

The Only Way to Grow Huge

All companies that grow really big do so in only one way: people recommend the product or service to other people.

What this means is that if you want to be a great company some day, you have to eventually build something so good that people will recommend it to their friends--in fact, so good that they want to be the first one to recommend it to their friends for the implied good taste. No growth hack, brilliant marketing idea, or sales team can save you long term if you don't have a sufficiently good product.

You can trick yourself for awhile, though: growth is measured on a percentage basis from last month. When you are still small, you can spend a lot of money marketing or advertising and have a big impact on usage growth. But eventually, you get so big you simply can't spend enough money to move the needle--you need your ever-increasing userbase to keep getting you more users. There are exceptions to this, of course, where monopolies are involved--Microsoft may turn out to be the interesting test case of the extreme outer limit of how long you can manufacture growth.

The only way to generate sustained exponential growth is to make whatever you're making sufficiently good. For example, refer-a-friend-to-earn-credits programs work if the product is good enough to recommend anyway (e.g. Dropbox, Uber). But they fail for most other startups that try them, because the product isn't good enough yet.

Having a growth team is still a good idea--you almost always need to jumpstart things. But don't forget about what you actually have to accomplish.

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