

BLENDING IR & PR TO ACHIEVE SUSTAINED BUSINESS GROWTH

THE OFTEN SEPARATE IR AND PR FUNCTIONS SHOULD WORK TOGETHER TO MORE EFFECTIVELY SUPPORT GROWTH

SASHA JENSEN, CEO OF CONTEXT JENSEN PARTNERS

How do I grow the business? This is the question that permeates just about every decision made by an executive at a private equity or private debt firm. The first answer will always be to earn strong risk-adjusted returns for clients, but it's far from the only way to grow a business. Even though performance is and always will be the main driver for success, many firms are now also paying close attention to the other elements of running and growing a business, such as raising assets, finding new investors, satisfying current investors, speaking at industry conferences and talking to the media.

Many of these activities fall under either investor relations (IR) or public relations (PR). But while many private equity and private debt firms have staff dedicated to both functions, I find that they often operate in silos. To take full advantage of both IR and PR, it's important that the two departments communicate and work with each other.

Using PR success to fuel IR

First, let's discuss how a PR win can turn into an IR win. PR encompasses a broad array of activities, ranging from talking to the media to authoring thought leadership articles to managing a firm's online presence. Each of these activities is an important part of building and maintaining a firm's leadership position in a specific market.

For example, if a private equity firm wants to be known for its expertise in the mid-market, then building relationships with reporters covering the mid-market can help lead to more positive news articles. Likewise, a private equity firm's PR agency can

help secure an opportunity for an executive to speak at a major conference that will be attended by the major intermediaries serving the mid-market, including banks, law firms and consulting firms.

For the IR department, each of these successes is a chance to reiterate to current and potential investors the firm's position as a leader. This is especially important for pro-



“A firm with multiple positive news mentions and an established presence at industry events is likely to be perceived more favourably than a firm that mostly operates in the shadows”

spective investors, many of whom will likely do an online search of the firm's recent news and activities prior to making an allocation decision. A firm with multiple positive news mentions and an established presence at industry events is likely to be perceived more favourably than a firm that mostly operates in the shadows. That's why many marketers, understanding the importance of highlighting a firm's leadership position, will often show up to investor meetings with copies of feature articles or Q&As with one of the firm's

executives. These articles are typically much more interesting to read than a marketing deck, and help provide a third-party endorsement of a firm's strategy or experience.

Using IR success to fuel PR

On the other side, there are multiple ways that a PR team can leverage IR successes. While regulatory restrictions on general solicitation may limit how much the IR team can publicly disclose, there are a number of commonly accepted tactics that PR pros use to help build and maintain a firm's brand.

For example, any time a private equity or private debt firm is launching a new fund or announcing a close, that presents an opportunity to score positive media coverage. While many firms may be hesitant to publicly talk about a fund launch lest they upset regulators, PR professionals can get around this restriction by sharing details on background, which means that journalists can't disclose their source.

Once a fund is formally closed, the PR team can draft a press release announcing the close and the amount of assets raised. While this announcement obviously won't help raise assets for that particular fund, it can help in a myriad of other ways. For instance, the release could be shared with media and conference organisers to help secure interview opportunities, thought leadership opportunities and speaking opportunities. Each of these PR 'wins' helps support the firm's overall leadership position, which will come in handy during the next fundraising round.

Another tactic I've seen many of my private equity and private debt clients use is to issue a press release announcing an addition to the IR or business development team. These announcements are frequently covered by trade media publications such as *The Drawdown*, and also signal to the industry that a firm is getting ready to launch a new fund or trying to reach new investors.

By thinking about PR and IR in unison, alternative investment firms can solidify how they are perceived by external stakeholders and get one step closer to achieving sustained business growth. ↴



Sasha Jensen
CEO | Context Jensen Partners

Jensen leads a team of recruitment specialists dedicated exclusively to capital raising executive search