



He Hit 6-Figures With 2 Products & A Facebook Group Ryan Moran and Andri Sadlak Transcript

[RYAN] So, a couple of years ago, a young kid came up to me at one of my events and he was like, hey, Ryan, I just wanted you to know you're my hero. That was a really, really cool moment. But, I didn't know who this guy was, and I didn't see him until several years later. And several years later, he had launched a business, and I didn't know this, but he actually took his first sale while he was at one of our events, which he talks a little bit about in this podcast.

Well, he messages me a few months ago and he says that he was going through an exit, and he was selling his business. So, I invited Andri onto the show to share the whole story about coming to the event with no sales, and then just a couple years later having an exit. Now, there's a couple of things that I want you to keep in mind.

Number one, I didn't know Andri's full story. So, Andri drops a little bit of a bomb on me a little bit into this podcast interview where he says that a little less than a year into the business, he lost everything. Lost all his savings, he lost all his inventory, he lost his job, and he talks about the fact that he basically had to start over, and he had to recover everything that he had built up to that point, and he still had a meaningful exit shortly after that.

And the second thing that I want you to listen to is the process that Andri used to actually build and then recover the business because he followed what we talk about in my book, *12 Months to \$1 Million*, to a tee. He built a very small audience, he launched to that audience, he listened to that audience, and he didn't care about things like Amazon algorithms, and that allowed him to have a loyal enough following to carry him to the point where he had a meaningful business that he can sell. This is a beautiful case study for those of you who are early in your journey or thinking about starting this journey, so please, join me in welcoming Andri Sadlak.

[RYAN] Andri, welcome to Capitalism.com. To kick things off, I think congratulations are in order. You just had an exit, my friend. How does it feel?

[ANDRI] Thank you, thank you so much. Thanks for having me.



[RYAN] Of course. So, you just closed. You just had your exit within the last couple of months, I believe. So, to kick things off, let's start at the end. Tell me what you can tell me about the exit. Just tell me whatever you feel comfortable sharing about size, timeline, why you did it, just give me an overall summary about selling the business.

[ANDRI] Yeah, absolutely. I think I can share most of the stuff if not all of the stuff because I did confirm with the buyer he had no issues at all. So, I sold my business which was a three year old business for half a million dollars. So, \$500K. Why did I sell it? Basically just following my gut. I wasn't 100% sure that I should, but my intuition said that I'm ready for something new, so that was the main decision maker there. Yeah, that's about it. That was the biggest thing that happened to me last year and I'm still living through this.

[RYAN] Now, a few weeks ago you sent me a message that said, "Ryan, you were right, I can sell this for a lot more than I thought." So, tell me what you meant when you said that, and remind me and everyone listening about that conversation we had with me telling you that.

[ANDRI] Yeah, that was a fun conversation, because that conversation was ... the original conversation about exiting was I think in March 2020, so right around the time when the pandemic came in and it was new to everybody and I was scared just like most of us did. Since my products were in the travel-related niche, that was even more scary because I love travel and I couldn't, and most people couldn't travel anymore. It was like, oh, it's going down.

I'd already thought of selling the business at that point, and I'm like, I'd better get out as soon as possible. When I talked to the broker initially, the valuation was super low and that's when I started doubting myself because I'd put so much work into it and I felt that the brand was pretty strong. And numbers before the pandemic hit were pretty decent, too, but what's funny is as soon as we got used to it ... So, starting from April, every month, my new month was better than the previous one.

Every month, my revenues and profits were going up. Months by months by months by months, by the end of the year, the business was making more than it has ever been making and I sold it actually in Q4. So, the last two months, November, December, the new owner was making much more than I have ever made in that business. So, it's a little bit of irony there, but still, no regrets. It's been quite a journey.

[RYAN] That's great. Good for you. The last time we saw each other in person, you were still kind of deciding what route you wanted to go with this business and with your career. So, now you've gone through the exit, you said you were following kind of your intuition about what to



do, I'm curious if you would change anything about how you got to this point based on that uncertainty that was floating around a couple of years ago.

[ANDRI] That's a good question. There's definitely a lot of lessons learned. So, with the new business I'm thinking of, I'm going to implement the stuff I've learned. But if I summarize it, I'd say there are good things and not so good things. So, good things, I always focused on long term and on building a brand and not only depending on Amazon. So, I was already in the process of diversifying my sales channels with that business, so that was a very big positive that I'd like to take to the next business as well.

Not so good things were probably focusing too much on Amazon algorithms while I could focus on building stronger relationships with my clients and strategic partners in order to grow the business.

[RYAN] Expand on that, because I preach this and it's good to hear somebody else say it.

[ANDRI] I know. Well, one of the things I started doing pretty late, in my opinion, was working with influencers. I only tasted how good it can be around the time I sold the business. So, I'd already started having some sales generated by people talking about the products on Instagram, Youtube, and elsewhere, wherever they talk about it, only around the time I was selling.

So, I was like, if I were to do this for the last three years, not just the last year, I'd probably get much better results and I'd be able to diversify off Amazon sooner.

[RYAN] And tell me about those relationships toward the end of your experience as being the owner. What type of results did those relationships create for the business?

[ANDRI] In all honesty, the results were not impressive yet, but I could see huge potential and I really enjoyed working with people versus Amazon's AI. So, what was nice was content that was created by those people, was sharing content, they really enjoy the quality of the products that I created and I could reshare it everywhere. So, if you measure only the sales they generated, it would not be comparable to what Amazon generated for me, but the effects of being able to share those images and videos with my Facebook community that I build for the brand, or my Instagram or even Amazon posts. It adds the human element to the business-

[RYAN] So much. And I think so often, entrepreneurs who are running brands are looking at an influencer sponsorship like a one time transaction, so they're looking at, spent a thousand, I



should make a thousand. But when you are running a Facebook ad, you don't think about it that way. You think about the long term customer value. You don't expect to break even on day one. You expect to lose at first and then make it back over time, but we forget that mindset when it comes to influencer sponsorships.

It's so funny how sellers just completely forget that piece. So, Andri, you got some lessons that you're going to take into the next business. You just made half a million bucks, which isn't going to allow you to never work again, but it is more money than most people have before they're 30, before they're 50, and you've got it socked away. Tell me how it feels. Do you feel surprised? Do you feel stressed about it? Do you feel excited, relieved? Tell me about it.

[ANDRI] I've felt different at different times. So, when I was getting closer to the sale, I felt excited because I felt that someone, and actually a lot of people, expressed interest in the asset that I built, so that felt flattering. And also, for me as an immigrant, my parents have probably never made that much money their entire lives, so it does feel great. But, as soon as I got that money in my bank account, I look at the number, it didn't mean anything to me, and I was like, oh, it doesn't really matter that much.

The only question is, what am I going to do with this now? What's the next step? And knowing what I know now, obviously I can build something greater. What is it? Focus on that and keep creating, because that's what I do best.

[RYAN] So, let's go back to the early stages when you started this business. How did you get into this business? Why did you go into this niche market? And what were the first six months like for you as you were grinding it out?

[ANDRI] The first six months were fun because, actually, I set a goal for myself to have very first sales, to be an entrepreneur, by the time I joined the Capitalism Conference 2017. So, when I flew in and saw you for the first time in person, December 6th was my first day of sales, ironically, because that was the goal, and my inventory got stuck somewhere, it got delayed. I was pretty disappointed. I'm flying in, I don't have any sales, I want to preneur still, but first day of the conference, I checked my app and I was like, oh, it checked in. Oh, I have first sales, it works!

[RYAN] I didn't know that part of the story. That's terrific.



[ANDRI] Obviously, I met a lot of great people there who kind of steered me in the right direction going forward. That's the reason I'm jumping on interviews like this one. I want to share and pay back or maybe even pay forward. But the journey was pretty fun. The first year or so, maybe a little less than a year, I spent researching and improving the product, which I would not recommend to anyone else because I feel like speed is really important, but I was such a perfectionist and I went into a home decor niche where design really matters.

So, I can fully disclose the product because I've always been doing that. It's the scratch off map. World map was the first product, so scratch-off map of the world, and I did see a lot of imperfections, I should call, in the maps of my competition. So, I did improve design quite a bit, so many small things that I shouldn't talk about because it's going to take an hour explaining how great it is. But, I also found manufacturing in my home country in Ukraine, which enabled me to make this map United Nations compliant design, because all of the maps that are made in China have to comply with Chinese government. Mine didn't have to.

So, that was already a great differentiation for my customers. But, by the time I had it in stock, it was the best designed map, the highest quality, probably the most expensive cost of goods, too. I was paying about six bucks for the product versus two and a half in China. But, because of all of that, I was able to communicate that value through really high quality images and grasping at the tension, and keep that momentum moving forward.

So, I think it was important for me to look at the business from the standpoint of how do I make this better, and I enjoyed that. I love designing stuff. My background is in architecture so I feel like I've done a really good job with the actual design and-

[RYAN] How old were you when you started the business?

[ANDRI] Twenty seven, I think.

[RYAN] Great, so you were 27, and this is your first business, and your background is in design, so of course you would spend the first six months over-designing the product because that's your background. Of course you would, and now, in retrospect, you've got that group of behaviors out of the way, you're like, speed is more important, I think I should have just been focused on selling more, getting sales out the door as fast as possible and iterating as I go. That's what I'm hearing you say.



[ANDRI] Still, even though I did wait a little bit and made it a better product, it was not too late for that niche. Some niches are fairly short term. This one, fortunately, was not. So, the higher quality was appreciated. What was interesting that happened in the first half of the year was a huge loss at a time for me, because I was very confident. Sales were going great. I launched in Q4, so it was very positive in the beginning.

I was like, oh, I don't know anything about this, and it works, so that felt amazing. But, as I went and I was learning more and more and more about it, and the product was ranking better and better, my community was growing, I was like, okay, this has got to be my big thing, I need to focus. I borrowed some money, I bought enough inventory to stay in stock for a little while because I quickly learned that you should not go out of stock.

[RYAN] Never.

[ANDRI] Never. So, I did order a lot. At that time, it was \$5 units and in summer 2018, it arrives, two rounds of warehouses, and I started receiving one, two star reviews. Like, lots of them, and many, many emails every day. People were basically saying, hey, I'm using this scratch off map, but I can't scratch it. There was a clear quality issue that I could not foresee, and at that time, I did not have a proper quality inspection process. I just trusted that European quality is just the best.

So, what I had to do was recall all of the inventory, so in total, about 5,000 units, have it inspected, just test how big the issue is, and the results were, like, 10-15% does not scratch well, but you only determine that if you scratch, so obviously, 5,000 units are just not sellable because I wouldn't risk selling 80% of them that [INAUDIBLE 00:14:49] actually scratch right.

And yeah, I calculated my losses. It was like \$35,000 in total, not including being out of stock for the next five months. Around the same time, I'm actually losing my day job. So, that was quite a punch in the mouth.

[RYAN] So, this is what, six months in, so this is what 2016, 2017?

[ANDRI] No, this was already ... my first sales were at the end of 2017, so this was already 2018, beginning of summer.

[RYAN] Okay, so beginning of summer 2018, you are now about to lose your job. You've got negative reviews coming on your listing, and you're just out \$35,000 in money saved, that's not just sales, it's retained earnings, and you're out of stock for five months. This is a country song



gone bad. You've lost everything at this point. Two years later, you were preparing for exit. So, how the heck did you turn that ship around?

[ANDRI] I focused on what I can do. I obviously wanted to get back into the business. I loved the audience I had built, the customers served, so I couldn't let them live with the worse quality competition out there. So, I looked for ways to improve the quality inspection process. I built it myself, pretty much, because in Ukraine, infrastructure is not there. You can't just go and call a few people to hire an inspector. So, I had to train someone to become my inspector, develop the proper process for the manufacturer there, to ensure nothing like that can ever happen in the future.

In the meantime, I would deliver food just to make ends meet and rent out AirBnB. So, I had a private room that we didn't use, so that was rented all the time. And also, every weekend, we live in Columbus, it's a beautiful part of Canada, we'd go and explore some mountains in the meantime and rent the entire town home just to help pay for the mortgage.

[RYAN] So, you were delivering food, renting out your place, doing whatever you could to get by while you were ... most people would have given up at this point.

[ANDRI] Yeah, I thought about finding another job, but I was like, I'll give it a shot.

[RYAN] Andri, I love this story because that is the quintessential losing everything story.

[ANDRI] I still had a mortgage.

[RYAN] Yeah, but you still kept going. And then two years later got a half a million dollar check, which means that we at least know you won't be delivering food and having to rent out your place if you don't want to ever again. You're now ahead. It would have been easy to feel behind at that place, and that's the thing that I want to highlight is so many entrepreneurs are into this, just like you were, and are looking at this saying, I feel behind because of X, Y, and Z.

It would have been easy for you to look at it that way, but two years later, you sold the business and got a big fat check. So, it sounds like you kind of had to start from square one. The only thing you had was a product, a little bit of a community that you had built, and you started back to the grind, got product back in stock and started going again. So, how long did it take until there was consistent sales again for you to kind of have momentum?



[ANDRI] Fortunately, it didn't take too long because I relaunched in Q4 and my products are giftable. So, there's organic traffic coming in searching for these products, so that was an easy part there. But I had to plan, invest for it and push some triggers like get a loan from the bank to pay for the inventory, for example, and later on, I had to sell my town home to pay off the loan. And since I sold it, I was like, I always wanted to build this business so I have freedom of time and location [INAUDIBLE], so maybe I should fly to southeast Asia and taste that [INAUDIBLE] lifestyle at the same time.

[RYAN] I love it.

[ANDRI] That's what I did. I sold the town home, I paid off my line of credit, invested enough in inventory. Sales were going strong in December, but I was already in Bali exploring and working just half time, part time work. That was quite a turning point for me to see the sales coming in. In December, it was already \$50K a month in sales after being -\$35K in losses.

[RYAN] Amazing. Good for you. Now, you've mentioned in passing the community side of this. I want you to talk about what the community was, how you built it, and how it helped you develop sales.

[ANDRI] I'm glad you're asking this because now that I look back at it, I think I probably would consider giving up more seriously if I did not have that community, because people knew me personally. They knew I'm working on this. They even knew about the issue because I talked about it there.

[RYAN] Was this a Facebook group?

[ANDRI] Yeah, it was a Facebook group, yeah. It's called Traveling Civilization. The brand name is Travelization, so it kind of rhymes, and it probably explains what the brand is about. So, for global citizens who enjoy traveling, exploring the world. At that time, the community was probably 2,000 people or so, so I started building it before I even launched the product. I knew I wanted to be in the travel niche because that was my big dream of life. That's probably why I moved to Canada from Ukraine. I wanted to be a global citizen.

So, it was like serving the same kind of person I am. That was the best part about this business. Because I was so open and I built relationships with these people, I could not let them down and not relaunch the business and not get back on both of my feet and create something great for them.



[RYAN] And how big was that audience when you were launching and growing sales?

[ANDRI] At the very beginning, I think it was under a thousand people, which to me felt like a lot of people already. I don't think I have that many friends. But when I was selling the business, it was already more than 6,000 people and it's definitely a great tool if you want to launch products, whether it's Amazon or elsewhere. For Amazon specifically because I can speak from experience, I could launch new products that I could design with them together. The next product was the United States national parks map and I knew that those people travel to national parks, so I could ask them, hey, what would you put into this map, do you think this is a good idea, would you design it this way? And show them images all along the way.

And within 3-4 months, we'd design that new product together, and then they feel a part of the journey. And the first day it's live on Amazon, I give them that little discount code just for extra push, give them the scarcity, it's going to expire two days later, and you have all of the organic traffic. You don't need to give away the products, you don't need to ask them for reviews. They already know that I need them, so it was pretty easy at that point to launch something.

[RYAN] So, Andri, it sounds like you built up a small Facebook group. You compared it to a lot of Facebook groups and that was enough to kind of get you the collective sales that you needed in order to get liftoff. Then, it started to build up some organic reach and organic following that's continued to support that group.

Question to you is you said you knew a lot of these people personally. What does that mean? Were you documenting the experience of building the company in this group? How did you interact with them to the point where you felt like you knew a lot of these people?

[ANDRI] Pretty much. First, I started before I had the product, I just invited everybody I knew all over the world who liked traveling, and I would share some useful content for people who like content. Not necessarily create it but very often just share what I found useful. And then, I would always ask these people, hey, if you think somebody else would enjoy being a part of this community, I would appreciate you inviting them, so they did.

Then, later on, since I was also part of other travel communities on Facebook, I would become friends with someone on there, add them as a friend on Facebook as well, and ask them to join the group. It was growing, and growing, and growing and every product I sold also had that little insert basically motivating people to join the community because it's an extra value for everyone who buys a travel-related product.



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So, they would join, they would very often introduce themselves, say, hey, I'm traveling, I'm from North Carolina. I've been to this many national parks and I'm excited to be a part of this community. And then I talk to them, and then I message them. Just imagine yourself being a teenager trying to date a girl, how actively you want that, that's pretty much what I was doing with each and every customer I had. So, yeah, I think it matters a lot.

And then, also, Instagram helped a little bit. Those influencers I mentioned at the beginning, mostly they were on Instagram. Some of them had Youtube channels. So, they would generate some buzz for the brand that was as well. And a lot of people from the community I actually met in person. So later on, I flew to southeast Asia. I spent like eight months traveling. Southeast Asia, Mexico, United States, and in many of these places, I would meet those people because they were there. So, that was pretty cool, too. I am still in touch with them. I enjoy being friends with these people because we share the same values.

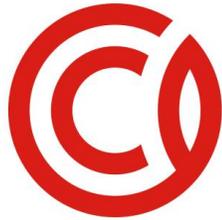
[RYAN] That's amazing. I was working with one of our members of the Incubator a couple weeks ago. They were talking about, how do I interact with this influencer? I was like, how would you interact with a friend, or someone that you were trying to date? Would you be asking for something from the get go or would you be focusing on building the relationship before you went for the ask? And that completely flipped the relationship with that influencer, and you were doing the exact same thing with your customers it looks like.

[ANDRI] Yeah, I'd focus on giving first. So, let's say if it's an influencer, I'd like to make them a part of the brand somehow, I'd be giving some compliments, sharing their content, talking about something they're working on and bringing people to their channels. Then they're like, oh, he's so great to me, how can I help you?

[RYAN] That's exactly right, that's it. You treat it like it's an actual relationship and watch what happens. My guess is that group also helped it be easier to get reviews and get more organic traffic and more organic sales, increase conversion rate, sometimes allows you to charge higher prices than your competitors because you have an actual loyal following. Did you find that to be the case?

[ANDRI] Absolutely. Yeah. I was selling the most expensive scratch off maps in the world.

[RYAN] Well done. Well done.



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[ANDRI] I had them positioned for like \$10-\$12 bucks, \$9.99. By the keywords, it's the same product but it's not and mine was \$30-\$32. In December, sometimes \$34. No problems at all. So this ... I was checking this two days ago. It's now the second most selling scratch off map still on Amazon.com and I'm not even doing anything for the last three months.

[RYAN] That's fantastic. So you were three times the price of a lot of your competitors.

[ANDRI] Some of them. I'd say, on average, 30-40% more expensive than most.

[RYAN] And you were the number two selling, so you were outselling most of them.

[ANDRI] Revenue wise, yeah.

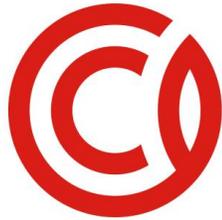
[RYAN] Yeah. And so, you're doing that because you have a loyal following. That loyal following backs you because they trust you, and they're leaving really good reviews, and so the engine starts to fuel itself. And so, now you don't have to play the price game because you have a foothold on the marketplace by being a premium brand.

That is just the formula. Well done. Now, Andri, some people would say, okay, scratch off map, what the heck do you make the second product be? So, how did you go through that process of diversifying the product line from just being one scratch off map?

[ANDRI] Right. Well, I definitely looked at what my competition does, but I think I spent way more time and attention on what my ideal customer wants. And since I talked to them every single day, no weekends, I know that they're traveling not only internationally, they're traveling the States. So, that led me to launching that scratch off map of national parks of the United States.

Later on, I looked at my emails and I quickly figured that most of the communication I get from Amazon customers would be hey, how do you recommend framing these maps? So, oh, okay, they need frames. My parents are actually in the framing business back in the Ukraine, and I knew how much hustle that is. I didn't want to launch a traditional frame. But I found some alternatives that worked perfectly for posters, which is a magnetic poster hanger frame. So, basically four pieces of wood with magnets and that's all we need, two at the top, two at the bottom, to hang any poster.

So, that way, I also increased my market because not everybody who needs a map needs a frame, also anyone who has any poster needs that kind of a frame. So, I talked about it in my



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group. I launched it the same way with my following that I already had, but also on Amazon I feel like it's also important to position yourself as a proper brand on that platform.

And compared to everybody else in that framing niche, I think I created the best visuals and videos ever for that product. And also, I was like, oh, it sounds like a me too product. I struggle differentiating with me-too products because I'm not that good with Amazon algorithms, all these giveaways and other shady stuff that people do. How do I still make a difference?

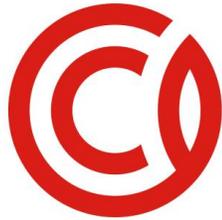
So, by learning what were the pain points, I created the magnetic poster hanger frame with the strongest magnets. Even the thickest posters could be held there. It probably costs a few cents more in my case, but it was something I could talk about, and you want to be the only solution to something. You want to be the first, the only on Amazon, the only overall, the best in some ways, and if you understand that hey, this unique differentiation is something they care about, very often that's all you need. Just communicate it well in your images, videos, and through the community if you have one.

[RYAN] So, Andri, you did the whole process right. You built the audience beforehand, you documented the experience, you didn't worry about algorithms as much as you thought about people, you kept going even when things were going really rough. Two years after being basically at rock bottom, you have an exit that puts half a million dollars into your bank account. Well done. What do you do from here?

[ANDRI] Thank you. Well, I'll tell you what's happening now, and I'll tell you what I think I'll be doing moving forward. Now, I'm researching a lot of different things that I've always wanted to be in, like niches that I want to be a part of that I never thought I could be. Now, I feel like I can because of what I know. Not because of the money necessarily because money is easy if you have the right idea, but because of what I understand about ecommerce.

And also, I found myself on calls very often because a lot of people seem to be exiting their businesses and they want some of my help, and I'm happily sharing with them because I got a lot of help for free as well. And it may lead to something. I'm not really looking to gain anything out of this, but very often if I give, give, give, give, it comes back in miraculous ways.

But moving forward, I think I'll be still running some ecommerce brands, maybe not just one, but I'll start with one. I'm personally passionate about health, about anything related to health and optimizing your life. So, I think it's easier to build a brand around what you care about and that's kind of the direction I'm looking at right now.



[RYAN] Yeah. Beautiful. Andri, what would you say to a person who is in the situation you were just two years ago where it feels like nothing's working, want to give up, and I've taken my licks and my losses after 6-12 months of being in business. What would you say to yourself two years ago or somebody who is going through the same situation?

[ANDRI] I'd ask if they would regret trying to recover everything, and if the answer is no, I would probably regret not trying, then you've got to put all your focus into making it work. And the question I like asking, not only for myself but also when I'm dealing with somebody else and it's a bit frustrating sometimes to figure out how to do this, I'm not asking if something is possible, but I'm asking how. So, if I need something done, how do we achieve this? How do we make sure this and this happens?

I kept asking myself, how do I recover this business? How do I ensure this problem does not happen again? How do I ensure I make ends meet? Then, with a positive attitude, obviously, the answers come to you. Sometimes to people they didn't even talk to a while to, and they're like hey, I'll connect you with someone, or hey, here's the solution. Just because they like the energy you're projecting.

So, I feel like mindset is very important because that's the energy you're projecting, and if you have the right mindset, you're working on it every day, and if you ask the right questions, you'll get the right answers.

[RYAN] Beautiful. Andri, you did it right, man, so congratulations. I bet it feels good to have one solid home run under your belt and this is usually the time for somebody like you where you find the thing that really, really does something big, because you've proven that you can do it, you know the process, and now you're just doing it out of pure what you want to do. So, I am excited and scared about what you're going to do next. Congratulations, my friend.

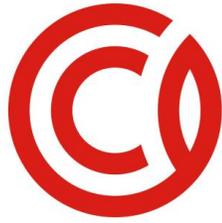
[ANDRI] I'll keep you posted, Ryan.

[RYAN] If you ever need an investor, give me a call.

[ANDRI] Will do, will do.

[RYAN] Alright, Andri. Thanks for sharing with us. I appreciate you.

[ANDRI] Thank you, take care.



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