[Gary Huang] 0:05

Welcome back to the seven figure seller summit everyone. My name is Gary Huang.

[Gary Huang] 1:08

Today, I'm thrilled to have two very special guests, David Lang and **[Ryan]** Gerard. Welcome, gentlemen, how's it going?

[David & Ryan] 0:17

Hey, Gary. Thanks, Gary. It's great to have you guys.

[David Lang] 1:39

Yeah, I mean, I can answer that question. Because I'm the one that started it.

[David Lang] 2:10

I was just sitting, you know, in my office one night, late alone, we just had, we had two small kids, so well, not **[Ryan]** and I, but my wife and I had two small kids.

[David Lang] 2:23

So she was putting the kids to bed and I was sitting in the office online.

[David Lang] 2:26

And I got this advertisement on YouTube, you know, was Adam Hudson from reliable education.

[David Lang] 2:32

And he had this product and he's like, hey, look, here, this is what you can buy it on Alibaba for.

[David Lang] 2:37

And this is what you can sell it on Amazon for.

[David Lang] 2:39

And that's a huge margin. And you know, you can you can start your own Amazon business, and we'll kind of show you how to do it.

[David Lang] 2:44

But you got to hurry up, you got to sign up quick.

[David Lang] 2:46

And, you know, prices are going up soon. So he totally got me right away into his funnel.

[David Lang] 2:51

I said, oh, man, I got to get this deal. So I said, I've always wanted to try this, let's, let's give it a go.

[David Lang] 2:56

And, you know, follow this course I like structure. I like guidance.

[David Lang] 2:59

So I said, I'll pay for this course, I signed up. And that was, you know, New Years of 2019.

[David Lang] 3:06

At the time, though, in my flying job, I had actually just switched to a new aircraft. So I was quite busy with the new learning the new aircraft. And I

[David Lang] 3:14

See you're the pilot, right? So David?

[David Lang] 3:18

Yeah, exactly.

[David Lang] 3:19

So I fly for a major European airline, and I do the international long haul flights.

[David Lang] 3:25

So I said, Okay, this will be an interesting side project, because I'll have about three to four flights a month.

[David Lang] 3:30

And a lot of the time, I'm either in a hotel, or I'm at home.

[David Lang] 3:33

So I said, this is a perfect side hustle for me, because the entire work is done by other people.

[David Lang] 3:40

And I'm just doing the project management on my laptop.

[David Lang] 3:42

So I really liked the business model, especially for my career.

[David Lang] 3:46

So I signed up for the course told my wife, listen, I just did something, you know, I spent a couple $1,000.

[David Lang] 3:50

But I'm doing this online course. And it's going to be fun. And I think we can make it work.

[David Lang] 3:55

And we did. We set up the company, we did the product research, we launched a product, and it was the biggest dud.

[David Lang] 4:03

And it was not a good product. There's so many things we didn't know.

[David Lang] 4:08

But at the time, I saw it as a success nonetheless, because I think that the beauty of it is in this journey is you always define your own success.

[David Lang] 4:16

And my only milestone that I set for myself, as I said, I just want to get live, I want to be able to say that I created a brand and that I created a product.

[David Lang] 4:24

And I put it on the marketplace in the real world that someone out there can buy my product. And you know, we did get some people to buy it. So for me that was a success.

[David Lang] 4:35

And then I said the next definition of my success is going to be I'm going to have to at least be at breakeven, I don't want to lose too much money on this product.

[David Lang] 4:42

And then we managed to figure that out. And the goal after that was actually tried to make some money.

[David Lang] 4:48

That was a hard part. But **[Ryan],** our buddy, so he also lives in Germany.

[David Lang] 4:52

We both live in Germany, and he saw me struggling and he's like,

[David Lang] 4:55

What are you doing? And I'm like, I'm working on this Amazon thing and I'm Trying to figure it out.

[David Lang] 5:00

And I've heard words like canonical URL, and maybe I'm trying to figure that out right now.

[David Lang] 5:05

And he's like, Okay, let me see if I can help you. And he went home.

[David Lang] 5:07

And he actually just googled canonical URLs, because he also had no idea what it was.

[Gary Huang] 5:11

So **[Ryan],** you're, you're a scientist. Right?

[Ryan] 5:14

Exactly. So at the time, I was working for a start up company in Munich, you know, but this was right around when the pandemic started.

[Ryan] 5:22

And so we all just suddenly switched to doing home office.

[Ryan] 5:25

And as a scientist, you know, I wasn't able to be in the lab doing experiments anymore.

[Ryan] 5:29

And so I saw this is a good time, you know, in my downtime to help out my buddy with his with his Amazon product, and to be completely honest, you know,

[Ryan] 5:37

Ecommerce, and it looked like something that I really wanted to try, but I was never really going to do by myself.

[Ryan] 5:43

And David, David, you know, already having this this business up and running.

[Ryan] 5:48

It seemed like the perfect opportunity to join him and help them out.

[Ryan] 5:51

So yeah, we I stumbled upon Amy wheeze and we started just that was the beginning of this rabbit hole of like, oh, my God, we have to do so you know,

[Ryan] 6:00

SEO too, and we have to optimise our listings, we have to start looking at PPC differently and organic ranking.

[Ryan] 6:05

And we just kept finding these new challenges along the way. And As Dave said earlier, we love challenges.

[Ryan] 6:10

You know, we love doing escape rooms, for example. So yeah, it just kind of snowballed from there.

[Ryan] 6:16

And it became a really fun on a side hustle for both of us.

[Gary Huang] 6:20

Cool. Cool. And were you guy's friends before or do you like meet, as you know, during the journey?

[Gary Huang] 6:28

Right? So it's a funny

[Ryan] 6:32

I think as Dave and his wife came back from Canada, this was four or five years ago and they were feeling a bit homesick.

[Ryan] 6:38

So they throw it a message on a on a Germany based group for Canadians on Facebook.

[Ryan] 6:44

Just saying like, hey, we're feeling a bit homesick because any Canadian out there want to grab a beer.

[Ryan] 6:48

And I saw that and immediately replied, yeah, I'm Canadian. I like beer. Let's go grab a beer together.

[Ryan] 6:52

And that's, that's when we met up. And then we just kind of stayed in touch and did Canada Day parties together and slowly became good buddies after that.

[Gary Huang] 7:00

Cool, cool. Wow, that's so Facebook, those expat groups, they really work.

[Gary Huang] 7:05

So they really work. It's fun. Yeah, excellent. So, so tell me a little bit more about your business.

[Gary Huang] 7:12

Like, I know, you probably have an NDA, um, you can disclose like some of the details, but can you give us like a general idea like, category and, you know, revenue,

[Gary Huang] 7:22

Just so we have a better feel for, you know, what kind of business you have?

[David Lang] 7:26

Yeah, definitely.

[David Lang] 7:27

So the business that we set it up was actually quite a complicated structure with us living in Germany, and we decided we wanted to have a US based companies, we had a US based LLC, with Germany, holding Corporation above it, we sold gift able items.

[David Lang] 7:44

So that also added a fun flavour to it, because we had a lot of peaks, right.

[David Lang] 7:49

And peaks are very hard to manage on Amazon. I mean, we can go into that a bit in more detail later.

[David Lang] 7:54

But we actually think the Amazon platform is not really designed and optimised for peaks,

[David Lang] 7:59

It’s very difficult to manage that landscape. So are the first year that we were selling,

[David Lang] 8:04

This was the year we got started. Right? So 2019, we did about, you know, just north of 70,000 in revenue.

[David Lang] 8:12

Our second year, we surpassed 3 million. And this year,

[Gary Huang] 8:16

We're 70,000 in year one to 3 million.

[Gary Huang] 8:21

That's a year to 30 times. If my math is correct. It's never actually done the math on though. But yeah, seven I mean,

[David Lang] 8:30

Grant Car done would be happy with his TEDx.

[Gary Huang] 8:33

Yeah, give us some insight. Yeah. How did that?

[Gary Huang] 8:37

Was it just like the COVID? Spike? Or? I mean, you guys were riding on a rocket ship?

[Gary Huang] 8:41

I mean, tell us more about that.

[David Lang] 8:43

I think there are two major factors. And, and one of them, the first one was external funding.

[David Lang] 8:50

So I think the whole cash flow thing on Amazon is very difficult, right?

[David Lang] 8:54

Because by the time you actually get the money back from the sale, you know, you're looking at months, and then you got to place the next order.

[David Lang] 9:00

And the ship last year was a hard year for E commerce with all the shipping delays, especially when when we're trying to grow, you know, you didn't want to run out of stock.

[David Lang] 9:07

So what we really what we recognise very, very early on, is that we're going to need some support on the funding.

[David Lang] 9:14

And, you know, I think this was also, you know, one of the importance of staying in touch with the community, the online community online, you know,

[David Lang] 9:22

Coming to something like this, staying in the Facebook groups connected. I actually saw, you know, in one of the Facebook groups on E commerce mind-set, so we're in the Congress mind-set Facebook group,

[David Lang] 9:32

And we saw there, you know, saying that he just bought into this funding company, and he has some shares, and he was connected with eight fig.

[David Lang] 9:38

And he said, if there's any sellers out there that have good products that are scaling and would like some, you know, connection to funding.

[David Lang] 9:45

So we actually reached out to H. Fagan. It was early on in their journey, it was early on in our journey, and we just, we hit it off, and we got, you know, two rounds of funding.

[David Lang] 9:53

And I think that is one of the main pillars of why we grew so quickly is because we had that financial support. Yes,

[Ryan] 10:01

I can have a guess that the second one is we just came became,

[Ryan] 10:04

I think, more familiar with the Amazon platform.

[Ryan] 10:06

And, you know, as Dave mentioned, our first product was a dud.

[Ryan] 10:10

But we learned that as a, we took that as a learning opportunity to say, like, look, Amazon is not, it's a search engine, it's just a big search engine, and you need to optimise your listing,

[Ryan] 10:21

And you need to see what people are searching for.

[Ryan] 10:23

If you're trying to sell a product that no one is searching for.

[Ryan] 10:26

Your sales are going to reflect that. And so we really embraced keyword research for our next products, and really found a couple of winners. And these really, really took off for us.

[Ryan] 10:38

And then that was kind of the affirmation that we needed to say,

[Ryan] 10:42

Okay, we, you know, we got this, we can launch more and more products based on this method of keyword research. And that just kind of accelerated the growth as well.

[Gary Huang] 10:50

Cool. Cool. And quick question going back to the funding.

[Gary Huang] 10:55

You know, there's a lot of different funding models out there.

[Gary Huang] 10:58

Was it purely like a loan that you had to pay back with interest?

[Gary Huang] 11:02

Or was it like, in exchange for equity? Like, could you go, you're open to share?

[David Lang] 11:07

Yes, I can share that. So there's absolutely no equity given, which was really nice for us, because we didn't want to give away any control of the company or any shares in it.

[David Lang] 11:15

It's a revenue share model.

[David Lang] 11:18

So essentially, they fund the entire supply chain upfront.

[David Lang] 11:21

And then when you sell the product, you pay back for the supply chain.

[David Lang] 11:25

So the cogs, the landed costs, you can even add in three PL fees, you can add in PPC if you want to launch PPC.

[David Lang] 11:31

And then what you do is you give them also a little cost of capital on top of that.

[David Lang] 11:35

So if our landing cones were approximately, let's say, $7, we would hold them back $7.30.

[David Lang] 11:42

And that's just a quick example. Those aren't real numbers. Yeah, yep. Perfect. That makes sense. All

[Gary Huang] 11:47

Right. Great. So let's keep going. So 2020, you guys did 3 million. And then what was next after that?

[David Lang] 11:54

Well, so yeah, so 2020 Mil Spec 21, we did 3 million. So 2020, we did the 73,000.

[David Lang] 12:03

That was our first year live. So 2019 was the year that we set up the business of the product research and sourcing. So the first year, we actually weren't alive yet.

[David Lang] 12:10

It took us quite a long time to you know, just set it offline, the product, and stuff like that.

[David Lang] 12:14

Yes. So in April of crucially, April 2019, we launched the company, and our first product was live in February of 2020. Got it?

[David Lang] 12:24

Okay. So, you know, still relatively quick, I'd say just for someone, you know, we didn't know what he was doing. Had to get an ITIN in the states and an EIN and all that all those abbreviations at the time, I had no idea.

[David Lang] 12:36

So yeah, and then this year, you know, in the first half, so last year, we did just north of 3 million this year, in the first half, we did 2.5. And we were honoured to do 5 million.

[David Lang] 12:47

And I think that's when we recognise that there's, we got so big at that point that we needed a team in place, we said, okay, we can we're not, you know,

[David Lang] 12:56

Two men show, we do everything ourselves, we do our own photography, our own videos, product design, everything listing writing customer service, and we said it just got so big,

[David Lang] 13:07

That we're going to have to hire a team of either VAs or other professionals, or we're going to exit and sell it to a team that's already in place.

[David Lang] 13:16

And then, you know, work with them to try to grow with and take it to the next level. And yeah, we opted for the second option. So we're really excited to work with them to do that.

[Gary Huang] 13:24

Excellent. All right. So I really want to dig deeper into the the exit.

[Gary Huang] 13:29

But before we get to that, in terms of your business, was it profitable? Or was it like really profitable?

[Gary Huang] 13:36

Could you share some insights about that?

[Ryan] 13:39

I mean, definitely not at the beginning, you know, like Dave mentioned, the first product was kind of a dud. But

[Gary Huang] 13:46

What was wrong with the first product? I'm curious, I mean, just for learning,

[David Lang] 13:50

I mean, it was an amazing product. It just no one was looking for it.

[David Lang] 13:55

And the people that found it, we had to pay, like it was essentially, you know, our contribution was near 100%, I'd say, we'd have to show people this is the product that you want.

[David Lang] 14:05

And then when they bought it, wow, it was too unique.

[David Lang] 14:08

And you know, it had great review rating, the price was on point it had good margins

[David Lang] 14:14

it just what we realised was Amazon is not the best place to try to launch a brand new creative product that might be better done on Etsy, or a different platform Facebook,

[David Lang] 14:23

Where we can communicate a bit more with the customer and explain the product or if you already have an email list of customers.

[David Lang] 14:28

But if it's just you know, straight out of the gate, and you're going to Amazon, if there's no search volume, it's an expensive platform.

[Ryan] 14:34

I think that was a mistake. Yeah, absolutely. Search volume became our new favourite term.

[Ryan] 14:39

We're like, which, what can our next products be to tap into some search volume here, and that really drove the decisions for the next products,

[Ryan] 14:48

And then they were able to become profitable. So we launched a couple of new products in late 2020.

[Ryan] 14:54

And you know, just heading into q4, so we managed to ride that q4 Wave and they did they just did so well.

[Ryan] 15:01

And we immediately it was only after a couple days of launching them, you know, we we turned to each other and said, Okay, we're on to something, we need to order more.

[Ryan] 15:08

So we just we ordered more. And then we just got right back into the product research.

[Ryan] 15:12

We like, hey, what can we do now? Let's dive more into search volume and keywords. What's out there for us? Yeah.

[David Lang] 15:17

And the year that we did the 3 million, our profit margin was 29%. So we had a very healthy profit margin.

[Gary Huang] 15:22

Nice. Nice. That's, that's with all of the high shipping costs, supply chain delays, etc. Yeah, that's

[David Lang] 15:30

Right. I mean, I think what it what it is too, though, is the fact that we did do everything ourselves.

[David Lang] 15:35

So we didn't have you know, PPC agencies working for us or anything. So it allowed us to keep the margins high.

[David Lang] 15:42

And what we did with those margins is we just reinvested every single dollar that we ever got back into the business to grow it. So usually never

[David Lang] 15:51

A salary.

[David Lang] 15:53

Well, remember, we're two regular jobs with real jobs, right? So we had the fortunate situation to have our own income.

[David Lang] 16:01

So we had an income coming in, and we said, look, we're, we're in this game for the long run, and we want to grow this brand, and we believe in it, then we see the potential and it's such a cash flow intensive game,

[David Lang] 16:12

I believe that it requires a lot of capital, just to hold inventory. I see.

[Gary Huang] 16:18

And did you just continue working your day jobs through the entire lifespan of the business?

[Gary Huang] 16:25

Or did you ever, you know, quit and, you know, go all?

[Ryan] 16:31

No, me personally, I continue to work in at the biotech start up that I was working at.

[Ryan] 16:36

Right up until the end of last year, unfortunately, the biotech company went under, so it wasn't successful in getting the next round of funding.

[Ryan] 16:43

And so that's when I then started working on Amazon more or less full time with Dave and, and it was shortly after that, that we started planning.

[Ryan] 16:51

Once the next phase, like Dave said, you know, we could either grow or build a team of people, or we can we can sell it an exit to a team that we trust that's going to grow for us.

[Ryan] 16:59

So yeah, that's Yeah,

[Ryan] 17:01

So for the past, past nine months, I've been working on this more or less full time with Dave

[Gary Huang] 17:05

iascaigh. Interesting. Okay. And in terms of, yeah, go ahead

[David Lang] 17:10

Outside, just wanted to say how lucky we were timing. I mean, both of our jobs during COVID.

[David Lang] 17:16

You know, we're essentially grounded me quite literally. Yeah, you know, like, highly work.

[David Lang] 17:22

And so like, we weren't flying at all right, with COVID.

[David Lang] 17:26

So we're lucky to in Germany, that they have a very great social system, a support system, so we weren't laid off or furloughed, we actually got government support during it that would cover you know, part of our salary.

[David Lang] 17:38

And so we're at home and I said, Okay, I'm not going to waste this chance, we're going to really make sure that we learn everything you can about Amazon,

[David Lang] 17:45

That’s when I joined the paid masterminds did the online courses, you know, and said, let's learn more than just the basics. And once it started picking up though,

[David Lang] 17:54

It became very difficult to manage, you know, I would work out of the hotels, I would, it becomes a full time job.

[David Lang] 18:00

A one point to be honest, once you get to a certain size, it's no longer a side hustle. It

[Ryan] 18:06

Is I think Amazon, a lot of people will say Amazon is passive income. And I think we would argue otherwise. Definitely. Yeah,

[Gary Huang] 18:14

That's a myth, passive income. And how about the partnership?

[Gary Huang] 18:20

Can you tell me more about the partnership? I mean, I'll share more about, you know, my journey of life, one of my private label brands that I started in about 2016, it was in the Apple Watch niche.

[Gary Huang] 18:34

And that's when Apple Watch first launched and I had a partner at the time.

[Gary Huang] 18:38

So I was, you know, I was based in Shanghai. And, you know, my previous job, you know,

[Gary Huang] 18:42

I was into sourcing supply chain quality control.

[Gary Huang] 18:46

So, you know, I was handling the sourcing part on the ground, and he was handling the marketing part he was in the US. But long story short, we worked together for about one year.

[Gary Huang] 18:58

It was a solid business, it was a six figure business, but then he decided to go another way into real estate. And so I kind of like soured the partnership, and we didn't have any, like, agreement in place.

[Gary Huang] 19:10

So we had to figure out like, you know, I had to buy him out. And afterwards I just didn't have a good taste my mouth so I didn't want to continue with this product anymore.

[Gary Huang] 19:18

I decide to on some other products, but I'm just curious. You know, can you tell me more about your partnership like it sounds like you guys worked very well together and love to you love to learn any more insights from you guys.

[David Lang] 19:33

We absolutely hate each other

[Ryan] 19:41

Though, I mean, like, we're lucky like we said, we are good buddies before.

[Ryan] 19:45

And I think one of the reasons why we work so well together is we have completely different approaches and different ways of doing things that complement each other well, so you know,

[Ryan] 19:55

Dave's strengths are kind of my weaknesses and vice versa.

[Ryan] 19:59

And so we be working complement each other really well on many aspects of running the business.

[David Lang] 20:04

But there, it's very, very difficult times as well. I mean, we're not we're not going to pretend it. But I think that's like any relationship. I've been with my wife since we were teenagers.

[David Lang] 20:13

So it's we're going on 17 years together. And I always believe in like, short term fights or whatever, that's part of it.

[David Lang] 20:21

And you have to accept it and just look at the long term success rate of any relationship.

[David Lang] 20:25

And even our, you know, his first birthday, when we're working together,

[David Lang] 20:28

I got him a wallet engraved with like, you know, we don't quit.

[David Lang] 20:34

It had some swear words in there. I can say about it, just essentially, no matter what happens, we're not going to quit.

[David Lang] 20:40

And we have to not just quit on the business, but also on ourselves. And, you know, being a dad with kids,

[David Lang] 20:46

It's like, even if you're sick, and you have kids, and they're sick, you got to still take care of them.

[David Lang] 20:50

Yeah. And I always need our business.

[David Lang] 20:52

That's the same thing. Even if I'm on vacation, hey, I have a kid, I have a business, I have to take care of it.

[David Lang] 20:58

Yeah. And I think those were some of the challenging things at the beginning where we would, you know, maybe find a video, like I got to go on vacation. I'm like, do we don't get vacation no more like it's over.

[David Lang] 21:07

And I'm a bit of a, this is where **[Ryan]** says we balance each other well, as well, never. I'm always going for the next every day.

[David Lang] 21:16

And it's kind of tiring for both of us, to be honest, even for me, but that's just my character.

[David Lang] 21:21

And **[Ryan]** will be like, Hey, Dave, we've done enough in this, let's maybe take a day off or a couple days, and let's relax. So it will help me relax a bit.

[David Lang] 21:29

You know, I'm extremely structured, and **[Ryan]** will be sometimes a bit more sporadic as like the mad scientist would be, right? Totally.

[David Lang] 21:38

Which is really good for creativity and trying new things where I'm like, No, I need an SOP, I need structure. So we've definitely been able to help each other grow in that that sense as well.

[Ryan] 21:47

And just scheduled off at that point. Like if if I think if either of us were trying to do this alone,

[Ryan] 21:54

It just, it would be completely different. And I think about people out there who are trying to do or who are actually doing Amazon on their own.

[Ryan] 22:01

And just, you know, I would just say the maybe join a mastermind or find a partner that complements you.

[Ryan] 22:07

Well, because I you know, I don't imagine that I could do this alone. I

[David Lang] 22:11

Don’t know. I mean, either. Honestly, we're two grown men.

[David Lang] 22:14

And I mean, I've been literally in an aeroplane that had a fire, right? So I've had several made days.

[David Lang] 22:20

And doing the commerce, I've literally cried, I've cried, and I'm like I want to quit.

[David Lang] 22:25

And this is ridiculous. You know, and you're talking about, you know, hundreds of 1000s of dollars of issue sometimes, which is a lot of pressure.

[David Lang] 22:32

And that's where it was so important that **[Ryan]'s** like, hey, look, it's probably not he's overly optimistic, which is amazing.

[David Lang] 22:39

You know, and I'm always looking at extreme critical situations as a pilot, like I got to know every possible scenario that could go wrong,

[David Lang] 22:46

And have a backup plan for each one of their most of the time hypothetical.

[David Lang] 22:50

So and in E commerce because there aren't a lot of SOPs, there are way too many hypotheticals that can, you know, easily overwhelm you. Sometimes I

[Ryan] 22:57

Have to remind them, I think we're not in the cockpit right now.

[Ryan] 22:59

But I do appreciate that side of him that he's always thinking worst case scenario

[Ryan] 23:03

Because it has protected us sometimes.

[Ryan] 23:06

And it has worked out for the best. So yeah, yeah. Wow.

[David Lang] 23:09

So it's, I think it's normal to cry in this game.

[Gary Huang] 23:11

We can can you give us an example? I mean, like, I've been there, you know, I know, I've been there.

[Gary Huang] 23:16

And I think just recently a few weeks, so I was there. But can you give an example of crying five hours, just one, just one we don't have.

[Ryan] 23:28

Just recently during the whole exit process, you know, we're on like Dave mentioned,

[Ryan] 23:32

we have a very complex kind of unique setup with we were Canadians living in Germany with German holding companies that owned the LLC in the States.

[Ryan] 23:42

And so just talking with the various lawyers and tax consultants and, and, and all these people a few weeks ago, I think we had three or four calls in a row. And I was just done after that. I just, I broke down.

[Ryan] 23:55

And luckily Dave was there to like, kids. Alright, buddy, but man, that was that was tough.

[Ryan] 24:00

That was tough. Yeah, I feel

[David Lang] 24:02

Like in the in the space, especially with our background, we don't have any background in E commerce.

[David Lang] 24:07

And so we're literally every single step of the way. We're outside of our comfort zone.

[David Lang] 24:11

And doing that for three years straight. Especially growing as fast as we did. It was a very steep learning curve.

[David Lang] 24:17

And at the beginning, you're learning and doing at the same time, and then you have your private life.

[David Lang] 24:22

You have your family, you have your job. It's very difficult to manage everything at once. Yeah.

[Gary Huang] 24:28

What advice would you I think that's like a really critical, you know, mind-set, like every single step of the way?

[Gary Huang] 24:37

You're out of your comfort zone.

[Gary Huang] 24:39

Yeah, I've been there and I think a lot of people you know, watching this have been there where they're there right now.

[Gary Huang] 24:43

So, what advice would you give someone you know, he or she that's watching right now?

[Gary Huang] 24:48

I mean, to kind of, you know, what did you do to continue on, you know, like during those every step of the way outside your comfort zone?

[David Lang] 24:58

I think the important thing is to realise that everyone is there.

[David Lang] 25:00

So you're not alone, even though it feels like you're alone, everyone has been there or is there right now.

[David Lang] 25:05

And, you know, leaning out to masterminds to different groups, even if it's just like a silent group, or you're just in the Facebook group, but you see other people's posts, the only thing I would warn against something like that is,

[David Lang] 25:17

I think people tend to share a lot of their worries and their worst case scenarios in the group.

[David Lang] 25:21

So they're like, oh, my God, this happened, I got suspended, I got suppressed.

[David Lang] 25:24

This is bad, I got bad reviews, or whatever the issue may be. Very few people share the successes.

[David Lang] 25:30

So it kind of looks like the game is rigged, and it's all bad. But there are a lot of good things out there too.

[David Lang] 25:35

So I think that's the main thing is reaching out to other people knowing you're not alone.

[David Lang] 25:40

And then, in our experience, and this is insane.

[David Lang] 25:44

And I don't know, it, maybe it happened with you as well.

[David Lang] 25:47

But every single setback that we had, a couple months later, we would look back and be like,

[David Lang] 25:52

Wow, we are glad that kind of happened. So because this and this and this, and this.

[David Lang] 25:57

So that actually turned out to be a good thing for us were at the time, it was a horrible.

[David Lang] 26:02

So I can give an example. We had an LTL shipment that was picked up, it was a big shipment inbound to Amazon.

[David Lang] 26:11

Amazon receives it, and they side-line it and they accidentally lose it.

[David Lang] 26:15

But this was last year where they had very they had the new Ace and restock limit. So they're very tight because it was new.

[David Lang] 26:23

And they didn't have sales history yet.

[David Lang] 26:24

So they actually said, look, you can send us any more of these products, because they're already inbound. But they had side-line them.

[David Lang] 26:30

So they were lost.

[David Lang] 26:31

So we couldn't send in more, we had more other three PL we wanted to send them into sell, we're out of stock, we're not getting money, but they're in there.

[David Lang] 26:39

And it was such a headache at the time.

[David Lang] 26:41

And if this were talking about how much money or how many units were supply lines, remember,

[David Lang] 26:45

Wow, geez, at least I think 50,000 I think was 15,000 units that were side-lined. 15,000.

[David Lang] 26:51

Wow, for close to eight weeks. Like that's two months of not going and you can send in more, and it's such a frustrating game.

[David Lang] 26:58

And then what ended up happening later is we realised, hey, that maybe that wasn't a bad thing, because we sent them in later, it actually protected our IPI score.

[David Lang] 27:08

Moving forward for q4. So then we were able to send in more.

[David Lang] 27:12

So it's examples like that, where you think at the time, this is the worst thing that can happen to you.

[David Lang] 27:17

And then later on, you're like, oh, maybe there was some sort of magical reason of why that happened.

[David Lang] 27:21

But it protected us in the long run. So we try to look at the positive out of the negatives. Yeah.

[Ryan] 27:27

And like we said, like, we're not ecommerce guys.

[Ryan] 27:30

And so I think everything is stepping and pushing the boundaries of our comfort zone.

[Ryan] 27:33

But we use you know, these are learning experiences that we like Dave said, we take setbacks, and we learn from them. And we just never quit. I think that's our motto.

[Ryan] 27:43

Just see the setbacks as a learning experience. Just take it and move on.

[Gary Huang] 27:47

Excellent. Excellent. All right. Talking about your success, what do you think attributed to your success?

[David Lang] 27:57

Yeah, what do you think? I think one thing is trying to understand as much as possible in the journey, right?

[David Lang] 28:05

So by doing it ourselves, we were really allowed to look at the numbers.

[David Lang] 28:07

So we didn't want to outsource, you know, PPC, without first understanding every single metric, what does it mean?

[David Lang] 28:14

How do we tweak it as much as possible?

[David Lang] 28:16

I don't think there's anyone out there that fully understands the ranking algorithm or, you know, you might and if you do call us, right.

[David Lang] 28:24

But I think what's important is that, we like to do experiments, right, we have scientists on the team, and we say,

[David Lang] 28:32

Look, we're going to, we're going to try things, and we're going to really analyse them out there, too.

[David Lang] 28:36

So we're going to give it its course, let it run a bit, and then go back, and then we always debrief.

[David Lang] 28:41

And that's where the pilot comes into. We'd like to debrief everything so that in aviation, you can't only learn from your own mistakes, you have to learn from other people's mistakes,

[David Lang] 28:50

Because sometimes a mistake is fatal, and you still want to learn from it.

[David Lang] 28:53

So we said, look, we're going to have a very open culture together, we're going to our mistakes are allowed, and we're going to talk about them.

[David Lang] 28:59

And every time when we talk to each other about a mistake, like Oh, I did this, here the mistake, we actually create a system with like three steps.

[David Lang] 29:06

So you will say, Okay, this is the mistake, this is how I fix the mistake.

[David Lang] 29:12

And this is what I'm going to do to prevent that type of mistake from happening again.

[David Lang] 29:17

And you know, very important is that type of mistake, because chances are, you're not going to make the exact same mistake, but there might be a type of mistake that's very similar to that.

[David Lang] 29:25

And that's how we were able to create SOPs along our way in our business that allowed us to scale quicker, grow quicker. So just sorry, that was like a lot of ones.

[David Lang] 29:35

But to sum it up is like we made sure that we always learned right along the way as much as possible.

[David Lang] 29:40

So all the metrics, all the PPC terms, everything about supply chain, about the different shipping options, we learned a lot.

[David Lang] 29:47

Then we tried to implement it using SOPs, and the way we did that was to create SOPs based on our own experience by always debriefing and analysing the experiences we'd run.

[David Lang] 29:57

And by asking the three main questions what was the mistake, how did I fix it this time?

[David Lang] 30:02

And how am I going to prevent it next time from happening again? or something similar?

[Ryan] 30:07

And yeah, I think, you know, we would be lying if we didn't say, you know, that luck and just kind of plain old good timing wasn't involved,

[Ryan] 30:15

I think, you know, last year with just the E commerce boom, it was just a really good time to be on Amazon.

[Ryan] 30:21

And we just took advantage of that to the fullest. Like, yeah, we did have some setbacks with, you know,

[Ryan] 30:26

Really, really chaotic shipping and supply chains.

[Ryan] 30:29

But we kind of navigated and just took it day by day and made our way through it. But yeah, it was it was definitely good timing to do.

[Gary Huang] 30:35

Yeah, excellent, excellent. I love that three step system, it kind of reminds me of like a corrective action plan in the whole sourcing and supply chain world like we,

[Gary Huang] 30:46

If there was like, let's say, the supplier, you know, made a mistake in the production, we tried to, number one, identify the problem number two,

[Gary Huang] 30:55

Identify the cause of the problem. And number three, identify steps to prevent the problem from happening again. And then we would ask the supplier to do this.

[Gary Huang] 31:05

So it's kind of like, you know, if they like, you know, verbalise that it kind of sticks to them more than if we're just telling them what to do.

[Gary Huang] 31:12

Right. So, I think it's very similar to what you guys are doing with that three step system.

[Gary Huang] 31:18

So that's very cool. And something Dave that you mentioned earlier, is actually one of my favourite questions, like the mistakes question, like a smart person learns from their mistakes

[Gary Huang] 31:29

. A wise person learns from the mistakes of others, right?

[Gary Huang] 31:32

Because in aviation, if you make that critical mistake, you probably, there's no one else, you know, you can learn from that.

[Gary Huang] 31:39

Right? So you got to learn from someone else's mistake.

[Gary Huang] 31:41

So excellent. In our pre call, guys, one thing that stuck out to me was goal setting.

[Gary Huang] 31:49

I think that was one of the things that maybe set you guys apart. Can you share more about how you guys set goals?

[David Lang] 31:56

Yeah, so I think this started with, you know, unreliable education, the first Amazon course that I did them, they said, Look, get a journal, and document it.

[David Lang] 32:04

And the first thing you're going to do is just write out a revenue goal that you have in mind,

[David Lang] 32:08

Like, what do you think is possible, and make it big make it like, all your dreams come true.

[David Lang] 32:13

And I remember writing down 30,000 a month. And to be honest, I didn't think I'd ever be able to make it because it sounded so

[Ryan] 32:21

Crazy. At the time, we had this this product, and we were only selling, you know,

[Ryan] 32:25

One or two units a day. So for 30,000 a month, I think we both thought that was absolutely crazy. But

[David Lang] 32:31

But we set the goal and we put it down and, you know, then q4, the first few four came in and you know, we got close to hitting that goal. We didn't hit it yet.

[David Lang] 32:40

But when we got back in stock the following year, you know, things are looking good.

[David Lang] 32:44

And we actually managed to hit $100,000 in one month.

[David Lang] 32:49

And then we said alright, that's, that's a really nice milestone.

[David Lang] 32:52

And then we said, Okay, let's see if we can get a million in a year.

[David Lang] 32:55

So we hit the 100,000. By February, we said, let's see if we can do a million in a year.

[David Lang] 33:00

And we hit that by August. And then, you know, we said, hey, what's next?

[David Lang] 33:04

We did a million in a year, what else can we do? And then we, you know, we always try to celebrate these milestones we throw on the grill, we have a little barbecue, have some of yours.

[David Lang] 33:12

And then after a couple of years, the milestones get bigger, or the goal setting is get bigger.

[David Lang] 33:17

So we're like, Alright, let's do a million in a month.

[David Lang] 33:21

And then that q4, we actually hit a million a month that blew us away.

[David Lang] 33:26

And then I'll never forget it. So we're literally sitting like on the floor of the kitchen.

[David Lang] 33:30

So it's my wife, me and **[Ryan],** we're sitting on the floor of the kitchen. Like Dave, what's the next goal?

[David Lang] 33:35

What can we eat? What can we do now? And I'm like, let's do a million in a week.

[Ryan] 33:38

You're crazy. And then, well, we

[David Lang] 33:42

Thought we were crazy. We looked at each other.

[David Lang] 33:44

It took about seven seconds before we whipped out our calculators and tried to do the math backwards to see is it possible, how many units would we need?

[David Lang] 33:51

And can we get enough inventory for next year to do that?

[David Lang] 33:54

And we're like, oh, let's go for it. And that's what happened. And we actually did.

[David Lang] 33:59

Our biggest week was 1.2 million in a week, we did a million that we hit it in five days.

[David Lang] 34:05

And it blew us away. And I think the craziest thing with that is just realising, hey,

[David Lang] 34:10

If you set that goal, and then work the numbers backwards, it's an all or if you said like a dream,

[David Lang] 34:15

It’s no longer a dream. It's just a goal and you have the steps you have that you can make a plan and you can work towards it. So that's so

[Ryan] 34:21

True. I mean, because it takes making these big plans,

[Ryan] 34:23

You can't just make a big plan and then it will materialise out of nowhere.

[Ryan] 34:27

You make the big plan and work backwards so that you know Okay,

[Ryan] 34:30

We have to sell this many units in this amount of time.

[Ryan] 34:33

That means you have to go to your supplier and order that many units months ahead of time, you have to secure the capital be able to do that, which you might have to do before.

[Ryan] 34:40

So the reason for setting these big goals is that you can work backwards months months before so you know how to make it way there and when you break it down step by step.

[Ryan] 34:50

The goals suddenly seem you know, achievable and not so crazy. If you just break it down like that. Yeah, I love that.

[David Lang] 34:58

That's awesome and it even it even She gave us insight into like,

[David Lang] 35:01

Are we going to be able to hit that goal with our current portfolio?

[David Lang] 35:04

Or will we have to launch new products?

[David Lang] 35:05

Because obviously, we can say we want to do 10 million.

[David Lang] 35:08

That's not going to happen with our current size catalogue. It's just impossible.

[David Lang] 35:11

But if you know, okay, how many skews would I require, then at a certain sells sales price to get that revenue?

[David Lang] 35:17

And that's that that's what we did. Yeah. I see

[Gary Huang] 35:22

Where you are, you're selling in, like, like, which marketplaces were you selling in mainly us or Germany or everywhere.

[Ryan] 35:29

Hello, just so most of our attention is on Amazon. Us we do North American remote fulfilment to Canada and Mexico.

[Ryan] 35:38

We also have a Shopify store and a WalMart. We sell on Walmart us as well.

[Ryan] 35:44

But I mean, the bulk of our sales are on Amazon, US marketplace for sure. Got it. Okay.

[Gary Huang] 35:52

Very good. All right. So, so Okay, so I'm trying to follow the story.

[Gary Huang] 35:59

So by early half of this year, you hit about two and a half million, and you decided to sell it, because to get to the next level, you needed to build out a team.

[Gary Huang] 36:11

So what, what did they, like the pre-sale process look like?

[Gary Huang] 36:16

Were you just bombarded by like, you know, aggregators, or what did that look like? I'm curious.

[David Lang] 36:22

Well, last year, a lot of aggregators reach out to us, a lot of them.

[David Lang] 36:26

So they would read reach out to us directly.

[David Lang] 36:28

We said, look, we'd like to, you know, we sell gift able items, we want to take this one more peek.

[David Lang] 36:34

That was a decision we made. We said, Look, let us we want to do Mother's Day ourselves.

[David Lang] 36:38

And then after that, you know, we'd be willing to put on the market officially for sale.

[David Lang] 36:42

We're also a lot of brokers reach out to us as well. Right.

[David Lang] 36:47

And, you know, we actually connected with fortunate, so we decided, okay, look, let us go to market using fortunate. They took us out for beers and sausages in Germany.

[David Lang] 36:57

So I think that's why we chose them. They're really nice people.

[David Lang] 37:02

There, you know, they're in the space.

[David Lang] 37:04

They understand Amazon as well.

[David Lang] 37:05

And because most of our revenue did come from Amazon, we said, Okay,

[David Lang] 37:08

Let’s take someone who's familiar with the Amazon space. And it worked out really well.

[David Lang] 37:13

They had a, you know, they got us a couple offers. And we went to market just to give a timeline.

[David Lang] 37:19

We went to market, we prepared everything in February. And we officially went to market and he was April,

[David Lang] 37:25

April 20. April 20. Yeah. So we went to market April 20. And then we got, you know,

[David Lang] 37:31

The letter of intent, beginning of June, and we just closed now, beginning of August.

[David Lang] 37:36

So took about two months of due diligence after the letter of intent, which was very quick to be honest,

[David Lang] 37:41

because, you know, when you exit, there's two different types of exits you can do, you can do an asset deal where you're selling just some assets that you have, you're selling your trademark,

[David Lang] 37:50

Your brand, name, your inventory, but you're keeping, you're keeping the company structured there.

[David Lang] 37:57

So you keep the shell and you just sell the product.

[David Lang] 37:59

And I think that's the more common sales acquisition that occurs with with Amazon brands and aggregators, right?

[David Lang] 38:05

That's right. Yeah, so that's a common one, what we were very interested in doing was actually a share deal,

[David Lang] 38:10

So that we're selling all of the stocks over company.

[David Lang] 38:12

So we're essentially selling the entire membership interest of our company.

[David Lang] 38:16

So we're selling the company. So because of the potential tax savings that we would have in Germany,

[David Lang] 38:22

By having a holding Corporation above it, so we're selling the company in the US as a full LLC.

[David Lang] 38:28

To do that, though, it is a bit trickier on the legal due diligence,

[David Lang] 38:32

The tax due diligence, just because they're obviously inheriting all of the liabilities as well they own the company.

[David Lang] 38:39

So that's what we ended up doing opting to do and that's why the due diligence took two months and was very, very intense. And that was a quick due diligence to be honest.

[David Lang] 38:48

I see. All right,

[Gary Huang] 38:49

Excellent. So any hiccups along the way in the wholesale.

[David Lang] 38:56

Honestly, no, we were very fortunate and I think one of the thing was the fact that the that we had a broker who was also I mean,

[David Lang] 39:04

I think one advantage of the broker was also just a therapist.

[Ryan] 39:09

I never said we had never been through an acquisition before they had been through many so you know,

[Ryan] 39:14

We were going through hypotheticals being like okay, what is this process look like?

[Ryan] 39:18

It was very overwhelming at times and having been fortunate as a broker there for us just to get on calls with guys everything's fine

[Ryan] 39:25

Everything's going according to plan don't worry this is this is all normal this is this is going perfectly

[David Lang] 39:30

Okay, because I think the big issues are the lawyers involved are very good.

[David Lang] 39:36

But the lawyer's job is to put every hypothetical worst case scenario in contract to protect you against those,

[David Lang] 39:43

But that can scare you, right i writing I when we started this partnership, we're talking about partnerships before we literally looked at each other and I said, Hey,

[David Lang] 39:50

I'll sell you a third of the company give me some money and it was like we didn't have contracts we did.

[David Lang] 39:55

We did a handshake like we're buddies, we're going to not going to screw each other kind Like when he said with your partnership, there's maybe no agreements in place upfront.

[David Lang] 40:03

But when you go to sell a business, now they want agreements in place.

[David Lang] 40:06

They want everything, you know, done officially and all the hypotheticals, it can scare you.

[David Lang] 40:11

You're like, but we have a good business, we have really great products.

[David Lang] 40:14

Why are they talking about this? And it's just their job. And the broker was able to act, like I said, our therapist to say, Hey, guys, it's normal.

[David Lang] 40:20

Don't worry, it's not going to happen. It's just worst case. Writing.

[Gary Huang] 40:24

Yeah. Excellent. All right. And how about the whole?

[Gary Huang] 40:27

No, no real? Okay. How about the negotiations product process? How did that look? Like?

[David Lang] 40:35

To be honest, we didn't negotiate. Right. So the brokers did the negotiation for us.

[David Lang] 40:39

But what they did was they presented the offer. So we did we were allowed to decide who we're going to choose.

[David Lang] 40:45

So we got several offers.

[David Lang] 40:47

And then, yeah, we made the decision on who we wanted to pick based on their credentials based on the team based on who we thought would be a best fit for our brand to take it to the next level.

[David Lang] 40:57

Yeah,

[Ryan] 40:57

Like, very little negotiation. I think the offers that we, you know, we had, in our mind the numbers that we wanted, and just looking at the offers, you know, there was there wasn't so much negotiation.

[Gary Huang] 41:07

Okay, were you were you happy with the outcome?

[David Lang] 41:11

Yeah, definitely. I mean, to be honest, we're, we're never in this for the money ever.

[David Lang] 41:16

Obviously, money isn't really the main reason why we do it.

[David Lang] 41:20

Or put it this way, it makes the heartlands worth it, it's nice, like I wouldn't want to do e commerce as a charity,

[David Lang] 41:26

Where it's just I'm creating products and not getting any reward out of it.

[David Lang] 41:29

But we never said, Okay, we have to hit this much money, otherwise, we're not going to sell we said, we'd rather harmonious deal. And we want a potential for our brand to actually make it to the next level.

[David Lang] 41:41

We're slightly emotionally attached to the brand, obviously, we, you know, we did start, I kind of explained it as having kids, right.

[David Lang] 41:48

So I have two kids, I love them. And I know that when they turn 18, you know, they're going to be adults.

[David Lang] 41:54

And I should let them go into the world and do their own thing.

[David Lang] 41:58

It might still break my heart a bit, because I'd love for them to stay at home in the nest forever,

[David Lang] 42:01

Because I love them, and I want to be with them forever.

[David Lang] 42:03

But I also know that's not what's best for the kids, I know that it's best to let them go.

[David Lang] 42:09

And we grew the brand as big as we could as two guys with our experience.

[David Lang] 42:13

And now it's just best for the company to let it go. And but I have mixed feelings.

[Ryan] 42:17

Definitely mixed feelings.

[Ryan] 42:18

Exactly what I was going to say definitely a feeling that when we signed the document, finally to close the deal, you know, you pitcher everyone asks, says, you know, at that moment, you're going to you're going to love it. It's going to be celebration, but it was really mixed feelings for me.

[Ryan] 42:31

And I think for Dave as well, just because we grew this company, and it was just handing over the reins, and it felt like you were kind of giving up your baby a little bit. But yeah, mixed feelings for sure.

[Gary Huang] 42:40

Oh, okay. Excellent. Um, what did you guys do to celebrate?

[Ryan] 42:48

We're not historian,

[David Lang] 42:49

We’re not legally allowed to say it. I'm

[Ryan] 42:53

Actually just following up on that someone. Actually, when we signed the documents,

[Ryan] 42:56

I was in Munich at the time. And Dave is here it was was in Montreal visiting family.

[Ryan] 43:03

And we tried to have a little celebration over zoom, but it just didn't really feel right.

[Ryan] 43:09

So I said, Look, Dave, I'm going to hop on a flight to Montreal, because I you know, this, this deserves a proper celebration.

[Ryan] 43:16

And so that's actually where we are right now. We're both. We're both in Montreal.

[Ryan] 43:21

And yeah, we had a nice celebration just a few days ago, but it was really something I called to have a celebration together before we kind of close out this chapter and open up whatever's next.

[Gary Huang] 43:31

Yeah. Excellent. Well, congratulations, guys. And speaking about the next chapter, what's next for you

[David Lang] 43:39

Guys? Um, and it's first we're going to take a little break. No, I think what's cool is first time you said a lot.

[Gary Huang] 43:50

Are you still flying planes? Are you still?

[David Lang] 43:52

I still fly for sure. Yeah. So like next month, I'm going to be I'm going to be in Haneda right so I'm flying to Anita which is in Japan. Yeah. And then I got I got a I got a sheltie. If

[David Lang] 44:03

You come to Okinawa, let me know.

[David Lang] 44:05

Oh, definitely, man. Definitely, we're going to be it'll be fun.

[David Lang] 44:08

And that's a cool thing, too, with the job is I actually do meet sellers,

[David Lang] 44:12

Amazon sellers sometimes when I'm in a different city, because I'll write in groups with like,

[David Lang] 44:15

Hey, who's there? Like, it's so fun flying to LA, that's where I have my three PL or other Amazon sellers. And I'll just meet up with them on a layover.

[David Lang] 44:23

So it's really fun. I'm meeting an Amazon seller in South Korea next month as well.

[David Lang] 44:27

We're going to we're going to have a bit of a party, he's going to take me out.

[David Lang] 44:29

So that's it's a it's a really lucky fortunate situation to be in.

[David Lang] 44:35

But our next steps on luckily, we still get to work with the aggregator that bought us we actually, you know, said look, we were going to stay on until May. It's not a lot of work.

[David Lang] 44:44

It's not a lot of the heavy lifting but it's to help you know, the migration of the company to make sure that the context or three plus and supply chain that said,

[David Lang] 44:51

if they have any questions for SOPs that we can help them out, think of maybe new product launches, stuff like that strategies that we think of I help them grow into Canada or Mexico or stuff like that.

[David Lang] 45:02

So, and hopefully also learn from them, like we're excited to also, you know, see what kind of stuff they can do and ask them questions.

[David Lang] 45:09

Yeah, okay. Right, we've actually set up while we were selling ourselves.

[David Lang] 45:14

It's kind of funny how one thing turns into another.

[David Lang] 45:16

And that's kind of like, one of the things that we said, Okay, if we're going to so the background **[Ryan]** being the scientist and the chaotic guys, like if he works on an Excel sheet,

[David Lang] 45:26

He'll be build it, it'll be amazing.

[David Lang] 45:28

And it's a onetime use, and He'll never find it again on his computer, 7000 documents. And me, I like to build an Excel sheet once and then use it forever.

[David Lang] 45:39

And for our partnership to work together like low Brian, how about we build these sheets,

[David Lang] 45:44

That we can always use them and make them so pretty, that we could sell them because if they're pretty, we're going to want to use them, we're going to reuse them.

[David Lang] 45:50

And then this way, they won't get lost on the computer of 7000 files that aren't in folders.

[David Lang] 45:57

It's so true. It's hilarious. Yeah, desktops, they're so different. So different, right?

[David Lang] 46:01

So that and then we so we did that that was like a rule we had, we have to build something so pretty that we could sell it so that we'd want to use it.

[David Lang] 46:09

And I would want to use his work, stuff like that.

[David Lang] 46:12

So by doing that, we actually got into selling Excel sheets, we actually then took that idea and made it a reality.

[David Lang] 46:18

We share those Excel sheets with our mastermind. And they said, Hey, **[Ryan]** , hey, this is amazing.

[David Lang] 46:22

Like we could actually use this, this is really helpful for us to understand the numbers.

[David Lang] 46:26

So now we have a whole suite of like 11 Excel sheets that we actually have for Amazon, FBA sellers.

[David Lang] 46:32

And we started you know, by selling those, we started getting some questions.

[David Lang] 46:36

Hey, can you coach us a little bit?

[David Lang] 46:38

Can you help us with that, and we were limited on time, but we were able to offer some coaching and some spare time and saw some really good results from that.

[David Lang] 46:46

So I think one thing that is really exciting for us, as you know, to send the elevator back down.

[David Lang] 46:53

This is one of those success things.

[David Lang] 46:54

It's like once you reach the top, it's almost your obligation, just hit the button, send the elevator back down and bring the next people up.

[Ryan] 47:00

And it gets that's such a thrilling feeling to have, you know that you know, to take all the learnings and teach it to people and then see them have success.

[Ryan] 47:08

I think that's one of the most intimate feelings you can get.

[Ryan] 47:10

And I think we're really excited to continue that as part of this this next chapter, you know,

[Ryan] 47:14

And As Dave said, we've managed to build 11 Excel sheets right now that can help with any, you know,

[Ryan] 47:20

Stage of the Amazon journey or the E commerce journey, you know, anything from keyword research and organisation to calculating what are your return fees to figuring out your cash flow.

[Ryan] 47:30

And then the best my favourite sheet I think both of our favourite sheets is we have a complete launch tracker that if you're launching a new product,

[Ryan] 47:37

Or if you're launching a product that maybe went out of stock, it helps you track the launch, how's your organic ranking?

[Ryan] 47:43

And how you're how your key performance indicators are?

[Ryan] 47:46

How are all the metrics going over, you know, the three, four or five weeks of launching or launching this product?

[Ryan] 47:52

So you don't have to guess or have a gut feeling of how it's going,

[Ryan] 47:54

You have hard numbers to look at to tell you how your launch is going. And that that particular she has not only helped us, but the people that we sold that sheet to them just they just love it.

[Gary Huang] 48:04

Excellent, excellent. And well, talking about that she and David and **[Ryan]** have very generously offered a couple of bonuses for everybody watching because,

[Gary Huang] 48:17

You know, not only are they you know, did they exit their business, they're also you know,

[Gary Huang] 48:21

Building out some of these tools that they've used personally and then they feel could benefit others.

[Gary Huang] 48:25

So before we talk about the Excel sheets, we have a special bonus for everybody watching today for all the free pass holders. And this is a PPC calculator.

[Gary Huang] 48:37

Can you tell us more about that?

[David Lang] 48:40

Yeah, sure.

[David Lang] 48:41

So I think when we started using PPC, I think at the very beginning, you know, there are a lot of new terms, new abbreviations difficult to understand what's actually going on.

[David Lang] 48:49

And once we learned them all, we said, Okay, is there a sheet that we can build that I put in my product details, and it can spit out all the information I need.

[David Lang] 48:59

That'll help me with PPC. So for example, what is a breakeven bid that would be good for you know, or that is the breakeven bid for my product metrics? So you just enter it, it's very simple.

[David Lang] 49:10

There's like five things to enter and it'll tell you you're breakeven bid, the breakeven conversion rate that is required at a certain bidding price. What else does it calculate you're a cost taco profit margins, of?

[Ryan] 49:22

Course and return on investment, just a very simple calculator,

[Ryan] 49:25

you just need to fill in a couple of fields and then the numbers are just there in front of you.

[Ryan] 49:28

We it's a very simple sheet but one that we go back to often anytime we just remote like when you get a few products in your catalogue, you just have to kind of go back and Microsoft.

[Ryan] 49:37

Okay, what were the are the metrics for this product and we find ourselves opening the sheets the first one we made and are one of the first I should say and we keep going back to it quite often.

[David Lang] 49:46

Yeah, especially with Amazon changes fees right if they change their fulfilment fees now they have a fuel surcharges and fuel. Yeah.

[David Lang] 49:53

So you're like, hey, what's my breakeven a cost like, you know, how much am I allowed to spend on PPC and then you just plug it in and keep it

[Gary Huang] 49:59

Works? Cool, so are you updating that as well? Like, you know, in accordance to all of the Amazon fee changes and you'll surcharges, etc.

[David Lang] 50:07

Yeah. So the way we built the sheet is actually that the user can update their own numbers.

[David Lang] 50:11

So it's like it'll actually enter in okay, what is the Amazon FBA fee? What is the Amazon fulfilment fee, and you put it in and the sheet takes care of the rest.

[Gary Huang] 50:18

Cool, cool. Okay, so we'll, we'll add a link below today's video.

[Gary Huang] 50:23

So everybody will be able to get that PPC calculator.

[Gary Huang] 50:28

And David and **[Ryan]** have very generously offered a special bonus for the All Access Pass members.

[Gary Huang] 50:35

And it's a 50% off their portfolio of Excel sheets.

[Gary Huang] 50:39

So can you quickly recap what will people get from that?

[David Lang] 50:43

Yeah, definitely. So right now, what we have is, like I said, 11 sheets that we've used throughout the journey, you know, and it starts with like a goals roadmap.

[David Lang] 50:51

So when we're talking about are we able to hit a million dollars in a week, we actually use this exact sheet we said, okay, let's put in the million dollars, break it down?

[David Lang] 50:59

How many skews? Am I going to need what's the average selling price?

[David Lang] 51:03

So that's one of the sheets that we have, it breaks down your goals.

[David Lang] 51:06

We have a cash flow calculator, a landed cost calculator, this one's some of our, you know, the people working with us their favourite cheat, because a lot of the times people underestimate the actual costs of a product, right?

[David Lang] 51:19

They'll say, oh, okay, I'll get my money back.

[David Lang] 51:20

And then they're running. And at the end of the day, they're only breakeven at best.

[David Lang] 51:24

And it's because they forgot to add certain things to their landed cogs.

[David Lang] 51:27

So this is a landing cogs calculator.

[David Lang] 51:29

What's also nice with that one is it allows you to say, okay, for my first order, this is my landing cogs.

[David Lang] 51:34

But if I reorder, it might be a bit less, because there's certain fees that aren't like a factory audit, you may not have to actually pay for the second time you did it the first run.

[David Lang] 51:41

And it allows you very quickly to say, Okay, if I can reduce my unit cost by this much, what does my line and cogs look like? What's my new breakeven point?

[Ryan] 51:50

We have a sheet that does FBA fees, for example, you can put in your product dimensions,

[Ryan] 51:54

And it will tell you know what your FBA fulfilment fee is going to be?

[Ryan] 51:58

And this you can play around with, because you can say,

[Ryan] 52:00

Oh, what if I just knock off, you know, half an inch off the length, and you can see Nazih down, you know, 50 cents on the fulfilment fee.

[Ryan] 52:07

So then you can then do actionable things, go back to your supplier and say,

[Ryan] 52:10

How do we reduce the dimensions by half an inch, it's going to save me 50 cents a unit, we have a peak performance sheet that we love,

[Ryan] 52:16

Because we were selling gift able products, we went through multiple peaks, peak seasons, or the year.

[Ryan] 52:22

And this just helped us immensely with determining the forecasting for how many units we're going to need, how many should we send it to Amazon to make sure we can make it through the peak.

[Ryan] 52:32

And so this allows you to plan out and forecast your peaks, if you have a product that does what you know, has several peaks throughout the year.

[David Lang] 52:38

And the nice thing is, you don't even have to have sold through a peak.

[David Lang] 52:41

Because, you know, using tools like helium 10, you can you know, spy on your competitors and see, well, what did they do, and then just put in your own baseline,

[David Lang] 52:49

And it'll, you know, scale it to the same jump that they had on their last peak, let's say, but using your numbers, because it's your baseline.

[David Lang] 52:56

So it's a very intuitive tool that we built, it's pretty easy.

[David Lang] 52:59

We have a sales matrix that actually, this was the first one, this was the first one and this was just we were challenging each other.

[David Lang] 53:05

It's funny, **[Ryan]'s** like Deva, when are people buying are we sold one unit a day, right?

[David Lang] 53:10

He's like, I want to know what time of the day? Are they buying it just to see, is there a pattern, a small data set,

[David Lang] 53:15

But I just wanted to know.

[David Lang] 53:17

So we actually build the sales matrix that'll take all of your data, and we kept growing and jumping on it.

[David Lang] 53:22

But it'll actually plot out the time of purchase of each product.

[David Lang] 53:25

And you can get a nice heat map, you know, and just figure out okay, is there a pattern if people don't buy it on the weekend, maybe I don't need PPC on the weekend.

[David Lang] 53:33

Maybe I just need it during the week to save some PPC costs.

[David Lang] 53:36

And it just keeps all your data in one place. So yeah, and then we also have a profit maximizer I think what a lot of people focus on is just revenue, right on Amazon.

[David Lang] 53:45

And that's the flexing it was like I did seven figures. But what about profit.

[David Lang] 53:49

And what we realised is, you know, even if you make, let's say only $1 profit per unit, but you sell a million units,

[David Lang] 53:55

I mean, that's a million dollars profit. Or you can say, Look, I'm gonna make $5 profit per unit,

[David Lang] 53:59

But you know, I'm going to sell a lot less, and I might make either more or less.

[David Lang] 54:04

So that's a really good sheet to understand. You don't need, let's say, 15% Tacos, maybe 20% Tacos is actually better for you because you can make more profit.

[David Lang] 54:13

So we never focus on tacos, we never focus on number of units, we're always focused on profit.

[Ryan] 54:18

We have just to wrap it up, we have a return fee.

[Ryan] 54:21

She like you know, returns can be so expensive and understanding the fees associated to returns, you know, and then do you liquidate it? Do you dispose of it?

[Ryan] 54:31

Do you have it removed to a three PL for inspection, understanding all these costs to see what's going to give me you know, the least profit cut,

[Ryan] 54:41

Which path of return of an item, which path is going to cut my profit the least this helps you understand that.

[Ryan] 54:48

And then the final sheet is the launch tracker that we talked about earlier that can help you.

[Ryan] 54:51

Anytime you're launching a product, look at your KPIs and makes decent make decisions and know how your launch is going.

[Gary Huang] 54:57

Excellent. Excellent. I think that's super valuable. Um, I was just taking some notes like the profit maximize.

[Gary Huang] 55:03

I mean, that's key, the dimensions calculator, you know, that's huge, especially this year you Amazon's jacking up their fees.

[Gary Huang] 55:10

And if you can cut down to reduce your, your fees, and you know, try to get more units in the container that could really shave down on your costs as well.

[Gary Huang] 55:18

So this special bonus 50% off of the portfolio of 11 Excel sheets will be in the All Access Pass member's area. So be sure to upgrade to get your special discount there. All right.

[Gary Huang] 55:31

So we're a little bit over time.

[Gary Huang] 55:33

Guys. I'm going to quickly wrap up. Before I let you go. I wanted to ask about profitability, right? Because you guys have if it's 29%, that's quite healthy.

[Gary Huang] 55:43

Can you offer maybe a quick tip about profitability how you were able to maintain such healthy margins?

[David Lang] 55:50

Yeah, I think one important thing is perceived value. I think that's one key word, or one word that I like to use a lot is, How do you ensure that the customer is willing to pay that price?

[David Lang] 56:04

And to also understand that, you know, we never negotiated harder with our supplier? So we realise, you know, if our cogs are, let's say, $7, what's the difference that we bring it down 10 cents to 698 20 cents of 680.

[David Lang] 56:18

I mean, its 20 cents, when the cost per clicks on Amazon right now is so expensive, that 20 cents, we'll save it somewhere else.

[David Lang] 56:25

By kind of overpaying to our supplier, this might be completely different than to what other people do.

[David Lang] 56:29

But we always said, you know, we're not going to save on the little guy, we're going to save on the big guy.

[David Lang] 56:35

So for us to supply we said, Okay, we'll make sure we overpay that type of thing.

[David Lang] 56:39

And but we tell them, we need the quality to be perfect. We don't want headaches with returns, returns are so expensive on Amazon,

[David Lang] 56:45

We didn't want bad reviews, we said, we'll overpay and then this way, if there ever is a flaw in inspection, we're literally hard to live in.

[David Lang] 56:51

So we're not taking them, you're going to throw them out, you're going to show proof that you're destroying them, you're not going to be able to sell them on the black market or whatever.

[David Lang] 56:58

And, you know, they learned the lesson the hard way, once or twice an hour qualities absolutely amazing.

[David Lang] 57:03

They're really good quality. And what we try to do is we try to project that also on our listing, right, everything we do with the packaging, like we literally took an iPhone case, and I touched the cardboard, and I'm like,

[David Lang] 57:14

I want my packaging to feel this soft. And then you know, did some research and found there's a soft touch laminate that you can actually put on cardboard,

[David Lang] 57:22

That'll make it feel premium. And by doing that, you know, we're able to take a product that you know, normally sells for, let's say 15 $20, add some perceived value, and we're selling it for $40.

[David Lang] 57:34

Focus on branding as well, telling a story.

[David Lang] 57:37

So just a fun fact here. My wedding proposal went viral. This was at the beginning of viral videos.

[David Lang] 57:44

That's a whole other story for another video. But it was like the worst filmed video ever.

[David Lang] 57:49

And it was choppy, and you can barely hear it.

[David Lang] 57:51

But I just wanted to share it with my family and Canada was too big for email, and you couldn't put videos up on Facebook back then.

[David Lang] 57:57

So I put it up on YouTube, and it just spread like wildfire, we have over three and a half million views.

[David Lang] 58:03

And what I learned then was that it's not necessarily the proposal itself, it was a story around the proposal. So our products that we sell, we always try to sell a story with it.

[David Lang] 58:13

And when you sell gifts as well, and the stories with that is you can charge more.

[David Lang] 58:18

So bottom line is charged more to the customer, don't worry too much about saving a couple cents at the bottom, and add that money on top,

[David Lang] 58:26

You know, add $1 to the price, add $2 to the price and make it special enough that the customer wants to pay for it.

[David Lang] 58:32

I couldn't agree more.

[Gary Huang] 58:35

Well said well said guys. All right. Thank you.

[Gary Huang] 58:38

Again, this has been a great session. And for people that want to learn more, what's the best way to connect with you, gentlemen?

[David Lang] 58:46

So yeah, we have a Facebook group called the Bank Group, we'll send you the link as well. I mean, connect to us. It's a very nice small group right now. It's fun, we'd like to just stay in touch. So that's one of our goals is to grow that how do you

[Gary Huang] 59:01

How do you spell that

[David Lang] 59:02

Man group? So it's d A d A N? It's David and Ron van. Because Ribet sounded like a disease. So he did.

[Gary Huang] 59:13

Yeah. Okay. So D A V A N.

[David Lang] 59:17

That's right. And then group right after so the vandeman group.

[Gary Huang] 59:21

Okay. Yeah. Excellent.

[Gary Huang] 59:23

All right. Well, be sure to link that up below in the show notes. All right.

[Gary Huang] 59:27

Excellent. And guys, so we cover a lot today. I'm all about the 8020 rule.

[Gary Huang] 59:33

So if you distil down everything you guys learned in the past over three years along the entire journey,

[Gary Huang] 59:39

I'm just curious, what would be the number one recommendation that you'd like to leave the audience with so that, you know they can do this too?

[Gary Huang] 59:46

Let's start with David first and then **[Ryan]** . Okay, really quickly.

[Gary Huang] 59:53

You cannot create demand on Amazon. So you have to go where there's the demand.

[Ryan] 1:00:00

Yeah, sure, you know, we've we've launched nine products.

[Ryan] 1:00:04

And just we you know, I think if when you launch products, you can have three that are kind of low,

[Ryan] 1:00:09

Three that are medium and three that are high and just focus on optimising those high and give them the love and attention because that's going to be driving your revenue and your profits.

[Ryan] 1:00:19

Yeah. So especially as to guys, we became we had to become really good at just focusing on the, on the 20% of effort that's going to drive 80% of our sales and revenue. So, yeah.

[Gary Huang] 1:00:31

Well said, well, sir, all right. Thank you again, David. Thank you again, **[Ryan]** .

[Gary Huang] 1:00:36

Grades, grades story and a lot of nuggets that, you know, I was jotting down some notes.

[Gary Huang] 1:00:43

And I'm sure our audience will take a lot of this away, as well.

[Gary Huang] 1:00:47

So let's keep in touch and hopefully, we'll be able to feature you guys on again sometime in the future.

[Gary Huang] 1:00:56

And thank you, everybody for watching. We will see you guys at the next session. Bye, everyone.

[Gary Huang] 1:01:02

Thanks for having us.