



Luke Williams

Position: Corporate Vice
President – Client Care Program

Client: AECOM

Industry: Technical and
Management Support Services

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- Luke Williams,
Corporate Vice President
Client Care Program,
AECOM

AECOM[®]

Peter: *Luke Williams is a New York Times bestselling author, creator of the Wallet Allocation Rule, co-author of a new book titled The Wallet Allocation Rule, recently published by Wiley and A Purple Squirrel. He was recently recruited by David Perry managing partner at Perry Martel International to join AECOM. Luke, thanks for taking time to speak with me today. Tell us a little bit about your background.*

Luke: My background is that of a research methodologist. I went to Grad school overseas, lived there for a number of years and when I came home begun working at a research firm called Ipsos which is the world's largest research firm and over a number of years working with my mentor there, a man by the name of Tim Keiningham.

I begun a lot of academic and trade publications and slowly rose through the ranks at Ipsos up to the level of Head of Research Methods directly working for Tim. My job essentially was to work with some of our largest clients and some of the most difficult problems.

Whenever a client would have an issue with their programs, they were feeling they weren't getting the value out of the research that they should or they didn't know what to do or how to use it, my job was to make sure the clients were getting the value out of the firm's work.

I've worked with a number of Fortune 500 and Fortune 200 companies over the years across a dozen sectors and in more than a

dozen countries. So my experience was largely a stats and research guy somehow turned business consultant.

Peter: *So what is the Wallet Allocation Rule?*

Luke: The Wallet Allocation Rule is a really simple method for understanding how to put customer satisfaction research to work. I think there is a number of fallacies out there in the world that high level senior business managers don't want to talk about, things that people assume to be true just naturally aren't.

Things like if my customer says they are satisfied with me it's likely that I'm going to have either a profitable relationship with them or a long-term relationship, most of the time that turns out not to be true. When customers defect away from firms, more than 20% of them said that they were satisfied immediately before defecting.

The truth is that they didn't have a really solid understanding of the relationship between how satisfied people said they were with firms and the outcome behavior that we care most about as managers which is typically things like profit or loyalty which we measure in terms of share of wallet. Every time someone goes to pay for a service that they could be paying for with you how, often are they actually doing it with you?

So the Wallet Allocation Rule is a simple mechanism for translating old school customer satisfaction metrics into something

much more useable for marketing and finance strategies in the future.

Peter: *You know Luke I'm sure a number of executive recruiters have tried to connect with you in the past. How was David able to successfully engage with you?*

Luke: Yeah, it's true. I think once you get a little bit of celebrity, frankly writing some ground breaking papers, working on some extensive work as we have before *Wallet Allocation Rule* was a book it was in the Harvard business review and we were known as disruptors in the space; Tim and myself and our two co-authors, Lerzan Aksoy and Alex Buoye.

And I would get these recurring phone calls, you'd get them every month or every other month and always interesting opportunities but frankly they never were either pitched right or wasn't the right thing. And I think a lot of the times when you get to a certain level people just recruit you because you look good on paper.

And I think that they failed to really differentiate the upper echelons what's right for an individual so a lot of times the things that I would hear from recruiters were wonderful sounding jobs, they were things that I think that I could do but weren't necessarily the things I was supposed to be doing.

And I think that they weren't necessarily thinking about the right fit for the role two and three years down the line. I think they were thinking about what makes sense for that interview in order to make it successful, from the recruiters perspective I can

understand that but as a candidate I'm thinking more about long-term, my career.

I just spent eight years at Ipsos, where do I want to spend the next eight years? How do I evaluate a firm appropriately? I'd never heard a recruiter before break down an opportunity that made sense in my terms which I thought was really refreshing and consistent with the business philosophy that I like to take as well.

Peter: *So how was David's process different from what you'd experienced either as an employer using an agency or as a potential candidate being contacted? What did he say to you that really intrigued you?*

Luke: The things that I think were specific to David that I really appreciated one was that he was honest. Some people might see that to the point of fault but I didn't see it that way. I found him to be very upfront, it was like having a conversation not with a recruiter but with somebody who is your manager for a number of years.

Somebody who really understood what's going on with you and what was in your best interest and provoked me to really think more deeply about the next step in my career. It's something I'd never really seen before. He had an incredible process.

There was never any instance over the couple of months that we were putting this deal together, there was never any point where I sat at home and wondered where we were in the process. I think keeping people in the loop as to where they are is one thing but David would go a step further.

He would not only tell me where they were in the process of who had the football at that time but what the different parties were thinking, some of the different aspects of the terrain. And I think what it provided me with an opportunity to help fill in some of the gaps where normally that stuff would have been left to a vacuum and that you hoped it worked out.

David knew his end client and he knew the company he was representing well enough that by getting to know me better which he took a number of weeks getting to know me very well. I think what he was able to do was to better envision whether or not this was going to be a match and knew at the outset that he was very clear.

He was about placing people with the longevity, with the future and I think that that's all so different from the way that a lot of recruiters operate even at the operation lines. They are looking to close that deal and move on to the next one and David doesn't work that way.

He wants to close that deal and he wants to stick with you after that deal is closed for a number of years making sure that he's helping you through the process, making sure that both sides are remaining honest to the things they agreed to in the past.

I'd never seen a process so well orchestrated and so fair I think yet at the same time with a certain emphasis placed on an industrial process, not wanting things to drag out, keeping people engaged, making sure that both sides were taking care of their business.

It's difficult to describe what it feels like when you know you are being taken care of by a professional but it's one of those things where you know it immediately and with David I knew it immediately. I knew it the first ten minutes of talking to him that he was talking about things that I hadn't even considered. He was thinking about my future in a way that I myself hadn't considered.

Peter: *That's really interesting and I think you are absolutely right. So much of the recruiting world is based on completing a transaction, it's all transaction based. Alright, I've got this rack I've got to fill and here is a candidate that's a really good fit on paper for this job so let me go out to try to get him/her to take this job, right?*

Luke: Yeah, and with David it wasn't that way at all. I've built a relationship with him and he and I have a lot in common. He's a well known published author as well, and when we made the New York Times bestseller list I got a text message from him the very next day.

He's invested in me time and energy and the sort of relationship that comes from that is not in any way transactional and I knew this from the outset. That he's a fair broker, he's a smart guy and he understands a better way to do this process. And I think at the end it will allow him and firms to attract better talent.

I don't know if I constitute myself as better talent but I know a number of people who are better talent and they don't have the patience frankly to deal with recruiters.

A lot of those guys move on to their next gig based on a handshake deal they have over dinner somewhere and never involved a recruiting process because at that level it's difficult to trust the process. The view is that that mass technique for placing junior staff at the senior staff level just doesn't work.

Peter: *I think something else that's really quite unique and unusual about the process that you were a part of in getting recruited into AECOM was the involvement of Seth and Jordan in this process and how invested they were in this. And the fact that the CEO of the company was interested in filing this position as well.*

Luke: Yes. I mean this is one of the things that really differentiated frankly AECOM for me as well as David because I think they helped distinguish each other. At the time they first started talking to me I was already in conversations with I'll just say a very well known management consulting firm in taking a senior job there.

And frankly I was quite a bit ways down the field and I refused to work with the recruiters and I did it my own way and I felt like it was great to have that one on one connection. But when AECOM started talking to me and I realized both David's caliber and the way that he was able to express the position of Jordan and Seth and what they were looking for and the difficulties that they were having, it was a very open candid conversation.

It wasn't like a job interview. It was as if let me just tell you what's going on and let's see if you've got a solution that fits the bill which at the end of the day is what the job

is, if the company has a problem that you bring a unique solution for and that's the reason that they are going to hire you.

Jordan and Seth did a phenomenal job frankly of outlining the problem. Having worked in the industry, 10, 15 years, I could easily define the problem. But they were put in a position of having to learn this stuff on the fly in very short order and did a phenomenal job doing so.

And I think one of the things that really bares congratulations for Seth and Jordan is their ability to articulate what it is that they needed. And I think that touch I know work with Seth and we have regular conversations with the CFO and the CEO of Fortune 200 company.

I mean it's a serious place to work, serious people work there. And I think the fact that they are the type of folks who don't have time to waste on these types of processes or the type who are not prepared to do a superb, professional job. The fact that Seth was involved at all I think is a real badge of honor I think for David.

Because it's clear that when you get in a room with a bunch of guys who are no nonsense, who are paid to do a serious job they are not going to give you the time of day unless what you bring to the table is valuable to them. And the fact that David was not only able to articulate how he could bring the value to the table but then locate it.

I mean I did not necessarily have the most high profile job in the world. I didn't work at IBM, I didn't work at McKinsey. I worked at a great research firm but most

people don't even know to look there for talent and David was able to not only understand what was going on at the upper levels but was able to make my case.

It's not so easy to make a case for somebody sometimes. Sometimes people are smart but the paper doesn't look right, whatever. David allowed me a number of opportunities to go back to them in this process. When we first started we thought at the beginning that it wasn't going to work out because what they were originally looking for I responded.

I wrote a letter to David and said what they are looking for doesn't exist. I mean I know this space better than anyone, what they want doesn't exist, here is a better way for us to do it. And they allowed me the candidate to help shape and guide the role.

So imagine what the intermediary's job must be in order for the end company to accept guidance from a candidate who they haven't even hired yet. I mean that's the type of power that David was able to play. He was able to convince the brokers in the room of the value that I brought to the table not just that I was a valuable person which I think we all agree on my value in advance.

But then I had value for AECOM, for their problem and do so at the highest levels. One thing I wanted to add was that it was in short order. I didn't spend six, ten months putting together this deal. This thing was locked and done inside of 90 days I mean my very first conversation was a homerun.

Peter: *That's really interesting. And I think it's very interesting that the original position*

profile and opportunity evolved as you got involved with this.

Luke: That is particularly interesting. Whenever I think a firm is working on advancing itself you always have critical core functions that are well defined roles, things like finance and operations sometimes marketing.

And within that there are certain levels sort of evolution where they get better and new things happen in the particular subsectors and they are incorporated in the company that sort of the slow organic rate of growth and then once in a while companies will do something significant where they are going to make a real pivot change towards a different style or philosophy an adaptation.

And in this particular case it was turning towards a client focus just the way that Seth is turning his business towards looking towards the future. They understood there were things that they had to do that were new and it's hard operating in a space that you don't understand that you think that you need.

You don't fully understand the value so you are open to the idea of bringing a person in but you really need all that stuff articulated and enumerated for you before you can commit.

These guys didn't have somebody in my position prior, they didn't have someone whose job it was to create a global client feedback management program with all the bells and whistles that go with it on the technology side. But also on the actual, the real change management, the real marketing,

and the real sales aspects of what it means to be a client-centered firm.

I think that they were open to that not just at the most senior levels but the attitude that's fostered all the way down the chain is that these guys are open for business and they are willing to work with smart people who can make a case, stand by it, commit to goals and then achieve them.

They are open to that because that to them is more valuable than somebody who talks a better game but can't deliver. So while I might not be the guy with the greatest stage presence, I'm not 6ft 2 or I'm not Tony Robbins which is sometimes what they look for in leadership roles.

I'm the in the trenches, going to get this work done and we are going to have triumph on paper inside of eight months type of guy. It's tough to understand sometimes how innovation fits in the process and I think the fact is the company was open to it, attracted a guy like David to it.

I think the fact that David was able to locate a guy, in this case me, who fits into that vein, into that philosophy I think is a testament to both of their willingness to adapt because David understood by looking at the first couple of candidates that there wasn't a fit for what the company wanted which means he was listening to the company.

He wasn't reading a speck, he was adapting to what it is that they actually needed and in doing so we were able to sort of shape the picture of what we could do which changed their mind on who they wanted to do it with.

Peter: *When I talked with Jordan and with Seth about this process they both said to me look, if we are hiring an architect or an engineer or a designer, someone who's skilled in management and construction services we know exactly what we are doing, we can do that internally.*

We don't have to go out to an executive search firm to find that talent because that's our core competency. But in this case and I think this is what's really interesting Luke, about this whole process is you were an unknown. I mean they had an idea of what they wanted but that idea really wasn't what they wanted.

Luke: I spent a whole career dealing with exactly that question, a lot of misconceptions about what people can do with data science, particularly recently. Big buzzwords like big data and stuff like that. I'm an accomplished methodologist, I'm an accomplished statistician and business consultant and I know how complicated or how simple these things can be and it's not inside the core competency.

The good news is, is that being service oriented sort of is inside of everybody's DNA, everybody wants to be liked and nobody wants to have a hard time with clients. But it's difficult to make that case (a) financially, meaning to the shareholders, the stakeholders of the company because they are the people we serve, (b) to the employees because we have to now take a group of people who went to school for six years to learn how to build the most glorious skyscrapers and the most necessarily harbors and the most critical military bases.

They didn't go to school for sales. They didn't go to school to figure out how to make clients feel soft and fuzzy. That's not what my job is. My job is to translate how their experience can be translated through our operations. That we can understand.

If I was working in a different type of organization that was business to consumer and was more of a soft, services type of thing the approach that we would take would be different. Now having worked at one of the largest research firms in the world prior the experience that I gained over those 8, 10 years whatever I'm so hyper aware of a variety of sectors all over the planet.

And how they differ from place to place that I was able to come into this with a vision of they think that they are getting this program and they make the mistake of thinking it's off the shelf. But the truth is that this is 100% tailored to what they want.

They need a specialist from time to time when you are doing these types of things, it's necessarily to attract and sign the guy who's got the vision not only for what it is that you want but for the stuff you don't even realize yet that you need. And I think that that was sort of the value that David was able to express to them that I brought to the table based on my prior experience doing that in dozens of other firms in the past number of years.

I think that that was an incredibly savvy move on their part to get a little bit outside their comfort zone, I think if they were forced to continue with what they had built internally they would have had a machine that could tell them time but they would

never have had a Swiss watch if that makes sense.

Peter: *Absolutely. So, what sold you on joining AECOM?*

Luke: Well, a number of things sold on me on AECOM. First it was the challenge, of course. Whenever you are working at a research firm or consulting firm, there is always some level of deadline in the future meaning at some point the relationship reaches a steady state.

You've done your job and the relationship either ends or it goes on hiatus until the next project so on and so forth. And what I felt a lot of times was based on the type of research that we would do, I would do with my colleagues, the work was really innovative and a lot of times really innovative work can be disruptive. And the way that we try to do disruptive work is not necessarily the use fancy statistics or analysis even though that does come in handy for firepower.

The truth of the matter is that insight often comes from having very simple pieces of information that people just never realized before. And in the face of that it can be disruptive because the way that people think it sort of does a little bit of myth busting on how they look at the world.

When that happens and you are a consultant and you deliver that presentation in that room, you get nothing but applause, you get nothing but praise for how smart you are, for how clever this is and all those things. But when you hand them off the ball the way that I described it to David and to the folks

at AECOM I was tired of running the ball from my own end zone all the way down to the five yard line on the opposite end of the field and handing it off to the client.

And have the very first thing that they do is to kick a field goal because they didn't know how to sell in the room what I could sell in the room. And because I didn't have the premier level access all the time to the CEO I couldn't get in the room with the guy or get on the plane with the guy and convince him the way that I had convinced everybody else.

They weren't prepared to put their career in the line for a real paradigm shifting type of move and that was both safe and frustrating. Because it means that I never had to be judged all the time by the quality of what I had to say just on the innovativeness of the stuff that I came to the table with but not whether or not we get it executed.

So the challenge is being the guy who is holding the football the entire time, whose job it is to make sure that this thing is up and running in 12 months, things like a brand new Cadillac, that's my job. I look forward to the challenge of being the guy in the room, making the decisions responsible for the change, that's item one.

Item two, AECOM is a wholly different type of company. They are a huge firm that thinks at the highest levels like a small firm. I don't know that they know that because I don't know that these guys have ever really worked at a small firm in a long time.

But small firms rely on knowing their customers and they rely on innovation.

Those are the two things that grow small companies and the medium companies more so than anything else, know what your clients want, figure out a better way to do it. At the end of the day, that's their mentality. They are ripe for a change,

I've worked with these Fortune 100 companies, Fortune 500 companies and they can't make a decision that changes the business in any substantive way without talking to 40, 50, 100 different people before reaching a consensus three years later.

These guys don't want to do that. They want to put responsible people in a room, make decisions, make the case and then make it happen. Or don't but either way your fate is in your hands and that was really attractive to me. And third, last thing that really kept me with AECOM was David because I had this other competing offer at the time from a very well known consulting firm.

And at the end of the day I think I would have been happy with either job but David was sort of able to help me understand some things I didn't understand about myself which is I really didn't want another consulting job. I love consulting, it was great, I will never be unhappy about my time doing it and I may do it in the future.

But what I need right now is to be the owner of the thing from end to end. And working personally with David, closely with David over weeks put me in the position where when it came time to make a decision because I had two offers in hand of what I was going to do the fact that David was on the AECOM side was no small factor for me.

Peter: *That's really interesting. One thing I want our listeners to really appreciate about this is here is a situation where Luke comes in to this organization who would spend months putting together this whole net promoters score initiative that was run by Seth and Jordan who were very invested in what they were doing and thought they were approaching it the right way. And here comes Luke who says no this is not what you want to do at all, this is not the way to do it.*

Luke: Yes. So that's the way that I described it to them, and I keep regular contact with Jordan and Seth. And Seth in particular is the kind of guy who even though we are similar in age I can easily tell he's the good mentor type. They are extraordinarily clever, well educated, well accomplished folks.

But what I said to them was, the program that we have is excellent and exactly the absolutely most you could ever hope for in a world when you take two people who have fulltime jobs already and ask them to do this other huge thing on top of it that they admittedly didn't know anything about when they started.

They did a phenomenal job getting sort of the early skeleton in place and if I never came along they could live with what they had. I don't think in the end they would get value out of it but listening to customers is more valuable than not listening to customers.

Now changing the way that we listen to customers and the things that we do with that information is I think a whole other level. So a lot of the technical aspects of the

program I don't view them as being destroyed and then replaced, I view them as being upgraded. And I think it's important that we build off of their success.

One of the things that I think was the greatest success for Jordan and for Seth was for taking something that they may not have understood fully at the beginning but then became the primary evangelists for that effort within the firm. So that by the time I walk through the door the thing that I would always dread as a consultant is when you don't have senior buy-ins.

It's the one thing that slows projects down, makes everything 6 to 12 months longer in the making. I walked into a space where I didn't have to convince a single person what I was there to do, they were ready for me, they hired at exactly the right time, they had the right environment for it and a lot of changes had to be made.

I mean this is what they wanted, they wanted to take their existing pilot program and grow it up into a mature, sophisticated entity within the firm that not only delivers data but delivers value. Now that word value is an awfully big word that most people don't understand.

That I think is at the end of the day in addition to making it a better program in terms of a technical aspects and the research methods tactics that go into it is a value that we are going to get out of it. And the way that we think about not only our clients but how we think about our employees, how we think about training, how we think about asset allocation.

How we think we are going to go about our business in the future, when we will listen and talk to our customers and find out how do we fit in to their future plans, do they even fully understand us? Like they know we are a big firm but do they even know we can do all these things for them?

There is any number of things that turn a firm from being a project driven engineering firm into a project and engineering firm that has a sense of how to do marketing and sales. It's the one thing I think that guys like Seth is a flag bearer for that effort because at the end of the day the world starts and ends with the sale.

My job is not to tell people what to do. My job is to give them the intelligence that they need to make their lives better making decisions for themselves. My job is to give them the appropriate guidance, prevent them from those myths that will prevent them from achieving full growth.

My job is to kind of guide them along and help them think about their customers and clients in new ways and I give those guys a lot of credit because if I had to do that when I first came in they wouldn't see results for another 6 to 10 months, they did a fantastic job with that.

Peter: *Well to follow you with that and one last question for you Luke, what did you learn from this experience that you will use in the future?*

Luke: Oh, there is a lot that I learnt. I honestly think one of the things that I learned most was that I will never badmouth recruiters again I will only badmouth bad

recruiters. I had a vision of what recruiters did in this world based on my experience on the couple of job offers I've gotten over the years, most of which I have turned down without any real second thought.

I think David opened my eyes; I don't even think recruiter is the right word for David, I mean he really is more like a shaper. He helped me think about this whole process in a completely different way. He did things that I would never even have imagined.

He was a business confidante and I think that's one of the thing that I will take away is that whenever I am dissatisfied with a function it's not to be dissatisfied with a function it's to be dissatisfied with the people who I'm working with and to seek better people. That there is somebody great at everything or that function would never have existed to begin with.

It's one of the things I sort of lost sight of and David kind of restored that, that's item number one. Item number two is to never stop when you hear no. At stage one this whole thing was going to fall apart based on some cursory information. I think just having a guy on your side to help you kind of push the door back open and say no, no, no you are not listening you've got to listen to me.

Like I'm trying to help you out, even if you don't hire me you've got to let me help you out with this because you are going to make a huge mistake. Having that perseverance when I've got nothing on the line it's easier to persevere when you've got everything on the line.

But when you've got nothing on the line, it's what opens to you the opportunity that lets you have everything on the line if that makes sense. Having David's guidance there kept us down the path because at that point I had another job offer and there was no reason to press but I'm better off now as a result of having done that.

Peter: *Well Luke, thank you so much for taking time to speak with me today. This has really been a fascinating conversation.*

Luke: Thanks Peter, I appreciate the time, have a great day.



440 Laurier Avenue, Suite 200
Ottawa, ON K1N 6H6
Tel.: 613.236.6995

www.perrymartel.com