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# Long-term thinking is most powerful when everything is falling apart



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As the aircraft took off, Nathan tried not to think of his business anymore. This five-week trip to South Africa was a well-deserved break.

Sitting next to him on that December flight was Hilary, the girl he was going to marry in five months.

There was no reason to feel guilty about taking time off. After all, months of hard work were finally paying off. His freelance web design business was on to steady growth. And he had just closed November with his highest monthly revenue ever: \$14,000.

With a ton more clients lined up to start projects when he returned, Nathan sat back and relaxed, imagining many other record-breaking months ahead.

Except the year was 2008. The recession soon hit all of Nathan's clients.

And when he came back from his trip in early January 2009, every single one of those projects was canceled.

### **When the year ahead is impossible to envision**

The days following the South African trip weren't very pleasant.

Unsure what to do, and with a wedding to pay for in five months, he took a full-time job with the only client he had left.

That's how the devastating 2008 ended for Nathan Barry, the founder of ConvertKit, one of today's most popular email marketing platforms.

Twelve years later, Nathan's ConvertKit now generates a staggering \$15 million in annual revenue with over \$2 million in profits. And he's built this widely profitable empire without a single dime in outside funding.

Almost broke back in 2008, he is welcoming today's upcoming recession with \$5.6 million in the bank that will enable his company to ride out the storm.

### **From zero to a digital empire**

With their jobs or clients lost due to fallout from the pandemic, so many people are now sitting at home in the same crushing situation Nathan found himself in a little over a decade ago. Except the year is 2020.

The irony is that there has never been a better time to launch a digital product.



This isn't only because today's tools empower anyone to build products more easily than ever. The internet is now home to makers who run million-dollar businesses with a laptop and WiFi, yes. But there's something more extraordinary at play here: **a dramatic societal shift triggered by today's pandemic.**

The digital transformation it would previously have taken millions of people years to adopt happened overnight. And those millions come with brand-new problems digital products can solve.

As Collaborative Fund's Morgan Housel highlights, the majority of long-term results are determined by decisions made during a minority of times. And right now is one of those times.

But before taking the blind leap and jumping into building a product, we need to study the truth behind the most successful ones.

Nathan Barry and many others who have built their digital empires over the last decade offer three timeless lessons.

## 1. Lay a strong foundation

Whether driven by shady financial dealings in 2008 or by a once-a-century pandemic in 2020, a downturn shrinks your field of vision as you watch your cash go down the drain, shortly followed by your sanity.

But long-term thinking is most powerful when everything is falling apart.

When all his clients canceled, Nathan didn't rush to launch a product overnight. He had no idea what product to build, let alone enough cash to pay the bills.

Instead, he took a full-time job and slowly but carefully started building an audience on the side.

Behind those actions was a promise he made for the decades ahead:

To play the long-game by laying a strong foundation — a foundation that put his business in a \$5.6M position when the next recession arrived 11 years later.

Time well spent obsessing over building a great product plants the seeds of that strong foundation. Your customers in return start rewarding you with their dollars. And dollars over time equal power.

By paying the bills with his full-time job, Nathan bought all the time he needed to find an idea and turn it into a viable business.

And it was while growing his own audience that he realized the bloggers like himself would need an email marketing product that solved their most specific needs: ConvertKit was born.

Long-term thinking guided Nathan's decisions even when the product was already making money in 2013 — he kept ConvertKit as a side project for two more years while continuing to fix the things that weren't working.





Ahrefs, JotForm, Todoist... Take any of those customer- (not investor-) funded startups built on a strong foundation. It's no surprise they are ready to weather today's upcoming storm with \$million profits in the bank.

Buffer, for instance, is on a hiring spree when the whole industry is firing. With a secure financial position, they enjoy the luxury of introducing practices like four-day workweeks that comfort their team during these wild times.

## 2. Build an audience before you build a product

Building an audience before building a product not only provided Nathan with the seed of his future empire but also with all the time he needed to come up with a product idea when he had none.

Before founding the leading tech platform Product Hunt, Ryan Hoover wrote 150 essays on the internet while working at a full-time job in tech. He also hosted small brunches with founders and started an email newsletter called Startup Edition.

Those beginnings helped him build relationships and an audience that became the seed of the Product Hunt community. "Without this, Product Hunt would have been dead on arrival. You just need 1,000 true fans to get started," Ryan notes.

An audience you offer nothing but value to in return offer you true fans who reward you first with their attention and trust, and eventually, with their dollars.

Turn to any industry and you'll find proof that an audience-first approach is not only clever but also wildly profitable.

When James Clear released his legendary best-selling book Atomic Habits, it took his fans no time to send it off the charts. Before publishing it, however, James wrote a blog article every Monday and Thursday for three years. He then kept on publishing once a week for another two years. All these activities helped him build an audience of over 700,000 subscribers, a number unheard of in blogging spheres.

### 3. Start with the tiniest audience possible (and expand only later)

In a 2017 episode of the Everybody Hates Marketers podcast, the host Louis Grenier asks the marketing guru Seth Godin to come up with a business idea if he were to launch a product with \$1,000 and 90 days to spare.

Godin's answer?

**A concierge service that helps Californian families with young kids to find the best place to stay in Paris for their holidays.**

Once you trim your audience to the bone, Godin notes, the problems they face and the solutions you can offer all of a sudden become much more specific.

This niche approach gives your foundation an edge over competitors who run around like headless chickens trying to please everyone.

I was one of those headless chickens when I started my storytelling studio, Growth Supply. I felt like we were missing out if we didn't target every single business on the planet.

But after a few years in, we learned the hard way that targeting everybody meant understanding everybody's most specific needs, and we didn't. Those lessons taught us to offer our content services only to later-stage tech startups that run SaaS businesses.

The niche approach gave ConvertKit an edge, too. As Nathan shares:

**“It feels like choosing a niche will exclude the few people who are coming in the door.**

**In reality when we chose ‘email marketing for professional bloggers’ everything changed.**

**Messaging became clear, the product roadmap was**

trimmed, and the prospect lists practically wrote itself.

Without that change — without excluding everyone who didn't fit into the blogger bucket — it would have been incredibly hard to get off the ground.”

ConvertKit eventually expanded to “email marketing for creators,” which now includes podcasters, YouTubers, artists, and many more. But even after growing into that larger audience, they are still so much more focused than their competitors who target all small-businesses.

And with such a focus, they can address the creators' biggest, most specific pains, which makes their foundation stronger than any other platform out there.

### **Except the year is 2020.**

The recession that destroyed Nathan's freelance business is a reminder that today's upcoming downturn will probably not be the last.

And if we've learned anything from his experiences, it's that taking all the time you need to build a solid foundation can be the key to securing your future.



The panic and the pressure we're all feeling right now is real. But so is the opportunity to start playing the long game — so that when the next recession arrives, we'll be in a position to weather the storm, not be crushed by it.

Long-term thinking is most powerful when everything is falling apart.

*This post is part of a series of stories that explore the fundamentals of escaping competition and building a business on your own terms in the most cluttered marketplace in history.*

**1. To build a business empire, own an opinion (not a marketing budget).**

The goal is not to sell to everybody who needs what you have.

**2. How we got 11.3 million pageviews without the growth hacking bullsh\*t**

Growth begins with words.

**3. Don't build a startup, build a movement**

How to move the masses by going beyond selling just software

**4. How to escape competition (and build a business on your own terms).**

A practical framework to build your unique selling proposition

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Don't hurt your company by focusing on growth too much, too soon.

**6. How to build a startup empire without selling your freedom**

Small is the new big.

**7. Sell something bigger than your otherwise boring business**

Don't sell boats. Sell time on the water.

**8. Long-term thinking is most powerful when everything is falling apart**

Lessons from founders who built their empires over the last decade

**9. I can't tell you why our business is growing**

Kill your conversion funnel.

**10. The consumer isn't a moron**

On having an obsession for growth before retention.

**11. The future of growing startups**

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