



## **CAP Road To 1 Million - Part 3**

### **Transcript**

Ryan Moran [00:00:00]

Before we dive in today, I want to draw your attention to our new podcast called The Road to \$1 Million. For those of you who have asked that we document the process of building a seven figure business by following the playbook that I share in my book, 12 Months to \$1 Million, this podcast is for you. In this show, we are documenting every step of the process from some of our students, from our own businesses inside of Capitalism.com, and also the businesses that I'm investing in.

Ryan Moran [00:00:30]

I'm working with these entrepreneurs one on one to document and to help them grow towards a seven figure brand. My one regret in my entrepreneurial career is that I didn't document the hundreds of seven figure case studies that I played a part in over the years. So, better late than never, and on this podcast, we're going to document the highs, the lows, the wins, and the losses and all the steps that these brands take to build a seven figure business.

Ryan Moran [00:00:55]

So, if you want to see behind the scenes of what it takes to build a seven figure business, make sure you're subscribed to The Road to \$1 Million on Spotify and Apple podcasts. And when you do, I hope you enjoy.

Ryan Moran [00:01:12]

There is a book that you might be familiar with called The 4-Hour Workweek, written by Tim Ferriss, back, I don't know, 15 years ago or so. It's on most entrepreneurs' must read list. It's one of those books that a lot of the entrepreneurs in our circle credit as being one of the starting points. Now, a lot of people credit that book for changing their mind on lifestyle design or travel or learning.

Ryan Moran [00:01:39]

But very few people remember the business model that Tim talks about in that book as being the best business model to have enough cash flow and lifestyle freedom to intentionally design the life that you want. So, if you've read that book, can you remember what it was? What was the business model that Tim said was the most clear cut, straightforward business model to have lifestyle freedom?



Ryan Moran [00:02:08]

Anybody? It's interesting, right? We love to talk about lifestyle freedom. We love to talk about making more money. But very few people remember the model that Tim talks about in this book. I'll remind you that what Tim says is the best or the most straightforward business model for being able to live the 4-hour workweek is product creation. That's how he describes it, product creation.

Ryan Moran [00:02:36]

Now, I found this a very interesting way to talk about creating a business that gave you lifestyle freedom, because most people don't make it that simple. What most of us consider business is actually marketing. In our circle, and by our circle, I mean the internet entrepreneurship community, we often confuse business with marketing or product with marketing. We obsess over Amazon, or funnels, or Instagram or TikTok, or building a following, or podcasts, or YouTube. These are not business models.

Ryan Moran [00:03:20]

These are marketing strategies. These are ways to build awareness. They are not ways to build a business. They're important, but they mean nothing if they are not promoting or in support of product creation. That is the foundation of building a business that can grow to a million dollars or more. If you happen to find this episode randomly, I'm in the middle of a series because I just created a brand new product called The Road to \$1 Million.

Ryan Moran [00:03:52]

It's a free product that you can go through over at [Capitalism.com/Million](https://Capitalism.com/Million). And this is a 30 day course where you're going to get a lesson every day for 30 days sent to you via email with something to learn and one short assignment that will take you a couple of minutes to complete. And once you're done with that 30 days, you'll have completely adjusted your mindset by just turning the dial a little bit every day. You're going to have a clear plan to both build a million dollar business and to invest consistently so that you are marching towards a million dollar net worth.

Ryan Moran [00:04:28]

And I believe that by building a business and investing the profits, you're on the Road to \$1 Million. And the fastest way, the most clear cut way to build a profitable business, is to create a product and then sell that product. To stay on the example of Tim Ferriss, if you look at his life, his life emulates what he talks about. The first product that he ever sold was a nootropic before nootropics had that name. It was called Brainquicken.



Ryan Moran [00:04:59]

It was a supplement to help you focus better and get more work done. So, Brainquicken was a product that was the case study that he talked about throughout The 4-Hour Workweek. He talked about how he got customers and how we automated the business so that it was almost completely passive, similar to how I sort of documented the growth of Sheer Strength, the company that I sold for over \$10 million back in 2017.

Ryan Moran [00:05:28]

I talk about that as a case study inside of 12 Months to \$1 Million. Tim uses his business, Brainquicken, as the case study in The 4-Hour Workweek. That was the first product that he sold. And then Tim launched a second product, and that second product was a book called The 4-Hour Workweek. These two products made him financially independent.

Ryan Moran [00:05:50]

The supplement company was his first big win that allowed him to be a full time entrepreneur. The book is what put him on the map as a thought leader. It's what actually got him the deal flow to invest in Uber and a lot of the other startups that he got to partake in as a result of writing that book and living in San Francisco. He's open about this, he talks about this. He basically wrote a time management book that inspired a lot of people to start products and build businesses.

Ryan Moran [00:06:17]

And so, he got to serve as advisors or investors in a lot of those companies. Because of the audience that got built from that book and other books, he started a third product, which was a podcast. Now, you might not think of the podcast as a product, but Tim really only had one monetization strategy and it was to sell advertising on the podcast. And so, if you think about each part of whatever you're doing as a product, you'll be on the road to \$1 million much faster.

Ryan Moran [00:06:47]

And Tim is a great example of this. He treats everything that he does like it is product design, product creation. If he launches a podcast, then his job is to make the product as high quality as possible so that he can sell advertising on that. If he creates an email list like he has in the 5-Bullet Friday newsletter, he's going to treat it like a product and he's going to sell advertising in that newsletter.

Ryan Moran [00:07:15]



I like this mode of thinking and find it very clarifying and helpful for helping entrepreneurs get on the road to \$1 million. Up until this point, we've talked about how fast things can compound, especially when you keep a portion of whatever you take home and you invest it for the long term. And if you build that habit, then once you start to see some level of success, you start to grow towards your financial goals very quickly. And if you do those long term things for about 12 to 18 months, you end up passing everybody else who's trying to do the short term things, trying to get the quick wins.

Ryan Moran [00:07:53]

Product creation is one of those long term things that pay dividends for a very long period of time that very few people focus on. Instead, they obsess over the marketing tactics to sell products, but they never really have good products to sell. This is true whether you are selling physical products or digital products or software as a service or consulting, it doesn't matter. But for the purpose of this series, we'll talk mostly about selling physical products because that is where I made my money, and it is where I have helped hundreds of students build million dollar businesses.

Ryan Moran [00:08:34]

So, it's the one that I feel like I can speak with some level of authority on. Now, there's another story that I want to tell you from the Tim Ferriss saga that a lot of people don't know. Tim obviously had several books in his product line, if you will, one of them being *The 4-Hour Body*. *The 4-Hour Body* was the second book that Tim wrote in his career, and it was about biohacking before biohacking was a thing.

Ryan Moran [00:09:06]

Inside of that book, he recommended a lot of different products that he likes. One of them was a greens supplement called *Athletic Greens*. He referred to it as nutritional insurance. It was something that he liked to take to ensure that he got all of the nutritional needs that were required on a daily basis. And as a result of seeing that inside of Tim's work, some people went over and bought *Athletic Greens*.

Ryan Moran [00:09:37]

Here's the part of the story that a lot of people don't know. When Tim published *The 4-Hour Body*, *Athletic Greens* did not exist yet. Tim was homies with a man named Chris Ashenden. Chris Ashenden was starting a new product. He was friends with Tim, was inspired by his work, and was starting a new product that was a greens formula. Greens formulas were not common at the time, and Chris had set out to build a product line that got all the greens into one shake.



Ryan Moran [00:10:13]

And for the time being, he was calling it Athletic Greens. He was hoping to find a better name for it. And since he was friends with Tim, he let Tim try a prototype, and Tim really liked it. So, Tim talked about it in the book, *The 4-Hour Body*. And Chris decided he wanted to change the name of Athletic Greens, so he wrote to Tim and said, hey, we're going to change the name out, and Tim said, sorry, I just sent the draft to my publisher, it's too late. You're going to have to roll with the name Athletic Greens.

Ryan Moran [00:10:45]

That is the story of how Athletic Greens started. Now, since some people went and bought Athletic Greens after seeing it talked about in Tim's book, it developed a little bit of a customer base. And with that customer base, the Athletic Greens company was able to invest in a little bit of marketing, in a little bit of infrastructure, a little bit of advertising. And that one product went on to sell millions and millions of dollars worth of greens powders.

Ryan Moran [00:11:15]

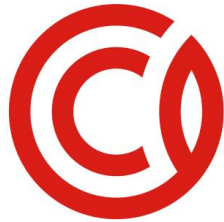
And as of two years ago, Athletic Greens achieved a valuation of \$1 billion. The company, to this day, still prioritizes one product, and you see it advertised everywhere, and they're now valued at a billion dollars. This small entrepreneur who had one strong relationship and had one product did not set out to become a billionaire or to create a billion dollar company. He was building a lifestyle design business with one great product.

Ryan Moran [00:11:52]

That's the power of doing product creation well, and that's the power of focusing on product creation first. And when I say product creation, I mean figuring out the thing that you're going to sell and doing it extremely well. If you do that piece, then all of the marketing stuff that we love to talk about in our internet entrepreneurship world simply becomes the gas on that fire. But as Frank Kern once said, the best marketing in the world is a great freaking product.

Ryan Moran [00:12:29]

We often skip over the quality of product so that we can just go figure out how to sell things. That's sexier. It's better in the short term. But remember, if you do the long term things for about 12 to 18 months, you end up passing everybody else who is obsessed with the short term stuff. So, in this episode, I want to talk briefly about coming up with product ideas and how to take them to market, and in the rest of this series, we'll talk about getting that first chunk of sales and ensuring that you are profitable and can grow a business that puts you on the road to \$1 million.



Ryan Moran [00:13:09]

First, a couple of tips about your first product and launching the first business. Number one, always err on the side of a premium product rather than a cheap or run of market product. This is counter-advice of what a lot of people teach, but whether you are selling on Amazon or Shopify or a funnel, err on the side of being a premium product.

Ryan Moran [00:13:36]

To continue the example of Athletic Greens, Athletic Greens is a \$70 or an \$80 product among its competitors that often sell for \$19 or \$29. It's 3x the price of some of its competitors, and yet they outsell most of those competitors. Dan Kennedy says that there are benefits to being the most expensive in the marketplace. There are also benefits to being the cheapest in the marketplace, but there are no benefits to being second cheapest or second most expensive.

Ryan Moran [00:14:12]

You ought to choose what battle you're going to fight. And in the majority of cases, for entrepreneurs who are beginning their journey, it would be best to win the battle of premium rather than being cheap. When you have a premium product, you can spend more on advertising, and also you don't need to do as much advertising. I know that's counterintuitive, but if you have a premium price point, the minute you go to launch a YouTube channel that promotes your product, you need fewer people to watch it in order to become leads for the product that you're selling.

Ryan Moran [00:14:49]

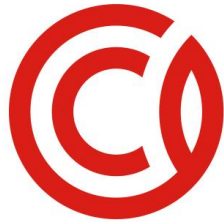
An example of this is one of the brands that I invested in is called Optimal Carnivore. The founder of this company is named Rich. He was doing about \$250,000 a year when we invested in him. Now he's on pace for \$1.5 to \$2 million dollars I think about 18 months, maybe less, later. We're really proud of Rich. Well, Rich sells premium supplements for his space. It's in the carnivore space, and he sells \$50, sometimes \$60 products.

Ryan Moran [00:15:19]

Well, that gives him the margin to be able to advertise well, and he only needs 30 to 50 buyers a day to have a product that's doing half a million to a million dollars a year in sales. Now, part of that is due to him having a great product and him knowing his person and him doing advertising well. But that's also just to his focus of being premium in the marketplace.

Ryan Moran [00:15:47]

That's not the only reason, but if he was trying to sell the same thing for \$21, he would have really crappy margins, which would make it harder for him to advertise, harder for him to be



good to his customers, harder for him to ensure that the experience was premium, harder for him to seek out the influencer relationships that would put him on the map.

Ryan Moran [00:16:12]

He would be hustling for sales rather than building a great product and promoting that product. Only a few people can win the price war game. Only a few people can run to the bottom of the market and sell something cheap and sell a lot of them. Only one or two people can win that game. But if you go premium, multiple people can win that game. Here's what I mean.

Ryan Moran [00:16:36]

You know you have a winning product when your product speaks to a very specific person. And if you are a premium product, you can be choosy about who you are selling to. When you have a cheap product, you are selling to everyone, anyone who will buy. You're talking about the product and its features and how great it is. But when you have a premium product, you can be more selective about who you market your product to.

Ryan Moran [00:17:04]

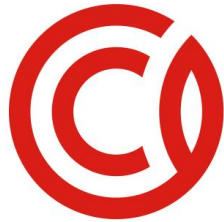
You don't need as many customers in order to have a million dollar business when you're selling a \$60 or \$100 product versus a \$19 or \$29 product. You need far fewer customers, so you can speak more directly to the ideal type of buyer who would like to buy from you versus your competitors. So, you know you have a winner when your product speaks to a very specific person, and you target that person in your advertising, in your marketing, in your packaging, and with your price.

Ryan Moran [00:17:37]

Yes, you will isolate some people from not buying your product, but you also isolate the people who will become raving fans of your product, and it is much better to have a small group of raving fans than a large group of customers that don't care who you are, in the majority of cases. Of course, there are outliers. Most people don't really get excited about Walmart, but they're a very successful company. They're an outlier and they win on price.

Ryan Moran [00:18:07]

Only a few people can win that game. If your goal is to be on the road to \$1 million and build a profitable business that allows you to invest for the long term so you can live life on your own terms, then you should focus on serving a core group of people and selling them a premium product. This is why the first step to building a million dollar business in my book, 12 Months to \$1 Million, is to choose the person that you are going to serve.



Ryan Moran [00:18:33]

If you've been following me for any length of time, you're probably tired of hearing me talk about marketing to your person, but the reason why I beat this into the heads of my followers and our customers is because knowing who you serve allows you to speak directly to them, create raving fans, and charge premium price points. When you charge premium price points, you are able to create great products.

Ryan Moran [00:19:01]

When you create great products, you create raving fans. When you have raving fans, you need to do less marketing, and the marketing that you do is more effective. It becomes a positive cycle, rather than running to the bottom, trying to sell a cheap product and going on volume. It is a different game, and it's not a game that you probably want to play.

Ryan Moran [00:19:26]

However, a lot of people run into mental hurdles when trying to figure out who their person is. Who should I sell to? In most cases, entrepreneurs like you are selling to yourself. Tim Ferriss talks about this as scratching your own itch. He says every business that he starts, every product that he sells, starts out by just scratching his own itch, because he knows that, if all else fails, he'll have one customer and it's himself.

Ryan Moran [00:19:58]

But it's likely that there are other people like him. It's likely that there are other people who struggle with the same problem or who have the same desires, and therefore it's likely that there is a market for it. And so, in a lot of cases, the customer is you. Trevor Blake says this differently. Trevor Blake is an entrepreneur that I've come to admire over the last few years. He wrote a great book called Three Simple Steps, and Trevor Blake has several multimillion dollar exits on his resume, at least one of them being over \$100 million.

Ryan Moran [00:20:36]

And Trevor says that he chooses what businesses to go into based on something that really annoys him. If there's something that really annoys him, then there is a clear pain point that he is solving for himself and for the rest of the marketplace. Is there something that really annoys you in whatever area you are thinking about launching a business? If you can address that question and you know exactly who else that is annoying for, and you put a premium price point on it, you at least have a shot of being on the road to \$1 million, and you're probably going to get there faster than you expect.





Ryan Moran [00:21:17]

Once we have addressed those questions, then all of the marketing stuff suddenly makes sense. It makes sense for us to get a little bit of attention on TikTok or Instagram or YouTube. Building an email list suddenly makes sense. Makes sense to sponsor other podcasts or to pay influencers. It does not make sense to do those things when we are selling a cheap product that is marketed to everyone. When we have a premium price point that solves annoying pain point for a specific group of people, marketing suddenly becomes very easy.

Ryan Moran [00:21:53]

And the idea of getting one product to 25 or 50 sales a day, it's within striking distance very quickly. And if we have a premium price point and we're doing 50 sales a day at a \$60 price point, that's a million dollar business, right? 50 sales a day at \$60, that's \$3,000 a day or a million dollar business. I teach people to do 4 products at 25 sales a day at a \$30 price point.

Ryan Moran [00:22:21]

That's easy to remember, but you could just as easily have one product do 50 sales a day at a \$60 price point. In fact, that might be easier. Maybe I should edit my book to have that math formula instead, because it's fairly straightforward to get a product to 50 sales a day if you have a specific person, and a specific annoying pain point. When you can find out what that is, marketing becomes very easy and you have raving fans who are excited and delighted by your product rather than price sensitive and looking for all of the other solutions.

Ryan Moran [00:22:57]

This is the way to build a multimillion dollar business that you can sell, a clear person with a clear pain point at a premium price. If you have no idea what to sell, if you have no idea what pain points you might want to solve. My favorite way to start addressing this is simply to look around my house and to look at my own buying behavior.

Ryan Moran [00:23:21]

Inside of the course that's available for free at [Capitalism.com/Million](https://Capitalism.com/Million), I do a little exercise where I take a few minutes and I jot down all the things that are on my desk the day that I was writing that lesson, and I listed out 10 products, and I talked about how I might go about selling some of those products at premium price points if I wanted to go into that market.

Ryan Moran [00:23:46]

You can do the exact same thing. Another way that I like to address this question is to look at my Amazon browsing history. I simply look at what I'm buying a lot of and I try to find patterns. So, if you were to look at my house, if you were to look at my buying history, you would find



high protein snacks, low carb foods, supplements. All of these have a common thread. They're about fitness, they're about health and wellness.

Ryan Moran [00:24:11]

I spend a lot of money on those things. So, you see something about me and my buying behavior. Are there other people like me? As it turns out, there's millions and millions of people like me. That could be a starting point for me to consider when looking at my next business. What things really annoy me in that industry? What do I wish existed that doesn't? Who could I solve that pain point for and could I charge a premium price point for that?

Ryan Moran [00:24:45]

Now, there's one more thing that I want to insert in here, and that's when you build a business in this way, you're bringing something brand new to the marketplace. And a lot of internet entrepreneurs instead look for where there's data. They're looking for what other people are selling that's doing very well. That can be helpful in some cases, but I find that the entrepreneurs who build something that grows quickly, that sees results right out of the gate, are the ones who are, instead of looking for data of what's working for other people, they look at what problems they can solve for a group of people and they charge a premium for it.

Ryan Moran [00:25:27]

There's no data to back that up. There's no other people selling that thing because you're selling something specific to a specific group of people and you get a raving fan base that wants to buy it because you're closing a gap in the marketplace. I find that to be a better way of going about launching your first product. If you want to go through this full exercise, you can go through the course at [Capitalism.com/Million](https://Capitalism.com/Million).

Ryan Moran [00:25:55]

It's free, and I'll walk you through the 30 day process of both building a million dollar business and building a million dollar net worth. For the rest of this series, we'll talk about getting your initial sales. We'll talk about building up a customer base that gets you to your first 100 sales and then allows you to get to 25 sales a day and eventually 100 sales a day, which would be a million dollar business at a \$30 price point. But for today's lesson, what you need to walk away with is knowing that the most straightforward way to build a business is to create a product.

Ryan Moran [00:26:28]

Before you think about all of the marketing strategies that you might leverage to sell stuff, you first need to know what your product is going to be, and the most straightforward and profitable way to answer that question is to pick a specific group of people with an annoying



pain point and to aim to be a premium brand. If you do those things, you have a very good shot at winning.

Ryan Moran [00:26:58]

In my opinion, this is a less stressful way to build a business, it is a more fun way to build a business, and it just so happens that the results start to compound very, very quickly. Hope you enjoyed today's lesson. I would love to hear your takeaways from today, and I hope you stay tuned for the final parts of this miniseries.

Ryan Moran [00:27:19]

And once again, I'm doing this miniseries because I just created a new product. It's a free product. The reason it's free is because I see it as a deposit into our relationship bank account, because if I can give you some big ah-hahs and some momentum right out of the gate, you're probably going to want to work with me or my team on actually building this business for yourself.

Ryan Moran [00:27:40]

So, you can go over to [Capitalism.com/Million](https://Capitalism.com/Million) to go through the free 30 day product and it will help you be on the road to \$1 million. I'm Ryan Daniel Moran with Capitalism.com. Thanks so much for being here and I'll see you on the next episode. Take care.

Ryan Moran [00:27:55]

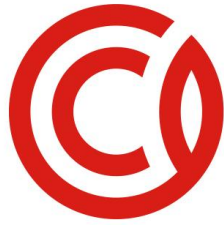
If you've read my book, listen to the podcast, or watch any of my YouTube videos and you're asking yourself, where the heck do I start? Where do I begin my journey to my million dollar business? We got you today. My team and I just completed a new kickstart class called 5 Days, 7 figures.

Ryan Moran [00:28:14]

This is the best on ramp class for any of you who are ready to begin your seven figure journey. 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 [00:28:41]

It's a five day class, it costs \$100, 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



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