# ICONIQ | Growth

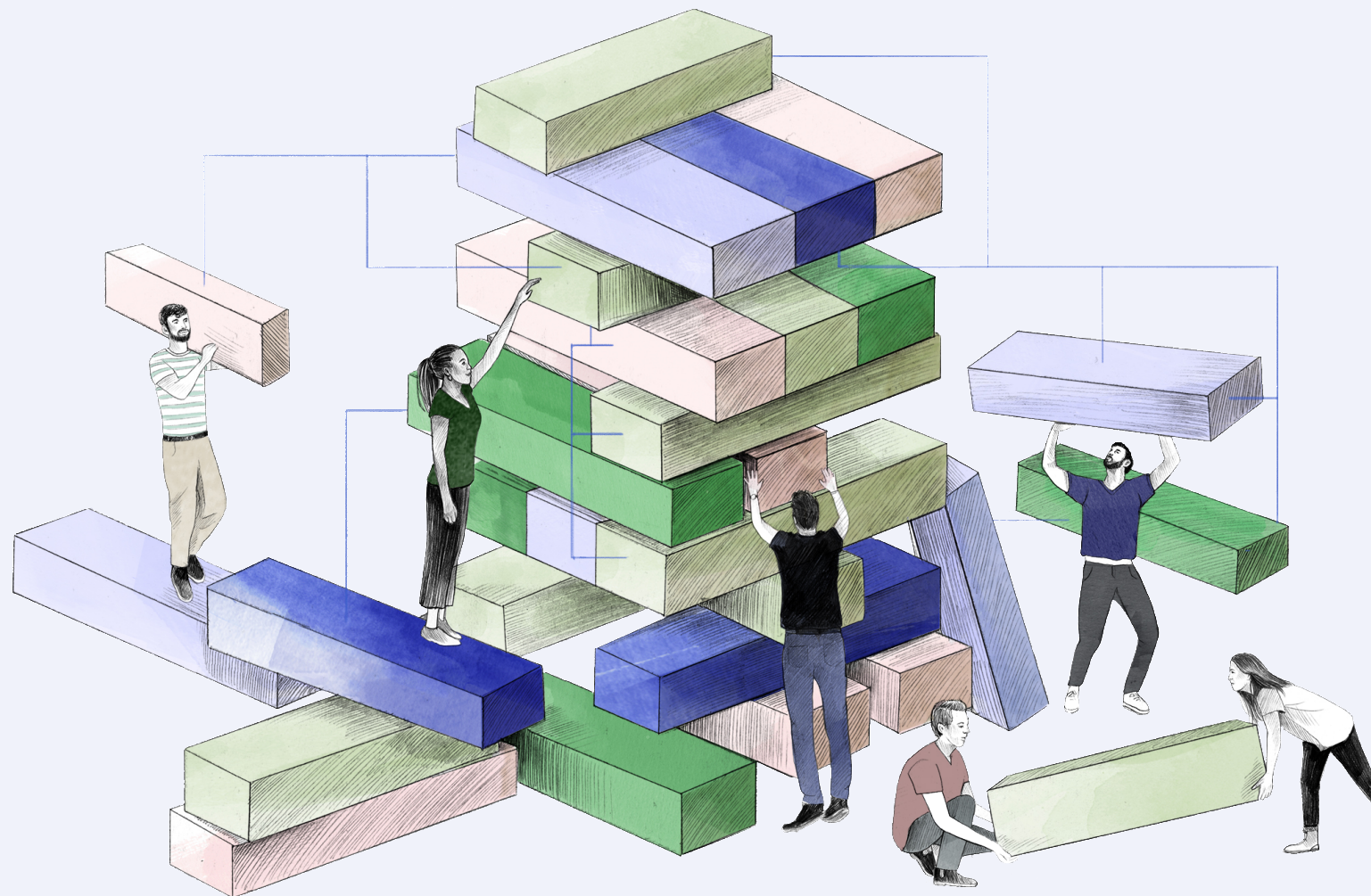# Building Go-to-Market Teams

*Roles, responsibilities, headcount, and reporting structures*

**Go-to-Market Series**

*August 2023*

# DISCLOSURE

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# About the research

**Explore the series**

A holistic and well-executed go-to-market strategy is one of the key pillars that drives sustainable, long-term growth for software companies. Regardless of your organization's growth motion, effective go-to-market teams represent the voice of the customer and serve as critical feedback loops for product and engineering.

*In this series*

we use organizational data and industry perspectives to **provide detailed answers to the key go-to-market questions** we receive from B2B SaaS leaders.

We will examine myriad topics across GTM compensation, incentives, org structure, roles and responsibilities, forecasting, and enablement, in order to share best practices and proprietary benchmarks to help you scale your organization.

*This report*

explores **how SaaS companies scale their go-to-market teams from founding to post-IPO.** This study includes **detailed headcount benchmarks** for sales, marketing, and customer success teams, and common frameworks across roles, responsibilities, and reporting structures.

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# About the Go-to-Market Series

ICONIQ Growth's GTM series provides detailed answers to key questions across the following operating topics utilizing proprietary data and industry perspectives from 230+ B2B SaaS leaders.

## Compensation & Incentives

| Sales Compensation | Marketing Compensation | Customer Success Compensation | Interactive Dashboard *Portfolio Only* |

## Org Structure & Responsibilities

**Building Go-to-Market Teams**
*Roles, responsibilities, headcount, and reporting structures*

Interactive Dashboard *Portfolio Only*

## Operationalizing Go-to-market

| The GTM Tech Stack | Forecasting & Reporting | *Template:* GTM Board Reporting |

## GTM Strategy & Evolution

| *Playbook* Marketing Budgets | *Playbook* Moving Up-market | *Playbook* Expanding Internationally | *Playbook* Product & Pricing |

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# Analytics & Leadership Advisory

Seeking to empower our portfolio with proprietary insights and advisory across business operations, hiring, and strategy.



**Christine Edmonds**

Head of Portfolio Analytics



**Claire Davis**

Portfolio Analytics



**Vivian Guo**

Portfolio Analytics



**Addison Anders**

Portfolio Analytics



**Sam O'Neill**

Portfolio Data Manager



**Brad Delaplane**

Functional Lead – GTM



**Caroline Brand**

Leadership Analytics



**Zack Osman**

Portfolio Compensation

# Follow our research

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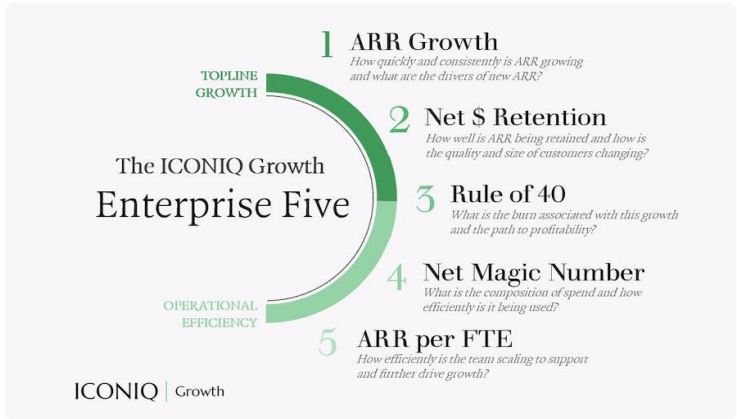
# Data Sources
## & Methodology

This study summarizes data from a March 2023 survey of **236 GTM executives** at B2B SaaS companies, including heads of sales, marketing, and customer success.

Where relevant, we compare results to a March 2021 survey conducted by ICONIQ Growth to a similar cohort of 200+ GTM executives.[1]

*Firmographics*

### Location
*Based on employee majority*

| West | Distributed | Northeast | South | Midwest | Non-US |
|------|-------------|-----------|-------|---------|--------|
| 96 | 54 | 30 | 23 | 15 | 18 |

### Sales Motion

| Top-down | Hybrid | Bottom-up |
|----------|--------|-----------|
| 108 | 104 | 24 |

### ARR Scale

| $5 to $9M | $10 to $24M | $25 to $49M | $50 to $99M | $100 to $249M | $250 to $999M | $1B+ |
|-----------|-------------|-------------|-------------|---------------|---------------|------|
| 23 | 36 | 38 | 30 | 54 | 32 | 23 |

### Horizontal vs. Vertical

| Horizontal SaaS | Vertical SaaS |
|-----------------|---------------|
| 146 | 90 |

### YoY ARR Growth Rate[2]

| 20-29% | 30-39% | 50-99% | 100-149% | 150%+ |
|--------|--------|--------|----------|-------|
| 77 | 77 | 54 | 17 | 11 |

### Sector

| Data & Analytics | Security & Infrastructure | Sales, Marketing, CS | Back Office & Operations | Collaboration & Workflow | B2B Fintech | Other |
|------------------|---------------------------|----------------------|--------------------------|--------------------------|-------------|-------|
| 51 | 48 | 47 | 39 | 29 | 14 | 8 |

*Methodology*

In this series, select companies are referred to as "top performers" because they meet the following criteria:

➤ **Scale**: Annual Recurring Revenue (ARR) > $10M

➤ **Growth**: 2022 YoY ARR growth >50%

➤ **Retention**: Annual net dollar retention 120%+

➤ **Efficiency**: ARR per FTE $150,000+

### Top Performers
*% of respondents*

**32%**

1 Surveys included responses from some but not all ICONIQ Growth portfolio companies as well as companies not part of ICONIQ Growth's portfolio
2 YoY ARR Growth Rate between 2021 and 2022

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# Collaborators & Industry Perspectives

Throughout this series, we also weave in perspectives, insights, and best practices from go-to-market executives in the ICONIQ Growth B2B SaaS portfolio and network.

Perspectives were gathered via interviews with the following collaborators as well as other generational leaders via ICONIQ Growth communities and events.

All industry perspectives shared in this report have been anonymized to protect company-level information.

**1Password**
Shannon Hughes
VP, Corporate Marketing

**1Password**
Johanie Marcoux
Sr Director, Marketing Strategy

**DATADOG**
Angie Holt
SVP, Customer Success

**DRATA**
Adam Aarons
Chief Revenue Officer

**DRATA**
Conor Nolen
Chief Customer Officer

**DRATA**
Sydney Sloan
Chief Marketing Officer

**Everlance**
Cindy Chow
Head, B2B Marketing

**FloQast**
Ken Sims
Chief Revenue Officer

**HIGHSPOT**
Stephen Hallowell
VP, Strategic Services

**netskope**
Ben Saitz
Chief Customer Officer

**Pigment**
Rebeca Tristan
Head of Customer Experience & Operations

**people.ai**
Sam Yang
President, Field Operations

**QGenda**
Brad Lochman
Chief Sales Officer

**Relativity**
Peter Kim
Chief Sales Officer

**yapi**
Jack Montgomery
CFO, Head of Sales & Marketing

*And additional insights from go-to-market leaders at:*

asana   box   CLOUDFLARE   databricks   Figma   HubSpot   snowflake

ATLASSIAN   Clari   CROWDSTRIKE   dbt Labs   GitLab   miro   twilio

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# Categorizing Headcount

Services and support employees are typically categorized under cost of goods sold (COGS) rather than "sales & marketing" in terms of cost classification. However, throughout this study we include COGS employees as part of the go-to-market organization

| | GTM Team | Description | Individual Contributors (ICs) | Leadership | Ops & Enablement |
|---|---|---|---|---|---|
| **Sales & Marketing OpEx** | **Marketing** | Marketing employees are those focused on promoting a company and its products/services to identify, attract, and educate potential and existing customers. | • Demand generation<br>• Product marketing<br>• Content marketing<br>• Communications / PR | • Manager (first-line)<br>• Director (second-line)<br>• Head (VP, SVP)<br>• C-Suite | • Marketing operations |
| | **Sales** | Sales employees are those focused on identifying, closing, renewing, and/or upselling customers, and the employees supporting that effort such as sales enablement and operations. | • Account executives (AEs)<br>• Sales development reps (SDRs)<br>• Sales engineers (SEs)<br>• Account managers (AMs) | • *Same as above* | • Sales / revenue operations<br>• Sales enablement<br>• Deal desk |
| | **Customer Success**<br>CS | Customer success employees are those focused on customer renewal and/or expansion, either directly (e.g., via quotas) or indirectly. | • Customer success manager (CSM)<br>• Customer success operations<br>• Customer enablement | • *Same as above* | • CS operations |
| **COGS** | **Services & Support** | COGS employees are focused on the delivery of a product and/or service to a customer, including training, product support, and/or implementation. | • Customer support<br>• Professional services<br>• Onboarding & implementation<br>• Managed services | *Not addressed in this research* | *Not addressed in this research* |

*Cost Classifications*

This is an illustrative categorization of headcount; where companies allocate certain headcount in terms of cost classifications will depend on business model and the specifics of that role. For example, customer success employees that are focused on implementation and customer support may be categorized under COGS.

# The Revenue Funnel

There are many ways to design your revenue cycle and many different naming conventions for funnel stages and sub-stages. This is a revenue funnel archetype that we commonly see across sales-led B2B SaaS, but there is no "one-size-fits-all" approach

| Stage | Description |
|---|---|
| **New Lead** | A **potential user or buyer** that has not yet meaningfully engaged with your solution or organization. Marketing and/or sales is trying to move new leads down-funnel by spreading awareness of their solution and/or organization |
| **Marketing Qualified Lead (MQL)** | Leads that have the potential to fit your ideal customer profile and have **expressed interest in or engagement with your product** and/or services either implicitly or explicitly. This stage often involves a lead handoff from marketing to sales |
| **Sales Qualified Lead (SQL)** | Leads that meet your ideal customer profile and are engaged in the buying cycle (e.g., a **meeting/call with a sales rep is booked** or has been held). This stage typically includes a handoff from SDRs to account executives |
| **Opportunity / Pipeline** | **Leads that convert to pipeline dollars.** An SQL becomes an opportunity when certain qualification criteria are met. An opportunity will typically have around 5 sub-stages that align to the buyer's decision-making process (e.g., discovery, demo, negotiation) |
| **Closed Won** | When an agreement is signed, and **pipeline converts to new revenue in various forms** (bookings, recurring revenue, services fees, etc.). Depending on your org structure, this stage can involve a handoff between sales and customer success and/or account management |
| **Renewal** | **A customer is up for renewal when the subscription end date is reached.** Renewals can be flat wherein the sale price stays the same for the next term, or, more often, renewals can involve a positive or negative price change |
| **Expansion** | Customer expansion comes from **increases in a customer's existing sale price.** Customers **upsell** when the scope of an existing product or service expands, while a **cross-sell** refers to when an existing customer is sold a different product or service |

This is an illustrative sales funnel framework; not all sales processes will have each step shown here and some may benefit from a different funnel structure than the one shown

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# Customer Role Archetypes

There are generally two archetypes for key customer-facing individual contributors, each with a unique set of responsibilities. Any combination of these archetypes can exist within an organization, and team structures can differ based on a company's primary archetype

| Customer Success Manager (CSM) | Professional Services (PS) | Customer Support (SUP) |
|---|---|---|
| ### Relationship | ### Advisory | ### Premier |
| CSMs are primarily focused on being **the strategic advisor for a customer** by managing and nurturing a high-touch relationship. They are ensuring the customer is getting value from the product and acting as the voice of the customer in the product feedback loop. | Professional services employees are focused on **strategic applications of services** across the customer base. This type of work is often packaged as managed services, meaning they are ongoing consulting-type services that a customer pays a recurring fee for. | Assigned / named support resources with dedicated service level agreements. Premier support is more **proactive in nature** by providing real-time issue identification and resolution. Access to support is not limited by service level limitations or business hours. |
| ### Commercial | ### Delivery | ### Basic |
| CSMs are primarily focused on **closing renewals and expansion opportunities**. Commercial CSMs have a similar profile to sales account managers or renewals representatives - they are more likely to have variable compensation, quotas towards expansion revenue, and goals against retention metrics. | Professional services employees are focused on delivering functionality in the product via **implementation and onboarding**. This could also include ongoing delivery of more tactical services such as data maintenance and integration upkeep. | Access to support resources and communication with support employees, usually via some form of **helpdesk**. Basic support is primarily **reactive in nature** and can have service level limitations imposed such as slower response times and support access limited to business hours. |

This is an illustrative framework based on common roles and responsibilities of customer-facing teams across the ICONIQ Growth B2B SaaS portfolio

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## Executive Summary & Overview

## Org Structure & Responsibilities

## Headcount Allocation

## Planning & Operationalizing

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# Executive summary

## Building go-to-market teams effectively has profound impacts on operating leverage

- Once companies scale past $10M ARR and achieve more product maturity, **go-to-market remains the largest organization** (40-50% of headcount) **and the largest driver of OpEx** (40-55% of OpEx) throughout a company's lifecycle
- While FTE productivity and FTE efficiency should both increase as companies scale, with factors such as ramp times, quota attainment, competitive compensation, attrition, and challenges moving up-market, **GTM organizations don't realize headcount efficiency until ~$200M+ ARR**. Building an efficient and effective GTM organization can have a profound impact on operating leverage and is a key driver for companies looking to achieve profitability

## Sequencing of hiring key go-to-market roles

- $5-$9M ARR: most GTM teams only have **dedicated FTEs in account executive, sales engineering, CSM, and customer support** roles
    - Most companies **hire their first VP sales soon after hitting the $10M ARR threshold**, though ~40% of companies have a VP sales before this stage. High growth companies are more likely to have a VP sales before reaching $10M ARR
- $10-$25M ARR: companies start **building out the GTM leadership team**. Most companies at this stage have a c-suite leader such as a CRO, a VP-level sales leader, and managers or directors to lead the marketing and customer success teams
- $25-$50M ARR: companies build out additional spans of control across GTM teams by filling **first-, second-, and third-line management roles**. Companies also build out professional service teams and invest more in sales operations & enablement
- $50-$100M ARR: most companies **build an account management function** to own renewals. **Marketing teams continue to specialize** and hire roles specifically dedicated to lead generation, content marketing, and events coordination
- $100-$250M ARR: companies continue to enhance their service offerings and hire **services leadership**, which typically own professional services, support, and customer enablement. Marketing teams also add more specialized roles dedicated to **channel marketing, communications, and operations**
- $250-$500M ARR: most companies have c-suite executives leading each go-to-market team and reporting into revenue leadership and/or the CEO. Sales teams focus on operationalizing by building out **deal desks**, and marketing teams invest more in **brand marketing** to prepare for IPO

## Defining roles & responsibilities to drive accountability

- At the top of the funnel, identifying, converting, and qualifying new leads is a shared responsibility between sales and marketing. Demand generation teams work closely with SDRs to refine campaigns and qualification criteria, then hand-off MQLs to the sales team
- Roles and responsibilities often shift as SaaS companies scale and move up-market. Most organizations have their **customer success teams own renewal and expansion during the early stages, then transfer these responsibilities to sales**

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# Executive summary

## The make-up of a sales organization

- As companies scale, quota-carrying individual contributors become a larger proportion of the sales organization. While **ICs compose 60-65% of an early-stage sales organization**, they make up **70-75%** of a later-stage sales organization
- Early stage companies are mostly made up of AEs (20-25%), SDRs (10-15%), and sales leadership (15-25%); later-stage companies are mostly made up of AEs (25-45%), account managers (10-15%), and sales engineers (15-20%)

|  | AE:SDR | AE:Account Manager | AE:Sales Engineer | AE:CSM | AE:Manager | AE:Sales Enablement | AE:Sales Ops |
|---|---|---|---|---|---|---|---|
| <$100M ARR | 2-3 | 1-3 | 2-3 | 1-3 | 4-6 | 5-6 | 5-6 |
| $100M+ ARR | 3-4 | 4-6 | 2-4 | 1-3 | 6-9 | 10-12 | 8-12 |

- Teams with channel-driven sales typically have more ICs per manager, as do companies with a bottom-up or product-led sales motion
- Sales organizations segment account executive and sales development teams primarily by **geography and size,** and increase segmentation by **industry and product** as they scale
- On average, **20% of AEs are focused on SMB, 27% are focused on mid-market, 30% are focused on enterprise, and 15% are focused on strategic accounts;** respondents focused on SMB customers had ~50% of their account executives dedicated to SMB, 30% to mid-market, and 20% to enterprise and strategic accounts

## The make-up of a CS & services organization

- **CSMs make up 45-60% of the CS organization at early-stage companies**, and **60-80%** of the CS organization at later-stage companies
- Companies increase the number of CSMs per manager as they scale, from **5-7 CSMs per manager in the early stages to 6-9 in the later-stages**
- Cost of revenue teams are mostly comprised of customer support employees, which make up an increasing portion of services headcount as companies scale. **Support employees comprise 50-70%, professional services 25-45%, and customer enablement 5-15% of COR teams**
- Companies typically have **1-2 support employees per CSM**, and **1-2 professional services employees per CSM.** This can differ by CSM archetype, with commercial-led customer success organizations typically having more support and services employees per CSM

## The make-up of a marketing organization

- After reaching $10M ARR, the make-up of a marketing team stays relatively consistent as companies scale, with **individual contributors comprising ~55-65%, leadership comprising 25-35%, and ops and enablement 5-10% of marketing headcount**
- **Demand generation (10-25%), content marketing (5-20%), and product marketing (15-30%)** make up the largest proportion of marketing headcount. As companies scale, marketing teams become more specialized, building out roles dedicated to comms, channel marketing, customer marketing, and more

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# Go-to-market teams make up 40-50% of a SaaS company's total headcount on average. Once companies scale past $10M ARR and achieve more product maturity, go-to-market remains the largest organization and the largest driver of OpEx throughout a company's lifecycle
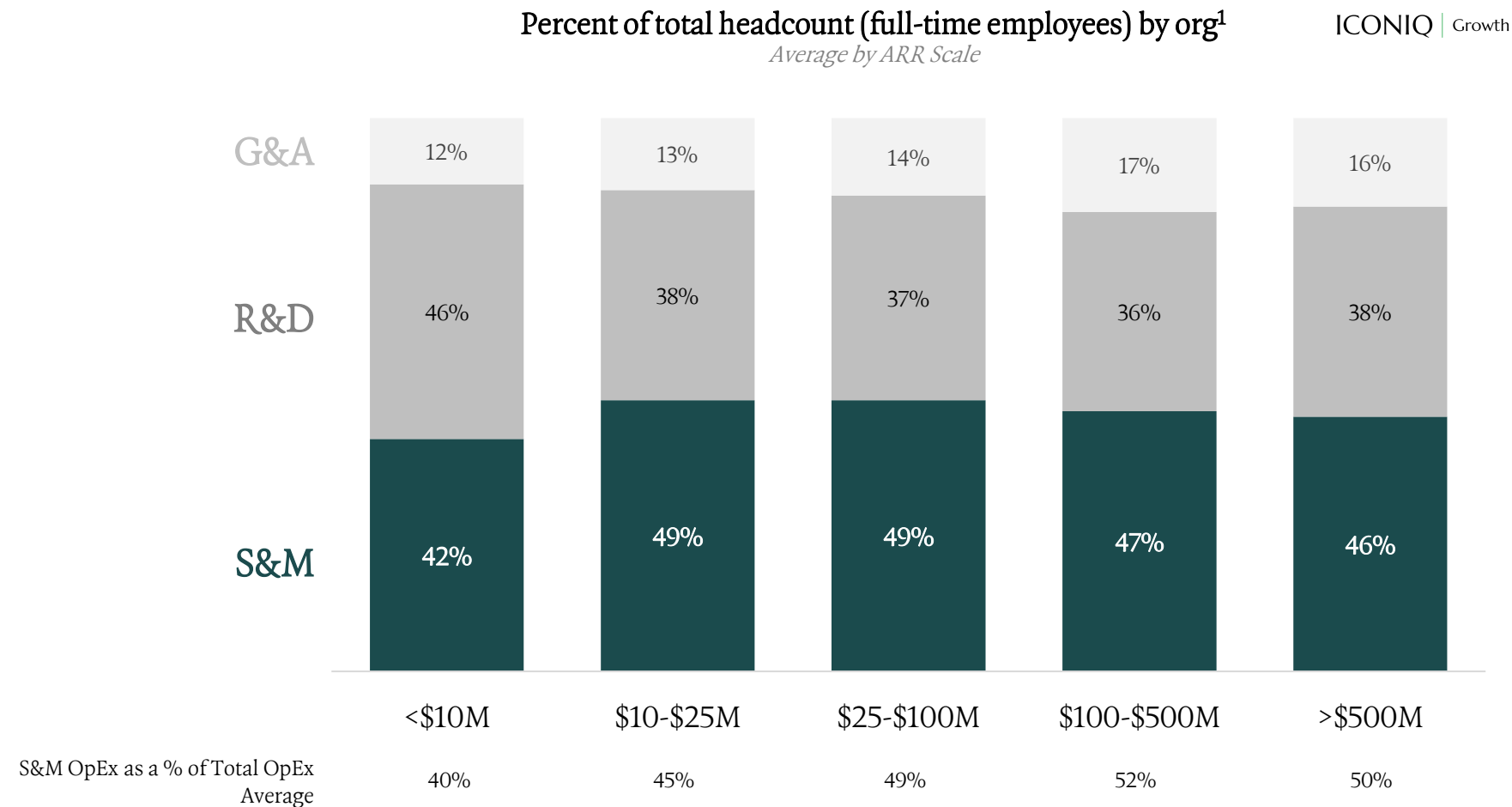
Percent of total headcount (full-time employees) by org[1]

*Average by ARR Scale*

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| | <$10M | $10-$25M | $25-$100M | $100-$500M | >$500M |
|---|---|---|---|---|---|
| G&A | 12% | 13% | 14% | 17% | 16% |
| R&D | 46% | 38% | 37% | 36% | 38% |
| S&M | 42% | 49% | 49% | 47% | 46% |

| S&M OpEx as a % of Total OpEx Average | 40% | 45% | 49% | 52% | 50% |
|---|---|---|---|---|---|

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While there is variability to how organizations scale and allocate headcount, headcount productivity and efficiency should always be considered. As SaaS companies scale, both FTE productivity and FTE efficiency should increase, and ARR per FTE should surpass OpEx per FTE
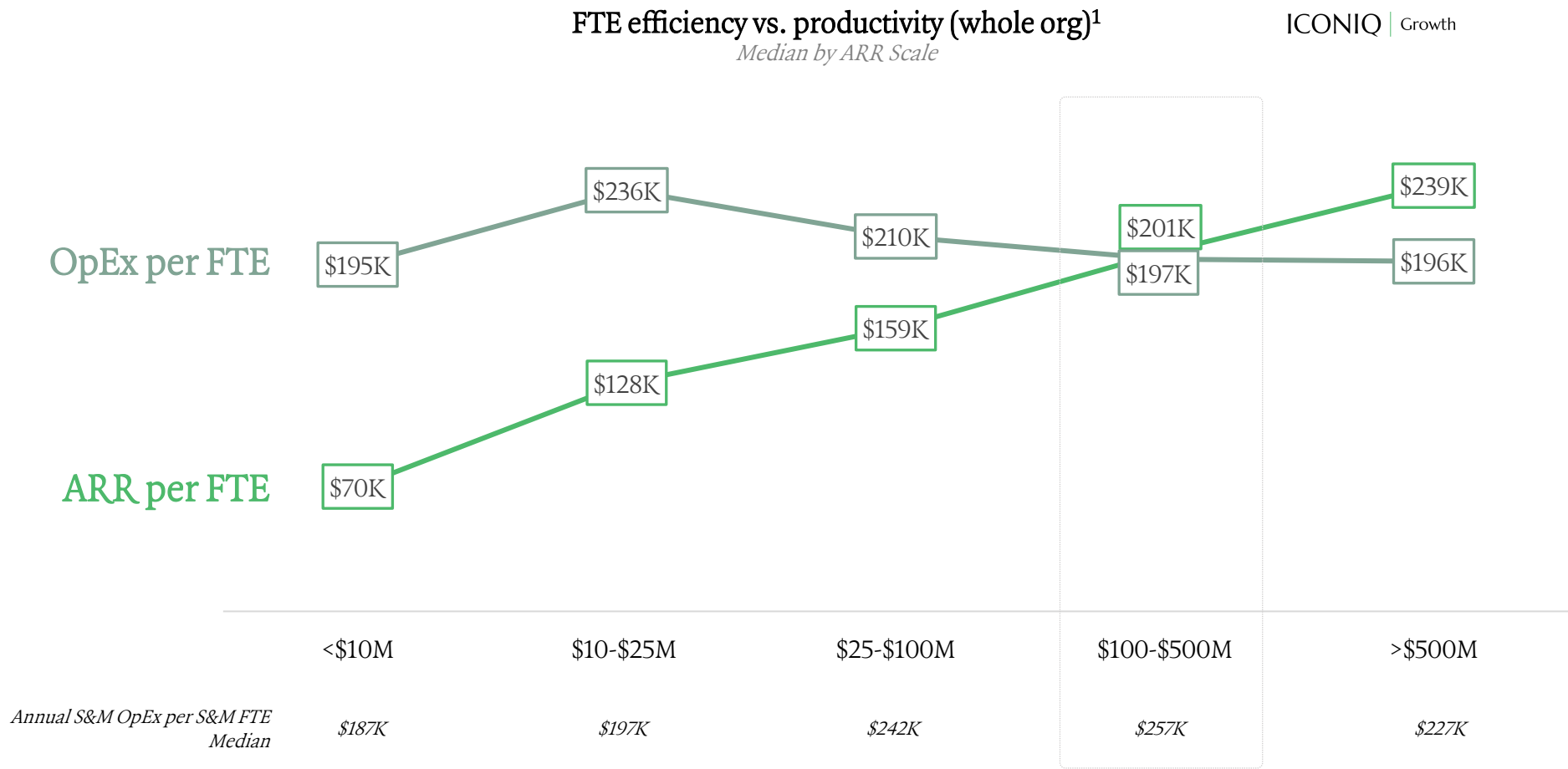
## FTE efficiency vs. productivity (whole org)[1]
*Median by ARR Scale*

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| | <$10M | $10-$25M | $25-$100M | $100-$500M | >$500M |
|---|---|---|---|---|---|
| OpEx per FTE | $195K | $236K | $210K | $201K / $197K | $239K / $196K |
| ARR per FTE | $70K | $128K | $159K | | |
| *Annual S&M OpEx per S&M FTE Median* | *$187K* | *$197K* | *$242K* | *$257K* | *$227K* |

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However, with factors such as ramp times, quota attainment, competitive compensation, attrition, and challenges moving up-market, the GTM organization doesn't realize headcount efficiency until companies reach ~$200M+ ARR. Building an efficient and effective GTM organization can have a profound impact on operating leverage and is a key driver for companies looking to achieve profitability

## Annual OpEx per FTE by org[1]
*Median by ARR Scale*

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**G&A OpEx per G&A FTE**

$430K
$342K
$345K
$282K
$281K

**S&M OpEx per S&M FTE**

$187K
$203K
$242K
$257K
$228K

**R&D OpEx per R&D FTE**

$170K
$197K
$198K
$180K
$227K

| | <$10M | $10-$25M | $25-$100M | $100-$500M | >$500M |
|---|---|---|---|---|---|
| *Annual NNARR per S&M FTE Median* | *$149K* | *$141K* | *$168K* | *$157K* | *$183K* |
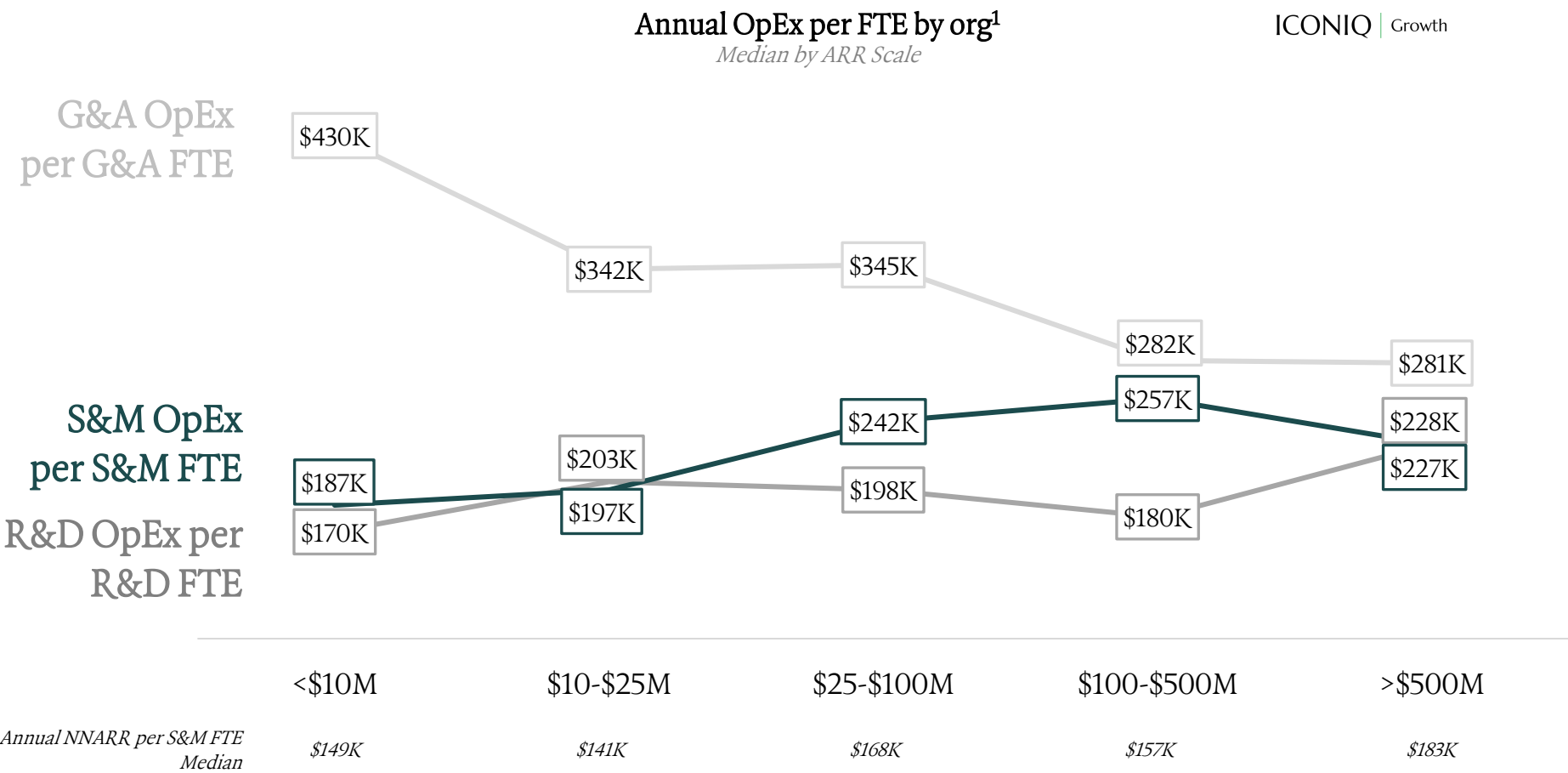
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Within the go-to-market organization, sales is the largest team, comprising 30-40% of total GTM headcount in the early stages and 40-60% in the later stages. COGS and customer success each comprise 15-25%, and marketing comprises the remaining 10-20% of the organization



Distribution of GTM headcount[1]
*% of total by team and ARR scale*
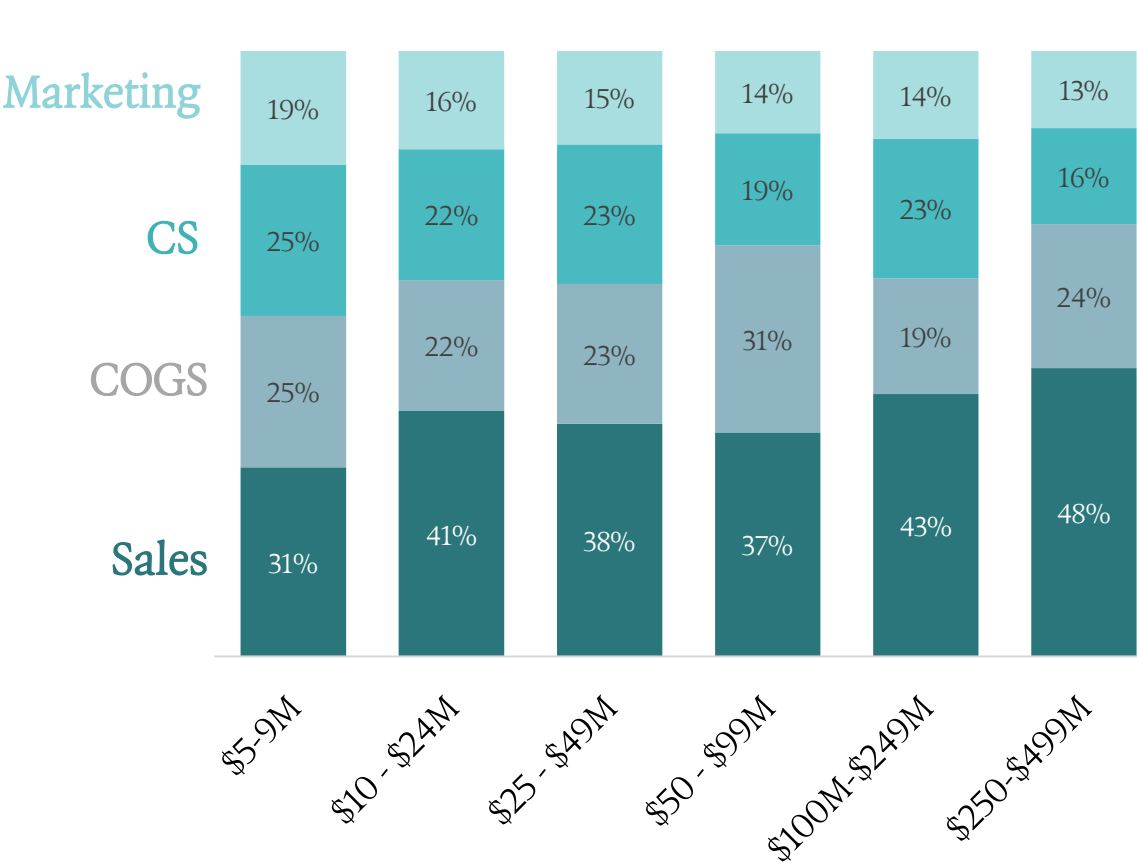
# Full-time GTM employees[1,2]
*Median by team and ARR scale*
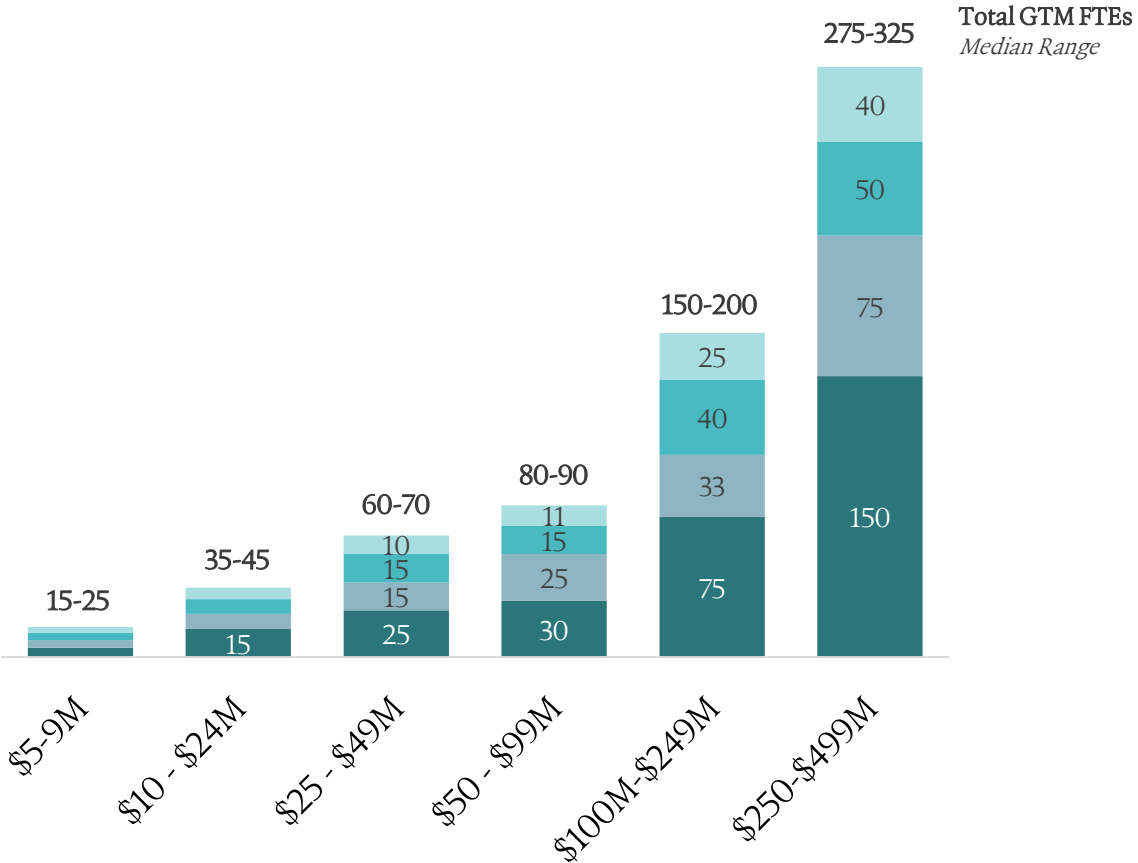
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Like org structure, roles and responsibilities for GTM teams can also differ across companies. However, most GTM organizations have roles dedicated to each stage of the revenue funnel, with marketing at the top-, sales in the middle-, and CS and services at the bottom-of-funnel

**Common responsibilities across the GTM org[1]**
*By revenue funnel stage and key GTM role*

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Legend:
- Primary responsibility
- Secondary responsibility
- Tertiary responsibility

| | Demand Gen / Lead Gen | Sales Development Rep (SDR) | Account Executive (AE) | Sales Engineer (SE) | Customer Success Manager | Professional Services | Customer Support | Account Manager (AM) |
|---|---|---|---|---|---|---|---|---|
| New Lead to MQL | Primary | | | | | | | |
| MQL to SQL | Secondary | Primary | | | | | | |
| SQL to Pipeline | Tertiary | Secondary | Secondary | Tertiary | | | | |
| Closed Won | | Tertiary | Primary | Primary | | | | |
| Onboarding & Adoption | | | | | Primary | Primary | Primary | |
| Renewal | | | Tertiary | | Primary | Secondary | Secondary | Primary |
| Expansion | | | Primary | | Secondary | Tertiary | Tertiary | Secondary |

Marketing — Sales — Customer Success — Services — Sales

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**Responsibilities can often be shared across these stages. At the top of the funnel, identifying, converting, and qualifying new leads is a shared responsibility between sales and marketing. Demand generation teams work closely with SDRs to refine campaigns and qualification criteria, then hand-off MQLs to the sales team**

Which team & employee is primarily responsible for the following steps of the sales process?[1]

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*% of respondents*

### New Lead to MQL

| | <$25M | $25-$99M | $100M+ |
|---|---|---|---|
| Sales | 26% | 35% | 31% |
| Marketing | 74% | 65% | 69% |

### MQL to SQL

| | <$25M | $25-$99M | $100M+ |
|---|---|---|---|
| | 74% | 70% | 65% |
| | 26% | 30% | 35% |

| Primarily responsible | Demand Gen | Demand Gen | Demand Gen |
|---|---|---|---|
| Supporting | SDR | SDR | SDR |

| | SDR | SDR | SDR |
|---|---|---|---|
| | AE | AE | SDR Manager |
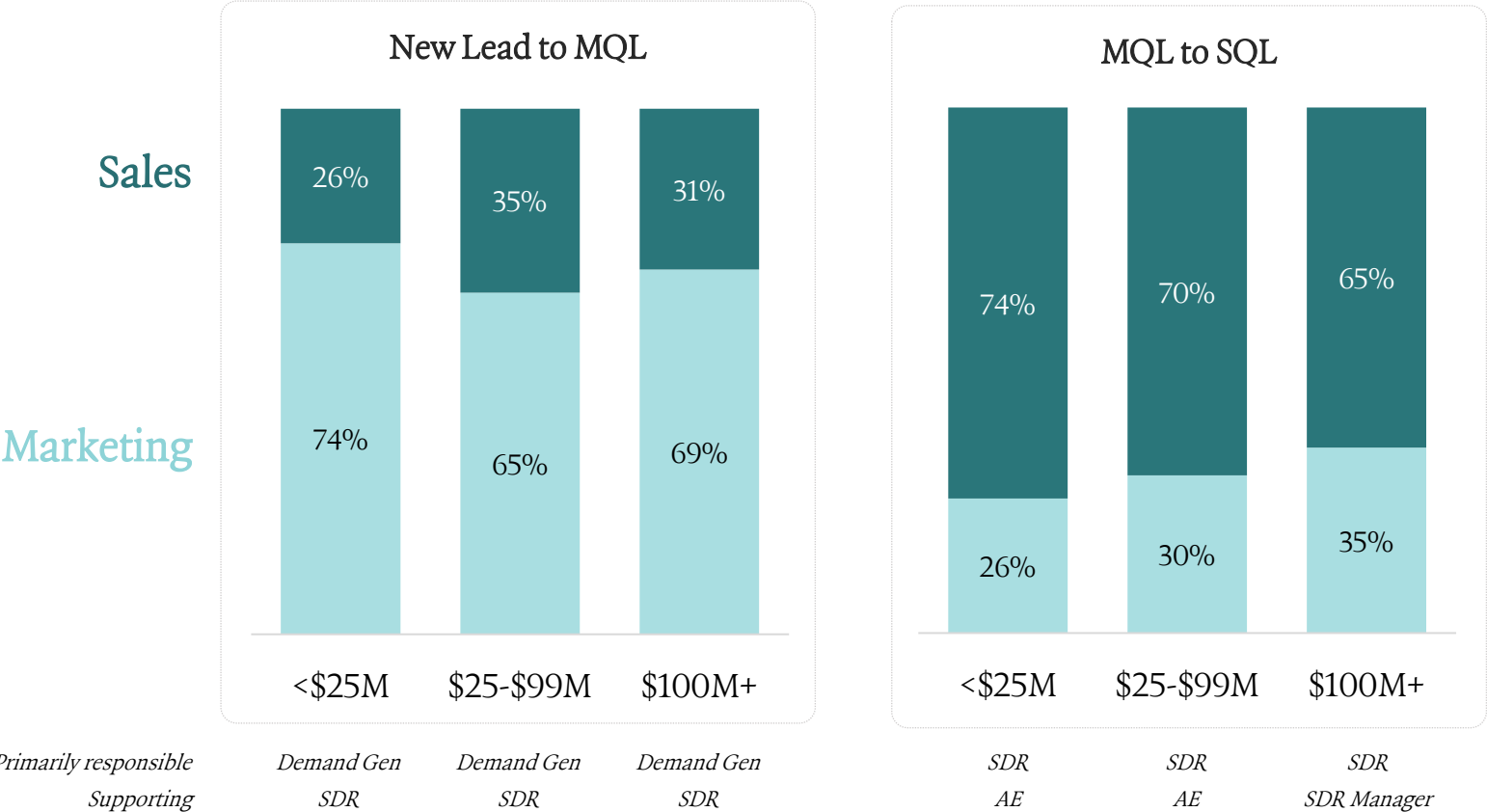
> **Everyone should be prospecting.** We used to be relying too much on marketing and the sales development team, so we instituted prospecting goals for our account executives and we're building that muscle. It's all about revenue, so this should be a shared responsibility.[2]
>
> *Chief Revenue Officer*
> *B2B SaaS Company*
> *Early-Stage (<$50M ARR)*

Additionally, roles and responsibilities often shift as SaaS companies scale and move up-market. Most organizations have their customer success teams own renewal and expansion during the early stages, then transfer these responsibilities to sales as customer expansion drives larger portions of ARR

Which team & employee is primarily responsible for the following steps of the sales process?[1]

*% of respondents*

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### Renewal

| | <$25M | $25-$99M | $100M+ |
|---|---|---|---|
| CS | 62% | 58% | 42% |
| Sales | 38% | 42% | 58% |

### Expansion

| | <$25M | $25-$99M | $100M+ |
|---|---|---|---|
| CS | 44% | 32% | 33% |
| Sales | 56% | 68% | 67% |

| | Renewal <$25M | Renewal $25-$99M | Renewal $100M+ | Expansion <$25M | Expansion $25-$99M | Expansion $100M+ |
|---|---|---|---|---|---|---|
| Primarily responsible | CSM | CSM | AM | AE | AE | AE |
| Supporting | AE | AM | CSM | CSM | CSM | CSM |
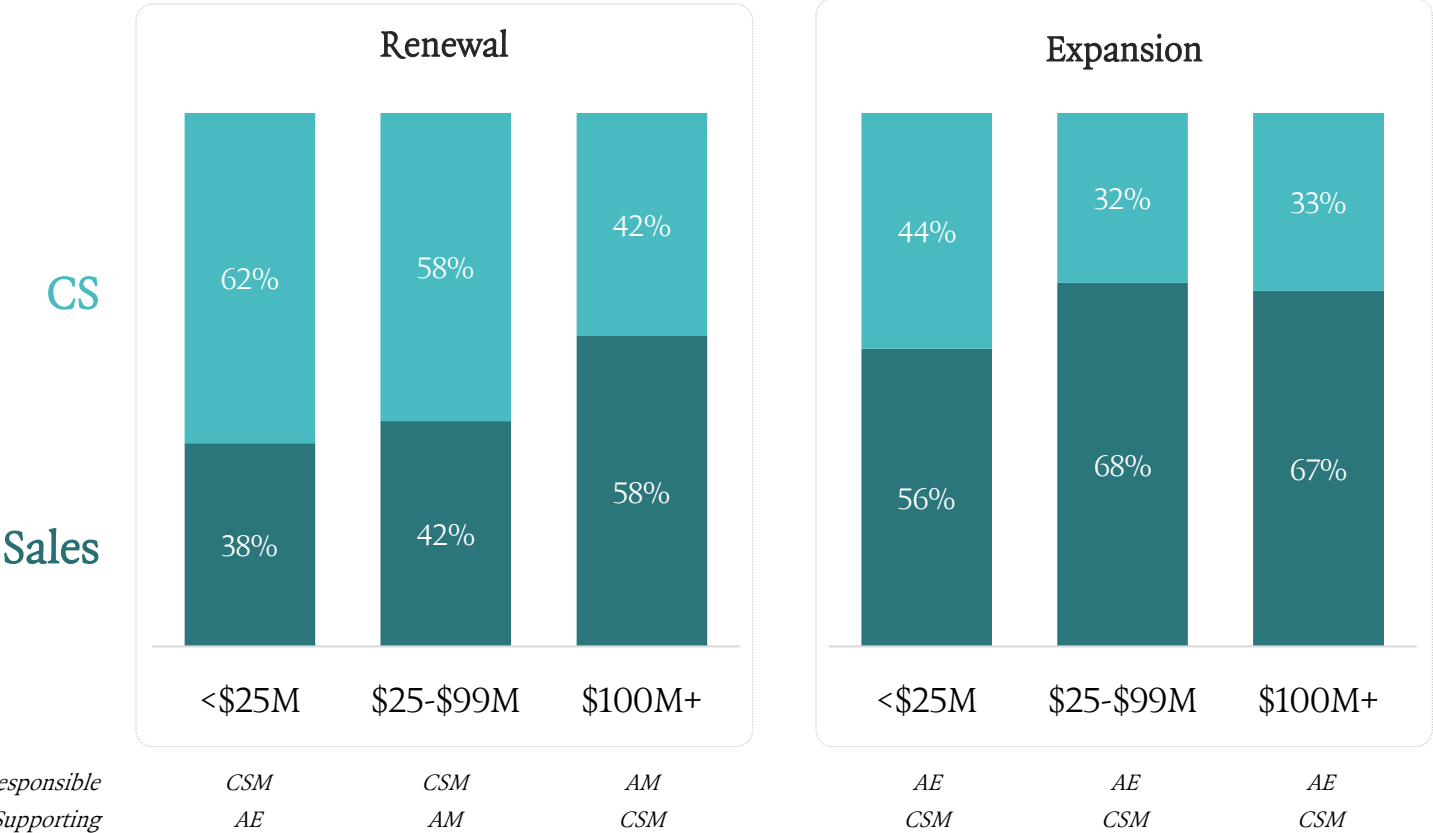
> " *If you have a land and expand motion or you're struggling with customer retention, sales should probably own renewal and expansion.* It's all about what makes sense for your product and your sales motion, but ideally there is one person that owns the renewal and expansion of each customer, rather than splitting these responsibilities between teams.[2]
>
> *Chief Customer Officer*
> *B2B SaaS Company*
> *Early-Stage (<$50M ARR)*

Org structure and reporting lines within each of these teams can differ across companies. Throughout this report, we default to the most common org and reporting structures we see – for example, account management under sales rather than CS - but acknowledge myriad models work depending on your GTM motion and leadership team

**Where in your organization does the account management role sit?[1]**

*% of respondents by team*

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### By ARR Scale

CS
- 43% (<$50M)
- 20% ($50M+)

Sales
- 57% (<$50M)
- 80% ($50M+)

<$50M  $50M+

### By ACV

- 64% (<$50K)
- 23% ($50-$99K)
- 25% ($100-$199K)
- 22% ($200K+)

- 36% (<$50K)
- 77% ($50-$99K)
- 75% ($100-$199K)
- 78% ($200K+)

<$50K  $50-$99K  $100-$199K  $200K+
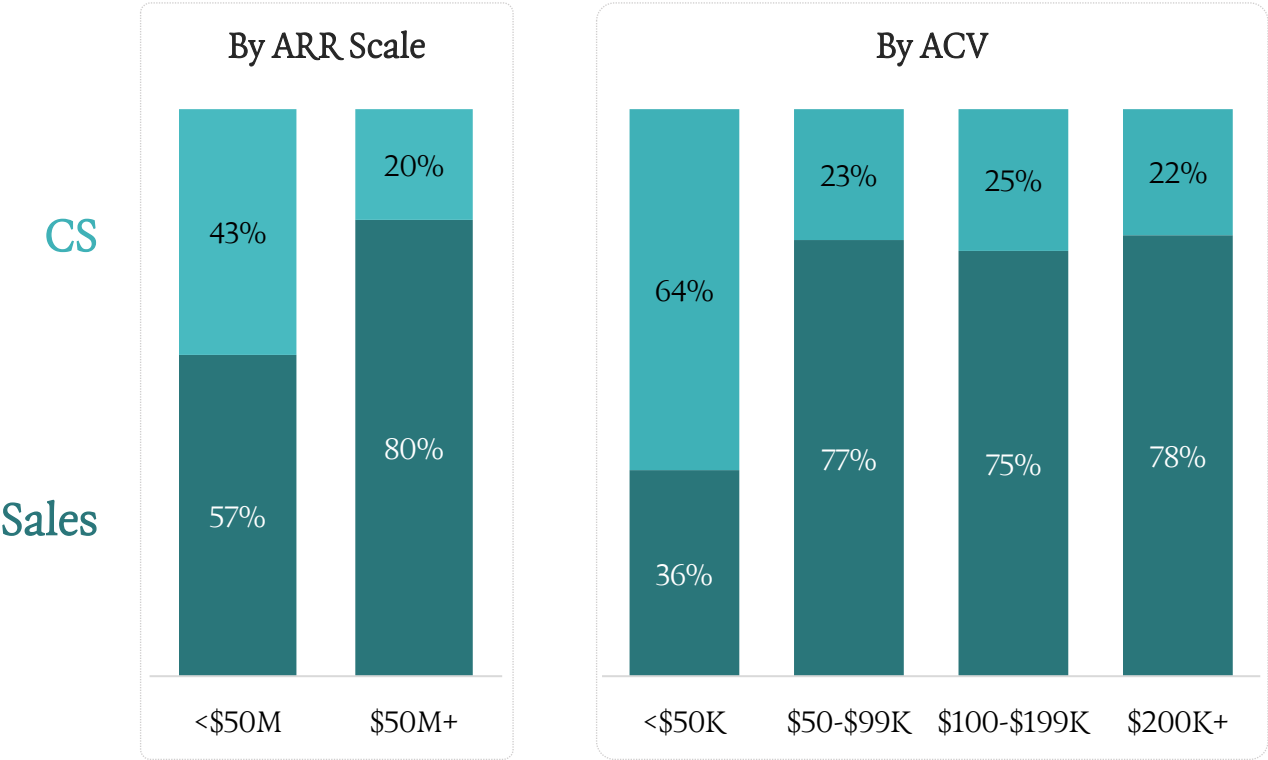
> **Org structure should partly depend on the strengths of your leadership team.** Reporting structures will fluctuate as you scale, but all these models can work if you have the right leaders in place. We just hired a marketing leader with experience owning the SDR function, so we moved the team under them and have seen great results.[2]
>
> *Revenue Leader*
> *B2B SaaS Company*
> *Growth-Stage ($50-$100M ARR)*

# Similarly, while the next section summarizes at what stage most companies hire their first dedicated FTEs for key GTM roles, companies have different approaches depending on their go-to-market motion and business needs

## The first stage at which >50% of companies have dedicated FTEs in a GTM role[1]

*Summary of the following pages*

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| $5-$9M | $10-$25M | $25-$50M | $50-$100M | $100-$250M | $250-$500M |
|---|---|---|---|---|---|
| **Leadership** | **Leadership** | **Leadership** | **Leadership** | **Leadership** | **Leadership** |
| *ICs report to CEO / founder during this stage* | VP Sales* | CRO | | VP Services | Chief Sales Officer |
| | Marketing Manager | Sales Manager | | | Chief Customer Officer |
| | CS Director | Sales Director | | | |
| | | CMO | | | |
| | | VP Marketing | | | |
| | | Marketing Director | | | |
| | | VP CS | | | |
| **Individual Contributors** | **Individual Contributors** | **Individual Contributors** | **Individual Contributors** | **Individual Contributors** | **Individual Contributors** |
| Account Executive | SDR* | Product Marketing* | Account Manager | Partner Marketing | Brand Marketing |
| Sales Engineer | Demand Generation | Events Coordinator | Lead Generation | Comms / PR | |
| CSM | | Professional Services | Content Marketing* | Customer Enablement | |
| Customer Support | | | | | |
| **Ops & Enablement** | **Ops & Enablement** | **Ops & Enablement** | **Ops & Enablement** | **Ops & Enablement** | **Ops & Enablement** |
| | Sales Operations | | Sales Enablement | Marketing Operations | Deal Desk |
| | | | | | CS Operations |

**VP Sales*** Most companies hire their first VP sales soon after hitting the $10M ARR threshold, though ~40% of companies have a VP sales before this stage

**SDR*** Most $5-$9M ARR companies share the SDR responsibility between account executives and marketing generalists

**Product Marketing & Content Marketing*** Product-led growth companies hire FTEs dedicated to these roles earlier in their lifecycle than sales-led growth companies. Content and product marketing are critical for initial launch-to-market for companies with a bottom-up sales motion

ICONIQ | Growth

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## Introduction

## Executive Summary & Overview

## Org Structure & Responsibilities

## Headcount Allocation

## Planning & Operationalizing

ICONIQ | Growth

## Org Structure by Stage | Early stage: <$10M

Before reaching $10M ARR, most GTM teams only have dedicated FTEs in account executive, sales engineering, CSM, and customer support roles. Often, these early individual contributors report directly to a CEO or founder

Percent of companies with **dedicated FTEs** in role

**>50%**

30-50%

Roles with <u>dedicated</u> FTEs at companies with $5-$9M ARR[1]

*By percent of respondents with dedicated FTEs in role*

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CEO / Founder

*Chief Revenue Officer (CRO)*

*Sales VP / SVP*        *Marketing VP / SVP*        *CS VP / SVP*

*Sales Director*                                      *CS Director*

*Sales Manager*        *Marketing Manager*

LEADERSHIP

INDIVIDUAL CONTRIBUTORS

**Account Executive (AE)**        *Demand Generation*        **Customer Success Manager (CSM)**

*Sales Operations*        **Sales Engineer (SE) / Solutions Consultant**        *Lead Generation*        **Customer Support**

*Sales Development Rep (SDR)*                                                      *Professional Services*

*Account Manager*

While most companies have marketing employees during this stage, it is rare to have "specialized" marketing roles where one FTE is dedicated to one role such as demand generation or content marketing. More often, **early-stage marketing employees are generalists, splitting time across myriad marketing responsibilities.**

## Org Structure by Stage | Early stage: $10-$25M

**From $10 to $25M ARR, companies start building out the GTM leadership team. Most companies at this stage have a c-suite leader such as a CRO, a VP-level sales leader, and managers or directors to lead the marketing and customer success teams**

Percent of companies with
**dedicated FTEs** in role

**>50%**

**30-50%**

Roles with dedicated FTEs at companies with $10-$25M ARR[1]
*By percent of respondents with dedicated FTEs in role*

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*New role since prior stage*

**LEADERSHIP**

**INDIVIDUAL CONTRIBUTORS**

CEO / Founder
Chief Revenue Officer (CRO)
CMO

**Sales VP / SVP** | *Marketing VP / SVP* | *CS VP / SVP*

*Sales Director* | | **CS Director**

*Sales Manager* | **Marketing Manager** | *CS Manager*

**Account Executive (AE)** | **Demand Generation** | **Customer Success Manager (CSM)**

**Sales Operations** | **Sales Engineer (SE) / Solutions Consultant** | *Lead Generation* | **Customer Support**

**Sales Development Rep (SDR)** | *Product Marketing* | *Professional Services*

*Account Manager* | *Content Marketing*

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## Org Structure by Stage | Growth stage: $25-$50M

From $25-$50M ARR, companies build out additional spans of control across GTM teams by filling first-, second-, and third-line leadership roles. Companies also begin to build out professional service offerings and invest more in sales operations & enablement

**Percent of companies with dedicated FTEs in role**

**>50%**

**30-50%**

*New role since prior stage*

LEADERSHIP

INDIVIDUAL CONTRIBUTORS

**Roles with <u>dedicated</u> FTEs at companies with $25-$50M ARR[1]**

*By percent of respondents with dedicated FTEs in role*

ICONIQ | Growth

**CRO**

**CMO**

| Sales VP / SVP | *Marketing VP / SVP* | CS VP / SVP |
| Sales Director | Marketing Director | CS Director |
| Sales Manager | Marketing Manager | CS Manager |

| Account Executive (AE) | Demand Generation | Customer Success Manager (CSM) |
| Sales Engineer (SE) / Solutions Consultant | Product Marketing | Customer Support |
| Sales Development Rep (SDR) | Events / Conference Coordinator | Professional Services |
| *Account Manager* | *Lead Generation* | *Customer Enablement* |
| | *Content Marketing* | |

**Sales Operations**

*Sales Enablement*

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## Org Structure by Stage | Growth stage: $50-$100M

**Between $50-$100M ARR is when most companies build an account management function to own renewals. Marketing teams begin to specialize more by hiring roles specifically dedicated to lead generation, content marketing, and events coordination**

Roles with <u>dedicated</u> FTEs at companies with $50-$100M ARR[1]

*By percent of respondents with dedicated FTEs in role*

ICONIQ | Growth

Percent of companies with **dedicated FTEs** in role

**>50%**

**30-50%**

*New role since prior stage*

LEADERSHIP

INDIVIDUAL CONTRIBUTORS

CRO

CMO

Sales VP / SVP — Marketing VP / SVP — CS VP / SVP

Sales Director — Marketing Director — CS Director

Sales Manager — Marketing Manager — CS Manager

Account Executive (AE)

Demand Gen — Product Marketing

Customer Success Manager (CSM)

Sales Operations

Sales Engineer (SE) / Solutions Consultant

Events — Lead Gen

Customer Support

Sales Enablement

Sales Development Rep (SDR)

Content Marketing — *Partner / Channel*

Professional Services

Account Manager

*Comms / PR* — *Marketing Operations*

*Customer Enablement*

*Deal Desk*

*Brand Marketing* — *SEO*

*Customer Success Operations*

1 ICONIQ Growth Proprietary Survey of GTM Leaders (Mar 2023)
CEO / founder role not shown here, but many companies have their GTM C-suite report directly to the CEO as well

ICONIQ | Growth

## Org Structure by Stage | Later-stage: $100-$250M

At the $100M scale, companies continue to enhance their service offerings and hire services leadership, which typically own professional services, support, and customer enablement. Marketing teams also add roles dedicated to channel marketing, communications, and operations

Percent of companies with **dedicated FTEs** in role

**>50%**

30-50%

New role since prior stage

LEADERSHIP

INDIVIDUAL CONTRIBUTORS

**Roles with <u>dedicated</u> FTEs at companies with $100-$250M ARR[1]**

*By percent of respondents with dedicated FTEs in role*

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| CRO |
| Chief Sales Officer | CMO | Chief Customer Officer |
| Sales VP / SVP | Marketing VP / SVP | CS VP / SVP | Services VP / SVP |
| Sales Director | Marketing Director | CS Director |
| Sales Manager | Marketing Manager | CS Manager |

- Account Executive (AE)
- Sales Operations
- Sales Engineer (SE) / Solutions Consultant
- Sales Enablement
- Sales Development Rep (SDR)
- Account Manager
- Deal Desk

- Demand Gen
- Product Marketing
- Events
- Lead Gen
- Content Marketing
- Partner / Channel
- Comms / PR
- Marketing Operations
- Brand Marketing
- SEO

- Customer Success Manager (CSM)
- Customer Support
- Professional Services
- Customer Enablement
- Customer Success Operations

" If it takes some work for your customers to be truly successful with your product, then you should have a services team. [2]

*Services Leader*
*B2B SaaS Company*
*Growth Stage ($50-$250M ARR)*

1 ICONIQ Growth Proprietary Survey of GTM Leaders (Mar 2023)
2 Perspectives from the ICONIQ Growth network
CEO / founder role not shown here, but many companies have their GTM C-suite report directly to the CEO as well

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## Org Structure by Stage | Later-stage: $250-$500M

# Most companies with $250M+ ARR have C-suite executives leading each go-to-market team and reporting into revenue leadership or a CEO. Sales teams focus on operationalizing by building out deal desks, and marketing teams invest more in brand marketing

Percent of companies with
**dedicated FTEs** in role

**>50%**

**30-50%**

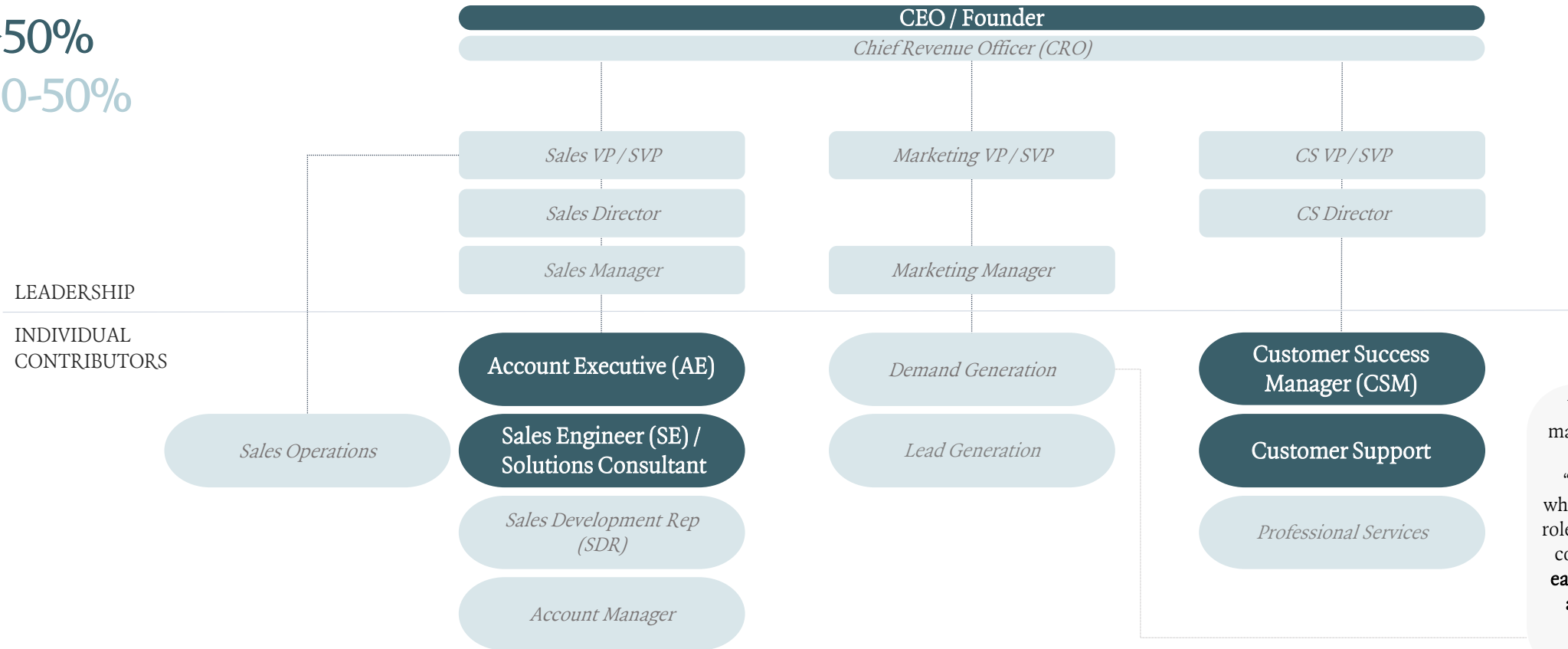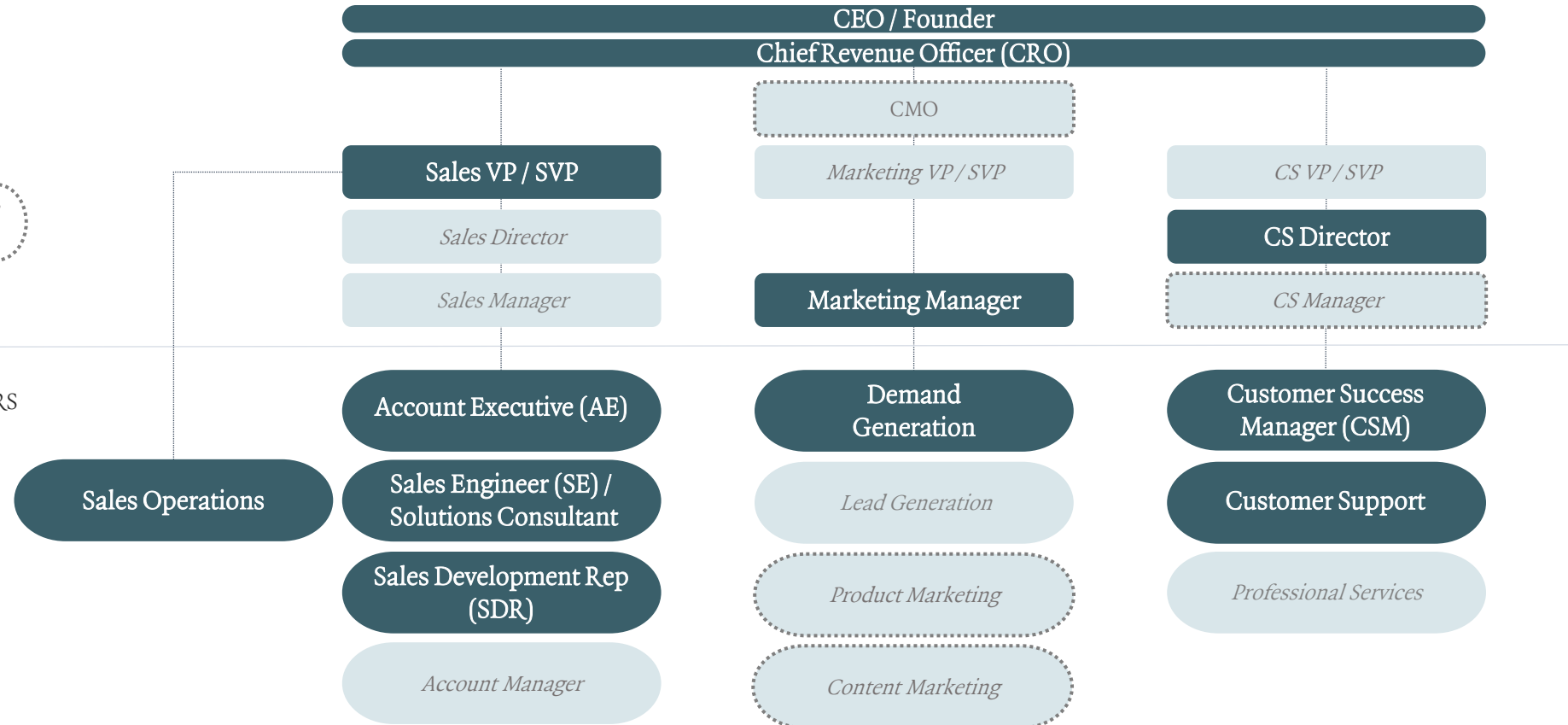*New role since prior stage*

LEADERSHIP

INDIVIDUAL CONTRIBUTORS

Roles with <u>dedicated</u> FTEs at companies with $250-$500M ARR[1]
*By percent of respondents with dedicated FTEs in role*

ICONIQ | Growth

**CRO**

| CSO | CMO | CCO | |
| Sales VP / SVP | Marketing VP / SVP | CS VP / SVP | Services VP / SVP |
| Sales Director | Marketing Director | CS Director | |
| Sales Manager | Marketing Manager | CS Manager | |

Account Executive (AE)

Sales Operations

Sales Engineer (SE) / Solutions Consultant

Sales Enablement

Sales Development Rep (SDR)

Account Manager

Deal Desk

Demand Gen | Product Marketing

Events | Lead Gen

Content Marketing | Partner / Channel

Comms / PR | Marketing Operations

Brand Marketing | *SEO*

*Customer Marketing* | *Social Media*

Customer Success Manager (CSM)

Customer Support

Professional Services

Customer Enablement

Customer Success Operations

1 ICONIQ Growth Proprietary Survey of GTM Leaders (Mar 2023)
CEO / founder role not shown here, but many companies have their GTM C-suite report directly to the CEO as well

31

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## Roles & Responsibilities by Stage | Early stage: <$25M

**Reporting structure and sequencing of hiring depend heavily on roles and responsibilities. Early-stage companies tend to not have account management teams, so renewal and expansion responsibilities are shared between CSMs and account executives**

Which team & employee is primarily responsible for the following steps of the sales process?[1]
*% of respondents*

ICONIQ | Growth

|  | Marketing | Sales | Customer Success | PRIMARY RESPONSIBLE | PRIMARY SUPPORTING |
|---|---|---|---|---|---|
| New Lead to MQL | 74% | | 26% | Demand Gen | Mktg Leader |
| MQL to SQL | 26% | 74% | | SDR | AE |
| SQL to Won | 5% | 95% | | AE | Sales Leader |
| Demo | 5% | 95% | | AE | Sales Engineer |
| Renewal | | 38% | 62% | CSM | AE |
| Expansion | | 56% | 44% | AE | CSM |

ICONIQ | Growth
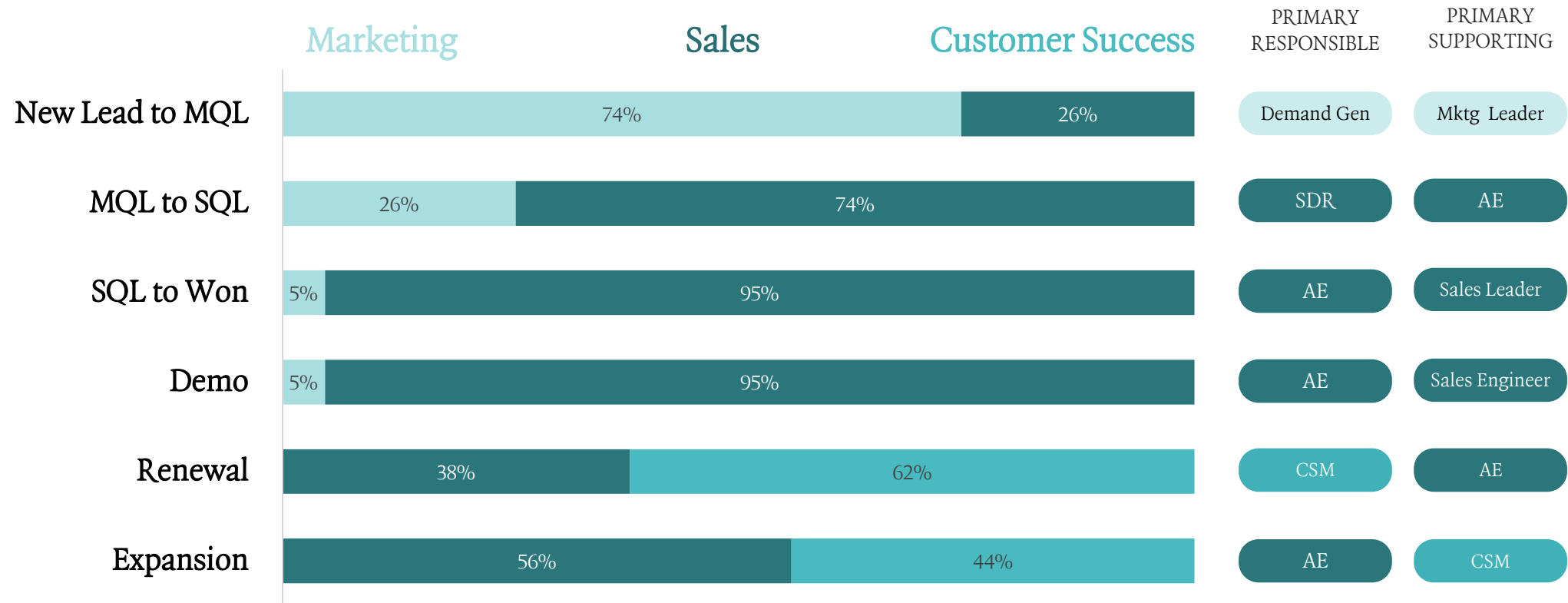
## Roles & Responsibilities by Stage | Growth stage: $25-$100M

### As companies scale and the customer base grows, sales development begins to have more top-of-funnel responsibilities, and account executives begin to have more renewal and expansion responsibilities

**Which team & employee is primarily responsible for the following steps of the sales process?[1]**   ICONIQ | Growth

*% of respondents*

| | Marketing | Sales | Customer Success | PRIMARY RESPONSIBLE | PRIMARY SUPPORTING |
|---|---|---|---|---|---|
| New Lead to MQL | 65% | 35% | | Demand Gen | SDR |
| MQL to SQL | 30% | 70% | | SDR | AE |
| SQL to Won | 9% | 80% | 11% | AE | Sales Leader |
| Demo | 7% | 85% | 9% | AE | Sales Engineer |
| Renewal | | 42% | 58% | CSM | AE |
| Expansion | | 68% | 32% | AE | CSM |

ICONIQ | Growth
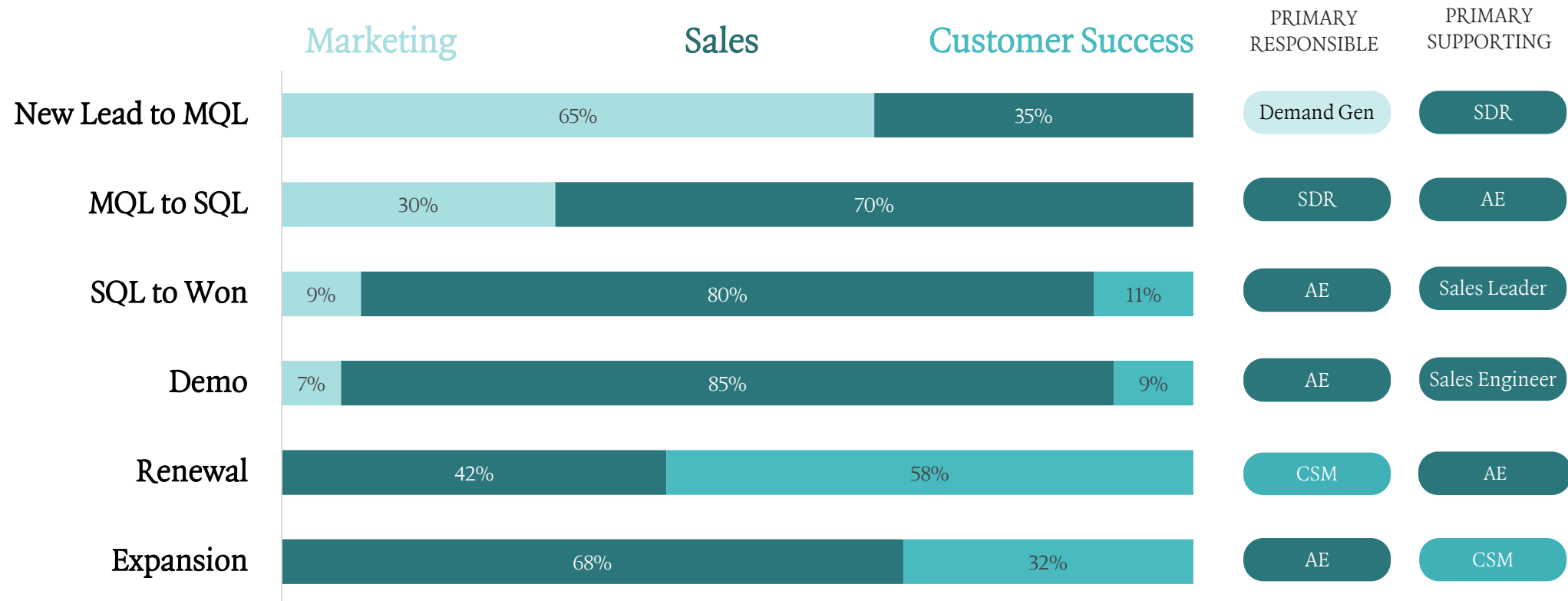
## Roles & Responsibilities by Stage | Late stage: $100-$500M

**By $100M ARR, most companies have both renewal and expansion responsibilities under the purview of sales. Account management teams are built out to own renewals, and AEs are split into "hunters" looking for new logos and "farmers" looking to expand existing customers**

Which team & employee is primarily responsible for the following steps of the sales process?[1]     ICONIQ | Growth

*% of respondents*

| | Marketing | Sales | Customer Success | PRIMARY RESPONSIBLE | PRIMARY SUPPORTING |
|---|---|---|---|---|---|
| New Lead to MQL | 69% | 31% | | Demand Gen | SDR |
| MQL to SQL | 11% | 89% | | AE | SDR |
| SQL to Won | 5% | 84% | 11% | AE | Sales Leader |
| Demo | 2% | 93% | 5% | AE | Sales Engineer |
| Renewal | | 58% | 42% | AM | CSM |
| Expansion | | 67% | 33% | AE | CSM |

ICONIQ | Growth
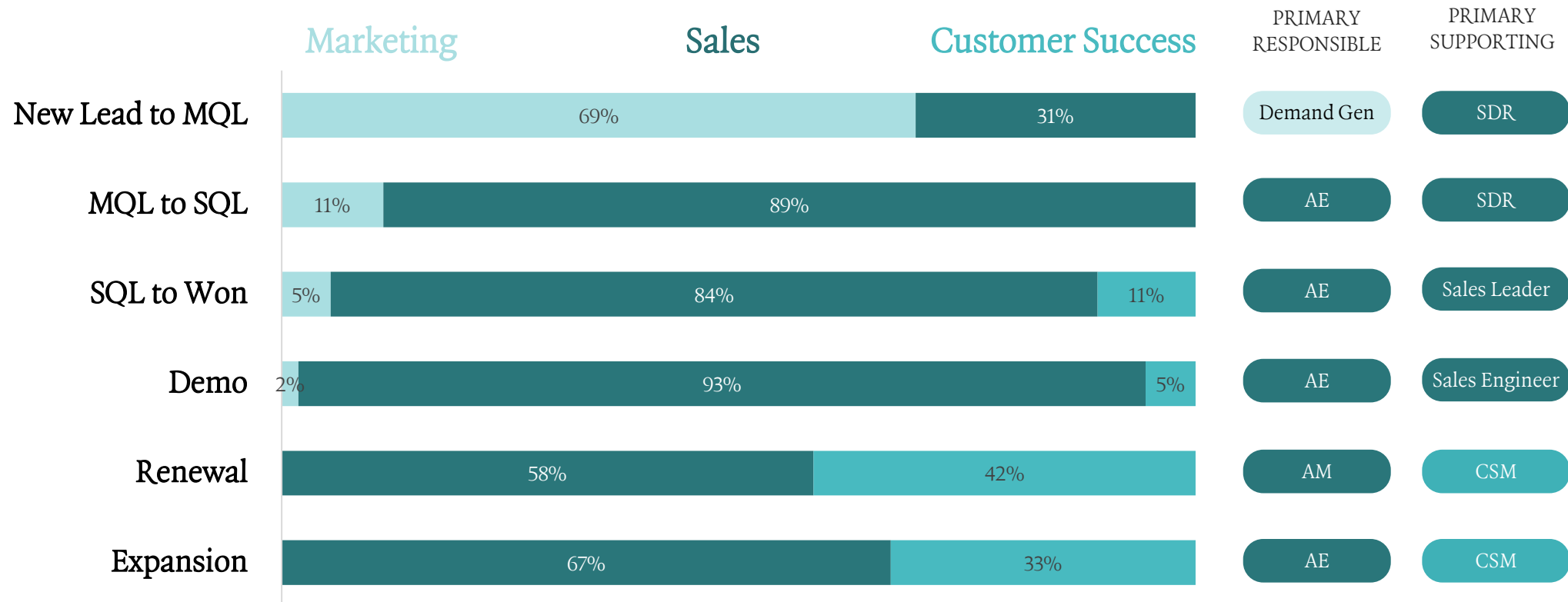
## Customer Organization Archetypes | CSM models

# Customer success, services, and customer support roles can also look different across companies, impacting org structure and headcount allocation. We see two primary archetypes for each of these roles, with relatively equal prevalence in the B2B SaaS landscape

### Primary customer success and services archetype[1]
*% of respondents*

| Customer Success Manager | Professional Services | Customer Support |
|---|---|---|

**Customer Success Manager**

**Commercial** — 47%
CSMs are primarily focused on **closing renewals and expansion opportunities**. Commercial CSMs have a similar incentives profile to sales account managers or renewals representative

**Relationship** — 53%
CSMs are primarily focused on being **the strategic advisor for a customer** by managing and nurturing a high-touch relationship.

**Professional Services**

**Delivery** — 50%
Professional services employees are focused on delivering functionality in the product via **implementation and onboarding.**

**Advisory** — 50%
Professional services employees are focused on **strategic applications of services** across the customer base (e.g., managed services, consulting)

**Customer Support**

**Premier** — 37%
Assigned / named support resources with dedicated service level agreements. Premier support is more **proactive in nature.**

**Basic** — 63%
Access to support resources and communication with support employees, usually via some form of **helpdesk**. Basic support is primarily **reactive in nature.**

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## Headcount Allocation | Make-up of a sales team

As companies scale, quota-carrying individual contributors become a larger proportion of the sales organization. While ICs compose 60-65% of an early-stage sales organization, they make up 70-75% of a later-stage sales organization

### Distribution of sales FTEs[1]
*Median% of FTEs by type*
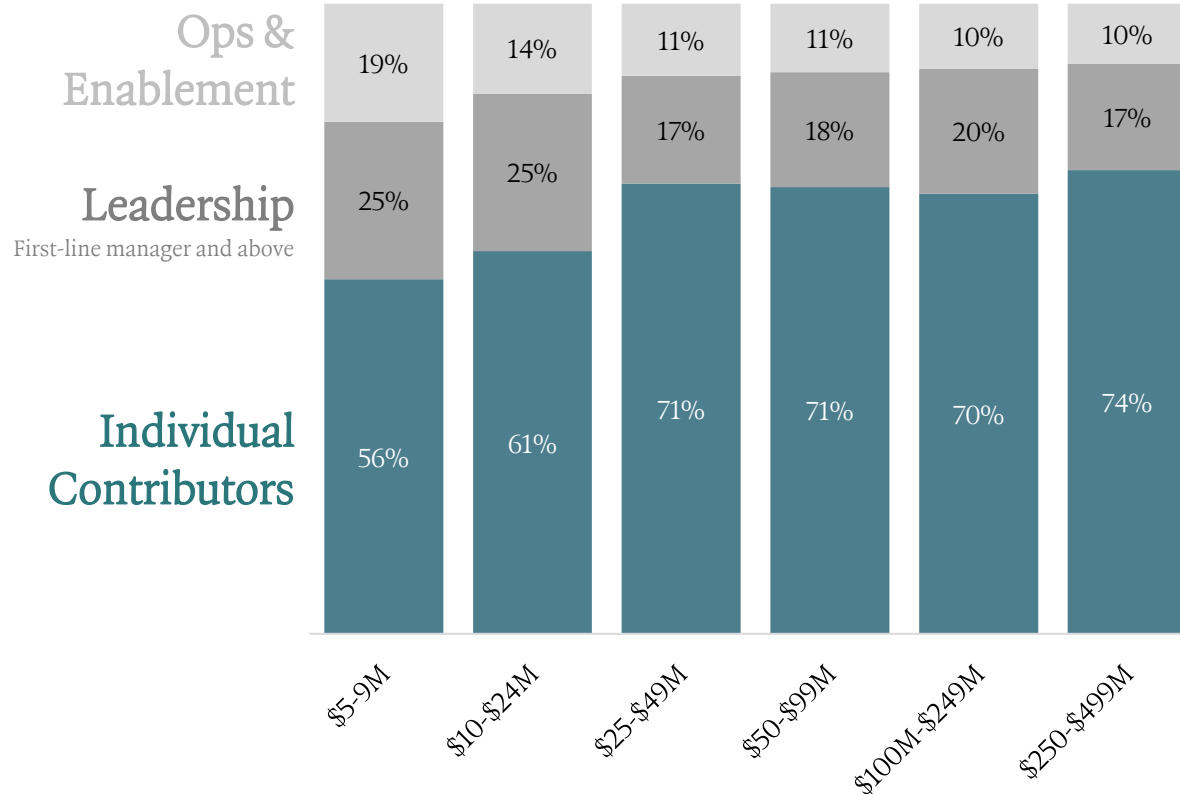
### Number of sales FTEs[1,2]
*Median by type*

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**Ops & Enablement**

**Leadership**
First-line manager and above

**Individual Contributors**

| | $5-9M | $10-$24M | $25-$49M | $50-$99M | $100M-$249M | $250-$499M |
|---|---|---|---|---|---|---|
| Ops & Enablement | 19% | 14% | 11% | 11% | 10% | 10% |
| Leadership | 25% | 25% | 17% | 18% | 20% | 17% |
| Individual Contributors | 56% | 61% | 71% | 71% | 70% | 74% |

**Total Sales FTEs**
Median Range

| | $5-9M | $10-$24M | $25-$49M | $50-$99M | $100M-$249M | $250-$499M |
|---|---|---|---|---|---|---|
| Total Range | 5-15 | 10-20 | 20-30 | 25-35 | 65-85 | 125-175 |
| Ops & Enablement | 2 | 2 | 3 | 3 | 8 | 14 |
| Leadership | 3 | 4 | 4 | 5 | 15 | 25 |
| Individual Contributors | 6 | 9 | 18 | 21 | 52 | 110 |

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## Headcount Allocation | Detailed distribution of sales headcount

**Sales teams are composed mostly of AEs, SDRs, and leadership in the early-stages. As sales teams scale, the proportion of account managers and sales engineering headcount increases, and the proportion of ops & enablement headcount decreases as efficiencies are achieved**

### Distribution of sales headcount[1]
*Median % of total sales headcount by role*

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| | Account Executive | SDR / BDR | Account Managers | Sales Engineers | Sales Director+ *Director and above[2]* | Sales Manager | Sales Enablement | Sales Operations | Deal Desk |
|---|---|---|---|---|---|---|---|---|---|
| **<$25M** | 20-25% | 10-15% | 5-10% | 5-10% | 10-15% | 5-10% | 3-5% | 3-5% | 3-5% |
| **$25-$99M** | 20-25% | 15-20% | 10-15% | 10-15% | 5-10% | 5-10% | 3-5% | 1-3% | 1-3% |
| **$100-$499M** | 25-30% | 10-15% | 10-15% | 5-10% | 5-10% | 5-10% | 3-5% | 3-5% | 3-5% |
| **$500M+** | 40-45% | 5-10% | 10-15% | 15-20% | 1-5% | 5-10% | 1-3% | 1-3% | 1-3% |

Individual Contributors ——— Leadership ——— Ops & Enablement

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## Headcount Allocation | Ratio of AEs to other key IC roles

As account executives make up the largest portion of most sales organizations, GTM headcount planning is often based on ratios between AEs and other key roles. On average, companies have ~4 AEs per account manager, ~3 per SDR, ~2 per sales engineer, and 1-2 per CSM

**Segment**
All companies
SMB to Mid-market
Mid-market to Enterprise

### Headcount ratios: AEs to key GTM ICs[1]
*Average by segment*

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|          | AEs per AM | AEs per SDR | AEs per SE | AEs per CSM |
|----------|-----------|-------------|------------|-------------|
| **All** | 4.1 / 2.2 / 5.9 | 3.2 / 2.6 / 3.4 | 2.2 / 3.3 / 2.0 | 1.4 / 2.8 / 1.0 |
| **<$25M** | 2.3 / 2.3 / 1.5 | 1.8 / 1.4 / 3.0 | 2.3 / 3.5 / 1.2 | 1.2 / 1.0 / 3.0 |
| **$25-$99M** | 2.0 / 2.3 / 2.0 | 1.6 / 1.5 / 1.7 | 2.8 / 3.6 / 2.0 | 1.1 / 1.2 / 0.6 |
| **$100M+** | 4.9 / 2.3 / 7.8 | 3.8 / 3.0 / 4.1 | 2.5 / 3.8 / 2.4 | 2.1 / 3.8 / 1.8 |
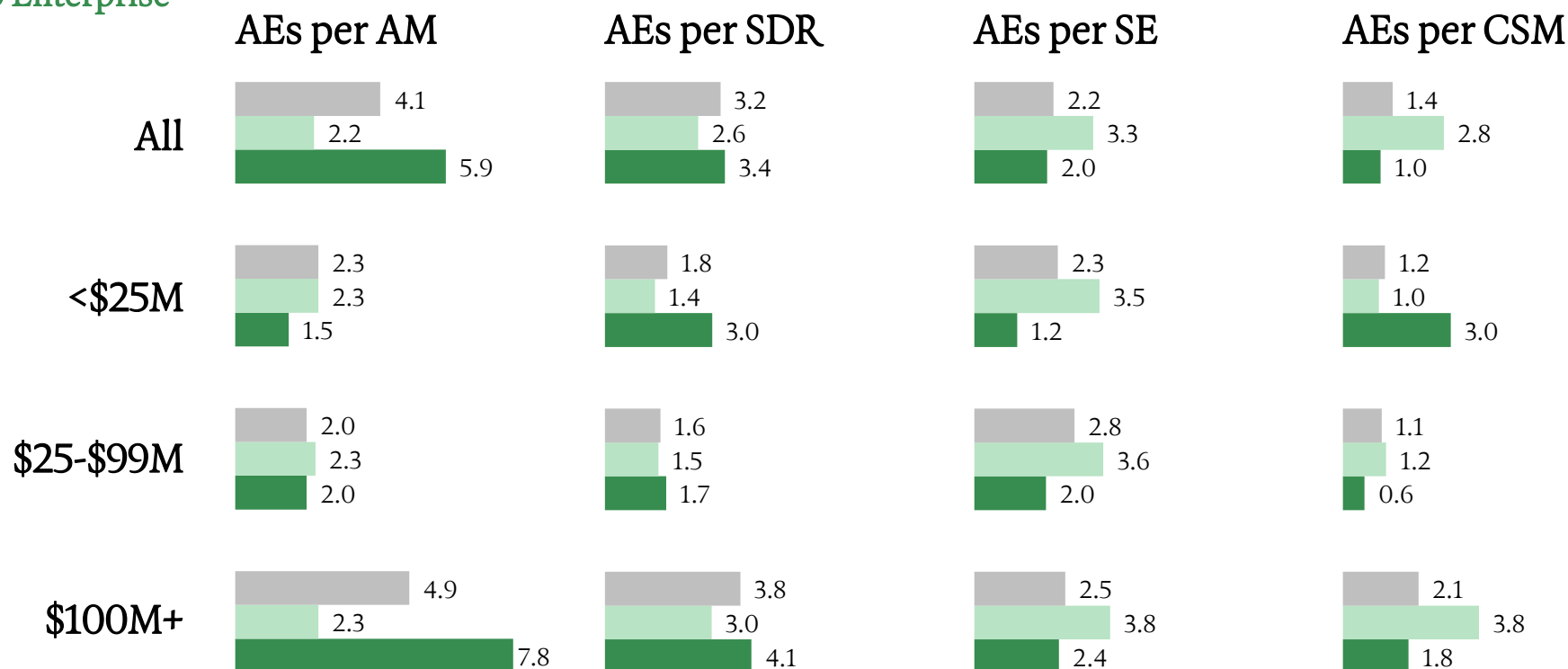
> Account executives make up an increasingly larger portion of the go-to-market organization as companies scale past $100M ARR, with AEs per AM increasing from 2 to 5, AEs per SDR from 2 to 4, and AEs per CSM from 1 to 2.

## Headcount Allocation | Ratio of AEs to sales ops & enablement FTEs

**As with other ICs, the number of AEs per sales ops and enablement FTEs increases as companies scale. Early-stage companies have 5-7 AEs per sales enablement FTE, and start gaining significant leverage with sales ops and enablement employees after reaching $500M ARR**
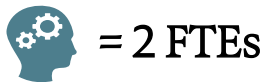
= 2 FTEs

**AEs per Sales Enablement FTE[1]**
*Median*

**AEs per Sales Operations FTE[1]**
*Median*

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| | AEs per Sales Enablement FTE | AEs per Sales Operations FTE |
|---|---|---|
| <$25M | 5-6 | 5-6 |
| $25-$99M | 6-7 | 8-12 |
| $100-$499M | 10-12 | 8-12 |
| $500M+ | 22-24 | 20-22 |
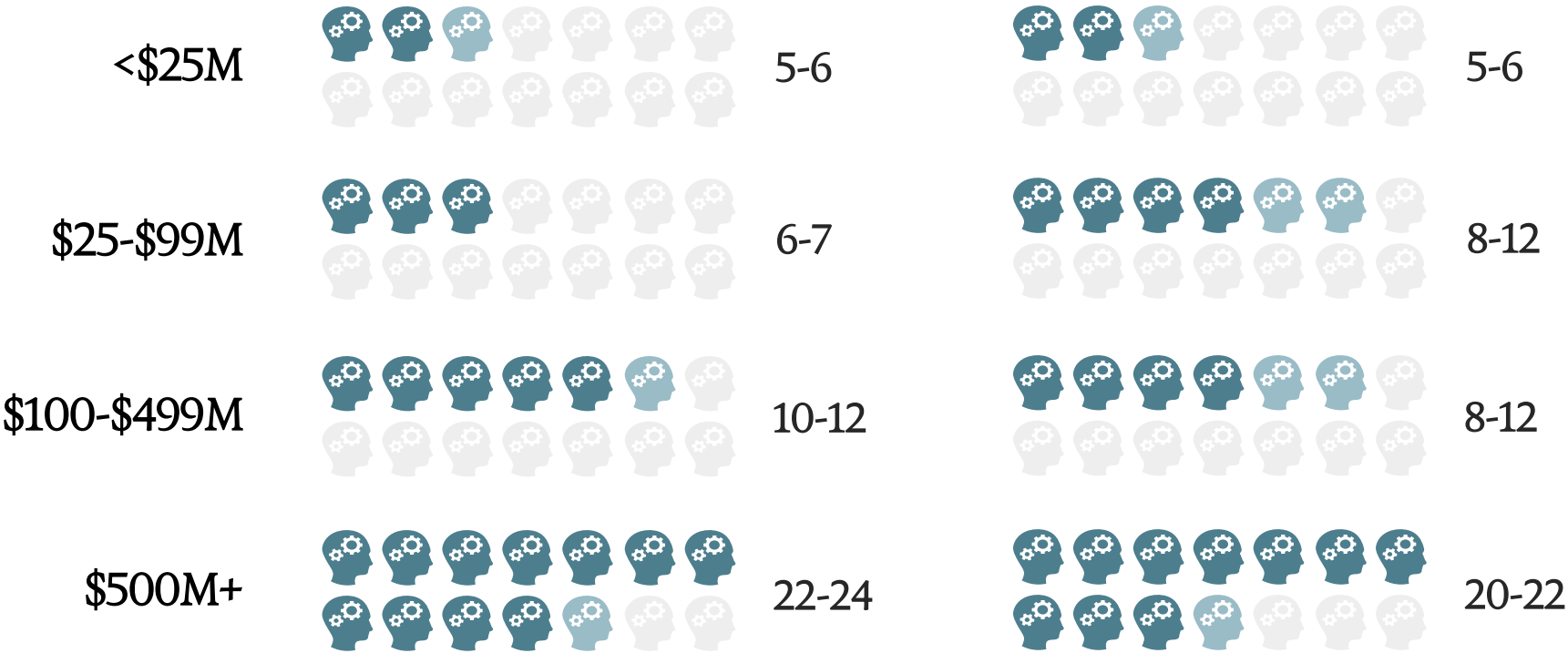
Increasing leverage across sales operations and enablement teams comes partially from **enablement tools and technology,** a critical component of the go-to-market tech stack.

1 ICONIQ Growth Proprietary Survey of GTM Leaders (Mar 2023)

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# Headcount Allocation | Ratio of AEs and SDRs to first-line managers

In terms of ICs per manager, companies increase the number of account executives per manager from ~5 to ~8, and the number of SDRs per manager from ~4 to ~9 as they scale. Most companies limit the number of direct reports to managers to a maximum of 10



### AEs per Manager[1]
*First-line manager; median range*

### SDRs per Manager[1]
*First-line manager; median range*

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| | AEs per Manager | SDRs per Manager |
|---|---|---|
| <$25M | 4-6 | 3-5 |
| $25-$99M | 4-6 | 6-8 |
| $100-$499M | 6-8 | 6-8 |
| $500M+ | 7-10 | 8-10 |

During the early-stages, SDRs and account executives often report to the same first-line managers, rather than managers specifically dedicated to SDR or AE teams.
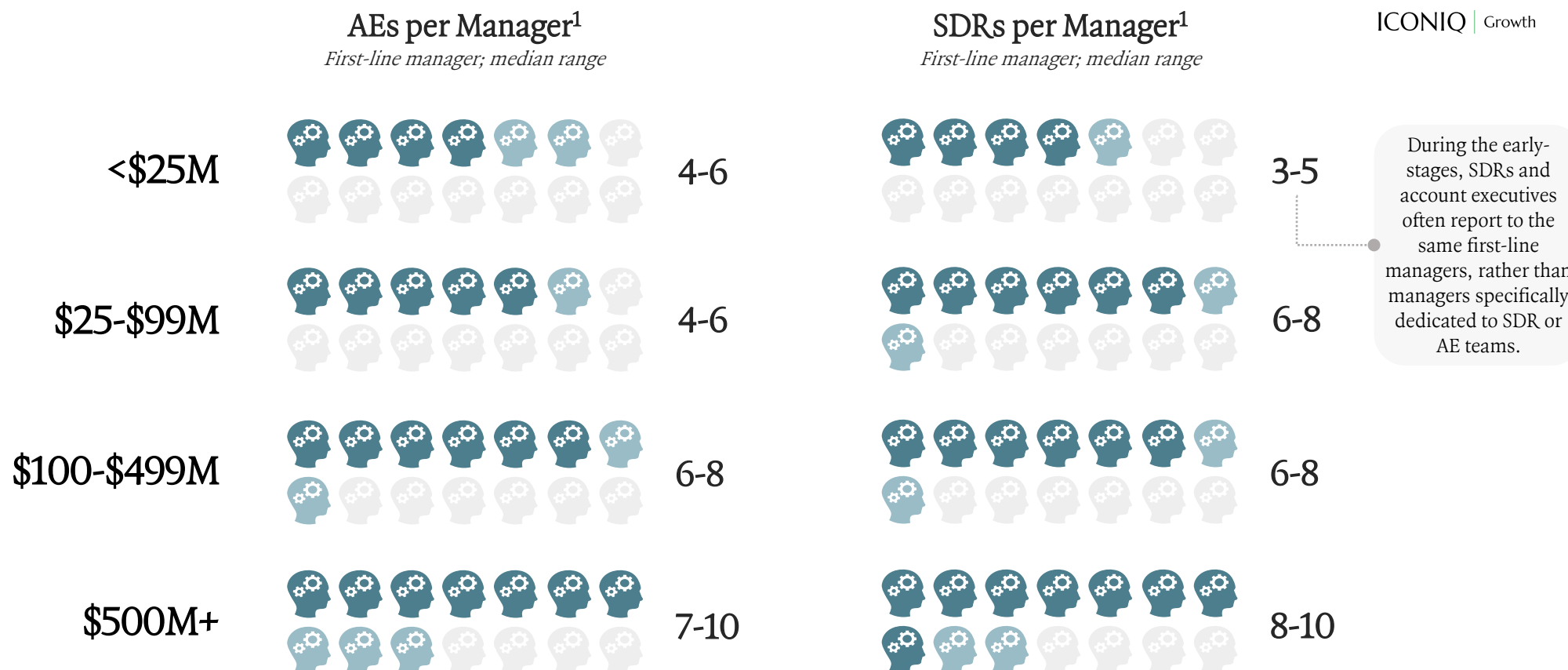
## Headcount Allocation | Ratio of AEs and SDRs to first-line managers

**While scale is the primary driver of IC to manager ratios, go-to-market motion is another important factor. Teams with channel-driven sales typically have more ICs per manager, as do companies with a bottom-up or product-led sales motion**

### AEs per Manager[1]
*First-line manager; median*

### SDRs per Manager[1]
*First-line manager; median*

**ICONIQ | Growth**

| | AEs per Manager | SDRs per Manager |
|---|---|---|
| **By ACV** | | |
| <$15K | 7 | 5 |
| $15-$100K | 6 | 7 |
| $100K+ | 6 | 8 |
| **By Channel Mix** | | |
| Direct | 6 | 6 |
| Hybrid | 8 | 10 |
| Channel | 9 | 8 |
| **By Sales Motion** | | |
| Top-down | 6 | 6 |
| Hybrid | 6 | 7 |
| Bottom-up | 8 | 9 |

AE to manager ratios are similar across enterprise, mid-market, and SMB teams. **Enterprise sales reps tend to be more experienced**, which allows enterprise sales managers to carry a similar number of ICs as other segments

**ICONIQ | Growth**

## Headcount Allocation | Sales leadership headcount ratios

The ratio between sales managers and sales directors stays relatively constant between 2-4 as companies scale. However, the average number of sales managers per head of sales (VP or SVP) increases from ~3 to ~7 as companies scale

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| | Sales Manager per Director[1] *Median range* | Sales Manager per VP/SVP Sales[1] *Median range* |
|---|---|---|
| <$25M | 1-3 | 2-4 |
| $25-$99M | 1-3 | 3-5 |
| $100-$499M | 2-4 | 4-6 |
| $500M+ | 2-4 | 6-8 |
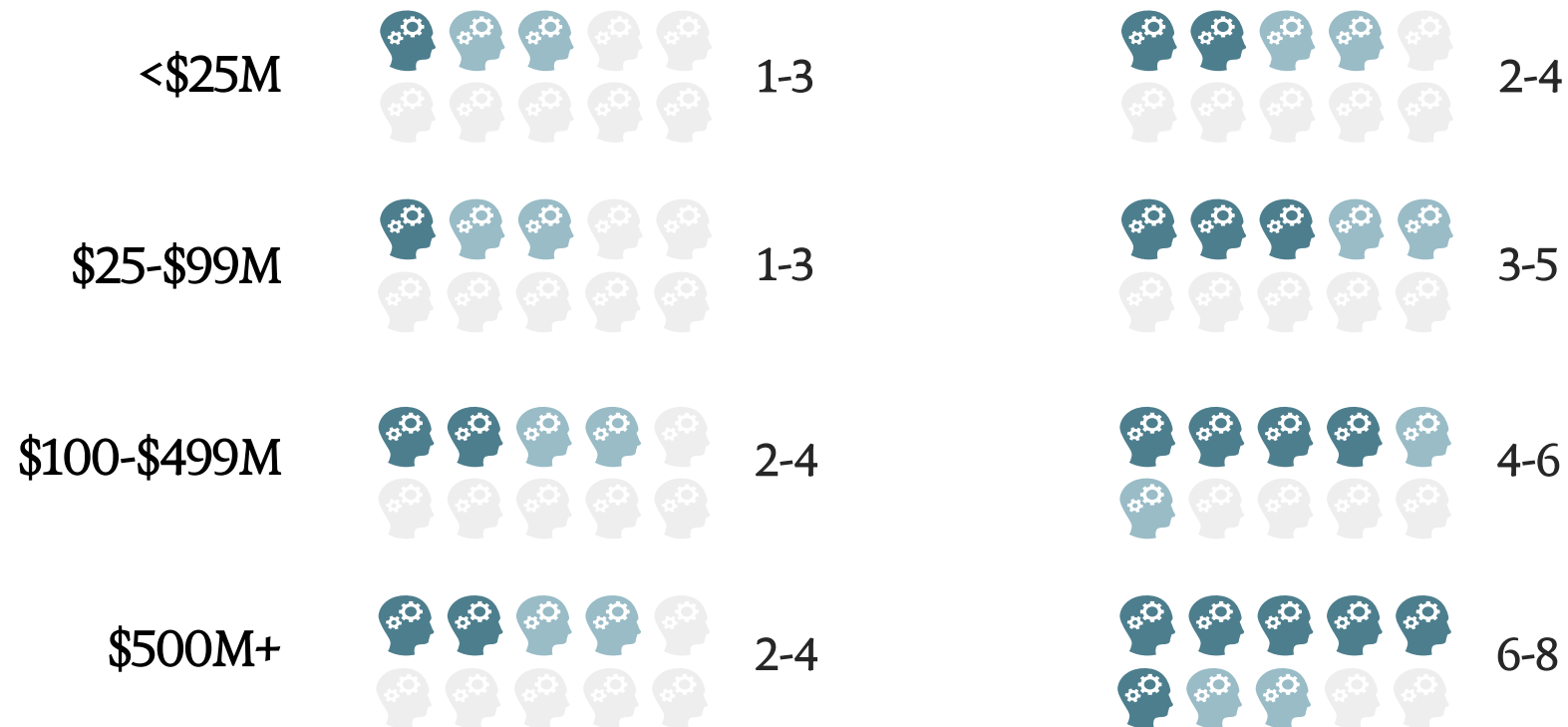
# Headcount Allocation | Sales rep segmentation

## Sales organizations segment account executive and sales development teams primarily by geography and size. As companies scale, sales teams are increasingly organized by industry and product

**How are your sales teams segmented?[1]**
*% of respondents by ARR scale; select all that apply*

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Top 3

Top 5

| | Account Executives | | SDRs / BDRs | |
|---|---|---|---|---|
| | <$50M ARR | $50M+ ARR | <$50M ARR | $50M+ ARR |
| Geography | 63% | 72% | 55% | 60% |
| Size | 53% | 71% | 48% | 51% |
| Named Accounts | 35% | 42% | 20% | 19% |
| Industry | 19% | 43% | 27% | 26% |
| Round-Robin | 11% | 12% | 11% | 9% |
| Lead Source | 11% | 9% | 11% | 15% |
| Product | 8% | 18% | 2% | 8% |
| Buyer Persona | 5% | 6% | 2% | 6% |

Most companies use **at least two segmentation methods** for their account executives and SDRs, and the number of **segmentation methods used increases as companies scale.**

**AEs and SDRs are usually aligned across geography, size, and industry.** However, there can be differences in segmentations between the two roles. SDRs are commonly segmented by lead source, as top-of-funnel processes can differ between inbound and outbound sources. Similarly, AEs are often segmented by product, as buying cycles can differ by use case and buyer persona.

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## Headcount Allocation | Account executive headcount by segment

**As organizations scale, sales teams become increasingly distributed across each segment. On average, 20% of AEs are focused on SMB, 27% are focused on mid-market, 30% are focused on enterprise, and 15% are focused on strategic accounts**

### Distribution of account executive headcount[1]
*Average by segment*

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| Segment | <$25M | $25-$99M | $100M+ | $500M+ |
|---|---|---|---|---|
| **Hybrid** *Each rep covers all segments* | 21% | 9% | 14% | 3% |
| **Strategic** | 21% | 14% | 14% | 14% |
| **Enterprise** | 22% | 30% | 32% | 33% |
| **Mid-Market** | 26% | 26% | 29% | 27% |
| **SMB** | 10% | 21% | 24% | 23% |
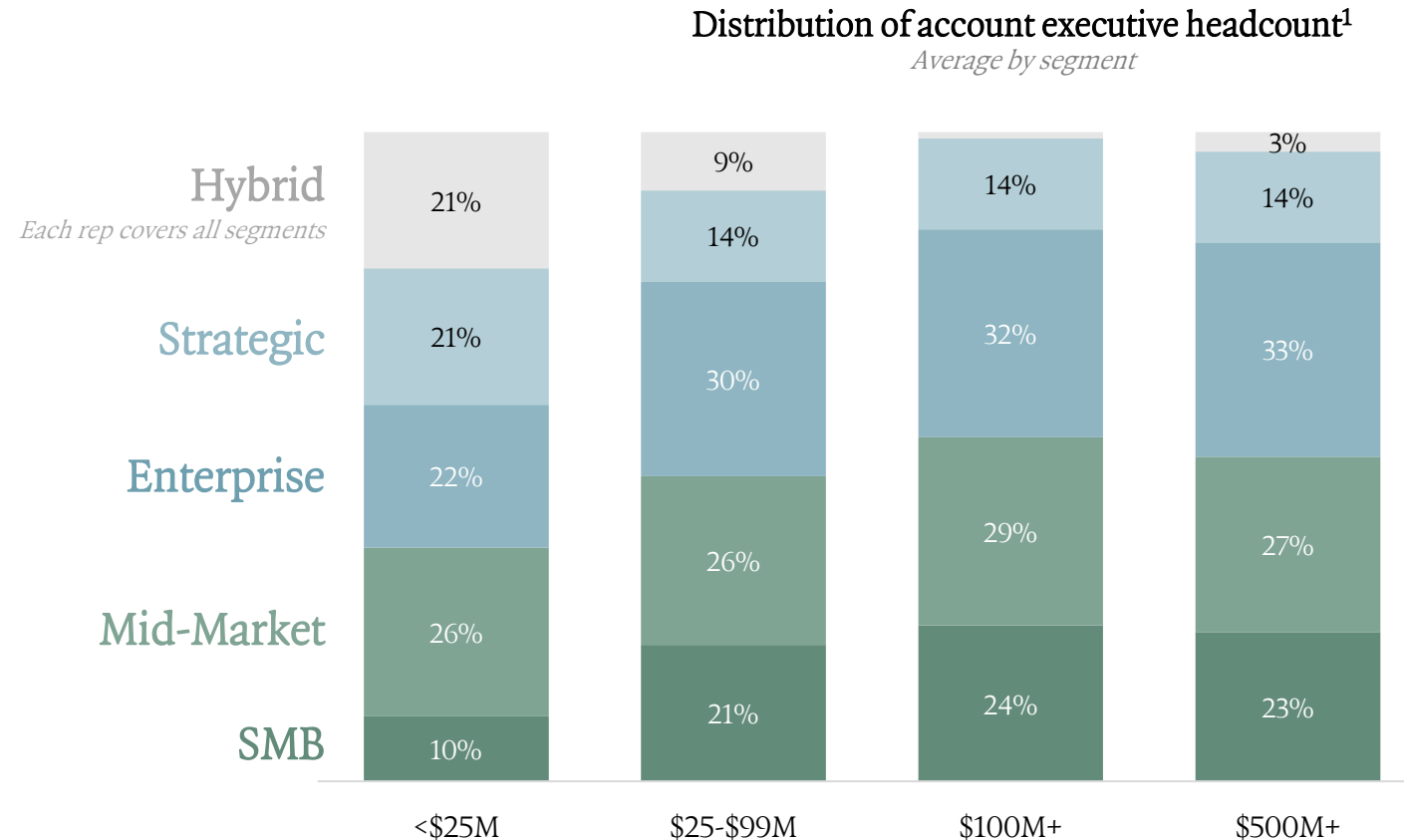
> " *As sales reps move up-market, they need to build more of an account ownership muscle*. The expectation for SMB reps is to make a sale and move on. Enterprise reps have to think long-term and become the relationship manager. They should be working closely with customer success and be involved in every customer conversation.[2]
>
> *Sales Leader*
> *Vertical SaaS*
> *Growth Stage ($50-$250MARR)*

This dataset skews towards SaaS companies selling into mid-market and enterprise customers. **Respondents focused on SMB customers** had ~50% of their account executives dedicated to SMB, 30% to mid-market, and 20% to enterprise and strategic accounts

ICONIQ | Growth

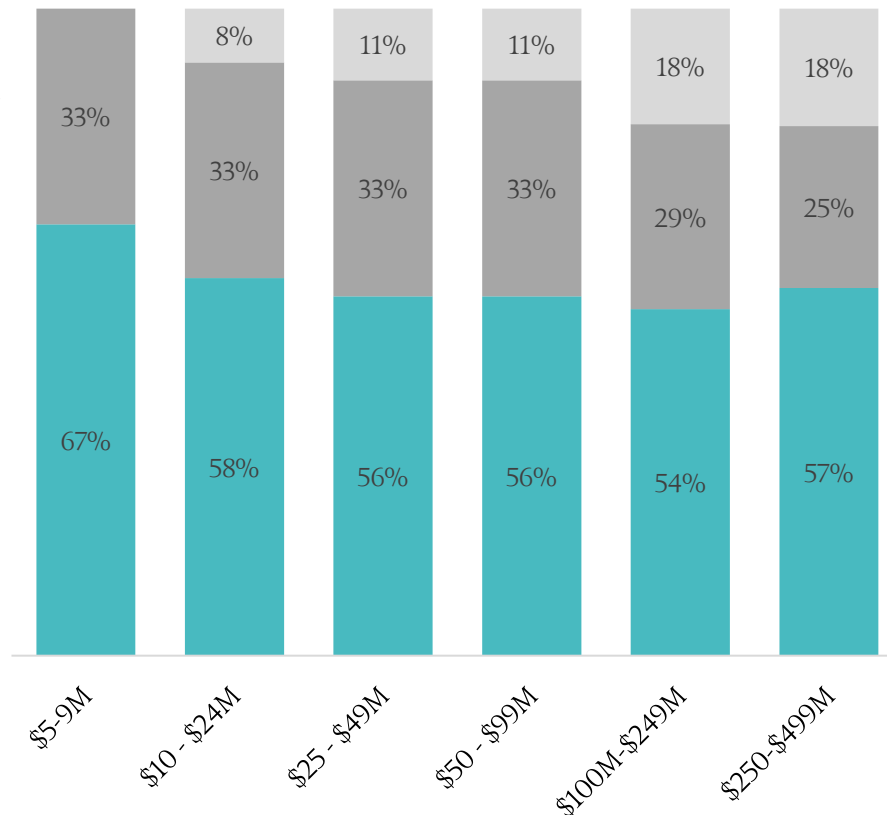# Headcount Allocation | Make-up of a customer success team

Unlike sales teams, the make-up of a customer success team shifts away from individual contributors and towards CS ops and enablement as companies scale. Leadership also makes up a larger portion of CS teams compared to sales teams, as CS leaders are often meaningfully involved in customer experience management

## Distribution of CS FTEs[1]
*Median% of total FTEs by type*

## Number of CS FTEs[1,2]
*Median by type*

ICONIQ | Growth



**Ops & Enablement**

**Leadership**
First-line manager and above

**Individual Contributors**

Distribution of CS FTEs (Median % of total FTEs by type):

| Revenue band | Individual Contributors | Leadership | Ops & Enablement |
|---|---|---|---|
| $5-9M | 67% | 33% | — |
| $10 - $24M | 58% | 33% | 8% |
| $25 - $49M | 56% | 33% | 11% |
| $50 - $99M | 56% | 33% | 11% |
| $100M-$249M | 54% | 29% | 18% |
| $250-$499M | 57% | 25% | 18% |

Number of CS FTEs (Median by type), Total CS FTEs Median Range:

| Revenue band | Individual Contributors | Leadership | Ops & Enablement | Total CS FTEs Median Range |
|---|---|---|---|---|
| $5-9M | 3 | 1 | — | 1-5 |
| $10 - $24M | 5 | 3 | 1 | 5-10 |
| $25 - $49M | 8 | 5 | 2 | 10-20 |
| $50 - $99M | 14 | 8 | 3 | 20-30 |
| $100M-$249M | 21 | 11 | 7 | 30-50 |
| $250-$499M | 34 | 15 | 11 | 45-65 |

46

ICONIQ | Growth

## Headcount Allocation | Detailed distribution of customer success headcount

# CSMs make up a larger portion of customer success team headcount at companies with a relationship CSM model, while companies with commercial-led CSM models have a larger portion of headcount dedicated to first-line managers

See how we define
these CSM archetypes

### Distribution of CS Headcount[1]
*Median % of total marketing ICs by role*

ICONIQ | Growth

### Commercial CSM Model

| | CSM | CS Manager | CS Director+[2] | CS Ops |
|---|---|---|---|---|
| <$25M | 45-55% | 25-35% | 20-25% | 0-5% |
| $25-$99M | 50-60% | 10-15% | 20-25% | 10-15% |
| $100-$499M | 60-70% | 15-20% | 10-15% | 5-10% |
| $500M+ | 65-75% | 5-10% | 1-5% | 15-20% |

### Relationship CSM Model

| | CSM | CS Manager | CS Director+[2] | CS Ops |
|---|---|---|---|---|
| <$25M | 50-60% | 5-10% | 20-30% | 5-10% |
| $25-$99M | 50-60% | 5-10% | 20-30% | 5-10% |
| $100-$499M | 60-70% | 10-15% | 10-15% | 10-15% |
| $500M+ | 70-80% | 10-15% | 1-5% | 10-15% |

ICONIQ | Growth

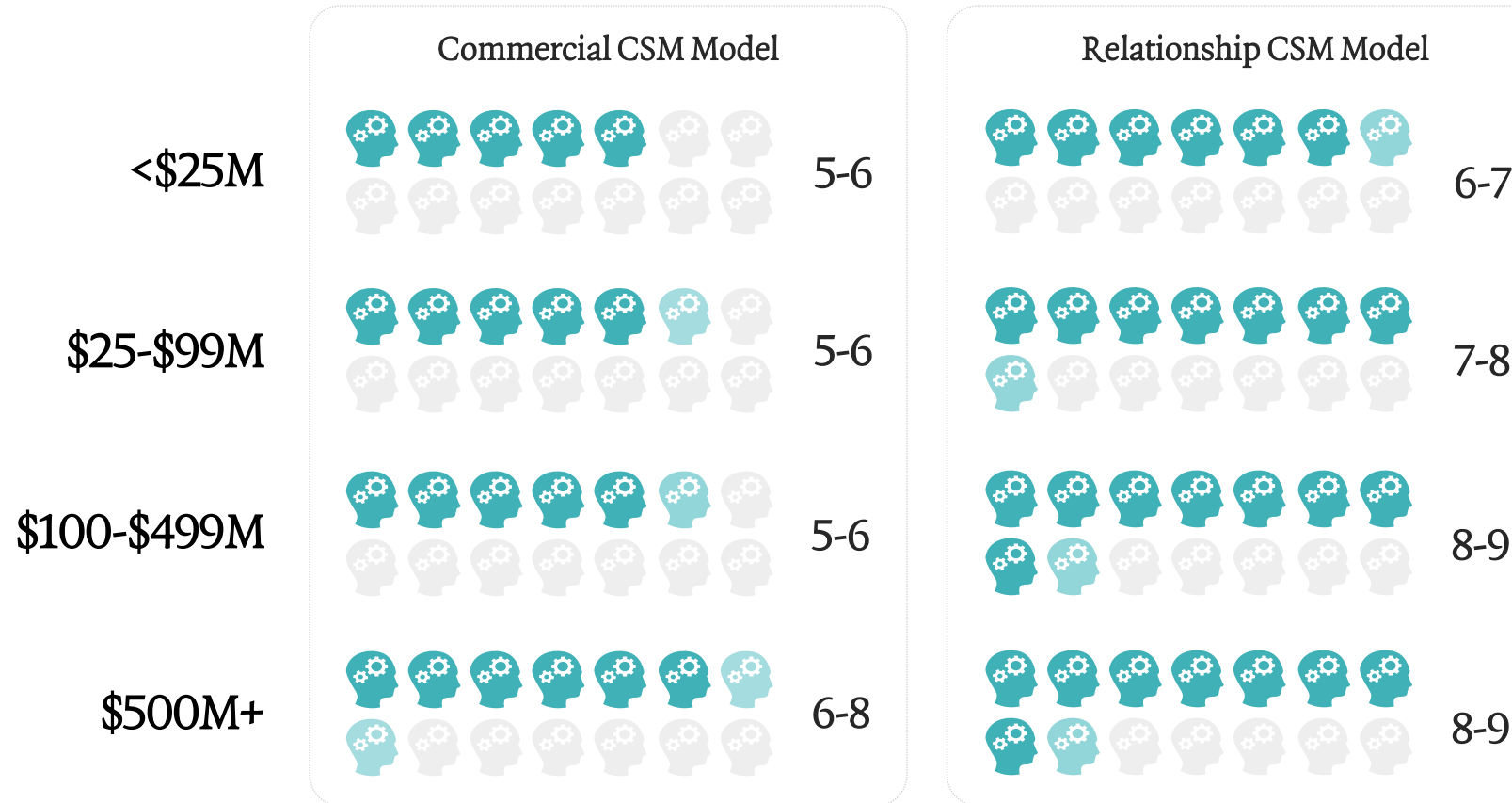# Headcount Allocation | CSMs per manager by archetype

## Like account executives, companies with a commercial CSM model scale the number of commercial CSMs per manager from 5 to 8 as they scale. Companies with a relationship CSM model have more CSMs per manager, scaling from 6 to 9 CSMs per manager

See how we define
these CSM archetypes

### CSMs per CS Manager by CSM Archetype[1]
*First-line manager; average range*

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| | Commercial CSM Model | | Relationship CSM Model |
|---|---|---|---|
| <$25M | | 5-6 | 6-7 |
| $25-$99M | | 5-6 | 7-8 |
| $100-$499M | | 5-6 | 8-9 |
| $500M+ | | 6-8 | 8-9 |

" Our product is very complicated and purpose-built for our vertical, so our CSMs need to be product and relationship focused. They are technical product experts and adoption-obsessed. When you have a simpler product with easy implementation and immediate time to value, you can have generalist CSMs with more of a commercial mindset.[2]

*Sales Leader*
*Vertical SaaS*
*Late-Stage ($250M+ARR)*

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## Headcount Allocation | Customer-facing role segmentation

# Like sales reps, account managers and CSMs are primarily segmented by geography, size, and customer vertical. However, named account segmentation is more common for customer-facing teams, as new customers are often assigned based on team capacity

Top 2

Top 4

**How are your customer-facing roles segmented?[1]**
*% of respondents by ARR scale; select all that apply*

ICONIQ | Growth

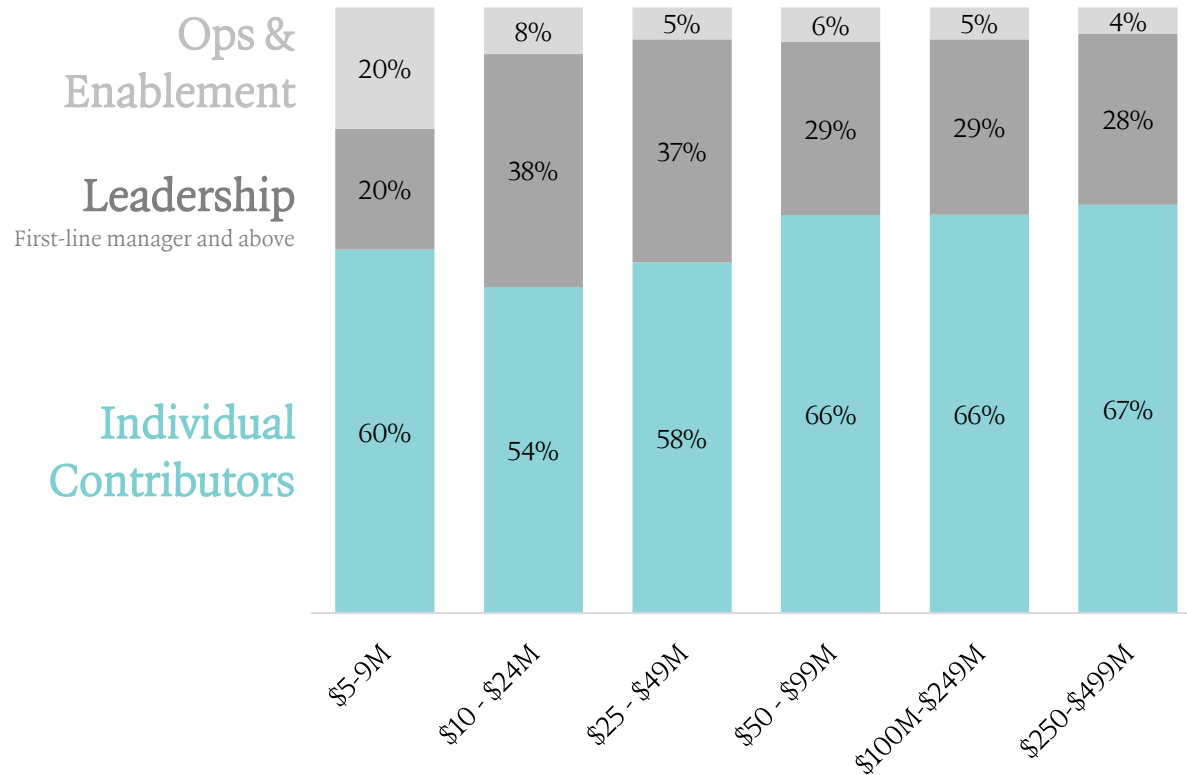| | Account Managers | | CSMs | |
|---|---|---|---|---|
| | <$50M ARR | $50M+ ARR | <$50M ARR | $50M+ ARR |
| Geography | 50% | 78% | 60% | 75% |
| Size | 60% | 68% | 60% | 50% |
| Named Accounts | 33% | 28% | 13% | 34% |
| Industry | 27% | 30% | 27% | 56% |
| Product | 7% | 15% | 13% | 16% |
| Round-Robin | 7% | 3% | 20% | 3% |
| Buyer Persona | 0% | 5% | 0% | 9% |

Commercial CSMs are more aligned with Account Managers in that they are usually segmented by customer location and size. However, **relationship-focused CSMs are more often segmented by customer industry/vertical and product/use cases**, as they tend to be more involved in the customer's product adoption.

## After reaching $10M ARR, the make-up of a marketing team stays relatively consistent as companies scale, with individual contributors comprising ~55-65%, leadership comprising 25-35%, and ops and enablement 5-10% of headcount



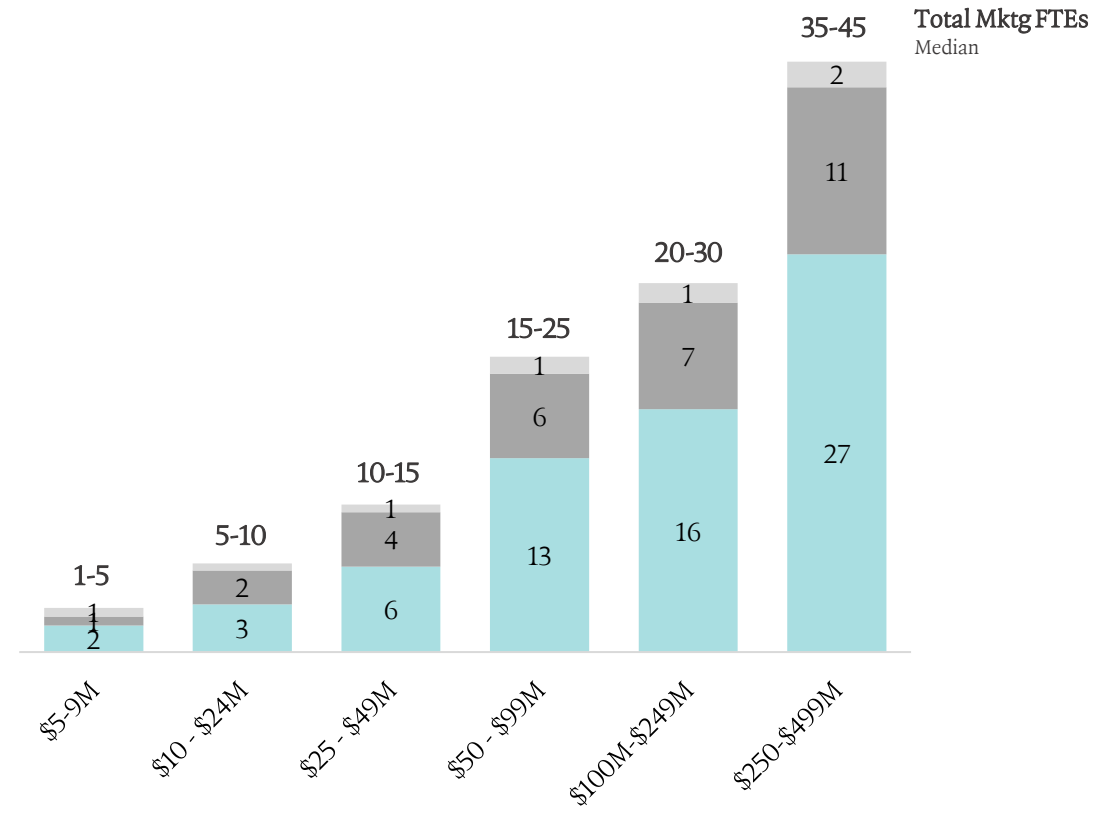**Distribution of marketing FTEs[1]**
*Median% of total FTEs by type*

**Number of marketing FTEs[1,2]**
*Median by type*

ICONIQ | Growth

Ops & Enablement

Leadership
First-line manager and above

Individual Contributors

Total Mktg FTEs
Median

ICONIQ | Growth

Headcount Allocation | Distribution of marketing individual contributors

In terms of individual contributors, content, demand generation, and product marketing makeup the largest proportion of the marketing organization. As companies mature, marketing teams become more specialized, building out roles dedicated to comms, channel marketing, customer marketing, and more

### Distribution of Marketing ICs[1]
*Average % of total marketing ICs by role*

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| | Content | Demand Gen | Product Mktg | Lead Gen | Brand | Social Media | Comms | Customer Mktg | Events | Partner Mktg | SEO |
|---|---|---|---|---|---|---|---|---|---|---|---|
| <$25M | 15-20% | 10-15% | 5-10% | 5-10% | 0-10% | 0-10% | 0-10% | 0-10% | 0-10% | 0-10% | 0% |
| $25-$99M | 5-10% | 10-15% | 15-20% | 15-20% | 15-20% | 10-15% | 1-5% | 1-5% | 1-5% | 1-5% | 1-5% |
| $100-$499M | 10-15% | 15-20% | 15-20% | 5-10% | 5-10% | 1-5% | 5-10% | 10-15% | 5-10% | 1-5% | 1-5% |
| $500M+ | 5-10% | 20-25% | 25-30% | 1-5% | 1-5% | 1-5% | 5-10% | 5-10% | 1-5% | 5-10% | 1-5% |

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## Headcount Allocation | Make-up of a services team

**Cost of revenue teams are mostly comprised of customer support employees, which make up an increasing portion of services headcount as companies scale. Support employees comprise 50-70%, professional services 25-45%, and customer enablement 5-15% of COR teams**

### Distribution of Services FTEs[1]
*Median% of total FTEs by type*



Customer Enablement: 17%, 13%, 8%, 9%, 11%, 7%
Professional & Managed Services: 33%, 47%, 44%, 30%, 33%, 21%
Customer Support: 50%, 40%, 48%, 61%, 56%, 71%

$5-9M, $10 - $24M, $25 - $49M, $50 - $99M, $100M-$249M, $250-$499M
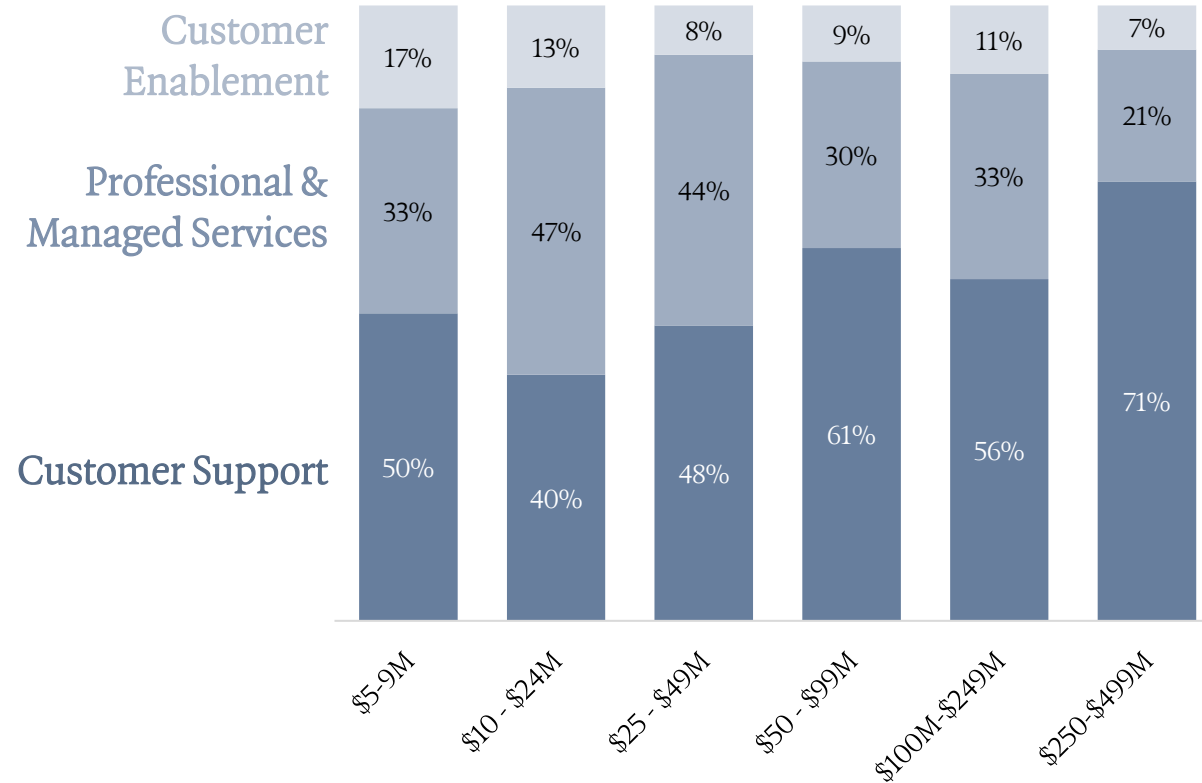
### Number of Services FTEs[1,2]
*Median by type*
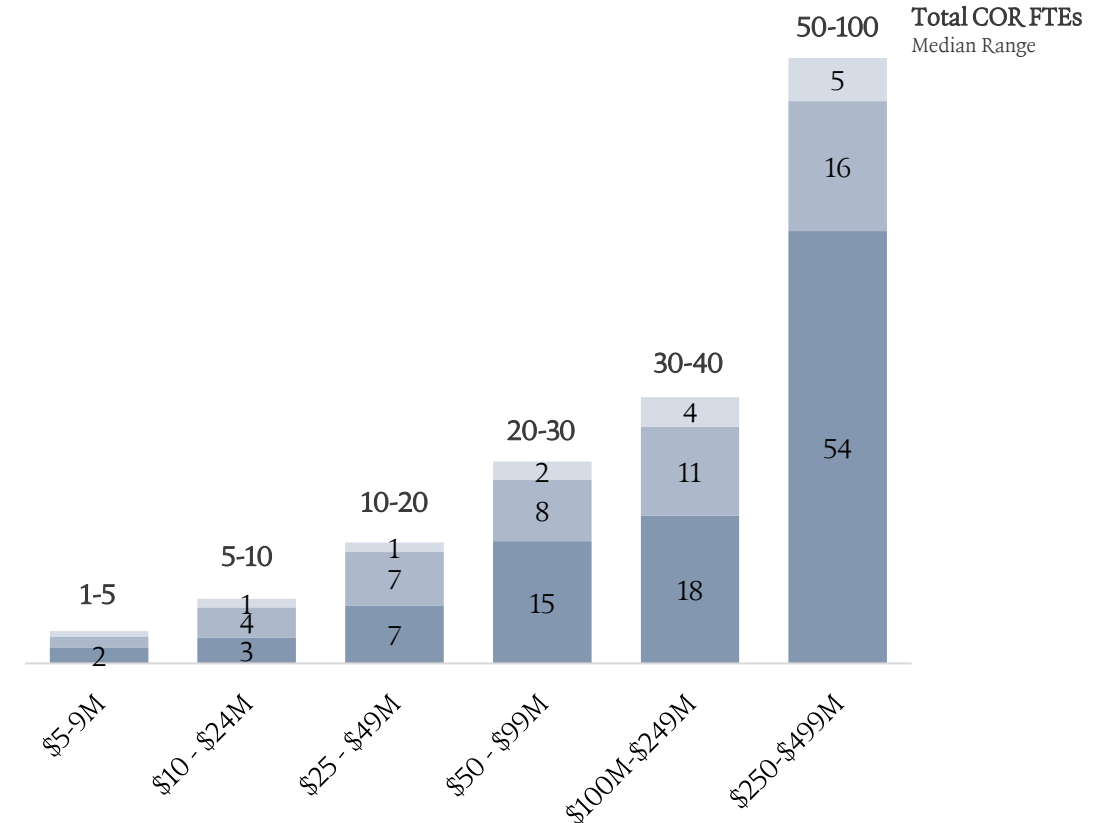
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Total COR FTEs
Median Range



1-5: 2
5-10: 1 / 4 / 3
10-20: 1 / 7 / 7
20-30: 2 / 8 / 15
30-40: 4 / 11 / 18
50-100: 5 / 16 / 54

$5-9M, $10 - $24M, $25 - $49M, $50 - $99M, $100M-$249M, $250-$499M

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# Headcount Allocation | Ratio of CSMs to other key ICs

Companies typically have 1-2 support employees per CSM, and 1-2 professional services employees per CSM. This can differ by CSM archetype, with commercial-led customer success organizations typically having more support and services employees per CSM

**Headcount ratios: Services to key CSMs[1]**
*Average by CSM archetype*

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**CSM Model**
All companies
Relationship CSM Model
Commercial CSM Model



Support per CSM

Services per CSM

| | Support per CSM | Services per CSM |
|---|---|---|
| **All** | 1.3 / 1.3 / 2.1 | 1.0 / 1.8 / 0.6 |
| **<$25M** | 1.0 / 1.0 / 1.0 | 1.5 / 1.0 / 2.5 |
| **$25-$99M** | 1.0 / 0.7 / 1.5 | 1.0 / 1.2 / 1.0 |
| **$100M+** | 1.5 / 1.3 / 2.0 | 1.5 / 0.8 / 3.3 |

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## Headcount Planning & Strategy | Ramp time

# Ramp times introduce a challenging variable to headcount planning for go-to-market teams. While most companies use time-based ramp definitions, usually the number of months after a new hire starts, some companies consider ramp as progress towards goals or attainment

How does your organization determine when a sales rep is "ramped"?[1]

*% of respondents by method*

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**Quota Attainment**
*e.g., Opportunities / pipeline created*

**Goals-based**
*e.g., Opportunities / pipeline created*

**Time-based**
*e.g., # months*

| | All | <$50M ARR | $50M+ ARR |
|---|---|---|---|
| Quota Attainment | 22% | 21% | 23% |
| Goals-based | 25% | 31% | 18% |
| Time-based | 53% | 48% | 58% |
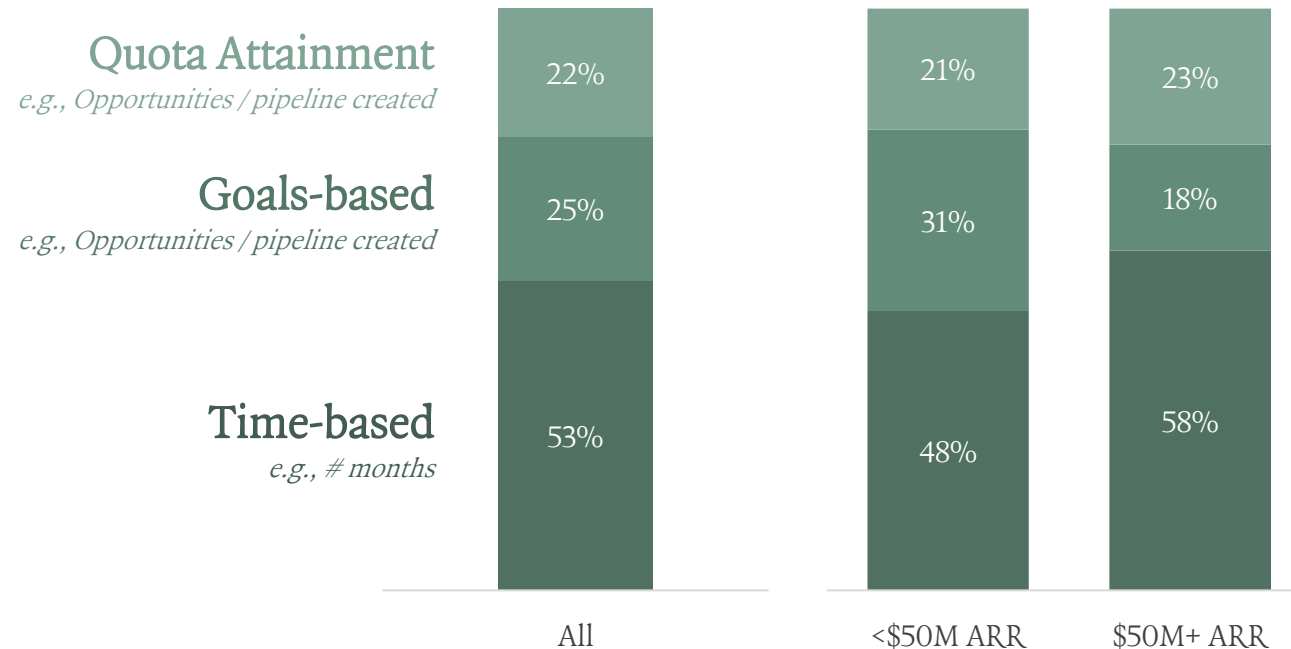
> " **Our new sales hires are expected to create an opportunity in their first 3 days.** We don't throw new hires into a grueling onboarding process with hours of content and training, because they won't retain that information. Instead, we have a meeting on the first day about messaging and outreach tactics, then they are immediately tasked with sending emails, writing LinkedIn messages, and conducting cold calls. We try to get new hires out of their comfort zones and create a competitive but spirited culture around results.[2]
>
> *Revenue Leader*
> *Data & Analytics*
> *Late-Stage ($250M+ ARR)*

## Headcount Planning & Strategy | Ramp time for sales reps

### Regardless, most sales reps will have to be hired 3-6 months before they can be expected to contribute meaningfully to revenue goals. SDRs take 2-4 months and AEs take 4-6 months to ramp, with longer ramp times for reps focused on enterprise and strategic segments

**What is your organization's average ramp time (months) for sales reps?[1]**

*Median by company segment and type*

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**Top Performers**
**Other Companies**
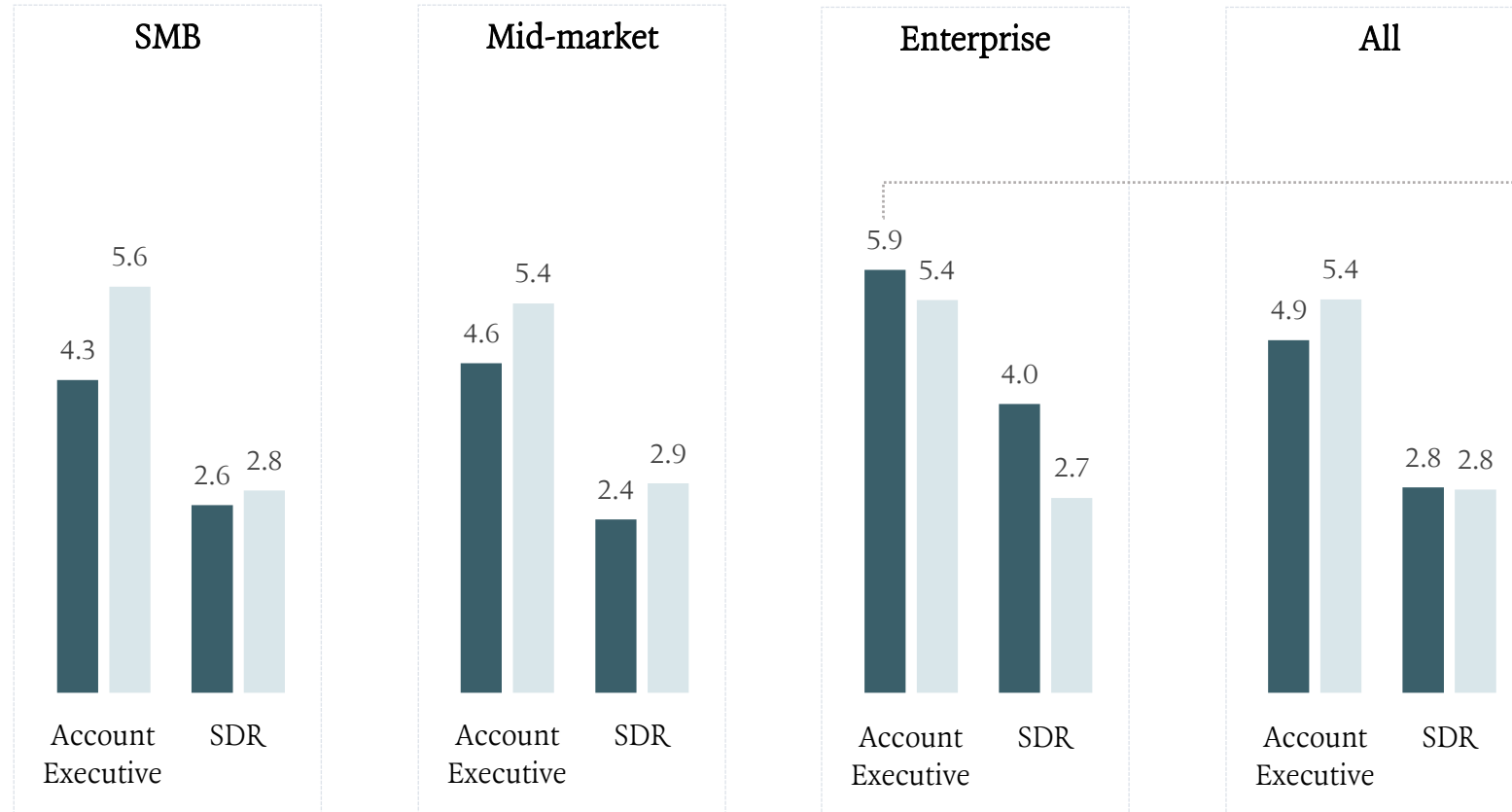


Top performing companies selling into enterprise segments reported longer ramp times for AEs and SDRs, perhaps due to **more extensive onboarding and enablement programs**

**SMB**

- Account Executive: 4.3 / 5.6
- SDR: 2.6 / 2.8

**Mid-market**

- Account Executive: 4.6 / 5.4
- SDR: 2.4 / 2.9

**Enterprise**

- Account Executive: 5.9 / 5.4
- SDR: 4.0 / 2.7

**All**

- Account Executive: 4.9 / 5.4
- SDR: 2.8 / 2.8

# Headcount Planning & Strategy | Ramp time for sales reps

## Once fully ramped, between 60-70% of an organization's sales reps will achieve quota on average, with top quartile attainment between 70-80%. Compared to 2021, average quota attainment is down ~5 points for early- and growth-stage companies

### What percent of your organization's ramped account executives achieve quota?
*2021[2] vs 2023[1] average by ARR scale*

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**2021**
**2023**

| ARR Scale | <$25M | $25-$100M | $100-$249M | $250M+ |
|---|---|---|---|---|
| 2021 | 68% | 67% | 68% | 50% |
| 2023 | 65% | 64% | 63% | 59% |
| *Top quartile 2023* | *70%* | *80%* | *80%* | *80%* |

Quota attainment tends to decrease as companies scale past $250M ARR, potentially due to increased sales targets and more complex sales cycles as companies move up-market
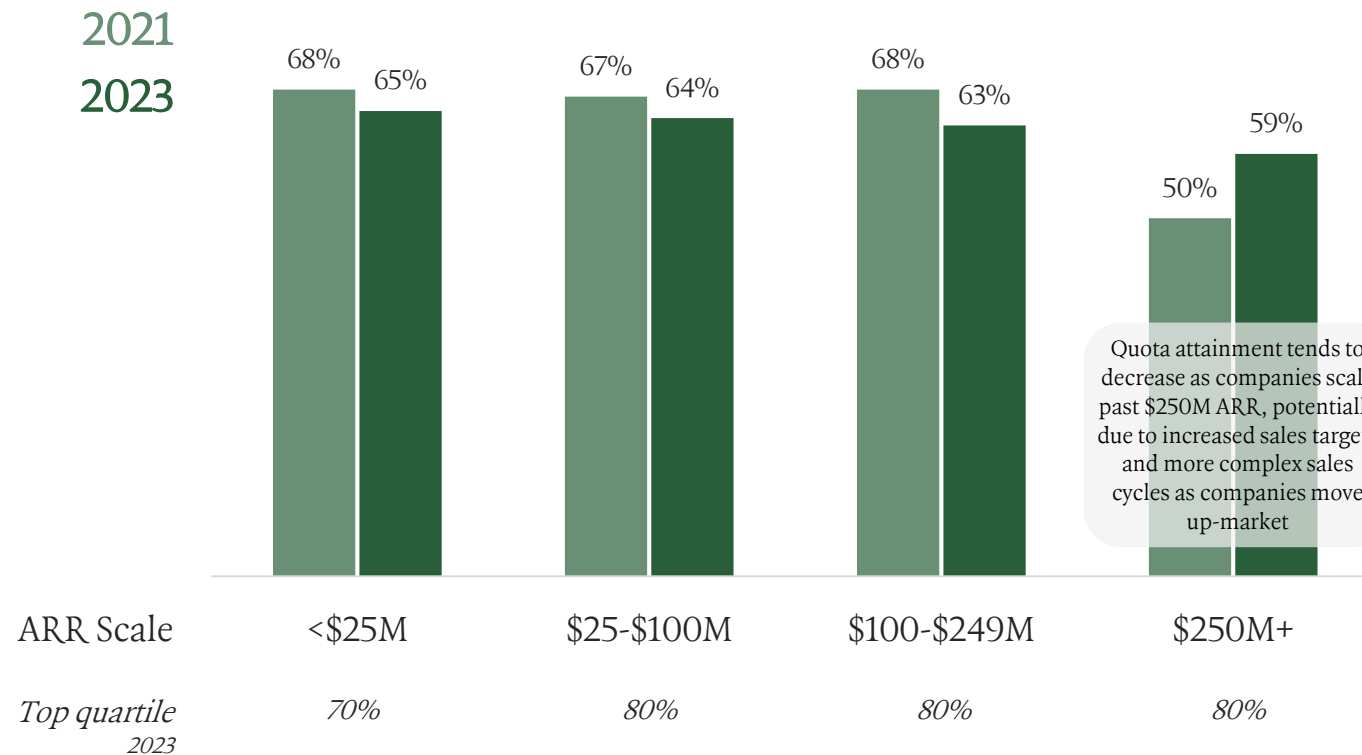
> **During extended periods of softened attainment, it's important to make your reps whole.** One approach is simply lowering quotas, but this can be tricky as it may involve adjusting company-level plans. You can also shorten quota cycles from annual to half-year or quarterly, which can give you more flexibility to adjust to the market as needed. Finally, some reps may be in a territory where there's not much opportunity. These individuals should be taken care of – maybe a commitment-based plan makes more sense for that segment.[3]
>
> *Sales Leader*
> *Go-to-Market & Operations*
> *Early-stage (<$50M ARR)*

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## Headcount Planning & Strategy | Capacity & productivity for account executives

### To account for 60-70% quota attainment, companies typically over-assign quotas by ~30% to reach team-wide productivity goals. Over-assignment can differ by segment, as mid-market to enterprise teams have lower attainment on average than SMB teams

**Quota and productivity for account executives[1]**
*Median by segment*

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**Quota**
**Productivity**
*(Attained quota)*



| | SMB | Mid-market | Enterprise | Strategic |
|---|---|---|---|---|
| Quota | $600K | $800K | $1200K | $1750K |
| Productivity | $420K | $480K | $780K | $1138K |

**Quota Attainment**
*Median*

| SMB | Mid-market | Enterprise | Strategic |
|---|---|---|---|
| 70% | 60% | 65% | 65% |
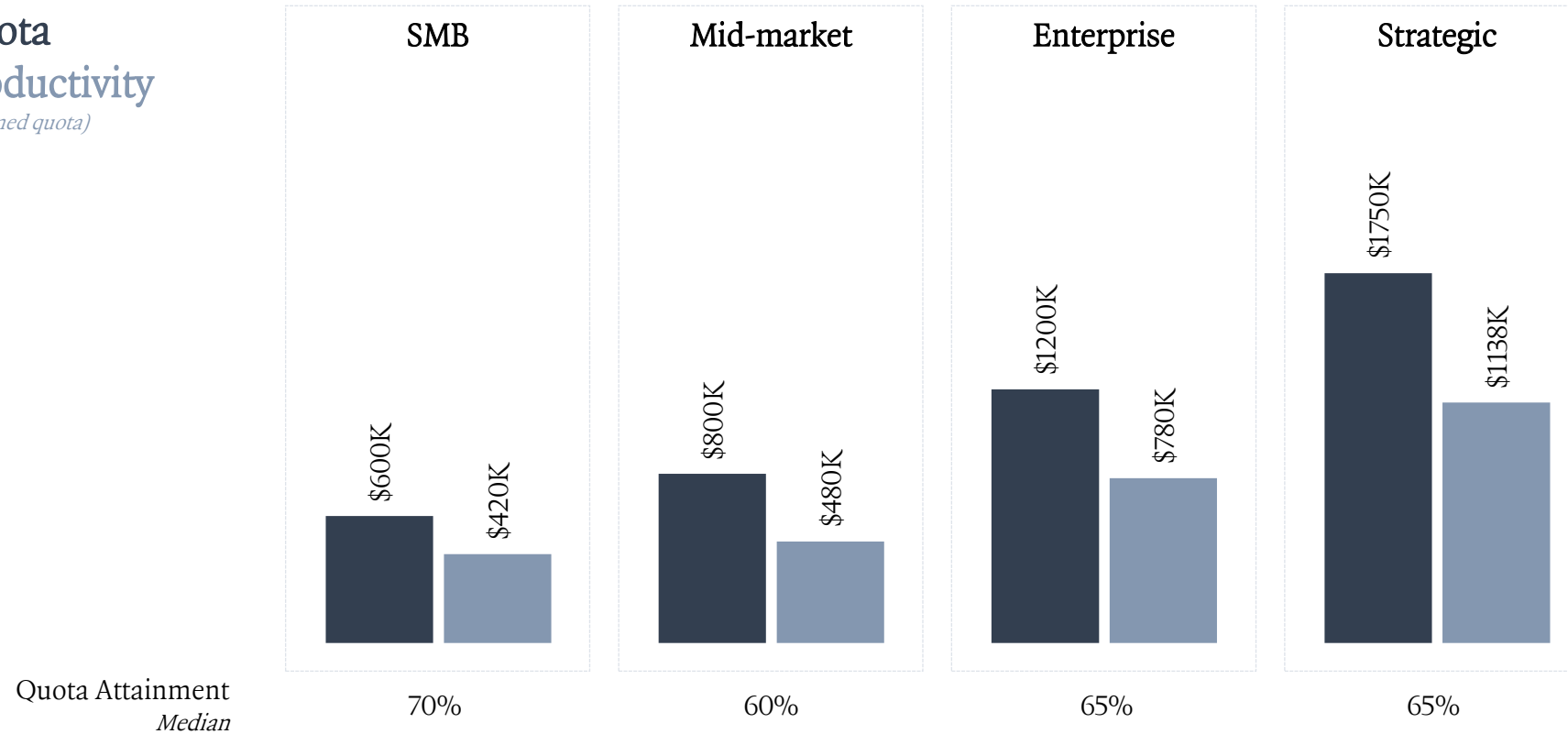
Read more about how companies prorate quotas and compensate reps during ramp periods in our Definitive Guide to Sales Compensation.

## Headcount Planning & Strategy | Capacity & productivity for CSMs and AMs

For customer-facing teams, headcount planning should consider ARR and logo coverage capacity. ARR coverage capacity significantly increases as companies scale, with ARR per CSM increasing from $1-$1.5M to $2-$3M, and ARR per AM increasing from $0.5-$1M to $1.5-$3M

**Early-Stage** *<$50M ARR*
**Later-Stage** *$50M+ ARR*

### ARR and customers per CSM and Account Manager[1]
*Median by rep segment and company stage*

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|  | SMB | Mid-market | Enterprise | Strategic |
|---|---|---|---|---|

**CSMs**

- SMB: $1.0M / $2.0M
- Mid-market: $1.0M / $2.2M
- Enterprise: $1.2M / $3.0M
- Strategic: $1.5M / $3.0M

**Account Managers**

- SMB: $0.4M / $2.0M
- Mid-market: $0.5M / $1.5M
- Enterprise: $0.8M / $3.0M
- Strategic: $0.7M / $3.0M
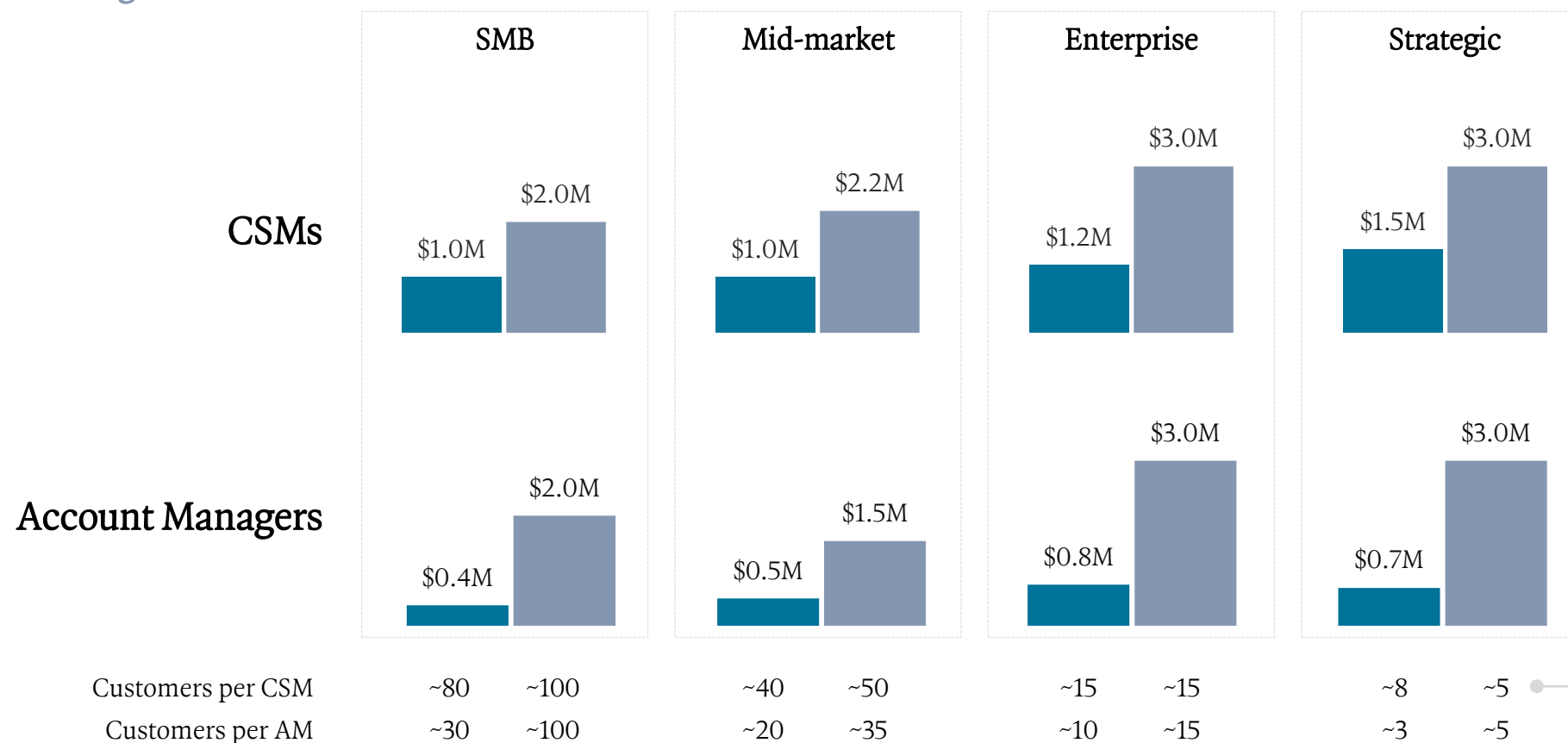
While SaaS companies scale, their customer base is also moving up-market. **Increasing ACVs in the enterprise and strategic segments lead to higher ARR productivity** while logo productivity stays constant or declines.

| | SMB | | Mid-market | | Enterprise | | Strategic | |
|---|---|---|---|---|---|---|---|---|
| Customers per CSM | ~80 | ~100 | ~40 | ~50 | ~15 | ~15 | ~8 | ~5 |
| Customers per AM | ~30 | ~100 | ~20 | ~35 | ~10 | ~15 | ~3 | ~5 |

ICONIQ | Growth

## Headcount Planning & Strategy | Forecasting and managing attrition

**Attrition is another important input to headcount planning as go-to-market teams, especially sales, tend to see higher attrition than other teams (both voluntary and involuntary). Most sales organizations see 10-20% annual attrition, with a median of 15%**

### What is your organization's annual employee attrition rate for sales reps?[1]

*Median by ARR scale; # employee departures / average number of employees*

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|  | All | | <$25M | $25-$99M | $100-$499M | $500M+ |
|---|---|---|---|---|---|---|
| Bar value | 15% | | 18% | 11% | 12% | 15% |
| 75th percentile | 20% | | 20% | 20% | 20% | 20% |
| 25th percentile | 10% | | 10% | 7% | 10% | 11% |

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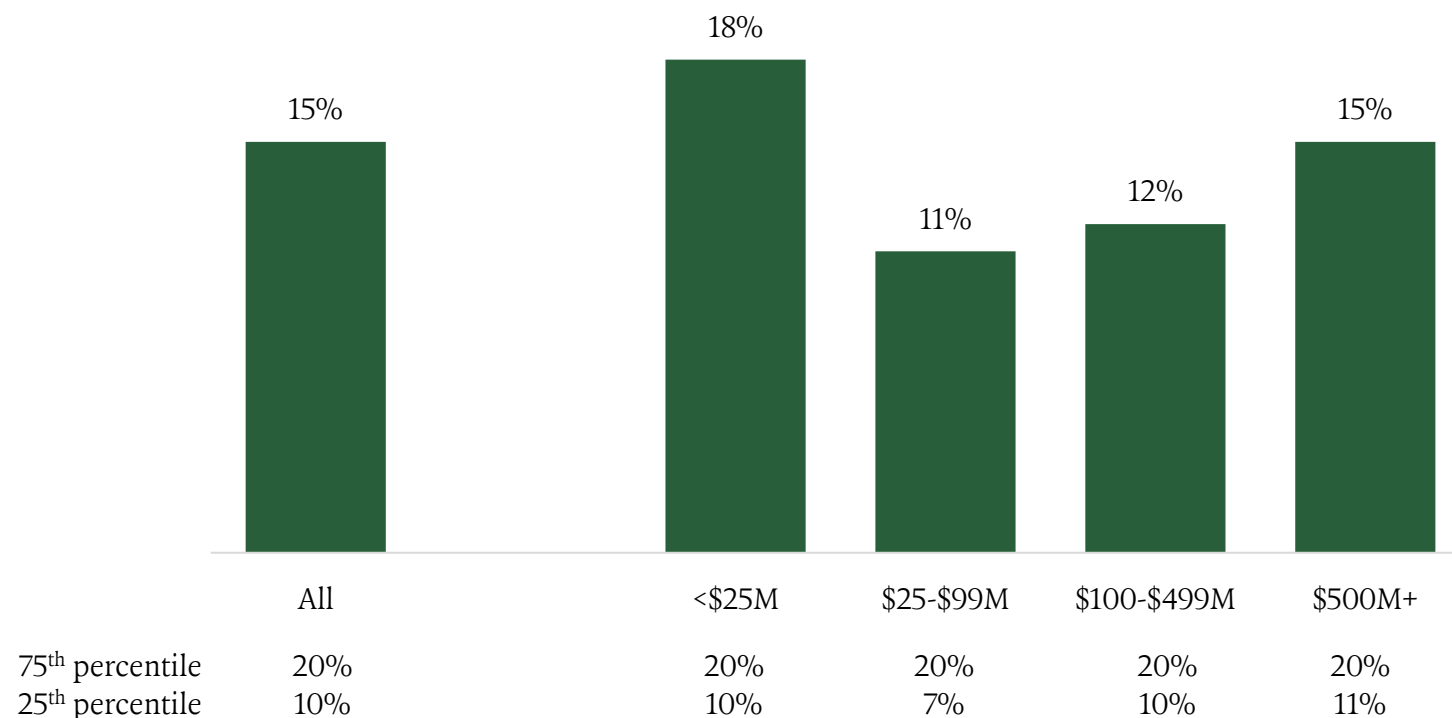
## Headcount Planning & Strategy | Hiring for success in go-to-market

Considering ramp times, attainment, and attrition in a go-to-market organization, hiring for success is all-the-more important. GTM leaders emphasize the importance of finding the right people for your company's stage and growth needs:

### Nail your interview process

"

**During your interview process, have sales reps present a live demo of your product.** Have they done their research? Do they understand the technology? Have they invested the time to prepare? [1]

*Revenue Leader*
*Collaboration & Workflow*
*Late-Stage ($250M+ ARR)*

### Enable & coach effectively

"

The ideology of hiring only "top performers" doesn't scale, and you can't assume that your best sellers would make good managers. Identify the core attributes of your successful sellers, then **create an onboarding, enablement, coaching, and career path infrastructure that optimizes for productivity of all rather than the top 20%.** [1]

*Enablement Leader*
*GTM & Operations*
*Growth-Stage ($50-$250M ARR)*

### Hiring the right profiles

"

The customer success role changes as companies scale, so your hiring process should change. **In the early stages, CS is the band-aid that fills your product gaps**. You need generalists that will help your customers find value and help you find product market fit. **As you scale, CS should evolve to more of an advisory role**, enabling customers on how to best leverage the product for their business and needs. This is a great time to build more specialized role into your CS org. [1]

*Customer Success Leader*
*Data & Analytics*
*Late-Stage ($250M+ ARR)*

"

With sales hiring, **we look for sales reps with high potential and a competitive nature rather than prioritizing experience**. We've found some of our best reps have no prior software sales experience, but they have a winning mentality and tremendous motivation. There are some exceptions – for example, it's helpful to have experience when selling into major enterprise or strategic accounts. [1]

*Revenue Leader*
*Infrastructure & Security*
*Late-Stage ($250M+ ARR)*

Renewed focus on efficiency in 2023 has also motivated companies to develop leaner organizational muscles. Within the GTM organization, many leaders have implemented new performance management frameworks and identified labor efficiency opportunities via outsourcing and offshoring

*Actions Taken*

**Operating Performance Building Blocks**

**DISRUPT THE FUTURE**

**6** **Embedding AI to Drive Efficiency**
Whether via buying or building in-house AI-enabled capabilities, companies have started to see the impact of AI on driving internal efficiency across various use cases such as software development, project management, and lead generation

**5** **Pricing Changes**
Companies have experimented with various changes to price (e.g. customer concessions, increases in price) as well as new pricing models to improve customer retention

**RETHINK OPERATING MODEL**

**4** **Identify Labor Efficiency Opportunities**
A significant number of companies analyzed are increasingly seeking efficient labor alternatives, such as talent across multiple geographies

**3** **Organizational Rightsizing and Building a Performance Management Discipline**
In addition to executing reductions in force (RIFs), companies have also institutionalized results-focused performance reviews to let go of underperformers

**STRENGTHEN FOUNDATION**

**2** **Tool Rationalization**
Companies have rationalized the tools and technology being used across teams to reduce technology sprawl and drive savings from tool consolidation

**1** **Hiring Slowdowns / Freezes**
Institutionalize key operating enablers including results-focused Business Reviews, dashboards and aligned impactful incentives

## Headcount Planning & Strategy | Perspectives on performance management

# To manage performance and improve productivity, companies are re-designing their performance improvement plans, conducting performance reviews more frequently, and investing in effective onboarding, enablement, and coaching programs

**"**

*We have two different types of performance improvement plans (PIPs).* One is focused on enablement and education for a rep that is close to being successful in their role. For reps that aren't close to achieving their goals, we have another PIP that is more prescriptive about what exactly the rep should be doing. We have to have a higher bar in this environment, and it's forcing us to become more productive.[1]

*Revenue Leader
Infrastructure & Security
Early-Stage (<$50M ARR)*

**"**

If you want to scale, you have to be able to take an average sales rep and get them to thrive and perform in your environment. *Sales productivity is about scaling consistent performance, so we're focused on effective onboarding, enablement, and coaching programs.*[1]

*Enablement Leader
GTM & Operations
Growth-Stage ($50-$250M ARR)*

**"**

A bottom-up or product-led growth motion can mask poor sales performance. Sometimes you may have to part with "top performers" because their performance was more related to market conditions. *As a PLG company in hyper-growth, we've implemented more regular performance reviews.*[1]

*Revenue Leader
Collaboration & Workflow
Late-Stage (>$250M ARR)*

ICONIQ | Growth

| Sales | CS | Marketing | Services |

## Headcount Planning & Strategy | Outsourcing & partnerships across GTM teams

**GTM organizations are also increasingly seeking efficient labor alternatives by leveraging third party contractors for outsourcing and partnerships work. Utilizing third parties for marketing work is the most common, followed by services and reseller partnerships**

### Do you outsource across the following teams?[1]
*% of respondents outsourcing*

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| Team | % |
|------|-----|
| Marketing | 93% |
| Services | 31% |
| Sales | 17% |
| CS | 11% |
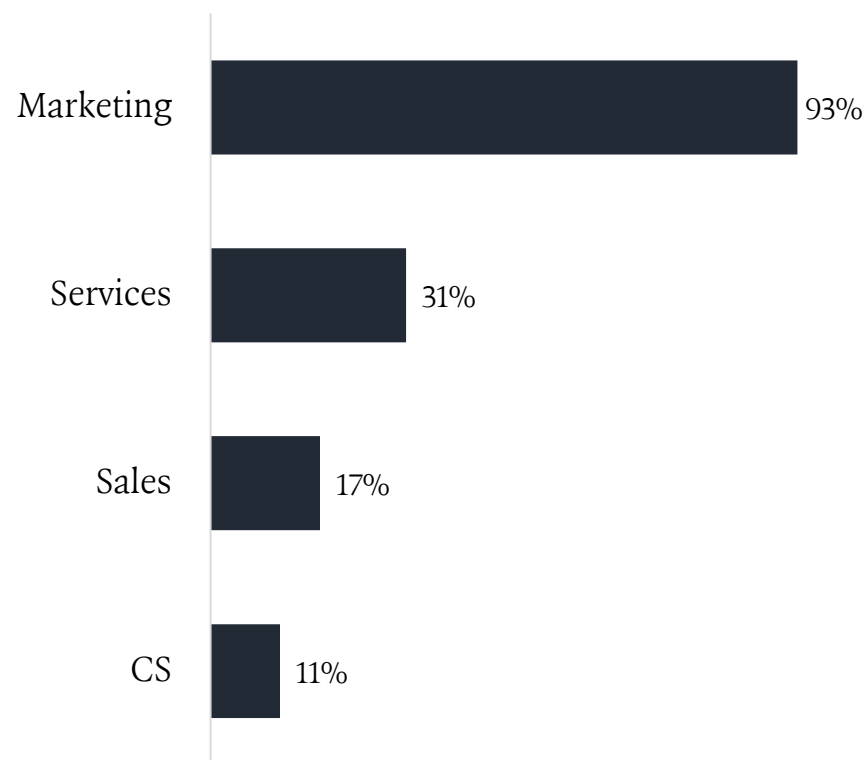
> ❝ **We look at outsourcing as a way to help us scale.**
> Growth marketing is all about economies of scale, and utilizing third parties helps improve knowledge transfer and ensure you have the latest expertise. For corporate marketing, you get constant feedback from the market, so bringing in PR and creative agencies can be very effective.[1]
>
> *Marketing Leader | Infrastructure & Security | Later-Stage (>$250M ARR)*

> ❝ **Start by building your services motion internally, then you can transition to a partner-led services model** so you can effectively scale the motion. But it's important to find the right services partner so you're not duplicating work.[1]
>
> *Services Leader | GTM & Operations | Growth Stage ($50-$250M ARR)*

> ❝ We have a two-tier channel model so we work with distributors and resellers on the sales side. We also **outsource some sales / business development work to support our outbound efforts.**[1]
>
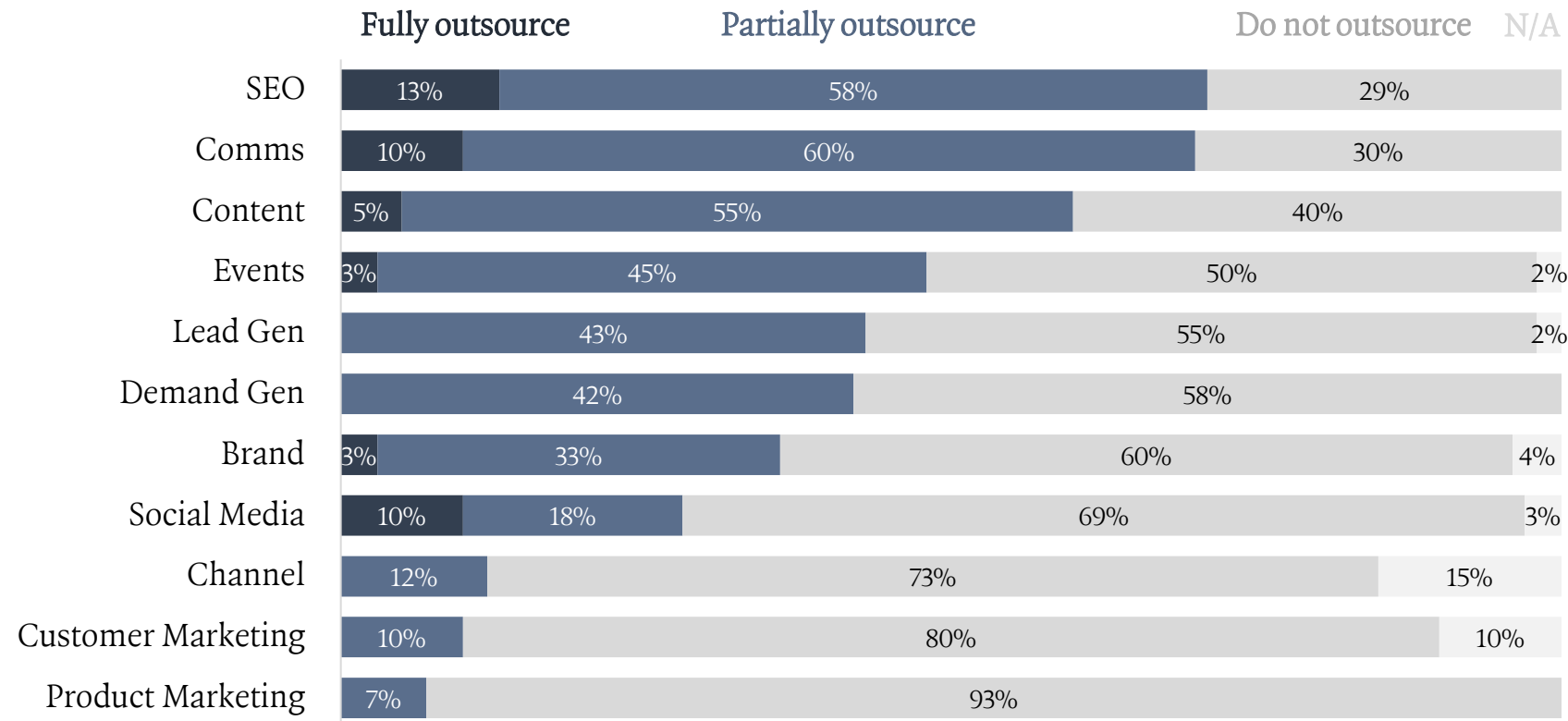> *Sales Leader | Healthcare IT | Growth Stage ($50-$250M ARR)*

## Headcount Planning & Strategy | Outsourcing marketing

## Most marketing organizations leverage third parties to support work across SEO optimization, communications / PR, and content creation. However, product, customer, and channel marketing responsibilities are kept mostly in-house

What are the key marketing roles or responsibilities that your organization outsources?[1]

*% of respondents*

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| | Fully outsource | Partially outsource | Do not outsource | N/A |
|---|---|---|---|---|
| SEO | 13% | 58% | 29% | |
| Comms | 10% | 60% | 30% | |
| Content | 5% | 55% | 40% | |
| Events | 3% | 45% | 50% | 2% |
| Lead Gen | | 43% | 55% | 2% |
| Demand Gen | | 42% | 58% | |
| Brand | 3% | 33% | 60% | 4% |
| Social Media | 10% | 18% | 69% | 3% |
| Channel | | 12% | 73% | 15% |
| Customer Marketing | | 10% | 80% | 10% |
| Product Marketing | | 7% | 93% | |

ICONIQ | Growth

Headcount Planning & Strategy | Service partners

## Both outsourcing and offshoring are common in services organizations. Customer support and implementation services are the most common roles to offshore, and many companies also utilize third-party service partners to scale implementations
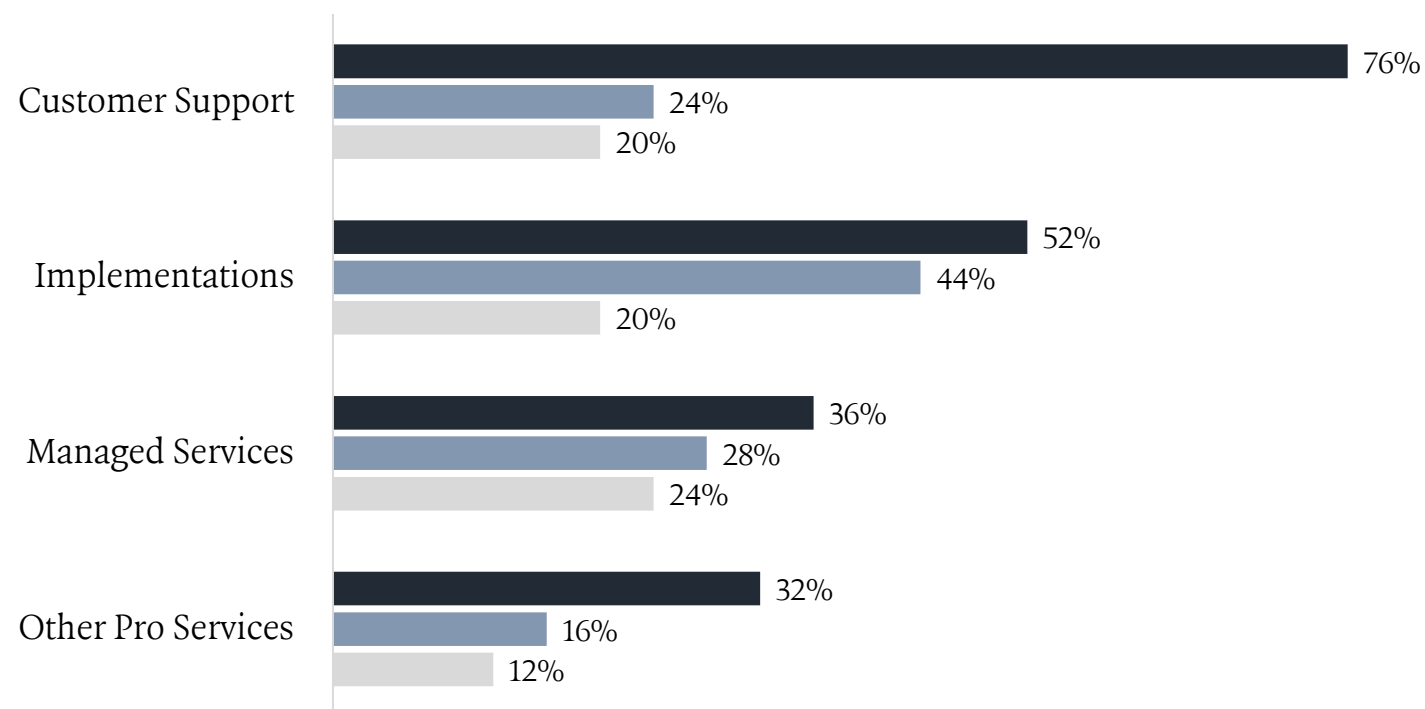
**Offshore team**

Outsource

All in-house

Do you outsource or offshore any services roles or responsibilities?[1]
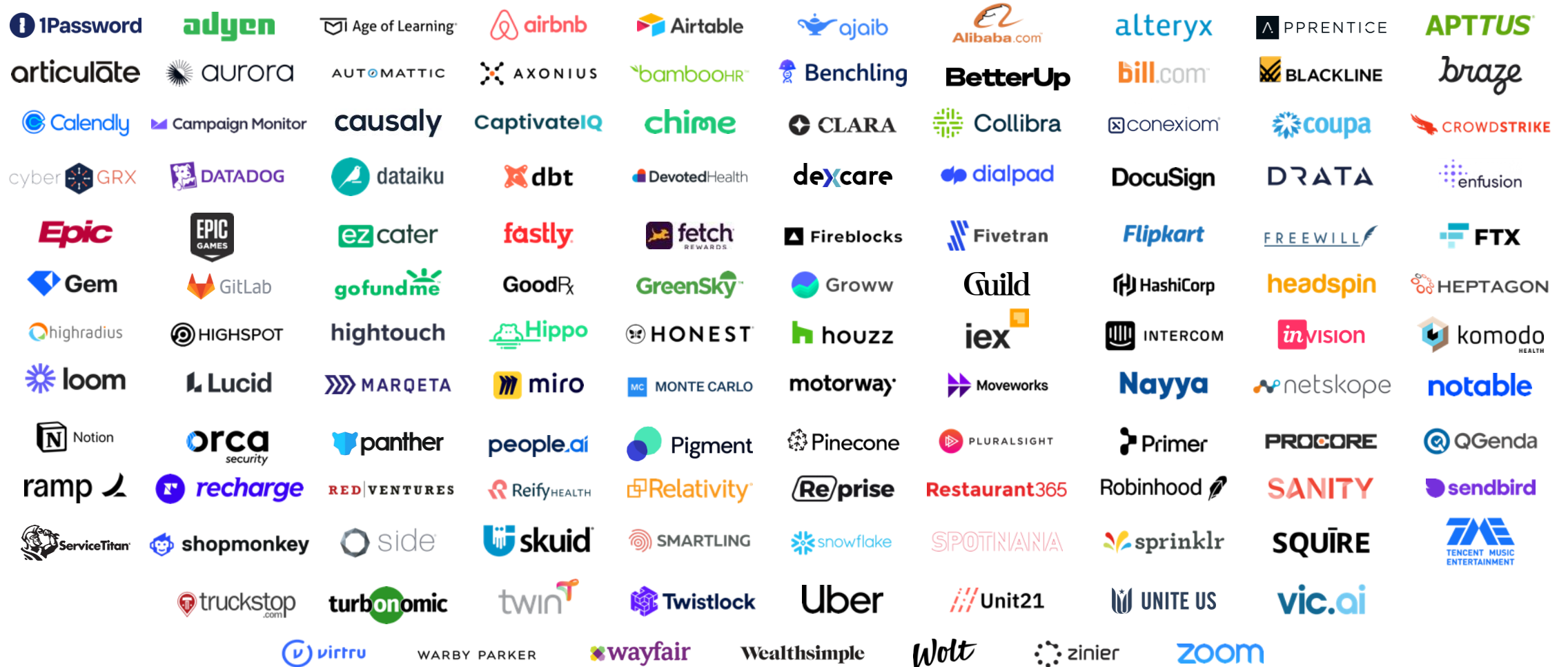*% of respondents; select all that apply*

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**Customer Support**
- 76%
- 24%
- 20%

**Implementations**
- 52%
- 44%
- 20%

**Managed Services**
- 36%
- 28%
- 24%

**Other Pro Services**
- 32%
- 16%
- 12%

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