



SCALING YOUR TECHNICAL & GO TO MARKET TEAM

The Founder's Guide to Building and Leading Teams from 0 to 1,000

Key Takeaways by Guillermo Flor



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8. SCALING YOUR TECHNICAL TEAM

BUILD IN SQUADS

Create and empower squads

Recognize the limits of the squad model at scale

Recognize that squads are not static

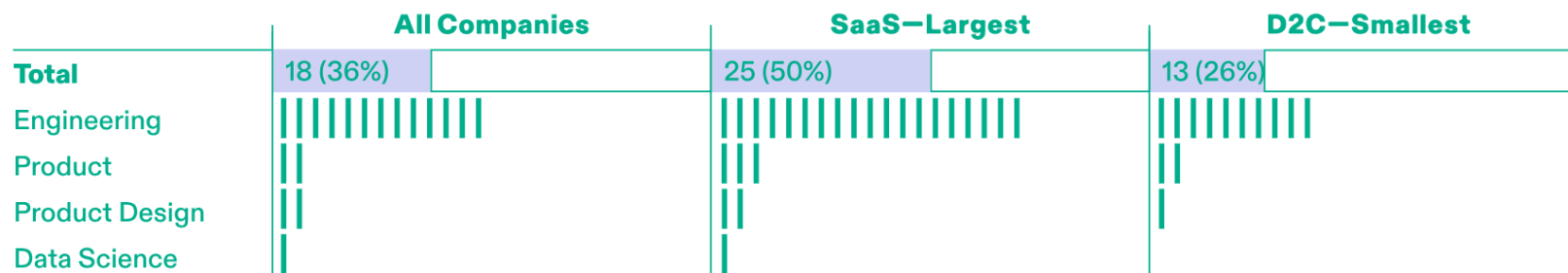
Expect your technical team to shrink in relative terms

Balance levels of experience

Take a long-term view on ROI

Take active steps to sustain innovation

TYPICAL TECHNICAL TEAM COMPOSITION BY COMPANY HEADCOUNT OF 50



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8. SCALING YOUR TECHNICAL TEAM

ENGINEERING

How to hire in the early days

Bring in engineering specialists as you scale

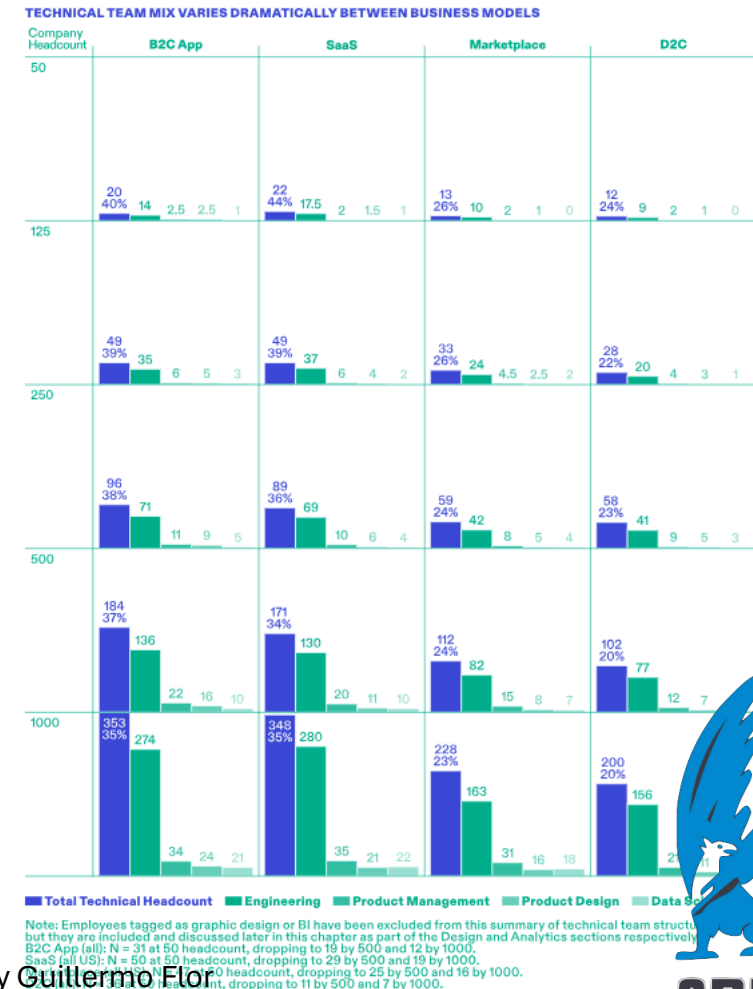
But avoid over-specialization

Find engineers who are effective people managers

Be thoughtful about engineering leadership

Create an engineering metrics dashboard

Open secondary engineering centers



8. SCALING YOUR TECHNICAL TEAM

PRODUCT

At the start, you are the product manager

Understand why you need product managers

Some founders are drawn to the Stripe approach to product management: Stripe had zero PMs until total headcount was over 250, with engineers instead taking full responsibility for designing and implementing new features as “product engineers”.

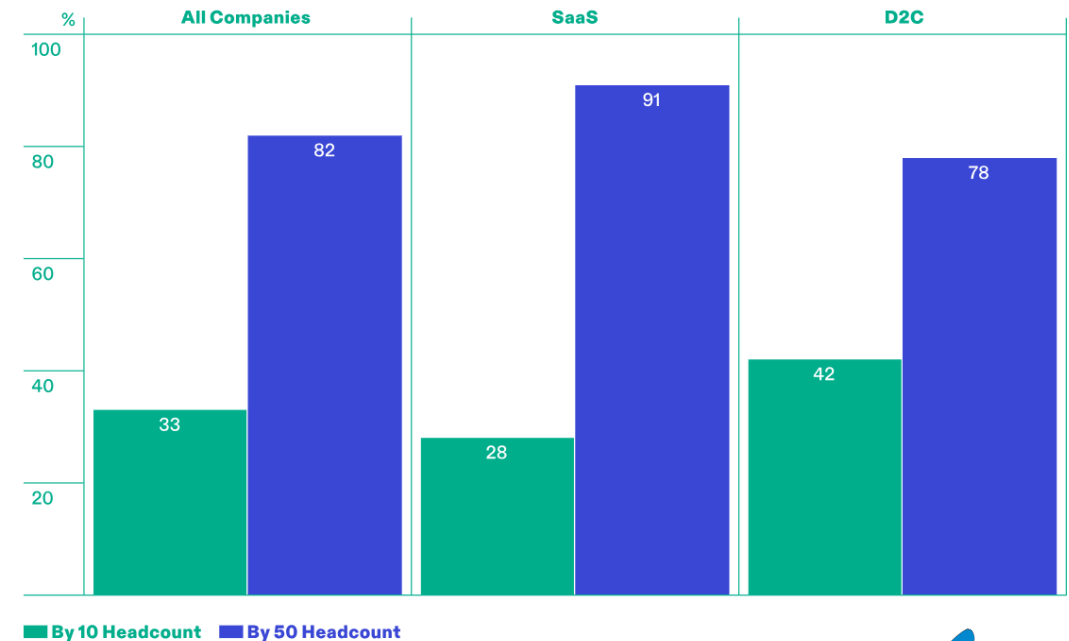
First hire a technical product manager

Generally, we recommend that your first PM has a technical orientation, so that they can actively problem-solve with your engineering team

Steadily delegate product leadership to others

The pace at which founders hand over the reins for product decisions depends on your interest and capabilities.

D2C BUSINESSES ARE MOST LIKELY TO HIRE A PRODUCT MANAGER SUPER EARLY
PERCENTAGE OF STARTUPS HIRING A PRODUCT MANAGER



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8. SCALING YOUR TECHNICAL TEAM

DESIGN

Decide if design is core or secondary

Users today have much higher expectations (both explicit and implicit) about ease of product use and product delight.

Founders are recognizing this and adopting a stronger design-centric approach to both product and brand.

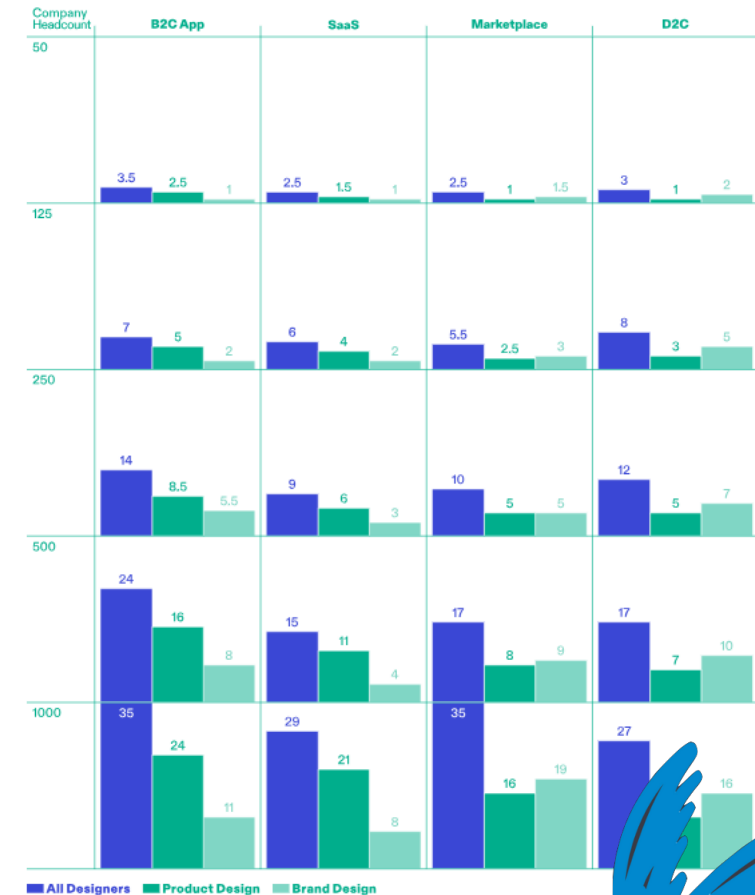
Hire a designer that can code

Your first design hire must also be able to put on a developer hat.

As you scale, think about other branches of design

By the time you reach 50 headcount, you're likely to have hired a second or third designer.

DESIGN TEAM COMPOSITION LARGELY REFLECTS YOUR BUSINESS MODEL
DESIGN TEAM SIZE BY TOTAL HEADCOUNT AND BUSINESS MODEL



B2C App (all): N = 31 at 50 headcount, dropping to 19 by 500 and 12 by 1000.
SaaS (all US): N = 50 at 50 headcount, dropping to 29 by 500 and 19 by 1000.
Marketplace (all US): N = 47 at 50 headcount, dropping to 25 by 500 and 16 by 1000.
D2C (all): N = 36 at 50 headcount, dropping to 11 by 500 and 7 by 1000.

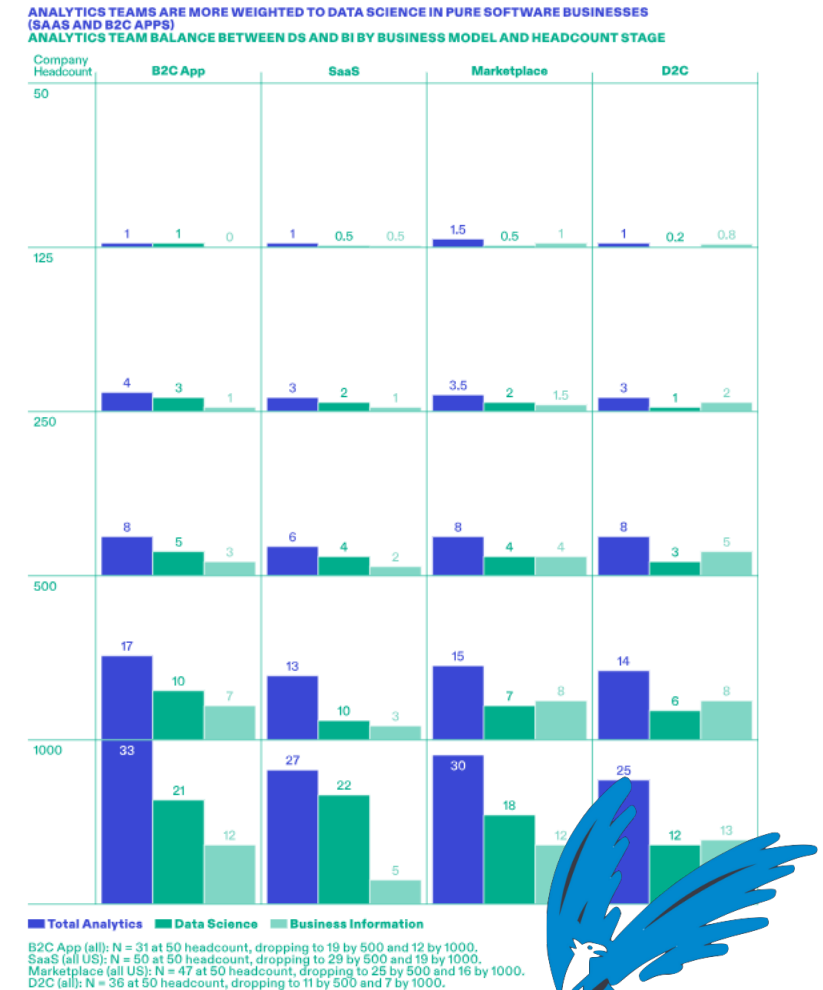


8. SCALING YOUR TECHNICAL TEAM

ANALYTICS

Analytics encompasses two areas that have previously been fairly distinct in terms of technical skills and therefore talent pools: **data science (DS)** and **business information (BI)**

In pure software companies (SaaS or B2C Apps) the need to organize, analyze and interpret product data is more pressing, and you're likely to hire a dedicated data scientist in your technical team by 50 headcount.



9. SCALING YOUR GTM TEAM

MARKETING

Appreciate both sides of marketing

Marketing probably encompasses more skill-sets than any other single function. The biggest tensions arise from the fact that you want marketing to achieve two distinct things:

- **Storytelling**—defining a category with your brand at its core
- **Revenue generation**—customer acquisition

HOW AND WHEN TO HIRE FOR PRODUCT MARKETING



9. SCALING YOUR GTM TEAM

SALES

Start off with founder-led sales

For the first year or two after you decide to start selling—\$0–1m annual recurring revenue (ARR), at least—founders should be **personally and heavily involved in sales activity**, for four reasons:

- Evangelizing**—When you have almost zero brand-recognition, the founder is the most effective spokesperson
- Senior buying audience**—Amplifying the first point, buyers in large companies will expect to speak to you as the founder
- Learning**—There's a huge amount of learning that comes from first-hand experience of how prospects respond to your proposition: product gaps, competitor insights, key objections raised, price resistance, buyer persona profiles, etc.
- Lack of alternatives**—You may be limited in the caliber of sales talent you can attract. Delegating precious customer leads to an unproven salesperson is ill-advised

Roles in your sales team will eventually be distributed between:

- Sales development representatives/ business development representatives (SDR/BDRs)**: responsible for finding new customers and generated leads
- Account executives (AEs)**: responsible for closing sales, and managing the relationship with an existing customer or customer
- Area or Regional VPs (AVP/RVPs)**: responsible for managing a pod of AEs
- Sales engineers (SEs)**: responsible for helping to close sales with technical assistance and assurances
- Sales operations (Sales Ops)**: analysts and planners who optimize sales effectiveness by doing tasks such as territory planning, quota setting, commission calculations and funnel analysis
- Sales enablement**: staff to provide your sales team with the training and collateral it needs to succeed



9. SCALING YOUR GTM TEAM

SALES

Experiment to find your ideal customer profile (ICP)

If you feel anxiety about becoming a salesperson, **reframe your mindset: You're running a set of experiments, not selling.** You're looking for evidence that will help you move closer to PMF, by testing hypotheses about:

- Who are our ideal customers?
- Where and how can we find them?
- How can we pitch them most effectively?
- What matters most to them?
- What benefits are they willing to pay for?

Once you're generating leads, recruit a sales pioneer, and as momentum builds, hire a Head of Sales

YOU NEED SPECIALIZED HIRES TO SUPERCHARGE SALES AND MANAGE COMPLEXITY AS YOU SCALE SAAS COMPANY ANALYSIS

| Company Headcount | 50 | 125 | 250 | 500 | 1000 |
|----------------------|-----------|----------|----------|----------|-----------|
| Sales Headcount | 6.5 (13%) | 17 (14%) | 41 (16%) | 87 (17%) | 219 (22%) |
| Sales Sub-Functions | | | | | |
| SDR/BDR | 2.5 | 6.5 | 15 | 32 | 48 |
| Sales/BizDev | 3 | 6.5 | 15 | 28 | 70 |
| Sales Engineering | 0.6 | 2 | 7 | 20 | 72 |
| Sales Ops/Enablement | 0.4 | 2 | 4 | 8 | 17 |

All US companies in our research founded since 2013.



9. SCALING YOUR GTM TEAM

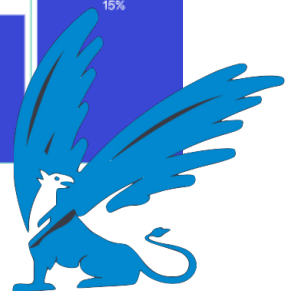
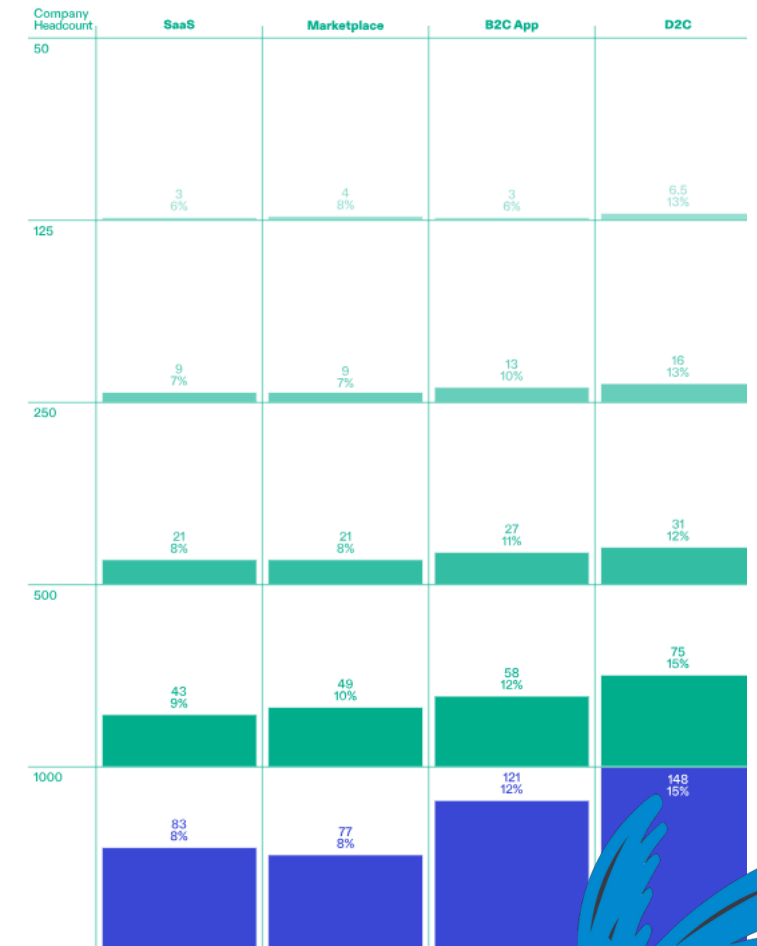
CUSTOMER SUCCESS AND CUSTOMER EXPERIENCE

At the start, look for a customer generalist

Customer engagement at scale is typically separated across three separate functions and roles:

- **Customer Experience (CX)**: reactive user support, addressing and solving problems; measured on user satisfaction and customer retention
- **Customer Success (CS)**: proactive user/ customer outreach to drive product adoption, onboarding and engagement, associated more with B2B than B2C; measured on logo retention and growth in account value
- **Community** (sitting within marketing): engagement with users through online channels (e.g. social media) and events, to generate goodwill, converting your users/ customers into brand advocates

CX TEAMS EXPAND FASTEST IN D2C AND B2C APPS
CX HEADCOUNT RELATIVE TO TOTAL HEADCOUNT AND BUSINESS MODEL



9. SCALING YOUR GTM TEAM

HIRE A CRO

Scope of responsibility for a CRO:

- Sales and CS functions
- GMs who own specific products or region
- Business development teams focused on distribution
- May also be responsible for CX
- Avoid making them responsible for marketing
- Becomes a trusted partner to the CEO, shaping company-wide strategic decisions, and often joining board meetings

THE PATHWAY TO APPOINTING A CRO
MOST SENIOR REVENUE LEADER BY HEADCOUNT IN SAAS (%)

| Company Headcount | CRO | VP Sales | Sales Director | Below Sales Director |
|-------------------|-----|----------|----------------|----------------------|
| 50 | 20 | 42 | 14 | 24 |
| 125 | 30 | 46 | 11 | 13 |
| 250 | 42 | 39 | 11 | 8 |
| 500 | 66 | 31 | 0 | 3 |
| 1000 | 79 | 16 | 5 | 0 |

All US companies in our research.
N = 50 at 50 headcount, dropping to 29 by 500 and 19 by 1000.



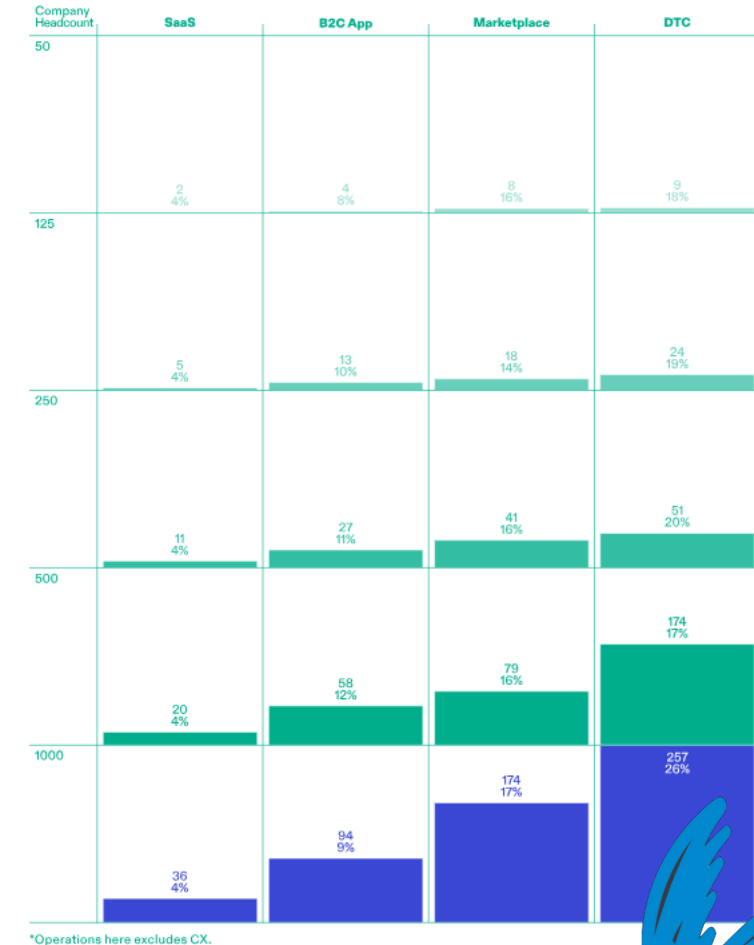
9. SCALING YOUR GTM TEAM

OPERATIONS

The size and composition of operations teams are heavily dependent upon your specific business model.

- D2C—manufacturing, logistics, warehousing, fulfillment, photography, retail
- Marketplace—supplier liaison, merchandising, logistics, photography, payments, fraud
- B2C App—community safety and moderation, in-house professionals (entirely sector-dependent: for example, nutritionists, personal trainers, therapists, physicians, interior designers)
- SaaS—payments, Know-Your-Customer (KYC) and Anti-Money Laundering (AML) verification (fintech)

OPERATIONS TEAMS EXPAND FASTEST IN D2C AND MARKETPLACES
OPERATIONS HEADCOUNT RELATIVE TO TOTAL HEADCOUNT AND BUSINESS MODEL



9. SCALING YOUR G&A TEAM

DON'T UNDERVALUE G&A TEAMS

Once upon a time, people in G&A roles (Finance, HR and Legal) were lumped together as being “risk-averse”—the folks who slow things down by saying no.

G&A functions are **crucial to success**. The two ingredients you need to keep scaling are financial capital and human capital.

G&A TEAMS GROW IN LINE WITH TOTAL COMPANY HEADCOUNT (%)

| Company Headcount | 50 | 125 | 250 | 500 | 1000 |
|--------------------|---------|----------|----------|----------|-----------|
| G&A Headcount | 7 (14%) | 18 (14%) | 37 (15%) | 73 (15%) | 142 (14%) |
| G&A Functions | | | | | |
| Recruiting | 1 | 3 | 7 | 16 | 30 |
| People/HR | 1 | 2 | 5 | 10 | 21 |
| Finance | 1 | 4 | 8 | 14 | 28 |
| Legal | 0 | 0.5 | 2 | 4 | 8 |
| Administration | 2 | 5 | 9 | 17 | 34 |
| BizOps/General Mgt | 2 | 3.5 | 6 | 13 | 22 |

All US companies in our research.
N=149 at 50 headcount, dropping to 77 by 500 and 49 by 1000.



10. CONCLUSIONS

- Tech startups exemplify human potential for innovation and collaboration.
- The book offers guidance for founders navigating chaos.
- AI advancements will reshape work, potentially increasing productivity.
- Expect AI tools to enhance various professional functions.
- AI may displace some headcount, particularly in CX and Operations.
- Remote work continues to shape organizational structures.
- Distributed teams are becoming more common.
- Talent scarcity and immigration constraints influence remote work trends.
- Despite technological advancements, effective team management remains crucial.
- Founders must learn to navigate growth amidst unpredictability.





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