

Following health scare, Thompson and STX take off

By Paul Gatling

Each entrepreneur faces a unique set of challenges when starting a new business. Some overcome them. Some do not.

Take Jon Thompson, for instance. In October 2017, he and Amber Muehlbach launched a data management company in Bentonville called STX Business Solutions.

The company's cloud-based software platform consolidates millions of points of information into Microsoft's business intelligence package, called Power BI. Users can import raw data and create reports and dashboards by using its drag-and-drop functionality. STX markets the product to vendors — primarily in the adult beverage category — to help them better manage their sales data with large retailers.

"We use the client's internal sales data with a retailer like Walmart or Target or Kroger," said Thompson, a University of Arkansas graduate who grew up on a farm near Siloam Springs. "We pull that each night and overlay it with their specific need. By 7:30 each morning, they can



STX Business Solutions principals, from left: Jon Thompson, Amber Muehlbach, Erika Haase and Kim Wilichowski.

point and click and see any points of their data with heat maps, predictive analytics or out-of-stocks, at the touch of a button."

Thompson noted the value to vendors in the adult beverage category because of the complexities of the industry.

"The adult beverage market is highly complex, and the multitude of legal, distributor and vendor complications is enormous," he said. "Every time you step across a state line or even a county line, the laws and regulations change. And by law,

these [vendors] all have to use distributors. Some of them use up to 500 distributors."

After its founding, the STX team quickly grew to four with Kim Wilichowski and Erika Haase, and the company has since secured multiple clients, including several of the top 10 wineries, distillers and breweries in the world. STX is also growing through retailers and traditional consumer packaged goods (CPG) clients.

"The STX platform gives us DSD [direct store delivery] clarity like we have never had before," said Desire' Hunter, senior director of national accounts for Louisville-based distiller Brown-Forman Corp., which owns a stable of brands including Jack Daniel's Tennessee Whiskey, Woodford Reserve and Canadian Mist. "It advances the discussion with any retailer, distributor, state or brand manager as the information is at our fingertips and rarely do we have to say, 'We'll get back to you.'"

Thompson, 53, said the company's revenues are up 300% in 2019, and with no

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outside investors or debt, a similar performance is anticipated for 2020.

"We not only have a personal stake in the business, but each of us also has a significant equity position," Thompson said. "The next few years look bright."

But back to those unique set of challenges. Every entrepreneur deals with them, and despite the rapid success of STX Business Solutions, Thompson was no different. During the first few months of the new venture, a \$30 million wrongful termination lawsuit Thompson filed in October 2017 against his former employer, Southern Glazer's Wine & Spirits, was dismissed. Thompson was also dealing with the death of his longtime banker and friend, Tony Stockton, a highly regarded financial executive and civic leader in Oklahoma, and a former mayor of Tahlequah.

Thompson was also confronted with a crisis that threatened not only his new company, but his own life.

'Something Was Wrong'

A seasoned businessman and entrepreneur — he has more than 30 years of experience in the CPG industry and led the startup, merging and failing of a dot-com e-commerce company in 2000 — Thompson is experienced enough to plan for what's coming. His business and personal travels throughout his career have taken him to five continents, 34 countries and to all 50 states.

No amount of planning, however, would prepare him for a Saturday afternoon in

February 2018. Thompson was standing in the kitchen of his Fayetteville home when he felt his arm tingle and his leg went numb. He was suffering a brain stem stroke.

He called his girlfriend, and within 20 minutes she had arrived and they were on their way to an emergency room.

"I could still walk and talk, but I knew something was wrong," he said.

For a variety of reasons — Thompson's daughter is a nurse there, for one — they bypassed closer healthcare providers and headed north to Mercy Hospital in Rogers.

By the time they arrived, Thompson estimated it had been about 50 minutes since the incident. He could no longer talk and had no movement on his right side, but doctors quickly made all the right diagnoses to ensure Thompson's life would be minimally impacted by the stroke he was enduring.

Thompson spent 48 hours in the intensive care unit. While in the hospital, he remembered having discussions with Muehlbach about what kind of impact his medical emergency would have on getting the fledgling company off the ground — or even if Muehlbach wanted to stay.

"We were just starting to build our technology platform, and we had no clients or revenue," Thompson said. "She had numerous other job offers, and it would have been easy for her to shake my hand and say, 'Jon, I've got to go and get a job.' But she stayed by my side and continued the buildout of the platform. And by the summer, we were getting enough traction that Erika and Kim

came on board. They never outwardly showed any doubts about what we were doing. They were incredibly supportive."

Thompson said the only residual sign of the stroke is the Kinesio Tape he wears daily on his right arm to alleviate minor ulnar nerve issues.

"I swim, I play golf, ski, exercise. It [the stroke] may have changed priorities a little bit but not the work ethic or the goals," Thompson said. "That's what life is about, and I'm living. The core stuff of growing up working on a farm 40 years ago? That doesn't go away. I'm going to work every day."

'Female-Led Team'

The idea behind STX Business Solutions originated during a beach discussion on the island of St. Croix in the U.S. Virgin Islands. That's where the company takes its name. "STX" is the three-letter location identifier assigned by the Federal Aviation Administration to the Henry E. Rohlsen Airport in St. Croix.

As proud as Thompson is of watching that idea become a successful business, he is more proud of the team that's driving the results.

Muehlbach, Wilichowski and Haase are all experienced working in the adult beverage sector. Muehlbach, who has a master's in horticulture from the UA, leads the technical side of the company and has professional accreditations from Microsoft and the Category Management Association as a Certified

Professional Category Advisor.

Wilichowski has 25 years of retail experience with Walmart Inc. and Sam's Club as a merchant and was instrumental in developing a comprehensive cost and pricing model for Walmart's adult beverage team.

Haase worked in the adult beverage category for more than a decade and is one of the foremost wine industry product knowledge experts in Arkansas, with a Wine and Spirits Education Trust (WSET) Level 4 certification.

"To be clear, this is a female-led team," Thompson said. "I can't state enough how good they are and how well they work as a team."

Thompson said the company is in expansion mode, with an eye on expanding the platform outside the adult beverage category.

"The base of clients we have has put us in a cash positive situation, so we want to start scaling the business the second half of 2019," he said. ▀

ABOUT THE SUPPLY SIDE

More than two decades after the death of Sam Walton, nearly 1,300 suppliers have set up offices within a 27-mile radius of Walmart's home office in Bentonville. The supplier community provides about 6,000 high-income jobs and brings further socio-economic development and cultural diversity to the region. The Supply Side section of the Northwest Arkansas Business Journal focuses on the companies, organizations, issues and individuals engaged in providing products and services to retailers.