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# **Founders Red Paper Series**

## **Funding Rounds & GTM Leadership: A Founder's Guide**

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Pre-Seed → Series B | For First-Time Founders

# Funding Rounds & GTM Leadership: A Founder's Guide

From bootstrapped beginnings to Series B scale, knowing *when* to bring in the right sales leadership - whether a GTM Board Advisor or a Fractional CRO - can be the difference between building a sales machine and wasting months on costly mistakes. This guide breaks down every major funding stage and tells you exactly what kind of support you need, and when.

FOR FIRST-TIME FOUNDERS

PRE-SEED → SERIES B

# How to Use This Guide

If you're new to startup funding, the landscape can feel overwhelming. Terms like "pre-seed," "Series A," and "fractional CRO" get thrown around constantly but very few people explain what they actually mean for *you*, the founder, in practical terms. This document is designed to be your plain English companion through each funding stage.

We've structured this guide to walk you through four key funding stages in order: Pre-Seed, Seed, Series A, and Series B. For each stage, we explain what's happening in the business, what investors expect, and critically whether you should be thinking about a **GTM (Go-To-Market) Board Advisor** or a **Fractional Sales Director / CRO**.

## **GTM Board Advisor**

A senior strategic voice - typically a former CRO or VP of Sales - who sits on your advisory board. They guide structural decisions: sales model, pricing, channel, hiring.

**Strategic, not operational.**

## **Fractional Sales Director / CRO**

A part-time, embedded sales leader who rolls up their sleeves and builds your sales engine from the inside. They implement process, coach reps, and create repeatability.

**Operational and hands-on.**

Understanding the difference between these two roles and when each is appropriate - is the core of this guide. Let's start at the very beginning.



# Pre-Seed: Proving the Problem is Real

Pre-seed is where every startup begins. At this stage, you're not yet focused on scaling - you're focused on survival and validation. The central questions are brutally simple: Is the problem real? Do customers actually care? And does your solution work well enough to keep building?

Most pre-seed founders are building their first version of the product, running scrappy experiments with early users, and operating at pre-revenue or very early revenue. The goal isn't to close a hundred deals - it's to close *enough* deals to know you're building something people want. Founder-led sales is not just acceptable at this stage; it's expected and essential. Nobody understands the product, the customer, and the "why" better than you do.

## Funding Sources

- Founders' own capital
- Friends & family
- Angel investors
- Accelerator programmes

## Revenue Expectation

Little to none. The primary focus is **validation**, not revenue generation. Investors at this stage bet on the team and the thesis, not the numbers.

## Key Priorities

- Define Ideal Customer Profile (ICP)
- Build and ship the MVP
- Talk to as many prospects as possible
- Test pricing hypotheses

# Pre-Seed: GTM Advisor & Fractional CRO - Do You Need One?

The honest answer for most pre-seed companies is: not formally, not yet. But nuance matters here, and the right light touch guidance at this stage can prevent very expensive mistakes later down the line.

## GTM Board Advisor at Pre-Seed

**Not usually a formal board advisor yet**, but a light-touch GTM advisor can genuinely help. Think of this as an informal mentor relationship rather than a board seat. The engagement is typically equity based (small options grant), low intensity, and focused on sharpening your thinking rather than building processes.

A good light-touch advisor at pre-seed helps you:

- Define and refine your Ideal Customer Profile (ICP)
- Test pricing hypotheses before you commit to a model
- Refine your messaging and positioning
- Avoid the most common early GTM traps

## Fractional Sales Director / CRO at Pre-Seed

**Usually too early.** At pre-seed, you're still experimenting. There is no repeatable sales process to manage and that's fine. Bringing in a fractional CRO before you have a process to systematise is like hiring an operations director before you have operations.

**The exception:** If you're building a B2B enterprise SaaS product with long, complex sales cycles where enterprise procurement, legal, and security reviews are involved a short term consultant can help structure early outreach and avoid wasting months on deals that will never close.

📌 **Rule of Thumb:** Before product-market fit - **The founder sells.** This is non-negotiable. Investors will actively look for evidence that founders can sell their own vision.



# Seed Round: Building Repeatable Revenue

Congratulations ! You've survived pre-seed. If you're raising a seed round, you've demonstrated early traction, shown signs of product-market fit, and acquired some paying customers. Now the game changes significantly. The question shifts from "does this work?" to "can we make this work consistently, at scale?"

Seed stage companies are no longer just validating, they're trying to build a repeatable, predictable sales motion. This is one of the most pivotal and exciting moments in a startup's life. It's also one of the most dangerous. The decisions you make now about sales model, pricing, channel strategy, and your first sales hire will compound dramatically over the next 18-24 months.

## Funding Sources

- Seed-stage VCs
- Angel syndicates
- Early-stage funds
- Strategic angels

## Revenue Expectation

Early ARR is expected - typically in the range of £50K-£500K but the more important proof point is that revenue is **growing** and the underlying reasons are understood.

## Key Priorities

- Create a repeatable sales process
- Make your first sales hires
- Implement CRM discipline
- Define sales KPIs clearly

# Seed Round: GTM Advisor & Fractional CRO - The Sweet Spot

Seed is often the *ideal stage* to bring in both a GTM Board Advisor and a Fractional CRO. The structural decisions you make here have enormous long term consequences. Getting it wrong means rebuilding your sales function from scratch at Series A - at three times the cost and with institutional investors watching closely.

## **GTM Board Advisor at Seed: Highly Valuable**

This is often the ideal stage to formalise a GTM advisory relationship. You're making key structural decisions, sales model, ICP prioritisation, channel selection and the cost of getting these wrong is enormous. A senior advisor who has "been there and built that" can shortcut your learning curve by years.

A seed stage GTM advisor typically helps with:

- Choosing between PLG, sales-led, or hybrid motion
- Pricing & packaging strategy
- Designing compensation plans for first sales hires
- Channel & partnership strategy
- Interviewing and evaluating your first sales leader

## **Fractional Sales Director / CRO at Seed: Extremely Valuable**

This is typically where startups get the highest ROI from fractional sales leadership. The fractional CRO doesn't just advise - they build. They come in, assess your current pipeline and process, and start constructing the sales infrastructure your company will operate on for years.

The triggers that signal you're ready:

- The founder can no longer run sales full-time
- Your pipeline lacks structure or visibility
- Close rates are inconsistent and you don't know why
- Your first sales hires need leadership and coaching
- Investors are asking about your sales process

Many companies hire a fractional CRO at seed specifically to delay the very expensive decision of hiring a full-time CRO until they truly know what they need.

# Series A: Scaling Aggressively

Series A is the moment of transformation. You've proven product market fit. Investors have validated your model with a significant capital injection. Now the mandate is unambiguous: **scale**. Everything changes at this stage the size of your team, the complexity of your processes, the expectations of your board, and the scrutiny on your numbers.

At Series A, you're no longer selling to innovators or early adopters who are excited about the idea. You're selling to mainstream buyers, the early majority, who need compelling ROI cases, enterprise grade security reviews, and professional account management. Your sales team is expanding, your marketing budget is real, and your revenue targets have likely jumped 3–5x from where they were at seed. The pressure to perform is immense and the margin for structural error is extremely thin.

**1**

## Expand Sales Team

Move from 1–2 reps to a structured, tiered sales team with clear roles

**2**

## Invest in Marketing

Build demand generation, content, and brand programmes that create pipeline at scale

**3**

## Hit Revenue Targets

Deliver consistent, predictable ARR growth that demonstrates repeatable scalability

Funding sources at this stage are typically institutional: Series A-focused VCs, growth equity funds, and occasionally strategic corporate investors. Revenue expectations are clear, most Series A companies are targeting £1M–£5M ARR with a credible path to 3x growth annually.

# Series A: GTM Advisor & Fractional CRO The Transition Point

Series A is a transitional moment for both your GTM advisory relationship and your fractional sales leadership. The nature of what you need from each role shifts considerably - and in the case of fractional CRO, the clock may be ticking on how long that model remains appropriate.

## GTM Board Advisor at Series A: Very Valuable

Your GTM Board Advisor becomes even more critical at Series A but the focus of their guidance evolves. You're no longer asking "what should our sales model be?" You're asking "how do we scale this model without breaking it?" The questions get harder and more structural.

A Series A GTM advisor (often a former CRO of a company that has been through this stage) typically focuses on:

- Scaling the sales organisation without creating bottlenecks
- Avoiding the common Series A hiring mistakes (over-hiring before the model is proven)
- Forecasting discipline and pipeline methodology
- International expansion strategy and sequencing
- Supporting and stress-testing the hire of a full-time CRO

Critically, an experienced GTM advisor can help you evaluate full-time CRO candidates - someone who can genuinely assess whether a candidate has scaled a sales function before, not just managed a small team.

## Fractional CRO at Series A ⚠️ Transitional

**Series A is the transition point.** Investors who have just written a significant cheque expect to see permanent, committed leadership driving revenue. That said, fractional can still work in specific circumstances:

- ARR is still under £3-5M
- Sales complexity is moderate
- You're actively searching for a full time CRO and need continuity
- You've just lost a sales leader and need an interim bridge

Outside of these scenarios, institutional investors will typically push hard for a full time, permanent CRO hire. The fractional model served you well - but Series A usually marks the end of that chapter.



# Series B: Accelerating Towards Market Leadership

Series B is where ambition becomes infrastructure. If Series A was about proving you could scale, Series B is about proving you can *dominate*. You're expanding geographically, building middle management layers within your sales organisation, refining your enterprise motion, and improving the precision of your forecasting - because at this stage, investors are measuring you against public-company benchmarks.

The complexity of running a Series B sales organisation bears almost no resemblance to the scrappy early days. You have regional sales leaders, SDR teams, channel partnership managers, and a RevOps function that needs to produce accurate forecasts every single quarter. The margin for leadership gaps or structural dysfunction is effectively zero - because your competitors are growing just as fast, and your investors have very clear expectations.

## Geographic Expansion

New market entry - typically the US if you're a UK business, or key European territories requires dedicated regional leadership and localised GTM strategy.

## Middle Management

You're now building Sales Managers, Regional VPs, and team leads. The CRO is managing leaders, not individual contributors.

## Enterprise Motion

Larger ACV deals, longer sales cycles, procurement processes, and legal reviews require a sophisticated, enterprise-grade sales process.

## Forecasting Precision

Board-level scrutiny on pipeline accuracy and revenue predictability demands mature RevOps discipline and rigorous forecast methodology.

# Series B: GTM Advisor & Fractional CRO Specialist Territory

By Series B, your GTM leadership needs have matured considerably. Both roles have evolved and in the case of fractional CRO, the model is rarely the right fit for the complexity of your organisation.

## **GTM Board Advisor at Series B: Yes - But More Specialised**

GTM advisory remains highly valuable at Series B, but the profile of advisor you need changes. You're less likely to need someone who helps you build basic sales process - you need someone who has navigated the specific challenges of Series B scale: enterprise sales optimisation, international expansion, channel partnerships, and potentially M&A activity.

Typical Series B GTM advisory focus areas:

- Enterprise sales motion optimisation and deal strategy
- Channel partnership design and management
- M&A integration maintaining sales momentum through acquisitions
- Vertical market expansion sequencing
- Compensation design for a large, multi-tiered sales organisation

The advisor relationship at this stage often becomes more formal, with more structured engagement - quarterly board meetings, direct strategic input alongside institutional investors.

## **Fractional CRO at Series B : Rarely Appropriate**

Bluntly: a fractional CRO is almost never the right answer at Series B. The organisation is too large, too complex, and too strategically critical to be led by someone who is splitting their time across multiple companies.





Institutional Series B investors will not accept fractional sales leadership as a permanent arrangement. The full-time CRO at this stage needs to be:

- Fully committed and embedded in your business
- Capable of managing a large, multi-region sales team
- Credible to enterprise customers and institutional investors alike
- Aligned with equity and long-term company success

The only exception is a very short-term bridge while replacing a departing CRO - and even then, it should be resolved within 60-90 days.

# Overview: At a Glance

Here's a consolidated view of how GTM advisory and fractional sales leadership map across all four funding stages. Use this as a quick reference when you're trying to figure out where you are and what you need right now.

Funding Stage	Main Goal	GTM Board Advisor	Fractional Sales Director / CRO
 <b>Pre-Seed</b>	Validate the problem & MVP	Light, informal advisor helpful	Usually no - founder sells
 <b>Seed</b>	Build repeatable revenue	✓ Highly valuable bring one in	✓ Very valuable - highest ROI stage
 <b>Series A</b>	Scale revenue aggressively	✓ Strategic scaling guidance	⚠ Transitional only, move to FT CRO
 <b>Series B</b>	Accelerate & expand market	✓ Specialist focus areas	✗ Full-time CRO required

# The Simple Rule of Thumb

If you remember nothing else from this guide, remember these four principles. They represent the through line of everything we've covered a simple framework you can apply at any moment to ask yourself: "Am I making the right call on sales leadership right now?"

1

## Before Product Market Fit

**The founder sells.** No exceptions. This is how you learn, iterate, and build the institutional knowledge that every future sales hire will depend on.

2

## After Early Traction

**Fractional CRO systemises.** When the founder can no longer run sales alone, a fractional CRO builds the process, installs the tools, and creates the repeatability you need to scale.

3

## Before Scaling Aggressively

**GTM Board Advisor prevents costly structural mistakes.** The decisions made before Series A - sales model, ICP, channel, compensation - will define your ceiling. Get a seasoned advisor in the room before you lock them in.

4

## At Scale (Series A+)

**Full-time CRO required.** At this point, investors expect permanent, fully committed sales leadership. The fractional model served you well - now it's time to graduate.

📌 **Final thought:** The most common mistake founders make isn't hiring the wrong person it's hiring the *right person* at the *wrong stage*. A world-class CRO brought in at pre-seed can be a liability. The same person brought in at Series A can be transformational. Timing is everything.

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