Product-Led Growth (PLG) 101

Expert webinar

August 13, 2020

chameleon

Introductions - please use the chat to share who you are and why you joined this webinar

Pulkit Agrawal

Co-founder & CEO

I love user psychology and PLG is about getting inside of your users' minds to better understand their perspectives!

chameleon

Our agenda for today

1. What is PLG and why is it relevant for you now?

2. PLG frameworks you can use

3. How to create and execute a PLG strategy

4. Some experiment ideas across the funnel

5. More resources, Q&A

chameleon

Software selling has changed completely

- Not just IT depts
- Not via on-site meetings
- Not at the executive level
- Not on multi-year contracts
- Not with upfront payments

chameleon

Sources: The IT Crowd

Everyone is now a software user and buyer

Jane | Jane's Team | Everyone | "We Love Slack!"
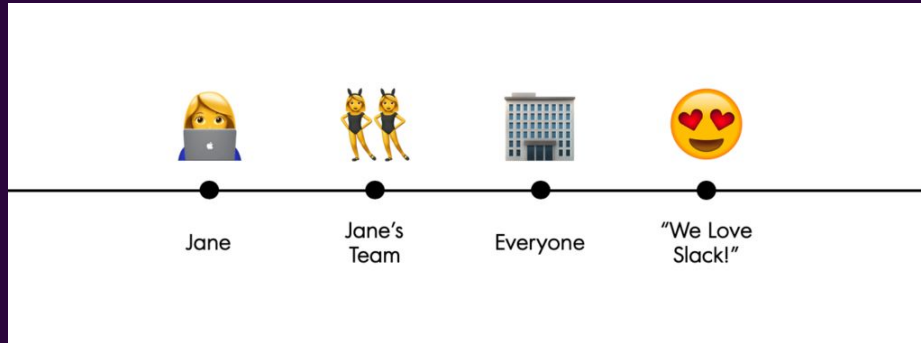
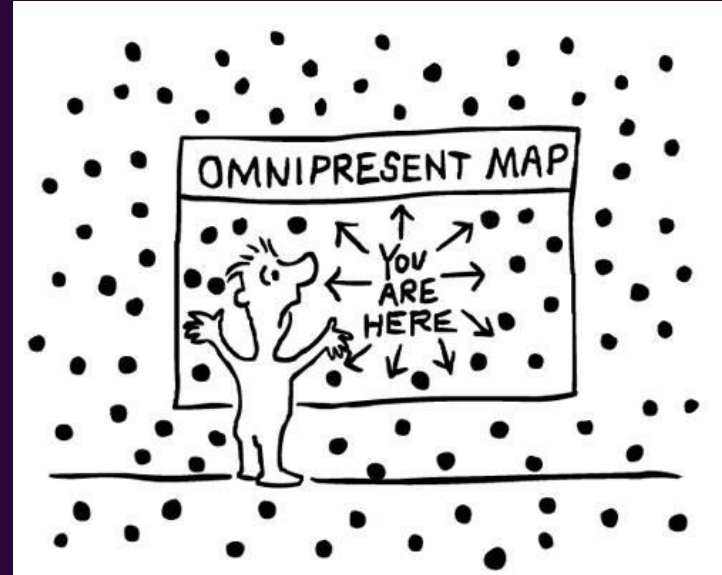**Decentralization**: adoption at an individual or team-level first

+

Consumerization: B2C sets standards and expectations

Selling to everyone via 1-to-1 doesn't scale

Unscalable growth tactics ⛔

- Trade shows for discovery

- Demos to show value

- Sign-off for $$$ purchases

- Implementation training

- Contracts for expanded use

chameleon

Product-Led Growth is the new GTM model

Product-Led Growth is a **strategy** that uses the **product as a channel** to drive organizational KPIs, such as revenue, engagement, and reach.

chameleon

How others describe PLG

"*Product-led growth is building your product in a way that allows you to monetize and grow without needing a sales and marketing organization to scale at the same rate.*"

Matt Bilotti,
Product Lead, Growth & Lifecycle

How others describe PLG

ActiveCampaign ⟩

"Your product becomes the core driver of acquisition, expansion, and retention."

Kelly O'Connell,
Director of CXA Innovation and Product Strategy

chameleon

How others describe PLG

"PLG is about making sure users can discover features and use cases that will activate them, keep them engaged for the long haul, and better monetized."

Erin May,
VP, Growth & Marketing

Dropbox was the OG of PLG (2008)

An amazing referral program, which gave users generous storage, drove Dropbox's adoption by creating a viral loop

Slack made it very easy to get started (2016)

One of the most talked-about aspects of Slack's UX was it's interactive onboarding using Slackbot. It's pricing model also reduced barriers to adoption.
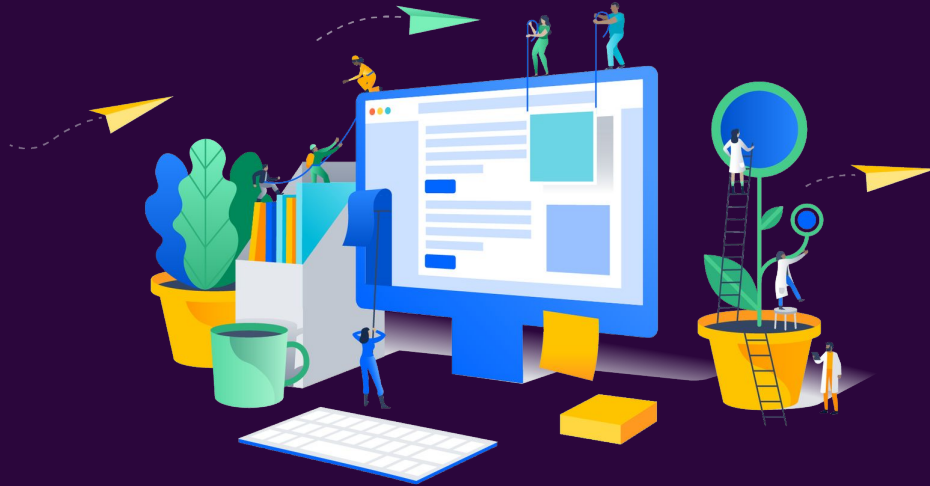

Note: you can see how to recreate Slack's onboarding using Chameleon on trychameleon.com/youtube

chameleon

Airtable leveraged USG inside its product

With so many use cases, Airtable
scaled use case discovery and
expanded adoption by launching the
"Airtable Universe" -- a collection of
real, useful Airtables

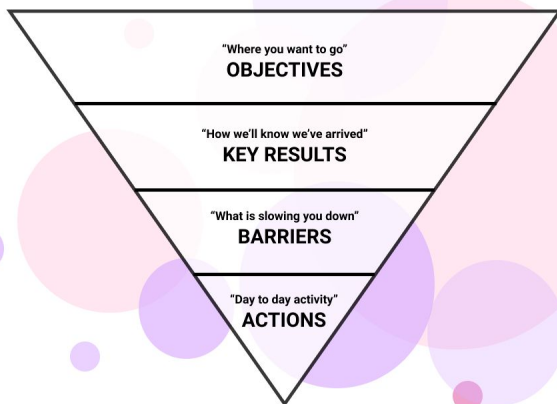# So how do we do these things in a reliable way?

We need to create a **system** that can create **predictable growth.**

A system is an interconnected way of doing this. This can include:

goals, people, process, and **tooling**

chameleon

Enabling PLG: defining the goals

- Need to get exec alignment and buy-in
  (share this with your bosses to help!)

- Consider overall business objectives
  (e.g. new users vs. upsell vs. churn reduction)

- Use a framework like OKRs to set higher-level quarterly/monthly targets.
  Pick one area of the user lifecycle to focus on (from AARRR)

chameleon

OKRs help with planning

"Where you want to go"
OBJECTIVES

"How we'll know we've arrived"
KEY RESULTS

"What is slowing you down"
BARRIERS

"Day to day activity"
ACTIONS

Example

Obj: Successfully launch feature Y

KR1: Identify key product actions that indicate the best fit user persona through experimentation
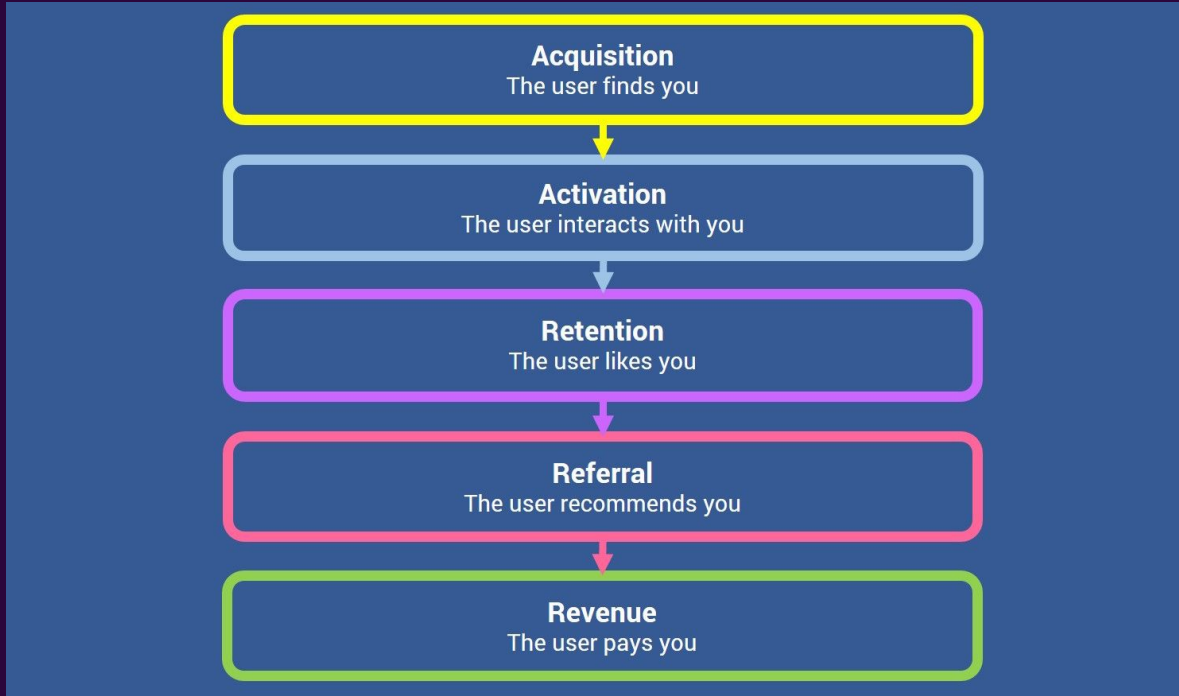
KR2: Create friction logs for key actions and flows

KR3: Rollout new product tour to 50% of users pre-launch

KR4: Boost signup to paid conversion rate by 3%

chameleon

Pirate metrics helps split up the user journey

Acquisition
The user finds you

Activation
The user interacts with you

Retention
The user likes you

Referral
The user recommends you

Revenue
The user pays you

chameleon

Enabling PLG: building the team

- Look for existing experts + experience within your company

- Set clear accountability: who owns the OKRs

- Give the team the resources and authority to make decisions (can be one feature, one market, one journey etc.)

- Ideally the team is cross-functional and includes (some allocation of): product, marketing, customer success, engineering, design, BI

chameleon

OutSystems did this with a **movement**
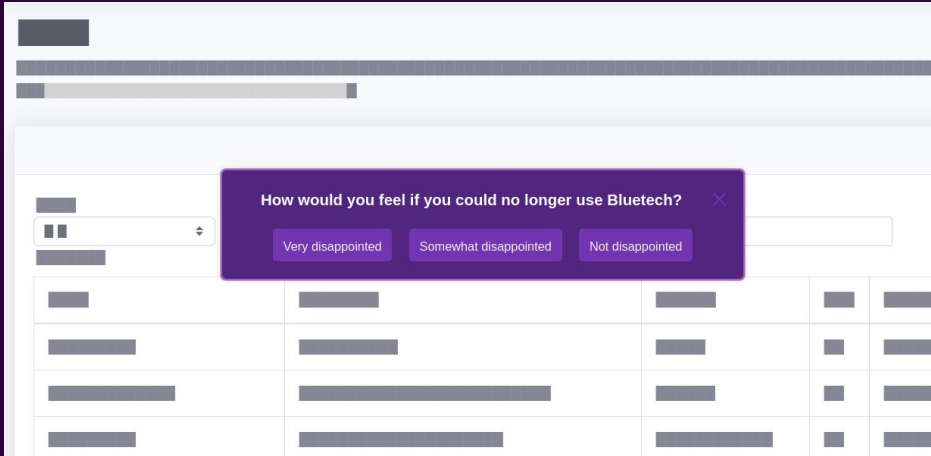
outsystems

"Acquire people into the movement by creating a powerful narrative with an extremely clear North Star metric. We refined our narrative around PLG to make it clear, easy to understand, and fully tied to customer goals. Today we have teams that are reorganizing to join the movement"

Mario Araujo,
Director of Product Growth

chameleon

Enabling PLG: setting up the process

- Start with an audit of the key journey/flow/feature
  ("Friction Logs" are super-useful for this -- *more on blog soon*)

- Identify opportunities and brainstorm experiment hypotheses

- Ensure analytics tracking is implemented and you have a way to view results

- Run experiments. Then measure, learn and repeat.
  (Read out guide on how to run product experiments on trychameleon.com/blog)

chameleon

Use microsurveys to identify friction

How would you feel if you could no longer use Bluetech? ✕

[Very disappointed] [Somewhat disappointed] [Not disappointed]

- In-product, in-context

- Short + easy to answer

- Triggered by events

- Continuous feedback

- Identifies opportunities

chameleon

Use the RICE framework to prioritize

Feature	Reach	Impact	Confidence	Effort	Total
Log in to app with face ID	500	2	80	5	160
Auto suggest transactions	450	2	100	3	300
Budget warning	300	3	80	2	360

chameleon

Sources: Roadmunk,

OutSystems runs a regular PLG meeting

"Every 6 weeks we share our product-led learnings, successes, and failures in a meeting open to all departments.

**Mario Araujo,
Director of Product Growth**

Enabling PLG: leverage the tooling

- Best PLG teams build a best-in-class product stack

  - Data Warehouse, e.g. Redshift

  - Customer Data Platform, e.g. Segment

  - Data piping tool, e.g. Fivetran

  - BI or querying tool, e.g. Looker

  - Event analytics tool, e.g. Mixpanel

  - Session recording tool, e.g. FullStory

  - Microsurveys and in-product experimentation tool, e.g. Chameleon

chameleon

Explore and find value on your own

"A product-led growth strategy enables users to explore the product for themselves without the restraint of features, and come to their own conclusion on the value that the product delivers."

Gen Furukawa,
CEO

More resources

- Free Chameleon account & playground at **trychameleon.com/signup**

- **trychameleon.com/blog** for more "PLG" content

- https://**growth.design** for great visual case studies

- **Reforge** for hands-on PLG course and training