

Sellers, Savers, and Innovators

How Three Board Reflexes Collide in the AI Era

by **David Spitz** Founder, BenchSights and
Jacco van der Kooij Founder, Winning by Design

WHAT YOU'LL LEARN IN THIS ARTICLE

- There are three factions on the board: Sellers, Savers, and Innovators
- Each era elevated a different dominant faction based on a different risk
- Why traditional metrics still work—but no longer resolve the future
- How AI shifts the dominant boardroom risk from solvency to relevance
- What it means to govern the risk of irrelevance in 2026

Artificial intelligence is reshaping the software market, but for most companies, the implications are still unclear. Unless you're one of the few AI-native breakouts, boards are trying to determine where their business fits—and what risks now matter most.

Sit in on almost any board meeting today, and a familiar pattern emerges. One director argues the company needs to push harder on growth. Another insists on protecting cash and extending the runway. A third warns that none of it matters if the company isn't moving fast enough on AI.

On the surface, this looks like a strategy debate. It isn't. Board members don't disagree because they're pursuing different strategies. They disagree because they see different risks. Strip away the slides and operating plans, and the underlying question is always the same: what is the risk to this business?

Most decisions carry limited downsides. If they fail, the damage is painful but recoverable. The harder challenge is identifying the few risks that quietly undermine valuation, product-market fit, or financeability—and only show up in the numbers when it's too late.

AI has changed that risk profile, not by eliminating uncertainty, but by compressing the timeline to respond. Many of the most consequential risks now surface only after the window to respond has closed. In that environment, boards fall back on what has worked before—not out of stubbornness, but because those approaches were shaped in earlier cycles where they were effective. Those lessons didn't form by accident. They were shaped by real penalties, experienced firsthand. Today, they are colliding in the boardroom.

The Factions in the Boardroom

Boardrooms have never been homogeneous. Different viewpoints have always existed. What's changed is what now dominates the conversation. For much of the last decade, boards were oriented around opportunity. Growth, market size, and velocity mattered most—not because risk was ignored, but because capital availability reduced its consequences. As long as financing was accessible, most failures were survivable. That condition no longer holds.



Today, risk has reasserted itself as the organizing principle of the boardroom. Not abstract risk, but very specific questions: Are we financeable? Can we fund the next phase? Will this business still matter if the market shifts faster than we expect? As AI accelerates change beyond traditional planning cycles, those risks are perceived very differently depending on experience and prior market scars.

That divergence in risk perception is what creates three factions.

FACTION 1: THE SELLERS

The first faction is what we'll call the Sellers. They operate on a simple conviction: growth fixes most problems. To Sellers, the primary threat to valuation is deceleration. When growth slows, everything else becomes secondary. Their instinctive response is to push harder—spend more on marketing, hire more sellers, expand coverage, and drive pipeline. The data they rely on reflects that worldview. It's rep-centric and activity-driven: pipeline coverage, quota attainment, productivity, usage. These are familiar, actionable metrics that respond quickly to investment. Sellers operate with a high probability of short-term success and

perceive a relatively low penalty for failure. As growth slows, the instinct is to act fast—often by changing leadership, starting with the CRO.

FACTION 2: THE SAVERS

The Savers believe survival must come before any growth ambition. Their central fear is running out of cash. Their default response is to cut costs, preserve runway, and protect the balance sheet. The mantra is simple: live to fight another day. The data they rely on reflects that priority. It's cost-centric and backward-looking: burn rate, margins, cash on hand, and payback time. This mindset was shaped by periods of capital scarcity following the 2021–2022 market reset. Savers have high confidence in identifying burn and understand that the penalty for failure—insolvency—is absolute. Cost cuts often deliver immediate margin improvement, reinforcing their position. But their limitation is structural. You can't cost-cut your way to growth.

FACTION 3: THE INNOVATORS

The third faction, the Innovators—often serial entrepreneurs—believe the real risk is missing a major shift until it's too late. They see AI not as another feature to bolt on, but as a platform change that resets markets for years, if not decades. Their instinct is to move early, before the market forces their hand. Unlike Sellers and Savers, Innovators look outward. They track industry trajectories, capital flows, and user adoption. They see how quickly AI-native companies are advancing. They are clear-eyed that many will

“There are Three Main Factions in the Boardroom: Sellers, Savers, and Innovators.”

fail, but also that the few that succeed can reshape entire categories. Their perspective is shaped by earlier platform transitions, such as the Web and Mobile, where incumbents who waited too long lost relevance permanently. The challenge for this faction is timing. Early success rarely looks convincing. Results take time to materialize. The signals are noisy and easy to dismiss. Yet missing the transformation carries the highest risk of all. As a result, Innovators often struggle to maintain credibility in the boardroom—and to communicate urgency without sounding alarmist.

Who Ruled the Boardroom When

Each of the three aforementioned factions was forged in a different market climate. In each era, a different faction became the dominant voice in the boardroom, and each faction was guided by specific data that supported its view of risk.

2012–2022: THE ABUNDANCE ERA

The decade leading up to—and including—the early COVID years was defined by capital abundance. Financing was readily available, growth was rewarded, and valuation multiples expanded faster than operating discipline needed to. As long as companies could grow, capital was not the constraining factor. In that environment, growth became the dominant organizing principle of the boardroom. If a GTM motion could reliably convert spend into pipeline and pipeline into ARR, it created enterprise value. Questions of efficiency mattered less because

downside risk was muted by access to capital. During this period, Sellers came to dominate boardrooms across Silicon Valley because the math worked. Adding sales capacity, increasing marketing spend, and expanding top-of-funnel programs were rational responses to the market conditions of the time. Boards reinforced that behavior by funding throughput, not by questioning whether the underlying model would hold indefinitely.

The cost of acquiring each incremental dollar of net new ARR began rising well before AI entered the conversation. But because the change was gradual, it didn't trigger alarms. Growth was still coming, and capital was still available. At this time, cost wasn't the risk. Missing the growth opportunity was. As long as companies continued to grow, higher spending and lower efficiency were survivable. The GTM lever didn't break; it started to bend. Each quarter delivered slightly less growth than the one before, but still enough to justify continued investment.

As acquisition costs climbed, Sellers didn't see a failing system. They saw a system that still worked—and a market where the biggest risk was still growth slowing down.

2022–2024: THE CORRECTION ERA

The second era began when the financing environment vanished. A market that had rewarded growth at any cost for years suddenly made it unclear whether many companies would ever raise again. Terms tightened, rounds froze, and the valuation logic that had governed a decade of growth fell apart.

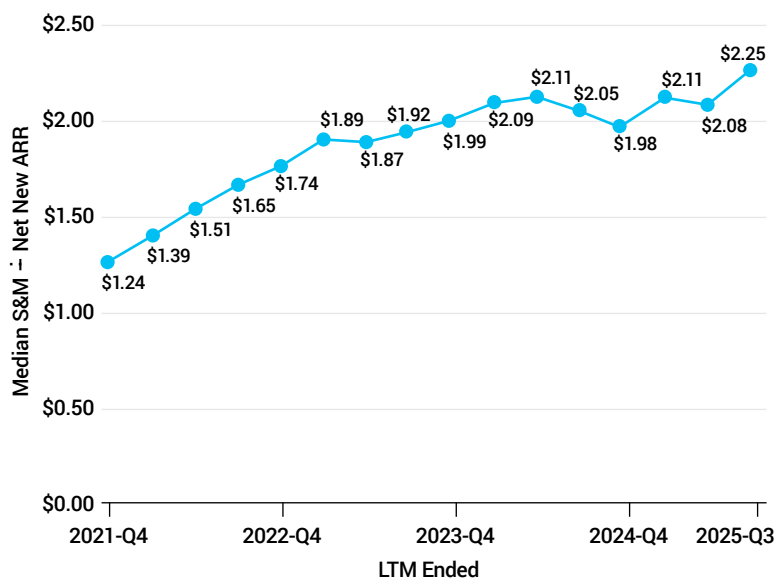
This wasn't a higher cost of capital—it was the absence of capital.

During this period, the rise of the Savers was inevitable. Survival replaced growth, not because boards stopped valuing growth, but because the market removed the ability to subsidize it. The central question became simple: how do we survive in a world with little or no opportunity to raise capital? Runway became the dominant measure—extend it, defend it, stay solvent.

For a time, the shift worked. Free cash flow improved, burn normalized, and companies proved they could operate on internal economics. But by late 2024, those gains had largely been captured. You can right-size once—maybe twice—but there is no third revolution in cost structure.

Efficiency reduced risk and bought time. It did not create growth acceleration.

Figure 1:
The cost to acquire \$1 in net new ARR at public SaaS companies has risen by more than 80% over the past four years.



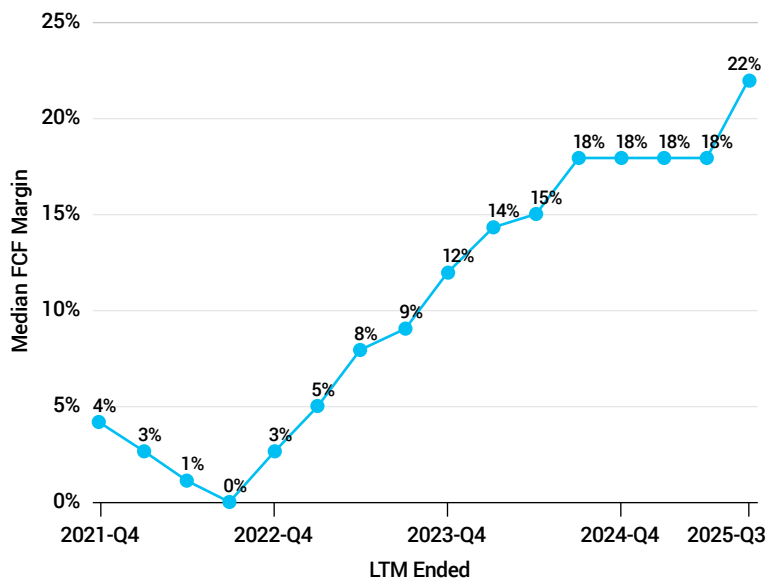


Figure 2:
Free cash flow margins at public SaaS companies rose sharply beginning in late 2022.

Figure 3:
The share of venture capital invested in AI has risen sharply and now exceeds previous technology waves.

2025+: THE AI CONCENTRATION ERA

Unlike the Abundance Era, when capital was broadly available, or the Correction Era, when capital largely disappeared, the phase we are in today is defined by capital concentration. Capital did not return evenly across the market; it returned selectively. More than 60% of venture investment now flows into AI-related companies, a level of concentration higher than in any prior innovation cycle.¹

That shift has changed the boardroom's risk profile. The defining risk of this era is no longer poor execution or weak margins. It is the risk

of irrelevance. Unlike prior cycles, the data foreshadowing that risk arrives early, noisily, and outside the metrics boards have relied on for years. Capital and growth are concentrating elsewhere, even as many incumbent companies still appear stable on paper. By the time irrelevance shows up clearly in revenue or churn, the market has already moved on.

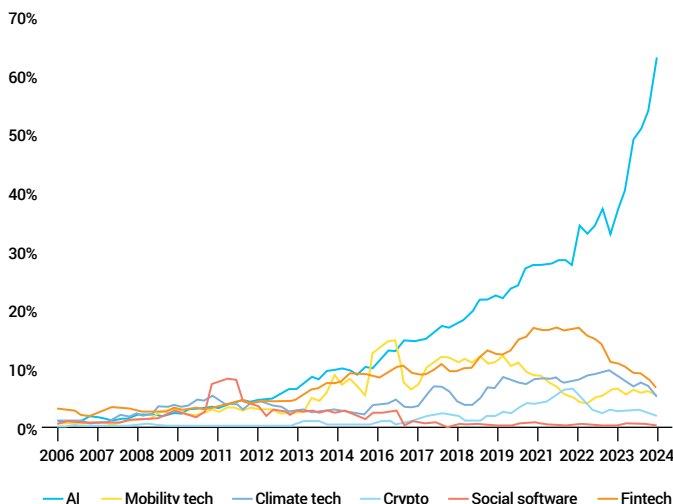
Growth has followed a similar pattern. AI-Natives grow rapidly, while many SaaS-Natives are stalling. Aggregate growth rates across public SaaS companies reflect this shift, as many markets have become saturated and customers and investors increasingly prioritize next-generation alternatives.

The market is increasingly less focused on whether a company is AI-first and more focused on whether it is AI-relevant. Customer and investor expectations have reset around outcomes associated with AI—speed, automation, and labor compression. Companies that cannot credibly deliver those outcomes risk more than churn. They risk becoming irrelevant.

Innovators tend to surface in this environment because they are looking at a different set of signals. Their concern is not driven by hype, but by what they see changing around them: where capital is flowing, how quickly AI-Natives are advancing, and how customer expectations are shifting.

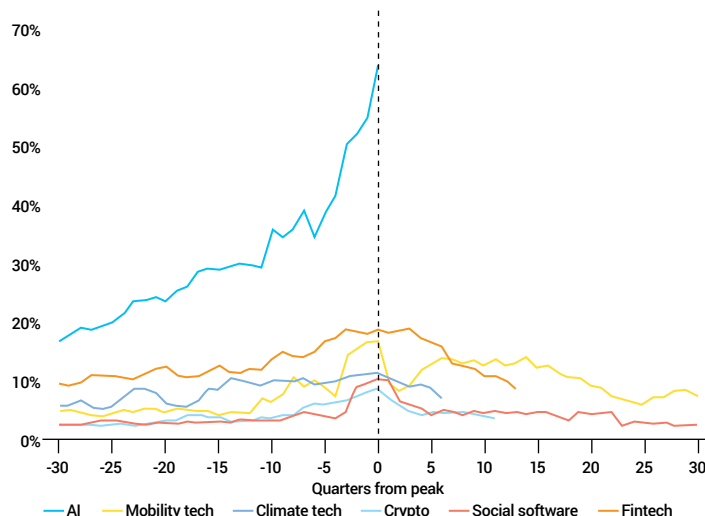
From their vantage point, incremental change feels insufficient. If AI is beginning to reshape product-market fit, then maintaining relevance

Share of TTM VC deal value by sector



Source: Pitchbook, Geography: US, As of July 31, 2025

Share of TTM VC deal value by sector, aligned around peak



Source: Pitchbook, Geography: US, As of July 31, 2025

may eventually require deeper changes to the product, the GTM motion, and the cost structure that supports both. That conclusion is uncomfortable, but it is grounded in observation, not enthusiasm. This is where Sellers and Savers hesitate. Their approaches still produce outcomes. You can still push growth. You can still defend margins. You can still buy time. The data supports that—at least in the short term. This is where tension rises in the boardroom.

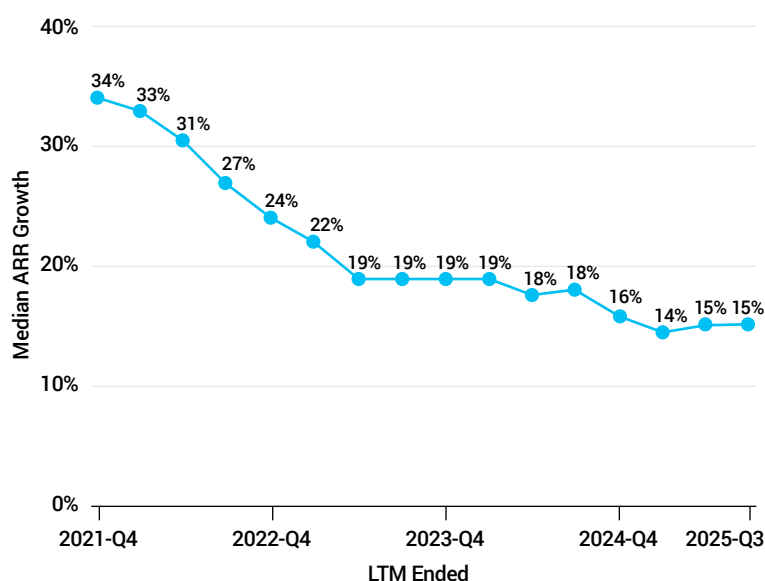
And Innovators, they are not yet armed with definitive proof. The signals they point to are early, uneven, and hard to translate into board-level metrics. History offers little comfort: most attempts at reinvention fail, and take longer than expected to show results. Asking a board to move before there is evidence is difficult.

And so boards stall. Sellers and Savers rely on what continues to work—for now. Innovators argue that those tools no longer resolve the future. Both positions are rational. What remains unresolved is the risk question the board set out to answer in the first place: which risks are survivable—and which ones are not.

So What About the Risk?

Boards don't stall because they can't decide what to do. They stall because they're trying to answer the wrong question. The question isn't whether Sellers, Savers, or Innovators are right. In practice, all three still are. You can still push growth. You can still defend margins. You can still buy time.

The real question is the one boards have been asking all along: **which risks are survivable—and which ones are not?**



In the Abundance Era, the dominant risk was missing growth. Inflated cost was survivable.

In the Correction Era, the dominant risk was insolvency. Growth could wait.

In the AI Concentration Era, the dominant risk is irrelevance—and that risk shows up later, and more quietly, than boards are used to.

That doesn't mean every company needs to move the same way, or at the same speed. It does mean that waiting for traditional proof now carries a different kind of risk than it used to. Boards don't need certainty to move forward. They need to agree on which risks they are willing to take, and which ones they are unwilling to ignore. Managing the risk of irrelevance is the work of the boardroom in 2026. [w](#)

Figure 4:
Median growth rates for public SaaS companies have declined steadily in recent years.



David Spitz is the founder of BenchSights and a veteran software investment banker with a 25+ year career. He created the Pacific Crest / KBCM SaaS Survey, the first and most enduring benchmarking study for SaaS metrics. He holds both an MBA and a master's degree from MIT.



BenchSights is a SaaS benchmarking platform that provides live, interactive, and always-up-to-date performance benchmarks for recurring-revenue software companies. Users anonymously submit operational and financial metrics and instantly compare themselves with peers, replacing outdated annual surveys with continuous benchmarking data. The platform also supports partners and communities in building custom benchmarking apps and insights powered by real company data.



SOURCE:

1 - <https://pitchbook.com/news/reports/q3-2025-quantitative-perspectives-a-fork-in-the-road>

For more insightful articles,
subscribe today.

winningbydesign.com/growth-journal