



Content Throughput

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Introduction

Welcome to Content Throughput. This video explains how YouTube works as a system and overviews the five subsystems required. The secret to YouTube success is relentless consistency, so we need to build a system that supports consistency.

Channel Value Exponents

As a system, YouTube has an exponential nature. This means outputs compound on themselves to become inputs as a positive feedback loop forms.

Value stacks as an **exponent**, meaning it achieves exponential growth (or decline) by nature.

We can imagine videos have **'units of value'** (**UOV**).

UOV is used to measure the contribution of value to your channel.

Important: **Units of value** are arbitrary, but illustrate the point of consistency.

For every video you make, your channel becomes **exponentially** more **valuable** to the market. The more **valuable** your channel becomes, the more subscribers, reach & appointments you'll get.

Videos have **value** to the market when they contribute to the expansion and success of the market. (for business, it's going to be different for personal lifestyle channels).

Videos have **value** to YouTube when they get people to click and stay. The more clicks and the longer the watch time, the more value the video is. Valuable videos get recommended.

Your first video will give your channel a **UOV** of 0.000000001, new videos multiply this by 2x.

Video **1**: Channel UOV of 0.000000001
Video **2**: Channel UOV of 0.000000002
Video **3**: Channel UOV of 0.000000004
Video **4**: Channel UOV of 0.000000008
Video **5**: Channel UOV of 0.000000016
Video **6**: Channel UOV of 0.000000032
Video **7**: Channel UOV of 0.000000064
Video **8**: Channel UOV of 0.000000128
Video **9**: Channel UOV of 0.000000256
Video **10**: Channel UOV of 0.000000512
Video **11**: Channel UOV of 0.000001024
Video **12**: Channel UOV of 0.000002048

Video 13: Channel UOV of 0.000004096
 Video 14: Channel UOV of 0.000008192
 Video 15: Channel UOV of 0.000016384
 Video 16: Channel UOV of 0.000032768
 Video 17: Channel UOV of 0.000065536
 Video 18: Channel UOV of 0.000131072
 Video 19: Channel UOV of 0.000262144
 Video 20: Channel UOV of 0.000524288
 Video 21: Channel UOV of 0.001048576
 Video 22: Channel UOV of 0.002097152
 Video 23: Channel UOV of 0.004194304
 Video 24: Channel UOV of 0.008388608
 Video 25: Channel UOV of 0.016777216
 Video 26: Channel UOV of 0.033554432
 Video 27: Channel UOV of 0.067108864
 Video 28: Channel UOV of 0.134217728
 Video 29: Channel UOV of 0.268435456
 Video 30: Channel UOV of 0.536870912
 Video 31: Channel UOV of 1.073741824 < 1+ is when results start flowing properly

This is a model to illustrate the compounding nature of consistency. It's not representative of the real world and 'UOV' doesn't really exist or work like this, but it makes sense to think of YouTube this way.

Your **value compound rate** will depend on the quality of your videos, your competition, the algorithm, and the natural cap size of your market.

- If you miss an upload, your channel **UOV** goes down to what it was for the video before the last video.

This way, your channel **UOV** can **exponentially DECREASE** but with double the power it increases. (if you miss 6 videos, your **UOV** goes down to what it was 12 videos ago). This is why inconsistency costs you so much. One missed upload costs you the value from the two you uploaded prior to it.

This is the way YouTube's algorithm works. It rewards consistency by exponentially growing a channel, but punishes inconsistency by 2x'ing that exponential growth in decline.

Let's say you miss video 11, video 12 and video 13 for a week or two. Your **UOV** goes back down to 0.000000128, and you have to rebuild, taking time and ultimately taking longer to get to 1+ **UOV** where results happen.

This is also why people give up. They don't give their channel enough time to compound and reach a net **UOV** of 1+.

- If you upload an 'un-valuable' video (low CTR, low watch time, doesn't help the market), your channel UOV goes down to what it was before the last video. Your channel **UOV** can exponentially **DECREASE** by uploading shit content.

This is also why increasing your input volume of content exponentially grows your channel.

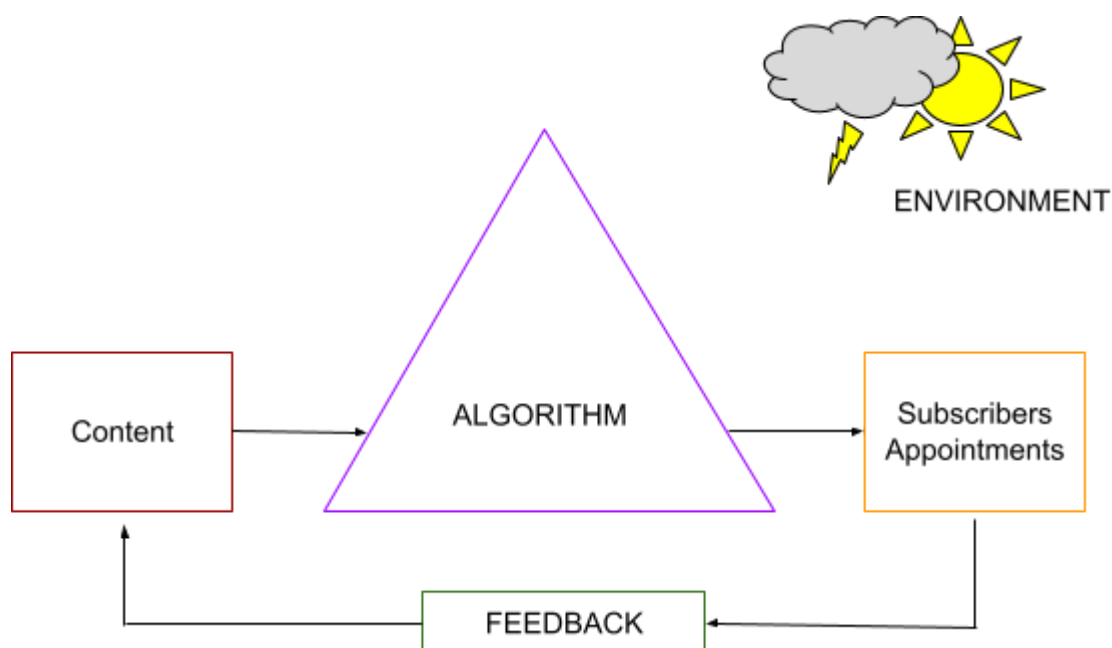
Once again, this is a model that doesn't truly represent reality. It's not exactly how YouTube works, but it's a mental model that can be applied to explain the importance of consistency.

The Machine

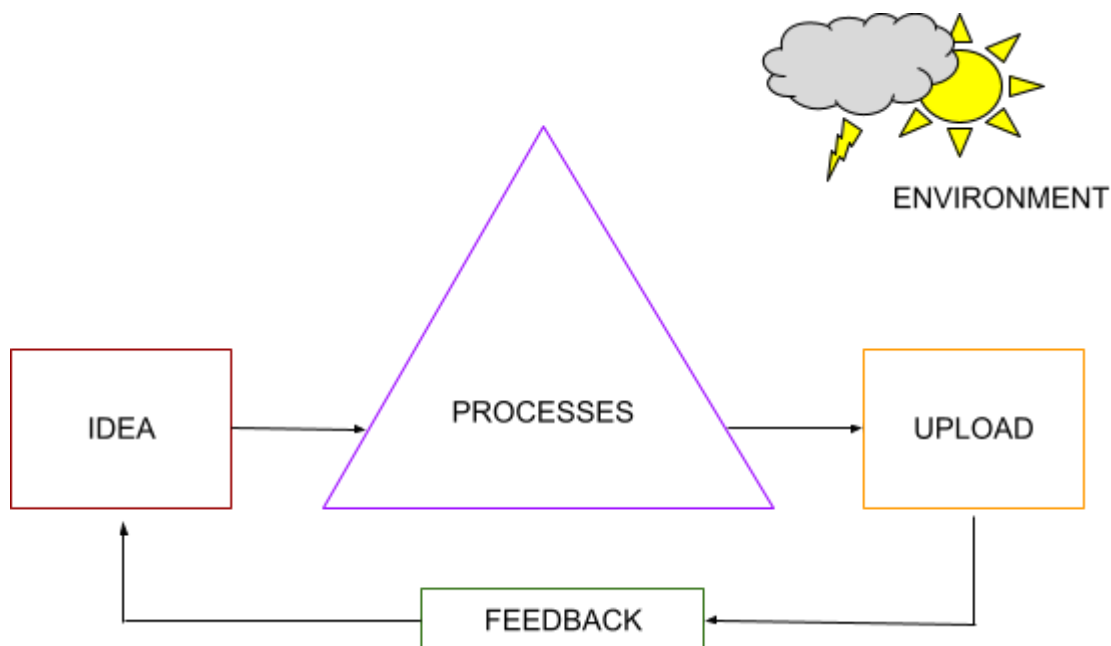
If you have not watched Morgan's Acquisition Systems Theory in Acquisition Genesis, stop this video and watch it NOW, otherwise this won't make sense to you.

Now we understand the value of consistency, let's build a system to ensure it.

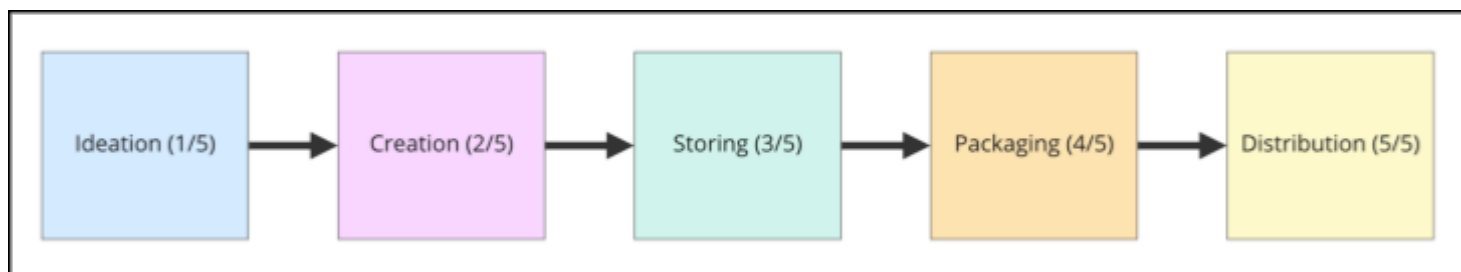
This is what YouTube looks like as an organic appointment booking system:



This is the system YouTube requires to produce the input of content:



These are the 5 processes required in this system for it to function:



Ideation: (process for coming up with video ideas)

Creation: (process for creating raw videos)

Storing: (process for storing raw & edited videos)

Packaging: (process for editing, thumbnails, titles & descriptions)

Distribution: (process for uploading and distributing edited videos)

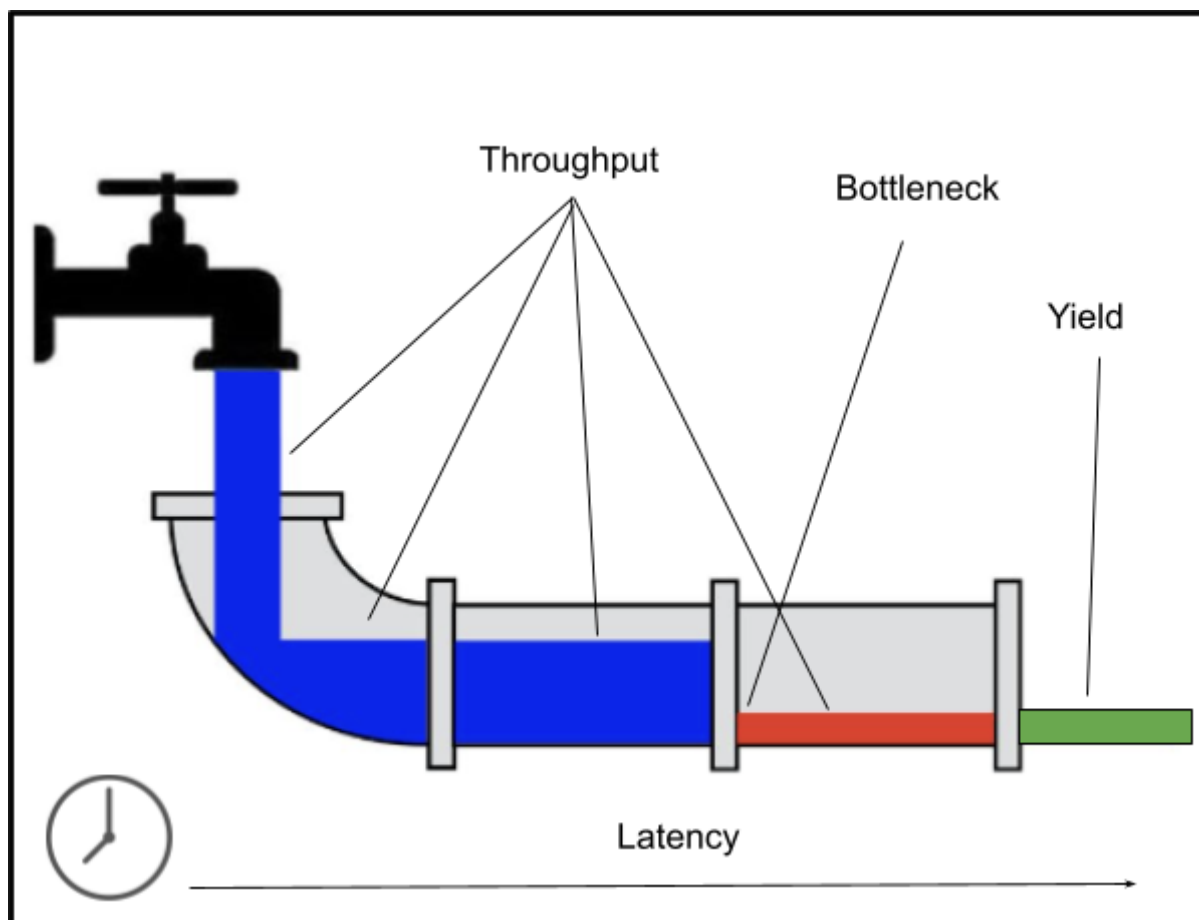
Throughput is the flow of value through a system. Value = conversion of inputs into outputs.

Bottlenecks are points in a system where throughput becomes restricted.

Yield is the amount of output processed by a system (restricted by bottlenecks).

Latency is the time elapsed between inputs being inputted and outputs being outputted.

Here's what it looks like:



To increase **throughput** & **yield** + decrease **latency** & **bottlenecks**, we need to reduce **friction**.

Friction is the amount of time and energy required for you to run each process in the system, and that's what we're going to address in the next few videos. Let's get to work!