



E9 - 5 Entrepreneurs Ask, I Did What You Told Me. What Do I Do Now? Transcript

Ryan Moran [00:00:02]

This is The Road to \$1 Million and I am Ryan Daniel Moran. Welcome everybody to this episode of The Road to \$1 Million. Today I'm going to be talking with 5 entrepreneurs that I have invested in inside of my fund which is called the Capitalism Fund. You might recognize some of their voices or some of their names because they're been on this podcast before but I recently had them at my home in Austin, Texas where we worked on their businesses and went into their next steps and cleared some of the things that were holding them back.

Ryan Moran [00:00:35]

I recorded a followup with them so that I could ensure that they were staying in that mindset. It's so easy to go to an event or meet somebody and then go back to your previous surroundings and go right back into the habits that kept you where you were. So, I scheduled this followup with them in order to ensure that they were on track towards hitting their goals.

Ryan Moran [00:00:55]

Now, Nick you've met before. He runs the healthy brownie company. Mark you've met. He runs Ancient Strength. Josh has his barbecue brand. Luanne, who you haven't met yet, runs a women's skin care company called Fox Brim. And Jesse is the man behind the brand called Cakes of Eden, which I invested in about 2 years ago and they've about doubled since we started working together.

Ryan Moran [00:01:20]

The Capitalism Fund looks to partner with entrepreneurs who are already pacing at least a million dollars in top line revenue and we bring in the relationships and the capital and the advice to help them go towards \$10 million dollars and prepare for exit. So this is a conversation with some of the brands that I've already partnered with, and we're talking mostly about how we can push the gas so that we move toward that mid or upper tier 7 figure business as fast as possible.

Ryan Moran [00:01:52]

By the way, if you've got one of those brands that's at least got the million in sight and you need some help, you need some capital, you need some partnerships, you need some relationships, you need to hire some people, you want to grow the business, you can put your business on my desk by filling out a quick form over at Capitalism.com/fund. If your business is exciting and we think we can help, we'll find a no-risk deal for us to work together. Alright, let's



jump into the episode. And remember, whenever you're ready to start your road to \$1 million, you can join us over at Capitalism.com/1.

Ryan Moran [00:02:31]

Alright, so the purpose of today is all of you were in Austin a few weeks ago and left with really clear plans about how you were going to grow. And I know what it's like to walk away with a plan and then go back to your life, and the whole plan falls apart, and you say, I felt so clear 3 weeks ago, what the heck happened? So, I wanted to do this as both an accountability and also just a clarity call to ensure that all of you felt like you were on the right track and just as clear as you were a few weeks ago. So, Nick, let's start with you. How are you feeling since leaving Texas and starting to execute on the plan?

Nick [00:03:16]

Feeling pretty good. So, I think the biggest takeaway again was just focus mostly on top line revenue and go pretty aggressive on customer acquisition. So, to do that, I immediately spoke with Turn Key and my digital ads agency on the Instagram and Facebook side just to let them know that being profitable is great but if we're being more aggressive and hitting our break even, that's awesome so we can go and get more customers.

Nick [00:03:41]

And then I've also been putting together some sample packs, so we're going to use that as kind of a tripwire or low-cost product to get more customers in the door if they don't want to immediately go for the 12 count. So those are the 2 main things we've been pushing to grow top line and get more customers over the last few weeks.

Ryan Moran [00:04:00]

And what has been the result of changing that approach in top line revenue? Have you noticed a difference?

Nick [00:04:05]

Yeah. So, especially on Amazon, we've already probably increased the budget by 50% per day which has been really good. So we're getting more customers, and actually the biggest thing is we launched the Amazon subscribe and save last month and we already have 120 subscriptions on that which is awesome, so that's \$4.2K in monthly recurring revenue that we just picked up over the last month, which is really, really awesome.

Ryan Moran [00:04:28]

Very good.



Nick [00:04:29]

And a big part of that has been DSP ads too. We've been doing really well on that with 10% A costs. So, we're trying to aggressively scale that now too.

Ryan Moran [00:04:37]

Okay. And do you know what your numbers are on advertising at this point since you increased your budget?

Nick [00:04:43]

A Cost wise?

Ryan Moran [00:04:44]

Yeah.

Nick [00:04:45]

Yeah. We spiked up a little bit to like 55% A cost so we were shooting for 48% but they were telling me that once we increase the budget we might see a short spike in A cost until we optimize a bit more and then try and get back down to 45-48%.

Ryan Moran [00:04:59]

Well, I mean, I know we talked about this in depth. I don't care if the number is 75%.

Nick [00:05:05]

Oh right.

Ryan Moran [00:05:06]

I mean, spend what you need to spend in order to drive that top line because the strange thing is that you don't want to optimize too early. You want to spread that wide net and optimize from there. So, for anybody who wasn't at the conversation, Nick and I had dinner with somebody who was running a really big budget. As a client, they were running it for a jerky company and they said, well, yeah, they're willing to lose a ton of money at the beginning in order to get a customer because they're just so bloated and inefficient.

Ryan Moran [00:05:42]

And I said, yeah, how big is that company? And he said, I don't know, they're a \$3 billion dollar company. And I said, so who are you to determine whether or not they're bloated and



inefficient? Big companies spend money to acquire customers and then they optimize from there. Nick, what's your gross margin on a Keto Brownie? Is it 50%?

Nick [00:06:09]

So, just line with product costs, we're higher than that. We're 68%, yeah. But after all the Amazon fees and the fulfillment rate and stuff, our break even is right around 47%. So, that's why I've been shooting for that. That's why ...

Ryan Moran [00:06:23]

That makes some sense. And do you know what your reorder rate is by chance?

Nick [00:06:27]

I'll have to do more metrics on that but we've been focusing on the subscription, which is good. So we're at least getting that monthly \$4.2K recurring which we just picked up. So that's an additional \$50K on the top line per year just by last month which is awesome.

Ryan Moran [00:06:44]

For sure. And do you happen to know what your daily sales are compared to where they were a month ago?

Nick [00:06:48]

So, just on Amazon we're at 27 a day, and now we're starting to get a few trickling in every day on the Shopify site.

Ryan Moran [00:06:56]

That makes me really ... That gets me really excited, and the reason that gets me excited because we've crossed that 25 a day mark and you're ... I'm expecting samples at my house today or tomorrow for product number 2. Can't wait for it. If that's the case, Nick, once again, I just want to reiterate, you have my permission to go spend more. You have my permission to turn up the dial even more because you have some data to support it. You've got data that people are joining subscribe and save, you've got data that people are willing to pay this price point, you have data to support that when you turn up the costs, when you turn up your advertising, you get more sales.

Ryan Moran [00:07:37]

There's that magical moment when you get that half star back from 4 star to 4.5 stars that we could go from 27 to 54 overnight. That's possible. And just in case you need it, you have my permission to be as aggressive as you want to be.



Nick [00:07:55]

Alright. Appreciate it. Noted.

Ryan Moran [00:07:57]

Yeah, you got it. You got it. Luanne, let's go over to you. How are you feeling since you left Texas?

Luanne [00:08:06]

I'm feeling great. I came back and kind of hit the ground running. I made some immediate changes to our focus. I think the number one thing that I realized when we were in Texas was that I was focused on too many different things. It's really honing in our focus to 1 or 2 things that really will drive the business forward. That was Amazon acquisition and our core offer.

Luanne [00:08:30]

So, we did move forward with about a 25% increase in budget spend on Amazon. We currently are hovering around a 55-60% A cost. My PPC guy recently was like hey, I feel like we're bleeding money, I feel like we should pull back. So, that was just yesterday and I don't know. That's where I'm kind of like, do I keep pushing forward at this high A cost to try to drive the business end because we're just not converting as much as I want to. Yeah, so that's where I'm kind of stuck because with the core offer we really honed in on what our message is. We're hiring a copywriter that can knock it out of the park. I feel really good about that. But this Amazon piece is the one that's kind of still a little bit ... We're not 100% on track to where I want to ...

Ryan Moran [00:09:22]

Yeah. I got you. So, for those of you who are not familiar, Luanne's primary focus is building a cold traffic funnel. And Luanne, I know I told you this privately but I see a lot of really bad hooks in copy and the one that you ran by me was a very good one. So, the approach that Luanne is taking is bundling our products and writing a cold traffic sales letter for it, and we'll be testing that with affiliates and with cold traffic. So that's kind of the core focus of the business.

Ryan Moran [00:10:02]

I've been really happy with the momentum there, and I know the copywriter starts June 1st so there's not a whole lot for us to do at this point. So, it sounds like the big mystery is while that is developing in the background, how do we optimize the sales channels we have.



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Luanne [00:10:18]

Correct.

Ryan Moran [00:10:20]

Okay. So, how happy are you with the price point, the review count, the keyword positioning and all of that?

Luanne [00:10:30]

So, that's where we've done pretty well. I feel like our price points are competitive. I, in fact, would prefer if they were higher but I know in the Amazon space where we're at, it's going to be good. We have great reviews. A lot of our products have 4.5 stars. We have very few that have 4, and if it has 4 it's not one of our core products right now. So, we want to focus.

Luanne [00:10:58]

I don't know. I think maybe it's partly the branding. It could be the listing that's not converting. We have worked on that. So, another thing since Austin is we've solidified the new branding. That's going through right now. All of the render building and all of that phase. So, we'll have that but yeah that's ...

Ryan Moran [00:11:19]

Our best selling product is hovering at 25 a day right?

Luanne [00:11:24]

25-30 a day. We want to be at least 50 a day.

Ryan Moran [00:11:28]

Yeah, of course. So, it seems to me that Fox Brim's caught in this little chicken egg issue. There's this tense issue of trying to decide if it's an Amazon brand or not, and deciding whether or not we need to compete on price on Amazon or if we want to look like an expensive high end brand, and we're having a hard time doing both. Is that a fair assumption of mine?

Luanne [00:11:54]

100%, yup.

Ryan Moran [00:11:55]

So, where would you like to go?



Luanne [00:12:00]

Well, I mean, I definitely see us as a higher end brand than what's presented on Amazon. I know for a fact that compared to a lot of the other brands, we have custom formulas, we're not white-labeling. We are an elevated brand, and we have the support of when people come in, they love our products and they stay with us. So that's where I see us. The thing is that right now, Amazon is where we're getting the customer acquisition, so while we're getting that I want to make sure to drive it home because, again, once we get people in, they love us, they stay with us, I can get them to purchase off Amazon. So, I'm trying to use that channel while we have it to drive that business.

Ryan Moran [00:12:43]

Yeah, yeah, that makes sense to me. So, the reason I ask that is because at the cost of acquisition that you have right now, that cost of acquisition is fine but at our price point there's not a whole lot ... There's no way to crank that up. The product is too cheap to buy traffic to. That's a problem because then you've either got to win in the organic game, so you're getting a bunch of free traffic, or you have to have some other way to make that expense work out and Fox Brim hasn't had that yet.

Ryan Moran [00:13:20]

So, my initial reaction is run some split tests on the pricing and make them ... See if we can get into a price point where there's enough margin for us to crank up the dial on advertising. So, we have to find ... Strike that sweet spot of what allows us to be very aggressive in customer acquisition. So with Nick, the reorder rate is high enough where it's like, spend whatever we need. Spend whatever we need to acquire those customers, get them on a list, and follow up with them. Get them on subscribe and save.

Ryan Moran [00:14:05]

With Fox Brim I feel like we're waiting for something to break, something to break forward and we have to pick what swords we're going to fall on. So, we can either crank up the dial and wade our way through the mess, meaning yeah, we're losing money, we know we're going to lose money, and we're willing to lose X number of dollars while we optimize for price and followup sequence and inserts.

Ryan Moran [00:14:33]

Or, we try to strike a softer balance which is cutting back costs or raising price, and either one of those is okay, but we just have to pick which direction we're going to fall on and go for it. So, as I talk that out, what stands out to you?



Luanne [00:14:49]

I mean, my gut definitely goes with increasing the price and then spending the budget on PPC to get that customer in. I just think it's going to bring in the customer that we want long term because overall, our pricing is going up. I've already increased it once. It's going to go up a little bit again. So, it has to be that ... Not those people who are just coming in off of search, find, buy tactics that want the free product, that want the discounted product. I really want that higher end product and ...

Ryan Moran [00:15:18]

Have you stopped doing search, find, and buy?

Luanne [00:15:20]

So, when we increased the Amazon budget, we did.

Ryan Moran [00:15:24]

Good.

Luanne [00:15:24]

And we were able to sustain the 30 a day just off the PPC budget, but that was a positive sign. But just recently, I feel like it went down as of yesterday, so now I'm like ...

Ryan Moran [00:15:38]

Well, let's not make any big decisions on one day of data. But if I'm hearing you right, you're saying that we stopped the search, find, buy tactic and instead put that money into more pay per click traffic and now our sales are all real customers which is good, was what we wanted. So, my suggestion from here, Luanne, would be go ahead and crank up the budget a little bit. Crank it up another 25% or so and just see how the dust settles for a couple days. Then, if there's an increase, if there's a 25% increase in sales, awesome. We can crank up the dial a little bit more.

Ryan Moran [00:16:26]

And yes, we know we're losing money. It's okay. Now we start price optimizing. We turn up volume, turn up volume to where we're getting 35, 40 a day and then ... And we have to go in knowing, yeah, we're going to lose money here. This is going to lose money in the short run. And then we start optimizing price and we start to find that sweet spot in price. That allows us to turn up the dial even more on advertising. Now we're at 50 a day, still losing money, but our review rate is coming in, our margins are going up, we're getting more customers through our inserts. Now we're getting repeat orders and subscribe and save.



Ryan Moran [00:17:09]

And over 2, 3 months, that starts to even out. We might raise prices a little bit more. And so, I think that is how that is going to start evening out and that's how we'll increase the margins as well on reorders and subscribe and save.

Ryan Moran [00:17:25]

Most entrepreneurs are uncomfortable with losing money. Ask me how I know. Luanne has a million dollar business, but it's been at a million dollars for a long time. And so, I know that in order to get to where she wants to be, we have to be aggressive on acquiring customers. It's okay to lose money in the short term as long as those customers come back and buy more. I once heard a data point from the company Proactiv, and Proactiv doesn't make money supposedly until a customer has been with them for 18 months. All those TV ads and all those magazine ads and all those famous people in their commercials, well, they're going deep into the red to acquire those customers.

Ryan Moran [00:18:11]

You have to be confident in your brand enough and you have to know your customers well enough to be able to go as aggressive as you need to in order to win. That's how brands are built, and that's why building brands is important. If you're just selling another cheap thing, it's very difficult to try to out-compete everybody else. Since Luanne is building a business that hasn't scaled as quickly as she wants to, it means that there's either something wrong on the branding, or there's something wrong with the aggressiveness that you're acquiring new customers.

Ryan Moran [00:18:50]

Because I'm an investor in this business, I'm pretty familiar with it and it's my opinion that the biggest hurdle is the lack of a willingness among the team to be as aggressive with customer acquisition as is required. So, I needed to give her that permission as the investor to start thinking more like big skin care brands and start spending the money to acquire customers so that you've got the volume, you've got the customer flow to be able to optimize and test new ideas and build a customer base that will snowball over the next year to 5 years.

Luanne [00:19:27]

Yeah, and I just ... The one thing too is what do you suggest for length of testing? So right now it's been about 2 weeks of this increased budget with us kind of bleeding money a little bit. How much longer do you feel ... What's the appropriate timespan to make sure we're like, okay, this is working or it's not working?



Ryan Moran [00:19:45]

Well, a different question I'd ask is what is ... What are we trying to discover in the test? Because, what I think you're asking is for how long are we willing to lose money, but the test is really does spending get us more customers, which it should. If not, there's other problems. If you're spending more on advertising, you should be getting more customers even if you're losing money, and we need that volume in order to then optimize the pieces below that.

Ryan Moran [00:20:23]

It's hard to optimize a product that's doing under 50 sales a day. That's why earlier I told Nick, we don't want to optimize too early. You need volume in order to be able to make really good decisions about where the margin is, where the tweaks need to be made. I mean, big companies lose millions of dollars to figure this out. We're talking thousands. It's okay. It's okay. It's okay.

Luanne [00:20:59]

Cool. I feel pretty clear about next steps there.

Ryan Moran [00:21:02]

Good. The one other thing that's on my mind that I wanted to bring up to you is ... The branding that we've gone through together that you want to release is so good Luanne. You did such a great job with this. Don't hold back on it. Put that branding on our listings and you can do images that are, packaging may vary. That's okay.

Luanne [00:21:24]

Exactly. That's what's in process right now. We've moved from the actual templates being made to now the renders are being made. And then I'm going to put them on the listings before they're ... I don't care if they're in rotation yet. They're just going to ...

Ryan Moran [00:21:37]

Yeah. Good. I don't think you should care. I think you should just go for it.

Luanne [00:21:42]

Yeah, totally.

Ryan Moran [00:21:42]

And are inserts, new inserts in packaging going out or is that still ...



Luanne [00:21:47]

So, the new inserts have been ordered and any new packaging is going to have the new inserts that focus more on our charity give-back rather than get a free product. Again, just honing in on that customer avatar of the person that we want, you know?

Ryan Moran [00:22:03]

I think that's a really good move. And I know you blasted that out to the list. What's that feedback been like?

Luanne [00:22:10]

The charity feedback? It has been phenomenal. So, and I actually ...

Ryan Moran [00:22:14]

So, tell us about it because Nick and I have talked about it, I think Mark and I have talked about it. So, tell us about the results of that.

Luanne [00:22:23]

So, we sent it out to our list and we actually had a little over 100 people respond and submit their past purchases. So, these are people who haven't been through our funnel where we've said, hey, now that you've purchased, guess what? We do this. These are people who may have purchased over a year ago. I mean, to me that was somewhat of a whim. It was a positive feedback. People were really excited. The biggest thing that I heard was that we didn't just have 1 charity, we picked 4 charities that played into our core values as a business and we allow the consumer to pick what they want to give to. So we made it seem like it was more personal to them.

Luanne [00:23:06]

Surprisingly I actually thought that the female focused charities would be the number one hit. It was actually the pet ... The animal friendly charity that did the best. So, that was a little bit of a surprise to me so I am glad that we did that exercise where we gave the choice because I know now where people's minds are. I'm interested to see, though, as we push out the new mission, the new branding which is really focused on women and our empowerment to see if that shifts to the woman empowerment charities.

Luanne [00:23:44]

So, I'm going to leave it as is with the choices and give it back but we had a lot of ... I mean, our customer service rep had a lot of people coming in like, oh, I'm so glad you guys are doing this. This makes me love you even more. So much positive feedback on that. And again, it just



breeds that environment with the customer where we're part of their life, we're part of their mission, we make them a part of ours and it's more of like a family. So, it's harder for them, I think, to say goodbye in that sense as well.

Ryan Moran [00:24:12]

Yeah. I think this is a really good move. What I like about the steps that Fox Brim has started to take is we've started moving away from tactical stuff and we've started doing real deposits into customers' lives which is what I live and preach and die by. If you actually are going customer-centric, you end up winning in the long term. And for a long time, I know the company has been hoping that short term tactics would free us up to do the things that we want to do. We just needed to cut those cords and do the things that we want to do.

Luanne [00:24:49]

It's so freeing to be like ... When I came out of Austin, I was like, okay, you know what, all the noise is gone. Let's just get rid of all these superfluous ideas. Let's focus on these 2 things, the Amazon and the core offer, and it's been ... The whole team has had so much more clarity that way so it's been great.

Ryan Moran [00:25:05]

Good. One more thing I want to chat with you about while I'm thinking about it, the SPF, you did a launch for SPF, like a pre-launch. Tell us about it.

Luanne [00:25:15]

So, we have been dying to put out SPF for the longest time. It's the number one thing that is asked for us from our customers, and we finally have a formula that we love. What we like to do is we open it up on a presale, we offer it at a discounted price with also a little coupon code that they can use on the site once they purchase.

Luanne [00:25:37]

And we've only had it open for about 3 days, 4 days. We've made \$7000 dollars cash off of it. This is like, people are not getting the product yet. They know they're not getting it until July. It has actually now funded us being able to get the fully ... Get the raw completed, get all of our components completed, get it out the door fully paid for so we're able to launch it off the ground and have it funded already.

Ryan Moran [00:26:06]

And was this just our list, or did we use Chris's list?



Luanne [00:26:09]

So far, we've only used our own list.

Ryan Moran [00:26:12]

So, we just sold to old customers.

Luanne [00:26:15]

Old customers and we just posted on social media as of last night so now we're going to hopefully get some social media people in, but we've done no advertising off of ... To anybody. No, it's just been our list. And literally, 3 emails. The 4th email goes out today.

Ryan Moran [00:26:30]

And as you create time deadlines on that, if you pick a date, if you say this closes May 30th or what have you, the closer you get to May 30th, there will be an exponential curve. In fact, I tend to see that 50% of sales come in the last 48 hours. If you did \$10,000 dollars in presales and then we closed it, you'd probably get up to \$20,000 dollars in presales.

Luanne [00:26:58]

Yeah. My goal is \$20,000. So that's my goal. The email that we have going out today is starting the time clock countdown, and then as we get towards the end of the month it will close it out. And I can always reopen it but I'm like, I'm going to close it. Yeah.

Ryan Moran [00:27:15]

Of course. Yeah. And there's other stuff in the funnel I'd love to cover with you some time but I want to move onto Mark. So, Mark, you left Austin with a really big win, and that win was we met with the target influencer we wanted to work with and it seemed like we had a possible verbal agreement, and you've just been, from what I can tell, crushing it since then. So, tell us what's been going on.

Mark [00:27:42]

Well, I'm not sure I would use that phrase but I definitely appreciate the sentiment. It's certainly slow-going. I wish I had more metrics and numbers and sales to show, but we're just still pre all of that so it's a little difficult for me I think and I'm kind of getting a little bit antsy to start selling and actually get the product in the customer's hands and all of that. But in the meantime what I've been trying to do is develop more relationships with people that are either our target customer or like our target influencer, which that relationship has gone really, really well.



Mark [00:28:15]

Him and I have been talking regularly, probably once or twice a week going back and forth and him sharing his ideas and his questions and me clarifying and vice versa. And I think a really good relationship overall has been built there to the point where it's actually connected me with other people as well that are of similar size, which has been an unexpected kind of plus.

Ryan Moran [00:28:36]

Other influencers you mean, right?

Mark [00:28:37]

Yes. Yeah, that are of the same size. Which is really kind of incredible. And that has made me think about shifting focus just a little bit and focusing less on trying to put out a ton of content because content hadn't really been performing that well for the brand, and instead focusing on these relationships because when we launch the products with those relationships, I know we're going to get a lot of customers initially.

Mark [00:29:02]

So, thinking about what I can do to better support those customers once we have them and give them a really good experience and get them to keep coming back, that's sort of become something that I've been thinking about more as more of these relationships have been built if that makes sense.

Ryan Moran [00:29:17]

Yeah, and this is such a great example of all of you hear me say I think content is overrated, just go partner with the people who already have the audience. And that's what you're discovering. What's that Mark?

Mark [00:29:30]

Yes. I am experiencing exactly that and maybe about a week and a half ago it sent me into an existential crisis in my mind where it was like, oh my god, I had all these plans and thoughts about all this content. That's part of my background in marketing is a lot of content background so I just was thinking in that mode, and realizing this is not really working the way that I would like it to work and all this other stuff is working so much better.

Mark [00:29:57]

And I really had to come to grips with that and be, I think, just humble enough to realize that I needed to shift my focus and the strategy. And since then I've been focusing more on the getting the systems in place that will support all the traffic that I now realize that we're going to



have with just a couple of clicks basically. I finally went through and got the website up, and go ahead.

Ryan Moran [00:30:22]

One thing that you did that I thought was really smart, Mark, was in your proposal to your anchor influencer, you put in there, you put in the terms of your proposal, a spot on their podcast and 1 or 2 other mentions, that if nothing else, those things would give it the lift it needed in order to have sales. So, I thought that was really smart of you.

Mark [00:30:48]

Yeah, thanks. And also, ask for them to come on my podcast that I'm launching too so we can take that both ways, and then obviously that content can be used later in all sorts of different ways. So, I figured with that as well with the influencer relationships with different influencers, getting them on my podcast it's going to be such an easy way to create content anyways that I don't feel like I have to spend all this time and effort making content just for the sake of making content.

Mark [00:31:13]

So, instead I finally went and did what I needed to have done weeks prior to that and built out a 1-pager for the website and got that up and live on Shopify right away and got an email list put together and situated so I can start sending that out to ... What I did was over the last 2, 3 months, just all the people that have been interacting with me over DMs or on my Facebook group that's 300 members now, not a lot but it's a tight-knit.

Mark [00:31:38] And all the people that I've met, I've been just going back and giving them, hey, go sign up, go sign up, go sign up. So, the list is still very small but I'm starting to move people to that. And then realizing that it's going to come down to just having the right systems in place and good promotional emails and good promotional SMS and all of that and less of the fluffy content.

Ryan Moran [00:31:59]

That's right. That's right. Content doesn't do a lot to bring somebody close to a sale. Ads spread a wide net and other people who do create a lot of content can add fire power, but brands making content just doesn't move the needle very quickly. So, I think you're playing your cards well here. I know that product has been the big bottleneck for you, so what's going on there?

Mark [00:32:28]



Still the same. I have a call with Sam later today. I'll talk to him later today regarding some financials, and hopefully that's going to help us get closer to ordering product. But formulation is now done for the 2nd product. After we were in Austin, obviously we talked about whether we wanted to launch the protein first or the gut supplement. We didn't really come away with a clear answer because I think in my heart, starting with the gut supplement made a lot of sense because how it plays earlier in the customer's journey, but we're so well-developed on the protein already that it's not like I want to stop momentum there.

Mark [00:33:04]

And we still have flavor testing to do and that could take longer than expected. So, it could end up launching second anyway. It's hard to even say at this point. So, instead I just decided to finish formulating the gut supplement, get that to where I like it, and then right now I'm waiting to get pricing back, cost, for the gut supplement and then we'll figure out which one ... Obviously we want to finish the R&D round first and do our first order. So, that's definitely still a bottleneck, still slowing me down, but I think over the next couple of weeks, that's going to accelerate and open up a bit.

Ryan Moran [00:33:37]

Good. What do you need right now in order to feel like you're making the progress that you want to be making?

Mark [00:33:44]

I need to talk to Sam.

Ryan Moran [00:33:46]

And Sam, specifically about finances, right?

Mark [00:33:48]

Yeah. Yeah. And then we should be able to put in our first product order, and then at that point I feel like that will be the next set of challenges that I'll have to go through. So, I don't really feel like there's much holding me back right now. The one thing that I'm working on now, I talked to our good friend MJ the other day and he agreed to come on board as an advisor which was really, really exciting for me. Mark Jenney, the founder of RVshare is a friend of both of ours and he actually brought up that we should do a VSL, which pretty much everybody has said that we should do especially for the gut supplement.

Mark [00:34:29]



So, it's nice to hear that validation from him. I didn't even ask him about the idea. He said hey, hearing you talk about your vision and your mission and your story, that really, really gets me and I'm feeling that you guys should do, if you haven't already talked about it, you should do a VSL and tell that story. So, I should have probably already been working on this but after that conversation, I got hyped about the idea and started working on scripting a VSL for the gut supplement specifically.

Mark [00:34:55]

So I hope over the next week or so that I'll have something outlined to start working on that, and then I'll start thinking about how to build a funnel for the gut supplement and what up-sells might make sense, if any, at the beginning and all of that. So, just trying to work on those systems.

Ryan Moran [00:35:11]

Good, so your next step there ... Your next step there may be starting to interview copywriters. Interview what copywriters have written sales letters in that space in that past.

Mark [00:35:25]

Got it. Yeah.

Ryan Moran [00:35:27]

And you don't cheap on copy. You don't go cheap on copy. If somebody is not charging you at least \$10 grand for a sales letter, they're a noob.

Mark [00:35:39]

Yeah.

Ryan Moran [00:35:40]

I once heard Russell Brunson say your copy is your business. When copy plays an important role in your conversions, and they do for most people, that's what's on your Amazon listing, what's on your sales page, what's on your checkout page, these are all of the things that determine whether or not someone buys.

Ryan Moran [00:35:59]

It's just as important as your product. So, entrepreneurs will try on a bunch of different hats and cut corners where they can but I told Mark to never go cheap on copy because that is a centerpiece of the business. That is one of those things that you need to do well. My brother uses a term, cry once, buy once. Do it well and do it right the first time.



Ryan Moran [00:36:27]

There are people who have sales letters that do \$10 million dollars a year. They don't sell in retail, they don't sell on Amazon. They just sell on their own website using the copy that they perfected. Copy is that important. Don't slap together a terrible commercial and then waste a bunch of money blasting that out to the world.

Ryan Moran [00:36:48]

If you can't afford a good copywriter, learn it yourself. If you don't learn it yourself, then you're not ready to add on that channel to your business. But never, ever go cheap on copy.

Mark [00:37:00]

And do you think that we should do a long ... Just off the top of your head, do you think we should do a long sales letter and a video sales letter? Should we do video and then short copy? What's your gut feeling for ... Gut feeling.

Ryan Moran [00:37:11]

I see what you did there. I could be persuaded either way. There are thought processes around things only being VSLs and there are thought processes around just being text and then there's ... So, everybody has a different flavor and a different style. I would interview a few copywriters and find the ones that you want to work with that are really good in this space.

Mark [00:37:34]

Got you. Cool. Perfect.

Ryan Moran [00:37:36]

Yeah. Well done. Jesse, I'm going to go over to you. Tell us what's been on your mind. You were one of the highlights in the trip in Austin because you had this beautiful number that you shared that you had grown 72% year over year, which is freaking amazing. So, tell us how you've been feeling and what's been going on since you left Texas.

Jesse [00:37:57]

Cool. So, going to Texas, first of all I was nervous and feeling like imposter syndrome. And when I got there, I was still very humbled by how amazing the other brand owners here are and how amazing the investors and other brand owners who exited, but to be able to speak with them and rub elbows with them, first off that was great because I have been locked up in COVID lockdown for the past year. So, to be able to rub elbows with other like minded people,



it really gave me the confidence and the ... Helped me solidify my vision coming back home and I'm still riding that high.

Ryan Moran [00:38:42]

Good. I'm glad to hear it. Glad to hear it. What's been going on in the business since?

Jesse [00:38:46]

So, we're building up to the launch of the pre-measured ingredients that complements our bestseller, and it's been a fun journey but also I've been very impatient. I'm used to working with suppliers in Asia who bend over backwards to get you everything as fast as they can, whereas these American suppliers, because it's ingredients I want to source from America, they're definitely slower moving. So, I'm learning to move not as fast as I can, but move as fast as they can, and that's been the process I've been going through.

Jesse [00:39:21]

But we're getting very close. We're launching mid-June. It's going to be cake pots for pops, so building up for Father's Day. It's right around the corner. It's getting very close. Very exciting.

Ryan Moran [00:39:36]

Good. And how have sales been and the overall trajectory of the business since you left?

Jesse [00:39:43]

Trajectory is the same. We've plateaued a little bit but that's not because sales traffic is down. It's because we've had a container that was stuck in C for a very long time. The whole Suez Canal thing really messed us up. So, we were low on inventory for a while. It should be arriving soon. But even ... Put it this way. We're out of stock of 3 of our good-selling products, but sales are ... The top line revenue number is about the same. So, if we were in stock, we would be up even that much more.

Ryan Moran [00:40:18]

Good. And have you started emailing your list? This was on your mind when you were here.

Jesse [00:40:25]

Yeah, so I would love to share this story, the full story. So, my goal going to Texas was to meet up with other brand owners and ask them, what agency are you using for email marketing because I want to do all this, automated sequences of cross-selling and up-selling. But my biggest ah-hah moment came when I was sitting on your patio chatting with a couple other guys, and you came out and you joined us. We were just chilling.



Jesse [00:40:50]

And you asked me, what's your biggest thing? What are you working on? And I said, I really want to up my email marketing game. I want to get an agency and do this big robust thing. And you chuckled and you said, I have 100,000 subscribers, maybe more. Do you know how much segmentation I do? And you paused, and then you gave me these tiger laser eyes, and you said none. I know I'm supposed to do it. I'm sure I'm pissing people off. But I just email. And you need to do the same.

Jesse [00:41:24]

So, that was my big ah-hah moment and I was like, okay. I need to stop overcomplicating this and just start emailing. So, yeah, we've been doing that. I've been starting with the list that's a very smaller segment that's hot and building up to emailing everyone to build back up my sender score. And things are definitely trending in the right direction, getting good feedback. Sales on my Shopify store are up. So, it's going good.

Ryan Moran [00:41:49]

I tell Nick this and Luanne this. Just keep hitting send. Keep sending emails, keep hitting your list, just keep going. And the beauty of this is as your top line goes up you're getting more customers, which means you're getting more buyers on your list, which means you have more firepower to hit send, which drives up your ranking, which gets more customers, which brings more people into your list, and the snowball builds and builds and builds and builds. Good. Good work. Let's go over to Josh before we pivot a little bit. So, Josh, you were the fresh blood in the group in Austin, so tell us how you've been feeling since you left.

Josh [00:42:35]

Yeah. I've been feeling great. It was just such ... Austin was just such an amazing experience. Kind of like Jesse, felt a little bit of imposter syndrome before I was going, but the second I got there it was just like everyone there is such an amazing person, and probably my biggest realization is talking to people who are on the other side of it and not just thinking I'm this crazy person that found something on the internet and that I think I can do it. It was great to talk to people and really connect. So that was amazing to have that experience.

Josh [00:43:13]

And then, like we discussed in Austin, kind of my big takeaway was just don't focus on profitability, but growing top line and growing a customer base most importantly. So, since then I went back and I went back to the 2 things that got me to where I am now, pay per click



and email. So, I started with Travis Zigler's PPC agency, so I've been going along with that, going more aggressive.

Josh [00:43:45]

Had a little bit of a setback with that because my wireless thermometer got suspended for about 2 weeks for a reason that was unrelated to me. They thought I was in the medical category. I had to get approval, blah, blah, blah, blah, blah. But, I got it back about 5 days ago, so PPC is going again with that. But in the meantime, I wanted to focus on off-Amazon traffic to continue to build my email list.

Josh [00:44:15]

So, I started messing around with some ebook opt-ins and some presale articles with opt-ins on there as well. That was about 2 weeks ago, a little less than 2 weeks ago. They've gone extremely well. So, I spent ... I haven't pumped up the budget yet because I'm doing my final tracking on Monday but I've spent about \$140, sold about \$105 dollars worth of product, and generated about 350 leads.

Ryan Moran [00:44:47]

Hold on, wait. So, where was the traffic coming from?

Josh [00:44:50]

So, it was a combination of there's one that was Google traffic to a presale article to a thank you page if they opted in. So it was content with an opt-in. If they opted in, then it goes to basically a one time offer page. And then the other one was an ebook, from Facebook traffic to an ebook opt-in to an up-sell page.

Ryan Moran [00:45:19]

And do you know the numbers behind both of them or is that just total numbers?

Josh [00:45:23]

I just get total numbers. I have the numbers between ... For each of them. Not written down, but ...

Ryan Moran [00:45:30]

So, you said you spent ... Tell me the numbers one more time.

Josh [00:45:36]



So, spent about, with today, about \$150 dollars, so sold \$105 dollars worth of product, and then I've generated about 350 leads. So, that comes out, with that taken out, not with product cost, but about \$0.10 cents per lead.

Ryan Moran [00:45:55]

That's unbelievable. So, spend more.

Josh [00:46:01]

Yeah. Yeah, that's the plan because ...

Ryan Moran [00:46:02]

And Josh, how long have you been running this?

Josh [00:46:07]

10 days.

Ryan Moran [00:46:08]

Okay, and are you doing any sort of followup from those emails?

Josh [00:46:14]

Yes. So, they go into ... Depending on where they come in, I have a 4 part email sequence for a welcome series, and then they get dropped in the newsletter, which is, I don't know, about 25 weeks of emails, 1 a week going out.

Ryan Moran [00:46:33]

Okay, so those numbers are phenomenal because if your profit margin is 50%, you're paying for 1/2 of your ad spend or 1/3 of your ad spend very quickly which means you're just going to build up a giant email list for almost nothing. So, go build a truckload of leads. And you can monetize that backend in a variety of different ways. You can make that followup sequence from 4 emails to 12 emails and double that conversion rate and pay for your traffic. So, those numbers are really good. I mean, we don't want to throw parties until we know that we can do this at scale, but that's a really good early sign. Any lead under \$0.50 cents is insane.

Josh [00:47:25]

Yeah, which is why I'm excited because even the traffic alone just on the lead gen on Facebook, I'm at \$0.38 cents for the ebook opt-in, which now it's just like, I wanted to see that I could get the numbers low, and then now that I'm starting to convert with honestly not great copy and not that well thought out offers, just kind of like, oh, put that up, throw that up, so



now it's like, dial it in to getting that conversion up, better copy, and then getting those 4 to, I guess, 10 email sequences, or emails, built up to get that sales sequence ...

Ryan Moran [00:48:06]

Good. Keep going. Good work, Josh. When you hear me reference the Fund or the Capitalism Fund, that is the investment portfolio that I've put together where I invest in businesses that come from our community. They come from the Capitalism.com audience. So, I have investors who have entrusted me with capital to put it into businesses and entrepreneurs that are good. And what we look for is a business that at least has the first million in sight, and a business where I know that I can come in and provide help, advice, and a network to help that business grow.

Ryan Moran [00:48:42]

I specialize in ecommerce businesses, especially ones that have audiences because I know that I can hit a few buttons and help their sales grow. So, if you're an entrepreneur with a business you're really excited about and you're willing to grow and you need capital and advice in order to become an 8 figure company, you can put a notification on my desk over at Capitalism.com/fund. This is probably the only place where you're applying for me to give you money rather than the other way around. So, Capitalism.com/fund is where you or someone you know can fill out a form and put it on my desk and to see if it's something that I might want to invest in.

Ryan Moran [00:49:23]

So, let's go here next. I just want to open the floor. What do any of you need at this point? Where do you need clarity? Where do you need encouragement? Where do you feel like you have opportunity? Tell me where you're at and what you need right now.

Luanne [00:49:40]

I mean, I think for me it was the Amazon piece and then if you help me get that priority, so for me it was really that and I feel like now I can kind of move forward and get that piece taken care of because the other piece that's going to be worked on, the core offer, is going to take just a little initial effort on my part with the copywriter that I just hired. And it's funny hearing you talk to other people about the copywriter because we literally just went through this, and we have learned our lesson. Hire the better copywriter and pay the better money. I'm telling you right now.

Ryan Moran [00:50:13]



Yes. You buy once and you cry once. Yes. Now, Luanne, have you pulled the trigger on ... You mentioned your PPC guy. Have you pulled the trigger on what agency you're going with?

Luanne [00:50:28]

So, we stuck with our current agency right now just to move that budget forward. We're actually in talks with Dr. Travis as well. So, I'm just waiting for some answers from him on some things and make sure it looks good. And we are still in talks to potentially switch agencies just because the current agency we're with has been working with us for quite some time but again we're just not seeing the growth that we want to.

Ryan Moran [00:50:58]

Pull that trigger ASAP. Just pull that trigger and go in the direction you want.

Luanne [00:51:03]

Yeah, totally.

Ryan Moran [00:51:04]

Good.

Mark [00:51:06]

There's one thing that I could use some feedback on. Like we talked about earlier, I'm probably, if I'm being realistic, 4 months away from launching the first product, I would say, in getting enough time to get the launch together and all of that. And there's things that I am doing that are moving things forward, but I feel like that took a really long time and building out marketing structure and sequence is all ... It's not going to take 4 months, not even close.

Mark [00:51:33]

And I'm trying to think about what I should be doing in the meantime that's going to move the needle in some way and that's one of the reasons why content was on my mind because well, you can make content every day. It's something you can always do, but it doesn't feel like it's real low-hanging fruit that's going to move the needle in an appreciable way.

Mark [00:51:51]

So, I could use some feedback on maybe what you think I should be doing more of. Some of my ideas are should I do an ebook or should I have some kind of offer? Should I be building a list with an opt-in and sending some paid traffic to it? I imagine probably, but I'm just wondering about what you think I should be spending my time doing in the meantime.



Ryan Moran [00:52:13]

The relationship piece is a really big one and you're already doing that. Tell me why it takes 4 months to get product.

Mark [00:52:22]

Well, right now with our manufacturer for the protein product, it's 10-12 weeks lead time from when we place our order, including the R&D that needs to be done. So, that's about 3 months right there and I figure we're maybe, I don't know, 1 week, 2 weeks or something from actually making that happen. And then I figure another 2 weeks or 3 weeks of buffer time just to mentally be playing it safe and that takes me out to 4 months from, let's say, today. So, that's where I get that number.

Ryan Moran [00:52:52]

So, as soon as you place that order, you can start, if you want to, taking presales for that product. And so what that would require you to do is have a presale page, make a really good video about why you believe in this product, and starting to talk about it publicly to anyone who will listen, to people who are on that small email list you've got, to people who are following you on social, to people who are in your Facebook group.

Ryan Moran [00:53:21]

And yeah, it's only a few hundred people but if you go into the first month with 30 sales, watch how fast your brain freaks out and goes more, more, more, more, more. So, if we ... We could wait 4 months to take an order, or we could place the PO, take orders, and 4 months when it hits already have customers and be shipping and getting reviews and getting feedback and getting shares, and now the momentum is starting to build. So that would be, if you're feeling antsy to get momentum in progress, that's what I would suggest that you focus on.

Mark [00:53:58]

Okay. And with the influencer relationships, do you think that we should do presale with them as well and let people on their list preorder, or should we orchestrate a bigger launch coordinating with multiple influencers launching at the same time?

Ryan Moran [00:54:10]

Yeah, it's a good question. So, if you launch the podcast, which I think you're going to do, then I would take up the influencer on being on his podcast, talk about how you're going on this journey together with him, how you're excited to have him on board, how you have presales available, and you have the podcast. And so, it seeds the beginning of the journey and the beginning of the relationship that you have with him and gets some people over to the presale



page but it doesn't ... It's not like a one shot and you have to knock it out of the park. It's just like it keeps little pieces ... Yes, it keeps building.

Mark [00:54:51]

Yeah, that's perfect. I love that. And I do have ... I'm going to do every other week a monologue and then the week in between an interview, so I already have 9 interviews lined up with some pretty cool people too, and then I have 12 monologue episodes that I already have outlined out. So, I'm actually recording the first episodes next week so I think that that'd be good because I'm going to start pushing people ...

Mark [00:55:14]

Oh, and then last quick question, do you think that when I'm on the podcast, should I put people on an email list that's separate from the Ancient Strength promotional list? Just an email list of my own and then use that list to cultivate the relationships/talk about what I'm doing on Ancient Strength, or should there be more consolidation?

Ryan Moran [00:55:33]

I would keep it one list right now for your own sanity. That sounds a little complicated already, so I would put it all on Ancient Strength.

Mark [00:55:49]

Okay. Perfect.

Ryan Moran [00:55:52]

Good work. That's a really clear plan that will get you momentum right away.

Mark [00:55:57]

Awesome. So you think ... Sorry, just last quick thing, the podcast, sending new podcast episode is out, or a weekly newsletter talking about these topics of personal evolution or anything, you think that it should all go on the same email, the same email list that we're going to send promotions to and stuff?

Ryan Moran [00:56:14]

Yes. I do.

Mark [00:56:15]

Okay. Perfect. Thank you.



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Ryan Moran [00:56:18]

Good. Anyone else? Nick, you in good shape?

Nick [00:56:27]

Yeah, just waiting for you to eat some snacks and tell me what you think.

Ryan Moran [00:56:32]

Tell us about the rebrand.

Nick [00:56:35]

Ah, yeah, so I guess that maybe kind of needs some discussion because I've been trying to go back and forth with my designer and I'm sending you and Sam the branding and getting your thoughts, and I feel like I can't impress you with the new branding no matter what I send.

Ryan Moran [00:56:49]

Well, here's the thing Nick, if you're impressed, that's what matters. The stuff that you've sent me has seemed to me very vanilla. It's fine. It doesn't stand out. It's fine.

Nick [00:57:03]

Yeah, I think we'll have a lot more play with the actual product box. Even the brand you sent, Outstanding Foods, it's just a basic text logo but they make it stand out on the packaging, even high key and stuff like that, or super basic text logos. But they do a good job with the overall packaging, so I think maybe that's kind of where we can make it pop a little more. So that's where the new branding starts, and then the 2 new products are just going to roll up into that so it should hopefully be pretty good over the next few months once those get into production. We just put the new branding wrappers and boxes on those and launch the new website and just figure out the best way to funnel Keto Brownie website or sales into the bigger brand.

Ryan Moran [00:57:45]

Do you want to tell the team what your new brand name is?

Nick [00:57:47]

Yeah, I think everyone pretty much knows. It's Sinless Snacks, so that's what we're working with.

Ryan Moran [00:57:54]

So, are you going to have the Sinless Snacks Keto Brownie, or are you going to have a Sinless Brownie?



Nick [00:58:00]

We're going to keep Keto Brownie and just have that as underneath the parent company and every other new product will just go under Sinless Snacks.

Ryan Moran [00:58:08]

Yeah, I think that's a good idea.

Nick [00:58:08]

Yeah, so you should get the cereal bars today, and then I'm getting the rice crispy treats today so I can send those to you and Sam next week.

Mark [00:58:17]

And when am I getting mine?

Ryan Moran [00:58:20]

When your podcast ...

Mark [00:58:21]

As soon as I order them, right?

Ryan Moran [00:58:23]

When your podcast grows and then you have Nick on your podcast to talk about how Sinless Snacks are great for your gut. You can have all the ...

Mark [00:58:32]

Oh, that's a good idea. I like that.

Nick [00:58:34]

The cross-promoting.

Mark [00:58:35]

We'll take that offline, Nick.

Nick [00:58:36]

Sounds good.

Ryan Moran [00:58:39]



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— B E T H E C H A N G E —

Good. Well, is there anything else that you'd like myself or our team or the investors to be thinking about? Anything else on your mind right now? Okay. Good. Well, all of you are making very steady and very consistent progress. You should be looking back on the last month and feeling very proud. And also, feels like we're just getting started. So, good work everybody and if you need anything, feel free to reach out. We've got your back.

Luanne [00:59:11]

Thanks Ryan.

Ryan Moran [00:59:11]

Alright. Good to see you guys. [INAUDIBLE 00:59:14] Take care, y'all. See you. If you found value in this podcast and you're ready to go deeper, here are 3 resources where we can help you. 1, you can grab my book 12 Months to \$1 Million on Audible or Amazon. It has over 1000 reviews and it's the play book to building a 7 figure business. 2nd, you can join our community of entrepreneurs who are following a plan to build a 1% net worth by building businesses and investing the profits.

Ryan Moran [00:59:46]

You can get plugged in at Capitalism.com/1. And 3rd, if you're looking to go deeper and build a 7 figure business that you can sell, you can work closely with us inside the Capitalism Incubator and you can get on the waiting list and find out what we do over at Capitalism.com/inc. That's Capitalism.com/inc.