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The NEW Way to Build a 7 Figure Business

Ryan [00:00:00]

Hey everybody. Welcome back to Capitalism.com. I'm Ryan Daniel Moran. In today's episode, I'm going to be sharing with you a model that we teach our students inside of the Capitalism Incubator. It's actually the foundation of how we build businesses with the intention of having an 8 figure exit. And the way that this is going to be different than some of the other stuff that you've heard from me or anybody else in this space is we're going to talk about how to have 8 figure companies with very small teams.

Ryan [00:00:28]

You can use this to make 7 figure businesses or 9 figure businesses, or even billion dollar companies. But what you're going to notice is that we follow a strategy and a model that allows you to not have to work 16 hour days. It actually frees you up to just be in the vision seat and get the heck out of the way. So, if you've got ideas but you've struggled with the execution of those ideas, this is going to free you up to stay in that vision seat.

Ryan [00:00:53]

And if you're the operator of a business, this is going to show you how to prioritize those relationships that build the business for you so that you can stay in big thinking mode. Now, please note that this was originally a video that we did teaching this stuff and we took the audio to share it with you today. So, this is a whole training on what we call the owner's model. Enjoy.

Ryan [00:01:21]

The new way to build really successful businesses is not to be working 16 hours a day being really stressed. Moving forward, there are going to be massively successful, profitable businesses that are built with teams of 1 to 4 people that become 7, 8, even billion dollar businesses. And it's something that we call the owner's model.

Ryan [00:01:45]

In this video, I'm going to show you what the owner's model is and I'm going to teach you why it's different than being an entrepreneur, and how thinking like an owner can free you up to build a bigger business, make more money, and have a better lifestyle. I was first introduced to this idea when I was giving a conference. We do a yearly conference called the Capitalism Conference, and I invited someone that I was really fascinated with. His name is Brian Lee.

Ryan [00:02:11]



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And Brian has I think 4 billion dollar companies on his resume, which is impressive but it's even more impressive when you factor in that he's only in like his late 40s or early 50s. That's pretty crazy. He started Legal Zoom, he started Shoe Dazzle with Kim Kardashian, he started Art of Sport with the late Kobe Bryant, he was the first investor in Honey, the app, and he was the founder of the Honest Company with Jessica Alba.

Ryan [00:02:39]

And Brian's strategy really struck me because he wasn't in there operating all these businesses. He had done that at one point but it wasn't how he did things now. Instead, his entire strategy was to come up with the idea and cast the vision for that business, find the CEO who would go and build that company, and then third, he would raise the money to ensure that the whole company was in a position to play to win.

Ryan [00:03:09]

That was his job. And then he got out of the way to let everybody do their job. That was really interesting to me and it made me realize why he could have multiple projects going at the same time without working 18 hours a day and why he can build billion dollar companies. And I asked him about this and he said to me something so interesting. He said, "Look, I'm out to build billion dollar companies. I'm okay if I only own 10% of it."

Ryan [00:03:37]

Now, I don't know how much he owns of each company but I started to think, Elon Musk only owns like 20% of Tesla and he's the richest person in the world. Warren Buffet doesn't own the majority of any of the businesses that he owns. And Jeff Bezos only owns like 13% of Amazon. Mark Zuckerberg only owns like 17% of Facebook. And all of these people are doing just fine.

Ryan [00:04:00]

So, why am I trying to come up with all these ideas and do everything myself? Why don't I take a page out of their book and think like an owner? And that is when I started feeling freed up to build businesses rather than be the operator of a business working really long days for less money than I should be making.

Ryan [00:04:21]

A mentor of mine once told me that there are 3 jobs to the entrepreneur. The first is to cast the overall vision of the business. The second is to get the very best talent. And the third is to make sure the company has enough money to fulfill the other 2 jobs. And if you think about the business as being outside of yourself with your job to build that into the biggest pie possible, then it makes sense that your job isn't to know everything about the business. It's to decide



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where the business is going, it's to make sure that the right people are on the bus, and to make sure you've got enough money to keep the bus rolling.

Ryan [00:05:03]

Now, when I'm helping someone go through this process, it really comes down to 3 steps. The first is being very clear in the direction of the business, which means writing down the vision and the direction that you want to go. Most people start off their business by saying, "What's a good product to sell?" or, "What's a good business to start?" rather than saying, "What do I want to create over the next 3 years?"

Ryan [00:05:29]

So, when I work with a student or I'm helping a friend, the first thing I'm going through is I'm getting them to think about what they want to create over the next 3 years and cast that vision and cultivate the direction that they want to go. The second piece is saying, "Who's on your team?" And that doesn't mean hiring people from the get go. Today, you don't need to hire anybody. In fact, one of my acquaintances, Trevor Blake, has built, I think, 4 companies worth over \$100 million dollars and he's never hired an employee.

Ryan [00:06:02]

He, instead, just partners with agencies that do a specialty type of work in one field. And so, his job is to cast the vision and then he looks for the agencies or the freelancers that can fulfill every obligation that he needs. And then, he's got the vision and the team. He just goes raises the money. And when you have a clear vision and you have an exit strategy and you've got the right people that are agencies or freelancers that are ready to go to work even though you haven't onboarded them yet, it's actually really easy to go raise the money.

Ryan [00:06:39]

That's how my acquaintance Trevor builds \$100 million dollar businesses that he can sell. Now, full disclosure, I've never built a \$100 million dollar business. I've built a \$10 million dollar business but I've never built a \$100 million dollar business. But all of my businesses that I'm starting now are following a similar strategy that I call the owner's model.

Ryan [00:06:57]

I believe very strongly that the role of the entrepreneur is to stay in vision mode. It's not to get into the weeds and the details of every piece of the business. The job of the founder is to cast the overall vision and then to bring in the right people to be able to execute upon that vision, and make sure that the company has enough money to be able to ensure that you can continue to operate. This is what we call the owner's model.



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Ryan [00:07:24]

The owner's model is our process for keeping the entrepreneur in the owner's seat. You cast a vision, you recruit the right people, and you ensure that the company has enough money to execute. And this is what we help people do inside of the Capitalism Incubator. We help them get clear on their vision, help them launch profitably, connect them with the people that they need to know, and we have an investment fund to invest in the businesses that are coming from our little incubator.

Ryan [00:07:53]

So, if you're an entrepreneur that wants to build something great, wants to build something that you can scale and even sell, you can find out more about what we do and who we've helped at Capitalism.com/inc. That's Capitalism.com/inc.

Ryan [00:08:09]

One of the biggest challenges that I see a lot of entrepreneurs get into is they have this hesitancy over giving up points in the company or giving up equity. And to that I say, do you want to eat a grape or do you want to eat a slice of a watermelon? If you build a really big business, isn't it better to own 20% of that versus operating a very small, stressful business that never really sets you free? Do you want wealth or do you want to control everything? Once again, the richest people in the world sometimes only own a few points of a company. They don't have to control the whole thing.

Ryan [00:08:46]

The reason why this is so exciting to me is because it allows entrepreneurs and capitalists to sit in the seat of control without having the responsibility of controlling every little thing. And in today's world, partnerships now exist with every person, agency, or freelancer in the world to free you up to do the creative work that you enjoy most. Today, there's really no reason for you to have to focus on things that you hate doing.

Ryan [00:09:14]

There are resources that allow you to outsource that so that you can continue to be the creative driver of the business, which is really what we all enjoy doing when we're at the helm of a business. And it just so happens that that's the way that you get rich, too. The best part of this entire strategy is it allows you to have an exit plan from the beginning. Most people, when they become entrepreneurs, are doing this because they want financial freedom. It's not because they want to be working 14 or 16 hour days.



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Ryan [00:09:43]

So, when you structure things in this way, you're the owner of the business and you get a lot of the financial rewards of the business without you being heavily involved in the business. And most importantly, when it comes time for you to sell that business, it is a sellable business. If you are the center point of the business, it's very hard to sell it to somebody else. But if you own the business, you can sell it to somebody else and get that cash which can set you free. That's how I made the majority of my wealth, was I built a couple companies that I ended up selling to somebody else.

Ryan [00:10:18]

And because I was able to do it in a way that didn't require my direct involvement, I could step away from the business and I had my money, and somebody else had the business. That's the way to build real wealth. When you can start exciting businesses that other people run that you can then sell for a big payday, that's where real financial freedom comes from. And the best part? You can do it again, and again, and again on businesses that you choose to be involved in, rather than doing it on businesses that pay your bills. That's when you're free to create real impact and real change.