

Fidelity International
Strategic Ventures

Chief Revenue Officer Playbook 2023



Strategic
Ventures

Introduction

The role of a Chief Revenue Officer (CRO) can be one of the most pivotal in any organisation, and CROs play a critical role for founders of product-led companies. They are responsible for creating an effective funnel, lowering customer acquisition costs, and ensuring customer satisfaction.

A skilled CRO has the ability to combine strategic expertise with sales execution to create a seamless revenue-generating engine that will orchestrate the sales, marketing and customer success teams and align these departments towards a common goal and a consistent customer journey. Particularly in today's world of AI and sophisticated targeting, the quality and organisation of the sales function is paramount.

This playbook draws upon the collective wisdom of industry experts and scaling organisations that have successfully hired and onboarded a CRO and experienced the transformative impact they can have on an organisation. Throughout, we aim to provide practical guidance to founders around when the decision to hire a sales leader should be made as well as how to identify, attract and secure top-tier talent for the role. We hope this playbook equips you with the knowledge to make a confident hiring decision, that will also set your future CRO and the company up for future success and revenue growth.

Contents

01. Dissecting the requirement

- Preparing to hire
- Defining the role
- Traits to look for

02. Founder preparation

- Who to hire
- Trying before you buy

03. The hiring process

- Ensuring stakeholder buy-in
- Interview techniques
- Interview framework
- Closing the candidate

04. Compensation

- Total pay and benefits
- Leveraging equity

05. Onboarding

- Laying the foundations
- Revenue operations

01. Dissecting the requirement

Whatever the title, your first commercial leader is critical to transitioning from founder-led sales and establishing product-market fit. A Chief Revenue Officer (CRO) is responsible for overseeing the revenue function within an organisation, which typically extends across marketing, sales and customer success, with a focus on maximising growth.

Great CROs are data-centric, versatile, collaborative, and motivational. They act as the voice of the customer and translate their pain points into value-selling opportunities across the business. From our experience, these roles are notoriously difficult to hire into. In this chapter, we will explore how the roles of VP of Sales and Head of Sales differ from those of a CRO, as well as how to know if a company is 'ready' to hire a CRO.

To ensure the best results, it is important to know precisely what is required and what resources are needed to execute a project. Interviewing candidates for specific skills and expertise minimises the risk of being swayed by their brand, CV, or interpersonal connections during the hiring process.

Preparing to hire

CROs come in all shapes and sizes and with a variety of 'super powers'. Prior to launching a search for a sales leader, interview your stakeholders to ask them what they think your business needs and what skills they think you should prioritise.



What do you want your CRO's superpower to be?

- Implementing sales methodologies
- Hiring top teams
- Building cohesion across the GTM functions
- Closing complex deals
- Helping you move up-market
- Building rigorous KPIs and data sets
- Contributing to fund raises
- Inspiring and invigorating the business
- Straddling multiple sales motions
- Partner Strategy

Taken from Erevena, Founder's Guide to Hiring your First Chief Revenue Officer Officer¹

Defining the role

Not every organisation needs a CRO, and depending on maturity, product and the founder's role in sales, other hires may be more appropriate. Giving away the CRO title too early can cause issues down the line. One of the first decisions to make is whether you need a Head of Sales, a VP of Sales, or a CRO. The answer to this question will depend on several factors, but understanding the responsibilities and differences between these roles can help you decide which is best for you.

	Head of Sales	VP of Sales	CRO
Focus	Focused on closing deals, understanding the product, and excelling with clients	Closes sales with the most strategic clients, attracting anchor logos	Holistic view of the entire customer lifecycle and funnel, from marketing to pre-sales, sales, account management and customer success. Considers CAC, margins, churn, capacity and cost of sales as percentages of client LTV
Outlook	Effectively manages the pipeline, prioritising reference clients and assigning probabilities to support the establishment of product-market fit	Works with the Founder and product teams to achieve product-market fit, including establishing an initial pricing strategy	Partners with the Founder or CEO to achieve overarching commercial excellence. Is constantly evaluating progress, anticipating roadblocks, and implementing learnings
Leadership	Takes on leadership responsibilities, including managing BDRs and/or SDRs	Experienced manager. Able to attract talent to the organisation	Considered a talent magnet in their market. Frequently sought out as an ambassador and thought leader for their company and industry. Drives themselves and others to meet their full potential
Training & development	Initiates sales training and works to establish sales playbooks	Establishes a sales organisation and works to train and develop the team	Sought out as a sales coach, setting realistic and stretch objectives linked to the strategy of the business
Reporting	Inputs into sales reports with high quality data and good attention to detail	Prepares board and stakeholder reports leveraging data and insights to obtain buy-in to new initiatives	Takes leadership of sales reporting with the board and broader stakeholders
Incentives	Incentivised to close deals	Incentivised to meet overall sales targets	Incentivised by company growth
Operations	Sets up sales tracking and pipeline monitoring systems and processes	Enforces good hygiene in relation to the maintenance of sales data and insight	Develops sales strategies on the basis of superior data and insight

Stage	\$2m-\$8m ARR or brought in later to focus on a particular target market and report to a VP Sales or CRO	Up to \$15m ARR	It is difficult to attract high-calibre prospects below \$10m ARR
Cost	Circa \$100k-£160k in annual cash comp	Circa \$185k-\$310k in annual cash compensation and up to 1% equity	Can cost \$250k-\$600k+ in annual cash comp and 0.5%-2% equity

N.B., more detail on compensation can be found in Chapter 4.

Traits to look for

The role of a CRO demands a unique combination of leadership skills, strategic thinking, and a deep understanding of how to drive sales and create revenue. However, beyond technical expertise, a CRO needs to be able to inspire and motivate their team to work collaboratively and to navigate ever-changing market dynamics. We spoke to industry experts and got their views on the key, but often overlooked, traits to look for when hiring a CRO.



“The key skill is not actually selling but helping to buy.”

- James Ireson, CRO, Funnel

“The best sales leaders will have a track record of hiring top teams. Recruit people who can bring people.”

- Eamon O’Dwyer, Venture Partner, Fidelity International Strategic Ventures



“A great sales leader will look for ‘unseen opportunities’ in consumer behaviour - these are the often-small contextual changes which can have enormous effects on the decisions people make.”

- Rory Sutherland, Vice Chairman, Ogilvy²

02. Founder preparation

Before launching a recruitment effort, it is worth mapping your company's strategic goals, tactical objectives and associated measures on a three-year timeline. Aim to have a clear view of what your commercial targets are. Considerations should include, but not be limited to:



1. Strategic Goals

- Market penetration of existing territories and segments by product
- Market development and territories: target territories and segments by time
- Acquisition of 'reference clients'
- Accelerated development due to funding and learning opportunities
- Land grab vs. income and profit maximisation
- Pricing structure with clear aims and future planning
- Partnerships: channel, PSF, maintenance and economics
- Alignment with capital raising strategy (speak to your investors!)



2. External objectives and milestones

- Volume of new sales and the value of new sales by territory over time
- Trajectory and value of client development over time



3. Internal objectives and milestones

- Predictability, scalability, repeatability - what is needed and by when?
- Sales processes and sales tools
- Sales churn (people and clients)

While a strong CRO will enjoy partnering with the CEO to test and iterate some of these questions, without having a handle on what success looks like to you, you risk attracting lower quality candidates, hiring the wrong person and setting your hire up for failure.



"There is no doubt that, rare exceptions aside, you will require more than one CRO to scale from \$1m-\$100m. That said, we believe many of the short tenures in this function can also be attributed to a bad hiring strategy from the outset."

- Joe Abbott, Partner, Ereveva, Founder's Guide to Hiring Your First Chief Revenue Officer¹



"The CRO title should be viewed as a recruiting tool and not given away lightly. The most important factor in progression is the ability to establish a true partnership with the Founder and be viewed as instrumental in the business build."

- Chris Pennington, CRO, SteelEye

Who to hire?

1.

The Unicorn - someone who has done exactly what you need them to do before and wants to do it again! The challenge is finding someone who is motivated to put the hard yards in again and who feels like the right fit for your organisation.

2.

The Known Quantity - someone internal who can grow into the role. They have the advantage of knowing your product and customers well, but gaps are often experiential and in areas of leadership. Sometimes it is worth giving leadership responsibilities to rising stars and taking a bet or testing their hunger by offering them greater responsibilities for the same pay initially.



Keep in mind that your CRO needs to be someone who can objectively measure and grow both marketing and sales organisations. You don't want to elevate a CMO or Head of Sales and suddenly create friction between marketing and sales.

3.

The Leader - has been successful in a more scaled environment but is motivated to do this. They often have experience and maturity, and the major test in hiring will be figuring out whether they can make the leap. Candidates will typically have to take a pay cut and leap of faith to join a smaller or earlier-stage organisation. In this case, a Founder should never shy away from the elephant in the room and instead address the compensation gap head-on. Ideally, there will be a pathway to show that these candidates can be 'made whole' over a reasonable period, e.g., 3-5 years.

Trying before you buy

One of the best ways to derisk a senior sales hire is to find a way to 'try before you buy' whether that is through a consulting or temp to perm arrangement. Equally effective can be leveraging your extended network including board, investors, management team and advisors to generate a list of calibration profiles prior to engaging a head-hunter.



"Getting to know the business on a fractional, advisory basis was fundamental to building trust. Sometimes you need to be objective and considered a peer in order to identify and kill sacred cows. It also makes for a more productive pipeline analysis since it enables you to call out the 'toxic teddy bears' - those big logos that sit in your pipeline, sucking resources without ever converting to meaningful revenue."

- James Ireson, CRO, Funnel

"I consulted for a month and got to know the team. It didn't occur to me that a full-time role may be on offer initially. Having that time meant that I got to know the team, understand the culture and really understand where the founder wanted to take the business. We established mutual respect and there have certainly been fewer curve balls as a result."



- Jennifer Bers, CRO, Unbabel

03. The hiring process

It is important to consider the hiring process and the role of stakeholders in assessing candidates. While your board may want to meet your finalists, they may not have experience hiring, managing, or being a sales leader and are not always the best people to help qualify candidates. When selecting your interview panel, ensure you have at least one 'expert' who has successfully led a revenue function before.

Defining a coherent set of interview stages is important to ensure a great candidate experience as well as establishing how you will gain sufficient comfort to make an offer. Too many stages and stakeholders can lead to indecision and slow interview processes that are less attractive to candidates. But the inverse can also be true – research suggests that candidates like to 'earn' their posts. An effective interview process will provide the candidate with broad exposure to peers and stakeholders and use elements of chronological, competency-based, and technical interview techniques, culminating in a case study.



"For me, a critical element of the process was to meet the product architects. I met the Head of Product and some key engineers and QAs and through my own discovery process was able to validate with that there was a genuine SaaS engine in place. There were no off-limits in terms of whom I met or the questions I asked."

- Chris Pennington, CRO, SteelEye

Ensuring stakeholder buy-in

No executive coming in wants to feel like an outlier. CROs are often the most expensive members of the ExCo, and it is therefore even more important that they build enough stakeholder buy-in to erase the bullseye on their back. Even if they are not part of the interviewing panel, investors need to support the hire and be willing to make a bet alongside the founder that his person will have a dramatic impact. Ideally, you want your board to say "do whatever it takes to hire that person". Coming in with that degree of support not only allows your new leader to focus on the job at hand but also to make the right decisions in relation to adding and subtracting resources.

Interview techniques



As a founder and evangelist, it can be tempting to oversell the stage you are at and the potential of the product you have built, but even the strongest of relationships won't survive a pitch that is based on smoke and mirrors. Equally, you should expect good salespeople to be good at selling a story to management as well!



Watch out for candidates who overuse the 'I' pronoun and do not attribute success to the broader team. That said, for Head of Sales candidates, a good sign is when they ask questions like "how much will I earn when I exceed my targets".



References that are provided by the candidate cannot be relied upon in isolation. Instead, look for consistency in the candidate's story and how they relay their achievements. Make sure they are detailed in their account of what their targets were and how they went about achieving them. The best candidates are not always those who have smashed their targets year over year. Reaching 90% of the target may be a huge success in the context in which they were working, so asking how is more revealing than what.



Past success is a leading indicator for future success, so using competency-based questions combined with questions that start with "How might you? How would you? How did you?" is highly effective.

“

“CEOs should hire someone that's a little bit scary in the sense that they are so expert in what they do that there is a lot they know that you don't as a CEO. You should learn something several times in the interview if it is the right person.”

- Michael McBride, CRO, GitLab³

”

“Sales leadership needs to move from command and control to trust and inspire.”

- Stephen Covey, Founder and Author⁴

1. Core Leadership

Capability	Example interview question
Communication	How do you provide clarity and direction for your organisation and team?
	Can you provide an example of where you've had to deal with ambiguity?
	<i>Consider: Do you think their communication style would influence change in your organisation? Do they have the gravitas and enthusiasm to inspire others?</i>
Teamwork	How would you structure a sales team in this market? Take us through examples of when you've had to design an organisational structure. <ul style="list-style-type: none">What roles would be key to success in our organisation?What do you consider essential to the hiring process in order to recruit high performing individuals?How would you set and measure KPIs by role?
	What is your viewpoint on how to align sales and marketing?
	Which other teams do you consider fundamental to the success of sales?
Managing people	How do you manage non-performing team members?
	How do you celebrate success?
Prioritisation	How will we know we have been successful at 12/18/36 months?
	In previous roles, how have you identified areas for prioritisation, and how have you gone about convincing others that this is the path forward?
	How do you balance customer acquisition with customer retention?
Scaling	How would you go about standardising the sales process?
Reporting	What experience do you have reporting to external parties such as investors and board members?
	How would you go about projecting confidence and steadiness to the board?

2. Technical expertise

Capability	Example interview question
Pricing	What is your approach to price experimentation?
Productivity	What is your approach to revenue operations?

Product knowledge	Do you have prior experience with similar products to ours? If not, how best would you get up to speed on our product and offering?
	<i>Consider: do they have functional expertise not just in terms of sales but when selling a similar product to similar target markets? Is their knowledge sufficient to adapt to your offering?</i>
Industry and corporate experience	How has the industry we are situated in changed in the past 1/2/5 years, and how do you see this effecting how sales processes should operate?
	How do you navigate large corporations versus scale-ups? Which aspects do you enjoy about each, and what parts do you find detrimental?
Data and insight	What input metrics do you use to measure the effectiveness of your sales team?
	What kinds of levers did you put in place to drive revenue from X to Y?
	Have you led a sales enablement function? What tools did you implement, and what data did you track?

3. Strategic

Capability	Example interview question
Business development	How do you think about revenue?
	Can you provide an example of when you've built a GTM strategy from scratch?
	What do you think the role of channel partnerships might be for our organisation? How would you go about setting up successful partnerships as an endorser or introducer? Customer ownership? Upsell responsibility, etc.
	Which frameworks or models do you find effective when thinking about how you manage strategy and plan for growth in the short and long term?
	What do you think our sales targets should be over the next 12-18 months?
New market entry	Describe your process for helping a company find and develop new sources of revenue.
	How have you gone about testing new products or new markets in the past, and what might your approach be in this role?
Risk evaluation	When do you decide to place bets vs. stick to tried-and-tested strategies?
	Can you share an example of when your organisation faced a significant challenge or was losing ground? What did you do?
Market segmentation	How have you gone about identifying customer personas in the past, and what has been your approach to market segmentation?
	What are some revenue models or customer segments we should be exploring?

4. Interpersonal

Capability	Example interview question
Integrity and trust	Can you share an example of when you have prioritised honest practises over financial gain?
	How do you instill a strong code of ethics in your team?
Influencing	Can you share an example of where you won over a difficult customer? How did you help them buy your product or service?
Motivating others	How do you ensure that everyone in an organisation is aligned with revenue goals?
	How do you drive the right behaviours through compensation plans?
	In our business, what do you think could be the right commission plan to attract and retain the best talent for our target market and ACVs?
Initiative and action orientation	What do you need from me, the leadership team, and the board in order to be successful?
	What is your process for moving new initiatives through the organisation?

5. Commercial

Capability	Example interview question
Customer focus	How do you optimise the roles and responsibilities of the Sales and Customer Success teams to serve your customers best?
	How do you go about fully understanding the customer journey, and how has this impacted your decision-making in the past?
	<i>Consider:</i> Do they know and understand the customer base, and are they considering customer optimisation through all touchpoints? Do they seem passionate about owning the full customer journey?
Negotiation	Talk me through the gives and takes of a difficult negotiation – what was the outcome? What would you have done differently?
Cost control	What key metrics do you look at to make sure you have enough funnel to hit your revenue targets?
Competitor insights	How do you keep a pulse on market and competitor practises?
	Can you share an example of where competitive pressures have led you to adapt your strategy?

5. Personal

It's critical to also use the hiring process to get to know a candidate personally in addition to their technical expertise and experience. Alongside providing you with a deeper understanding of what it would be like to work with a person, knowing what matters to them beyond their job will also help you position your business and your offer in the best possible ways to appeal to them. Make sure you collaborate with recruiters to obtain thorough references in addition to the interview process to provide additional context and information on the candidate.

Capability	Example interview question
Motivators	What's something you've achieved that you're most proud of and why?
	How do you de-stress?
	What aspect of being in an executive position motivates you the most?
	As an executive what do you find to be the most challenging aspect of the job?
Demotivators	When have you felt demotivated, how did you overcome this?
Goals and aspirations	Where do you see yourself in 5 years and how does that differ to where you are currently?
	What are your personal goals and aspirations for the future?
	If you were to be placed in this role what would you hope to gain from it?



When multiple interviewers are involved, establishing what each is testing for and ensuring the discipline of note-taking and scoring can improve pace and help to build consensus. Creating an interview guide and note template can also reduce bias.



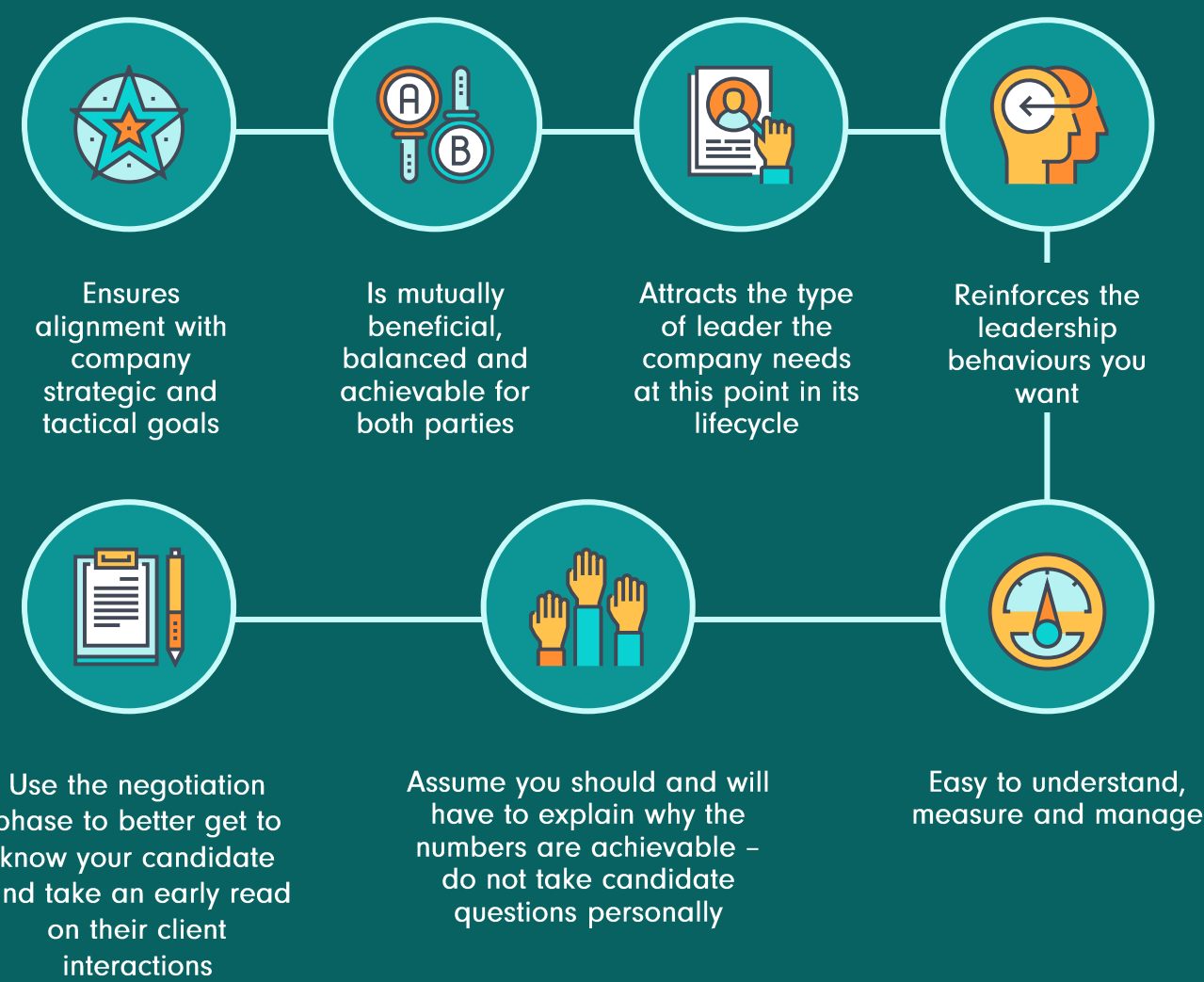
Diversity and the hiring process: Current data indicates that the CRO position is extremely male dominated with only 15% of positions being held by women. Work with your recruiter to ensure you have a diverse hiring pool and ensure those interviewing are versed in how to ensure they are not biased in their questioning or assessment of answers.

Source: Ravio as at June 2023. Note: due to the nature of executive roles, data may be more volatile than other roles, due to a smaller sample size.

Closing the candidate

Once you have identified your chosen candidate, you will need to work to develop and deliver a compelling offer. Ensure you define, agree to, and gain commitment to the offer you are planning to extend, ensuring proper socialisation with RemCo, the board, and senior management.

Suggested principals of package design:



“Closing a candidate involves more than just offering a competitive and comprehensive compensation package. It's about understanding their motivations, emphasising the company's mission and values, being transparent about limitations, addressing concerns proactively, and maintaining open communication.”

- Alistair Fraser, CEO & Founder, Justly

Here are some tips for making a convincing offer: Even if you aren't offering the highest compensation for the position, being aware of the wants and needs of the candidate throughout the process can go a long way towards giving them comfort in accepting the role.

1

Understand the candidate's motivations by learning about them during the interview process. Ask them about their aims, values, and career goals for their next position, and ensure they feel they could fulfil these aims in the role.

2

Bring attention to the company's mission and values and emphasise the contribution and impact the individual can make by joining.

3

Offer a complete package; stress the overall deal, including any advantages or extras like equity, flexible scheduling, time off, possibilities for professional growth, healthcare, benefits and mentorship.

4

Be transparent about your limitations. If you have budget constraints, be open about them. Consider the long-term and how the total package can make up for any near-term salary differences.

5

Maintain open lines of communication: listen actively to the candidate, address questions or issues promptly, and be responsive to demonstrate your commitment.



"The Chief Revenue Officer owns a company's outlook. They need to be confident and aggressive on one hand, steady and predictable on the other. This involves more than just hitting the numbers. It's storytelling. What is the company's vision for growth and possibility?"

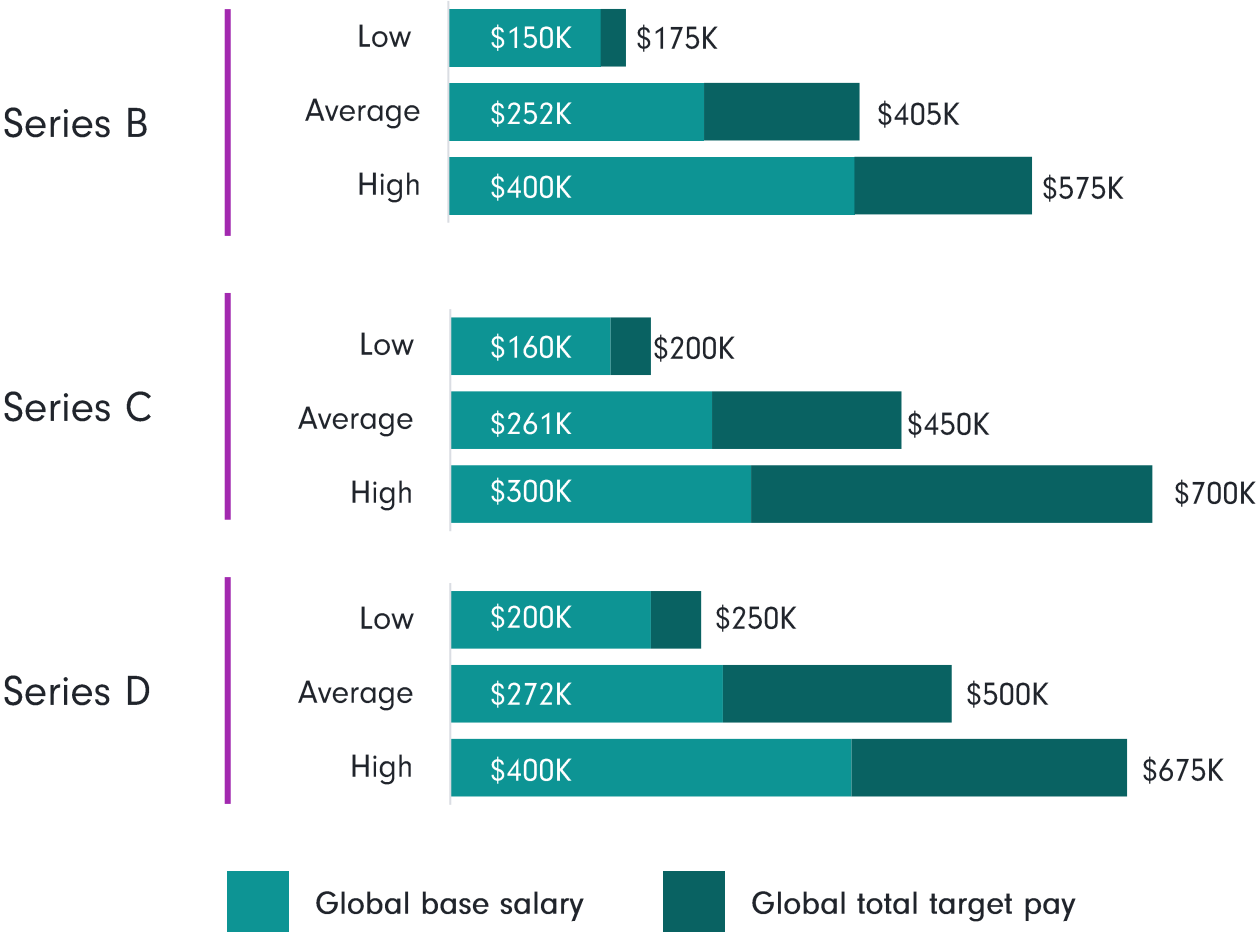
- Salesforce, 5 Traits of Game-Changing Chief Revenue Officers⁵

04. Compensation

When it comes to determining the total compensation package for a CRO, there are many factors to consider, and total compensation packages can vary significantly based on factors such as company size, industry, location, and maturity. In addition to this, packages at the C-suite level will most likely factor in the experience, expectations, and individual circumstances of a candidate, so when curating the package, it is crucial to understand their expectations and be prepared to offer a compensation structure that aligns with industry and regional norms.

Total pay and benefits

In terms of base salary, this normally ranges anywhere from \$150,000 to \$400,000. However, in larger enterprises or high-growth companies, or where the CRO recruited is required to have a niche skillset or global experience, the salary could exceed this range.



Source: Global VCECS Report 2022⁶ with observational input from search firms, compensation consultants and our own portfolio (~85 data points reviewed).

On-Target Earnings (OTE) will also form a large proportion of the total pay package; however, once again, ranges can vary widely depending on the size and type of company. VP sales in any business can expect OTE to match 100% of their base salary, which is a common model followed by CROs in SaaS companies as well. In other B2B scenarios, OTEs may be slightly less aggressive but will usually sit between 45% and 55% of base salary, with the potential for higher incentives.



When hiring in the US, be aware that candidate expectations on compensation tend to be higher, usually by 20%+ vs. European equivalents. If you are searching in the US, you will need to factor this into your budget and offer competitive compensation to secure the best talent.

In addition to the base salary, a CRO may receive various forms of additional compensation that make up their total compensation package. These can include the following:



Bonuses - CROs often receive performance-based bonuses tied to achieving specific revenue targets or key performance indicators (KPIs). These bonuses can be a significant portion of the total compensation and vary depending on the company's financial performance.



Equity - CROs are typically granted stock options, restricted stock units (RSUs), or other equity-based incentives as meaningful part of their compensation package. This aligns their interests with the company's long-term success.



Commission - depending on the company's structure, a CRO may be eligible for commissions based on the sales performance of their teams. The more senior / seasoned the CRO, the less this tends to be true.

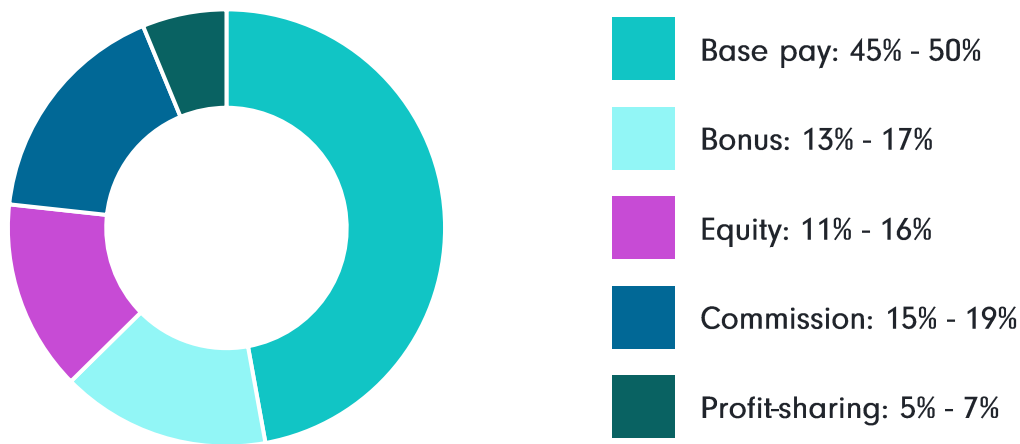


Benefits - executive-level benefits, such as health insurance, retirement plans, and other perks, are standard components of a CRO's compensation package.



Profit-sharing - some companies may offer profit-sharing arrangements, enabling the CRO to share in the company's overall success.

Potential allocation of total pay for a CRO



Source: Glassdoor, July 2023, FISV analysis of 15 companies and their CRO's total percentage pay.

Leveraging equity

Along with salary, it is critical to conduct realistic calculations around what your candidate is prepared to accept in terms of equity. Ensuring you have a competitive equity offering is an important lever in creating an attractive compensation package. It is important to ensure that candidates understand, and are motivated by the equity being offered. It's often helpful to visualise this and show them how the proportion of shares on offer can convert at different stages of the business's valuation to bring the equity offering to life and ensure the CRO feels personally invested in the company's outcomes.

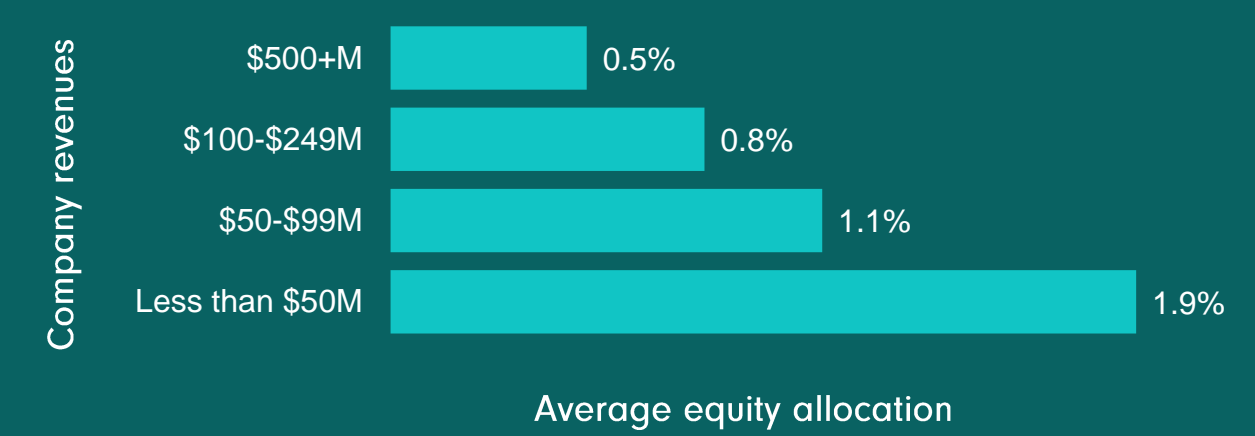


“You need to create the right story around your equity but also convince those who are investing their time in building your business that the return on that time is realistic, achievable, and not horribly underwater at the start of their journey with you.”

- Maria Josife, Partner, Erevena

When it comes to figures around equity, as with salary, this can vary but will most often range from 0.5% to 2% of the total pool. As the value of the company grows, there is a natural reduction in the percentage of equity allocation, hence joining a company at the right stage to capture that growth and upside can be a critical consideration for sales leaders.

Grasping the less obvious benefits concealed within your option scheme and understanding their impact on negotiations will give you a substantial edge in navigating equity-related discussions. Factors like a low strike price, total speed-up clauses, extended time frames for equity purchase, and advantageous tax schemes can sway negotiations in your favour. It's worth noting that the conditions surrounding equity in the US may differ significantly, with higher strike prices being common. Consequently, for European companies, even lower total amounts could translate to higher total value when compared to the US market.



Source: The Bridge Group, Characteristics and Comp research. Data from 145+ senior tech sales leaders, 2019.

The CRO (along with the VP Sales) is often the highest-paid member of an executive team, and often their total compensation can feel like a challenging pill to swallow for founders. However, the role the right CRO can play in bolstering revenue growth and effectively leading large teams should not be underestimated. When the negative impact of having a suboptimal revenue team for extended periods is considered, investing slightly more in compensation or salary for the right candidate and being flexible to their requests can save significant costs in the long run.

It's important to re-emphasise that these figures are not fixed and that actual compensation packages can vary widely, so you should be ready to negotiate, particularly when recruiting highly sought-after candidates or those with unique expertise in their industry.

For the most current and accurate information about a Chief Revenue Officer's salary and total compensation, utilise benchmarks that are specific to your region and industry where possible and engage with executive recruiters or HR professionals familiar with compensation trends in your region and industry.

“

“It’s a moment to really understand what someone’s motivations are, and also see where their research went and how deeply they care about the opportunity in front of them. Is it just about the OTE or do they really care about the mission of the company and they want to be a part of building?”

- Lori Jimenez, CRO, WorkRamp⁷

05. Onboarding

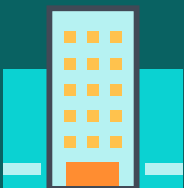
One of the downsides of stakeholder exposure during the interview process is the stakeholder spotlight in the first 100 days. It is important to set your hired candidate up for success so that they can hit the ground running but also ensure a degree of realism regarding pipeline durations, win rates, client churn, team construction and up-skilling time. Recognise that multiple parties and even departments will be involved in achieving goals (e.g., marketing, pre-sales engineering, CSMs) and allow for time to flight.



“The reality of joining a scale-up business is that onboarding tends to be self-led. You have to be where you are needed to be most effective. That said, working with someone who knows the business well and can help set up 1:1s with key influencers is helpful.”

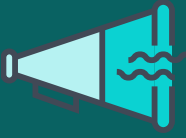
- Chris Pennington, CRO, SteelEye

A comprehensive onboarding process will involve internal and external discovery:



Internal

- Stay within the company's internal environment for the first 90 days, ask questions, and be in listening mode
- Engage with individuals across different departments, including investing significant time with the product, engineering, and marketing teams to understand their operational dynamics and identify potential gaps
- Gain a comprehensive understanding of the organisation's functioning, tooling and available talent
- Establish a bottom-up perspective to comprehend growth targets for the first year and adjust the strategy accordingly



External

- Accompany the Founder / CEO and any current sales leaders on sales calls and optimise the pitch
- Seek opportunities to converse with customers
- Ascertain customers' crucial priorities and the operational adjustments required to fulfil their needs
- Interact with numerous customers to identify their primary challenges and align product value with their needs

Laying the foundations

Hiring a CRO goes beyond simply identifying the right candidate with the right skills and experience. Organisations should lay the right foundations during the recruitment process so that they can facilitate a smooth transition for the incoming CRO that provides them with the right resources and support. This will help to ensure seamless integration and maximise the CRO's potential impact from day one.

Tips for setting strong foundations:

- Define clear objectives and expectations
- Establish open lines of communication
- Provide a supportive infrastructure
- Take time to explain the organisational structure and product
- Provide history so the CRO can understand the context they are coming into
- Provide tech-enablement opportunities to the CRO
- Account for team building when setting a 'ramp up' time



"In the role, success depended on getting the foundations right – setting up an effective revenue operations function to ensure we had data coverage, could ensure consistent forecasting, and had defined roles and accountability across the team. Once we had established sales patterns, processes and rituals, we were able to create content and best practice training."

- James Ireson, CRO, Funnel

Revenue operations also play a crucial role in ensuring the alignment of individuals, processes, and data. This alignment enables the Chief Revenue Officer (CRO) to establish the necessary level of accountability and predictability to effectively scale revenue growth.

1. Discovery



"It's a factory; if you don't understand your factory, it will not be a lean and effective factory. If it's not lean and effective, you'll never optimise for scale, unit economics, repeatability and scalability."

- Eamon O'Dwyer, Venture Partner, Fidelity International Strategic Ventures

2. Data

"Phase two was to drill into the pipeline and investigate buyer intent and propensity to buy. Until you have the basic infrastructure in place and can rely on your data, you are in a situation of garbage in, garbage out."

- Chris Pennington, CRO, SteelEye



3. Segmentation



"Only after the sales process and customer personas are well understood should you consider segmenting your sales approach by customer or geography. Once you know more about your customer usage, you can hire specialists, tier pricing and seek to capture new revenue."

- James Ireson, CRO, Funnel

06. Final thoughts

While the process of finding the right CRO may require considerable effort, taking time to understand the specific needs of your business and conducting a thorough recruitment process is an investment that is well worth making.

The founder and those hiring need to take the time to fully understand the role and its deliverables before they commence the search process. The right CRO is able to transform an organisations revenue generation, fuel sales innovation and have an impact on company culture that goes well beyond the sales team alone.

When negotiating the pay package, making sure that you understand the industry norms and candidate expectations and ensuring that you are leveraging equity effectively will help secure top-tier talent for the position. Balancing competitive compensation with a long-term value proposition will lead to a successful and mutually beneficial recruitment process.

In conclusion, when hiring a CRO, organisations should recognise the value for money that comes with selecting the right candidate. By putting in the effort to find, hire and effectively onboard an exceptional CRO, companies are far better positioned to drive long-term success and revenue growth.

With thanks to

Our advisors:

- James Ireson, CRO, Funnel
- Maria Josife, Partner, Erevena
- Eamon O'Dwyer, Venture Partner, Fidelity International Strategic Ventures
- Chris Pennington, CRO, SteelEye
- Jennifer Bers, CRO, Unbabel
- Alistair Fraser, CEO & Founder, Justly

Additional data and information contributions from:

- The Ravio team
- James Burrows and The Up Group



For any questions, please reach out to [Laura Atterwill](#)

Sources

- 1) Erevena, Founder's Guide to Hiring your First Chief Revenue Officer. 2022 (<https://www.erevena.com/wp-content/uploads/2022/11/Download-the-guide.pdf>)
- 2) Warwick Business School Behavioural Science Group interview with Rory Sutherland (https://warwick.ac.uk/fac/soc/wbs/subjects/bsci/events/spudm_2021/keynote_speakers/spudm_rory_sutherland.mp4)
- 3) Michael McBride quoted in the Founders Circle Capital, The CRO Hiring Playbook, 2022 ([The CRO Hiring Playbook - Founders Circle Capital](#))
- 4) Stephen Covey, Trust and Inspire: How Truly Great Leaders Unleash Greatness in Others, April 2022
- 5) Salesforce, 5 Traits of Game-Changing Chief Revenue Officers (<https://www.salesforce.com/resources/articles/traits-of-a-chief-revenue-officer/>)
- 6) MIT Sloan Career Development Office, Venture Capital Executive Compensation Survey, 2022 (<https://cdo.mit.edu/blog/2022/10/20/2022-venture-capital-executive-compensation-survey/>)
- 7) The Twenty Minute VC, Why The Founder Has To Be The One To Create The Sales Playbook, When To Hire Your First Rep, Why Junior is Better Than Senior, How to Manage Sales Rep Compensation, How To Onboard New Sales Reps and more with Lori Jimenez, CRO @ WorkRamp, August 2023 (<https://www.thetwentyminutevc.com/lori-jimenez/>)

-
- Cover image by Feepik (<https://www.freepik.com>)
 - Datasets from Ravio, 2023 (<https://ravio.com>)
 - Sales Hacker, How to Build Effective Sales Compensation Plans for Any Customer Facing Role, 2021 (<https://www.saleshacker.com/sales-compensation-plan-blueprint/>)
 - The Bridge Group, CRO Compensation Research Report, 2019 ([CRO Compensation Report \(bridgegroupinc.com\)](#))
 - Glassdoor (<https://www.glassdoor.com>)