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What Makes a 'Superstar' Chief Revenue Officer in Private Equity

Perspectives from CEO's and Board Members

The Chief Revenue Officer (CRO) is increasingly one of the most impactful value-creation positions in a private equity - backed company. It's a multi-dimensional role, and it's not just about driving a sales team to hit quarterly revenue targets.

Special thanks to the following individuals for their insights and contributions:

Jim Whitehurst, Advisor for Silver Lake, former President of IBM, former CEO of Redhat

Tracy Keogh, Chief People Officer and Growth Partner for Great Hill Partners, and former Chief Human Resources Officer of Hewlett Packard

Kim Eaton, Operating Managing Director for Vista Equity Partners, former CEO and Chairperson of Aptean

Ed Jennings, CEO of Quickbase and Board Advisor to Ten Eleven Ventures

Scott Ernst, CEO of Drift and former Board Member of Massachusetts Innovation and Technology Exchange

Ned Leutz, Go-to-Market Operating Partner for Great Hill Partners

It's the most important seat at the table in setting the strategy of the company. CROs aren't just there to deliver a number. They need to recognize how they shape the environment, how they evolve the organization and how they shape product direction.

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-Jim Whitehurst

What sets a 'superstar' CRO apart from a 'good' CRO?

Key Theme #1: Strategic Thinking

A superstar CRO must not only execute flawlessly on the day-to-day activities to ensure the quarterly numbers are consistently achieved, they must operate at a strategic level. They are constantly identifying and assessing market shifts, emerging changes in buyer behavior and needs, and changes in the competitive landscape. It's part of their DNA to always be seeking information that will impact the go-to-market (GTM) strategy, and not only seek that information, but act on it.



Jim Whitehurst

"A good CRO can sell a whole lot of widgets, and that's great. But if you have someone who can also bring strategic acumen, they are such a better partner to the CEO and board. You want someone who has a pulse on customer and where the market is going and can be trusted to make changes to our go-to-market strategy. You want someone who says 'I can hit my numbers, but here are the 15 things we need to do structurally to better configure ourselves for future success'. Someone who can do both makes them a superstar CRO. It's tough to do both: the broader strategic thinking and driving the no excuses mentality to hit the numbers this quarter and next quarter."

Scott Ernst

"They need to straddle the line between strategic and tactical. You need the CRO to be strategic in designing the GTM motion – everything from how you price, package, what GTM segments we're going after, maintaining command of the message, and scaling the team for example."

Ed Jennings

"Superstar CROs are architects and system thinkers. They are always thinking about future opportunities; new geographies, new channel models, how to address multiple markets from SMB to mid-market to enterprise, etc. They think about the strategy and system they are building, the leadership model, and the GTM operations model. The purview is now much broader, and they think ahead about what the organization will need to do differently in the future as it scales."

What sets a 'superstar' CRO apart from a 'good' CRO?

Key Theme #2: Team Building

Superstar CROs spend significant time and energy assessing, coaching, developing, and recruiting the best GTM teams. They understand the need to actively lead these processes themselves; not relying solely on other functions. Driving cohesion within and across the GTM teams is critical. The best CROs ensure that all team members understand and are aligned on the key priorities, and they ensure the linkages between the GTM teams support this alignment.



Kim Eaton

"Their ability to attract, retain, coach-up and challenge the A-team is the most important thing. The best CROs that I have seen that have sustained that performance over time really understand the importance of getting the best team onboard, and they actively recruit their team. They are constantly creating that cycle of getting the best team in place. This is the one thing that separates the top performers."

Ned Leutz

"Team building and driving cohesion and alignment within the team are the most important. Sales, marketing, and customer success need to live in harmony, and the CRO needs to drive that harmony."

Tracy Keogh

"They need to have a holistic view of the function and know how to bring it together in an integrated way. Education and driving clarity of the mission across all the GTM functions is critical, otherwise you get to a point where people are at cross-purposes, and it can become a very blame filled environment."

Scott Ernst

"They need to inspire and motivate the team with the vision for what we're doing, and they need to be in the field to lead the team from the front."

What are the most important attributes of a 'superstar' CRO?

Key Theme #1: Keen Data Inspectors

Increasingly, the most effective CROs understand the criticality of leveraging data to make executionary and strategic decisions. The days of relying on gut instinct and past experiences are over. The best CRO's are very "data-literate"; know what data is needed to make the right decisions; how to get that data; and how to interpret it. Data inspection covers areas such as team performance, pipeline analytics, market coverage ratios, and customer buying patterns. Superstar CROs also spend considerable time analyzing strategic leading data indicators to identify changes in market dynamics and prepare the organization in advance for that change.



Ned Leutz

"Data fluency is critical and increases in importance as the company grows. They need to know what data to get, where to get it, how to organize it, and how to monitor and interpret it. As the numbers get bigger, some of the data signals can become big problems fast. The first thing they do in the morning is look at their key dashboards, and if anything is red or yellow, they look at the sub-dashboards and keep drilling down until they understand what's happening in real-time, so they can address it quickly. To even get the dashboards built, you have to know where to even get the data, which brings up the criticality of having command of a strong rev ops motion."

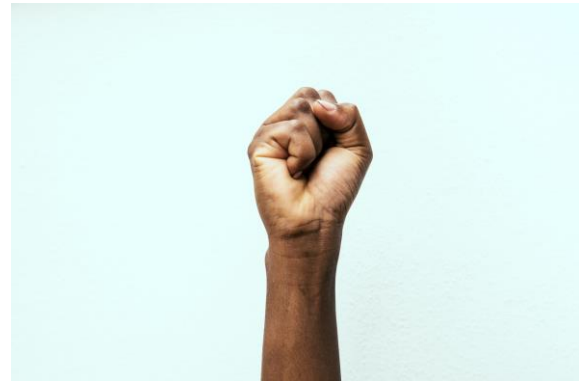
Kim Eaton

"The CRO role has evolved. It's critical to be much more data-driven and much more strategically analytical. They know what data to look at, and they make data-driven decisions with the right speed and velocity. Superstar CROs are great inspectors of data, and they use that inspection to be great teachers and coaches."

What are the most important attributes of a 'superstar' CRO?

Key Theme #2: Competitive & Resilient

An unrelenting passion for winning, combined with the drive and resiliency to overcome significant challenges with confidence, mark the profile of the superstar CRO. They have this mentality and the supporting capabilities, not only within themselves, but they imbue this mindset throughout their teams.



Tracy Keogh

"They are never satisfied, and they have an unbelievable drive, grit and determination. They have an ability to see around corners, and when things go wrong, they dig down and keep going and deliver the quarter. They don't take no for an answer. If someone else is winning, they don't get dissuaded, they figure out another way to get the deal."

Kim Eaton

"They are super competitive. They have to want to win."

Scott Ernst

"They have an athlete's mentality in two ways. One they are super competitive, and two they are resilient. They don't get stuck when everything is not going perfectly. They say 'there are some things we need to learn, and we're going to do that and get better.'"

What are the most important attributes of a 'superstar' CRO?

Key Theme #3: Self Aware & Curious

While confidence and being obsessed with winning are critical, the best CROs are also acutely self-aware and curious. They understand and acknowledge their own weaknesses, and they actively work to improve those areas, and constructing a team with compensating strengths in those areas. Self-awareness manifests in a natural curiosity and a genuine desire to learn and to use that knowledge to ensure the GTM organization is leading-edge.



Ed Jennings

"Humble, but humble does not mean 'meek'. You need someone who can look in the face of scary quarters with a sense of confidence and boldness, but there needs to be an openness to learning and listening. They want to get better and want their teams to get better. They are students of the game. The journey of selling is different today than it was 3 years ago. If they are not constantly learning about new transactional models, new ways of demand generation, new ways of partnering, how to build trust with dynamic and changing buyer segments, they will not succeed. It's hard to find that self-aware person that's truly honest with themselves and understands their blind spots."

Kim Eaton

"Standout CROs are very self-aware. They need to know what their blind spots are and how to build the team around them."

Ned Leutz

"The best CROs are very curious. They have a genuine desire to learn, not only about customer needs, but also about how the other functions are working and what they are dealing with. They use this knowledge to then build alignment in a much deeper and meaningful way."

How do the most successful CRO's spend their time?

Key Themes: Customers + Talent Coaching + Stakeholder Relationships

First, being in front of key customers is paramount to strengthen relationships; identify emerging trends that may impact buying decisions and overall demand; and assess the effectiveness of the team serving these customers.

Second, they spend at least 25% of their time directly coaching and developing their team, and not just their direct reports.

Finally, the exceptional CROs devote considerable time developing relationships with key stakeholders, notably their peers. This peer-to-peer relationship development serves many benefits including, collaborating on potential shifts in the GTM strategy, and garnering swift support for key initiatives that require cross-functional alignment and coordination.



Scott Ernst

"There are four key parts to how they spend their time: 35% in front of customers, 25% developing their teams, 25% collaborating with the other members of the ELT, 15% stakeholder development and management - managing the CEO, the board, analysts, potential investors etc."

Tracy Keogh

"The most successful CRO spend a significant amount of time with customers. You need to get that voice of the customer to understand how they want to buy and how they want to be served. It's critical that they cycle that information back into the organization."

"Another key thing is spending time coaching their team. They need to be coaching their teams and growing the talent on their teams."

Ned Leutz

"The coaching piece is huge. Coaching is what allows you to take the team around the turn, and those coaching moments build trust, which is critical."

"Internal relationship building, or ally building is huge. A standout CRO will proactively spend time bringing valuable insights and support to their peers. You need this goodwill or 'deposits' so that when you ask for a 'withdrawal', you have immediate support from your peers."

Jim Whitehurst

"The best CROs are spending time developing their teams and growing talent and being in front of customers. There's nothing like it to be out there talking with customers. I assume my CRO is having 10-12 customer meetings every week. Then there is a quarter of the time spent on flawless execution. The fourth key area is strategy. They should be working with peers to think about things like product direction or new potential segments to go after."



Stay tuned for Part 2 of this discussion!

In our next installment of this conversation, we will explore common reasons why CRO's do not perform to expectations and key elements of the evaluation process when hiring a CRO.

Implications

'Superstar' CROs are very rare and hard to find, but their impact on the exit valuation is incredible. It takes a keen awareness of the elements of a true standout CRO and how to test for those elements in the evaluation process to find the best candidate who will align with and amplify the investment thesis.

Connect With Our Expert



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Dan Kieler is a Partner at JM Search and a member of the firm's Technology Practice and a leader in the Commercial Leaders practice. He specializes in C-level executive search engagements for early-stage, middle-market, and high-growth private and public technology companies.

Dan has 25+ years of experience helping companies achieve commercial success and building high-performing teams to accelerate revenue results, both as an "operator" and a go-to-market advisor to many PE firms and their portfolio companies.