MODULE 2 · SESSION 1

Designing Product-Led Growth

How usage signals, self-serve conversion and in-product prompts combine — and when a salesperson should still intervene.

Theory session

Intermediate

Running case: LumenCart

ORIENTATION

Where this session sits

Module 1 chose the direction and the loop; Module 2 builds the commercial engine

MODULE 1
Growth Architecture
and Market Entry

MODULE 2
Commercial Engines
and Expansion

MODULE 3
Strategic
Scaling Choices

SESSIONS IN THIS MODULE

2.1 **Designing Product-Led Growth** — YOU ARE HERE
Usage signals, self-serve conversion and when sales steps in

2.2 Connecting Revenue Capacity Systems
Forecasting capacity, coverage gaps and hiring decisions

2.3 Scaling Retention and Expansion
Diagnosing risk and prioritising expansion

SESSION OUTCOMES

What this session explains

Letting the product do the qualifying, and knowing when it cannot

01 **The product is the first salesperson**

Value has to be experienced before anyone is asked for commitment.

02 **Time to value is the governing metric**

Everything in a self-serve motion depends on how fast someone reaches a useful outcome.

03 **Usage is a qualification signal**

A product-qualified lead is defined by behaviour, not by a form submission.

04 **Distribution must be designed too**

A loved product with no route to discovery is a ceiling, not a strategy.

DEFINITION

What product-led growth actually requires

Three conditions, and the motion fails if any is missing

WORKING DEFINITION

Product-led growth means the product itself drives acquisition, conversion and expansion — which requires that value can be experienced before purchase, understood without assistance, and reached quickly enough that the user does not leave first.

1

Experienced before purchase

A demo is a description. A trial is an experience. Only the second qualifies someone by behaviour.

2

Understood without help

If a person is needed to explain it, the cost structure of the motion collapses.

3

Reached quickly

Value delayed past the first session is usually value never delivered.

Bush, W. (2019). Product-Led Growth. Product-Led Institute.

Product-led and sales-led motions

They differ in who does the qualifying and when money is discussed

SALES-LED

A person qualifies first

SEQUENCE

Contact, qualify, demonstrate, propose, close — then the product is used.

WHERE IT FITS

High contract value, complex buying groups, significant implementation.

COST SHAPE

Scales roughly with revenue. Every new increment needs another person.

PRODUCT-LED

Behaviour qualifies first

SEQUENCE

Use, reach value, expand usage — then a commercial conversation if one is needed at all.

WHERE IT FITS

Lower contract value, individual or team-level decision, short time to value.

COST SHAPE

Scales far more slowly, but requires sustained product investment.

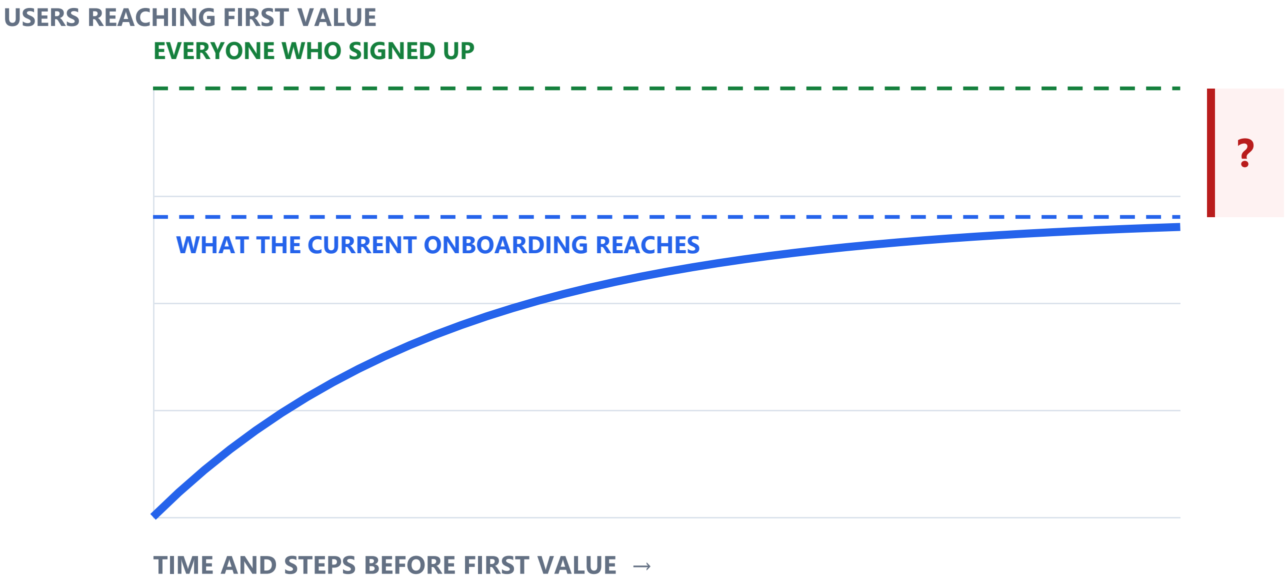
WHERE THEY MEET

Most companies end up hybrid: self-serve below a threshold, assisted above it. The error is applying one motion to the whole customer base because it suits the org chart.

CONCEPT 2 · TIME TO VALUE

The metric everything else depends on

Activation falls sharply with every additional step before first value



Each additional configuration step, integration or empty state removes a share of users who never return.

DEFINE IT PRECISELY

One event

“First value” must be a single observable action agreed in advance. Signing up is almost never it.

THE LEVER

Remove, do not explain

Deleting a setup step beats writing better help text for it, almost every time.

THE MEASURE

Median, not mean

A few fast power users pull the average down and hide the experience of everyone else.

Four ways to let someone in

Each trades qualification against volume

1

Free trial

Full product, limited time. Creates urgency and forces a decision — but the clock can expire before value is reached.

2

Freemium

Limited product, unlimited time. Maximum volume, and the free tier must be useful without cannibalising the paid one.

3

Reverse trial

Full product first, downgrading to free when the trial ends. Value is experienced before the limit bites.

4

Open demo or sandbox

Pre-populated environment, no signup. Lowest friction, weakest signal — nobody has committed anything.

5

Marketplace listing

Distribution through someone else's store. Appstle's starting point, and its ceiling.

CHOOSING

Match to time to value

If value takes weeks to appear, a 14-day trial guarantees most users leave before seeing it.

From usage to a qualified lead

Behaviour qualifies more reliably than any form

SIGNED UP

An address was submitted. Predicts almost nothing about intent or fit.

ACTIVATED

Reached first value — the single event you defined. Now there is a reason to stay.

HABITUAL

Returned across several sessions without prompting. The strongest retention predictor.

PRODUCT-QUALIFIED

Hit a usage threshold that historically precedes purchase or expansion.

DEFINING A PQL

Derive it, do not guess it

Look at accounts that converted and find what they did that others did not. That behaviour is the threshold.

WHY IT BEATS AN MQL

It is a revealed preference

Downloading a guide is an opinion about interest. Hitting a usage limit is evidence of dependence.

THE HANDOFF

Route, do not blanket

Sales should see product-qualified accounts only. Contacting every signup destroys the economics of the motion.

In-product prompts that convert without irritating

The rule is that the prompt appears at the moment of need

Trigger	What the user is doing	What to offer
Approaching a limit	Using the product enough to hit the free ceiling.	The upgrade, with the specific limit named and the usage shown.
Attempting a gated action	Trying to do something the tier does not allow.	The capability, in context, without leaving the task.
Inviting a colleague	Expanding use beyond themselves.	Team pricing — this is the strongest expansion moment.
Repeated manual workaround	Doing by hand what a paid feature automates.	That feature, referencing the workaround they just performed.
After a success event	Something worked and they can see it.	A referral or review request. Never an upsell here.

THE TIMING RULE

A prompt that interrupts before value has been felt reads as an advertisement inside a product the user has not yet decided to like.

A loved product still needs to be found

Appstle's ceiling was discovery, not quality

REPORTED EFFECT OF TREATING SEARCH AS DISTRIBUTION

From a starting point of 500 monthly organic visits, with content built around customer outcomes rather than listings.

THE REFRAME

Search as a layer

Product-led SEO means content about the outcomes the product produces, indexed where buyers look — not detached marketing.

THE DEPENDENCY RISK

One marketplace is one landlord

A single acquisition channel you do not own sets your ceiling and can change its rules.

THE REPEATABILITY

An engine, not a campaign

The same system produced 3× growth on each subsequent launch, which is what makes it infrastructure.

When a person should get involved

Too early destroys the economics; too late loses the expansion

NEVER INTERVENE

Pure self-serve. Cheapest, and it leaves larger accounts under-served and under-expanded.

INTERVENE ON SIGNAL

Contact only product-qualified accounts, referencing what they actually did. Highest return per hour.

INTERVENE ON ARRIVAL

Call every signup. Costs as much as sales-led with none of the qualification benefit.

WHAT A GOOD INTERVENTION LOOKS LIKE

Element	Example
Triggered by behaviour	Three users added and the workflow limit hit twice this week.
References the usage	“You have run this 40 times manually — here is what automating it looks like.”
Offers the next step, not a pitch	A twenty-minute session on their own configuration.

Three product-led motions that stall

Each has users, activity, and no revenue movement

Free tier too generous

Looks like Large happy free base, flat conversion.

Why it fails The free tier solves the whole problem, so upgrading buys nothing.

Fix Gate on scale or collaboration, not on core value.

Sales contacting everyone

Looks like Every signup gets a call.

Why it fails The cost per customer matches a sales-led motion while the price point does not.

Fix Route only product-qualified accounts.

One acquisition channel

Looks like All customers from one marketplace.

Why it fails The channel owner sets your ceiling and can change the terms.

Fix Build a channel you own, before you need it.

CASE STUDY

Appstle

A product merchants loved, invisible outside the one marketplace where it had first found them.

Loved, and hard to find

Distribution designed around outcomes, not listings

THE STARTING POSITION

Marketplace-led acquisition

HOW IT BEGAN

An engineering-led Shopify SaaS company, launched through the Shopify App Store with no dedicated marketing.

WHY IT WORKED AT FIRST

The App Store put the product where merchants were already searching for exactly that kind of tool.

THE CEILING

Products merchants loved, but low discoverability outside the App Store — 500 monthly organic visits.

THE CHANGE

Search as a distribution layer

THE REFRAME

A product-led SEO and content system treating search as product distribution, not detached marketing.

THE CONTENT RULE

Focused on customer outcomes — such as increasing recurring revenue — rather than generic material or listings.

THE RESULT

3× organic growth within three months of each new app launch, and a 7× increase in partnership opportunities.

READING THE CASE

Product love and product discovery are different assets. Product-led growth expands when distribution is designed around the outcomes the product creates.

APPLICATION

Bringing the theory to LumenCart

Designing the motion end to end

Decision	What you define	LumenCart example
First value	One observable event.	First order routed through a configured rule — not account creation.
Time to value	Median, with a target.	Currently 4 days; target under 30 minutes.
Entry model	Matched to time to value.	Reverse trial — full product for 14 days, then a useful free tier.
PQL threshold	Derived from accounts that converted.	Three rules configured and 100+ orders routed in a week.
Prompt design	At the moment of need.	Rule-limit prompt showing the orders that would have been routed.
Owned distribution	A channel independent of any marketplace.	Outcome-led content on routing cost per order.

WHAT COMES NEXT

Session 2.2 sizes the human capacity that sits behind the qualified accounts this motion produces.

SUMMARY

What to carry out of this session

1. **Value must be experienced before it is purchased.**
   A demo describes; a trial qualifies by behaviour.
2. **Time to first value governs everything downstream.**
   Remove steps rather than explaining them, and measure the median.
3. **Derive the PQL threshold from accounts that converted.**
   Usage is a revealed preference; a form submission is an opinion.
4. **Prompt at the moment of need.**
   A prompt before value has been felt reads as an advertisement.
5. **A loved product still needs distribution you own.**
   Appstle's ceiling was discoverability, and one marketplace is one landlord.

FURTHER READING

Sources for this session

Primary references behind each concept

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