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The PLG Business Model Continuum

Product-led growth (PLG) has rapidly become a dominant business model for SaaS organizations. Simply put, PLG means the product itself is the primary vehicle for acquiring, activating, and retaining customers.

Three shifts help explain the rise of this disruptive business model:

-  **Most technology users prefer to self-educate and self-serve**
-  **Today's buyers expect to try software for free without ever talking to a salesperson**
-  **53% of enterprise buyers prefer to purchase without interacting with a seller**

The demand for a human-free customer experience marks a generational seachange. But if product-led growth is a shift from traditional sales-and-marketing-led growth, then why should leaders care about investing in go-to-market teams, messaging, or sales execution? The reason is that the categories aren't cut and dry, and today's highest-performing SaaS companies use aspects of both models.

Think of PLG as a continuum where most companies have characteristics from both ends of the spectrum. On one end is pure PLG: software that provides such significant improvement over the status quo that it catches fire, goes viral, and the customer journey is self-service with minimal human interaction.

On the other end of the spectrum is the traditional business model where new customers are acquired through sales and marketing efforts. However, PLG market disruption means traditional software businesses must migrate toward the continuum's center to stay competitive. Buyers have different expectations in this new playing field, and traditional organizations are adopting PLG strategies just to keep up. They become hybrids, taking on aspects of the PLG model: free trials, open-source, self-service, and low customer acquisition costs.

No matter where your business lies on the PLG continuum, **the fundamentals of selling SaaS solutions remain the same:** organizations get ahead of competitors by (1) ensuring company-wide clarity on the value they provide for their customers, and (2) structuring themselves in ways that enable delivering that value, capturing it in negotiations, and maintaining the value throughout ongoing business.

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Alignment: Where Transformation Begins

Across models and hybrids, one truth remains: the top companies across software and SaaS maintain an edge by achieving cross-functional alignment on the value and differentiation they provide to customers. For some, that journey means improving alignment between the product development and growth teams who manage the self-serve funnel. For others, that could be creating better alignment between selling and customer success teams that step in when free users show buying signals. The department names and functions may change, but the power of alignment on your value proposition will never change.

A simple exercise we use to help teams align on their value and differentiation starts by ensuring everyone has the same answers to these Four Essential Questions:

What problems do you solve for your customers?

How specifically do you solve those problems?

How do you do it differently from your competition?

Where have you done it before?

Our [work with rapid-growth tech and SaaS firms](#) often begins by posing these questions to a cross-functional group of leaders. For most organizations, the variance in the initial responses to these questions can be a powerful, telling moment. If your leaders can't align around the answers, your staff and teams will also lack the business vernacular needed to be relevant to company-wide business challenges. Even if they are lucky enough to get in front of economic buyers, they will be delegated down to technical people in the organization who speak and use the same technical language. Your sale will come down to the features and functions of your product, not the value of long-term product use.

Equipping your teams with a framework they can use to articulate your solution's value and differentiation in a way that's relevant to enterprise-level business challenges demands consistency around these [Four Essential Questions](#). Without language and methodology built on consistent answers to the questions, customer-facing teams will continue struggling to uncover and attach their solutions to big problems that demand urgency and funding.

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The Value Framework: Enhancing PLG

The good news is that the work that begins by aligning on the Four Essential Questions has output. This discussion marks the starting point for creating a tangible tool for transformation. At Force Management, we call this tool the [Value Framework](#).

The Value Framework isn't a script; it's a navigational tool that guides your customer engagement process, product development roadmap, and marketing collateral. It's a guide and common language your teams can leverage to maintain messaging alignment on the value and differentiation that are top-of-mind for your most influential buying audiences.

In this video, former Segment CRO Joe Morrissey talks about the process of working with Force Management to build Segment's Value Framework and how it helped an already-successful PLG firm grow ARR by 150% over two years.

The video player thumbnail features two men in a video call. On the left is John Kaplan, wearing a headset, and on the right is Joe Morrissey. A large white play button icon is centered over the video, with the text 'WATCH VIDEO' to its right. Below the video, the names and titles of the participants are listed: John Kaplan, President, Force Management, and Joe Morrissey, Chief Revenue Officer, Segment. The Force Management logo is at the bottom center.

It's a misconception to think that pure-PLG firms using a frictionless (meaning quick and easy) sales model can ignore the cornerstones of value selling. The sales conversation may be happening online, and the buying journey may be largely digital. But just like Segment and other PLG pioneers have learned, aligning your teams on the optimized GTM approach provided by the Value Framework is crucial for sustained success—especially for rapidly growing SaaS firms.

Five Key Characteristics of a Value Framework:

1. It outlines what's important to the buyer

Even in freemium models, buyers want to know that their needs are understood and your product provides the best possible solution. That message still must be communicated, even if through the website, app, or other customer-facing materials. If Product, Marketing, and Sales can't agree on why people buy your products, you will suffer from inconsistent messaging and an ineffective means of distribution. A Value Framework ensures everyone is aligned on the specific reasons companies would choose to purchase your solution.

2. It provides a tool to uncover business pain

Opportunities are won or lost on discovery. Companies using free trial periods or open source versions gather valuable information on usage patterns, visited pages, and referrals. Your customer-facing teams need questions that can artfully make the connection between usage and quantifiable business pain. A Value Framework gives your organization a tool for executing discovery that identifies negative consequences to current business challenges—and how your software can solve those problems.

3. It categorizes what makes you different from your competitors

Many sellers tend to default to competing on price and features rather than articulating the differentiators that align with the buyer's specific needs. A Value Framework gives everyone the talking points that clearly explain your company's differentiation in ways that map features and functions to the desired buyer outcomes. It's a comprehensive and concise differentiation cheat sheet that teams can reference, ensuring these selling points remain top-of-mind.

4. It lists success metrics from previous clients

Buyers want proof that you can do what you say you can do. Case studies, success metrics, and testimonials aligned to the needs of your prospect provide assurance of the ROI they can expect. Many companies have these assets, but they're often used inconsistently. A Value Framework organizes these proof points into a reference tool that can be (1) easily accessed by everyone in your organization, and (2) positioned in ways that align with the top-of-mind issues for your buying audiences.

5. The whole organization can leverage it

Because of the previously mentioned components, a Value Framework drives consistency across the organization. For example, your product team can make development decisions based on the value drivers and competitive differentiators that help your product stand out and maximize product-market fit. Enterprise sellers will leverage marketing more because their collateral uses the same customer language. Your Services department will better understand the promises made to customers during the sales process. A customized Value Framework built with the right inputs intrinsically aligns your entire organization behind those value drivers.

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Leadership Perspectives on PLG



“This isn’t a sales program; this is a ‘make our business better’ program.”

Jennifer Jaffe from Jama Software describes (left) how building the Value Framework became a galvanizing moment for their PLG approach, aligning the product and sales teams behind the purpose of what they were building and why.

History shows that even the most viral, pure PLG models can only propel businesses so far. In an excerpt (right) from the Revenue Builders Podcast, CEO of Endgame Alex Bilmes points to the paths forged by PLG pioneers like Zoom and Dropbox, noting that every early adopting PLG posterchild now employs a significant enterprise selling team. Bilmes makes the point that even for the topline PLG purists, it isn’t a question of *if* you’ll need to add Sales, but a question of *when*.



Reflecting on Segment’s success (left), Joe Morrissey talks about the inevitable moment for PLG firms when remaining competitive requires investing in their sales function.

His advice for tech leaders and founders experiencing the mania of virality and PLG is: **“Don’t wait on developing your go-to-market muscles.”**

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Examples of PLG Success



Segment elevated their product-led-growth strategy with alignment to their buyer, leading to:

- **150% Growth in ARR over 2 years**
- **\$3.2B Acquisition by Twilio**

[Read the Story](#)



INTERCOM

Intercom established frameworks that equipped the sales organization to create and capture value with their sales message, while enforcing processes to gather data, qualify deals, and forecast pipelines. The result:

- **261% increase in average deal size**

[Read the Story](#)



Jama Software aligned their product and sales team on a customer value mindset, resulting in:

- **Average contract size doubled**
- **50% increase in new business**

[Read the Story](#)

More PLG Resources

PODCAST ▶

Product-Led Growth
in B2B Sales

EBOOK ▶

Command What's
Next: Organizational
Evolution Guide

PODCAST ▶

Leveraging
Product-Led Sales
for Growth



The Right Partner for PLG Success

Force Management has worked with leading sales organizations for over 20 years, helping them to build a company-wide sales discipline that drives results. Our methodologies have resulted in bigger wins, greater quota attainment, more accurate forecasting and higher talent retention for hundreds of clients leveraging a wide range of go-to-market models including Product-Led Growth.

We partner with each sales organization to custom-tailor our signature methodologies to their solutions, helping them maximize their talent with a repeatable and aligned process that paves the way to growth.

START A CONVERSATION ►

“The [Force Management] framework can be transformative if you apply it correctly and use it with a solid sales muscle supported by a strong enablement team. Show me something that works more effectively.”

-Global Director of Revenue & Enablement, Intercom

SEE OUR RESULTS ►