off those rates every now and then. And when we comp those rates we come up with them for a handful of reasons. We offer a prepayment discount. So if you're willing to prepay and help us have or help us with the cash flow requirements as we're delivering your project and we will come off come off the 250 an hour. We'd love marketing and case studies, we're happy to come off the 250 for that and we are happy to work with within any kind of financial constraints that our customers have, understanding that we can, you know, continue with our value.

What are the benefits of custom built software? Why should I build custom instead of buying off the shelf?

Custom software gives you the ability to completely control your user experience. From end to end it allows for the art of the possible but with with a price. The cost of custom software is that you have to constantly maintain it, keep it up. And there's no economies of scale like with a SaaS product or white label software, you would get an economy of scale, so you pay a little less. With custom software, you own everything.

The benefit, with Lettuce, they had a white label software they were unable to implement their loyalty program into the app. They were unable to do gift cards in the app, they were kind of unable to do just about anything that they really wanted, or was competitive. And so by going custom, they were able to do that and they were able to do it faster than any of the the SAS or white label solutions could give them.

What is the typical process of working with FL? What is the process of starting a commitment with Focused Labs? What does the day to day look like?

It starts with a discovery, but not all our customers start there, if they have an idea of exactly what they want, then we dive into software. If they don't know what they want, we start with discovery.

Discovery is validation of what features should exist in the product and what shouldn't. Design then is how we interact with those features and how they how they should present themselves and then we build them.

So Lettuce for example started with a discovery, where we interview and talk to diners at Lettuce restaurants partners, servers and others. That let us prioritize a set of features.

Then we moved into a design phase and designed the minimum viable product (MVP) for the application. What needs to exist in order for the user for the application to be

happy? Then finally, we start building. When we build during the discovery design process it is highly engaged.

Practitioners working with and talking continuously to our customers and our customers-customers. Without access to our customers-customers and people at the companies, the design phases and discovery phases fail and we tend to not do them.

Day to day is lots of back and forth communication, lots of calls, working sessions and workshops, all very interactive and engaging.

As we start the development phase, we have is we have a fairly rigid process. We start with one week iterations delivering at the beginning of the week, starting with iteration planning, meetings, picking what features, bugs and chores that need to be worked on in the backlog by the team.

Every day we do a daily stand up where we talk about what we did yesterday, what we need to do today and how we're blocked.

At the end of the week, we retrospectively look back on what we did this week and say what worked well, what didn't go well, and how can we keep the things that were working well, continuing, and the things that didn't work, fix them. We assign those action items out and then revisit them every week.

The continuous process of delivery means that we're completing features and at the end of the week and we demo working software to our customers. So we leave our customers with working software at the end of the week, which is another difference between a lot of our competitors and us, rather than signing up for three months of Focused Labs work and then getting an app at the end of three months. You get to see how the sausage is made, which sometimes might not be the prettiest thing in the world, but also allows us to fine tune parts of that process as it's being there.

What is your favorite Focused Labs memory?

I remember going up to brunch with the lettuce executive team and telling them that I had just started. We had just started our own software dev shop and it was Luke and I there's no one else who worked for us at the time. We're hanging our shingle and we'd love to help them with their mobile app if they had any initiatives coming up. At breakfast and they talked about this gift card work that they wanted us to do. And they're like, Oh, we don't know we have another dev partner and they swept us pretty hard and like why don't you come in and bid it once we came in and bid it and we bid a pretty it was a

pretty big engagement. So to build a mobile app can cost somewhere between three and $500,000 under the start, we've been at around there in that range. And I remember getting a call from lettuce and say hey, we're gonna award you the gift card mobile app work. And it was like the very first contract we got and it was big and it felt so good. And then we started developing it we realized we bit off way more than we could chew. So we hired some people and that created Focused Labs.

What's your favorite part about Focused Labs?

I get the most joy out of my work. When I see how engaged people are in continuing to improve their craft. When we see deep discussions and debate in Slack or when we have our company "IRLs' (In Real Life Meet Ups) and people are passionate about how to improve or what the company should be doing to help them improve and I that energizes me.

When I can I can either be a part of those those debates, there was, you know, one recently around whether or not the 10x developer existed and I thought it was a really good conversation about whether or not the 10x developer ever existed or was a good thing and, and actually, is it not bad but it just morphed into something even more powerful? And that was a really powerful conversation. So I like I like those conversations. They're energizing to me in a real way.

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

We constantly I bite off more than we can chew but we have never failed. So we don't play it safe, but we don't play it fast and loose either.

And I think there are so many successes around that everything from inventing our own career paths from scratch and then figuring out how to iterate on those because those will never be perfect, no matter how much we iterate on them to having things like continuous compensation and continuous health care changes, that is completely unheard of in the world.

As to being a small team of seven developers building one of the biggest you know, businesses that exist at Hertz. And so those types of things, are really powerful. And at each at each point, we kind of said, Wow, this is a really big commitment. We think we can do this and you know, we put our money where our mouth is and took some risks

with our customers and and we delivered over and over again, which is why we have such an incredible book of referral.

Earlier, you talked about the benefits of custom software, but you also mentioned that there's a cost to maintaining custom software. How do I know that we can maintain this in a way that is sustainable? For the business?

You always are going to pay that costs. if you're a product company of any kind, unless you exist in just a very niche industry with a very niche product. The market will evolve and the demands on your product will continually evolve.

So if your insurance think if you're auto insurance, auto insurance went from signing up and paying every six months or a year to by the mile insurance, to being bundled into all these others in the kind of the accumulation of actuarial risk across a bunch of different insurance products all kind of change that way that industry worked. if you were an insurer, and you weren't figuring out how to bundle products to bring the cost of one product down and offsetting that cost and something else or offering by the mile or offering pay online instead of an agent model. Eventually you get squashed.

And so there is a continuous pressure on any product to evolve with the times. When you build a a piece of software and if that software is core to your business, whether it's back office or Front of House software, that software will need to evolve with the demands on your business.

So if you're that insurer and you're moving from an agent model to a buyer online self service model, you can think of like the way you're purchasing software and your ERP software would have to evolve was that continuous involvement in the evolving of your software is that costs so to amortize across all of all of your products and it's an advertisement against the cost of staying relevant as a product or as a company, the offering value.

When you have custom software, what you're doing is you're paying for the opportunity to be a leader in that space, but you also are challenged by the fact that you don't get anything for free. And so if you use off the shelf product if you use off the shelf products or SAAS products, things might be added features might be added to the product that just kind of fit into the modern world, like a chatbot might get out of the bottom of your website.

If you have custom you have the opportunity to add that faster than anyone else, have it be more attuned to your customer base than anyone else. But it means you have to think about that. And so that cost is in that.

There's another cost in software that doesn't exist in the same way in the physical product space or non digital product space, which is experiential competition. And so as you produce a product into the digital space think like even a mobile app to help you order food or shop online. The patterns, the interaction, the design is that the aesthetic of that application, if you don't maintain relevancy with that aesthetic and the interaction patterns, eventually it will start to erode the value of your brand.

And it's actually really similar to like walking into a really like a restaurant that's clearly not been updated in 15 years or a hotel that clearly hasn't been updated in 15 years. You know, they had like, linoleum floors and and wood paneling everywhere and you're like well, it's just kind of feels old and maybe dirty or whatever. It's because that aesthetic, you know just kind of sits in your mind as being old and the same exists in the digital space. The issue with the digital space is it's just much more fast moving.

And so as the the leaders in digital interaction push forward, like Facebook, Instagram, Netflix, you have to kind of track that those changes in your application.

And by doing that you create huge brand trust because you fall into the interaction patterns people know how to use you don't have to train them.

My business needs to stay relevant. Wouldn't it be easier to hand that off to somebody else to maintain instead of me trying to keep the skills in house to maintain?

It depends on where you think that this this like digital experience fits inside of your business.

If you think it's supplementary to your business, think like I think the way focused labs does accounting is supplementary to how we operate focused labs and we outsource that.

Because as long as the accounting is done, and it's done right, my business will still operate and I can still access excel as a as a business to give my customers what they want.

On the other hand, how we hire, like using my own business focused labs for example how we hire is really critical to how we operate.

The people that we have working at Focused Labs are our product. We end in source and build a practice around recruiting.

As a customer, you have to make that same kind of judgment call with your digital products. If this is something supplementary if it's accounting software or just kind of an efficiency addition but not substantial to your in-house, or your customers maybe it is better to just farm it out.

But if it's if it's going to become a core piece of how people trust, build faith and interact with your brand and purchase from you, you would want to take the same eye and quality towards how you create those products as you would your physical products or your core products because this this software product is a core product.

It's up to you to decide if Focused Labs is right for the customer that wants that core product software to be a part of their core offering or the software experience to be a part of their core offering.

We're not right for the others and we're happy to say that and that's part of why we price ourselves the way we do. Because the value we bring is is substantial.