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## **You Need 5,000 Customers to Make \$10M**

### **Transcript**

Chris [00:00:04]

Hey Capitalists. This week we are leaking a call from the Capitalism Incubator. A portion of a call. You've probably heard Ryan talk about this, tell you that you can learn more at [Capitalism.com/inc](https://Capitalism.com/inc). That's I-N-C. And well, we wanted to pull back the curtain and show you some of the magic that goes down on these calls.

Chris [00:00:27]

What you can't see are all the smiling faces of fellow entrepreneurs on the Zoom call. You won't hear the one-on-one coaching. You won't see our members bouncing ideas off of each other and supporting each other, providing connections, and helping each other with their own very specific individual roadblocks.

Chris [00:00:49]

But this is just a little taste, just a little morsel of goodness from Ryan's lesson portion of the call. We're talking about how to really identify your best buyers, your ideal customers, and how you can double down on targeting them to quickly scale your business. And again, if you want to join this community, head on over to [Capitalism.com/inc](https://Capitalism.com/inc).

Ryan [00:01:15]

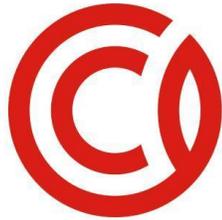
This is going to be really helpful to a lot of you and very clarifying to all of you. So, as some of you saw in my emails, I had COVID a few weeks ago. Knocked me on my ass. Just absolutely knocked me on my ass. It was brutal. And Stan Way said hey, your product On Switch has really helped my COVID brain.

Ryan [00:01:41]

And that is what prompted me to start taking it every day. Now, that seems odd. Like, I developed the product but I wasn't taking it every day. But something happened because I felt the difference. I felt the difference on a specific pain point that I had. The pain point previously was I wanted to enhance my focus, I wanted to feel better while I'm working.

Ryan [00:02:02]

But now I'm operating from a pain point and that pain point was, I'm struggling with depression that comes from inflammation in the brain, from COVID, and all this stuff that happens, and the body just shutting down. And now I'm really struggling. And when I saw that



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my own product created a meaningful impact in my own life, I got full buy-in. A type of buy-in that I did not have previously.

Ryan [00:02:31]

Now, nothing changed about the product. Nothing changed about our plan. What changed was I fully bought in. I mean, I completely bought into my own product and that energy started to spread. I love this story. Justus was here at my house maybe 2 weeks ago and I was sharing about how I had been struggling a little bit with COVID, COVID depression and he said, I feel like it's going around. It hits me mid afternoon. He hasn't had COVID, but he was just like, I feel like depression has been coming up for me middle of the day.

Ryan [00:03:12]

After looking at a screen all day, I just ... Anybody, all of us feel that way after looking at a damn screen all day. And I said, hey, well, why don't you try Switch today and just tell me how you feel? And you would have thought that I was pushing mushrooms on him. He was like, woah, woah, woah, I don't know, I don't know. I hear this stuff sets your brain on fire. I'm just not so sure I want to do this.

Ryan [00:03:40]

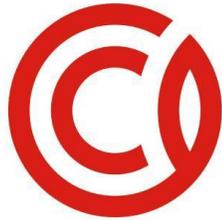
I was like, I'll give you a half scoop. So, I give him a half scoop of Switch and he throws the container of scorched earth back and he ... I was like, alright, I'll check in with you right around the afternoon hump and see how you're feeling. And Justus, around 1:30, is laughing and has this big smile on his face and is on fire like he usually is on these calls, he's having a great time. And it's like 1:40 and I'm like, hey Justus, it's time for your afternoon hump. How you feeling?

Ryan [00:04:16]

And he says, and I quote, he says, "Man, I feel awesome. I don't know what it is, but I feel like ... On Switch." And we laughed until we thought we were going to poop our pants, and Justus got the buy-in. And what has started to happen is there's been this infectious buy-in about this one product and my emails have changed about it, and our sales are going way up, and my 2 team members Ines and Teresa are freaking out because all of a sudden we've gone from having way too much inventory to about to run out of inventory, which is the best problem ever for a new entrepreneur, and I'm so excited to watch them freak out about this.

Ryan [00:05:00]

And the only thing that changed was my own perspective and my own excitement about this, which got buy-in from everybody else around me. So, many of you are waiting for the influencer or the investor to get buy-in on you before you actually get buy-in. But the minute



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that you really buy into it everything else shifts. Does that make sense? So, most people are waiting for some sort of external validation before they're like, in, let's go.

Ryan [00:05:31]

The reason why the Incubator is so different from so many other experiences is because we so loudly encourage building the business that's right for you, building the business that matches the values and the change that you want to create in this world and the person that you are passionate about serving, which is very different than pick a product that has good search volume and let's push it. Could not be more different because the real magic behind this is when you get full buy-in on this product and this business and this brand and this direction.

Ryan [00:06:09]

Now, I want to cast a little bit of a vision for you about what happened in my brain because this is going to really help you solidify your plan for this business growing bigger than you can currently see. So, I started to run these numbers because we're getting feedback from these Switch customers, and 20-25% love it. Love it. Which is very high for a supplement, very high for a consumable.

Ryan [00:06:41]

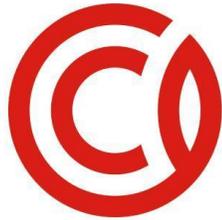
So, let's say that's 25% raving-ass fans. 25% are, hey, I liked it. 25% say, I didn't feel much. And a little, maybe 25%, we'll just say for argument's sake, said, I hated the taste, didn't like it, wouldn't buy again. All I care about is that 25% of them who are raving-ass fans. That is all I care about. So, I'll tell you a little bit about the plan for this business.

Ryan [00:07:15]

Our plan, we currently have 3 products in development. On Switch, Off Switch, and then a sleep formula which we'll probably call Out Switch. I like Kill Switch. Other people don't like that as much. So, we'll see. We'll see who wins that arm wrestling match. But we have On Switch, Off Switch, Out/Kill Switch. And these 3 products will probably all retail, they'll sell on our own website or Amazon, for between \$40 and \$60 dollars. Let's call it \$50 to be fair, make it easy.

Ryan [00:07:52]

So these 3 products, and there's a couple others that are in development in my mind but don't exist in anywhere else, but these 3 products altogether retail \$150 dollars. So, if we can get our raving-ass fans, just 25% of our customers, to be on auto-ship for \$100 dollars a month discounted 30% which is pretty standard in the supplement space for somebody on auto-ship,



and we can get our raving-ass fans on auto-ship for \$100 bucks a month, how many do I need in order to have an 8 figure exit?

Ryan [00:08:30]

Tell me in the chat box. How many do you think I need? How many raving-ass fans do I need in order to have an 8 figure exit? Shoot some numbers at me. And I want to hear from Hunter Cain. How many raving-ass fans does Hunter Cain think?

Hunter Cain [00:08:52]

Math is not my specialty, brother.

Ryan [00:08:56]

I can do one math equation. It's 4 products times 25 sales a day times \$30 dollars is a million dollar business. It's the only math equation I know. So, how many raving-ass fans do I need, Hunter Cain? Hunter Cain, how many do I need?

Hunter Cain [00:09:18]

I'm cranking ...

Ryan [00:09:19]

You don't need your math. Just guess. It's just a guess. It's just a guess.

Hunter Cain [00:09:23]

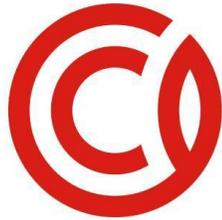
I'm going to say 4000.

Ryan [00:09:25]

Okay, so all of you are super on point. My calculation was 5000. 5000 raving-ass fans at \$100 bucks a month. That's what I'm after. So, if you run these numbers, very simply, if we have 5000 people paying us \$100 bucks a month, that's \$500,000 dollars a month. \$500,000 dollars a month is a \$6 million per year business. Profit margins of probably 50%, maybe a little bit less. We'll just call it 50% for argument's sake. That's \$3 million dollars a year.

Ryan [00:10:12]

I know from previous experience that a \$3 million dollar EBITDA business sells for about \$15 million bucks. So, the only thing I need to think about is how do I get my raving-ass fans and get 5000 of them? That is all I have to think about. All I have to think about. Some of you still don't believe me when you read in my book or you listen to the podcast or you watch the



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trainings in the portal. You still don't believe me when I tell you you don't need that many people.

Ryan [00:10:45]

This is why Joe, I am so fucking pumped you're here. Joe, I cannot wait to blow up what you want to do because you've already got the 5000 raving-ass fans. We've just got to get them. We've just got to show up in front of them. Hot damn. Hot damn, Joe. I cannot wait. So, 5000 people, not 100,000. Not a million. Not 50,000. 5000.

Ryan [00:11:25]

5000 people is not a big influencer, is not an expensive ad to run, and when I started to play this out, especially after I sent an email about it and saw the feedback that I got from that email, I realized, oh, my market, my person, my sweet spot here, my bullseye is people who work from home who occasionally struggle with depression. Bullseye. That is my raving-ass fan.

Ryan [00:12:08]

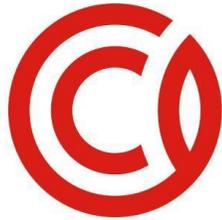
Person who works from home, occasionally struggles with depression. There are way, way, way, way, way, way, way, way, way, way more people than 5000 who work from home and occasionally struggle with depression. Is anyone on this call that person? Me. 2 hands up. Yeah. What's up, Stan? Raise the roof. That was the worst dad joke ever. 5000 raving-ass fans in ... When there are, can we say, hundreds of thousands of those people. Probably millions of those people.

Ryan [00:12:51]

So, all ... And I started communicating this with the team, my team. Guys, all we need to worry about is 5000 raving-ass fans paying us \$100 dollars a month. That's it. That's the only thing we've got to think about. Based on this, how does this shift our strategy? Well, there's several ways that we could get there. One of those ways is for us to absolutely blister Amazon, just absolutely crush Amazon, spend lots of PPC on there, get organic rankings on this product, and then put inserts in packaging that get their email address, hit them with a discount that gets them over to continuity. That's one way we can do that.

Ryan [00:13:29]

But that is actually prioritizing something secondary. We're not prioritizing the singular goal which is 5000 raving-ass fans and continuity. So, how would we adjust this strategy? Like, that strategy could get us there but could we go even faster, even more targeted, even more blisteringly hot after those 5000 people? And when you remember, when you realize you only



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need 5000 people, you could be remarkably specific in your ad copy, remarkably targeted to your person in a Facebook or a YouTube ad.

Ryan [00:14:14]

You're no longer speaking to a niche. You are speaking to a person. You're speaking to one person, and you're able to talk to them like you're sitting across the table from them. And that ad reads to that person like, how does this person know everything about me? This product feels like it's for me. Because it is. And I know that when we speak to that person in that way and we give them a great product and a great customer experience there's a high chance that they come back on auto-ship and will incentivize them to do it.

Ryan [00:14:57]

That is the direct bullseye of getting that goal. Theoretically you could do that in a year. And the byproduct of us going all-in on that person with this direct strategy will have spillover to Amazon. Amazon will be a secondary sales channel where someone can come and buy one off for \$50 bucks with no discount and very little auto-ship, because yes, you can do subscribe and save and all that but the conversion rates on that aren't that high, etc.

Ryan [00:15:36]

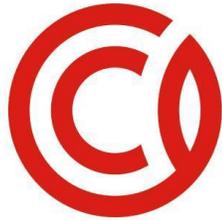
So, there will now ... Amazon is now a secondary part of the strategy. Doesn't mean it's right or wrong. This is not advice to make it secondary or primary. I have one business that I work with that is saying, I think our primary strategy is Clickbank. Half of you don't know what Clickbank is. And they're a physical products brand built around an influencer. Clickbank is their primary vehicle. Awesome. Awesome.

Ryan [00:16:11]

Now, to contrast that, I'll tell you a quick story about someone who was at my home once for a workshop and they had a wedding planning business with, I think, it just had one product at the time and they were doing about \$40,000 dollars a month in sales. They wanted to cross that million dollar threshold. And we actually have this recorded. I'm talking to this person, and she is like, I really think the key for us going from \$40,000 to \$80,000 is to just nail Shopify.

Ryan [00:16:46]

And I said, tell me why. She's like, well, we're doing \$40,000 a month on Amazon, so if we can match that on Shopify then we'll have a million dollar business. You mean to tell me that you want to take your attention away from the primary strategy that is already in motion and making \$40,000 dollars a month in sales and you want to put it on something that's doing zero. Tell me how that logic makes sense.



Ryan [00:17:16]

Unfortunately, I didn't have the Jason Franciosa story where I could have said, yeah, you're going to be at \$40,000, then \$50,000, then \$60,000, then \$160,000 when things line up. So all of this to say, do you have the singular goal, the singular simple goal that aligns all of your efforts and your focus? Most of you do not. And when you do, when you decide it, it should free up all of this thought in your brain from having to do this and copying that and writing this and promoting this behind one singular goal.

Ryan [00:18:12]

One specific simple goal that all energy flows to. Now, it does not mean that there won't be secondary goals. It does not mean that there won't be other focuses. But they will be byproducts of you doing the singular goal extremely well. Switch will sell a ton of product on Amazon because we will be absolutely laser focused on targeting our raving-ass fan through Facebook and YouTube ads to a funnel that gets people on continuity.

Ryan [00:18:47]

That singular goal will move all of the secondary goals as well. Thank you to Chris Johnson for being my number 1 influencer for Switch and bringing Tony into my cult. I see your chat box. Does this make sense? Are you following this? Very slow nods. So, let me simplify this a little bit. Most entrepreneurs that are at the level that most of you are at in the process of building a business you can sell have a number in mind. We'll call it \$10 million dollars.

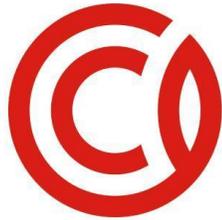
Ryan [00:19:32]

And they split it up into a bunch of different focuses. They'll say, I need to be doing this much on Amazon, this much on continuity, this much with Clickbank, this much with affiliates, and ... All of these, when all of these are lined up I can get my \$10 million dollars and that is simply not how it works. It is much simpler than this. It is you leaning into what your primary strategy is and going all in on that and letting the others be secondary.

Ryan [00:20:01]

For me, with Switch, it is 5000 people on continuity at \$100 dollars a month. Or the numbers running a different way, 3500 people at \$129 a month. Just math. Now, some of you, I can hear your thoughts. Some of you are thinking, well, I don't have a consumable so this does not apply to me. The question is, do you have a singular focus and a singular strategy that aligns all of your efforts behind it?

Ryan [00:20:39]



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And for all of you, that will be where you are very strong. For Manny and Paulina, it is relationships. It is getting our relationships to have as much buy in as all of us have about FlyDad and getting that audience into a list and promoting to those very targeted people. How many of them do you need in order to have an 8 figure exit? They can run those numbers and see it very clearly and go super focused. Super focused on that singular goal.

Ryan [00:21:27]

For Jason Franciosa, it was becoming the number 1 Amazon seller for his core group of products. And when that happened ... And now he's releasing other products and coming up with other things that are super custom to his audience. Fire lit. He will double again next year. Why did I not offer to invest in Jason Franciosa when he joined my little funnel 3 years ago? Why? Why did I not do it?

Ryan [00:22:04]

Now, when you are aware of that singular focus, that singular thing, it frees up all of your energy, all of your mental bandwidth, all of your relationships to go right behind that. That is why I don't encourage a lot of you to have affiliate relationships or to sponsor a lot of influencers or to become Amazon ninjas or to try to build funnels because you only need one of those and it doesn't have to be any of those to be lined up behind that singular strategy for you to have an 8 figure exit.

Ryan [00:22:48]

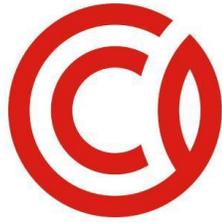
Manny, I laughed inside when I said you're on pace for an 8 figure exit and you went, stop. I laughed because ... I'll believe it until you catch up with me. It's fine. That's part of my job. That's part of my job. But this is a big point for the 2 of you of not believing the thought that you have to do all of these things and realize that where you're strong is enough to line up behind a singular, simple goal that takes you to that point.

Ryan [00:23:27]

If you found value in this podcast and you're ready to go deeper, here are 3 resources where we can help you. 1, you can grab my book 12 Months to \$1 Million on Audible or Amazon. It has over 1000 reviews and it's the playbook to building a 7 figure business. 2nd, you can join our community of entrepreneurs who are following a plan to build a 1% net worth by building businesses and investing the profits.

Ryan [00:23:52]

You can get plugged in at [Capitalism.com/1](https://Capitalism.com/1). And 3rd, if you're looking to go deeper and build a 7 figure business that you can sell, you can work closely with us inside the Capitalism Incubator



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and you can get on the waiting list and find out what we do over on [Capitalism.com/inc](https://Capitalism.com/inc). That's [Capitalism.com/inc](https://Capitalism.com/inc).