

Driving Growth and Value in Investor-Backed Businesses

Insights from tml Partners' Roundtable with CMOs, CROs and CGOs in investor-backed businesses.



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Introduction

Private equity-backed businesses operate under a unique set of pressures, requiring marketing to deliver measurable contributions to financial performance and valuation growth. To thrive, marketing leaders must move beyond traditional campaign-focused thinking and integrate strategies that align directly with the drivers of revenue, EBITDA, and ultimate exit value.

We recently hosted a roundtable discussion for marketing, commercial and revenue leaders in investor-backed businesses. The conversation was chaired by Sophia Ahrel, a go-to-market expert and fractional CMO, from our sister company [Growth Partners](#).

We were delighted to be joined by commercial leaders from the likes of:

- Locus
- Synova
- TXO
- Workbooks
- Beamery
- Delinea
- RedCloud
- ECI Software Solutions
- Plentific
- Uberall
- Duco
- Wipro



Rethinking Metrics: What Truly Defines Success

In PE-backed businesses, traditional metrics like impressions and clicks can feel like whispers in the boardroom compared to the roar of financial performance metrics. Here, marketing must speak the language of investors.

Three metrics consistently stand out to help executive leaders track performance for both short-term growth and long-term value:

Customer Acquisition Cost (CAC)

CAC quantifies the marketing cost of acquiring a new customer, encompassing sales expenses, onboarding, and implementation. This metric is used to optimise campaign strategies, refine targeting and ensure marketing spend is efficiently converting leads into paying customers. Lowering CAC directly impacts profitability, which is a critical lever in EBITDA growth.

Net Retention Rate (NRR)

This metric tracks the revenue retained from existing customers at the start of a period after accounting for expansion revenue and churn. A high NRR signals not only strong customer loyalty but also the success of cross-selling and upselling strategies. By tracking NRR it instills a focus on aligning product marketing, customer success and sales teams to ensure sustainable ARR growth without an over-reliance on new customer acquisition.

Time to Close / Won Deals

The speed at which leads convert to customers can be a game-changer in hitting growth targets. Marketers improve this metric by optimising conversion rates in the funnel, improving lead quality, providing sales enablement tools and refining lead scoring. A well aligned commercial function can better prioritise high-value opportunities. Faster deal cycles mean quicker revenue realisation and improved cash flow.

These metrics work together to weave a narrative of growth, efficiency, and scalability, positioning marketing as a central driver of enterprise value.

Immediate ROI Meets Long-Term Vision

In the world of PE, marketing leaders often find themselves navigating between delivering quick wins and building enduring value. It's a tightrope walk, but one that can be navigated with a clear strategy.

On one side of the equation, the pressure for short-term ROI is intense. Marketing campaigns must yield tangible results - whether that's a boost in pipeline velocity or a spike in conversions. However, overemphasizing quick returns can create a short-sighted focus that risks eroding brand equity.

The longer term focus is about creating a brand that investors find irresistible at exit. Building brand trust isn't just about customer loyalty; it's about commanding a premium valuation. Brands with strong trust equity not only perform better in the marketplace but also resonate with investors, positioning the company as a safer, more profitable acquisition.





Investor confidence isn't just about financials. *It starts with a compelling growth story.*

When investors see a clear link between marketing efforts and business performance, they gain trust in its impact.

To position marketing as a true value driver, leaders must connect brand strength, commercial performance, and long-term valuation - turning marketing from a cost centre into a strategic asset.

Winning the Confidence of Investors



For marketing leaders in sponsor-backed environments, one of the most critical audiences isn't the customer - it's the investor. Gaining their trust requires more than presenting flashy campaign results; it involves showing how marketing efforts tie directly to growth and profitability.

Effective communication with investors is vital to maintaining confidence and ensuring continued support. Marketing leaders can add significant value by:

- **Demonstrating Impact:** Present KPIs such as CAC, NRR, and pipeline velocity to link marketing efforts directly to financial performance.
- **Telling a Growth Story:** Use case studies and dashboards to illustrate how marketing is driving pipeline development and contributing to revenue growth beyond the marketing function.
- **Ensuring Transparency:** Align marketing metrics with the broader financial narrative and commercial goals, showcasing their role in hitting growth targets and enhancing valuation.

By linking marketing activities to valuation drivers and aligning with the broader financial story, leaders can transform marketing from a cost centre to a strategic asset.

Strong investor confidence starts with a *strong internal foundation.*

Marketing can drive valuation, but only when the right people, processes, and culture are in place to sustain it.

To turn marketing into a long-term growth engine, leaders must foster a culture that embraces agility, collaboration, and continuous innovation - ensuring the team behind the strategy is just as strong as the strategy itself.

Building a Culture That Drives Value

Behind every successful marketing strategy is a team equipped to execute it. In PE-backed businesses, where agility and innovation are paramount, fostering the right culture is as important as the strategy itself.

Great leaders understand that success isn't just about hitting KPIs; it's about empowering their teams to thrive. This means offering opportunities for continuous learning, encouraging cross-functional collaboration, and ensuring alignment between marketing and sales. It also involves retaining top talent by creating an environment where innovation isn't just welcomed - it's expected.

For instance, a case study shared at the event showed a technology business on a rapid growth trajectory adopted a culture of experimentation, encouraging its teams to test, learn, and optimise in real time. This approach not only improved marketing performance but also strengthened the company's value proposition, making it more attractive to investors.



Conclusion

Marketing excellence in PE-backed businesses is a complex, high-stakes endeavour. It's about more than meeting short-term targets - it's about telling a story of growth, efficiency, and value creation that resonates with customers and investors alike.

By focusing on meaningful metrics, balancing ROI with long-term impact, and leveraging digital tools, marketing leaders can transform their function into a cornerstone of enterprise value. For businesses navigating the high-stakes world of private equity, this isn't just a strategy - it's a mandate for success.

About tml Partners

We specialise in sourcing marketing and commercial leaders for the world's most ambitious firms.



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