

// GROWTH REQUIRES DELEGATION

Build the Right Management
Team for Growth



THE CHALLENGE

Seventy-six percent of small- to medium-sized business (SMB) leaders stated they were worried about having the right management team in place to support and manage their company's growth.¹

Building this team is crucial. The wrong hire at the wrong time can cripple your business. To successfully build a management team, SMB leaders need to:

1 Develop a strategy for filling specific roles at certain times. Does a CFO come before a CIO? Can someone handle both sales and marketing? Is a C-level executive needed or can a director-level employee be brought in?

2 Understand that, in most cases, different skill sets will be needed as business needs change throughout the growth cycle. The executive team in the 5th year will be different than the one in the 8th year.

THE SOLUTION

FIND THE RIGHT MIX OF EXECUTIVE TALENT WITH ORACLE TALENT ACQUISITION FOR MIDSIZE CLOUD

You can now easily identify internal/external talent for positions of responsibility. Finding the people who can take your company to the next level can take infinite amounts of time, so you need a solution that supports multi-channel sourcing to ensure the broadest reach while speeding up and simplifying the hiring and onboarding process.

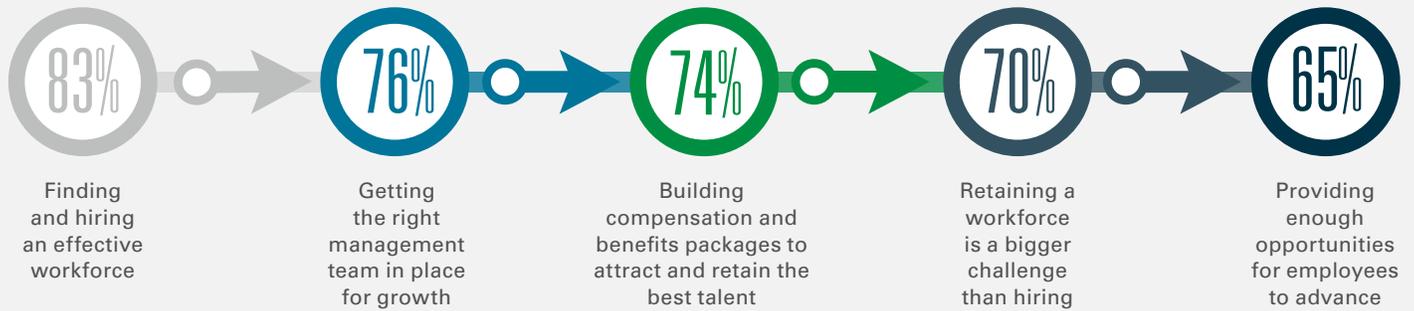
But to establish the processes to source, hire, and engage qualified executive candidates, the solution should also:

- Develop and manage progressive and proactive compensation and benefits programs
- Scale and remain agile as your company grows and your need for different skill sets evolves
- Provide the HR intelligence capabilities that can help predict, retain, and reward productive members of your management team

With Oracle Talent Acquisition for Midsize Cloud, you get all of this—a complete, connected view of your business with an easily adaptable solution across talent acquisition, talent management, HR, and finance. It's the game-changing cloud solution to recruit, hire, and engage game-changing executives.

¹ Inc. Media, "6 Things We Learned from Our 'What's Keeping America's SMB Leaders Up at Night' Survey," Inc.com.

IN A RECENT SURVEY,² SMB STAKEHOLDERS REVEALED SEVERAL TALENT AND HR CONCERNS:



How do you compare? Take our [assessment](#) now.

HOW THE ROLE OF AN SMB EXECUTIVE MUST EVOLVE

The management team’s roles and responsibilities have to evolve as the SMB grows. It is very rare for top executives to stay at a company as it progresses through different growth phases. Different skill sets are needed at various points in time of the company’s evolution.

	STAGE 1	STAGE 2	STAGE 3	STAGE 4
	Startup	Initial Growth	Rapid Growth	Continuous Growth
	must develop product	must drive sales	try to lead the market	try to dominate the industry
	// doer // decision-maker	// delegator // direction-setter	// team builder // coach // planner // communicator	// strategic innovator // change catalyst // organization-builder // chief of culture

Source: Katherine Catlin and Jana Matthews, “The Ultimate Dilemma: Evolution of Your Role as CEO,” High Growth CEO Forum, catlingroup.com/pdfs/CCG11.pdf.

You need the right people in the right jobs at the right time with the right attitude. That sounds easy, but it’s very hard. At eBay, someone who was perfect when it was a \$40 million company was not quite so perfect when it grew to \$4 billion. —MEG WHITMAN, former CEO of eBay

² Oracle Corporation and Inc. Media, “The Secrets of Success for America’s Fastest Growing SMBs,” go.oracle.com/LP=54922?elqCampaignId=94967.

BUILD A GROWTH-ORIENTED MANAGEMENT TEAM—ONE STEP AT A TIME

Know when the time is right to hire executives to manage:



SALES Hire if selling is not your forte, AND you can afford it.

Salespeople are expensive. For each \$1 million added to top-line revenue, you need to add approximately \$80K in sales compensation costs.³

FINANCE Hire when your company requires outside financing OR careful cash management OR needs a formal audit OR when your payroll crosses the 30 employee threshold OR when you are preparing for a complicated financial transaction (acquisition, merger, or going public).

MARKETING Hire after you have firmly established your sales team AND you are ready to start inbound marketing initiatives.

HUMAN RESOURCES Hire when you need a smart, strategic way to recruit and support employee growth and development.

IT Hire if technology is not your strength AND have established a strategic vision AND have set clear milestones to achieve that vision.

OPERATIONS Hire when you are ready to start working *on* your business and stop working *in* your business.

CEO Hire if you feel that your strengths lie elsewhere. Many founders step aside as CEO and focus on those aspects of the business that better suits them (strategy, publicity, technology, design, etc.).

³ "2017 Sales Pulse Survey, High Growth Edition" (2017), Alexander Group, alexandergroup.com.

Tips from Jason Lemkin⁴

When you have 10 customers, you should start looking for your VP of Sales, because it can take you a long time to recruit a good VP of Sales...hiring senior sales leaders prematurely can be a devastating mistake.

Stop being an individual contributor as soon as you can. Stop being a functional VP-as-well-as-CEO as soon as you can. Let it go. Hire those folks instead, as soon as you can afford it.

As soon as you hit \$1.5M in ARR, as soon as it goes from "repeatable" to "repeating" ...you are ready for a VP of Everything. Of Engineering. Of Product. Of Marketing. Of Customer Success. etc. And of course, VP of Sales.

⁴ Jason Lemkin is the managing director of the SaaStr Fund which has over \$70 million in capital at its disposal. Collectively, the startups that the fund has invested in have grown to be worth over \$1.5 billion, with an average entry price of \$13M per investment, in less than three years.

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GET AHEAD

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