9 Mistakes Tech Companies Make When Hiring A VP of Sales
The term ‘fail forward’ was popularised by Will Smith a couple of years ago. In business, however, it’s long been used by entrepreneurs during motivational speeches. While there is definitely credibility to the idea of failing then quickly learning from your mistakes in business, there are areas where ‘getting it right’ on the first try is essential.

One of those areas where you can’t afford to go wrong relates to hiring a VP of Sales.

Yet, in the tech world, 70 percent of SaaS sales leaders don’t make it to the 12-month mark. It turns out that hiring a VP of Sales is one of the most frequent mistakes and mis-hires companies make.

But what are those mistakes?

In this article, we take a look at 9 mistakes (plus some inside knowledge from 20 experienced CEOs and VPs of Sales) tech companies make when hiring a VP of Sales.
MISTAKE

1

Hiring for **who** you want to be.
Not who you are **now**.
When it comes to hiring a VP of Sales, the types of skills needed vary depending on the stage of your company. Below is an example of skill sets for different VP of Sales in relation to the current revenue of a tech company.

- **The Visionary**: <£1m
- **The Organiser**: £1-10m
- **The Driver**: £10-50m
- **The Analyst**: £50m+

Tech CEOs often feel the need to hire a ‘driver’ VP of Sales, someone who has experience with larger companies and has been there, done that and worn the t-shirt. It’s understandable, too - someone with a track record of doing business at the highest level is instantly appealing.

Going down the ‘top-level experience’ route is a common mistake, however. VPs at this level typically don’t have the knowledge needed to successfully navigate the stage where your business sits. Too often, hiring a ‘driver’ instead of a ‘visionary’ ends up being the wrong way to go about things, as CEOs think about what they want to be rather than who they actually are.

Before even deciding on the type of VP you want to install, think carefully about where you are and whether that prospective VP of Sales has the required experience and success for the level of your organisation.
MISTAKE 2

Not hiring for your market.
The market you operate in will go a long way to deciding the type of VP of Sales you bring on board. If your market is particularly competitive and commoditized, the VP of Sales needs to be someone with a vicarious appetite for selling highly charged environments.

Alternatively, if you function in a new market or one that is yet to be defined, you need to hire someone who can sell a vision - a hire with who can bring value to your clients by selling an intangible concept.

It is essential to ask yourself about the type of selling the VP will be tasked with. Are they selling change, or will margin and speed be more vital to your set up? Will they be required to tap into previous relationships with clients to sell in more competitive markets, or will they engage new stakeholders - e.g. Chief Digital Officers, Chief Customer Success Offices and Head of Global Trends?
MISTAKE

3

Not allowing enough **time** for the hiring process.
Unfortunately, you can’t just swipe right on a high-level VP of Sales. We might live in a world where everyone expects instant gratification, but getting the correct VP hire takes time and patience. There are so many different layers that go into the hire, with many components happening in the background.

You are likely evaluating current profit and loss, working out budgets, waiting on news as to whether that next mega deal comes in for the current quarter - all the while trying to find the right VP of Sales to take your company to the next level.

Finding a good fit can take six to 12 months, so it’s best to start early and not rush into the process. Spending too little time during the research and hiring stage could see you hire the wrong fit, with it taking a further six to nine months to decipher whether they are suitable for your company. That’s potentially six to nine months’ wages down the drain!

Take a bit more time with your hiring process, and what might seem painful in the short term is more likely to lead to long-term gains and profitability. Get the hire right, and they could make an impact from the moment they walk through the door.
MISTAKE

4

You are not prepared for growth.
Too many CEOs expect the VP of Sales to be a strategist as well as a dealmaker. Yet their main job is to drive results and help the company scale and grow the business. If there isn’t already a solid foundation in place for your hire to succeed, problems will ensue as you’ll see a misguided and ambitious leader take you down the wrong path.

If you don’t have the required structure in place, your VP of Sales will likely deviate back towards old habits, create processes that work solely for them and act upon experiences that worked for one organisation but might not be in line with yours. The result could see an increase in business, but it will also create more confusion than clarity.

Look to hire with a scalable and predictable process in place, one that can be quickly adopted by any new employee. If you don’t have one, but want to get somebody through the door, think about bringing in an interim, part-time VP of Sales or a consultancy who can create something from scratch and are comfortable operating in times where you are uncertain and everything is not clearly defined and documented at your organisation.
MISTAKE

5

Not enough trust.
Letting go can be one of the hardest things to do for anyone - especially a CEO who has been highly involved with every facet of the company for the last two to three years. But learning to relinquish an element of control is necessary for success.

Of course, doing so is much easier said than done. It is likely that you’re now a Series A company, or are about to become one, and that means every aspect of your business is tightly linked to you as a CEO and any initial investors who have all done the hard yards thus far.

All of that hard work was to get to the point where you can pay someone a good salary to further push things forward - but working with new people requires an element of trust. The VP of Sales will often have a differing viewpoint to you concerning the interpretation of the problem, the direction or the go-to-market strategy.

As a CEO, it’s now vital that you sense check with other members of the team and the different departments. Your company is a democracy now, and the days where it was just you and your band of brothers are over.

At Series A stage, the key to success is the transfer of knowledge from the CEO’s mindshare to that of the VP of Sales, and you have to partake in this knowledge-sharing exercise fully. This is a feat that is often not achieved by many CEOs, as they struggle for power, ego and visibility as their role changes.
MISTAKE

6

Too much trust.
Getting your VP of Sales hire right really does come down to fine margins. A lack of trust can see them becoming frustrated in their role and not producing. However, too much faith brings about its own set of problems.

Be wary of a VP of Sales who says ‘trust me’ all too frequently. When they start bandying about phrases like this, it often indicates that results aren’t visible, they aren’t good communicators, or they are fearful of the consequences of not succeeding. Maybe they’re even looking for an exit.

Trust is, of course, vital. However, there needs to be a reason for that trust, and being asked to trust someone blindly will only lead to poor results. Finding a balancing act between having trust and knowing when you need to step in is hard to achieve but also vital.
MISTAKE 7

Hiring someone who is not used to selling your way.
On the surface, selling is reasonably straightforward, yet many layers funnel into its art. Some different types of selling involve:

- Selling through partners
- Selling to 10,000+ employee enterprises
- High-volume and low-value deals
- Low-volume and high-value deals

Just because a VP of Sales is good at selling doesn’t mean they’re able to sell your product or service. If you hire someone who knows how to close £7,000 deals, but you want them to do £75,000+ deals - you might have a problem.

Similarly, they might have experience managing inbound teams or worked for an established brand that is well known in the marketplace, but now you’re asking them to go out into the unknown with an out-bound team based on lead generation. It might turn out that they’re a natural and take to it like a duck to water, but expecting them to succeed in unknown territory is a risky strategy.
They aren’t well rounded enough.
Many CEOs make the mistake of thinking there are a few default types of VP of Sales.

1. **The high-volume people manager:** Often seen as an equivalent to an Operations Manager, this type of VP enjoys allocating people and time to small tasks.

2. **The coach and mentor:** Loves talking to sales reps, mentoring them on key sales methodologies and helps them close deals.

3. **The dealmaker/driver:** Is used to being the top performer and had always aspired to move into management and reach their goal through consistent performance.

All three traits are commendable, but a top-level VP of Sales will display all of these attributes in some capacity. They will have the necessary skills to sell your product or service, strategically review your sales process and identify bottlenecks and common themes. Finally, they can be a coach and mentor to the sales team so they can help them progress to the next level of their careers.
MISTAKE 9

Lack of knowledge when it comes to data.
Ideally, you want a VP of Sales who can act on their own instincts when
the time calls but also places a significant emphasis on data. Many VPs
still back their methods and aren’t trained on how to read data correctly.

They shy away from a CRM system - or they don’t implement it properly,
which causes their sales team to misuse it, with the CRM becoming an
expensive time and resource that yields little results. These VPs are often
left sidestepping processes to close a last-minute ‘rescue deal’.

A modern-day VP of Sales is forward-thinking and utilises data analytics
while building processes that work across the board - for themselves, their
team and, ultimately, your company.
Getting it **right** at the first attempt.
But you can avoid many of the risks that tech companies make by setting yourself up to win with the right foundations and systems in place before making the investment in hiring a full-time VP of Sales. This way when the VP arrives they can push hard down on the accelerate rather than continually scrambling for information, structure and the right salespeople.

Speak With One Of Our Proven Sales Leaders:
No long-term thinking
Short-termism! Companies need to be realistic about what can be achieved and over what time frame. Targets and number forecasts should be built on a credible, qualified pipeline and close rates (not simply wishes or expected arbitrary numbers). It takes time for a new starter to move the needle (especially if the pipeline is poorly qualified already) and build momentum. Plan for that time.

Richard J Cash, Director @ ECR Global

They don’t understand startup culture
Don’t hire a VP of Sales who doesn’t understand ‘startup growth’. Your product is not perfect at Seed or Series A stage, particularly with SaaS. However, the best startup salespeople know the landscape well and can navigate through the barriers and feature-set to close deals.

Mike Raja, Co-Founder and CEO @ SonicJobs

Not going for the fast learner who is willing to get their hands dirty
Don’t be swayed by CVs with sizeable corporate brand names. What works for a large company might not work for a fast-growing startup. Large companies often condition people to follow a tried and tested process. Young businesses may not have worked out what the optimum sales process is yet. Instead, you should aim to hire a fast learner that is willing to get their hands dirty, try things themselves, take feedback and iterate the sales process rapidly. Always Be Learning!

Ben Wynne-Simmons, Head of Growth @ Fliplet

Hiring too late
Sales strategies vary depending on the stage of a company. Hiring a VP of Sales who doesn’t ‘match’ your current stage can be catastrophic. Also, hiring too late can create problems further down the line. If you’re generating >$1m in ARR, you need a VP Sales.

Steve Atkinson, Head of EMEA Sales @ Enboarder

Speak with a Team Member Today
Sales For Startups help CEOs of B2B tech companies build sales systems and structures that create predictable revenue and high performance sales teams by providing a proven SaaS Sales Leader to reduce your sales cycle, increase your deal value and improve your win rates.

We know that part of our clients’ problem is having both the bandwidth and the experience to lead, mentor and coach a young and inexperienced team. This is why our Sales Leaders are on-hand and trusted advisers who are part of your team and who get rewarded for getting results for your tech company.

Execution Eats Strategy....

Execution eats strategy for breakfast. The real value from plans is gained when they are executed. It’s this execution intelligence that we bring to B2B tech companies.

James Ker-Reid, CEO at Sales for Startups