



## **E32 - Stacy Asks, Is It Time To Find A New Product Manufacturer Transcript**

Ryan Moran [00:00:02]

This is the Road to \$1 Million and I'm Ryan Daniel Moran. Hey everybody. Welcome back to the podcast. Before we jump into today's episode, I want to give you an update about one of our previous students because the entire thesis behind this show was to share the stories of our students who were on their road to the million dollar business.

Ryan Moran [00:00:23]

I wrote a book called 12 Months to \$1 Million. I wanted to document some of their journeys and we've started doing that. Well, one of our past students just crossed their first million dollar year. You might remember the episode with Leah Boomsma. She came on asking some questions about how she could grow her business and overcome some sticking points and she did that.

Ryan Moran [00:00:45]

She passed a million dollars in sales, and we're super proud of you. Leah, we're so stoked for you. And also, she's a Capitalism Incubator member and she gave a pitch at pitch week and she crushed it, and she's going to do her entire raise and she's going to build an 8-figure company. We're rooting for you, Leah. We're really proud of you. Congratulations on crossing the million dollar threshold.

Ryan Moran [00:01:06]

There will be many more stories of students crossing the million. And by the way, if you ever want to start your Road to \$1 million, come join us in The One Percent at [Capitalism.com/1](https://Capitalism.com/1). We'd love to have you on the show and document your road to a million dollars as well. On today's episode, we're going to answer a commonly asked question that comes up about working with manufacturers.

Ryan Moran [00:01:28]

That first order that you place when your product gets put on a boat and it's on its way to a fulfillment center, that's when things get real. And the work that it takes getting up to that point is the grind. That's the real work to get there. And so, I wanted to share this moment that was captured on a One Percent coaching call where someone was frustrated. Stacy, one of our students was frustrated, hitting roadblocks getting a prototype made. And a recurring theme came up and I gave her some tough love.



Ryan Moran [00:02:02]

Now, she called in frustrated with the issue. I want you to listen to what I had to share with her, and then she deserves some kudos for being open-minded to hear the solution to bring her product to market. All right, let's go hang out with Stacy. Enjoy.

Stacy [00:02:22]

Hello.

Ryan Moran [00:02:23]

Hello. What's happening expecting Stacy? What's your favorite book on that bookshelf behind you?

Stacy [00:02:34]

Let's see. This one.

Ryan Moran [00:02:39]

That's a good choice. You're a faster learner than Don. I'm just fishing for compliments all the time. Stacy got it.

Stacy [00:02:50]

I'm on it.

Ryan Moran [00:02:51]

Good work. Well, I will do anything for you now, Stacy.

Stacy [00:02:56]

So, I have a couple questions. I have my audience. I am very secure with my product idea and my biggest problem right now is getting it made. I have been with a company for a year developing prototypes, and we're still not there. So, my thought process is try to find another company, or do I stick with this company, even though I feel like ... Do I work harder with this company because I feel like they're not hearing what I have to say about the product, or do I start the search again?

Ryan Moran [00:03:39]

What's the product and what's the problem holding it back?

Stacy [00:03:43]



Okay. So, the product is ... I'm a nurse and it's a stethoscope rack. So, the reason it annoys me that it does not exist is because as a nurse, we used to be able to wear cute shirts and stuff. Well, they've kind of taken that away and now we're all in the same color. You all have to wear blue or respiratory therapists wear gray. So, part of your uniform was your personality, which is kind of gone. You can't really express yourself with your clothing anymore. So, hang on.

Stacy [00:04:30]

Imagine you have a stethoscope and it's black, and stethoscopes are an investment. So, they can range, if you want a good one, 200 plus. So, you pick a color, black, blue, gray, and that's all you get. So, if you ... This is one of the prototypes. So, if you take something like this, this is what they sent us, and it wraps around the tubing of the stethoscope, but you can put anything you want on it. We came up with ...

Ryan Moran [00:05:03]

So, Stacy, I get it. What's the problem with the manufacturing? What's taking so long?

Stacy [00:05:08]

So, what I need is something flexible that can wrap around the stethoscope. And this is what they sent me. It's not flexible. It bends. And also it needs to have some kind of closure so when you put it around, you can close it and it stays there.

Ryan Moran [00:05:25]

Does your manufacturer know this?

Stacy [00:05:27]

Yes. I've been working with them for a year.

Ryan Moran [00:05:30]

Tell me what they would tell you the problem is.

Stacy [00:05:36]

They don't tell me a problem. They keep sending me different prototypes. So, this one is the last one they sent me. It's a little softer. Then I got one a couple months ago. It was a little softer. So, we finally got to the right, I guess, flexibility, but we're trying to close it. They're just not hearing what I'm saying to them.

Ryan Moran [00:06:05]

Jake, will you take this to start?



Jake Lovasz [00:06:09]

Yeah, absolutely. From what I'm hearing so far for the simplicity of this product is I would probably break up with this manufacturer. A year is far too long to develop something that simple. I mean, I just had a couple ideas rolling in my head right now that could solve that problem. And a year is far, far too long.

Jake Lovasz [00:06:26]

You could ... I'm not sure if you're doing domestic or overseas, but even some Chinese manufacturers, telling them this idea would've had you some prototypes shipped within a month or 2 that would clearly solve that problem. Make sure to have your constraints laid out next time you source someone if that's what you decide to do. Tell them it can't bend. It needs to have X, Y, and Z. Have it laid out and have them follow those constraints and see what they can come up with.

Ryan Moran [00:06:55]

That other voice that you are hearing on this call is Jacob Lovasz, and Jake has been on the show as well. He's one of the brands that we invested inside of the Fund. And actually, just come to think of it, I think he crossed a million dollars since his episode. So, we might have 2 first time millionaires featured on this episode. Congratulations to Jacob as well. We've celebrated him publicly several times.

Ryan Moran [00:07:19]

Well, Jake is an engineer and he goes really deep into the process of manufacturing. And so, he was very qualified to answer that question. But what Jake is really touching on here is the idea of clear expectations between parties, between you as the product creator and person that is working for you as the manufacturer, because business is relationships, it's all relationships. And we'll often forget that when we're building internet businesses, but so much of business is clear communication, clear boundaries, and clear expectations.

Ryan Moran [00:07:57]

When you get good at the people side of things, including clearly communicating your own needs, your own expectations, and your own boundaries, that's when you put yourself in a position to win. What Jake is touching on here is that Stacy has kind of had loose boundaries and expectations, and so we've had scope creep.

Ryan Moran [00:08:17]



You need to treat your manufacturer relationship like you would treat any other relationship where you have firm deadlines and expectations, because if you don't have those things, then it's easy to kind of walk all over each other. Now, stay tuned as I'm about to drop a really hard piece of truth that I think really changed Stacy's perspective on this entire saga leading up to the release of her product.

Stacy [00:08:42]

We did, we even sent them a professional drawing of the product with all of the requirements in it. And unfortunately, from the very beginning, it's been a little bit challenging, but I've stuck with it. But at this point I'm thinking about changing or looking for a new manufacturer. But even before I found this manufacturer, I was searching for 6 months because everybody in the United States that I contacted, which was a lot of people for 6 months, said they couldn't do it. So, that's why I wound up going overseas.

Ryan Moran [00:09:17]

Why couldn't they do it?

Stacy [00:09:19]

Because they can't think outside the box, to be honest with you. They're ...

Ryan Moran [00:09:23]

Stacy, I think you're the problem.

Stacy [00:09:25]

Okay.

Ryan Moran [00:09:25]

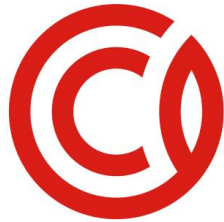
Yeah. I think you're the problem because you really, really want to cast blame on other ... This being hard and other people not being able to do it. They can't think outside the box, they keep sending me prototypes, they just don't listen to me. So, if everyone else is the problem, you might be the problem.

Stacy [00:09:47]

Okay. That's fair.

Ryan Moran [00:09:48]

There's really only 3 possible problems. Either your manufacturer sucks, you're not being clear, or the product is truly impossible to make, and it could be any one of those 3. Maybe you do



have an incompetent manufacturer. If that's the case, then great, let's get another one. They're easily replaceable. Get one with great communication. Always be looking for new manufacturers. Just know that there's one out there for whom this is easy and keep knocking on doors until somebody says, yes. That's the solution there.

Ryan Moran [00:10:20]

The 2nd problem, it could be that you're just not being clear enough and you're not communicating clearly and openly and efficiently enough. You say what you want, assume they get it. Wait 6 weeks for a prototype. Say that this isn't good. Then you're not clear in your feedback. That could also be a problem. And in order to clear that, you've got to take time to be abundantly clear about what you're looking for and be more proactive about your communication rather than theirs.

Ryan Moran [00:10:46]

Or maybe the product is actually impossible to make, which means that you've got to be the one that sits there and goes, I've got to make this possible. What can I borrow from here? What can I borrow from here? What can I borrow from here? And then go find somebody who's like, I get that. But you're giving a lot of your power away to other people that you think have control when I think you could be knocking over some more doors here.

Ryan Moran [00:11:15]

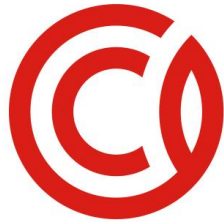
And I'm not saying your manufacturer isn't a dick, because they might be. But I think that there's a chance that you could be more curious about what other options are out there. Because what's going on in your brain right now is I have a year with this person. It's like, I've been in this relationship that I don't like for a year. I can't just go start a new relationship. I've got all this data. How are we going to go to Cheesecake Factory together every Friday when I don't have this relationship anymore?

Ryan Moran [00:11:43]

It's like the same reason why people stay in relationships for too long. It's like, but I've been in it for a year. Right? But if you were just curious over, isn't there anything else out there? Are there other manufacturers that get this? There's more that you could do. I don't know your space enough to know where the problem is, and it doesn't matter. Either way, if you become curious about solutions rather than trying to point fingers at whatever the problem is, you will cross this hurdle much, much faster. That's my real talk answer.

Stacy [00:12:14]

That's a good answer. I like it. I'll take ownership of that. Absolutely.



Ryan Moran [00:12:20]

Justus, would you like to speak to that?

Justus Murimi [00:12:22]

Yeah. Well, so, what has to happen now? What is the action you're going to take after this call?

Stacy [00:12:29]

I'm going to do 2 things. I'm going to look for different manufacturers and I'm going to speak to the manufacturer that I'm currently working with and make sure they have a clear picture of exactly what I want, that there's no questions.

Justus Murimi [00:12:45]

Nice. I love it. I love it. By what date will you have a decision whether you're sticking or you're choosing a new manufacturer?

Stacy [00:12:51]

So, we're getting another round of prototypes that are coming in and if they're not to my liking, that will make my decision.

Justus Murimi [00:13:01]

Very good. You're clear. This was great.

Ryan Moran [00:13:05]

[INAUDIBLE 00:13:05] work, Stacy.

Justus Murimi [00:13:07]

Yeah.

Stacy [00:13:09]

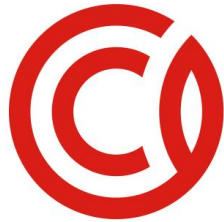
Thanks for the help. I appreciate the tough love.

Ryan Moran [00:13:12]

You bet. You bet.

Jake Lovasz [00:13:13]

That's what we're here for.



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

Ryan Moran [00:13:14]

So there you have it. I hope your takeaway from this episode is that your business is a reflection of you. How you communicate, how you establish relationships, how you work with your employees, your influencers, the agencies, and yes, your manufacturers. They're all relationships and relationships are a reflection of you and how you treat people and how you communicate.

Ryan Moran [00:13:42]

Instead of playing the blame game outside of yourselves, we have to ask, how am I showing up in this situation to create whatever dynamic I want or don't want? What's the role that I played in getting here? How do I take control of this situation and make the best decision for me and my business? Because when you've just got this loose expectation, hoping that your product is getting made or hoping that an employee is doing their work, well, then we're not really clear.

Ryan Moran [00:14:12]

And then, we don't know if we're having progress. When you're having a recurring problem, it's often a time to evaluate and see if you have clear expectations between parties. And then, you might discover that you are the problem or at least that you can do something about it. Thanks for listening to the show. Remember, whenever you're ready to start your road to \$1 million, come join us in The One Percent. Only 1% of people ever become millionaires and we help entrepreneurs do that inside of The One Percent. Come join us at [capitalism.com/1](http://capitalism.com/1). Thanks for listening.