

[Transcript] My First Million / MFM x Trends - The Fundamentals of a ~\$60m Newsletter Exit With Ryan Begelman

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.

All right.

You guys are going to love this.

It's another special episode.

So here's the deal.

On this episode, we have this guy named Ryan Beagleman.

I met Ryan in our Trends group, and he's so fascinating that we had to have him on to do a special episode, and Sean and I had him on as a normal My First Million guest, but this one's a special issue for Trends, and let me tell you a little bit of the background about this guy.

He's so fascinating.

I think he's 36 years old, and he's done so much.

So Ryan had this company called BizNow Media, which was a newsletter business that it was like the hustle like my company, but for real estate, and he grew it and eventually sold it for \$60 million in cash.

And at the time of the sale, it was doing like 20 million in revenue, 7 million in profit, and he did it bootstrap without taking any funding.

And during this process, he started this thing called Summit Series, and you guys got a Google Summit Series to kind of get the full picture.

It's so weird to explain, and this is going to sound derogatory, but it's not.

But it's kind of like a TED talk, but for techies and entrepreneurial folks and rich people, and they originally started out by hosting these events where it was kind of expensive like two, three, four, \$5,000, but they would get like Kendrick Lamar to come.

They would get ASAP Rocky.

They would get Reed Hoffman, the founder of LinkedIn and Reed Hastings, the founder of Netflix, and all these amazing people.

They had like Al Gore, Bill Clinton, Russell Simmons, Richard Branson, like these worldly people, Johnny Legend.

It's crazy.

And it started as a festival, and eventually it was like an annual conference, and then they even hosted it one time on a cruise ship and like the founders of Uber and Dropbox

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and Facebook Go.

And eventually, Ryan had the idea of thinking like, okay, this conference is cool, but how do we keep this party going?

How do we create a community of folks like this year round?

And so he somehow convinced all these people to pre-buy land, and he collected \$50 million and went out and bought a mountain in which he turned into a, this thing called Powder Mountain.

It was a ski mountain.

It's one of the largest ski mountains in the country, privately held ski mounts in the country, I believe.

And it's crazy fascinating.

I went out and visited it, and it was so cool, so interesting.

Like he was 27, 26, I believe, when he did this, they built all the roads, all the plumbing, they did everything, and it's just crazy fascinating what they did.

And Ryan's whole deal is that he's very calm, he's very collective, but he's definitely alpha, like ain't all retentive, and I love that about him, but he's so calm about it.

And so in this episode, what we talked about was how Ryan operationalized his business, both Summit Series, Powder Mountain, and Biznow.

And he walks through the steps that he took, like for example, when he would hire people, he like would have them go through this crazy process of hiring to prove that they had the attributes that he was looking for, and it's incredibly fascinating, and he would document the whole process.

And at the company, the employees had a handbook that documented everything at the business, and it's really hard to do that, but it's so important to be able to sub people in and find talented people and get them onboarded really quickly.

And so in this episode, we walked through Ryan's tips for operationalizing his business, and it's just really fascinating, so I hope you enjoy it.

You get the first 15 minutes for free.

If you want the whole thing, go to trends.co, and you will be able to listen to the whole episode along with all the other episodes that we've done like this.

People are loving it, so we're going to keep doing these.

And if you sign up, it costs a dollar, so you can pay a dollar, and if you don't like it, you can just cancel within 14 days, and you just lost a buck.

But folks have been loving these, and if you sign up, what you'll get is the Trends Weekly email where we dive deep and we do analysis on all the cool businesses that we're discovering and talking about, but you also get access to the community.

So this is actually where I met Ryan.

This is where I met a lot of big name people.

So check it out.

Go to trends.co and sign up, and you'll see this podcast and all the other stuff, and we hope to see you in the group.

Okay, so this podcast, as of now, my first million listeners are listening.

So half a million people a month are hearing this right now.

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The rest of this, they're going to get this little preview, and then the rest of this is just going to be for the Trends people, and we're actually going to send this out to our tens of thousands of Trends subscribers, and then our million plus email subscribers, a blog post that I'm going to write about this.

So you're going to get some push.

Sam, I'm going to send this to my 20 followers and my mom.

That's good.

That's good.

I'm going to give you a push.

I'm going to give you the bump, the Beagleman bump.

The Beagleman bump.

Yeah, right.

The Beagleman bump.

Okay, so you came prepared with a list of things that you wanted to talk about, right?

Well, one major topic.

Yeah.

I thought we should talk about four ways that people can be a better CEO, how to be a high performance, and not just CEO, but frankly, if you're running your own one-person show, if you're running a department, then this is for people who are getting shit done and managing other people and relating to other people.

And this is better than buying a company?

I think so.

Well, this applies regardless.

This is not necessarily about building a company.

This is about how to run a company once you have a company or once you're in a division of a company.

All right.

Well, let's do a little background and let me start here, because I built the hustle because I was inspired by a bunch of stuff.

One of those things that I was inspired by was I learned about business now media.

And business now media was a, or still is, it was a newsletter business that had a thriving trade show business or conference business.

And you co-founded it with the two other founders, who's another guy named Mark and his son, Elliot.

And then after you worked there for six or seven years, you sold it for roughly \$60 million.

And while doing all this, you co-founded this thing called Summit Series, which was a festival conference type of setup that had Bill Clinton, Russell Simmons, Travis Kalanick, just like the world leaders.

And then eventually you convinced a lot of those folks to give you a little bit of money and you pre-bought or pre-sold land and you use that \$50 million to buy a mountain.

Now where you are in your stage, in your stage in your career, you are looking for a new project.

But the whole thing that you've done has all been because you're kind of like an operational

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powerhouse.

That's my long, but short summary of what, of your career.

Is that correct?

Yeah, that's roughly correct.

And yeah, I consider myself like an operator first.

I'm good at optimizing and managing and leading.

Company is probably better.

You're probably better than me.

You're definitely better than me at starting, I think.

Yeah, and you helped me.

We met because someone introduced us and then I eventually went to your house and now we've become good friends in a very short amount of time.

And I've already beat you over the head with a million questions on operating.

And that's why you are here today to talk to the listeners about operating because even when you sold the company, you walked me through some of the details of how it happened and I'm like, oh my God, you planned this whole thing and this was the most process-driven thing I've ever seen.

And I want to learn a little bit about that.

Yeah, definitely.

Yeah, I was obsessive about process systems, culture, and how to get the most out of the organization for sure and doing that profitably in a way where we can own and control all the equity with our team instead of raising outside capital and lead a good life and be what I would call a holistic entrepreneur, like an entrepreneur who wants to work hard, wants to create cool things, but also is trying to self-actualize and enjoy the ride.

And the last thing I'm going to add before I let you talk is that you're kind of like a weirdo and that is a compliment in that you're like this, you worked at Carlisle, so a pretty cutthroat, like alpha-driven PE firm, and then you operate your businesses by the very tight, like in a good way, like it's a well-oiled machine, but then you're also into like the fun woo-woo spiritual stuff that you call mental fitness.

So you're kind of like an interesting person.

Yeah, I think once I realized that I could control my thoughts instead of that, my thoughts controlling me and I could go from being an automotonic robot who's just in reaction mode all day to actually choosing how I react to stimuli and being more in the moment.

And then I was like, man, I got to get better at this.

This is so freaking rewarding.

It was like when you discover that going for a run gives you like endorphins and makes you feel good and breaks down things and like helps you be productive.

And it was that for the mind.

So before we get into this, you're going to talk about, you have this little list to call.

That's probably going to be great, but can you brag about yourself?

How big was BizNow Summit?

Can you like give some sense so people understand where your perspective's coming from and

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what you were dealing with and pull you wise, maybe revenue-wise?

I don't know.

I kind of want to give you a platform to brag a little.

Thanks, Sam.

I'll try to do my best.

I'll channel my mother.

So I, yeah, I mean, look, I worked at one of the world's biggest private equity firms like Carlisle.

I actually bought into BizNow and grew it from a small like four or five person company to an 80 person, \$7 million profitable business, \$7 million in profit, in revenue and distributing money to our partnership and never raised a bootstrap, no outside capital whatsoever and sold that company, like you said, for a bunch of money to a private equity firm.

The headline, the headline is \$50 million.

You don't have to confirm that, but that's what the headline says.

Yeah.

And then at the same exact time, like literally in the same week that I started doing that, we co-founded Summit, which became also like a \$20 million revenue business with thousands of customers.

And as you mentioned, we bought Powder Mountain, which is the largest ski resort by acreage, 1,000 acres of skiable terrain in Utah with seven lifts and hundreds of employees in the winter and a development team.

And we've sold, you know, I think like \$160 million worth of real estate at the project.

We also built a \$30 million venture fund called Summit Action, started a nonprofit that's been in existence now for like seven years and, and done a lot of real, like probably done like, you know, 20 some odd real estate investments.

And how old are you, 36?

I just turned 38.

38.

So you've done a lot.

Yeah.

And I think the thing I'm proud of in terms of like the business is that we operated with no outside capital and bootstrapped it and like we had to learn how to be really optimal at running everything.

Like it, we, there wasn't like a lot of room for, you know, low performance.

Okay.

Well, let's get into it.

So like Ryan is like very type A, he's calm, but he's type A and we planned this podcast a week ago and he's brought me this list and it's always the best.

It's exhausting because he sweats the details so much, but I know for a fact he's come very prepared for this.

All right.

So I thought we could start with hiring and onboarding because that's obviously fundamental to every business that grows beyond one person.

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And does that sound good?

Yeah.

So, I mean, one of my big epiphanies early on was that, you know, I was doing all the hiring myself at BizNow and at Summit and quickly I realized I should replace myself in that role and hire a full-time recruiter internally.

Dude, do you have one of these yet?

We're interviewing her right now.

We're interviewing for her or the couple of candidates that we like.

I'm always amazed by how large companies get before they hire a recruiter because with a recruiter, you're just constantly seeing more candidates.

You're going to get better people into your company.

The people make a huge difference and on top of it, when you have a pipeline of new fresh talent coming into your company constantly, it puts some pressure on everyone else who's already inside the company to level up because, you know, of course, they could get replaced by like the new talent that's coming up through the ranks.

So it's super helpful to have a recruiter.

And you know, initially, you can do this yourself, of course, if you're a small company.

And I'm really wary of executive recruiters, like outside recruiters.

I have had success with them, but a lot of times they just are shuffling people from another company to your company.

They'll come back to you and steal the people they put in your company to move them to the next company.

And they just don't care.

They don't know your values and they're just like they're hustled generally as mediocre.

So I I'm not saying never, but I mostly use internal recruiting and how how big were you when you got one at biz now?

We were like probably 20 employees when I hired the guy who I hired to do recruiting ended up being the CEO of the company and is still the CEO of the company.

And so then he this guy will I think his name is Will, right?

Yeah, Will Fred, you said he was like a new but like he was a young kid with zero experience.

Is that right?

Yeah.

I hired him out of college.

I went to his college and like met him there where he was a call where he was a party promoter, which is one of the things I filter for.

I'll talk about I love hiring people who are, you know, drug dealers, bookies, you know, people who have hustle people who are I love party promoters, you know, I don't know what they're doing now during COVID.

But if you filter for high intelligence and you filter for the one way to filter for high intelligence is just look at people who are at top 30 universities, they've already done the job for you.

People who have high intelligence often just learn quicker, I discovered.

But there's a lot of people who have high intelligence and are lazy and don't have hustle

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or not, you know, creative in terms of being inventive.

So I also look for, you know, a background and signals that suggest that they might have a lot of hustle per your brand.

And the other thing I'm looking forward to is, is, you know, one thought I wanted to share too is like, it's, it's best to test and not rely on just talking to them and like traditional behavioral interviews, like just interviewing somebody, people are good sales people that often come off really good in an interview.

So you really need to test them.

And in order to come up with tests, you can just slow down your processes, like think about how you do what you do well and whatever you're hiring for.

And one way to do that, of course, is to do it yourself first, master it, and then figure out what is a test that could give someone that would help me understand if they can replicate the kinds of things I do and if, if anything, do it better than me.

And then give them those tests and be constantly, we were at business now, we were constantly iterating.

So like for accounting, we gave people like an Excel test with like 20 different things that they have to label and move and shuffle around formulas to calculate.

We also gave them a written test with like, you know, problems to solve and questions about, you know, the balance sheet and things of that nature.

Do you have any of those?

Would I be able to give those tests to my listeners or do you not have them?

Probably business.

I might be able to get some of them for you.

Probably business as most of those, but I might have some.

I definitely have, you know, I had tests for writers where they would have to write a profile and write ideas for stories that they would pitch us.

I have, you know, I would give tests for salespeople.

You know, if part of being a good salesperson was going to networking events, I'd have people go out in Times Square and get business cards and people off the street while we're in there.

Can you walk step through step to that?

So all right, you say we need a recruiter.

We're going to hire a recruiter.

What do you do?

You create a job listing?

Yeah, we create a job listing just to make it easy.

And then we go on LinkedIn and are usually we want to pick off talent from other shops that are young and that we think are coachable and then train them.

And where would you, on LinkedIn, what company did you try to poach from mostly?

You know, initially I poached from our competitors and then I discovered that they had a lot of the wrong lessons learned and that we were inventing new ways to do things.

And so we started building more of a pipeline directly out of colleges.

And so we literally went to like Georgetown University, GW, we were based in DC at the time, NYU and like looked for kids from top universities and hired them and built a pipeline,

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built an internship program.

That's what we eventually did.

We also, though, would look for, you know, young scrappy people who are working and not necessarily working in jobs that reflect what we do, like not looking at like media companies.

So what would you type in on LinkedIn to find this recruiter?

I'll give you a good example.

Like I love hiring salespeople for media companies who work in software because software sales reps can run circles around media sales reps, like in general.

And so then for this, for let's say a recruiter, you're on LinkedIn, what do you, do you say, like, all right, so BizNow was a real estate media company.

Would you say like, all right, Politico is a political media company.

They're in DC.

Let's go after them.

Yeah.

For writers, I would definitely do things like that.

So I would, I would connect to them on LinkedIn and in the message where it says like, you know, how do you, how do you want to connect to them?

I would write like, Hey, can we jump on a call?

You know, we're interested, we're hiring for a position and I thought you might know someone.

I learned my lesson the hard way.

You don't say we're interested in you, or you might get a call from like their boss pissed off.

I would also cold call people at their office.

I would literally Google map them, call their office and hit like, you know, hit four for sales and like, you know, and try to find the sales department and then be like, Hey, we're looking for, you know, somebody, could I tell you a bit about it?

And then they'd be like, yeah, what, what, what, what does there say about it?

And I would tell them how amazing the position is initially, and then that would get them, they might be like, they might whisper and be like, can I call you, can I call you back in a second?

You know, like they're going to walk outside and call me.

And then I would persuade them to come in for an interview.

And then in the interview, what, what would you do?

So I would usually tell them upfront, I would, so I would usually have my, my, either myself or a recruiter do a very, very brief interview just to make sure that they're excited about the role.

And then I would tell them that there's going to be a, there's the first, the next step was a test.

And if they said to me or my recruiter, like, that's ridiculous, you know, I'm too senior to take it, you know, or it just felt awkward, then they usually, if I had a recruiter, they would elevate it to me as the CEO, I would call and persuade them of like, why

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this role is worth taking the test for.

Okay.

I'm sorry guys.

That's the end.

I hope you liked it.

If you want to listen to the whole thing, go to trends.co and you'll sign up.

It's only a dollar.

So you pay a buck and you get 14 days for free.

And if you don't like it, just cancel.

And you're only out of dollar.

So go to trends.co, sign up.

What you're going to get is a weekly email with all of our research where we dive deep into different companies and explain what's growing quickly and why it's growing quickly and how to pounce on it.

You're going to get access to our community where Ryan Beagelman, the guy who you just listened to along with a lot of people, like over 10,000 people just like him are in talking about interesting stuff.

And you're also going to get access to a library of these podcasts.

So trends.co.

Check it out.

Bye.