

Engineering Leadership: A Hiring Blueprint

What to prioritize when hiring an Engineering executive from \$50M ARR to IPO

July 2024

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Supporting founders through pivotal milestones and various stages of growth

Executive Hiring

Talent and Leadership Advisory

Guidance to attract and unlock the power of talent through advisory, connections and research

“ICONIQ delivered the best reference check I’ve ever seen, overnight.”



Eleven Labs

Mati Staniszewski
Co-founder and CEO

Product and Go-to-Market Strategy

Technical Advisory and Go-to-Market Boards

Strategic advisory from industry leaders with hands-on experience in technology, digital innovation, go-to-market, and more

“It has been so valuable to lean into ICONIQ’s expertise, network, and advice. What you do is a total game changer.”



PIGMENT

Eléonore Crespo
Co-founder and CEO

Revenue Acceleration

Portfolio Operations
Digital and Growth Advisory Boards

Strategic and commercial connections across industries to support global expansion goals

“The customer introductions have been incredibly valuable. ICONIQ’s relationships are truly deeper.”



SIERRA

Bret Taylor
Co-founder and CEO

Category Leadership + Operational Optimization

Analytics and Insights

Data-driven insights to support decision making across business operations and strategy

“Working with ICONIQ has been a dream partnership, they’ve gone above and beyond at every step.”



WRITER

May Habib
Co-founder and CEO

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About the research

We believe executive hiring is the final frontier within the modern organization that has yet to benefit from the proliferation of data. Despite having data to guide nearly every other business decision – and despite the criticality of executive hiring decisions – CEOs and Founders have heretofore largely relied on anecdotal guidance.

In the Leadership Analytics series

Determined to help de-risk hiring decisions by empowering CEOs and Founders with data, we are studying every leadership hire between Founding and IPO at dozens of SaaS companies. We segment each hiring decision by growth stage in order to deliver relevant insights. To date, we have collected 50,000+ datapoints on over 1,500 leaders to examine key profile characteristics and understand how these impacted a functional leader's longevity.

The result is a series of first-of-their-kind playbooks that help guide decision-making across the entire private company lifecycle – whether you are making your first leadership hire or evaluating the skillsets needed to adeptly enter the public markets.

In this report

We hope this analysis, which examines the backgrounds of Engineering executives at SaaS companies from \$50M ARR to IPO, serves as a north star as you build and scale your engineering organization.

Chapters in The Series

ICONIQ Growth's Engineering Series provides detailed answers to **key questions across the following operating and executive hiring topics** utilizing proprietary data¹ and industry perspectives from 200+ B2B SaaS leaders and 100+ engineers at SaaS companies.

 **Focus of this report**

 The State of Engineering	- The future of engineering - DevOps maturity - Developer experience - Impact of AI
Product Leadership	- Hiring your next Head of Product from \$0-\$50M ARR - Hiring your next Head of Product from \$50M ARR to IPO
Engineering Leadership	- Hiring your next Head of Engineering from \$0-\$50M ARR Hiring your next Head of Engineering from \$50M ARR to IPO 
Building Engineering and Product Teams	- Org structure and make-up of engineering teams - Typical headcount ratios - Diversity in engineering
Compensation & Incentives	- Compensation for engineering and product teams - Performance evaluation
Engineering Operations	- Developer productivity - Capacity allocation - Tooling and DevOps

Guide
**The Engineering
Reporting Guide**

Template
**Engineering
Board Slides**

Notes: (1) Please refer to page 6 for methodology and data sources for the Engineering Leadership Study.

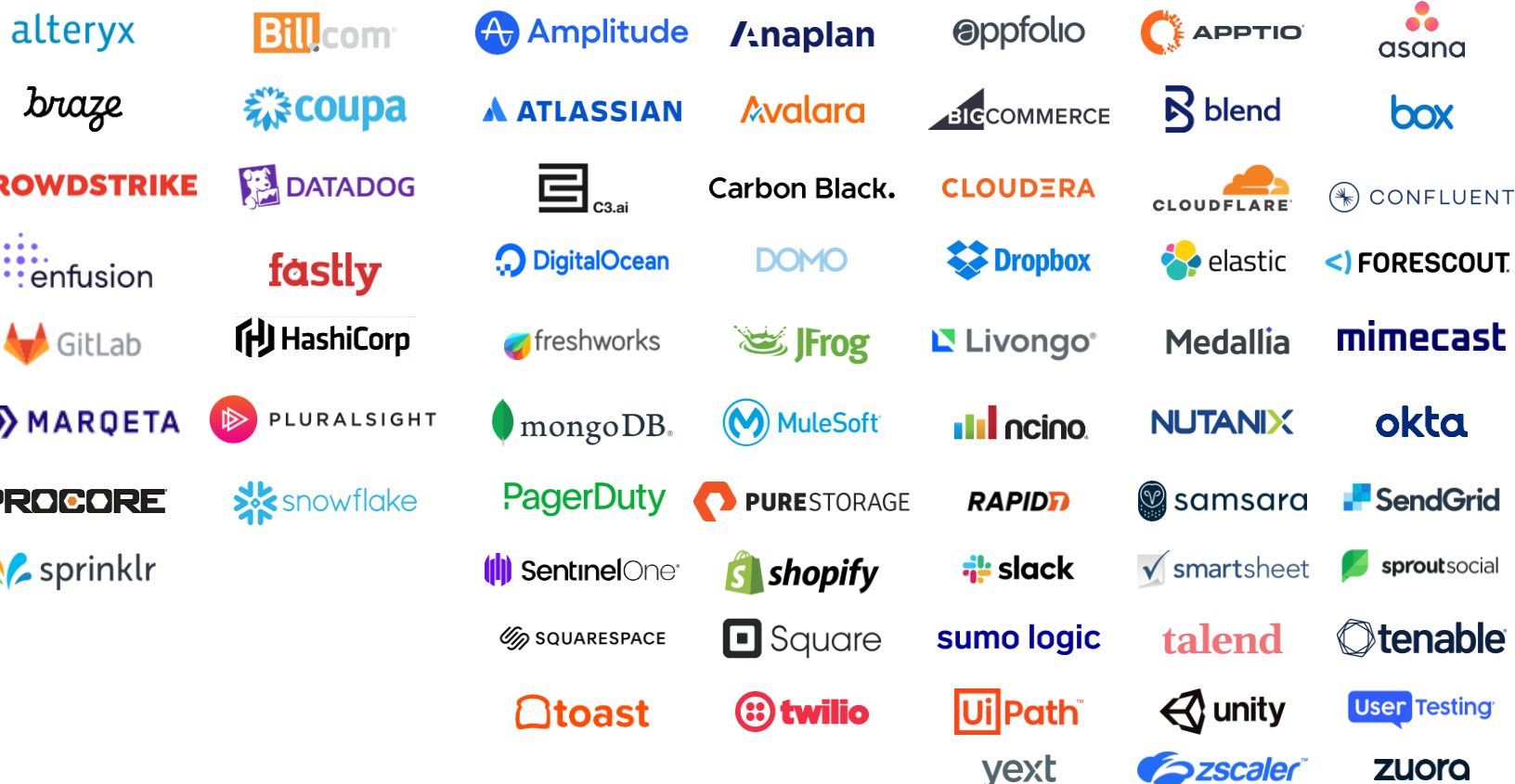
There can be no such assurances that any plans or operational characteristics of a company discussed herein will continue or be realized on the terms expressed herein or at all, and such plans are subject to uncertainties and risks.

The Dataset

We studied *Heads of Engineering hired at these 68 B2B SaaS companies from the day they were founded to the day they went public, capturing the entire private company lifecycle¹:

ICONIQ Growth Portfolio Companies^{2,3}

Other Companies³



*We defined “Head of Engineering” as the senior-most executive responsible for managing the day-to-day engineering organization, agnostic of title. This includes **Chief Technology Officer, S/VP Engineering/Technology, Chief Architect, Director of Engineering/Technology, Head of Engineering/Technology** and others, depending on organizational structure and engineering responsibility at each company.

Throughout this analysis, we use “Head of Engineering” as a catchall term.

Company Inclusion Criteria:

- SaaS business model
- Went public after 2015 via IPO or Direct Listing
- Raised venture capital prior to going public

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1) Data sources for this analysis included LinkedIn profiles, company websites, press releases, articles, and others.

2) Includes fully realized investments.

3) Includes companies that have been de-listed. Please see full list of ICONIQ Growth Portfolio companies at the end of the presentation.

Executive Summary

Head of Engineering Overview (p. 8-12)

- Throughout various technological inflection points, including the dot-com era, mobile revolution, cloud computing, and now the emergence of AI/ML, **the core responsibilities of a Head of Engineering have remained largely similar**. However, in the context of the specific technology change we are seeing unfold today, **our Technical Advisory Board suggests that leaders should invest more time in understanding the long-term impacts on their business and maintain a strong grasp of the underlying technology**. For this current AI/ML trend, this means having some degree of literacy in data systems, pipelines, and infrastructure.
- From founding to IPO, **companies typically have 2-3 Heads of Engineering, with co-founders often leading the organization initially**. Nearly half of the companies with 2 leaders transition to their 2nd Head of Engineering after \$50M ARR.
- Heads of Engineering externally hired between \$50M ARR to IPO have a median tenure of 4 years¹, which is the longest we've observed to date across all externally hired executives at this stage (e.g., Heads of Marketing, Heads of Finance).

Key Operational Traits for Externally Hired Heads of Engineering (p. 13-23)

- Among \$50M+ ARR companies, **46% of leaders have previously led an entire engineering organization, with two-thirds having done so at companies of similar size or larger**. While fewer than half of the leaders possess prior Head of Engineering experience, **all leaders in this study have some degree of engineering experience at public companies, with 77% having senior-level positions (CTO, SVP/VP Engineering)**.
- We believe CEOs should aim to prioritize a leader with both prior Head of Engineering experience at private SaaS companies and senior-level engineering experience (CTO, SVP/VP Engineering) in public companies – this combination resulted in relatively long tenures (4.5+ years). **Alternatively, the data suggests that hires should at least have SVP/VP Engineering experience at 'Big Tech' companies² (e.g., Microsoft, Google, Salesforce), as this yields comparable tenure outcomes (4 years)**.
- Although all externally hired leaders in this study have prior public company experience, **89% of Heads of Engineering who were present at IPO at the companies in this study were not involved in an IPO process before** – suggesting that this is not a necessary qualification.
- Despite a preference for hiring within the same sector, the data suggests that **CEOs should opt for strong leadership and technical skills over sector-specific expertise** as having sector affinity does not show a strong correlation to tenure outcomes.

Internally Promoted Heads of Engineering (p. 28-31)

- **After \$50M ARR, the data suggests that it is 2.5x more common to have an internally promoted Head of Engineering than at a <\$50M ARR SaaS company**. Internally promoted hires have longer tenures compared to externally hired Heads of Engineering (5.5 years vs. 4.0 years).
- **Infrastructure companies are 1.5x times more likely to internally promote someone to the Head of Engineering role** compared to Application companies. Regardless of sector, companies typically promote individuals from within their engineering organization who have been with the company for at least 2.5 years and have reached the SVP/VP level.

1) We acknowledge individuals depart from their roles for various reasons, though we generally believe longevity and ability to scale across multiple growth stages are key indicators of a successful leader.

2) For this study, we defined 'Big Tech' as public companies with a market capitalization of >\$100B at the time they were at this company.

Despite tech inflection points like the dot-com era, mobile revolution, cloud computing, and now AI/ML, the core responsibilities of a Head of Engineering remain largely consistent. However, during these times, understanding the business impact and underlying tech is critical.

Engineering Leadership in an Evolving Technology Landscape



Matt Eccleston

ICONIQ Growth
Technical Advisory Board

*Formerly VP Growth at Dropbox,
Chief Architect at VMware*



The CTO is expected to have a profound understanding of the business impact of technological changes, more so than other executives. During the shift to the cloud, there was a general understanding of the technology but leaders were unsure of the speed and necessity of the transition – **such burdens increase during periods of transition**. This is all part of their job normally, but **it will demand significantly more of their attention during these inflection points**.



Mike Curtis

ICONIQ Growth
Technical Advisory Board

*Formerly VP Engineering at Airbnb,
Director Engineering at Facebook*

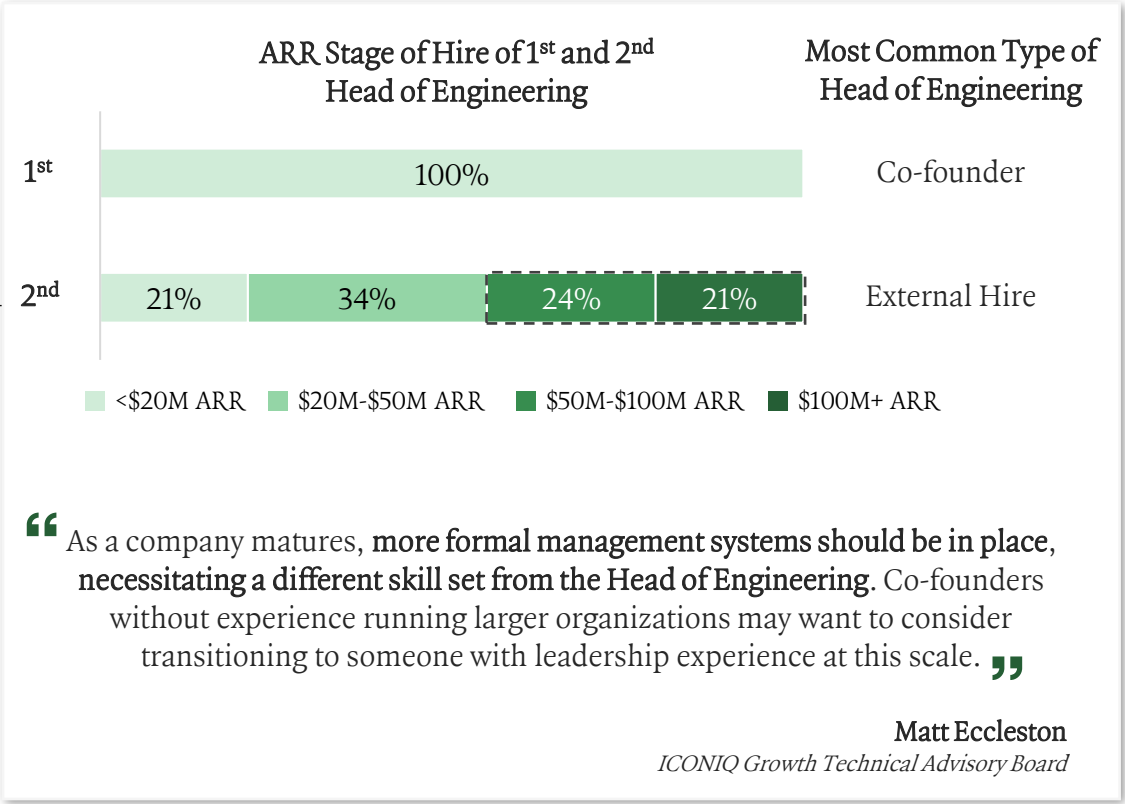
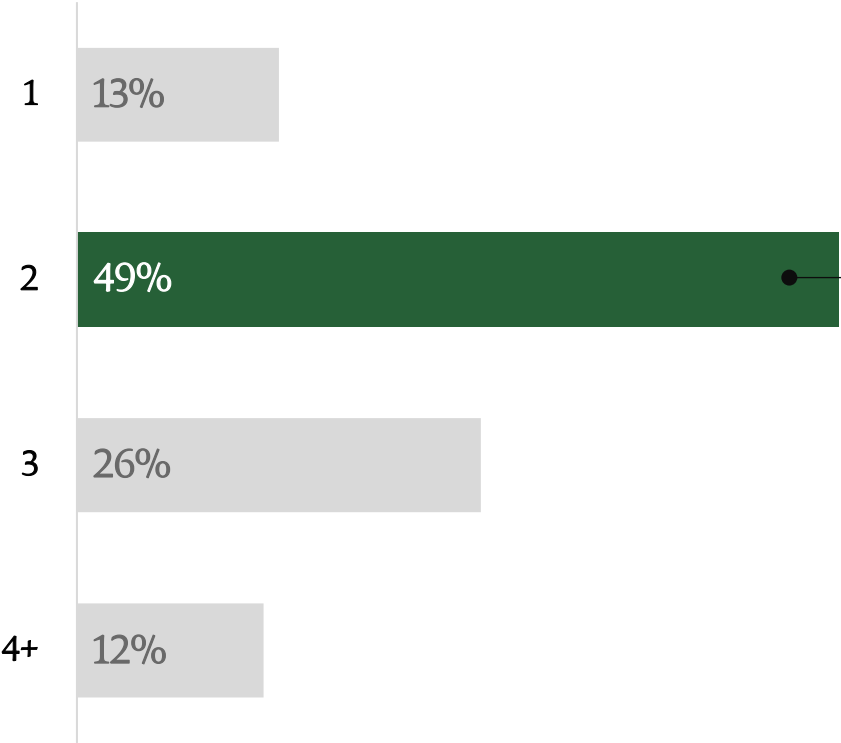


I tend to think that a new technology trend likely doesn't radically change the CTO profile and it is more dependent on the individual to keep up with the trends and lead in that environment. That said, **they should have some degree of literacy with data, how data systems are built, how data pipelines are managed, how machine learning infrastructure works** – this is going to be really important for the foreseeable future.

Companies typically have 2-3 Heads of Engineering from founding to IPO, with co-founders often leading the engineering organization initially. Nearly half of the companies with 2 leaders transition to their 2nd Head of Engineering after \$50M ARR¹.

Number of Heads of Engineering^{2,3} from Founding to IPO

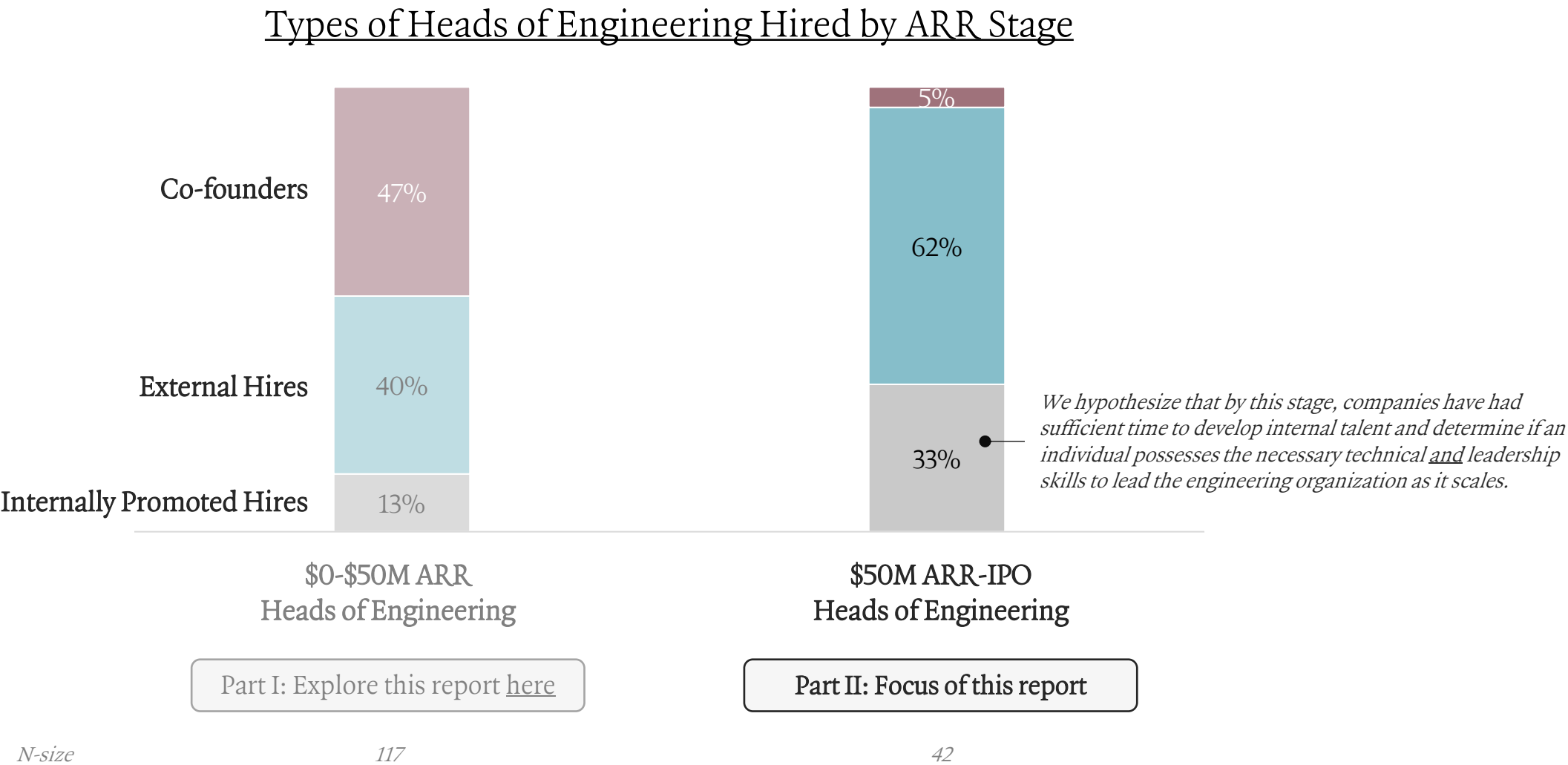
n = 68 companies



1) Source for ARR data is from internal and external data sources. If ARR was unavailable, it was estimated using proxy metrics (e.g., headcount, primary invested capital).
2) This chart reflects various types of Heads of Engineering, including founders, internal promotions, and external hires.
3) The "Number of Heads of Engineering" signifies the sole individual overseeing the engineering organization within a specific timeframe. If a company had more than one Head of Engineering, they assumed the role in succession.

Types of Heads of Engineering

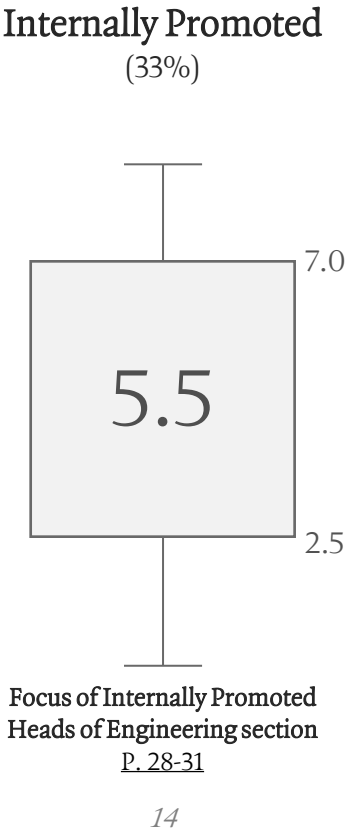
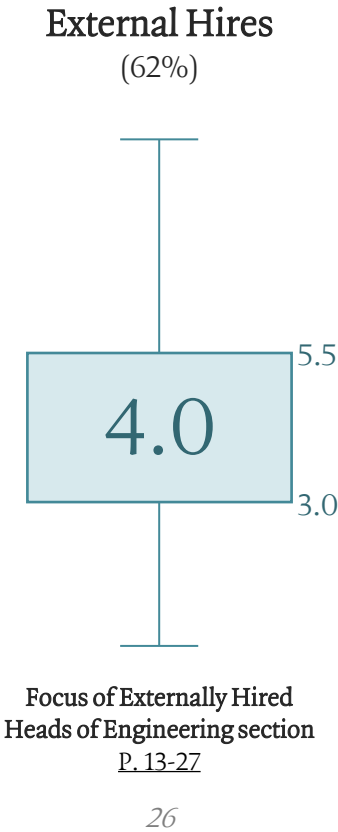
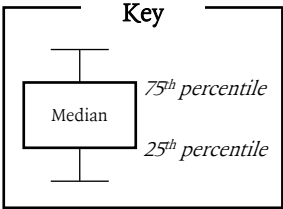
After reaching \$50M ARR, companies often hire a Head of Engineering from outside their organization. However, it also becomes 2.5x more common to promote someone internally relative to <\$50M ARR companies.



Tenure Outcomes (Years)

Externally hired Heads of Engineering hired between \$50M ARR and IPO have a median tenure of 4 years. Despite showing greater variability, internally promoted individuals tend to have longer tenures.

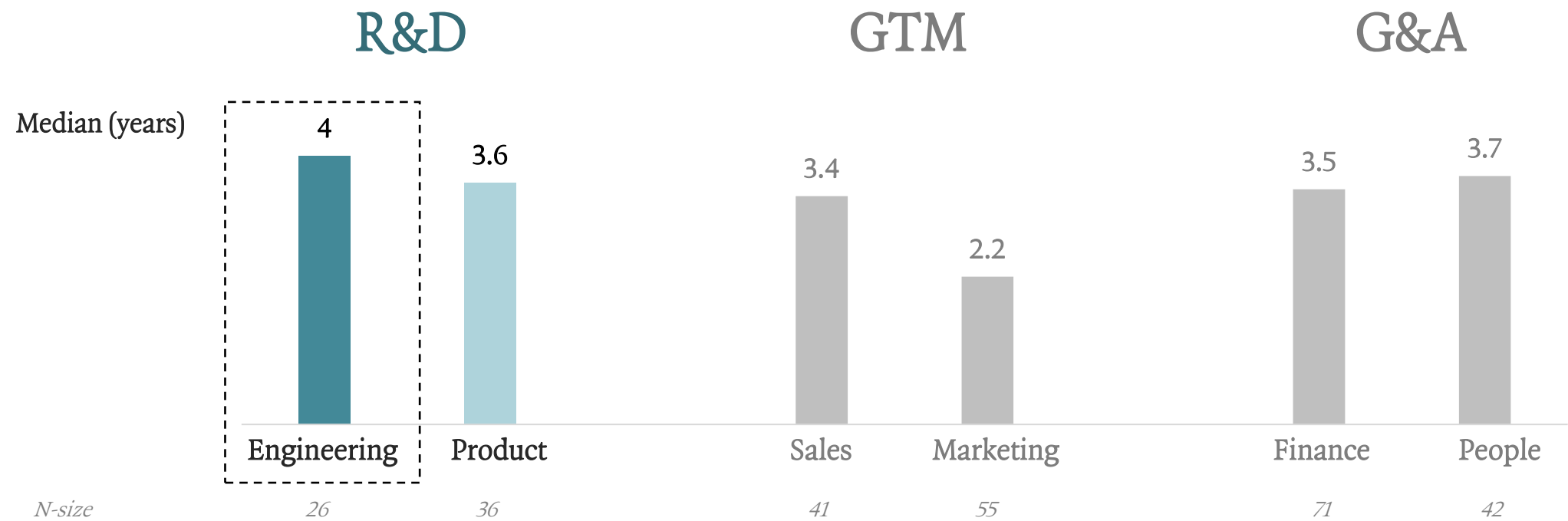
>\$50M ARR Heads of Engineering^{1,2} by Tenure Outcomes (years)³



1) <25% of external hires are still in their roles, meaning their tenure with the company continues to increase.
2) Co-founders have been excluded on this page due to low n-size.
3) Reflects the cumulative years of a hire's tenure as Head of Engineering, including post-IPO. "Tenure Outcomes" are defined as the duration in which an individual serves as the Head of Engineering at the companies in this dataset. This definition also applies to pages 14-21, 23-26, 29.

On average, >\$50M ARR R&D leaders have slightly longer tenures compared to other functions, with Heads of Engineering having the longest.

>\$50M ARR External Executive Hires by Tenure Outcomes (years)



The next section focuses on **Externally Hired Heads of Engineering** and examines key profile characteristics to understand how these impact an engineering leader’s longevity.

Note: For details on each specific data source, please refer to the respective reports available on our website here for R&D ([Product](#)), here for GTM ([Sales](#), [Marketing](#)) and here for G&A ([Finance](#), [People](#)). Additionally, for leaders who were still in their roles at the time of publication of these reports, tenure data has been updated as of June 2024 to reflect any changes since then.

Engineering Leadership Trends

Hiring For Success

Why do some Heads of Engineering leave within a year, while others stay for 9+ years? We analyzed a selection of major traits in engineering executive backgrounds at these companies to understand how these impacted a leader's longevity.

— Companies included in this section¹ —

— Head of Engineering Operational Traits —

Tenure Impact²

Less —————> More

Amplitude APPTIO ATlassian

Avalara BIGCOMMERCE Bill.com

box CLOUDERA CONFLUENT

DigitalOcean Dropbox MARQETA

Medallia PLURALSIGHT SendGrid

slack snowflake Square

talend UiPath User Testing zuora

Prior Head of Engineering Experience

Prior Head of Engineering experience by company ARR scale



[P. 15-16](#)

Prior Years of Engineering Experience

Number of years in software engineering roles at any level



[P. 17](#)

Public Technology Company Experience

Prior experience as junior and/or senior-level engineers in public technology companies



[P. 18-21](#)

IPO Experience

Has gone through an IPO process before as the Head of Engineering or direct report of the Head of Engineering



[P. 22](#)

Sector and Sub-Sector Affinity

Degree of prior exposure within a sector and sub-sector



[P. 23-25](#)

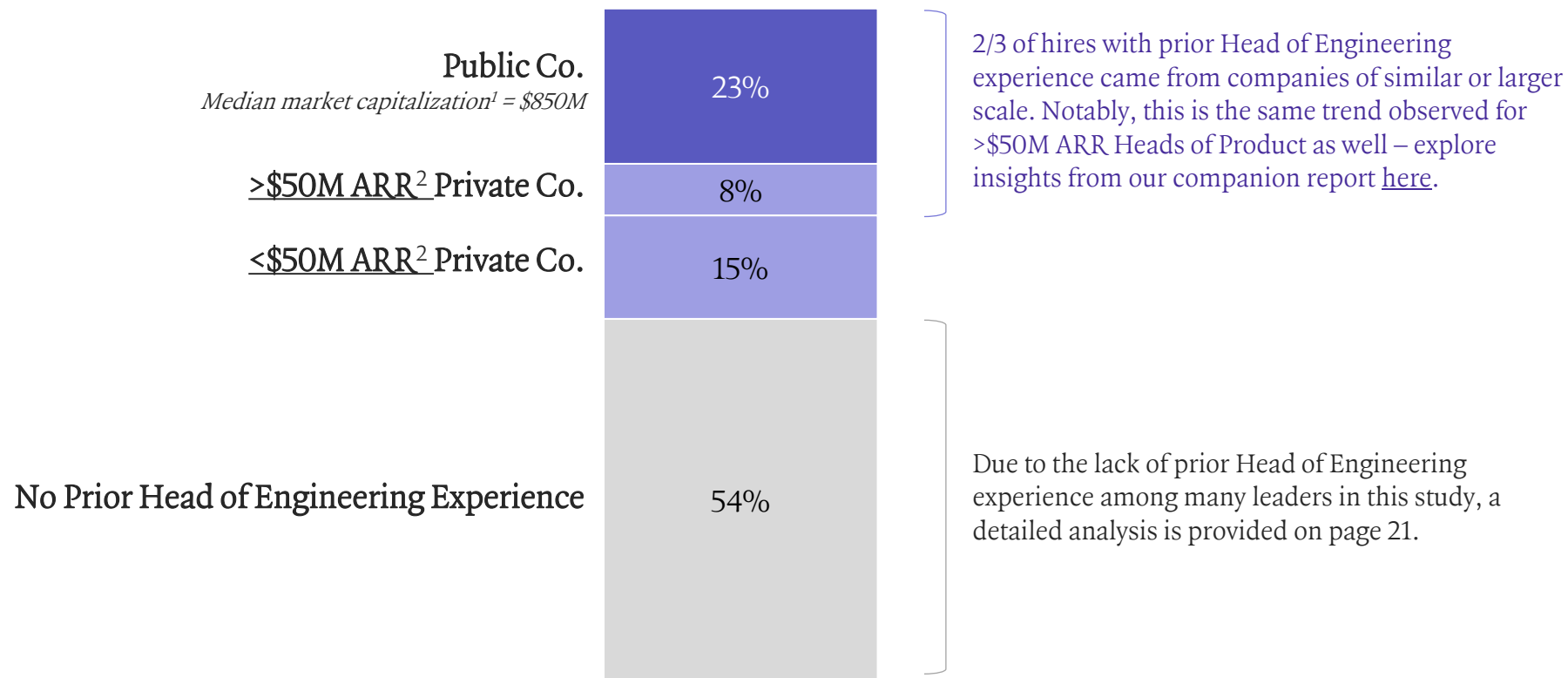
1) Pages 15-21, 23-27, reflect data and insights from external hires. N-sizes may include more than one hire from a company.

2) "Tenure Impact" indicates the extent to which a variable influenced an individual's tenure as the Head of Engineering. While efforts have been made to control confounding variables and ensure robustness, unaccounted contextual factors may also affect the impact on tenure.

Prior Head of Engineering Experience

After \$50M ARR, approximately half of the externally hired leaders have prior Head of Engineering experience. Among those with such experience, most have led engineering organizations at companies of similar size or larger.

Prior Head of Engineering Experience



1) Reflects the annual market capitalization at the time they were at the public company.

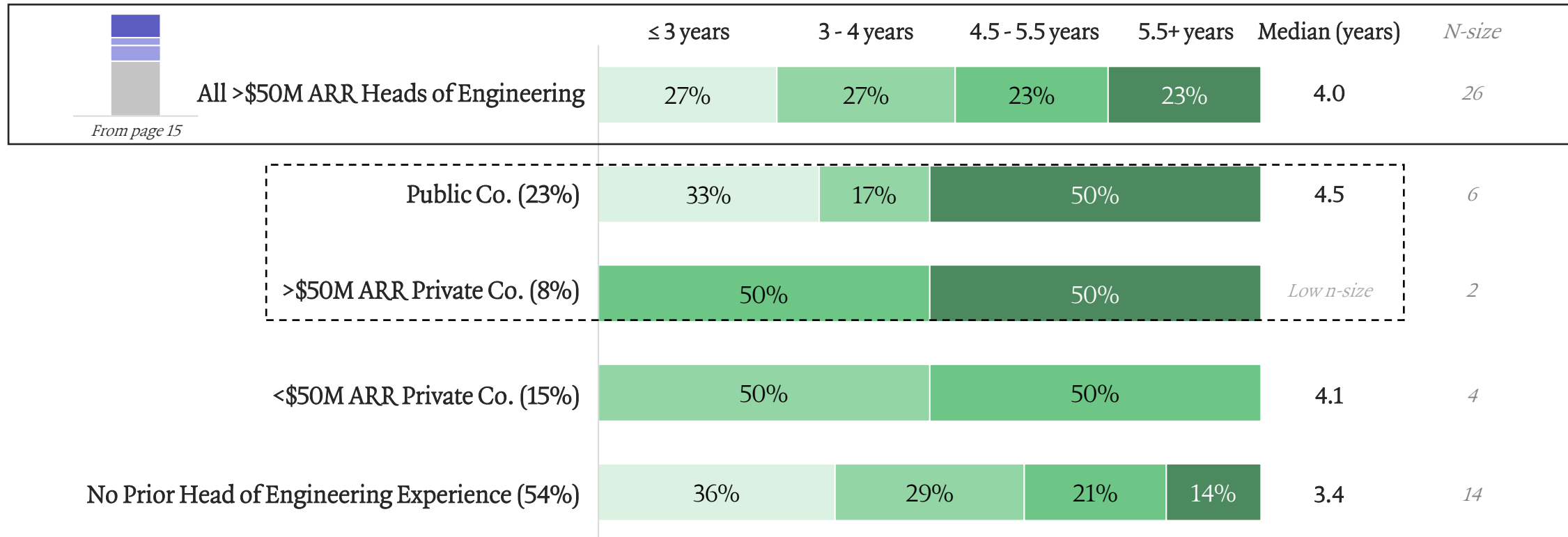
2) With respect to private companies, company ARR at the time of prior employment was estimated using proxy metrics including headcount, primary invested capital, and/or funding stage (subject to available data).

N-size = 26

Prior Head of Engineering Experience by Tenure Outcomes

Leaders with prior Head of Engineering experience tend to stay 1.3x longer than those without this qualification. CEOs should consider opting for leaders who have prior Head of Engineering experience at companies of similar size or larger as this tends to yield greater longevity.

Prior Head of Engineering Experience by Tenure Outcomes (years)



Prior Years of Engineering Experience

Regardless of prior leadership experience, those hired after \$50M ARR typically have 15+ years of engineering experience. At this stage, the quality of their experience appears to be more determinative of a successful hire than merely the number of years accumulated.

Prior Years of Engineering Experience

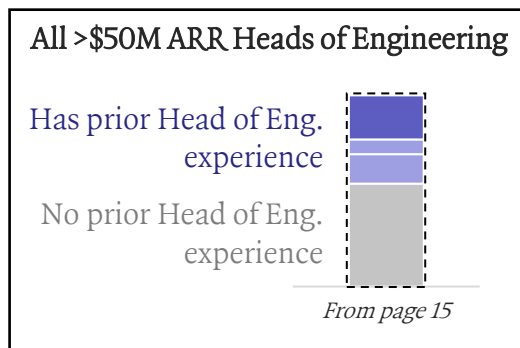
Data reflects years of engineering experience at any role level/title



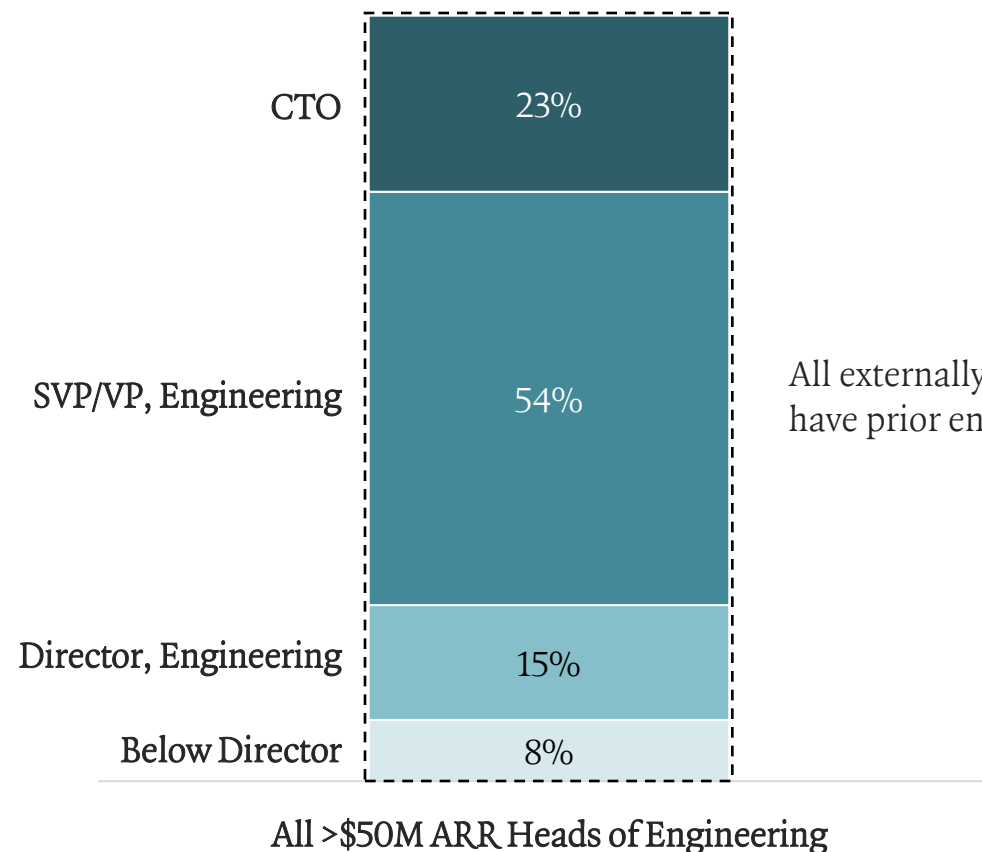
1) The median tenure includes the two individuals in the ">\$50M ARR Private Co." category from the prior page. Their tenures are ≥ 5 years, which is driving up the median tenure on this page.

Public Company Experience

While fewer than half of the leaders have prior Head of Engineering experience, notably all have some degree of experience within large engineering organizations at public companies, with 77% having senior-level experience (CTO and SVP/VP Engineering).



Prior Public Technology Company Experience



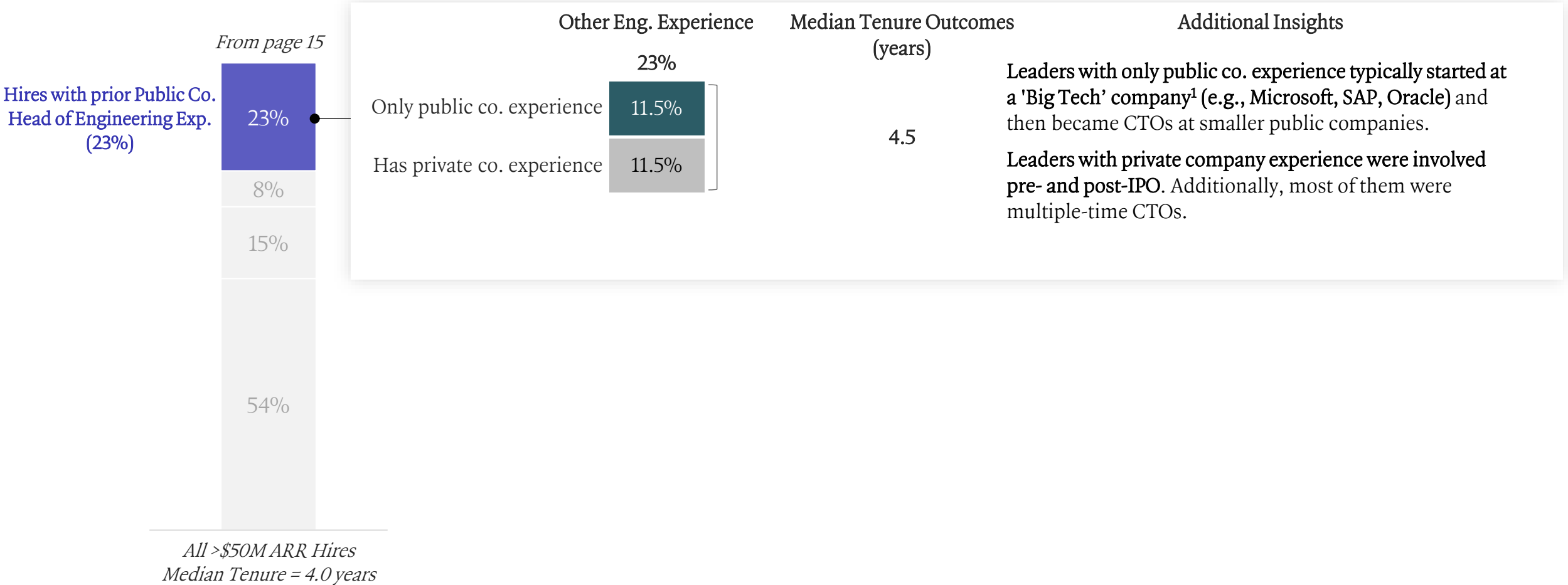
All externally hired Heads of Engineering in this study have prior engineering experience in public companies.

N-size = 26

Hires with Public Co. Head of Engineering Experience

CEOs should consider leaders with prior Head of Engineering experience at public companies as this can result in longevity. Among these leaders, two sub-profiles emerge: those who exclusively had public co. experience and those who also operated in private SaaS companies.

Further Details on Hires with prior Public Co. Head of Engineering Experience



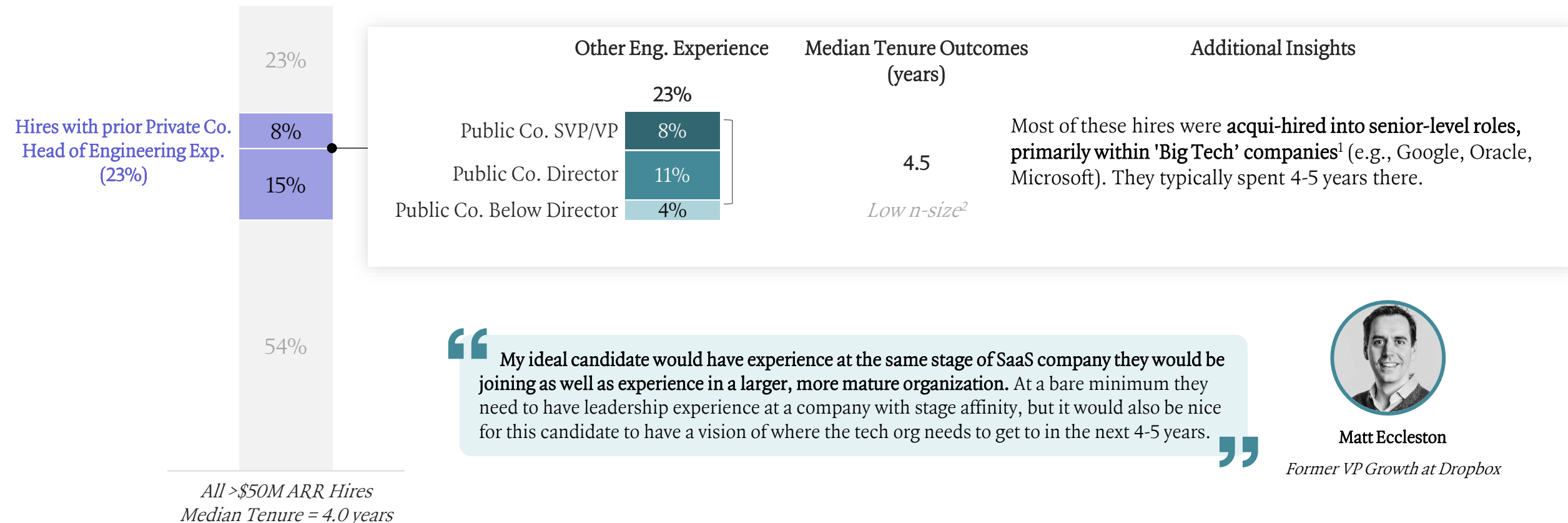
1) For this study, we defined 'Big Tech' as public companies with a market capitalization of >\$100B at the time they were at this company.

Hires with Private Co. Head of Engineering Experience

CEOs can also opt for leaders who have served as both a private company Head of Engineering and public company SVP/VP/Director Engineering as this combination tends to lead to relatively long tenures (4.5 years).

Further Details on Hires with prior Private Co. Head of Engineering Experience

From page 15



1) For this study, we defined 'Big Tech' as public companies with a market capitalization of >\$100B at the time they were at this company

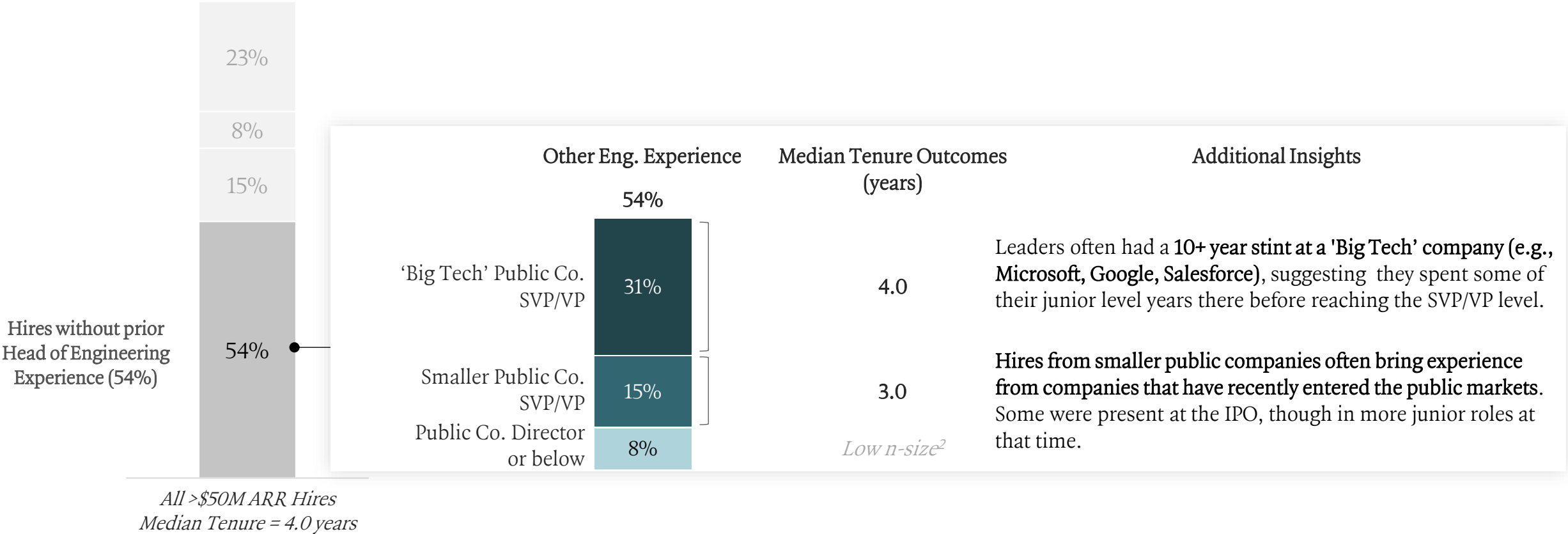
2) N-size = 1.

Hires without Head of Engineering Experience

While prior Head of Engineering experience is preferred, leaders without it should at least have SVP/VP Engineering experience at a 'Big Tech' company¹. A third of the leaders have such experience and exhibit similar tenures (4 years) to those with prior Head of Engineering experience.

Further Details on Hires without prior Head of Engineering Experience

From page 15



1) For this study, we defined 'Big Tech' as public companies with a market capitalization of >\$100B at the time they were at this company.

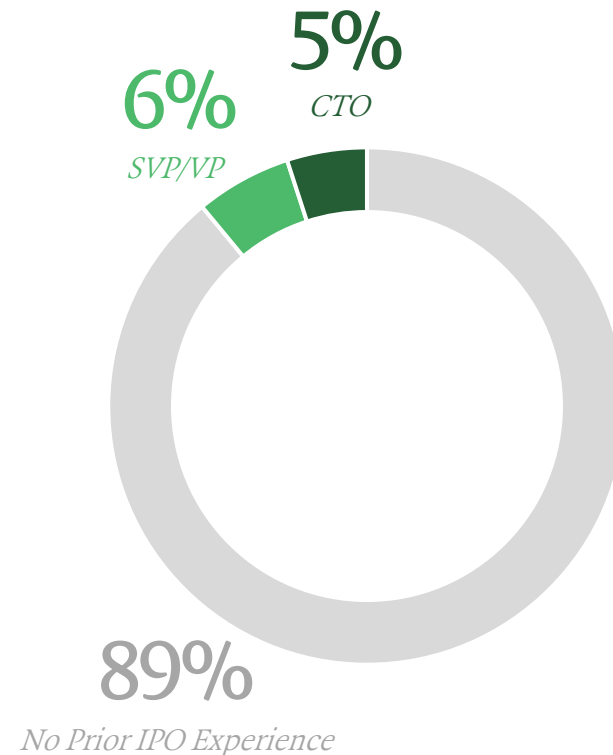
2) N-size = 2.

Prior IPO Experience

Even though all leaders have some degree of engineering experience in public companies, 89% of Heads of Engineering who were present at IPO were not involved in an IPO process before – suggesting that this is not a necessary qualification.

Heads of Engineering at IPO with Prior IPO Experience¹

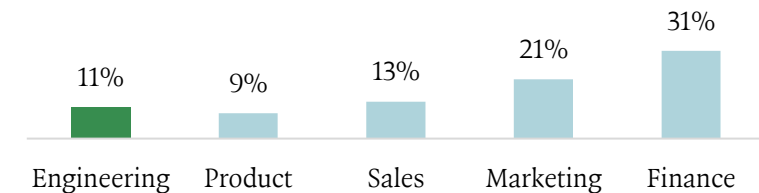
N-size = 66²



ICONIQ Growth Cross-Functional Insight

Among the following functions, it was uncommon for functional leaders to possess experience in leading a company through an IPO, with R&D leaders being the least likely to have such experience.

% of Executive Hires with Prior IPO Experience by Function



Check out our *Executive Leadership Series* and other research [here](#)

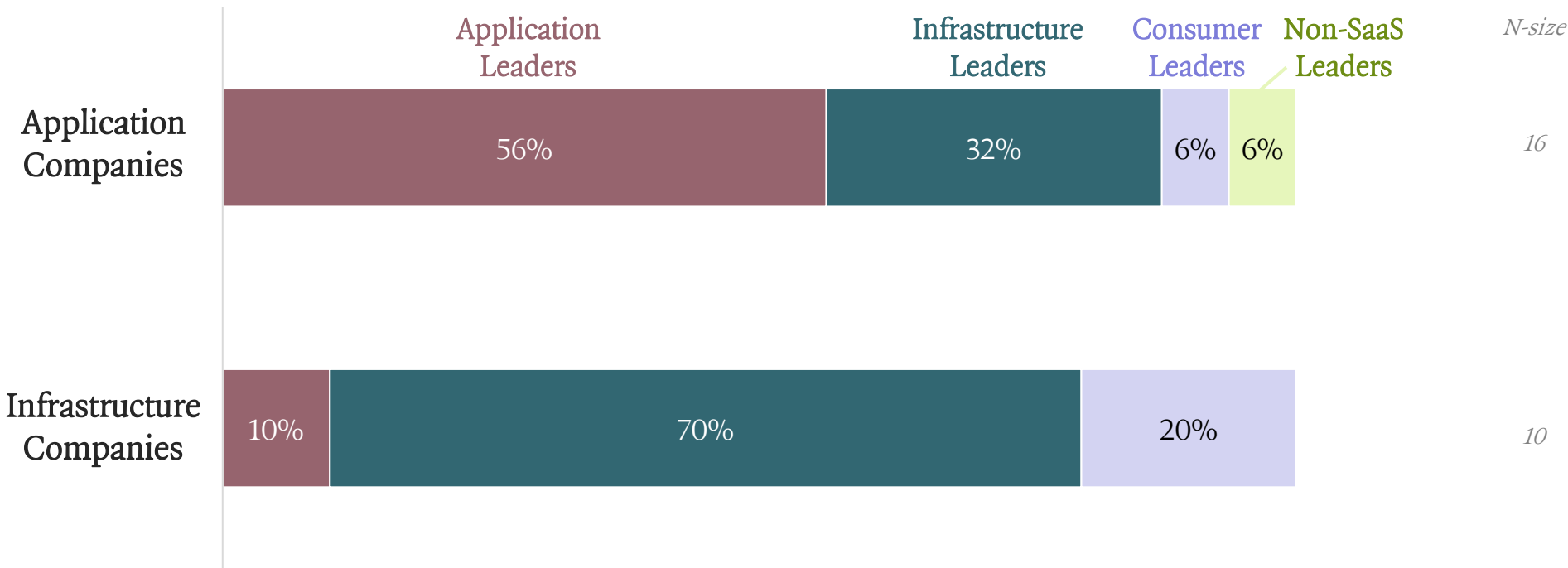
1) In this study we define IPO experience as being the Head of Engineering at IPO or direct report of a Head of Engineering at the time of initial public offering.

2) Includes all Heads of Engineering present at IPO. 2 companies did not have a Head of Engineering at IPO, resulting in an n-size of 66.

Sector

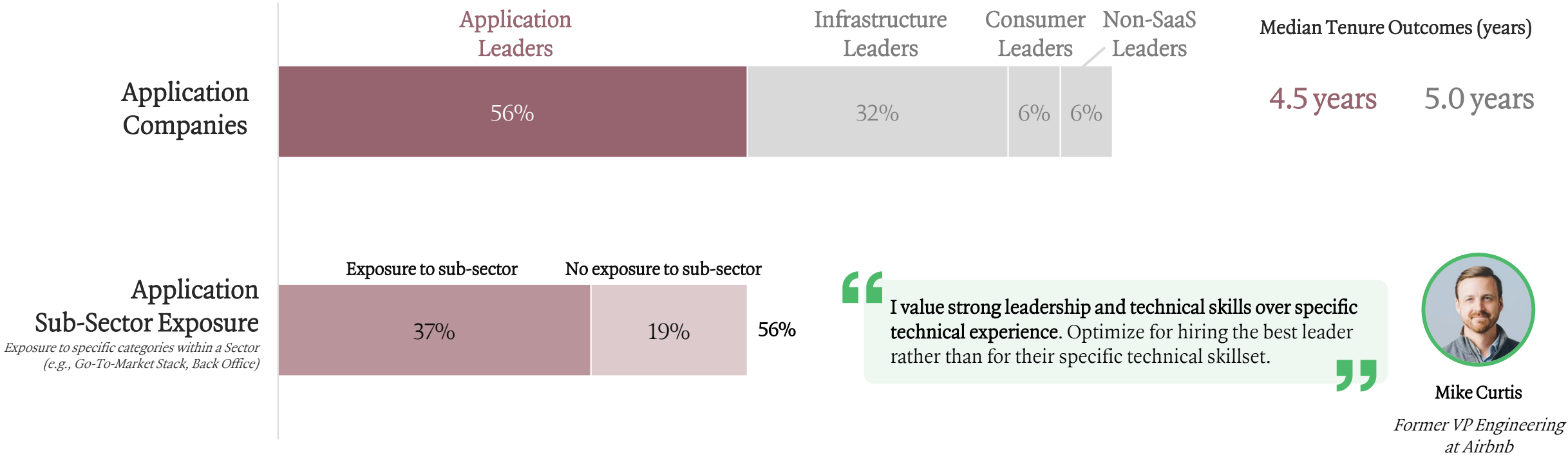
>\$50M ARR Application companies generally show more openness to hire from outside of their broad sector, while Infrastructure companies tend to skew towards infrastructure-oriented leaders.

Engineering Leader’s Sector Background vs. Company’s Sector



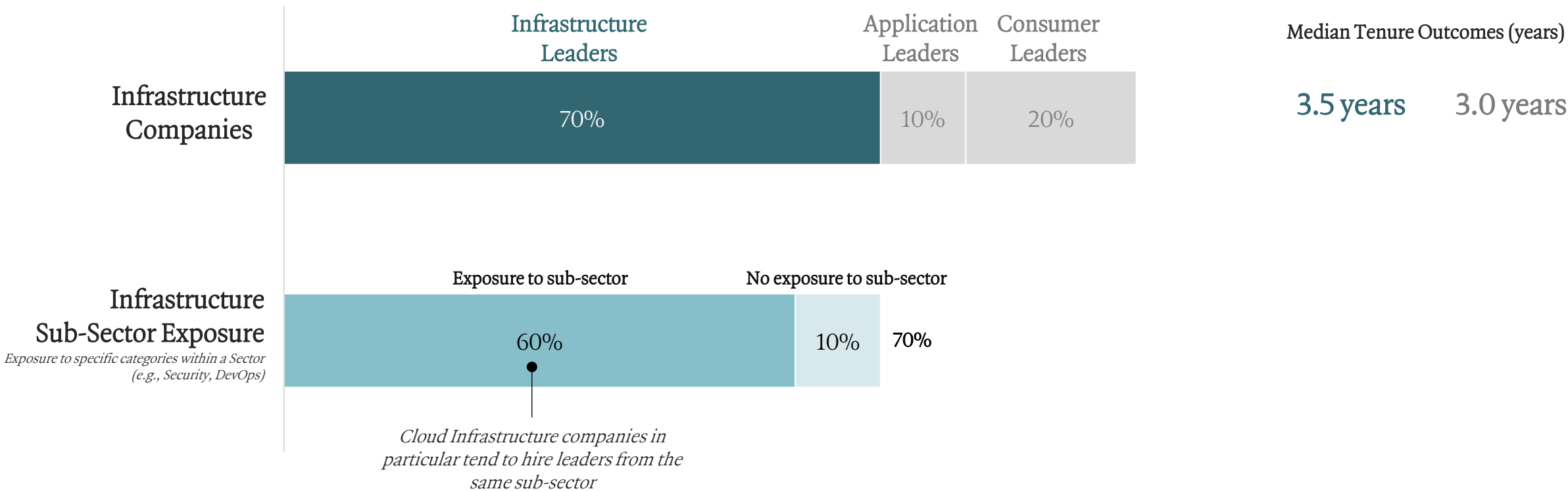
While Application companies tend to hire application-oriented leaders, their tenure outcomes are similar to those with infrastructure or consumer backgrounds. Of the hires with an application background, two thirds are coming from the same sub-sector.

Application Companies: Prior Sub-Sector Exposure



>\$50M ARR Infrastructure companies tend to prefer leaders who not only have an infrastructure-oriented background but also possess some degree of familiarity within the same sub-sector. This may be due to a higher degree of technical complexity in infrastructure products.

Infrastructure Companies: Prior Sub-Sector Exposure



Hiring For Success

Head of Engineering Operational Traits

Prior Head of Engineering Experience

Prior Head of Engineering experience by company ARR scale

Prior Years of Engineering Experience

Number of years in software engineering roles at any level

Public Technology Company Experience

Prior experience as junior and/or senior-level engineers in public technology companies

IPO Experience

Has gone through an IPO process before as the Head of Engineering or direct report of the Head of Engineering

Sector and Sub-Sector Affinity

Degree of prior exposure within a sector and sub-sector

Tenure Impact¹

Less → More



Summary

- The data suggests that CEOs should prioritize a leader with both prior Head of Engineering experience at private SaaS companies and senior-level engineering experience (CTO, SVP/VP) in public companies. Alternatively, we believe hires should at least have SVP/VP Engineering experience at 'Big Tech' companies (e.g., Microsoft, Google, Salesforce).
- Regardless of the type of prior experience, those hired after \$50M ARR typically have 15+ years of engineering experience.
- Although all externally hired leaders in this study have prior public company experience, 89% of Heads of Engineering who were present at IPO were not involved in an IPO process before.
- While companies generally have a preference to hire from their same sector, the data indicates that CEOs should opt for strong leadership and technical skills rather than sector-specific expertise.

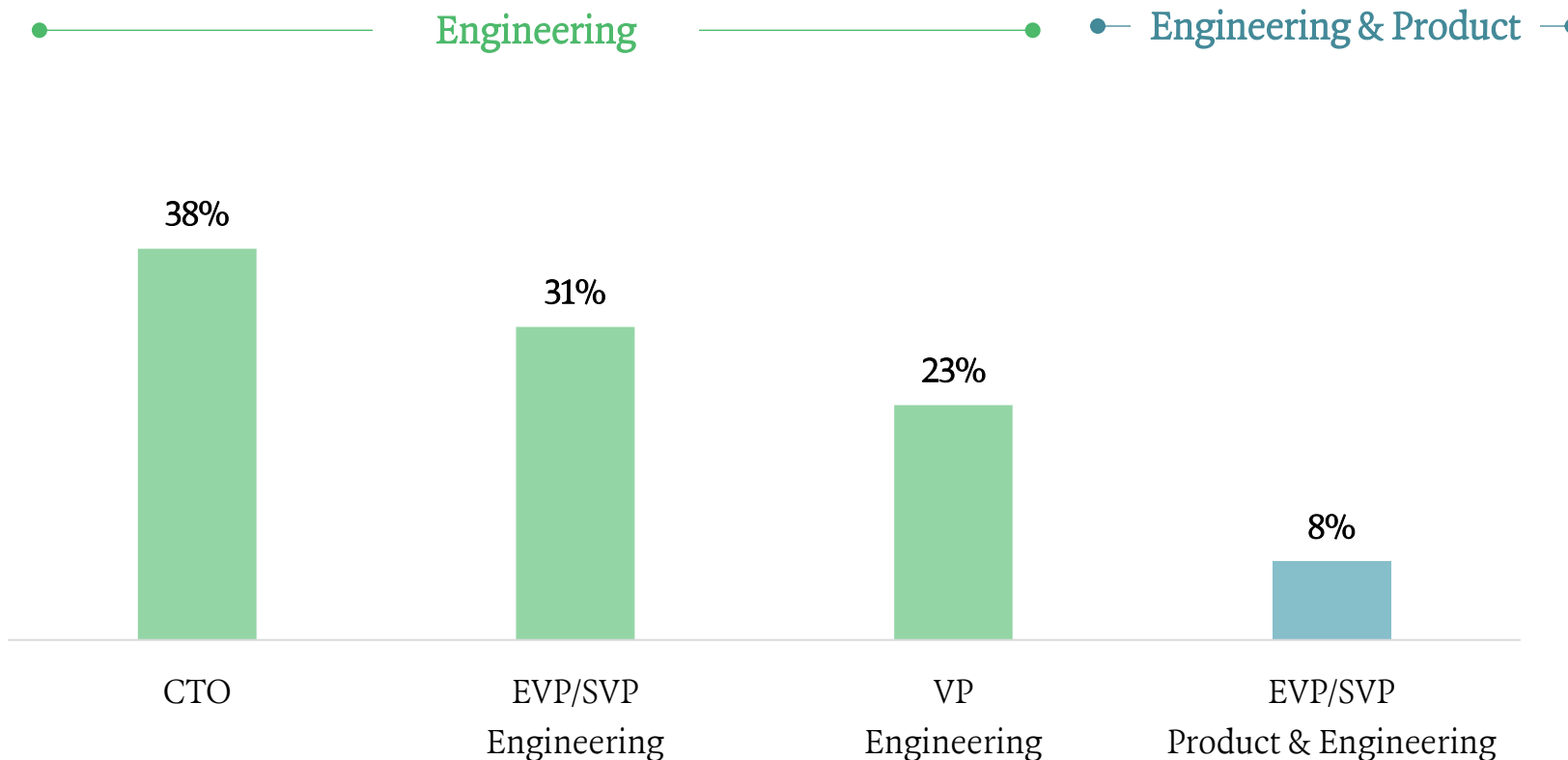
1) "Tenure Impact" indicates the extent to which a variable influenced an individual's tenure as the Head of Engineering. While efforts have been made to control confounding variables and ensure robustness, unaccounted contextual factors may also affect the impact on tenure.

Titling

\$50M+ ARR companies tend to use the “CTO” and “EVP/SVP Engineering” title. Although uncommon, some hires assume a dual title of engineering and product, indicating that they are overseeing both functions.

Titles¹ at >\$50M ARR Companies

External hires only



ICONIQ Technical Advisory Board Perspective on the Chief Product & Technology Officer (CPTO) role

The decision to combine the executive roles of engineering and product **depends significantly on the CEO's background**. For a sales-oriented CEO, this approach could be beneficial, as they may focus on the GTM side of the business more so than on R&D.

The **benefits of a CPTO role typically include increased organizational productivity** and the ability to move quickly.

However, this can be a challenging path to take, given leaders with deep knowledge and strong capabilities in both engineering and product are rare and **highly sought after**, and **entrusting one person with both crucial functions in a startup can be risky**.

All in all, **the CPTO role is generally not recommended as a standard blueprint**.

1) Titles reflect the most senior engineering leader managing the day-to-day engineering organization.

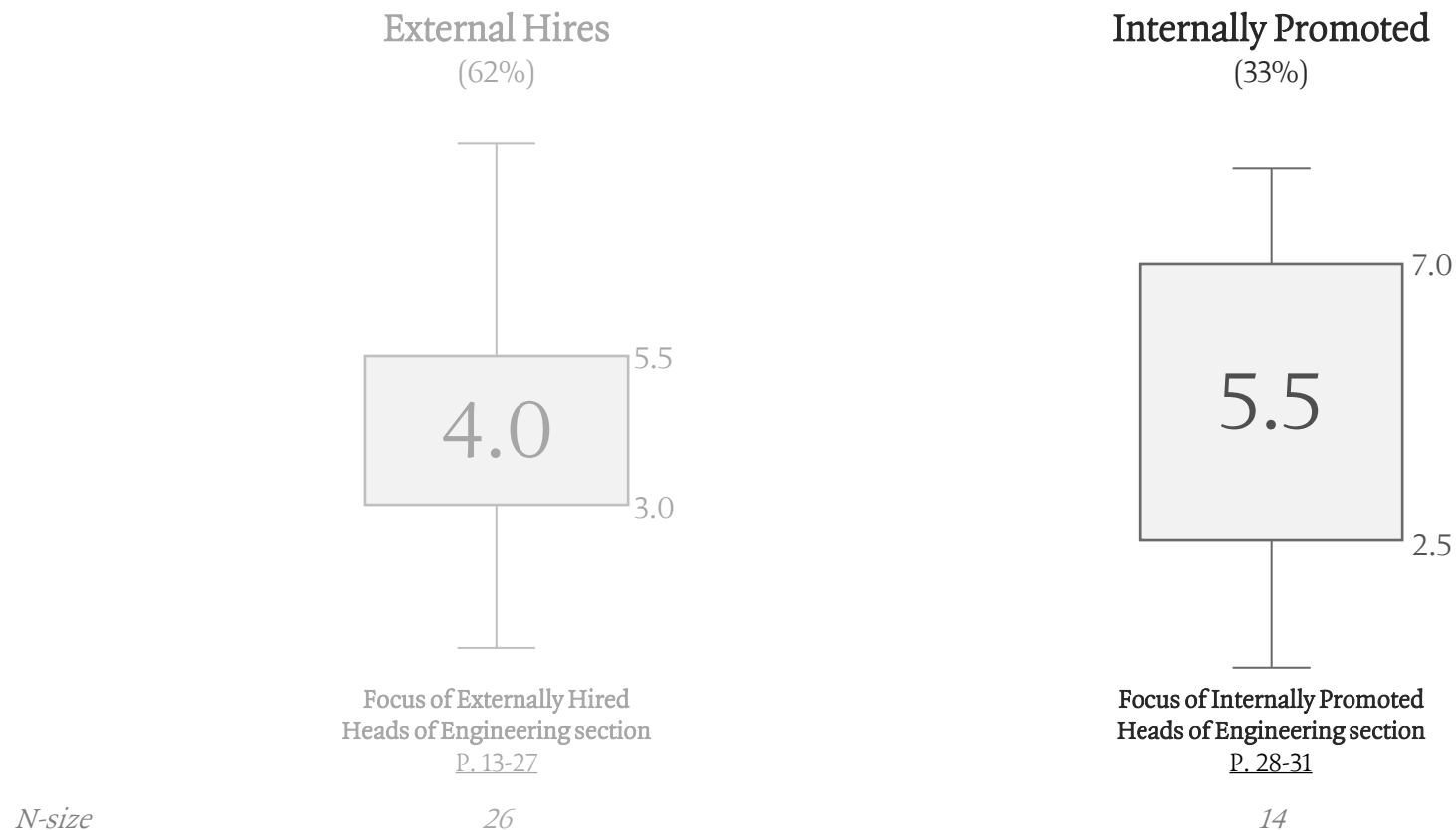
Internally Promoted Heads of Engineering

Companies can also opt to hire Heads of Engineering internally to leverage their existing institutional knowledge and potentially enable a seamless transition into the role. However, this approach typically relies on the presence of an exceptional internal candidate who not only excels in their current role, but also shows potential for higher-level leadership and scale.

Internal vs. External Heads of Engineering

While 62% of Heads of Engineering are hired externally, internal candidates are also a viable option since they tend to have longer tenures relative to external hires.

>\$50M ARR Heads of Engineering^{1,2} by Tenure Outcomes (years)³



Having existing in-depth knowledge of the technical stack can be a significant **advantage** when stepping into a leadership role. Already having the technical context within the company allows for better risk management and predictability of their performance. **However, a CEO should not rule out considering more experienced [external] leaders for the role.**

Mike Curtis

Former VP Engineering at Airbnb

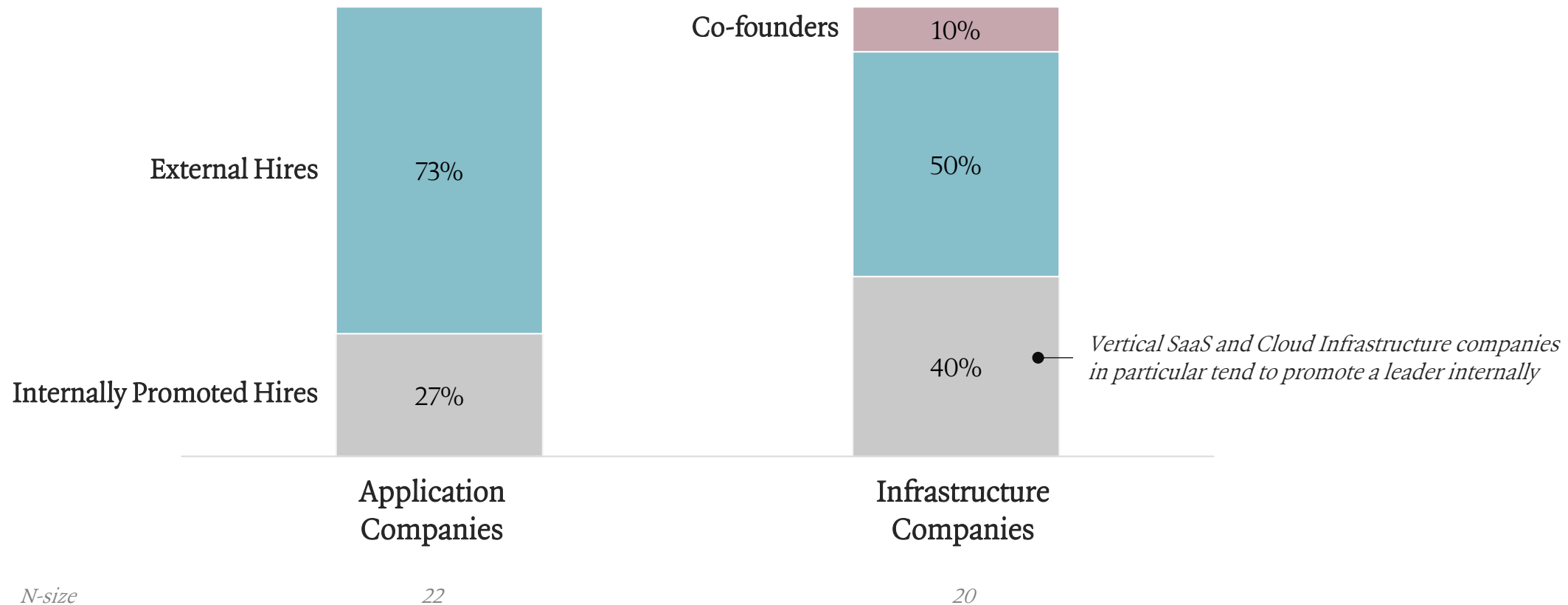


- 1) <25% of external hires are still in their roles, meaning their tenure with the company continues to increase.
- 2) Co-founders have been excluded on this page due to low n-size.
- 3) Reflects the cumulative years of a hire's tenure as Head of Engineering, including post-IPO. "Tenure Outcomes" are defined as the duration in which an individual serves as the Head of Engineering at the companies in this dataset.

Types of Heads of Engineering by Sector

Infrastructure companies are 1.5x times more likely to internally promote someone to the Head of Engineering role compared to Application companies. This is likely due to the specialized knowledge infrastructure products require.

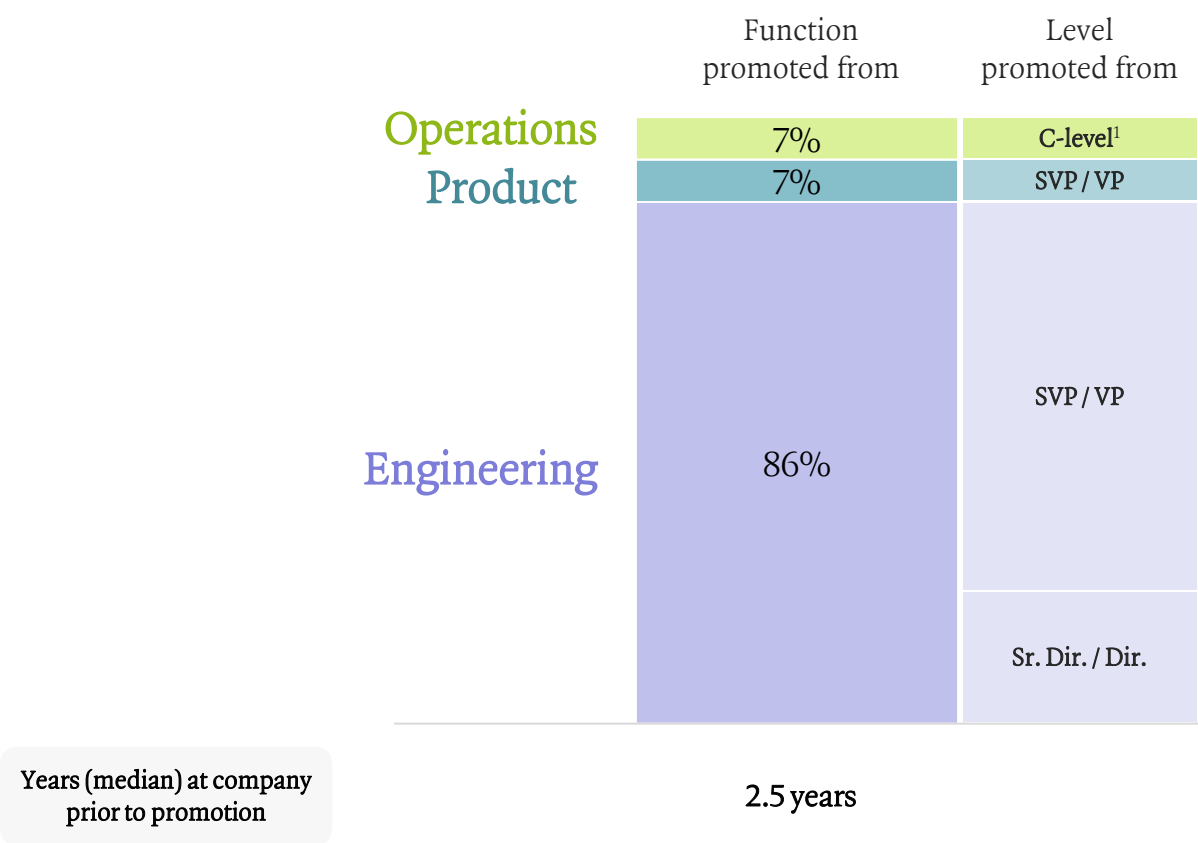
Types of >\$50M ARR Heads of Engineering by Sector



Regardless of sector, companies tend to promote individuals from within their engineering organization who have been with the company for at least 2.5 years and have reached the SVP/VP level.

Internal Hires by Function and Level Promoted From

N-size = 14



1) "C-level" refers to individuals who transitioned directly from their C-Suite position to assume the Head of Engineering role (e.g., Chief Operations Officer).

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- Quantitative analysis of the most prevalent – and most successful – operational backgrounds and qualifications for Heads of Sales/CROs at private SaaS companies, segmented by Growth Stage



Chief Product Officer Study: Part 1 & Part 2

- Quantitative analysis of the most prevalent – and most successful – operational backgrounds and qualifications for Heads of Product at private SaaS companies, segmented by Growth Stage



Chief Financial Officer Study

- Quantitative analysis of the most prevalent – and most successful – operational backgrounds and qualifications for Heads of Finance at private SaaS companies, segmented by Growth Stage



*President & Chief Operating Officer Study

- Examination of the advantages and challenges of having a COO and/or President role



Chief People Officer Study

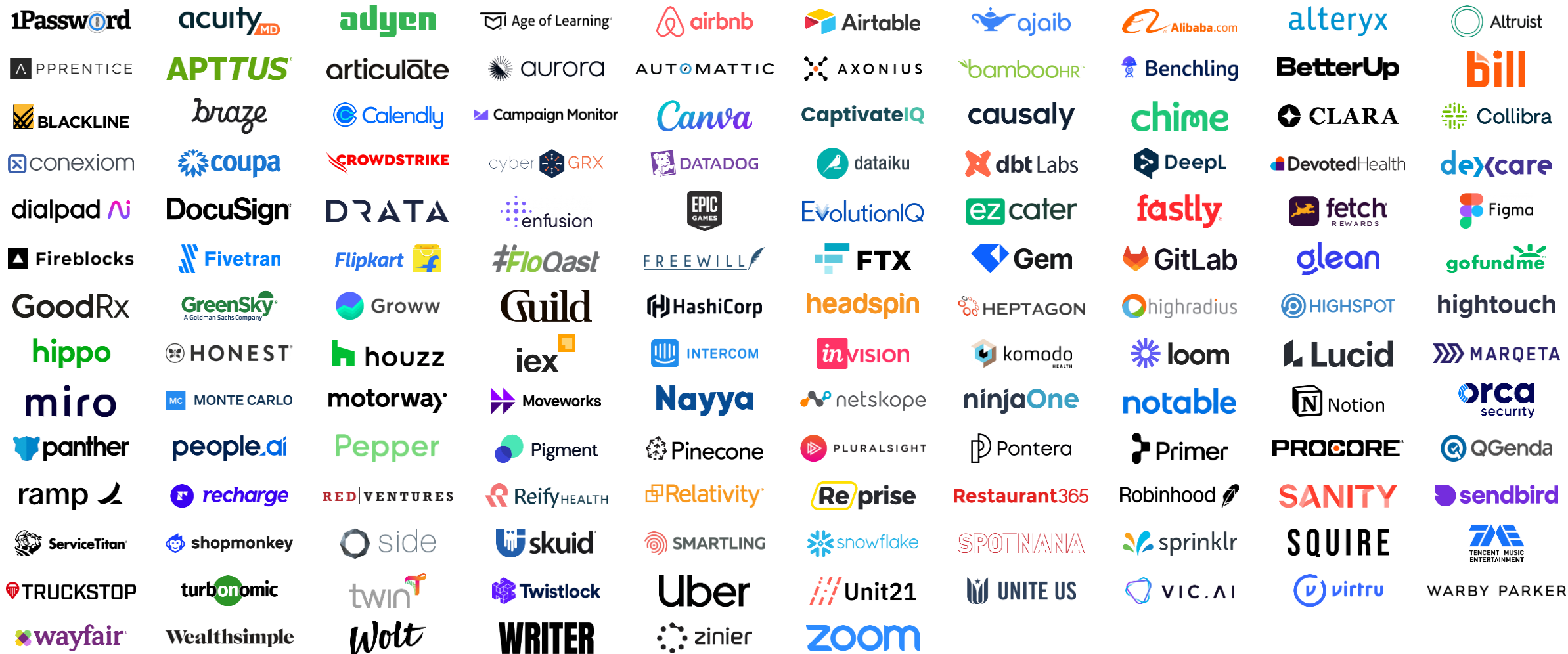
- Quantitative analysis of the most prevalent – and most successful – operational backgrounds and qualifications for Heads of People at private SaaS companies, segmented by Growth Stage



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*Please reach out to iconiqgrowthinsights@iconiqcapital.com to request access.

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