Quick Answer: What Are the Key Responsibilities for a Product-Led Growth Leader?

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Initiatives: Go-to-Market Strategy; Product Introduction

As the buzz around product-led growth continues to increase, organizations are putting resources in place to successfully run and manage PLG initiatives. What must product marketers or others plan and do to succeed as a PLG leader?

Quick Answer

What are the key responsibilities for a product-led growth leader?

Whether created as a net new role or undertaken as an additional set of responsibilities for product marketers or product managers, an erstwhile product-led growth (PLG) leader will have a wide variety of actions to undertake to be successful. Nearly all of these must be in partnership with a broad set of functions as follows:

- Drive product instrumentation and usage/event analysis with product management to understand when users find "meaningful value" in offerings.
- Define lead qualification parameters and data integrations (that is, with CRM), and align with demand generation and marketing operations.
- Create appropriate product guidance and nurture content with product marketing to respond to user value signals.
- Determine which selling motions apply to target account types, working with sales to apply appropriate or proportionate resources.
- Ensure users receive the best experience and undertake meaningful usage within accounts, working with customer support and success to drive growth and expansion.
- Determine cost parameters associated with free/freemium offers as well as pricing that accommodates simple conversion (when applicable) through work with finance and/or pricing leaders.

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More Detail

The basic concept behind PLG is simple: Your product is your best marketing and sales advocate, and usage of your product (typically in a free or freemium model) will suggest likelihood and timing of conversion to paid (new or expanded) usage. This is arguably a more accurate indicator of willingness to purchase than attempting to determine the same through traditional lead progression metrics (such as measuring marketing-qualified leads and sales-accepted leads). However, making PLG work takes more than simply making a free/freemium product available. And, for someone whose job it is to drive a PLG strategy for their SaaS company, numerous actions across a variety of functions (see Figure 1) must be put in place. Of course, these will also follow from or incorporate go-to-market directives driven by executive leadership.

Figure 1: PLG Requires Collaboration with Numerous Functions

PLG Requires Collaboration With Numerous Functions



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These activities must include:

- Driving product instrumentation and usage/event analysis: Success of PLG initiatives is entirely dependent upon the data collected about product usage during free/freemium trials or subscriptions or throughout ownership. PLG leaders, however, must work with product management to determine "meaningful" usage that suggests users are seeing value from offerings. That means identifying and tracking specific feature/capability usage potentially with respect to volume of usage representing a better way for a user to accomplish a task or process. Product teams must also instrument products for such tracking and quantification through appropriate analytics. Further, in-application messaging (or beacons or guides) can be incorporated, either to ensure users are adopting the product or, more specifically, to coax users toward certain features/functions that drive value. Remember that all of this is contingent upon ease of onboarding and subsequent product navigation and usage, meaning that PLG leaders must ensure good experiences from beginning to end.
- Defining lead qualification parameters and data integrations: Ensuring a process to target the most likely candidates (that is, prospective users/customers) for free/freemium offers means working closely with demand generation and campaign management on areas stemming from segmentation to the most appropriate website calls to action. Later, captured data from meaningful usage must be integrated with appropriate account records (that is, usage links to particular users who belong to specific accounts) to paint a picture of value realized not just to the users but to their organizations. As this usage progresses, the communications offered to users, either within or externally to the product, must follow an appropriate nurture path that can be aligned with content appropriate at different stages. Recording this data, aligning with appropriate nurture content, and rolling up usage metrics to the team and/or account level will maintain consistency of communications and an organizational view of realized value.
- Creating appropriate product guidance and nurture content: Product marketers help establish the relationship between specific product usage and realized value (which can be particular to different use cases or solution sets). Additionally, they create or specify (sometimes with content marketers) content appropriate throughout nurture streams. PLG leaders also should work with product marketers/content marketers on the user/buyer differences and parallels to ensure that usage value is interpreted correctly with respect to organizational value drivers.

- Determining which selling motions apply to target account types: Depending on your products and audiences, PLG may not have a one-size-fits-all selling motion. For example, if the focus for PLG is primarily individual, team or small and midsize business (SMB) buyers, selling (or conversion to paid products) might be automated or managed by sales development representatives or inside sales staff. However, if your organization seeks enterprise licenses, sales motions might start top down, be driven by account executives, and incorporate but not necessarily lead with PLG offers. A PLG leader must work with sales to determine which motions and which resources to apply to the various models in play.
- Ensuring users receive the best experience and undertake meaningful usage: The participation of customer support and success teams themselves in free trials (or even freemium) is often minimal, given the need to keep costs down and create incentives to upgrade. PLG leaders must align with customer support teams to ensure that users receive the best experience appropriate for their subscription (for example, community and/or email support might be most cost-effective for free/freemium users). They must also work with customer success teams to help drive growth and expansion for existing customers. Further, since customer success managers typically maintain an understanding of the customer journey through usage patterns and metrics, they can help PLG leaders tailor in/or outside application messaging, nurture programs, and other elements to drive conversions and expansion.
- Creating appropriate cost and pricing parameters: PLG leaders will need to work with finance teams to share customer acquisition cost and other metrics to help determine profitability, proposed customer lifetime value, and the overall health and success of PLG initiatives. For PLG-oriented sales motions that are more fully automated typically, for individuals, teams and/or SMB buyers pricing should be easy to understand to ease conversions. PLG leaders can work with finance and/or function(s) owning pricing to establish prices that reflect how customers value implementations and accounts for PLG-related costs.

Recommended by the Authors

Can Software Products Generate and Qualify Their Own Leads to Drive Growth?

Case Study: Product-Led Growth (HubSpot)

Marketing's Missed Opportunity: Growth via Customer Success Management

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Case Study: Tech-Touch Customer Success and the Power of Amazement (SAP)

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