



Next Gen
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Feb 23-25, 2025 | Dallas, TX

Using AI in Data Analysis

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Analyzing Sales Data

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Product Sales

- Excel is a powerful tool, and if you know me, you know I'm a "freak in the Sheets".
- ChatGPT takes it to another level and saves tons of time when analyzing data.
- Ticket Report
 - I need to know how many of each product we sold for the Valentine's Day holiday.
 - Typically I take about 30 minutes of formatting data and using complex formulas to get totals of each item.
 - ChatGPT did it all for me in about 30 seconds

The Prompt

- Upload the spreadsheet from your POS
- Explain the Source Data
- Explain what you want returned
- Explain any specifics about the data or how you want it returned

The Prompt

- Explain the Source Data

- I need you to look at the attached ticket report from my recent Valentine's day holiday. Column A shows the order number. Column B shows the product code. Column C shows the quantity for each individual order. Column D shows the product description, and Column F shows the revenue for that individual transaction.

The Prompt

- Explain what you want returned
 - I would like you to summarize the data in the following format -
In the first column, I want the product code
 - second column a product description
 - in the third column. I want a total quantity of each product sold,
fourth column should show total sales in dollars of each
product sold.

The Prompt

- Explain any specifics about the data or how you want it returned
 - (there should only be one occurrence of each product code in what you return)
 - (some product codes may have multiple product descriptions, but use your discretion as to the simplest/most commonly occurring form of the product description based on the data)
 - I want you to exclude any lines in the summary that have "Order Entry" or "POS" in column A, as well as any rows that have an amount in the Sales Tax column.

The Prompt

I need you to look at the attached ticket report from my recent Valentine's day holiday. Column A shows the order number. Column B shows the product code. Column C shows the quantity for each individual order. Column D shows the product description, and Column E shows the revenue for that individual transaction. I would like you to summarize the data in the following format - In the first column, I want the product code (there should only be one occurrence of each product code in what you return), second column a product description (some product codes may have multiple product descriptions, but use your discretion as to the simplest/most commonly occurring form of the product description based on the data), in the third column, I want a total quantity of each product sold, fourth column should show total sales in dollars of each product sold. I want you to exclude any lines in the summary that have "Order Entry" or "POS" in column A, as well as any rows that have an amount in the Sales Tax column.

BEFORE:

Ticket Type	Customer	Account #	Occasion	Reference	Delivery Date	Total	
Trans No.	Product Code	Quantity	Description	Amount	Discount	Sales Tax	Extension
NORTON'S FLORIST							
Order Entry	Andre Walton			Other		02/13/2025	203.45
0895919/1	R12R	1	12 Roses Arranged - RED	99.95	0.00		99.95
0895919/1	BI1	1	Birmingham			18.50	18.50
0895919/1	DC85V	1	Premium DC Bouquet - Tall & Airy -	85.00	0.00		85.00
Order Entry	Cameron Aaron			Holiday		02/14/2025	108.79
0896109/1	VD1	1	Cupid's Daydream - Variation Bouquet	74.95	0.00		74.95
0896109/1	SYS_DELIVERY	1	SYS_DELIVERY	23.95	0.00		23.95
0896109/1	HW1	1	Homewood			9.89	9.89
Order Entry	Steven Abner			Holiday		02/13/2025	126.95
0894820/1	VD2	1	Forever & Always	84.96	0.00		84.96
0894820/1	SYS_DELIVERY	1	SYS_DELIVERY	24.95	0.00		24.95
0894820/1	TIP	1	SYS_SERVICE	6.05	0.00		6.05
0894820/1	BI1	1	Birmingham			10.99	10.99
Order Entry	Dan Adams			Holiday		02/14/2025	139.60
0894665/1	R12HP	1	Long Stemmed Hot Pink Roses - V	101.12	0.00		101.12
0894665/1	SYS_DELIVERY	1	SYS_DELIVERY	23.95	0.00		23.95
0894665/1	DS	1	SYS_SERVICE	3.00	0.00		3.00
0894665/1	MB	1	Mountain Brook			11.53	11.53
Order Entry	Elizabeth Adams			Holiday		02/14/2025	220.00
0895973/1	VD8	1	Love Story - Variation Bouquet As S	200.00	0.00		200.00
0895973/1	BI1	1	Birmingham			20.00	20.00

AFTER:

Product Code	Product_Description	Total_Quantity	Total_Sales
R12R	Long Stemmed Red Roses - Variation 12 Roses - Product URL bit.ly/42v9Hd4	319	31,400.64
VD4	Bejeweled - Variation Bouquet As Shown - Product URL bit.ly/3DYq4rR	143	13,396.28
VD2	Forever & Always - Valentine's 2025 - Variation Standard - Product URL bit.ly/41ZQyn0	140	11,903.10
LB12	Lover Boy - Variation 12 Roses, 3 Rose Lilies - Product URL bitly.com/2FhmOZn	91	11,403.48
VD1	Cupid's Daydream - Variation Bouquet As Shown - Product URL bit.ly/3HdOBHN	102	7,659.28
TUL30	Mixed Tulips - Variation 30 Tulips - Product URL bitly.com/2GaN4nJ	66	7,230.88
DCX	Designers Choice Bouquet	84	6,711.93
VD3	Kiss From A Rose - Variation Bouquet As Shown - Product URL bit.ly/4j6Jz1w	74	6,304.81
R6R	Half Dozen Roses - Variation Standard - Product URL bitly.com/2GdG35L	96	6,245.36
VD6	Truly Madly Deeply - Variation Bouquet As Shown - Product URL bit.ly/4jakG52	47	5,651.50
R18R	Long Stemmed Red Roses - Variation 18 Roses - Product URL bit.ly/3qoZlhp	35	4,693.90
R24R	Long Stemmed Red Roses - Variation 24 Roses - Product URL bit.ly/3P3zsy1	26	4,637.89
VD5	Sunset Glow - Variation Bouquet As Shown - Product URL bit.ly/4gJ0HsQ	50	4,582.80
R100	100 Red Roses - Variation 100 Red Roses - Product URL bitly.com/2FORC8z	7	4,255.84
VD9	Wildest Dreams - Variation Bouquet As Shown - Product URL bit.ly/400x27e	25	4,190.99
XR18	Extreme Roses - Variation 18 Rose Bouquet - Product URL bitly.com/2Lgy4rj	21	3,838.87
XR24	Extreme Roses - Variation 24 Rose Bouquet - Product URL bit.ly/3Wdp4Xf	16	3,600.33
LBR	Loose Rose Bouquet	85	3,341.85
VD8	Love Story - Variation Bouquet As Shown - Product URL bit.ly/42d5Gxc	15	3,001.97
R12P	Long Stemmed Pink Roses - Variation 12 Roses - Product URL bit.ly/42ERoIW	30	2,943.20
VD10	More Than Words - Variation Bouquet As Shown - Product URL bit.ly/4j5oG6Z	11	2,760.02



Potential Acquisition Opportunities

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Analyzing a Potential Acquisition Opportunity

- You don't have to be a CPA to do this!
- I reached out to three seasoned florists, as well as my accountant for advice on the acquisition, and ChatGPT was within \$10,000 of the valuation numbers that they recommended
- How to do it?
 - Upload the Tax Returns into ChatGPT
 - Ask for Chat GPT to include a market analysis to discover more potential for growth in the market.
 - Be sure to let it know if you will have any adjustments in expenses (rent, previous owner wages, other increases in operating costs, etc.)
 - Don't include your increased efficiencies/buying power - this drives the valuation upwards -> less expenses = more profit = more value!

The Prompt

- Be specific, but don't overthink it!
 - I've watched a lot of TikTok's about how to write prompts for AI.
 - I have personally concluded that you don't have to be a data analyst to write a suitable prompt.
 - Just be thorough and direct with what you are asking and make sure to include the details that you want the AI program to look at.
 - Start with the basic information, then move on to adjustments (see below with rent adjustment)
- **I'm looking at an acquisition of a florist in Trussville, Alabama, Shirley's Florist. Can you do a comprehensive analysis of the market in which Shirley's Florist operates, and analyze the attached tax returns to come up with a reasonable estimate at the value of the business if I was to purchase the business in an asset sale?**
- **My rent will be increasing from \$27,000 to \$47,000 per year.**

Market Analysis for Shirley's Florist in Trussville, Alabama

1. Demographics and Economic Conditions

Trussville is a growing suburb of Birmingham, Alabama, with a population that values local businesses.

Key points include:

- Median household income higher than the Alabama average, suggesting disposable income for discretionary purchases like flowers.
- Trussville's focus on community events and celebrations could drive demand for floral services.

2. Industry Trends

- **Florist Industry:** Local florists face increasing competition from grocery stores, online services, and subscription-based floral arrangements.
- **Seasonality:** Peaks in demand during Valentine's Day, Mother's Day, weddings, and funerals.
- **Shifts in Consumer Preferences:** Growing demand for unique, personalized, and eco-friendly arrangements.

3. Competition

- Trussville likely has other small florists and retail stores offering floral services. Research indicates that quality, personalization, and customer relationships are differentiating factors.

Adjusted EBITDA and Net Income

1. Increased Rent Impact:

- Additional rent expense: $47,000 - 27,600 = 19,400$.
- This reduces the Ordinary Business Income (OBI), or net profit, by \$19,400 annually.

2. Revised Average OBI:

- Original average OBI: **\$120,169**.
- Adjusted average OBI: $120,169 - 19,400 = 100,769$.

3. Updated Valuation:

- Recalculate the valuation using the adjusted OBI.
- Valuation range: $100,769 \times 2.5$ to $100,769 \times 3.5$:
 - **\$251,922 to \$352,692.**
- Midpoint valuation: $\frac{251,922 + 352,692}{2} = 302,307$.

ROI Adjustment

1. Adjusted Net Income Projections:

- Projected net income will reduce by \$19,400 annually.
- Adjusted cumulative net income over 5 years: $657,133 - (19,400 \times 5) = 560,133$.

2. Updated ROI:

- $$\text{ROI} = \frac{\text{Cumulative Net Income}}{\text{Adjusted Valuation Midpoint}} \times 100:$$
 - $$\frac{560,133}{302,307} \times 100 = 185.23\%$$

The Result

Summary

- **Revised Valuation Midpoint: \$302,307.**
 - a. Based on the financials - the valuation came in around \$300k. I had to determine a value for the tangible assets in the business as well to add to the price I offered (coolers, vehicles, inventory, furniture and fixtures, etc)
- **5-Year Cumulative Net Income: \$560,133.**
- **5-Year ROI: 185.23%**
 - a. Over 5 years the cumulative income should pay for the business almost two times over - meaning that the investment should be paid off in 2.5 - 3 years.

