



## How AJ Patel Sold His Business for Over \$600 Million

Ryan Moran [00:00:04]

I consider it a personal honor, point of pride, a privilege to bring this man to the stage. We've been friends for six or seven years now. We came up the ranks together and he's just broken record after record. He's just here hanging out and he has no reason to be here other than the fact that he cares, other than the fact that he enjoys investing in all of you. So please welcome to the stage, AJ Patel. So, it's kind of difficult not to start by acknowledging the fact that you just had a major milestone two weeks ago, you sold Zesty, \$610 million. Clap that up. Really quickly, just tell me how you're feeling two weeks later.

AJ Patel [00:01:00]

Same. I mean, I've had the realization that this is going to happen probably for two years. Not this big, but it felt good when it happened. It felt great when it happened. Now it's just like, what's next kind of thing. So it's good though.

Ryan Moran [00:01:17]

So, is there a disappointment on the other side of that, expecting it ... Did you expect it to be different?

AJ Patel [00:01:24]

No, because I've had other exits and there was a point when I expected money to make me feel different and it didn't. It's like, it's a journey that you just realize it's meant to happen and you just feel ... You feel good about it, but it's not like ... I'm at a point in my life where I don't have ebbs and flows and emotions. So, kind of more here.

Ryan Moran [00:01:49]

Just like Sam was saying yesterday, all of his work is just to stay in an emotional neutral place because otherwise his erratic emotions are going to take him on track, off track, on track, off track.

AJ Patel [00:02:00]

And I've been there.

Ryan Moran [00:02:01]

You've been there, is that what you said? We'll come back to this exit, but I wanted to go back to the beginning of your journey because it feels like yesterday that you were just starting it. It feels so recent. You had a really rapid progression in your journey and there had to be



moments along the way that changed something. So, would you kind of take us back to the beginning?

AJ Patel [00:02:30]

Sure. So, I'll go all the way back in the beginning. I've always wanted to be an entrepreneur since I was a kid. My parents, entrepreneurs for 30 years and going. And high school is kind of when I started my hustling. Sold movies, started a web hosting company for a couple of years where I was making \$5,000 a day and had people from India employed around the clock. That's when I learned my first lesson, which is not to take money out of the business to buy stupid shit like clothes or cars. Served me well, though. And then college, same thing, continued on internet marketing. I would always try to find ways to make money because it was kind of in my DNA.

AJ Patel [00:03:17]

Senior year of college, I stumbled on ... I was playing Facebook's Zynga's Texas HoldEm map, and an internship since I hate jobs. And I lost the chips that they give you. I was like, well, that was fun. Let me go figure out a way to play this again. So I bought about quarter million worth of chips for five bucks. I was like, okay, if I want this, there must be other people that want it. I go on eBay and check and it's like 1 million chips being sold for 37 bucks. Zynga is selling it for a hundred dollars give or take. I messaged everyone on the leaderboards, on the app and say, hey, you want to sell your chips? I'll buy it. And that's how I got started. One guy sold me a hundred million for \$1000 bucks, and one on eBay, sold that for \$37 apiece. Anyways, long story short ...

Ryan Moran [00:04:12]

So, you're arbitraging fake poker chips.

AJ Patel [00:04:14]

Exactly. Huge market. Huge market.

Ryan Moran [00:04:17]

This is like crypto before crypto.

AJ Patel [00:04:19]

Yeah. I had my roommates working around the clock. When I started my website, I was number one for Facebook poker chips and we're making ... I was making \$3000 to \$5,000 a day. So it was a good time in senior year, right? And then graduated in '09. I sold that because I figured



Zynga was going to come after people and they did. So I got rid of that. In 2009, I graduated, degree in finance, told my parents, hey, I'm going to figure something out. I don't know what it is, but I've had these one hit wonders for 10 years. And so let me go try my hand with the six figures that I have in my bank account. So, I tried everything. Really shit businesses like hookah bar to staffing agency with a scammer, so I left that. The real estate and a Facebook game as well. Two years later as I was broke, depressed, and ...

Ryan Moran [00:05:17]

How old are you at this point?

AJ Patel [00:05:19]

22. 23.

Ryan Moran [00:05:21]

Okay. So, early to mid twenties and you're just idea after idea. And that was kind of a theme that came up yesterday is every person who has eventually broken out had lots of swings at the bat. I just wanted to capture that because sometimes we get romantic that this idea needs to be the idea, whereas sometimes you need to get some failures out of the way before you hit pay dirt. It's easy to look at what you've done. We have this rule, Matt and I used to joke. He said like, rule number one, don't bet against AJ. I remember a year or so ago. Matt called me. I was in the Austin airport going somewhere and he's like, AJ is doing this thing where he's buying GameStop stock. Do you know anything about this? I was like, that's the most ridiculous thing I've ever heard in my life. They were like, well, don't bet against AJ. What does he know that we don't? And I tell you that because it's important to know that you didn't just come out of the womb knowing things, you had this section of your life in which you were trying this, flipping this, and this agency, doing this thing, and ultimately leading you to something that started, did well, and continue to grow. So forgive me for interrupting.

AJ Patel [00:06:43]

No, you're fine. Yeah, I mean, especially in Indian culture, right? When I was struggling, people shit on you and you get a reality check of ... You have to kind of believe in yourself, even when everyone else doesn't. So, for me, when I got a job in corporate America in 2000, I don't know, '12, so I was there for two years. I'd have to remind myself that I was the 1% in high school and I was the 1% college and I can do it again. And that alternative, being in corporate America, was never an option. I just wouldn't let my mind get there. I think your mind plays such an important role. Now knowing some of the materials like manifestation and stuff like that, I didn't know about it, but that's essentially what happened.



Ryan Moran [00:07:36]

Why did you join corporate America when you had all these side hustles?

AJ Patel [00:07:40]

Because I was broke, I lost it all. And depressed.

Ryan Moran [00:07:44]

You're broke.

AJ Patel [00:07:45]

Then I had to tell my parents I'm doing something in my life.

Ryan Moran [00:07:48]

I see. You had some things that were producing significant revenue. You also sold a couple of those things. What happened that took you from, you had something going, to being broke and depressed? What changed there?

AJ Patel [00:08:04]

Well, the Facebook chips thing that was producing income, I had to get rid of it before they started suing people. Thank God. From there, so I only had about \$150, \$200,000 saved up and I just started a bunch of dumb shit. And I was saying yes to everything because I didn't know, I don't know how I was going to make money. I didn't know what was going to make me money. And so, this guy, I met at a poker bar, he's like, hey, I want to start a staffing agency. I'm like, that sounds like a cool idea. Let's go to Atlanta. Again, it turns out he was a scammer. I'm like, fuck this, I'm out. So it's just like, I was lost. I was super lost, but I was willing to try and continue to keep trying. And then also gave some money to my brother, to open a liquor store because my parents help him. So that was the last foot. I was like, well ... And I was not a good spender. I mean, not a good money manager. Probably had \$15, \$20,000 in credit card debt. So I had to do something.

Ryan Moran [00:09:06]

So, you went from probably feeling like hot shit in college.

AJ Patel [00:09:11]

Oh yeah, to making \$35,000 my first job, I was like, fuck. I used to make that in a few days.

Ryan Moran [00:09:18]

\$35, is that what you said?



AJ Patel [00:09:19]

A year, \$35,000 a year.

Ryan Moran [00:09:21]

You took a \$35,000 a year job.

AJ Patel [00:09:23]

Yup. Good old days.

Ryan Moran [00:09:26]

What was the job?

AJ Patel [00:09:28]

I was a back office accounting accountant. I was great at interviewing. I was a horrible employee. Really bad. I still don't remember what the fuck I did.

Ryan Moran [00:09:41]

You were in that for two years.

AJ Patel [00:09:44]

So that job, year and a half. And then I became ... Went to an agency for ... As a project manager. Again, I didn't know jack shit about what I was doing. I would just fuck around with the clients, fudge the timeline, and say I'm doing these things. I was a pretty bad project manager.

Ryan Moran [00:10:03]

I didn't realize that part of the story because I didn't realize that you took an entry level job. And then you became project manager one step out. When you were in corporate America, I assumed that it was kind of a fancy job. I actually didn't know that part of the story, but the whole time you're sitting there thinking, I've done it once. I'll do it again, because I know how this is going to go. This is temporary.

AJ Patel [00:10:30]

Exactly. Yep. And that's what kept me going. And '13, stumbled on the Amazon thing. Put \$3,000 on my credit cards. Launched the first product. Two weeks later, it was doing a thousand dollars a day. After 10 years of on and off failure, I knew this was it. Pattern recognition, put \$40,000 on my credit cards, went all in. Set a goal, \$4 million a month within 12 months. And



every day I'd ask myself a question, is what I'm doing today going towards that goal? And if not, cut it out, top-line revenue, right? 13 months later, hit it. From the free cash flow of that company, I started four other brands. And around this time, I'm opportunistic. Right? I have no passion for solving world peace here. It's just like, these categories are open. I'm going to go ... I know this lever, I'm going to pull it. I'm going to pull it until it stops working.

Ryan Moran [00:11:23]

I remember that time. You were winning in a lot of spaces, but you were not ... You were stretched. You weren't really rolling it all back in. I remember you were living very modestly and you were just plowing. You had all your chips.

AJ Patel [00:11:44]

Yeah. I mean, I didn't pay myself for a year. Again, going back to the lesson I learned. I never took out money. And so, did that, but then after the million a month and the skincare brand, I'm like, I want to do something that kind of outlives me. I don't want to have a one hit wonder. I've done that for so long. So, didn't know what a CEO was. Didn't know how to build teams. Hired a CEO for the skincare brand, smooth talker, great communicator. I bought his bullshit. And he said, we're going to get to \$100 million. And then for a year, from 2015 to '16, I kind of checked out. I'm like, I hired a CEO. I better let him do his job. Clearly he knows better than I do.

AJ Patel [00:12:33]

When I put my head up, I realized that we were talking about getting to \$100 million, but we never talked about the how, and we were doing the same shit that I had done. So, it's like, alright, I got to step in. He's the wrong person. I fell for it. It's okay. Fired him.

Ryan Moran [00:12:52]

I want to emphasize here, that was a hard time, right?

AJ Patel [00:12:56]

It was. I was breaking down, kind of time. I was dying, kind of time. Yeah.

Ryan Moran [00:13:03]

Yeah. I remember because I knew this person and there was obviously a relationship that you guys had built up and that's a hard band-aid to pull off.

AJ Patel [00:13:15]

You mean firing him?



Ryan Moran [00:13:16]

Yep.

AJ Patel [00:13:17]

Oh, that was easy. Well, because I look at it as business is a living organism, and I'm willing to fire myself for the business. I will have no ... I have no emotional attachment if someone doesn't serve the business. So, with him, I mean, it was a little hard because again, he's a manipulator, so, and I'm naive at this time. So, we had ... It was a rough two to three months to get him out, but getting him out was the best decision, but also the toughest thing for my personal life, because I had to fire half the people. I don't know jack shit about accounting. I learned accounting by fire. I learned the business by fire essentially at this point. I go from being a horrible leader of the first three years, and I'm growing kind of this ... This is a good inflection point of my life, where I'm continuing to grow significantly from a personal standpoint, leadership standpoint. But also I'm mentally fucked for the next year because scarcity mindset kicked in. When a business ... That was my business, and when it declined by more than 50%, and I'm now in it to turn it around. I'm like, what if I don't have anything after this?

AJ Patel [00:14:31]

What if I lose it all? Did I do all of this for nothing? All of these 13, 14 years, am I going to go back to corporate? And it's all of these irrational fears kind of kick in. And at the same time, some of my other brands are taking off. Well, I can't sell the skincare company on a decline. So I'm like, fuck it. I'm going to take chips off the table and get security. And so, I'd gone in this sprint of trying to sell some of my companies. One of them was ... I took roughly ... I mean, at the end, I owned about 40% when we sold Zesty four weeks ago, but I took about 60% of the table when it was doing \$25 million run rate. Literally the next day, I knew I made a mistake. I was like, that's a quarter billion dollar brand. I fucking knew it. It's like, I couldn't see the forest from the trees during that phase of my life. And it was tough. It was tough. I had emotional breakdowns often. I was stressed out like crazy. So, I stayed involved in Zesty for about a year or so.

Ryan Moran [00:15:41]

And AJ, what would you have done differently now in that time?

AJ Patel [00:15:48]

I would know how to control my emotions and I would be more sane because ... I wouldn't have a bad time. You've got to keep your irrational fears in check. That's what I would have



done differently because that's all it was. I mean, there's people I've talked to within our circles, and they're about to sell their business because they think they're about to lose it. I'm like, don't do it. You're not in the right mindset. And you're going to regret this later. They don't listen. They do it. They come back and say, yeah, I shouldn't have done that. It's okay. You got to make your own mistakes.

Ryan Moran [00:16:24]

Yeah. It's like, when you make decisions from this scarce place, you end up getting scarcity. But if you are in an abundant place, you end up making the decisions and doing the things that bring more of that. It sounds like you were in a place where you were so afraid that the kingdom was about to crumble that you did things that were at least suboptimal.

AJ Patel [00:16:48]

Yeah. To say the least.

Ryan Moran [00:16:52]

So, you took some chips off the table to try and get a foundation.

AJ Patel [00:16:57]

And then I felt like shit as soon as I got the money because I realized it was a mistake, but what ... I'm glad I did because everything kind of in my mind now happens for a reason because I wanted to prove to myself that I could do it again, that I didn't game the system, that wasn't at the right place, the right time. I, a little bit, played into it. And so, that was a catalyst for me trying to look for another opportunity, which created HighKey, which again is this kind of similar business I'm really proud of, and kind of gives me conviction that I can do it again and again and again.

Ryan Moran [00:17:40]

Is it fair to say that HighKey has had the fastest growth trajectory of all the other brands?

AJ Patel [00:17:48]

For the first three years, yes. And that's how old we are.

Ryan Moran [00:17:52]

Yeah. Okay. So yes. How many are familiar with high-key snacks by the way? Yeah. Yeah. I walk into Costco and see the display and I'm like, yes, AJ did it. So, and that was ... What was different about that brand than the others, because that wasn't ... You didn't look at the Amazon data and decide that that was a play. And you had done that with Zesty, you had done





that with Insta, but you didn't do that with HighKey. So, what was different in your approach there?

AJ Patel [00:18:27]

Well, I saw the macro trends, Google, Amazon too, but I saw ... My thesis was what Zesty taught me was great product market fit matters. If you want to create something huge, product market fit matters. So, something unique. Do you have a reason to exist? If not, don't do it. HighKey, when I looked around, it's like, I have a sweet tooth, I love sweet shit. And I love Quest bars. I love my cookies. And so, when I was looking for something like that, I saw a couple of competitors with their product genuinely sucked. I was like, okay, if I can make a good product, a great product, then I can beat this market. So, I didn't know jack shit about food and beverage. I cold called 200 people and met someone that was running a Coleman facility that had a knack for innovation.

AJ Patel [00:19:22]

I'm like, hey John, this is what I can do, this is my background. Jumped ship and convinced him to join me. I was working with a consultant for six months, had a broken, moldy recipe, large one. I told him about it. Within two weeks, he gave me the mini cookies that we launched with. And I was like, all right. When we launched online on Amazon, was the first, and D2C. Within two weeks we beat Oreos and Chips Ahoy. That was enough proof that I needed to go all in from kind of what ... Again, my mindset is learning from Zesty. If you've got something, go all in. So, put fuel to the fire, build out the team. Six months later, we're nationwide in Target. Target, we're beating velocities by success category average. From there, we just started running the tables, right? So Whole Foods, Kroger, Costco, everywhere. Now it's just kind of running the tables and getting focused around the brand and all the stuff.

Ryan Moran [00:20:23]

Did you raise money for that project?

AJ Patel [00:20:25]

\$5.5 million. My money first.

Ryan Moran [00:20:29]

Okay.

AJ Patel [00:20:31]

Funny story about that, I was actually ... Made the dumbest mistake. John was part of the Coleman facility. And I thought if we could get to scale, maybe vertical integration wouldn't be



a bad thing. And so, on a handshake, because that Coleman was losing money and he was willing to give us the keys if we just took over and took over the burn rate. So, on a handshake, I gave him a million dollars. Hey, let's cover the burn rate, we'll launch it and we'll turn that. We'll make a profit here. We'll make a profit here. Holy shit. Let me tell you, contract manufacturing, never get into that. I was losing \$250,000 a month, my capital, and it's for 3, 4 months. I was like, John, I'm calling John. I'm like, John, I can't do this. I'm so ... A million is still a million. And I'm like, fuck the Coleman business. Let's get into the branded business, give him back the keys. I can't do this. Yeah, I almost thought we were not going to have a business, but it took off thankfully.

Ryan Moran [00:21:36]

I asked you about raising money for HighKey because I fought you did a raise ...

AJ Patel [00:21:40]

I did. So, COVID hit. I raised a few million dollars at a much higher valuation just because I wanted someone strategic on the cap table.

Ryan Moran [00:21:56]

It was for strategic reasons.

AJ Patel [00:21:57]

Yeah, a little bit. And a little bit of capital because my ... I'd also blown some of my earlier liquidity and made some mistakes. So, but he was strategic in a sense, but my caveat was I want no strings attached investment, no board seats, nothing.

Ryan Moran [00:22:15]

You raised on your terms.

AJ Patel [00:22:17]

My terms. Right, because I had the money and I could do it. I don't need your capital.

Ryan Moran [00:22:21]

Yeah. I asked that because I'm curious about the difference in your approaches of bootstrapping from 2013 to 2016 when you're just pouring everything in, versus having some dry powder, your own or somebody else's, what the difference in the approach was for those businesses, or if they were mostly the same. How would you comment on that?

AJ Patel [00:22:47]



I mean, some categories are just going to require more capital, right? So food, I mean, that was, we were in an investment period. Margins and food is lower. That was out of kind of necessity to put fuel to the fire, so to speak.

Ryan Moran [00:23:06]

Get customers, scale.

AJ Patel [00:23:08]

Scale, build out the team. I mean, went from 4 people to within 18 months, had a team of 60. My payroll sheet is huge on that team. That was done intentionally because I want to build not for today, I want to build for the future. I want to get the scalability and the talent, as opposed to hiring in the rear, so to speak. That's because I've done that too, built a lean team, done it slow, takes years. I'm more excited about how do we scale, but not at the expense of not having a good business model, it has to turn profit or you don't have a business model in my opinion.

Ryan Moran [00:23:47]

When you were hiring that CEO and building that team, you were doing it, figuring it out, right? I remember when you had one person who was helping you with systems as basically your operations manager. You ended up hiring the CEO at Insta and you're like, we're learning how to build infrastructure. Now, when you run HighKey, you're not scrambling as much anymore. You go from a few people to 60 people in a short window of time. What have you learned about building teams that you didn't know when you got into this game or when you were building the team the first time?

AJ Patel [00:24:24]

That's a great question. Early on, I didn't know, jack shit. I think experience has been my biggest ... The biggest lesson, because we've hired now across all the companies probably 3-5 hundred people. Early on you make the dumbest mistakes. You prioritize scale over cultural fit, and so now ...

Ryan Moran [00:24:48]

Say it again, you prioritize ...

AJ Patel [00:24:49]

Skills over cultural fit, right? I used to do that.

Ryan Moran [00:24:52]



And you say, that's a mistake now?

AJ Patel [00:24:54]

Yeah. A hundred percent. I used to have someone on the skincare company, really negative person, and really ... Very political about the way he communicated and just not a good cultural fit, made everyone feel like shit. I kept him on because he delivered value.

Ryan Moran [00:25:14]

He had the skills.

AJ Patel [00:25:15]

Exactly. Now, as I look at it, you have to be a good person, good cultural fit, and bring skills to the table.

Ryan Moran [00:25:24]

Are they in that order?

AJ Patel [00:25:25]

Yeah. Well, yeah, because if you're not a good person, then yeah.

Ryan Moran [00:25:31]

I got you.

AJ Patel [00:25:33]

Something ... So cultural, they have to align with our values a lot more than before. I think now that we've ... I have my HR person that's been with me for six years. She's really good at filtering from the top and only letting decent people come to the hiring managers. Even then, we go through three interviews to make sure we all agree.

Ryan Moran [00:25:58]

So, the lesson there was hiring for culture over skills rather than prioritizing skills.

AJ Patel [00:26:07]

A hundred percent.

Ryan Moran [00:26:08]

That's interesting. What else have you learned about team building that has allowed you to have infrastructure that doesn't collapse?



AJ Patel [00:26:17]

You've got to map ... So, for me, I know my strengths and weaknesses really well. I will mask my weaknesses with great leaders that have their core competency and strengths, right? So my partner, CEO Heikki, loves managing people, an inspirational leader. Very honest. We can disagree and commit, but we can call each other out in a very respectful way. And he knows retail. I don't want to know retail. I don't care about retail. You know retail, you do retail. It's kind of like just knowing, for me at least, the strengths and weakness and masking those weaknesses. And it's worked really well for me. My leadership style is unique. I am not kumbaya. I'm not going to give you positive reinforcement. These people that I work closely with don't need that, but they know me and I invest in them and I take care of them in the ways that they're motivated by. I'll build a personal relationship with them. Likewise, they take it down.

Ryan Moran [00:27:21]

The interesting thing that you're commenting on there is that you hire and focus on leaders. Right? You are not hiring for somebody deep on the org chart at this point, you're hiring for leaders.

AJ Patel [00:27:35]

Yeah, and that they do their job.

Ryan Moran [00:27:37]

I want to ... I'm asking this selfishly because this is a skill that I want to learn. When did that switch for you? Because the first time you did it, it didn't go how you wanted it to, and you ended up coming in and taking over, but you stepped up to the plate again and you did it again. What did you do differently after making this mistake that you regretted?

AJ Patel [00:28:05]

I'm trying to think.

Ryan Moran [00:28:07]

You know what I'm asking? Because you're commenting on hiring leaders, but the first time you did it ...

AJ Patel [00:28:14]

I didn't have leaders. I didn't have leaders in that company, right? I had to call out a lot of people and I can't call out people. I know that's not my skill set. I think it's just like, there are a



couple of people that I've worked with for years, which I've really admired our working relationship. It's just kind of like a learn. I've learned what works for me and it's different for everyone. Right? What works for me is I don't want to manage a team. I don't like the day-to-day meetings that much. It's like, if I can trust you to do your job ... And chemistry matters. So, for me with a CEO, chemistry matters a lot because without that, you're not going to have a good fit. Now for me to trust him to manage, say, the CML, because I don't want to deal with that shit. I'll manage e-commerce kind of departments here. Supply chain, we'll kind of divide and conquer. So, it's just, I don't know. I don't know. I don't know the answer. It's just like, it's happened organically for me where I've realized this is what works for me. This is the type of culture that we want to build based on the values we've created.

Ryan Moran [00:29:24]

Well, what I'm processing as you're saying that is that that first CEO that you hired provided a lot of contrast for what you actually wanted in a leader. At that time, you hired somebody who came with CEO credentials that you trusted, and it didn't go well, but it gave you clarity for what you actually needed in your next hires and leaders. How do you find those leaders at this point?

AJ Patel [00:29:54]

ForceBrands is great for C-levels.

Ryan Moran [00:29:57]

What's that?

AJ Patel [00:29:54]

ForceBrands.

Ryan Moran [00:29:58]

ForceBrands?

AJ Patel [00:29:59]

Yeah. So, it's a CPG recruiting firm. So I'll go to them. Or basically the C-levels is definitely recruiting firms and they're are not in Orlando. So, I'm open to remote. We still ... Our CEO as an example, came from Ancient Nutrition. Our CEO came from, ... He was CEO of Australasia General Mills. So, CMO came from Four Sigmatic, so basically kind of poaching talent from other places.

Ryan Moran [00:30:34]



Yeah. And that sounds expensive. So, how do you think about compensating leaders?

AJ Patel [00:30:42]

Market rate.

Ryan Moran [00:30:45]

Market rate?

AJ Patel [00:30:46]

Yeah. I mean, I don't want to be specific because these are my people.

Ryan Moran [00:30:49]

Yeah. I understand. What I'm asking is, there's ... Sometimes we hear stories about people who come from a big company with a great resume that want a very healthy salary and yet their skill set doesn't match that of somebody who's just young and scrappy. And when you're in startup mode and you have a seven figure business, the idea of going and finding somebody who's run that just seems risky when you could hire somebody that's young and scrappy. So, I want to know from you, what is the difference in those two approaches?

AJ Patel [00:31:31]

I think you've got to be on a good opportunity. You have to be honest with yourself what kind of opportunity you're on. Like for me, this was an opportunity to work going all in on. And well, when you describe a seven figure opportunity, as an example, I'm just saying, if you don't have a good product market fit, that's not going to scale omni-channel. I don't know if I'd hire the team I've hired. I'd be okay with the project manager and hustling and lean, and then if something works out and you see an opportunity in a white space in retail, then maybe, maybe you hire. But otherwise I wouldn't go all in.

Ryan Moran [00:32:10]

That makes a lot of sense. So, the difference there is with HighKey, you know this is a multi-nine figure opportunity. So you're hiring for multi nine ...

AJ Patel [00:32:20]

Exactly.

Ryan Moran [00:32:22]

Yeah. And with another brand that you think may top out at \$10 million, you're building a \$10 million team. I'm curious about, I wonder if the expectation creates that. In your mind, you are



so convinced that HighKey is a multi-nine figure opportunity, you have made that happen. You saw product market fit. Plenty of people could have seen market product market fit and only built a \$10 million business. And you did more. You've done more than that. So, I'm curious how much of your approach has affected that. I'm just wondering that out loud. There's something I've been wanting to ask you since we texted about it. I've been dying to ask you this question and it was that you told me that you've reached a point in your life in which you are happier and clearer and feel more purposeful than you ever have.

Ryan Moran [00:33:13]

These are words I had never heard you say, right. There was a long journey to getting to them. I really would like for you to unpack what has flipped there. It would be easy to say, well, of course you're breaking records. Of course, you're leading in the space. But I've seen more of the internal journey and know that you didn't have the same peace, satisfaction, and joy that you've arrived at now. What changed?

AJ Patel [00:33:42]

Chad, my coach was the biggest catalyst in my life I would say from ... I had him from 2017 to 2021. I think personal growth unlocks everything in life. For me, going through that tough time of 2016, '17, '18, I was beating myself up for fuck, I exited too early. I could have done this myself, and all of these things, as opposed to now, it's just like, that happened for a reason. And without that, I wouldn't have this company. I wouldn't have the conviction to start other companies. And the experience I have now is so vastly different and great in its own way. And it's just been working on myself.

Ryan Moran [00:34:24]

Would you say that again? Because you said that quickly. You said, I forget your exact words, but it worked out and it's been great in just a different way. Explain what you mean by that.

AJ Patel [00:34:38]

As an example, if I hadn't sold Zesty when I would've sold Zesty, took chips off the table and would have sold it four weeks ago, that's probably the only thing I would've done. I would've been really happy with it, too. But I'm also really happy with the fact that not only was I able to participate, see that journey through, but I got to do it again with this other company. By the way, this new ... I launched another brand, which I failed. I'll talk about that in a second. I'm grateful for that too, because I'm learning something. I look at failures, I look at opportunities, I look at what happens in life as grapes now. Right? And if I don't look back 12 months before in my ... Let's say last year, I want to tell myself that guy was an idiot because then I'm growing.





Ryan Moran [00:35:31]

You want to be able to look back and say, that guy was an idiot?

AJ Patel [00:35:33]

A hundred percent. A hundred percent. So, now I just, I understand people. I want to be a good human being. Chad and I just ended our coaching, I don't know, three, four months ago. It's like, because Chad, I don't have any problems. I don't need to talk about anything. We're good. Because I know if I have issues, I can work through them. I went to Georgia Spencer's meditation retreat. That was great too. I just feel good and peace with myself, and money, all of this success is just a byproduct of doing shit I love. I love creating. I love building teams, and I love doing it again. If I fail along the way, fuck it. I'll do it again.

Ryan Moran [00:36:11]

I just had a big braingasm because what you're essentially saying is for a while, for years you had the mental chatter of beating yourself up.

AJ Patel [00:36:24]

And imposter syndrome. It's like, I don't fucking belong. I had it all.

Ryan Moran [00:36:30]

And now what you have realized is that everything that happened has led you to here and here is great just in a different way than if you had made different decisions. One of that being had you not taken chips off the table with Zesty, had you kept all of that money yourself, you may not have ever run into the point where you had enough negative mental chatter to go work on it to arrive at a place of peace and internal joy. Both are great journeys. Lots of lots of lots of money or still lots and lots of money and happy. Right? They're both great, and you never know what the other path would have led to. I know that I play this game of, should have done this differently. Should have pursued that opportunity harder. Shouldn't have had that ... Shouldn't have X, Y, and Z. But if you can be happy with now, then everything just led as being context for getting to this place. You mentioned going to Joe Dispenza. What was that experience like?

AJ Patel [00:37:42]

I mean, there are a few people that have done it here. I know. Incredible. I mean, it's just the energy, the whole thing, right? I've been into mindfulness for a long time, but man, I felt fucking great. And I'm chasing that high again. I'm going end of next month, going again for the advanced thing and then probably going to go to December and his week-long again. So, I'm just going to continue to chase it.



Ryan Moran [00:38:07]

What is that high?

AJ Patel [00:38:10]

Clarity and detachment from everything in a sense. It makes you a good person. I just want to grow.

Ryan Moran [00:38:18]

Do you get that in your day-to-day life outside of those peak experiences?

AJ Patel [00:38:21]

I do. I'll wake up, meditate an hour every day. Usually 30 minutes at night. It's kind of trying to stick to it.

Ryan Moran [00:38:30]

Yeah. How is your life different after prioritizing the own internal experience?

AJ Patel [00:38:37]

Chaotic, really fucking chaotic, because life ...

Ryan Moran [00:38:42]

Before? Beforehand?

AJ Patel [00:38:44]

No, not before Joe, but I was just thinking before I started working on myself. Because Chad, the self-growth I had with him was also significant. It would just be like, I'd let life run me. In a sense I'm reacting to life. Whereas now it's almost slowed down and you get to dictate ...

Ryan Moran [00:39:05]

Which is hilarious because your life has sped up so much in the last year and a half. That's hilariously ironic.

AJ Patel [00:39:14]

That's a byproduct.

Ryan Moran [00:39:15]

Is it?



AJ Patel [00:39:16]

I think, at least.

Ryan Moran [00:39:17]

Tell me why.

AJ Patel [00:39:21]

Work-wise as an example, because I believe that's what you're referencing, right?

Ryan Moran [00:39:24]

Yeah. Well, I mean just career-wise, yeah.

AJ Patel [00:39:26]

I don't do much. I don't do much. I have great teams and I try to focus on just creating stuff. So, right now I'm working on more than HighKey, as an example, because I've got a team built out, a venture studio, working on that, creating an incubation ground where I would invest, buy back entrepreneurs. So, it's fun, but it's like, all of the seeds that I put in the early days are now sprouting. So, it seems like things are sped up, but things are, for me, at least, the same in a way.

Ryan Moran [00:40:02]

Do you think that as a result of pursuing that internal clarity and getting calm, calm inside, that it allowed you to detach enough to be able to plant those seeds that were long-term?

AJ Patel [00:40:17]

Maybe now. Back then, it was just like ... There was a thing of right place, right time. I'm not going to bullshit that.

Ryan Moran [00:40:26]

Sure. But I mean, it seems like since you've prioritized that, you make much longer, more strategic decisions which may be slower in the very short term, but sprout and create faster compounding results. When you said you don't do much, I believe you, and I think you have prioritized that internal experience, which allows you to kind of be the conductor of your life rather than the actor in your life. And I've experienced times where, when I'm letting life dictate me, I'm just in the chaos and I'm making more of it. I think you going on this journey has allowed you to kind of pull yourself out of that and conduct more of it. Is my projection ...



AJ Patel [00:41:11]

I can make long ... I make decisions that are more long-term focus now than say the '16 where it's like, fuck everything's ... I'm going to lose everything and I'm going to make short-term, short-sighted decisions. So, for sure. HighKey, same thing, long sided decisions. Even being on the board over the last year or so on Zesty, it's like, got to see us making good, rational, long term decisions. It's like, you soaked that in.

Ryan Moran [00:41:42]

Yeah. That's beautiful. So let's talk about Zesty because you had this exit, was it two weeks ago it finalized now?

AJ Patel [00:41:49]

Three, four. I haven't even got my ... Time is a human construct.

Ryan Moran [00:41:56]

I think you exited operations of that when you partnered with the group.

AJ Patel [00:42:01]

I was there about a year or so, and then when we brought in the ... I was still involved and then when we brought in the CEO, I transitioned. I was all in on the board, but then really took a board role.

Ryan Moran [00:42:11]

What did you see happen, because I think this was your first brand that crossed nine figures. What did you see happen in that ramp up period between when you were at the helm and then the group coming in and helping to scale it? What did you see from the sidelines?

AJ Patel [00:42:29]

I'm trying to figure out how to answer this. The seeds that we created 2017, basically, I was also in the VMS category for humans and I saw branded ingredients were big then. Brought that into the pet supplement space and everything we did, were the first. Allergy multi, no one was doing it. We innovated in a very clinically, science-based, and a fun-based way. That brand blew up right then and there. Everyone could have checked out. That brand had such strong tailwinds that it was kind of meant to be in a sense. We went from 3 to 25 to 55, and then retail came in and then 2 years later, 100+. But I've never seen ... I hope to be part of something like that again, because it was the perfect lightning in a bottle with great product market fit when we exit at number one, number one on every platform we were on. And so, what the private equity group did that I probably wouldn't have done is when we brought in the CEO, they



pushed for retail, which is a great fucking thing. So, we proved it out at Target and PetSmart. That was one of the bigger ... Because strategics want retail proved out.

AJ Patel [00:43:59]

And so, I created the online moat, but they had the wherewithal and the patience to create the retail side of things, which I may not have done given this ... If I had kept it. And I'm so thankful that this happened, because I probably would have sold for \$150, right? Taking chips off the table, wouldn't have done retail because like Moiz, when your net worth is tied significantly, you want chips off the table. So, having seen that gamey conviction that anything's possible, having been part of that journey, right. It's all about mindset and how big you can create a company. Because when I took chips off the table, our peers are exiting for \$10, \$20, \$30 million. Well that's fucking pinnacle of success. Right? And then when I saw that moving, I'm like, well, anything's possible. And so, HighKey my aspirational, I want to create the next ...

Ryan Moran [00:44:50]

When you saw your peers exiting for \$10, \$15, \$20 million, that made you say, oh, anything is possible?

AJ Patel [00:44:57]

No, no, no, no. That made me say I need to exit because that was a pinnacle of success at that point. But now seeing the Zesty movie, I'm like, anything is possible. Can I create a billion dollar company? Yes.

Ryan Moran [00:45:09]

Got it. So, it gave you different context, a different reference point for what was actually possible for you and in this space and in this industry.

AJ Patel [00:45:19]

Yeah. It's all mindset. We can all, anyone in this room, can create a billion dollar brand.

Ryan Moran [00:45:25]

Okay. You keep saying that it's all mindset. Could you break that down into something that is less esoteric? It's all mindset. It's all mindset. How does AJ actually think ...

AJ Patel [00:45:40]

If you don't believe you can do it, you're not going to do it. Right? If you don't believe you can ... If you believe that the limit ... So, when our peers are exiting for, say, \$20 million on average, that's the height of what I can achieve. Right? But if you set your mindset to be a little bit



higher, I know I can create a hundred million dollar brand, you might act differently. Right? You might do things differently. You might look at opportunities differently. When I start companies now, if it doesn't have a hundred million or more in potential, I won't even look at it from a product market fit. So, my filters are very aggressive right now. You know what I mean? So again, that's what I mean, but you have to believe that you can do it to do it because if you don't believe it, it's not going to happen.

Ryan Moran [00:46:24]

I think it's important to note here, you didn't always believe that it was possible and that's okay. You had some base hits and some strikeouts and a couple solo home runs before you had Zesty, before you had HighKey. You had to work yourself into believing that this was possible. And now it is. You've seen it. You've proven it to yourself. So, now there's total confidence in going into that. And so, \$10 million projects don't interest you anymore. \$50 million projects don't interest you anymore. But that was not always the case. Do you think it is possible to skip those steps?

AJ Patel [00:47:14]

Say that differently.

Ryan Moran [00:47:15]

Do you think now that all your expectations are, this is going to be a nine figure brand, do you think that it would have been possible to collapse that timeline, how long it took you to get to that expectation?

AJ Patel [00:47:30]

Not unless I got lucky the first time and I saw the movie first.

Ryan Moran [00:47:33]

I see.

AJ Patel [00:47:35]

I think these were all good experiences that, I mean, even hard ... The lessons I've learned over this past seven, eight years from hiring to the retail, I don't know. It's just, I don't know if I would have done differently, but I guess it's like, maybe would have played out differently if I had succeeded early on maybe.

Ryan Moran [00:47:56]

But it doesn't matter.



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AJ Patel [00:47:58]

Exactly.

Ryan Moran [00:47:58]

AJ, it has been a joy and a privilege to be part of your journey and to watch your journey and to see it at different stages. So, you should feel very proud and we are all very proud. Thank you for blazing the trail in this industry and for sharing this, give it up for AJ, guys.

Ryan Moran [00:48:25]

If you found value in this podcast and you're ready to go deeper, here are three resources where we can help you. One, you can grab my book 12 Months to \$1 Million on Audible or Amazon. It has over a thousand reviews and it's the playbook to building a seven figure business. Second, 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. You can get plugged in at [capitalism.com/1](https://capitalism.com/1). And third, if you're looking to go deeper and build a seven 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](https://capitalism.com/inc). That's [capitalism.com/inc](https://capitalism.com/inc).