



4 New Business Ideas My Students Are Launching Transcript

[RYAN] Damien, Kristy, Keerthan, Yasmine. Welcome to Capitalism.com. This is a first, having four people on at the same time. Thank you for doing this with me.

[KRISTY] Thanks Ryan.

[DAMIEN] Happy to be here.

[YASMINE] Thanks Ryan.

[KEERTHAN] Thanks Ryan.

[RYAN] [00:09:17] So, I hand-selected the four of you as being people who I really thought knocked it out of the park in this first sprint that we're doing inside of the Incubator, which is casting the vision of your businesses. Damien, Keerthan, am I ... I think the two of you are competing for youngest members, am I right on this?

[KEERTHAN] I'm younger.

[DAMIEN] Yeah, Keerthan takes that.

[RYAN] Keerthan is younger. Keerthan, how old are you?

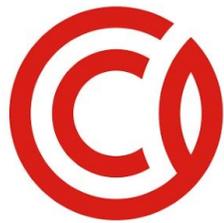
[KEERTHAN] I'm 18.

[RYAN] You're 18. Damien, how old are you?

[DAMIEN] I just turned 20.

[RYAN] Okay. So, these are the first vision decks that you've put together. You guys are here because you knocked it out of the park. Kristy, you're kind of on the opposite spectrum, not age-wise, but you've sold a business in the past. Correct?

[KRISTY] Correct.



[RYAN] Okay, would you talk us through, just briefly, about that business, whatever you can share in terms of what your role was, if you were the founder, what your background is in actually starting and growing and selling businesses?

[KRISTY] [00:10:23] Sure, yes. So, I started that business about three years ago and boot-strapped it. It was in the pet supplement space doing all-natural supplements specifically for dogs and grew that by adding products. We ended up with five products to the product listing. It got to a place that I knew to take it to the next level, I would have to bring on a team and bring investment funds in. So, decided it was a good time to sell it.

[RYAN] So, Kristy, I'd like to know from your background, somebody who has done the whole process of building and selling a business, what has been different about our approach that we've been guiding the class through inside of the Incubator than what you did in your first business that you sold?

[KRISTY] [00:11:13] Yeah, so, I'm very good at market research. So, market research is always the same, no matter what your strategy is. But, before I did market research and liked a product and decided I want to come out with this product. So, it was very product-based and I sort of grew a brand around that, kept it within the same space, but what's completely different about Cap Inc, it's all about a brand. So, it's a completely different strategy of speaking to a customer, not creating a product and then finding customers.

[RYAN] Yeah, Kristy, I'm so excited about how deep you've gone into targeting a very specific person in your space. But, we'll talk about that when we go through your pitch. Now, Yasmine, you're coming into this with an existing business, and you're coming into this with an audience. So, what has the experience been like for you casting a vision for a, what is, kind of a complementary business to the machine you've already got going on?

[YASMINE] [00:12:25] Yeah, absolutely. It has been so interesting to kind of connect the dots, and I think that's one of the things you have been so helpful with is helping me understand how to serve my audience and how to structure my business in a way that, really, is just about the customer. I thought that was so brilliant. It's not about the products, it's about how do you serve this customer, because I'm not just creating a supplement company. I'm creating a business that serves my person.

And so, having that audience, and having spent the last four and some change years writing articles, blogging, and running a Facebook group, interacting with my customers on a daily



basis has just been the groundwork that has really positioned me to launch this company and, like I said, just create products for my person. It's been so eye-opening to connect the dots.

[RYAN] [00:13:14] I'm really excited. We talk informally about ... we kind of ... specifically Sam Prentice, my partner and I in the fund, are kind of looking for businesses that are going to pop that we want to hopefully invest in, and your name comes up a lot because of that exact reason.

So, we are rooting for you very hard. Now, Keerthan, you're the youngest in the group. So, you have not built a business before. What has it been like casting a vision in the way that we've had you do it to the point where you make an ask. We force you to make an ask at the end of this experience. You coming in at 18, starting your first business, what kind of mental hurdles have you had to overcome? What has this experience been like for you so far?

[KEERTHAN] [00:14:06] In all honesty, I'm comfortable. I feel like I've been okay giving presentations because of school and all that sort. But, the way that I had to approach this one, it was ... there were so many knots in my brain I had to unwind and then I had to take a step back and understand that the way I'm going to present this vision is not the same that I've presented a presentation before in my past 18 years of life. So, then it was just trying to experiment and test which way is the best way to put something together and a lot of conversations with customers.

[RYAN] [00:14:58] And, the temptation, especially when you're starting something at your age, is to not think about the long term vision of the business. It's to just jump in and do stuff, which is what most people who are 18 are starting businesses, and there's some benefit to that. But, our approach is to cast a vision and to build a business that you can scale and sell. There was a moment for you where you were kind of ... you were facing what that would look like to talk about that publicly, and you started to get feedback from your peers. Tell me about that moment.

[KEERTHAN] [00:15:43] So, it started when I asked Max in the ... one of the Incubator calls, I don't really know many fiction lovers, how can I reach out to them? He just said, post on your socials. Spread the word out. And then, from there, other Incubator members actually started to connect with me, saying, hey, I'm here, you can talk to me. And then, from there, ideas that I would have never really expected, such as the old book scented candle came to mind.

And, it's funny, when I was talking to Monica, who is a heavy fiction lover, she's the one who said, Keerthan, I want an old book scented candle. I was like, wait, what? And she's like, yes.



And then, I started asking others about it, too, and then, oh my god, yes, this is so cool, I would want that. I realized, there weren't many old book scented candles in the market, but they want these candles. I knew it had to be the gateway product from there.

[RYAN] [00:16:49] Your vision really started as this loose idea when you came it. It was this very ... I'm thinking about going in this direction. And then you and I, on one of our long calls, I kind of ranted at you for a bit for how I thought you could expand it, and a lot of the pieces have just seemingly fallen into place as you've been crafting your pitch deck, as you've been putting these pieces together. So, where have your biggest ah-hahs come from so far?

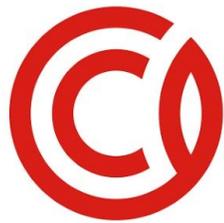
[KEERTHAN] [00:17:20] Definitely that live call with us where we talked about how we can engage more people through a subscription model in the future. Another ah-hah was when you sent me that voice message of just pitching it in a different way than I would have imagined it. And-

[RYAN] Tell that story about pitching it from a different way than you expected.

[KEERTHAN] So, what I meant is I was just thinking of using just the best sales of my customers and to bring them into the subscription model of a break even model where we bulk-buy books from authors and then bring them into a Zoom call. Ever since you sent that voice message, I realized that I don't really need to do any of that, I can just make it a straight profit center and just engage with people and socialize with people and have a great time there without really needing to actually go out and buy different things for my members, and it would still be a great time regardless.

[RYAN] [00:18:32] Yeah. And we'll go into the nitty gritty details of this vision when we get to you. I want to put Damien on the spot because, Damien, you were ... at least our interactions were fairly minimal until you dropped this beautiful pitch deck that was very well thought out, and you and I didn't have a whole lot of one on one interactions, and then the whole group was like, Damien knocked it out of the park. So, I don't know a whole lot of what was happening behind the scenes for you as you're working up to putting this together. So, did you come into this experience with an idea for the brand, or did it hit you somewhere along the experience?

[DAMIEN] [00:19:18] Yeah, so, I actually came into the experience with starting a skincare line for men, but then, going through the process of Cap Inc, I realized that I wasn't really passionate about serving that customer and I wasn't really excited about it. So, one day I was just sitting in my house and it was late at night and I was about to pull up How I Met Your



Mother from Netflix, and it just hit me all of a sudden, why is no one talking about late night snacking? Why is no one talking about better for you options? That's when I decided to pursue this opportunity.

[RYAN] [00:19:57] You never told me about it, I don't think you ever made a big announcement about it in the group. So, what happened in between, oh, there's an idea, and oh, Damien has this really well thought out direction for this business? What happened in the in-between there?

[DAMIEN] [00:20:16] I think it was really after we had the call with Trevor Blake. It was when he was talking more about trusting your intuition and I kind of knew that was just the moment, something just felt right, and yeah. Does that make sense?

[RYAN] That's great. I'm glad you did, because it's led you to this point. So, I actually want to start with you. Before you kind of go into the presentation that you put together, I just want to give a little bit of background for people who are listening. So, a few months into the Capitalism Incubator experience, every member has to present the vision of their company. So, it's kind of the approach of, you measure twice, and you cut once.

So, you are putting together the pieces of your business and your vision so we can line up our assets and go, because if you do that in the first 45-60 days and you've got a laser clear vision for where you're going to take this thing, then the rest of the year is going to be us just laying the brick work, laying the foundation for building this business.

[00:21:29] One of the ways that you can accelerate that is by putting a few pieces together, like if you decide to raise money, we can move a lot faster. Or, if you decide to bring in a few key relationships, like partnerships with influencers, we can launch this thing faster and more profitably. So, one of the things that is required in laying this vision, is what your ask is.

What are you asking of other people who are going through this, whether it is money, or it is introductions, or what do you need to be able to execute on this plan to be able to get on the path to a multi million dollar business, or a business that you can have an eight-figure exit? So, Damien, I would like to start with you and I'm just going to give you the mic for a few minutes, and I might interrupt you as we kind of unpack a few things, but I just want you to talk through the pitch deck that you presented to the group inside of the Incubator.

[DAMIEN] [00:22:25] Awesome.



[RYAN] Go ahead, you're live, my friend.

[DAMIEN] Okay. So, hey everyone listening. My name is Damien and my company is Effing Good Snacks. We exist to make it easy to switch from your typical unhealthy late night snacks to a better for you option. People eat unhealthy at night because their craving for junk food is the strongest, yet the only solution is all this healthy stuff, and who wants that, right?

So, that's where we come in. Our snacks are both satisfying and loaded with nutrients that promote better sleep. Everyone's talking about eating healthier and better and trying the latest diets, but no one's really talking about how what you eat before bed matters. Yet, Americans spend a billion dollars a week on snacks consumed between dinner and bedtime, and you can bet it's not celery sticks or kale.

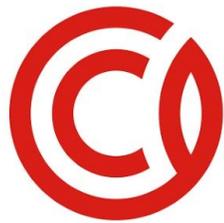
[00:23:18] So, a little background about myself. My name is Damien. I actually started my entrepreneurial journey about a year ago. The first business I started was a yoga brand, and I was able to grow that brand from zero to six figures in 12 months. During that time, I oversaw sales, product development, and marketing.

My expertise is actually product-focused, so down the line, I actually outsourced the other parts of the business so that I can focus on what I'm really good at. I'm actually also a full-time night snacker myself, so I know the frustration of not being able to find better for you versions of my favorite snacks, like cookies, chips, and ice cream. I also talked to a lot of my friends about it, and they also agree that nothing on the market really satisfies that desire.

[RYAN] [00:24:10] Damien, I'm going to interrupt you and just compliment how you smashed it out of the park with the setting up credibility for this business. We spend a lot of time when we're training people to put together these decks of how to position yourself as the expert for your business and sometimes borrowing proof from places that aren't that you've built multi-million dollar businesses before, and you did such a great job of doing two things.

One, saying I've built businesses in the past, I understand the operations of this. And second, I'm the market. And you saying I'm a full-time late night snacker is just such an unbelievable well done line of saying I'm the ideal person for this, and that stood out to me and to everybody else who saw you present this. So, please, keep going.

[DAMIEN] [00:25:06] Okay. So, right now, as for our network, we're working with You Bars, they're a contract manufacturer and co-packer based in Los Angeles, California. They're helping us currently with formulating the product as well as packaging design and print and



shipping the product if we need to. So, once we get the funding we need, we're able to start our first production run. And secondly, we're part of Cap Inc, which is a community that provides mentoring for startups. It's created by Ryan Moran, and he and his team have the known expertise to help us grow and scale our business to eight-figures and beyond.

[00:25:47] So, what is the problem that Effing Good Snacks is solving? Well, actually, we have to date this back to many, many, many years ago. Humans have actually been biologically wired to consume as many calories before bed, so our appetite peaks at night. Our craving for sweets, fats, and salty foods are at their highest, and that's actually when our willpower is the lowest. So, we can't change that, and that's why we're giving people kind of a middle ground to enjoy their favorite late night snacks, but without the subsequent guilt afterwards.

[00:26:26] So, how many of you actually caught yourself grabbing a snack at night? Most of you, right? So, we've found a lot of social proof on Facebook groups and Reddit groups of people talking about how they're on this journey of diet and keeping up their weight, but the one thing they can't solve is their late night snacking, and that's due to the decreased willpower at night.

[RYAN] Anybody who saw that slide, Damien, this is so well done, you've got everybody who saw that slide to relate to it, which means that any investor who is seeing your deck is saying, oh, I'm the target market for this, because you've painted such a clear problem that is literally universal. I thought you did that extremely well.

[DAMIEN] [00:27:13] Yeah, awesome. So, we know that nighttime snackers such as myself and everyone listening, we crave the chips, the cookies, and the pizzas at night, but we aren't necessarily willing to switch from our typical unhealthy snack to a nutritional bar. So, we make snacks so that people don't have to constantly battle between eating healthy but not satisfying their cravings, or eating junk and feeling guilty afterwards.

So, night time snacking is going to be a billion dollar category in the coming years, and we have the chance to be first to market and establish the number one position. We allow people to indulge in their favorite snack at night, but won't beat themselves up after it or keep them up at night.

[RYAN] [00:27:58] Let me pause here and just as Kristy, for a second, when Damien is presenting on his business, when you're sitting on the sidelines as a fellow member of the Capitalism Incubator, how do you receive his pitch deck at this point?



[KRISTY] I'm like, wooh! I want to invest in your company, but I don't have the money.

[RYAN] That's like, one of the beautiful things of this process is, when you're crafting this deck in isolation, you're talking to the wall, but Damien, you've got so much feedback from the rest of the group and everybody who has seen this at this point that it's like, how could you not pursue this business after seeing how everybody else responded to it? So, please, keep going.

[DAMIEN] [00:28:50] 100%, yeah. So, just to show you how big of an opportunity this is, I found some stats online. Fifty billion dollars is spent annually on snacks consumed between dinner and bedtime. Eighty eight percent of consumers between 18 and 34 snack regularly at night, and of those consumers, 58% of them feel guilty and out of control with their late night snacking. So, there is no better time for this business to exist.

With COVID-19, more and more people are actually staying at home, and this means that consumers are increasingly watching more Netflix or TV with their friends and family, rather than going out. And, what do you do when you watch TV? You grab a snack. The second reason this is the best time is because online grocery sales have taken off since the pandemic, as well. People are becoming more and more comfortable with buying food online and realizing how much more time saving and convenient it is. So, this is a golden opportunity for Effing Good Snacks to release products that complement what people are already doing in their day-to-day lives.

[00:30:00] As for our first product, we plan on releasing mini almond butter chocolate chip cookies. We picked this product because cookies is actually one of my indulging foods, and cookies is also one of the most popular late night snacks in America. They have a total market size of four billion dollars, and Amazon sales alone is \$52 million per year.

So, right now, as I've said before, You Bars and I are working on a formulation for the cookies, and the first prototype is actually going to be ready in about two weeks time. The coming products that we plan on releasing include cereal, bread, chips, popcorn, and frozen pizza. All of these products that we've picked, our consumers love and they want it and they know that they can feel good about it.

[RYAN] [00:30:54] And, Damien, how do you know that? How did you come to that product line, and how did you verify that people wanted it?

[DAMIEN] Yeah, so, the first thing I did was I went on keto groups, diet groups on Facebook and Reddit, and I kind of searched up, what do you crave most when you're on this diet, or



what do you crave the most when you're trying to lose weight? So, that gave me a list of ideas, and one of the exercises from Cap Inc was to talk to people, talk to your ideal customers, so that's what I did. I had friends come over, and I called them up, and I asked them, hey, what do you crave? What do you snack at night? That gave me a bunch of ideas and I just picked the ones that excited me the most and kind of made sense as they go along their journey. Yeah, so that's how I picked them.

[RYAN] [00:31:49] Good, excellent work, my friend, keep going.

[DAMIEN] So, the plan, the strategy that we plan on taking to launch this thing to market is ... So, as you might know, Quest is a billion dollar company that started out with an amazing product line partnering up with fitness influencers. So, we'll be following a similar strategy in creating an amazing product line and partnering up with fitness and health and wellness influencers that our target demographic, Gen Z-ers and Millennials follow.

We'll also be sending our free product samples to multiple influencers in this space, as well as reaching out to blogs and podcasts for guest posts and sponsorships. That will give us some good PR. We'll be using this audience that we've secured from the partnerships to launch and scale our products on Amazon.com and our own website as well, and starting with the cookies, we plan on releasing one product per quarter.

So, we plan on releasing very aggressively so that we can actually dominate the category itself. Each product that's going to be launched, it's going to be launched with the audience we've secured, as well as running Facebook, podcast, and Youtube advertising. And, some similar companies in our space that have done the same thing are Quest Nutrition, they were acquired for a billion dollars; Magic Spoon, they raised a \$5.5 million dollar [inaudible 00:33:17] and they're a keto-friendly cereal company; Skinny Pop, as you might all know, was acquired for \$1.4 billion dollars in just five years alone. The common thread between all these companies are that they're capitalizing on the growing trend of better for you food products that the world is saying they need and want right now.

[00:33:41] So, right now, we are seeking a strategic investor for \$250,000 in working capital at a three million dollar valuation. We project to hit a million dollars in revenue by the first 12 months. I picked this valuation because I think it's justified by the fact Magic Spoon first raised four million dollars just based on a prototype, and what they do is they reinvent favorite cereals into better for you versions, just like how we're doing with late night snacking.



What we'll be using this investment to do, is we'll fund our first production run as well as creating the next few products and releasing them as well, and acquiring more customers to get them on subscribe and save to give us that recurring revenue. This investment will also allow me to hire outside vendors to fill a role that is not within my expertise, just like with how I did in my last business where I can just solely focus on what I'm really good at, which is the product side of things.

We have set a target valuation of \$50 million in four years, and this \$250,000 will give us the fire power to get there, and based on our strategy, implementation, and the huge market potential, investment of just \$250,000 will 20X in a four year period. So, night time nutrition is coming, and Effing Good Snacks is here to lead the way. Thank you for listening.

[RYAN] [00:35:13] Great work, my friend. Amazing work. Fantastic work, Damien. So, how many people have you run your pitch by now that you've completed it and gotten the feedback that you got inside of the group?

[DAMIEN] Do you mean, like, present it one on one?

[RYAN] Yeah, I mean, have you met with potential investors? I know that you recorded a video of yourself going through this and put it out publicly. So, what kind of feedback have you gotten?

[DAMIEN] Yeah, so, once I posted it to my Facebook page, I got messages from family that I haven't talked to in a while saying, good job, I didn't know you were doing this, and friends reaching out saying, this is amazing, this is so cool.

So, it kind of gave me that confidence boost I needed, because a lot of the times, I'm sure most of us have experienced before, the doubt, like, can you really do this, or overcomplicating things. And I guess putting this on my Facebook page kind of gave me that extra boost I needed to say that I really can do this. But I haven't, in terms of meeting with investors, I haven't done that yet.

[RYAN] [00:36:21] Now, I know you plan to. So, what's that next step like for you?

[DAMIEN] Next step? I know you talked about posting your pitch deck on LinkedIn, so that's what I'm planning on doing, as well as ... yes. I know Trevor Blake offers investing, so maybe I'll look into that.



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[RYAN] Yeah, you could just go right to the source on that one. So, Damien, if somebody wanted to pony up the starting capital to partner with you, how might they get in touch with you?

[DAMIEN] So, my phone number is (778) 710-5501 and they could also reach me at damienlaw88@gmail.com

[RYAN] Alright, cool. You might regret putting your phone number on that one. Great work, my friend, really great work. What I think you did so well in this was you took the directions to heart of positioning yourself well amongst a busy marketplace and not showing why it's a competitive space but why it's a growing space and why it makes total logical and emotional sense for somebody to give you \$250,000. I thought you just smashed it, great work. Now, let's go over to Kristy.

Now, Kristy, you and I kind of went back and forth via a little bit of Facebook Messenger where I asked you for some clarification about your deck, and I told you I think you're just inches away from having a home run here. The thing that so impressed me about your approach was it was very specific to one person, which is something we beat to death inside of the Incubator. I'm curious, what led you to targeting that person?

[KRISTY] [00:38:26] Yeah, so, one, I am that person, and as I was saying earlier, I was doing market research, I'm an idea person, so I had a list of like ten different ideas, and I was approaching it more from the product idea, because that was before coming in to Cap Inc, and as we started to talk about, you really need to target a person, not a product, I started to narrow it down. I had, with my ideas, I was like, there's probably three people I could really target. Different demographics.

And as we started to have our breakout sessions in our calls, we've shared who our target person was and what we've learned. I didn't have a target person, so I was like, I don't have a target person, but here's my ideas. Everybody in the group is like, you need to target this group, because when you talk about it, it's what you're most excited about, and I knew in my gut, before I even came, that's who I should target. But, I just needed that person to say, yes, that's who you should go after.

[RYAN] [00:39:34] Yeah, well, it's so easy when you're working on your own to look outside yourself for all those answers. But, the best businesses and the best companies are the ones that you know, the ones that you're excited about, because they're the ones that are going to



propel you forward. So, with that, Kristy, tell us a little bit about your business and walk us through the direction that you're taking your vision.

[KRISTY] [00:39:59] Okay. Well, I'm Kristy Houck, and I'm excited to present to you Meraki Hunt. So, when you hear about hunting, most people right away think about men. Well, there's us female hunters as well, and that's what Meraki Hunt is all about. It's about completely focusing on women hunters and meeting the demands and needs of their lifestyle. So, from the woods to the table, Meraki Hunt has you covered.

So, one of the main things is that women hunters are very underserved, and they also face problems directly due to their gender. The main problem is hunting clothes, as most of the people I've talked to suck. They are designed for men, they're big, they're bulky, they don't fit right, and there are a few companies that have clothes out for women but they don't have the functionality, they don't have the performance, and they just don't have everything that the men's systems have. So, a lot of times, women hunters will actually buy men's clothes even though they aren't the best option.

[00:41:09] So, part of our solution is to create performance tech apparel. The other problem is scent. So, if you're out in the woods, if a big game comes in, like a deer or something like that, and they smell you, they will ... you might not even see them, or they might be walking in but they'll be out of range and as soon as they get your scent, they just turn and are gone. So, our second idea is to come up with a scent-free personal care line, which would be the shampoos, conditioners, body wash, deodorants that are all scent-free, specifically for women. And that's a problem because there are products out for men, but they do not work on women's hair.

So, I have many people that say it makes their hair feel like straw and it just doesn't work. In addition to that, we want a lifestyle product line because hunting is more than a season. It's a way of life for women hunters. So, our products will help women experience hunting and being in nature even when they can't be. So, the overall US hunting market is valued at \$86.9 billion dollars with one of the key drivers being the rise in popularity of outdoor recreational activities.

[00:42:23] Competitive landscape includes Cabela's, which has \$3.6 billion dollars in annual sales, and they were acquired by Bass Pro Shops for \$5.5 billion in 2017. There's also the Sportsman's Warehouse which had \$186 million dollars in sales last year, and they acquired eight [inaudible 00:42:45] stream stores for \$28.8 million dollars last year. If you look at the hunting apparel market alone, it is worth \$1.23 billion dollars and growing at 6.6%, and some of the companies in that space include SITKA Gear, which has \$250 million dollars of sales last year; KUIU, which has \$50 million; and Kryptek, which had \$4.8 million.



But all of these companies target men first. As I said, they might have one or two things our for women, but they really target the men's space. However, women are the fastest growing segment of hunters. Last year alone, there was 35.9 million hunting licenses, tags, and permits sold in the US and 20% of all hunters are women, which leaves 7.2 million hunting licenses were sold just to women. There's a significant market opportunity.

[RYAN] [00:43:50] Kristy, I'm going to interrupt you here because that was the line that sold me. So, when I saw you go through that, that was the line where a couple things happened in my brain. First, I was like, Kristy really knows her stuff and knows this market. And number two, when you showed that women are the fastest growing segment of the market, that's when my logical part of my brain went, okay, this is an early trend, there is a big market here, and that means that the product line that Christ outlined isn't just an idea, it is totally backed up by the growth of the marketplace. I just wanted you to know that that line was where it was like, that was the mic drop for me. Great work.

[KRISTY] [00:44:44] Thank you. Alright, so that brings me to the leadership of the company which is myself, and as Ryan already said, I was able to launch and scale a pet supplement business with a sizable exit in less than three years. I also had a profitable ecommerce retail store in the performance pet clothing market, and I am very well known for market analysis and looking at opportunities for new tech and product assessments. I actually do some consulting work with universities in that area. I'm also an avid hunter, so I know everything about women hunting. I'm very well connected to the space. I belong to a lot of groups that area all about just for women hunters.

So, I am currently seeking \$250,000 of working capital at a \$2.46 million valuation and I came with that by looking at just the clothing space alone and targeting women hunters in the US, which is 20% of all hunters, and capturing only 1% of the market leaves a \$2.5 million valuation. I'm having a target revenue of ten million dollars in three years, and the working capital will be used to aggressively release new products. It will help to expedite the design and production of the performance tech wear, and allows for the implementation of key marketing strategies. So, at that point, I guess if there's any questions, or ...

[RYAN] My main question, Kristy, is how do you feel after walking through that?

[KRISTY] [00:46:39] I feel pretty confident, and yeah, I think the vision really just came together and, like I said, I'm really involved in the women hunting groups, so I know what their problems are, I know that they think all the products out there suck, to use that word if that's okay. So, I



know what they're looking for and it's so easy to connect and talk with this group and find product testers that are going to come and say, hey, yeah, we like this product, this is what we think you should add. And just to have that group there to walk through the product development is really key.

[RYAN] [00:47:19] And Kristy, if somebody wanted to pony up the capital or offer something else to you, how might they get in touch with you?

[KRISTY] Yeah, so, my email address is khouck1827@gmail.com and my cell phone number is



[RYAN] It's dangerous for a young girl to give out her phone number. Capitalism.com is a bunch of dudes.

[KRISTY] I am married, just so you know.

[RYAN] Kristy, great work, I'm really proud of how far you've come on this, because I know it ... my assumption is, based on the way you've communicated, tell me if I'm right, you came into this kind of unsure that this was the direction you wanted to go, and it just feels super clear and rock solid about where you're going. Is my assumption about you correct?

[KRISTY] [00:48:20] Totally. Yes.

[RYAN] Would you comment further?

[KRISTY] Yeah. As I said, coming into Cap Inc was more of ... to come with a clear vision, and I had no clue at the beginning where I was headed. I was all over the place. Home ownership, new home ownership, to skin care, to you name it, I was all over.

[RYAN] Well, I'm really glad you went in this direction. Great work.

[KRISTY] Thanks.

[DAMIEN] Good job, Kristy.

[RYAN] Yeah, really good work. So, I want to flip things over to the young one in the group. We're basically watching him grow up. Keerthan, you're growing up before our very eyes. You're being baptized in the fire, my friend. So, you've shared the story about ... a little bit



about you coming up with the idea and us war gaming it together on a live call, and I'm curious for you, now that you've got the complete vision that you're going to share in a second, how do you feel about your confidence becoming an entrepreneur now that the vision is set?

[KEERTHAN] [00:49:32] My confidence just went oop!

[RYAN] Good, good, good. What was it before?

[KEERTHAN] Questionable. Very questionable. Especially with the social circle I have, most of them not really into entrepreneurship and stuff, now they're all like, oh look at Keerthan, dude, he's going to go big, just wait.

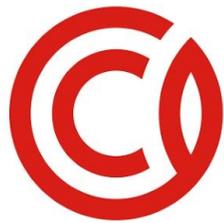
[RYAN] That's good. And a lot of them were convinced based on you putting together this deck. So, why don't you kick us off and tell us a little bit about your business.

[KEERTHAN] [00:50:06] So, my brand is named Sense Fiction. Sense Fiction is a brand that is served and is based around fiction book lovers, and our brand essentially has three core focused goals. One is to contribute and amplify joyous reading experiences. Two is to unite a strong and social community of fiction lovers. And, three is to empower authors to have stronger and more social connections with their fans. We are going to do this through a physical product line and a book club membership.

[RYAN] Great. Well, walk us through the strategy, your product line, and your ask.

[KEERTHAN] [00:51:01] Alright, so here's the gist. Since the pandemic, the fiction industry is booming. Multi-multi-multi million dollar authors are being created. Romance novel consumption is up, fantasy consumption is up, sci-fi, thriller, crime, the consumption of basically any fiction genre you can think of is up. And the problem is, well, no one is talking to those people. Libraries have been discontinuing book clubs since the pandemic, GoodReads discontinued their socializing service Pen Pals, and big book retailers such as Barnes & Noble and Book of the Month have just completely lost the socializing aspect of book clubs.

This has led to a scattered community of fiction readers as they don't know anyone other than themselves, they don't know of any other fiction lovers other than themselves, and they feel more lonely than ever without brands or clubs that support them well. And I know you guys can't see my deck, but in my deck I have a slide of customer proof of a few of the several posts of readers feeling alone on a subReddit named books, and they are complaining about reading great books and hardly having anyone to share them with, not being able to socialize about



them, and not having anyone, any other contacts who understand their quest to lose themselves in a great book.

[00:52:26] And that's where we come in. We will offer products that are of badges of honor, as identifiers of our customers being fiction readers, as they will let them have pride in reading fiction. They will also contribute to reading sessions by heightening and amplifying the experience and allowing readers to immerse in a book even further. Essentially, in a similar way to how G Fuel supports ESport gamers and contributes to gaming sessions, Sense Fiction supports fiction lovers and contributes to reading sessions.

After consistent sales with our initial product line, we will build a virtual book club starting with our best customers and it would have tons of socializing and our members would build great relationships with each other, and we will have live calls with author features and Q&As. Essentially, what Oprah does for non-fiction, Sense Fiction will do for fiction. This is also such a great timing to build a brand representing fiction because ever since COVID-19 hit, paperback fiction sales and fiction in general sales rose 35%, making fiction genres the best-selling of them all currently.

[00:53:40] On top of that, recent brands that some of you may know, such as Book Beau, they recently hit seven figures and are still scaling further. Our strategy consists of two parts. We will start by launching our products on Amazon.com and we chose Amazon because it is the largest marketplace of book buyers around the world, which would help contribute to our traction.

And once we build greater momentum down the road, we would move our traffic onto our own marketplace, making it easier to sustain our brand identity. I want to stop here because I've been struggling between choosing Amazon and Kickstarter, because Amazon, as I said, such a large marketplace of book buyers, but Kickstarter, so many book accessory brands, like Book Beau, Page Anchor, and others. They get funded very, very well, so it is just that one little thing we're deciding between, but regardless which way we take, I believe we will still prosper.

[RYAN] [00:54:45] Yeah, and the important thing that I think you've done really well in your deck so far is identifying who the audience is, and that audience is the growing market of fiction readers. When you're really nailed that, it doesn't matter so much if you're optimizing for Amazon or for Kickstarter or for Shopify or for retail or for wherever you're going. It matters that you're absolutely clear on how you're going to get in front of these readers.

The other thing that made me so sold on your vision is that you're creating the platform that other authors would want to contribute to because it will sell more books. And as you do that,



you get the readers who are the customers of those books to join the platform, and buy more books, and buy more physical products, which end up being the cash flow that really builds the engine of this, which is where I think you're going next.

[KEERTHAN] [00:55:44] Yeah, and I know that it would work out very well because it is such a passionate market compared to so many others we look at, so that's why I'm super, super optimistic about how it will turn out in the future.

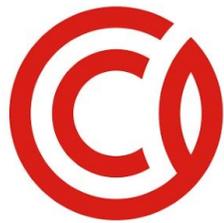
[RYAN] So, Keerthan, why don't you walk us through the comparable businesses that you've got in your deck and then take us to the ask.

[KEERTHAN] [00:56:09] So, the comparable businesses I have in my deck include Bookish, which is a subscription book service valued at about eight million dollars right now, and they raised about \$160,000 in seed funding. Another is Tiesta Teas because they have similar products that we're about to launch in the future. They are valued at about eight million dollars and raised almost one million dollars in series A funding. Another that we have is Book Beau. They just hit a million dollars in revenue per year. Another one we have in our business is Chesapeake Bay Candle, which was acquired for \$75 million dollars recently, and they are having similar products that we will launch in the future.

And our ask is seeking \$200,000 in working capital at a \$1.5 million dollar valuation with a target revenue of one million in the first 12 months. So, I chose this valuation especially because of the growing market that is happening right now, and of the other book brands that are funded in this market. And also because of the assets and direction we are headed. And it's cool because any investors that will have early participation will have the first crack at a brand, at a persistent and hungry audience with substantial traction, as publishers and authors have expressed their interest, and the team's network has responded favorably.

[RYAN] [00:57:58] Keerthan, one thing that you didn't go into a whole lot, like you put a lot of attention into the platform that gets in front of this hungry audience, but one of the things that really excites me is because you're in front of this audience, you've got a really clear path to victory with your physical products, like the candles that you're going to launch. You can do the bean bag chairs, hammocks, and all kinds of stuff that basically people use being a fiction lover, and I think you had that, and I may have made you skip that, so would you walk through that product line a little bit?

[KEERTHAN] [00:58:45] Yeah, absolutely, absolutely. So, we are starting with our Sense Fiction old book scented candle, the most requested by far, which is why we're doing that as our



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gateway product. And then, we will move into Sense Fiction reading pillows which would help you prop your book up, then we will have herbal teas, fruit flavored herbal teas, and then we're going to have coffee and low-sugar cookies, and on top of that we're going to have a little page ... we're designing, currently, a little page holder that will help you keep your book open much easier, and we will later on develop our candle and tea line in order to suit different genres of fiction, too. For example, our romance candle is planned to have ... I think it's including scents of peach, orange, and vetiver. And we saw another candle with champagne bubbles, which we could think of including for a fantasy candle.

[RYAN] [00:59:52] I love that, my friend. And what has been so telling in your approach was when you really nail that target audience, the whole world opens up, because now, you're more than just a candle company. You're a platform. Now, you're more than a platform, you're a community. Now that you're more than a community, you're a raving fan base. The more you focus on that, the more valuable the company. So, if somebody wanted to pony up the \$200 grand of seed capital or reach out to you, how might they get in touch with you?

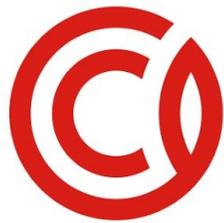
[KEERTHAN] [01:00:28] You can get in touch with me at diddige.keerthan@gmail.com and heck, my phone number is [Inaudible 01:00:45].

[RYAN] And all the young ladies start to text Keerthan. Would you spell your email address one more time?

[KEERTHAN] diddige.keerthan@gmail.com.

[RYAN] It's been a pleasure being a part of your growth, my friend, and you're just getting started. Great work. Yasmine, I'm going to come over to you and what's been different about your experience is you're coming in with an audience, so you know this market really well. You know your person really well, and so this has been a bit of a different experience for you. What's it been like getting to this point?

[YASMINE] It has been so much of an exercise in thinking bigger and really, really understanding, as I said before, it's not just about making a product and all this stuff. It's really about serving a person and knowing that I know my person. I think the past few months in the Capitalism Incubator have just been incredible, and I'm so glad you asked this question, because I just wanted to say I think it's one of the best investments I've made, and it has just been such a valuable experience.



I am so glad to be part of it. I am so glad I took a chance, because it was risky. It felt risky at the time. I didn't know what I was really getting into, and I didn't know that it would just be one of the greatest experiences I've ever had, so it's been a wonderful journey and so valuable, and I can't believe there's still so much time left, because we've covered so much stuff already.

[RYAN] Yeah. It is kind of interesting to realize that we really just started. We've all been working together for a few months now, but you've come so far in those three to four months, and the biggest jump I think you nailed was ... and this is so edifying to my ego when you say it expanded your mindset, because my goal in that first week was how do I get these people to think way bigger than they're thinking right now? Because they're coming in with the dream of hitting a million dollars. How do we make that vision way, way bigger? And I gave you some assignments that forced you to do that, and that really shifted the conversation of where the group went. So, thank you, and it has been a privilege to be a part of your growth as well.

[YASMINE] [01:03:23] Thanks, Ryan, and I mean, mission accomplished. It's been really ... the energy in there is so incredible and I feel like every week, the things that we're doing ... sometimes I want to pull out my hair. I'm like, what is this exercise? This is difficult. This is a lot to do in one week. But, I just can't believe where we all are. I'm so proud of everyone, too.

These pitches are amazing, and it has just been so great. It is the best decision I made this year, was signing up for the Capitalism Incubator. I'm really grateful for it, and I think about that a lot because my journey this year has just been ... I don't even have words for it, it's just been incredible. It has given me so much confidence. Working with you and having these conversations, it's so valuable. It's, like I said, the greatest decision I made this year. So, I'm really happy.

[RYAN] Good. We're happy, too, Yasmine. So, why don't you walk us through the vision of your business.

[YASMINE] [01:04:19] Okay. Here we go. Before I get started, I just wanted to say, I'm not giving out my phone number.

[RYAN] Me neither.

[YASMINE] Okay, cool. Alright, here we go. So, a little pink line changes everything. The very moment that I first saw a little pink line on a pregnancy test took my breath away, and I knew in that very moment that I had become a mother, and from that point forward, nothing was more important to me than the health and wellbeing of my baby. That's exactly, in that very moment,



when my pregnancy journey began. It was nine months of planning, and researching, and preparing for birth, preparing for a new baby, and planning out the nursery, and learning how to care for a baby, and navigating how to breastfeed, and figuring out all that stuff on little sleep.

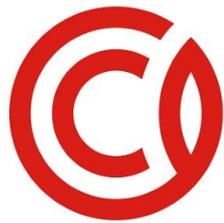
[01:05:09] What wasn't part of the plan was reflux, baby eczema, food sensitivities, and postpartum anxiety. Hi, everyone, I'm Yasmine Moussa and my company is Biomeology. I am a mom of two boys and I spent nearly a decade at a fortune 100 company where I managed sales and product development for an online marketplace. Now, I am a mommy blogger over at the Gentle Nursery, like you said, Ryan, where I write about the best products for moms and babies. I've turned a casual idea to start a blog into a six figure business by writing detailed, research-heavy articles, connecting with my audience, and leveraging the power of search-engine optimization to make my blog an organic success.

I am now a functional nutrition coach in training and a label-reading, ingredient obsessed mom, and my audience will vouch for that. My team at Biomeology includes an integrative OB/GYN and this business has been hatched inside the Capitalism.com business Incubator. Through my own experience as a mom and my work as a mom blogger, I've identified three key problems that are affecting moms and babies today.

[01:06:15] Number one, toxic chemicals are in our products and in our environment, and they're passing through the placenta and affecting babies in the womb. This is dangerous because babies, their organs are developing and they're more susceptible to damage from chemical exposure. So, because of this, a mom nowadays practically needs a degree in chemistry to decode which ingredients and products are safe for her and her baby.

Number two, our modern unhealthy lifestyles are catching up to us and babies are the ones that pay the price. That's antibiotic usage, chronic stress, over sanitizing, over medication, unhealthy diets, and chemical overload, as well as pollution in the environment. They affect mom's health, and by extension, they affect her baby's. So, baby eczema, reflux, colic, and other health issues are being diagnosed now more than ever.

[01:07:06] Problem number three is that, despite what we see on social media, so many moms are running on fumes and struggling, physically, emotionally, and mentally. By starting out pregnancy in less than optimal shape, because of problems number one and number two, moms are passing on a compromised health to their baby, and then in turn they get depleted by pregnancy. Then, there's postpartum depression and anxiety, and you just add to that the



routine struggles you face when you're breastfeeding, and adjusting to mom life on little sleep, and it's very taxing.

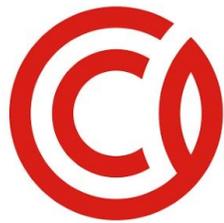
So, at Biomeology, we believe that good health begins in the womb, and we want to fuel motherhood by restoring nutrients and order in the body. So, we make organic, non-toxic functional supplements, products for moms and babies. There's no label-reading required, because I have obsessively vetted every ingredient. Our driving mission is to end postpartum depression and reduce childhood disorders, and we do that by making products with the highest ingredient standards.

[01:08:09] So, we are starting with a line of key supplements that support mom and baby's health during pre-conception, pregnancy, postpartum, and well into toddlerhood. Our prenatal probiotics launched in April of this year, and our infant and toddler probiotics are launching this month, and I'm so excited for that because I've been working on this for so long. They are the best probiotics for babies, I'm so, so excited. Okay, I digress.

We launch our products straight to our audience. So, because I've been blogging for over four years now, I have built up an audience. I have a Facebook group with over 13,000 members. My blog gets over 100,000 unique visitors per months, and we use the blog and the Facebook group to recommend our products and launch to a warm audience. We have over 38,000 on social media combined, 200,000 monthly page views, and this has been a key part of our launch process.

[01:09:04] So, when we look at the market, there's definitely demand for prenatal supplements, mom and baby supplements, and there are a few key players in the supplement space, such as Pre Mama, a prenatal supplement company that received \$3.7 million in funding, and several other companies also in this space, a few that are selling an estimated \$2-8 million per year. The difference is that Biomeology, we're approaching it from a functional perspective.

All our products and ingredients are made with the highest quality ingredient and manufacturing standards, and I can vouch for that myself because I personally oversee product development and I vet each and every one of our ingredients. As we've covered, I'm an obsessive ingredient researcher and label-reader. Moms like myself and my readers, we want clean, functional products, and that's what Biomology delivers. We make these products to identify the three problems I've identified, to nourish mom and baby so that they can thrive together. More snuggle, less struggle.



[01:10:01] So, to achieve our goal, we're looking for a \$300,000 investment for 20% equity in the company. This will go toward new product development, toward listing management, branding, and customer acquisition, including building up our social media and some investment in PPC advertising. So, the easiest way to reach me for anyone who is interested is by email, and unfortunately, like Keerthan, I don't have an email that's very easy to spell. So, the easiest one will be Biomeology@gmail.com. Thanks, Ryan.

[RYAN] Biomeology@gmail.com. You know what I love about the way you set this up, Yasmine, is you made the path to victory so obvious because you stack the deck with a 38,000 person audience, 100,000 unique visitors per months, and all we're doing is throwing really great products into where there is already an audience. I heard you say once, I am my own influencer. You've already got the audience. I mean, one of our case studies was Wellness Mama, who followed a very similar path to success, then came on and shared with the group about how they were in a similar space, built up the blog, and now they have an eight-figure company that they've launched in the back of that audience, and you're following along a similar journey.

[01:11:29] So, I really admire how you stacked the deck to [Inaudible 01:11:35] just an obvious path to success. You know, one thing, Yasmine, that I think you miss is how obvious your success is. I don't know if you see it as clearly as I do, and I tell you that as a compliment because your audience loves you, your product line is already the best in the industry, and it's just a matter of time for you, so I'm very excited for you.

[YASMINE] Thank you. And that means a lot to me, to be coming from you, and it's just so great to be in this stage, because I remember being scared to get started, and it was you and the team that really motivated and supported me. To even be in the same sentence as Wellness Mama is just an honor and she's definitely someone that has motivated and inspired me. So, I really look to her success as motivation for what I'm doing, and I love that I get to serve my audience, and hopefully make the world better, and do great things, just like she does. So, thank you, Ryan.

[RYAN] [01:12:46] I want to ask this question to any of the four of you. I forced you all to come up with a valuation and an ask at the end of your presentation. How many of you hated that part of the process?

[YASMINE] That was hard.

[RYAN] That was hard for you, Yasmine?



[YASMINE] Yeah.

[RYAN] What did you say, Keerthan?

[KEERTHAN] Definitely me, at first.

[RYAN] You hated that part of it?

[KEERTHAN] At the beginning, but then later on, after I let it marinate, it just boosted my clarity even more, just with two numbers.

[RYAN] Right, and my guess is, and one of the reasons I made you do this is, it forced you to start thinking as a seven-figure business owner. None of you valued your company at \$300,000. Damien, you came out of the gate with a three million valuation. Your prototype is still two weeks away. But, the minute you've got that prototype, you've already got the clear direction, the clear path to having a seven-figure business. So, what was it like for you to put on the outfit of the owner of a three million dollar business?

[DAMIEN] [01:14:05] Yeah, so, going into this, when you asked us to put an ask, I thought, do I put zero, because I don't have any sales, and I watch a lot of Shark Tank, and Mr. Wonderful screams at people who have high valuations. So, yeah, once I started thinking at a million dollar business plus valuation, it gave me a lot more ideas on how I can spend advertising, how I can leverage that to reach out to influencers, how I can just think bigger in terms of everything overall with the business. So, that was awesome.

[RYAN] Beautiful. Now, Kristy, You come at this from a product background where you don't think about valuations until you go to sell, and so you might now have even had that conversation or that thought until you went to market with your last business. What was it like to set a valuation from the beginning of a journey?

[KRISTY] [01:15:03] Yeah. It really helped with clarity. I think having that set and really understanding the potential of your market, it makes you dive into numbers a little more, like, okay, what can I achieve? It makes you have a much larger picture and vision than starting from the opposite where you don't even think of valuation, and it's definitely eye-opening because I think as entrepreneurs, we're so excited to dive into things and get started and often times we don't think of the large vision, and we actually are our own hinderance, so we have all these mental blockages that say, oh, well I can't be that other company, or we start looking at



competitors instead of saying yes, I can do this, and this is why, because the valuation is real, it's based on true numbers of the market.

[RYAN] [01:16:04] Yasmine, you made a face at me when I gave the assignment of recording your pitch deck and putting it out publicly. You made a face that was basically like, I was your least favorite person that day. So, what happened once you actually did that assignment?

[YASMINE] I'm impressed that you remember my reaction, it left a mark. It was a little outside the comfort zone. I've always operated very privately, and at first, even with my blog, I didn't want people that I knew in real life to know what I did. So, that was definitely outside my comfort zone. But going through that process, and even just making this deck and doing all the research on valuations, it really just ... it opened doors, I would say.

It opened doors because once you put yourself out there, and you put yourself out there to your community and the people that love and care about you, people want to support you. So, it was very ... it was very humbling in a sense because it really showed me how much the people in my circle want to support me and want me to succeed and it was ... it actually turned out to be a pretty cool experience.

[RYAN] [01:17:20] Good. Well, Damien, Keerthan, Yasmine, Kristy, I am betting on every single one of you and I'm really proud of the progress you've made. And, as Yasmine said, we're just getting started. I mean, you've got a clear vision, a clear valuation, a path to success, and now we get to dive in, and launch this thing, and build million dollar businesses together. So, I'm so excited, so proud of you guys, and thank you for hanging out with me today, guys. I'm rooting for you, and so is the rest of the community at Capitalism.com

[KRISTY] Thank you, Ryan, you're the best.

[DAMIEN] Thanks for having me.

[YASMINE] Thanks.

[RYAN] Thanks, guys. We'll talk to you soon.

[YASMINE] Bye.

[RYAN] That's a wrap.

