Meeting with Steve, Cory, and Brandon

1/20/22

General meeting on strategy and/or plans

* Reviewing some other meetings
* Cory asked - What about Mike? Where are we at there? Maybe $5K/month as a repayment.
	+ They are chasing Oklahoma and Mississippi
	+ Lots of free consulting for the states
* Steve – How would you fix things or get in the black?
	+ You have x amount of revenue coming in
	+ Sales needs to increase
	+ Possible switch hats
	+ Follow the money
	+ Lots of our projects are not funded
	+ Balance and priorities
	+ Questions on servers and do we really need x or y?
		- Some of the old data needs to be cleaned up
		- Miscommunication(s) and expectations
	+ The bigger we get, the harder it is to make decisions
	+ True server costs – we have 43 servers, at least $12K/month raw servers costs. We also have Wayne and John who run another $8-10K/month. Total would be $20K+/month
	+ What about older commissions and rates?
* Cory – Cost and price increases based on real server costs, storage, usage, media/content, etc.
* Shari O. is trying to watch and deal with price increases
* Cory – Low maintenance clients vs stuck-up (high demand) clients
* Price levels – high prices and lower client count or lower prices and higher client count
* Our old sweet spot was mom and pops – we have almost grown out of that and are really geared toward small-med sized companies.
* How much training does it take to get a company onboard? What is required to keep that going? Some of the people (our clients) don’t listen and/or don’t get it. Everybody is so different.
* Cory – Build slowly and retain them.
* Cory – What about time that we give to clients that we don’t charge for. We pay Sean and Marisa but are they paying anything for the other training and handholding? Lots of free labor. We have done this over and over again – trying to get them going. There may a client acquisition costs that we have to frontload and then they stay and we gain over time.
* Sometimes a newer look and feel may help with client training and tech support needs and requests
* eCommerce is a huge place that we could win some quick battles
* Steve – AWH – They are paying Kelly, they are paying us, and they have requested a lot of custom development
* We may need to stop all development – sometimes we don’t even know what is going on
* Bringing stuff inhouse – trying to get everybody paid or covered
* Payables are getting out of control
* It is costing us around $2,000 per client to bring them on. This could be demos, setup, training, etc.
	+ Maybe we could bump it up to 20 hours for setup time
	+ Help to cover some of the initial costs (client acquisition costs)
	+ $65/hour seems to be a good rate
* Sales is just a game of numbers – x number of no’s for y number of yes’s
* Brandon – Our new sales are doing much better… hands down – good stuff!
* Maybe bump up the one-time setup fee from $250 to $500
* Maybe we set the monthly at $387/month where possible
* We have paid many of our guys to go out and get deals
* If we get guys in the field, they could bring in new sales, custom development work, training, setup, etc.
* Some of our developments really pay us back – ROI – many of them are just things that we need and/or want – maintenance
* We need to get paid for work that is done – All of our clients
* Transition time – this is a huge cost
* Standards and rules for playing the game. We need to get these set and pushed out to our people (dependables).
* Real costs – how much does it take to get and keep a client on the system? Monthly, training, tech support, servers, maintenance, etc. We can’t just cover things, we need to include a mark-up.
* Commissions – There are still some at 20%. That is currently on the gross. We may need to switch it to the net (figuring in the real cots). Also, we are paying on reoccurring revenue (it keeps going).
	+ Increase those accounts enough to cover the commission
	+ Maybe wrap in a certain amount of support
* Steve – Cory needs to lead the way. All projects need to come through her. We offer sales options or funded projects.
* Who is it that says “no”?
* If they, the developers, do sales, they keep the same rate. How can they bring revenue in?
* There are personality differences – some like sales, some like training, some like code
* We need to be proactive and talk with our guys and gals – we can’t keep digging the hole deeper.
* We may need to contract the projects vs just saying go… more cut and dry on time and money – maybe make our independents more like real contractors – this does take more project management time and planning
	+ We need to make some calls to let them know
	+ We also need to get the new non-compete docs signed and in place
	+ Possible perks for the guys brining in custom projects
* Accounts receivable – no pay, no service – maybe even turning it into pre-payment
* It is super tough to really know what the true costs are… We can lose tens of thousands. Maybe put some retainers or pre-payments in place. Set a range, do the work, report and communicate, and then move forward if everything is going well. Repeat!
* We tend to chase little shinny things… Some of that could be ROI. We get pulled in there sometimes.
* There are some of us that don’t want to work on cannabis stuff – we are all grateful but turn up our noses a bit.
* We need to only work on funded projects – where possible – there will still be maintenance that has to done.
* If a mom and pop shop doesn’t need extra help, we can handle them. If they need help, they need to pay. We can’t be a charity organization anymore. We have to get paid for what we do!
* Steve – We really need to get all of the side projects wrangled in.
* We’ve got to have enough revenue coming in to fund what we are doing.
* Sales could be new systems, support, training, custom development, etc.
* If we stop all of the development, it will free us up to work on other things. We are willing to help support all kinds of different areas within the system.
* Getting a little bit lean in the development department could really help us out.
* Trying to stay lean… are you really engaged? Bill for what you are really doing.
* We need to be on a per project basis.