It Looked Like PMF - It Wasn’t

---

1. Situation

The company appeared to have strong product-market fit.

Revenue was growing.

Sales were effective.

The pipeline was active.

Leadership believed the product was working.

But underneath, the signals were different.

Retention hovered just above ~50%.

Customers would grow initially — then decline and fade out after one to two years.

New logo acquisition was already slowing.

The business looked like it was scaling.

In reality, it was stalling.

---

2. What Was Actually Wrong

This wasn’t product-market fit.

It was sales-market fit.

The sales team was strong, fast, and persuasive.

They could close deals and generate revenue.

But the product didn't scale with those customers.

It required customization.

Delivery depended on manual effort.

Customer success was reactive.

And the experience didn't compound over time.

We were selling value.

But we weren't delivering it consistently.

We had demand — but not durability.

---

3. Where It Broke

The gap became most visible when we tried to move up-market.

Larger law firms didn't need our core offering.

They already had their own networks and relationships.

Sales adapted by targeting edge cases — obscure regions where those firms lacked coverage.

Deals closed.

But the model broke.

Reciprocity collapsed.

Expected value didn't materialize.

And the economics deteriorated.

We were forcing product-market fit where it didn't exist.

---

4. Intervention

The shift was to stop selling what worked — and start building what scaled.

We moved from a single-product mindset to expanding on the product axis:

• Acquired and integrated a renewals solution aligned with customer needs

• Began developing new modules (e.g., partner relationship management)

• Shifted from replacing customer relationships to enabling them

Instead of competing against existing workflows, we embedded ourselves within them.

At the same time, we repositioned the company:

From selling a network —
to building a platform that supports decision-making and execution.

---

5. Hard Decisions

• Accepting that the core product was not scalable in its current form

• Walking away from segments where we couldn’t deliver real value

• Reinvesting profits instead of distributing them

• Slowing down a high-performing sales engine

This required challenging both the founders and the sales organization.

The existing model worked — just not at scale.

---

5. Outcome

• Ability to enter and compete in larger customer segments

• Clearer product positioning aligned with real customer needs

• Reduced dependency on forced-fit deals

• Foundation for a multi-product platform

Growth shifted from opportunistic wins to structured expansion.

---

6. Key Insight

Revenue is not proof of product-market fit.

If retention is weak and delivery depends on effort, the system isn't working.

Don't confuse velocity with validity.