

Jirav

CASE STUDY

From Preservation to Acceleration: How Popspots Leverages Financial Modeling as a Competitive Advantage

“ If we want to understand how to hold inventory, we use Jirav. If we want to understand how to hire, we use Jirav. If we want to understand what targets we need to hit to be able to raise our next round of funding or achieve some other goal, we use Jirav. It's an all-in-one planning tool that we've come to rely on. ”

— Don Oelke,
Co-founder & CFO

CHALLENGES SOLVED

- Inherent difficulty in accurately forecasting cash flows due to multiple complex revenue streams and associated costs
- Outgrew spreadsheets as the business expanded and the model became complex
- Wanted to retain flexibility, but lacked time and resources to model in-house using Excel
- Stuck in survival mode due to lack of long-term forecasting capabilities

ADVANTAGES DELIVERED

- Simple, streamlined setup in just two weeks
- Accurate cash flow forecasting across three revenue streams
- Replaced Excel without sacrificing or having to oversimplify the model
- Flexibility to make adjustments to the model on the fly
- Increased transparency from being able to share the model with all stakeholders
- Easily model different hiring scenarios to see impact on runway and cash flow
- Ability to quickly evaluate a variety of financing options
- Confidence to focus on growing the business, not just preserving it

JIRAV SOLUTION

- Jirav Pro





From Preservation to Acceleration: How Popspots Leverages Financial Modeling as a Competitive Advantage

A high-growth retail technology startup with complex revenue streams gains real-time visibility into their financial future.

WHO IS POPSPOTS?

Popspots is a retail technology company that specializes in the “front end merchandising” space — where grocery and convenience stores put the gum and candy fixtures. Using their ad network, Grocery TV, they offer an opportunity to advertise to captive audiences while they wait in the checkout line.

The “Pop” in Popspots represents the “point of purchase,” which is where customers see the adverts. And “spots” is the term for the ads themselves, as in “advertising spot.”

Popspots AI-powered analytics platform offers a merchandising component that tracks inventory to let customers monitor in-stock rates, planogram compliance, and many other key retail performance metrics.



“ We did have a cash forecast, but it was nothing like what you would see a fractional CFO firm create. It was a great way of planning early in the business, but we eventually outgrew it. ”

— Don Oelke,
Co-founder & CFO

WHAT IS THEIR BUSINESS MODEL?

Popspots has a sophisticated business model with three primary sources of revenue:

1. Advertisers seeking to reach local consumers in the grocery checkout
2. Grocers who want to promote in-store products, reduce perceived wait time, and manage out of stocks
3. Consumer Packaged Goods (CPG) vendors who participate in their merchandising service

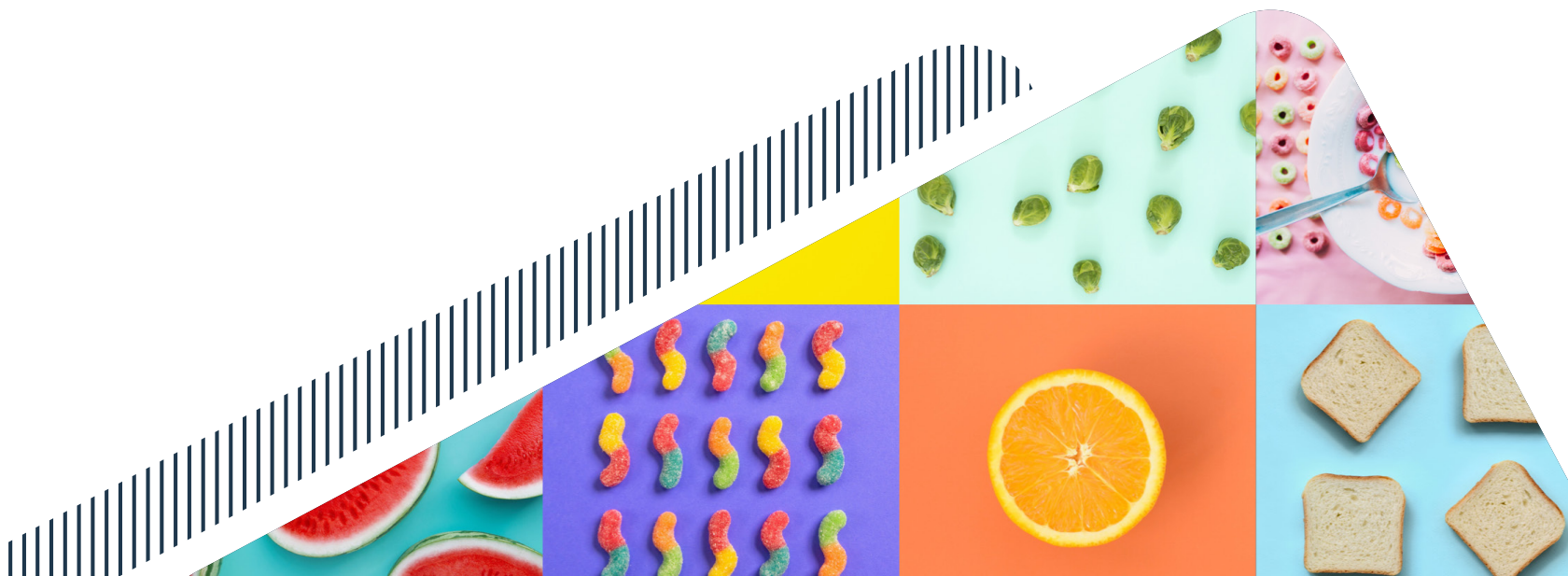
While the model makes a lot of sense, especially due to the high value of a captive audience in the grocery checkout line, there are many inherent challenges.

One of the biggest challenges from a financial perspective is **managing cash**. There are significant upfront capital costs for the hardware, while the primary revenue source (advertising) is earned after the hardware has been installed. This means Popspots has to use cash to cover the cost of the hardware until the revenue stream arrives.

This cash balancing act is why it’s a difficult business to pull off, and why financial modeling is so critical.

While others have tried to enter this difficult space, Popspots has a few advantages:

- Sophisticated financial planning allowing them to forecast cash flows and control costs
- Flexibility and transparency by maintaining their financial model in-house
- The confidence to focus on acceleration over preservation



A FINANCIAL FORECASTING DILEMMA

Don Oelke co-founded Popsots through, as he says, “an accident of happenstance.” In school he studied engineering, not advertising. Four years into a career as a petroleum engineer, Oelke was inspired to leave it behind.

Oelke’s father happened to run a business that builds gum and candy fixtures for the checkout lines of grocery stores. Oelke and his two co-founders, Edward Cates and Marlow Nickell, had the idea of putting video displays above those fixtures. While the other co-founders led the sales and product efforts, Oelke put his engineering background to use modeling out the business in Excel.

Eventually Oelke and his co-founders settled on something they thought had a chance of working. At the beginning, expenses far outpaced revenue, growth was unstable, and the business was simple, so the need for sophisticated modeling wasn’t as urgent. Excel did the job just fine.

That all changed as the number of customers began to grow.

TO OUTSOURCE, OR NOT TO OUTSOURCE?

The capital constraints that led previous businesses to fail highlighted the need for a clear focus on the financial health of the business.

Popsots’ decision eventually came down to two options:

1. Hire a part-time CFO (expensive and inconvenient)
2. Keep their modeling and analysis in-house (difficult and time-consuming)

Popsots needed better visibility into future cash flows and financial reporting, and their homegrown spreadsheet wasn’t doing the job anymore. However, Oelke hesitated to hand over the job of forecasting entirely to an outsourced

CFO, who would probably build an overly complicated Excel model that only they would be able to understand and update.

While outsourcing would get the job done, it would be difficult and costly to:

- Update the forecast and financial reporting on a regular basis
- Communicate analysis to the team for better informed decisions
- Get everyone on the “same page” to understand where the business is heading

Then Oelke discovered Jirav. Not only was Jirav powerful enough to handle complex financial modeling, it also was easy enough to use that Oelke could build and maintain the model himself without having to hand it over to someone else. That made choosing Jirav a “no brainer.”

“It was really a question of, do we go with Jirav or do we go with a more traditional model where we hire a CFO consulting firm to build a large complicated Excel model that in all likelihood only they really can update. And as a former engineer, it was really a no-brainer from the start.”



POPSPOTS GAINS SPEED, FLEXIBILITY AND TRANSPARENCY

"I think we saved some frustration on my end because ultimately, I would have had to learn the Excel model that [a CFO would] build rather than Jirav. I would say that the biggest advantage that I see is the flexibility."

Keeping the financial model in-house wasn't just a matter of saving money — it also provided Oelke and his co-founders the flexibility to make adjustments to the model on the fly.

"We now have the ability to continuously improve on the model internally and keep our stakeholders apprised of how we're doing," said Oelke.

Another benefit of Jirav — both the Popspots team and investors were now all able to see exactly where Popspots was headed.

"Our company operates under an umbrella of complete transparency. We care about making sure that the stakeholders in the company understand everything that's going on. It's really in every part of our business."

FAVORITE JIRAV FEATURE: CUSTOM TABLES

As a business with multiple revenue streams and complex accruals, Popspots doesn't fit traditional business molds. Most software designed for small and medium businesses wouldn't be able to handle it.

Jirav is the exception. With Custom Tables, the Popspots model came to life. Inside of Custom Tables, Popspots could link their unique operational metrics to customized formulas that replicated what they were previously doing in

Excel. There was no need to force their business model to adapt to the software. Rather, Jirav adapted to Popspots.

For Popspots, this meant a clearer picture of revenue recognition, costs, accounts receivable, working capital, and more accurate pro forma financial projections.

"One of the most useful features for us is custom tables. It allows us to tailor the model to our business rather than trying to fit a square peg in a round hole, if you will. It allows us to get the granularity that we want out of the model without sacrificing or having to oversimplify the model to fit within a predefined set of rules."

AN EASY, STREAMLINED IMPLEMENTATION IN TWO WEEKS

Oelke says that setup on the software side was straightforward and took about two weeks. Most of his time during the implementation was dedicated to figuring out how to handle the downstream effect of transactions that occurred before the switch to Jirav. But once that was taken care of, Oelke hasn't had to worry about it since.

"...the majority of our setup time was figuring out how to resolve revenue recognition that happened pre-model as well as accounts receivable — how to disperse it among the different accounts. The solution we came up with is really robust and has been something that we haven't had to change since the implementation."



FINANCIAL MODELING AS A COMPETITIVE ADVANTAGE

In the early years of Popspots, as with most startups, the focus was on survival. The Excel cash model served that purpose. It was scrappy.

Oelke says,

"Before Jirav, the focus was on preservation rather than acceleration."

After raising their Series A, Oelke and his co-founders could now focus on growth rather than survival. Jirav was the tool that allowed them to do that from a financial perspective.

HIRING WITH CONFIDENCE

One of the ways Jirav's modeling fuels growth for Popspots is through integrated workforce planning.

Jirav allows Oelke to see the impact of adding, time shifting, and removing future roles and hires in a variety of scenarios. It's easy to see how hiring decisions affect runway and cashflow.

"Jirav has been especially helpful for workforce planning because it allows you to very quickly create and remove different positions depending on the scenario. So we can very easily understand, if we hire this set of people now, how does that affect our runway? How does that affect our cash flow?"

FINDING THE BEST FINANCING

The ability to find the best options for funding is a major advantage for Popspots. In an industry that is littered with those who tried and failed, Oelke uses Jirav to see the impact of a variety of out-of-the-box financing options for their hardware purchases.

"We can very quickly evaluate different financing options. And in some cases, the results have turned out to be different than we expected. As a result of this analysis, we're currently pursuing an unconventional financing option that makes a lot of sense for our business."

Jirav is a go-to tool for making important decisions at Popspots.

WHAT'S NEXT FOR POPSPOTS?

The goal for Popspots? Rapid growth.

With 1,100 grocery stores already in their portfolio, further expanding the customer base is top priority. And that growth allows them to better serve their current customers.

As Popspots expands into more stores, the value of their advertising network grows even faster because they can attract larger advertisers with bigger budgets.

In this way, growth can be self-perpetuating. That's why managing cash flow is so critical. Others who have tried this model haven't been able to get past the capital-intensive early stages. But with a clear view of the future, Popspots is confident that they will succeed.

You know who else has gained financial confidence? Oelke himself. After switching to Jirav, Oelke added "CFO" to his co-founder title. **Proof that finance isn't just for those with finance degrees — especially when you have the right tools.**



WHAT ARE YOUR GOALS?

Popspots uses Jirav to get a clear picture of the future and to analyze how they are progressing toward their goals. They aren't focused on surviving. They are focused on massively accelerating.

How about you?

If you're ready to get a clearer picture of where your own business is headed, [start a free trial](#) and see for yourself how Jirav can provide the visibility you need to succeed.



Our name sounds like "giraffe" for a reason. The giraffe is the tallest animal in the world. That means it has the broadest view of the landscape.

Our goal at Jirav is to help you see what's coming with our driver-based financial modeling plus integrated reporting and dashboards. By getting out of spreadsheets and into Jirav, you'll look forward, set goals, and track progress all in one place, enabling you to drive your business forward with confidence and speed.

Interested in seeing the power of Jirav for yourself?

[Start your free trial today!](#)

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