All right.
Quick break to tell you about another podcast that we're interested in right now, HubSpot just launched a Shark Tank rewatch podcast called Another Bite.
Every week, the hosts relive the latest and greatest pitches from Shark Tank, from Squatty Potty to the Mench on a Bench to Ring Doorbell, and they break down why these pitches were winners or losers, and each company's go-to-market strategy, branding, pricing, valuation, everything.
Basically all the things you want to know about how to survive the tank and scale your company on your own.
If you want to give it a listen, you can find Another Bite on whatever podcast app you listen to, like Apple or Spotify, or whatever you're using right now.
All right.
Back to the show.
Okay.
What's up?
We got Ryan back.
Dude, back-to-back episodes pretty much.
This is great.
Yeah.
I'm excited about it.
It's been amazing how much feedback I've gotten.
I got buried in all kinds of emails, and it was interesting to see what people wanted to know.
What was the best and worst email you got?
Well, there was a handful of people trying to sell me their company, but they were usually too small, but there was a couple of interesting ones.
Yeah, people out there want to email me.
They can just go to ryanbeagleman.com, and if they have a company with 300,000 or more profit, I'm interested in buying it, or if they just want to jam out or ask me a question I'm happy to help them.
A lot of people are asking me about the concept of how to structure your business to minimize risk and outside, which we talked about, like joint venture waterfalls and structuring separate LLCs.
Some interesting, some invites to some other podcasts, so you guys are kind of like kingmakers, I guess.
Wow.
What podcasts?
Music to my ears.
You know, to be honest, I only listened to three podcasts and didn't listen to them for a while, so I didn't recognize the podcast, but you know, I don't know, one of them had like Gary Vee and some other interesting people that looked pretty legit.
Nice.
Ryan, when I was, I don't know if you guys happen to see this, when I tweeted about how

I thought buying a home was a horrible idea, I pissed off so many people.
I agree with you, by the way, I mean, I think historically, like home values have grown like two or 3%, and obviously in some areas, if you bought at the right time, they'd done better, but yeah, I mean, I was a renter for a super long time because I felt I could do better in my capital.
Yeah, I'm about to eat a huge loss on my San Francisco condo, so I'll never buy again as far as I'm concerned.
This taste will take seven years to wash out of my mouth.
How much will you have lost a significant amount?
Yeah, I think I'm going to lose like, I think it's going to sell for 200,000 less than I bought it for, so that's just straight out of my down payment, and then the agent fee is like 5%, so I went with a real agent, not like a discount broker because I was like, shit, it's going to be hard to sell.
I think I actually need somebody who's good and will hustle for this, but 5% of a $2 million house is like, that's 100 grand right there, so on top of the loss, I'm then going to pay the 100,000 fee for the pleasure of losing money on my house, but whatever.
It's okay.
When some other places I lost on this one, that's okay.
Well, one of the ideas I brought today is how to make money on your house.
Oh, okay.
Yeah, let's start with that then, because I need that.
Well, it was a lot of the concept I was talking about on the last show about holistic entrepreneurship and how you can live better lives through entrepreneurship, and so one idea that I love noodling on is, okay, you buy a house outside of a major city, and a destination people want to go, like Hudson Valley, New York, and then you turn, you renovate the kitchen, you make it a chef's kitchen, and you give high-end cooking class experiences.
I've done a bunch of these myself, but I was doing the math on it, and if you do two classes a day, 500 bucks a person, and you have 10 people per class, and you do that five days a week, 50 weeks a year, it's about two and a half million dollars of revenue, and you can generate probably at least 30% margin, that's 750 grand a year, and all while you're just like tending your garden, teaching cooking classes, and frankly, at 30%, I think you can actually hire a couple of people to teach the class for you.
You'd want those people in your home?
The home's not like the kitchen for him, basically.
It's not even a home.
Okay, well, fine, you build one of those little pop-up, you know, manufactured modular homes in the backyard, you do it there.
Who's paying, you pay 500 bucks for a cooking class, is that a thing people do?
Yeah, I mean, well, you could turn it into, yeah, if you could turn it into like a half-day experience, I've paid that much, and frankly, I think you could have a higher-end offering that's like a couple grand, and we actually do this at Summit, so we've hosted all kinds of weekends, we've, you know, about 150 people come out to a weekend, and it costs about two grand, and we experimented with a culinary weekend where it was like all different kinds

of chefs, and, you know, tasting different kinds of things, and, you know, making things, and people love it.
I feel like with Summit, you have this both an amazing perspective, because you sort of did the impossible, and have this like really unique set of experiences.
On the other hand, you have this really skewed view of reality, because it's like the people who go to Summit are people who are of a certain level of success, and then they basically get wrapped up in the Summit-like world, I feel, and it's like a casino in the cloud, and they're like, yeah, okay, take me on this helicopter ride, all right, cool, you want me to buy this, a piece of this, a patch of this mountain that doesn't, isn't undeveloped right now for a million bucks, okay, take my money, you know, I think you get people into this, so it's so immersive that the sales on, you know, the on-premise sales are like, you know, bar none, compared, it's incomparable to like what I think most people are ever going to be able to deliver, because you've built equity with people, and you get them in the moment where they're like, I do need to live my life, I do want to be around these people more, I do need to be out of the city and out in nature, and like I think people make great decisions when they're in that state.
Before we even get into that, shall we remind people who you are?
Yeah, sure, sure.
So Ryan, I'll do it for you, because that's what I do.
Ryan started or helped start BizNow Media, a company that did a newsletter and events business, did 20 million in sales and about 6 million in profits, sold it for 50 million bucks, then what Sean's referring to is Summit, he and four other guys, I believe, bought a mountain for 50 or 40 million dollars and then turned it into a resort and they do Summit series, which is this a bunch of a series of events for, I don't know, who do you say, industry leaders, artists?
Yeah, artists, academics, scientists, and all kinds of entrepreneurs, nonprofit leaders, et cetera.
I think you said it right on the last podcast, Sam, where you were like, it's like Ted, but cool again, like maybe how Ted used to be, it's like Ted, if Ted was done by like, you know, 27 year olds who like wanted to have a lot of fun.
And Ryan, you don't know this, but I've used you as an example so many times.
I've never, I've never even been to Summit, but I heard y'all's story.
I read it up.
I read about it because I was like, who's behind this?
And it validated this theory I have, which is you get no rewards pretty much for attending the party or very little rewards for attending the party, but you get all the rewards if you host the party.
And Sam, you did the same thing with HustleCon, where if you do the sweat to organize and you can convince just that first couple people of legit players to come in, there becomes this domino of legit people who will come in, you know, even though you have no track record, no nothing, no, no claim to fame in that regard.
And by being the one who invited everybody, you get this like amazing rush of goodwill and opportunity and relationships with people.

And I've seen Sam do this with HustleCon.
I saw you do this with Summit series.
And then the other example I always give is Patty who created Web Summit and FDOT founders or whatever.
I don't know if you probably know Patty because you guys are kind of in that world.
Yeah.
No, Patty did an amazing job of Web Summit.
And no, you're absolutely right.
Summit started with just 19 people, you know, we cold called them and those 19 then invited their friends and then they invited their friends and it just snowballed and still was, you know, a few thousand people getting together.
Who was the most interesting first like domino to fall of like legit person who was going to attract other people, but they had to be the first one onto the dance floor like, you know, with Twitter, Ashton Kutcher or wherever, who was the first celebrity that really come on the platform and legitimize it.
Who was y'all's first in that?
What was it like the Tom Shoes guy or something?
Yeah.
I mean, Blake Mikeowski from Tom's definitely and I would say Tony Shay was it was instrumental from Zappos.
Tony was not only one of the first Summiters, but we hosted this event at the White House where we were introducing basically the White House cabinet to Silicon Valley and entrepreneurs and Tony came to that event and at dinner after the meeting with the White House, he came up to us and he said, is there anyone here who like you wouldn't invite over to your house like meet your parents?
And we were like, yeah, of course, like there's some really incredible venture capitalists and people here that we think are kind of dicks, but, you know, they're here because everyone wants to meet them.
And he was like, nope, they can't come back.
He's like, if you want to build serious culture and you want to have people that, you know, like hold the values of this, then you need to only have, you know, a certain kind like you need to have kind hearted participatory people.
And and that became then, you know, our second, you know, kind of criteria for who comes.
Who's the most interesting entrepreneur you guys have met or a couple of the most interesting where you're like, this person is going.
This person is, is all they're cracked up to be.
Well, I mean, look, it's controversial to say, but I told you this when we were together, Sam, I think Adam Newman is someone that I spent a tremendous amount of time with at certain key points and we works run up.
And although, you know, obviously he may have his shortcomings and but it was incredible to see how quickly he could learn how good he was in negotiation at real estate at design, in the space, designing the website.
I just think he's been now underrated in how dynamic he is in many respects, just like

in terms of just like pure execution.
Can you tell Sean and the listeners any of the stories that you told me?
An example would be I would go into his office and I was just always impressed by he'd have this huge screen up with all his KPIs and he was on top of like how many people were asking for the air conditioning to be turned down in their we work and you know, how many tours happened that day, which frankly, like as someone who prides himself on building his businesses around KPIs, like I had a hard time building that level of transparency into my business and I had been doing it for even longer than him at that point.
So I don't know, there were lots of little nuances like that that I was impressed by.
So I got a question for you.
So last time you were talking about structure and you were talking about like having a hold co that licenses the brand to the, to the individual, like kind of operating entities.
And this is kind of controversial because this is what like Sam, when I was listening to it, I was like, Sam, you got to ask about we work, we work did this and it was super controversial, right?
Cause like,
Well, I, I, I know that Ryan and Adam had a relationship and Ryan and I were shooting the shit about it and I just didn't know where I was going to let Ryan decide if he wanted to get there.
Okay.
So I'm going to, I'm going to ask it more directly.
So that structure made a lot of sense to me and I think there's a ton of merit to it.
But then we work was kind of an example where from the outside, it seemed like maybe that had gone too far where he was licensing back the we work name for like seven million bucks.
And he was the master owner of the leases and then they would lease from him.
And so it kind of seemed like a double dip for the founder in a way that was not well received by the like kind of startup community and investor community.
What do you think?
Like an example of no, that was legit or yeah, maybe he took it too far or that's, this is completely misunderstood.
Here's actually how to think about it.
So I think in some ways it was misunderstood and in some ways it was not executed quite right.
And I can't speak to why, but this is very common in hotels.
So Maria and Hilton originally developed their own buildings, own the buildings with investors.
Each building would have different investors.
Maybe one set of investors doesn't want to invest in their Dallas hotel, but they do want to invest in the Houston one.
So and then they would have a holding company that owned the license to own the brand and actually employed the people that were on the ground in each hotel managing those.
And for that they would earn like 7% of revenue.
So they'd have economics in the building and they'd have economics in the service that's being provided from the holding company.

So this is, and then over time, Maria decided that it was not advantageous to own the real estate because real estate is a slow burn business because it's very capital intensive.
You can only open up so many hotels in a year if you have to go about it that way.
So they sold off the real estate and they said, look, let's just double down on the flag or on the management company and that way they were able to open thousands of hotels very quickly.
So you know, I think Adam was dabbling in both, right?
He was owning real estate with like joint venture partners and private equity and other sources of capital.
And then he had WeWork that was venture backed by another group of investors, some of whom might be the same investors in the real estate and they were then, you know, doing these deals where they were leasing the properties that they owned.
And you know, one way to solve that so that everyone's aligned is you raise capital from the same investors for both LLC, so you say, you know, one entity is going to buy buildings and develop them and redevelop them and lease them to WeWork and the other entity is going to be WeWork and it's going to own, you know, the technology and the brand and the know-how of how to actually operate these on the ground and it's going to lease them from them.
So I think that that's one way you could do it.
The challenge though is that most, those are two kinds of different investors.
The kinds of people who invest in real estate and the kinds of people who invest in venture are rarely the same people.
And so I'm guessing that's one reason he was struggling with that is that the investment community didn't really understand like the profile of how these two things could be synergistic.
But how do you do that with like a software company or a media company?
I mean, like with more traditional internet based stuff.
So like, you know, an example for a media company would be to follow the Virgin model where you build up a media brand, you develop the brand, and then you license that brand.
So take like Barstool, you know, instead of them, you know, being bought by Penn Gaming, I think it was, they could have licensed their brand to Penn, Penn could have spun up, you know, an app for sports betting and Barstool maybe takes 7% of it.
And in addition to that, Barstool maybe gets paid for advertising so that they advertise, you know, the new app.
And in addition to that, if they want to take it a step further, they could even raise like a venture fund and invest in a new joint venture so that they're basically taking a piece of the pie on every leg.
And a great example of someone who does this really, really well is Barry Stern, like, who created the Starwood Property Group, which is a publicly traded company that owns, you know, Starwood and lots of other brands like St. Regis.
But he also, you know, I think a lot of people don't realize this, he also owns Starwood Capital, right?
So he also is a private equity fund, and he also owns the one hotel, and he also owns the Bacchera.

Like, okay, here's a great example of this.
All right, today's episode is brought to you by Tempo, Tempo.fit is the website.
I actually use this, I've used this for a few months now, and it's this machine that has a touch screen and this 3D sensor.
And what it does is they give you weights, like 115 pounds of weights, and it's for strength training.
So what it is, is it measures your body, and it sees how much weight you're lifting.
It sees how many reps you're doing, and how much effort you're putting in, what your heart rate is.
It's pretty amazing.
There's a coach on screen walking you through what to lift, how many to lift, what workout to do, whether you want to do a 20 minute, 10 minute, 50 minute workout.
It's pretty amazing, but the best part is the leaderboard.
The other stuff, all the features that they have, that's cool, but I'm obsessed with the leaderboard because it measures how many reps you're doing, and how much volume you're doing, and you can compete with other people who have taken the same class.
So it's maybe want to work harder, lift more weight, or have more endurance.
It's just pretty freaking fun, and the whole point of working hard is to have money so you can spend it on stuff that will make you live longer, and this product Tempo, it checks that box for me.
So they're our sponsor today.
If you use the code Tempo Hustle, you'll get $100 off.
So Tempo.fit is the URL, and Tempo Hustle, one word, you'll get $100 off.
So check it out.
I use it.
If you look me up on Twitter, you'll see, I'm always filming videos where I'm talking to that company, saying I'm trying to crush their employees on the leaderboard because I actually love this thing, and I use it all the time.
So check it out.
This is genius, he buys the Baccarat Crystal Company, it's been around forever.
He then takes that brand, and he creates a hotel company off of it, and he licenses the hotel brand to a development company that builds a skyscraper in midtown Manhattan called the Baccarat Hotel.
He fills the hotel Baccarat Crystal, which he buys from his own factory, and then his private equity fund is the equity behind all these operations.
He's playing in so many different facets of this business.
Why would the skyscraper want the brand of that diamond factory if there is no brand?
Yeah, I mean, it's just a name.
Well, Baccarat Crystal has been around for whatever, a long time, and is really famous, and the target audience that's buying 30 million dollar condos that are buying from Russia, and China, and Latin America, I've been buying Baccarat Crystal for generations.
And so he uses this brand.
No one knows Baccarat means luxury.

So it's just a really smart way.
And then on top of it, he owns the Baccarat company, which is hopefully just a decent investment in its own right.
So this makes total sense to me, because whenever you're doing a new venture, I always think about hijacking trust.
So I did this with the podcast in a way where I was like, okay, cool, I can start this podcast on my own and build my own brand and build my own distribution and build all this.
Like, hey, maybe there's a win-win here, right?
Sam has the hustle, the hustle has a big audience, they have no audio content, I'm willing to do all the work.
I think I can do pull off a great operation on the podcast, but if they put their name behind it and they put some distribution behind it, we'll both get there faster.
And for them, they got basically a very low-cost free option to build a whole new vertical of their business and capture some of the value.
And so, like Sam, what you should be doing, what I'm hearing from Ryan is what Sam should be doing is saying, is the hustle a good brand?
If you've put three, four years into building the hustle, which has some level of equity with millennial business-oriented people, and then you hear me talking about, cool, I want to build basically a new education company, I'm going to do courses, I'm going to do all this stuff, what you should be doing is say, cool, this is now hustle university, I'll give you the brand, you give me 6%, you go do all the work.
And as long as your brand is not being diluted by the efforts, right?
So if you're partnering with a good operator, or in Baccarat's case, like a high-end developer that's going to make a good quality hotel, then you're getting free expansion using equity that you already have that you're currently not tapping into.
Because right now, I'm just going to go do it on my own, right?
And so you capture no value and I have to build trust in a slower fashion because I have less of a brand than, the hustle is kind of like a tiny, tiny, tiny version of Virgin.
So that sounds great.
So when it works out, it works out.
Let's talk about the downsides of that because I don't want people to think like, oh, this is obviously the answer.
Let's talk about the downsides of that.
I mean, like the other side of that is you go do it on your own.
The other side of that is that you do it and it sucks.
So that would, if Barry didn't, so what's his name, Barry Stirlick?
He's pretty amazing.
A good Barry Stirlick.
Yeah, he's amazing.
Yeah, I've heard him talk.
He's pretty amazing.
I mean, Ryan, what are the downsides of this?
Yeah.

I mean, you mentioned it like Oprah decided to be vertically integrated and own her own magazine and own her own network and Martha Stewart went the other direction.
Martha Stewart said, I'm going to license out and, you know, there's going to be my clothing is going to be sitting on racks at Target and someone else is going to manufacture that.
And the, the challenge you can run it down, of course, like you mentioned, is someone dilutes your brand, they damage the brand or, you know, you, you kind of dilute your efforts because you're probably spending some amount of time and energy on, on spinning these up.
And, you know, I don't know, I think you, you, you probably also have like trademark and legal costs because like Virgin has a whole team of people that are just fighting like trademark issues globally for them.
It's an, it's an amazing story and company.
And also by the way, for Virgin, there's, I think they have launched 200 companies and 60 of them are, I think are around today.
So like just like a venture studio, you're going to have failures.
So yeah, there's definitely, there's definitely challenges.
Now one way to manage those challenges is through your license and through control.
So you either want to control the brand as best you can through your license.
So making your license up, like maybe they have a brand committee that has to approve like, you know, marketing collateral and things like that for the licensee.
Another way to manage that is to either raise a fund or have the money to own a majority of the company as well.
So you're not just getting 7%, you're also controlling the company.
Maybe a three out of five seats on the board.
And so if the CEO of the new company is doing kind of shady stuff or, you know, is it running a wallet?
Determinate them and replace them.
Everyone talks about Virgin and few people, I think, understand how it works.
I think I don't understand entirely.
I think you do though, right?
Yeah, I'm really into Virgin and I think in general people don't understand.
I think, so here's what I've observed.
Private equity people don't understand startups and startups don't understand private equity.
Totally.
As you understand both sides of these coins, then you become like, you know, infinitely more flexible and creative at how you can go about creating value for, you know, customers and shareholders.
And so, yeah, Virgin is one of the few companies at scale that clearly understands both of these things.
And they have a group in London, I think it's like 300 employees.
And basically what they are is they're like a startup studio meets a private equity fund.
You know, they spin up companies from scratch or they join venture with existing entrepreneurs

who are going to build companies underneath their brand or they buy companies and put their brand on it.
They have a lot of different ways of skinning the cap, but ultimately it's like a branded Berkshire hat.
They actually have four sides, right?
They have innovation like a startup.
They have private equity style business operations as well.
So they understand both those, but then they have a brand like Coca-Cola and Nike and then they have operations like in a way that those companies, you know, so they have these like sort of four dimensions that they got to world-class level at and then you get sort of outsized returns.
But where did the cash come from all this?
So Virgin originally was a record store and then a studio and then like 15 years in it was an airline.
So like, where's the financing for all this come?
Did it come from?
They sold their record label for $800 million, was that the huge seed funding?
Yeah.
So originally it was a magazine when he was a teenager and then in the back of the magazine he put like a mail order for records and then he became a record label and you're right.
He made a fortune on the record label.
I mean, he also even created a gaming company.
They made video games.
So he made a bunch of money.
So in his case, you know, it's the family office that's doing this.
But my point is you don't have to be rich to do this.
You could create a fund or bootstrap a company and then use the cash from that business like Andrew will, you know, will consider has been on your show, use the cash from his own operation to start buying other companies.
And of course you could also then, as Tiny has now done, raise a fund.
And so, yeah, you need like, you need the right, you know, kind of components.
You need operations.
You need a fund.
Those two things alone will allow you to do this.
And the third thing that will allow you to go a step further is to have a brand.
And you know, like obviously the hospital has a brand version as a brand, someone has a brand.
And then you can start to do really interesting things.
I mean, in the case of Stern, like he didn't even have a brand.
He bought the Baccarat brand.
And then he also proved that he could do it by starting a brand.
He created the one hotel, for example, from scratch.
And so he's done it, you know, in both ways.

It's just, it's really interesting.
That's awesome.
And so we talked on the phone last night and it was a great first date.
You know, I was blown away.
You had a bunch of interesting thoughts.
And the thing that I thought was kind of unique about you, because talk to a bunch of people who know a lot about business and they have a cool success story.
But I thought you had a very good, I don't know, point of view or set of wisdom around a style of entrepreneurship that most people don't talk too much about.
I know you were talking about a little bit on the last podcast, but I thought you might have some thoughts or wisdom around creating wealth while still having sort of a great life and not just this like extreme Olympics level commitment and sacrifice all other areas of your life approach to business.
Yeah.
Yeah.
So I've been trying to think about how to best describe this.
And, you know, I was talking last, the last episode about holistic entrepreneurship.
And you know, maybe another way of putting it, I was thinking is, you know, instead of thinking about disruptive companies, you know, lead disruptive lives.
And so, you know, I left like the kind of traditional path of working at the Carlisle group and being in private equity for this kind of entrepreneurial journey that took us on this crazy adventure.
And the idea was to like disrupt the norms and to get to a place where we could, you know, kind of zoom out and broaden our focus from just achievement of status and money.
And instead, like broaden our focus to creating real wealth.
And I think real wealth is about freedom and it's about the freedom to fully express yourself, to be creative, to use your imagination, to, you know, to avoid commuting to work if you don't want to commute to work.
And so, of course, you know, making enough money to support your livelihood.
And I think along those lines, you know, I've learned a few things that, you know, I'm happy to share.
Yeah.
Let's do it.
Yeah.
So, you know, build skills that will allow you to make money around your passion.
So, you know, learn all, you know, learn sales, learn marketing, learn digital, not, not just to get rich, but so that when you have a passion idea, like, you know, exactly how to execute on it.
And so I'm always trying to master these skills, which, which happens, I'm listening to shows like yours, watching YouTube channels and like learning, you know, just taking online training, taking, taking Udemy classes, taking online courses, calling founders, which is a lot easier to do than you might imagine.
I'm constantly called calling founders.

Have you heard of Ikigai?
I have.
Yeah.
Yeah.
So basically, is it Japanese?
It's a philosophy or I don't know what, how you categorize it, but I think it's Japanese.
And it's like, there's, it's like four circles that kind of look like the Olympic rings.
And it's like, basically, what does the world want?
What do you want to work on?
What can make money?
And what are you great at?
And it's like the, the whole premise is find out something right in the middle of all four of those things.
I think that's what it is.
Yeah.
You can even eliminate one of those because if you, if you do something the world wants, the money will come.
And, and so I think you could simplify because that diagram makes it look like you have to become a flower.
It's like, is it confusing what that is?
But the real simple version is just, you know, what do people want?
What do you enjoy doing?
And what are you actually good at?
And if you find the intersection of those three, that's the zone of genius.
You want to like operate from, um, and it sounds like what you're saying is like, there are some master skills to pick up master skills like communication, like sales, like persuasion, like, um, you know, digital literacy, some, some things like that, that if you have sharp at your disposal, then if your hobby is Ferrari, you'll know that you can spin up a free newsletter and create a paid membership on top of it.
And you could be those guys who do $2 million a year on their Ferrari newsletter.
Talking to other Ferrari nuts.
Yeah, exactly.
Like, right?
Like I, you know, I've mastered, you know, events and info products and experiential and so boom, like if I get into cooking, I get credit culinary school.
And, and so, you know, and my other thought was think small, you know, venture, I think like the world is dominated by this like kind of venture, you know, big, you know, total addressable market sort of thinking, and I really like this thought of like minimum viable market, like what's the smallest market that you need?
To generate the income that you're trying to generate.
And often, you know, part of one way of thinking about that is think expensive.
Think cheap.
So like I could offer my cooking class for $5,000 and make it extremely high touch.

And then I might only need, you know, whatever 10 people a month to make, to make a small fortune, or I could charge, you know, $50 and then, you know, I've got to build like a much bigger scale to kind of venture a company.
Well, okay.
But sounds good.
I am interested in that, but let's play the other side of this, which is two points.
The first is, if you're only making $500 classes, like that's not fantastic for the average Joe and like there needs to be Walmart and the biggest thing in the world is, or I don't, I mean, it doesn't matter what's the biggest, a big thing is Louis Vuitton, a big thing is Walmart.
The second thing is the people who you're saying you admire, Barry Sterlich, and you also said you admire Adam Newman, do you think they felt that way?
Well, first of all, I'm saying I admire their skill set.
I'm not saying that I admire their well-being.
So they're two different things and I'm not saying, you know, I don't know them intimately enough to know their well-being.
But what I'm suggesting is that we don't all have to build like building our companies.
They're, you know, good for the Sam Walton's out there and the Adam Newman's like, let's let them go solve that.
Luckily there's seven billion people on the planet and someone's going to step up and sacrifice their whole lives and their family and their hobbies and their well-being to make these insane incredible billion dollar companies.
I'll be happy just to build something that, you know, makes me a nice income and is meaningful.
So I just, I just hate when we, we get into these discussions, me and Sean do with a lot of people and they say things like that and I always want to make it clear because to the audience, it's like what our guests and what we are saying is that this is just one way to get it done.
And I think that far too often people say like, you have to raise money, you have to raise money, you have to do this.
That's cool.
And then other times like Andrew and you and me and Sean talk about this too, like, no, no, no, fuck that.
You could live this other life.
And in reality, we have to understand that there's so many ways to get it done.
But that's the point of the podcast, right?
We're going to have people on who are like, yo, this is the way because they believe it.
They live it.
They've had success with it.
And then if you listen to 10 episodes, you're going to be like, wait, I heard this is the way 10 times.
Oh, what that really tells me is that there's 10 ways and I should pick and choose the one that resonated the most with me.
Totally.

And maybe it changes in my 20s versus my 30s versus my 40s.
And, you know, I'm cool to be flexible with that over time.
I completely agree.
And I'm not criticizing, criticizing at all what Ryan's saying.
I'm just want to make it, I always, I hate when people like, I always do this and I hate when I do it is when I say like, this is the answer.
And then I always was like, no, I got to make it clear that there are many ways to get it done.
And so I want to know more about Ryan, about your way.
So who's somebody you admire that actually has blended, let's say their entrepreneurial, their ambition with, without letting it overcome them and overtake their life where they're, you know, your Elon Musk, you got seven kids, three wives, and, you know, you sleep in the factory 200 days out of the year.
So who's blended it?
Well, give us an example.
Well, I started talking about this last time, but you know, like one friend I mentioned is Joel Holland, who owns Harvest Hosts.
He lives in Vail, Colorado.
He's got this great company and it makes plenty of money for him and his wife.
He loves RVing.
He likes to go around and RV.
It's actually his job is in part is to go around.
He loves drones and RVs to go around and film himself enjoying wineries in his RV, which actually becomes his Facebook advertising to promote the membership for joining the RV membership that he sells.
So I really like that.
That's like one of my favorite examples lately.
So let me ask you a different question.
Let's talk money for a second.
So you made a good amount of money off biz now.
Before that, had you done something that you were well off with or you just had a good paying job or something?
Where were you at before that?
Well, I had a, I had a well paying job in banking and then at the Carlisle Group in private equity, but what do you make when you're in private equity at a, what's a well paying job?
Is that like 150K a year?
Is it 100K?
Is it 300K?
What does that mean?
Like at the level I was at, you'd make like three to 400 grand and you'd be quickly on the path to making over a million a year.
And so you walked away from it.

Is that the ceiling?
Is that the ceiling on those guys?
No, the ceiling is making like hundreds of millions of dollars like per fund.
Um, I mean, so here's the math, right?
Like we had a $3 billion real estate fund that I was in.
There's like 10 people in the acquisitions group, a bunch of people in asset management, $3 billion.
If we return two times, which is like kind of the bare minimum for success over five years, then we, we keep 20% of the upside.
So we basically, we turn $3 billion into six, that's $3 billion of profit.
So 20% of that is $600 million.
We split $600 million.
Talks to the 10 partners of the, of the fund.
Yeah.
I mean, I don't know exactly how many partners there were, but yeah, something like, like there's probably 10 partners, but there's also then the holding company at Carlisle, which probably take, it's like, you know, half or more of them.
Right.
Okay.
So you had, you had a good job and then you had a path and then you do business now and that's great.
That has a good exit.
Uh, summit, um, has done well, like culturally, I don't know if financially, which one's better for you personally?
Was it business now or was it summit?
Well, this kind of gets, so business now was, was more financially successful.
than summit by, by, by a lot.
Um, summit was never really meant to be like a financial success or at least hasn't been thus far.
It was, it was more about building something really enjoyable and, and awesome for the world and for the community that we were building, which gets to a, by the way, my solution for Sam, because Sam and I have been debating this idea.
Sam loves, Sam is partially driven by doing epic shit.
Right.
And like he wants to go and do really cool creative projects that, you know, have a cool impact on the world and make him excited to make him want to wake up every morning and work on them.
But he also, you know, I, I, I, I'm speaking for you Sam, but he also wants to make a few dollars.
Right.
So one thought is have your fun company and then have your serious company.
And I think that, you know, I'm, I'm somewhat living proof of this.
I don't know that we've done it perfectly and I, and, and really my partners were running

summit mostly day to day.
So I can't say that I was as much involved day to day for many of the years, but you basically spin up a company, you get, you get it to like making a million a year or a half a million or whatever you need to, to, to make enough.
And then you, you know, you, you launch your moonshot company in a separate LLC or a separate C court.
That's what a lot of people do that.
And it's got great results.
I mean, a lot of people get wins early in their career or even mid in their career.
And once you get that win, you, you can get after it.
That's quite common.
But there's a difference of a parallel versus in series, right?
So like, are you doing them at the same time versus you get your win or you, you put the first five years in where you're, you don't even think it about your side projects.
You're just making your main thing actually work.
And then as it starts to work, you either hire your CEO replacement or you sell the company or something.
And then you now have a cushion and you have a buffer and you have a whole bunch of experience and sharpened up skills that you could apply to more ambitious projects or more fun projects.
So my personal take is that it's nearly impossible to do that in parallel.
I don't know if you agree, Ryan.
I would also, I don't know if it's, I don't think it's possible because definitely there's examples of people doing it.
I know that if I tried that shit, I would get smacked by the market.
I know that, that reality would smack me and say, Oh, you thought you could do both?
Like, you know, at the same time, like that's not how the world works.
But Ryan, you're sound, it sounds like you're kind of saying you can, you believe you can do them sort of at the same time.
No, no.
So look, we, we started summit in 2008 and I, and I basically bought in the business now in 2008 and we scaled them at the same time.
Wow.
Part of the way that we did that was as I focused on business now and my business partners focused on summit for the first three years, I worked till like two, three in the morning working on both every day, like seven days a week.
So it was, it was like, you know, I was working kind of like it, like I was accustomed to doing and banking.
So it was pretty brutal.
However, what, another way to do it is about, I think five years into business now, I had replaced myself with another CEO who I had groomed while I hired out of college, who was still there running the company.
And at that point I was able, I had a lot more freedom.
Now one thing that I was doing, however, was I was trading growth in that company for doing

other things at that, at that juncture.
So like I could have doubled down, I could have been me and my CEO spinning up lots of new things, or I could have like slowed growth a little bit, which is what, which is essentially what we did so that I could spend a little more time doing other things.
We hear that this advice a lot, and this is something that Silicon Valley doesn't actually talk about a lot, which is hiring, replacing yourself as a leader.
I kind of did that.
What I noticed is that there is very little discussion on this out in the world, and it's so hard to learn.
It's so hard.
Yeah, we've done it now a few times, and it's, it is extremely difficult.
We've definitely done it.
I've definitely failed and succeeded at it.
I mean, for me, I had this guy, Will Frank, come live with me for nine months.
I slept on an air mattress.
I gave him my bedroom, and I, it was right out of college, and I trained him on literally, like he was an apprentice.
Like, you know, everything I did, we, I used to call it like need to need training.
Like, you're not going to learn this if you don't like literally see my computer screen.
See exactly how I'm building my spreadsheet.
Like I taught him not to use any key, not to use his mouse, only use his keyboard, you know, like I taught him like every nuance of everything, the way I think, the way I make decisions.
And so over time, he learned the way I did things.
Now look, the way I did it though is I had like five people that I was doing this with and one of them emerged as the obvious leader.
It wasn't, it wasn't so clear initially.
Some people were really good at project management, but then stuck to managing people.
Some people were really good at sales, but then couldn't manage the sales team.
And, you know, some people could do one thing, but they couldn't innovate.
So it's definitely challenging.
I mean, one thing is, if you're really good at being innovative and being like the zero to one guy, you know, you can just be like a very active advisor to someone else who's a stronger integrator and operator, or if you're a really good operator, like maybe you'll find yourself more of a visionary zero to one sort of person.
So, you know, I, that was, that was kind of part of my, my approach there.
And you text us before this, you go, I got a bunch of frameworks around getting rich and having fun slash happiness, which I think is what everybody wants.
So, so, so rattle off a few of those before I know Sam has to jet soon.
So I want to, I want to get to some of these goodies while Sam's here.
Before is it starting a business?
Think about the, the exit multiples of that business.
I wish I had done this when we started, when we got involved in business.

I, if I had known a trade associate, like trade expos sell for 12 times, but newsletters, you know, sell for less and conferences sell for somewhere in the middle, unless you, you know, a caveat there, newsletters at scale, you know, can, can sell for more.
But the, I just didn't realize that.
And so it's not so much that you're trying to sell your company.
It's that high exit multiples mean something.
They mean that the company is probably more enduring, has higher barriers to entry is more diversity of suppliers, more diversity of customers.
And so you want to replicate businesses that have higher multiples.
If you're going to put five years into like spending night and day building a startup, build a startup that's, that's, that's hard to disrupt that, that, that'll endure.
And the way to do that is to look at a high exit multiple sales, which you can generally find through just like reading stories and talking to founders and figuring out the industry.
For every industry, there's like no low multiple business and all the way up, there's a continuum up to the high multiple.
And so I would try to understand where you are in that industry as you're thinking about your idea.
So that's my first point.
You just saved a thousand thousand entrepreneurs listening to this, like, you know, you just save them like an aggregate of $100 million easily, because somebody's going to do that.
Somebody's going to say like, actually, that makes a lot of sense to me.
Should I be building a SaaS company or should I be building information product or whatever right?
Like in each one of these has a different return profile.
And look, if you're looking for what's going to be the most successful and what's going to get you the most value, then that's a good thing to work backwards from.
What else you got?
Yeah.
Okay.
Second one, take multiple shots on goal because most ideas don't succeed, but you don't want to take multiple shots on goal that are very different because now you're having the stress and the day you're spreading yourself too thin.
So like I'm not saying start the boring company and start, you know, Tesla at the same time.
What I'm saying is with BizNel, we launched a newsletter business and we tried 12 different flavors of that business.
We tried a newsletter for leaders, for lawyers and another one for real estate entrepreneurs.
It was the same editor, different writers, but same processes, same best practices, same learnings.
You know, I've seen a Gora do a good job of this, I've seen Golden Hippo who you interviewed Craig Clemens do a great good job of this and direct to consumer.
You're basically using the same infrastructure, the same learnings, the same systems, but you're trying different permutations of a similar concept.
And then whichever one works, you got to know when to cut the other ones and then double

down on the one that's working, which is kind of, that's actually part of the hard part.
How long did it take you to test each one and what was your process?
We took way too long and we're not very good at it at the time, if I was doing it again, but basically we would spin them up, they were very quick and easy to run, you know, you'd hire one writer, you build an audience up to 10, 15,000 subscribers, you would start producing the newsletter and then you would launch your first conference and then maybe you'd launch like a job board and you would play around with that.
You'd sell your first ads and then once it was got up to like, you know, I know it's a higher sales person, get it up to like 100 grand of revenue.
Some of them scaled to a million of revenues, some of them scaled to 500 grand and then we figured out, oh wow, commercial real estate for all kinds of reasons, I had no idea going into it is way better than the other verticals and that went up to like 20 million of revenue.
So I think you just really quickly want to get a sense of like the audience, the profitability.
How long was that for you?
I mean, this was over the course of like four years that we tried a bunch of different verticals, we didn't start them all at once.
And you know, some of them we would spin up and cut in like, you know, three to six months and some of them we had a hard time deciding, like we had one for federal technology that was doing like over a million in sales and was profitable and we kept that going for probably like four or five years before we got it.
Craig on our last, or a few, a while ago, Craig, this guy runs his multi-hundred million dollar company, Golden Hippo.
He said that the most expensive thing is a mediocre, a mediocre success when they're spitting stuff up.
Yes.
Yes.
Yeah.
Yeah.
Yeah.
Yeah.
Yeah.
Yeah.
I just wanted to cut.
It was just such a tough call.
Yeah.
I also really like, you know, I've been thinking about this idea that building a portfolio of activities is another way to go about it instead of becoming like the, you know, night and day CEO of your company, you could build up a portfolio of consulting and coaching and maybe you do an online course, maybe you speak, maybe you author a book and you could basically piece together.
I've seen a number of my friends do this, you know, where they piece together, you know, anywhere from three hundred thousand to a million dollars or even more a year, doing some combination of those things, you know, the downside of that is you're not building

like an asset that creates money in your sleep.
But the upside is, you know, you freed yourself from working for an employer and you're not like up all night worrying about your startup as much perhaps.
Yeah.
That's a good one.
We have a different way of phrasing that same thing, which is sell your byproduct.
This is an example from the 37 signals guys in Chicago, who, you know, they, they, they made a company that made base camp and then they worked a certain way and then they started selling books, just explaining how they worked to the, basically their business was, you know, served a bunch of small businesses, small business owners.
And so then they sold the book to those business owners about like, Hey, here's how we run our business and just selling their byproduct generated millions of dollars and even more and new customers who like to hear how they worked.
I'm, I'm, I'm dabbling with this too now and I'm seeing very interesting, uh, interesting results.
Do you want to know my favorite byproduct, Kingford, uh, Cole or charcoal, King or is that what's called Kingford?
What's the famous charcoal brand?
Yeah.
I think it is Kingford or something similar.
Yeah, that was started using the leftovers of making a Ford car.
That's amazing.
Yeah.
Sometimes literally that it's like orange juice was like leftovers, right?
Like, and then sometimes it's more leftovers of like your time or your expertise or your, you know, just giving people access to what you're doing.
You know, there's different other ways to sell your byproduct.
Yeah.
Tony Shade did a great job of this.
You know, he, he became famous for company culture at his company and then he created a separate, I don't know how many of you will realize this, but he actually created a company that teaches other companies how to build happy cultures and he did that by spinning up a book and going on a book tour.
And I think he even bought like Dave Matthews bus for the tour, which was like fun little side note.
And, uh, and then he actually, you know, he hired a woman who runs it and they actually sell this to, to companies and, uh, yeah, it's like, it's an amazing little, uh, you know, side project.
Barstool does a good job of this too, where they, they just filmed their prop, their office and they filmed like, Hey, we're hiring an intern.
Cool.
Put a camera up and this is going to become like, you know, content that's worth X dollars.
And we're just, we're hiring this person anyways.

Let's just make it entertaining.
It'll be more fun for us and it'll generate attention and revenue.
So like, why not?
We're doing the project anyways.
Yeah.
I love how Barstool does that.
It's so, it's so brilliant.
I wish I had real thought of that years ago.
Um, all right, Ryan, so I want to leave it open to you because I think you were one of the rare guests who thought about what you wanted to say and it was like, Hey, I got like some gold I want to give out.
And so I'll let you kind of jump around.
You said there's a couple of areas.
One was, you know, these idea frameworks.
Some was, you know, wisdom on, on kind of the health wealth balance.
You talked about ways to finance without venture capital, three ways.
And you said you had a couple ideas.
So I'll let you go where you think there's the most gold and then we can, we can always have you back.
All right.
I'll dive into one more.
I, I, one is financing, you know, I, again, like I think too many people raise venture that they don't need to raise.
Like I was talking to an entrepreneur just recently who was starting a new company and he was about to go out and raise a million.
I was like, why, why are you going to raise a million?
There's, let me give you like all these ways.
So I started thinking of these ways.
So one is you can, if you're, if you're building a subscription product, let's say, you can build a lifetime membership to this product, which the airlines used to do in the early days of their rewards programs.
And you know, maybe you don't make it a lifetime, maybe you make it 10 years, but you say to somebody, look, I'm going to give you my lifetime access to this thing that's soon going to cost, you know, I don't know, a thousand a year.
I'm going to give it to you for $5,000 a year.
Now they'll never have to pay for it again.
And on top of it, I'm going to give you all these extra benefits.
You're going to have like, you know, an inside look on everything first or whatever it's going to be.
Like the backstage pass to this, to this community, this product, whatever it is.
And, and then that you, you sell, you know, whatever 50 of those at five grand, you bring in a quarter million dollars and boom, you're, you're started.
And I think another thing that, that Elliot, my, my business partner used to say to me

that I've always thought was interesting was when we would hire a writer, I'd be like, man, this writer's like, you know, a hundred grand a year.
And he'd be like, no, no, no, this writer is like a hundred grand divided by 12.
We just need to get started.
Like if we can sell ads in month two, then we might be able to pay for the writer, you know, in months three, four and five.
And so he kind of like would look at it kind of month to month, which I always thought was kind of clever and helped me think through things kind of like eating an elephant bite by bite.
So yeah, one is selling a lifetime membership.
A second idea is if, if you have more of a service business, then you can sell the first clients before launching.
So like with biz now, whenever I would launch a new market, like say I was going to launch Chicago's newsletter for commercial real estate, I would fly to that market two or three times or now we could use zoom and I would sell, I'd say the law firms, hey, we're only going to have one law firm.
I'm going to give you all the inventory, all the ad inventory for the first six to 12 months, and it's 30 grand.
And I'm only going to have one accounting firm and I'm going to have one of this and one of that.
I would go to five competitors and be like, only one of you is going to get this for the first year, and then I would bring in about, you know, a couple hundred grand up front, I would charge them about a quarter of that to get going.
And then that would fund the first writer and the first salesperson, and then they would start to fill in all the sales for year two.
So I love pre-sales.
Obviously, you know, Kickstarter is kind of like, you know, turn that into a more popular idea.
And I was saying, yeah, third is you can do that, of course, for a manufacturer product, you look at Kickstarter, right, you, you just launch kind of the concept of the idea, you get a fan base around it, you get them to commit, but down a deposit or even pay for the whole thing and they get access to when it, when it comes out first.
And then finally, my fourth way is if you can't do any of those things, start a consulting company and then use the consulting company and use the revenues from that to kind of keep the lights on while you're building, you know, the real product that you're excited about.
Yeah, I love those.
And also, you know, at BizNOW, we launched an event called Escape, which was basically like summit for, it was like a 5,000 ticketed item for people that are the CEOs of real estate companies.
And I went to the first 40 people and said, if I do this, will you come?
And it's $5,000, by the way.
And I went to those first three, I went to the most impressive first three people that

I could get a meeting with, and I got them to say yes.
But they'd only say, they said only yes, if the other people on my list came, I actually handed them a spreadsheet.
I was like, here's 40 crazy names, if I can get, you know, half of these people to come, will you come?
And they said yes, contingent on that.
Then I went to those crazy people and I said, hey, these amazing people said they would come, if you'll come, will you come if they come?
And then they all said yes.
And then I went back to all of them and said, okay, all right, I got 40 of you to say yes, you all said good to $5,000.
And then before I locked in the hotel, I took deposit on a portion of the $5,000, and then I contracted the hotel, and then I put down my deposit on the hotel.
So there's ways to do this where you don't have to raise capital.
And if you do have to raise capital, I have thoughts on that too.
But I just think that it's fun and can lead you to a more meaningful life if you don't have the stress and pressure of venture.
Let's end on this, because a lot of people I know, they understand this, and when I advise them, hey, this is what you should be doing, they get gun shy around either A, selling or B, specifically selling a high ticket item.
Because I think what often happens for people is they're like, well, we haven't made anything yet.
Or this is just my time.
Why would somebody pay me $5,000, $10,000 for this?
I think people are really afraid to sell high ticket items.
Have you experienced this, or what's your advice to the person who's afraid to go ask for $7,000 when there's nothing made yet?
So one is that people value their time, especially people who have means or running a business, especially corporations, their time is more valuable than a few bucks.
And especially when you're thinking B to B, corporations obviously have bigger budgets than individuals generally.
And so if you can create something, sell on value, not on price, it's like a typical kind of sales one-on-one best practice, and be willing to endure awkwardness.
There are awkward moments in phone calls that I would have where I'd be like, people hate to talk about price.
I managed a couple of different sales teams, and they shy away, they want to talk about it like the last second, or they don't talk about it at all.
Or they want to just send it in the proposal, because it's too icky to talk about.
Like, oh, I'm just going to put it on page three of my proposal.
And I'm like, first off, never do that.
Never email a proposal.
Always schedule the next call and walk the person through the proposal, and walk them through price, and be proud of your price.

If you think you really have real value to offer, then lean into that, and be willing to ask.
And one thing I'll do is before I ask that, I will ask people what is valuable to them.
If I could do this, would this be of great value to you?
And get to know what their problems are, and what they're trying to solve, and what value those problems have.
Like, for the real estate conference, people were trying to do multi-hundred-million-dollar real estate deals.
So for them to source a deal and meet other people that could help them find a good deal was worth a lot of money to them.
Once I understood that, it was clear to me that a $5,000 ticket was kind of around the air.
Great.
I think that last bit is going to help a lot of people who I'm thinking about my friend who I've been telling this to for a long time, and he's just like, has all the symptoms you just mentioned?
He has.
And I hope that he listens to, I'm going to send him this clip at the end, and have him listen to it.
Dude, Brian, this is great.
I think we're going to have you back again.
Probably we're trying to do it where when we find people who are good at jamming out on new ideas or kind of high-level frameworks that can apply to a lot of ideas, we're trying to create this like sort of friend-of-the-house vibe where, you know, me and Sam, we only know so much, but like, you know, we want to have really great people coming in.
And it's surprising how many successful people don't have the ability to hang in conversations like these because they're just like, they know their thing, but they don't know how to sort of generally teach and talk to a whole bunch of people.
But you definitely have it.
And so, you know, I'd love to get you kind of in the friend-of-the-house loop where you're coming on with some regularity, maybe once a month or every couple of months.
Yeah, I love that.
I even like the idea of coming in and just like arguing with people on your show sometimes.
Sometimes I'm listening and I'm like, oh, no, there's a counterpoint here.
Right.
Let's bring in the devil's argument.
Yeah, yeah, definitely.
All right.
We're out of here.
I hope everyone has a good one.
Wait a minute.
We're out of here, I hope everyone has a good one.