



The Product-Led Sales

PLAYBOOK

VOLUME ONE

FOREWORD



We started the Product-Led Sales community in the summer of 2021 before a clear definition of Product-Led Sales existed. In the last decade, Product Led Growth has become a near necessity for a thriving SaaS business; but, as PLG companies mature they all have one thing in common - sales teams.

We created this community because in 2021 we finally admitted something many of us already knew: the best PLG companies always have sales teams. But, there are no frameworks or best practices for Product-Led Sales, like there are for traditional top-down sales. So, we turned to our community of experts.

In 2022, we will create the foundational frameworks and best practices that solidify Product-Led Sales as the primary strategy for modern GTM teams.

There is a ton to learn from experts who have been practicing Product-Led Sales before it had a name and from the innovators who are making incredible progress more recently. This playbook isn't theory, it's written by experts from the PLS community who have been in the trenches executing on PLS before it had a name. In this playbook, you will find articles from these experts on how to structure, plan and execute a Product-Led Sales strategy.



Alexa Grabell,
CEO & Co-Founder at Pocus

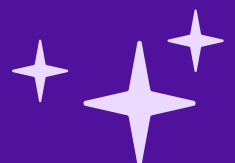


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SECTION ONE

DEFINING THE WORLD OF PLS



Product-Led Sales (PLS) is a bottom-up go-to-market (GTM) model that leverages existing product users as the main funnel for the sales team. Like PLG, PLS is an inherently cross-functional and data-driven strategy that refocuses your GTM efforts on existing users of your product. In this section we dive into the state of Product-Led Sales (by the numbers), perspectives on the future of Product-Led Sales, and how the modern GTM tech stack has evolved and adapted to this new approach.



THE NEXT CHAPTER OF PLG



Alexa Grabell

Co-Founder & CEO at Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



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Co-founder and CTO of Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



Many product-led growth (PLG) companies boast about achieving success in just a few simple steps: release an excellent product, allow users to sign up and engage with it for free, and let the product “sell itself” by delivering value immediately.

Since the product seemingly sells itself, outsiders are left to assume there’s no sales team helping move things along.

However, behind the scenes, there is almost always a sales team driving significant user growth and accelerating revenue. [We recently surveyed 200+ GTM leaders](#) at PLG companies & found that over 97% either have a sales team or plans to add a sales team soon.

It’s time to finally bring sales teams into the light at PLG companies, uncover a new sales approach that will increase their effectiveness even further, and explore what the future holds for modern PLG companies and their sales teams.

Busting the “No Sales” Myth in PLG

There’s no better way to dispel a myth than to bust it with real-life facts. Let’s use the real-life company Notion to show why successful PLG organizations can benefit from — and often direly need — sales teams.

It all starts with a user who is on the hunt for a solution to manage notes, docs, projects, and wikis. The user searches the internet for those terms and lands on Notion’s promoted homepage. This page describes the exact problem the user is facing and presents an elegant solution. In just seconds, the user is able to sign up for the free version of the product and onboard themselves — without ever speaking to a salesperson.

Why does the user love this experience? Because it’s frictionless and efficient. They get to experience the value of Notion, rather than being told about the value. No sales pitch, no drawn-out buying process.

Notion also loves this experience. They benefit from a highly cost-effective onboarding process and are able to acquire happy users without human intervention. It’s a win-win, for now.

But what happens when the user’s company expands to hundreds or thousands of employees, leading to several teams interested in using Notion? At this point, users will need more advanced plans that include customizing their solution and assistance navigating layers of security, procurement processes, centralized billing, and more.

The product can't do all the talking, so they need to speak to a human before going any bigger.

Before they’re willing to swipe their credit card for the more advanced plan, they want to learn more from a real person. And they’ll probably want to bring a wide range of colleagues along on the journey to get their questions answered, too. The product can’t do all the talking, so they need to speak to a human before going any bigger.

It is at this juncture that many PLG companies realize that **the self-serve flywheel is not enough to sustain the company's growth milestones**. In order to keep growing and meeting aggressive revenue targets, they must find a way to turn \$500/year user subscriptions into \$500,000/year enterprise contracts. It's also at this point that PLG companies realize their users want to talk to a salesperson to help with the complex process of enterprise sales.

If a PLG company does not add a sales team at this point because they think they don't need one — after all, none of the greats do, right? — then users will not feel comfortable nor be incentivized to spend significant capital on an enterprise-wide solution.

Say Hello to the Future of PLG: Product-Led Sales

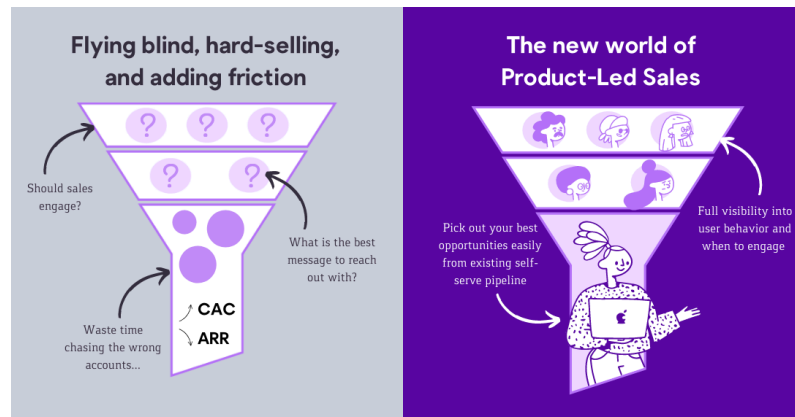
Yes, a sales function is necessary at a successful Product-Led Growth organization. But no, that doesn't mean just any sales approach will do.

As the CEO of Pocus, I've had the chance to speak to hundreds of sales leaders, product-led growth experts, and people in every go-to-market (GTM) role at the most exciting SaaS businesses. One thing has become abundantly clear: **the way software is sold has changed for good.**

While the self-serve flywheel gives customers faster time to value, the real breakthrough happens when PLG organizations pair a powerful self-serve motion with a robust sales motion. This is called Product-Led Sales.

Product-Led Sales (PLS) is a bottom-up GTM model that leverages existing product users as the main funnel for the sales team.

The traditional enterprise sales approach relies on customer fit data (eg. company size, geography,



industry, etc.) to identify and prioritize leads. But Product-Led Sales teams base their outreach on customer fit and product usage data (eg. who signed up for the product, who the power users are, how many total daily active users are in the account, etc.).

A Product-Led Sales approach is all about understanding how a team is using your product, who the product champions are, and when the sales team should engage. PLS teams use these insights to define and surface product-qualified leads (PQLs).

[PQLs are real-life users](#) who have already experienced your product's core value first-hand. These leads are warm from the get-go, as they are active users, clearly align with your ideal customer profile, and have shown purchase intent. [PQLs are 5 times more likely to convert](#) than traditional marketing-qualified leads (MQLs), which are just users who have shown some level of interest in your marketing content — not your product.

No more cold, uninformed outreach. With the modern PLS motion, salespeople can find needle-in-the-haystack opportunities and reach out to the right buyer at the right time with the right message.

Building the Product-Led Sales Tech Stack

In a typical enterprise sales motion, the flow goes prospect > lead/account > opportunity. The sales funnel is quite similar no matter the company, and it's obvious what leads make it into the customer relationship management (CRM) platform — a tool that was once ubiquitous in sales spaces.

The variety and complexity inherent in PLG environments have surpassed what most CRM tools can do

But in a modern PLS approach, the process differs dramatically based on the product, how the product grows, and the sales approach at the company. So when it comes to Product-Led Sales, you'll witness a variety of flows:

- A free user can sign up with their personal Gmail and end up upgrading to a \$100K contract (seriously, I've seen it happen!).
- A developer tool will measure success in the number of API calls and other product features, not the number of leads associated with the account.
- A company may get 10,000 sign ups per week and not all of them are in or should be in the CRM.

The variety and complexity inherent in PLG environments have surpassed what most CRM tools can do, for three core reasons:

Outdated data architecture: The architecture upon which most CRMs are built can't support the kind of data, flexibility, and volume modern PLG companies need.

Inflexible visualization and workflow features: The visualization layer in a CRM is not easily configured for the type of information sales teams at PLG companies need. Nor is it flexible enough to be customized to a PLS motion.

Expensive maintenance needs: CRM vendors penalize companies with sky-high costs the moment they start to bring in even a modest amount of product data volume.

Reasons like these are why we built Pocus: the first-ever Product-Led Sales platform, created specifically to serve as a source of truth for go-to-market teams and help turn product data into revenue. Pocus brings together all the information CRMs can't — product usage, customer fit, and buying intent data — and makes it actionable for your business.

Along with Pocus' PLS platform, there are a few other tools that will help create a PLS tech stack that unlocks your true potential:

- **Data warehouse:** for storing raw customer and product data
- **ETL and reverse ETL:** for moving data into the data warehouse and writing it back to third-party platforms
- **Customer data platform:** for unifying customer data
- **Product analytics:** for observing user behavior within your product
- **Data enrichment:** for adding firmographic data into prospect and customer profiles

- **Product engagement:** for guiding users to value inside your product
- **Marketing and sales automation:** for powering data-driven and action-driven campaigns

Community-Driven Predictions About the Future of PLS

Product-Led Sales is the future for product-led growth companies — but what does the future hold for PLS itself? That's the question we asked our [PLS community](#) to come up with a few predictions for 2022 and beyond.

1. Product-Led Sales Will Fuel More Revenue

It's no surprise to me or the rest of the PLS community that the adoption of Product-Led Sales is only going to become more widespread in 2022.

Sales at a PLG company is a natural progression as the growth from the bottom-up begins to plateau and the need to move up-market and close more strategic opportunities increases. Adding Product-Led Sales on top of a product-led growth strategy is a winning formula for translating early bottom-up adoption success into a revenue-generating machine.

2. Product-Qualified Leads to Go Mainstream

Product-Led Sales teams will continue to mature the process of defining, identifying, and proactively engaging product-qualified leads, resulting in bigger deals for businesses, less friction on the sales side, and fewer spammy interactions for consumers.

As PLS teams continue to become embedded across more PLG organizations, so too will the PQLs that help power their success.

The single source of truth will only become more critical as data becomes a more significant player in the sales game

3. A True Single Source of Truth Will Emerge

The single source of truth will only become more critical as data becomes a more significant player in the sales game. Today, most companies have two sources of truth, the data warehouse and the CRM. But having two sources of truth really means you have no source of truth and Product-Led Sales is really highlighting this problem. Companies will need to align on a true single source of truth in order to better equip their GTM teams with the right data. Our community was split on who would win, the data warehouse, CRM, or another platform entirely. You can [find out how we at Pocus feel about the topic here](#) (hint: we think it's time for a new source of truth).

4. Sales-Assist Roles to Boom

As we've mentioned, sales teams in a PLS world look different than their predecessors. We agree with our community that the sales-assist (aka product

specialist) role will become more commonplace for nurturing PQLs and helping users remove friction and get to value within the product.

Learn more about this still-developing role from my [AMA with GTM godfather, Giancarlo 'GC' Lionetti](#).

5. Compensation and Metrics Will Evolve Alongside Sales Practices

New PLG approaches and strategies can, and should, mean new best practices for sales compensation and success metrics!

In 2022, we'll see more sales teams measured and compensated based on how they've added value for customers. That means incentivizing teams to close the best customers — not just a certain number of customers.

6. A New Love for Experimentation to Emerge

Despite our conviction that Product-Led Sales and all its supporting elements are on the rise, it's still a relatively new concept when compared to the legacy sales system. That means experimentation is still key to getting it right in your organization.

What do we mean by experimentation? It's not just a scientific approach to testing your hypothesis on

PQLs, the PLS motion, or the structure of your sales team. It's also about a mindset — you must always be willing to test and iterate because no single playbook for PLS exists.

Every PLG company's sales motion looks a little different. You must leverage these fundamentals and frameworks and then see what works for your specific company. If PLG companies want PLS to work, leadership and sales must have a flexible mindset and be willing to test, iterate, and test again when it comes to organizational structures, hiring profiles, sales workflows, and tools.

Are You Ready for the Next Chapter?

PLG companies that have made the shift to the next chapter have seen the many benefits of PLS, such as increased ARR, decreased CAC, faster time-to-value, and a better customer experience. Those that haven't have struggled to acquire, retain, and delight customers, resulting in slow growth, missing ARR targets, long sales cycles, and high CAC.

Is your company ready to experience the next chapter of PLS magic?



Is your company ready to experience the next chapter of PLS magic?



THE STATE OF PLS

2021 PRODUCT-LED SALES BENCHMARK REPORT RESULTS

Results from a survey by:
Pocus & First Round Capital



More companies today are choosing to go product-led than ever before, but there's a dirty little secret most product-led growth (PLG) newbies are learning...

The best PLG companies ALL have sales teams.

High-performing teams at the best PLG companies have been practitioners of Product-Led Sales for a few years now, but education on the topic remains scarce. **Product-Led Sales, or PLS for short, is a bottom-up GTM model that leverages existing product users as the main funnel for the sales team.**

And while a PLS motion makes sense in a product-led approach, the roadmap for layering sales on top of PLG is not clear. Companies like Zoom, Atlassian, Slack, and Dropbox have successfully turned their self-serve user growth into impressive revenue growth.

But how? We were wondering the same thing.

That's why Pocus and First Round teamed up to create the first-ever Product-Led Sales Benchmark Survey to learn how PLG companies structure, plan, and execute their sales strategy.

We designed this benchmark report to help PLG companies that have added a sales team — or are thinking about adding in sales — accelerate revenue growth.

Our very first report includes 200+ respondents from some of your favorite PLG companies (both veterans and newbies represented).

We dug into some of our most burning questions as we enter 2022:

- When do PLS companies add a sales team?
- What sales roles do PLG companies prioritize?
- What does the sales organization structure look like?
- How do you compensate sales reps in PLG?
- And more!

The Myth of No Sales

In the data, we clearly see that the myth of PLG companies not having sales teams has been dispelled. Over 97% of survey respondents either have a sales team or plan to add sales soon.

So why is Product-Led Sales not more widely understood or adopted?

The Product-Led Sales Boat Hasn't Left the Dock

Product-Led Sales is still in its infancy, attracting primarily innovators and early adopters of PLG.

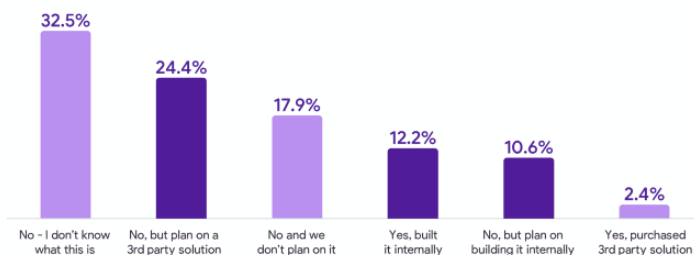
Top PLG companies like Slack, Datadog, Zoom, Atlassian, MongoDB, and others have been layering sales on top of their PLG motions for several years. Instead of bolting on a typical enterprise sales motion, the best-in-class PLG companies realized that it was much more efficient to direct sales efforts toward an existing base of users — thus PLS was born.

Most companies are still in the exploration phases, trying to figure things out as they go along. PLS is taking off with early adopters, but the sheer number of “No — I don't know what this is” responses among business leaders makes it clear that the strategy is nascent within the broader PLG community and SaaS overall.



Going beyond the basic definition of Product-Led Sales, what does it really mean? And what does it look like when it's executed?

Have you invested in a PLS platform?



Product-Led Sales reorients your sales team (and go-to-market functions) toward your existing base of self-serve users. The playbook for PLS is different from your typical enterprise sales approach, where there is a lot of up-front demoing and relationship development. Instead, with PLS, sales is focused on nurturing existing users, guiding them towards realizing value, and assisting users with upgrades/enterprise expansion.

The traditional enterprise sales approach relies on customer fit data (company size, geography, industry, etc.) to inform the identification and prioritization of leads. But Product-Led Sales teams base their outreach on customer fit **and** product usage data. A Product-Led Sales approach is all about understanding how a team is using your product, who the product champions are, and when the sales team should engage.

Sales teams can more accurately pinpoint their best opportunities

Practically, this means sales teams are not blindly chasing leads or relying solely on outbound tactics to get in front of customers. Instead, PLS teams will prioritize product-qualified leads (PQLs). PQLs are users that have realized value in the product, are in your ICP, and/or have indicated buying intent.

No more flying blind — sales teams can more accurately pinpoint their best opportunities and reach out at the right time with more personalized outreach.

PLS Teams Still Do Outbound

How do PLG companies deploy their sales resources?

Unsurprisingly, since PLS is still in its infancy, many sales teams in PLG companies still behave like traditional sales teams.

Which of these options most accurately describes your sales motion?

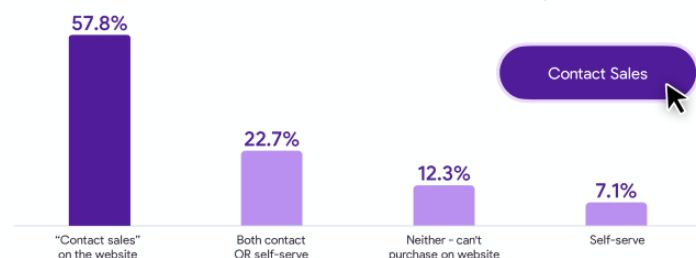


While a majority of respondents (72%) have sales conducting outreach to inbound leads, many have started to conduct outreach to PQLs (47%). However, 50% are still relying on MQLs to inform outreach and 44% conduct cold outbound — both of which are more traditional enterprise sales tactics.

Along the same lines, for enterprise licenses, “contact sales” is the most popular path (even at PLG

companies). It seems few are ready to let users completely self-serve for enterprise licenses, but some are making strides in that direction (about 7% offer a self-serve path for enterprise plans!). Our assumption is that those who choose to offer a self-serve path for enterprise plans also don't have plans to add a sales team anytime soon. We broke down the data to validate this assumption and found that those who answered "No sales team and no plans to add one" made up the majority of the 7%.

If a user wants to purchase an enterprise-wide license, they:



Sales-Assist Is Sneaking Into the Sales Org Chart

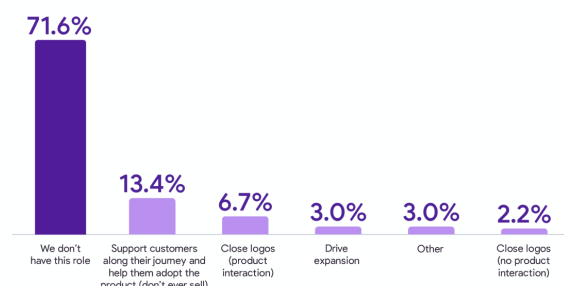
As a founder or small PLG team, it can be difficult to figure out when to start adding a sales team. We asked survey respondents when they added their first sales hire, how big their teams are now, and how they deploy sales resources.

Turns out the sales team structure at PLG companies is not too different from any other SaaS company, with the first hire normally being a Head of Sales, VP of Sales, or a CRO. 48% of respondents made their first hire between \$500K and \$1M in annual recurring revenue (ARR), and that hire typically reported directly to the CEO/Founder. Compensation also looks as it did in the traditional enterprise sales world, although it will be interesting to see this shift as more PLG companies adopt new pricing strategies that are less predictable

(we're looking at you, usage-based pricing).

Where things get interesting is with the role of sales-assist, an emerging function within PLS. Sales-assist is exactly what it sounds like — it's a role that helps or assists a user in their journey, whether they're ready to purchase, have hit a point of friction, and everything in between.

What is the primary role of a Sales-Assist/Product Specialist at PLG companies?

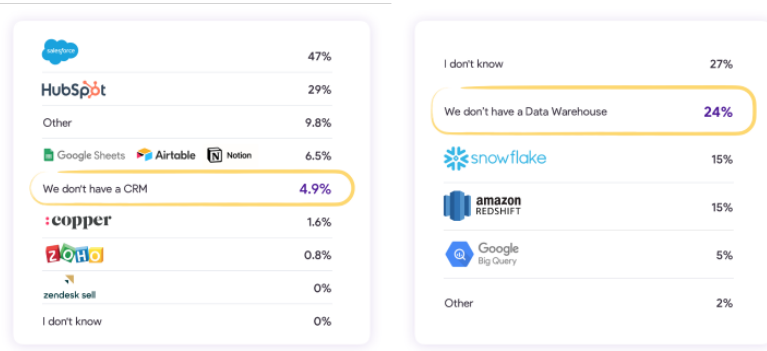


The sales-assist team offers a human touchpoint for users who are potentially good sales opportunities and need help solving their problems, getting value out of the product, or making a purchase decision.

CRMs Are Required Even in PLG Motions

A bottom-up go-to-market (GTM) motion like PLG puts the existing tech stack to the test. However, given the infancy of Product-Led Sales, it's no surprise that CRMs still dominate. Although, as more companies place a greater emphasis on product data, we predict this will decrease over time as the data warehouse becomes a better source of truth.

Most respondents either use Salesforce or HubSpot as their CRM, with a few smaller companies opting for a Google sheet, Notion page, or Airtable base.



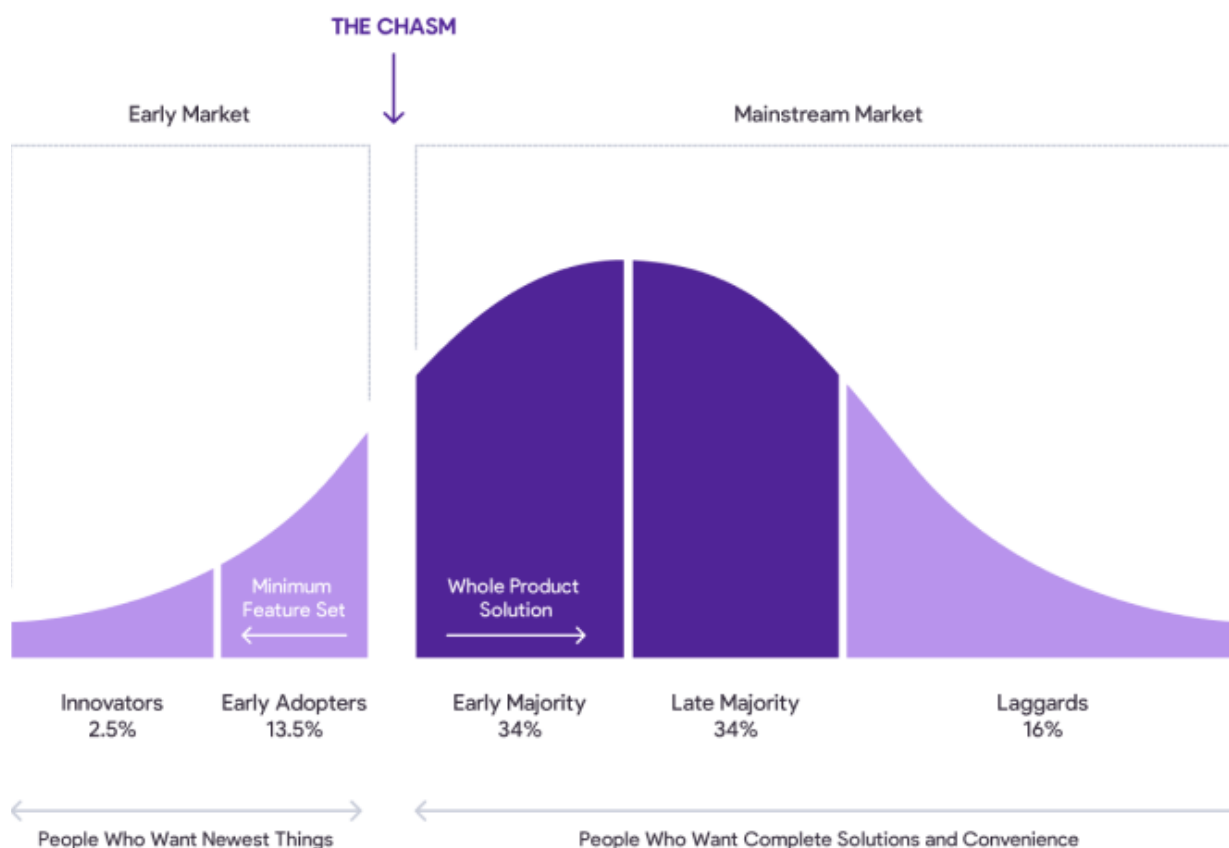
When it comes to the data warehouse, 24% of respondents still don't have one. We feel pretty strongly that this number will continue to decrease as more PLG companies recognize the power of leveraging the data warehouse as the system of record for their company. You can read more about our thoughts on CRMs and why we believe the data warehouse is a better backend for your GTM tech stack [here](#).

Where PLS Is Heading

Product-Led Sales is still in its early days. We're still in the innovation stage of Geoffrey Moore's technology adoption curve. So, it's no surprise that our first benchmark report on this emerging category shows that many companies are still figuring out how to harmonize their PLG/self-serve go-to-market with sales.

Unsurprisingly, we're still seeing a lot of PLG companies following traditional enterprise sales strategies, but we're excited for future versions of this benchmark report when Product-Led Sales moves into the mainstream. After all, 24% of survey respondents did indicate they are looking for a third-party PLS platform.

As more PLG companies realize the 1+1 = 3 power of adding PLS motions, we'll begin to see new playbooks, sales compensation norms, metrics, and tools.



The myth of no sales at PLG companies has been completely debunked. Most companies see the need for sales and PLG, but many are still figuring out how to harmonize both motions.

The future of PLS is definitely bright. 24% of respondents are looking to add a third-party PLS tool while another 12% are pursuing internal tools to enable PLS.

We still see PLG companies leveraging conventional frameworks for enterprise sales from compensation to sales team structures, further emphasizing just how new the Product-Led Sales approach is for these teams. GTM playbooks have not yet been adapted. GTM playbooks have yet to be adapted, which is why we curated the Product-led Sales playbook to give teams the foundational frameworks, best practices, and advice they need to truly adopt a PLS motion.

48%

of companies initiate a human touch when a user becomes a PQL

35%

of companies track PQLs and MQLs in separate scores

97%

of PLG companies have plans to adopt sales on top of PLG

24%

of companies have plans to purchase a 3rd party tool for PLS

46%

of companies leverage sales to nurture/convert PQLs

24%

of companies don't have a data warehouse

TAKEAWAYS

THE MODERN TECH STACK FOR PLG COMPANIES



Isaac Pohl-Zaretsky

Co-founder and CTO of Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



It seems like everyone wants to be product-led in the world of SaaS, but if you've been on the journey - it's not easy.

Most of the tools that sales, marketing, and growth teams use today are not purpose built for product-led growth. We've shoehorned, manipulated, and frankenstein'd our way into something that works for a modern self-serve go-to-market motion and sales-assisted or sales-led.

Why Do We Need a PLG Tech Stack?

You've got the most talented product, growth, sales, and marketing talent at your disposal, but they aren't reaching their potential because they cannot access the right data to inform their go-to-market strategy.

The traditional enterprise SaaS tech stack does not work for product-led growth. The sales / revenue /

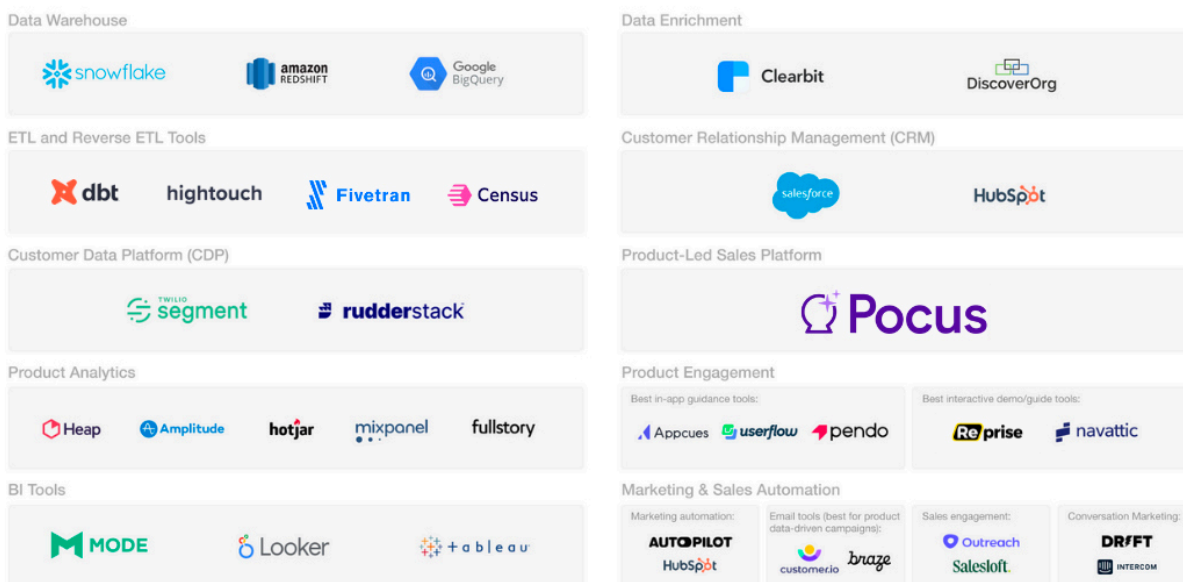
GTM operations team is forced to cobble together various band-aid solutions.

Take the poor sales operations soul who has to harmonize data between Salesforce, Hubspot, and product data via Segment. Instead of enabling outcomes, your talent is spending hours trying to turn that swamp of data into something actionable for your GTM teams.

The PLG Tech Stack You Need

If you're on the path to product-led, or maybe you're a PLG company ready to add a sales team, it's time to revisit and level up the tools you use. We polled our product-led experts on their current PLG tech stack favorites and future wishlist items to compile this list.

Here are the required tools you must have to build the ultimate PLG tech stack in 2021*:



*Disclaimer: If you're moving from sales-led to product-led, or maybe you're an early stage (seed or series A) company, you probably don't need everything we list below. At the end of this post I'll summarize the MVP stack you need to be successful at PLG.

1. Data Warehouse

It's 2021, so you can't get by without having a data warehouse to store your raw customer data. This is your source of truth for all raw data including user sign ups and product usage. The data science team you'll eventually hire to create that sophisticated propensity to buy models will thank you.

While CRMs (Salesforce, Hubspot) may still be the source of truth for your sales data, the source of truth for PLG companies has shifted to the data warehouse. The data warehouse is the overall system of record for product, customer, and marketing data. However, a system of record is only half the story: making that data useful should be the responsibility of another tool or set of tools, which we'll talk about below.

Our experts recommend a few tools in this category:

- Snowflake
- Redshift
- BigQuery

2. ETL and Reverse ETL Tools

How do you get all of that data into your data warehouse? Extract. Transform. Load (ETL) tools help you take data from various sources and pipe them into your data warehouse.

But what if you need to write data back to your marketing automation platform, CRM or other third party tools? Well we now have the luxury of reverse ETL tools that help you do exactly that.

Our PLG expert picks for ETL tool and Reverse ETL:

- Hightouch (Reverse ETL)
- Census (Reverse ETL)
- Fivetran (ELT) - ETL vs. ELT vs. Reverse ETL could be its own post, so here's a great primer on [reverse ETL](#) and [ELT](#))
- Dbt (the "T" in ELT)

3. Customer Data Platform (CDP)

A CDP enables your teams to work smarter not harder. Since all of your data can be piped into a CDP it helps standardize what events are utilized across tools and makes distribution of that data

Data Warehouse

ETL and Reverse ETL Tools

Customer Data Platform (CDP)

Product Analytics

BI Tool

Data Enrichment

Customer Relationship Management (CRM)

Product-Led Sales Platform

Product engagement

Marketing & Sales Automation



seamless. CDPs sometimes are confused with a Data Warehouse. Data warehouses store all company data where a CDP is only interested in keeping track of customer data.

The top two CDPs our experts recommend are:

1. Segment (absolutely the category leader but can get a little pricey)
2. Rudderstack (pulls data from the data warehouse - a must have for some of the PLG experts we've spoken with)

4. Product Analytics

You can't be a PLG company without understanding how users behave within your product and luckily there are a number of very mature and newer tools to help you learn your users' habits inside and out.

A common theme with the best product-led companies is a culture of constant iteration and improvement. If product is your primary channel for user acquisition, you can't just build it once and hope users will love your product. Your product, growth and marketing teams need to make decisions based on how your users actually utilize the product, what channels do your best users come from, and how quickly they activate within the product. You can't learn any of this without a range of product analytics tools.

Most PLG companies have either Heap or Amplitude, some have Mixpanel, and then there is a diverse array of secondary analytics tools that some teams love.

- Heap
- Amplitude
- Mixpanel
- Hotjar
- FullStory

5. BI Tool

Every mature PLG company we talk to has either Looker, Tableau or Mode as their preferred Business Intelligence (BI) tool. A BI tool is a no-code way to slice, analyze, and visualize your data in one place. However, most of the teams we speak to are trying to build a lot more than just data analytics within these tools.

If you're new to PLG you might be wondering, why does a PLG company need both a product analytics tool and a BI tool? It comes down to use cases. The product analytics tools are highly specialized for tracking typical SaaS product metrics, but it is quite challenging (and expensive) to also analyze and visualize marketing or sales data in those tools.

The BI tool within these companies in many ways is a bit of a stop gap, a band aid solution for a tool that can help identify the best users, prioritize accounts, and help GTM teams make the best decisions when it comes to sales or marketing strategy.

- Looker
- Tableau
- Mode

6. Data Enrichment

A third-party firmographic data tool, like ZoomInfo or Clearbit, helps sales teams understand who their prospects / customers are by providing data like industry, geography, company size, role, and more. Pairing this firmographic data with your product usage metrics is the one-two punch sales reps need to know what PQLs are worth chasing and where the best bet expansion efforts exist.

Best third-party data tools:

- DiscoverOrg (ZoomInfo)
- Clearbit

7. Customer Relationship Management (CRM)

If you've worked in sales or marketing you probably have a love/hate relationship with the CRM. It's the de facto system of record for your teams, but, the most popular CRMs on the market have not been able to adapt to the ways your GTM has changed.

Across the board we've seen PLG teams struggle to adapt Salesforce or Hubspot to their needs.

PLG companies that have also layered in sales have unfortunately created two system of records: the CRM that contains sales or account profile data and the data warehouse which contains rich product usage data.

Across the board we've seen PLG teams struggle to adapt Salesforce or Hubspot to their needs. But the solution isn't just a CRM built for the product-led GTM, it's time for a new platform to empower the entire GTM team - The PLS Platform (more on this below.)

The most common (not loved) CRMs our experts recommend are:

- Salesforce
- Hubspot

8. Product-Led Sales Platform

Once you have your self-serve growth flywheel locked in, you'll want to add a sales team to capitalize on revenue expansion opportunities. But how do you know what accounts to prioritize for this new sales team? How do you equip them with the right data and insights about users within that account?

The answer today for many PLG companies is a DIY solution: an assortment of the tools mentioned above connected together with the technology equivalent of masking tape.

I was that person. I've been the poor sales operations soul tasked with the unenviable job of cobbling together a solution to bridge the gap between our bottom-up and top-down sales motions. It was not pretty, which is why it is my mission at Pocus to solve this problem for SaaS companies building their Product-Led Sales team.

A Product-Led Sales platform combines product and customer data to enable sales teams with data, insights, and automation to help them convert users into high-value customers.

So, with [Pocus](#), you can finally ditch the masking taped DIY solution you built in Salesforce or Looker.

9. Product Engagement

Product engagement solutions include in-app guidance for first time users, how-to guides as a user deepens their engagement with the product, or an interactive demo tool to aid onboarding.

Best in-app guidance tools:

- Appcues
- Userflow
- Pendo

Best interactive demo/guide tools:

- Stonly (Embed GIFs or videos in your guides)
- Navattic (If you don't have freemium or free trial yet)
- Reprise

10. Marketing & Sales Automation

Now that you have a single source of truth for actionable product, sales, and marketing data insights, how do you utilize it? Use this data to power your automated sales outreach or marketing campaigns. Create data-driven marketing emails, trigger campaigns based on product usage and more.

Our experts recommend:

Marketing automation:

- Hubspot
- Autopilot

Email tools (best for product data-driven campaigns):

- Customer.io
- Braze

Sales engagement:

- Outreach.io
- Salesloft

Conversational marketing:

- Drift
- Intercom

The MVP Tech Stack

The above list can be daunting if you're a new PLG company just starting out with your self-serve flywheel.

Fear not. In our experience, when you're starting out it's important to focus your tooling around your near-term goals and not overcomplicate things.

If you are focused on getting your self-serve motion up and running, prioritize the following categories:

- Data warehouse (best to get the source of truth set up correctly from the beginning)
- Product-led Sales Platform (help sales get access to product data, insights, and workflow)
- Onboarding/In App Guidance tools (before you build onboarding into your app, rapidly experiment with these easy to setup tools)
- Marketing automation (figure out how you want to connect with users through non-product channels)

Conclusion

It can feel like there is a tool for everything these days and it's not always clear what tools and use cases to prioritize first.

If you take away just one thing from this article: start with your northstar and work backwards to the use cases and tooling required. If you've perfected your self-serve flywheel and are ready to start focusing your teams on revenue growth, then prioritize tools like a Product-Led Sales platform (ahem, shameless plug - get in touch with Pocus).

Or maybe your priority is figuring out your data infrastructure and source of truth, then you should prioritize the data warehouse & ETL tooling.

SECTION TWO

BUILDING BLOCKS OF PLS: MOTION AND METRICS



How do you begin defining your PLS motion? What metrics should you track? How do you operationalize this new GTM approach? The building blocks of Product-Led Sales come down to establishing a process, defining roles, creating new metrics, and a whole lot of experimentation. In this section, you'll learn about crafting the perfect Product-Led Sales user journey, operationalizing product-led onboarding best practices (and where sales fits in), defining product-qualified leads, optimizing your PLS pricing strategies, and determining metrics.



CRAFTING THE PERFECT PRODUCT- LED USER JOURNEY



Jenn Steele

Self-proclaimed “startup junkie,” current VP of Marketing at Reprise, and host of #TheRealPLG video series



As a marketer, I've had the good fortune to have worked with some pretty incredible high-growth companies like HubSpot, Amazon, Bizible (now Marketo/Adobe), Madison Logic, and of course, Reprise.

Admittedly, I'm a little biased but Reprise is especially near and dear to my product-led marketing heart. When I first launched my career, the organizations I worked with relied heavily on sales and marketing to craft benefit-oriented narratives that would capture the interest of prospects. We were data-driven and all that jazz, so outreach was (mostly) highly targeted and on-point.

But we created our collateral, pitches, and sales decks for organizational roles that were often five steps removed from their actual end-users. So it has been incredibly exciting for me to see end-users progress from secondary players to the decision-makers and key influencers they are today.

Experiencing software is what helps sell software.

The Era of The End-User

End-users began playing a larger decision-making role once software companies started using freemium business models, free, limited versions of their product with an upgrade path. This product-led motion gained traction as companies like Slack and Skype found success with it.

Today, it's an end user's world and we're just living in it. The precedent to try before you buy has been irreversibly set by the market. Of course, sales and marketing still tout product benefits, but a product-led business model has made those benefits exponentially more demonstrable.

If your company hasn't committed to becoming product-led but wants to, or if you have but suspect there's more you can do, this article is for you. Below, I've shared what I've learned about Product-Led Growth (PLG), how it differs from a traditional sales model, and why adopting a product-led approach requires an all-in mentality.

First of All, You Can Use Your Product to Sell Your Product

When setting out to craft a product-led user journey, the first thing I want you to do is to overcome the misconception that your user journey can't be product-led.

If you have a product, you can use your product to sell your product. Full stop. Today's product-led toolbox has expanded tremendously in recent years, and now includes (much) more than just freemium models. This means that companies with complex software offerings or companies that don't have the engineering resources to build out a free trial or freemium offer can now be product-led.

Still not convinced that product-led is the way forward? Let me paint a picture for you.

Think of your product as if it's a car. Technically, you

could go online and purchase a car sight-unseen. But realistically, it's a large enough expense that you want to see it, touch it, and take it for a test drive before committing to the purchase. Imagine if the dealership you went to didn't let you interact with the car before purchasing it, and just described its features to you instead. You'd probably walk away.

So why do we as companies treat our software products this way? Why ask potential customers to take our word for it, rather than allow them to see for themselves? Why promise them it's all shiny and wonderful but refuse to let them see that for themselves upfront?

Experiencing the car is what helps sell the car. Just like experiencing software is what helps sell software. Creating that experience is the goal of a product-led user journey. Now, let's dive into building that journey.

When you let your product sell itself, you move the point at which users experience the product to a vastly different place in the funnel — much closer to the top.

Achieving Product-Led Growth (PLG) Requires Organizational Change

When organizations commit to becoming product-led, their first challenge will be to recognize that it requires some change management.

When you let your product sell itself, you move the point at which users experience the product to a vastly different place in the funnel — much closer to the top than ever before. This is a massive change for sales and marketing teams that are used to pitching first, sharing later. An approach that doesn't align with a PLG model.

Adopting PLG also requires a reevaluation of internal processes. For example, the criteria your company uses to determine what a qualified lead looks like will likely change once you're product-led.

Sales engagement is delayed so that end-users have time to get to know your product. This creates better qualified buyers, and once they book a meeting, a salesperson can use the first call to discover more about the prospect's identified needs instead of general pain points.

Prepare your team for these changes with plenty of communication, new playbooks, and training around their updated position in the self-serve journey.

Overcome Concerns: Marketing

A common concern that I see with marketers who are new to PLG is the fear that competitors will steal their product secrets once they open the doors to their product.

To squash those fears, **your team has to realize that your biggest competitors have already seen your product.** They've already secret shopped you — or they've hired somebody who has used your product before.

Marketers should think of their product as if it's a piece of content—it's something that you want people to see, so marketing can nurture based on it and generate leads. In fact, an open product door is better than a piece of content because it's not static. A product can provide usage data and user feedback in a way that a whitepaper cannot.

Marketers should think of their product as if it's a piece of content.

Overcome Concerns: Sales

When introducing PLG to your sales team, be aware that they may be laboring under the misconception that their role will diminish in value. Because this is the furthest thing from the truth, it's an easy objection to overcome.

There's a reason PLG organizations enjoy shorter sales cycles. Buyers who interact with your product and discover its advantages for themselves are more receptive to the sales messaging that follows. Especially, if that message is shaped with product usage insights acquired from prospects who've already experienced your product

Sales Guides, Departments Overlap

When you take a product-led approach to the user journey, sales isn't only getting involved when it comes time to capture revenue. Now, they're also helping deepen engagement with the product. They're adapting customer success traits in a way to help users understand the value.

This is why I love to use “guides” when referring to sales reps. They're guiding users on their journey, helping them use the product, and answering questions. They're almost like customer support people who are getting comped on cross-sell or upsell.

On a larger scale, sales, marketing, product, and customer support have broken out of their siloes. They're layered now. The user journey is no longer a series of gates where they toss functional responsibility over the fence at each gate. Now they're all working together at the same time, in waves.

Sales is present in the beginning and middle of the user journey, product's and customer success' roles bloom as the journey goes on, and marketing's involvement will swell and shrink depending on your unique marketing approach.

Additional PLG Considerations

Creating Product-Led Personas

A PLG motion is different from traditional Account-Based Marketing (ABM) where sales engagement began with upper-level and C-suite executives. With a product-led approach, sales reps are more likely to make first contact with end-users. Because of this, the

buyer personas that your sales team previously relied on to guide sales outreach may no longer be relevant.

For example, let's look at how a sales entry point persona for a PLG organization might look different from one in a traditional ABM environment.

PLG Buyer Persona

- Likely to have technical knowledge
- Will directly use your product
- Is a decision influencer with an increasing role as a decision-maker
- Has the potential to become an early-stage product champion

ABM Buyer Persona

- May have no technical knowledge
- May never use your product
- Is a decision-maker
- Not likely to champion your product until it has demonstrated its value over a longer period of time.

Your product-led sales team needs to make first contact armed with updated buyer personas. Imagine how helpful it would be for a sales representative to be aware of the

fact that they're going to encounter potential product champions at a larger rate than ever before.

At Reprise, one of the ways our salespeople nurture product champion relationships is by sharing a robust, guided tour with prospects, giving them a resource they can share internally — one that is so much better than a one-pager. As a leader, I can say from experience that I'm much more likely to click through a guided tour than read a one-pager.

Set Aside Plenty of Time to Align with the Product Team

When changing the way your company approaches feature and product launches, you're in for a transition that will take more time and more operational lift than many people expect.

Product teams build for people who have already consumed marketing — not for people who are diving in and uncovering the value for themselves. Your sales, marketing, and customer success teams will need to establish a strong feedback loop with the product.

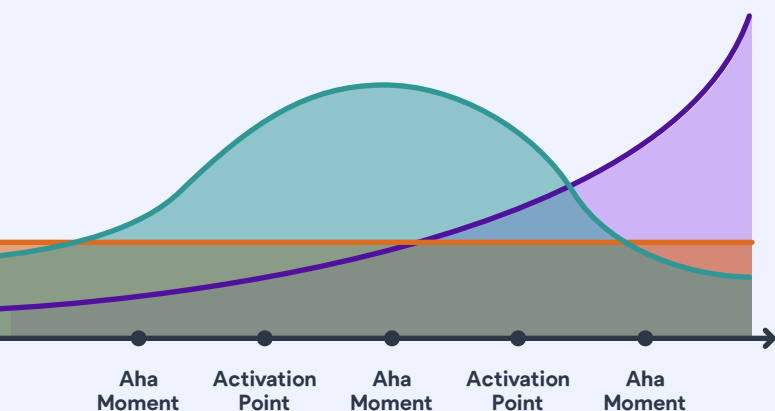
GTM will need to collaborate with the product team on a few areas:

- Where to add more in-product guidance
- How to make sure the free version of your product is not just a limited full version and includes features that drive value (and leave a user wanting more)
- What painful or complex points should be removed or simplified during onboarding to facilitate a self-guided workflow

Product isn't magically going to start thinking about these things when you move to a product-led approach, so this is another area where you'll need to guide the change.

The Product-Led Journey Needs Overlapping Layers of Support

● Marketing ● Sales ● Customer Success & Product



Use Your Product to Sell Your Product or Get Left Behind

I will leave you with the same note I started with — if you have a product, you can and must create a product-centric user journey. Not just because it makes sense, but because it's become the price of admission.

To kick off your product-led transformation, my advice is to start with a single area in your organization, which can be a department or a set of sales and marketing processes. The important thing is to choose somewhere you can easily include your product (or feature/screenshot of your product). Sales likely has some recommendations of great places to start.

Take baby steps if you have to. But if you're not thinking about it or moving toward it at all, then **your competitors are going to leave you in the dust.**

Worry less about the fact that competitors will see your product and worry more about the fact that they're going to win if you continue to gatekeep it. Today's consumers crave a product-led experience that gives them hands-on interaction with very little friction.

How will you succeed in this market without a thoughtfully-designed product and a well-trained sales team that's ready to cater to it?

Good luck out there!



Q&A

HOW TO LAYER SALES ON TOP OF YOUR SELF-SERVE USER ONBOARDING



Sandy Mangat

Head of Marketing at Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



Wes Bush

Bestselling author and Founder and CEO of ProductLed, the premier community and educational resource for transforming how businesses sell their products



There is one crucial feature almost every great product-led company needs to do exceptionally well: user onboarding.

When done well, user onboarding has the power to turn prospects into believers and users into lifelong customers.

No one understands this better than Wes Bush, Founder of ProductLed and best-selling author of Product-Led Growth: How to Build a Product That Sells Itself. Wes has coached and consulted with hundreds of SaaS businesses trying to create their product-led growth (PLG) flywheels — of which onboarding is always an essential module.

In this Q&A session, Sandy Mangat, Head of Marketing at Pocus, talks with Wes about the importance of self-serve onboarding and how to effectively layer sales into the experience.

The Biggest Myth About User Onboarding



Let's start with the basics — how do you teach SaaS businesses to think about user onboarding? What are the core principles?

Although it's counterintuitive to what many people think, the goal of user onboarding is not to help people become better at using your product. The goal of user onboarding is to help people become better at what your product enables people to do.

For example, if you're Slack, the goal isn't to teach users how to use channels or create workspaces. The goal is to make users better at internal communication. At Canva, the goal of onboarding users isn't to teach them how to use the GIF feature, it's to seamlessly create beautiful graphics.

To be great at user onboarding, you need to understand the big context behind why people would even consider using your tool.



How do you figure out the bigger context of what users are trying to achieve?

Look back at your user research to uncover what outcomes users are trying to achieve.

Then, break these out into jobs to be done (JTBD). The JTBD is a framework by Clayton Christensen, an innovation expert and bestselling author of *The Innovator's Dilemma*. JTBD is the process consumers go through whenever they aim to transform their existing life situation. To enable a life transformation, customers “hire” products to solve a problem or to satisfy a need. This is known as a customer job.

Avoid These Common Mistakes to Create a Better User Onboarding Experience





For companies making the switch from product-led to sales-led, or perhaps taking a hybrid approach, what are some common pitfalls they should avoid when designing their user onboarding experience?

The first one ties back into thinking about that bigger context of why someone is signing up and using your product in the first place. Your onboarding experience should not have any unnecessary steps that don't drive the user closer to solving their problem or achieving the outcome you outlined as the bigger context.

An example of an unnecessary step is the activation email. Requiring users to activate their email is common practice for many SaaS businesses.

Let's look at this example in action. I was having a conversation with the founder of Snappa who, at that time, required every new signup to activate their email address before logging into the product. However, what Christopher didn't realize was that 27% of his signups never ended up activating their email address.

User Onboarding Starts Before Users Ever Sign Up for Your Product



What about a company that is considering a product-led but sales-assisted onboarding experience? What do they need to think about?

A lot of times when companies are moving from a sales-led model, their organizational structure and

culture might lead them down the wrong path. In the context of user onboarding, that means the company may think user onboarding is only about the product.

But not considering acquisition as a part of the user onboarding is a big mistake. With product-led growth, it's critical that the sales, marketing, and product teams work cross-functionally on the entire user journey — including user onboarding.

How to Craft a Product-Led and Sales-Assisted User Onboarding Experience



What do you think the role of sales should be in a user onboarding process? For products with more complex use cases, how have you seen human touchpoints used to improve conversion?

In general, there are three primary reasons to add salespeople during the onboarding process:

Direct users to experience the value of the product.

You can think of salespeople more like coaches; they identify where users run into limitations and find solutions to overcome those challenges.

Facilitate product expansion. This could look something like a land and expand strategy. After you've landed a few users within a large company, you

expand by selling more seats and additional features. Many times this requires a sales team to reach out to high-level decision-makers and make consistent connections. In this instance, salespeople don't work at the user level, they work at the account level.

Guide users in the buying process. For many companies, users simply want to talk to someone within the organization. You could wait for them to reach out via email, or you could add various calls-to-action across the site to help them book a sales call.

40% of Slack's revenue in 2019 came from sales closing deals with larger organizations*



We often see sales teams at PLG companies add a [sales-assist team](#). They guide users through a free trial or help when users get stuck. What are your thoughts on this role?

It's an important role to fill.

As mentioned above, salespeople shift from chasing leads to coaching users. The user has already experienced the value of the product. For a salesperson in a PLG model, the goal is to anticipate a

user's needs, and show them different features so they don't run into any barriers.

Another important part is that the salesperson has to leverage product engagement data during the sales process. This means they need to keep careful watch on users who receive meaningful value from a product, which we call a product-qualified lead (PQL).

But not all PQLs need to be chased after by sales. It takes a salesperson to do a bit of digging to understand the customer fit. It's important to look at your ideal customer profile to find out whether or not a PQL is worth reaching out to for a sales call.

Putting It All Together With PQLs



How do you advise companies to use PQLs in their user onboarding process?

Design your user onboarding process to start as soon as someone experiences a quick win, and end when someone becomes a PQL.

As you know, PQLs help us identify users who have experienced the product's core value and are most likely to convert as customers. I like to think about the user onboarding process as helping to create more PQLs.

A helpful framework for how to create more PQLs is Nir Eyal's hook framework. What I love about Nir's model is that there are only four actions you need people to take to create a habit-forming product.

*companies with over \$100,000 ARR

As you can see, you start with a trigger, get people to take an action, which (ideally) results in a reward and an additional investment in the product. This cycle, if repeated, builds long-time users.



What happens once the user becomes a PQL? What tactics can you layer into the user onboarding experience to move them from user to customer?

Moving from activating the user to monetizing them needs to be done carefully.

Where most people mess up in user onboarding is trying to monetize too quickly. One of the biggest mistakes I see happen over and over again is skipping the first two onboarding tracks and focusing on converting users. If you have a high LTV, you can

afford a higher CAC and a more manual sales approach. Or, if you're like many SaaS businesses that fit somewhere in the middle, you'll want to deploy a low-touch sales model as soon as someone becomes a PQL.

The Perfect User Onboarding Experience Focuses on Value

Whatever the model — PLG, sales-led, or hybrid — focus on getting users to value during user onboarding. Obsessively remove obstacles until you can get users there.

Based on Wes' advice, there are some pitfalls to watch out for as you build out your Product-Led Sales user onboarding, but if you remember to focus on value first, you'll be in good shape.

Where most people mess up in user onboarding is trying to monetize too quickly. If you're like many SaaS businesses, you'll want to deploy a low-touch sales model as soon as someone becomes a PQL.

WHAT ARE PQLS?



Alexa Grabell

Co-Founder & CEO at Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



It's nearing the end of the quarter and your sales leader pops up in Slack to ask that dreaded question: "Hey, can you send over more MQLs to fill my team's pipeline?"

So you set to work spinning up new campaigns and refining your scoring to fill the funnel with more MQLs (marketing-qualified leads) once again. But in the back of your head is that nagging knowledge of what's to come — complaints from your sales team that most of the MQLs they get are too cold to convert to SQLs (sales-qualified leads).

Low MQL-to-SQL conversion rates aren't the fault of your sales team — and they're not the fault of marketing, either. **The conventional process for converting leads doesn't work anymore.**

Even some of the world's most successful SaaS go-to-market teams live in this hellcape. Their teams are stuck mindlessly chasing metrics like MQLs, filling sales pipelines with leads that have no hope of converting, and struggling to deliver actionable

insights that could help close those bigger deals.

It's time to adopt a modern approach. For product-led growth (PLG) companies, that approach is **Product-Led Sales (PLS) — a bottom-up GTM model that leverages existing product users as the main funnel for the sales team.** It opens up a whole new world where your sales team doesn't need to worry about chasing stale marketing leads. Instead, they can **action something much more effective: product-qualified leads (PQLs).**

What Is a Product Qualified Lead (PQL)?

Unlike MQLs, which are based on the interactions a prospect has with your marketing content, **PQLs are users that experienced your product's core value, match your ideal customer profile, and/or have shown purchase intent.** PQLs can be broken down into 3 categories:

Category	Definition	Signals
Customer fit	How closely does the user/account match your ICP	Industry, geography, company size, user role
Product usage	How does the user/account interact with your product	DAU, frequency, recency, time spent, free:paid ratio, feature usage, invites sent
Buying intent	Did the user/account take an action to indicate they are ready to buy	Visits to pricing page, clicked 'talked to sales', added new seats

To define a strong definition for PQLs you need to capture signals from these three categories: customer fit, product usage, and buying intent.

Customer Fit

Customer fit factors define how well an account and single users align with your ideal customer profile (ICP). You want to consider things like industry, geography, company size, user role, and so on.

If you haven't built a detailed ICP yet, don't worry — that's something I'll cover in more detail a little later on.

PQLs are users that experienced your product's core value, match your ideal customer profile, and/or have shown purchase intent.

Product Usage

Product usage factors show how accounts and users are interacting with your product. The signals to consider on the account and user level include daily active users, frequency, recency, time spent, free-to-paid ratio, feature usage, virality, invites sent, etc.

Buying Intent

Buying intent factors convey whether a user or account is inclined to purchase your product. Buying intent is signaled by visits to the pricing page, use of

“talk to sales” links or buttons, the addition of new seats to the account, etc.

A user or account (or even a team or workspace) becomes a PQL when they hit a combination of the above signals (customer fit, product usage, and buying intent) to indicate that the go-to-market team should take action. Exactly what those PQLs are depends on the type of company, the company's goals, and the customer segment that the company is targeting.

Why Are PQLs Important?

PQLs are the most promising sales opportunities at PLG companies. PQLs power sales teams to reach out to the highest-value leads at the right time, increase conversions from free to paid to enterprise, and optimize internal sales processes.

When you're able to nurture high-value PQLs, your organization can expect:

- Happier customers
- Bigger annual contract values
- Accelerated time to revenue
- Lower customer acquisition costs

5 Steps for Defining Your First PQLs

Ready to put all the data together to outline what a ready-to-convert PQL looks like? We'll guide you through that very process in this section.

1. Build Your Ideal Customer Profile

This step should be familiar already. When you build a product for a particular market, you make it with some type of ideal profile in mind, whether that refers to a specific user persona or company size, industry, or

geography. This early definition should be continuously refined and expanded after you bring your product to market and see which groups of users love your product and those that only like your product.

Include the following in your ICP definition:

Firmographic account data: geography, industry, company size, revenue, stage, etc.

User data: role, title, willingness to adopt or try new products, seniority, etc.

Revenue potential: willingness to spend, budget, etc.

If you started with a broader ICP when your product first launched, now is an ideal time to look at product data and validate that initial hypothesis or further refine it. For example, your best-fit customers may be in marketing broadly, but you can further segment to identify specific marketing roles (ie. growth marketers vs. content marketers vs. demand gen marketers) as best-fit segments. Learning exactly who uses your product, why they use it, and how they use it are all important contexts when considering customer-fit for PQLs.


2. Understand the Points at Which Users Get Value from Your Product

Observe your user journey to identify the exact points where consumers experience value from your product. When a user has a positive interaction with a certain

number of these points — or experiences them in a certain order, it's really up to you — you can classify them as a PQL.

While you want plenty of individual users to be able to experience enough value to meet your threshold and become a PQL, you may want to set it up so that an account needs a specific percentage of users to reach value in order to be considered a PQA (product qualified account). A large number of users within a single company sharing, using, and reaching value with your product indicate a good fit when it comes to product usage.

3. Learn to Spot Purchase Intent Signals

 Hand-raisers are prospects who indicate they have some level of purchase intent through various signals.

These users are trying to tell you that they'd like to do more with your product. Some tell-tale signs to spot these users are if they ask questions about pricing, visit the pricing page to inquire, reach out to support for help, or hit a paywall within the product (usage limit or gated features).

Purchase intent is a trigger for sales to step in and expand the engagement with the user.

Purchase intent is a
trigger for sales to step in
& expand the engagement
with the user



4. Formulate Your PQL Hypotheses

Most companies try to dive right into their PQL analysis, hiring tons of engineers and data scientists or even outsourcing the task to an expensive consulting firm. This is not how I'd recommend going about it. Get out a notebook and maybe open up an excel spreadsheet — that's it.

Simply start by writing down a hypothesis about who your PQL is that you can iterate over time. You want to develop hypotheses about what a "good" customer is for 1. customer fit data, 2. product usage data, and 3. buying intent data.

Here are a few different methods for identifying these theories initially:

Talk to customer-facing teams like sales, sales-assist, and customer success to find out what users they believe are highly engaged and what they know about those users. The truth is, most of the time, your customer-facing teams will have a strong (and mostly accurate) perspective of what a PQL looks like. After all, they spend their days engaging with your customers. You could potentially talk to end-users themselves to gather this info.

Work backward from product data to discover cohorts of users who love your product. Analyze these groups to determine what they have in common, if they act in a certain way inside your product, or if they all use the same specific features.

Map users to standard company profiles or personas. Identify common patterns in company size, geography, business model, and the technology platforms they use. These patterns will help you group them into a particular fit profile.

[Take a page from Pocus](#) with one of our Mad Libs-style PQL statements:

PQL Statement Template 1:

"We believe our best fit customer is _____ because they use the product on average _____ days per _____ (week/month/year) for _____ use cases, their company profile matches _____, and they say the product adds _____ value to their company/workflow/workday."

PQL Statement Template 2:

"We believe our best-fit customer account is [industry, geography, company size] with users that are [persona, title, seniority] and took [this action] in the product."

You may also need to define more than one type of PQL. This results from having multiple PQL funnels, which will depend on your product and how many conversion opportunities are available. Conversions opportunities may include:

- Ready to expand an existing account
- Moving from the free tier to a paid plan
- Moving from subscription to an enterprise license

5. Test and Iterate Your Hypotheses in the Real World

Now that you have some hypotheses for your PQLs, it's time to test and iterate on them.

First, write down the objective behind testing each PQL hypothesis and any relevant experiment details. Objectives should be aligned with your Product-Led

Sales goals or team-wide objectives and key results (OKRs). They may look something like the following:

- Convert more mid-market free trial users with personalized outreach from sales
- Accelerate sales cycle from 6 months to 3 months
- Increase ACV for enterprise plans

Whether these notes take the form of a briefing document or a new section in your company wiki — just write it down.

Second, define how you will measure success. Some typical metrics include:

- Conversion from PQL to SQL
- Net dollar retention (NDR)
- Annual contract value (ACV)

Third, pick your experiment parameters. These options will help you get started:

- What is your A/B testing split? 50/50? 70/30?
Define who will be the control group and who will be in the testing group. It's best to pick these groups in a randomized fashion.
- How long will the test run? 30 to 60 days is a safe bet, but of course use your best judgment based on product dynamics.

Fourth, analyze the significance of your results by asking questions like:

- Was there a meaningful uptick in your chosen success metric?
- Were your results too close to call or inconclusive?

Remember that a failed or inconclusive test may not mean that you've inaccurately identified your PQL(s). Instead, it may mean you need to tinker with your PQL definition, adjust the test length, and try again.

When you embark on a newer sales approach like Product-Led Sales that uses modern concepts like product-qualified leads, it's all about testing, iterating, then testing again to find what works best for your organization.

It's Time to Retire MQLs

PQLs are a powerful tool when making the switch from self-serve user growth to revenue growth via sales, but it can get complicated to operationalize and maintain PQLs within your team without a guide.

To retire MQLs and make the most of Product-Led Sales and product-qualified leads, use this guide to align your team on the value of PQLs, build a matrix for defining best-fit PQLs, and step through the five-part process for identifying, testing, and iterating on PQL hypotheses.

When you embark on a newer sales approach like Product-Led Sales, it's all about testing, iterating, then testing again to find what works best for your organization.

HOW TO BUILD AND OPERATIONALIZE PQLS



Aaron Geller

Former Director of Sales at Cypress, former biz dev and go-to-market leader at DigitalOcean, and proud PQL proponent



In a [Product-Led Sales \(PLS\) approach](#) that leverages existing users as the primary funnel, a well-defined PQL is the fuel for faster revenue, decreased acquisition costs, improved customer experiences, and many more benefits.

But how do you go from zero to having a precise PQL that informs sales operations?

Building PQLs from zero to one requires a lot of experimentation and patience. I know this from first-hand experience, having defined and operationalized a process for PQLs at two companies, first at DigitalOcean and again at Cypress. Through those experiences, I have identified the core ingredients you need to build out your first PQL program. In this article, I'll walk you through all the steps to identifying and operationalizing PQLs within your PLS organization.

Defining the PQL

Product-qualified leads (PQLs) are users that have gained value through their experiences with a product — either through a freemium business model or free trial.

Unlike traditional marketing-qualified leads (MQLs) who have only engaged with your business via marketing content, PQLs are more likely to convert to a higher tier or paid plan — because they've already seen the value of your product.

Product Qualified Leads

[prod•uhkt-led kwaa•luh•fide leedz]

noun

Users who are more likely to convert after experiencing your product's core value

How to Tell It's Time to Implement PQLs

In my previous roles, I knew it was time to start operationalizing PQLs when I saw a familiar signal: hand-raisers.

Hand-raisers are product users who ask questions like “How can I add more of my team to my subscription?” By showing a high level of interest in your product, users are “raising their hands” in a way that should indicate to sales teams that they may be ready to upgrade their product engagement and, with it, their payment tier.

When you start seeing — and closing deals with — hand-raisers it is time to stop reacting to these types of leads and get proactive about seeking out users and accounts that are ready for expansion. We identify these opportunities by finding users and accounts with similar profiles to known hand-raises.

When you start seeing buying intent signals and can also identify several more similar accounts and users that haven't raised their hands just yet, your organization is ready for a sales motion to complement self-serve.

But in order for sales teams in a Product-Led Sales environment to prioritize the highest-value opportunities, they must have a carefully defined PQL profile to target.

Key takeaway: Start thinking about PQLs when you have a few hand-raisers — of which at least ten accounts or users have similar patterns.



How to Build Your First PQL

Let's walk through the process of bringing a PQL to life at your organization for the first time.

Ensure Your Organization Is Ready

It's easy to get so excited about defining and pursuing a PQL. But before you do any of that, stop and ask yourself a few questions:

- How fast does your company want to accelerate revenue?
- If you have a sales team, can they handle more right now?
- Can we increase the average selling price (ASP) of these hand-raisers?
- Can we convert users to higher ASPs?
- Can we improve the net dollar retention (NDR) of these customers in the long term?
- Can we get them to adopt multiple products faster?

You want to make sure your goals are clear around this project and that your organization has the means and

desire to work within the PQL framework. If it doesn't, you risk being a blocker to your users and introducing unnecessary friction into the sales process.

Achieve Buy-In

Five years ago, things were totally different. Product-led growth wasn't an industry buzzword, Product-Led Sales was not in the vernacular, and the playbooks did not exist for sales teams at PLG companies.

Back then, I had to do a lot of convincing. When I first started thinking about the concept of PQLs at DigitalOcean, I had to go to the data team and analyze the info they gave me on my own to identify patterns among leads. This eventually won me small-scale buy-in from the data department. That was the in I needed to explore building a PQL — a project which ultimately led to organization-wide buy-in.

Today, PLG is well known, and many more teams are attempting to fold sales into the mix. Now, buy-in isn't about education, it's all about experimenting with a small group to prove how actual results can be achieved.

Phase one:

Create Your PQL Through Experimentation & Iteration

1. Formulate a Hypothesis for Your PQL Definition
2. Define Success Metrics
3. Define the Duration of Your Experiment
4. Choose Control and Test Groups
5. Analyze Results

Phase two:

Operationalize Your PQL

1. **Define the PQL:** Create a brief to define your PQL's parameters
2. **Assemble a team, start education:** Create a cross-departmental team that champions and educates about your new PQL approach
3. **Build your tech stack (with automation in mind):** Invest in tools that will make up the backbone of your data infrastructure

Create Your PQL Through Experimentation and Iteration

Step one:

Formulate a Hypothesis for Your Definition

You want to start with a simple hypothesis about what your ideal PQL looks like. Use this template for creating that initial thesis statement:

“We believe our best fit customer is _____ because they use the product on average _____ days per _____ (week/month/year), for _____ use cases, their company profile matches _____, and they say the product adds _____ value to their company/workflow/workday.”

Step two:

Define Success Metrics

What do you need to happen to prove that your hypothesis is on the money? That’s what you need to identify when it comes to clearly defining the key performance indicators (KPIs) for any PQL experiment. Conversion and win rate are typical metrics with which to start.

Step three:

Define the Duration of Your Experiment

A compelling experiment doesn’t run forever. I recommend 30 to 60 days max per experiment. Whatever length you choose should also take your sales cycle into account.

Step four:

Choose Control and Test Groups

Control groups, test groups, and how you’re going to split them up (50/50, 75/25, etc.) are all factors that also have to be defined when testing a PQL hypothesis. It’s best to randomize this process where possible, so no inherent biases sneak in.

Step five:

Analyze Results

Despite what your data team might say, data doesn’t always hold all the answers 🤔. Sometimes the results of your experiments won’t be entirely black and white. You may still need to talk to your sales team and get qualitative feedback to identify whether a PQL is a good fit.

Make sure introducing a PQL adds value, not friction, to your existing sales process.

Build consensus by partnering with other teams, like data, marketing, or growth, to validate your assumptions around the PQL. Use their support to sell the project to leadership.

Show rather than tell when possible. Hit the ground running with a lightweight experiment to gain buy-in for the larger PQL project.

Be clear about your KPIs for experiments.

Don’t be afraid to dig into inconclusive or failed experiments. You may not want to “throw out the baby with the bathwater.”

Operationalize Your PQL in Three Steps

Once the PQL you want to pursue is proven successful through experimentation, you can start the process of operationalizing it.

Step one:

Define the PQL

I've devised a pretty easy-to-follow yet detailed process for operationalizing a new PQL. It starts by filling out a [PQL template](#), creating a brief, and sometimes building a Lucidchart diagram to keep everything organized.

Essentially, each section of the template informs a piece of the operationalization flow:

- Name + description of the PQL
- Anticipated launch date
- Team(s) involved and each person's roles
- Assets, data, and tools required
- A/B testing details — the split, the duration, test/control group assignments, etc.
- Messaging and sales playbook recommendations
- Metrics impacted
- What to measure against the control group

Step two:

Assemble a Team, Share and Review the Playbook

You've already worked through stakeholder buy-in. Now you have to achieve cultural buy-in. This requires putting together a new, cross-departmental team or tapping into an existing team that supports the PQL and is ready to champion it across your organization. My growth teams have been critical in getting broad alignment across customer-facing teams, the product team, and the data team.

My growth teams have been critical in getting broad alignment across customer-facing teams, the product team, and the data team. My enablement teams also instituted detailed educational programs that shared the new playbooks with the sales team (our primary consumers of PQLs) before expanding enablement sessions to the broader team.

Buy-in isn't about education, it's all about experimenting with a small group to prove how actual results can be achieved.

Beyond enablement, it's important to meet regularly to review PQL progress. We hold a "PQL Monthly" meeting that's dedicated to reviewing PQLs and conversion rates as well as ideating on iterations.

Step three:

Pick Your Tools

Perhaps the most significant lift when operationalizing a new PQL comes from your data infrastructure. Investing in the right tools for data infrastructure will almost always pay off in the long run.

I have used various tools to ensure that data can be understood and delivered to the right endpoints. For example, I have used Redshift as our data warehouse, Salesforce as our CRM, Hightouch as our reverse ETL tool, and Looker & Metabase as our BI tools.

Further up the stack, the operationalizing of a PQL happens by writing a query from Looker or Metabase and inevitably pushing that to Salesforce, where the sales team engages with it.

To streamline this process, we'll soon be implementing Pocus to eliminate the manual effort of switching between various tools. With Pocus, we can view the product usage and customer fit data in a single source of truth. This will be invaluable for helping the sales team identify and prioritize their top opportunities and gather insights on the most effective actions to take next.

In addition to data infrastructure, automation is necessary for modern sales teams (eg. when a user becomes a PQL, a certain action should be taken). Whether your automation tools are creating new lists in your CRM or a weekly report that gets refreshed in Looker — above all, they should make it easy for sales teams to stay in the loop on PQLs and take the best next action based on data. Pocus will help Cypress with PQL automation by providing a no-code interface to build automations such as a Slack alert, marketing campaign, or updated Salesforce field.

Once you have one PQL operationalized and automated, you can start iterating on new definitions. You'll want to begin the whole experimentation process over again to see if there are different types of PQLs you should be capturing. During my time at DigitalOcean, we went from zero to ten+ PQLs that were actioned daily by the sales team.

There are a variety of tools out there that can be used to achieve this motion. [Read "The Modern Tech Stack for PLG Companies"](#) for a more in-depth exploration of PLG tech.


Customize Cypress' Process to Create Your Own PQL

PQLs can be an incredibly potent tool for your entire organization. Make the process I've developed your own and see how experimenting with and operationalizing a new PQL can foster cross-functional collaboration, refocus your teams on the right things, and leverage all that valuable data you already have.

Documentation and organized process are your friends.

Buy-in and education is an ongoing game you must play.

Regular cadences and automation software help keep everyone on track and keep your PQL(s) fresh.



HOW TO OPERATIONALIZE PQLS: SEGMENT AND ACTION



Sandy Mangat

Head of Marketing at Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



Product-qualified leads can be the unifying metric for teams executing on a Product-Led Sales motion. Not only do PQLs convert better than MQLs, but they are calculated using real product usage data, so you can understand why an opportunity is qualified (not just taking a stab in the dark).

Everyone can agree that PQLs are a great metric but there are a few misconceptions about how to operationalize PQLs. Here are just some of the questions that linger...

- 1. Should an organization have one definition for PQLs or multiple definitions?
- 2. Can we run our existing sales playbook when reaching out to PQLs?
- 3. Who should “own” PQLs? Or who should own the effort to convert PQLs?

What this mostly comes down to is a question of aligning your PQL strategy to your overall go-to-market plan. In this article we’ll answer the lingering questions surrounding the operationalizing of PQLs within your business and offer some examples for how you can design your sales playbooks to leverage PQLs.

TL;DR of a PQL

PQLs are users that experienced your product’s core value, match your ICP, and/or have shown purchase intent. PQLs can be broken down into 3 categories:

Category	Definition	Example Signals
Customer Fit	How closely does the user/account match your ICP	<ul style="list-style-type: none">• Industry• Geography• Company Size• User Role
Product Usage	How does the user/account interact with your product	<ul style="list-style-type: none">• DAU• Free: Paid account• Invites sent• Feature usage
Buying Intent	Did the user/account take an action to indicate they are ready to buy	<ul style="list-style-type: none">• Pricing page visits• Contacted sales• Adding more seats• Hit plan limits

A user or account (or even a team or workspace) becomes a PQL when they hit a combination of the above signals to indicate that the go-to-market team should take action. Exactly what those PQLs are depends on the type of company, the company’s goals and the customer segment that the company is targeting.

This leads me to a very important topic for PQLs: Segmentation. Segmentation and PQLs go hand in hand - you’ll need to segment PQLs in order to establish who owns what leads and how the PQLs should be operationalized within your workflows.

Time to pay close attention, because segmentation is the one of the most important parts of defining and operationalizing PQLs.

Segmenting PQLs: Who Owns What...

So, what do we mean by segmenting PQLs?

Segmentation helps you define the who, what, and how: who should you target, what message should you use with the specific audience, and how the message will be communicated. Without a segmentation strategy, PQLs will become a free-for-all or, even worse, a vanity metric that sits on the proverbial shelf.

You may choose to segment PQLs based on the target market (eg. SMB, mid-market, enterprise). Or, you might choose to segment based on who owns the PQL (eg. sales-ready, sales-assist ready). Or, maybe you’ll segment based on a company goal (eg. free-to-paid conversion).

STEPS

We'll walk through 3 ways to segment PQLs

Sales-readiness:
sales, sales-assist, etc.

Product-Led Sales goals:
Seat expansion, free trial conversion, etc.

Target market:
company size (SMB, mid-market, enterprise), industry, geography, etc.

1. Sales Readiness

Segment customers based on customer fit and product usage



In my experience, the best way to segment PQLs aligns with how you want your sales team to action these leads. I recommend that PLG companies segment customers by sales-readiness as it helps go-to-market teams know which specific team-member should be responsible for which account/user and how to interact with that opportunity. You can better align your sales resources to each of these cohorts.

To segment by sales readiness, use the above matrix: map your accounts/users by product usage signals on the x-axis and customer fit signals on the y-axis.

Top right: Sales-ready PQLs → Account Executive:

These are top accounts/users that match your ICP and have very high product usage. These should be the top priority for your sales team.

Top left: Sales-assist ready → Sales-assist/product

specialist/onboarding team: These opportunities align to your ICP, but are not yet at the product engagement threshold that warrants a sales conversation. Your sales-assist (or equivalent) team should engage with these PQLs to educate/enable the user on the product to unblock them and showcase the value of features beyond the paywall. Use this opportunity to deepen their engagement with the product as well as capture any feedback that might be useful to your product and/or growth team.

Bottom right: Keep warm ⇒ SDR/BDR or Product/

Marketing: These opportunities have high product usage, but low customer fit. This could drive various next steps for your team. If this is a new use case that your company is interested in exploring, a SDR/BDR should engage to qualify the opportunity and uncover potential new adjacent business opportunities. Or, if this is a lead that has not yet met the customer fit threshold (eg. you don't want a sales team to engage until they have 500 employees), then you should funnel the lead back to marketing & product to nurture until they become a customer fit.

Sales never touch ⇒ Product/Marketing: These leads have not shown any meaningful product engagement nor do they fit your ICP. You should not spend any sales resources on these leads and leave it up to the self-serve product and marketing channels to either nurture them back into play or let them churn.

2. Product-Led Sales Goals

Another way to segment PQLs is by aligning them to your Product-Led Sales goals. We personally love using this strategy to identify your first set of PQLs at Pocus - oftentimes these goals naturally align to different teams and workflows that already exist in your GTM motion.

Here are some examples of PLS goals we've seen recently from Pocus customers:

- Enterprise consolidation
- Seat expansion
- Free trial conversion
- Startup program partners
- Free to enterprise conversion

Let's take one of the above examples & define the PQL.

Example PLS goal: Free trial conversion PQL

Example definition: Signed up for a free trial, fits ideal customer profile, and significant usage in the product.

Example signals:

1. The account is NOT paid customer
2. A user signed up for free trial
3. User's role is an ideal customer fit
4. User's industry is a target industry
5. User invited 10+ teammates
6. Account's daily usage increased by 30%

Example owner: Account Executive

So, every time an opportunity hits a combination of the above signals, the free trial conversion PQL should be surfaced to the Account Executive. The AE will understand why they are getting this lead (to convert from free to paid), who the user is, and how the user has already engaged with the product to better inform their sales strategy.

3. Market or Customer Segments

Most SaaS companies have already thought about their customer segments and target markets like SMB, Mid-Market, Enterprise, or specific industries or geographies.

If your existing GTM motion is segmented based on the target market, an easy way to keep things simple with PQLs would be to also align them to these targets.

For example, an enterprise PQL may have a different set of customer fit and product usage signals than your SMB PQL. The enterprise PQL should be routed to the enterprise AE and the SMB PQL routed to the SMB AE. The routing of these PQLs will also depend on what resources you have already aligned to these market segments.

Convert PQLs into Opportunities

Now that we know how to segment our PQLs, what playbooks do we run to convert these hot leads into revenue? Without a plan of action, PQLs become just another vanity metric. So, we break down how to action your PQLs by function.

As we know, Product-Led Sales is a team sport, so sometimes just an outreach sequence from your sales team may not be enough. You might want to layer in product engagement, email marketing, ad retargeting, and more. Below you'll find potential workflows for sales, marketing, and operations teams.

Sales

The most effective way for sales to convert PQLs into revenue is not necessarily to sell but to help. In a Product-Led Sales world, we've taken the core principles of consultative selling and supercharged them.

The sales team should reach out to their PQLs when:

1. Users appear to be stuck or blocked from reaching value or
2. There is an opportunity to add more value (ie. try new features, expand within the team, etc.)
3. The user has hit a paywall and is ready for a sales conversation

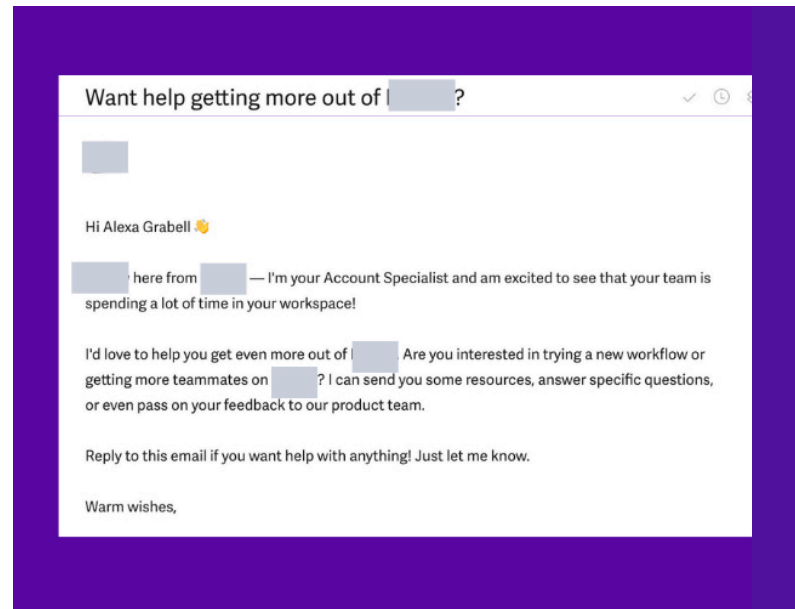
Actions a salesperson can take or automate:

- Get notified when a PQL takes meaningful action in the product
- Use that information in a personalized email to the PQL

Some SaaS businesses really understand how to be timely and personalized. Throughout this post, I'll

include an example email (anonymized of course) that I've received recently that really hit their mark.

Example of personalized email to an expansion PQL who might want to add more users...



What this email does well:

- Waited to reach out until I already experienced the value of the product
- Focused messaging on helping me get more value while subtly hinting at expansion
- Used a very tactical example of a new feature (eg. new workflow) I might find useful based on my existing use case

The salesperson on the other side of this email had some great insight about how I've been using their product and used that to create a well-timed and engaging email.

Are you thinking "ok this sounds great in theory, but how do I actually operationalize this?"

How Pocus Can Help

With Pocus, sales teams can easily identify PQLs and get deeper insights about those leads (eg. how are they engaging with the product). Once a salesperson is ready to engage with the PQL, they can automate the above actions directly in the Pocus platform. With Pocus' no-code automation builder, you can give your sales team the ability to create the ideal workflow to convert new PQLs.

Here are just a few examples of the sales automation you can build in Pocus:

When an opportunity becomes a PQL, you can automatically...

- Receive Slack notifications when there is a change in the PQL's product usage
- Create tasks or opportunities in Salesforce
- Launch outreach sequences in your preferred tools

POCUS
CAN HELP

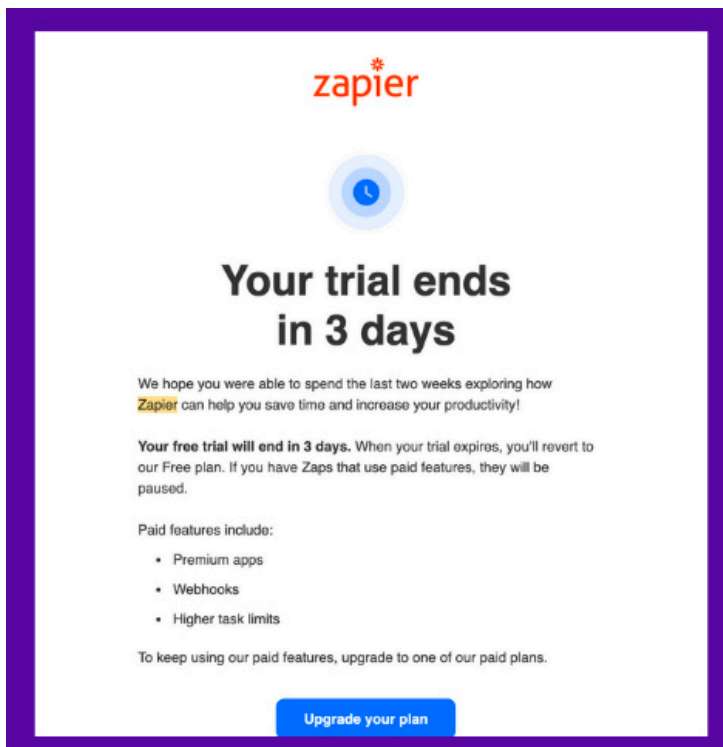
Marketing

PQLs have been a game-changer for marketing teams at PLG companies. Marketers no longer have to rely solely on marketing behavior to gauge what to communicate, when, and how with customers (👋say goodbye to only relying on MQLs).

Marketers get a lot more insight into a user from their product usage, which can assist in creating well-crafted email sequences during critical moments like free trials and upgrades. Email sequences are by far the most popular use case and marketing tends to own all automated email to customers.

For example, most marketing teams will own comms during the free trial or onboarding experience for a new user. Here's a great example of an email to send when you're trying to entice a new user during the free trial.

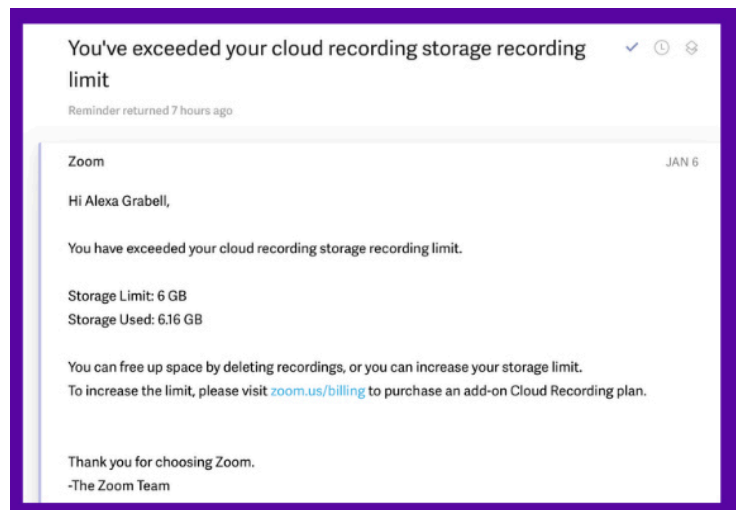
Examples of an email to send to a 'Free Trial PQL' whose trial is ending soon...



What this email does well:

- Very clear messaging about my trial ending
- Personalized based on premium features I used
- Clear CTA on what to do next

Examples of an email to send when the user hits a paywall or plan limit...



What this email does well:

- Doesn't immediately push you towards an upgrade and instead offers a way to keep your existing plan
- Includes CTA for an upgrade
- Short and sweet

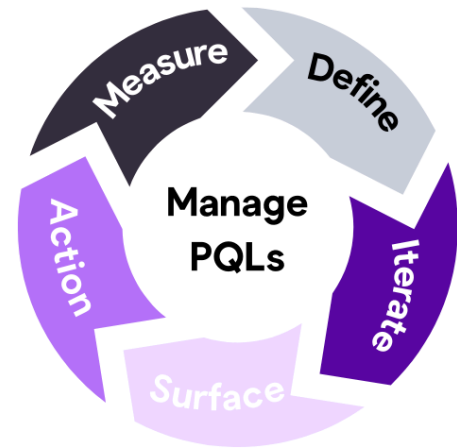
How Pocus Can Help

With Pocus, marketing teams can use the same PQL cohorts as their sales counterparts to automate email sequences in their preferred platforms.

- Trigger a specific onboarding email in marketing automation platforms (MAP) like Hubspot and Marketo
- Add a PQL to a specific list in your MAP
- Retarget ads to a free trial PQL whose usage recently dropped off

Managing PQLs with Pocus

If you got through all of this and are feeling overwhelmed about how you're going to define and action PQLs... don't worry, Pocus has you covered! Pocus helps you manage and operationalize your PQLs...without relying on engineers or data scientists. Let's break it down...



STEP ONE:

Define PQLs

Pocus will combine your customer fit, product usage, and buying intent data into one holistic view of your customer. Based on your data and PLS goals, Pocus will recommend PQL scores.

STEP TWO:

Iterate on PQLs

PQLs are both art and science. Pocus will suggest PQLs based on data, but the experts (YOU!) will need to iterate on the PQLs based on qualitative data and constantly evolving business strategy. Pocus provides you transparency into how the PQL is calculated with the ability to update the model without relying on data scientists. Say goodbye to black-box lead scores.

STEP THREE:

Surface PQLs

As discussed above, different PQLs should be surfaced to different team members. Pocus will bubble up the relevant PQL to the right team based on market, PLS goal, or owner at the right time. Pocus will not just tell you who the PQL is, but why they are a PQL so that you can take the next best action.

STEP FOUR:

Action PQLs

After you receive the PQL and understand why they are a PQL, you can take the right action from within Pocus, whether that is sending an email, funneling the lead into a marketing sequence, or updating a field in Salesforce.

STEP FIVE:

Measure Impact + Experiment with Additional PQLs

PQL experimentation is never complete! There is always more to learn with more PLS goals, target markets, and new sales hires. Pocus allows you to experiment with new PQLs and how that would impact your lead funnel and workflow.

IS USAGE BASED PRICING RIGHT FOR YOU?



Kyle Poyar

PLG and pricing pro and Operating Partner at OpenView, where he helps portfolio companies fuel growth and become market leaders



Anyone who knows me knows that I love talking about pricing and packaging just as much as I love studying the data around it.

So this is an exciting time for me, considering that more than 45% of SaaS companies have adopted some method of usage-based pricing (UBP), which OpenView uncovered in the [The 2021 State of Usage-Based Pricing Report](#).

Why are more businesses turning to usage-based pricing?

Pricing and packaging is one of the most effective yet overlooked growth levers at a SaaS company's disposal, which is why I'm here to walk you through how to adopt usage-based pricing at your company.

Keep reading to learn:

- Why usage-based pricing is taking hold
- How to tell if usage-based pricing is a fit for you
- How to introduce usage-based pricing at your organization
- The impact of usage-based pricing on your sales teams

Exploring the Usage-Based Pricing Evolution

If you're in the world of B2B SaaS, and especially if you're in the product-led growth space, you've probably noticed an uptick in the number of companies adopting usage-based pricing.

[Usage-based pricing](#) is a method that enables customers to pay for products according to their usage or consumption levels. And it's not just a hot trend. UBP is here to stay.

UBP is a natural evolution, similar to the one we've seen with how companies sell software. We went from a large enterprise software sales model where we sold multi-million dollar annual contracts for on-premise licenses directly to the CIO to a product-led growth (PLG) model where end-users can gain access to the product before purchase. If you're already implementing a PLG approach, usage-based pricing is the perfect complement to your product.

Pricing and packaging is one of the most effective yet overlooked growth levers at a SaaS company's disposal

Is Usage-Based Pricing for You?

Admittedly, usage-based pricing isn't for everyone, just like the Product-Led Sales motion isn't for everyone. When a company asks if I think UBP is a good fit, I ask them to answer one question: "How does your product create value?"

If any of these common scenarios sound like your company, think carefully because UBP may not be great for you:

✗ Complex onboarding and integration: In this scenario, the customer only sees value from the product if the entire organization is using it, and there is a lot of complicated integration work to get started. This requires upfront work with onboarding, a lot of change management in the process, and a slow payback period for offsetting customer acquisition costs (CAC).

✗ A product that pushes instead of pulls: For example, a learning management solution is pushing a user because it forces the user to adopt a non-innate practice. In this scenario, adoption is already a challenge, so adding another layer of complexity with UBP may slow it down even further. This also requires a lot of upfront coaching.

Compare this scenario to products like Stripe and Hubspot, which pull users in by aligning with the customer's company goals. Hubspot's UBP scales with the number of contacts and Stripe's UBP scales with the number of payments. Companies want more contacts in their database and to process more payments because these metrics correlate with an increase in revenue.

✗ Procurement is the main buying center: For example, products sold to the government or regulated bodies run purchasing through a procurement department. These departments are often not even allowed to sign off on contracts that are priced on consumption.

That said, if you have strong bottom-up adoption in a SaaS organization, procurement might not be a blocker. You can go to procurement once you have strong adoption and offer a discount for an enterprise plan that consolidates the licenses.

Adopting Usage-Based Pricing at Your Organization

If UBP is something you're interested in taking further at your organization, here's how to counter the objections, introduce the idea to customers, and safely approach the transition.

Address Common Objections to Usage-Based Pricing

Understandably, I see plenty of objections around this new pricing model.

Often, companies get hesitant about adoption based on fear. They worry that UBP doesn't drive predictable subscription revenue, making it difficult to forecast ARR the traditional way. They're also worried about churn if customers aren't locked into a contract.

These fears were countered when we saw an acceleration in UBP adoption in 2020. Companies were looking for flexibility in light of the COVID-19 downturn, and subscription models just didn't have it.

Is Usage-Based Pricing Right for You?

✓ Fit

- Easy onboarding
- Quick time to value
- Usage metric aligns to company goals
- User = Buyer

✗ (Maybe) Not a Fit

- Longer onboarding
- Complex integrations before value
- Usage metric not aligned to goals
- Procurement = Buyer

When slowdowns happened, companies couldn't turn off their subscriptions the same way they could with UBP. There has been a sharp rise in tools to track product engagement metrics like usage, retention, and churn, which in turn has boosted UBP adoption.

The other key blocker to UBP adoption that I've seen is a lack of visibility into product usage data. Revenue teams historically haven't had any visibility into usage, so moving to UBP feels like placing blind trust that consumption is high enough.

Wherever possible, lean into the idea that your product is a key part of the infrastructure or COGS of the customer's solution

Alleviate Customer Concern

Next, it's time to turn your attention to users.

When it comes to alleviating customer concerns about UBP, the best approach to take is rolling out straightforward messaging. It's important to lead with a message that clearly ties to value and ROI.

Remind them that, on a subscription model, they may be paying for something they don't know whether they will use. But with usage-based pricing, they're only paying for what they use.

Take Twilio for example. They want to adopt a UBP model based on the number of SMS messages sent. But, this could be a difficult metric to forecast for one of Twilio's customers. So to help with forecasting, Twilio positions the cost of SMS as directly impacting ROI for the customer.

A key use case for SMS that Twilio can illustrate to the customer is sending SMS reminders before demo calls. The customer is incentivized to book more demo calls so the SMS reminder is directly related to that ROI. A Twilio sales rep can ask the customer in this case "What is the current no-show rate on demos booked?" and "Would an SMS reminder before demo calls help reduce the rate of no-shows?" This framing successfully ties the pricing metric (number of SMS messages sent) to clear ROI with the customer.

Wherever possible, lean into the idea that your product is a key part of the infrastructure or COGS of the customer's solution. In this case, sending an SMS text before a demo call is part of the built-in cost for the customer.

Consider a Hybrid Approach

If the resistance to UBP is very real from customers, there is always the hybrid approach.

A hybrid pricing model might look like usage-based pricing + seat-based pricing + platform fee.

Even if you adopt this kind of model to appease customers, remember to still always root your pricing model decisions in how you want your customers to adopt the product, see the value, and how much they are willing to pay.

I like to use Cypress' [pricing model](#) as a great example of the hybrid approach:

Tier	Price	Users	Test Results	Key Features
Free	\$0/month	3	500	Parallelization, Load Balancing, View run failures
Team	Starting at \$75/month*	10	10,000 included	Everything in Free, plus: Flake Detection, JIRA Integration, Email Support
Business	Starting at \$300/month*	40	10,000 included	Everything in Team, plus: Smart Orchestration (Run failed specs first, Cancel run on failure), Flake Management
Enterprise	Unlimited	Unlimited	Variable	Everything in Business, plus: As many test results as you need, Unlimited users, Premium support

Tactics to De-Risk the Transition from Subscription to UBP

Rather than moving existing customers to an entirely new (and unproven) model, try de-risking the transition by trialing UBP only with new users. You can also cohort new users and only trial UBP with a small group to further remove risk and A/B test the new pricing model.

After working out the kinks in the model using these approaches, then you can think about how to roll out UBP with existing customers. Once you're in that stage, here's where to get started with the larger release:

Opportunities where UBP can unlock upside: Identify accounts that are only spending a small amount today, but where your sales team sees a much larger opportunity.

Accounts that may want a ton more users: Consider offering these accounts more seats for free, which will naturally lead to increased usage.

How Usage-Based Pricing Impacts Sales

Changes in software sales impact sales teams across the board — from organizational structures to compensation packages to hiring profiles. Historical models for compensation simply do not work with UBP. Here's what you should be thinking about when it comes to sales and the shift to a user-based pricing approach.

Handling Sales Commissions

I like to point to more mature organizations with UBP as a model for compensation. Both New Relic and AWS have seen success with compensation models that only reward based on consumption instead of landing the logo/deal.

However, this does not always work at an earlier stage company or even a high-growth SaaS. The reality is that for most companies of this type, you want your reps focused on selling new business. You don't necessarily want them chasing a ton of consumption behavior in month nine with an account, and you want

to recognize them for landing that logo or landing a logo in your ICP.

Acknowledging that, here are some models I suggest considering for consumption:

Offer a bounty or SPIFF for closing a logo: Adjust the “bounty” based on the industry or size of the company (i.e. get a higher SPIFF for landing a logo that is a perfect customer fit).

Forecasted ARR: This is based on an assumption of what will happen to an account’s revenue. You compensate the rep based on the forecast and either top-up or clawback when the actual numbers are known.

Be Prepared for the Salesperson Role to Evolve

There is still a lot of learning on how the traits and skills of individual salespeople may evolve in a UBP, product-led organization — including for myself.

I’ll fall back on a familiar example, New Relic, where the most successful sales reps focus more on getting the customer to a POC/trial rather than emphasizing demos/relationship building.

You’re about to embark on a business-wide shift, not just one that impacts the go-to-market team.

Beyond that, what I can say is that there are several important elements to look for when hiring sales folks that will be effective in a user-based pricing motion:

- Business-minded
- Commercially motivated (i.e. driven to win)
- Credible when explaining the product
- Strong understanding of the product’s value
- Able to uncover use cases
- Solution consultant-like skills

A Final Note: Be Sure Your Culture and Company Can Handle the UBP Shift

Finally, if you’re seriously considering UBP, there’s one last crucial thing to consider.

You’re about to embark on a business-wide shift, not just one that impacts the go-to-market team. Your balance sheet needs to be able to support a six- to twelve-month period of growing pains. You must have the tools, processes, roles, and culture that support UBP. And you really want to have business-wide buy-in for UBP before making too many expensive investments into the model. This note is especially true for more mature organizations with big revenue numbers, big internal teams, and big customer rosters.

Not to end on such an ominous warning, but I think all of these things are just so important to talk through when changing your culture and your company.

But if you’re sure that usage-based pricing aligns with how users experience your product value, you’re prepared to overcome customer concerns, and you’re ready to manage the shift across sales and the rest of your organization, then I think you’re in a great place to start leveraging user-base pricing to grow your SaaS.

HOW TO USE METRICS TO DETERMINE IF YOUR PLG MOTION IS READY FOR SALES



Alexa Grabbell

Co-Founder & CEO at Pocus, the Product-Led
Sales platform that helps sales teams turn
product data into revenue



Progress means something different for every product-led growth (PLG) organization.

And while that's part of the magic of the product-led world, it makes it difficult when I get asked by beta customers and members of the Product-Led Sales (PLS) community which metrics are essential to measure and how to measure them.

I get asked this question a lot, so I set out to find the answer by talking to one of the experts on the subject: Lenny Rachitsky.

Lenny is a former Airbnb product manager turned writer, advisor, and angel investor who talks to hundreds of founders every week through the community he's built.

In this article, I summarize some of my favorite conversations with beta customers and advice from Lenny on how to use metrics to determine if your PLG motion is ready for sales, why every organization needs a North Star Metric, and how to choose the best one for guiding your business.

Metrics to Inform When to Add Sales to PLG

Folding a sales team into a product-led growth organization is a powerful tactic for accelerating adoption and revenue.

According to Lenny: **"100% of the companies I've talked to, including bottom-up-driven businesses, have eventually built a sales team. So, it's not so much about whether or not you'll ever add sales into the mix — it's more about when."**

Before you jump into sales, you want to be sure your business is ready to support a new team and the new workflows that come with it. Here are the steps to follow:

1. Make sure your product-first approach is firing on all cylinders
2. Look at specific metrics for an indication of whether you're sales-ready

How to Make Sure Your PLG Motion Is Delivering

There is a telltale sign that indicates when your PLG approach is working: when your growth engine costs less than the money you generate from self-serve customers. You're able to drive key performance indicators (revenue, activation, etc.) and acquire users (invites, paid ads, etc.) at a lower cost than self-serve revenue.

Once you create a successful self-serve flywheel — where users are self-serving, getting to aha moments, transacting, and retaining — you're ready to start considering whether a sales layer is a good fit for you.

Below are the metrics to look for to help answer that question.

Metrics That Indicate You're Ready for Sales

There are a few primary reasons for adding a sales team to a self-serve motion:

- To raise self-serve conversion rates
- To facilitate expansion in an organization where your product has already landed
- To convert inbound leads that need a little more guidance
- To re-engage users that churn

The thing is, sales teams that drive conversion and expansion are expensive. That's why it's important to wait until your self-serve motion is up and running before adding on sales.

SELF-SERVE CONVERSION

As indicated earlier, you need to prove that self-serve conversion is possible without human intervention. For simple use cases, the product should drive users to value without any hand-holding. For larger, more complex use cases, sales teams can assist in driving value.

Example metrics:

- Free:Paid conversion (no human touchpoint)
- Free:Paid conversion (with human touchpoint)

EXPANSION OPPORTUNITIES

If you're starting to see small teams, or even single players, within target organizations picking up your product but your reach isn't spreading any further than that — it may be time to inject sales to expand the land.

Here's a practical example from Lenny: **"In the early days of sales at Slack and Zoom, salespeople weren't just showing up to customers and cold selling the product. Instead, they focused on large organizations in which small teams were already using their product. Slack and Zoom hired salespeople or account managers to help expand the product out to more teams and sell the business on an org-wide contract."**

Example metrics:

- # of invites sent vs. # of invites accepted within account
- Increase in # of active users
- Other measures of virality in your product (shares, views, collaborations, etc.)

AN UPTICK IN INBOUND "COMMERCIAL CONVERSIONS" REQUESTS

If you've created an excellent onboarding flow and have an intuitive product but are still struggling to get users to value, it might be that administrative issues are getting in the way of conversions. Admin things like security audits and sign-offs from procurement teams can quickly stop users in the self-serve funnel.

Lenny recommends giving users an opportunity to "raise their hands" to see if there are some blockers.

"Make sure you have a 'Contact Us' or 'Contact Sales' call-to-action on your website and perhaps one during your onboarding flow. These call-to-actions should be optional and not a distraction from the self-sign-up flow."

"Once you do this, you'll be able to see if you're getting any commercial conversion requests, which include questions from users who want your product but need help outside of the self-serve workflow to convert into customers. These messages may look like 'What's your SOC 2 situation?' or 'We have a couple of different teams that we need to consolidate into one billing relationship.'"

"This is a situation in which having a human available will make the difference between a churn and a conversion. And if you're getting a lot every week, it's probably time to build a sales function."

Example metrics:

- Visits to pricing page
- # of emails sent to sales
- # of clicks on "contact sales"
- # of emails sent to support with sales questions

PQLs THAT SIGN UP, BUT ABANDON

Product-qualified leads (PQLs) are users that have experienced your product's core value, match your ideal customer profile, and/or have shown purchase intent. [It's crucial for product-led organizations to clearly define their PQLs](#) so that sales teams know where to focus their energy.

With your PQLs defined, you can utilize your contact forms to analyze if you have a high percentage of PQLs initially engaging and then dropping out. Use contact forms to collect lead information such as their title and company name, which can help you determine whether a lead is a PQL. If you find you're getting a decent number of PQLs using contact forms but never activating, inject a salesperson at this entry to engage with PQLs that engage through contact forms.

Example metrics:

- PQL:SQL conversion
- PQL:Revenue conversion
- Time to becoming a PQL

Where to Start When Adding a Sales Motion

According to Lenny's research, there are three main strategies that many of today's fastest-growing B2B businesses used when ramping up their sales motions:

Bottom-up + self-serve: Users discover your product, sign up for a free plan, love it, and upgrade for more functionality.

Bottom-up + inside sales: Users discover your product, sign up for a free plan, and then either engage a sales rep or are encouraged via sales outreach to upgrade for more functionality.

Outbound sales: Sales — or often founders in early-stage companies — reach out to leads, help them trial the product, and then sign them up for a paid plan.

Note from Lenny about choosing a path from above:
"Remember, whichever you go with, you can always adjust your sales strategy down the road. Zoom and Amplitude started sales-driven and later became bottom-up-driven. Box and New Relic did the reverse."

Remember, whichever you go with, you can always adjust your sales strategy down the road.

Metrics You Should Be Tracking (Beyond Sales Readiness)

Sales readiness is just one metric a PLG founder should care about.

Based on my conversation with Lenny, it's crucial not to lose sight of some of the other metrics a bottom-up SaaS founder should be tracking.

Here is a curated list of the most important metrics that Lenny recommended in his previous newsletter ["The most important bottom-up SaaS metrics to track"](#):

INSIGHT: The Top Metrics PLG Founders Are Tracking

Pre-Revenue Metrics	Post-Revenue Metrics	Additional Metrics
<u>Retention</u> User retention Logo retention L7/L30 retention	<u>Revenue growth</u> MRR ARR New customers	<u>Engagement</u> DAU/MAU Key actions per day/week Average time spent/user/day
<u>Virality within an organization</u> Invite rate Invite conversion rate Virality factor	<u>Retention</u> Customer retention Net dollar retention	<u>Virality within an organization</u> Invite volume Velocity of virality Traction Leads
<u>Top-of-funnel growth</u> Traffic MoM user growth Activation	<u>Monetization</u> Paid company conversion Payback period Gross margins	<u>Monetization</u> ARPU User conversion Quick ratio Growth spend efficiency Speed to next tier Company adoption
		<u>Funnel conversion</u> Landing conversion Activation % visitors complete sign-up flow % visitors sign up

Why and How to Choose a North Star Metric for Product-Led Sales

When talking about metrics, Lenny emphasized just how pivotal one particular key performance indicator is to a product-led organization: The North Star Metric (NSM). An NSM has the ability to align an entire organization around a single goal.

Why Having a North Star Metric Is Key to Growth

The North Star Metric is the top-line metric around which all company priorities should revolve. Deciding on an NSM is essential because it's the metric toward

which all focus will flow. This guiding metric is especially vital in PLG businesses where product, sales, marketing, and growth teams must all be aligned and working together on a common strategy.

Lenny breaks the NSM down into six broad categories:

Revenue (e.g., ARR, GMV): The amount of money being generated — the focus of ~50% of companies.

Customer growth (e.g., paid users, market share): The number of users who are paying — the focus of ~35% of companies.

Consumption growth (e.g., messages sent, nights booked): The intensity of usage of your product, beyond simply visiting your site — the focus of ~30% of companies.

Engagement growth (e.g., MAU, DAU): The number of users who are simply active in your product — the focus of ~30% of companies.

Growth efficiency (e.g., LTV/CAC, margins): The efficiency at which you spend vs. make money — the focus of ~10% of companies.

User experience (e.g., NPS): The measure of how enjoyable and easy to use customers find the overall product experience — the focus of ~10% of companies.

For the purposes of this article, let's expand on the North Star Metrics that are most common among PLG companies.

How to Choose Your North Star Metric

Of the above metrics, here are two NSMs that the top

100% of the companies I've talked to, including bottom-up-driven businesses, have eventually built a sales team. So, it's not so much about whether or not you'll ever add sales into the mix — it's more about when.

product-led companies use to guide their teams and strategies: **engagement** and/or **customer growth**.

Depending on the maturity of the business and how bottom-up driven their growth is, PLG companies can niche down on their engagement and growth NSMs to focus on one of three areas:

Engagement: Coda uses DAU14, HubSpot uses WAU

Paid customers: Airtable uses Weekly Paid Seats, Asana uses Weekly Active Paid Users

Paid teams: Slack uses Number of Paid Teams, Dropbox uses Teams using Dropbox Business

“In my experience, the more mature and sales-driven the product is, the more often companies focus on customers over engagement for their NSM. So when choosing your own NSM, consider the above examples, your own organizational maturity,

and which metric has the most power to accelerate your business’ flywheel if you were to start focusing on it today. And of course, your NSM should also track with your product type, the value your product provides, and how your product grows.”

Stay Flexible When It Comes to PLG Metrics

Whether you’re a startup or product-led company with a new product line, expect the metrics that indicate whether you’re ready for a sales motion and the North Star Metric that guides your efforts to change.

You want your PLG metrics to evolve as you learn more about what keeps your unique team focused, motivated, and building toward your ultimate goal. So choose wisely when it comes to metrics, but never be afraid to flex and shift as needed.

The more mature and sales-driven the product is, the more often companies focus on customers over engagement for their North Star Metric.

SECTION THREE

ADDING YOUR FIRST SALES TEAM



How do you know when it's time to add sales on top of your PLG motion? How do you know it's time to move your sales-led company towards a brighter Product-Led Sales future? It can be hard to hear the signals if you don't know what you're looking for. Luckily, we have experts who have helped transform their companies to adopt a PLS team. In this section, you'll learn from experts at Guru, Slack, and Clockwise about how to build PLS from zero to one and how to add humans without adding friction.



5 STEPS TO LAYERING SALES ON TOP OF PLG



Alexa Grabell

Co-Founder & CEO at Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



The fastest-growing product-led growth (PLG) companies have discovered the secret to revenue acceleration: sales teams.

PLG companies are in a great position to layer a sales team on top of their product-led model. Their healthy self-serve flywheels inherently lay an incredible foundation for sales growth. By filling a sales funnel with self-serve users — many of whom are champions that already love your product — your company has built the runway for liftoff!

If only it were that simple. In reality, an effective Product-Led Sales (PLS) motion requires a cross-functional initiative to establish new cultural norms, sales enablement processes, and technologies.

But while it does take some work, it's definitely possible with the proper roadmap guiding your way.

This is that roadmap. In it, I'll explain what the modern Product-Led Sales model looks like, why it's time to use it in place of the outdated enterprise sales approach, and exactly how to implement PLS at your organization in five easy-to-follow steps.

Product-Led Sales 101

At Pocus, we define Product-Led Sales as a bottom-up GTM model that leverages existing product users as the main funnel for the sales team.

Product-Led Sales

[prod·uhkt-led seylz]

noun

a bottom-up GTM model that leverages existing product users as the main funnel for the sales team.

We believe Product-Led Sales is all about understanding how users engage with your product. This information then informs who the product champions are, when the sales team should engage with them, and what exactly that next best action is. With this approach, sales reps can identify, prioritize, and understand [product-qualified leads \(PQLs\)](#) in order to convert self-serve users into customers with high lifetime value.

Why PLS Wins Over Your Incumbent Enterprise Model

For many PLG companies, sales teams take the easy path. They fall back on the traditional enterprise sales model far too often. The allure of familiar playbooks, well-trained account executives, and a pretty simple process is difficult to deny.

Unfortunately, traditional sales methodology simply doesn't cut it in the new product-led world for a few key reasons:

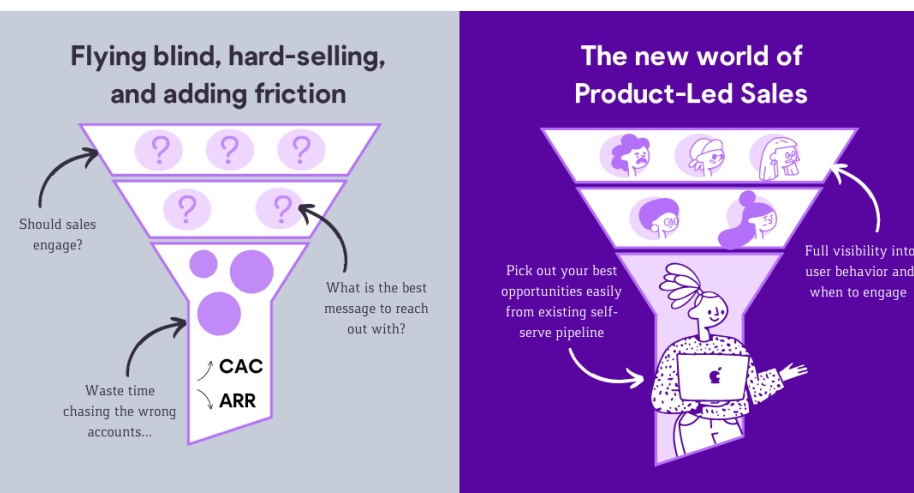
Enterprise sales processes are inefficient and frustrating for reps. They spend their days chasing cold leads, working top-down, and ultimately pushing a hard sell. Essentially, they're forced to "throw pasta at the wall to see what sticks" as the saying goes — despite the fact that they're sitting on a goldmine of leads in the form of self-serve users!

Users don't want to be sold to. Being "sold" is an unpleasant experience for users who are not yet ready to talk to sales. Users don't want to talk to sales until they need to talk to sales (and sometimes not even then 😞).



The traditional sales model is not cost-effective for companies. When the sales team is only chasing outbound deals, they leave money on the table by not considering expansion revenue from self-serve users.

Product-Led Sales has the power to unlock growth where old-school sales practices cannot. With a system that empowers them to focus on qualified leads and value-driven selling, sales reps can successfully and happily convert self-serve users to high-value customers.



Some of the leading benefits of a Product-Led Sales approach include:

- Customers (and sales reps) who are happier with their sales experience
- Decreased customer acquisition cost (CAC)
- Accelerated time to revenue (sales velocity)
- Higher annual contract value (ACV)

In this next section, we'll cover the precise steps that will take you all the way from winning stakeholder buy-in to rolling out a modern PLS practice across your organization.

5 Steps to Implementing Product-Led Sales

Create a Healthy Self-Serve Flywheel

Get Cross-Functional Buy-In

Define and Operationalize Your PQLS

Hire Your PLS Team

Define Your PLS Motion



Folding sales into your PLG organization doesn't have to be an overly complex undertaking. Here's everything you need to know.

Sales teams at PLG companies are more data-driven, customer-centric, and focused on adding value rather than on making quotas.

1. Create a Healthy Self-Serve Flywheel

It might seem obvious, but before you layer on a sales motion, your [self-serve flywheel](#) must be up and running to generate a funnel of PQLs for your sales teams.

Sales teams at PLG companies are more data-driven, customer-centric, and focused on adding value rather than on making quotas. These sales reps should only engage with users with the highest propensity to buy.

That means, in this first step, it's up to marketing, product, growth, and other non-sales teams to work together to make it easy for users to get started and experience value without talking to a human. While we won't focus on exactly how to do this in the scope of this article, we will say that it's important you're aware of the signs that your self-serve flywheel is working well enough to hire a sales team.

There are many ways to determine when to add a salesperson to the PLG motion, but we recommend mainly looking out for:

An increase in “sales-y” requests from users, or more “hand-raisers.” What we mean here are users who start wanting to talk to a human because they have more questions and needs. Instead of questions like “how do I reset my password?” the requests become more aligned with “how do I deploy the product for 1,000 people?” or “can you help me centralize billing across various teams?”

Customer-facing teams start “acting” like sales.

Your current (non-sales) team is already beginning to work directly with individual customers in new ways. In many situations, your employees in growth, marketing, or support will naturally expand their responsibilities in order to help the customer on their journey from onboarding successfully to committing to a broader, more complex deployment.

2. Get Cross-Functional Buy-In

This is arguably the most pivotal step in implementing a PLS motion. It can take a while to get buy-in from stakeholders across the business, so it's essential to spend time developing your business case up-front so you can regularly work toward cross-functional buy-in. You need to get the right people aligned, given that PLS is a cross-functional strategy.

To help achieve this buy-in, now is the time to outline a one-page strategy doc or business case for PLS. The goal of this one-pager is to set expectations, ensure there is clear communication across the organization, remove any silos between sales and self-serve, and establish a framework for experimentation.

This one-pager can be formatted like so:

Section	Guiding Questions
Overall hypothesis for PLS	Go through the following sections first and then write out a hypothesis statement
Objective	Why are we doing PLS? How does it help overall company goals, OKRs or KPIs?
Strategy	How will we implement PLS? Who needs to be on the initial team ? What other resources are required?
Roadmap	What will we deliver in the first 30 days ? The next 60 days ? 90 days ? What key milestones are important?
Metrics	How will you measure success ? What primary metrics will be impacted? What secondary metrics will be impacted?
Cost	Any new resources required? Any new tools required?
Expected Impact To	
Org Structure	
Compensation	
Process	
Playbooks/Enablement	
Culture	

3. Define and Operationalize Your PQLS

This is the phase where most folks get nervous and want to throw in the towel. But it's not so scary when you break it down into a few digestible steps.

LEVEL UP YOUR PLG TECH STACK

Ensure you are collecting the data you want (and need) to execute on PLS. When it comes to your [PLG tech stack](#), here are the basics of what yours needs to be able to do:

- Feed your customer relationship management (CRM) platform the data you need to segment your customers by fit (such as size, location, geography, etc. — if you don't have the firmographic or demographic info you need, consider a data enrichment tool like Clearbit)

- Automatically reconcile product and CRM data in one location (How? [Pocus is purpose-built to connect all your data](#) and highlight the smartest opportunities and actions for sales to pursue next)

Product-Led Sales is all about understanding how users engage with your product.

Data Warehouse



ETL and Reverse ETL Tools



hightouch



Customer Data Platform (CDP)



Product Analytics



BI Tools



Data Enrichment



Customer Relationship Management (CRM)



Product-Led Sales Platform



Product Engagement

Best in-app guidance tools:



Best interactive demo/guide tools:



Marketing & Sales Automation

Marketing automation:



Email tools (best for product data-driven campaigns):



Sales engagement:



Conversation Marketing:



Learn more about the best-of-breed tools you need in our guide to [“The Modern Tech Stack for PLG Companies.”](#)



DEFINE YOUR PQLS

Now, look at your existing self-serve user base and define the signals that matter for the following categories: customer fit, product usage & buying intent.

3 Categories for Defining PQLs

Customer Fit

(i.e. how closely does this account match your ICP)

Industry | Geography | Company size | Role/Title

Product Usage

(i.e. user and account level behavior)

DAU | Frequency | Recency | Time spent | Free:Paid | Invites sent

Buying Intent

(i.e. buying intent or virality signals)

Pricing page visits | Account velocity | “Talk to Sales” clicked

[Product-qualified leads \(PQLs\) are actual users](#) who are already realizing value from your product. For today’s sales teams, PQLs are the modern evolution of MQLs. But, MQLs have only interacted with your marketing content and are a much colder and harder sell.

In this step, you’re going to bring your PQLs to life.

Identify and Prioritize PQLs

You can find and prioritize PQLs in your existing tools by combining product usage data and CRM data to create scoring that identifies a PQL. Or, you could use

[Pocus’ Product-Led Sales platform](#) to enable sales teams with combined product usage and CRM data to help them quickly identify, prioritize, and understand their top accounts and users.

Assign PQLs to Reps

Routing PQLs to the right sales rep at the right time can be a challenging process. Many companies will begin with a small group of sales reps and manually execute this process in Salesforce. This is another area where Pocus can help. With Pocus, sales reps can configure Slack alerts when accounts hit a particular threshold. They can also access views configured to their territory or accounts where they are the account owner.

Define Insights and Actions

After interviewing hundreds of PLG practitioners (particularly some of the very best PLG companies with a sales team), one thing became clear to us on the Pocus team — you need to explain why an account is a PQL and ready for sales.

Without this “why” it’s much harder for a sales rep to effectively action the information they’re given. With Pocus, sales reps can see why an account is product-qualified and gather deep insights that help them action that information. Examples of these insights include: who is the most engaged user in the account, who the product champions are, and more.

Operationalize the PQL process

Identify + Prioritize

Identify PQLs, prioritize PQLs in order of importance, then make them visible to your sales team.

Assign

Route PQLs to the right sales person at the right time

Insights + Action

Deliver insights that will help the sales rep assigned to the PQL take the next best action.

4. Hire Your PLS Team

It's finally time to hire and/or upskill a Product-Led Sales rep. The principle point to remember here is that your PLS team will look and act differently than an enterprise sales team.

If you're hiring your first PLS rep, we recommend hiring a generalist who is comfortable digging into data and can be flexible

If you're hiring your first PLS rep, we recommend hiring a generalist who is comfortable digging into data and can be flexible based on the evolving company needs. They will need to be experimental and collaborative and able to do a little bit of everything. Your first hire will depend on your company goals and stage. Consider:

- Do you need help converting self-serve users to paid customers? Hire an Account Executive (AE).
- Do you need help guiding users on their journey to realize value? Hire a sales-assist role.
- Do you need help managing inbound and mining PQLs for outbound? Hire a Sales or Business Development Representative (SDR or BDR).

To help, here's a look at the entire PLS squad for an established company:

ACCOUNT EXECUTIVE

An AE receives PQLs from SDR/BDRs and the sales-assist team to help the customer navigate from a self-serve user to an enterprise customer, all while continuously finding new opportunities to expand. In some organizations, the AE might also be responsible for identifying new use cases and seat expansion up to a certain threshold (before customer success takes over).

SALES-ASSIST PROFESSIONAL

The sales-assist team helps customers adopt the product and resolve friction to accelerate self-serve signup flows, surface new sales opportunities, and capture feedback to route back to product/marketing. The sales-assist team is solution selling — aka helping, not selling — to educate the customer and help them move to the next milestone. ([Learn more about the sales-assist role here.](#))

SALES OR BUSINESS DEVELOPMENT REP

An SDR or BDR will manage inbound from hand-raisers and mine PQLs for outbound.

Dive deeper into the details of building a healthy team with our guide [“What Does A Product-Led Sales Team Look Like?”](#)

5. Define Your PLS Motion

Now that you've done steps 1 through 4, you can finally create your internal PLS playbook! Revisit the one-pager that you created in step 2 as a starting point before testing, iterating, and disseminating information across your org.

We recommend tackling this step in three phases:

REFINE YOUR ONE-PAGER

Create a new one-pager draft with the original cross-functional team.

TEST AND ITERATE

Roll out a test of the new process with just a handful of sales reps. Collect feedback, test, and iterate until everyone is happy with it.

CONDUCT YOUR WIDE ROLLOUT

It's time to roll out to the entire company, which involves:

- Kick-offs and education sessions
- Sales enablement
- Monthly/quarterly trainings

In this final step, it's crucial that you're very clear on the hand-offs and routing between self-serve and sales. Your goal is to harmonize the two processes so that sales teams understand what they own, whom they work with, and how they should sell. The rest of the organization should also understand this, so there will be no silos — only streamlined processes, effective employees, and happy enterprise customers.

Accelerate Revenue With PLS

It turns out the “secret” to revenue acceleration at product-led growth organizations isn't so hush-hush after all. All it takes is a thoughtful approach to replacing the traditional sales model with a Product-Led Sales motion — and tech stack — that guides modern sales teams through seamlessly converting self-serve users into high-value customers.

As you step through this process, here are a few fundamental tips I want to leave you with:

- Don't overcomplicate it! Ultimately, you just need to find a way to get your best-fit users into the hands of a sales team when they are ready.
- Always ship, test, and iterate.
- Get clear to a fault on expectations — with both leadership and sales teams.

It turns out the “secret” to revenue acceleration at PLG organizations is a thoughtful approach to replacing the traditional sales model with a PLS motion — and tech stack — that guides modern sales teams through seamlessly converting self-serve users into high-value customers.

MAKING THE SWITCH FROM SALES-LED TO PRODUCT-LED SALES



Rob Falcone

Senior Director of Product-Led Sales at Guru,
author of bestselling *Just F*ing Demo!*, and early
champion of all things Product-Led Sales



In the sales world, it's all about evolution.

Evolving your sales skills to keep up with the latest best practices. Evolving your sales team to ensure your roster is always full of top-performers. And sometimes even evolving your entire sales motion to prioritize assisting engaged people who are already using and loving your product.

That's Product-Led Sales (PLS) — a bottom-up GTM model that leverages existing product users as a critical funnel for the sales team. This approach is powerful in accelerating revenue, cutting CAC, increasing ACV, and creating more pleasant experiences for both customers and reps

As the Senior Director of Product-Led Sales at Guru, I've been lucky to help the team evolve its traditional sales model into a PLS approach. To help you pursue your own shift, I'll share critical insight into how we made the shift, the teams we built, the processes we developed, the challenges we ran into, and more.

Product-Led Sales (PLS) is powerful in accelerating revenue, cutting CAC, increasing ACV, and creating more pleasant experiences for both customers and reps

Recognizing When (Or If) You're Ready for Product-Led Sales

There were two things that we saw at Guru that told us it was time to transition from sales-led to a PLS motion.

First, it was obvious that our customers wanted a try before they buy experience. Product-Led Sales mirrors how people shop and buy in their personal lives. Your buyers are human. They make B2B purchasing decisions the same way they make personal ones. They want to get their hands on things quickly. Try them out. Make a low commitment while receiving instant gratification. That's what PLS delivers.

Two ways to validate if your customers are pulling your company toward product-led:

1. If you have a free offering: look at the data to see how often people are (or are trying to) get into the product by talking to sales.
2. If you don't have a free offering: review call recordings to see how often customers ask for a trial or proof of concept during sales conversations.

The second reason we began our shift toward product-led was simply that the strategy was a match for our product and our company goals.

Our particular solution ([Guru](#) is a company wiki that brings the information people need to them, wherever they're working) has serious network effects. The more people contributing, the more valuable it is for everyone. It's also inherently viral, you share information with someone, they realize they could save time by doing the same thing, they create information of their own and share it.

Because of these inherent traits, we knew we could grow faster and more efficiently by leaning into product-led, giving the people who want to start using the product the assistance they'd need, while also complementing those adoption efforts with a traditional sales-led approach for the people who preferred that experience.

Your buyers are human. They make B2B purchasing decisions the same way they make personal ones.

I'll say now that PLS isn't always right for all companies, and that's fine. There are plenty of legitimate reasons a product might not lend itself to a Product-Led Sales approach:

- Your product is extremely complex, negating the self-serve and automation channels that are key to a product-led approach
- Your product almost always requires executive sign-off before a trial
- Your product has very little virality, so it doesn't generate the internal sharing and collaboration that helps so many bottom-up products grow
- Your product serves highly regulated industries that often go to RFP

But for companies that it is right for, it's time to dive in. Right now there is still a decently low barrier to get started, and PLS has a way of creating virality around a product. But the most important reason to make the shift to PLS now is because of something I've already mentioned and probably will again, because it's that important — **it's what your buyers want.**

How to Take a Measured Approach to Your Sales Evolution

Once you're clear why a product-led shift is right for your company (or at the very least, why it's worth experimenting with) you'll want to take an iterative approach.

Here are a few strategies that will help you and your team maintain momentum and morale as you work through your evolution to a PLS motion.

Get Real About the Cultural Element First

The first thing to do when transitioning from sales-led to a PLS motion is to get comfortable with the fact that this is going to be hard, you're going to make mistakes, and it's going to take what feels like forever as you iterate over and over again.

Why's it so hard? Let me count the ways:

Marketing teams will need to expand the top of the funnel to account for product-led's long-tail approach. Messaging and tactics will need to change.

Product teams will need to shift some amount of focus from innovation to self-service blocking and

tackling. As customers enter with an expectation of doing things on their own, tech resource allocations will need to change.

Sales reps will likely need to engage at new points in the buyer journey (often later) in product-led vs. sales led. Their sales motion and skill sets will likely need to change.

Sales leaders in traditional sales-led motions often teach reps to control the process and use friction to advance that process. In many ways, product-led flips the script and sales reps need to balance removing friction with advancing the sales process. The “give-gets” change.

Executives and finance leaders will need to get comfortable with how the economics of the business might change. In product-led, people will likely make smaller initial commitments to minimize risk, and then expand over time. Forecasting, compensation plans, and associated strategies will need to change.

The second thing to consider from a cultural standpoint is that product-led is a company shift, not just a sales shift. For proof, just look at all of the different bolded functions above that will need to change in some way or another.

Without agreement and alignment across the highest levels of the company, impact will suffer.

There are certainly small wins an individual function (marketing, sales, product) can achieve on their own, but in this game, 1+1 really does equal 3.

The last thing to consider from a cultural standpoint is how you communicate with the team as you start making the incremental changes that we’ll talk about in

the next few sections. When working through this transition with your team, it’s important to:

1. Be really clear on the “why” behind each change you make 🔍
2. Highlight even the smallest wins frequently 🙌

Map Your Customer Journey

As mentioned earlier, a big reason companies are shifting to product-led is to match how their customers buy in their personal life.

So for your company, you’ll want to map your customer journey as it stands today:

- What problems are they looking to solve?
- How do they find your company as a potential solution?
- Once they do, how easy is it for them to do what they want to, whether that’s talk to sales or get into the product?
- Once in the product, how easy is onboarding?
- How easy is it to become a paying customer?
- How easy is it to roll the solution out to other users?

Pro tip: map it out with a flow chart, and highlight friction points at each stop in the journey. There will likely be a lot, and that’s OK!

Assemble Your New PLS Transition Squad

It probably doesn't make sense to spin up any net new teams at the outset of your journey, until you've de-risked some assumptions and gotten clarity on who and what's needed.

My suggestion would be to get a cross functional tiger team together with one purpose — addressing the friction points across your customer journey. The functions will likely look something like this:

Cross-Functional PLS Transition Team

Top-of-Funnel Marketing

Lifecycle Marketing

Sales-Assist

Customer Support

Sales

Product

Top-of-funnel marketing: Who at your company can help increase reach to find more people with the problem you solve? Given that product-led is more of a “long tail” approach than sales-led, it requires more top of funnel demand.

Lifecycle marketing: Who can craft and deploy helpful

1:many communications that help users overcome some of those friction points you identified in your customer journey?

Sales-assist: Which humans can step in to help users with best practices around setup and adoption? And then guide them down the right path to conversion? This is a critical role, since your product was likely not originally designed for self-serve onboarding. This team could be staffed initially by folks from customer experience or support functions.

Customer support: Who is going to hold down the fort helping your existing customers and more advanced users with bugs, technical issues, and other miscellaneous issues that don't fall under the guidance of sales-assist?

Sales: Who can weigh in on what the handoff from sales-assist to sales looks like, from designing process to feedback loops?

Product: Who can take the learnings from everyone above, and start to build more systemic changes needed within the product itself?

Create Feedback Loops

Although it's implied in the name “product-led,” it can be super uncomfortable for humans to accept that in this new world, the customer is going to be doing a lot without you. For every customer you speak with, there may be five, five hundred, or five thousand more that are evaluating the product on their own.

The key, then, is to use every human-to-human conversation as a learning experience that can be used to build resources to help all of those customers that are choosing not to engage with a human just yet.

Here are a few easy items to help you create your early feedback loops.

First, determine the type of insights you'd like to glean from your human-to-human interactions that might tell you what similar folks might be thinking or struggling with. These are things like:

- Role or persona
- Use case and pain that's being solved
- Friction points within the product
- Additional stakeholders who would be involved in the purchase or expansion decisions

Next, work with the folks on your PLS transition squad to determine what sorts of self-serve resources you could potentially build using these insights, to help grease the wheels of your product-led motion. A few examples:

- Understanding role and personas ➡ Target similar people with relevant ads / content
- Use case examples and clear pain points ➡ Update website messaging
- Uncovering friction points within the product (especially onboarding) ➡ Build product enhancements, tool tips, and help center articles
- Speaking to additional stakeholders who would be involved in purchase decisions ➡ Create triggers for human intervention

Lastly, determine how you'll gather the insights and disseminate them to the squad. This could be as simple as a human codifying responses into a form, or as advanced as a data analyst reviewing user clicks and usage.

Regardless of how you start — it's crucial to simply get started, measure effectiveness, and share even small learnings.

Realize Sales May Always Be Hybrid — and That's OK

At Guru, we now have our traditional sales-led motions built on top of our product-led foundation. My prediction is that more companies will settle into a similar hybrid solution.

The last thing you want to do is pull people who want to, can, or should self-serve into a sales process

To find the right balance between PLS and traditional sales-led, you need a keen understanding of how customers of different segments and sizes prefer to buy and a plan for how you'll guide folks down the appropriate paths based on this understanding — plus what's economically viable. For those gray areas, make it clear that whoever is in contact with the customer will do what's needed to remove friction.

The natural tendency for sales reps in the sales-led to product-led shift is to push anyone who needs help straight into a sales flow. But the last thing you want to do is pull people who want to, can, or should self-serve into a sales process. So what's a rep to do?

You can help your reps make the best decisions by defining basic if-this-then-that paths they can send users down when they engage, for example:

If they're an end-user type at a small company struggling with onboarding (i.e. you see them not getting to value), offer guidance supported by resources like documentation, how-to guides, and more (see: your feedback loop above!) to continue their self-serve journey.

If they're an end-user type at a large company experimenting with features that might require an upgraded plan or buy-in from additional stakeholders, offer assistance pitching to additional teams and building a business case for the upgraded plan.

In this way, everything you do is rooted in helping the customer eliminate friction standing in the way of adoption, with the right tool (product guidance or sales process) deployed for the right job.

Hiring and Deploying PLS Reps

Here are the hiring and training tactics we used to build out our team of PLS reps at Guru.

Capabilities to Hire On

These are the main capabilities we look for when adding new reps to Guru's Product-Led Sales motion:

Comfort with data. Your PLS reps need to be able to look at consumer data and come up with a point of view on the next best steps, rather than just rely on what they learn in direct 1:1 interactions.

Product savvy. To sell a product in a PLS environment, reps need to be consummate experts in the product. In my experience, years ago, great sales reps won based on relationships, charisma, the ability to uncover pain, and an aptitude for conveying value. It's not that these

traits and skills aren't important anymore, it's just that customers are now accessing the product before sales conversations even start. They want accurate and fast product information, which charisma can't provide.

Flexibility, for two reasons. One, at an execution level, customers are engaged at various points in their adoption curve, from "I know nothing at all and I need a demo" to "I've been using this for a month and need to know how to accomplish this specific thing." This requires reps to be able to customize their communication to the adoption level. And two, in the bigger picture, this whole PLS landscape is so new and changing so rapidly — reps have to be flexible just to keep up.

To learn more about hiring for the new sales-assist role specifically, read [5 Characteristics to Look For When Hiring the Sales-Assist Role](#).

Train and Ramp Quickly

It's important to get PLS reps out in the field quickly, but not without making sure they have education and access to the right resources. For me, onboarding has two phases: training and ramping.

TRAINING

In the training stage, you want to cover three core areas:

Product training: PLS reps need to be super strong on product capabilities.

Customer training: Then comes customer training, which is even more important than product training. Because it's not about what your product does, it's about the [cool sh*t customers do with it!](#)

Role-specific training: Finally, niche down into everything the PLS rep needs to know for their precise role.

RAMPING

When ramping up PLS reps, I think about two things: progression and safety nets.

Progression

Similar to an agile product development process, rather than wait until a person is ready to execute ALL things, I prefer to roll them out in stages, starting with the least risky / complex work and then working up. For example, imagine a customer facing person starting in a lower risk environment like live chat, then progressing to training new users in a group setting, to consulting high value customers in a 1:1 setting.

Humans forget up to 70% of what they're taught within 24 hours

In this way, the rep is able to provide value sooner (by increasing the team's capacity and reducing wait times for customers), but also learn about frequently asked and edge case questions in lower stress environments where they can take a few extra seconds to look up verified information to send back to customers.

Safety Nets

On the last point — a smart guy named Hermann Ebbinghaus did research that showed humans forget up to 70% of what they're taught within 24 hours. So all that training you put together? You need to have a

safety net for your new reps to access that information when and where they're working.

Be sure you have the information you taught in training clearly documented, actively kept up to date by the appropriate subject-matter experts, and accessible wherever reps are working (i.e. in their chat tool).

My teams use [Guru](#) for this, but if you're not ready for a purpose-built solution, use a Google Doc or whatever works for you. The cost of doing nothing here is high. Reps sharing the wrong product information with a customer will lead to a lot of frustration both for the customer and your reps.

New Processes You May Want to Consider

As we settled into our transition to PLS at Guru, we found that there were a few new processes we needed to develop to smooth over the experience for both customers and our sales team.

First, we created a system for helping customers get through friction and move on to the next step in the journey. Sometimes friction is easy to identify — like when a customer brings it up in chat — and sometimes it's uncovered when reviewing product data for negative health indicators.

Once that friction is found out, there are different ways to work through it: demonstrate a solution, educate the customer about the best path forward, guide them out of the friction step-by-step, and even aggregate product usage data to help the user see how an upgrade can solve their problem.

In addition, we found that we needed to route leads in a new way, define product-qualified leads based on activation score ([read more about converting PQLs](#)), and map new offerings to various points on the customer journey (onboarding trainings, consultations, 1:1 calls vs. 1:many webinars, etc).

Challenges to Be Aware of in Your PLS Evolution

As I've mentioned, change management has been a challenge in Guru's PLS adoption because people are naturally, and understandably, nervous when it comes to shaking things up.

Another challenge we've run into that I hope you can learn from is scope creep. Going from sales-led to product-led, or some hybrid of both, is a big project. You need to break it down into smaller elements and assign a scope to each. And you must stick to that scope in order to keep the whole process manageable.

We also ran into some challenges with getting our technology systems to sync up as we hired new reps, injected new data sources, created different types of reports, and built new processes into the workflow.

This whole PLS landscape is so new and changing so rapidly — reps have to be flexible just to keep up

Hangups like this are pretty common when asking old-school technology to keep up with modern approaches. To get around it, I've seen teams rebuild parts of their tech stacks and workflows, or buy entirely new software that's geared toward solving these challenges.

Measuring and Celebrating Your Success

Here, in the final stretch of getting a functioning PLS motion in place, you finally get to measure how far you've come, look forward to where you're going, and celebrate your wins.

At the tactical level, this looks like A/B testing the initiatives that you launch within this PLS shift and reporting on very specific key performance indicators (KPIs) on a weekly, monthly, and quarterly basis. At a macro level, you want to look at company-level metrics over a quarterly and yearly basis, and across the entire funnel. Here's what I'd recommend measuring:

- Top of funnel growth
- Conversion
- Expansion
- Retention/churn
- Quarter-on-Quarter/Year-over-Year growth rates

While this is a great phase in which to enjoy the progress your team has made, remember that it is just the end of a cycle. Making the shift to Product-Led Sales is making a commitment to continuous iteration as the market evolves and your product evolves along with it. But don't worry, you now have the insights you need to build your own playbook for thriving through the change.

ADD HUMANS, NOT FRICTION, TO YOUR PRODUCT-LED JOURNEY



Melissa Ross

Solving customer problems at scale and empowering teams to flawlessly orchestrate their time as Head of Product-Led Sales at Clockwise



For me, sales is all about solving customers' challenges and helping them realize value. I like to start out by identifying where there's friction in the customer journey, looking at the opportunity from multiple angles, and then working to provide a path through any pain points.

As a leader in the Product-Led Sales (PLS) space, I've had the opportunity to exercise this process at scale, which has taught me the importance of building a strong intersection between sales and product to create user journeys that deliver value for customers, and revenue for my sales team.

Not sure why your product-led company might need a sales team? Or how to tell when it's time to introduce one? Or how to inject humans into the process without adding a bunch of unnecessary friction?

Fair enough! In this article, I'll answer those questions and more.

Why Are Product-Led Companies Adding Sales in the First Place?

We hear this phrase all the time: "The way that people buy software has changed."

And it's true! But I think the more notable change is actually how people evaluate software today. Modern B2B consumers have been conditioned to try before they buy. Product-led growth companies are at the forefront of this shift, introducing an evaluation process that lets customers experience their products without commitment.

But when it comes time for two companies to sit down and do business together, they almost always need people to get involved. These people have "sales" in their title, but the best ones are also excellent project managers, customer advocates, and probably even know a thing or two about reading a contract!

Clockwise is no exception. We have companies with thousands of employees using Clockwise, and we knew there was no way they were just going to swipe a credit card and sign up for a six-figure deal without so much as a conversation. So, we introduced a sales team into the motion at a strategic time. We waited until we had a solid free user base, then implemented the human touch that sales teams bring to help turn these organic adoption trends into formalized customer relationships.

How to Tell if Your PLG Motion Needs Sales Intervention

The reality is that selling complex products, and/or selling to larger organizations, comes with many moving parts. In these cases, having an intelligent sales team that helps the process along is vital.

At Clockwise, our approach was originally completely product-led. Before our sales team was developed, there was a considerable emphasis on understanding how people used and got value out of the product before actually monetizing it. As the business evolved, we introduced Product-Led Sales, which has been my focus for the past year. In the PLS motion, we work with the existing free user-base to convert them to paid customers. And now that we've grown even further, we're also layering on enterprise sales.

Specifically, this motion assists our customers in enterprise organizations where there may be IT systems or policies in place that prevent users from downloading or installing Clockwise (like blocking Chrome extensions, Slack add-ons, etc.) Without a proactive, hands-on team handling this market, we'd likely never see organic usage here. By adding humans to the process we remove friction and help customers who would have otherwise stalled in their self-serve user journey.

For PLG businesses that are seeing similar complexities, it's time to break away from the "no sales" mindset — which is a myth anyway; most PLG businesses use sales — and add humans to improve the product-led journey.

How to Layer Sales in a PLG Motion



Where Sales Fits in an Otherwise Product-Led Journey

The role of sales in an otherwise product-led company is that of an educator, an evangelist, a detective, a challenger, and an advocate. Sound like a lot? It is!

Customers are often already in your product by the time you talk to them, so they may have more granular and tactical questions than if they're just seeing a demo for the first time. That means that the sales team needs to be trained as product experts in order to build trust and confidence, and be able to connect the dots between the customers' pain points and how other customers are solving the same challenges.

Salespeople also need to be advocates for the customer experience. As one of teams on the frontlines, salespeople at product-led companies get a ton of product feedback, so they need to be adept at capturing and relaying that feedback internally.

Lastly, sales teams at product-led companies ought to be more comfortable with data than the average salesperson. When you're dealing with large user bases and a product that can be used in different ways, extracting stories out of data becomes an essential part of the job.

Designing the Ideal User Journey and Deciding Who Owns It

Designing the user journey is one of the exercises that I really miss being able to do in person. Before Covid, we brought together a cross-functional team, gave each a stack of different colored sticky notes, and went to town jotting down anything users might be experiencing at different stages of their journey.

However you're able to get your user journey planning committee together, make sure it includes everyone whose work touches how the customer experiences the product — sales, customer success, marketing, product, design, research, etc.

This group should distinguish between customer experiences that are universal versus those that need to be much more tailored. For example, you should help identify opportunities to automate how users get to key aha moments and look for moments that require a more tailored experience. Identify where humans need to keep driving the work that only humans can, like gathering insights from multiple places and weaving together the broader narrative of the business challenge and how the product can solve that challenge. Nothing scaled can do that — yet. 🤔

There is such a thing as good friction in the product-led journey — such as when it slows users down to ensure they get to the right place in the long term.

After you map out your user journey, you can then decide who “owns” different points of the journey in a product-led company. Is there a clear point at which the journey changes and the user’s needs/goals are different than before? For a lot of companies, that moment is signup. The way I tend to think about it is that marketing owns the pre-signup experience

(product awareness, user acquisition), product owns post-signup (onboarding, in-product cues, activation metrics), and then sales owns conversion to paid, expansion, upsell, and cross-sell.

Strategies for Overcoming Friction When Injecting Humans in the Product-Led Journey

So we’ve established when to add sales to your product-led journey, but how do you make sure adding human touch-points doesn’t cause unnecessary friction? Based on experience, there are things you can do to overcome “bad” friction so that you can seamlessly add a sales team that enriches your product-led journey.

Recognize That There Is “Good Friction”

There is such a thing as good friction in the product-led journey — such as when it slows users down to ensure they get to the right place in the long term.

Take for example service tiers, which have come up in basically every product I’ve ever sold. Users may want to self-select into a certain tier, but you may know that they’d genuinely be better served in a different one. In this case, it’s worth it to go through the additional layer of approvals or the proof-of-concept — in other words, “good friction” — in order to make sure they’re set up for success long-term.

Otherwise, you’re just kicking the can down the road, and might actually end up with a churned customer and a future detractor.

Add Value to Balance Any “Bad Friction”

The overall goal of adding humans to a PLG motion is to reduce friction that negatively impacts the user. You never want to add sales to a process just for the sake of adding a human touchpoint. When a salesperson does get involved, they should start adding value right away — so that any amount of friction they introduce is counterbalanced.

This value can be in the form of product tips, training, best practices, content, industry news, etc. Just showing up and asking for the deal generally won't win you any favors.

Define Which Users Get a Human Touchpoint

In a healthy PLG organization, you want the flywheel powering your self-serve engine to be nearly self-sufficient. You can almost use this as a litmus test to determine how healthy your PLG business is — if you hypothetically removed salespeople from your processes, would you still have any customers? You should, because not all users need (or want) to interact with sales.

Deciding which users do require interactions with sales depends on the type and the complexity of your product.

Historically, most product-led companies have been intentionally easy to get started with, so human intervention was less necessary. But as we see more companies adopting a product-led go-to-market approach, there are more products that are relatively complex to implement, in which case you'd definitely want to have a salesperson involved to help drive the process.

My favorite exercise to do here is to have sales reps imagine themselves in a user's shoes at different points in the customer lifecycle and think through various prompts:

- If I were just hearing about this product for the first time, what would prompt me to sign up?
- What might I be thinking at this stage?
- What problems am I hoping this product solves?
- How long will it take until I have an indication of whether or not the product is working for me?
- What are the signs that things are going well, what are the signs that things might not be off to the strongest start, and what would be helpful to me in either scenario?

Using this exercise, sales should end up with a lot of hypotheses, like “When a manager does XYZ in the product, they're probably trying to solve ABC.” They can then reach out to confirm whether or not their hypothesis is correct, and help the user accelerate their journey.

You want the flywheel powering your self-serve engine to be nearly self-sufficient.

You can also review the product-led journey to uncover touchpoints where you're organically gaining traction, then proactively introduce sales to accounts that look and behave like your most successful customers at these points.

Tools and Processes to Help Sales Engage Without Introducing Friction

My favorite friction-free engagement tactic for sales is live chat. With chat, sales can be right there when the customer needs them, so that the user doesn't need to go to their email or pick up the phone to get an answer.

In addition, a robust help center is also a must-have. This includes on-demand content in addition to live webinars. The reality is that different people like to engage (or not engage) with vendors in different ways, so the only truly frictionless experience is to let them choose their own adventure. It may not be realistic for every company to offer everything, but it's worth testing different things and seeing what people engage with and what drives the best outcomes for the business.

Parting Advice for Any Team That's Adding Sales to Their PLG Motion

You have to come to terms with the fact that not every one of your users will become a paid customer. That's OK.

Consider Cloudflare, where [only 3% of their users convert to paid](#) but they still have a very healthy annual recurring revenue. That percentage will be different for every business, but in a true PLG business your free user base should always exist and be able to get value out of your product even when they're not paying.

For a lot of businesses, this can feel counterintuitive. In most traditional sales processes, if a customer doesn't buy the product, they don't receive the value. But free users can love your product in PLG — and that can end up being worth more to your business in word-of-mouth marketing and referrals than what that user would have ever actually paid as a customer.

Adding a sales team to your PLG motion isn't about suddenly implementing high-pressure sales tactics or converting all your self-serve flows into high-touch processes. It's about creating a path for those users who do love your product and are happy to pay for it, but just need a human touch to overcome friction and cross that finish line.

Free users can love your product in PLG — and that can end up being worth more to your business in word-of-mouth marketing and referrals than what that user would have ever actually paid as a customer.

SECTION FOUR

STRUCTURING THE NEW PLS TEAM



How should you structure your new PLS team? How similar does it look to your existing GTM team? In this section, you'll learn from GC Lionetti who coined the term sales-assist and built out the first "PLS" teams at Dropbox, Atlassian and Confluent. How does customer success fit with the PLS structure? Get a nuanced perspective from Allison Pickens, former COO at Gainsight who created the category of customer success. Need more tactical advice? Learn how to hire for the emerging sales-assist role via Steeve Vakeeswaran. Once you've hired the PLS squad, get advice from Alfie Marsh on how to structure your first 90 days as a new head of sales.



THE THREE PROFILES FOR PRODUCT-LED SALES AND HOW TO HIRE THEM



Giancarlo “GC” Lionetti

Confluent, Dropbox, and Atlassian veteran who believes in product and automation, but not at the cost of human touch when needed



The Product-Led Sales (PLS) motion and the teams that power it are still emerging concepts for many product-led growth organizations.

Without tons of precedents to learn from, it can be difficult to know if you're taking the right approach to hiring a well-appointed sales team that is capable of identifying high-value leads, guiding users to value, and building systems that continually optimize sales functions.

But in my time at Atlassian, Dropbox, and Confluent, I helped define some of the most robust profiles that exist to describe the main hires that make up an effective PLS team.

Let's discuss those profiles, as well as how to screen candidates for product competency and why the PLS organization is an ideal training ground for creating leaders across your company.

Three Profile Types for Building Your PLS Team

As the VP of Self-Serve Growth at Dropbox and CMO at Confluent, it became clear that there were three types of profiles that we needed to build a well-rounded sales team.

If you're just getting started building out a Product-Led Sales team, it is best to hire for one profile at a time — whichever makes the most sense for your goals and who you already have on your team — and then gradually build over time.

Now, let's dive into the three types of profiles.

**Sales-Assist:
Curious,
Customer-
Focused Reps**

**Product
Advocates**

**Sales Ops: A
Management-
Minded
Enablement
Group**

Type 1: Sales-Assist: Curious, Customer-Focused Reps

The sales-assist role is made of of "early-stage" reps (think of it as a first - first sales job, first job out of college, first job after switching professions). This is their first introduction to sales. Or, if you're building a sales-assist team from your current roster of employees, the team can be made up of sales development reps (SDRs) or customer success reps that are passionate about your product.

I strongly believe that people who are newer to the sales game make for the best candidates when it comes to sales-assist. They are the most curious and the most hungry to learn from customers. They're not so far down the rabbit hole that they can't gel with a new way of doing things.

In a sales-assist role, it really isn't about selling or even qualifying leads — it's about helping users get to value.

When hiring for this role, I always looked for people who were fundamentally curious about our product and technology and somebody who really wanted to study customers and how they were using the product. I found they were usually inclined to learn from customers, rather than to only try to sell to them. This matters because, in a sales-assist role, it really isn't about selling or even qualifying leads — it's about helping users get to value.

WHAT DOES "SALES-ASSIST" MEAN?

Let's back up the bus for those of you who haven't heard the term "sales-assist" before. I'm not surprised if you haven't as it's only recently started taking off in the PLS world. It's a label I came up with in my early days at Dropbox, when I was tasked with figuring out a solution for serving customers that existed in that chasm between the inbound & outbound sales motions.

You might already have a similar role at your company, but you're calling it a customer advocate, an onboarding specialist, an inbound salesperson, an SDR, or something similar. Whatever you call this team, its ultimate goal should be assisting a user in their journey, whether that's to complete a purchase or overcome a friction point in their free experience.

There are four main tasks that every sales-assist rep should focus on:

Interacting with hand-raisers (inbound): In an inbound, reactive function, sales-assist helps users with low-touch mechanisms (email, live chat, etc.), then sends them back into the self-serve funnel.

Looking for opportunities to improve the motion with a human touch (outbound): The sales-assist team is responsible for finding high-value prospects and adding a human into the motion at the right time. I call this the "smart touch" motion. When I've implemented this strategy at past companies, the rule was that every experiment that the outbound team ran had to compete against the self-serve machine. If the outbound motion could beat the self-serve machine with additional ROI, they could keep the segment.

Enterprise lead generation: Sales-assist reps should be qualifying leads with a simple set of questions before sending them off to the enterprise sales team.

Creating a feedback loop: Because they're on the front lines, it makes sense for sales-assist reps to capture feedback from self-serve customers and funnel that information back to sales, marketing, growth, and product teams. This is the most important function of the sales-assist team. Sales-assist folks are the intermediaries between the customer and the business. They talk to 10x more users in a week than anyone else does in a year, so they're really getting into the minds of customers.

You may think this sounds like a customer success role, and I agree. The sales-assist role is similar to the customer success role, except it starts earlier in the funnel. Sales-assist reps are often doing a key task that customer success reps would do — helping set up or use the product. But in a PLS function, this is happening before the sale instead of after.

That's why when you're hiring for this profile, you're very much looking for someone with a customer success skill set. You might literally even want to hire a junior customer success person. Eventually, this person could exit sales-assist to become a customer success rep within your organization. That's just one example of how the sales-assist role can double as a "boot camp" of sorts for Product-Led Sales folks — which is a concept I'll talk about in more detail later.

To learn more about the origin and definition of the sales-assist role, [read my AMA with Pocus CEO, Alexa](#).

Type 2: Product Advocates

Your core sales team will function much like other traditional SaaS sales teams, but they will primarily target product-qualified leads (PQLs) rather than MQLs

or cold leads. So the reps who make up this team need to have at least some level of sales experience. And since you're in a product-led environment, they should also have deep product expertise — especially if your offering is highly technical.

When talking about profiles it's important to highlight that the product you're selling should influence which of these types of hires to invest in more versus less.

You're looking for these skills because you want your sales team to be ready to serve customers in three critical ways:

Engineer solutions at a high level: Unlike sales-assist reps, your sales team will focus on addressing customers who don't have basic usage and feature questions — they want a solution, right now.

Take use-case deep dives: Sales reps will also work with customers who want to learn how your product serves their specific use cases or how a particular feature works. For this, you need sales folks who have exhibited that they're able to take on and communicate detailed product knowledge.

Has experience closing sales: I usually gave a little discount power to my sales reps so when the solution they helped engineer turned into a sales conversation, they had more leverage. But if a rep didn't know how to wield that power, it could actually become a poor customer experience. That's why you want to make sure people in this role already have some experience closing sales.

When hiring for sales, I look for candidates that show technical aptitude or product aptitude. People who can go a little deeper, who understand the product and how to navigate the product. But most importantly, they also have to understand how to talk to a customer — which I think sometimes you don't get at the traditional SDR level.

Great sales reps should be able to go on to become solutions engineers. At Confluent, that's how we thought about hiring for our sales team. We looked for what basically amounted to junior solutions engineers.

Type 3: Sales Ops: A Management-Minded Enablement Group

The final layer of a full-fledged Product-Led Sales team is an element that tackles overarching tasks that help enable the PLS motion. While I still think of it as sales operations when giving it a label, it's a modern take on traditional sales ops that's partially operational and partly program management-focused.

No matter what this team is called, what matters is that they are the ones who aren't selling but who are thinking about how to scale selling. They're thinking about a variety of optimizations:

- How do we train this whole group of Product-Led Sales folks?
- How do we utilize chat (and other programs) across all these different folks?

They are like an enablement, education, and tooling function. They take resources created by product marketing and go, "Okay, how do we teach everybody to do this?"

For example, at Confluent, there was a point where we realized providing demos was a simple yet high-leverage opportunity to deepen sales conversations. So, what our sales operations-like team did was find the best people that we had at giving demos and recorded them.

At first, they used these recordings to teach other reps how to give great demos. But what they soon realized was that they could just create one strong demo video that every rep could either play for or send to users. From there, the conversation moved away from just showing the demo to answering product questions, discussing product use cases, etc. That video became a doorway to deeper engagement.

This is a simple example, but I use it to show how our sales operations team came up with, owned, and scaled an enablement feature. They worked with PMMs and SDRs to create the right video and assets, but they were the ones bringing it to life.

When hiring for this role, I recommend looking for people who were in operations or program management teams at other companies. Which means that, yes, traditional sales ops practitioners could fit this role, with the right mindset.

I think this role really ended up being the secret sauce at the companies that I worked with. It always helped scale the whole Product-Led Sales organization in a way that wasn't previously attainable.



Product Should Always Inform Profiles

When talking about profiles, it's important to highlight that the product you're selling should influence which of these types of hires to invest in more versus less.

For example, with Dropbox, most people can fundamentally understand Dropbox. Customers can start using it in some way through an onboarding experience. The conversion is almost fully automated and almost doesn't need a human. When a user does need a human, it's for very transactional tasks, like asking a few questions about pricing. We knew we didn't need a deeply technical person in that sales role. On the flip side, we did need sales reps who were capable of doing a complex deep dive into a more technical product at Confluent.

How to Screen for Your Desired Product Competency

There isn't one single question you can ask to check if a candidate fits the level of technical or product competency you're looking for. But when I'm interviewing anybody that's in sales or growth, I try to listen to their narrative about how they either solved a problem or what they did for their job.

To get this narrative going, I typically ask a few questions that start a conversation around how the candidate has approached sales and product in the past:

- Did they learn the product thoroughly, or were they more focused on using sales techniques?
- Did they ever change their approach because a certain sales technique wasn't working?
- What questions did they ask potential customers?
- How did they qualify people?

These questions tell me if the candidate really took the time to understand the product they were selling — no matter if the product was as simple as Dropbox or as complex as Confluent.

There isn't one single question you can ask to check if a candidate fits the level of technical or product competency you're looking for.

Another way to find a good fit is to listen to examples. Let's say somebody tells you, "Oh, we gave product demos." Cool. I would follow up by asking what they did for product demos. You want to be able to almost hear them giving the demo in their answer. That's when you know they have something. They can really go deep on the product or whatever topic they're talking about with users.

PLS as a Bootcamp for Roles Across the Organization

In a traditional enterprise sales approach, sales reps are able to get away with knowing less about

customers and products. But this lack of knowledge, over time, creates a bad customer experience. It's a disadvantage for the customer if the person they're talking to on the other end fundamentally doesn't understand them or the product itself. You have to change that status quo in a Product-Led Sale environment.

PLS roles are the closest to customers. They see firsthand how users get value from your product, so use your PLS organization as a powerful training ground for not just sales reps but for roles across the organization. Use it to turn everyone into a product and customer expert.

Use your PLS organization as a powerful training ground for not just sales reps but for roles across the organization.

In the early days at Atlassian, every single person — that's not an exaggeration, it was a team of just 12 or 13 then — from our product-focused sales team went on to become a product marketing manager or a product manager. And good ones, at that. The reason for this was they understood the customer, they understood the product, and they were ready to market and manage it. PLS was our boot camp, even though we didn't originally realize that it would be.

In the old sales model, sales had a job to do, marketing

had a job to do, customer success had a job to do, etc. Each role existed in its own silo. But in the new PLS model, you're looking for “full-stack” people, to use an engineering term. Because Product-Led Sales teams have to think beyond the sale — about how customers are going to adopt the product, etc. — these reps have to think a little more full-stack.

Everybody who deals with the product and customers at your organization could stand to do six months in the PLS function, dealing with customers, solving their problems, and understanding the product. In this way, PLS serves as a boot camp that graduates full-stack team members into roles like customer success, sales, product marketing, and so on.

The Right Profiles are Key for Effective Product-Led Sales

The truth is, most customers are not going to go all the way through your onboarding process, even if they're the right persona and fully understand everything about the product. Automated processes will help them get to a bunch of aha moments, but they're not going to fully complete their transaction.

Where automated processes falter is where the Product-Led Sales function picks up the ball to complete the sale. Many times, you're still going to need a human — or more likely a well-rounded team of them — with the right product knowledge and skills to close that gap. Now that you have the techniques you need to identify and hire product-profile fits, you can get started on building that key PLS motion.



Q&A

CUSTOMER SUCCESS VS. SALES-ASSIST

ARE THEY ACTUALLY DIFFERENT
ROLES IN A MODERN PLS
APPROACH?



Alexa Grabell

Co-Founder & CEO at Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



Allison Pickens

Board director and scaling partner to product-oriented founders, former COO of \$1B unicorn Gainsight, and prolific writer/speaker about customer success



When Allison Pickens joined Gainsight — a pioneer in the customer success software category — in 2014, customer success was still a new concept.

Many organizations already understood the importance of customer support, a reactive model to triage issues within the product. Yet very few had spent time thinking about proactively nurturing customers' adoption of the product.

Today, customer success (CS), the practice of ensuring your existing customers are achieving their desired outcome with your product and having a terrific experience along the way, has become an established critical function at most SaaS businesses. The reason it's become crucial is that effective CS is directly linked to strong net retention rates and customer advocacy for the vendor.

And now there's another shift happening in customer success. I talked with Allison about what CS means in light of product-led growth, the rise of the Product-Led Sales (PLS) approach, and the developing sales-assist role..

Modern Customer Success Weaves Throughout the PLS Motion



Having spent so many years thinking about customer success and really building it from the ground up, where do you see CS in product-led growth (PLG) companies today?

The product-led growth business model has changed the definition of who a customer is, for two reasons.

First, the scope of what defines a customer has widened, because at a product-led growth organization we have different “phases” of customers. Customers may be in a time-bound free trial, a free tier in which they aren't paying anything yet, or a lower-priced tier. Over time they may upgrade to paying, or formalize a corporate-level contract with us.

Second, the initial customer in a PLG model is typically an individual user, sometimes a team, as opposed to an “account.” In the top-down model, an account is usually an organization with many stakeholders and users. In a traditional revenue model, vendors sell to a senior stakeholder, concerning themselves with the individual users only after the fact. In the PLG model, we work with users first.

Because of these changes in the definition of “customer,” the sales process changes as well. PLG companies need to (1) convert users from free to paid via credit card, and then (2) convert paying users into an enterprise contract. The first conversion is typically owned by marketing. Sales owns the second conversion, and that type of sales has become known as Product-Led Sales (PLS).



Where in the funnel does CS live? How should PLG companies think about the converging roles of sales and CS?

Product-Led Sales requires a new type of customer success initiative that comes in earlier in the customer

journey. We want to help individual users adopt the product, find ways to help individual users refer their teammates, and get introductions to leaders or influencers within the organization who can encourage and enable adoption across groups of users.

In some cases, the lifetime value of a typical customer may justify us hiring customer success managers — or similar people with other titles (product specialists, onboarding managers, sales-assist, etc.) — to do these activities. For example, it was economical for Superhuman to invest in onboarding specialists that hand-held initial users through a tutorial on keyboard shortcuts: the high monthly price and stickiness of those fully onboarded users justified the cost.

But in other situations, it may not be economical to insert people into the customer journey. It may not even be desirable from the user's standpoint. Developer tools companies in particular know that their users don't typically want to talk to them; users would rather learn the product via a thoughtful UI walk-through, look at the documentation, view templates or examples that other developers have produced, or otherwise learn from your community. Providing these resources is a form of customer success. One developer-focused company I spoke with recently triggers an automated email from a customer success manager (CSM) after the user's sign-up, offering advice and pointing the user to helpful content. But live interaction is offered only as an option, not a standard part of the relationship.

These activities — with or without a human — pave the way for the creation of PQLs, or product-qualified leads, which are defined by accounts with high user-level adoption that the sales rep can convert to corporate-level contracts. Overall, in a PLG model,

customer success helps create the real stories of value realization that sales can then reference when pitching the corporate-level contract.

Once the sales team formalizes a corporate-level contract, the customer will require the type of CSM that typically works in a top-down model. At this point, customer success should help to identify goals with the customer, create a success plan for how they're going to achieve value, facilitate user adoption, coordinate across stakeholders at the client, and otherwise do what's required to ensure the customer achieves their desired outcome in a delightful way. The CSM will also coordinate with sales on renewals and expansion (sometimes owning the renewal itself, and sometimes co-owning an expansion target).

The Emergence of the Sales-Assist Role



You mentioned sales-assist. The way I understand it is that the sales-assist role is similar to customer success, but popularized by PLG companies who do not have CS resources earlier in the funnel (i.e. before a sale was made). In other words, sales-assist is a pre-sales CS function.

Anecdotally, the name is catching on in the PLS community. We're starting to see companies hiring for the sales-assist role, often as their first PLS hire. Members of the community are leveraging sales-assist or "product specialist"

roles to nurture PQLs before they go to an AE or to unblock users throughout onboarding. Their main role is to help users see value in the product. Once the user becomes an enterprise customer we see CS step in for the post-sales expansion.

But what's interesting is that you're saying this "new" role is actually just CS skills being exercised earlier in the funnel — so why shouldn't it still be called customer success?

It sounds like companies are retraining sales teams, or maybe adding sales-assist roles, to do some customer success-like activities (free trial conversions, adoption support, etc.) earlier in the user journey. Why not instead leverage the massive community of CS professionals who already exist and put them in place earlier in the Product-Led Sales motion?

This role would slot into the use cases where it makes sense to add a human touch to an otherwise automated self-serve process.

Consider products that require team-wide participation to truly understand the value. In this use case, a sales-assist role — or, as I might propose, a CS professional — would step in to orchestrate this virality from one user to one team to many teams, eventually nurturing the account to the point where it's ready for sales to step in and have an enterprise plan conversation. CSMs can also be particularly effective in user journeys that require complex product setup and/or integration processes.

But even in areas where you don't need to add a human touch, self-serve automations within the PLS motion should still be grounded in CS principles. While product

or marketing roles are typically responsible for building out these automations, because of the hands-off nature of the workflow, these teams need to be prepared to "think like customer success" today to help users find value and move toward adoption.

So, Is Sales-Assist Just Another Way to Say Pre-Sales Customer Success?



Let's address the elephant in the room: are sales-assist and customer success two terms for the same role? And if you were advising a PLG company that's thinking about adding sales, would you suggest having one CS role across the lifecycle of a customer (pre-sales and post-sales)? Or, would you advocate for multiple roles throughout the lifecycle, CS being one of them but not the only one?

Let's look at the sales-assist people who act as product specialists. They're injected in the process to help if users get stuck in the free trial or become ready to deepen their engagement with the product. They act as shepherds in the user journey; as qualifiers looking to uncover more significant sales opportunities. Their responsibility is first and foremost to add value or help users, not to sell.

To me, this specific sales-assist action sounds a lot like pre-sales customer success.



There's already a huge population of people with a strong skill set, a sense of identity, and an affiliation with the title "customer success." And I know that if I were a customer, I'd rather talk to someone who identifies as a customer success person, because it's clear their job is to help me, not sell to me. I wonder if sales-assist was an early title for this role because it reported to the head of sales, and they needed a way to distinguish this team from the traditional CSM team. (I'd love to learn more about the origin!) But personally, I'm a bit baffled by the title, because it doesn't quite capture what these people do.

Orient these teams in a way where they can focus on what they're best at

No matter exactly what you choose to call them or where exactly they exist in the customer journey, my advice is to add humans at the right points in the product workflow who know the product and are skilled in empathy, grit, active listening, expectation setting, and problem resolution.

You may want to call these people different things at different stages of the user journey. After all, the CS persona that is best leveraged for free trial support and conversion is very different from the CS persona that is best leveraged to expand an enterprise account. However, at the core of these personas is someone with customer success skills who profoundly understands the customer, their problems, and how the product can be manipulated to solve those problems.

One Final Tip: How Sales and Customer Success Can Work Together



If nothing else, one thing is clear: customer success and sales-assist are crucial in Product-Led Sales. How do you think about CS and sales partnering, sharing responsibilities, and otherwise working together to drive revenue in a PLS approach?

My tip is to orient each of these teams in a way where they can focus on what they're best at. This means your sales teams may want to re-orient earlier in the funnel than they've previously been so they can find new business in an existing pool of free or individual users. Then customer success can focus on the pre- and post-sales expansion and upsell opportunities that align with their aptitude for concentrating on customer outcomes and proactively supporting the virality of a product within an organization.

How Will You Customize Your Customer Success Approach?

Whether you choose to build out a sales-assist team, reposition where some of your top sales and customer success talent lives in the funnel, or create a custom combination of both approaches — what ultimately matters is that each team is empowered to meet customers where they are in a modern product-led growth environment.

BUILDING THE SALES-ASSIST FUNCTION FROM ZERO TO ONE



Steeve Vakeeswaran

Currently leading sales and expansion at Zapier and building their sales-assist team from scratch



3 Core Tasks of the Sales-Assist Role

From coach to specialist to advocate, there are many names for the internal role that guides users through their interactions with a product.

But while its name may vary, there's one underlying feature that defines this role across the board: assisting users in any way necessary to help them find value and deepen their engagement with a product — ultimately generating sales, improving customer experience, and garnering retention.

This is why it makes sense to call those in this role “sales-assist” professionals.

But what exactly does the sales-assist role do? Do you need to implement it at your company? And, if so, where do you start when building this function from zero to one — and beyond?

As the Head of Sales and Expansion at Zapier, I've had the opportunity to work across sales, marketing & customer success to develop a deep understanding of the sales-assist role. In this article, I'll introduce you to the nuances of sales-assist, how to find the best people for the role, and how to start building your own team today.

What Does the Sales-Assist Role Look Like?

The sales-assist role in a [Product-Led Sales \(PLS\) approach](#) is precisely what it sounds like. In this role, **sales professionals assist users in their journey**, whether they need help making a purchase or support getting past a point of friction while using the product.

The sales-assist team offers a human touchpoint for users who are potentially good sales opportunities and need help solving a problem, getting value out of the product, or making a purchasing decision. There are three core tasks for which the sales-assist role is responsible.

Sales Support

Education and Enablement

Feedback Loop

Sales Support

First and foremost, the sales-assist role should identify opportunities that are ready for sales. They may find these opportunities while helping users (such as hand-raisers) with upgrade decisions, answering pricing inquiries, and doing anything else they can to remove friction in the sales process. But sales-assist reps also need to be savvy at looking beyond the hand-raisers, especially in product-led growth organizations with strong self-serve motions that make these opportunities rare. In this setting, sales-assist reps may not be helping users who are on a human-led sales path, but instead adding value by quickly inserting themselves into the workflow, unblocking a user, and exiting the flow so that the user can go on to complete a self-serve purchase.

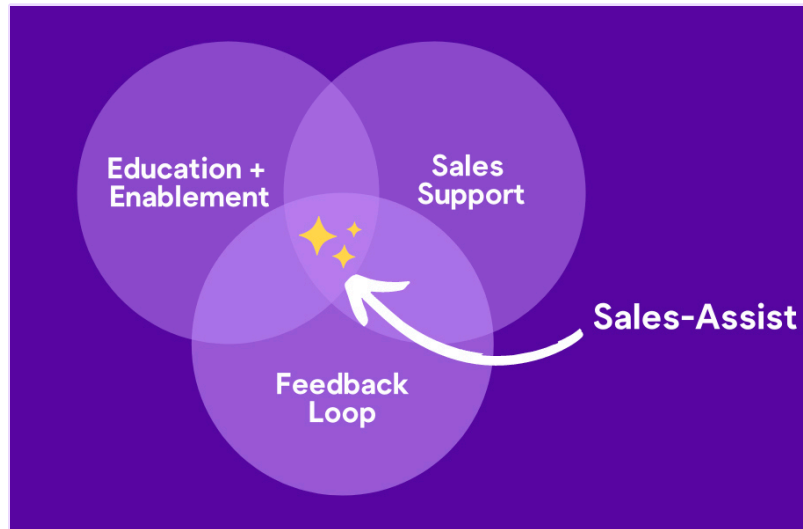
Education and Enablement

When using a PLS model, education is enablement. The sales-assist role should focus on educating users on product features to deepen their engagement, unblock them, and showcase the value of features beyond the paywall.

Feedback Loop

Finally, sales-assist pros should empathize with users to capture feedback and funnel it to sales, product, marketing, and growth teams. In particular, feedback

about how to remove friction is most beneficial. This input can help product and growth teams make improvements so that future users can self-serve into higher plans without a human touchpoint.



As far as what the sales-assist role should not do, they should not engage with every single user that comes through the self-serve funnel. This is an inefficient use of time and can cannibalize the sales motion.

Of course, tasks will look different depending on your go-to-market, product, and company goals. So while the sales-assist role typically consists of these three core components, some conversations might skew more towards sales, others toward support and enablement, and so on.

Assisting users in any way necessary to help them find value and deepen their engagement with a product — ultimately generating sales, improving customer experience, and garnering retention

EXAMPLE:

The Role of Sales-Assist During Onboarding at Zapier

At Zapier, the sales-assist team doesn't get on calls with users to educate them on the value of Zapier. Users can find the information they need through our self-serve documentation and marketing content. The goal of the sales-assist team is to showcase the product, inspire use-cases, and get them past the procurement processes.

My sales-assist team does this by helping users through setup so they can reach their "[aha moment](#)" and experience value — ideally while on that live call with the sales-assist team. Specifically, we want them to experience the "aha" of how easy it is to experiment with zaps.

We've found this to be the highest incremental value action the sales-assist team can take — to impact the activation and long-term success of users.



Aha

I found a product that should meet my needs!



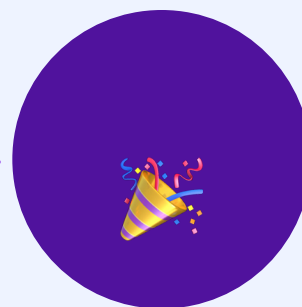
Aha

The trial produced a result I can share with stakeholders!



Aha

I've improved workflow efficiency!



Value

Experimentation Is Key When Building Sales-Assist Responsibilities

It's important to remember that we didn't always have our sales-assist system figured out. It's been an iterative process. We tried and failed at other approaches before landing on this as the best way to inject humans into the onboarding flow.

For example, when first building out the sales at Zapier,

we put the team on live chat in hopes of converting people. Turns out, that was a poor way to convert our users — especially when it came to very sticky users! So we pivoted away from that and experimented until we landed on the workflow we use today.

Iteration is essential when building the playbook that's successful for you. I can tell you from experience that **best practices and effective tactics hardly ever translate directly from one organization to the next.**

How to Tell if You're Ready for a Sales-Assist Function

When I first joined Zapier, the company's focus on product-led growth (PLG) and self-serve meant that they had not yet hired a sales team.

Here are the factors that indicated to me that it was time to add a human touchpoint to the existing processes at Zapier:

- The primary persona in the funnel had changed from user-centric to buyer- or procurement-centric. Multiple stakeholders had become involved and it was tough to cater to all of them using the existing low-touch system. Because of this, Zapier experienced a dip in conversion rates.
- The time to first value also changed as Zapier targeted enterprise use cases with multiple stakeholders.
- The seat expansion process was not easy enough for self-serve users to complete.

As Zapier moved to an upmarket expansion motion, new moments of friction appeared in the onboarding and upgrading stages that hindered our growth. By hiring sales and sales-assist professionals, we were able to turn these friction points into smooth sales touchpoints.

To get more general, here are a few common scenarios that may signal it's time to add a sales-assist team at any organization:

An uptick in hand-raisers: If you're starting to see a high volume of hand-raisers within potentially high-value accounts, you may want to shift the responsibility from your reactive customer success or

support teams to a proactive sales-assist team.

Friction in the self-serve process: Friction can cause drop-off or prevent users from seeing the value of paid plans. If you see stagnation in your conversion rates, you might want to experiment with a sales-assist role to carry users over known friction points.

The sales-assist role should focus on educating users on product features to deepen their engagement, unblock them, and showcase the value of features beyond the paywall.

Who to Hire to Start Building Your Sales-Assist Team

When you're building a sales-assist team from zero, your early hires need to have a majority of these traits:

Experimental: Ability to test, learn, iterate, and test again — rapidly

Technical: Curiosity about the product and ability to go deep into the product

Collaborative: Works well cross-functionally

Communicative: Can communicate effectively, distill feedback, and synthesize ideas

Educational: Ability to slip into a customer success-like mindset to educate and enable

Metrics- and data-driven: Familiarity with data, ability to identify why and which data is vital to the role, and comfortable being measured against key sales metrics

The focus of the sales-assist role is to remove friction, conduct education and enablement, refer opportunities to sales, and develop feedback (not engage every user in the funnel).

It's safe to say that, in the beginning, new hires should have a generalist skillset and mentality. You'll need them to cover all the bases while your team grows. But as you go beyond your first few hires, you won't need to find as many "unicorns" and instead can focus on making sure the team is well-rounded.

Just like everything else in the emerging field of PLS and the sales-assist role, there is no one-size-fits-all approach to hiring. Ideal candidates will depend on your business, go-to-market motion, and goals. For example, a product for developers may want to hire more technical resources that lean toward customer success and support. But a less technical product may want to hire more traditional sales profiles to build a sales-assist team that compliments their business development team.

You're Ready to Start Building Your Sales-Assist Team Today

I hope you've enjoyed this behind-the-scenes look at what has worked, and what hasn't, during my time building the sales-assist function from scratch at Zapier.

While some of the details will look different at your organization, remember these key elements to put together your best team:

- The focus of the sales-assist role is to remove friction, conduct education and enablement, refer opportunities to sales, and develop feedback (not engage every user in the funnel).
- It's time to consider adding sales-assist when you're seeing increased hand raising and/or friction in the self-serve workflow.
- Early hires should have a variety of sales and customer success skills — add specialists later.
- Never stop experimenting!



WHAT TO DO IN YOUR FIRST 90 DAYS AS HEAD OF SALES



Alfie Marsh

Launcher and leader of U.S. GTM at Spendesk, creator of the Rocket GTM newsletter for \$0-\$10M revenue startups, and obvious lover of all things GTM strategy



When a new head of sales joins a company, often one of the first things they're asked is:

"So, what's your 90-day plan?"

This question is so popular there are even books and blogs written about exactly how to answer it.

After every action is executed, you should find yourself back at the observation phase, deciding what your next undertaking will be.

However, you'll never find me asking it.

Why? Well, I'm not a fan of this question because it enforces a pattern of thinking that is strictly linear. It asks for cookie-cutter solutions that will be incapable of fluctuating as necessary in today's sales environment.

Instead, I prefer something called the **OODA Loop framework**.

Here's what that means — and how it translates from its original source to the modern sales space.

Breaking Down Each Phase of the OODA Loop

[The OODA Loop is a framework](#) that was developed by a U.S. military strategist. It's meant to give military professionals a process for making fast decisions based on just the information they have in front of them.

OODA stands for:

- Observe
- Orient
- Decide
- Act

Here's how to apply this flexible and iterative approach to make your first months as head of sales way more impactful than any 90-day plan ever could.

PHASE ONE: **OBSERVE**

- See what's happening
- Decide what needs to change
- Consider how and when to best change it

When a military leader arrives on the battlefield, the first thing they do isn't rush into action. First, they wait, watch, listen, and observe.

In the same vein, in your head of sales role at a new company, the first thing you should do is **gather information**. Get the lay of the land by meeting with executives, sales reps, and even investors. Don't forget to speak with customers and listen to customer calls.

The observation phase is all about learning. You want to understand the sales situation and start organizing your thoughts on things you might want to change, why you want to change them, and the best order in which to tackle these changes.

It's all about input over output — for now.

PHASE TWO: ORIENT

- Compare where you are with where you want to be
- Uncover related info that will move you forward

Next, it's time to orient where you currently are compared to where you want to be — in your role and as an entire sales organization.

Working through this phase requires you to synthesize all the information you've observed about your new environment and layer in a few new considerations:

- Who are the key decision-makers you'll either have to coordinate with or answer to?
- Outside of these official decision-makers, who else has influence?
- Where are the primary resource constraints?
- What are the big projects that everyone wants done, but no one has been able to execute yet?

Orientation is about figuring out what your challenges are, who your allies may be, where you can have the most impact, and overall how to get things done.

By the end of this phase, you should have acquired enough information to make informed decisions.

PHASE THREE: DECIDE

- Find the quickest path to acting on desired changes
- Think through main outcomes and challenges

At this point, you're laying down a path toward making those changes you started contemplating earlier. While this might seem counterintuitive to the goal of this “act-fast” framework, this phase is less about planning every step and more about thinking just far enough ahead to consider multiple outcomes and address possible challenges.

While the temptation will be there, it's vital that you don't get hung up on perfection here. It's not about being right or being best. It's about moving toward what's right and what's best for your organization — one step at a time.

Imperfect today is better than perfect tomorrow.

Don't wait for 100% accuracy. Hell, don't even wait for 70%! It is time to act on the information you have available. You can figure out the rest along the way. The direction of your decisions is more important than the decisions themselves.

Right now, where you place your attention is everything. You're getting laser-focused on what moves the needle, cutting through the noise, and canceling any projects that don't move you down the path you've created.

PHASE FOUR: ACT


- Execute your decisions yourself or with a new team
- Move the need through quick, small, iterative actions

This phase is surprisingly simple. It's time to implement your decisions according to your plan.

It's time to execute.

If you have a player-coach role or are a first-time head of sales, you may be expected to roll up your sleeves and get your hands dirty. But if you're coming in at a later stage, perhaps Series C or above, you've been hired to build a team. In your case, action will mean recruiting. You either need to bring A+ players with you or be ready to bring new ones on board.

Whatever you're doing in this phase, **fast and tangible action is what matters.**

Don't wait too long before showing results. And don't get derailed trying to make too big of a splash all at once. It's OK to start small. Just get the needle moving. Get noticed. And, above all, get sh*t done .

Early, effective action will be pivotal in helping you build alliances and proving you're the doer your organization needs.

BONUS PHASE: REPEAT

The official OODA Loop doesn't include this step, but I want to make it clear that **this whole approach is meant to be iterative.** After every action is

successfully executed, you should find yourself back at the observation phase, deciding what your next undertaking will be.

Once you become comfortable in your role and running through the OODA Loop feels like second nature, you may even find it effective to have several "loops" going simultaneously.

Create a Self-Improvement Loop Through OODA

One of the reasons I'm not a fan of the 90-day executive plan is because it's static. The OODA Loop solves for this because it's a continuous cycle. It systematizes an intuitive approach. It reintroduces agility into business processes that often call for stringent planning — despite the volatility and the necessity for flexibility in modern markets.

Using the OODA Loop ensures observation never stops, which continually provides the information you need to better orient and make informed decisions. Your actions based on these decisions will continue to have more superior outcomes each time you iterate. Through practice, the OODA Loop helps you create another kind of loop — one of continual self-improvement.

Using the OODA Loop ensures observation never stops, which continually provides information you need to make informed decisions

SECTION FIVE

BUILDING THE REVENUE ENGINE: LEADERSHIP LESSONS



So you have a PLS motion-defined and a team created...now what? You must focus on alignment, incentives, change management, and shifting culture. In this section, learn leadership lessons from successful GTM leaders at Sentry, Airtable, and Confluent. How do you hire the right people? How do you incentivize a team in a way that aligns with your PLS motion? How do you create feedback loops between teams? How do you get buy-in from leadership to embrace sales? That and more awaits.



LEADERSHIP LESSONS FROM SLACK



Eli Weiner

Salesforce alum, VP of Sales & Success Strategy & Operations at Slack, and builder of creative solutions that help sales teams turn product data into revenue



I joined the exceptionally successful product-led-growth (PLG) company, Slack in 2016 to lead Sales and Success Strategy & Ops and help add a new growth model to the business. This timing was pivotal for Slack, as our executives knew we had a big opportunity to deliver success in a new segment of customers and capture differentiated revenue dynamics. Over the next several years we built a world class sales organization and an incredible bench of enterprise customers, starting with the go-to-market motion defined as “Product-Led Sales” (PLS) today. Our sales team would engage existing self-service customers, identify opportunities for broader commitment towards Slack, and then apply a powerful combination of direct customer success partnership and ongoing expansion efforts. With this primary motion as the foundation, we scaled revenue at record-breaking speed, showcased industry-leading net dollar retention rates, and grew our sales organization to 1,000+ professionals across key customer-facing roles.

Below I’ll walk through leadership lessons learned from the experience including:

- Decisions to help take PLS from zero to one
- How we leveraged product data for sales teams
- Choosing the right metrics to share with sales

Decisions to Help Take PLS from Zero to One

Prior to Slack, my experience had already tilted heavily towards building and accelerating direct sales efforts at B2B tech companies. Most recently I had been a strategy and operations leader at Salesforce, where my team advised GTM leadership on ways to grow revenue by designing sales coverage and capacity

plans, empowering tops-down direct sales engagement and collaborating with marketing to convert leads to pipeline.

This is of course different from a strict product-led growth (PLG) model, which focuses on driving bottom-up user growth, organic adoption, and virality that is predominantly fueled by users openly sharing their love for the product.

Looking back, it’s clear that layering our direct sales org and motion on top of Slack’s powerful self-serve model had extended business to the enterprise, helped us realize differentiated deal sizes, net dollar retention, and unprecedented revenue growth. But before we’d achieved any of that, Slack’s leadership team shared vision and commitment, hired leaders with deep experience building sales teams, and aligned on customer success as a core value.

From these early years, I’d prioritize three lessons when taking PLS from zero to one:

1. Make “whole measure” sales investments (vs. sales as an “experiment”)
2. Balance go-to-market innovation with proven playbooks
3. Invest in strong, distinct customer success and sales teams

Make “Whole Measure” Sales Investments (vs. Sales as an “Experiment”)

Before joining Slack, I had observed a variety of PLG companies make smaller, what I might call “half measure” commitments, in building sales and enterprise teams. The leaders I’d known at these organizations were not thriving, and the businesses hadn’t been realizing their potential. As silly as it

sounds in retrospect, this context inspired me to spend more time with Slack leadership, team members, and even some customers to diligence the company's commitment to 'going up market' and building an enterprise model. I wanted to avoid the situation I had seen play out before, where "half measures" spiral, the company's focus on enterprise wanes, and time and dollars invested become a "chore" for the company.

Though Slack was uniquely product-led in every way, my research gave me confidence Slack had a willingness to make "whole measure" investments in sales, enterprise solutions, and a broader enterprise GTM. The leadership understood that these levers could build on (and need not compete with) their existing strong self-serve PLG motion. I was thrilled - and incredibly lucky - to be invited to help make this happen.

Company philosophy and optimism around sales can mean the difference between success and failure, and I believe it's critical to seek this type of alignment before embarking on a Product-Led Sales journey. Build and align on a vision, and gain leadership commitment to ensure the demand for enterprise success exists not just with customers but also internally across business leaders. Of course success criteria, revenue goals and ROI are important - but results won't show up overnight. Companies need discipline and perseverance to build a new business model (sometimes it feels like an entirely new business), and shared conviction that "sales" isn't a bad word in order to build and operate a strong sales team.

Balance Go-To-Market Innovation With Proven Playbooks

Not everything needs to look and feel fresh and innovative when you're building a new department. Whether it's process, engagement model, or org structures, there are likely already proven ways of

doing things with experts on the topic available for consultation.

Innovate and differentiate where there's a clear customer success or growth outcome to be won. Too much differentiation in your GTM tactics can dilute your focus and execution speed. The early Slack enterprise team reserved most of their innovation for areas like product and customer success, while focusing on building out proven processes for the sales organization to succeed and grow quickly.

Find existing talent and playbooks to support straightforward functions and save up your resources for tackling innovative strategy developments in areas most obviously worthwhile.

One of the key areas where the Slack enterprise team did innovate was in building its connective tissue to its strong self-service customer base. As a fast follow to "lights on" infrastructure, the team layered in some process, tools, and technology to bridge PLG customer visibility to sales team members, unified KPI and performance reporting and customized views for customers on how they were already getting value from the product.

Invest in Strong, Distinct Customer Success and Sales Teams

Slack invested in dedicated customer success individuals and teams for its enterprise customers very early on to ensure a dedicated focus on adoption, health, and maturity. This was in addition to the already industry-leading investments Slack made in customer experience, which was more broadly available to self-serve customers.

When we initially layered on sales effort and built the organization, we maintained distinct roles and

leadership for the customer success team. We avoided pitfalls like clouding customer success managers with booking targets and annual contract value (ACV) objectives. Our leadership team agreed that Customer success roles should invest full capacity towards customer adoption, health and maturity. When customers were more successful at realizing value from Slack, we had confidence we would be able to help expand their deployments and gain additional commitment and partnership in the future.

Keeping customer success and sales separate is also an example of Slack striving for focus within each of its customer-facing teams where possible.

The Key to PLS: Operationalize Product Data for Sales Teams

One of the best parts of PLG is the wealth of data that companies can have at their fingertips to learn and grow success and revenue. PLG companies often know how end-users use the product, what they like and dislike, and they can make decisions that influence engagement and purchasing behavior. The challenge is bringing this powerful PLG data beyond the product and online marketing tactics - and using it to power sales efforts.

Even in the early days we used our PLG data advantage to power our sales team. We built out what we called “daily snapshots” of self-serve usage within our CRM. The snapshots allowed sales teams to visualize usage data in standard reports and dashboards, helping them pinpoint any meaningful trends or spikes in usage or adoption. Our best sales reps were using these reports, downloading data regularly - some were even querying our data warehouse directly.

Though valuable, the custom CRM solutions (and SQL-skills) left plenty of room for innovation as the sales team grew. In true Slack fashion, we wanted to meet our end-users where they already were — in Slack. This is where our internally built solution Midas was born.

The Midas Magic

Midas Bot is a Slack internal tool that combines data from Slack’s data warehouse and CRM to send sales teams highly relevant buyer signals in Slack about product usage or behavior within their assigned accounts and territories. Sales managers can also subscribe to channels for specific territories that their teams are responsible for to stay engaged and collaborate. Along with providing signals, Midas also provides insights and actions. Midas bot recommends the next best action at the right cadence, which can include playbooks or specific outreach.

One of the best parts of PLG is the wealth of data that companies can have at their fingertips to learn and grow success and revenue.

Through the process of building Midas, we uncovered many variables that were driving success for customers, but distilled a few simple patterns that were most predictable at indicating high potential for sales pipeline.

These patterns included:

1. High growth and/or concentration of users
2. Engagement and integrations with other tools
3. Senior-level heavily engaged users

Simplify Sales Metric Identification and Visibility

Choosing the right metrics to share as “PQL”s with sales reps can become what I’d call a “forever journey.” Fortunately, Slack had a goldmine of self-serve users to analyze and draw some basic inferences from, which served as a strong starting point.

We found that our most successful sales customers had demonstrated significant growth in new users, a high total number of overall users, and meaningful customer-initiated integrations before inflecting spend or upgrading their Slack plans. It was not a challenging leap to determine that visibility to patterns across these KPIs would help our sales reps target their efforts. We made the decision to start there. Over time, it became clear that our sales team was significantly more effective at driving commitments with self-service customers who had reached specific usage milestones. These milestones became key signals and triggers for action, and the others became valuable discussion points for discovery with the customers.

I’ll caveat that initially we didn’t use fancy tools to analyze our self-serve user data and identify patterns. We used Excel and just dug into the data to pull out meaningful associations and visible stats (ex. X% of customers who reached Y milestone previously showed Z characteristic). Figure out what you already have to help you uncover basic sales signals or hypotheses manually before systematizing that workflow within a tool. Bounce these ideas off your customer-facing colleagues or better yet, a customer.

One additional piece of advice: Every metric identified doesn’t need to be pushed to your sales team. Be wary of overwhelming sales reps with too many metrics. Making too much data available may encourage reps to spend time on wide ranging custom sales strategies (or data analysis) vs. more time with the right customers. Prioritize carefully and share enough science to focus efforts and provide credibility to your scores/signals without going overboard.

Final Thoughts on PLS Success

The best way to layer sales onto a PLG company is to build on what’s already working, in the market and in your business - i.e. leverage self-serve success and love to fuel sales pipeline, give sales reps access to data and incentives, dedicate (and liberate) customer success teams to focus on adoption and success. Don’t overcomplicate the amount of data you need to make decisions, especially in the early stages. Going from zero to one may involve analysis, but also equal parts gut feel and iteration.



EMBRACING SALES AT A PLG COMPANY



Chris De Vylder

Chief Revenue Officer at Sentry, former Head of SMB Sales at Atlassian, and expert at scaling go-to-market teams and infrastructure at product-led companies



Transforming the sales model that is so fundamental to the identity and success of a business is no small task.

However, it's often necessary for even life-long product-led growth (PLG) organizations to introduce some kind of sales function to unlock new growth.

I helped lead one such transformation during my time as Head of Global Sales Strategy and Operations at Atlassian, as well as in my current role as Chief Revenue Officer at Sentry.

Worried about changing the culture, the language, and the workflows at your own PLG company to fully integrate sales? I'll share with you how I led the process of embracing sales in primarily PLG settings.

Defining Complementary Roles: How to Start the Sales Conversation

In pure-play PLG companies, which I think of as companies who have achieved an annual recurring revenue (ARR) level of \$5M+ without the involvement of traditional sales teams, there's often an initial aversion to bringing on sales teams — which typically starts all the way up at executive leadership.

The key is to define very clearly and very early where sales has a role to play and how it will complement the PLG motions. While this may sound a bit prescriptive in an organization that's already hesitant about a new sales motion, it's actually in the best interest of the company to figure this out and define those boundaries.

At Atlassian, we consciously decided that sales would not be driving new logos. We communicated that we'd

keep relying on word-of-mouth to drive sign-ups and the product to drive activations, without sales intervention. Of course this is not possible in every company — we don't intend to do this at Sentry, for example — but it's an example of something we clearly agreed to upfront.

We also carved out specific sales playbooks for high-potential accounts. These PLG customers expected a different kind of engagement model when upgrading to higher dollar value plans. But even there, we would not prevent customers from buying self-serve by putting up artificial barriers that forced them to engage with sales.

We reached success by constantly experimenting to find the best possible engagement model, with a bias towards self-serve where possible — and by being fully transparent about it. This approach required sales leadership that was flexible and understood the power of PLG and its impact on go-to-market effectiveness. It also required constant education and communication across the rest of the organization. This is especially important when you consider that most employees, especially where there's already an org-wide resistance to sales, only equate salespeople with the ones they've met at the car dealership. Fortunately for all of us, software sales has evolved quite a bit from there.

Old School Sales

- Relationship-based
- Siloed and seen as “other” in the org
- Touches all accounts, needed or not

Sales in PLG

- Metrics-driven
- Prioritizes org-wide communication
- Lets the self-serve motion do it's magic

I'll walk through these four steps

Let Key Teams Work Together to Outline New Responsibilities and Boundaries

Create Clear Playbooks and Compensation to Prevent Confusion

Roll Out Sales Motion to Critical Customer Segments First

Layer New and Existing Success Metrics

4 Steps to Thoughtfully Building Your New Sales Motion

There are four main steps I've observed when it comes to implementing sales at PLG companies while maintaining a robust culture:

Develop clear definitions of accountability, including what product owns versus sales/marketing. These boundaries should be decided on together with product, growth, marketing, and sales organizations, while maintaining a strong bias towards self-serve where it is deemed appropriate.

Clearly outline the playbooks. Let the larger, upmarket customers who demand more support be the blueprint for sales playbooks. Focus on upselling and cross-selling based on the attributes of the customer.

Roll out the sales motion to one customer segment that would most benefit from a sales approach. Perfect the motion and then expand from there.

Layer new sales metrics on top of the core PLG metrics that you already track like pipeline targets, PQL conversion, and MQL conversion.

The bottom line is not to inject any gimmicks to force customers into engaging with sales. If customers want to purchase higher ASP products via self-serve, let them do so without friction. For example at Sentry, we recently made BAAs (HIPAA compliance) available via self-serve instead of requiring a human touchpoint.

Let Key Teams Work Together to Outline New Responsibilities and Boundaries

From a cultural perspective, it's important to make sure sales feels like an extension of the PLG culture. After you have established where sales plays and outlined clear joint definitions of accountability, you are ready to dig into the rest of the process.

All of these newly-defined responsibilities and boundaries should be communicated across the company, with special emphasis placed on the fact that some customers demand this kind of support.

Create Clear Playbooks and Compensation to Prevent Confusion

Why do I keep harping on clear roles and responsibilities, accountability, and playbooks? Because they are pivotal in preventing confusion and fighting over leads between self-serve and sales.

These agreements also need to be baked into compensation plans so that sales teams know where to play. This may require some level of flexibility, such as compensating a salesperson when a customer purchases self-serve after many months of engagement with a salesperson. Once a lead is handed over, sales becomes accountable. One can revisit what gets handed over on a six-month or yearly basis to ensure that sales makes a difference. But in the in-between periods, you want there to be no second-guessing.

I recommend only compensating salespeople for certain products/features to ensure you don't cannibalize a healthy self-serve motion. When I was at Atlassian, compensation was tied to user limits. At Sentry, it's tied to the need to negotiate agreements, minimum usage-based commitments, and more. As

mentioned above, we also compensate sales for self-serve purchases of the products within their scope. The implicit assumption is that engagement was necessary to drive the transaction.

Roll Out Sales Motion to Critical Customer Segments First

Just like everything else, launching a sales function should be done slowly and methodically.

Start with a customer segment that would benefit from a sales approach and run that playbook first. At Atlassian, we began with an upsell to more enterprise-grade versions of the product, which were required by our larger customers. And at Sentry, we focus on customers who want to expand their utilization of the product and need a deeper level of technical assistance. In addition, we target those migrating from competitive products or our own open-source product.

Once you prove successful in your initial rollout, you can expand your motions. Just be sure to maintain a conscious focus on value-add by sales.

Once you prove successful in your initial rollout, you can expand your motions. Just be sure to maintain a conscious focus on value-add by sales.

Layer New & Existing Success Metrics

Embracing sales should not totally replace but instead evolve the metrics you measure. That means all your existing core PLG metrics that track sign-ups, activation, adoption, etc. can remain in place. On top of these, you can layer more sales-related metrics.

At Sentry, we overlaid our PLG metrics with a set of more traditional sales metrics around leads handed over to sales. Leads include product-qualified leads (PQLs), marketing-qualified leads (MQLs), and leads identified by other parts of the organization such as customer success, support, business development, etc. We have also defined targets for pipeline contribution that we hold product, marketing, and sales accountable to.

For sales, once an opportunity is created, we track it like any traditional sales organization. We're fairly traditional when it comes to pipeline tracking and bookings goals for sales.

What Should You Call Your New Hybrid Team?

There is some uncertainty and even resistance around what PLG companies should call these new teams they've built. Sometimes they're pure sales, sometimes they're acting more like product experts, and sometimes they slip into customer success tasks. In my opinion, what you choose to call your new salespeople really only matters if they give different levels of assistance to the customer.

For example, at both Atlassian and Sentry, we have teams that provide product assistance to our self-serve customers. They're called Product Advocates at Atlassian and Solution Engineers at Sentry. They're not

called salespeople because they are not actively selling.

However, for actual sales teams, I believe in ripping off the bandage and calling it sales because selling is what they do day in and day out.

In a sales-assist role, it really isn't about selling or even qualifying leads — it's about helping users get to value.

Once you've chosen the most appropriate names for new teams, clearly communicating what each team does and how it complements PLG is essential. The earlier you start using accurate names and communicating clearly, the faster new motions will be absorbed in the fabric of your company.

Integrate Sales Into Your PLG Company Successfully

Embracing sales in PLG environments is one part taking tactical steps and one part encouraging eventual cultural incorporation.

Have thoughtful yet clear conversations around roles, responsibilities, playbooks, metrics, and even compensation to bring both of these parts together to build a successful sales motion.

Q&A

HOW TO BUILD A SALES AND PRODUCT RELATIONSHIP THAT POWERS PRODUCT- LED GROWTH



Alexa Grabell

Co-Founder & CEO at Pocus, the Product-Led Sales platform that helps sales teams turn product data into revenue



Sam Werboff

Building and overseeing the Product-Led Sales motion at Airtable as the Director & Head of Expansion Sales



Daniel Levine

Creating the future of Airtable for enterprise customers as a Product Manager



Just like product-led and sales-led motions should work together to fuel growth, so should the product and sales teams.

Sam Weboff, Director & Head of Expansion Sales at Airtable, works closely with Daniel Levine, a PM at Airtable, to maintain a partnership between product and sales that powers Product-Led Sales.

In this Q&A session with Sam and Daniel, we'll talk about how Airtable approaches this product and sales relationship to create a robust go-to-market strategy. We'll dive into tactics to get your teams on the same page, advice for working together to create a company-wide go-to-market strategy, and more so that you, too, can layer in a product-led motion that accelerates sales.

Determining the Foundational Elements of the Product and Sales Relationship



Let's get started by defining the overarching theme we're talking about today: the product and sales relationship. For PLG organizations that want to leverage product data to inform sales playbooks, what should the relationship between product and sales look like?

Sam: First, in order for a product-led motion to work, there needs to be strategic alignment on where the business is going.

In a traditional enterprise business, the classic structure is separated into two silos — product and engineering, and then sales and marketing. But a product-led motion changes that structure to product and sales working together. So first and foremost, those teams have to align on whether the go-to-market (GTM) strategy is focused on a certain vertical, on a certain persona, on a certain company size, etc. If that's not happening, the whole product-led thing doesn't work. Communication and alignment is really the first most important thing for me in terms of the sales and product partnership.

And secondly, from a tactical standpoint, you want to make sure product and sales are collaborating on common, tangible goals.

For example, if product's goal is to activate as many people as possible but the sales organization is specifically aiming to produce revenue from companies over 5,000 employees, you're clearly not working toward the same thing. In cases like this, you see things like the product team building features that are not aligned with the sales team's go-to-market plan.

So the relationship isn't only about focusing on the all-encompassing strategy, it's also about agreement on the day-to-day sales and product tasks that impact your go-to-market strategy.

Daniel: I'll add to that from my perspective on the product side of Airtable.

I wholeheartedly agree that alignment is key. At Airtable, the relationship between product and sales is truly built on feedback loops and collaboration.

The feedback loop is a key part of the sales and product relationship because it enables product to get

feedback from the salespeople who talk to customers all day long. I can do all the customer research and analyze all the customer data in the world and it still wouldn't be as revealing as the feedback we can get directly from sales. So, developing that feedback loop between sales and product is very important for the product development process.

We are also hyper-focused on building tools that salespeople want to see, so product also collaborates with sales on that front. My team works with sales to prioritize, validate, and build the tools and features that help them close deals.

Tips for Getting Product and Sales to Drive Toward the Same Outcome



A question we get a lot from our Product-Led Sales [community](#) is what processes can facilitate alignment between product and sales. What's worked for you at Airtable?

Sam: When I was building the onboarding specialist team at Airtable — which is tasked with educating users on the nuances of the product to help unlock value during onboarding and improving user adoption/activation — we went through many iterations before we landed on the key performance indicator (KPI) we were driving towards.

When we finally decided the KPI was user activation, we went a layer deeper and we created what we called the “four-week MUA.” We wanted to see multiple users working together in an Airtable workspace a month after activation.

For us, the process was having sales and product work closely together to get completely aligned on that single metric. That and experimentation. At this point, I had formed a partnership with the product team, which worked with me to build experiments around converting people to activation and leading them back to the onboarding specialist team if they were hitting blockers.

Daniel: As we've scaled at Airtable, we have put some much-needed processes and structure in place that operationalize the communication and feedback loops we're talking about here.

One process for me is using Airtable for managing our product roadmap. I think it's a great product for that. I can use it to link to Slack threads about customer and sales feedback and requests. This allows me to document and understand the context behind why something needs to be built, and who I should reach out and talk to when we start thinking about that feature. It also makes it easy to have a single source of truth for our roadmap that can be shared with our customer-facing teams.

Another process we use at Airtable that I highly recommend is a cadence for touching base with sales to talk about their most-received feedback. Monthly or quarterly, as long as it's regular, you want to have sales provide you with a list of the top pieces of feedback they hear from customers. Then, sales has a clear way to provide input into the product team's roadmap to prioritize the items that drive the most impact.

For more Enterprise-focused features, we can then take this input and understand how we can best move the needle for growth with our customers. For example, if we learn that a new feature will allow us to reach five new large Enterprise customers, that may be

enough reason for us to build it. On the other hand, if a feature applies to dozens of customers but doesn't really move the needle for any of them, we may drop it in priority. We try to look at both the data and the more qualitative feedback in the prioritization process.

Tactics for Aligning Product and Sales on Outcomes

Tools

- Airtable: storing feedback and product roadmap
- Slack: communicating customer feedback

Processes

- Experimentation
- Sales and product collaboration on a specific KPI
- Regular sessions with sales to prioritize feedback
- Feedback validation

How to Develop a Unifying Go-To-Market Strategy



I couldn't agree more that it's crucial to develop tactics that align the go-to-market team and strategy in a PLG organization. To explore that further, can you talk about who's really driving that effort at Airtable? How do you balance when sales and product want to prioritize different features or segments?

Sam: I've been a part of companies that want to fully drive the product without listening to the market. And I've also seen the other side, where companies are reactive and only build in response to customers. I think if you only do one or the other, you're going to fail. If you're building a product without any feedback, you're not considering customer needs. And if you're solely reactive instead of proactive, you won't be able to outpace competitors.

At Airtable, we try really to balance these approaches when identifying our go-to-market strategy. We look at data from sales and product that tells us which users are responsive to the product, what they're willing to pay for it, and who's adopting it at the highest quantity.

Then we layer in the vision element — where do we want to take our product? We see ourselves as leaders in this category from a product perspective. And in order to remain a leader, we have to keep thinking about driving the category forward when creating our GTM strategy.

Daniel: In addition, when we're thinking about overarching product strategy, we're also considering how to build compounding value into our product. A great example of this is Salesforce — they started with a core customer data set and then layered on more and more value over time. We want to find ways to go beyond solving individual user problems, small team problems, and even multi-team problems. We want to solve departmental and company-wide problems that can add exponential value to organizations!

In a product-led motion, customers are oftentimes landing with a very small team or set of teams. So I'm looking at how we can use our unique attributes as a product and unique attributes in this market to

compound the value that we drive for these customers — and compound our returns. This is another way we look at prioritizing features or segments that align with the GTM strategy.

The Land and Expand Motion Is Both Human- and Product-Led



I definitely see a natural fit for the sales team in terms of compounding value. How do you recommend teams execute on that? How can sales go from that initial land to expanding into more of the use cases that help their product proliferate across a larger organization?

Sam: I think it's important to point out here that product-driven sales is not a substitute for a sales-led motion. Product-led growth is an enablement to the sales motion. It powers and accelerates the sales motion. So when it comes to the land and expand motion, it's not about if you're using a sales-led or product-led approach, it's ultimately about engaging with your customers proactively, in the ways they desire.

It's about getting into new business units (BUs) and uncovering which business units can experience value with your product. As Daniel mentioned, Airtable more often than not will land with a single BU. So our goal is to leverage this BU to expand and become viral within the company. In many ways, this is a human-led motion. We're trying to engage with and provide value

for new BUs. The key though is that the product should be leading that discussion. This is where product-led comes in. This multifaceted approach defines the modern, successful land and expand motion.

For example, a new user in a new BU at an existing account might start using Airtable. It would be foolish for us to use the sales motions of the '90s and start spraying cold calls across the business. Why would we do that when we could be informed by the product usage data about who is interested in our product based on their behaviors?

Ultimately, the sales motion in many ways remains the same. We're still reaching out. We're still engaging. We're still trying to understand where we add value. But by layering in a product-led motion, we're also informed by the product.

Daniel: Airtable is an extremely horizontal product, which makes it unique in the SaaS world. Airtable can be effective for just about any use case for any team in any industry. When we're aiming to grow an initial land so that it starts proliferating across the larger organization, data becomes extremely important. The data we dig into most often is where interest is coming from within organizations and which teams we're landing with most often. We extrapolate patterns from those data points.

Additionally, while Airtable is a highly viral product, for some people it can take longer to get their teams onboarded and deliver value for their organization. This is why having people who can step in, teach you how to use it, show you best practices, and so on is critical for Airtable and similar PLG brands. The product-focused approach can be supercharged by a human touch.



Creating a Cross-Functional “PQL Council”



In many sales-led enterprises, there's still such a focus on finding your champions within an organization. And like you said, a PLS motion doesn't replace that, it creates a vehicle that accelerates the creation of those champions by handing them access to the product. They don't have to wait for you to guide them through several weeks of trials and demos. However, this doesn't mean sales should never get involved with bringing leads to value and converting accounts to more expensive tiers. How do you see product-led companies defining these workflows and identifying high-value leads today?

Sam: We see the product-led motion as a vehicle for bringing more leads to our product. To sort those, we have what we call a PQL Council at Airbnb. It consists of someone from sales (that's me) as well as data, product, and operations. We work together to figure out what the definition of a product-qualified lead (PQL) is and how to surface that to the go-to-market team.

We've created this somewhat complex algorithm around the different elements that qualify someone as a PQL. But at the same time, many of the elements that we've found correlate with high-value opportunities are the same as they are for many SaaS sales organizations — logins, pricing page views, and complexity of the use case.

I think the next level for us when it comes to PQLs is

getting super refined around truly identifying the highest converting leads that exist — and then training the sales organization on how to execute on this information. But I still find it so interesting that there are just some fundamental user behaviors that, even without data and without trials, will almost always correlate with qualified leads.

Where Marketing Dovetails With Product & Sales



As we wind down here, I want to quickly touch on marketing. Where does marketing fit into the feedback loop between product and sales? How does product interact with marketing, especially?

Daniel: I work closely with the product marketing team, especially anytime we're releasing new product features. We work together to communicate our launches to customers, as well as to prepare customer-facing teams to communicate updates to customers. And I've also found that brand marketing and top-of-funnel marketing acquisition materials are also useful as sales enablement materials.

You Have the Power to Layer in PLS

We hope you enjoyed this conversation between product and sales enthusiasts who want to see every company build strong product and sales relationships, unified GTM strategies, and clear PQLs that create the foundation for effective PLS motions.

STRATEGIES FOR ALIGNING TEAMS, INCENTIVES, AND COMPENSATION IN A PRODUCT-LED SALES APPROACH



Marie Gassée

PLG expert with a passion for data-driven growth and experience leading sales, marketing, and product teams across several product-led growth organizations



In my various roles across product, marketing, sales development, and growth at Box and Confluent, I've seen the bottom-up go-to-market motion from many angles in product-led growth (PLG) companies.

And while I love thinking about ways to use data to improve efficiency in sales processes, the human element of the sales function remains extremely important to driving revenue.

So how do we empower sales teams to drive the most value for their organizations? It's very much about aligning on incentives and compensation. In this article, we'll walk through some perspectives on how to do that:

- Achieving alignment on compensation
- Creating a successful Product-Led Sales (PLS) team
- How the compensation model expands into other parts of the PLG motion

While I'm always thinking about ways to use data to improve efficiency in sales processes, the human element of the sales function is also extremely important to driving revenue.

How to Align on a Successful Product-Led Sales Approach

Compensation for a modern sales motion requires some repositioning if you're coming from a traditional enterprise sales model. Here is how I have approached realigning on incentives and compensation to create a successful Product-Led Sales motion (a bottom-up, go-to-market model that leverages existing product users as the primary funnel for the sales team).

Define Sales and Business Objectives and Metrics

The first thing I do when thinking about sales compensation in a PLS motion is identify what the main go-to-market objectives are. This allows me to structure compensation in a way that drives toward those goals.

Are we trying to acquire more customers? Do we want to move upmarket and increase our average account value? Is churn mitigation a key priority at this point? Are we trying to improve our sales and marketing efficiency? Each of these is a valid objective, but they all have a different impact on how one might want to incentivize their sales team in a product-led motion.

Before moving on, you may also want to consider if there are any metrics that should be layered on top of annual recurring revenue (ARR) to take into strong consideration. I've found net retention (i.e., how your existing accounts grow over time, net of churn) is essential to optimize for. In a Product-Led Sales environment, ARR typically grows along with product usage. You're less likely to see accounts land with huge deals and more likely to see the land-and-expand motion. The success of this motion is reflected well in the net retention metric.

Develop Segmentation — The Foundation of Successful Sales Compensation

Segmenting high-potential and low-potential accounts is, in my opinion, the foundation of effective sales compensation in a PLG company.

Most companies wouldn't want their account executives (AEs) focusing on accounts that will never reach a high account value, as the cost of acquiring that customer may not be justified by the value that customer will bring to the business. Identifying this segmentation early in a customer's journey is critical.

How should you tackle segmentation?

Start by outlining the signals that indicate whether a prospect has high potential value vs. low potential value. Then, stipulate an account value threshold that makes it worth an AE's time. For example, maybe AEs should only focus on accounts that have the potential to exceed \$10K in annual recurring revenue (ARR) to drive efficiency in the sales org — that needs to be clearly defined.

Resources should be thoughtfully deployed against these segments as you go upmarket. Identify the less strategic tasks and automate them where you can for self-serve users. Then, as you go upmarket, get more and more strategic and personalized with customer touchpoints.

It helps me to picture sales segments like a pyramid with three (or more!) layers, where the top layer serves fewer but higher-value customers while the bottom layer is utilitarian but foundational for the entire customer base:

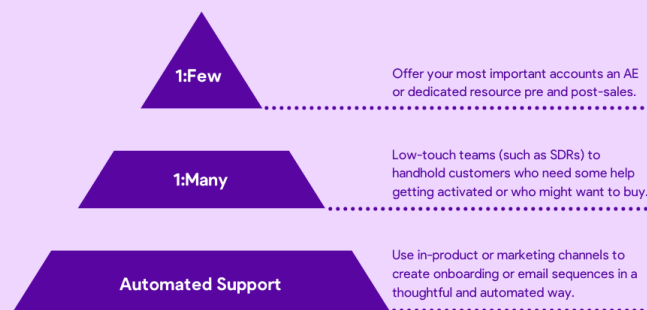
1:Few: Offer your most important accounts dedicated

resources (such as AEs, SEs, CSMs, and others) pre- and post-sales to ensure the customer has a highly personalized and positive experience, reflecting their current or potential value to your business.

1:Many: Leverage low-touch teams (SDRs for pre-sales, digital CSMs for post-sales) to hand-hold customers who need a little bit of help, perhaps with pricing questions, getting activated in the product, or with expanding to additional use cases.

Automated Support: Use product and marketing channels to create a customer journey (including onboarding, upgrading, etc.) that is thoughtful yet automated, and over time can become segmented. Some high-value customers actually prefer these channels and everyone should be able to leverage these self-serve mechanisms.

"Deploy resources like a layer cake" - Marie Gassée




Experiment with Compensation That Incentivizes PLS Reps


It's important to incentivize the right behaviors with sales compensation in a PLS world because you always want AEs to be driving value for the customers as well as increasing their account value.

But it's not always immediately obvious how to best incentivize those desirable behaviors and it may

require a collaborative approach with sales leadership.

When it came to sales compensation at Box, there were some things we tried that worked great and others — not so much.

 What didn't work was compensating AEs if they simply interacted with an account. AEs could game this easily and it incentivized the wrong behavior: putting a ton of touches on accounts that may not have had long-term potential, or may not want to interact with our sales team.

 What did work was compensating AEs if and when their account reached a set threshold in ARR (\$5K at the time).

After realizing that this compensation strategy was incentivizing our ideal behaviors, we wanted to understand why. It turned out there were some interesting nuances.

Our AEs had to evaluate “Will this account one day get above the \$5K threshold?” If they thought there was a chance, that account became a legitimate target. If not, they would choose to leave the account in the self-serve funnel. This led AEs to look into several aspects of each account to determine which ones might become high-value customers, something we eventually helped with by flagging high-potential accounts.

For example, a big company might only be spending \$200 a year, but based on the use cases and other attributes, they might have the potential to be a \$50K ARR account in the next six months. That would make them worth nurturing.

This compensation strategy best aligned the business incentives with the AE incentives at the time. It helped

Box hire the right AEs, as we knew to focus on reps who considered an account's long-term potential, rather than on closing quick transactional deals that should stay in the self-serve channels.

Scaling Your Sales Compensation Model

As your PLS motion grows, you might find yourself adding nuances like a sales-assist team and maybe even holding onto your existing enterprise sales motion. With these developments, your sales compensation model might need to change — but be thoughtful about changing it.

Ideally, you don't have to drastically change your sales compensation model often, as this can be confusing and distracting to the sales team and negatively impact results.

In the early days, you need to prioritize feedback loops over efficiency.

However, as your go-to-market goals evolve, your compensation structure may need to shift as well. As companies mature and tend to think more about efficiency, the principle of focusing AE time and energy on high-potential accounts becomes ever more crucial. And the self-serve motion should increasingly be viewed as a source of pipeline for the sales team.

The Startup Exception

While efficiency is often one of the goals when we're talking PLS, much of my sales compensation advice

should be taken with a grain of salt for early-stage companies.

In the early days, you need to prioritize feedback loops and growth over efficiency. This can be achieved by putting your best salespeople on deals where you can learn about the users and inform the future of the business.

For example, for a time at Confluent, there was a sales development rep (SDR) team focused solely on activating their smaller customers. This was not very efficient, but it was helpful in figuring out the go-to-market motion, pricing, product features, onboarding, and more. So, Confluent needed employees to work on small accounts to capture learnings and feedback, even though this work wasn't necessarily yielding large deals in the short term. They helped discover methods to automate certain touchpoints, improve the experience with Confluent, and ultimately make the process more efficient in a way that did eventually generate long-term revenue.

When thinking about sales compensation while in startup mode, think about compensating for the behaviors above (i.e., feedback loops, learnings, driving value for customers) instead of just efficient revenue. You want to incentivize the team in a way that aligns with your goals today.

You want to incentivize the team in a way that aligns with your goals today

Advice for Building a Product-Led Sales Team Around Your New Compensation Model

With your PLS-focused objectives, metrics, segments, and incentive plan all in alignment, you can turn your attention to building a team of salespeople who are aligned with your strategies and excited about getting users activated and leading them to value.

Here's how we found people who were a great fit for our PLS team at Confluent, and the career progression you can offer to help win and retain top talent.

Get Creative When Hiring Enthusiastic Reps

When building the cloud SDR team at Confluent, we weren't looking for the traditional enterprise SDR. We needed folks who could focus on capturing feedback, driving customer technical outcomes, and hand-holding activation. With these goals in mind, we were able to identify two main hiring characteristics that most of our successful PLS SDRs shared:

Technical appetite: We wanted people who were excited about our technology. We looked for tech-curious folks who wanted to engage with developers — because those are Confluent's end-users.

Customer-facing desire: As well as technical curiosity, we also prioritized reps who had an innate desire to be customer-facing and make customers successful.

Career Progression for SDRs

Creating compensation that aligns with your product-

led goals is a key strategy for attracting SDRs who are so attuned with your mission that they can eventually “graduate” into other jobs across the company.

SDRs can take various career paths, and I often work with SDRs to find the next role they can jump into. PLS SDRs in particular have an advantage in that they have been both technical and customer-facing, so more teams are willing to give them a shot.

I’ve seen SDRs graduate into a variety of roles:

- Sales enablement
- Sales engineer
- Account executive
- Developer advocacy
- Product marketing
- Customer success

Best Practices to Take Away

There are a few best practices I want to leave you with when thinking about sales incentivization and compensation in a PLG world:

Segment high priority accounts: Create a scoring and flagging model to identify which accounts are high potential. This allows you to efficiently communicate to sales which accounts are worth their time and which are not.

Draw a hard line for account value threshold:

Evaluate using a specific account value threshold that needs to be reached in order for sales to earn commission. This allows you to keep customer acquisition costs down for low-value customers (because you won't pay commission unless they reach

a certain threshold) and empowers AEs to really think about the potential of a certain account before spending time on it. AEs will naturally become more strategic with this approach.

Hire people who are aligned with your goals: Get creative with hiring profiles to build teams that naturally drive toward your priorities. You can never go wrong bringing on employees who are excited about driving value for your customers.

PLS SDRs in particular have an advantage in that they have been both technical and customer-facing

On the other hand, there are a few things that **didn't** work so well for me:

Compensating AEs based on number of touches:

Compensating the sales team for proving that they touched an account does not drive the right behaviors. Not only can this metric be tricky to measure and account for in your systems, but it also incentivizes AEs to touch accounts and reach out to prospects regardless of their potential or whether it's the right thing for the customer.

As PLS becomes a crucial part of many (if not most!) tech companies, it is so important for today's PLG and sales leaders to understand how to align their teams, incentives, and compensation packages to function in a product-first, self-serve environment.

CONCLUSION



Welcome to the era of Product-Led Sales. A data-driven strategy for modern GTM teams. Say goodbye to old school sales and welcome a new era of data-driven, personalized selling.

Customers don't buy software over a steak dinner anymore. They don't want to be aggressively sold on a product they haven't tried. They don't want salespeople to be a blocker in a purchasing decision. Customers want to see the value first-hand by using a product before making a purchase. They want to engage with salespeople after they realize the value.

Modern GTM teams don't rely on cold outbound. They gather deep insights about their existing users to drive their go-to-market strategy and power revenue

growth. Product-Led Sales equips sales, marketing, and customer success with the data they need to turn existing users into high-value customers.

This new era will bring a ton of questions about how to structure, plan and execute on Product-Led Sales. As the sales approach evolves, so will the entire organizational structure. With it will come questions about team structure, pricing strategy, investment, and more. We're excited to define these new frameworks, rules, and best practices with the Product-Led Sales community.

Will you join us?
www.pocus.com/community

