Now, you've learned about what automation is, what process optimization is. We've went over why you want to do all these things. Generally, the terms, all of the things, how to sell to the C-suite, you've gotten buy-in, and you've identified all the things you need to do. Now you need understand, “Okay. Wel,l now what?”

This is this.

So, basically you want to create a plan of action. And that plan of action is going to have milestones and it should be by the quarter and it should be for two years. And what that does is it just gives you some breathing room so that they know that this is not a short term thing. And that you're not going to just come in here in 6 months and be able to fix things.

Take a look at what this is.

Q1 is assessment and planning. That's all you're doing. You're going through and you're saying, “What do I have? What are we at?” You're talking to people, asking questions, finding pain points, looking for a bottle neck. You're doing all the things that you just learned about and you're going in and process optimization and workflow automation, if you can. Definitely process optimization and you're getting the CEO on your side during this time.

So then Q2 is basic practical experimentation and experience in automation. So you've learned all the processes. You've identified what to automate. Now you're breaking stuff. You're learning how to automate. You're learning how to bring custom fields out of ClickUp. You're learning how to make a comment in Asana. You're getting the specific things that you need for your ecosystem, for your program, because it's going to be different for every single one. There's no one system out there that's going to just be a silver bullet. It just doesn't exist.

So then Q3. You're now cooking the gas, okay? You've got all automations in. You have the ability to just spin up an automation, you’re doing process of all optimized. Everything is great. Now it's time to scale. You're looking for an organizational impact. Maybe you're in marketing before finance or whatever, right? You're in some silo.

Now it's time to break out of those silos and get organizational and starting thinking systematically. How things can talk to each other? How your automations and your outputs can be other people's inputs? And then they can start building automations. That's when it starts really getting great.

And then now you're looking at Q4. Looking at what you did over the last three quarters, looking at the connective tissue that you built Q3, you're like, “Okay, this is working out really well. Marketing and finance is working very well. Let's try this. Let's see if we can connect sales and finance. Or maybe let's connect IT and provisioning. Or the two departments that you just don't think maybe they have anything apart from each other. Look at the processes that they share and see if you can connect those and just automate those. And then boom! Now those processes are eliminated from time. And IT has to send a request to a provisioner who has to send it to their procurement, who has to then approve it through a manager. Maybe all that could be automated based on budget, right? That process alone gone..

Now, an IT person no longer has any of that rigmarole that they have to do to get pens ordered. They just order pens or pens just show up based upon usage of pens, right? So these are the things that you do. You look at, as you've removed the processes, where you've entered and where you have given the most time back. And then where you haven't entered and where the time still is sucked. So that way you can identify pain points from where you've already built.

So the exception is now the proving of the rule. That “Oh man look at all the time that we saved over here in comparison to this. And this is where it used to be everywhere.” But that's your review. That's your post-mortem. You look back and you say, “Okay, this is great. Look what we all did here.” And then you look and by identifying all that, you'll see what's left. Right?

Now you don't want to measure that though, you don't want to look at that and say, “Look at what we have left,” but you want to acknowledge that it's there and start chipping away.

And then Q1 of 2025, you're going through and you're upskilling employees. You're building automated environments. You're really getting yourself integrated within inputs and outputs. You're building transformers. You're maybe stacking LLMs on top of stuff to make the small business decision. And you're scaling. And you're really becoming data driven. All of your stuff is working flawlessly and people just come to you with new automation ideas all the time.

And then by Q2 of the second year, you're in your data-driven cycle. So you've put a full year into learning the system. You've iterated on it. Everything's good. You've got a future-proofed and future-planned it based upon conversations with the entire C-suite and LLMs. You have everything that you need, and you've built out over 18 months to two years of something that's super solid that you can then now rely on. And it's not a black box that you can build.

So, you look at this, and when you walk into the C-suite, this is what you say. You're like, “Look. This isn't a two month or a three month plan. We're doing this over two years. Here's how we're doing it. Here's the milestones. Here's how I'm measured. Here's where you're gonna be saving money at these inflection points.”

So you're like, “Okay. Between Q2 and Q3, you're right here. You're gonna be dropping your operational cost by 20% to 30%. Between Q3 and Q4 here, you're gonna be speeding up your processes by 50%-60%.”

And if the CFO is there with you, they're gonna be able to give you those numbers. You can actually give those back to them and say, “Hey, look, you're at a $2 million a month operational cost. You're going to be at a $1M operational cost after here from now.”

So it's not like just a one thing either. It's in the future. So from now on out forever, you're going to be saving this money. So there's always that too. Like there's always that ammunition that you're always going to have that, “Yeah, sure, you're going to pay me short term right now. Maybe a lot of money, but I could just go away if I need to and everything is going to replicate out in the future.”

But even if you pay me a percentage of whatever you're saving, if you save $20M a month, and you're paying that person $50,000 or $60,000 a month, who cares? You're saving millions of dollars. So this is an operational thing across the board like you can save a 50% of operational cost. And that's not just that one person's thing. That's across the board on all operations. So it’s a huge amount of money.

We're going to look at a couple of real world examples, okay?

And this is how to how to implement that how to sell it to the C-suite. These are three people. Hopefully everyone has heard of these companies and this is how these three companies used workflow automation and AI to dominate.

So **WARBY PARKER** is a direct consumer eyewear glasses place and they've used automation in their entire industry. Their entire company is automated, from picking orders to sending glasses. Everything that you could ever imagine is basically automated in their workflows. So they've gone to the point of being able to put glasses on virtually and see them so they don't have to send them to you. They're on the cutting edge level of using AI and augmented reality to help their customers have a better experience online like they would offline. And they're also offline and sending you. They have particular places you can go but they also send them to you. So they take the online experience and take it offline and send you the glasses so you can try them. Send them back to them and then they send you back to the real ones that you like. So that's all automated as well. You go online, you put the automated virtual frames on, that's all picked and packed by robots sent out to you.

STITCH FIX is an algorithm. It's basically just exactly what it is. You go through and you answer to questions and it builds you out a wardrobe just like a stylist would. And then sends it to you and then an A/B test. and it comes in and you say, “Now this one. Not like that one.” And then it burns your style eventually and then it's just dead on accurate and just sends you clothes. It's kind of scary how actually accurate it is

And then **SQUARE.** Square just started because there wasn't a payment process and system and that was easy. And it was it. The same as Stripe. Both of these just needed payment ecosystems but now Square has expanded into a full business management solution: payroll, inventory, landing, everything. And that's all based on automation because they have the ability to work at a level that the big boys do at a small level.

But we're gonna look at Warby Parker first. And what they did is they started as just a small company. They're eyeglass makers and they weren't online. And they knew that it was going to be online but they didn't really understand.

So they had their ERP running and it was basically sending out recommendations and reports out to individual Excel sheets. And then each individual person was pulling different reports and different Excels and each one had different ones that was coming from the ERP of the data lake.

Some of these processes were taking 10 hours to run and they were on a daily basis. So they would get into work or they would run on a cron job and it would just run for 10 hours. And then at the end of the day when they were about to leave, they'd be able to look at the data from the previous day and it just was untenable.

So what they did is they just became data-driven and they iterated out. And they realized that they needed to get rid of the ERP as a data silo and they broke out each individual source as you could see here. So they have their digital marketing systems, customer service systems, retail storage, the external data, and their big data sources all broken out as their individual source. And then they have transition area or interstitial projects in between.

Now, the reason that this is such a good idea is because it allows them to format the data in a way that doesn't matter because it's being translated as it goes in. So what they've done is they had an output system at first, at stage one.

This is a simple output system where the input in the transition is in the same spot. And they ended with a transition system which is the most beneficial for them. That's the most robust for them because what it's doing is it's taking all these inputs, and using SQL and Redshift it's giving you the ability to query all of these big data sources and give you back the same output. So now it's going directly into Looker, and from Looker now you have pivot tables, dashboard and individual spreadsheets that are just queried out data that you need, specifically for whatever it is they need.

So instead of having this huge data lake of all the things, so let's say you want to run, give me a query on this database of everyone that's bought in Wisconsin over the last six months, and with this amount of frame, and within this price range, and we shipped it out, and they got it, and they left the five star review. You run this here, that may take 10 hours to run because it has to go through and just build all of this contextual searches and then by the time you got that it made you seven people, right?

So here what you can do is you take that and you see customer service data and retail data. You can take that with SQL and it's not even two seconds. it's just boop boop. And then you have your ERP still here running, giving you recommendations about what to do.

So this right here is, yeah, it's a much more complex system but it's built in stages. It's built with milestones so somebody came in here, and if they had AI, they could have just said, "Hey, I have an ERP that's broken out into spreadsheets, how do I fix it?" And they would have gone through and been able to show you this is how. You keep your external sources. Use your ERP for what it's meant for, then tie on SQL and something like DBT or Redshift on top of it.

You don't have to understand exactly what this means. Okay, if you're lost here, that's fine. Just understand that engineers can come in and they use process optimization, workflow automation, and now AI to build the process they used to take 10 hours and was untenable to change absolutely the entire way that the company does business.

They're data-driven now and they can give you a query of absolutely anything at any time. So you may not need to understand how to build all of this and be the engineer to do it and understand that someone does and you know that looking at something where you have a data lake into individual sheets that are huge isn't the right way.

So you need to find someone who can look at your data and make it the right way. Or learn it yourself. Go learn systems and build out all of these workflow processes and automation yourself. But someone has to do it. It doesn't necessarily have to be you as the Chief AI Officer but it's it's got to be someone who fully understands the processes and break them up.

So the problem is they're an online marketplace and they want to sell clothes but Amazon is 49% on consumers goods and brick and mortar are going to shutter. So what do you do?

What they did is they differentiated it. Their idea, their marketplace is we're gonna be your online personal styler. So they got a billion data points about 2.9 million people. They know more about people's fashion than anyone else on the planet. They can tell you instantaneously about what your fashion would be based on a couple of images of you. So what they do is they actually personalize to the demographic and ICP more than any other website. I mean, maybe Amazon, but that's different.

This is like actual personalization. You go there and the site changes depending upon what you need and what you want. And it actually works because they have so much data points and they're so niche down that they can actually look at that and their databases clean. And they say if you're this ICP you probably like this clothing. And if you don't here are nine different paths of don’t. So if you look like me you probably like certain certain types of clothing. And if you don't, here are the nine paths that people that do look like you and don't like this clothing go and you're going to be in one of those.

That's just how it works because that's so much data that they can predict that. But that's the beauty of machine learning and AI. You can look at that and say, “Okay. You're a 40-year-old white guy from Connecticut, you probably wear a certain type of clothes.” And then, no, all right. Well, there's only nine different paths that you'll take. You rebel this way, this way, this way, this way, this way. And then they build out different ones and you select the ones that you like and you self-identify. So it just absolutely builds you the best wardrobe you could ever imagine. And just chips it to you.

And then you look at Square. When Square started, there was no PayPal. There wasn't no nothing. And you couldn't get a merchant account. You'd have to go to like authorize.net and it would be a big deal. If you were selling things that they didn't like online or they had some kind of moral ethical thing against you, you literally couldn't take credit cards online. So there's nothing you could do.

So Square came and said, “Well, the reason that it's so expensive is because of the hardware. And you already are probably holding hardware in your pocket that is more powerful than anything that we can send you for any kind of cost. So let's just use something that piggybacks on that.” And they are the first people to use this automated software to read a credit card and send it into the phone.

Now, they have a hardware and software interface. And boom, now anyone can take credit for it. And that's just using process optimization.

They went through and they said, “Okay, where's the linch point? Where's the bottleneck?” And it was the input. They had no problem with the transformation and the output. They can handle all the money. They can handle everything else after that. It's just the input. How do you get the input? They solved for that, and now they're a billion dollar company.

So the first rule and the last rule of anything automation is garbage in, garbage out. The first rule of any technology used in any business that is automation applied to an efficient operation will magnify the efficiency. Any technology used in a business that is automation applied, it will either get that much more efficient or that much more garbage. If it's applied to an efficient, it'll get that much more efficient. If it's applied to an inefficient, it'll get that much more inefficient. At the end of the day, that's how all this works.

So how you implement this is you build out a two-year plan. Look at companies that have already done it. See where you're at and see what you can do. Understand that garbage in, garbage out, and don't just strap a rocket to a donkey. You have to actually go through and identify all the processes that could be removed before you worry about automation and AI. And then you start cooking with gas.

But you may have to think about outside the box here. You may have to look at this and say, “What is a problem process that I have that could not have been solved before that I can solve now with AI?”

So that's how you implement it. You just build out milestones. Look at the individual processes. Identify all the weak points. Get the bottlenecks out of the way. Start working with workflow automation. Then you just start scaling. And once you start getting to a point where you can't do anymore, loop in AI. Start having AI look for patterns that you can't find. Right?

So you know how to talk to the C-suite and you know how to sell it. You know how to implement. We're going to look at some tools and we're going to look at some future-proofing soon.

We'll see you in the next one.