

CASE STUDY

FROM “ARTS & CRAFTS” TO LEADING EDGE: HOW DEMANDLAB HELPED ILEVEL REVOLUTIONIZE ITS MARKETING AND ELEVATE TO THE NEXT LEVEL

Private equity companies like Blackstone, Carlyle, TPG or Apollo use iLEVEL to control financial data on their portfolio companies which are private companies and don't report financials through EDGAR. Having spun out of Blackstone, iLEVEL is an early-stage software company and has quickly risen to be the market leader in a new category of enterprise software. iLEVEL is expanding to new market segments including new geographies, new types of firms, and firms in other private capital markets.

iLEVEL™ | CONTROL THE DATA.
REALIZE THE RESULTS.

INDUSTRY

Financial Technology

HIGHLIGHTS



100% leads processed



66% time reduction
in lead close rates



95% increase in
YOY revenues

Challenge

Like virtually all vendors in the private equity software space, iLEVEL relied on field sales for all revenue and saw marketing as handling tradeshows for field reps, publishing “slicks” for field sales and other “arts and crafts” marketing. Sales was done the old-fashioned way.

To that end, the company's Field Sales Reps were each given a list of 100 key firms in their territory, and directed to detail and evaluate the landscape at each firm. If a prospect was identified, Sales Reps had to:

- develop a customized engagement strategy
- review the strategy with sales management
- put the strategy in motion upon approval—or go back to the drawing board upon rejection

This led to an excessive amount of cold calling, wildly unpredictable sales cycles that often lasted for years, and unacceptable bottom-line results. The firm was not listening to who was engaged because it was singularly focused on who should be engaged. Ultimately, it

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MARKET BRIEF

iLEVEL™

TRANSPARENCY:

HOW A NEW LEVEL OF DATA CONTROL AND PERFORMANCE REPORTING IS DEFEATING THE MYTHS SURROUNDING PRIVATE EQUITY

GPs know that private equity investments produce excellent risk-adjusted returns. But a lack of clear performance reporting prevents LPs from demonstrating this premium to their investment committees. In this report, transcribed from a webcast featuring Hamilton Lane, Kohlberg & Co, Atlantic-Pacific, and iLEVEL, we examine the extent of the problem and show how some of today's most progressive GPs are moving beyond it.

Managing rapid change

With nearly three decades at Kohlberg & Co, Samuel Frieder, Managing Partner, has seen the private equity market evolve rapidly since the heady days of the 1980s.

"I've witnessed a tremendous change in the complexity of our business and the challenges of managing information," Frieder says.

"For many years, our valuations were at the lower end of cost or market, and we certainly miss those days." Today, he says, his company has a rigorous fair value process that includes the investment team, the finance staff, auditors, and the LP advisory committee. "The number of parties generating and reviewing information has grown, and the resulting need to control inputs and retrieve data efficiently is critical."



TRANSPARENCY
Defeating the industry's myths... Moving Forward.
A Webcast Featuring
Hamilton Lane | iLEVEL | Atlantic-Pacific

Four leading firms conducted a live webcast and answered audience questions. For a full replay visit: <http://www2.levelolutions.com/TransparencyWebcast.html>

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was an approach that iLEVEL's (at the time) new, yet experienced and proven Chief Marketing Officer Mason Power viewed as an opportunity to prove that B2B marketing can generate leads, shorten the sales cycle and lower the cost of customer acquisition.

At the same time, iLEVEL's marketing had been set up in what Power described as an "arts and crafts" manner comprised of events, collateral, slide decks, and a few non-targeted "shotgun" outbound e-mail campaigns using Constant Contact. The company had also put together an ad hoc system with LeadLander and Salesforce.com to try and detect and evaluate engagement. Unfortunately, though predictably, the system created far more questions than it answered:

"Essentially, we were blind to who was engaged. While we had data on generic metrics like site traffic or email clicks, we couldn't correlate them to true buying behavior or actual decision makers."

Mason Power
CMO, iLEVEL

"Furthermore, we weren't able to properly target based on firm size or profile segmentation, nor could we sort on individual decisionmakers who were the most engaged, or track historical levels of interest. We could only look at moments in time."

Power knew that his Board, CEO, Management Team and Sales Reps were looking to him to solve these issues, and, essentially, re-invent iLEVEL's lead generation, nurture and conversion approach. Having deployed a marketing automation system in the past, Power knew that he needed to outsource deployment and program management to a team of experts. That's when he reached out to DemandLab.

MARKET BRIEF

iLEVEL™



"The beauty of iLEVEL was that it is essentially an Excel platform."
—Shant Mardrossian, Partner and COO at Kohlberg & Co.

Frieder says these internal reports have been game-changers: "Being able to spot certain trends and risk areas across the portfolio earlier, in a much more analytical and consistent, rigorous way, has been a tremendous help to managing the firm."

Today, Kohlberg & Co. continues to explore new and valuable uses for the platform. Mardrossian is currently looking into mobile applications to support members of the team who are frequently on the road. He's also confident that by the next fundraising cycle, Kohlberg will have the ability to use iLEVEL to populate many of its DDQ requests. "It's not just a one-time implementation of iLEVEL, but an ongoing evolution," he says.

Summary

Defeating the myths that hold back higher allocations to the asset class can only be accomplished through better portfolio performance reporting. Controlling portfolio data starts at the GP and we've heard how Kohlberg and other leading GPs are taking portfolio performance reporting to the next level using Excel Add-in software from iLEVEL. Then LPs can aggregate data across their many GPs and we've seen how Hamilton Lane is using iLEVEL to control portfolio performance data regardless of what systems their GPs use. Myth-busting is happening now. Please join us in this one-way trip to higher allocations.

In the third phase, Mardrossian leveraged iLEVEL to develop a reporting package for the firm's managing partners and chief investment officers. These internal reports include summaries of portfolio company history, KPIs, valuations, purchase multiple history, debt statistics, and value creation charts. Reports can also aggregate data on a fund or portfolio level, or isolate it by industry or sector.

SEE THE POSSIBILITIES

iLEVEL is actively supporting GPs in achieving a new standard of transparency. Since its spinout from The Blackstone Group in 2010, iLEVEL has attracted over 80 clients, supports over four thousand users across the globe, and monitors more than \$700 billion in assets.

How will enhanced transparency transform your LP relationships? What will it do for your next fundraise? Learn more about the benefits of iLEVEL and find out why the platform is now used by North America's top GPs and requested by a growing number of LPs.

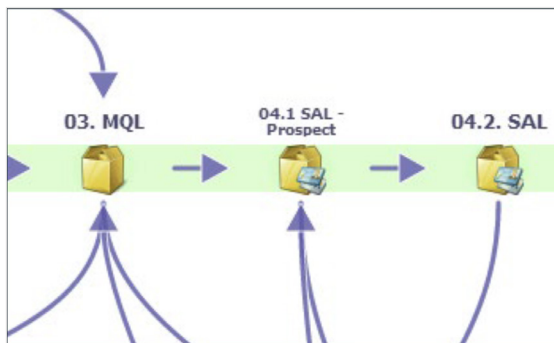
Watch the full webcast, *TRANSPARENCY: Defeating the Industry's Myths... Moving Forward*, and hear from Atlantic Pacific Capital, Hamilton Lane, and Kohlberg & Co. <http://www2.levelolutions.com/TransparencyWebcast.html>

Or request a meeting and live demo with an iLEVEL representative. <http://www.levelolutions.com/ContactUs>

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▲ iLEVEL MARKET BRIEF ON TRANSPARENCY

Solution



DemandLab's team of automated marketing experts mobilized immediately by performing a needs analysis, and developing a list of strategic recommendations that took into consideration iLEVEL's specific budget, resource and time requirements.

DemandLab's first order of business was to help iLEVEL identify that the company would immediately achieve net savings on annual license fees by adopting Marketo vs. the ad hoc system of Constant Contact and LeadLander.

Once this was done, DemandLab set its sights on helping iLEVEL reduce its most important metric: Cost of Customer Acquisition (CAC), which had risen to \$1.40 and had to be brought down under \$1.00. It was agreed that the best way to achieve this was by:

- **engaging and educating leads through quality, on-message content**
- **ushering leads down the sales funnel and urging them to take action**
- **creating Marketing Qualified Leads (MQL) primarily through nurture and e-mail marketing**

DemandLab further worked with iLEVEL to adjust the company's pipeline, cleaning out costly and inefficient "wishful thinking opportunities," optimize the company's re-branded website with Marketo forms, and program a comprehensive suite of lead lifecycle progression campaigns and reports that enabled the company—for the first time in its history—to:

- measure aggregate engagement
- measure conversion rates from MQL to close
- measure stage duration
- track the quantity and quality of leads by progression stage (i.e. known to active; marketing qualified, inside sales qualified; sales accepted)
- track the velocity by stage and by conversion %
- analyze current pipeline from known leads to advanced opportunities
- apply velocity and conversion statistics
- forecast several quarters—or even years—in advance

What's more, because of iLEVEL's new-found ability to educate prospects through e-mail marketing, client expectations finally aligned with actual product delivery, which is critical for turning demanding new clients into impressed long-term allies.



Result

Thanks in large part to DemandLab's strategic consulting, automated marketing expertise and technical leadership—not to mention Power's remarkable vision and iLEVEL's overall courage to buck the status quo—iLEVEL has achieved significant quantitative and qualitative results to date, including:

- **100% of leads processed vs. 90% ignored**
- **75% larger customer list**
- **Increased conversion rates, with 67% of ISA-qualified leads becoming Sales-Accepted opportunities**
- **66% time reduction in ISA-qualified lead close rates**
- **40% cost reduction in Cost to Acquire Customer (CAC)**
- **Increased customer satisfaction in all surveyed areas: product, support and deployment services.**

Yet perhaps most remarkably, in its first year after “revolutionizing” its marketing, iLEVEL achieved a 95% increase in year-over-year revenues. It has also hired new staff, and is successfully entering new market segments that were previously impossible to penetrate in a cost-effective or efficient manner.

The revolution within iLEVEL's marketing function has clearly taken root, and the positive results have been celebrated internally by the company's Board, CEO, Management Team and Field Sales Reps, and applauded externally by the industry as a whole. In fact, PE Manager, the industry's leading trade magazine, featured iLEVEL as one of the “Big 4” Private Equity firms in cover story—a major accomplishment for a company that was only a few years old, yet already setting the pace for change in an industry that did (and still largely does) shun innovation in favor of the status quo.

At DemandLab, we're thrilled by iLEVEL's success. We appreciate the opportunity to revolutionize the thriving company's self-described 'arts and crafts' approach to marketing, and ultimately, help them elevate to the next level.

What's more, for iLEVEL, Mason, and all of his colleagues, we agree completely: the best IS yet to come!

“Ultimately, DemandLab helped us transform from an ‘arts and crafts’ approach that was rooted in the last century, to a revenue-driven marketing organization driven by leading-edge demand generation and content marketing. This is an entirely new way of sales and marketing in the private equity space, and mentioned, we have no doubt that the best is yet to come. None of it was possible without DemandLab!”

Mason Power
CMO, iLEVEL



DemandLab is a technology-focused marketing consultancy that accelerates revenue for its clients through customized Revenue Ecosystem™ solutions.

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