



# AI LEADERS PODCAST WALTER CHARLES

## VIDEO TRANSCRIPT

Walter Charles [00:00:00] And we were able to pivot from an analog marketing framework to a digital. And change the game for our business.

Tracy Ring [00:00:10] Hello, I'm Tracy Ring. Accenture's chief data officer of our Life Sciences Practice for Data and AI. And I'm very, very delighted to be joined by Walter Charles of CSL Plasma. Welcome, Walter.

Walter Charles [00:00:22] Perfect. Thank you very much. Really delighted to be here, Tracy. Thank you.

Tracy Ring [00:00:26] So before we get into it, I want to start with a little bit about can you root the audience on what is CSL plasma about and what is it that you guys are famous for?

Walter Charles [00:00:44] Oh, okay. So, we are...CSL Plasma is a division of CSL, which is about \$140 billion market cap biotechnology company based out of Australia. And what we do is we provide biotech medicines for patients in about 100 different company...Countries around the world. And so, it's a really, really exciting product area and also exciting, exciting to be helping patients around the globe with the diseases we know how to treat.

Tracy Ring [00:01:18] Wonderful. And so, thinking about this. There are about 300 plasma donation centers and your remit is over 16,000 people, right?

Walter Charles [00:01:29] Yeah, correct. CSL done literally never been done in the

has roughly 30,000 folks. Most more than half of them, about 17,000 of them wake up every morning intent upon collecting plasma, which is a blood derived product from about 340 centers around the globe. We've got centers in the US, Europe and Asia specifically.

Tracy Ring [00:01:54] So, Walter, tell me you shared with me, and I know very well, but it sounds like you got a phone call with an extraordinarily audacious ask. And when many people would run away, you ran toward it and answered the call. Tell me about the journey.

Walter Charles [00:02:09] Yeah, the journey has been absolutely fantastic, right? So, I did get a call, actually, it wasn't a phone call specifically. It was a walk by from my boss who was the chief operating officer of CSL, and he stopped in my office in King of Prussia and asked me to take on, to consider taking on a challenge, a challenge of pretty epic proportions of turning around the most valuable business to our business. And that was the CSL Plasma business. And because of all of the shutdown orders in COVID, many people were not coming in in the numbers that we were expecting, and that was creating a meaningfully challenging kind of economic environment for us and a really, really dire set of circumstances for some of our patients that we treat. And so and so, armed with a ridiculous ask of trying to grow, grow to where we've never grown in the history of our business, I basically moved to move the family down to Boca Raton and started work in May. The audacious call, though, happened when I about six days in after feverishly looking



for levers to throw for our business. That could potentially change the trajectory of our business. We actually found a couple of digital angles and we said, okay, so let's get after it. And the ask was to try to help us change the trajectory of collections for plasma in our business. Do something that had never been history of our business. And we were able to pivot from an analog marketing framework to a digital and change the game for our business.

Tracy Ring [00:04:37] So for those that don't live and work in life sciences, to oversimplify this dramatically and you as someone who is quite prolific in his career as being a chief procurement officer, for lack of a better way of saying it, basically the supply chain. Right. The blood had really dropped off and you guys needed to completely reinvigorate the donor community, be able to reach them and get them coming in more and more consistently. And that was where the reinvention was, am I oversimplifying it?

Walter Charles [00:05:13] That's a great simplification of what we were trying to do, and we were doing it across something like 1.9 million people per month. And so lots of different, lots of different archetypes of donors and trying to, you know, communicate with them quickly, repeatedly in the fashion that they that they preferred and try to incentivize them actually come back into the doors of the donor centers and make sure they were aware of every promotion we were running that could potentially apply to them. So that was the ask. And that's what we tried to do.

Tracy Ring [00:05:52] Fantastic. And so, what was the sort of I'll call it an intervention, right. And I say it in a interventions can be good things or bad things. But there was the old ways of working and then you came in and completely re-envision this and defined a new way of working and tell us about how the old ways and the new ways are different. And if you could, I'm very selfish about this. I love that you've done it in such a way that it was completely data led. You use the data to drive how you went after what you went after. And so, can you share that

pivot for the audience?

Walter Charles [00:06:32] Yeah. So, if you can imagine a donor center, it's got I don't know 90 employees in it and it's got a number of beds where people donate. And the way we had really communicated to donors in the past was through placarding on those donor center walls. So old school print, you know, poster board type stuff about the size of a movie poster where we would talk about the fees, talk about the fee structure, and that would be there. Now, the other way we did it was through postcards. So, if you could imagine, we would have someone like Stamps for 1.9 million times in a given month with a promotional offer on it and send it to the donor population that was out there. So, it was largely kind of and then we had snail mail where those postcards got delivered. And so, it was largely an extraordinary analog construct. Now, we did have some statistics, though, about how many people, once they got a postcard, actually showed up at the donor floor. So, we because we knew who we sent it out to, we knew when we sent it and we knew what offer we set out there, but we had very limited other visibility to what was going on. And so, because I was a chief procurement officer, you know, I basically tethered back to my old role and said, okay, guys, what would have to be true in order for us to deliver kind of a digital framework like next month? Right. And what would we have to stand up? What would we need to resource, what would we need to spend, how would we need to do it? And it turned out we did have a digital strategy that was going to be rolled out in four or five months hence. And I said, well, I can't wait that long. We got to do it like soon. Too many patients are counting on us to be successful. So, the great news is we did have a little bit of inertia, but I think people very quickly realized that I don't back down from anything. I played football as a young man because I like the conflict, oddly enough. Um, so, so long and short. We were able to get most of the organization around. We were expecting in postcard fashion and in the analog fashion, we're expecting about a 9% to 18% hit rate of people coming back in the door. And with digital, when we pivoted, the new strategy rolled out the



digital marketing constructs. It actually drove a 26.9% response rate in the first time we put it out there. So, there was a meaningful, meaningful improvement. Plus, we had a pretty good data lens on all of the fact base of that particular donor, what we sent them, how often we needed to send them, send them stuff, what types of messages they responded to. So, it was a meaningfully more data rich framework to actually engage our donors with. And it's been working.

Tracy Ring [00:09:25] So I'll and I'll use your legacy here. So, as you're quarterbacking this and you're designing all of the plays around it, what were some of the steps that you took? I mean, I can imagine an organization the size of CSL, you know, getting stakeholders aligned and getting technology aligned and all of that, you know, what were some of the key elements to sort of bring that play into a touchdown?

Walter Charles [00:09:54] Oh, yeah. The big the big one was obviously yes. You can't do it by yourself, right? I was going to invest millions of dollars to try to chase this new approach. And so, I needed to make sure I had line of sight with my boss. So first call I made was to my boss to ask them to tell him, Here's the idea. It's my day six. It took me six days to find something that I think we could actually deliver an outlier level of performance with. And by the way, it looks like a digital marketing play. And he was it took probably 15 minutes, 5 minutes of which was just explaining to him what I was going to do. I was going to send an 11.6 million messages to roughly 1.6 million people over the next 3 to 4 weeks and then track the traffic right to see if people showed up. I said the good news, if it works, we'll know and we'll double down. If it doesn't work, we'll stop immediately. Right. So that was the in going. I then called my I&T partner because there's a number of I&T deliverables that are needed. And I said, Mark, I need your help. Right. You know the strategy you've got that you were actually going to deliver in five months. I need you...I need to do it now. And so, I'm going to stand up a manual resource to do it now. And when we have the meeting with the senior most leaders in the business next week, I'm going to need you to support the

strategy because it's really your strategy. I'm just accelerating. Right? So, it was easy to get Mark along. So, Mark was aligned. And the third person I called a senior leader in the business was our executive vice president of commercial named Bill. And I said, Bill, this is a digital marketing framework. I can imagine our CEO looking across the table at you and asking you this question, hey, Walt's thinking that digital marketing could be a game changer for our business, and you're the biggest digital marketer in the business. So, what do you think about the approach, the way he's attacking it? And I said, when he asks you that question, I need you to support me. Yeah, right. So that was the simple those three major players that were in the room when it happened. Were the ones that were nodding their head in the affirmative for everything we had teed up. And what was interesting with the first board meeting was the discussion very quickly immediately pivoted from not it's a stupid idea to how can we make it better. And so, the idea ideation changed, which was awesome, right? So, I knew within five or 10 minutes I didn't have to wait for an answer. I knew basis what the direction of the questions were heading, that they were greenlighting the approach and then the rest was history. We executed what we said we were going to do and we got after it. So.

Tracy Ring [00:12:42] And is it fair to say that one clearly to keep our metaphor going, that there's many, many fans of this. But you know that you guys continue to watch the tapes on Monday morning and you're continually tweaking and making it smarter and, you know, evolving into, you know, closed loop marketing and all in all the great things as we think about this. Can you tell us a little bit how you continue to sort of challenge yourselves?

Walter Charles [00:13:09] Yeah. So, you know, the great news is we operate in a dynamic marketplace, right? So, we've got competitors that are dynamically changing their fee structures, which changes the attractiveness quotient for what donors do that particular month. And so, what we've got to do is constantly be on the lookout for those changes and then be adapting and adjusting our fee



structures to drive the right types of donor behavior and to get donors preferentially into our doors versus the competitors door basis, the offering. And so, we're calling it there's an old an old saying from an Air Force pilot named John Boyd called the OODA loop. Right. So, the goal for us is to basically orient, observe and orient, decide and then act faster, more compellingly, more completely than our competition. And while leveraging digital sensors to understand what's going on dynamically in the marketplace, we've already got kind of algorithmic plans on what to do When we see X, we do Y, and then we execute. We execute those plans in a pretty seamless fashion with our donor population. So, and it's been a wonderful kind of continued learning from that process. And it's been pretty, pretty impressive, actually, on the part of the team in terms of understanding what's going on dynamically, which is good.

Tracy Ring [00:14:37] And so is it fair to say that you started your journey rooted in data and how you were going to chart it and you continue to use data to inform everything you're doing? I mean, it feels like it's really at the heart of this, you know. Do you think that in any way that this could have been done without a data driven approach?

Walter Charles [00:14:57] Oh, no. This is entirely a data-driven construct. And to be able to have the credibility with senior leadership, my boss, the chief operating officer, was a data he's a Ph.D., a Ph.D. engineer. Right. So, this a person who understands and can speak in polysyllabic language in a number of fronts, understands data, understands how to take decisions, and understands the frameworks of scientific method as of being an engineer. So as also an engineer, you know, I leveraged leverage that to try to make sure that as I was postulating what we could do to get after changing our outcomes, that I had a data lens that was informing kind of the recommendations I was making. And so we actually my first week, we said we asked our finance teams first what would have to be true across our metric landscape, what would have to be true to deliver what's never been delivered before in the history of our business. So how

many monthly active donors would that inform? How many? What are the other metrics in terms of frequency and other metrics that we care about within our business? What would they need to look like in order for us to deliver what we've never delivered in the history of business? And interestingly, we were able to get a download from our finance partners. That was the first tranche of data, and it basically said we needed to act upon a number of levers, monthly active donors and frequency being too among them. And that's what we did. And so, our strategy was, okay, we need to get this number to this number. What are the levers we can activate to get after that? How do we make that happen? We also needed to drive an unprecedented level of accountability down to the center manager. Right. Because I think everyone was initially when I got there, they all knew what the aggregate goal was, but they didn't know what their contribution was in their 1/340th slice of the goal. And we said, you know, guys, we've got to make sure that every center manager knows what he or she needs to deliver to help us be successful longer term. And so, and then I need to hold my leaders accountable to make sure they've got the requisite things to be successful in delivering that. People process tech to enable that. And so that was another kind of meaningful pivot where you've got now center specific goals down to the number of procedures they need to do, which it was game changing which game changing at the center level and now every center manager knows what he or she needs to actually deliver, which is also critically important. Right. And so those are some of the things. And then we celebrate the successes. And so, we did have a center of leadership conference where I had, I don't know, 800 of my favorite center leaders from around the globe come in. And we talked about kind of what we were trying to do. And we obviously had senior leadership, senior most leadership in the room for that. And it was one of the most exciting things. We also had some inspirational speaking from some patients that benefit from the products that we make. And in fact, in my in my office, I've got a picture of one patient. Her name was Angela and pre diagnosis. She's got a primary immune deficiency malady or disease



but she showed a picture of herself pre diagnosis where she was cuddled up in the fetal position with her dog Fozzie Bear for six years where she could barely, scarcely get out of bed because of the advanced nature of her disease. And you know, it takes that long in some cases to actually get to a diagnosis. And you know and she, you know, told everyone there that during COVID she was immensely nervous about not having the availability of product and maybe relapsing back in the absence of the disease in the absence of the medicines relapsing back into that picture of being in a fetal position with her dog for long periods of time. And so, you know, I'm delighted, you know, for me, I get to get up every morning thinking about how I can help patients like Angela live healthier, more vital lives. And I'm really excited about what we get to do every day.

Tracy Ring [00:19:27] Yeah and many people don't understand. Rare disease is something where many patients go months, years at times to get to a diagnosis. Right. And even at times, once they get a diagnosis, it's very difficult to figure out what's the right treatment, etc... And so, the idea that there would not be enough plasma to create the lifesaving care for these patients that have had a rather difficult journey to get to being where their conditions are under control. I can only imagine for the Angela's of the world that this would have been a frightening and staggering outcome. And, you know, very, very, very much impacted by you, you changing the way that plasma is collected and the loyalty of the donors.

Walter Charles [00:20:22] Yeah. And so, you know, we started this conversation talking about an urgent phone call. So, when I called, you know, my former some consultants to try to figure out who could stand up resources with that unreasonable request with an extra dash of urgency. It was in light of the fact that I was thinking about the Angela's of the world that should not, could not tolerate me being less urgent and actioning and actioning what we needed action. We needed to get back on track. We needed to get back to growth for our business. And so, I felt extraordinarily justified in

making the urgent request. And I'm glad that, you know, Bill, who had, I think recently joined the firm, was able to cobble together a couple of other MDs basis that that seemingly crazy, overly urgent request. And then not only stand up the resources, but stand up the A team to get after ensuring that we were successful when we went to the field with it and that was the first tranche and just so it's a massive number. And so, you know, in the annals of business, perhaps it's one of the most compelling growth stories you can possibly imagine, given the patient impact, the revenue and market cap impacts.

Walter Charles [00:23:28] We had a 36% growth in plasma collection in the first half of this year. So that's public data. And obviously if you read any number of analyst reports, they've already extrapolated what that means in terms of growth potential. So that's there. And so, I can that's why I can talk about it now.

Tracy Ring [00:24:35] Well, we are super excited to be on this journey and even more excited to see what you'll do next. Suffice to say, I would consider you a trail blazer, Walt. And sometimes being a trailblazer can be really lonely for others that have that desire to make these types of impacts. What advice do you have if someone's faced with the opportunity to transform and really change the world like you've done?

Walter Charles [00:25:01] Yeah, I mean, the first thing I would say there is there are three words that I always tell that I'm routinely tethered to. The first word is aspiration. Second word is inspiration, and the third word is perspiration. Right. So first for me, thinking about that particular patient was my aspiration. That's the center, by the way. We're a patient led company. We patient first is kind of not only the mantra, but it's how we take decisions. And so, you might get a crazy call from a from a customer at some point in time. And if they're asking for what seems like unreasonable urgency, give them a listen. Right. Because they might have an aspiration that's inspiring them to give you a call. And so please get after that. But more importantly, don't be afraid to get after the perspiration that the work that's going to be





needed to kind of make it go. So that's the first thing. Secondly, I think we all have to dream bigger. I think the whole A.I. and digital framework should allow us to attack things faster, better, cheaper. That's the intended promise. And we've got to kind of we, the architects of the existing status quo, need to figure out how to disrupt what we've probably built. Right. And we need to leverage these new tools, these new ecosystems to kind of get after that. And so, I would encourage folks to think differently about the how, how you're getting after the work you're doing and conceive of it in a way that will allow you to do it faster, better, cheaper by leveraging a different raft of arrows in the quiver, as it were called, digital arrows. And so that's the second, second biggest thing. And then the third one is go for it, right? Once you see an opportunity, don't hesitate. Act. Don't go into analysis paralysis mode. And if you're concerned about the consequence of your actions, act in smaller chunks, test and then rinse and repeat the things that work. And so those would be some of the three things that I would encourage folks to consider when they're looking at a digital transformation.

Tracy Ring [00:27:33] Thank you. And then one last question, if we have time. Well, when we met, it was in an innovation workshop. And I tend to think that anyone who loses sight of innovation is probably putting themselves at a dramatic disadvantage. You've talked about an incredible story here, but when you're moving at the pace that you're going in based on these audacious goals, how do you still keep innovation at the forefront and balancing that?

Walter Charles [00:28:07] Yeah, So I think that's I think we should all be a little bit impatient with the status quo and accepting the things that are maybe suboptimal in our current execution models. And we should not only be impatient about it, we should be seeking to pivot it, to change it, and to make it better and to reshape it in light of what's what the opportunities are. And so, when we were at that innovation session, there was an important... Look I had an agenda. My agenda there was to shake the hands of the people that were helping us get on this journey

of success. And I wanted to I knew a lot of them were based out of the New York office and wanted to make sure I have the opportunity to shake their hands. That was my very selfish, selfish people framework. But I invited some people there intentionally with the opportunity to maybe shape their thinking on the art of the possible. Right. And when I think they walked out on the 50 plus full floor of the Accenture offices and went to one of the innovation rooms that oversaw that we were looking down at Some clouds for a good chunk of the day. And saw that and heard from that session that they were roughly. I don't know you guys had seven, eight, nine thousand other customers that you're helping with various problems that they're grappling with. And, you know, it was great for a couple of members of my team to kind of say, well, gosh, if they're able to help those 9000 major companies, maybe they have a perspective that can help us. And that was a massive unlock at edge, making sure that folks understood. Now, I couldn't tell them, you know, I couldn't read a deck to them and share and share what the Accenture by the numbers with them in a compelling way, I didn't think. But having them walk out on that floor see it for themselves. And it was reasonably impressive. It was reasonably compelling at getting people to think that there may be folks outside of our four walls that could provide a perspective that could add value for us. And the great news is we were already winning. And so, they were starting to believe that maybe there were other people with perspectives that could add value for us, which was great. And so, but I you know, I appreciated having the opportunity to engage with you that day. Also, one of my favorite people on the planet is Mark Hill, who's our chief information and technology officer. And he asked me in anticipation of that meeting, you know, so, Walt, look at my schedule's crazy. Help me to understand. Should I, you know, are you sure I should be going to this when I've got, like, things that I can be working on? And I said, well, sir, I think if anything else is going to deliver, I don't know, double digit billion dollars and market cap and over a billion dollars in sales, then you should go to that. But if they're not, then you should come to this. And it took maybe 10



minutes for him to be compelled to run at this meeting and give of himself pretty much the whole day, which was absolutely fantastic because he got to hear it firsthand. And he is a partner with whom, you know, we could not get the stuff done without the digital reinvention frameworks that that he's embedded in our business. So, I'm excited, excited to partner up with him. But I was also very excited to share a day with them in that setting.

Tracy Ring [00:31:40] And Mark gave an absolutely inspirational speech that was incredible and, you know, an amazing, you know, colleague of yours that I think shares the passion. And we are so delighted. You know, it goes without saying we're in the people business and it's a pleasure to have you meet our people and know our people and help us share in your success. So really an outstanding story and in just a wonderful partnership that we've been able to cultivate. Is there anything else that we didn't share Walt, you know, please, please don't hesitate, but really huge accolades for you and the incredible impact you're having.

Walter Charles [00:32:25] Well, I mean, what I... Here's what I hope with this with this podcast, what I hope is that other business leaders see that it's possible to do it. It's possible to partner to figure out how to solve stuff, go fast and deliver unprecedented, unprecedented outcomes for the patient populations in our case or for their business customers in their case. And, you know, and I would encourage them to reach out to me if they need to have a more granular perspective. I'm more than happy to encourage them to kind of get after it, get on their own digital transformation journey, and seek to swing for the fences, as it were, to deliver as much value for their patient populations or their customers as they can.

Tracy Ring [00:33:14] Wonderful. Thank you so very much.

Walter Charles [00:33:16] Thank you. Appreciate your time

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