



GUIDE:

HOW INVESTORS HELP
PORTFOLIO COMPANIES
HIRE THE RIGHT CRO

INTRODUCTION

A portfolio company’s Chief Revenue Officer plays a critical role in navigating sales challenges at each stage of company growth. The ability to recruit and hire the right person to fill the CRO role means you’re building a foundation for a sales team that can deliver a competitive advantage in the marketplace.

Your leadership team should have clarity around the right set of skills, experience and characteristics to look for. You’ll also need to have well defined expectations for the role and performance metrics that are aligned with the specific growth goals of the company.

We’ve outlined some key characteristics companies should consider in selecting a CRO at each stage of revenue growth.

SMB	MID-MARKET	ENTERPRISE
Startup	Foundation	Expansion
A, B, C	B, C, D, Public	B, C, D, Public & Private (Has Subsidiaries)
<p>THE CRO’S GOAL: Define and align a value-based organizational message and operationalize it at the rep level.</p>	<p>THE CRO’S GOAL: Equip the entire customer-facing organization to efficiently qualify, progress and close sales opportunities.</p>	<p>THE CRO’S GOAL: Define new opportunities to drive aggressive, expansion-stage revenue growth.</p>
<p>CRO KEY CHARACTERISTICS:</p> <ul style="list-style-type: none"> • Focuses on value • Defines the right markets • Uses a startup mentality 	<p>CRO KEY CHARACTERISTICS:</p> <ul style="list-style-type: none"> • Methodical about process creation • Understands accountability at all levels (reps, managers, leaders) • Leads from the front 	<p>CRO KEY CHARACTERISTICS:</p> <ul style="list-style-type: none"> • Strategic at identifying new markets and needs aligning them to solutions • Focuses on pipeline and instills voracious qualification tactics • Uses quantitative sales results and research

STARTUP PHASES OF GROWTH: A, B, C STAGE COMPANIES

AREAS OF GREATEST IMPACT:

Most portfolio companies see the biggest impact on revenue when they establish a buyer-focused sales message and operationalize it in a scalable fashion. CROs with an early focus on alignment will provide a strong and consistent sales message that builds seller confidence and enables their sales team to grow. This focus also ensures that new sellers will get up to speed more quickly and make a positive contribution to revenue.

THE CRO'S GOAL: Define and align a value-based organizational message and operationalize it at the rep level.

CRO KEY CHARACTERISTICS:

- **Focuses on value**
 - Translates product knowledge and features into customer value and differentiation
 - Focuses on aligning company leaders on value-based positioning
 - Identifies customer pain points from an outside-in perspective
- **Defines the right markets**
 - Sees products/demos as a way to align specific solutions to specific customer problems (vs. features to sell in every deal)
 - Has previous experience developing segmented go-to-market strategies
- **Uses a start-up mentality**
 - Able to navigate challenges and manage in uncertainty
 - Familiar with product management and marketing
 - Willing and ready to work differently than a typical CRO with established products

CHARACTERISTICS FOR CAREFUL CONSIDERATION:

Pay careful attention to the experience and mindset your candidates bring in these areas:

- **Senior/seasoned leader:** A seasoned candidate with years of corporate experience may bring great strengths to the interview. Make sure you remember that in a corporate setting, this person is used to leading from the top - likely with a large sales organization made up of sales managers, a sales operations team and reps. Make sure they are ready to wear multiple hats on a smaller team and will roll up their sleeves to take on additional responsibilities they may not have had to perform in their corporate CRO roles.
- **Go-to-market (GTM) strategy experience:** During early stages of growth, the CRO plays a large role in not only establishing a go-to-market strategy, but in doing the hard work to ensure it will be successful. Look for a CRO candidate who (1) has enough GTM experience to incorporate critical elements of a value messaging framework, and (2) knows how to customize it's execution in a way that is specific to your portfolio company.

FOUNDATION PHASE OF GROWTH: B, C, D & PUBLIC COMPANIES

AREAS OF GREATEST IMPACT:

CROs who join a company with more established products and messages will most likely turn their attention to operationalizing sales execution to help their teams work smarter and faster. CROs in this growth stage will focus on finding and implementing scalable ways to improve sales execution with the goal of making it easier for the salespeople to get in front of the right buyers, qualify deals faster, and consistently forecast sales.

THE CRO'S GOAL: Equip the entire customer-facing organization to efficiently qualify, progress and close sales opportunities.

CRO KEY CHARACTERISTICS:

- **Methodical about process creation**
 - Sees the need for creating a common language for what success looks like across various internal sales processes (qualification, forecasting, territory planning, talent)
 - Focuses on the longer-term horizon (building healthy pipelines, continuously)
 - Realizes an immediate need to move away from living at the forecast level
- **Understands accountability at all levels (reps, managers, leaders)**
 - Drives accountability with action and growth
 - Reinforces sales process initiatives with an effective management cadence
 - Provides strong leadership, coaching and support
- **Leads from the front**
 - Can communicate their vision and how they plan to get there
 - Sees the critical importance of leading by example
 - Knows accountability starts with leaders

CHARACTERISTICS FOR CAREFUL CONSIDERATION:

Pay careful attention to the experience and mindset your candidates bring in these areas:

- **Process development experience:** If a CRO candidate only knows how to operate a blueprint for success, but doesn't know how to develop standardized processes, then they're not qualified. A mid-market portfolio company benefits from a leader who can work in a less structured environment and lay out the foundations of the company's first scalable sales processes
- **Industry experience versus sales experience:** Don't let industry experience compensate for a lack in sales experience. Often mid-market leaders put too much emphasis on a CRO candidate's industry experience and miss real weaknesses in their sales leadership abilities. Industry experience does not necessarily incorporate all of the other strengths that are required from a mid-level CRO

LARGE-SCALE EXPANSION PHASE OF GROWTH: B, C, D, PUBLIC & PRIVATE COMPANIES (HAS SUBSIDIARIES)

AREAS OF GREATEST IMPACT:

With a consistent message and sales processes in place sales leaders at large-scale companies have the unique opportunity to find additional revenue-driving opportunities. CROs in this environment are expected to find new markets (including global), industries and outlets that enable their sales organization to expand their ideal customer profile. In this stage sales leaders also have the opportunity to further refine their sales organization's ability to execute at high-margins, consistently.

THE CRO'S GOAL: Define new opportunities to drive aggressive, expansion-stage revenue growth.

CRO KEY CHARACTERISTICS:

- **Strategic at identifying new markets and needs and aligning them to solutions**
 - Consistently ensures product fit in new markets including GTM messages and sales processes
 - Finds ways for sales teams to execute repeatedly in new markets or new product segments
 - Implements new processes to improve cross sell and up sell
- **Focuses on pipeline and instills voracious qualification tactics**
 - Integrates a custom qualification process into the company to ensure [higher forecast accuracy](#)
 - Manages consistency of internal processes and works to ensure that qualification discipline is adopted by territory and front-line managers
 - Ensures leadership team has a clear picture of the revenue forecast
- **Uses quantitative sales results and research**
 - Utilizes quantitative results and research vs. relying solely on previous experience to make sales process decisions
 - Understands the importance of mapping industry trends to uncover new opportunities for growth
 - Identifies threats before they become larger issues

CHARACTERISTICS FOR CAREFUL CONSIDERATION:

Pay careful attention to the experience and mindset your candidates bring in these areas:

- **A leader who sticks with successful strategies used at their previous company:** An expansion-level CRO should always see the importance of assessing external and internal challenges before immediately moving forward with a “big success idea” from a previous position. They need to be able to think outside of the box, which means the CRO should see the importance of adopting solutions and processes customized to their organization.
- **A leader who considers off-the-shelf sales methodologies, content and training:** Investors and C-suite executives know that customization and on-going reinforcement is key to repeatable success. It's the CRO's responsibility to develop (or find a partner who can support the development of) sales processes and content that are customizable to their solutions and markets, yet scalable to operationalize at national and global levels.



SUPPORT PORTFOLIO COMPANIES AT EVERY STAGE OF GROWTH

Find an experienced partner who can help your portfolio company leaders develop a successful sales strategy and execute on it.

LET'S TALK