

# HIRING CRO - DOES STAGE RELEVANCE MATTER? PANEL DISCUSSION

erevena

## What level of stage-relevant experience should a Chief Revenue Officer have when joining an investor-backed SaaS business?

This theme of 'stage relevance' is one that Erevena regularly discusses with founders, CEOs and investors seeking to hire the best CRO to help take a business forward. We have discovered that there is divided opinion on how highly this criteria should be prioritised. This ranges from those wanting candidates with explicit experience in the revenue/headcount journey from A to B, to those who simply seek the best operator out there, regardless of start-up/scaling experience. High calibre sales leaders are sometimes ruled out of CRO hiring processes because they lack the explicit stage experience, which might be short-sighted. At the same time, it is no secret that some leaders who join investor-backed businesses fail to adjust to the demands of earlier-stage companies. Therefore, it is not an easy puzzle to solve.

Actively engaged in helping high-growth SaaS companies make key hiring decisions, Erevena invited three CROs with diverse experience to describe their own journeys and backgrounds and to offer insight into what makes a great CRO in this environment.

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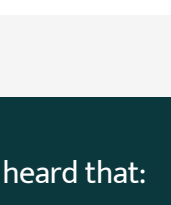
JENNIFER BERS  
CRO, UNABEL

Jennifer has had wide-ranging experience at rapidly scaling companies. She is currently CRO at Unabel which is Series D. Prior to this she went through high growth at Bazaarvoice which was a 3-year-old business with just 9 employees in EMEA and had raised \$20m when she joined, and Onfido which had just raised series B (circa \$30m total) when she joined and went on to scale massively.



AL NEWMAN  
CRO, DEXT

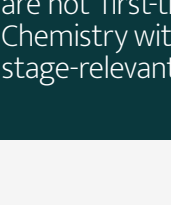
Al made the transition to early(ish) stage CRO role from more mature companies. When Al joined Dext as CRO, it was series B, (Insight Ventures funded). Prior to that he worked at SimilarWeb (Israel HQ) and Hootsuite (NA HQ), at series D/E with hundreds of millions raised.



SIMON O'KANE  
CRO, YOKOY

Simon also made the transition from a bigger company. He was UK MD at Salesforce when he joined Huddle as CRO at series B. In joining Swiss FinTech Yokoy in 2022 after its series B raise, he became the company's first external appointment to the senior management team.

### YOUR EREVENA HOST:



JOE ABBOTT  
PARTNER, EREVENA

We heard that:

- For a sales leader making the first move into a CRO role, there is a steep learning curve of added accountability.
- People make the leap into investor-funded CRO roles from a variety of backgrounds – there is no one size fits all.
- Deep industry or vertical knowledge allows you to ramp quicker and compete with more experienced candidates for the your first CRO role.
- A first-time CRO should draw on the support of peers, both internally (fellow C-suite) and externally – you don't know it all on day one!
- First-time CROs should seek out companies with experienced Board Members who can support their development too.
- It is easier for a company to take a chance on a first time CRO if the majority of the existing Exec Team are not 'first-timers'.
- Chemistry with the Founders/CEO and core execution skills are often more important than how stage-relevant someone's CV is.

## HAVING MOVED FROM LARGER COMPANIES THAT HAD RAISED HUNDREDS OF MILLIONS, WERE YOUR KEY OBSERVATIONS IN THE FIRST FEW MONTHS IN YOUR CURRENT ROLES VERSUS WHAT YOU HAD DONE BEFORE?

**Al Newman:** I moved from a general manager role into a CRO position and quickly realised how much more I was accountable for. So, for example, in the past, my CRO had been the conduit into the board, but suddenly it was 'me' and 'my' accountability. And it's much more than you might have imagined. Moving into a smaller operation meant that those people doing the general manager roles in regions and reporting into me as CRO were far less experienced than where I'd worked before. The accountability gap went right up. There was a chasm in terms of the experience I could rely on and all the resources I'd become used to didn't always exist. So, the pricing and packaging function didn't exist. The strategy team didn't exist. Even the comp plan team didn't exist! So, suddenly the breadth of my accountability had grown and I had to understand where to spend my time most effectively so that I didn't get pulled into everything.

**Simon O'Kane:** I was at Salesforce for seven years, during which time the company had grown from around 600 people worldwide into a much bigger organization. It was a machine with a global 'cookie cutter' approach. My move to Huddle was pretty extreme and I took more decisions on my first morning there than I had done in seven years previously! That's probably the biggest difference between working in a big and small company – and I liked it. Another notable difference, as Al pointed out, is that in a big organization you're used to other people coming up with stuff, such as strategy, and figuring out how to do things in HR and other functions. Suddenly, in an early-stage company it's just you and a handful of people doing it all. That was fun but also something of an awakening for me. There was the realisation that in a classic start-up a lot is happening, with lots of people doing stuff, which I hadn't really experienced much before. I had to get it all in some kind of control and bring some order to the environment, which was a big transition for me.

**Simon O'Kane:** Yes, probably! When I think about building teams through the companies I've been at, there is a lot to be said for people who have seen at least some of this stuff before. We're all going to make mistakes, so it's less about not making mistakes and more about reducing the number of mistakes! Somebody who's been there and done it will be better placed to do that. Another aspect of this is that when I'm hiring sales people and managers it's perfect if a candidate has a mix of big and small company experience. They'll have seen the rigour and structure of a big company but are not shocked by what they walk into in a small company.

**Al Newman:** I was fortunate in that I'd been in the industry itself for 15 years. Knowing the landscape of the company you're joining gives you the headspace you need because you're not having to learn from scratch. That's an advantage if you're moving into a new CRO role. I also found that some things come upon you very quickly and you can't always foresee them. For example, I had to make a due diligence commercial view on a potential M&A and while I thought I would know what to do, I really didn't! I'd previously been a general manager and might have been asked to give an opinion on a product at a GM level but then there would be a strategy team making the big decisions. Suddenly, I had to make those decisions and in a situation like that your network becomes important because you can go back to your old colleagues or former CRO and ask for their advice.

## WAS YOUR SUCCESS IN THE EARLY MONTHS LIMITED OR SLOWED DOWN BY THE FACT IT WAS YOUR FIRST EXPERIENCE IN THAT TYPE OF ENVIRONMENT?

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## DID YOUR PREVIOUS EXPERIENCES IN EARLIER-STAGE COMPANIES – AS OPPOSED TO A BIG COMPANY BACKGROUND – HELP YOU RAMP UP FASTER ON JOINING UNABEL AS CRO?

**Jennifer Bers:** It gave me the ability to think about how to put in process and the scaffolding that Unabel didn't yet have but which I'd created in my previous roles. I've found that taking a company from being relatively small and putting in the structure to help it grow is something I'm good at. And it definitely helped to have done it before and to have worked for people who'd exposed me to what I would need at that stage. This type of exposure is something I now make sure I give to my direct reports because I know they'll want to move on at some stage in the future and this will help them with that.

## DOES A CANDIDATE FOR THIS ROLE NEED TO HAVE BEEN A FULLY-FLEDGED CRO BEFORE – AND WHAT WAS YOUR BIGGEST LEARNING CURVE WHEN MAKING THE STEP FROM SALES LEADERSHIP TO REVENUE LEADERSHIP?

**Al Newman:** Thinking about the entire business was probably the biggest learning curve for me. As a GM you have to be a bit selfish because you're negotiating with the C-suite on budgets and revenue for your specific product or region. Then when you step up to CRO, you're responsible for all the revenue streams, not just one. You have to make compromises across the different revenue streams and the complexity of the business makes a big difference.

Someone coming in as CRO to a company that's a single region, single product, three price points business will be dealing with less risk than someone coming in to a more complex, multi-region company that wants to grow its online business and repackage its products. So, the learning for a new CRO is aligned with the difference in complexity. You'll also have equity as you go in and, depending on the company's growth stage or whether it's making a profit, you've got to manage the spend and profit. While you might do some of these things as a GM, it's never at this level.

**Jennifer Bers:** When you're a VP of sales, all you care about is the sale and getting those numbers. When you're a CRO, you care about the profitability of that sale and the margin. So, you're looking at things through a different lens. But I don't believe you need to have previously been a CRO to do this successfully. In fact, when I'm hiring, I like it when someone hasn't been in the role before, partially because they have a little more to prove and don't have that 'been there done that' mentality. I like to learn from my teams and have brought in new sales VPs with brilliant ideas about how to do things in a new way that hadn't occurred to me before.

**Simon O'Kane:** The CRO role is still relatively new, maybe becoming fashionable less than ten years ago. So, it still means different things to different people. For some founders, it's simply a case of getting someone on board to help. But to do it really well, it's a fascinating learning curve. You need to really get in the weeds to learn about customer success, to learn about professional services and how to run those functions. And marketing is perhaps the toughest nut to crack but you need to really learn how it operates. All of these disciplines, especially customer success and marketing, are evolving so fast so you need to stay on top of it.

**Jennifer Bers:** It's been a good and not so good thing. On the plus side, I had access to the founders and, in some cases, a level of autonomy. In other cases, however, the reverse was true because this business was the founders' baby, so I didn't have as much autonomy off the bat, I had to earn it over time. I would sometimes have to remind them I'd done this before and that they'd hired me for a reason. Luckily, things did work out as the founders realised they could trust me and the experience I'd accrued in similar scenarios.

**IT'S MORE LIKELY YOU'LL HAVE A WORKING RELATIONSHIP WITH THE FOUNDERS IN A SMALLER COMPANY – HOW HAS THAT WORKED OUT?**

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**Jennifer Bers:** I actually started my career in marketing before switching to sales. But I don't think I have to be the deep domain expert and know everything about the different disciplines. However, I do need to know enough to ensure everything works seamlessly together, almost like the orchestra conductor who maybe can't play the flute but knows enough to make sure the music sounds beautiful. And I need to know I have people in these functions that I can trust and who'll educate me. That means when I report to or sit in front of the Board, I have a great understanding of not only where we've been and where we're going, but of why and how to get there.

**HOW DID YOU BUILD KNOWLEDGE OF THE FUNCTIONS THAT WEREN'T PREVIOUSLY WITHIN YOUR REMIT, SUCH AS MARKETING?**

## YOU'RE BACK INTO 'START-UP/SCALE-UP MODE' AFTER 8 YEARS AWAY FROM BEING CRO IN A EUROPEAN HQ, VC-FUNDED – WHAT WERE YOU LOOKING FOR?

**Simon O'Kane:** I'm five months into my role at Yokoy, which is the first European company I've worked for in a long time. In terms of the type of company I enjoy working for, it's usually about the leader or leaders and the chemistry with them first, then it's about the proposition. Yokoy is a SaaS business that's also got a disruptive element driving growth, which I like.

**Jennifer Bers:** Different growth stages clearly need different things. So, for example, a company on a \$0-1M or \$1-3M (even arguably \$3-10M) trajectory doesn't need a CRO for most cases. I've seen instances of 'title inflation' when a company has hired a CRO for a particular early stage, then when the business moves into a different phase they need someone with more experience, but they've already got a CRO, so what do they do? This is something I've talked about with several founders. Some CROs know exactly what stage they like and once they've put in the process and the company gets to a certain size, they're no longer happy and they will voluntarily choose to move on. Then there are some who've reached C-level executive status and still want career growth and learning. We've all heard of impostor syndrome where people in senior positions feel they don't know what they're doing and are going to be found out, but in a CRO with a growth mindset, to quote Adam Grant, the thinking is that I might not know what I'm doing... yet, but it's only a matter of time before I figure it out.

I personally don't want to be pigeonholed into certain growth stages, but I know what stages I like to work in. There's an industry challenge that needs to be addressed of founders bringing in a CRO for a specific purpose and then expecting them to replace them when the business hits a certain level. This feels like penalising a CRO for doing a good job, especially if they achieve what they've been asked to do ahead of schedule. There needs to be a rethink so that those CROs who have delivered in one phase but then want to learn and grow through the next ones should be enabled to by the CEO, investors/Boards.

## ON THE TOPIC OF STAGE RELEVANCE, SHOULD WE BE ENCOURAGING CROs TO PIGEONHOLE THEMSELVES INTO CERTAIN PHASES OF GROWTH, OR SHOULD THE ONUS BE ON CEOs/ INVESTORS/BOARDS TO BETTER SUPPORT CROs WITH THEIR DEVELOPMENT, SO THAT THE AVERAGE TENURE BECOMES MORE THAN JUST 2 YEARS?

**Al Newman:** You have to be really careful when you place a first time position (it doesn't have to be a CRO) into a certain type of company. You need to look at the peer group they're going to land with, such as the C-suite. For example, I would be nervous about joining a company with a founder CEO, first time CPO and first time CRO. So, when I joined Receipt Bank, which became Dext, it was a first time CEO, but it wasn't a first time CRO or CMO. This gave us a strength in depth at a leadership level, which you need to perhaps balance a first timer in another senior role, such as CRO. That peer network has been very important and requires a combination of agility, trust and experience.

Then, we have the Board and all the experience that comes with it at the different investment stages of VC then PE. The exposure of the PE investor (HG Capital) to so many different companies in its portfolio means there is always something for us to draw on when making different decisions, whether about talent, product, etc. I would also say never underestimate the Chair.

I've also had to learn fast on the job, which you need to do in your first time CRO role. And you need to get a network around you quickly by levelling up your team of peers.

**Jennifer Bers:** I'd just add to Al's point about the support of peers by saying you also need an external peer group that you can call on. I have a lively WhatsApp group with other CROs and we're regularly in contact drawing on each other's experience.

**Simon O'Kane:** Building a leadership that's really performing well is another component of the support structure in a growing company. You can hire in great people, but it then takes time to build them into a strong performing leadership team, which is probably the single most important thing you can achieve.

**Al Newman:** Seek out a company or vertical with parallels to where you currently are so that you can own it and leverage your specific knowledge. Before I moved to a CRO role I also persuaded the company I was with to give me more exposure at Board level. A GM at international level in the company wouldn't have normally met the board but I insisted that I should, while also building my knowledge of revenue in areas such as profit & loss. The company found this odd and wondered why I wanted to do it, but it gave me the opportunity to gain more experience than I had at the time. Also, I'd recommend speaking to your current CRO and CFO to build your knowledge.

**Jennifer Bers:** Find a mentor and ask to be exposed to a little bit more than your role demands. Ask what they're preparing for the Board and why; what do they care about? Also, seek someone outside the company who you can speak with so that you have multiple opinions and exposure to the different ways companies work. You should also start thinking about what size and stage of company you'd like to work in for that first CRO role – what could you do for a company based on their stage? Do you like bringing order to chaos and putting in structure? Or do you like being somewhere bigger where the process is already in place? Figure out where you will fit best so that you can shine in your first CRO role.

**Simon O'Kane:** I'd start getting knowledge of all the functions we've talked about because if you're coming from a sales background it tends to be pretty silo'd. If I had to pick one area to really learn about it would be digital marketing – not marketing, but digital marketing as the biggest lever for growing the business.

## IF YOU WERE ADVISING AN INVESTOR-BACKED CEO ON THEIR CRO HIRE, HOW MUCH WEIGHT SHOULD THEY PUT ON STAGE-RELEVANT EXPERIENCE VERSUS OTHER CRITERIA ON THE SCORECARD?

**Al Newman:** For a first time CRO, I'd be looking at their industry experience ahead of any stage-relevant experience.

**Jennifer Bers:** It depends on the stage of the company. If it's on the smaller end, I'd recommend hiring in a great VP with the right mindset and offer them a C-level opportunity when they hit certain milestones.

**Simon O'Kane:** As Jen suggests, don't get too hung up on the role of CRO. Rather look for the skills we've talked about and the right chemistry between your new hire and the founders.

**AL, YOU ARE NOW 4 YEARS AT DEXT AND HAVE EXPERIENCED SEVERAL GROWTH PHASES, THE PANDEMIC, AND PRIVATE EQUITY (PE) ACQUISITION DURING THAT TIME. WHAT KEY SUPPORT SYSTEMS HAVE HELPED YOU REMAIN SUCCESSFUL**

**Al Newman:** My view is that if you want your CRO to do something different for the company, the compensation should involve regular cash drops. At my company, I was determined I didn't want to wait a year for an annual bonus plan – I'm used to these more regular cash drops. As a CRO you also don't necessarily want to be thinking about head count in R&D or other areas as a measure of your compensation. So, consider compensation around aspects such as net new business growth and net expansion to encourage an acquisitive growth focus.

**Jennifer Bers:** In an ideal world, the CRO is compensated on what they have control over, such as sales, marketing and the growth and profitability of the company. There's also a question of how much equity a CRO should ask for and the terms; I'd come at it from the angle of 'what will my leaving look like?'. By that I mean, if I leave once my job is done prior to an exit event, can I even afford to buy the shares I've received or the tax on those shares?

**Simon O'Kane:** It also depends on what the company is trying to achieve. If it's growth, growth, growth, it is probably best just to put in a sales plan! When it moves on to other things, compensation becomes a different matter.

**Simon O'Kane:** I agree that good pre-onboarding means you can come in fast. I'd also say that for at least the first three months once you're on board, you should get time with the founders/CEO every day. There's a tendency for them to think that they can quickly leave things to the CRO while they move on to something else, so you may have to force this daily sanity check in the early stages. I've found this a huge help.

**Jennifer Bers:** Part of it is having a structured process for onboarding in terms of market knowledge and meeting the team, which I was lucky to have at Unabel. You need to know who to talk to so that you're not just thinking about your own team in revenue or marketing but can go and build networks in other areas beyond your CRO remit, such as product and engineering. This will give you the bigger picture of the wider business and how the whole structure works.

**Al Newman:** I think pre-onboarding is just as important as onboarding. For example, I had a period of time off before I joined the company and used it to pre-onboard myself. I was conscious that this was my first CRO role, so I spent a lot of time going into the new company and meeting the team. I didn't want to land and know nothing. So, I met my C-suite peers and learned about things like the product roadmap and forecasting. This was about ensuring I had credibility based on deep knowledge of the business when I onboarded. It really helped because on day one when you step up to that level there's a lot of stuff to think about beyond the business itself.

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**WHAT MAKES A CRO'S ONBOARDING SUCCESSFUL?**