



E18 - Keerthan Asks, Invest \$200k Into My Candle Company For Readers Transcript

Ryan Moran [00:00:02]

This is The Road to \$1 Million and I'm Ryan Daniel Moran.

Chris [00:00:07]

Hey, welcome back to the show. This week the Fund is getting pitched again inside the Capitalism Incubator. A couple weeks ago, we shared a pitch on the episode. Dan asks, invest \$300,000 dollars for 20% of our supplement brand for first responders. And it got such a good reception, we wanted to share another one of these Shark Tank style pitch decks.

Chris [00:00:33]

This week, a young man named Keerthan is launching a candle brand for readers and has ideas for future products down the line as well, and he's seeking a \$200,000 dollar investment. And when I say young, I mean Keerthan is 19 years old. But you know, capital doesn't discriminate on age or any of that stuff, really. A good opportunity is a good opportunity. And Ryan loved the energy Keerthan brought. The positioning, the products, the market. So, we'll let you decide whether or not you think he's onto something here.

Chris [00:01:13]

You're going to hear from a few other judges here besides Mr. Moran. Justus is the general manager at Capitalism.com and highly involved in the Incubator. Ajit Nawalkha is the founder of Evercoach by Mindvalley and a wildly successful business coach. And Sam Prentice you'll hear here with the Oklahoma accent is Ryan's partner in the Fund acting as our financial advisor.

Chris [00:01:42]

If you're interested in learning more about the Incubator, our year long sprint and tight mentoring group that helps entrepreneurs scale businesses they can sell, visit Capitalism.com/inc. That's I-N-C. And if you're at a point where you're looking for an investor, visit Capitalism.com/fund. Alright, buckle in and let's hear about Sense Fiction.

Keerthan Diddige [00:02:12]

Hi, my name is Keerthan and I'm presenting my brand, Sense Fiction, which I am the current founder and CEO of and we are a physical products line specifically for fiction book lovers.



Now, get this, Julie Lyle, the former chief marketing officer of Walmart and the former CMMO of Barnes & Noble told me in a clubhouse room that fiction readers with extreme commitment to disposable income and very high return purchase rates compared to most are one of the most lucrative consumers in the market, full stop.

Keerthan Diddige [00:02:47]

But the problem is as many readers nowadays transition towards and download books for their e-readers, the experience just diminishes and that's where we come in. Sense Fiction is starting with a scented candle line that readers would burn while reading, which provides an elevated reading experience transporting readers back to simpler times.

Keerthan Diddige [00:03:06]

A little bit about me, I'm the founder of this company. My name is Keerthan. I am 19, an undergraduate student at the University of Southern California, Marshall School of Business. I was the youngest snare drummer in a nationally recognized drumline, and now I read a shit ton of fiction and I'm on a journey to build really cool businesses.

Keerthan Diddige [00:03:22]

The current influencer partnerships we're working for this brand include my friend Emily, @honestbookgirl who we have secured. She has posted about us before. She has almost 12,000 followers on Instagram. Jami from @mysharedstacks who has almost 28,000 on Instagram. Joel from the Youtube channel Fictional Fates who has almost 66,000 Youtube subscribers. And Sarah from the Novel Pairings Podcast, who we estimate to have almost 9000 listeners.

Keerthan Diddige [00:03:51]

And the potential agencies and consultants we will be working with include Turnkey to manage Amazon sales down the road, my friend Alex who's a really skilled and passionate filmmaker who can manage our Youtube channel, and French Color & Fragrance Co. to help us develop new, unique and proprietary candle scents. And the market opportunity here is that we have the opportunity to tap into both the traditional candle market and the untapped book buyer market to create more partnerships from there. And later down the road when we launch our flavored herbal teas, which all collectively create an intersection between novels, candles, and teas down the road.

Keerthan Diddige [00:04:29]

And the current competition of other businesses in the space include Authentic Books, which is a monthly book subscription box which includes physical sensory products inspired by the



book. They were launched last year and they're currently doing about half a million dollars in annual revenue. Mythologie Candle, which was founded by a One Percent member, which is a fantasy inspired candle line, they're doing currently \$300,000 dollars in monthly revenue. Otherland Candle, which raised almost \$3 million dollars in seed round from the co-founders of Venmo and Casper, and they are a candle line with artistic designs and emblems.

Keerthan Diddige [00:05:06]

And finally, Book of the Month, which is, as the name suggests, a monthly subscription book box currently doing about \$10 million dollars in revenue. And our current traction with Sense Fiction is that earlier this year we've launched on Kickstarter, we've had a successful campaign where 104 backers gave us a little bit over \$6,200 dollars in preorders in 1 month which help first fund our first round of inventory. And now we are in the process of relaunching and the tentative timeline for Sense Fiction and strategy after the Kickstarter campaign is this month we are focusing on starting our Youtube channel and blog and securing our influencer partnerships.

Keerthan Diddige [00:05:43]

And next month in September we'll be launching on Amazon hard and with our early customers we'll create a Facebook group all about books. And in December, with collaboration with French Color & Fragrance Co., we will be launching monthly new and proprietary candle scents to our audience. And from February to May next year, we'll be launching our flavored teas, our book pillows, and page anchors which are little bookmarks that keep your book pages open. And July next year, we will be launching a monthly book subscription reading box which will include the book of the month and a candle inspired by the book of the month, teas inspired by the book of the month, and other self care items which can range from face masks, scrubs, and even bath bombs later down the road.

Keerthan Diddige [00:06:29]

And currently, we are looking, in exchange for an equity stake, \$200,000 dollars in capital which would go towards making more candles and keeping our inventory in stock, marketing and developing new products later down the road. But full disclosure, I advise you not to give me money and this is why you should not invest. Number 1, we are not solving an important problem. Candles, bro, come on. We're just serving a consumer we genuinely care about and love. Number 2, I'm 19 years old. I don't know what I'm doing. Number 3, I'm a first time founder. I have no business background. If I didn't tell you last time, I really don't know what I'm doing, so don't give me money.

Keerthan Diddige [00:07:08]



But if you don't want to listen to me and not take my advice, you can contact me at keerthan@scentsfiction.com. My phone number is +1 (510) 579-9485 and yeah, that's my pitch. Thank you.

Justus Murimi [00:07:20]

Great job, Keerthan. Way to go. Give the man some hashtags. Ryan, I'll let you lead it out.

Ryan Moran [00:07:27]

Your opening was epic. That was such a slam dunk opening with the quote. It was really well done because you built up authority and edified the business direction in one sentence. That was extremely well done. In copy, we might call that a gripping headline, so that was a perfect opening for you. I also liked your ... The tagline you have of you take them back to simpler times. It was just a well sneak in there. I thought it was a nice tip of the cap to the marketplace.

Ryan Moran [00:08:03]

I also ... Based on ... Obviously I've gotten to know you over the last year and watched your growth and I remember when you were struggling to get any influencer to give you attention, and you were on a perpetual first date wondering what to text the girl back. And so, seeing 4 people on that slide made me feel really happy and really proud of you. You've done a really good job of building up those relationships over the last year. That's hard to do and you were starting cold, and so you've done a really good job building up those relationships.

Keerthan Diddige [00:08:39]

Thank you.

Ryan Moran [00:08:41]

One other thing in your deck was you really got my attention on the competition slide and it wasn't until that point that I actually audibly went oh. It was the first time I was like oh, there's money here, there is market size here. And that needed to be addressed earlier because I think that your business right now is missing its big idea. You have a product and you have a great market. Your market makes total sense to me and you've done a really good job of positioning yourself and positioning that market as a great opportunity.

Ryan Moran [00:09:26]

But I'm concerned about your current product market fit. Is that the hero product that is going to make Sense Fiction the brand that it needs to be? I'm skeptical of that. And so, you either need to prove that to me or you need to rethink your big idea. The thing that really compels me to what you're doing is it seems to me that the big problem that the market has is a lack of



community because they've gone from reading old books and having an experience and going to bookstores to reading on digital readers and not going to physical book clubs anymore.

Ryan Moran [00:10:01]

So, it seems to me that there is a gap in the marketplace of the community that's being built, which you seem to be doing as an afterthought. I'm just curious what it would feel like if Sense Fiction solved that problem first and that was the big idea, and then you had the product line that came up and supported that. The one kind of tactical piece of advice I'd give you is slow down. I genuinely was worried you were having a panic attack because I could almost feel you sweating because you were going so quickly. And finally, you totally got me at the end. That was hilarious. You have heard me say that if you ask for money you will get advice. What I thought you did really well there was you turned a pitch into actually a subtle ask for advice which is also a way to get money.

Ryan Moran [00:10:55]

So, I thought it was well done. I don't know strategically if that will work for you, but you got my attention and I thought it was really well done. Once again, I just want to reiterate it, the biggest piece that I think you need to put some thought into is is the candle the core of the business, or is there a bigger play here? Is there a bigger idea here? And at 19, I was not able to think about big ideas. I was thinking about what am I going to sell to be able to fund this business? So, I understand how hard that is. But if you can make that pivot then I think you've really got something.

Keerthan Diddige [00:11:32]

Hell yeah. Thank you Ryan.

Ajit Nawalkha [00:11:37]

It's not a real feedback to the deck, but here is something. So, at 19, looking at your enthusiasm and your energy, I would want to bet on you as an investor. The challenge I would have is you had an ask for \$300,000. I would be like, this is a bet. This is me saying to the 19 year old kid, I think 90% he's not going to win this, but I will build is an entrepreneur for life and maybe a future investment opportunity. That's at least how I would think about it. I'm not saying every investor thinks like that.

Ajit Nawalkha [00:12:10]

So, if you'd asked me for \$30,000 dollars, I'd probably be like sure, let me give you \$30,000 dollars and get you off the ground, get you the much needed advice because I see the passion, I see the drive, I see the personality. You have funny towards the end which is great



because that showed me a personality, then the anxiety like you were doing in the first part of the pitch like rightly Ryan mentioned. And if that's your natural personality you're going to crush it, and if not with this product, then you're going to crush it with something else.

Ajit Nawalkha [00:12:36]

So, I think it's going to be great but I think I would be more hesitant to give you \$300,000 dollars. I might give you \$30,000 dollars, \$10,000 dollars. If your ask was smaller, it was easier for me to say yes considering you're ... All the things that you made fun of towards the end. And Ryan nailed it. If your business model is probably what you want to get to in 6 months or 1 year, whatever the timeline was where people get a box and share the experience of a community, that is probably what you're really selling instead of a scented candle. That's what I agree with Ryan on that.

Keerthan Diddige [00:13:11]

For sure. Thank you Ajit. I appreciate it.

Justus Murimi [00:13:14]

Great feedback.

Samuel Prentice [00:13:15]

I have just a couple quick things really fast Keerthan. 1, I thought you did a great job with that. So, 3 points of feedback is 1, if somebody says they'll give you \$30,000 dollars, you always need to ask them if that verbal is binding. I'm just joking. But step 2 is ... The note that I had is right on one of Ryan's is your first slide that had excitement, that was great. That was a high point. Don't change that, for sure leave that like it is. And then all I want to do as an investor is I want to connect the dots of the excitement you created for me there. I want to connect that to see how does that profit? Where is that in our profit?

Samuel Prentice [00:13:50]

So, I think there's actually a really good chance to use that and say hey, the book community is a very profitable community to engage. As we develop how we engage with them, there's so much future opportunity to launch things. And then lastly is I think that you can speak to the lack of community in the book community. You can speak to that lack of community, that it's going away so fast we're having to light candles like it's a vigil. And I don't know if there's some kind of humor to be used there but that seems to be the thing is I think there's a lot of service to that community that could be done outside of candles as well. Anyway, I really liked the pitch. I thought you did a great job, bud.



Keerthan Diddige [00:14:23]

For sure. Thank you. If it's okay, I would like to hash something. If I change to community, lack of community and representation, how would you guys suggest me to pivot my problem into? Would it just be fiction readers are not represented, and then we're going to represent them with candles? Or would it be something else you suggest?

Ryan Moran [00:14:45]

Where you are in your business right now, Keerthan, is I would internally make the decision that you're going to build the world's biggest online book club for your existing customers and that you are going to take all of your customers who have bought a candle and get them into Facebook groups and go all into however you're going to build that community, or a Discord, or a Slack channel or whatever, and now that is your passionate launch audience and you can sell as many candles as you want, just know that that is a way to acquire customers that are going to be active in building the community.

Ryan Moran [00:15:23]

Later, you can worry about if you're going to monetize that community or if you're going to launch more products or what, but I want to see that something is moving before I come in as an investor. It's okay for you to highlight in your deck that that's the problem, that's totally fine. And then you can just say, and the first way that we solved that is we're putting them into groups that we're building by selling these candles. You make a product the route at which you are building the community. So, I don't think it's a huge shift for you externally. It's more of an internal decision that that's how you're going to build the company and externally how you're going to acquire those community members.

Keerthan Diddige [00:16:04]

For sure. For sure. That helps. Thank you.

Justus Murimi [00:16:07]

Great. Great job. We've got to jump to Eric. Real quick, Keerthan, way to go. If you guys don't know, Keerthan spends the majority of his time pitching on Lunch Club and he's a hustler, and you see that here. When we said pitch, he went out and is pitching like crazy. That's why he can talk with the former CMO of Walmart and get feedback there. One thing that Ryan hit on was not a lot of people are going to think candles, big market, so that slide was showing product market fit awareness. That's a big deal for people because they're going to go, candles, what's the market size there? What's the big idea? That's a huge one for you Keerthan.

Justus Murimi [00:16:43]



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And your disadvantage, age and energy, actually is an advantage and creates generosity from investors. They want to bet on you. So, make the bet an easy bet, one that they can just go oh, okay, yeah, I can do that, I want to back you, I want to believe in you. Because some weren't investors, they were that young entrepreneur that just needed someone to believe in them, and you represent that, so keep going. And then customer acquisition, what Ryan hit on on building a community, that's customer acquisition, that's momentum and when investors see momentum they want to get in on that wave. So, way, way to go.

Chris [00:17:20]

Alright, well, what did you think? Did you like the pitch? The humor, the personality? So much of pitching investors really comes down to pitching yourself as well. And you could hear Ajit talk about how he wasn't quite sure about the candles but he was really interested in the entrepreneur. So, do you think Ryan should invest in Sense Fiction? If you want to connect, go shoot him a DM on Instagram over at @RyanDanielMoran and I'm sure he'd love to hear from you. We hope you enjoyed today's show, and until next time, take care.

Ryan Moran [00:17:59]

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 playbook 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 [00:18:24]

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 of 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.