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ICONIQ ANALYTICS & INSIGHTS
Go-to-Market Organization Structure

May 2021

ICONIQ Capital, LLC

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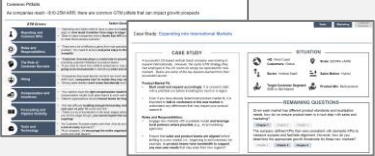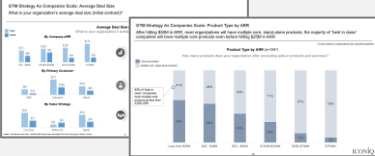
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ICONIQ Analytics & Insights – GTM Series

We are excited to dive into different GTM insights and benchmarks to cover these challenges across a series of chapters focused on GTM evolution, operating model, compensation, and processes

ICONIQ GROWTH ANALYTICS: GTM SERIES

GTM Series Introduction	• <u>Learnings & best practices</u>: What are some of the key hurdles companies face after reaching ~$10-25M ARR? • <u>Detailed case studies:</u> Case studies from different GTM SMEs across sales, marketing, and customer success walking through key challenges, approaches, and remaining questions	
Chapter 1: GTM Strategy & Evolution	• How does GTM strategy change as organizations scale? • How do companies evolve lead generation as they scale? How does average deal size change as a result? • How has COVID-19 impacted GTM strategies?	
Chapter 2: GTM Organization Structure	• How does GTM organization structure evolve over time? • Who is responsible for which decisions? • What does a "Best in Class" handoff between sales, marketing, and customer success teams look like?	***Focus of this study***
Chapter 3: GTM Compensation & Incentives	• How do you structure compensation and incentives to motivate and retain talent? • How does compensation and quota attainment vary based on business models? • What should rep productivity look like?	*June*
Chapter 4: GTM Processes & Enablers	• How do you create high fidelity to what opportunities are in the pipeline? • What KPIs should you track and report on? • What does an organization's GTM tech stack look like?	*July*

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Methodology and Respondent Make-Up

Firmographics

Methodology

- Results are based on an external survey conducted by ICONIQ Growth to 200+ GTM leaders across sales, marketing, and customer success

- All respondents are B2B SaaS companies based in the US, with ARR growth greater than 20%

- Certain values such as ARR were provided by respondents as ranges; for the purpose of this study, we have assigned numerical values

- All data is as of March 2021, unless indicated otherwise

- All n-sizes shown on subsequent pages are based on number of respondents who answered a question

- Function-specific questions were answered by individual executives in the specified function

Survey Respondent Make-Up

See GTM Chapter 1 (pages 4, 18-19) for the full survey respondent firmographics by customer type, sales motion, etc.

FUNCTIONS *(n = 194*)*

	Sales	Marketing	Customer Success
Total	**91**	**57**	**43**
(gray)	67	48	27
(blue)	24	9	16
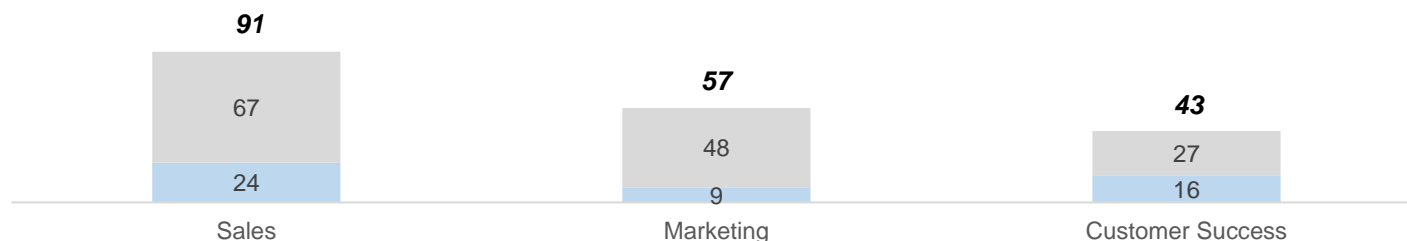
Companies defined as ""Best in Class"" companies in this dataset meet the following criteria:

- 2020 ending ARR > $10M

- 2020 YoY ARR growth > 30%

- 2020 annual net dollar retention > 110%

- 2020 annual gross dollar retention > 80%

- Full-time sales employees > 10 FTEs

- AE / Sales Rep quota attainment > 50%

- AE / Sales Rep attrition rate < 30%

""Best in Class"" Companies

"Best in Class" **26%**

All Other Companies **74%**
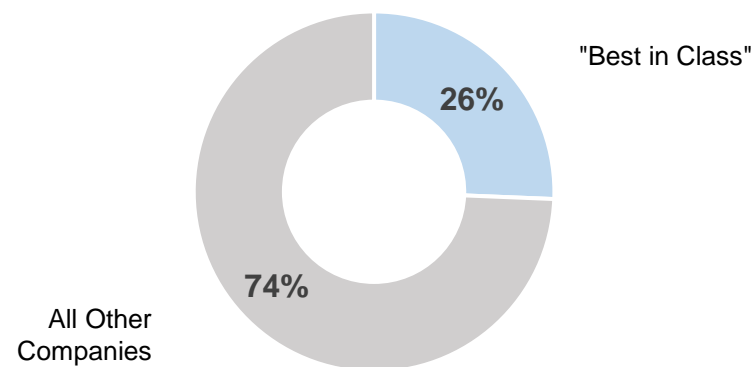
* Certain outliers with ARR > $250M and total FTEs > 1000 have been excluded from this chapter

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The Go-To-Market Organization

Leadership (e.g., CEO, CRO, CFO, etc.)
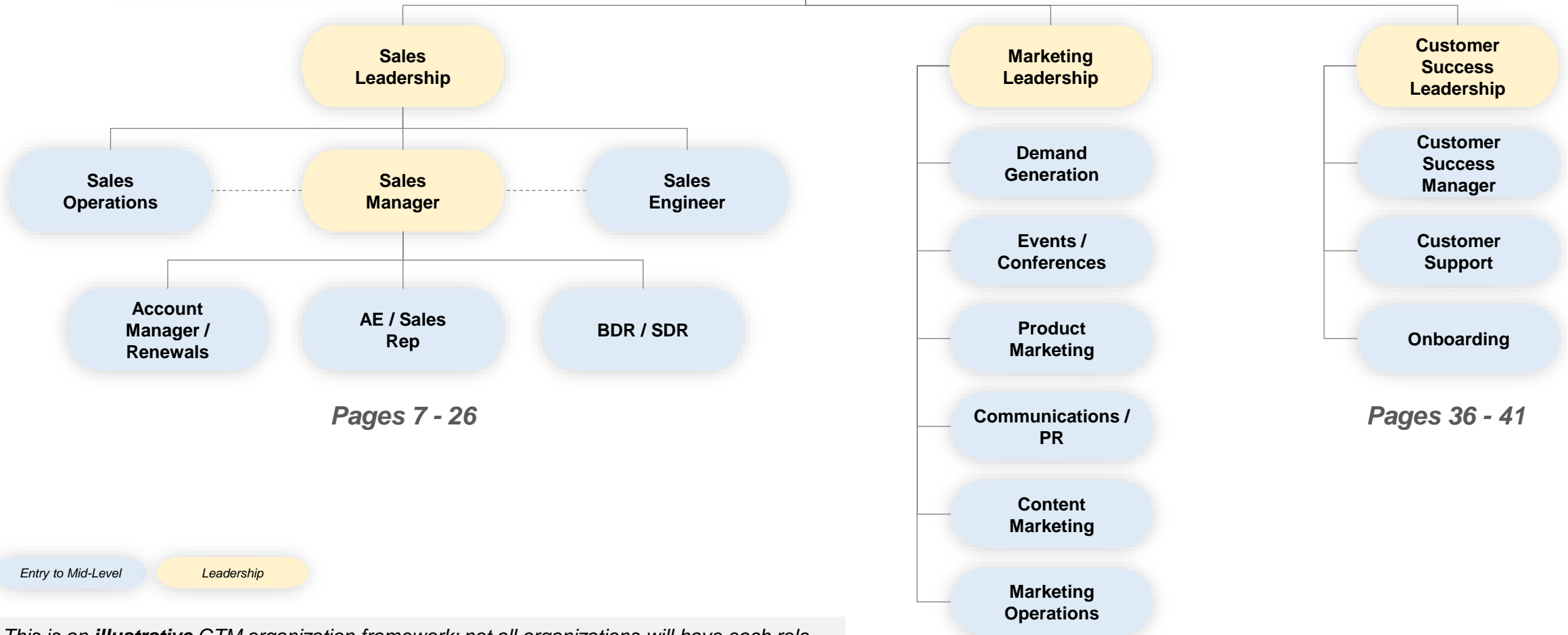
Sales Leadership

- **Sales Operations**
- **Sales Manager**
- **Sales Engineer**
  - **Account Manager / Renewals**
  - **AE / Sales Rep**
  - **BDR / SDR**

Pages 7 - 26

Marketing Leadership

- **Demand Generation**
- **Events / Conferences**
- **Product Marketing**
- **Communications / PR**
- **Content Marketing**
- **Marketing Operations**

Pages 27 - 35

Customer Success Leadership

- **Customer Success Manager**
- **Customer Support**
- **Onboarding**

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Entry to Mid-Level   *Leadership*

*This is an **illustrative** GTM organization framework; not all organizations will have each role shown here and some may benefit from a different reporting hierarchy than the one shown*

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Executive Summary

1 — Team Evolution as Companies Scale

- As organizations grow, we naturally tend to see **more complexity in the organization structure, with the addition of ancillary roles focused on operations, renewals, onboarding, etc.**
- **Front-line roles like AEs and BDR/SDRs tend to increase as a % of total headcount** as organizations grow and then **start to plateau after companies reach critical scale**
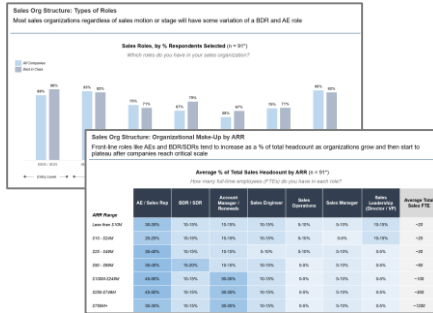- Annual **marketing spend as a % of ARR ranges from ~15% to 25%** for most companies
- **Marketing roles tend to see greater variation before a company reaches scale;** however, after companies hit $250M in ARR, most organizations will have marketing functions across product, content, operations, events / conferences, and communications / PR
- **After reaching $25M in ARR, many SaaS companies also start to introduce some type of productized customer support** (e.g., a paid / premium customer support tier)
- On average, **organizations add around 1 CSM for every $1-2M in ARR in the early stages**; as companies grow in scale, this ratio increases to around ~1 CSM for every $5M in ARR

2 — Team Structure, Tenure, & Productivity
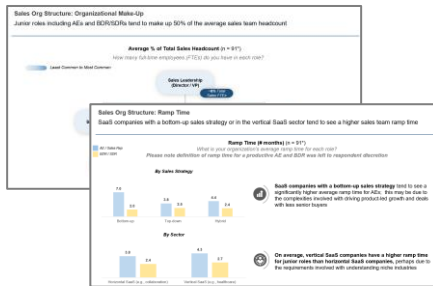
- **Org structure and territory assignment for sales teams are closely aligned**, with geography and customer size being the most common types of segmentation
- On average, **sales team annual attrition will fall within the 10-30% range** but will vary based on a company's scale, sales motion, sales strategy, and sector
- Average ramp time varies greatly across SaaS companies; for example, **companies with a bottom-up sales strategy or vertical SaaS companies tend to see a higher average ramp time**
- Most marketing organizations regardless of scale will **organize teams based on marketing type**; however, for **organizations with multiple products, we often also see product as another common type** of org segmentation

3 — Responsibilities & Handoffs
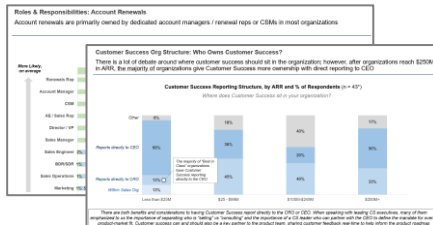
- **Account renewals are primarily owned by dedicated account managers / renewal reps or CSMs** in most organizations
- **Account expansion is primarily owned by account managers** (where organizations have one) **or AEs**, with CSMs always involved in the process
- After organizations reach $250M in ARR, we see **more organizations giving Customer Success more ownership with direct reporting to CEO**

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The Sales Organization

Leadership (e.g., CEO, CRO, CFO, etc.)

Sales Leadership

Sales Operations — **Sales Manager** — **Sales Engineer**

Account Manager / Renewals

AE / Sales Rep

BDR / SDR

Marketing Leadership

Demand Generation

Events / Conferences

Product Marketing

Communications / PR

Content Marketing

Marketing Operations

Customer Success Leadership

Customer Success Manager

Customer Support

Onboarding

Entry to Mid-Level   Leadership

*This is an **illustrative** GTM organization framework; not all organizations will have each role shown here and some may benefit from a different reporting hierarchy than the one shown*

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Sales Org Structure: Types of Roles

Most sales organizations regardless of sales motion or stage will have some variation of a BDR and AE role

Sales Roles, by % Respondents Selected (n = 91*)

Which roles do you have in your sales organization?

All Companies
""Best in Class""
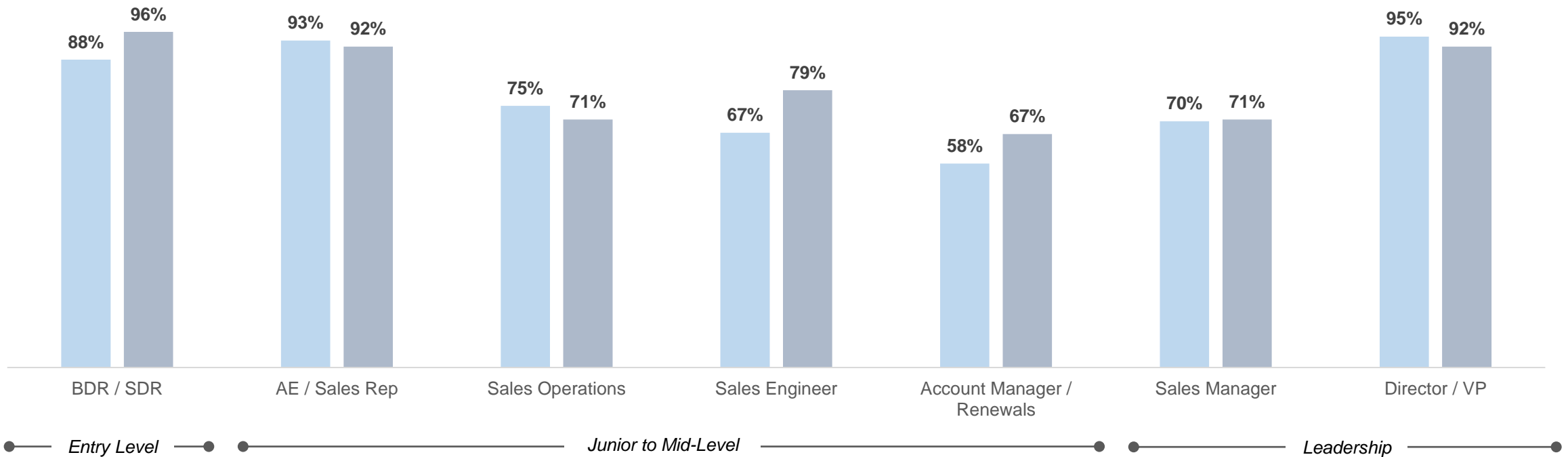
	BDR / SDR	AE / Sales Rep	Sales Operations	Sales Engineer	Account Manager / Renewals	Sales Manager	Director / VP
All Companies	88%	93%	75%	67%	58%	70%	95%
"Best in Class"	96%	92%	71%	79%	67%	71%	92%

Entry Level — Junior to Mid-Level — Leadership

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Sales Org Structure: Types of Roles over Time

As organizations grow, we tend to see more complexity in the organization and the addition of ancillary roles like Sales Operations or Renewals

Less Common Roles by ARR and % Respondents Selected (n = 91*)

Which roles do you have in your sales organization?

ARR Range	Sales Engineer	Sales Operations	Account Manager / Renewals	Sales Manager
Less than $25M	53%	44%	41%	53%
$25 - $99M	69%	90%	59%	69%
$100 - $249M	92%	100%	83%	100%
$250M+	75%	94%	75%	88%

* N-size based on sales executives who answered question

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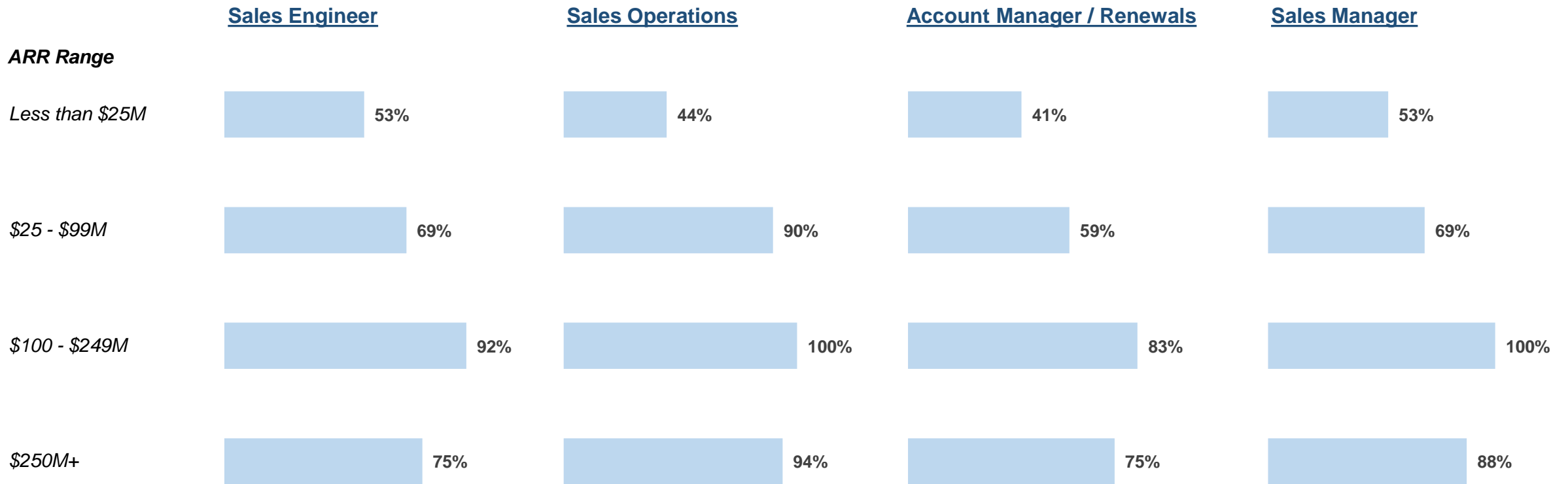
Sales Org Structure: Organizational Make-Up

Junior roles including AEs and BDR/SDRs tend to make up 50% of the average sales team headcount

Average % of Total Sales Headcount (n = 91*)

How many full-time employees (FTEs) do you have in each role?

Least Common to Most Common

Sales Leadership (Director / VP)
~6% Total Sales FTEs

Sales Operations
~6% Total Sales FTEs

Sales Manager
~7% Total Sales FTEs

Sales Engineer
~12% Total Sales FTEs

Account Manager / Renewals
~20% Total Sales FTEs

AE / Sales Rep
~35% Total Sales FTEs

BDR / SDR
~13% Total Sales FTEs

* N-size based on sales executives who answered question

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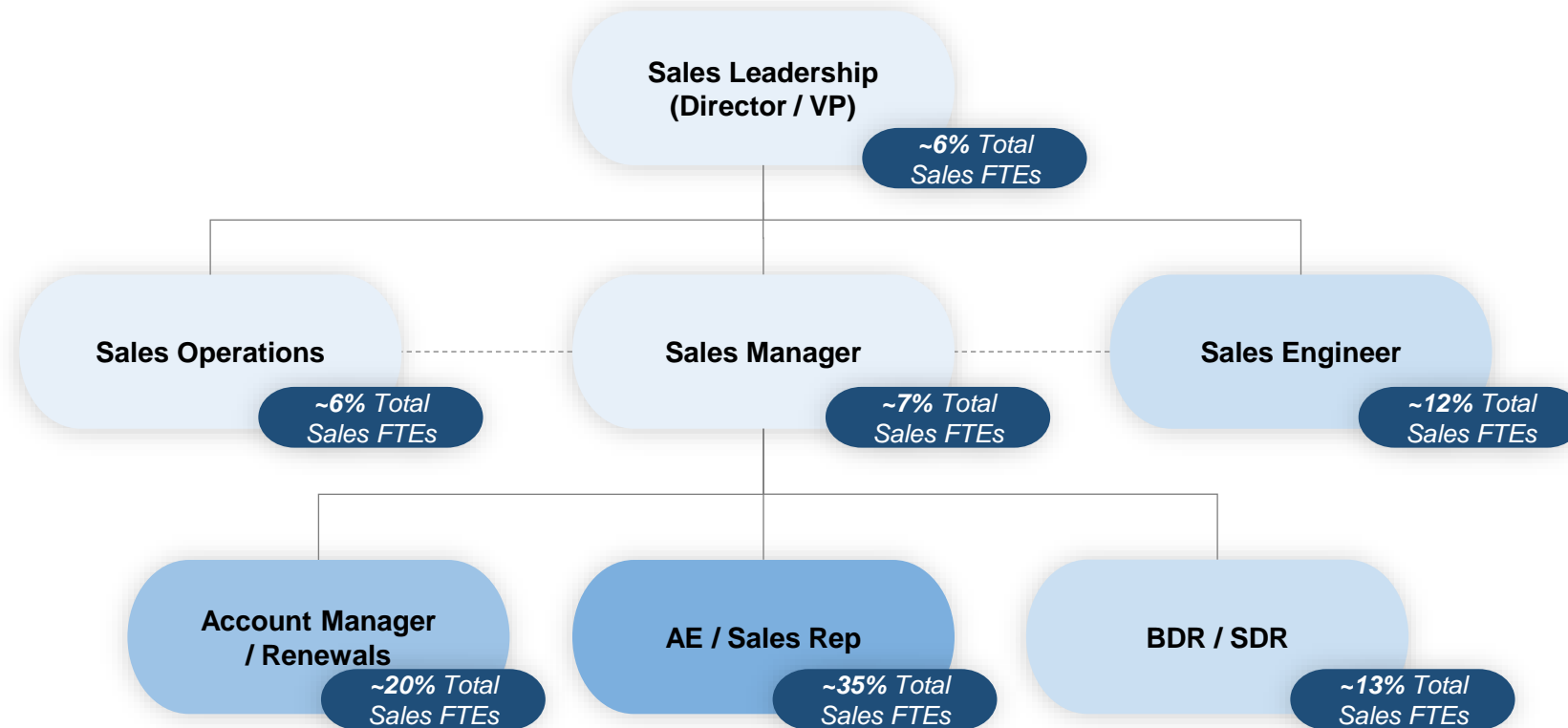
Sales Org Structure: Organizational Make-Up by ARR

Front-line roles like AEs and BDR/SDRs tend to increase as a % of total headcount as organizations grow and then start to plateau after companies reach critical scale

Note: % for "Best in Class" companies excluded given there was no major difference between values

Average % of Total Sales Headcount by ARR (n = 91*)

How many full-time employees (FTEs) do you have in each role?

ARR Range	AE / Sales Rep	BDR / SDR	Account Manager / Renewals	Sales Engineer	Sales Operations	Sales Manager	Sales Leadership (Director / VP)	Average Total Sales FTE
Less than $10M	30-35%	10-15%	10-15%	10-15%	5-10%	5-10%	10-15%	~20
$10 - $24M	20-25%	10-15%	10-15%	10-15%	5-10%	0-5%	10-15%	~20
$25 - $49M	35-40%	10-15%	10-15%	5-10%	5-10%	5-10%	0-5%	~30
$50 - $99M	35-40%	15-20%	10-15%	10-15%	0-5%	5-10%	0-5%	~50
$100M-$249M	45-50%	10-15%	30-35%	10-15%	0-5%	5-10%	0-5%	~100
$250M+	30-35%	10-15%	20-25%	10-15%	0-5%	5-10%	0-5%	~600

Increase in % of account managers / renewal reps may be driven by heightened focus on customer retention after companies reach $100M in ARR

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Sales Org Structure: AE Ratios

In general, SaaS companies with a primary field sales motion will see a higher ratio of AE to other sales roles

AE Ratios by Sales Motion and Scale (n = 91*)

How many full-time employees (FTEs) do you have in each role?

Legend:
- Field (light blue)
- Inside (green)
- Hybrid (grey)

ARR Range	AE : BDR	AE: Sales Engineer	AE : Sales Operations	AE: Account Management	AE: Sales Manager	AE: Sales Leadership
Less than $25M	3.0 / 1.9 / 1.4	2.0 / 5.4 / 1.9	5.7 / 4.5 / 3.4	3.4 / 3.4 / 1.1	4.5 / 5.4 / 2.6	4.0 / 3.5 / 3.0
$25 - $99M	3.5 / 2.5 / 1.8	1.6 / 4.7 / 4.4	1.6 / 5.8 / 6.0	3.0 / 2.1 / 2.6	7.0 / 5.8 / 6.0	3.2 / 6.5 / 6.0
$100 - $249M	6.3 / 3.8 / 2.9	9.4 / 10.0 / 4.6	9.4 / 5.0 / 5.3	15.0 / 2.7 / 3.9	15.0 / 6.0 / 5.4	18.8 / 15.0 / 9.1
$250M+	5.8 / 4.3 / 1.0	3.0 / Insufficient data / 2.2	3.0 / Insufficient data / 7.1	1.3 / Insufficient data / 1.1	8.8 / Insufficient data / 4.4	19.5 / Insufficient data / 8.6

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Sales Org Structure: Headcount

Median headcount for junior sales roles will vary greatly based on a company's scale; as companies grow in size, they also start to introduce ancillary roles like Sales Operations and Sales Engineers

Headcount by Sales Role and ARR (n = 91*)

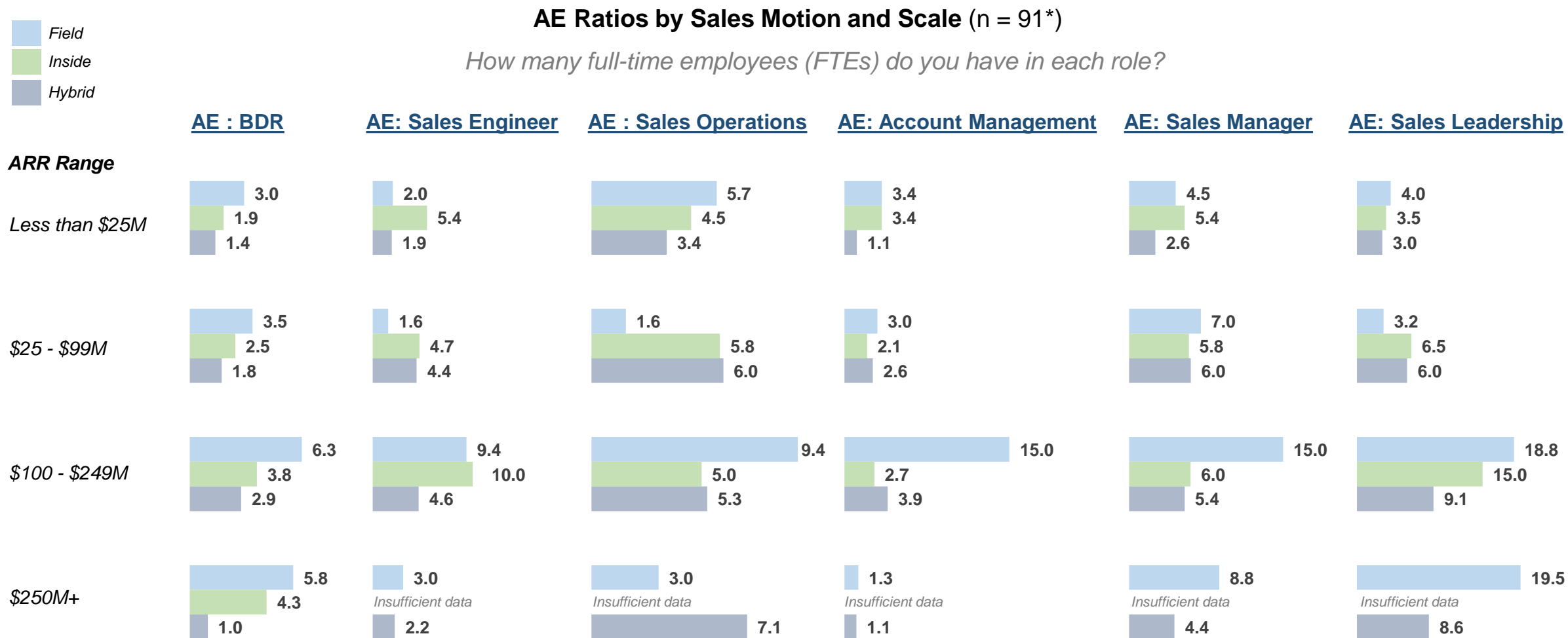*How many full-time employees (FTEs) do you have in each role?*

AE / Sales Rep	BDR / SDR	Account Manager / Renewals	Sales Engineer	Sales Operations	Sales Manager	Sales Leadership (Director / VP)
Page 42	*Page 43*	*Page 44*	*Page 45*	*Page 46*	*Page 47*	*Page 48*

- Median headcount for **AE / Sales Reps** ranges from ~10 FTEs for companies in the $25-$49M range to ~400 FTEs after companies hit $750M in ARR

- Median headcount for **BDR / SDRs** ranges from ~5 FTEs for companies leading up to $100M ARR to ~100 FTEs after companies reach $750M in ARR

- Median headcount for **Sales Managers** remains relatively small (~1-5 FTEs) for companies under $250M in ARR

* N-size based on sales executives who answered question

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Sales Org Structure: Inside vs. Field Split

The split of inside vs. field dedicated AEs will vary based on a company's sales motion and sales strategy

Field
Inside

Inside vs. Field AE Split by ARR (%) (n = 91*)
What is the split between your inside and field AEs?

By Company ARR

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Field	54%	45%	49%	56%
Inside	46%	55%	51%	44%
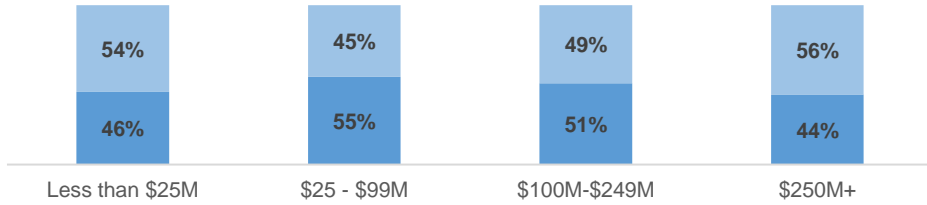
The split between inside and field AEs remains **relatively even as organizations grow over time**

By Sales Motion

	Inside	Field	Hybrid
Field	6%	84%	51%
Inside	94%	16%	49%
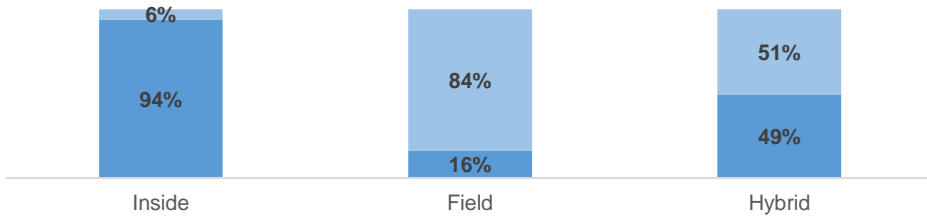
SaaS companies with a primary sales motion (i.e., inside, field) will have **most AEs dedicated to the dominant sales motion,** with companies using hybrid sales split ~50/50

By Sales Strategy

	Bottom-up	Top-down	Hybrid
Field	25%	56%	49%
Inside	75%	44%	51%
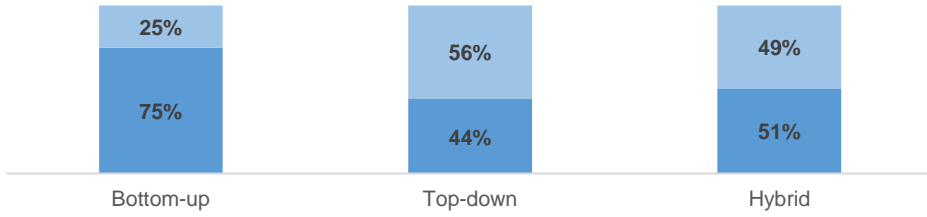
Bottom-up sales organizations tend to have the **majority of AEs aligned to inside sales**

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Sales Org Structure: Reporting Structure and Territory Assignment

Org structure and territory assignment for sales teams are closely aligned, with geography and customer size being the most common types of segmentation

Reporting Structure vs. Territory Assignment, by % of Respondents (n = 91*)

How does your sales organization segment its employees?
Which of the following segmentations are aligned with how your organization assigns territories?

Territory Assignment

~37% of companies use some combination of geography and customer size to segment teams and assign territories

Org Segmentation	Geography	Customer Size	Verticals	Account	Product	Function
Geography	11%	7%	3%	2%	2%	0%
Customer Size	8%	11%	4%	3%	1%	0%
Verticals	4%	5%	7%	2%	1%	0%
Account	4%	3%	2%	5%	1%	0%
Product	2%	2%	1%	1%	2%	0%
Function	1%	1%	0%	0%	0%	1%
Avg # of AEs per Territory	3	3	3	3	4	1

* N-size based on sales executives who answered question

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Sales Org Structure: AEs per Territory

In general, the average number of AEs assigned to a territory tends to increase as companies grow in scale

Average # of AEs per Territory by Scale (n = 91*)

What is your average number of AEs per territory?

ARR Range	Geography	Customer Size	Verticals	Account	Product
Relevant to % of respondents	*30%*	*30%*	*17%*	*14%*	*8%*
Less than $25M	1	1	1	1	1
$25 - $99M	3	3	2	2	5
$100 - $249M	3	5	5	4	4
$250M+	4	5	4	5	1

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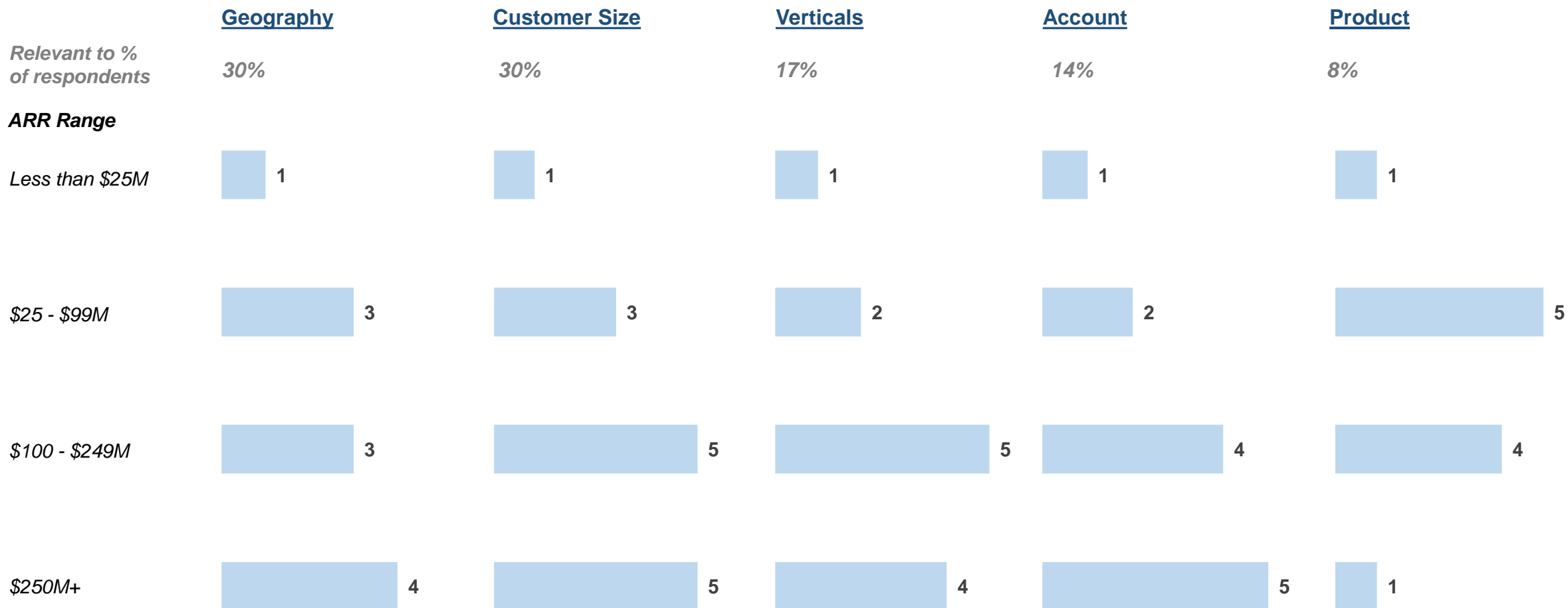
* N-size based on sales executives who answered question; Function as a territory excluded due to low n-size

Sales Org Structure: Attrition Rate

On average, sales team attrition range will fall within the 10-30% range but will vary based on a company's scale and sales motion

Attrition Rate (%) (n = 91*)

What is your organization's annual sales team attrition rate?

Legend:
- AE / Sales Rep
- BDR / SDR
- Sales Manager

By Company ARR

Less than $25M: 10%, 18%, 6%
$25 - $99M: 28%, 25%, 16%
$100M-$249M: 12%, 18%, 3%
$250M+: 25%, 27%, 27%
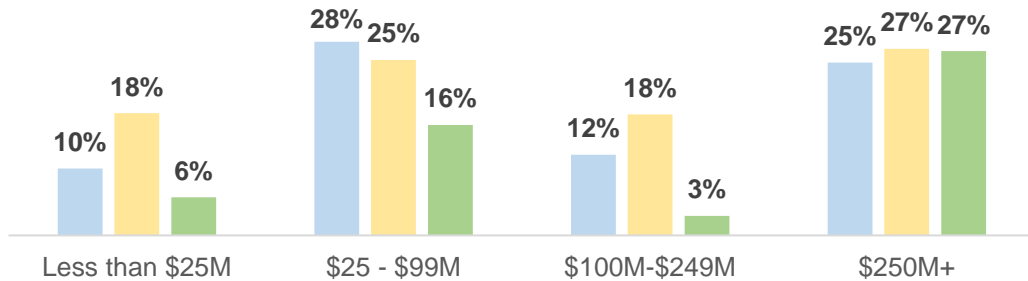
Sales team attrition rate varies across different stages of company growth, but **on average falls within the 10-30% range**

By Sales Motion

Field: 20%, 25%, 14%
Inside: 15%, 20%, 16%
Hybrid: 20%, 22%, 12%
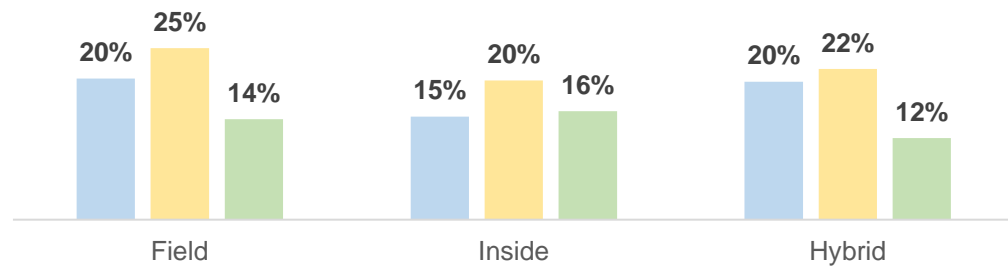
Companies with a **primary field sales motion tend to see a higher attrition rate for AEs and BDRs** than those with an inside sales motion

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Sales Org Structure: Attrition Rate

Top-down and vertical SaaS organizations tend to see a higher average attrition rate than counterparts

Legend:
- AE / Sales Rep
- BDR / SDR
- Sales Manager

Attrition Rate (%) (n = 91*)

What is your organization's annual sales team attrition rate?

By Sales Strategy

	Bottom-up	Top-down	Hybrid
AE / Sales Rep	13%	25%	16%
BDR / SDR	25%	27%	19%
Sales Manager	15%	20%	8%
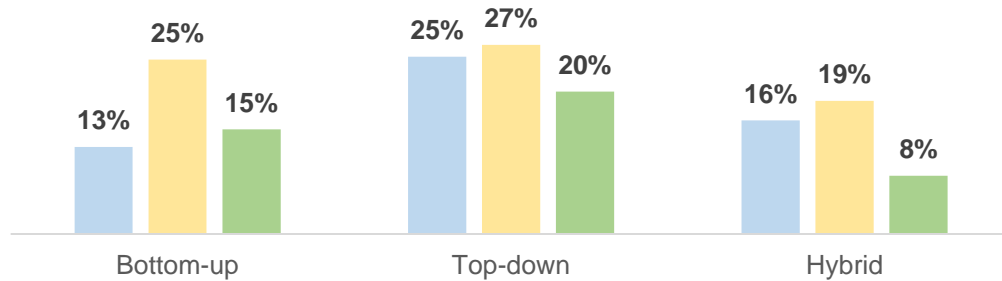
SaaS companies with a **top-down sales strategy tend to see a higher average attrition rate** than bottom-up and hybrid sales teams, perhaps due to the complexity and longer sales cycles involved with C-suite buyers

By Sector

	Horizontal SaaS (e.g., collaboration)	Vertical SaaS (e.g., healthcare)
AE / Sales Rep	14%	20%
BDR / SDR	19%	31%
Sales Manager	16%	15%
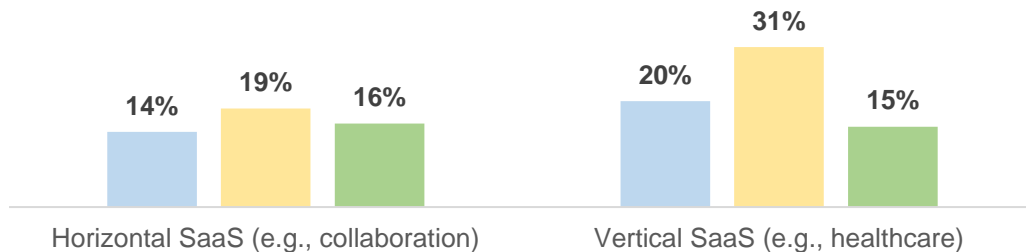
On average, vertical SaaS companies see a **higher attrition rate for junior roles (AE, BDR/SDR)** than horizontal SaaS companies. This may be due to the higher degree of market knowledge and ramp time involved with vertical SaaS buyers

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Sales Org Structure: Ramp Time

Average ramp time for AEs and BDR/SDRs ranges widely across companies based scale and sales motion

AE / Sales Rep

BDR / SDR

Ramp Time (# months) (n = 91*)

What is your organization's average ramp time for each role?
Please note definition of ramp time for a productive AE and BDR was left to respondent discretion

By Company ARR

	AE	BDR
Less than $25M	3.4	2.0
$25 - $99M	4.5	2.7
$100M-$249M	5.2	2.0
$250M+	4.9	3.1

Ramp time for sales employees increases as companies grow, but starts to plateau after organizations reach critical scale at $250M ARR – probably as organizations begin to standardize training and onboarding as well as operationalizing more key sales processes

By Sales Motion

	AE	BDR
Field	4.0	2.4
Inside	3.3	2.6
Hybrid	4.7	2.3
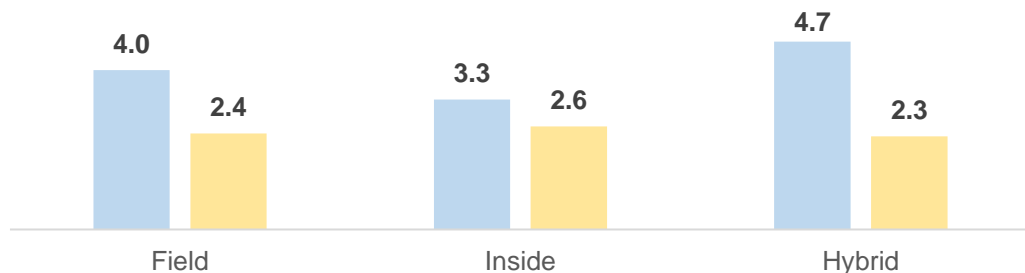
Average ramp time for AEs tend to be higher at organizations with a field or hybrid sales motion. Ramp time for BDR/SDRs varies less across different sales motions

* N-size based on sales executives who answered question

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Sales Org Structure: Ramp Time

SaaS companies with a bottom-up sales strategy or in the vertical SaaS sector tend to see a higher sales team ramp time
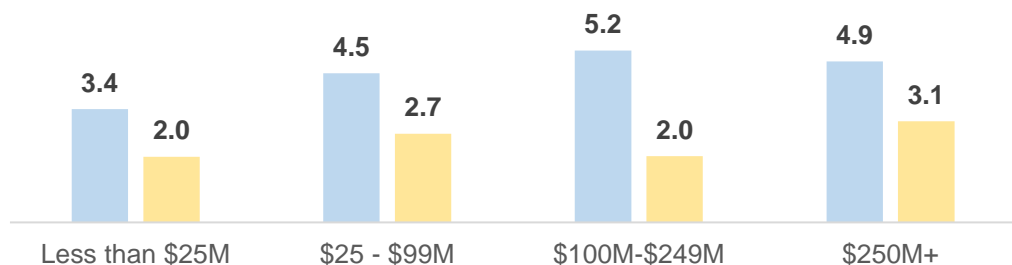
Ramp Time (# months) (n = 91*)

What is your organization's average ramp time for each role?
Please note definition of ramp time for a productive AE and BDR was left to respondent discretion

■ AE / Sales Rep
■ BDR / SDR

By Sales Strategy

Bottom-up	Top-down	Hybrid
7.0 / 2.0	3.8 / 2.5	4.4 / 2.4
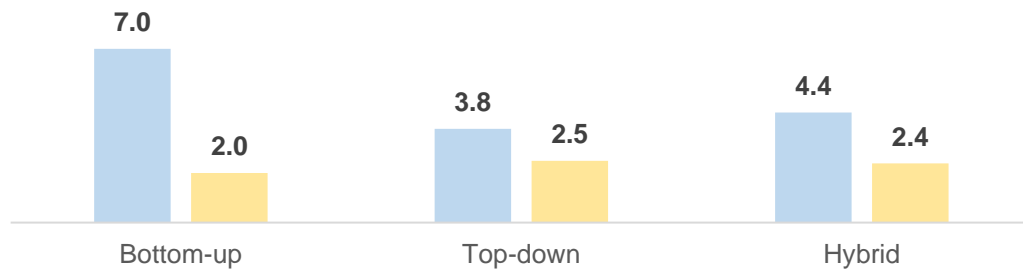
SaaS companies with a bottom-up sales strategy tend to see a significantly higher average ramp time for AEs; this may be due to the complexities involved with driving product-led growth and deals with less senior buyers

By Sector

Horizontal SaaS (e.g., collaboration)	Vertical SaaS (e.g., healthcare)
3.8 / 2.4	4.3 / 2.7
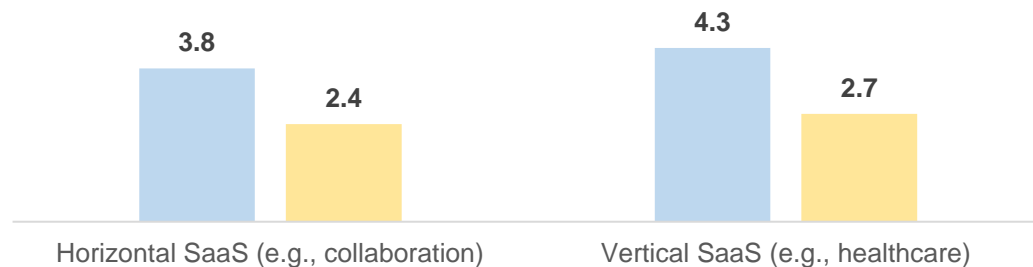
On average, vertical SaaS companies have a higher ramp time for junior roles than horizontal SaaS companies, perhaps due to the requirements involved with understanding niche industries

* N-size based on sales executives who answered question

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Roles & Responsibilities: Account Renewals

Account renewals are primarily owned by dedicated account managers / renewal reps or CSMs in most organizations

Account Renewals (n = 91*)

Who owns account renewals in your organization?

More Likely, on average

Role	Responsible Party	Often involved, but not the responsible party	Sometimes involved	Not involved
Renewals Rep	73%	14%	5%	9%
Account Manager	70%	9%	11%	9%
CSM	42%	37%	10%	10%
AE / Sales Rep	29%	24%	32%	15%
Director / VP	16%	32%	32%	20%
Sales Manager	8%	25%	41%	26%
Sales Engineer	2%	16%	49%	33%
BDR/SDR	1%	10%	23%	66%
Sales Operations	1%	16%	37%	45%
Marketing	1%	5%	26%	68%

ICONIQ
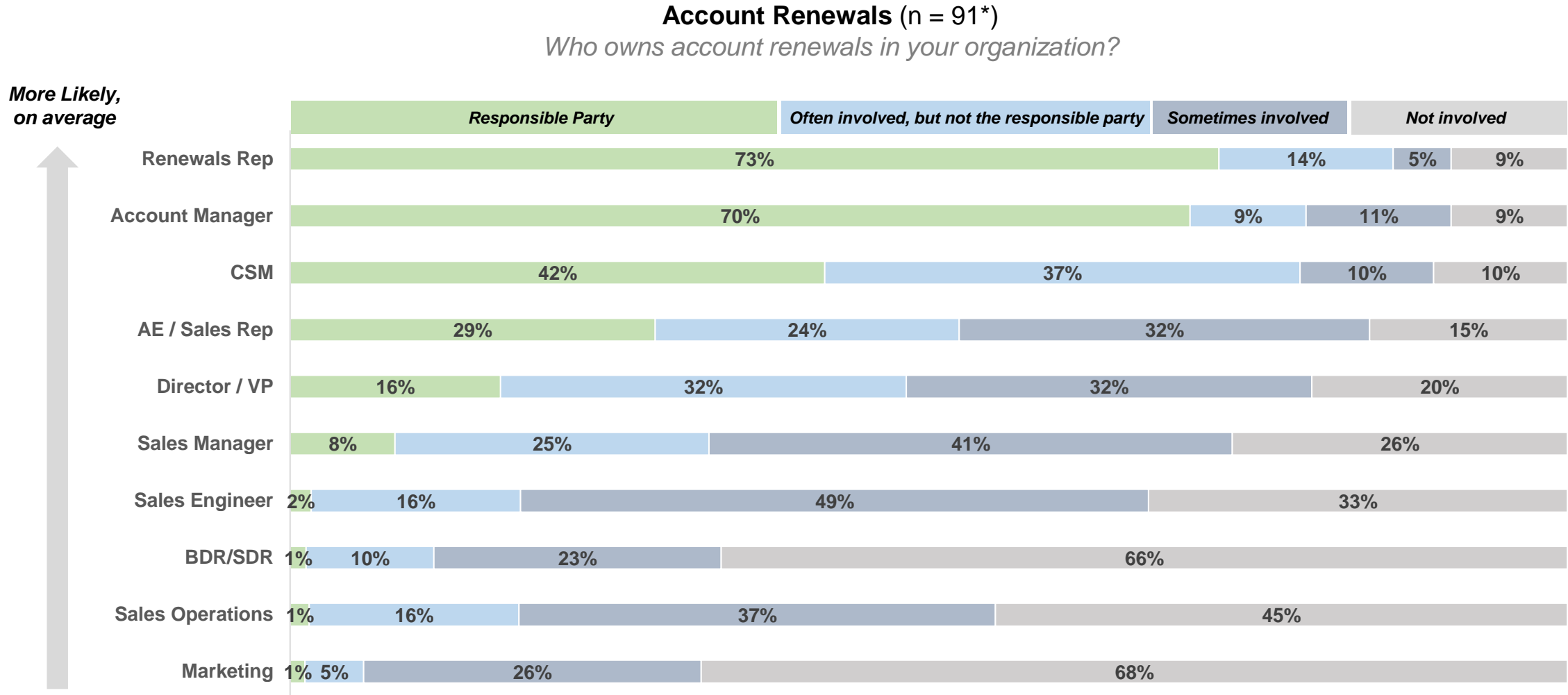
Roles & Responsibilities: Account Expansion

Account expansion is primarily owned by account managers (where organizations have one) or AEs / sales representatives, with CSMs often involved in the process

Account Expansion (n = 91*)

Who owns account expansion in your organization?

More Likely, on average ↑

	Responsible Party	Often involved, but not the responsible party	Sometimes involved	Not involved
Account Manager	73%	13%	7%	7%
AE / Sales Rep	64%	11%	18%	8%
CSM	28%	43%	17%	12%
Renewals Rep	27%	23%	18%	32%
Director / VP	22%	35%	30%	13%
Sales Manager	20%	41%	20%	20%
BDR/SDR	16%	14%	26%	44%
Sales Engineer	5%	44%	30%	21%
Sales Operations	4%	12%	36%	48%
Marketing	3%	12%	30%	54%

* N-size based on sales executives who answered question

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The Marketing Organization

Leadership (e.g., CEO, CRO, CFO, etc.)

Sales Leadership

Sales Operations

Sales Manager

Sales Engineer

Account Manager / Renewals

AE / Sales Rep

BDR / SDR

Marketing Leadership

Demand Generation

Events / Conferences

Product Marketing

Communications / PR

Content Marketing

Marketing Operations

Customer Success Leadership

Customer Success Manager

Customer Support

Onboarding

Entry to Mid-Level

Leadership

*This is an **illustrative** GTM organization framework; not all organizations will have each role shown here and some may benefit from a different reporting hierarchy than the one shown*

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Marketing Org Structure: Annual Marketing Spend

Annual marketing spend as a % of ARR ranges from ~15% to 25% for most companies, with variances across different sales motions, sector, product type, and sales strategy

Annual Marketing Spend (% ARR) (n = 57*)
What is your average annual marketing spend as a % of ARR?

By Company ARR	By Sales Motion	By Sector	By Product Type	By Sales Strategy

By Company ARR
- Less than $25M: 26%
- $25 - $99M: 18%
- $100M-$249M: 17%
- $250M+: 15%

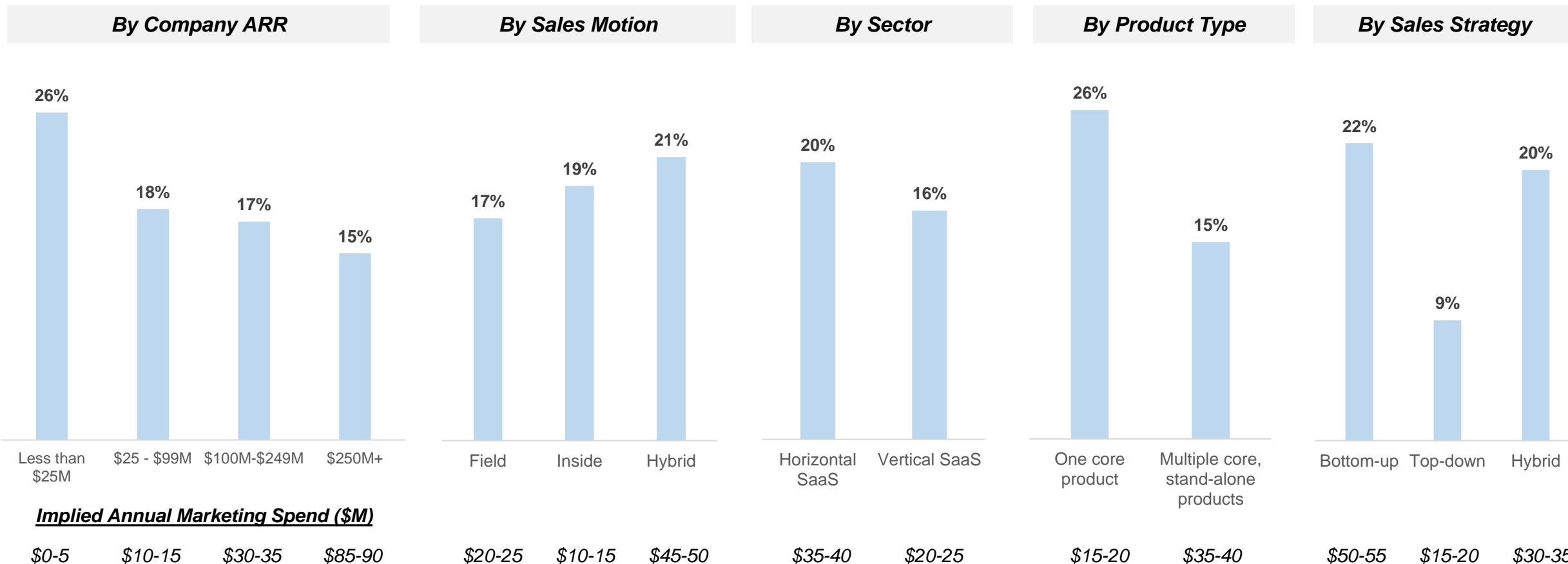**By Sales Motion**
- Field: 17%
- Inside: 19%
- Hybrid: 21%

By Sector
- Horizontal SaaS: 20%
- Vertical SaaS: 16%

By Product Type
- One core product: 26%
- Multiple core, stand-alone products: 15%

By Sales Strategy
- Bottom-up: 22%
- Top-down: 9%
- Hybrid: 20%

Implied Annual Marketing Spend ($M)

By Company ARR				By Sales Motion			By Sector		By Product Type		By Sales Strategy		
$0-5	$10-15	$30-35	$85-90	$20-25	$10-15	$45-50	$35-40	$20-25	$15-20	$35-40	$50-55	$15-20	$30-35

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Marketing Org Structure: Types of Roles

Most marketing organizations regardless of GTM motion or stage will have some variation of demand generation, product marketing, and content marketing

Marketing Roles, by % Respondents Selected (n = 57*)
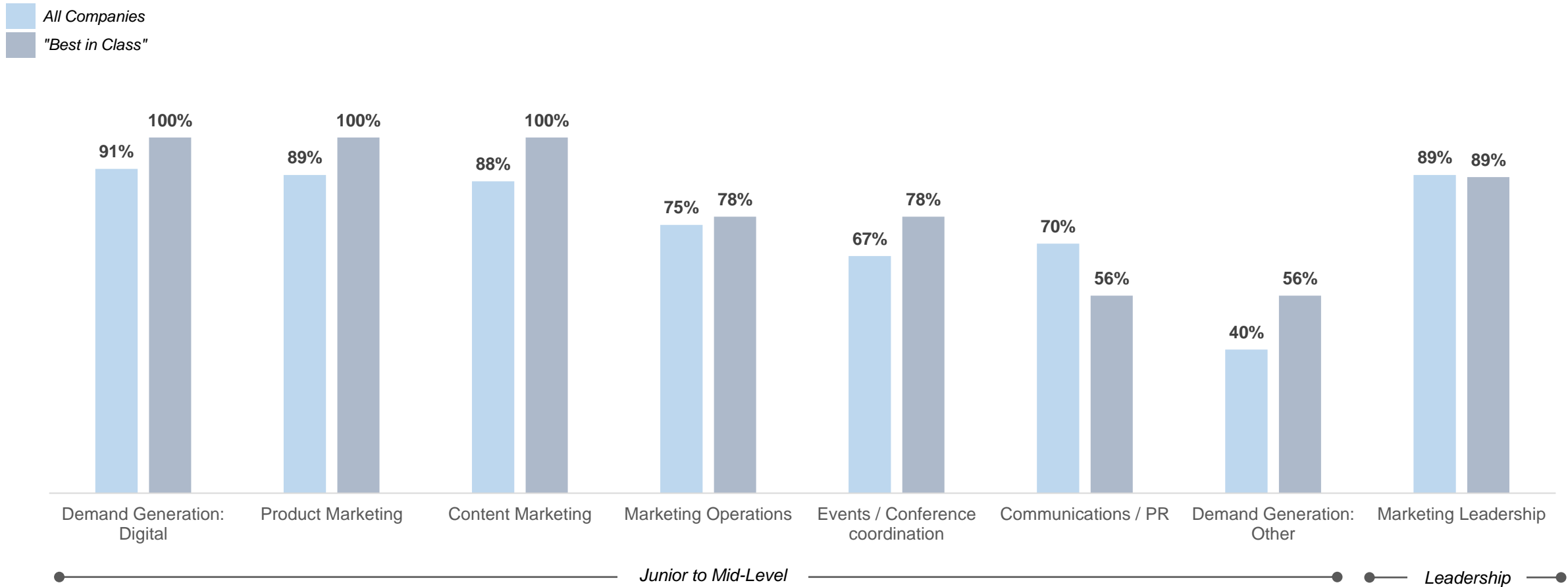
Which roles do you have in your marketing organization?

All Companies
"Best in Class"

	All Companies	"Best in Class"
Demand Generation: Digital	91%	100%
Product Marketing	89%	100%
Content Marketing	88%	100%
Marketing Operations	75%	78%
Events / Conference coordination	67%	78%
Communications / PR	70%	56%
Demand Generation: Other	40%	56%
Marketing Leadership	89%	89%

Junior to Mid-Level ———— *Leadership*

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Marketing Org Structure: Types of Roles over Time

Marketing roles tend to see greater variation before a company reaches scale; however, after companies hit $250M ARR most organizations will have all marketing functions

Less Common Roles by ARR and % Respondents Selected (n = 57*)

Which roles do you have in your marketing organization?

ARR Range	Product Marketing	Content Marketing	Marketing Operations	Events / Conferences	Communications / PR
Less than $25M	83%	83%	56%	39%	39%
$25 - $99M	94%	94%	72%	72%	83%
$100 - $249M	71%	71%	86%	57%	71%
$250M+	100%	93%	100%	100%	93%
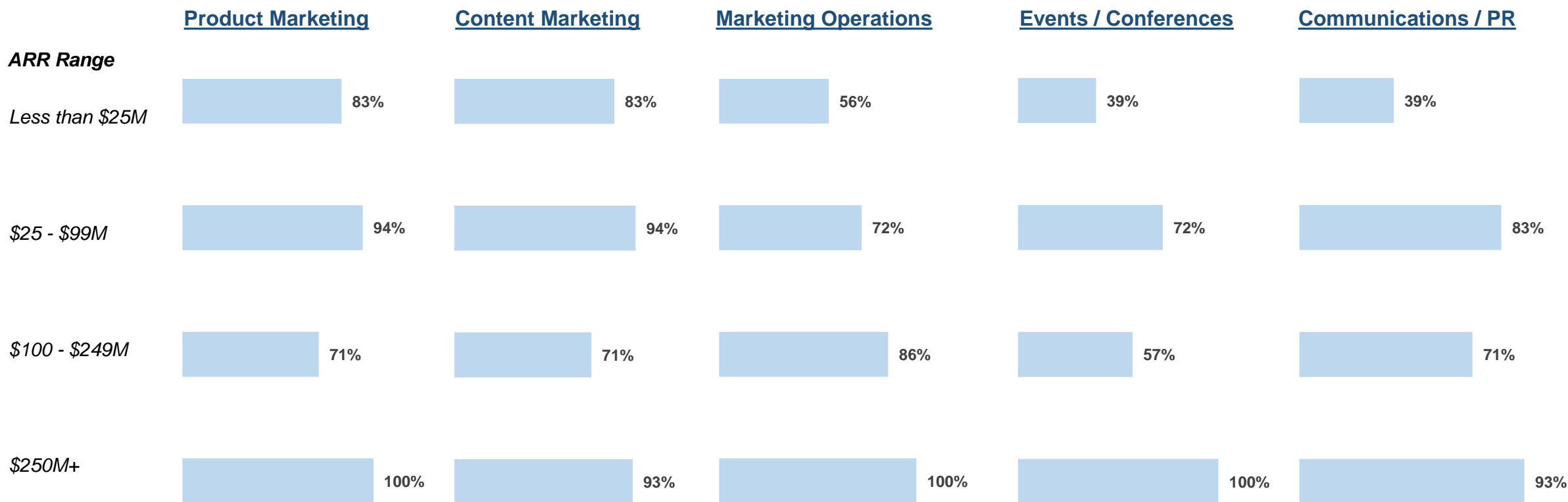
Some organizations may have Product Marketing report into Product

* N-size based on marketing executives who answered question
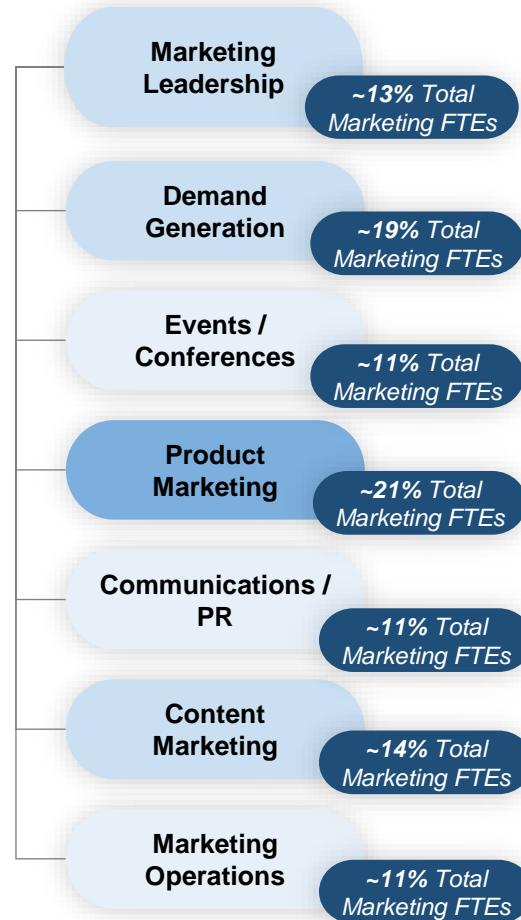
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Marketing Org Structure: Organizational Make-Up

Junior roles in marketing organizations are relatively evenly distributed in terms of total headcount

Average % of Total Marketing Headcount (n = 57*)

How many full-time employees (FTEs) do you have in each role?

Least Common to Most Common

Marketing Leadership
~13% Total Marketing FTEs

Demand Generation
~19% Total Marketing FTEs

Events / Conferences
~11% Total Marketing FTEs

Product Marketing
~21% Total Marketing FTEs

Communications / PR
~11% Total Marketing FTEs

Content Marketing
~14% Total Marketing FTEs

Marketing Operations
~11% Total Marketing FTEs

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Marketing Org Structure: Organizational Make-Up by ARR

Junior roles in marketing organizations are relatively evenly distributed in terms of total headcount, even as organizations grow in size

Note: % for "Best in Class" companies excluded given there was no major difference between values

Average % of Total Marketing Headcount by ARR (n = 57*)

How many full-time employees (FTEs) do you have in each role?

ARR Range	Demand Generation	Product Marketing	Content Marketing	Marketing Operations	Events / Conference Coordination	Communications / PR	Marketing Leadership	Average Total Marketing FTE
Less than $25M	15-20%	10-15%	20-25%	10-15%	10-15%	10-15%	15-20%	~10
$25 - $99M	20-25%	20-25%	15-20%	10-15%	10-15%	10-15%	10-15%	~20
$100 - $249M	20-25%	15-20%	10-15%	10-15%	10-15%	10-15%	5-10%	~20
$250M+	15-20%	25-30%	5-10%	5-10%	10-15%	10-15%	10-15%	~70

Around 50% of enterprise SaaS companies will invest in a channel strategy after reaching $25M ARR

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Marketing Org Structure: Headcount

In general, marketing teams remain relatively lean even as companies grow to critical scale

Headcount by Marketing Role and ARR (n = 57*)

How many full-time employees (FTEs) do you have in each role?

Demand Generation	Product Marketing	Content Marketing	Marketing Operations	Events / Conference Coordination	Communications / PR	Marketing Leadership (Director / VP)

Page 49	*Page 50*	*Page 51*	*Page 52*	*Page 53*	*Page 54*	*Page 55*

- Median headcount for **Demand Generation** roles ranges from ~3 FTEs for companies under $100M ARR to ~10 FTEs after companies hit $250M in ARR

- Median headcount for **Product Marketing** roles ranges from ~2 FTEs for companies under $100M ARR to ~10 FTEs after companies reach $250M in ARR

- Other marketing teams like **Content Marketing, Marketing Operations, Events, and Communications** remain relatively lean and stay under 5 FTEs even after companies exceed $250M in ARR
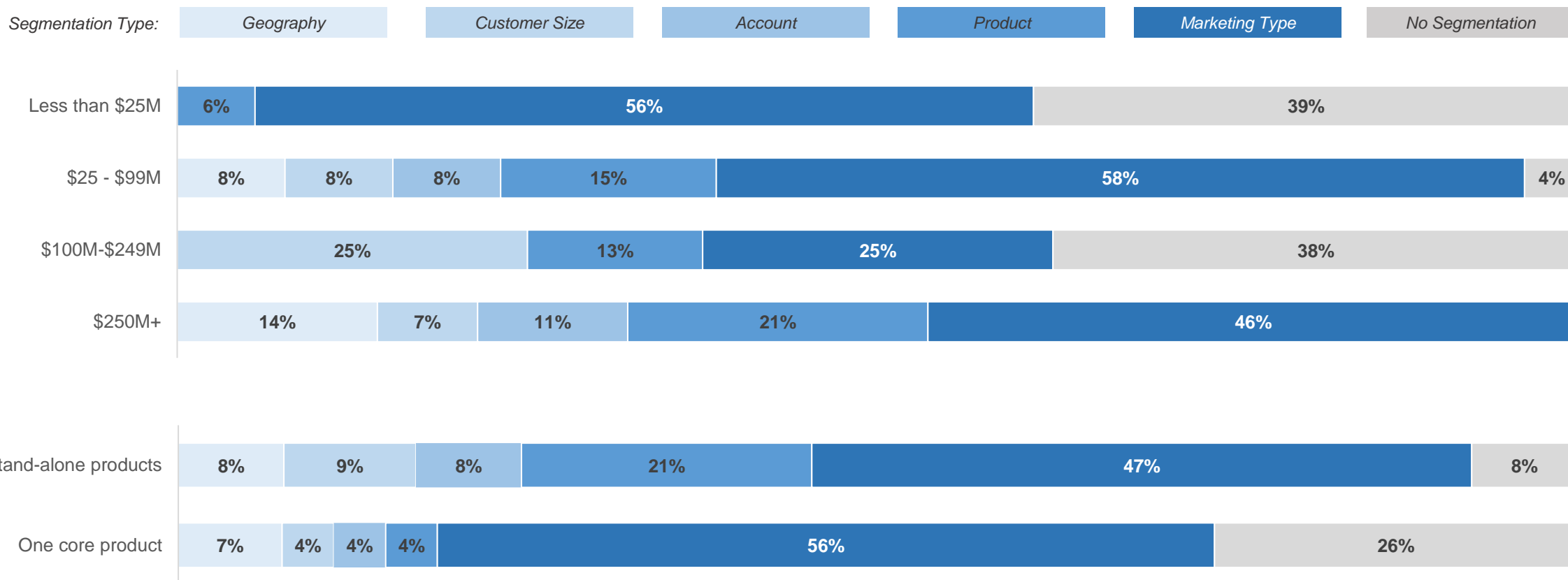
N-size based on marketing executives who answered question

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Marketing Org Structure: Reporting Structure

Most marketing organizations regardless of scale will organize teams based on marketing type; as organizations launch multiple products, we also see an increase in teams choosing to segment by product
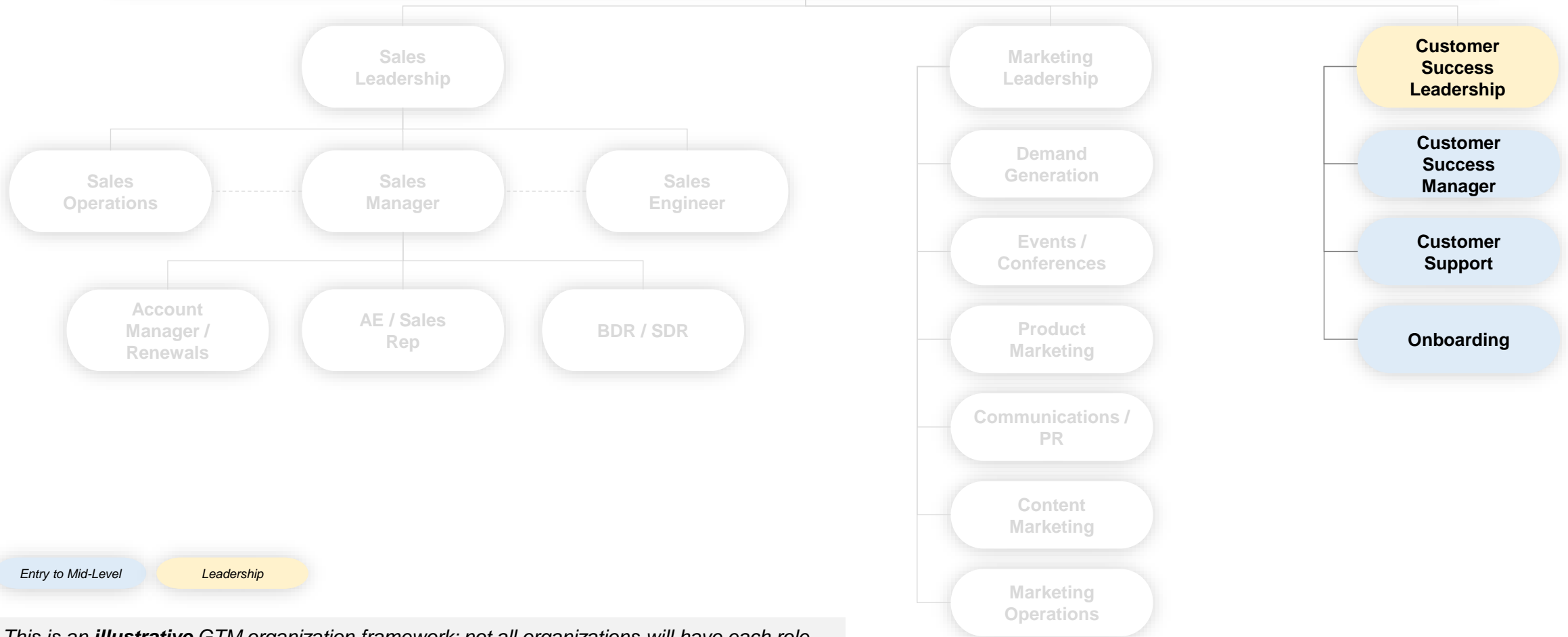
Reporting Structure (n = 57*)

How do you segment your teams?

Segmentation Type: | Geography | Customer Size | Account | Product | Marketing Type | No Segmentation

	Geography	Customer Size	Account	Product	Marketing Type	No Segmentation
Less than $25M	6%				56%	39%
$25 - $99M	8%	8%	8%	15%	58%	4%
$100M-$249M		25%	13%	25%		38%
$250M+	14%	7%	11%	21%	46%	
Multiple core, stand-alone products	8%	9%	8%	21%	47%	8%
One core product	7%	4%	4%	4%	56%	26%

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The Customer Success Organization

Leadership (e.g., CEO, CRO, CFO, etc.)

Sales Leadership

Sales Operations

Sales Manager

Sales Engineer

Account Manager / Renewals

AE / Sales Rep

BDR / SDR

Marketing Leadership

Demand Generation

Events / Conferences

Product Marketing

Communications / PR

Content Marketing

Marketing Operations

Customer Success Leadership

Customer Success Manager

Customer Support

Onboarding
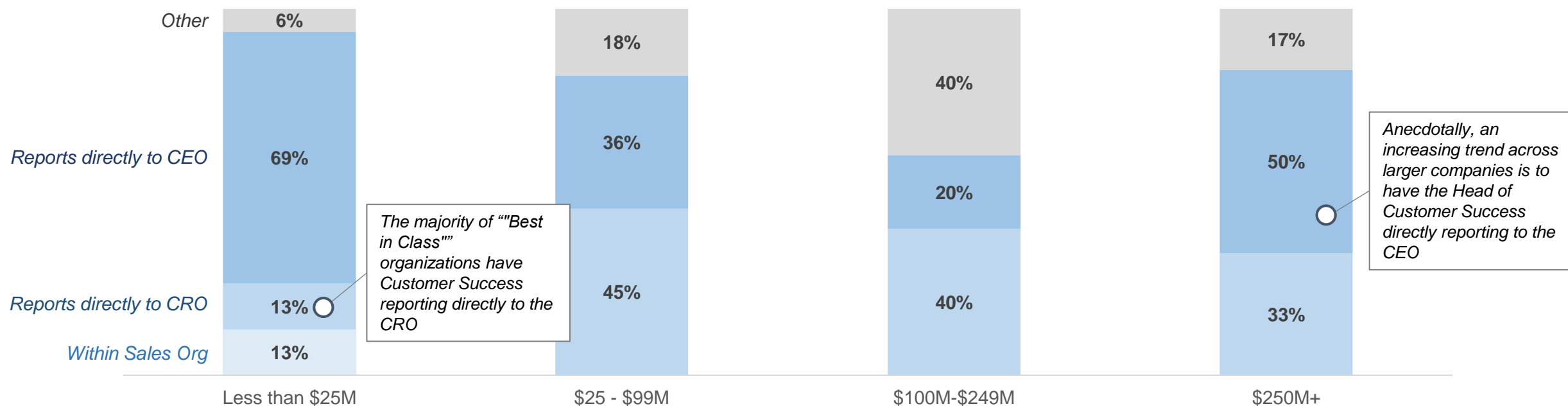
Entry to Mid-Level   *Leadership*

*This is an **<u>illustrative</u>** GTM organization framework; not all organizations will have each role shown here and some may benefit from a different reporting hierarchy than the one shown*

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Customer Success Org Structure: Who Owns Customer Success?

There is a lot of debate around where customer success should sit in the organization; however, after organizations reach $250M in ARR, the majority of organizations give Customer Success more ownership with direct reporting to CEO

Customer Success Reporting Structure, by ARR and % of Respondents (n = 43*)

Where does Customer Success sit in your organization?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Other	6%	18%	40%	17%
Reports directly to CEO	69%	36%	20%	50%
Reports directly to CRO	13%	45%	40%	33%
Within Sales Org	13%			

The majority of ""Best in Class"" organizations have Customer Success reporting directly to the CRO

Anecdotally, an increasing trend across larger companies is to have the Head of Customer Success directly reporting to the CEO

There are both benefits and considerations to having Customer Success report directly to the CRO or CEO. When speaking with leading CS executives, many of them emphasized to us the importance of separating who is "selling" vs "consulting" and the importance of a CS leader who can partner with the CEO to define the mandate for overall product-market fit. Customer success can and should also be a key partner to the product team, sharing customer feedback real-time to help inform the product roadmap
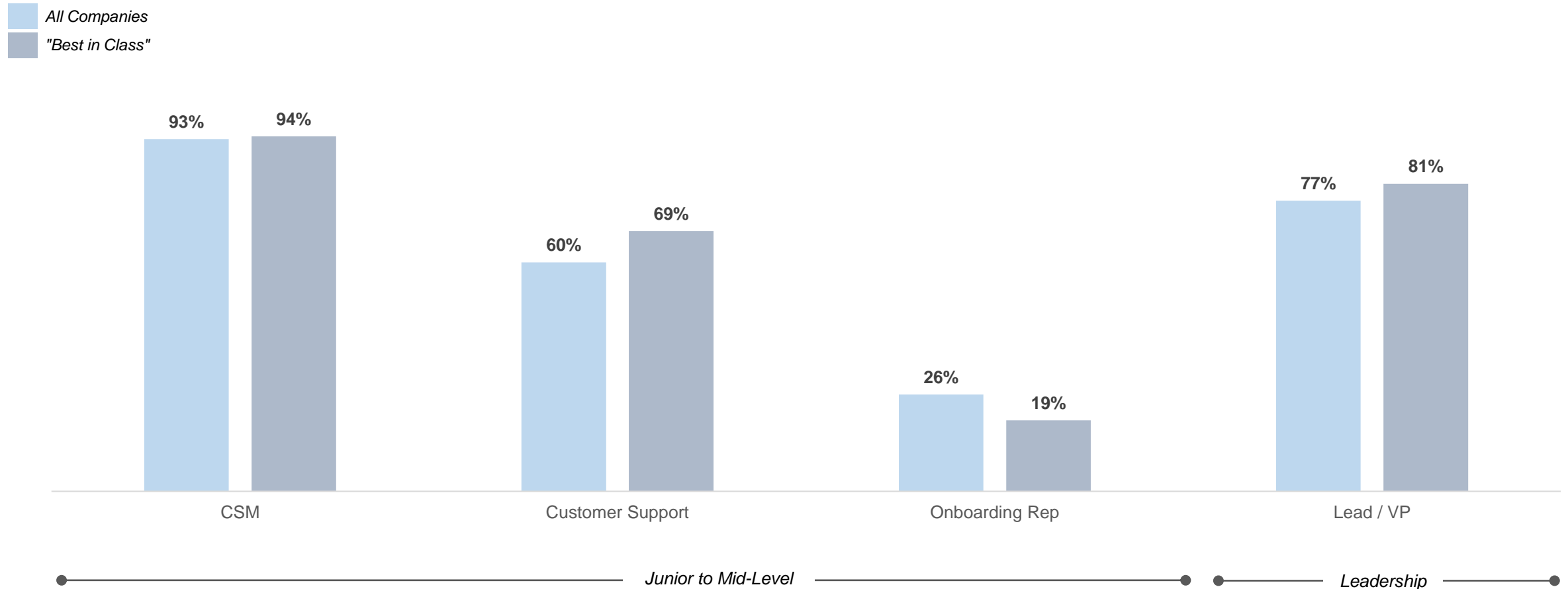
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Customer Success Org Structure: Types of Roles

Most customer success organizations will have some form of a CSM and Customer Support team; some organizations will also have dedicated roles for onboarding

Customer Success Roles, by % Respondents Selected (n = 43*)

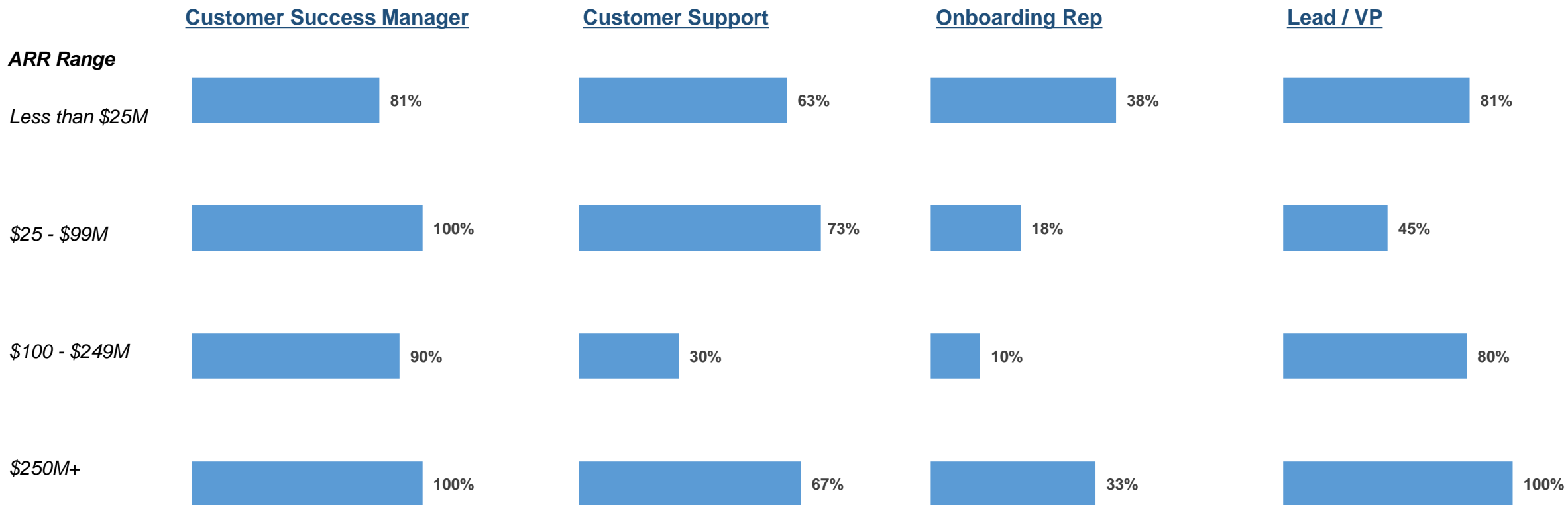*Which roles do you have in your marketing organization?*

Legend:
- All Companies
- "Best in Class"

Role	All Companies	"Best in Class"
CSM	93%	94%
Customer Support	60%	69%
Onboarding Rep	26%	19%
Lead / VP	77%	81%

Junior to Mid-Level ———— *Leadership*

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Customer Success Org Structure: Types of Roles over Time

The majority of companies even before hitting $25M in ARR will have some form of a CSM and Customer Success Lead

Less Common Roles by ARR and % Respondents Selected (n = 43*)

Which roles do you have in your customer success organization?

ARR Range	Customer Success Manager	Customer Support	Onboarding Rep	Lead / VP
Less than $25M	81%	63%	38%	81%
$25 - $99M	100%	73%	18%	45%
$100 - $249M	90%	30%	10%	80%
$250M+	100%	67%	33%	100%

* N-size based on Customer Success executives who answered question
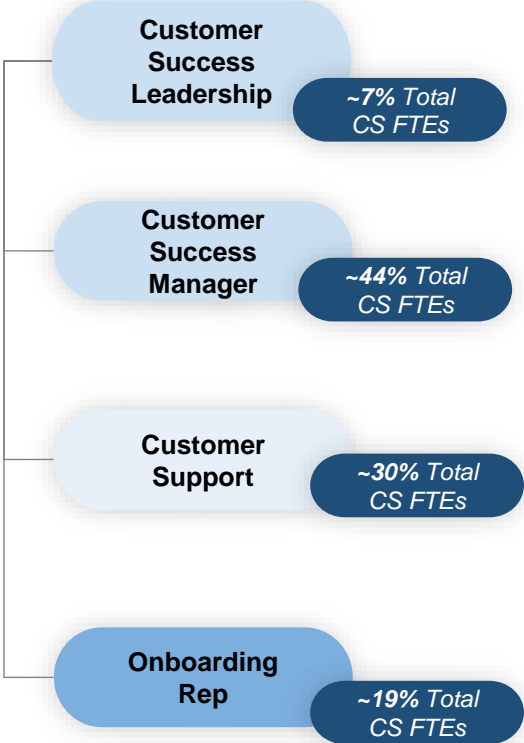
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Marketing Org Structure: Organizational Make-Up

CSMs make up the majority of a typical Customer Success organization

Average % of Total Customer Success Headcount (n = 43*)

How many full-time employees (FTEs) do you have in each role?

Least Common to Most Common

Customer Success Leadership
~7% Total CS FTEs

Customer Success Manager
~44% Total CS FTEs

Customer Support
~30% Total CS FTEs

Onboarding Rep
~19% Total CS FTEs

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Customer Success Org Structure: Organizational Make-Up by ARR

As organizations grow in size, the number of CSMs as a % of total headcount also increases

Average % of Total Customer Success Headcount by ARR (n = 43*)

Note: % for "Best in Class" companies excluded given there was no major difference between values

How many full-time employees (FTEs) do you have in each role?

ARR Range	Customer Success Manager	Customer Support	Onboarding Rep	Customer Success Leadership	Average Total Customer Success FTE
Less than $25M	30-35%	20-25%	25-30%	10-15%	~20
$25 - $99M	30-35%	45-50%	10-15%	0-5%	~40
$100 - $249M	65-70%	15-20%	5-10%	5-10%	~50
$250M+	35-40%	25-30%	25-30%	5-10%	~150

* N-size based on Customer Success executives who answered question

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Customer Success Org Structure: Headcount

On average, organizations add around 1 CSM for every $1-2M in ARR in the early stages of growth

Headcount by Customer Success Role and ARR (n = 57*)

How many full-time employees (FTEs) do you have in each role?

Customer Success Manager	Customer Support	Onboarding Rep	Customer Success Leadership
Page 56	Page 57	Page 58	Page 59

- On average, organizations add around **1 CSM for every $1-2M in ARR** in the early stages of growth; as companies reach critical scale, this ratio increases to around ~1 CSM for every $5M in ARR for later stage companies
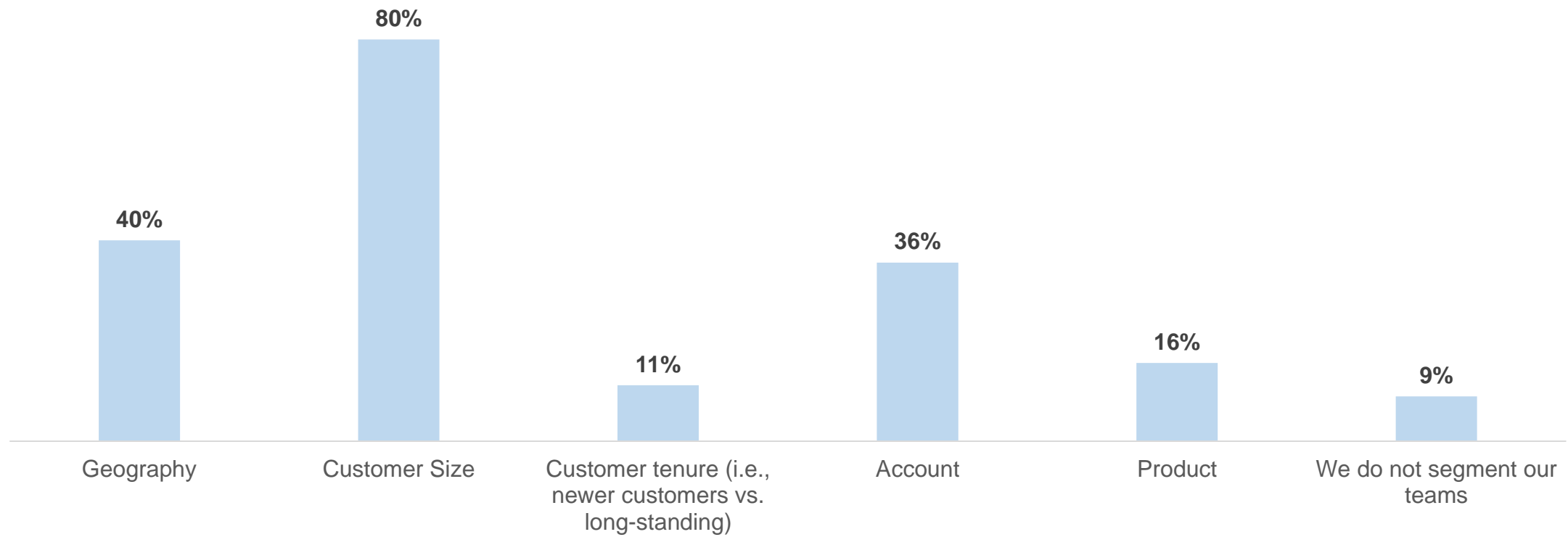- **Customer Support** ranges from ~10 FTEs in the $25-$250M ARR range to ~25 FTEs once companies hit $250M in ARR

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Customer Success Org Structure: Reporting Structure

On average, most Customer Success teams segment their teams (i.e. reporting structure) by customer size and geography

Reporting Structure (n = 43*)
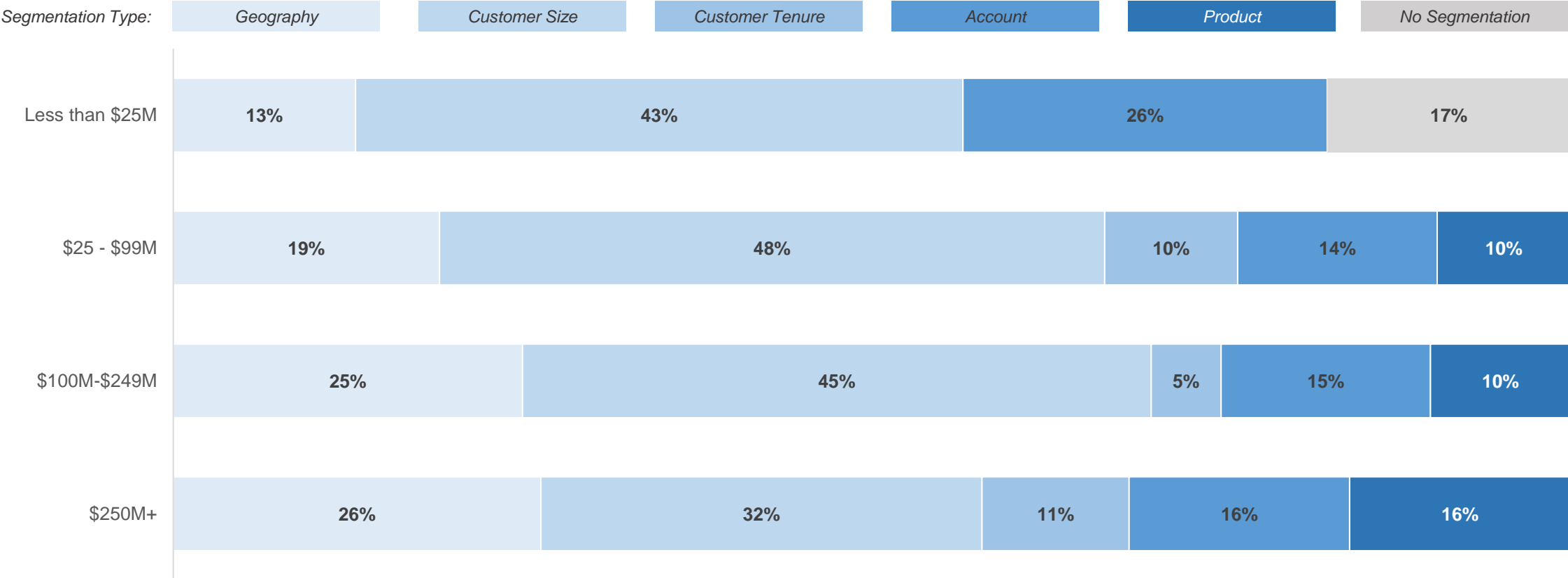
How do you segment your teams?

Geography	Customer Size	Customer tenure (i.e., newer customers vs. long-standing)
40%	80%	11%

Bar chart values: Geography 40%, Customer Size 80%, Customer tenure (i.e., newer customers vs. long-standing) 11%, Account 36%, Product 16%, We do not segment our teams 9%

* N-size based on Customer Success executives who answered question

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Customer Success Org Structure: Reporting Structure by Scale

As organizations scale, customer tenure and product become more popular as ways to segment customer success teams

Reporting Structure by Scale (n = 43*)
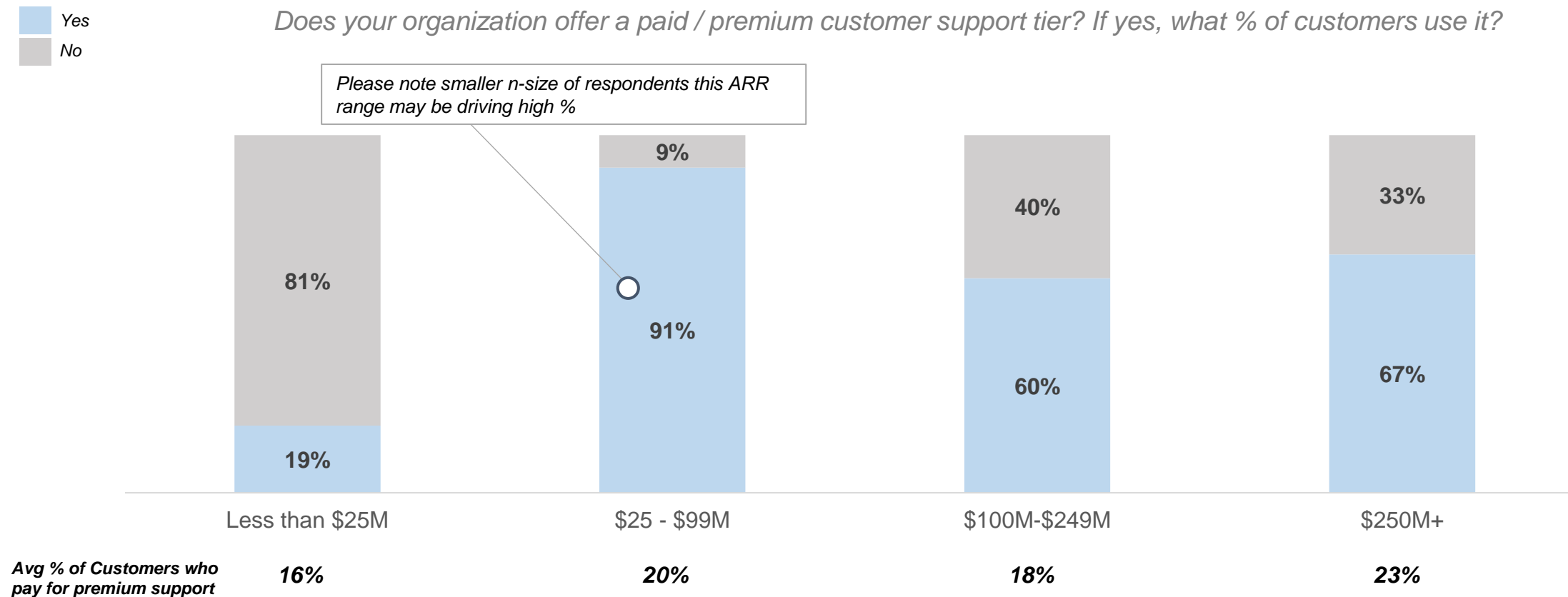
How do you segment your teams?

Segmentation Type: | Geography | Customer Size | Customer Tenure | Account | Product | No Segmentation

	Geography	Customer Size	Customer Tenure	Account	Product	No Segmentation
Less than $25M	13%	43%		26%		17%
$25 - $99M	19%	48%	10%	14%	10%	
$100M-$249M	25%	45%	5%	15%	10%	
$250M+	26%	32%	11%	16%	16%	

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Customer Success Org Structure: Paid / Premium Customer Support

After reaching $25M in ARR, many SaaS companies also start to introduce some type of productized customer support (separate from the regular customer success motion)

Paid / Premium Customer Support, by ARR and % of Respondents (n = 43*)

Does your organization offer a paid / premium customer support tier? If yes, what % of customers use it?

Yes
No

Please note smaller n-size of respondents this ARR range may be driving high %

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
No	81%	9%	40%	33%
Yes	19%	91%	60%	67%

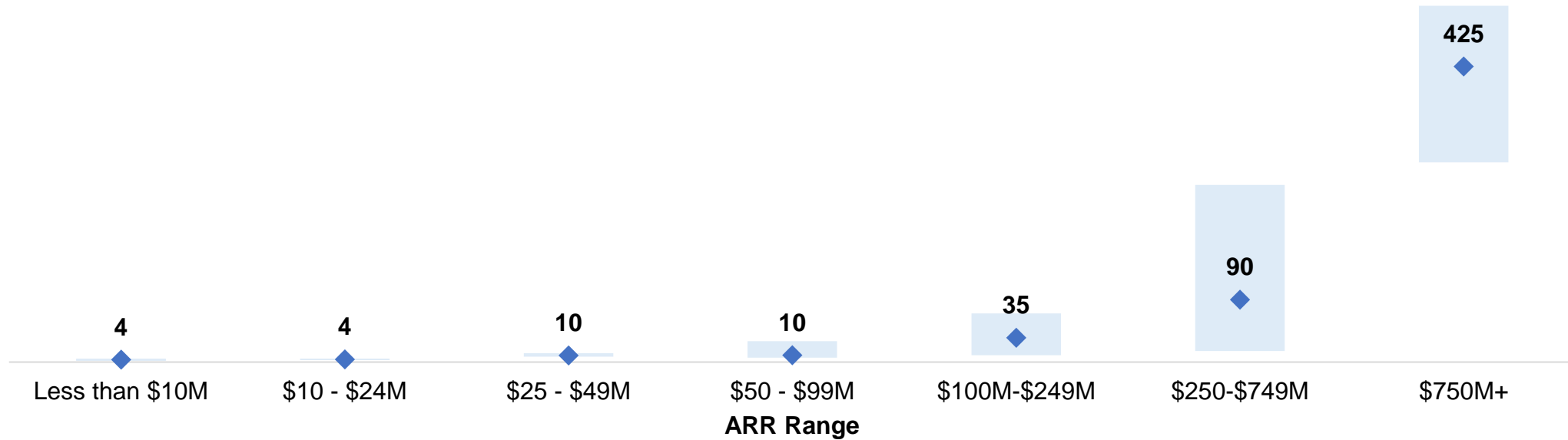| **Avg % of Customers who pay for premium support**	*16%*	*20%*	*18%*	*23%*

Examples of services included in the paid / premium customer support tier include: 24x7 phone support, analytics services, faster SLAs, and dedicated personnel

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Appendix

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Sales Org Structure: AE / Sales Rep Headcount

Median AE / Sales Rep Headcount (n = 91*)

How many full-time employees (FTEs) do you have in each role?

	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
	4	4	10	10	35	90	425

ARR Range

Bottom Quartile	2	3	8	7	10	16	288
Top Quartile	5	5	13	30	70	255	513

* N-size based on sales executives who answered question

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Sales Org Structure: BDR / SDR Headcount

Median BDR / SDR Headcount (n = 91*)

*How many full-time employees (FTEs) do you have in each role?*
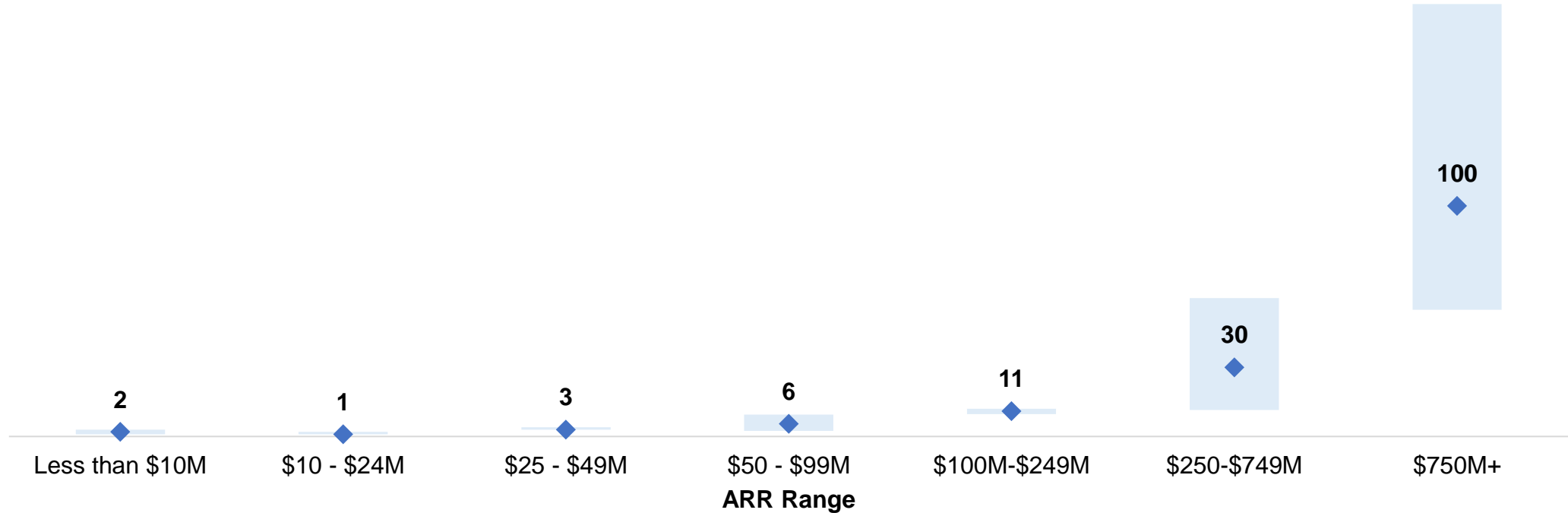
	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
Median	2	1	3	6	11	30	100
Bottom Quartile	1	1	3	3	10	12	55
Top Quartile	3	2	4	10	12	60	188

ARR Range

* N-size based on sales executives who answered question

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Sales Org Structure: Account Manager / Renewals Headcount

Median Account Manager / Renewals Headcount (n = 91*)

*How many full-time employees (FTEs) do you have in each role?*

	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
(Median)	1	2	3	6	8	18	375

ARR Range
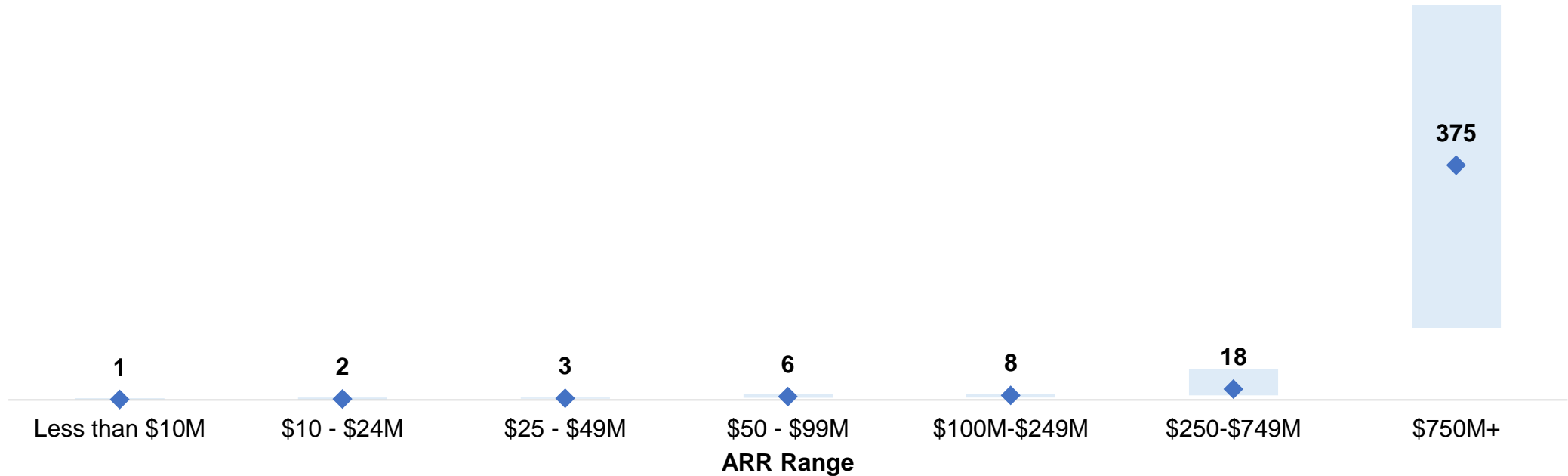
Bottom Quartile	*1*	*1*	*2*	*4*	*4*	*8*	*115*
Top Quartile	*3*	*4*	*4*	*10*	*10*	*50*	*631*

* N-size based on sales executives who answered question

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Sales Org Structure: Sales Engineer Headcount

Median Sales Engineer Headcount (n = 91*)

*How many full-time employees (FTEs) do you have in each role?*

	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
	1	1	2	3	8	33	110

ARR Range
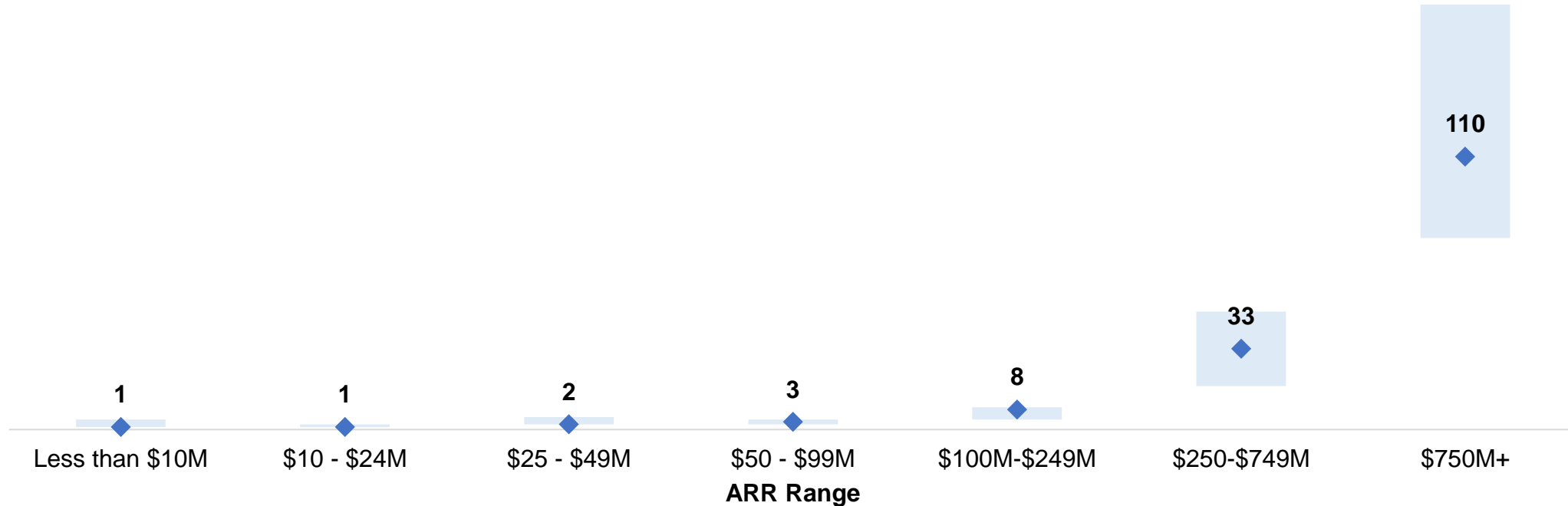
	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
Bottom Quartile	1	1	2	2	4	18	77
Top Quartile	4	2	5	4	9	48	171

* N-size based on sales executives who answered question

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Sales Org Structure: Sales Operations Headcount

Median Sales Operations Headcount (n = 91*)

*How many full-time employees (FTEs) do you have in each role?*

	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
	1	1	1	3	5	8	30

ARR Range
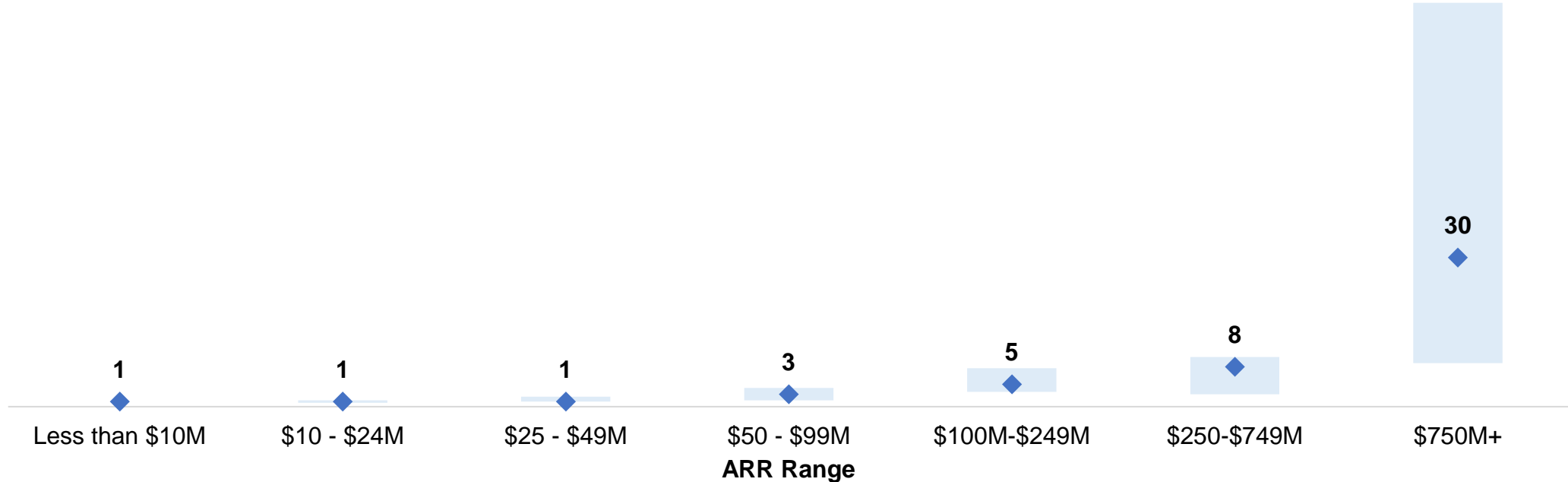
	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
Bottom Quartile	1	1	1	1	3	3	9
Top Quartile	1	1	2	4	8	10	81

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Sales Org Structure: Sales Manager Headcount

Median Sales Manager Headcount (n = 91*)

*How many full-time employees (FTEs) do you have in each role?*

	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
	1	1	1	2	4	13	25

ARR Range
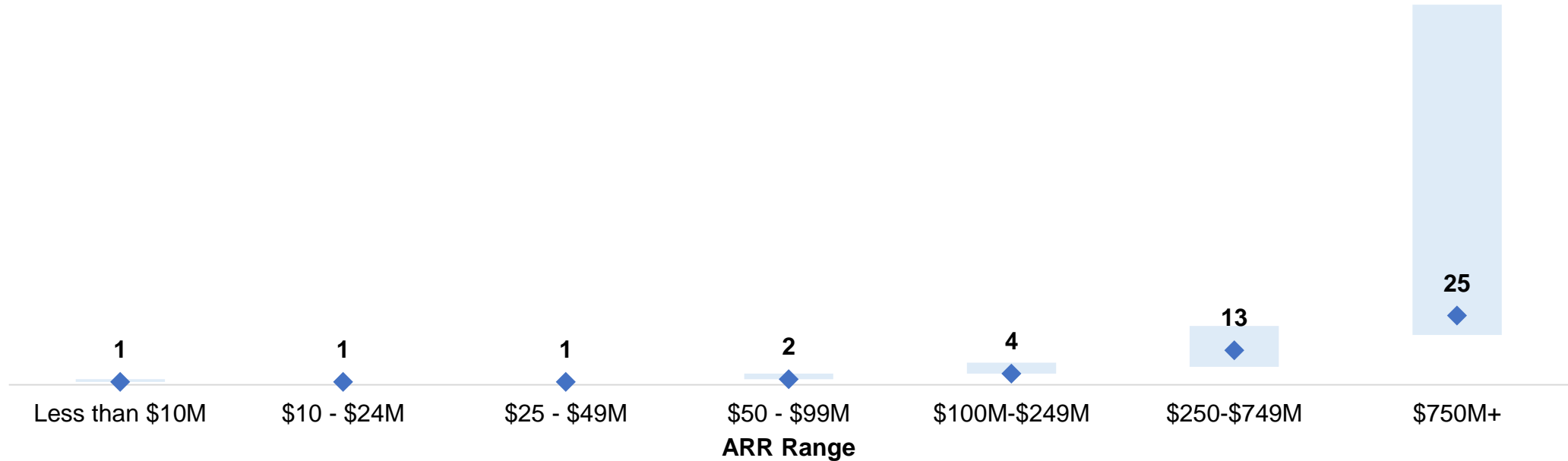
	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
Bottom Quartile	1	1	1	2	4	7	18
Top Quartile	2	1	1	4	8	21	138

* N-size based on sales executives who answered question

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Sales Org Structure: Sales Leadership Headcount

Median Director / VP Headcount (n = 91*)
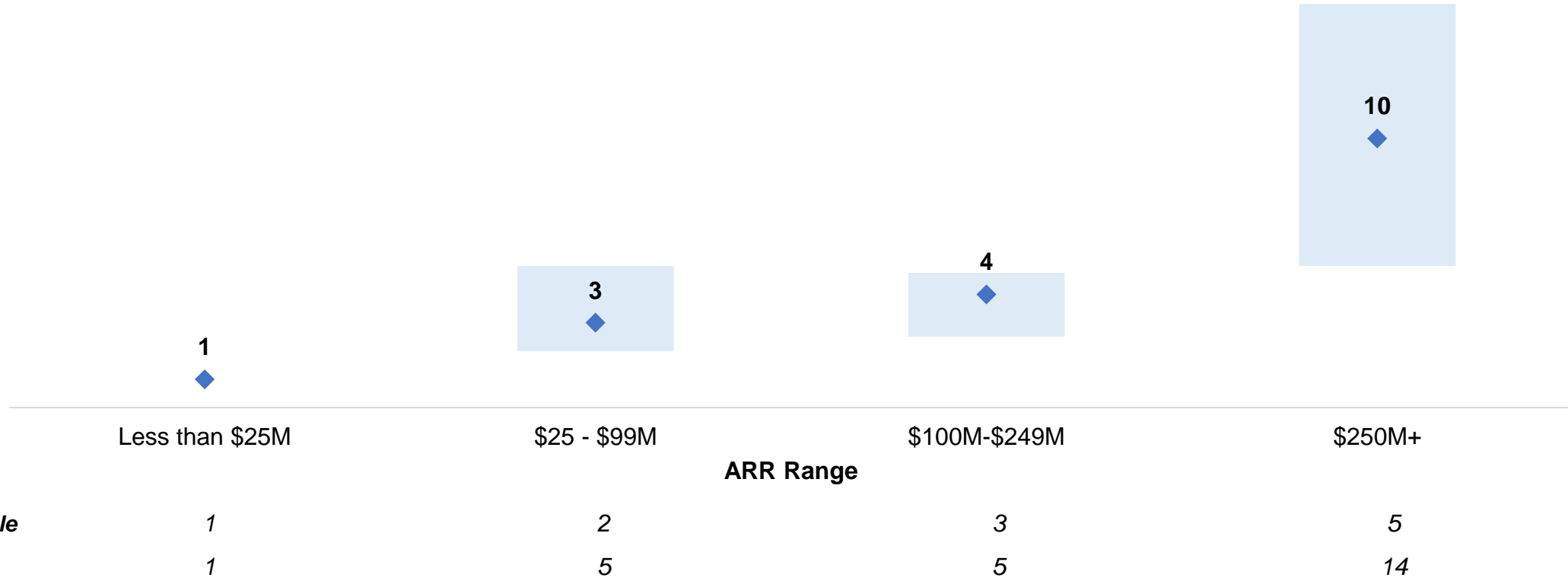
How many full-time employees (FTEs) do you have in each role?

	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
	1	1	2	2	4	9	38

ARR Range
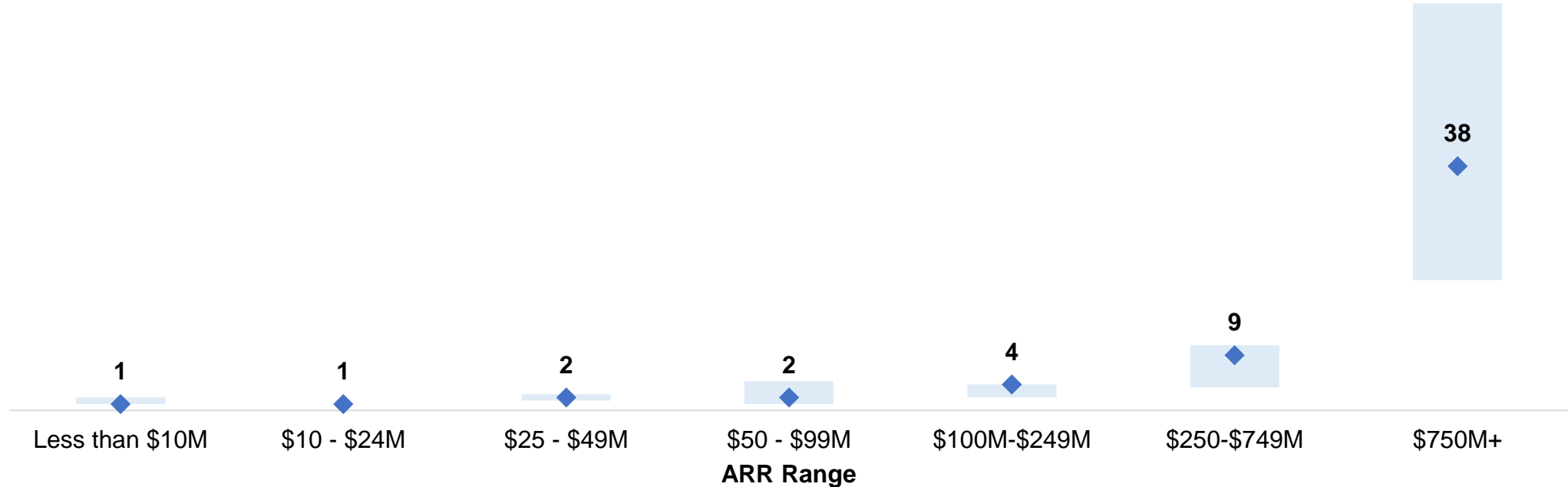
	Less than $10M	$10 - $24M	$25 - $49M	$50 - $99M	$100M-$249M	$250-$749M	$750M+
Bottom Quartile	1	1	2	1	2	4	20
Top Quartile	2	1	3	5	4	10	63

* N-size based on sales executives who answered question

ICONIQ

Marketing Org Structure: Demand Generation Headcount

Median Demand Generation (including Digital and Other) Headcount (n = 57*)
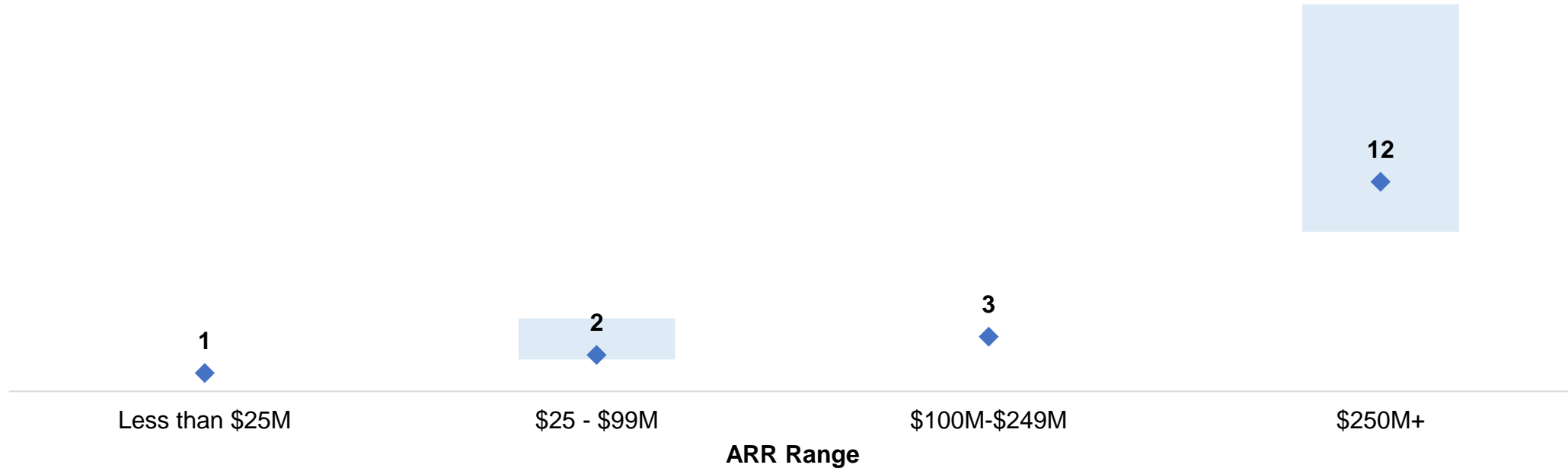
How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
	1	3	4	10

ARR Range

Bottom Quartile	*1*	*2*	*3*	*5*
Top Quartile	*1*	*5*	*5*	*14*

ICONIQ

Marketing Org Structure: Product Marketing Headcount

Median Product Marketing Headcount (n = 57*)

How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
	1	2	3	12

ARR Range

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Bottom Quartile	*1*	*2*	*3*	*9*
Top Quartile	*1*	*4*	*3*	*21*

ICONIQ

Marketing Org Structure: Content Marketing Headcount

Median Content Marketing Headcount (n = 57*)

How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
	1	2	3	4

ARR Range
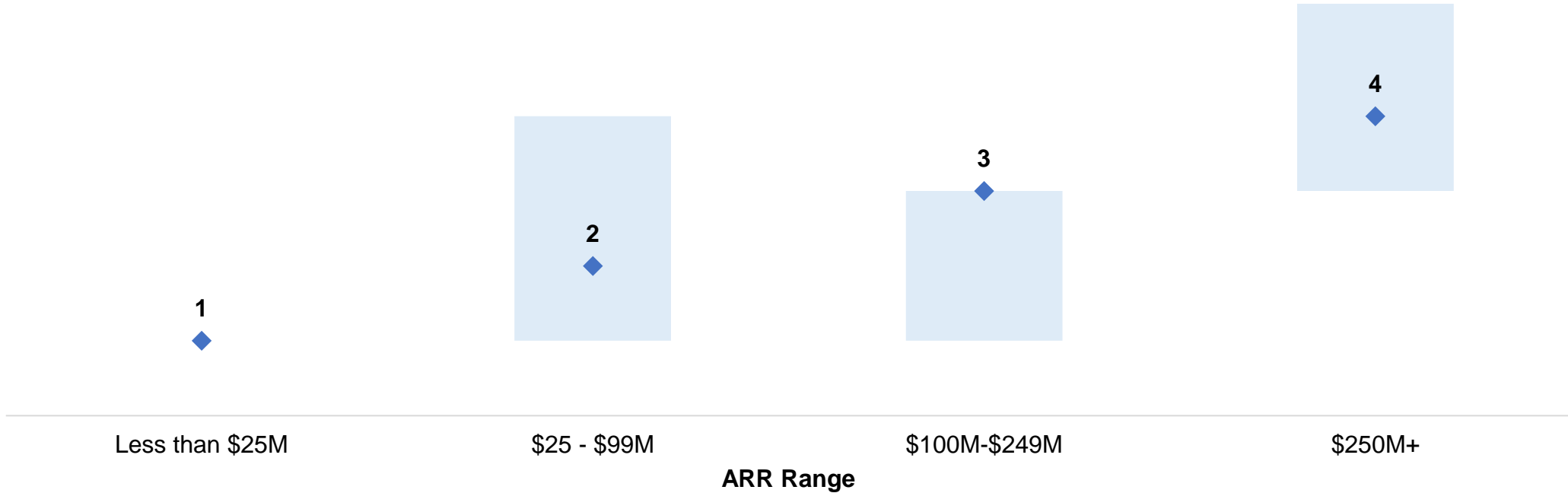
	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Bottom Quartile	*1*	*1*	*1*	*3*
Top Quartile	*1*	*4*	*3*	*6*

ICONIQ

Marketing Org Structure: Marketing Operations Headcount

Median Marketing Operations Headcount (n = 57*)

How many FTEs do you have in each role?

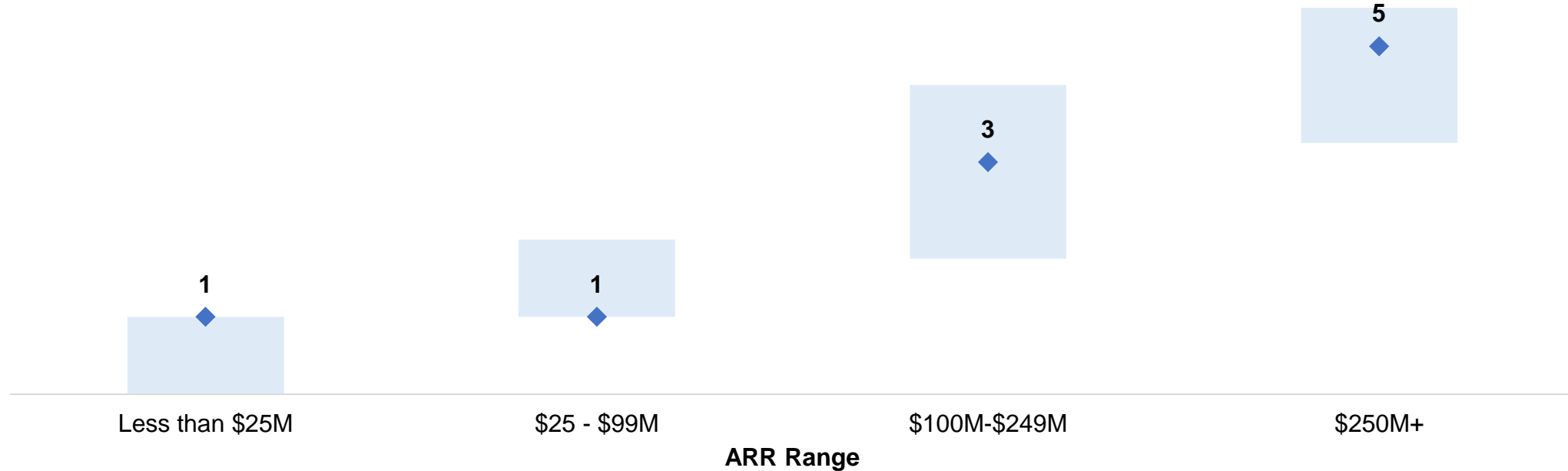|	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Bottom Quartile	*1*	*1*	*1*	*5*
Top Quartile	*1*	*2*	*2*	*6*

ARR Range

* N-size based on marketing executives who answered question

ICONIQ

Marketing Org Structure: Events / Conference Coordination Headcount

Median Events / Conference Coordination Headcount (n = 57*)

How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Bottom Quartile	*0*	*1*	*2*	*3*
Top Quartile	*1*	*2*	*4*	*5*

ARR Range

ICONIQ

Marketing Org Structure: Communications / PR Headcount

Median Communications / PR Headcount (n = 57*)

How many FTEs do you have in each role?

ARR Range
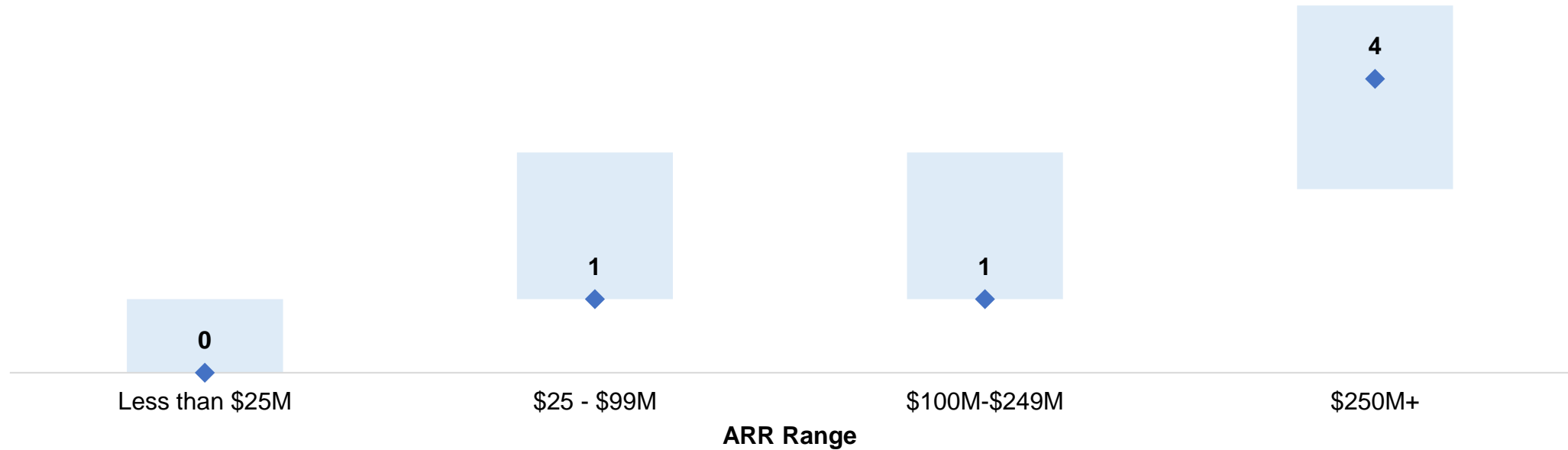
	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Bottom Quartile	0	1	1	3
Top Quartile	1	3	3	5

ICONIQ

Marketing Org Structure: Marketing Leadership Headcount

Median Marketing Leadership Headcount (n = 57*)
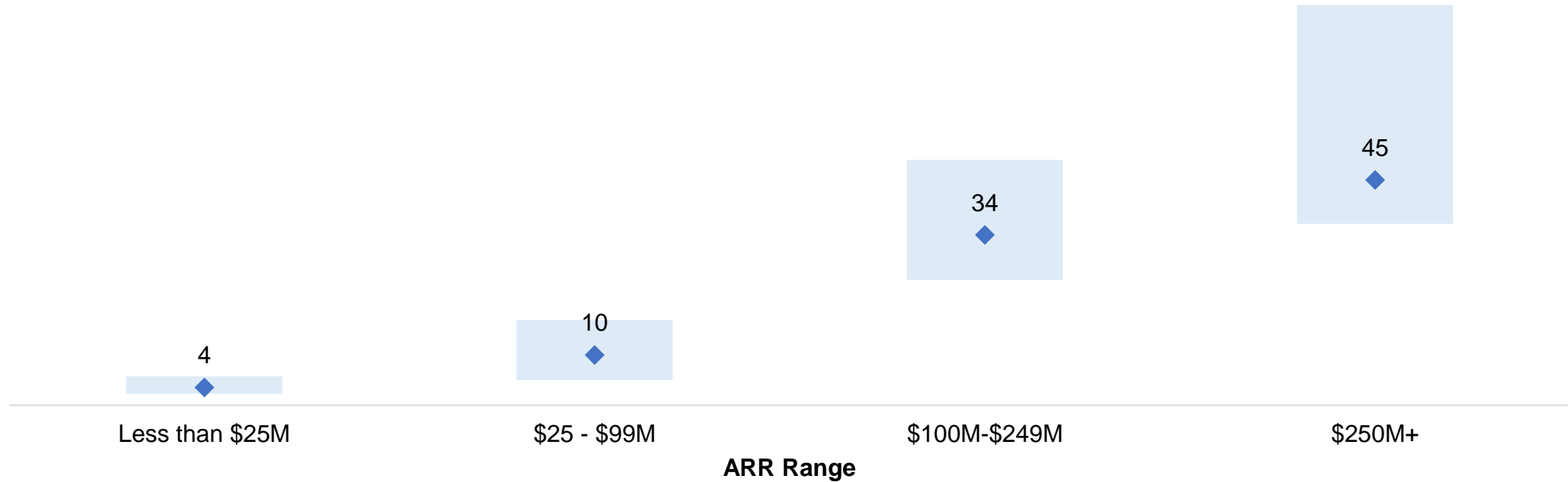
How many FTEs do you have in each role?
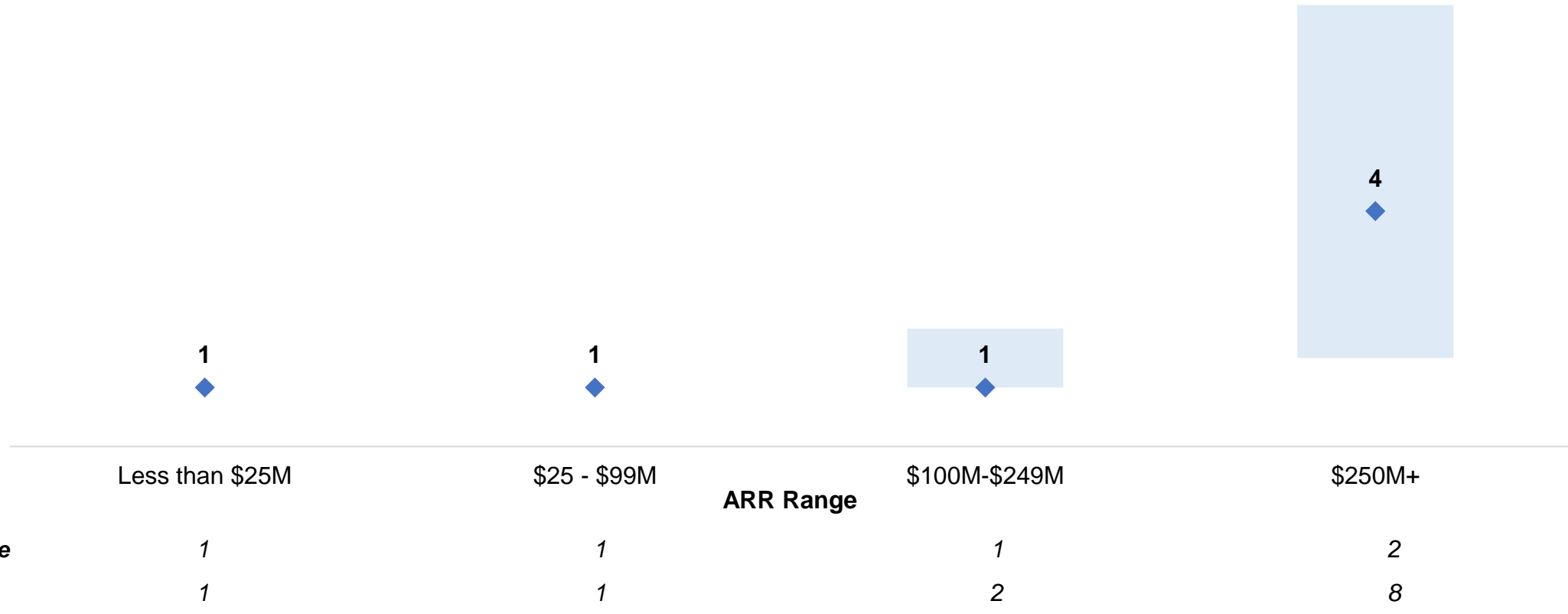
	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Bottom Quartile	*1*	*1*	*1*	*2*
Top Quartile	*1*	*1*	*2*	*8*

ARR Range

ICONIQ

Customer Success Org Structure: Customer Success Manager Headcount

Median CSM Headcount (n = 43*)

How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
	4	10	34	45

ARR Range

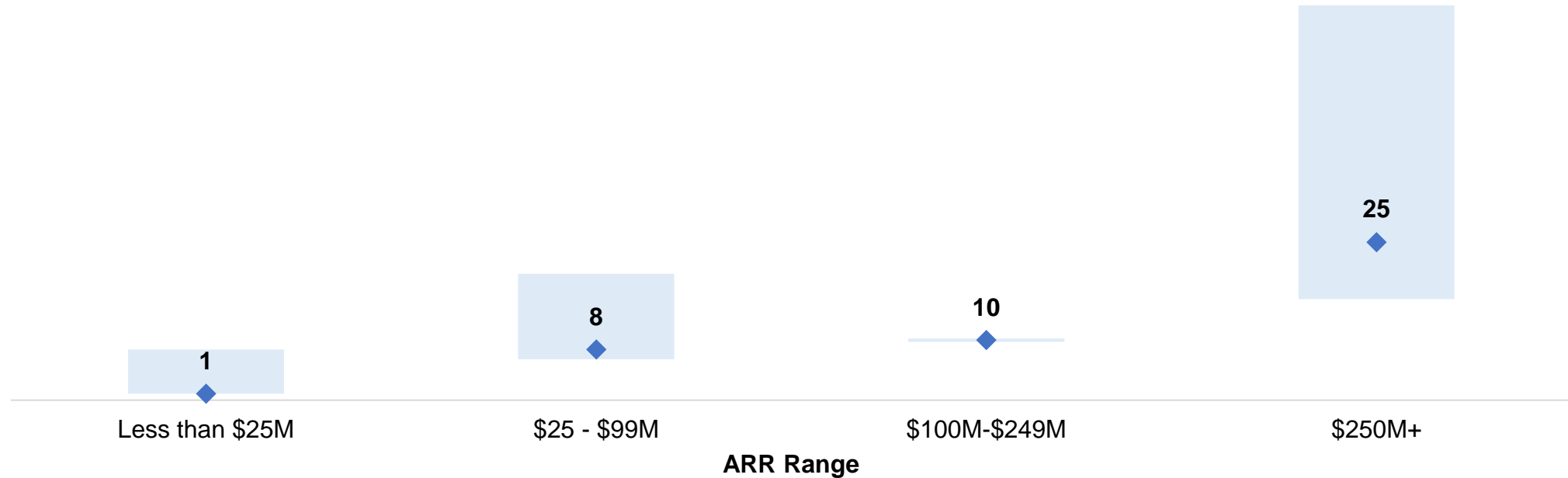|				
Bottom Quartile	2	5	25	36
Top Quartile	6	17	49	80

* N-size based on Customer Success executives who answered question

ICONIQ

Customer Success Org Structure: Customer Support Headcount

Median Customer Support Headcount (n = 43*)
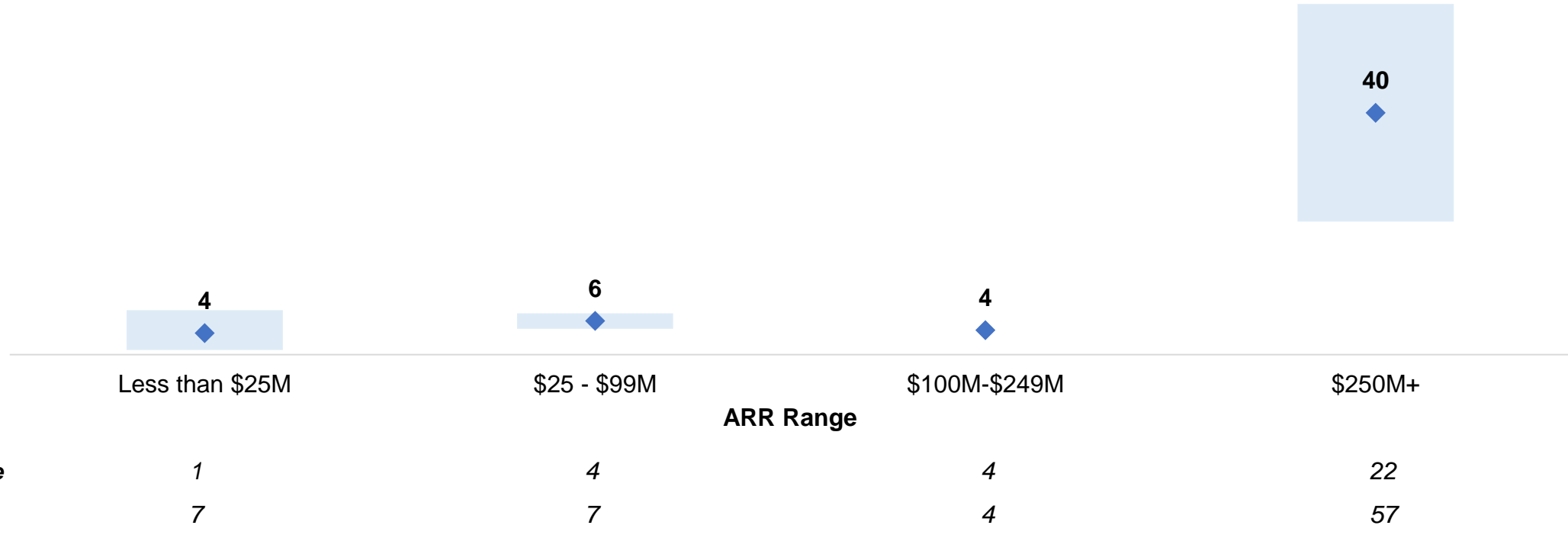
How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
	1	8	10	25

ARR Range

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
Bottom Quartile	*1*	*7*	*9*	*16*
Top Quartile	*8*	*20*	*10*	*63*

ICONIQ

Customer Success Org Structure: Onboarding Rep Headcount

Median Onboarding Rep Headcount (n = 43*)
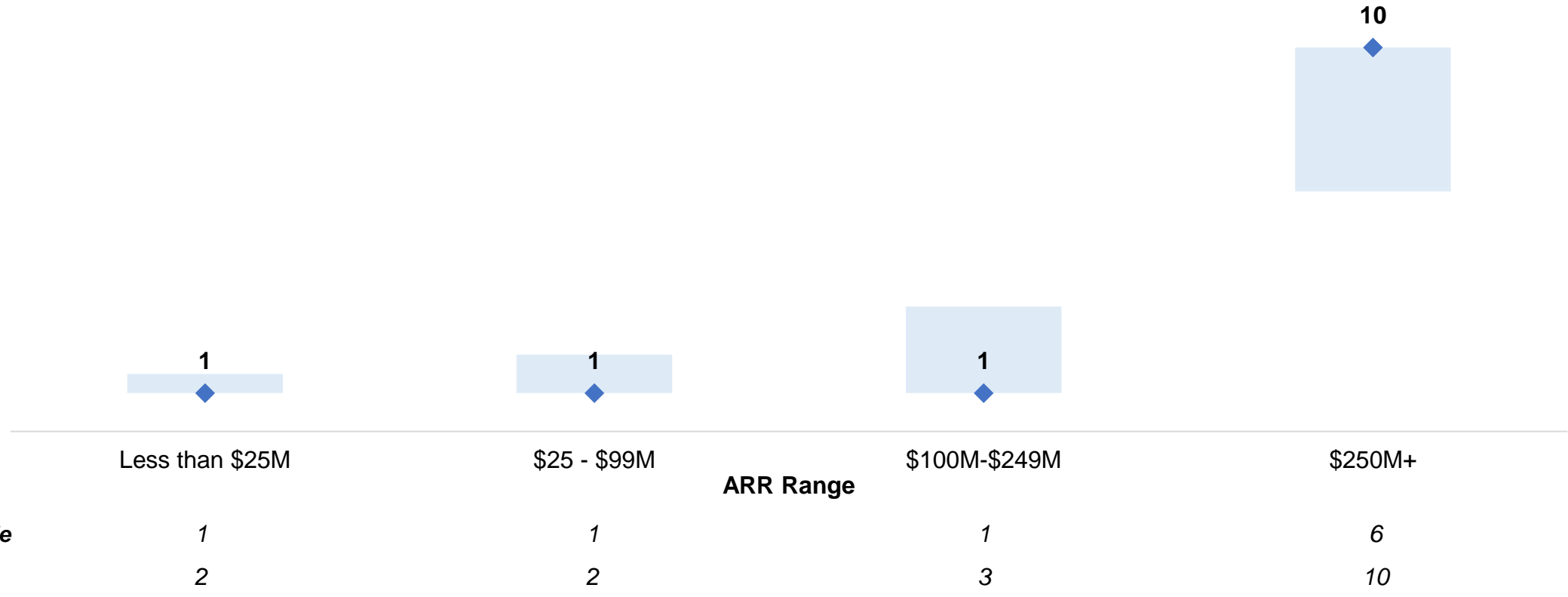
How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
	4	6	4	40
ARR Range				
Bottom Quartile	1	4	4	22
Top Quartile	7	7	4	57

* N-size based on Customer Success executives who answered question

ICONIQ

Customer Success Org Structure: Customer Success Leadership Headcount

Median Customer Success Leadership Headcount (n = 43*)

How many FTEs do you have in each role?

	Less than $25M	$25 - $99M	$100M-$249M	$250M+
	1	1	1	10
ARR Range				
Bottom Quartile	1	1	1	6
Top Quartile	2	2	3	10

ICONIQ