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Introducing "The Balloon Effect"

Many businesses & creators have experienced a similar pattern of success.

From [@MrBeastYT](#) and [@MorningBrew](#) to [@oatly](#) and [@Rovio](#).

Let's break down what "The Balloon Effect" is and examples of it in real life.

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1/ What is "The Balloon Effect"?

It is a particular pattern of growth.

It is not Instagram's growth trajectory.

It is not <https://t.co/5axsTUKek6>'s growth trajectory.

"The Balloon Effect" is defined by several years of hard work & grit complemented by slow, linear growth.

2/ And then one day, one month, or one quarter...everything changes.

A business hits a tipping point and its trajectory shifts entirely.

Gradual growth turns to exponential growth & your brand and your size explode.

Like a step function.

3/ Now, you're probably wondering.

Why is it called "The Balloon Effect"?

Because filling/popping a water balloon follows the exact pattern I just described (and so many businesses experience).

Long unsexy slog ■ Exponential tipping point.

4/ Initially, you turn on the faucet & water takes up space in the empty balloon.

Through effort you open the faucet, yet the results are unexciting.

But it's what must be done for water (or growth) to happen at all.

It's not sexy, but it's necessary.

5/ As the balloon fills—as with any business—you yearn for that tipping point, for that moment of explosion.

It takes patience & it's unpredictable, but when it happens, you sure as hell know it.

6/ With the flow of water, the balloon builds pressure until—in one instant—everything changes. The rubber gives way & water is sent every which way.

THAT is "The Balloon Effect" so many businesses experience.

Now, two real life examples of this theory ■

7/ Enter, [@MrBeastYT](#).

Jimmy Donaldson is the poster-child of "The Balloon Effect."

Beast started posting on YouTube at age 12.

For years, he didn't see success with videos of him playing COD and Minecraft.



8/ But he was committed to improving and learning from YouTube greats.

He dropped out of college—to pursue YT full-time—and started seeing success with a new category of content: stunts.

Few examples:

- Spent 24 hours in prison
- Went back to 1st grade for 1 day

9/ Dropping out & starting stunt vids were his tipping point.

First 6 years of posting ■ 6 million views

Following year ■ 122 million views

Now: 4 billion views/year

Beast spent YEARS creating/going unnoticed.

Today, he's the world's most successful YouTuber.



10/ That was a creator example.

Here's a company example.

It's time to talk about MILK. And more specifically, Oat Milk.

Oatly, the \$2 billion oat milk brand is a prime example of "The Balloon Effect" in business.

**IT'S LIKE
MILK, BUT
MADE FOR
HUMANS.**



11/ For 26 years, Oatly has been on a mission to create a plant-based drink that serves humans & the planet.

The company was founded in 1994 based on research done at Lund, a Swedish University.

And while we all know Oatly today, the brand lived in obscurity for 2 decades.

12/ It wasn't until 2014, when Toni Petersson became CEO, that the company gained mass popularity.

A few things led to Oatly's tipping point:

- Expansion to U.S. through baristas
- Evolution of alt-milk market
- Incredible marketing



13/ "The Balloon Effect" in action.

Oatly's revenue:

- 2014 ■ fraction of size
- 2017 ■ \$68 million
- 2018 ■ \$110 million
- 2019 ■ \$200 million
- 2020 ■ \$400 million*

*stated target

14/ That, my friends, is "The Balloon Effect."

What it is & how it shows up in the world.

Finally, here are FOUR simple lessons we can all take from this pattern of growth to be better builders and better business people ■

15/ 1) Love your business.

You can't time your tipping point (and it may never come). If you don't love your work, you'll burn out before reaching explosive growth.

16/ 2) Be nimble.

Explosive growth doesn't wait. Don't try to time it, but be adaptable and handle the gift of growth.

3) Tell your story.

Once you experience success, ppl will look to you for advice. Show them your whole journey, not just everything after the balloon pops.

17/ 4) Control your destiny.

Try to avoid reliance on outside capital when possible. Entrepreneurs are patient if they are passionate. Many investors are not.

18/ Thank you for reading!

For more threads on business stories, business lessons, and the entrepreneurial journey, follow me on Twitter!

This will be the first thread of many ■