Closing Foundry.

Hiring Your First Salespeople: The Transition From Founder-Led Selling

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Key Points

- Most founders are excellent first salespeople. The problem is the transition: hiring the wrong person, from the wrong background, at the wrong stage.
- Average sales leader tenure is now below 14 months. In a business that has raised a million pounds, a failed senior hire costs £200,000 to £400,000. That is a large fraction of a seed round.
- Big company salespeople often fail in startups. At Oracle or Salesforce, deals arrive with budgets attached. In a startup, the seller has to create the opportunity, find the budget, and build the sales cycle from nothing.
- Build a rubric that scores behaviours as well as skills. Use it for hiring and for having hard conversations early, rather than convincing yourself for 12 months that someone will turn it around.
- Hire at least two salespeople at once. Around 50 percent will fail regardless of how carefully you hire. A single hire leaves you with no cover when it doesn't work out.
- Three things salespeople need to do: build pipeline, advance pipeline, close pipeline. Everything else is a distraction. Measure those three things first.

One of the clearest trends in early-stage B2B businesses: the founder is an excellent salesperson, grows the business to meaningful ARR on the strength of their own selling, then hires their first salesperson or sales leader, and watches revenue fall.

A founder we spoke with recently had grown to $2 million annual recurring revenue as the number one salesperson in his own business. He hired five salespeople. He fired three of them. The other two looked likely to follow. His revenue had dropped to $1 million. He was spending 80 percent of his time managing people rather than selling, and after nearly a year hadn't fully acknowledged that the hires were failing.

This isn't unusual. It's close to the norm. This piece sets out what is actually happening at this transition, the most common mistakes, and what the right approach looks like.

Why founder-led selling works

Founders are usually excellent at selling, often to their own surprise. They understand the problem they are solving better than anyone. They can tell the story of how they found it, the journey they have been on, and why the solution they have built is the right one. That is compelling in a way that a product pitch isn't.

They also have network. Most founders started as practitioners in the space they are now building into. They can call people they know and say: I have solved the problem we have all had for the last ten years. Those first conversations open on credibility that a cold outreach campaign can't manufacture.

There is also a strategic advantage that is easy to underestimate. Prospects and customers can meet the founder of the company they are talking to. That isn't available from large software companies or established competitors. It signals commitment, access, and a seriousness of purpose that early customers respond to. It's a genuine, time-limited edge, and the transition plan needs to account for what happens when it's no longer available.

Why the transition breaks things

The founder's success came from passion, knowledge, and access. None of those things transfer automatically to the people they hire. The transition from founder selling to a sales function is where most early-stage businesses hit trouble.

The average tenure of a VP of Sales or CRO in the technology sector is now below 14 months, down from 18 months a few years ago. For a company that has raised a million pounds, a failed senior sales hire costs between £200,000 and £400,000 once salary, on-target earnings, recruitment costs, and months of reduced productivity are accounted for. That is a significant portion of a seed round to lose on a mis-hire.

The failure rate for salespeople in general is high regardless of how carefully you hire. Around 50 percent won't work out. That isn't a reason to hire badly. It's a reason to understand the arithmetic going in and build your approach accordingly.

The wrong person

The most common mistake is hiring someone from a large company (Oracle, Salesforce, SAP) on the assumption that if they could sell there, they can sell anywhere.

It doesn't work that way. In a large technology business, a good salesperson is often facilitating an ordering process. A buyer has identified a need, secured a budget, and run a beauty parade between two or three vendors. That requires skill, but it's a different skill to what a startup demands.

In a startup, the seller starts with no brand, no established product category, and no buying process to plug into. They have to go to the customer rather than wait to be found. They have to help the prospect understand that a problem exists, help them find or create budget, and build a sales cycle that didn't exist before the conversation started. At very early stage, this is often closer to what practitioners call a journey sell: selling a future state and a commitment to build it together, not a finished product against a fixed specification.

Founders who bring in big-company sellers and watch them fail are usually not wrong about the candidate's track record. They're wrong about the relevance of that track record to the environment they are now asking that person to work in.

Three models that work

There is no single right answer, but three broad models work in different situations.

Hire a senior person willing to roll their sleeves up. This means someone experienced enough to know what good looks like, but genuinely willing to carry a quota and build the motion before building the team. It's rarer than it sounds. Most people in senior sales roles have moved away from individual selling and aren't willing to go back. But when you find the right person, the model works: they sell, prove the motion, and build the team around what they have learned. The risk is hiring someone who presents as a builder but is actually an executive, and losing nine months finding out.

Manage salespeople yourself as a founder, without a sales leader. Hire one or two account executives, work alongside them, and transfer your own knowledge and approach directly. This is often underestimated. Founders who are excellent salespeople are frequently better placed to coach early AEs than a hired sales leader who doesn't yet know the business, the product, or the customers. The model requires founder time and attention, but it produces salespeople who understand what you are actually selling.

Hire the eager AE. Someone who hasn't done it at a senior level before, but whom you believe has the capability and the disposition to grow with the business. Harder to evaluate, cheaper, and often more coachable than someone with a established but mismatched track record.

Whichever model you choose, the underlying principle is the same: you're trying to transfer the passion, knowledge, and commercial instinct of the founder into the people who will carry the revenue motion forward. If the people you hire can't take on that message and make it their own, the model won't work regardless of their formal experience.

Building a rubric

The most consistently useful tool for hiring and managing salespeople is a rubric: not a skills matrix, but a behaviour matrix.

Skills describe what someone can do on paper. Behaviours describe how they actually work: how they prospect, how they handle a stalling deal, whether they do the preparation required to have a genuine business conversation before a first meeting, how they respond when they aren't getting traction. Those behaviours are what separate salespeople who perform in a startup environment from those who don't.

The rubric does two things. First, it gives you something concrete to evaluate against in the interview process, so you're choosing between candidates on the basis of observable behaviour rather than who was most convincing in the room. Second, it gives you a basis for having difficult conversations early. If someone isn't performing after two or three months, the rubric tells you specifically what is missing and gives you the framework for a direct conversation rather than a vague hope that things will improve. Without it, you tend to wait, convincing yourself that the pipeline they have described is nearly real, that another month will show whether the potential is there. The rubric removes that ambiguity.

There is no single universal rubric. The behaviours you are looking for depend on what you are selling, to whom, at what price point, and in what buying environment. Templates exist and are worth reading, but they won't be right for your situation without adaptation. The most reliable source of your rubric is your best existing seller: examine what they do, how they work, and what makes them different, and build the criteria from that observation.

When you interview, go deep rather than broad. Ask about a deal the candidate is proud of, then keep asking: who was the customer, what was the problem, how did you get in front of them, what happened when the deal stalled, what was the outcome? Bad salespeople stay general because the specificity isn't there. Good salespeople are specific because the specificity is exactly what they did.

Hire in volume, not in ones

When you hire salespeople, hire at least two at once. Never one.

Statistically, around 50 percent of salespeople won't work out even with a careful hiring process. If you hire one person and they fail after six to nine months, you're back to zero, you have lost that time, and the founder has spent the period managing rather than selling. If you hire two or four, you have cover. The ones who succeed become the template for the next hires: the living version of your rubric.

Correspondingly, if you're hiring two to four people, you need to interview thirty to forty candidates. Not five or six. Even if the first person you meet seems ideal, keep going. You're building your judgment about what good looks like at the same time as you are evaluating specific candidates. Interview volume isn't inefficiency. It's how you get better at it.

Managing what matters

Once salespeople are in place, the measurement framework doesn't need to be complicated. There are three things a salesperson needs to do: build pipeline, advance pipeline, and close pipeline. Everything else is either support for those three things or a distraction from them.

At the earliest stage, 100 percent of a salesperson's time may need to go on building pipeline, because there is nothing yet to advance or close. That is correct. The ramp follows the pipeline: once you're building consistently, you start measuring advancement; once there is enough in the funnel, you start forecasting close. Keep it that simple for as long as you can. Salespeople are skilled at finding things to do that aren't those three activities. Domain research, process documentation, internal stakeholder work: all of these can be genuine needs, but they can also be a way of avoiding the harder work of building new business. Bring the focus back to the three things repeatedly.

One useful reframe for the sales process: it should support the way your buyers want to buy, not the way you want to sell. Process built around the seller's workflow creates internal reporting with no commercial value. Process built around the buyer's decision-making process creates deals that actually close.

When not to hire

If product-market fit isn't yet clear, it's probably too early to hire salespeople in the conventional sense. Not because selling isn't valuable (it is the only way to validate product-market fit in the end, and actual revenue is the only real validation) but because a salesperson without a repeatable motion to execute will spend their time and yours navigating ambiguity rather than generating revenue.

There is a case for an exception. Some founders aren't strong go-to-market thinkers, and bringing in a commercial partner early is valuable: someone who helps shape the motion as well as execute it. But that person isn't a typical first AE hire, and the specification is different. You're looking for someone who can operate in genuine uncertainty and build the process as they learn, not someone who needs a defined playbook before they can start.

Further reading

First Meetings: How the First Sales Conversation Sets Every Deal That Follows What the salespeople you hire need to do in first meetings to actually start the sales cycle.

How to Get a Meeting with the C-Suite How to earn access to the right person in the first place: the point-of-view approach that works regardless of company size or brand recognition.

Related terms

- Annual Recurring Revenue (ARR): The annualised value of all active subscription contracts.
- AE (Account Executive): The quota-carrying sales rep responsible for closing new business.
- Founder-Led Selling: When the company founder personally conducts sales, typical in early-stage startups.

- Product-Market Fit: The degree to which a product satisfies a strong market demand.
- Buying Process: The steps a prospect organisation follows when evaluating and selecting a vendor.
- Sales Process: A defined sequence of steps that guides reps from first contact to close.
- Cold Outreach: Unsolicited contact with prospects who have had no prior relationship with the seller.
- Sales Cycle: The total time from first contact to signed contract for a B2B deal.

Related: Hire two to four sellers, and expect half to fail, The Founder-Led Sales Guide.

Related service: 5 Days to Scale
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