



E35 - Leah Pitches, I'm Seeking \$250K For 5% Of My Brand For Stressed Parents

Transcript

Ryan Moran [00:00:03]

This is the Road to \$1 Million and I'm Ryan Daniel Moran. My friends, I have a pitch for you today. It's not my pitch. It's one of our pitches from Capitalism Incubator pitch week. And it was one of our favorites we have ever done inside of the incubator. Now, what's really cool about this business is it's one product, just one. Very simple product line, and Leah, the founder has been on the podcast before and she just gets it.

Ryan Moran [00:00:35]

She just gets what we are trying to instill in our students about casting a vision and leading from that place. Before she entered the Incubator, she had one product, no long-term vision, and she hadn't crossed a million dollars in sales yet. Since then, she's crossed a million dollars in sales, she has a long-term vision, and she's valuing her business at between \$4 and \$5 million despite the fact that she's only got one product.

Ryan Moran [00:01:03]

Now, most people would feel a little bit insecure about doing that. I know because I've talked to a bunch of you. But because she's gone through the Incubator, she's now thinking in a long-term vision and she can see how this business is going to be an 8-figure exit. That is why I want to share this pitch with you today, because you're going to hear the mindset of an entrepreneur who comes from the same background as you, somebody who just chose a product, got it selling, got this thing off the ground, but now she values herself and her vision enough to confidently pitch her business with multi-millions of dollars.

Ryan Moran [00:01:38]

And guess what? As a result of that confidence and that conviction, there were several people at the end of her pitch throwing money at her. So, Leah just gets it and I want to share this mindset with you because this mindset shift for you can change everything about the results that you get in your business.

Ryan Moran [00:01:59]

If you want help, come join us inside the Incubator at Capitalism.com/inc. And throughout this podcast, listen to how Leah talks about herself and her business and where she's going and stay tuned for the feedback that we give her at the end of her pitch.



Leah Boomsma [00:02:18]

All right. Well, thank you, everyone, for being here today. I'm Leah Boomsma and welcome to Flipping Holder Kids, where parenting convenience is made easy. I want to start a little bit about who am I? I'm a mom of 4, and like most parents, I am often known as a child wrangler. But also like most parents, I am so much more. I'm a wife, a caretaker, a cleaner upper, a fixer, a planner, a friend. I also happen to be a lawyer and a business owner. Just a typical parent, and like most parents, wearing all of these responsibilities means that we are overwhelmed.

Leah Boomsma [00:02:48]

Parenting is simply hard. It's usually those millions of small things that arise during the day that cumulate into that extreme overwhelm. Here's a quick story about one of those problems. Back in 2013, when my oldest was just 1 year old, we planned to fly to visit my sister in Oklahoma. Like most parents, there was so much to consider in planning that trip. We had the strollers, the car seats, the carry on bags, the clothing, and of course, meals. How was I going to feed my 1-year-old on this flight?

Leah Boomsma [00:03:15]

So, I did my research and I checked out all the stores and discovered baby food pouches in puree ... Baby food in pureed squeezable pouches. And I thought, this is perfect. This is what I'm going to use. This is going to solve my problem. So, I packed them in my bag and brought them along. We got on the flight and about an hour into the flight, my son was hungry.

Leah Boomsma [00:03:35]

I opened up one of those pouches and I tried to navigate that spout toward his mouth, but like most 1-year-olds, he wanted to do it himself. So, he grabbed at that pouch and he squeezed it and it got all over him, all over me, and all over a very understanding and nice lady sitting next to us.

Leah Boomsma [00:03:50]

I mean, in that moment, it was truly a mess. I wasn't just overwhelmed, I was frustrated and exhausted and I was covered in really messy baby food. But also in that moment, it wasn't just me. It's all parents of little ones. It's that working mom who just picked up her toddler from daycare and hands that child a pouch just to get home during rush hour traffic before they get home for dinner, just to appease the child on that trip.

Leah Boomsma [00:04:17]



Or it's that at-home parent, who's wrangling too many children and is trying to feed themselves and doesn't have time to sit and spoon-feed a baby for 20 minutes. Or it's the dad with a hungry toddler in tow who just needs a quick convenience snack for his child while running from activity to activity.

Leah Boomsma [00:04:32]

They all end up with this overwhelming mess, just like me. In that chaotic moment on the plane ride with my son, I realized I wasn't alone. Many other parents had this same exact struggle, this one small problem, how was I going to feed my kid in this small moment of need, that created huge overwhelm. And I knew I could help.

Leah Boomsma [00:04:51]

So, I created the 2-in-1 flipping holder. This is a holder that locks in the squeezable baby food pouches and prevents them from making squeazy messes. The same holder flips over so that you can use it with juice boxes and juice pouches to prevent those squeazy messes as well. With this holder, the children can independently snack and avoid all of the mess.

Leah Boomsma [00:05:12]

Now, at first glance, this food pouch and juice box holder probably looks like a simple piece of plastic, albeit a creatively designed piece of plastic that's sufficiently novel to be patented, but simple nonetheless. But to that overwhelmed parent like me on that plane ride, this is so much more. It's a relief of having one little struggle gone out of my day. It's an escape that allows a child to eat on his or her own while mom and dad can eat their food or snack as well.

Leah Boomsma [00:05:38]

It's the right tool at the right time and it's right there at mom and dad's fingertips. And for the parent who's already shouldering the burden of a million little problems throughout the day, this little piece of plastic is one less problem, one less worry, one less concern. They can go about their day confidently knowing they have what they need to feed their child when that moment arises. But you don't have to take just my word for it.

Leah Boomsma [00:06:02]

The flipping holder has over 4,000 5-star reviews. As one twin mom said, she could never feed her babies fast enough. This holder works, it's easy, and it saves her time. Another Amazon customer said it changed her life because she could finally eat her own food while her child eats.

Leah Boomsma [00:06:20]



Capitalism.com
— B E T H E C H A N G E —

One dad called it a life-changing, time-saving product and insisted that every parent needs to. And it lasts for years. One mom updated 2 years after she had purchased this product to say that she would still be lost without it and cannot believe how much she relies on her flipping holder every day.

Leah Boomsma [00:06:35]

This turns feeding time from something that a parent might dread into just another quick task in their day. And for special needs parents, it can be even more. On whole, our customers repeatedly tell us that the flipping holder is a time saver, it's a lifesaver, it's a game changer. It works and it's easy to use.

Leah Boomsma [00:06:53]

This is just a solution ... This is one solution to just one small problem, and it's truly those small problems that accumulate into major overwhelm. And the kicker is that solving even just one problem for parents can have a huge impact.

Leah Boomsma [00:07:06]

Even one solution can become a literal million dollar idea. We launched the flipping holder in 2017. At that time I had 2 kids. I was expecting my 3rd. My 4th arrived in 2019. And during those 3 years from 2017 to 2019, I was working full time and I was also bringing the flipping holder to market.

Leah Boomsma [00:07:25]

So, it was more of a hobby at that point. I was focused and I really enjoyed the process. I figured out how to get the holder manufactured domestically. We still manufacture here in the US right here in Minnesota. I refined the design several times. I applied for utility and design patents. I learned online sales and e-commerce including becoming well-versed in Amazon and social media advertising.

Leah Boomsma [00:07:45]

After my 4th child arrived in 2019, my utility and design patents issued, but then my manufacturer shut down. So, I needed to make a choice in 2019 about how to proceed. Was this going to be a hobby or was I going all in? I decided to go all in.

Leah Boomsma [00:08:00]

I located a new manufacturer. I engaged a social media manager and we began building an online presence where we actively engage with our customers. The results truly speak for



themselves. When parents hear about the flipping holder, they not only want it for themselves, they share it for their friends and family.

Leah Boomsma [00:08:15]

In September of 2020, a single customer post on Facebook was shared 26,000 times. We sold through our inventory in 4 days. Our manufacturer was quickly able to restock and we were able to maintain that heightened sales volume for many months to follow.

Leah Boomsma [00:08:29]

And then it happened again. In April of 2021, a mom who purchased our holders on Amazon shared a video on TikTok that received more than 16 million views, 800,000 likes and resulted in sales of \$200,000 dollars in less than 6 weeks. Since then, for the 12 month period from February 1st, 2021 through January 31st, 2022 flipping holder sales have exceeded \$1 million dollars, and that is only one product.

Leah Boomsma [00:08:55]

We can do more. Through more engagement, we can develop and provide more convenient solutions, and ultimately that means more problems solved for our customers. So, here's how we get there. For our path to 8 figures, we are expanding our flipping holder brand into one that's poised to help parents escape everyday overwhelm in multiple ways.

Leah Boomsma [00:09:13]

So, we'll do this first by increasing our market reach. We have solutions that work. When parents see them, they want them and they buy them. So, we need to get our product in front of more parents. We'll benefit from expanding our online audience channels as well as our sales channels. In addition, we want to create additional products to enhance our customers' experience.

Leah Boomsma [00:09:34]

More products solve more problems, and it creates the classic win-win win, benefiting the parents, the children, and us. So, first, here's how we're restructuring our online presence to engage more people. We currently connect with our audience on 3 platforms, Facebook, Instagram, and Pinterest.

Leah Boomsma [00:09:51]

Our next step is drawing this audience onto our website and into our email list so we can engage with them directly. We're doing that through an online resource portal that we've launched that's exclusive to our email subscribers. By directing our customers from these other



Capitalism.com
— B E T H E C H A N G E —

platforms to our website and to this portal, we are finally able to have a captive audience that we can reach through direct communication.

Leah Boomsma [00:10:13]

2nd, we are growing our cold audience and continuing to do this through social media advertising and Amazon advertising. We've been provided dedicated ad experts for Facebook and Pinterest to optimize our ads in the next 30 days. After that time, we'll engage experts in that same area to continue scaling.

Leah Boomsma [00:10:31]

3rd, we'll continue to grow our audience through our parenting groups and influencer connections. By growing these relationships and reaching more influencers, we'll be able to reach more parents with our products.

Leah Boomsma [00:10:41]

And finally, our next major platform is TikTok. We've seen tremendous sales growth through that platform, and we are hiring our own TikTok social media manager and we're in the process of engaging our best influencers to create the content that we intend to share on that platform. In addition to expanding our online reach, we also are extending our sales channels.

Leah Boomsma [00:11:00]

Our current sales are primarily focused on Amazon.com with additional sales on Walmart.com, our website, and Etsy. We are in the process of expanding internationally. First, we're reaching Canada and we launched on Amazon Canada 30 days ago with a few thousand dollars worth of test inventory and we have sold out.

Leah Boomsma [00:11:16]

We are fully restocking Amazon Canada in the next 2 weeks. We are also expanding to the UK and the European Union. For 6 months, Amazon repeatedly reached out asking us to expand to those marketplaces. And in December, we finally made the decision to move forward there.

Leah Boomsma [00:11:29]

Amazon's provided us a concierge service to do the European setup, and we're less than 60 days from launching in both of those marketplaces. Finally, we do have wholesale accounts with boutiques and subscription boxes. We are adding accounts each week, and we want to dedicate time to adding more wholesale accounts.

Leah Boomsma [00:11:46]



For the first 3 quarters of 2022, this is our focus. We're going to optimize our current sales channels, we're expanding to Amazon international, and we're building out our wholesale platform. Once we solidify our customer reach through those channels, then we'll turn our attention to larger retail opportunities.

Leah Boomsma [00:12:02]

But to hit an 8-figure sales run, we not only need to reach more parents, we also need to provide more products that meet their needs. Our product map starts with our flagship flipping holder. We sell these as a 2-pack or as 1-packs and in the 5 colors shown here. In 2 months, we'll be launching our customer demanded bottom cover.

Leah Boomsma [00:12:21]

This is an accessory we created that stops the child from reaching in the bottom of the holder, but also locks the juice containers in when used with the juice boxes and juice pouches. After that, our next product is our customer requested reusable food pouches.

Leah Boomsma [00:12:33]

Not only do our existing customers want these, there are a number of moms out there who just do not trust store bought baby food. They make their own baby food at home. These pouches will expand our market to include those parents as well.

Leah Boomsma [00:12:45]

So, we will launch these in 90 days and they're custom designed to fit perfectly on our flipping holder and give our customers the freedom to choose what food they want to feed their children. By the fall of 2022, all of these items packaged together will become a retail ready deluxe flipping holder set. This is an all-in-one feeding solution for kids at home and on the go.

Leah Boomsma [00:13:04]

But as most parents know, what comes in must come out and we have a solution for that, too. In late 2022, we will launch our creative on-the-go potty and toileting solutions that I've been designing and refining. In serving our large database of parents and our customer moms, they've confirmed that the current solution for these on-the-go potty emergencies is to run the kid behind a bush or over to a tree, or if you're in the car, maybe give him a cup or an ice cream bucket and let her rip. That is kind of messy and not a lot of fun.

Leah Boomsma [00:13:33]

We have better, more convenient options that will avoid the mess, and we cannot wait to get these to our parents. So, that brings up the next question of why these products and why now?



Simply put, families are on the move. With 3.5 million new babies each year, there's 27 million families in the US that have children under the age of 6.

Leah Boomsma [00:13:50]

Of those, 88% intend to travel with their children this year alone. Whether it's across the street or across the border, parents need convenience products to aid in those travels. Now is the perfect time to get that to these parents. But also, the baby market is a huge market. Globally, it's over \$70 billion dollars.

Leah Boomsma [00:14:09]

The feeding aspect of that is \$1 billion and the toddler toileting area ... Or, sorry, \$1 billion. And the toddler toileting area is \$1.3 billion. Parent-started brands that create solutions in this space are rewarded. One example is Munchkin.

Leah Boomsma [00:14:24]

Munchkin was started 30 years ago by a dad who felt that there was a lack of creativity in the kid product space. He's grown that brand to \$300 million dollars in value with a \$70 million dollar a year run rate. But another brand that's a little bit more akin to the path that Flipping Holder's on is Easy Peasy.

Leah Boomsma [00:14:40]

This is a mom-created brand founded on a single product with a single ... Solving a single problem. She created a suction placemat that prevents littles from tossing their bowls and plates off a high chair. After hitting \$1 million dollars in sales in 2016, easy-peasy is on track to sell more than \$30 million dollars in 2022.

Leah Boomsma [00:14:58]

They did this through creative problem solving and a loyal audience, despite only selling their single flagship suction placemat along with a few accessories. We're going to follow a similar course, but unlike Easy Peasy, our brand is going to go outside of the feeding accessory market and expand into the toddler toileting space as well.

Leah Boomsma [00:15:16]

This merging of 2 cross sections of the baby industry not only allows the flipping holder to solve more small problems that create parent overwhelm, but also will allow us to grow exponentially within the industry. We're not just a one product wonder. We are providing convenient solutions to parents in all aspects of the baby space.



Capitalism.com
— B E T H E C H A N G E —

Leah Boomsma [00:15:32]

So, here's the team that will move us forward. First, there's me. I'm a mom of 4. I invented the flipping holder. I'm a law firm partner with 13 years of business litigation experience, and I led the way to building this business to our 7-figure year that we just concluded. I've learned each and every step of the process building this business, and I've done it excitedly and with passion.

Leah Boomsma [00:15:53]

I'm always a student and I'm also a daughter of a mechanical engineer, so I'm eager to master new things like designing a product or selling on Amazon and I have a passion for creative problem solving. Over the past 18 months, though, I haven't done it alone. I've relied on contractors with key roles in our business. For example, KJ&Co is our social media manager.

Leah Boomsma [00:16:13]

This is a mom-owned business that has worked with us since 2019 and it was a critical part to our customer-driven scaling that's happened in the past 18 months and it will be a critical part of our business going forward. Likewise, we've engaged a graphic designer who also does product design with decades of experience in the kids publishing space and we're well-positioned to revamp our branding, our packaging, and our offerings.

Leah Boomsma [00:16:33]

We use the Profitable Pineapple for our Amazon keywords and ads. They're experts in scaling the 6- and 7-figure businesses through Amazon pay-per-click. One of our most significant relationships is our manufacturer. We manufacture our products here in the United States and domestically right in Minnesota.

Leah Boomsma [00:16:48]

Our manufacturer has decades of experience and I've worked closely with them for the last 3 years to refine our product, manage our inventory, and work towards scaling. They have high production capacity, but they also have very valuable warehousing capabilities that allows additional product to be available right at my fingertips on less than 24 hours notice.

Leah Boomsma [00:17:05]

As a member of the Capitalism Incubator, we also have the support of Ryan Daniel Moran and the Capitalism.com team. These are coaches and advisors uniquely positioned to guide 7-figure businesses like mine into an 8-figure exit.

Leah Boomsma [00:17:18]



Capitalism.com
— B E T H E C H A N G E —

Finally, and most importantly, our customers and influencers. Organic sharing by our customers and unpaid influencers alike has created millions of shares, views, and likes to get our products out to the parents who need them.

Leah Boomsma [00:17:29]

As I mentioned before, these customers, they're truly our best sales team. They are one of the most significant parts of our path going forward. But that leaves the question of what's missing? There are several roles that I have shouldered for the past few years that need to transition to a new and dedicated person.

Leah Boomsma [00:17:45]

We will hire an audience and influencer manager. We also want to hire or partner with a retail placement specialist, and we will partner with experts in the child product industry. And that's where you can help. We have several ways in which you can help us solve parenting struggles faster.

Leah Boomsma [00:18:04]

We are seeking \$250,000 dollars in exchange for 5% of our business with that money being used to engage the right team within the right roles, the roles I just described, as well as hiring a social media ads expert. We are also offering small equity shares for the right strategic advisors in the areas of the child product industry, domestic manufacturing, and retail placement.

Leah Boomsma [00:18:24]

Finally, we know there are many other parents just like me who have great ideas to solve problems of their everyday issues and we want to help those parents bring that product to market. So, we want to partner with other product creators to get these solutions to our customer parents faster and solve more problems more quickly.

Leah Boomsma [00:18:41]

If you want to come along with me and creatively solve parenting problems together, contact me at the information on this slide. And otherwise I'm open to answering your questions at this time.

Kurt Wilkin [00:18:50]

Leah, that's awesome. I wanted to make sure I went first because I want to make sure I got in before you are totally subscribed on your round. No, truly great stuff. You're obviously a very sharp lady and everybody calls you Wonder Woman.



Kurt Wilkin [00:19:06]

I'm sure you're probably tired of hearing that because I know my wife and other moms are tired of hearing that, but well done. I said mentally to myself as you're going through your deck, if it was less than \$4 million dollars, I was absolutely in for everything that you had. Your round is \$5 million dollars.

Kurt Wilkin [00:19:21]

Actually, that might be post-money. So, let's talk. I'm very interested in participating. But a couple of questions for you. Same question I've asked the other folks, how dedicated are you? It sounds like you're still a partner in your law firm.

Kurt Wilkin [00:19:34]

What does it look like? You mentioned some junior of the team and I didn't hear any ... What I'd like for you to eventually have over the next couple of years as you grow as a partner, somebody who can operate full-time and be a strong operator in the space.

Leah Boomsma [00:19:44]

Yeah. So, I'll answer the first question of that, which is where am I at? So, I was working full time as an attorney until September of 2021. So, about a little less than 6 months ago, I stepped back and I've been doing this full-time since, so that's where I'm at there.

Leah Boomsma [00:19:59]

So, the other part of it is I do agree that getting some additional, whether it's partners or employees on board to manage some of those ... The execution side on some of these tasks would be great.

Kurt Wilkin [00:20:12]

Great. I've got to ask, what's ... Are you at a fair? What is that in the background there?

Leah Boomsma [00:20:16]

Oh, that is a skyscraper here in Minneapolis. I'm somewhere on some 40th floor of some building.

Kurt Wilkin [00:20:26]

And I just bought one on Amazon as you were talking, by the way. So, I can't wait to share it with my nephew, my 2 year old nephew.



Leah Boomsma [00:20:31]

Awesome, thank you.

Jared Springer [00:20:33]

All right, I'm going to jump in because we ran out of time last time and I want to get a couple of key points before everyone covers every point that I've already thought of. So, there's really only 2 things. The first one is in your slide, you show a giant scale and growth and it correlates exactly with the one influencer post going viral. So, that would be a little bit of a concern with most of your sales coming from one post.

Jared Springer [00:20:57]

You did talk a lot about how you're going to move sales channels around. You're going into Amazon in different countries and everything, which is awesome. Just as an investor, that would be one thing that I'd be like, okay, all of your sales came from one big post. And how are you going to replicate that with future influencers?

Jared Springer [00:21:15]

And the only other 2nd thing I had was we're big on branding here. Your name of the company is Flipping Holder and you're going into toilet products. So, how are you going to manage ... Are your toilet products going to be branded Flipping Holder? That's the only thing ... Those are the only 2 things that I had a question about.

Leah Boomsma [00:21:33]

Can I answer both of those? Because I think those are excellent questions.

Jared Springer [00:21:37]

Yes, please.

Leah Boomsma [00:21:38]

So, the influencer posts was a huge spike and I think as many people experience when you have a viral spike ... It was \$200,000 dollars in about a 6 week window. And then our ... So, our resting sales prior to that spike was about \$1000 dollars a day, and we came out of that spike at \$2,000 dollars a day.

Leah Boomsma [00:21:51]

And now we're back to \$3000. So, the way we dealt with that is, I mean, we took advantage of the fact that we got this giant spike, you get a lot of sales, but then after that, we were able to kind of restructure our advertising. I mean, one of the things that tells you when you get a viral



Capitalism.com
— B E T H E C H A N G E —

spike is what customers care about. So, that video was not one of the big elaborate ones I had created, right?

Leah Boomsma [00:22:15]

It was literally a mom who ... Nobody's in the picture and she just shows the product flipping over and it goes viral. So, we changed our advertising to align with the message that she was conveying because it resonated better. So, we've been seeing the benefits of that increasing month over month since then. And then I apologize ... Oh, the branding. We do have, and I am in the process of working on an entirely new kid's brand name.

Leah Boomsma [00:22:40]

The flipping holder will be brought under that brand. It hasn't been finalized yet, so I didn't want to throw out a brand here and then have it not be the right one. I want to make sure we're appropriate with trademarks and other protections before I confirm that it's a usable name before we launched that branding, but there will be a different branding.

Jared Springer [00:22:56]

Your presentation was amazing, so I just ... Those were the only 2 questions I really had with it and that you recognized how you can market better because of those viral posts makes you understand that, okay, this is what I do. It worked once, do it again. And a lot of people don't realize that. So, that's awesome.

Leah Boomsma [00:23:17]

Thank you.

Kurt Wilkin [00:23:17]

Well, I know we're running low on time, and I want to make sure other people have a chance, but I'm in for something. So, keep ... Please don't let this pass without me. And I like the fact that Amazon reached out to you. That says a lot. I know they don't reach out to many people, so.

Stan Way [00:23:30]

Ryan, please ask Leah.

Ryan Moran [00:23:36]

So, Leah, first of all, you and I had a conversation maybe 2 weeks ago where I told you that I was considering going a direction in my career where I really liked the idea of advocating for an entrepreneur that comes from the Incubator and then taking them to my audience and helping



them raise the capital publicly. I want you to know that your presentation just confirmed that I absolutely want to do that.

Ryan Moran [00:24:01]

So, I reached out to 3 people that were dream people for me to work with. You were one of those 3. And I knew this much about your business. Now that I've seen this, I'm like, oh yeah. I would love to be up on stage or on a podcast bragging about Leah and helping her raise capital.

Ryan Moran [00:24:22]

So, thank you for that, first of all. So, there were 2 parts of your presentation that were ... I was glad I was on mute because I was ... I said something like, oh yeah, bring me that ... I audibly made a sound as an investor. And they were this.

Ryan Moran [00:24:43]

One was seeing the spike that happened when an influencer picked you up because that ... It's not repeatable with the same influencer all the time, but it means that people want this as soon as they know about it. And seeing the video demonstration edified that because I love that you used a video to demonstrate the product. So, those 2 things from a sales perspective were letting me know that there's a lot of meat left on that bone.

Ryan Moran [00:25:12]

But the 2nd time that I had that reaction was when you showed the product vision, when you showed that you were going to do travel potty solutions. That was when I was like, oh, she got it. She sees how big this can get. I would recommend that you strip out everything between those, because there was a lot of ... In your ... You spent a long time talking about the growth plan when I'm sitting here being like, Leah, just release more products. Leah, just release more products.

Ryan Moran [00:25:49]

First we're going to build our email list and then we're going to figure out Amazon. Then we're going to ... And I'm like, you had \$200,000 dollars in 3 days or 4 days. Just release more products. We don't have to build up this big system for it. People want this stuff, just release more.

Ryan Moran [00:26:07]

I wanted that momentum to continue rather than show the plan of how we're going to build ... It was like, we'll figure that out. We will figure that out. Let's release more products now. So, I



would have ... At least from a pitch perspective, I would reduce that amount of time that you spend there.

Ryan Moran [00:26:29]

And also, you spent more time talking about the accessories on the flipping holder than on the travel potty solutions. And I was like, bored, bored, bored, bored, blown away. So, if you had ... I almost don't even need to know about those accessories. So, if you had kind of smushed the presentation into the viral spike, we're going to release more products ... I would've just been like, just take my money.

Ryan Moran [00:27:00]

So, my biggest question or feedback is actually the opposite of Kurt's, which makes this really interesting. You just crossed a million for the first time. It just happened. I bragged about you to 9 different people, but how did you arrive at a \$5 million dollar valuation with the margins and the total revenue that you have at this point?

Leah Boomsma [00:27:24]

Okay. So, kind of 2 thoughts on that and one of them is that ... So, I'll talk a little bit about the margins first because that's I think helpful to hear. So, our product sells as a 2-pack for \$14.99 or one for \$9.99 and our sourcing cost on the 2-pack is a \$1.74 and on one is \$0.74 cents.

Leah Boomsma [00:27:43]

And so, we have that, but the Amazon fees are what kind of kills us there. Amazon fees on this product are \$7 dollars. So, we ... Our profit margin on our website is 60%. On Amazon, it's 35%. Last year though, out of that million, \$500,000 we hit for our ... So, once you take out advertising and other costs, that's what we had left.

Leah Boomsma [00:28:06]

So, it's about a 50% thing. The other part of it though is the evaluation is in part based on the fact that we have a full utility patent, a full design patent, and we have 3 pending additional patents. And so that intellectual property is there. It is locked down. So, that's not in process, that's not patent pending or issued.

Ryan Moran [00:28:23]

Okay. That makes a lot more sense. I'd say that in your presentation. And I would have ... Did you say that your ... So you had an EBITDA of \$500,000, is that right?

Leah Boomsma [00:28:33]



On last year's, yeah.

Ryan Moran [00:28:35]

I would have never in a bazillion years guessed that on a million top line on this product, you have a half a million dollar EBITDA. I would have guessed \$80,000.

Leah Boomsma [00:28:47]

Oh, oh, okay. I didn't realize that.

Ryan Moran [00:28:51]

I'm blown away because ...

Leah Boomsma [00:28:53]

I'm a bit of a frugal entrepreneur.

Ryan Moran [00:28:55]

Well, good. Good. And you should use that in your pitch deck because what you're saying is you're actually just raising money on a 10x earnings, which is not unheard of. I'm still a little bit like ... But now you have a very strong justification for it. I would ... Not in a bazillion years would I have a guest that you were profiting half a million dollars on that.

Kurt Wilkin [00:29:18]

Yeah. I would encourage you to use some of that money to invest in a team that can get you to \$10 or even \$20 or \$30 million, Leah. I don't think this is a \$10 million dollar business. I think this is much larger than that. And please contact me. I'm in for at least \$25 and I'll see what the Capitalism.com folks do.

Leah Boomsma [00:29:37]

Will do. Absolutely.

Jason Franciosa [00:29:39]

Can I ask one question quick? Leah, have you tested price?

Leah Boomsma [00:29:43]

Yes, in part. We went up. We originally were at \$18.99 for one ... Or for 2, and \$12.99 for one and we found that when we dropped it just those few dollars, sales increased significantly. That was prior to the viral spikes but just back when we had first launched, we kind of did some testing.



Leah Boomsma [00:30:01]

But with the addition of the bottom cover, we're actually going to be adjusting the prices again, because now it solves one of the ... The single only complaint we really get on Amazon, which is that it needs a cover. So, I think we can ratchet the price point back up then.

Jason Franciosa [00:30:15]

Yeah, my hunch is you could bring that price point up probably 20%, 30% and not affect sales very much, especially since you have the patent and you have the only solution on Amazon for it, and that'd instantly draw your revenue past a million a year and your profit, pure profit basically, except for the cut of Amazon.

Sam Prentice [00:30:34]

So, I have a couple of feedback points here as well. So, first off, Leah, I thoroughly enjoyed your pitch the entire time. I would watch that over anything else. I had a couple of questions that popped into mind, and to kind of piggyback on something Ryan said that I thought was kind of funny.

Sam Prentice [00:30:47]

So, one of my questions I wrote down at the beginning was, are you sure you're not an engineer as well? Because you listed a lot of things. Is that ... It's somewhere in the background, you did that as a side gig on the side, or?

Leah Boomsma [00:30:55]

As an engineer, is that what you asked?

Sam Prentice [00:30:57]

As an engineer, yeah.

Leah Boomsma [00:30:58]

Yeah, it's funny. So, when I was a kid, my dad enrolled me in CAD classes. So, I did do some of that, but also as a litigator, I tend to work a lot with expert engineers, which is ... Because it's my favorite area, honestly.

Sam Prentice [00:31:08]

Awesome. That makes a lot of sense. I can tell that from the way your brain works and the way you designed your business, but also the way you designed your pitch, which I absolutely



personally love. That's the way my brain works [INAUDIBLE 01:39:29]. Secondly, can I show your pitch to my niece as kind of a model example of what life should look like, is that cool?

Leah Boomsma [00:31:24]
Absolutely.

Sam Prentice [00:31:26]
Because there's the whole idea, it's wonderful to be that you can have that whole mother and all the pieces there as well, but then just have such a professional and well done business and approach here is just awesome. I love the marriage you have of that. That's amazing.

Sam Prentice [00:31:38]
So, very, very cool. Kudos on that. That's encouraging and really exciting. So, I had a couple of other things there that were in ... And these were actually just side notes. One, you've mentioned visiting Oklahoma. So, that's the first time anybody has ever represented my home state in a pitch.

Sam Prentice [00:31:54]
So, that is a first for me. So, I'm pretty excited and pumped about that. As far as past that, the things that we look for with any kind of brand we invest in as an entrepreneur, a brand, and a product, and I thought you demonstrated all of those things so, so very well.

Sam Prentice [00:32:08]
So, I was very, very impressed with it. Liked it a lot. And again, I'm going to flip flop the script on Ryan and say, without speaking for my partner, I know this is one of the visions we've always had, has been able to solidify your raise by being first in on opportunities, and something that I would say is your business has all the right tools for being a much larger vision than even an 8-figure. I think we can take it a big direction. So, congratulations. Very, very well done. Really proud of you.

Leah Boomsma [00:32:33]
Thank you.

Ryan Moran [00:32:34]
How are you feeling, Leah?

Leah Boomsma [00:32:36]
I'm excited. It probably doesn't show. I can't really jump around an office, but ...



Capitalism.com
— BE THE CHANGE —

Ryan Moran [00:32:42]

Guys, we're so proud of you. We are so excited about where this group is going, so proud to feature you in front of the audience, and it's really exciting to know that this is just the beginning. Congratulations, team. We'll see you soon. Very, very well done. Thank you, everybody. Have a great day.

Ryan Moran [00:33:03]

If you've read my book, listen to the podcast, or watch any of my YouTube videos and you're asking yourself, where the heck do I start? Where do I begin my journey to my million dollar business? We got you today. My team and I just completed a new kickstart class called 5 Days 7 Figures.

Ryan Moran [00:33:22]

This is the best on-ramp class for any of you who are ready to begin your 7-figure journey. In this 5-day class, you're going to choose your ideal market, what products to launch, come up with a plan to get each one of them to 25 sales a day, and you'll know at the end of the class exactly what your business is going to be, how you're going to get it to a million, and exactly what your next steps are to get it off the ground.

Ryan Moran [00:33:49]

It's a 5-day class, it costs \$100 bucks, and when you're done, a member of my team will get on the phone with you and review your homework directly with you. When you're ready to start, go take the challenge at Capitalism.com/5. That's the number 5. 5 Days 7 Figures, Capitalism.com/5.