



Tony Rojas

President, Slalom

Editor's Note: Tony Rojas is the president of Slalom and also serves on Slalom's Board of Directors. Rojas has been the president of Slalom since 2005, and was a strategic advisor for the company in 2004. Previously, he served as president and co-CEO of Corbis, a digital media company owned by Bill Gates (now known as Branded Entertainment Network, Inc.) and held various executive positions at Corbis from 1991 through 2003. Rojas started his career as a CPA with Deloitte & Touche after receiving a B.A. in Business Administration from WSU in 1985. Rojas is currently a trustee for the WSU Foundation, and previously served as the chair of the WSU Foundation Board of Governors, WSU Foundation Board of Trustees, Nominating Committee, and Finance Committee. He has also served on a variety of non-profit boards.

Could you summarize your own career trajectory and what your history has been with Slalom?

I started my career in Big Four, at Deloitte, where I worked for six years. My second job was for a visual media company called Corbis, founded and owned by Bill Gates. I worked there for twelve years, including several in the role of Co-CEO. Afterward, I came to Slalom. The company was much smaller back then—we had just a couple hundred employees—and I joined as president. One of our founders, Brad Jackson, was then, and still is, our CEO.

What keeps you going?

Really simple—it's our team. It's the ingenuity and creativity I get from working with people and giving them support and advice. To give an example, recently we had a hackathon. We started hackathons a few years ago, and the recent hackathon was focused on the broader category of artificial intelligence. One thing I love about hackathons is that they create this culture of curiosity, teamwork, and exploration. The other thing is you can fail fast and prove your ideas really quickly. I was the judge for the first round and what I saw was people from different disciplines and different markets working on an idea together. I saw not only the creativity of the idea they were coming up with, but also how they had to communicate and work together in teams. I was so proud of the work these teams did during the hackathon, and it was fun being a judge.

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On a personal level, recently I worked on some concepts with a small team on how to use chatbots in certain underserved areas of companies—which I’d define as areas of companies where there are insufficient investments in technology. I shared some of those concepts with other people and found we were doing a lot more work in and around chatbots than I knew. It was fun for me to share my ideas and then hear back from others. Chatbots is an area of AI/machine learning that I think has a lot of potential for some great breakthroughs and innovation—not just for Slalom, but for the whole marketplace.

Speaking of chatbots, I know Microsoft tried to use AI and it learned some racist terminology. What do you think of that?

I read that, but what I was working on with chatbots was more conceptual and simple. As an example, if you wanted to know how much vacation or PTO you have, what would you do? You’d call somebody up or log-in to an HRIS application. That’s an example where I think you’re consuming valuable team time and human resources time to answer questions that really should be more automated. You should have a conversation with a chatbot, ask a simple question, and get a simple answer back without wasting time. That’s what I was working on—simple transactions that are not as complicated by the unique challenges of natural language processing.

How have you been able to maintain strong growth rates?

If you’re talking about sustained strong revenue growth, our CAGR is about 30 percent over the last ten years. That growth has been exclusively organic, meaning no acquisitions. This year, we’re approaching \$1 billion in revenues—we have not achieved that milestone yet.

In no particular order, one of the key factors driving revenue growth is the strength of our local market relationships. We have a “no unwanted travel” model. Because of that, you’re hiring individuals in the market that really understand the rhythm of business with our clients. A second factor is the expansion of our solutions and services. In the last decade, we’ve dramatically enhanced our technology capabilities and solutions. A third factor is the addition of delivery centers. When we first started we opened up markets, but now we currently have multiple delivery centers in the U.S. and Canada. The delivery centers can deliver great product

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development, teach clients our development methodology and collaborate with market leaders when we open a new market, and we have greater capabilities to offer to clients on day one. I'd also say the expansion of markets is an obvious one. In 2004, we had our one primary office in Seattle and we were in the process of opening our second market in Chicago. Today we have 25 markets, so that has also been a major factor in our growth.

One advantage of being a growth-oriented company is it creates opportunities for all of us: new technologies to work on, new clients to work with, and expansion internationally. It's fun because you create momentum, and the momentum is addictive; others get excited about those challenges and opportunities and it brings talented new people. Though, it's not only the creation of new jobs but also the expansion of jobs. My job today is completely different from when I first came on board.

Going forward, what do you think are some of the key growth areas for your company, especially as you look toward the expansion of solutions and services?

First, we're going to continue expanding internationally and domestically; we're not done at 25 markets. Second, when you grow quickly, an opportunity and challenge is that some of the solutions you offer in one market are not necessarily taken advantage of by other markets. So, one area for our future growth is going to be better collaboration across our markets. Third, often clients are unaware of the full suite of services we offer because they know Slalom based on what we may have offered them in the past. As an example, let's say that we had been highly successful working with a Fortune 100 client doing project management with a large team, but they didn't necessarily know that we had additional capabilities—information management and analytics (IM&A) or maybe cloud-services capabilities. In the future, we will have more growth from educating existing clients on the breadth of our solutions.

Fourth, another area of growth will be the continuing expansion of solutions and services in cloud, BI and analytics. Finally, we will also be focused on productivity in the form of collaboration tools used by companies. I believe that some of these trends will continue for five or more years, and will be major growth opportunities for us.

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I'd also say maybe one more area—and it's not necessarily a solution, but a priority for us—is investments in our leaders and team members. We're investing in more training and development, including a focus on cutting-edge technology. If you continue to invest in your own people, inevitably that will lead to new ideas, innovations, and breakthroughs. They can connect the dots on something unexpected that delivers more value, and we can take that value and roll it across multiple markets.

It's a cycle. This is a business based on talent, and we have to make smart investments. We all want to be continuous learners and teachers—this will be a priority for us over the next five years.

How has the recent success of major cloud vendors like Microsoft translated to growth prospects for Slalom?

In our early years, we were known for our Microsoft capabilities that complemented our management consulting capabilities. If you look at our core capabilities today, we have over 100 partnerships, including key partnerships with Microsoft, Salesforce, AWS, and Tableau.

When we talk with clients, the conversation around cloud has dramatically changed from five years ago when it was, “We're experimenting and thinking about it,” to today, “We're working on this.” That's a major shift. And, there's much more still to be moved to the cloud.

The pace at which Amazon and Microsoft are building their technologies on top of their AWS and Azure platforms is astounding. Rapid would be an understatement. These firms are building capabilities, creating monitoring tools, and driving migration from on-premise to the cloud. The evolution of capabilities is rapid. The competition between those two firms and others are stimulating great advancements that are making the capabilities and security much stronger than it was a few years ago.

Another area that applies to Slalom and our clients relates back to our hackathon. Cloud gives us an inexpensive environment to quickly prove concepts and move much faster on how we create solutions for clients and how we collaborate with those clients. If you know waterfall vs. agile, agile is very well-suited to this new way of doing business and collaborating in the cloud environment.

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That type of experimentation is essential for clients to test things out. It's not like they're doing some major deployment that takes three years and they're going to do releases every four months. The speed that we're able to innovate and bring concepts forward is really inspiring and exciting.

You haven't had any acquisitions. Why?

At my last company, we did a lot of acquisitions. When you pursue an acquisition, you have a due diligence process and you approach it very scientifically. But at the end of the day, successful acquisitions are a lot about culture. Integrations of different businesses with different cultures are challenging and require a lot of work.

One of the advantages of our 100% organic strategy is that every person that walks through the doors, chose Slalom. When we were recruiting them, we talked about our culture, core values, purpose, and vision. There's a higher probability of Slalom's future success because there's going to be greater alignment of our company's cultures, values, purpose, and vision.

Another advantage is that we avoid the risk, heavy lifting, and distractions that come from integrating businesses. By avoiding that work, we can focus more on making the employee experience better. We take pride in the fact that we have a 100% organic growth strategy and have not had any growth come through acquisitions.

Are you committed to that strategy going forward?

We are committed to that strategy going forward, but we have kept an eye on M&A markets because it gives us interesting insights into opportunities or threats that come through those acquisitions.

One of the reasons we have friendships with private equity firms is to keep a pulse on M&A activity. What sometimes happens is you'll have several acquisitions in a category that's in high demand. Then the partner ecosystem might create gaps for some of our partners because two or three firms have gotten acquired, so that's fewer partners for them to help promote and support their technology. By keeping tabs on the M&A area, we can see emerging opportunities from consolidations.

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Do you have plans to be public?

No. Similar to our 100% organic strategy, staying private is also a foundational part of our strategy. Brad Jackson coined the term we use—we aspire to be “a multigenerational private company,” and that resonates with our team members.

As an example, let me set forth our stakeholders, which would be broadly the same for your firm. Your stakeholders are clients, employees, investors, partners, and the communities that you work in and serve. These five stakeholders apply to most businesses.

One advantage of being private is we can more easily maintain that equilibrium between the needs of each of the stakeholder groups. If we were public, that would put undue pressure due to quarterly earnings that inevitably comes from being a public company. Public companies will often overprioritize the investors compared to the other stakeholder groups, and by remaining private, we’re able to maintain that balance and equilibrium and have more control of our future.

There is a flip side. One disadvantage of being private is the lack of brand awareness. Despite the fact that we have great organic growth, we still may not be as well-known as comparably sized public companies in our industry.

You're based in Seattle, along with AWS and Microsoft. What's unique about the area known for strong innovation?

The weather. I was born and raised in Seattle, and as I’m looking out my window right now, it’s completely cloudy. You don’t think, “I’m going to spend time outside in this rain or drizzle,” and so I call it working weather. We have two seasons; we have 10 months where it’s cloudy and two months where the sun pops out.

As a more serious answer, there is something in Seattle that I’ve thought about, and I believe is in our DNA. People in the Seattle/Pacific Northwest have a combination of two really interesting traits: entrepreneurialism combined with a blue-collar work ethic. There are so many cases—Boeing, with the innovation of the first floating plane; Nordstrom, and its entrepreneurship around starting what was initially a shoe company; Costco; Starbucks; T-Mobile; Microsoft; Expedia; Amazon; etc. If you go back and look at some of those core leaders, you’ll find there’s a

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commonality on these two aspects of DNA: entrepreneurialism and pride in their blue-collar work ethic. That's what I believe contributes to our recipe for success.

How does Slalom measure success?

I visualize a model. Does Maslow's hierarchy ring a bell? It's a pyramid. Down at the bottom, there's water and food. The next level is security and safety, and then relationships, and at the top of the pyramid is self-actualization. I deliver a presentation at Slalom called “Measuring Success,” and I reference Maslow’s pyramid to help explain how we measure success using a similar model.

In my model, down at the bottom are things that are measurable but not as important as things at the top. Down at the bottom, I call the first layer of our pyramid, operational health. In that layer, you have things you talk about as a firm: utilization rates, bill rates, project margins, number of clients, industries, etc. Are those things important? Sure, but not as important as the things above them.

The next layer is financial health: things like revenue growth and operating income. When I recruit for Slalom, I share that the benefit of healthy revenue growth and annual profits is that it creates opportunity. As we grow, we'll have opportunities for growth and the more we grow, the more opportunities we create.

The third level is employee and client satisfaction. At that level, we're measuring things that you would expect are measured: employee satisfaction, ideas from employees on areas for improvement, client satisfaction, services client's want us to deliver, and more.

Then, the level at the top is “our why.” Our why is a combination of three things: our vision, our purpose, and our values. We actually survey all our employees and clients on how we're living our core values and purpose-driven culture. It's a unique survey, because what we're trying to do is align to what I call “meaningful work.” But it's based in our why. That's why when you ask, “What metrics do I look at?” I don't look at one metric. I look at a model.

If you say in the last quarterly meeting, “How has the company done on revenue growth?” I can tell you about revenue growth. But is that what we're here for? No.

“It’s not just about revenue or a number. It’s about passion. It’s about innovation.”

We're trying to create a great employee experience and improve client satisfaction. But at the top of the pyramid, we're trying to push the nature of the work we're doing, how we're creating meaningful impact, and how we're creating a world in which people "love their work and life." That drives us.

But you can't do that stuff on the top if you don't have good execution on the first two levels of your pyramid. As an analogy, think of blood pressure: blood pressure is like utilization. If it's too low, you're not healthy, and if it's too high, you're not healthy. The same goes for utilization—it's not good if it's too high or too low. You want the goldilocks zone where it's just right. And when it happens, you don't pay attention to it. It's just working. If something is off, you do something. As long as those things are in the green, we're not focused on them, and we're spending more time and energy on working toward "our why." But, if one of the operating metrics is off, you're distracted and trying to fix that thing. I look at it through a model, not a metric, and measure success as an aspiring company. We can't do that unless we have a sound operational and financial health.

What's a valuable piece of advice that has been meaningful for you, that you have for our readers?

Because I came from the Big Four and I was on the audit side, a lot of what we did involved numbers. Early in my career, someone shared a quote with me that was popularized by Albert Einstein: "Not everything that counts can be counted, and not everything that can be counted counts."

It's not just about revenue or a number. It's about passion. It's about innovation. Why do you get up? Is it for a job? My guess is it's not a number. Often, I see people with a disproportionate emphasis on numbers, because you can measure, analyze, and share numbers. We live in a world that has a lot of numbers and a lot of different things that can be counted, but often, the secret sauce is not a number.

We have to remember that there is a world of color. The first ten minutes of the *Wizard of Oz* is all black and white, but then Dorothy walks into a world of color. That's how I feel about the world of business. If you live and breathe numbers, it's just the first ten minutes of the movie. But if you really want to experience what it's like, you step out and realize there are other things that are more

important, and then you're in that world of color. Earlier in my career I got that advice, and as an optimist, I enjoy what I do and what we're doing. I love working with people that also enjoy and are passionate about what they're doing.

The second piece of advice I'll give is more of an observation from my second job working with Bill Gates, who was my boss for several years. I noticed his listening skills were impeccable—they were world-class. I would watch him come into a meeting, listen very carefully, and then ask very thoughtful, to-the-point questions that really stimulated getting us to a different level. And I don't think he could have asked those questions unless he was really listening. I love telling the Slalom story and sharing what we're doing, but when asked for advice by others, I always bring up this example of his listening skills and share that for people starting their career, you learn a lot more when you listen.