

I'm Buying Back Sheer Strength **Transcript**

Ryan Moran [00:00:04]

I've been keeping a secret, a secret for six months and I'm so freaking pumped to talk to you about it today. In 2013, I started a company. It was my first physical products company, and it was a supplement company specifically for men who were working out and adding muscle. It was called Sheer Strength Labs.

Ryan Moran [00:00:25]

I started that company with \$600. And my partner, Matthew, and I had dreams of taking it to a hundred sales a day because a hundred sales a day meant that it would be a million dollar business. This was back in 2013, before brands were built on Amazon, before people knew how to get reviews, before there were exits happening in the e-commerce space.

Ryan Moran [00:00:51]

Matthew and I built this tiny little company, mostly for ourselves. We built this company for other hard gainers like ourselves who had a hard time putting on muscle and we developed products that we liked, and we did a bunch of nerdy research to find out what blends would best, and we had a great freaking time building this company.

Ryan Moran [00:01:13]

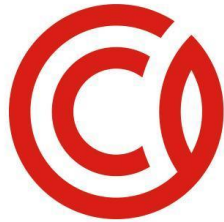
Together, we took that to a million dollar run rate in approximately a year. It was actually just under a year. A year from concept, six months from launch. And that became the basis for everything that I taught over the next almost 10 years about getting a company to a hundred sales a day at a \$30 price point. That would be a million dollar business.

Ryan Moran [00:01:36]

It was my first million dollar business despite being an entrepreneur for eight years prior to that point. It became the foundation for my book, the story that I told in my book, the story that I told on my podcast and documented about becoming a multi-million dollar company and then having an eight figure exit in 2017. In 2017, I sold that company to a private equity group out of Dallas for approximately \$15 million.

Ryan Moran [00:02:05]

At the time, it was a huge win for us. In retrospect, we undersold. We had a price point that was beaten up by the private equity group, and we should have sold for a lot more money. In



fact, if we had just held on for a couple more years, market conditions would have been more favorable to us and we would have gotten more money than we did in 2017.

Ryan Moran [00:02:25]

But something happened after we sold. You see, we sold for \$15 million, but the promise was that we'd get an even bigger payday in the next few years because we sold the company, but we each maintained 20% of the business after we sold with the idea that that private equity group will bring their resources and their infrastructure and their network to the table, that company would grow. Our target was a \$15 million annual run rate, which would mean we would sell the company again to someone else for \$40 to \$60 million of which I would own 20%, so another \$10 million.

Ryan Moran [00:03:00]

But that never happened. No, it never happened, because the company that bought it ran up expenses, made bad hires, and ran the company into the ground. And when I say ran it into the ground, I mean they took it from a million dollar per month top line revenue with multimillion dollar EBITDA all the way to a company that did just over \$1 million per year in sales and took home no profit.

Ryan Moran [00:03:27]

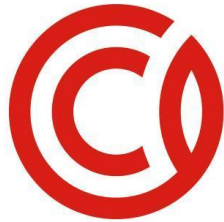
In 2019, the company declared bankruptcy and I attempted to buy it back out of bankruptcy. I wrote a letter to the bank that foreclosed on the private equity group and pitched them on why they should sell me the assets to the company, but they didn't go with me. They went with another operator. It was an operator that I knew, an operator that I had a relationship with and I was devastated that I didn't get the company because as soon as I had the thought of taking back my old company, I started fantasizing about what I would do differently this time.

Ryan Moran [00:04:05]

I started fantasizing about everything that I had learned over the past several years and what I would bring to the company that was different than when I started it with \$600. back then, I didn't know how to hire. Back then, I didn't know how to cast a vision. Back then, I didn't know how to manage capital. Back then, there weren't the resources that exist today. What would be different now? I'm a different type of entrepreneur now.

Ryan Moran

It would be a different type of company now, but I wouldn't have that opportunity because they didn't sell me the company. Instead, they sold it to a different operating team, and that different operating team had a very different thesis, a very different playbook for running



businesses. And it worked for their other businesses. In fact, they had businesses that were doing tens of millions of dollars per year.

Ryan Moran [00:04:54]

They were ninjas on Amazon. They were incredible in the supplement space, but that playbook didn't work for Sheer Strength. It wasn't that their playbook didn't work for other businesses. It was just that it didn't work for visionary brands like Sheer needed to be. Now, I have a relationship with the operators of this group and I had been working with them for the last six months on the possibility of buying the assets to Sheer Strength back.

Ryan Moran [00:05:25]

It took six months of negotiation, six months since I got the call that said we might be interested in getting rid of the assets of Sheer Strength. Do you want them? Six months of negotiations and discussions and ideas and conversations with potential partners and conversations with potential hires. And as of this month, I am scheduled to close on the assets to my old company and reacquire the company that I started with \$600 and sold for an eight figure exit.

Ryan Moran [00:05:58]

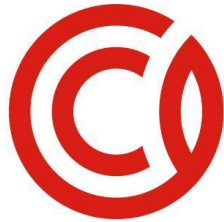
And I am now back in the period where I can't sleep at night because I am so excited. And I am so excited to document the whole thing this time, to document what's working and what's not working, to infuse the same excitement that I had for a company that I started in 2013 and 10 years later, bring it back from the ashes and watch it boom again, except this time we're doing it very differently.

Ryan Moran [00:06:30]

It's a totally different vision. It's a totally different playbook. In 2013, I was a wannabe bro hard gainer. 10 years later, I'm a father of two that has no interest in being a bro. I just want to be a fit dad. I want to be a dad that ages well. I want to be a fit grandpa one day. I want to be still kicking it and doing sprints when I'm in my 70s. It's a very different goal set than the mid 20s single dude who just wants to add muscles so that everybody can look at him.

Ryan Moran [00:07:02]

That was me when I was 25 and started this company. Today, I want to be a great dad and be fit for the next several decades. And so, we're completely redoing the vision of Sheer Strength because the company sucks right now. It's in shambles. It's nothing like the company that I started. It sells random products all over the place that have no match to the original thesis of the company.



Ryan Moran [00:07:30]

It has products that it shouldn't be selling, and there are products that it should be selling that it's not. It's basically an Amazon-only brand. It has no face. It has no influencer. It has no audience. It's done none of the things that I stand for today and that I teach to my students and to the people who follow my content. So, I'm going to take the playbook that I've been preaching to you for the last five years and apply it to the company that I started with \$600.

Ryan Moran [00:07:57]

And this is the irony. I started that business from this room. From this room that I'm in right now. Two years ago, I moved back into this building in downtown Austin, Texas and I just did it because my family and I wanted to be downtown again, and so we got this really nice place in downtown Austin.

Ryan Moran [00:08:20]

And then a year later, we bought a house, but we wanted to keep a place downtown. So, I went to the leasing office and said, hey, we just want a second place downtown. We'll take a smaller unit. They said the only one that we have available is this apartment, which happened to be the first ever apartment that I lived in when I first moved to Austin, Texas, the apartment where I started my podcast and I built Sheer Strength Labs.

Ryan Moran [00:08:44]

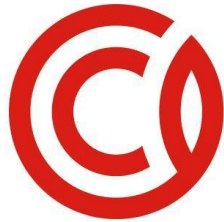
And I moved back in here and my old company became available for sale. Isn't that weird poetry, ladies and gents? Isn't that such a weird story? And I am so pumped to resurrect this old company, to take a new vision of supporting dads who want to be fit, who are on a journey to be the best dads, the best parents, the best leaders, and it starts with them. It starts with their physical health.

Ryan Moran [00:09:16]

And so, we're developing a brand new product line. I'm now working in my network to connect with influencers that might serve as a face of the brand. And just like I teach my students to do in the Incubator, I'm raising capital on the vision. Now, as of the time of this recording, the deal is not done, so I cannot share all of the details about what the transaction looks like, or how much capital we're raising.

Ryan Moran [00:09:43]

But once the deal is done, I will be happy to share more details. I will tell you this, however. I am buying the business for pennies on the dollar compared to what I sold it for and I am



raising capital, not on today's valuation, but on the vision that is being built. I am raising capital based on where we are going, not where we are.

Ryan Moran [00:10:10]

So, this time, I'm bringing on resources that are not just my own. It's a cool story to say that you bootstrapped a company starting with \$600. That's a cool story. But one of my biggest regrets is if I can turn \$600 into \$15 million, I really wish I'd put in more than \$600. So, this time we're raising capital from investors that believe in the vision and the thesis of what I'm bringing to the table for my old company.

Ryan Moran [00:10:35]

I have already started to partner with individuals that will be assets on the team, talking with a potential CEO who has a phenomenal background, an operations partner who brings all kinds of infrastructure experience to the table, and even a head of e-commerce, that comes from one of the companies that I trained as a result of doing this work.

Ryan Moran [00:10:57]

I'm building a real team this time, but I don't get my old partner. My old partner was the builder. I was the crazy visionary. Without him., the company would have never happened. Without me, it would have never been a successful company, it wouldn't have ever been big. Together, the two of us were amazing together. But I don't get my partner this time.

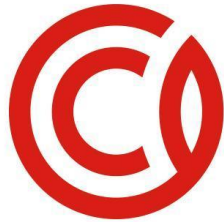
Ryan Moran [00:11:25]

So, I have to compensate in other ways and that means bringing on other types of partners. It means actually having a real team. It means bringing on capital partners. It means partnering with the right agencies and running the owner's model, which is exactly what I teach our students to do. So, the fact that I get to run the same playbook that I preach to our students of what is working best now with the company that I started and show that it is still possible or fail publicly gets me all kinds of excited.

Ryan Moran [00:11:58]

There's one more X factor in this deal, and that is that there is another company involved in the transaction. The company that owned the assets for Sheer Strength also owned the assets to a few other supplement nutrition companies, one of which caught my attention. It was a company that had an influencer as the face of the brand, a very famous influencer, an influencer that many of you will recognize.

Ryan Moran [00:12:26]



I recognized her and she is still very prominent in her space. But the company was not successful. The company didn't cast a real vision and did not execute a plan that was in alignment with the values of the face of this company. And so, I volunteered to take on that challenge as well. So, not only am I acquiring the assets to my old company, but I'm also acquiring the assets to a new company that is built around the thesis that I tell so many of my students, which is partner with audiences and launch products to those audiences.

Ryan Moran [00:13:02]

And I acquired it so that I could have the relationship with that influencer and document the process in front of all of you so that you can see that what I have been telling you to do for the last five years is not only still relevant, but it's still the best opportunity that exists today even for me. I am building this thesis of a holding company that builds brands around influencers.

Ryan Moran [00:13:29]

I'm raising capital to do it. I'm building infrastructure to be able to take advantage of it and I am equally unbelievably excited and scared to absolute death. Scared because it is right on the edge of my comfort zone. Scared because this matters to me. Scared because part of me wonders, do I still have it? Am I good without my partner? Can I do this without him? Do I have what it takes? I'm bringing on investment this time. I brought on investment for other businesses before and it didn't work out so well.

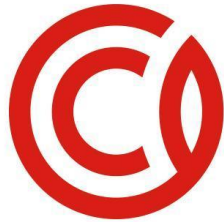
Ryan Moran [00:14:01]

So, can this one be different? And equally excited because this is the project of all the projects that I could be doing that keeps me up at night because I fantasize about it, because I think about what could be, because I think about what I want to create. I was having a zoom call with Gary Vaynerchuk a couple of months ago and I was telling him about this project, and I told him, this is the first project in years where I'm more excited about the doing of it than I am about the result of it.

Ryan Moran [00:14:34]

In fact, for most of my career since my exit, I have believed this thought that since my last company was an eight figure exit, my next one needs to be a nine figure exit in order for it to be worth my time. And this is the first project since then that I literally don't care if it's a seven figure business or an eight figure business or a nine figure business, I care about creating a great business.

Ryan Moran [00:14:55]



The irony of that is it will probably be bigger than anything I've done in the past because I'm unattached from the result. I'm attached to the doing of it. I'm attached to the quality of what we are doing. I'm attached to the process and the joy and the creation. I'm attached to the meaning that I have invested in this. I'm attached to what I want to create for the clients and customers that are buying these products.

Ryan Moran [00:15:19]

And so, I'll be documenting the vision, the plan, the process, what's working here on this channel. And I'm so excited to share all this with you. The vision that I have for these companies has me legitimately more excited than anything I've done since I sold the company. And the vision is clearer, more defined, and I think just a slam dunk. Also, the team is incredible. The plan that we are putting together is solid. And now it's a matter of execution.

Ryan Moran [00:15:58]

So, whether it is successful or it fails publicly, it will be very fun to watch. 10 years ago, the idea of building a company and having an exit was really cool. It still is really cool. The idea of selling a company for a life changing amount of money is an incredible experience. But what I've learned on the other side of that is that nothing compares to owning a business that you truly love.

Ryan Moran [00:16:26]

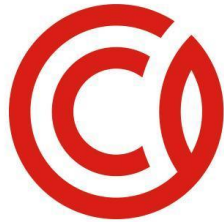
And what else is interesting is that a lot of the entrepreneurs who build successful companies dream about the exit, but people who have the exit dream about the running of an exciting business. I'm one of the rare entrepreneurs who has a shot of experiencing both, of having the incredible exit and then acquiring the assets back to build a company that I really love and doing it openly and publicly with people that I care about, people who follow my work, people who support my work, people that open up doors as a result of being plugged into the story.

Ryan Moran [00:17:04]

When I documented the growth of my last business, I held back because I had stakeholders who weren't comfortable with me sharing all of the details, but even me documenting a little bit opened up relationships with retail brokers and with store owners and with marketers and team members, people who added value to that company.

Ryan Moran [00:17:27]

This time, I want to do the whole thing completely open and see what types of relationships come out of me talking about the growth of Sheer Strength and this other company and talking about it publicly. What happens when I meet the person who has the audience that I



want to partner with because they follow my work here at Capitalism.com? What happens when I do a raise for the company and the company is now pacing a mid seven or eight figure run rate again and I decide to raise \$5 or \$10 million at a healthy valuation?

Ryan Moran [00:18:01]

The people that I will partner with are probably the people that come from my audience. It has a shot of being a real community project and a freaking great story. I am just so pumped to do it and I can't wait to share the process with you. It's been six to eight months of work just getting to the point where I can tell you that this might happen. It's not done yet.

Ryan Moran [00:18:27]

I might make another video that says deal fell through because it's already fallen through once and we found a way to come back and continue to work on it. So, the deal isn't done yet, but when it's done, I'll be here documenting the entire process and sharing with you the growth of these two companies.

Ryan Moran [00:18:47]

I do want to share with you a bit of the thesis behind the entire vision, because it doesn't stop with just my old company and the second company that we're acquiring. The thesis through which my new partner, my capital partner, and I are building this is a holding company for exciting ideas built around influencers.

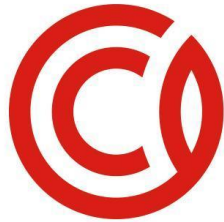
Ryan Moran [00:19:09]

That holding company includes these physical product companies, our fund, the Capitalism.com Fund, a real estate play, where we are considering buying land and building entrepreneurial retreat centers, as well as a couple of other ideas that we're throwing into the mix. And the beauty of this is we get to create a lab of exciting ideas that we want to start and bringing on the partners that can help make it happen.

Ryan Moran [00:19:36]

I get to stay completely in visionary mode. My partner is raising the capital and we're partnering with operators and cool ideas to bring about the ideas that we're excited about that have a real life to them, but it starts with these two companies and we'll continue to build other brands around big influencers, like we prove it out with one of these two companies and we go out and we partner with a Kylie Jenner or a John Cena or The Rock and build the team and the product line around those influencers, raise capital for it, and launch it.

Ryan Moran [00:20:09]



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That is the thesis behind this. This is exciting. It starts with a company that I started in 2013 and this other brand built around an influencer with millions of followers on a brand that was an exciting project for her, but never took off because the infrastructure that built it didn't match the values that she brought to it.

Ryan Moran [00:20:34]

So, we're going to try to change that. So, that's what I'm up to. Took a long time getting to the point where I can even tell you that this is happening, and there's so much more to share with you that I will share as soon as the ink is dry on the deal. Once we have closed, I will share more about the process and the vision for what we are doing and I hope that you decide to follow along for the journey. I'm Ryan Daniel Moran with Capitalism.com. Tell me your thoughts in the comments. Thanks for watching. See you next time.

Ryan Moran [00:21:02]

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. This is the best on-ramp class for any of you who are ready to begin your seven-figure journey.

Ryan Moran [00:21:29]

In this five 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 [00:21:48]

It's a five day class, it costs a hundred 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 five. 5 Days 7 Figures. Capitalism.com/5.