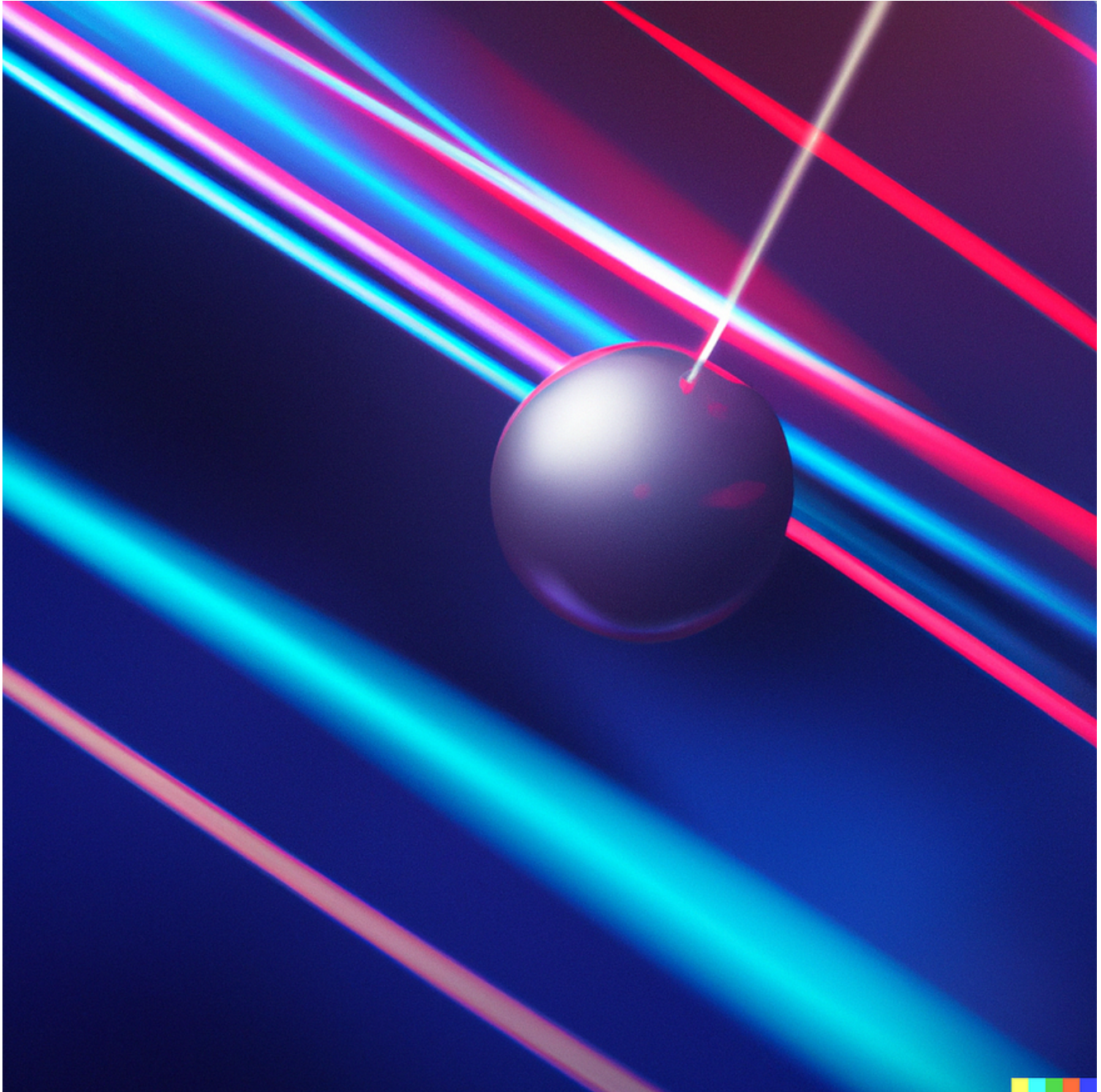


# The Push and Pull of Building Products

**It's impossible to simultaneously please your existing customers and your potential ones**

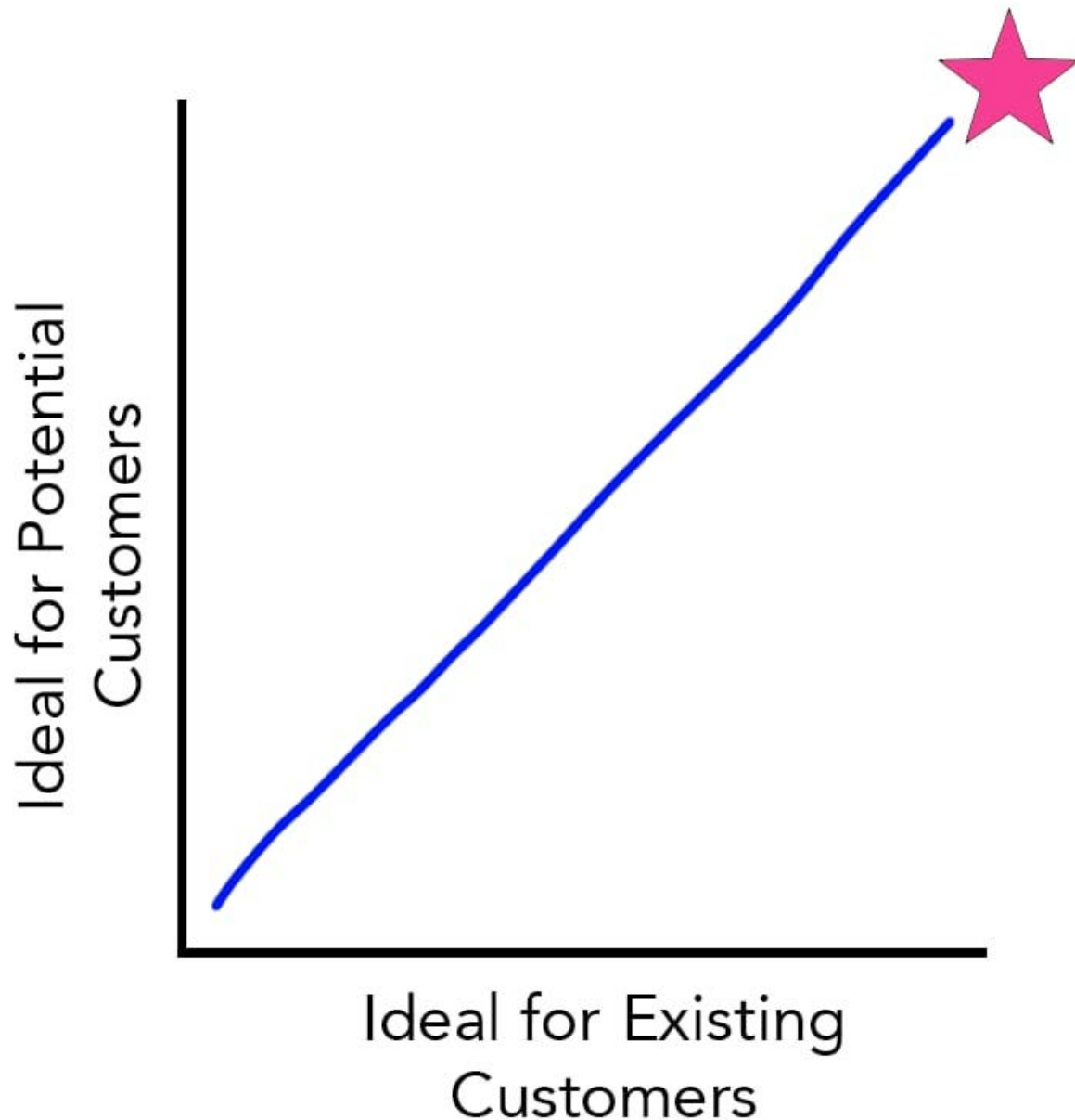


## The North Star of Building Products

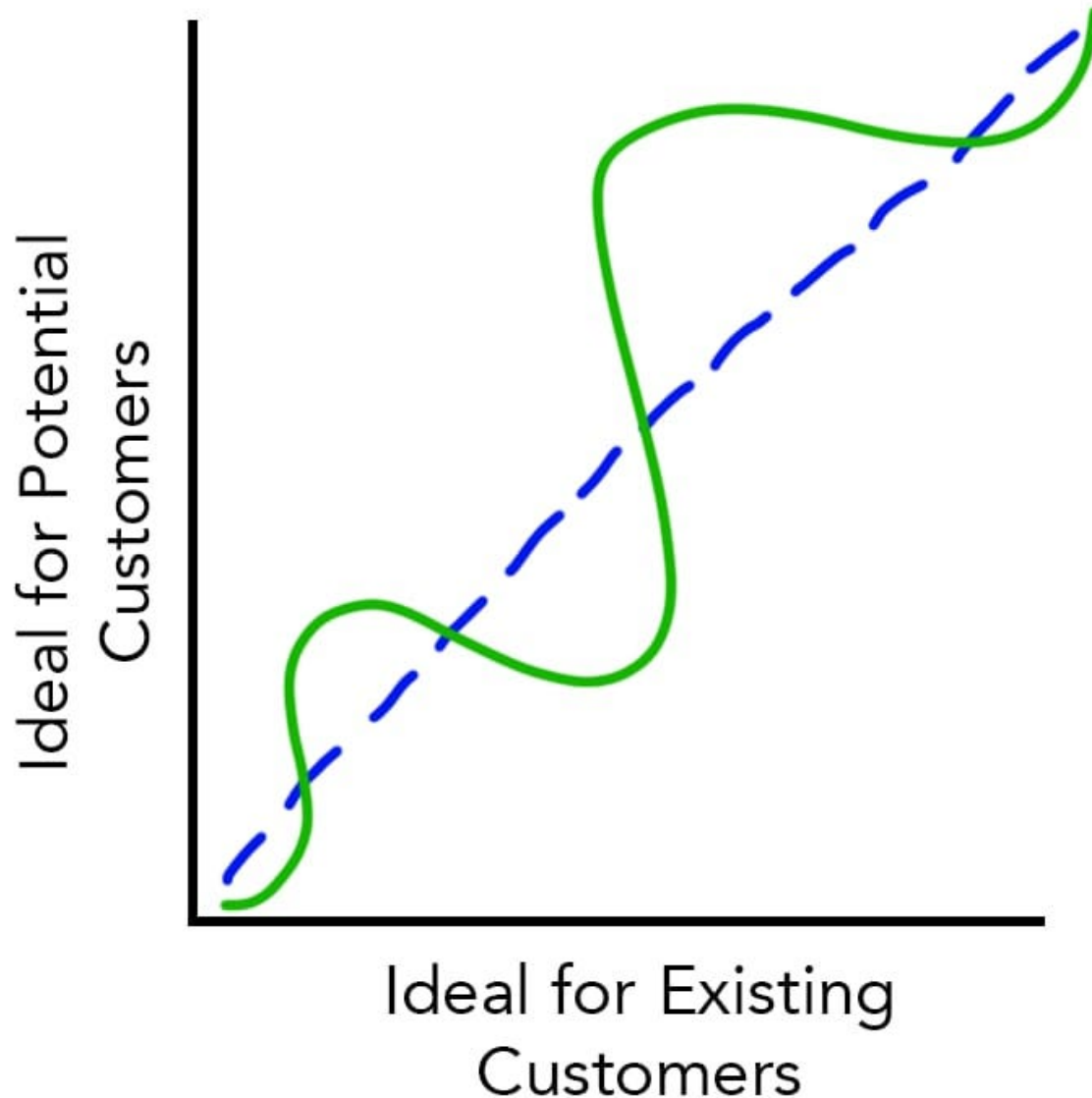
Any sustainable business must achieve two things: a way to attract and convert new customers to the product, and a way to retain existing ones. As time goes on, in a perfect world, we'd be serving both of

these customer segments with an ever-improving value proposition.

We want to get here, an ideal north star that simultaneously serves the needs of our existing users and also attracts potential new users:



But as anyone who has released or sold a product before knows, this is never the path actually taken. At any given stage, no matter how straight you hope to trek, you're always over-serving the requests of one of these two cohorts. And as a result, you're always under-serving the requests of the other. In actuality, the path looks like this:



## The Difference Between Existing and Potential Customers

People commonly believe that if a product is able to showcase value to some, it will showcase value to all and organically grow. But this is a fallacy. The needs of your potential customers are different than the wants of your existing customers. “Value” means different things to different people.

All customers or users go through [a conversion funnel](#) to cross the threshold where they agree to use or buy a product. By definition, potential customers have not yet reached that point of conversion. So your existing customers have something no one else has: a self-selection criteria that renders their perspective unique. They know what your product does, and they know what they like and don't like about it. In the case of a paid product, they've already done the hardest thing of all: paying for it.

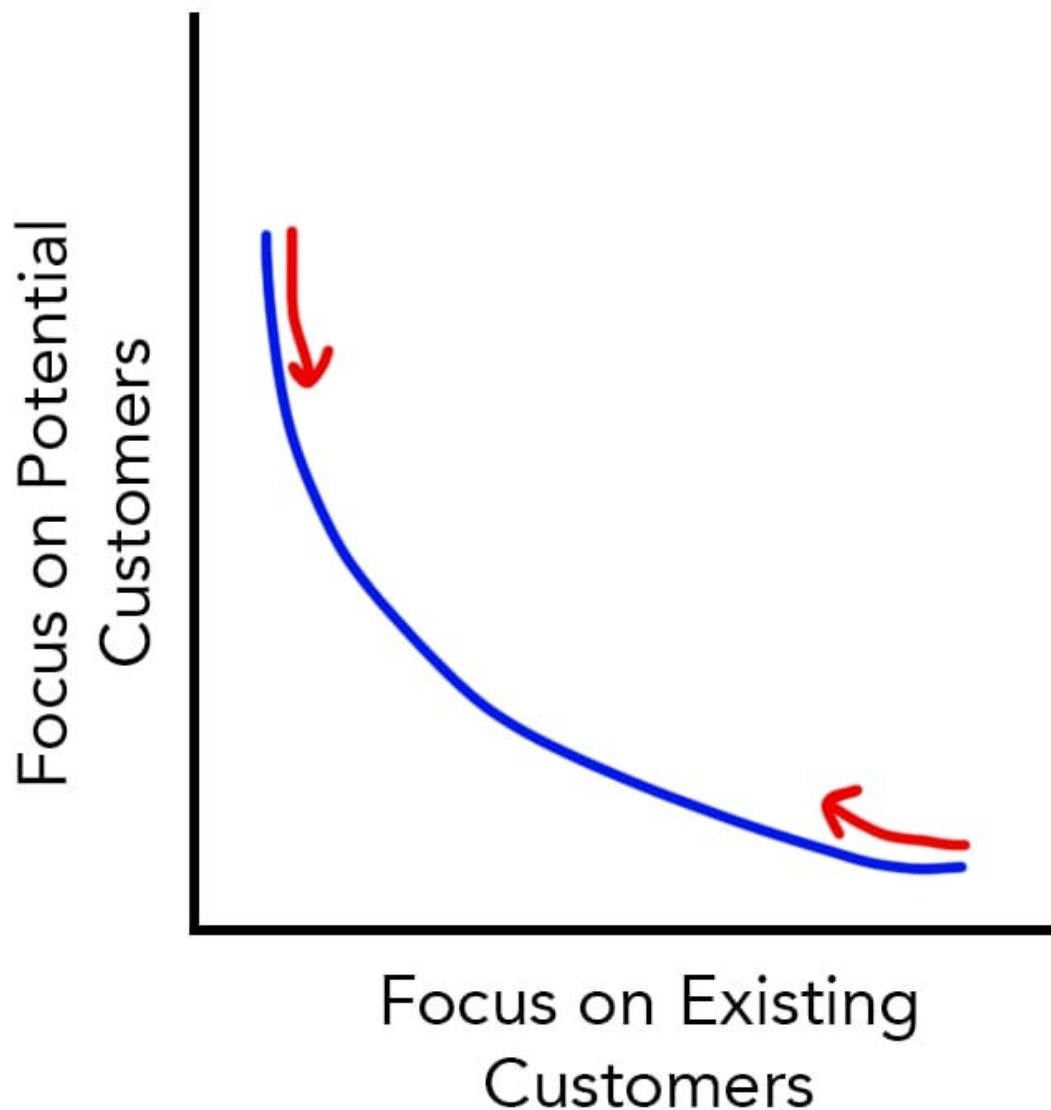
# The Push and Pull

Of the products I've built and released in my career, I've never once been able to accurately lay a course for development. Once a product is out in the wild and begins to grow, there is a barrage of incoming contradictory signals for how to iterate. This phenomenon is why my number one piece of advice for founders incubating products is to ship something viable as quickly as possible. "You may think you know how the market will react," I tell them, "but you don't. The sooner you learn why, the sooner you can course-correct."

Here's why we experience that sinusoidal behavior seen in the graph above: The closer we get to what potential customers want, the less of a force they apply to the product. They're happy, and usage or sales go up. We've found product market fit. Game over. Almost. I say almost because of what happens next. Existing customers grow dissatisfied with the state of the product (bugs or defects, lack of improvement to existing features or innovation with new features). They begin to exert pressure to adjust the roadmap.

And as we begin to serve the needs of the existing customers more than potential ones, the inverse happens. Sales or usage begin to decline. Existing customers are momentarily placated by the attention they're receiving. They stop applying the pressure, but potential customers start (not directly, but indirectly through a lack of user growth). We're now forced to shift strategy yet again, to move farther from what existing customers *want* and more toward what potential customers *need* in order to be converted.

Another way to visualize this would be to graph it with different axes. Instead of what's ideal for each segment, let's look at what the *focus* is of the team building the product.



The blue line here represents how much we're able to focus on each customer base at any given time. It's not a straight line down because the closer you get to the middle, the less you're able to focus on anyone particularly well. Just like the old adage about pleasing some of the people some of the time: You can't focus on all of the customers all of the time.

The red arrows represent the forces acting on you relative to your position. If you're at the top left, you're focusing entirely on potential customers and feeling a downward pull to re-focus on existing ones. If you're at the bottom right, you feel the inverse force.

In writing this, I'm reminded of the related concept of *the Innovator's Dilemma*, which describes the necessity (and burden) one often feels to continue serving its existing customers, often at the expense of growth.

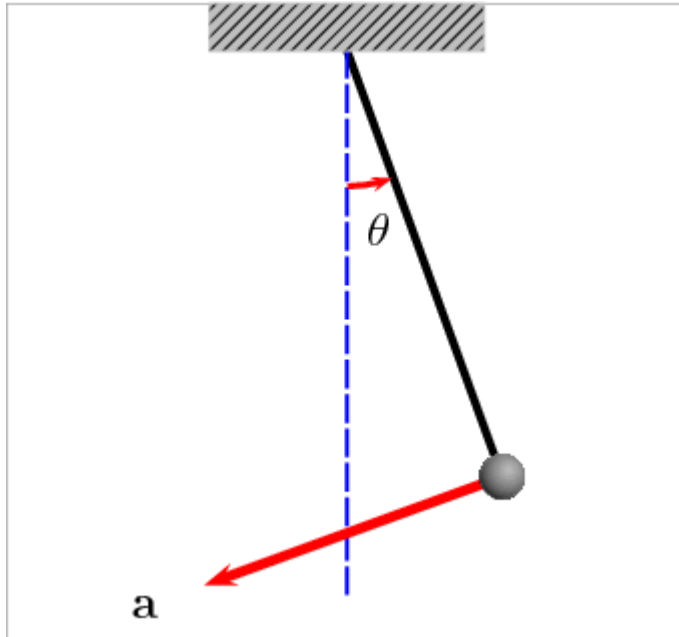
(I'll pause here for a quick aside: If you're enjoying this article, consider [subscribing to my free weekly newsletter, Z-Axis, by clicking here!](#))



# Drawing Analogies

When confronted with problems like this, my mind immediately jumps to analogies in science. Specifically, the field of dynamics, which studies how systems move or evolve over time. It turns out analogies to this push and pull of business are all around us.

For instance, we might consider the back and forth motion of a pendulum, a phenomenon with similar dynamics. Consider the two ends of a pendulum's path as representing the two possible areas of focus. The closer we get to one, the more we're pulled toward the other.



Alternatively, we can think of the study of how populations of *predators and prey* interact. In a simplified world in which there were only two animals, say rabbits and wolves that eat rabbits, their populations change over time at rates proportionate to their populations. For example, the more rabbits there are, the more the wolves have to eat. So the population of rabbits declines and the population of wolves increases. But as the number of wolves grows and the rabbits decline, the wolves don't have as much to eat, they die out, and the rabbits proliferate.

Regardless of the interpretation chosen, underlying all of these systems are related differential equations. In simple terms, they show that the amount our strategy (or our pendulum's position, or our rabbit/wolf population) will change is dependent on where we already are on our journey. The closer we are to what existing customers want, the more we're pushed in the direction of the potential customers, and vice versa.

## Takeaways

For anyone building a product or business that needs to serve users or customers (i.e. *any* product or business), the main takeaway is likely something like this: At any given time, know the north star you're hoping to reach, but know that you can never get there directly. Be aware of where you are relative to where you want to go, and be honest about which forces are acting on you.

It's not all bad though. These fluctuations are natural, and also healthy. They lead to a better product and happier customers overall. That middle path where you're never truly serving the needs of anyone

will disappoint your existing customers and do little to attract anyone new. As with many dynamical systems, there may never be an equilibrium where everyone is satisfied. In fact, in business — given the constant outside forces of the market, of competition, of evolving sentiments, needs, and wants — that's pretty much a guarantee. Most things must continually evolve with the needs of their audience. Otherwise they're quickly left behind.

I'm reminded of *Woody Allen's classic line in Annie Hall*: "A relationship, I think, is like a shark. You know? It has to constantly move forward or it dies. And I think what we got on our hands is a dead shark."