

OPENVIEW

THE STATE OF SAAS TALENT

APRIL 2023



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WE INVESTIGATED HOW SAAS HIRING HAS CHANGED SINCE 2022

The State of SaaS hiring has done a 180 since the last time we did this report.

Last year, candidates interviewed with an average of eight companies before settling on an offer. This year, there are many obstacles making candidates and founders feel uncertain, including:

- layoffs across Big Tech
- a challenging macroeconomic environment
- and a slowdown in fundraising.

While everyone is dealing with heightened tension, it's been widely acknowledged: **the balance of power has shifted from candidates back to employers.**

If you're a software startup tasked with making a critical hire this year, how can you navigate this new hiring landscape with efficiency and empathy?

We surveyed nearly 200 employers and candidates on key hiring trends across roles, prioritization, interview process, and more. Here's what we found.

WHO WE SURVEYED

The data comes from two OpenView 2023 State of SaaS Talent surveys conducted in February and six interviews with SaaS professionals.

One survey polled employers, while the other polled candidates.

Nearly 200 respondents participated.

TAKEAWAYS: SAAS HIRING TRENDS IN 2023

ATTRACT

Transparency has gone from nice-to-have to absolutely critical.

- Candidates are seeking financial security. Assure your top tier candidates that your company is financially sound. 71% of candidates say they use company financials and metrics to evaluate a company.
- Even junior-level and individual-contributor candidates are doing extra due diligence because many of them have been burned.
- Companies need to present a united front. 78% of candidates rated alignment on the role across the interview team as a top quality they look for throughout the interview process.

INTERVIEW

You still need to sell candidates on the role.

- It's a founder's market, but the rules of a candidate's market still apply. You still need to sell candidates on your company all throughout the interview process.
- The best source for leadership hires is a founder's personal network and direct outreach, with inbound applications being the weakest sources of hires. Start building your pipeline before you need it.

OFFER

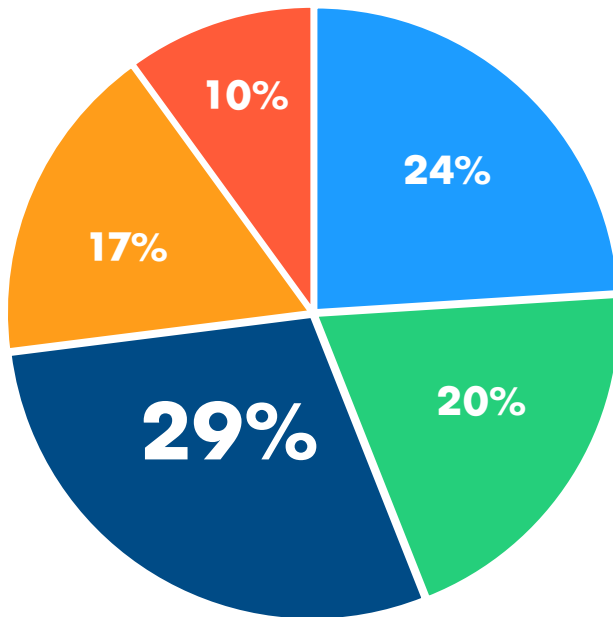
Don't shortchange candidates on compensation.

- Despite the influx of candidates entering the talent pool from layoffs, compensation expectations haven't changed much.
- Most employers are using compensation software now (74% in 2023 vs. 57% in 2022) but be wary of market research.
- Only 32% of candidates said market research aligned with their expectations.

WHO WE SURVEYED

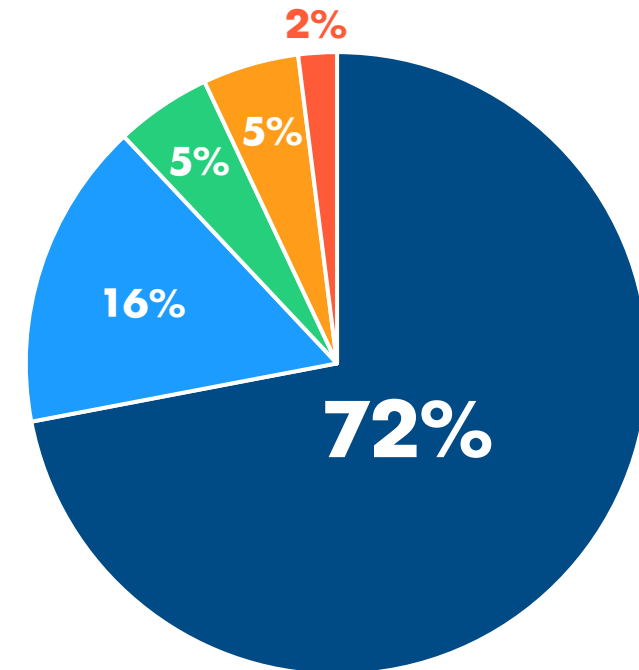
OUR 2023 SURVEY INCLUDED A WIDE RANGE OF SAAS COMPANIES

2023 DISTRIBUTION OF EMPLOYER RESPONDENTS BY ARR



- Less than \$1M
- \$1 - \$5M
- \$5 - \$20M
- \$20 - \$50M
- More than \$50M

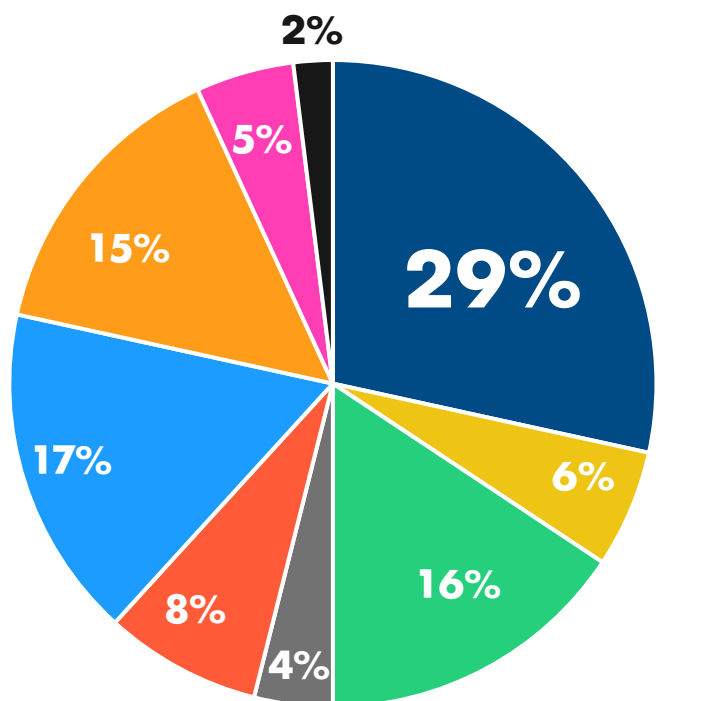
2023 DISTRIBUTION OF EMPLOYERS BY REGION



- US
- Europe
- Australia / New Zealand
- Canada
- Middle East / Africa

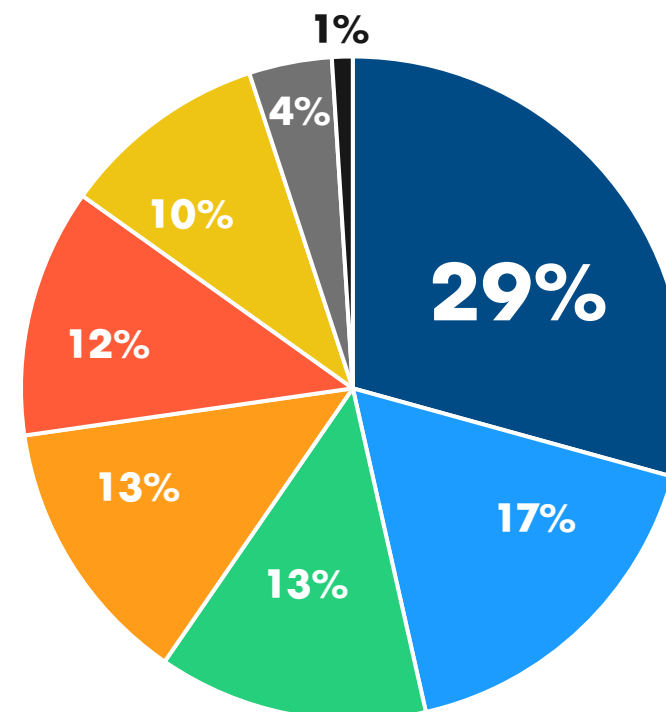
WHO TOOK THE SURVEY THIS YEAR?

DISTRIBUTION OF CANDIDATES BY FUNCTION



- Marketing
- Engineering
- Sales
- Operations
- Finance
- Customer Success
- People
- Product
- Other

DISTRIBUTION OF CANDIDATES BY LEVEL



- Individual Contributor
- Director or Sr. Director
- C-Suite
- Other
- VP
- Head of
- Manager or Sr. Manager
- SVP or EVP

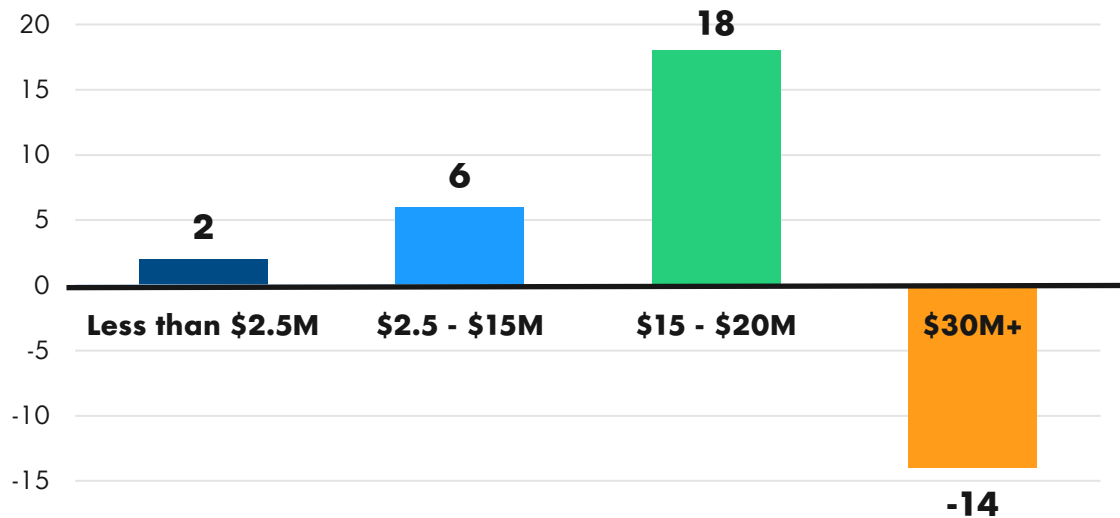


GROWTH TRENDS

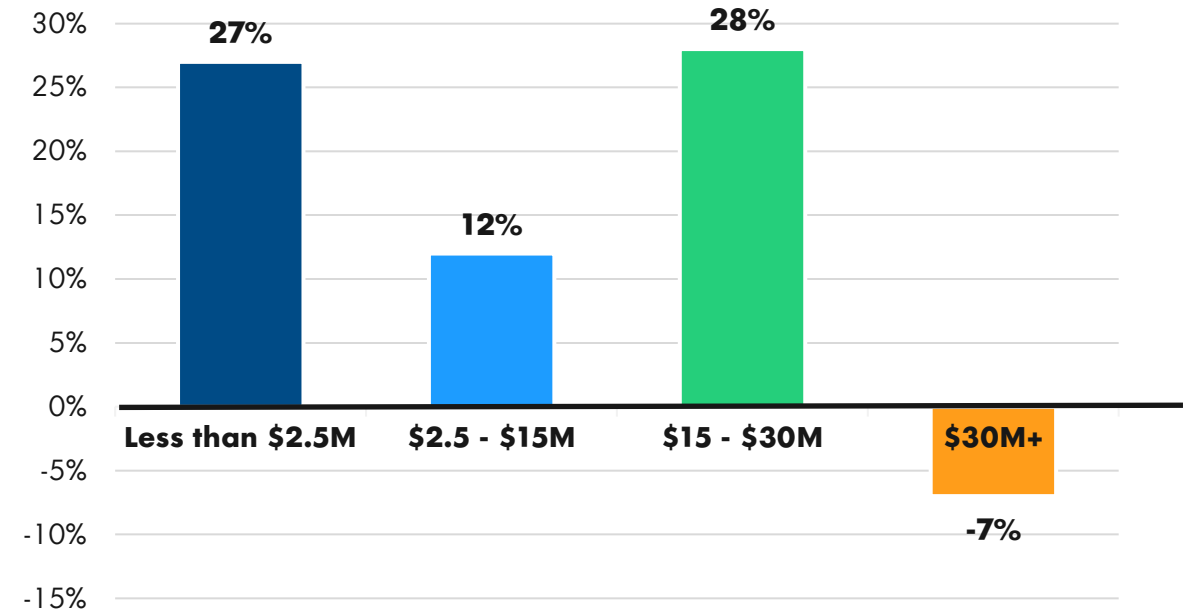
LAST YEAR, LARGER COMPANIES SHRANK WHILE SMALLER COMPANIES GREW SLIGHTLY

In 2022, smaller companies hired employees slowly.
On the other hand, companies with more than \$30M in revenue actually shrunk their headcount.

MEDIAN CHANGES IN HEADCOUNT IN 2022



PERCENT CHANGE IN HEADCOUNT SINCE START OF 2022

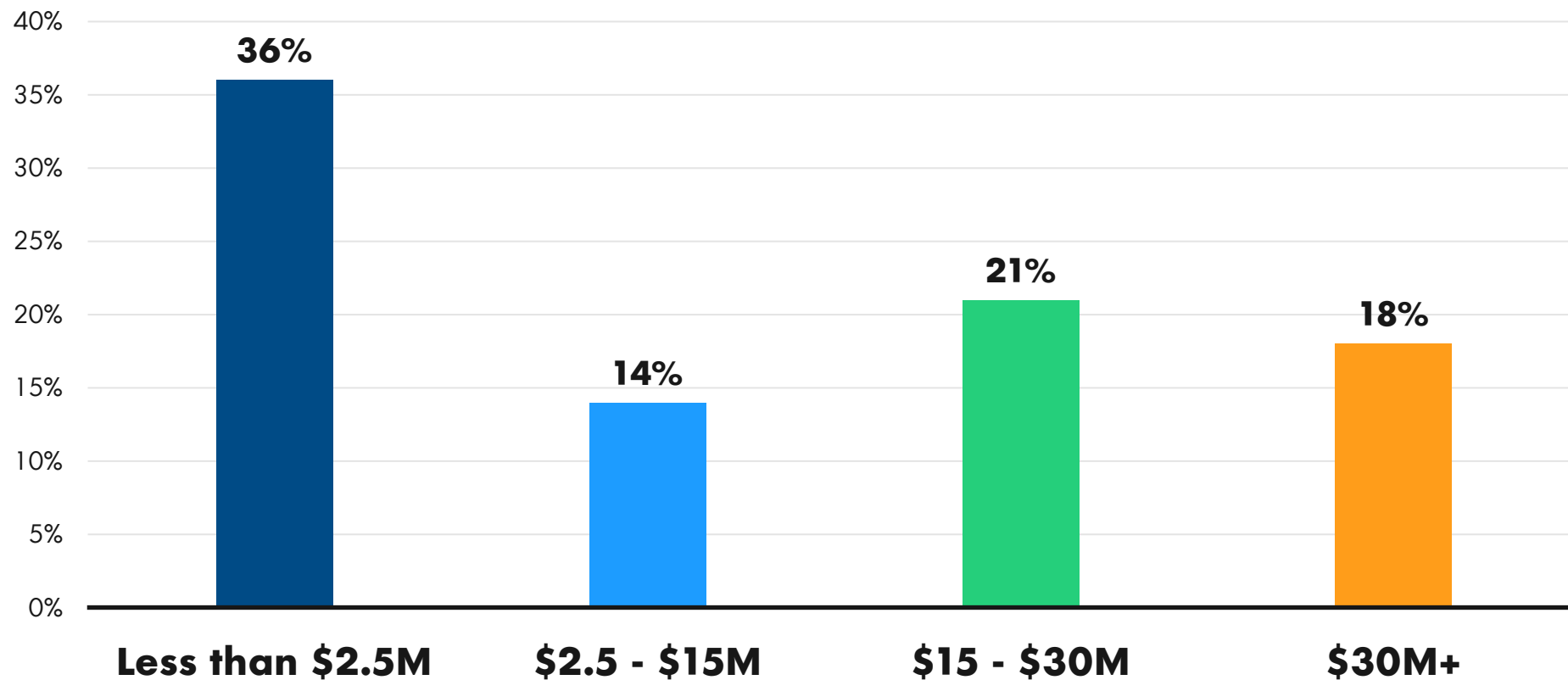


COMPANIES OF ALL SIZES PLAN TO GET BACK TO GROWTH

These numbers are similar to what people estimated for headcount growth in 2022, but that didn't come to fruition for many companies.

Our advice? Hire for your highest priority roles first, and be prepared to adjust headcount plans as needed.

MEDIAN CHANGES IN HEADCOUNT IN 2023



HIRING SALES LEADERS IS THE NEW PRIORITY OVER PRODUCT

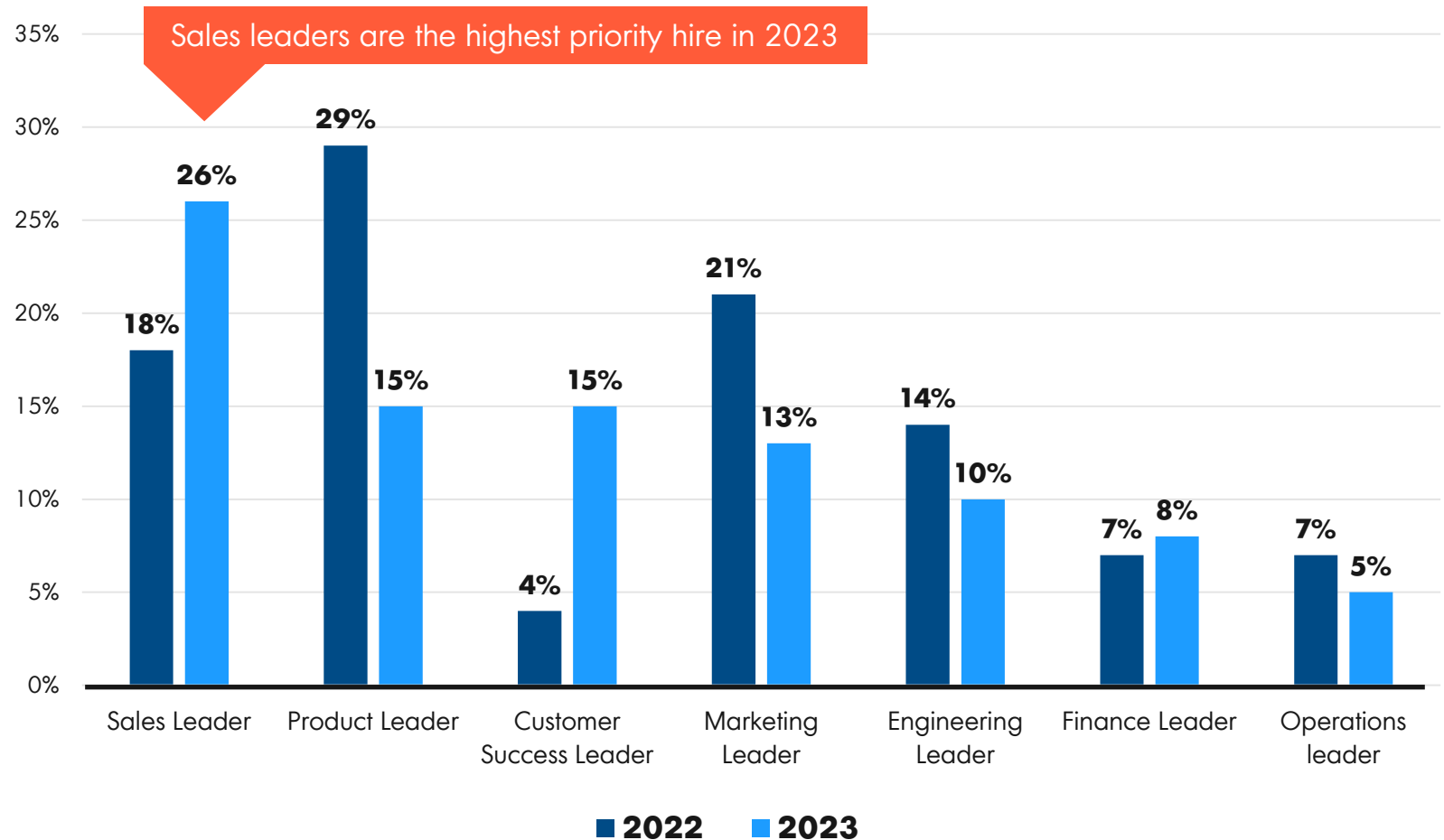
Sales processes are becoming increasingly complex.

- Budgets are tighter
- Buying processes feature more stakeholders
- There is greater scrutiny on deals.

What does that mean?

Companies are prioritizing hiring strong sales leaders. In this environment, you can't afford to miss on a sales hire.

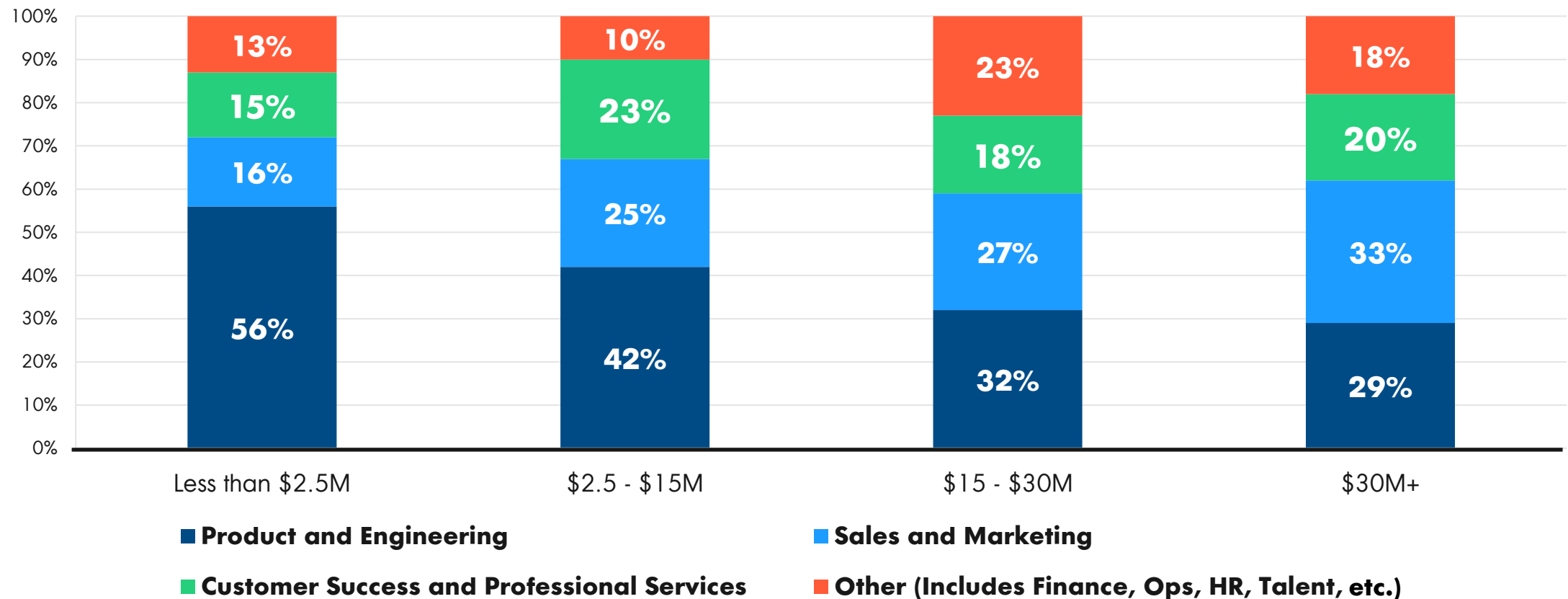
WHAT IS YOUR HIGHEST PRIORITY HIRE?



HEADCOUNT PLANNING: WHAT'S NORMAL FOR YOUR STAGE OF GROWTH?

All companies are built differently, but if you're straying from these averages, take the time to understand why.

HEADCOUNT ALLOCATION PER FUNCTION ACROSS GROWTH STAGES





ATTRACTING CANDIDATES

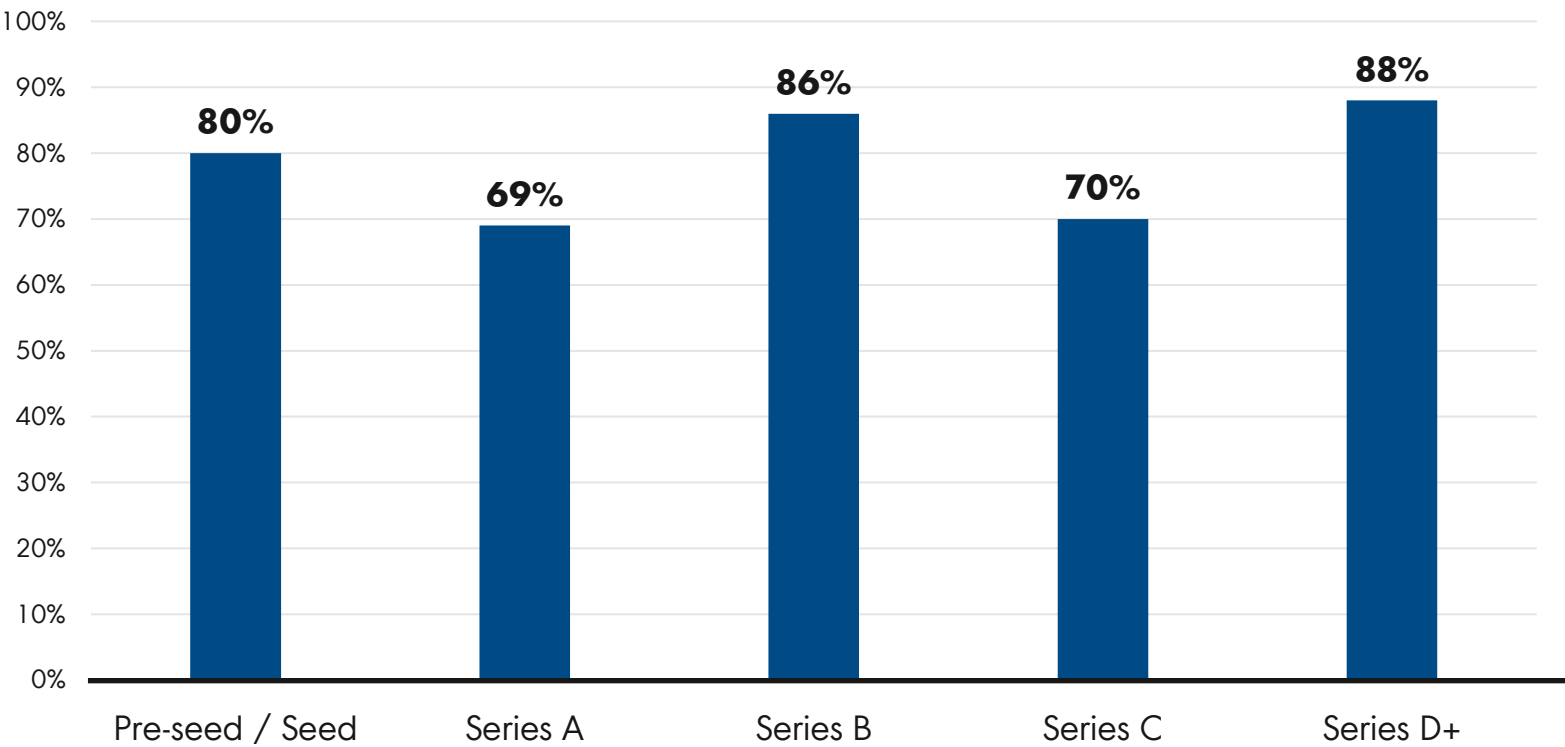
TRANSPARENCY AROUND COMPANY STABILITY IS ESSENTIAL

Across all stages of growth, candidates are carefully analyzing company performance in today's chaotic market environment.

Regardless of stage, about eight in 10 people joining venture-backed companies are applying additional scrutiny before jumping into new roles.

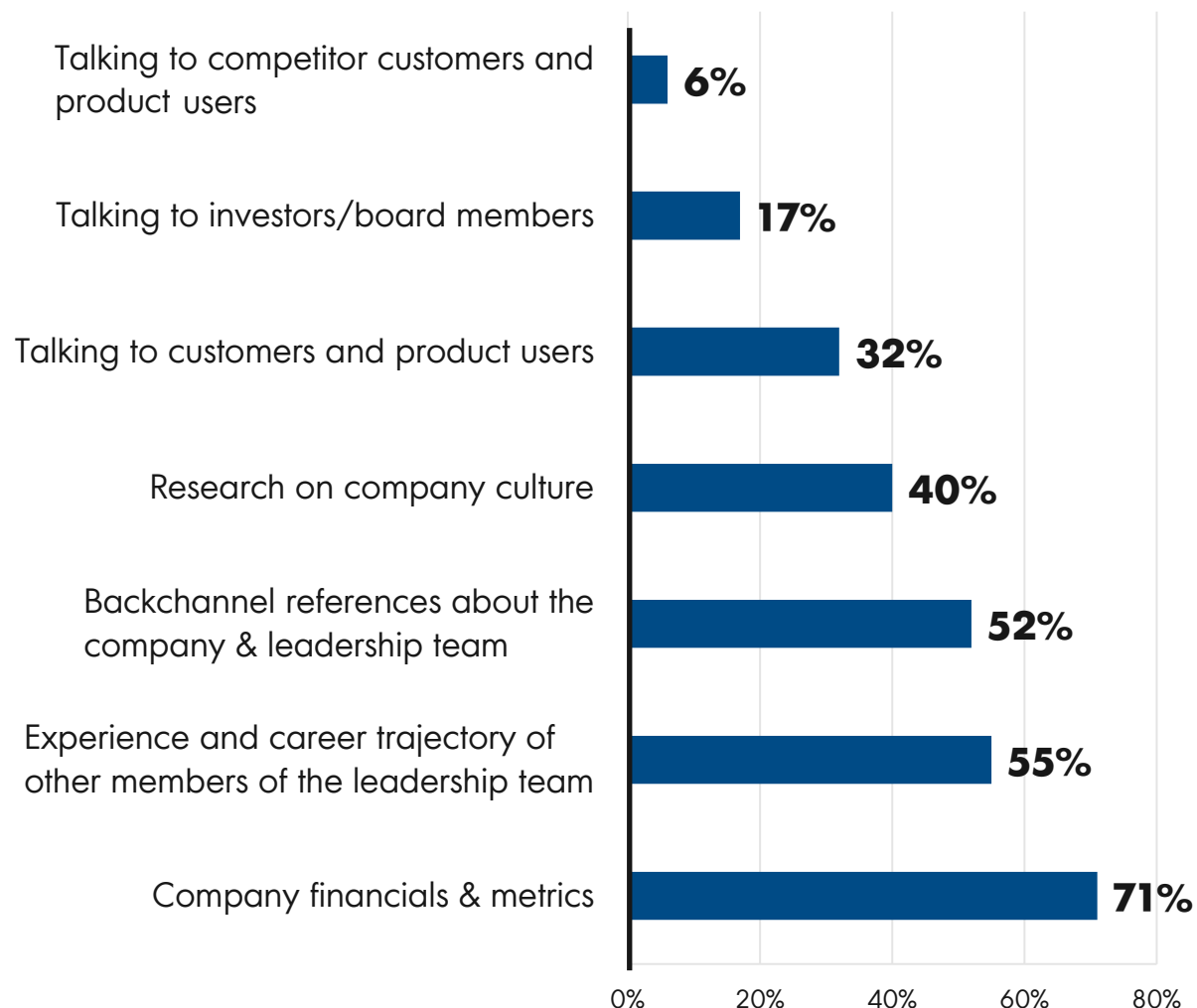
SURVEY QUESTION:

Did you apply more scrutiny to joining a company in today's chaotic market environment?

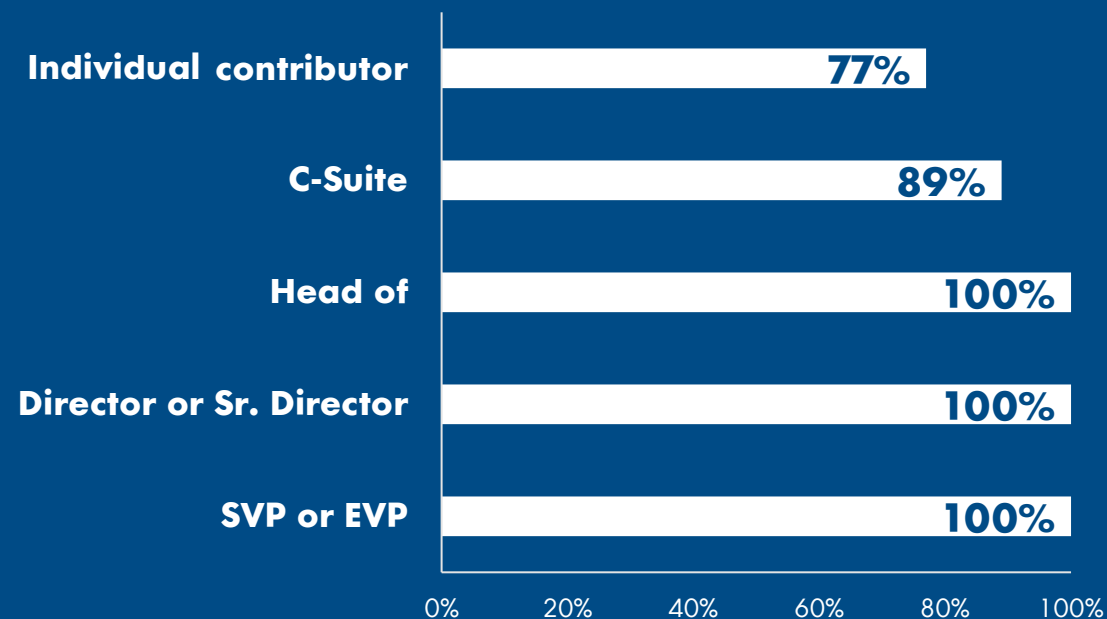


CANDIDATES WANT TO SEE SOLID FINANCIAL FOOTING

TOP WAYS CANDIDATES ARE EVALUATING COMPANIES



CANDIDATES WHO CITE FINANCIALS AS A TOP-THREE EVALUATION CRITERIA



Regardless of the role level,
all candidates are paying attention to company financials.
Companies need to reassure candidates that they're stable.

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I looked at what the valuation of the company was, and I sized up if I thought it was relatively over or undervalued.

I was also **more serious about how I looked at the financials and operating metrics**, searching for evidence of an efficient go-to-market motion that was repeatable.

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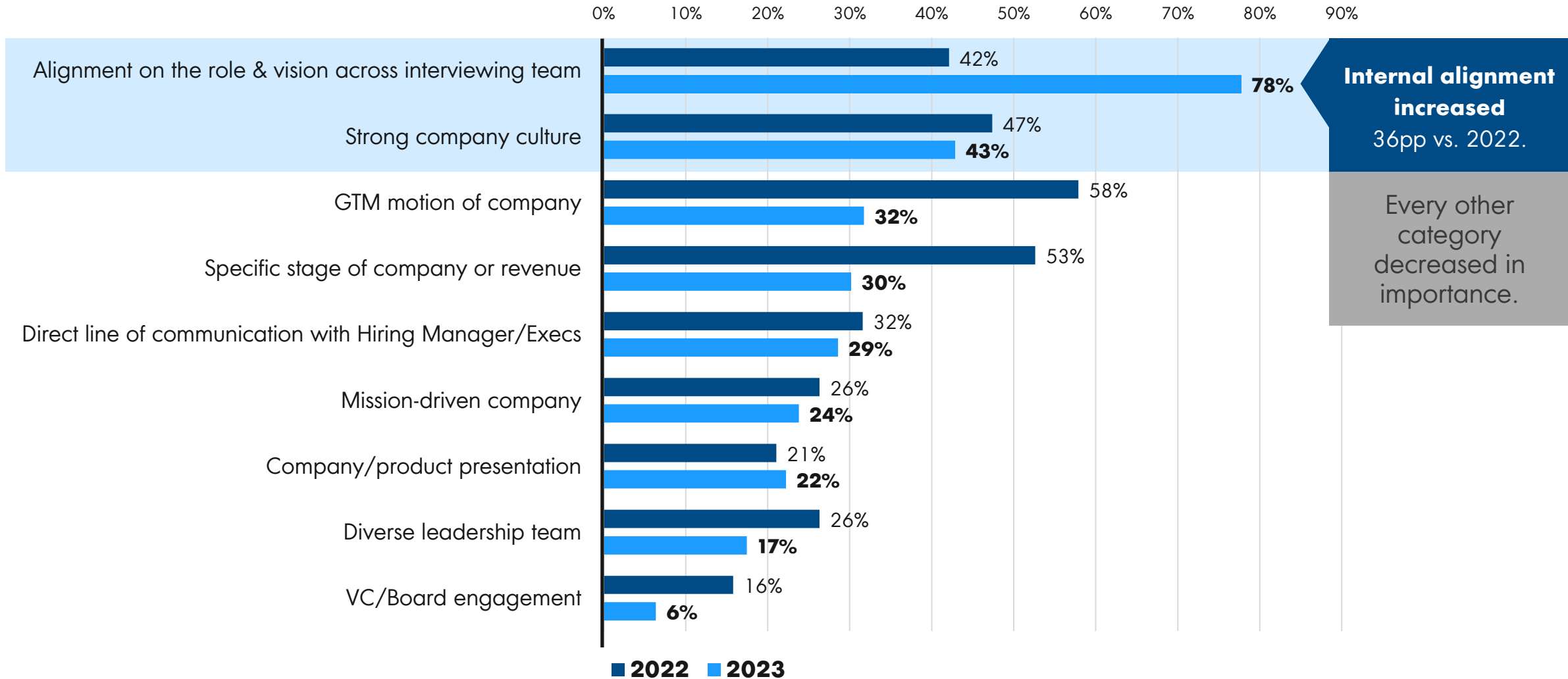
— **CJ Gustafson**
CFO



COMPANIES SHOULD PRESENT A UNITED FRONT

It's not just about financials. When interviewing candidates, make sure you are aligned across the board.

TOP QUALITIES CANDIDATES LOOK FOR WHEN INTERVIEWING



ALIGN YOUR TEAM BEFORE INTERVIEWING CANDIDATES

How To Kick Off A Recruiting Process: Tips To Align Your Team

Early-stage companies need more guidance to develop a process pre-interview. Here's what to focus on:

1

Gain consensus across leadership on the headcount before kicking off any recruiting activity.

2

Develop your ideal profile for the role based on nice-to-haves vs. absolute requirements and make sure the business is aligned on these expectations.

3

Prep your interview team on their specific focus area so there isn't overlap of questions while interviewing candidates.

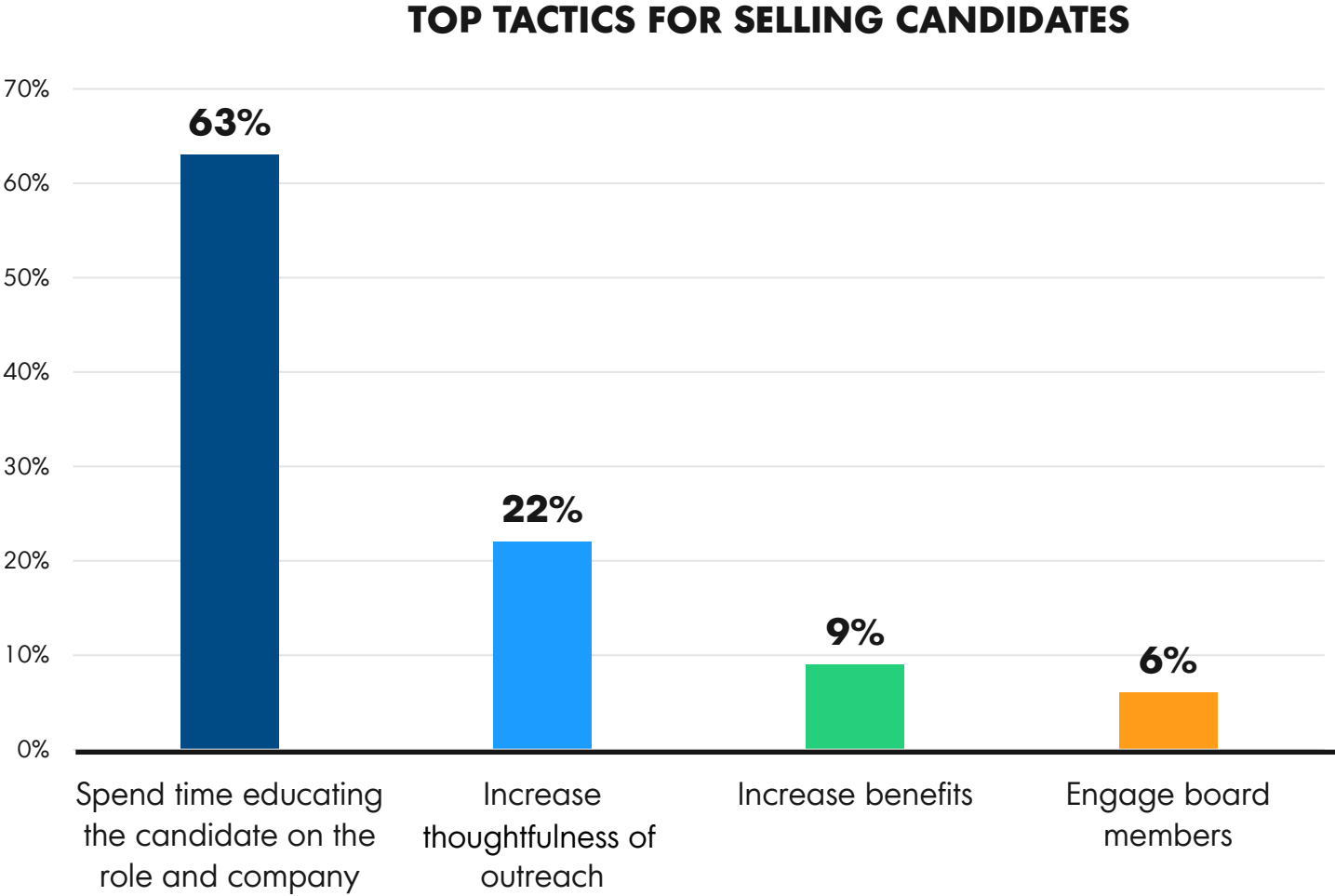
4

Arrange debriefs as a team to make sure interviewer feedback is heard and considered. It helps you move quickly and relay the final interview outcome to your candidates

YOU STILL NEED TO SELL TO CANDIDATES

Yes, it's a founder's market, but expectations haven't changed much. If you want to attract and hire the best talent, you need to sell candidates on your company and on you.

This is especially true when you're hiring executives, so start building relationships with top tier folks now.



YOUR NETWORK IS YOUR FUTURE PIPELINE

Our data shows that inbound applications are not a good source of leadership hires. In fact **the best source for leadership hires is personal networking and direct outreach.**

Even if you aren't hiring this year, start building relationships with people you may want to hire. The same applies for people well-connected in your space.

Remember: Building your network takes time. Consider tapping your VC firm.

“Really all my jobs from the last 10 years have been **personal referrals.**”

Steve Prohaska

Director of Enterprise Sales



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If you ask any executive, they'd probably tell you they spend 25% of their time on hiring activities in addition to other high priority work. Go straight to the source.

Lean into your professional networks and tap your peers to find the best people for your company sooner. //

—

Jeff Diana
CPO



TRENDS IN LEADERSHIP HIRING

Are there any other trends you're seeing in leadership hiring? [open-ended]

SOURCING



"The market is still very warm, despite the layoffs."



"With recent layoffs by major tech companies, it is easier to find talent."



"There's higher quality inbound talent. Very high caliber consulting talent is available."

INTERVIEWING



"Candidates are asking for more time for decisions."



"There's a return to quality of hire during the recruitment process. 2021 was all about speed to hire, 2022/2023 all about quality."

COMPENSATION



"Salary expectations still remain very high. Traditionally lower-cost markets have increased salary expectations, including places like Miami."



"Candidates who were over compensated in previous roles are now being laid off but going into their job search with inflated salary expectations."



"Fewer people that are currently on staff feel that there are other opportunities that pay more in the market. One person left for a position that paid 50% more, then got laid off within two months. That left a strong impression on their previous colleagues."

4 PRO TIPS TO ATTRACT CANDIDATES IN THIS CLIMATE

Have a message around why your product is critical.

Today's candidates are looking to join companies building products that are painkillers, not vitamins.

To the extent possible, make sure you promote why your product and mission is essential to your target audience during this time.

Don't skip out on employer branding.

You still need to market your company to prospective employees. Start by building a candidate sell deck.

[READ NOW: HOW TO BUILD A CANDIDATE SELL DECK](#)

Utilize your network for current and future roles.

Building a network takes time, and it's never too late to start. But if time is short, consider tapping your investors, who should be well-connected. Our team at OpenView routinely introduces and places executive and mid-level hires.

Reach out to candidates personally.

Candidates' inboxes are typically full of messages from recruiters. Spend 15 minutes every Friday sending LinkedIn InMail messages to your top candidates. Candidates are much more likely to respond to a personal message from you than from a recruiter.



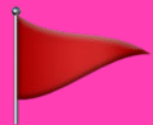
Personal touch – starting with delivering an exceptional hiring experience out the gate –goes a long way. The beauty of Calendly is our recruiting solutions allow us to provide exactly that too.

When we have candidates we feel strongly about, our hiring team goes above and beyond to create a seamless interview process and show them why Calendly is a special place for them to build their careers.



Jeff Diana
CPO





RED FLAGS

IF YOU'RE SAYING THIS TO YOURSELF, PREPARE FOR A LONG SEARCH

WE HEAR...

"There are a ton of candidates out there, so this should be easy."

INSTEAD, TRY THIS...

Pitch your company, but also tell candidates why the role and company might be exciting for them.

Change your way of thinking to, "There are a ton of candidates out there. We'll know it's a mutual right fit if [insert criteria] gets them as excited as it gets us."

IF YOU'RE SAYING THIS TO YOURSELF, PREPARE FOR A LONG SEARCH

WE HEAR...

"I know this doesn't really exist but this is what I need."

INSTEAD, TRY THIS...

Divide the job requirements into "must have" and "nice to have" buckets.

Sample the market. Network with two or three dream candidates for your role. If they don't have all the skills you are looking for, it's likely the market will be slim (or in some cases nonexistent!) for what you are looking for. Reflect on what you liked about their background and optimize towards those skills.

Hire for upside, not lack of downside. Be realistic: it costs your business to keep a role open for an extended period of time in search of the perfect hire.

IF YOU'RE SAYING THIS TO YOURSELF, PREPARE FOR A LONG SEARCH

WE HEAR...

"We want this person to help us scale from 1 to \$100M."

INSTEAD, TRY THIS...

Hire the person who will be best for the role today.

Ask yourself:

- What is the immediate need this person will fulfill?
- Will this person provide value from day one?
- Will this person be successful today and will you be able to hire individuals who will complement their skill set and push them to grow as you develop your team?

EARLY-STAGE COMPANIES SHOULD HIRE FASTER

Early-stage companies can hire faster, but they can sometimes go through months of trying to figure out what they need. They may end up cycling through many candidates.

If you're an early-stage company seeing these numbers creep above what you see in our data, here are three ways to speed up the process:

1. Identify role requirements before interviewing.

Pro tip: Have an advisor, board member, or trusted connection review it as well to make sure you're not looking for a purple squirrel from the get go.

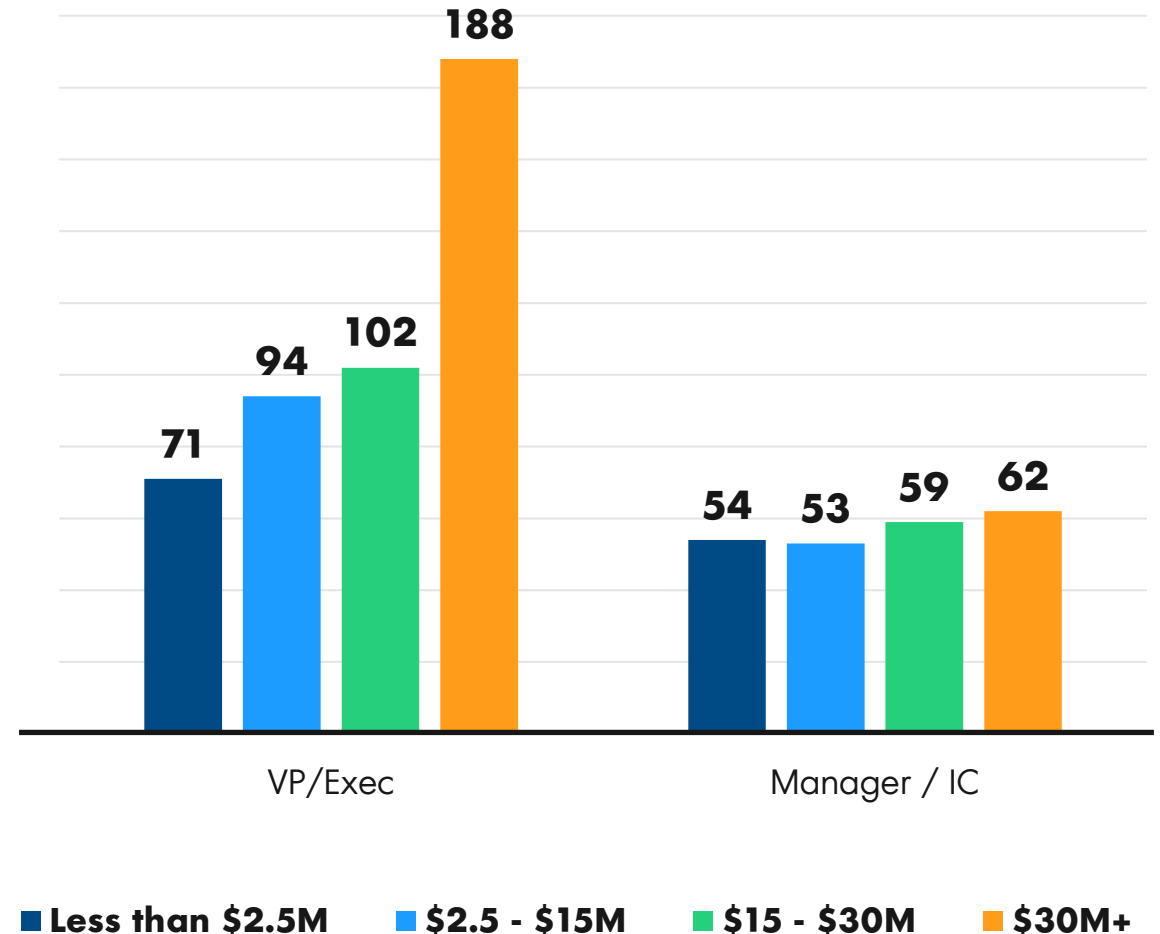
2. Streamline your interview process.

Pro tip: Watch out for busy schedule bottlenecks.
Make sure the rest of your team is interviewing in a timely manner.

3. Continuously gather feedback

throughout the process from other stakeholders and candidates. Use it to look for improvements and ways to iterate.

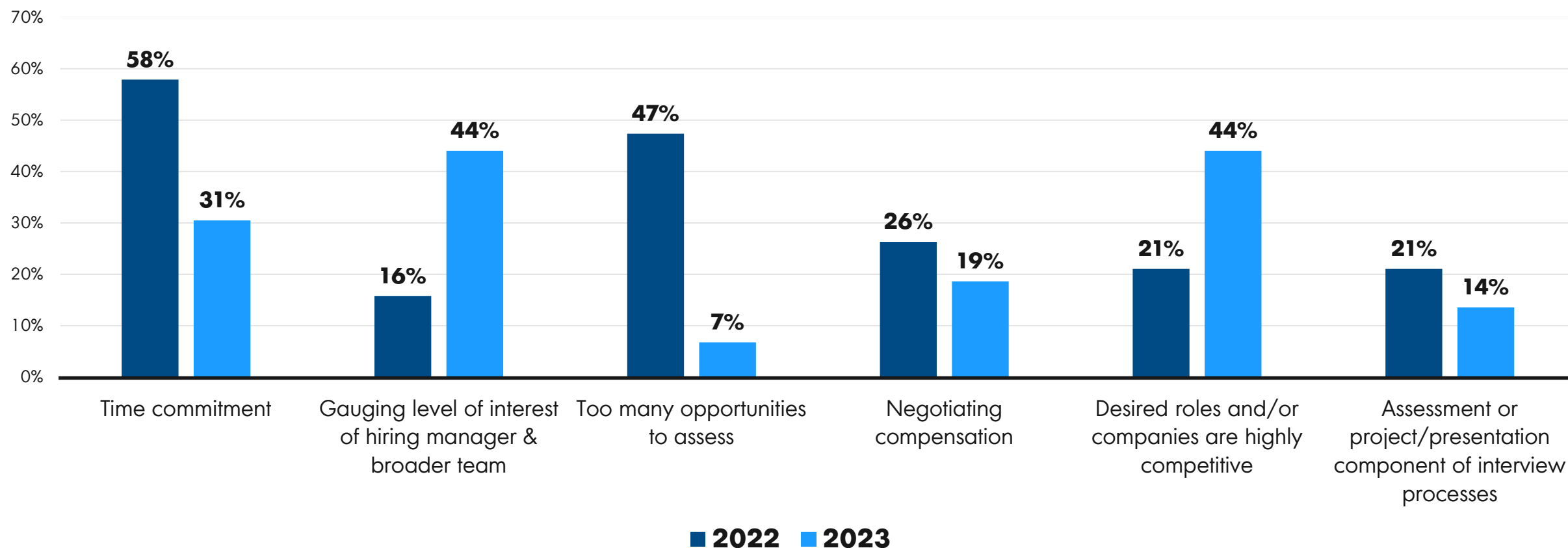
AVERAGE TIME TO HIRE ACROSS GROWTH STAGE



HERE'S WHAT KEEPS CANDIDATES UP AT NIGHT

SURVEY QUESTION:

What was the most challenging part of your job search?



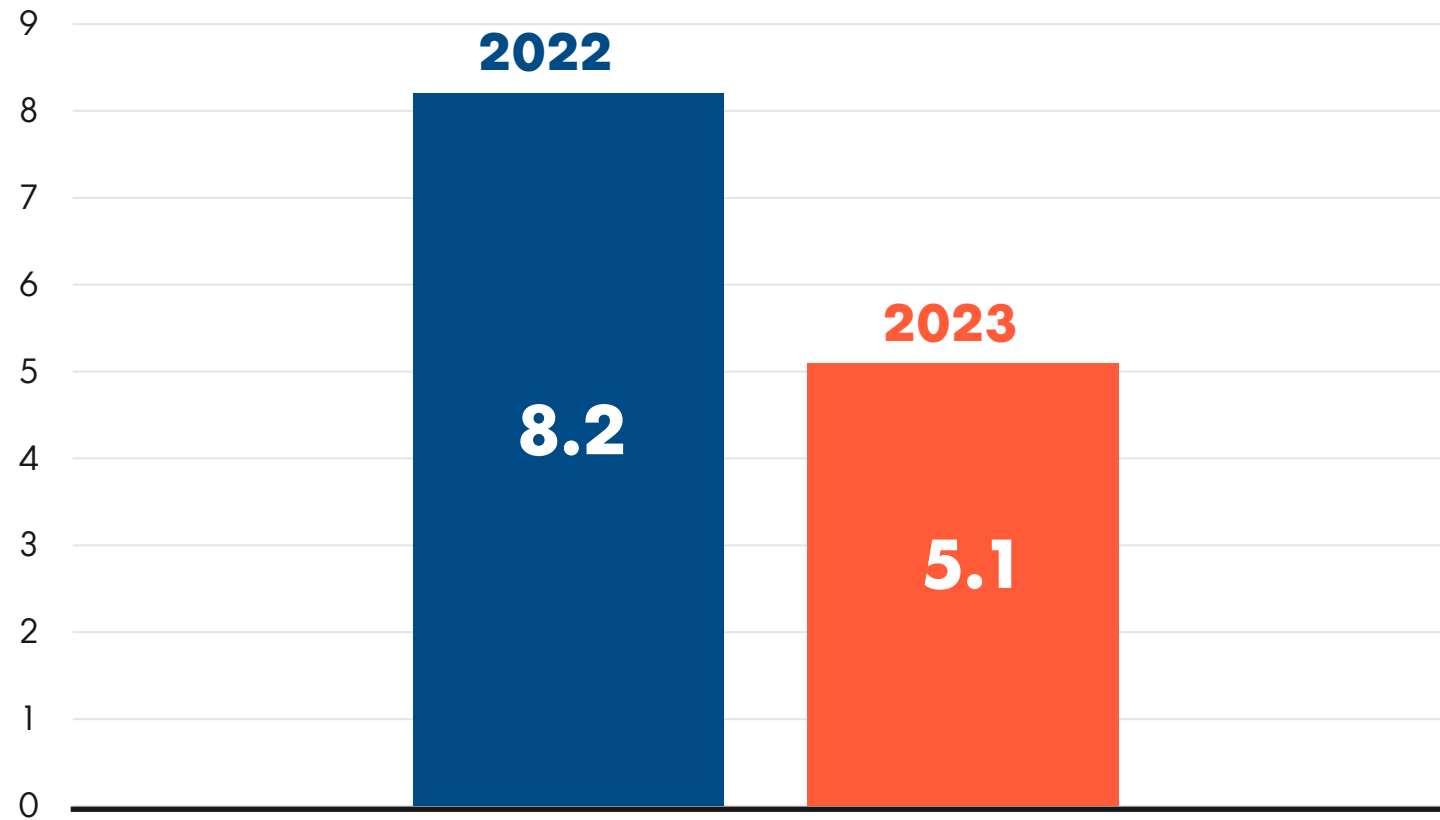


INTERVIEWING

CANDIDATES ARE SPEAKING TO FEWER COMPANIES

With fewer offers on the table, prospective employers have a greater chance to stand out and wow top talent.

AVERAGE NUMBER OF COMPANIES INTERVIEWED WITH



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I was more risk averse in my search this time,
excluding roles at businesses that would get hit harder
by a downturn (crypto, companies that had inflated
valuations from prior to 2022) from consideration.

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Jason Lopez
Senior Finance Director



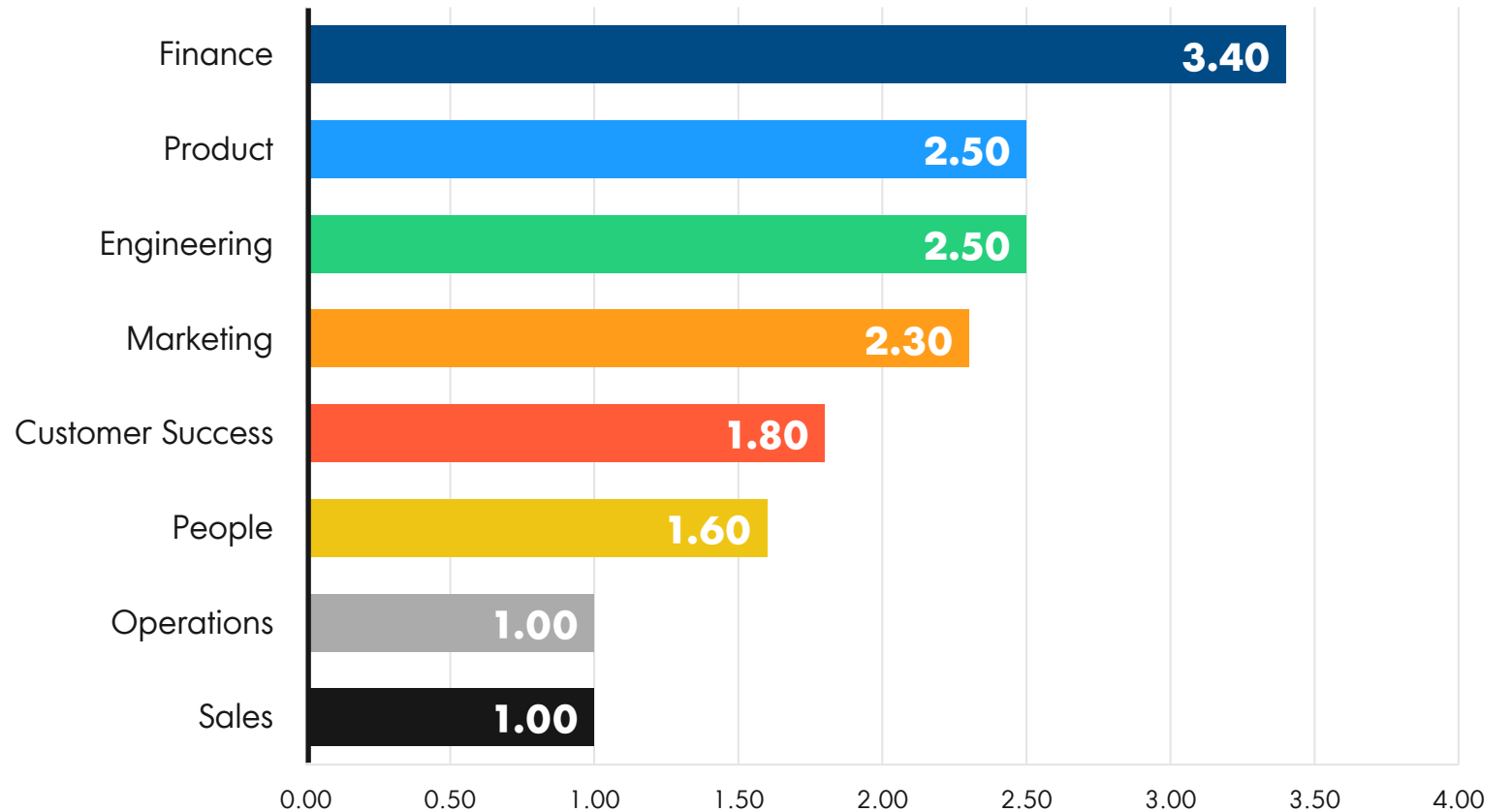
AND THEY DON'T LOVE LONG CANDIDATE ASSESSMENTS

75%

of companies are giving out candidate assessments, and across all teams as well.

However, candidates don't want to spend more than one to four hours on assignments, depending on the function.

ACCEPTABLE AMOUNT OF TIME ON AN ASSESSMENT



THERE'S A FINITE AMOUNT OF EXEC TALENT

Don't be fooled by the volume of applicants.
There's still a demand for SaaS talent,
especially PLG talent.

**Once you filter for your needs, you are really
looking at a small pool of candidates.**

Find the best PLG talent:

[SIGN UP: OPENVIEW'S TALENT NETWORK](#)



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The most impactful, hardest to find, and largest time investment was our executive hires. These are just really cumbersome interview processes that are best done in-house. You have to **ask really good behavioral, performance based questions.**

You have to assess their career path. And then, because folks at the executive level often want a stake in the company, **you have to have more thorough conversations around their leveling and compensation.** For a company at our stage to make a mistake at that level, it's very hard to come back from.

//

Jaclyn Jussif

VP of People

paperlessPARTS 



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CMO was the most challenging role we had to fill over the past year. Past a certain level, every marketing leader is good at presenting themselves, so it's not easy to distinguish between people who are great or just merely okay.

We made mistakes for not being disciplined enough and waiting for candidates we are actually excited about.

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—— **Daniel Lang**
CEO



mangomint



PRO TIPS TO ATTRACT CANDIDATES IN THIS CLIMATE

Don't bury candidates with multi-hour assessments.

Provide candidates expectations for the project so they understand what you're looking for. Repurpose existing work whenever possible.

Beware the allure of the purple squirrel.

Don't get stuck in analysis paralysis. Perfect candidates don't really exist. The tendency to look for an exact fit will undermine your ability to achieve your hiring goals, ultimately jeopardizing your business.

Run an efficient hiring process.

Candidates are talking to fewer companies but it doesn't mean you can run a slower process. Always speak to more candidates than you think you'll need. And be mindful of the candidate experience: follow up early and often.

FOUNDER SELF-REFLECTION: 5 QUESTIONS TO ASK WHEN HIRING

If you're a founder and you're interviewing a large slate of folks, but losing or passing them after the first call, it's a sign you need to do some self-reflection.

- 1.** Am I putting in up-front effort to get candidates to lean in or am I diving right into evaluating their background?
- 2.** If there are only a few people making it past phone call with me, am I being too harsh a critic?
- 3.** Do I not know what I'm looking for?
- 4.** Does what I'm looking for exist?
- 5.** Are there others on my executive team who I can trust to also help evaluate?

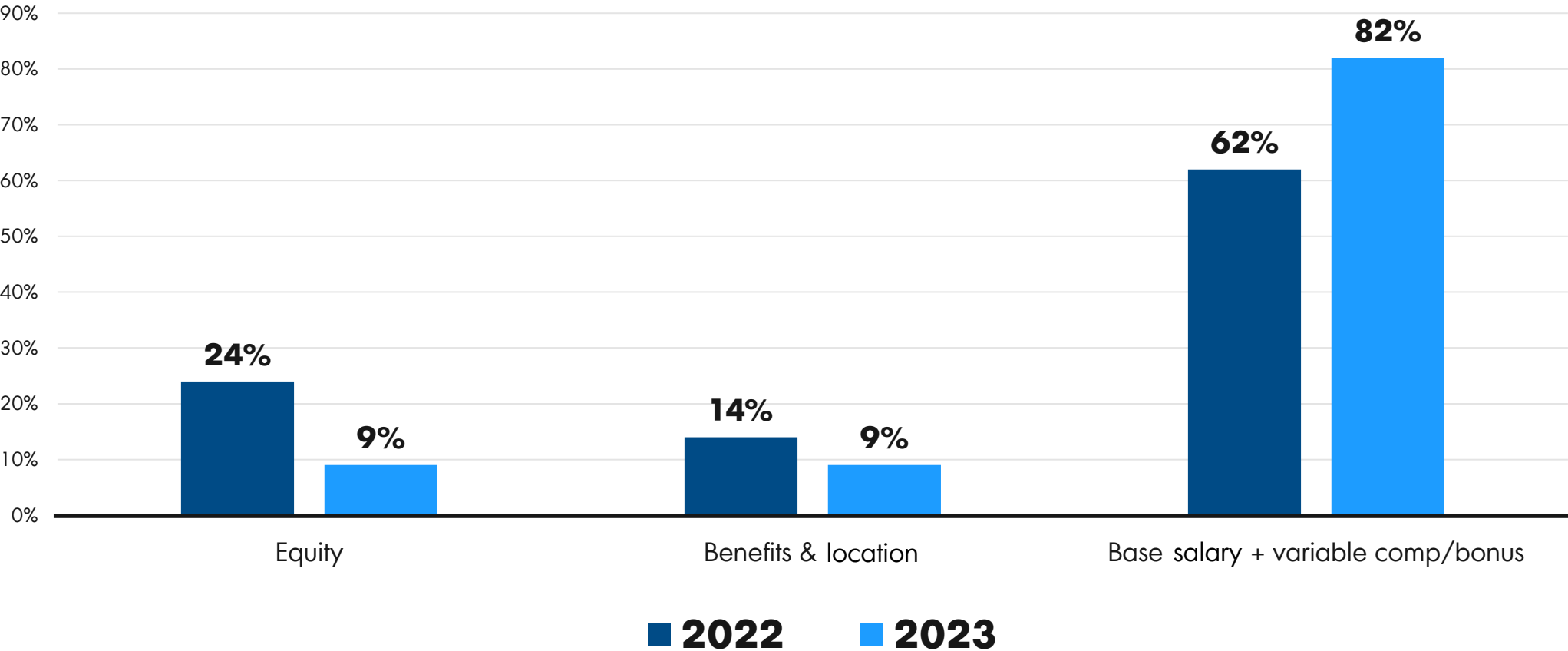


THE OFFER

EQUITY ISN'T AS MUCH OF A BARGAINING CHIP

In 2022, more people negotiated on equity (24%) than today (9%).
Most candidates negotiate on base salary and variable compensation.

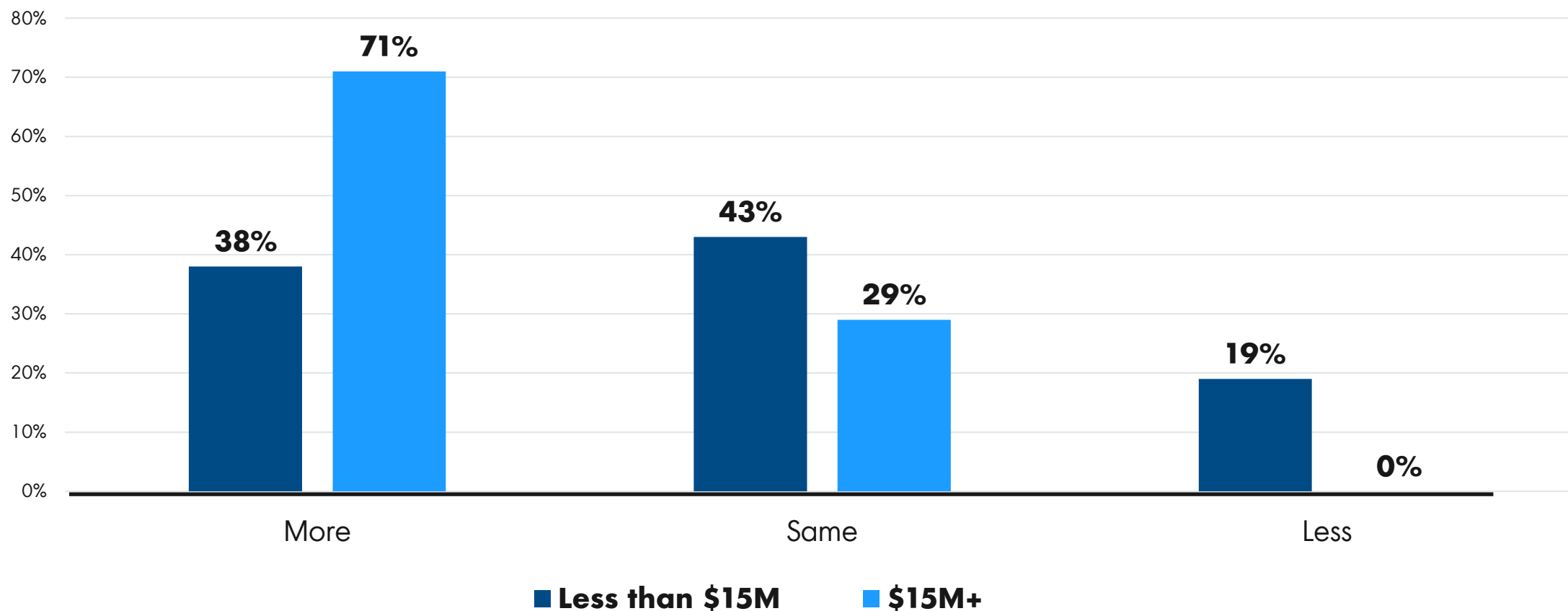
MOST NEGOTIATED PART OF COMPENSATION



DON'T SHORTCHANGE CANDIDATES ON COMPENSATION

Despite the influx of candidates, compensation expectations haven't changed much. This is particularly true for executive roles.

HOW HAVE COMPENSATION EXPECTATIONS CHANGED?



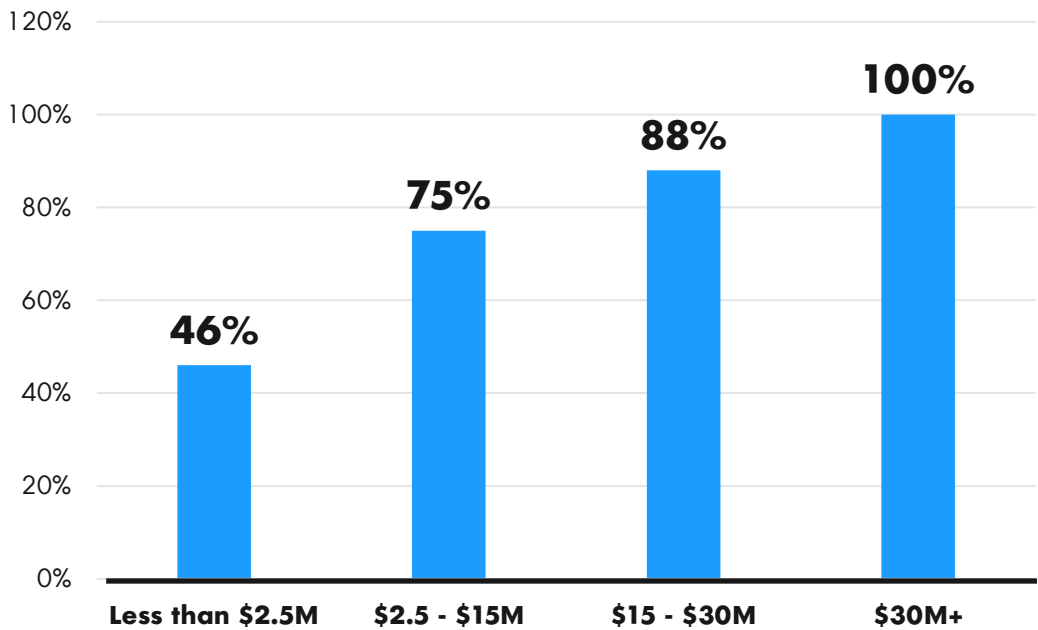
COMPENSATION TOOLS ARE OUT OF TOUCH WITH THE MARKET

Most early stage companies are using compensation software now versus in 2022...

...But be wary of the market research. Only 32% of respondents said that candidate expectations were in line with the market research.

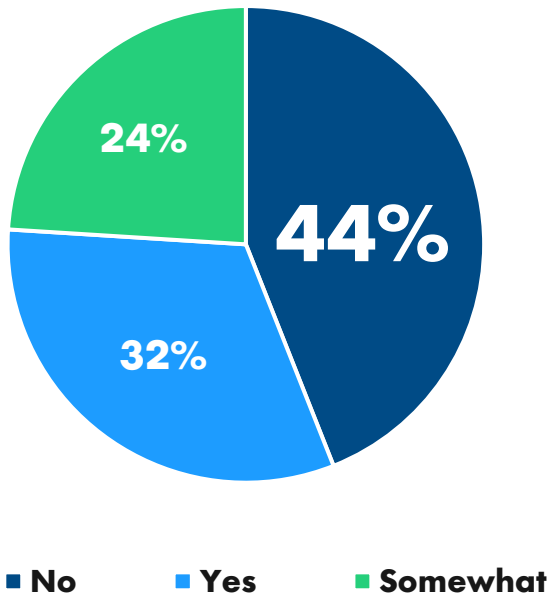
SURVEY QUESTION:

Do you use compensation software?



SURVEY QUESTION:

Have candidate compensation expectations been reflective of market research and data you used for making recent offers?



PRO TIPS ON STRUCTURING COMPENSATION IN THIS CLIMATE

Align on compensation with your hiring team well before you talk to candidates.

One of the worst things you can do to your employer brand is string a strong candidate along and disqualify them in a late in the game over compensation. It's a waste of time for you and for them. Iron out compensation expectations internally before moving candidates through your pipeline.

Be prepared to pay top dollar for top candidates.

Good talent isn't cheap. No matter what the compensation benchmarking tools say, those at the top of their field will command a higher package.

Consider including compensation in your job description.

Some states legally require this now. But even if you're not required to, consider including a compensation range—that'll show candidates you value transparency even if you're not mandated to declare your compensation band.

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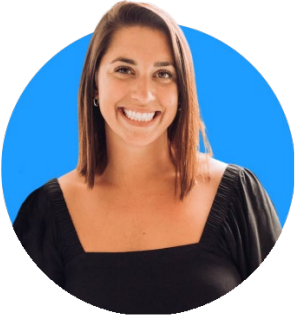
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ABOUT THE AUTHORS



Alex Carrier 
Director, Talent

As a Director of Talent at OpenView, Alex leads strategic product, customer success, and G&A hiring, partnering with current and future portfolio companies to identify and hire top talent.

Prior to OpenView Alex worked at Salsify and CloudHealth Technologies, both hyper-growth SaaS startups in Boston, building global GTM, G&A, product and engineering teams.



Maggie Crean 
Senior Manager, Talent

Leading the executive recruiting function, Maggie partners with OpenView portfolio companies to source the highest quality, best fit executive talent.

Prior to OpenView, Maggie worked at RevelOne, a boutique search firm, where she led & supported high-impact GTM searches for VC and PE backed tech companies.

ABOUT THE AUTHORS



Alex Maas
Director, Talent



Alex is a Director of Talent leading strategic GTM hiring at OpenView where she partners with current and future portfolio companies to identify and hire top talent.

Prior to OpenView, Alex was Senior Recruiter at Drift, a revenue acceleration focused startup based in Boston. She handled go-to-market, product, and G&A recruiting for Drift's Boston, San Francisco, and London offices.



Curt Townsend
VP, Growth



Curt supports OpenView's Growth Team, helping OV's investments accelerate top-line growth.

He works closely with portfolio leadership teams to discover, test, and implement the most impactful strategies for improving customer acquisition, retention, and expansion



THE EXPANSION STAGE SOFTWARE VC

Our mission is to improve people's working lives

At the expansion stage — the challenging growth period between seed to series C — the stakes are high and decisions need to be made, fast. Every decision has the potential to change your trajectory.

Who should you hire? When should you increase your pricing? What will it take to move up-market?

Any VC firm can write a check. But you need someone in your corner, guiding you to your fullest potential. A partner who knows what it takes, who it takes, and how to get there.

That's us.

OPENVIEW

THANKS FOR READING

LEARN MORE



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