



Product Leaders Alliance



PRODUCT MANAGEMENT PAPER

Product Led Growth - Why PLG Misses the Mark

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Problem-Led Growth: Why Product-Led Growth Misses the Mark

Why Growth Should Be Driven by Customer Problems, Not Just Products

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1. Executive Summary

Purpose:

In SaaS and modern business strategy, "product-led growth" (PLG) has been widely celebrated. However, this approach often misrepresents what truly drives sustainable success. Growth isn't about leading with a product—it's about deeply understanding and solving customer problems. This briefing introduces "problem-led growth" as a superior strategy for Chief Product Officers.

Key Takeaways:

- Growth is driven by solving meaningful customer problems, not just building great products.
- Fixating on products without clear problem alignment can lead to failure.
- Understanding customer pain points allows for differentiated, sustainable growth.
- Problem-led growth fosters customer-centricity, competitive advantage, and long-term market expansion.



Figure 1: Solving problems remains at the heart of the product

2. Strategic Context & Trends

Market Landscape

The rise of PLG has shaped modern SaaS success with stories like Slack and Zoom, emphasising product as the main driver of acquisition, retention, and expansion. However, PLG oversimplifies the reality that no product succeeds without first identifying and addressing deep-rooted customer challenges.

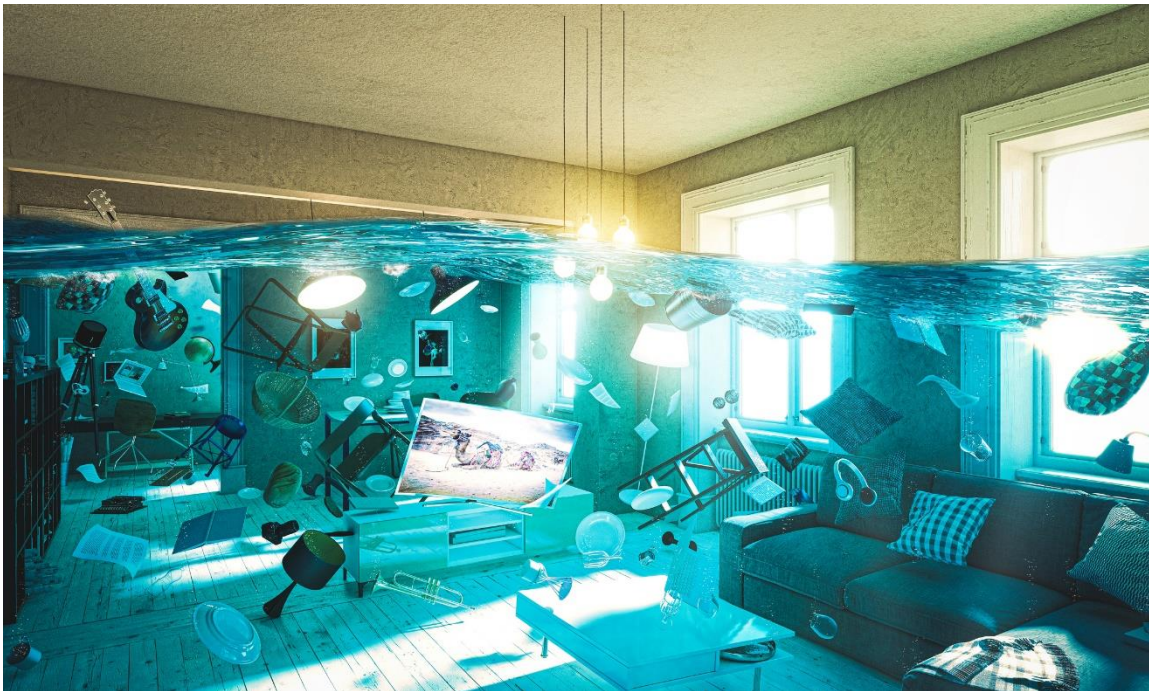


Figure 2: Keep the focus on resolving problems

Emerging Trends

- Increased emphasis on customer research and problem discovery
- Shifts toward solutions that adapt to evolving user pain points
- Rising competition in SaaS means differentiation through deep customer understanding

Implications for Chief Product Officers

- A shift from feature-driven roadmaps to problem-first strategies
- The need for continuous discovery and validation of customer challenges
- Aligning product development efforts with tangible, validated user pain points

Product Management Workout

3. Tactical Insights & Best Practices

Actionable Frameworks

Problem-Led Growth Framework:

1. **Problem Discovery:** Conduct research and customer interviews to identify pressing pain points.
2. **Problem Validation:** Ensure the problem is significant enough to drive adoption and engagement.
3. **Solution Development:** Design products as vehicles for solving validated problems.
4. **Iterative Problem Solving:** Continuously evolve solutions as customer needs change.



Figure 3: Constantly iterate around understanding, validating and solving problems

Case Studies or Real-World Applications

- **Slack** focused on solving fragmented team communication rather than just building a messaging tool.
- **Zoom** prioritized seamless, reliable video calls to address the complexities of remote work.

Key Metrics to Watch

- Problem resolution rate (customer-reported improvements)
- Customer retention tied to problem impact
- Adoption metrics linked to problem-solving effectiveness

Product Management Workout

4. Recommendations & Next Steps

Strategic Actions

- **Invest in Customer Research:** Prioritise continuous discovery to stay aligned with evolving problems.
- **Prioritise Problems, Not Features:** Evaluate every feature against its problem-solving impact.
- **Measure Problem-Solving Impact:** Move beyond Daily Active Users to focus on problem-resolution effectiveness.
- **Stay Agile:** Adapt as customer challenges and market conditions shift.



Figure 4: Measure & Prioritise

By shifting from a product-led to a problem-led mindset, Chief Product Officers can ensure sustainable, customer-driven growth that builds lasting value.

Contact & Follow-Up

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