And now taking care of business your hosts Craig Moen and Shye Gilad.

[00:08] Craig: Welcome to Business Owners Radio episode 211. Our guest today is Jack Tompkins, owner of Pineapple Consulting based in Charlotte, North Carolina. Jack helps business leaders analyze and visualize their data in interactive dashboards, allowing them to get all the insights from the data without actually touching it. His goal is to help grow profitably, while giving data a seat at the table and becoming a bit more data-driven.

[00:36] Shye: Good morning, Jack. Welcome to Business Owners Radio.

[00:39] Jack: Thanks so much for having me on, Shye and Craig. This is great. I'm looking forward to it. I've listened to a lot episodes, too.

[00:44] Shye: Oh, thank you. That's awesome. Well, I got to tell you, we are also very much looking forward to our conversation today, because there's a lot of companies that do work around data analytics but not so many that are focused on helping small business owners. I know that's your work with Pineapple. Before we dive into that, tell us a little bit about what got you into this business.

[01:06] Jack: So to your point as kind of why I got into this business, which is analytics are very commonplace in the corporate world. It's been gotten mainstream for a bit now. In the smaller business world, it's definitely gaining a lot of traction but not a lot of companies focus on helping those folks. I've always loved the analytics, I've always been a complete data nerd and financial nerd and proud of it. And so I figured why not use my skills for good and kind of sit off on my own and help the smaller businesses. So it's been a really fun ride so far and it's cool making a difference.

[01:40] Shye: And what have you noticed when you go and interact with small business owners? Where are they struggling with this information? What's keeping them back?

[01:49] Jack: You know, it's a good question, because each business is different, of course, right? But some general themes, scaling, we have data stored in some data warehouse, we're not really sure what to do with it, and we can't get it out very easily. So if we're going from 1 million to 10 million or whatever gap that you're trying to fill in revenue, how do you actually scale and get there? **Obviously, the data-driven aspect is going to influence your strategy a lot, but a common theme is we have data. We don't know what to do with it or we don't have good processes in place to get it out and make sense out of it kind of thing.**

[02:28] Shye: Yeah, such a challenge, especially depending on what generation of software you're using and how easy the data is to manipulate and see in different ways. And then of course, there's this never ending sort of Excel trap, where you can export almost anything to Excel, and then that's what we do. But now we have it in Excel and that's like step 0.1. And now we have to figure out how do we make sense of that, and then that's not easy to automate, because you're redoing that just again and again and again. I know, I've felt that frustration as a business owner and so many of my fellow business owners have expressed that too. Where do you start when you're trying to diagnose this with businesses?

[03:10] Jack: Yeah, it's a good question. It's a good example too, because just dumping everything, CSV file into Excel is kind of a lot of people's default. I mean, I know it's definitely mine being in the analytics world, but then you kind of feel like you have to reinvent the wheel every time you want to track something new or even add data onto it or something like that. So it's not that it's short sighted, it's just we need this now and we need this done quick so let's go with the easy step. You can do a lot of different stuff with Excel. Honestly, I still love Excel, there's still a huge place for it. It's just you have to be able to update things efficiently, build the processes in place to make Excel work. And then obviously, if there's automations that you can do online, a lot of folks know Zapier, the public API grabber that sends data back and forth between two programs. If Excel was step 0.1, Zapier would be step 1.0. It really does come a lot down to processes, and then what do you actually want to see? So what matters most to you? And then is there a specific struggle in your business that you really need to correct it, you really need more insight into, start there. **If you're starting your data-driven journey or you're taking the next step, go with what matters most because you'll be much more inclined to actually use the data and actually make meaningful strides towards answering the questions that you need.**

[04:29] Craig: And Jack, looking at the data that we have maybe all inclusive and so forth, we may not know exactly, but looking at it from an ROI standpoint, where have you found in dealing with your clients, is the largest ROI of the return on all of that effort and dealing with a niche of the data? Where have you found some real nuggets and focus for most businesses?

[04:53] Jack: It's funny that you said with the ROI on it, because one of the things that I do harp on is what is the ROI of the things that you're doing? Specifically marketing comes out a lot, so doing a podcast, is it worth the time, is it worth the money to get set up? Is it worth the money for the equipment? All that good stuff. Are you doing Facebook ads? Are you networking? All these different things. I focus a lot on ROI, of course means matching up both the financial and the marketing data, but that is a very common thing. I also find that operational data has a big, big ROI. Because if you're tracking -- for the service-based business, if you're tracking your time, and for the product based business, you're tracking gross versus net, and then the actual efficiencies of building the product, the more that you invest in the data side of things and gain more insights there, the more efficient that you can be. And obviously, the better your ROI will be when measuring those crucial operational pieces.

[05:53] Craig: And once you've defined one, two, three or four most important measurable areas or the key performance indicators that are important to you and your business, how often or how tightly should you be monitoring that at first and possibly even deriving benchmark goals towards that data?

[06:13] Jack: Yeah, it's a good question and it depends on what kind of data. A lot of people do kind of like a monthly check in. So how did we do this past month? Great. That's our lagging indicator, out of that, what's our leading indicator for next month. That's a pretty good cadence. I have some clients that do it every single day. I have some clients that do it every week. And those are all different metrics that they're measuring. But to your point, Craig, it's one thing to measure a certain amount per day, per week, whatever, actually making a decision based off of that or changing your strategy or improving your strategy based on that, definitely give that some time for the data to marinate and be real. And then take it and say, okay, we've seen this trend for a bit now, let's build a strategy off of it or let's make a few changes off of it. **So in terms of frequency, depends on the data, monthly is going to be good for a lot of things strategy wise, let it sink in, make sure it's real, and then continually adjust your strategy. Don't go from A to Z, go from A to B kind of thing, and kind of make those micro changes, as you see the data coming in and as your strategy continues.**

[07:24] Shye: You mentioned something important there, Jack, the difference between sort of leading indicators and lagging indicators. I think most business owners are used to looking at reports of data about things that have

already happened. Where is a good place to start? I mean, let's just use something simple like maybe understanding your financials. What is your approach to developing forward-looking leading indicators versus being anchored in this place of looking at old data when we get our monthly financial statements?

[07:55] Jack: Yeah, it's a good question. Because the financial statement is the result of all of your effort, right? There's a few leading indicators on there, but it is really kind of a lagging result of what you've done. So the leading stuff obviously has to do with the financials, but things like sales cycle, things like pipeline and backlog, and even as simple as like leads. So how many leads did you get from whatever marketing that you're doing? Great, that's going to fill your pipeline, kind of fill up the future, so definitely a financial component to all of them. I like sales cycle a lot. I like leads a lot. You can do things with account receivable as well on the financial side, obviously get enough cash flow management and things like that. **But again, it kind of all works together, and is again, what matters most to you and what's going to be important a month from now, and then how do you anticipate that.** So if you want a million dollars next month, great, how many leads do you need for that? And then how long is that going to take sales cycle wise for a lead to turn into a prospect, and then turn into a conversion as well?

[09:01] Shye: You know, the great thing about data is nowadays we can collect plenty of it. And the hard thing about data is that nowadays, we can collect plenty of it. So how do we figure out which things really matter the most? In this transition, as we're looking at ways of developing KPIs, whether they're leading or lagging, how do you help people really figure out what to focus on?

[09:25] Jack: Yeah, it's a good question. I love your example of there's plenty of it and there's plenty of it. That's the good and the bad at the same time. Easily get into analysis paralysis. **So what is important? I normally start with what the goals are.** So what are the goals of the business? If it's to grow revenue by a million dollars or gain 10 more employees or whatever it is, kind of start there, because it's something that you think about a lot, something that you're very familiar with, and that you know that you want to achieve, and then you kind of back trace from there. So what makes sense to track in order to get a million dollars a month from now, is it leads? Probably. And then once you have leads, how long is that sales cycle going to take for a lead to turn into a conversion kind of thing? So then you kind of backtrack, okay, a month from now, we want a million dollars, we need 100 leads today, it's going to take two to three weeks to convert. And in theory, that should lead us to our million dollars. So kind of start with a goal, and then what has to happen with all the other stuff that has to happen in order for your goal to be accomplished in that future timeframe in terms of leading indicators.

[10:34] Craig: Jack, can you give me an example of how you've walked through a client through some of these processes and some of the results that they were able to achieve?

[10:44] Jack: Yeah, sure. So I will use an example, this is a kind of like a logistics company. So think truck drops, off package type business. So maybe not obvious but there's a peak season right around Thanksgiving and the end of the year, Christmas, Hanukkah time that whole bunch of shipping gets done, a whole bunch of logistics needs to happen, all that stuff. When planning for that, generally happens a few months before that, because you know it's coming every single year. So when planning for something along those lines, when you know that a big event is happening, and not just logistics but big thing is coming in a few months, we have talked about alright, well what tracking is in place? When they go out and every minute counts in the trucking business, how efficient are they being? Okay, how can we make them more efficient? And so it kind of gets into that very operational type conversation, because the money will follow. Again, the income statement is the end result of all of the stuff that we were doing in that example and in general. But we went through, okay, I have to make this many stops per hour running I think it was like 10 or 12 trucks a day for this amount of time to get to this amount of revenue. So we went through and we kind of built a dashboard that was easy to update, we make it so the big

KPIs were standing out there, and then build the projection from it. We know we can do whatever, example number is 10 stops in an hour. So we're going to do that, we're going to have 15 packages in each of those stops. And then all of that kind of builds together for this forecast for that busy season that's coming up. So that was a conversation, we didn't have a giant strategy roadmap. We didn't have to go rent out a co-working space or anything like that. It was, alright, let's just talk about your business, see what matters. And then let's build some stuff so you can see what your current performance is today, and then how we can improve on that and be more efficient for your performance during the busy season.

[12:40] Craig: I was curious, with every size company you have different levels of support capabilities. How does a small business owner really start implementing analytics and having an analytics support capability starting out with Excel, some of their capabilities or outsourcing some expertise, what are your thoughts?

[13:02] Jack: Starting with Excel is perfectly okay there. Good question, Craig. Like we're talking earlier, **Excel is kind of the default for a lot of people. So that is something that you can easily start, you're probably not going to be super-efficient at. So as much as I love Excel and I do think Excel is a good solution for a lot of things, there are more efficient ways, obviously.** So whatever software that you currently are using, they'll have some sort of default analytics with it. I mean, take QuickBooks, for example, they have a little default dashboard. Take Google Analytics, for all the stuff for your website they have a default dashboard as well. So that's kind of like step one to kind of getting your feet wet into the analytics space, seeing what's already out there and on the platforms that you use, and then it kind of goes from there. So it's great, we can see this, get it, what do we really want to see. Because whatever the default is won't exactly be your ideal KPIs. It's going to be in your brand colors or anything like that. What's the next step that you want to see? And then kind of build based on the snowball that grows because of the questions that you are asking yourself and the software in that case. **So analytical capabilities, I guess, to put that all into a nutshell, Excel is totally fine to start. The default summaries on whatever software that you use are okay to start as well, then it becomes do we want to hire internally or bring on an outsource person, depends on how much you want to invest in and how much data you have.** More often than not, obviously, they outsource like most things and the gig economy is easier and more effective. But it's something that I think every business should have and should at least try on their own to start because you never know, you might end up being a data work like me and loving it.

[14:47] Shye: So Jack, I know your specialty is really helping to develop dashboards and other kinds of visualizations for small businesses. And I'm curious about what's so beneficial about visualizing data in that way versus just having it available?

[15:03] Jack: Yeah. Thank you for asking that. It's a big part of my business for a good reason. I think the number is like 65% of people are visual learners. But I guarantee if you put a big red X on a dashboard, people will know that something bad happened there, right. The visuals really just queue things up. It's easy to see at a glance. If you're a consultant or a business coach or anything like that and you're working with a client, you can just lay out a dashboard and your year over year performance is there, a trend graph is there. Everything is just popping in these brand colored visuals that make a lot of sense, as opposed to the income statement, which is this black and white piece of paper, and you got to do some math, bring a calculator, all this stuff. Half your conversation with your client or half your conversation internally is about, okay, what was our performance? What does this all mean? The visual, it just brings everything to life, it creates that easy conversation, because the answers are right in front of you. It's almost like running the business with one hand tied behind your back when you don't have the visuals, because you have to do so much extra work and it becomes inefficient and the answers don't just literally pop out at you.

[16:12] Shye: Yeah. I mean, it's like when you're driving your car, you don't want to have to go through a bunch of data to figure out how much fuel you have left, how fast you're going.

[16:20] Jack: Right. Yeah, if you want your tire pressure, you should not have to pull over, grab a tire pressure gauge, go to the tire, measure it. You just want to flip a button on your car dashboard that says, oh, your tire pressures fine. Okay, cool. Moving on.

[16:33] Shye: Yeah, that's exactly right. And I can see how so many businesses benefit from that activity. And I've seen it I've seen, I've seen it in implementations. I know it's changed a lot of things for the way that we operate. And I think it's just great the work that you're doing with Pineapple. Jack, we really want to thank you for coming on the show today. It's been great talking with you. Craig and I both really enjoyed it.

[16:53] Jack: Thanks so much for having me, guys. This was a blast. Anytime I get to nerd out about data, I super appreciate it so thank you.

[16:59] Shye: Is there anything more you'd like to leave with our listeners?

[17:02] Jack: Get data-driven. I'm happy to have a conversation with anybody. My website is pineapplecf.com, short for pineappleconsultingfirm.com. So absolutely love talking shop so thanks so much again guys for having me out, which is great.

[17:17] Craig: Our guest today has been Jack Tompkins, owner of Pineapple Consulting based in Charlotte, North Carolina. You can learn more about Jack as well as find links to his firm all on our website at businessownersradio.com.

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