



# ServiceTrade Data Analytics discussion

Chad Floyd with Berger's Burgers (Test Account), Frontier Capital, and JMI Equity  
Recorded on 5/31/22 via Zoom, 1 hour 3 min.

## Participants

### **SERVICETRADE**

Chad Floyd  
*Data Analyst*

Drew Peters

Billy Marshall  
*CEO*

### **BERGER'S BURGERS (TEST ACCOUNT)**

Chris Fountain  
*THIS IS CHRIS AT FRONTIER - DON'T MONKEY AROUND*

### **FRONTIER CAPITAL**

Matt Williams  
*Vice President*

### **OTHER**

19196194915

Jack King

14404767385

# Topics

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# Transcript

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--- Call Setup ---

CHRIS

0:00 Hi, Andrew.

19196194915

0:01 Hey, Chris. Can you hear me?

CHRIS

0:02 Okay. And are you in the old office?

DREW

0:04 I'm in the new office?

CHRIS

0:07 I think it was even inhabitable yet?

DREW

0:09 It, it, we've got some kids in here. I mean, they're obviously still work and we're not gonna be moving in for another week or two. But the old today is our last day in the old office for the last day at least. So there's no furniture, no internet, nothing. So just got done with our weekly update over here. Figured I just stick around.

CHRIS

0:25 Yeah. Well, I talked to Billy a little bit ago. He said you guys are over there doing a walkthrough. You said it's kind of like a war zone.

DREW

0:31 Yeah. They're still, they've got all the major things down there, just kinda working on a lot of different things, little things kind of here in their problem is it looks like a war zone until you get all the inspections down the can't, you know, patent and close up the ceiling and all that kind of stuff. So.

CHRIS

0:46 Behind you. Looks pretty good.

DREW

0:48 Yeah. I mean, it's I mean, this is there's you know, this is kind of a more finished area over here... but the kind of break room area is kind of the biggest Construction zone and all of our final inspections or next week, so.

CHRIS

1:07 Sounds good. Hi, Chad. How are you?

CHAD

1:09 I'm good. How are you?

CHRIS

1:10 Good, good. Say again?

CHAD

1:12 You too. Yeah. Sorry, one last.

CHRIS

1:16 Hi, Jackie. Come, again, have you met manager kind of short call?

CHAD

1:22 Yeah, I've met Jack for sure. We've worked pretty closely on the whitespace project.

CHRIS

1:26 Okay.

CHAD

1:27 And if I meant, if I've met Matt, I apologize.

MATT

1:31 We, we process briefly at a board meeting. I think back like a year and half ago, looking to connect with you again?

CHAD

1:38 Yep. You as well. Bye bye.

CHRIS

1:39 That's one way of all your good work, Chad. I know you and I've had a few calls and changed a bunch of materials. He's fully read into what the great work you've done.

CHAD

1:50 Awesome. Appreciate it.

CHRIS

1:51 Look forward to learning more about it today. Hey, Billy is gonna try to join us. I talked to, I just got off the phone with them almost half an hour ago. He said he was gonna try to join.

DREW

2:00 Yeah, he was here with me. I haven't seen him. He's he was running about somewhere. I, he was gonna try and join. He told me and it look like Christina, Peter and Steven also accepted. So.

CHRIS

2:14 Yeah.

DREW

2:16 Yeah, maybe give him a minute.

CHRIS

2:17 And Christmas.

JACK

2:19 Hey, guys, Christian even just shoot me a note there. They're not going to be able to make it. Unfortunately. Yeah.

CHRIS

2:28 Right. No, no worries.

DREW

2:31 I will. I'm just gonna pop my head in and just see if Billy happens to be sit in the board room in here?

19196194915

2:37 Hi, I'm on the phone... under the can ban.

DREW

2:42 Okay. Alright. I can probably see from up here, I bet.

CHRIS

2:46 Yeah, frisbee golf.

DREW

2:48 You know, Billy is down there and that little combat down there in the woods in comparison.

19196194915

2:53 Hi, this is Monday. This is my new.

CHRIS

2:56 Nice. You, can you smoke a cigar out there?

MATT

2:59 That's right?

CHRIS

3:00 So...

CHRIS

3:05 I think like, I don't know Peter is going to join that are not, you know, Peter is going to join.

CHAD

3:11 Hello?

DREW

3:15 Just push on without him.

CHRIS

3:16 Yeah, I think we should too. Okay, but I think he was looking at our side. I'll set the stage here. I guess Chad, you probably heard this, but at the last meeting, Drew is making the point. We were looking at some of the analysis that have been done Andrew with made the point that my, you think this is something you want to see all the great stuff that Chad has done is really you guys built into it.

--- Call Setup ends ---

CHRIS

3:37 I know you were building the data lake and now you've got a BI tool on top of that. Whereas before we looked at the layer cake of the bookings build, it was an excel document. He said that's all been automated now. Anyway. So that was that backup drop here. We were intrigued by what he said and people like I'd love to learn more and that was the impetus for this call. So.

CHAD

4:01 Yeah, I appreciate it. What, like what particular did you wanna look at? Like the, you want to know more about like the technology user you want drivers?

CHRIS

4:09 Zoom, you would want to send you out to you how to see the rest of the stuff Chad has done. I think it's more of the output stuff that you've done like the analysis that's been yielded. Yeah, yeah, Chad, I think he, I think he.

DREW

4:23 And we can give them just a little flavor of some of the dashboards you put together as part of the car analysis where we can slice and dice by all the different, you know, whether it's text size or vertical or whatever it happens to be. I think anything like that probably be a fun thing for them to see. Yeah.

CHAD

4:43 We can do that. I can also show some stuff that is in Progress right now. I have to say that as far... as far as analytics teams go, we're pretty far along with the data engineering stuff. And like the advanced, you know, machine learning capabilities of like, you know, that company fit score. Like someone talks about the BI stuff as far as like making charts and dashboards and tracking is where we are the most lackluster compare to like a larger business analytics team and where I'm trying to invest a lot of time because I'm a little goes a long way there. So there's a lot of stuff in Progress in flight right now and I'll show you pretty much what we have going on. So BI is like my lease confident thing here. So... let's jump in. The first thing I want to start with is a dashboard... that I'm currently like 10 percent into building and I haven't talked to Billy and Drew about this but the numbers that you're about to see are not fully vetted yet because it's still in Progress. But I give you the flavor of what I'm trying to do and this is a new BI tool. They're actually pre revenue. They're in beta and they've got a seed round. I think they'll probably go on for their like a series soon, but they're going to change the game with business analytics. And so I'm really excited about them and one of the early adopters.

CHRIS

6:18 I'm like.

CHAD

6:20 Say what?

CHRIS

6:21 It's called like bash, I assume.

CHAD

6:22 Up is called light dash. I don't know if y'all have seen... those a round of funding last year for a company called DB T by fish town analytics. They, they're round was four point 3,000,000,000 dollar valuation and it is a way for business analysts to basically do all of their data engineering and stuff. And like the 20 first century, it makes things so much easier. I'm able to do things in my job 10 times faster than I



could three or four years ago because this new company TBT exists and light dashes kind of building on top of their analytics code layer with visualizations... and they're the first company to do this. So I'm super on board with it but you'll might want to talk to them. They're out in the UK. Anyway, the point of this dashboard is I'm currently trying to get one dashboard where you can get all of the high level metrics that you might want to on a per... business unit basis.

--- Pricing ---

CHAD

7:28 So I'm starting with the ones that I've already gotten Tableau. So at the very top, you can see revenue numbers quarterly, how we're tracking to net new goals, net revenue retention. I've still got some kinks to work out in the gross retention number. I think I've got downgrades in there and they shouldn't be, you can take those out... by type, you know, just very high level numbers. And then you should be able to drop down into business unit specific numbers. So this would be sales pipeline charts backwards. And I need to get a light dash to fix it. You know, the pre revenue, they got a bug but it's backwards. They should read with like if you read it right to left, the number of days on the bottom is days remaining in the quarter and each line represents a different quarter. So we can see how our sales are pacing cumulatively day over day for the quarter. So with 23 business days remaining in Q2 we've sold about 382,000 new sales and previous quarters. You can see where we, where it's kind of like having a like a way to say quarter over quarter. How are we tracking against all of our metrics at a certain point in time rather than snapshots beginning of the month or the beginning of the quarter. You take the snapshot on a daily basis and look quarter over quarter with them. And I do a lot of the metrics that I looked at. I do with this exact same way. And hopefully the next few days this will be flipped around. So it's going left to right? But you can see there's a ton of open pipeline charts. And then below sales, I would add things like product. So monthly, active users, weekly, active users, daily, active users. I would add marketing for inbound demo, request, pipeline generated from marketing, digital advertising, type of stuff, website hits that type of stuff. And then.

CHRIS

9:21 Sorry.

CHAD

9:22 And I would add a customer success for like customer satisfaction score tickets open last week, tickets closed, last week, ticket backlog, all of that by like a are and slice our, you know, slice by customers over 100,000 less than 100,000.

--- Pricing ends ---

CHAD

9:38 So that we can make sure that we're given that we, you know, we love all of our customers on equally. So we're given the right love in the right places... and, you know, for HR, you could have things like what is our headcount... supposed to be, you know, year to date? And then what do we actually have? Which departments? Are things left open? That's probably a little bit longer term? And if I do it in the short term and I'll probably have to be joining Dorcas, giving me a spreadsheet

because I think the HR data is a little bit more sensitive. But that's the goal of this dashboard would be a place for like Drew Billy and other... you know, C suite executives come in and at a high level have one dashboard where they can see this business unit is on tracking, this business unit is off track. And then we would have drill and dashboards that would that individual business unit owners like and our Tim or Jed could go in and look and see at a more granular level, what is driving these high level metrics?

CHRIS

10:42 Can you see things like what you've shown me in the past, filter by number of technicians, like one, two, one four, one two five. I don't know if it was fun.

CHAD

10:53 Yeah. So we'll get that into like dash soon. We're still in Tableau for that. But if we come over to... like if we look at the let's look at company metrics first or the current car metrics or Ar summary. So this was kind of like in beta mode until at the board meeting, Drew got the green light to kind of flip our car metrics to the way that me and David have devised skimmed for over the past six months. So this is much more close reality social changed down roll forward. But, you know, you got your high level metrics like net retention, Arpa... and all that stuff. And then because we're doing this in an automated fashion at a per transaction level, it's not, it's not this, it's not done in the same way it was done in the past with spreadsheets, it's all code based at a transaction level. So we can roll anything up by customer by segment, by territory, by industry, by whatever it is, and look at any metric for Ar based on those roll up. So people ask questions that people have analyses they want. If they want to see something, we can start providing that. And this breakout right here is that an industry group level. So that's one of the reasons I was really glad to see you're all kinda give the thumbs up to Drew with switching to the new way card because these metrics are now like validated by the board and said this is how we want to track car moving forward. And because of that, now when I put out an analysis that says we're doing well and mechanical or fire or whatever I'm gonna say, it matches up to the numbers that are actually going to yours. So we can start putting a beat on these at a very granular level. So I think one slice that's really interesting to me like when you look at these dashboards is that... if we were to go to total number of customers, but by tech count, so I flip this back to what our sales team uses Chris since last time we talked, but we've got a take bands or nine 2019 and 20 plus or something right around there... 67 percent of our customers are sending the zero two nine band... but they only constitute about 28 percent of our car versus 40 percent of our car being in at 20 plus band, but they're only eight percent of our total customer account. So when you talk about like mind share of where we're going as business and what are we doing? How do we, how do we, you know, build for long-term growth? And sustainable churn numbers, increasing our EPA, all that stuff. The 20 plus tech band can't get eight percent of our mind share. It's gotta get the 40 percent that's at the top.

CHRIS

13:56 And like you got zero one four, zero one at 10. Yup. That down further, you get a lot of different potential characteristics, right? For mechanical.

CHAD

14:06 Yeah, exactly. Yeah. If you break down mechanical into zero two five and five two nine, this churn by tech then goes up from like 14 percent all the way up to like 27 percent, we're losing one quarter of all of our mechanical customers each year in that zero two five space. And those do makeup like 30 percent of our total customer count. So... is that something that we could change with better products or support or enablement? Or is it just too expensive? And we should find ways to push up market? I mean, that's a question for you all. But the fact is that we can get the numbers out here and start making hypotheses. Now, that would, you know, would have taken a small army of people in the past, you know, just gonna get Miriam to close out the books and then Greg to get it down to the customer level, and then... David to do the actual analysis and spreadsheets together. All that. And then you have your final thing. Now as long as Miriam is typing the data into SaaS optics, the way that we've prescribed, all of these are refreshing on a daily basis. So... now that signed off on, I very much want to get this BI portion of our team spun up as quickly as possible, which is... the least of what I've been asked to do over the last year and a half?

CHRIS

15:35 Is the key to this, that data lake that sits underneath all of this? Is that really like the linchpin?

CHAD

15:40 Yeah. Yeah. That's... that is the linchpin... you couldn't have this level of scalability or sustainability for some, for metrics like this without some sort of data lake and you don't need, so to get started, like you do need... people with the skills to do a lot of this stuff. But on the other hand, there's a lot of it that can be done with SaaS tools. We just, so I haven't not be using many of those SaaS tools, but there's a lot of SaaS tools out there that are specifically meant for business analytics to get data out of source systems into a data lake and then formatted in specific ways that you can slice metrics like this. But I'd be lying if I said that, you know, one of your other companies, you know, just go get an analyst and you can have this and right? Six months.

CHRIS

16:43 They like since an Amazon, is that right?

CHAD

16:45 It's in Google, it's a big query.

CHRIS

16:48 Okay. Yeah.

DREW

16:53 But the Foundation for all the Ar, our stuff is Chris is SaaS optics. So basically everything is in SaaS optics that gets pulled into big query. And then Chad can work as magic using big query and Tableau, and like path and all these other, you know, fun BI tools.

CHAD

17:10 No... yeah. I mean in like just like a one minute summary, you've got it. There's. A few to get a, to get these metrics to work in these dashboards. There's a few processes you got to undertake. The first is ETL or elt extract load transform. So you gotta get out of SaaS optics and you gotta get it into big query because big query is really the central hub of where all the work gets done. It's you know, it's a database like you would have for any other product. It's just we're using it for business analytics. And I just so happened to write all that code by hand in python. So... are you, I don't know which screen you're looking at right now? Let me make sure you're looking at... the whole desktop.

CHRIS

18:04 They're going to be a screen?

CHAD

18:05 Yes. So if you, so, I just so happen to write all of this in python. So, you know, there's probably a 1,000 lines of code underneath this Marketo daily, Paul. And it took me probably like five, two, six weeks to write all the polls that I've written. So probably written them for a couple of 12 apps at this point. But there are tools like five trend... that you can just go out and get and it'll do all that data collection for you will just pull all the data right out of Salesforce. But right into big query for you click of a button, it's there and you get all your objects, all that stuff. There's a lot of these connector tools. We just don't use any of them because five Tran itself is like 50 grand and, you know, I came to a service trade. I had already written all these by hand. It's like it's all pretty much open source code. At this point. There's really no need for me to go buy something like this because I'm not starting from scratch but you can just plug it in and it will start moving your data from SaaS apps to a data warehouse. And then as far as how you actually use big query, you have to learn a SQL. So I sit in big query all day long writing SQL. So... for instance... this 48 lines of code simply tells us... when at the company level, someone typed in how many texts the company had? I mean, it's pretty mundane stuff, but you can see there's a lot of SQL writing and this is 95 percent of the job is just writing SQL code.

DREW

20:05 They get the good thing we have here as well as David knows how to do SQL as well. So, David and Chad have both been able to kind of harness and use big query for different things. But, you know, in powerful ways.

CHAD

20:17 Yup and SQL is not terribly difficult to learn when I became an analyst in 2013 and... by, in January, and by October, I had learned SQL and taking a lot of our excel reports that were very manual like copy paste, pivot table, copy paste to get, you know, that whole regular role. I'd taken like six or seven reports back in 2013 and... turn them into sequel queries and months. So from entry level to that in 10 months pretty good. But this is not impossible to learn because it's not like developing see or C Sharp. This is much easier than that. So, it is simple to get started and all your data sets in one place. So you can see in the data warehouse, you know, if you think about all the excel workbooks and analysts might have, you know, I don't have any excel workbooks. I just have all of these tables... based on all of our different systems.

CHRIS

21:23 So the data like they'll just be clear, I think it's all customers, all former customers, all current pipeline opportunities or customer can't pipeline accounts. Yup, the universe of accounts as the abc universe of accounts.

CHAD

21:44 At all, I'm...

CHRIS

21:46 Lost deals are lost deals.

CHAD

21:48 Yep. We've got every Salesforce opportunity with all of its data. We're...

MATT

21:52 Tracking every single change on an opportunity on a daily basis.

CHAD

21:56 So if an opportunity, any value on the opportunity changes from one day to the next. We're tracking that change, yeah, so that we can rebuild history at any point in time. You know, we've got all the connections that tell that we can latter up from let's say like Zendesk organization, Salesforce accounts, SaaS, optics of customer service, trade subscription. We can tie all those...

MATT

22:21 ID'S together so that you can start to run queries across.

CHAD

22:23 All of your SaaS applications come up with one view of the customer. You know, usually, you know, you've sent in the past that you like for Salesforce to be the source of truth. And I also like for Salesforce be the source of truth to save me some of that effort and time. But like you would not want to pull all of your application data from all your various apps.

CHRIS

22:45 For sure.

CHAD

22:45 Of course, you.

CHRIS

22:46 Have some linking mechanism.

CHAD

22:48 Right. And so we've got all those linking mechanism so that whatever the question is, we can link and ask the question. So we can say, you know, there's a 1,000,000 questions that we would never ask, but some that you would ask and just be very simple to get is like... how many tickets came in last week with a specific tag in Zendesk and filter for only customers that have more than 100,000 dollars and arr, so that you could go in and see, you know, what's being asked for that type of stuff. And that's the beauty of it is all this is in one place, it's like it physically lives in one place. So you don't have to link your pipeline, excel workbook to your Zendesk tickets workbook... with all the connections. So.

CHRIS

23:36 Did you say that the customer usage data is also going to be in here?

CHAD

23:41 Yeah, we already have a lot of it in here. So whatever Brian is pulling into our analytics database in Redshift, I'm also pulling in here.

CHRIS

23:52 It's like how many log INS per month or whatever your.

CHAD

23:56 Yeah.

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23:56 So.

CHAD

24:05 So like this is another example, we have a really hard time determining... what a technician is. And there's sprints and engineering actively working to define a technician for like billing purposes. And let me find the name of this real quick.

CHAD

24:33 Now technician is what's called. We have a really hard time telling what a technician is from, you know, billing and quoting and like what can they do? What can't they do? Because that's what we drive all of our revenue based on is the number of technicians, well, while they're doing all that work to get it in the product which might take three months, six months or a year. We have to go ahead and start creating whitespace numbers today on numbers that are to the best of our knowledge. So these will change over time. But I guess if we were on Zoom, this would run faster. But this table company metrics now technician and says in the last 30 days on any given day, so it's grouped by day for every account at the account level. Of course, this would start giving me the weirdness air as possible in the middle of call. But for any given day, for any given account... how many people logged in the previous 30 days... in the user table? So here you go for this accounts. And this day, right here, in the proceeding 30 days before 622, how many people logged in for a technician in the users table within our app who also within the

previous 30 days had been added to an appointment or who would use the clock functionality in our product? So you can either beyond appointment or have used the clock event and you physically logged in meaning, you know, someone wasn't doing this for you and accounting because that could theoretically be a truck that they added to the appointment, not a person. So trucks don't really log into the product. Therefore if you logged in your human being and so on this account... in the 30 days proceeding 622, they had 108 individual technicians log in. And then with this company ID right here, we can, you know, join that over to their transaction data to see... how many technician licenses though they entitled to. And that's how we create those whitespace reports. So I could bring up the whitespace report that Jack and I created, I don't know if you've seen it Chris.

CHRIS

27:03 I don't recall seeing it but.

CHAD

27:05 So, JMI went through an exercise with us to determine our white space where we should focus like... what are tiers should be as a company? Like how should we break out our account management team? What are the breakouts? Where do we have? Where do we have potential? And by doing this card project over the last quarter and a half, we're actually able to say for this customer, this is how much whitespace they have for each product not just based on list price, but based on what percent of the current... M SRP effective, like what is their M SRP effective rate? Like if they're paying 75 percent of the M SRP for their licenses, that we might as well just go ahead and assume that they're gonna pay 1,275 per M SRP for like Tam, for instance. So because we have these car metrics literally down to a science, we can say... how much like how much should we be expanding customers just based on price increase and tech overage? So like we, you know, in our standard contract that says, if you're not an M SRP, we're going to raise your price by seven percent per year.

--- Pricing ---

CHAD

28:23 And, you know, on average, we might just raised a M SRP by three or four percent per year. Although that might slow down soon. I don't have any idea of what's going to happen with pricing in the future. So, we've set it in the database that you can set parameters and decide what you want, your M SRP increases fee. But by any means, this totally captive expansion number says we're either gonna increase your price or you've got a tech overage or there's a little bit of both. And this is how much we should get in the next rolling 12 months, just.

MATT

28:53 On captive expansion. So.

CHAD

28:56 If skips team needs to expand customers, but, you know, three, two, 4,000,000 dollars this year to hit this goal, one point 9,000,000 that shouldn't be.

MATT

29:04 Current contracts, we should just be able to get that.

CHRIS

29:06 Can you?

MATT

29:07 Money without actually going through a sales?

CHRIS

29:09 Assess, I assume you can break out price increase?

CHAD

29:12 Yeah. Yeah. So, I'm over here... we have this is natural price increase right here, like how much their price be going up just based on natural price increases and here's the value of their tech overage into their current Ar.

JACK

29:32 Per transaction?

CHAD

29:34 That they're paying not based on the M SRP of the overage.

CHAD

29:41 Now, I'm just kinda rambling, but you can see that like because we went through this exercise for the car metrics, we can now get down to the most microscopic level at the customer level to determine, you know, where, where's the points between the couch cushions.

CHRIS

30:02 That's cool.

CHRIS

30:12 How many of your team again Chad?

CHAD

30:15 Right now, it's three of us. So we just added another member about three weeks ago.

CHRIS

30:20 For, for including you?



CHAD

30:21 No three total.

MATT

30:23 Okay. Yeah. So that is pretty impressive. I'm sorry for not then, I'm Pam.

JACK

30:32 Just wrapping up some lunch here, but... it's there's a powerful tool and we sort of think about giving.

MATT

30:38 Happening in the hands of the sales team or the account management team to think about pushing these new products until the end of the customer base.

CHRIS

30:47 Well, we earlier on Billy and I talked about, we talked about pricing increases in Billy. So they've already kicked off a product. So they're going to figure out how many customers are already at the M SRP. And then they've been, they racing mister IP that opens up a whole nother set of price increases. So those that are already hitting bumping up to the ceiling, they can do seven percent a year up to.

CHAD

31:11 Yup. So column K, right? You're tells you who's on special pricing, who's on a discount, who has both? And who is it? M SRP. And from what I can tell about 50 percent of our customers right now are on M SRP. And they generally tend to be the smaller customers. We've got almost no enterprise customers that M SRP. So there might be an exercise of right sizing M SRP for enterprise and then increasing MSRP down market. And it might not be one size fits all approach. Based on this data. Like I don't know what it's going to be, but.

CHRIS

31:44 The special pricing to always mean discount.

CHAD

31:48 No. So special pricing means that contractually they negotiated for this specific price and we can raise it by like seven percent per year, three percent per year or whatever is in the contract. Discount means we gave you a term discount and let's say that it was 50 percent off at the end of this year, that discount is going to expire and you're price is going up by 50 percent. So special pricing means that like we can't just jacked up their price... I mean, we can, but it's gonna be a small increase on a per customer basis. But discount is where a lot of dollars are sitting right now because we give these first year term discounts.

DREW

32:32 Hey, Chris, the special pricing is generally... the very large deals and a lot of the historical legacy deals as well. We prefer to give kind of the discount off of the one time, you know, kind of the one time signing discount and then, you know, get the bump the next year. But, you know, to Chad point, there is especially in the larger clients, there's a fair amount of special pricing there.

CHRIS

32:58 These right here at.

19196194915

33:00 Yeah. There's some saving us among larger buyers. And we, for years, we traded on our existing customers locking in at the next level with... you know, 30 percent price increase instead of saying, you know, go to full list. And we traded on that to get to our numbers in their early days. And now it's the more sophisticated buyers that show up that negotiate unit prices instead of negotiating... first year payment amount.

JACK

33:45 Yeah. The other place I thought this analysis is exciting was around the parts ledger opportunity especially coming out of the board meeting and hearing all the Progress the team has made. The, I think it's close to 6,000,000. There are highlighted over to the right of late and cross selling that product.

CHAD

34:05 Yeah. Let's see. Is it?

CHAD

34:14 Yeah. And it's probably a little understated because for the parts ledger component, I didn't necessarily use... the actual pricing because our pricing is so complicated and we only had a few weeks to get this out the door but it's definitely under accounting anything over about 15 technicians. It is wildly conservative. So.

CHRIS

34:40 Here, Chad, just a potential.

CHAD

34:42 Yeah. So these columns over here kind of give you different scenarios for white space. So it starts with like a capital expansion. And then what would happen if we sold a premium to all of our select customers? What would happen if we took any customer that wasn't on enterprise and put him on enterprise, how much cross sell potential that we have within each product? And then start adding up totals without the overlap. So... you know, within our current customer base, conservatively, we have somewhere around 16,000,000 dollars of white space, you know, which doesn't mean that we're going to get it in the next year. But if we shut down the sales team today, you know, we should continue to grow for at least the next few years. And I think Billy was saying that we need to get to 100,000,000 dollars and five years with 4,000 customers that's 25,000 dollar average revenue per accounts. And we're at a

little bit north of 18,000 right now. So our current book should be well above 25,000 dollars. And five years. If you just exclude what we're going to sell new over the next four years?

--- Pricing ends ---

MATT

36:04 Yeah. One of the component parts Drew and I were messaging back and forth like on Tam, I can get you that up as a reference point, like if they have a 75 percent discount today, we carry that forward but there could be upside there because...

JACK

36:18 It's probably with the one exception to the rule it's...

MATT

36:20 A product we looked at discount given the implications on gross margin. So I don't know how much of a contributor that is, but you might carry that particular product over it and SRP.

CHAD

36:33 Yeah. The way that it was explained to me was that if folks are carrying discounts forward, then there needs to be a coaching conversation. It's basically like they need to really have a problem with us to carry that discount forward. But carrying forward special pricing, you know, not forcing the seven percent price increase. It's a little bit more lax and lenient. But we can put a lot of visibility there to make sure that those price increases are coming across the line. But yeah, once their first term discount expires we don't see a lot of folks renewing that discount... at nothing that's true mostly by our sales team because I'm sure every customer asks to renew their discount.

19196194915

37:22 Wow. You is actually, you would be surprised that most of them really don't pay a lot of attention. And again, the savvy ones will negotiate unit prices, whereas a lot of them are just looking at and there's so much failure in the first year. They're like, you know, gee, if I can get through the first year on the other side of the first year, they're actually real happy with them and they're like, you know, if they're happy, then pricing isn't as big a deal. But there's a risk premium in the first year and we overcome that risk premium with ideally a one time first year term discount.

CHAD

38:10 So, whoever is doing the... pricing analysis to Emily for?

MATT

38:15 How are you all are gonna?

CHAD

38:16 Rays M SRP over the next year, me and Jack can give you the download on this spreadsheet here.

DREW

38:25 Yeah. Well, good. Well, Chad will get you together. With Jamie is going to be kind of lead spearheading the project. And then I offered in the same thing of hey, if you need any help from me or David, I'm obviously, we're going to get into that as well. So I think we'll rope you in.

CHAD

38:42 Awesome. I've got one question before we move on to like other dashboards and stuff. This is kind of bottom left field. But have you all... has there been a lot of pressure with the market right now on your other portfolio companies? Like, I know things are looking a little bit dicey out there in the stock world.

CHRIS

39:04 I wouldn't say, I wouldn't say there's like a it's gonna unusual pressure where some of the insulated from that given our companies or private, but certainly an issue of private bear issue with new deals. Yeah... I don't know. Exactly. I talked to Christian about this a little bit.

JACK

39:22 Yeah, no, it's been similar for us. Thankfully, we're not to expose everything that goes on in the public markets, but I think it's certainly caused a little bit of a slow down from a new deal perspective for us. I think people are just a little more hesitant to come out and raise money. They don't have to. So.

CHAD

39:46 I guess my question is really coming from like the enterprise buyer perspective. You started getting into enterprise buyers who, you know, we'll put budgets on holds and have finance teams that do the procurement if they're starting to like open less opportunities as buyers to.

CHRIS

40:06 Like I talked about earlier because without the end market for service trade is being impacted by this, but Billy said that customer demand hasn't been impacted as of yet.

19196194915

40:21 Generally speaking, there's a lot more quote unquote and demand. Then what I mean by that is people demanding our customers time and attention in return for revenue, then there is a capacity at our customers. So we're a little bit inflated than that. A slow down really brings the market back into some more normal see in terms of them being able too. I was talking to one business owner the other day. He, he's having to cut back on his number of customers right now because he said he can't run his guys quote unquote 80 hours a week, you know, the summer they just won't have it. And so he's having to tell customers know, go to somebody else. So there's

still a lot of imbalance Indian market in terms of anybody that can collect up a set of competent technicians and put out a somewhat competent marketing and sales pitch, has more demand and they can actually surface. That would actually be an interesting analysis to, for us to go do in the market for us to be able to declare how insulated we are from, you know, GDP slow down given the over subscription and demand for our customers.

CHRIS

41:43 Once you can actually look at number of jobs being created by week by region, right? You can see that you showed us that before we invested.

19196194915

41:53 Yeah. Yeah. We, yeah, that's great that Chad was talking about that the other day. All that's all the data that's in our current Redshift, it's out there in terms of what slow down did we see during COVID, we've got all that data, I mean, and so we should see it in theory before anybody else does.

CHAD

42:12 A deep tore up tomorrow for a couple of hours and look at that. That's a great idea.

19196194915

42:19 Yeah.

CHAD

42:23 That's a great idea.

CHAD

42:32 Billy is your one two two PM meeting or one two, one 30 meeting tomorrow, real meeting... or a kappa?

19196194915

42:38 We're meeting with?

CHAD

42:40 I mean...

19196194915

42:44 I don't know off the top of my head? I'm...

MATT

42:46 I guess I could look.

CHAD

42:52 Well, Chris on the phone. It says busy.

MATT

42:57 I...

19196194915

42:57 Want my one to Israel tomorrow?

CHAD

43:00 What about the twelfth 1,212 30?

19196194915

43:04 Yeah, that's real too. Okay. My 11 to 12 is not, but I probably all have to do it. And... yeah, so I'm kinda hosts. So... yeah, I'm gonna hosts... until two. I've got an hour from two to three.

CHAD

43:32 I might try to snag you for like 30 minutes from two to three.

19196194915

43:36 Yeah. Okay.

CHAD

43:37 I'm meeting with and then Tam at from 12 to one. So I'll grab you and catch you up to three.

19196194915

43:44 Okay. That sounds good.

JACK

43:46 Did wanna one quick thought for you on that whitespace analysis just because it's something that we looked at for another portfolio company recently in a very similar exercise. I don't know how great of an idea it is for this end market or for your client base, but we'll what we do it. The other business is we looked at the number of users... by customer across the different industries they serve. And when you would be flagged, all current customers that are below their peer set... a number of users, the sake of pushing marketing out to them to basically say, hey, we've got whatever 2000 clients. 500 of them are in the same industry as you and you have less users or less activity. And then the rest of our customers that I'm just wondering like, hey, is there some way you could do that with some real just easy drip marketing to say something similar like, hey, mr fire client, 90 percent of our fire customers use XY and Z products that have XY and Z number of text, you're below that or you don't have excellent, well, I don't know.

19196194915

45:01 Hey, Jack, it's a little more sophisticated than that. And we just had this exercise with the prospect where we look at the nature of their client base, who they're serving. And we look at the ratio of their emergency service work versus the ratio of their plan service. And if your emergency work is high, you end up in a inefficient work models. And what that means is that you're probably not finding enough a deficiencies during your maintenance cycle in order to turn those efficiencies into plan a fit and repair work instead of unplanned downtime which impairs your brand. It creates a stress on your employees staff, et cetera. So yeah, we do that. And we do that as part of our typical quote unquote, all of our big customers get either monthly or quarterly account health calls where we compare their statistics and these type areas to... benchmark customer to make recommendation.

JACK

46:10 Got it. No, that's great. You guys are you guys are on it done. And...

19196194915

46:14 I guess.

CHAD

46:16 As far as like a scaleable to all like 900 customers type of thing, I think what, working with Karen, what we're going to try to do for the first task is find a few metrics that are pretty universal as far as like if you do these things, then you're probably driving extra revenue for yourself. Like if you're creating deficiencies, if you're approving quotes, if folks are acknowledging work within your product like in customers are, and we're going to get whatever those high impact metrics are like kind of say like service trade directly be tied to these activities which drove revenue for your business. Get those into a white paper and kind of.

MATT

46:56 Yeah, that's right?

CHAD

46:57 And kind of like, I don't even know what it's called, but it's a PDF where it's all the same PDF, but you insert different numbers for each customer and it's automated. They'll be pulling those numbers out of our data warehouse... pretty much from the Redshift, Brian's database through mine into this sheet. And then every, you know, month or quarter or whatever it is. This white paper will go out to each customer and let them know what value they're getting from our product.

CHRIS

47:27 You'd actually license, you can actually license that data product as well. So give them something... there's a thought piece, a sticky to improve stickiness retention, which might need a license.

CHAD

47:41 Yeah. So I think one good idea with that, Chris, is that like over the next year... we should be getting a reporting product, some way shape or form.

CHRIS

47:53 Right.

CHAD

47:54 And driving cross sell for that, this white paper thing could be interesting way to do that. Like you were giving you metrics once a quarter for free and we're giving you like for metrics... you know?

CHRIS

48:09 Yeah, that maybe that's something Tam. I don't know, I know the Tam starting to go through some renewal cycles.

19196194915

48:16 Well, so, so Jamie overall is working on a better reporting strategy. And yeah, that will happen. And, you know, we're all thinking about for example, another great metric with Sean came up with. They have a David very universal is what's your gross profit per a role, technician payroll dialer, that and because labor is your scares... gating... you know, they're your constraints type thing. And if you're running your business correctly, you're maximizing for example, your parts sales, your parts sales associated with the way you run your engagement with your customers. And so gross profit per payroll, our should do a lot. No, we don't have a lot of payroll data, but we're starting to get more anyway. It, this is a federal field for us as the industry leader in because we're focused on because one customer does is highly relevant to what the other customer does because they're not wildly divergent and the metrics around their business. So we've got a, we got a lot of room to run here, a lot of room.

CHRIS

49:34 Yeah, like you said, because you have so many customers have so much data like BuildOps can't compete if you're able to show people benchmarking data... that is kind of built for data more chest you guys have.

19196194915

49:49 Yeah, it's gonna take them a long time to figure all this out too. So.

CHRIS

49:55 Sorry?

19196194915

49:56 Hey guys. I gotta run.

CHRIS

49:57 I got.

19196194915



49:59 I gotta drop off to get ready for my next thing. So thank you for you guys keep going.

CHRIS

50:05 I think he's I think maybe wrapping up. Yeah. Yeah. Anything else you want to show?

CHAD

50:09 Yeah. I guess the last thing I want to show is, I guess this is, this would have been more familiar and Drew, but like... you know, I think most business analytics teams when they get started... start with what questions like what's happening in the business across different product lines that they move to why questions, why is that happening? Then they move to like what's gonna happen? Questions predicting, I'm predicting outcomes like, you know, how much are we going to sell that type of stuff? And then finally that fourth tier is up like skill meets number of people needed and technical knowledge is like what, how can we make it happen? Some more prescriptive modeling of like when I just gonna like do lead scores but we're also gonna figure out how to get it into the right hand at the right time with the right SDR. And we're gonna do this, you know, 3,000 times a day with automated platform when I first started... Sean, who leads the team that I'm on kinda just wanted to start with bucket for what, how can we make it happen? So we skipped a lot of the, what's happening? And why it's happening. All the business driver type of stuff that, you know, small business analytics team really starts with. So, you know, that first project I did when I got here was go out, scrape all the websites, do some machine learning, figure out how they like what a company fit is. And now every time an account comes in, whether it's through an inbound demo request or a sales rep uploads that we're scoring it and making sure that it's prioritize correctly, right? So, a lot of the projects I've done over the past year and a half have been very laser specific and very deep into a specific topic. But I haven't really done any projects yet which are shallow and wide... that help individual business units democratize their data and understand their area of the business from a high level, right? Like we know how much market share we have and these abc accounts and all that stuff. But Chad doesn't have a place he can go right now and say what is C sat by Zendesk rep or are there any reps who are currently managing tickets worth more than a 1,000,000 dollars? If so, we need to redistribute these et cetera, that does not exist right now. And that's what I want to drive to. And I guess the last thing I'll show is... let me pull up this and then I'll pull up my screen.

CHRIS

52:45 Hey, Chad, while you're doing that, the team has been working on journey mapping, there's a JMI resource involved. Karen, is your name? Have you met Karen and then providing the inputs to that project?

CHAD

52:59 Yes. So, the first set up, the first project I'm working on with Karen was with Karen and Jack and it was that whitespace thing that we just looked at. So they were doing all the segmentation. And then I just got pulled in last week and the journey mapping project. So they've got like the pros document of what the journey should be at my job over the next few weeks is to take that pros and see if we can get operational definitions at the data level for it, so that we can automate moves back

and forth to the different stages and start measuring things like churn by stage and things like...

CHRIS

53:33 That, right? And then the English something analysis you showed me for the five, unless tex, yeah.

CHAD

53:40 So...

CHRIS

53:41 They've seen that.

CHAD

53:43 Day, I have not shown that too. Karen, that was part of the white space thing of determining with the white space, what are our account managers going to work? And how many like accounts per account managers they're going to be based on? You know, what tiers they fall into. I do have a very strong opinion that we should prioritize this for the new sales team, the it team and the field rep, a sap.

CHRIS

54:13 I totally agree. I think part of the journey map me isn't like you should go Upstream to when we target. And then what do we do? And we get a lead that meets a certain profile that's not ideal. So that's going to trying to 25 percent plus?

CHAD

54:30 Right. And our, you know, our DNA as a business from, you know, an assumption up until now is smile and dial go out, make cold calls, book a demo. Well, it's super simple to book a demo with the owner of a five tech business who has a direct line... and doesn't have to talk to the finance department and accountant, three other people to make a sale, right? They'll book a demo. But when you're talking about 100 person company and you might not be booking with the owner of the company, that might be five people that actually needs to be in on that demo.

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CHAD

55:03 When you go and look at, you know, when you joined across all location, you figure out that a less than 10 text shop every opt created is worth 400 dollars, a new sales to the business. And every 20 tech up on average is worth 9,000 dollars for the business, you should be spending somewhere around 20 times the effort on the larger opportunities because that's what the worst 20 times more on a per up basis. And so, if your smile and dialing through 20 tech accounts and there's only three or 4,000 of these, you're just never going to get the pipeline that you need to hit your goals as we get 2025 30 SDRS. And, you know, if we need to tell people, hey, you've only got 400 accounts in your territory right now, that would be a doomsday scenario for them. So we have to start figuring out market, what is the culture and

what does the job look like when we operate like a more traditional company that might be in your portfolio. So, I would love to see that exercise that Karen did, but for the new, but for the new sales teams and then start actually breaking out our SDR team and our reps.

CHRIS

56:12 Yeah. Well.

CHAD

56:12 Again, their into their crunches.

CHRIS

56:15 The journey should be more than just the customer success journey. It should be... the journey should be a Upstream and downstream from that.

CHAD

56:22 Yup. And right now there's the prospect journey. And there is the customer journey to kind of separate people come together at some point with the prospect journey. I haven't been looped in as much on that one. But it's more marketing based and how the marketing team is going to attack the market. It's not as much sales strategy, headcount and planning based which I think is a missing piece. It's like.

CHRIS

56:47 If you just share that data with people as part of the journey, mapping the light bulbs go on.

CHAD

56:54 Yeah, I've got a commerce.

CHRIS

56:55 Did you see that data Drew?

DREW

56:58 No, no, I haven't...

CHRIS

57:00 That would be worth you looking at.

CHAD

57:02 Good. I've got a meeting with Tim and add it to go over some of these ideas tomorrow. And then Billy just said that he's available from two two three. So I'll probably try to catch him then if you want to join with that true?

DREW

57:16 Tomorrow?

CHAD

57:17 Yeah... yeah.

DREW

57:20 I can't from two two three tomorrow, but you guys can go and I'll get you separate.

CHRIS

57:24 Excusing the data, that same thing you sent me chatter, yup, forward it to that. You've got that. And that's really what it shows Drew. Is that five and below mechanical shops that's number, text five and below is got terrible retention characteristics net.

DREW

57:41 Hello. Sorry, I didn't know your time, I have, I'm not sure if it is that same analysis or not, but I've looked at it very similar analysis that David had put together that show that same characteristics that... they essentially turn out. Like you said earlier, Chad. I think it's between 25 and 30 percent in their first year.

CHAD

58:01 Yeah. I think they're in our as close to like 95 percent. So it's not just like totally loss but, yeah, when you look at your opportunity cost of where you're spending?

CHRIS

58:10 Exactly.

CHAD

58:10 Time that's great.

DREW

58:12 That's what I've been talking about with Jed, is it worth it or not worth it? And that's where we're trying to work backwards and figure out. Is that, is the cost actually worth that level of churn or?

CHRIS

58:23 The opportunity cost as a key point too, because if you put that energy behind those accounts with 110 percent or 115 percent net retention. Yep. Yeah, you're gonna get a lot of big bang for the buck like you described it?

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CHAD

58:36 So, I know we've only got two minutes left, but I just wanted to show this last thing on my screen as far as like a data warehouse. Once data hits the data warehouse, you have to start, you know, doing the, all the transformations to make the metrics to get into a format that can go into BI. We talked about the fact that I've been focused on very deep analysis but not that broad high level analysis. You have each business unit owner... their individual things. But that's you know, I'm gonna work with Sean to get him to realize how important it is that everybody knows what, where they stand as a leader, but every little you can't see them. But every little grain of rice down there in blue is a code block that needs to be written to transform raw data into information, you know, with sequel and evergreen block is data that I'm pulling in through the API from individual SaaS apps. So now we're somewhere close to like 200 individual code blocks that I have to run every day to recreate all these metrics. So it's starting to get pretty filled out where everything's connected to everything at this point. And I'm hoping that we will have this BI stuff worked out within the next few months, at least a high level dashboard per business unit to let them know how they're tracking and where they need more. They need help because I'd rather them be the ones telling us, you know, things are looking a little bit weird right now. We're going off the rails rather than me reach out to them a month too late.

DREW

1:00:12 Yep. Yeah. And this is Chad. This is exactly when the pandemic, what we started doing it dude, it's just to do it was just complete, great power of like for finance guys putting stuff into spreadsheets. So I think getting that kind of one pager that dashboard is going to be key for, you know, especially 1,000,000,000 his direct reports. I think it'll be awesome.

CHRIS

1:00:35 That's really good stuff... the photos and everybody, because it's four o'clock here. Alright, thanks Chad.

CHAD

1:00:44 Yeah, thank you.

CHRIS

1:00:46 Yeah. Keep it brief when you make that, you know, these big strides forward like you've been doing.

CHAD

1:00:50 Yeah, I appreciate it. Hopefully in the next few months, that would be more visuals and less talking but like, you know, Billy, you know, truth talked me.

MATT

1:01:01 But...

CHAD

1:01:02 The visuals it's all in my head at this point, I need to get it out to everybody is where what it is because... you know, if we democratize the data, right? That everybody can do this analysis for himself on the right data and I can create the data set. And then, you know, you can go to your pricing analysis. I don't need to be involved with it, but you at least know that you're working with a good Foundation of data and democratization super important. And... you know, when our Salesforce instance looks like right now, it's not the central hub of data that it should be because it hasn't been ties to be such historically. And so, the more we can democratize this information and get it visualized, the better decisions folks can make. So, I'm gonna see if Sean will prioritize that for next quarter from my team rather than just like going creating machine learning wise, which you know, do help a whole lot. But how do you know, machine learning model that takes 90 days to build? How do you know that it's solving the most pressing issue of the business? If you don't have all of the issues that could be pressing visual?

CHRIS

1:02:08 Right, right. And I agree kind of trade off like that will like seven habits, production versus production capacity, right? You gotta work on production capacity. Like for it, is there more reps and, or whatever?

CHAD

1:02:23 Right. Like when a... when, yeah, exactly. That's yeah.

CHRIS

1:02:30 Yeah. Alright. Thanks. Thanks a lot.

CHAD

1:02:35 Yeah, thanks, Chris.

CHRIS

1:02:36 Alright. Talk to you guys soon. Thanks Chad. Great work man. Thanks, true guarantees to see. I guess.

*The End*