

Profile: LLR Partners

A Focus on Customer Satisfaction Can Elevate Job Quality in the Tech Sector



David Reuter, Partner

LLR Partners

LLR Partners is a Philadelphia-based growth equity firm that invests in lower- and middle-market health care, technology, and tech-enabled services companies. The firm's investment philosophy centers on enabling the companies in its portfolio to grow and thrive, not just in terms of revenue, but also in terms of operational maturity, leadership development, and the quality of services.

David Reuter, a partner with LLR since the firm was established in 1999, explained that LLR doesn't explicitly invest in job quality through dedicated campaigns or initiatives, but it does clearly recognize that job satisfaction among employees at portfolio companies plays an important role in enhancing the value of LLR's investments.

Reuter, who manages investments in financial and software technology companies, said LLR supports business growth in ways that often, intentionally or not, advance job satisfaction across the more than 50 companies in the firm's portfolio. In a conversation with Jobs for the Future, he offered a look at the unique dynamics of job quality within the tech sector, where many employees have advanced technical skills and the marketplace for talent is fiercely competitive.

Job Quality in a Knowledge Economy

Reuter described LLR's portfolio as part of the knowledge economy, meaning the core assets of its portfolio companies are primarily intellectual property and highly trained talent. Ensuring that portfolio companies offer wages, benefits, and retirement packages that are attractive to top-tier job candidates who likely have multiple options in the labor market is a key strategy for ensuring that the companies succeed and deliver a strong return on investment for LLR.

While some recent [studies](#) have shown that factors such as work-life balance, flexible schedules, and opportunities to work remotely have increased in importance for employees and jobseekers, Reuter said his view is that compensation remains the key driver for recruiting and retaining talent in the tech sector. For private equity firms that invest in tech companies, a commitment to competitive pay and other factors that contribute to job quality isn't driven by a desire to fulfill a perceived social obligation; it's a business necessity. Companies in the knowledge economy are only able to grow and compete when their workers are able to design and deliver quality products and services—and growth and competitiveness translate into value for shareholders.

The 2024 JFF report [Tech Jobs Are in High Demand, but Are They High Quality?](#) found that jobs in the tech sector consistently met or exceeded national averages for several key factors that contribute to job quality, including wages, comprehensive benefits, paid leave, and job security. Reuter said this unique dynamic creates an imperative for private equity firms that invest in tech companies to develop job quality strategies that go beyond pay and benefits and focus on cultivating opportunities for intellectual engagement and innovation across the workforce and encouraging employees to explore opportunities for cross-training or upskilling on the job.

Reuter said he also takes this approach in managing his own team at LLR, emphasizing the importance of having open and honest conversations about employees' inherent desire to be challenged and take on new responsibilities as a way to advance their knowledge and skills.

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He acknowledged that it can be challenging to support employees in this way because, while employers want to offer employees new opportunities so they don't become bored or disengaged, career shifts into new areas of expertise often require workers to compromise on salary when they join teams with colleagues who may be more experienced or have more advanced skills.

“It’s a tension that I try to navigate with our younger workers and interns,” he said. “Some are willing and some aren’t, and that’s OK. I want to be part of that journey along with them, either as a leader, a coach, or a mentor.”

A Symbiotic Connection: Job Quality, Customer Service, and Value Creation

Reuter said he has observed that there’s a key connection between job quality, company culture, and customer service in the tech sector: They play interdependent roles in driving value creation.

Companies that rely heavily on customer-facing service delivery must ensure that the employees delivering those services feel valued, motivated, and supported. It’s simple, really: “If you don’t have the happy employees, you’re not going to get the happy customers,” he said.

Some companies in LLR’s portfolio prioritize employee experience. Others focus on customer satisfaction first. But neither is the “right” approach because both result in company growth, Reuter said. He noted that leaders of some portfolio companies have asked LLR, “What do you want our culture to be?” However, the firm avoids imposing a rigid set of cultural values or norms across all of its companies, opting instead for a more subtle approach.

Reuter explained that LLR works to identify what elements of a company’s operations and strategies are already distinctive and successful, taking into account factors such as the company’s size, location, leadership mix, and business sector. He said it’s important for leaders to have a strong sense of what employees value about their employers. He noted that those values have shifted over the past two decades and can vary greatly among both individual workers and workforces located in different parts of the country.

After identifying what’s important to employees, LLR helps companies build on that foundation in a way that makes sense for meeting business needs. From the firm’s perspective, what matters is recognizing how interwoven employee satisfaction and customer satisfaction are when it comes to generating profits.

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This dynamic reinforces job quality. When an employer trusts employees to deliver great service, and the employees understand the impact they have on the company’s success and see the results of strong customer relationships, workplaces become more fulfilling and engaging environments, where job quality correlates directly to business success.

Making the Case for Job Quality in Private Equity

Reuter believes designing competitive compensation packages that enable portfolio companies to recruit, retain, and develop great employees is a driving factor behind a PE firm's ability to promote growth across portfolios of tech companies.

He suggested that PE firms often incorporate metrics indicating employee satisfaction and job quality, such as hiring and retention data and employee net promoter scores (eNPS), in their calculations of the returns on their investments. However, he acknowledged that it's challenging to identify direct cause and effect relationships using those types of data because there are often many other things happening at companies that affect both business performance and employee satisfaction—whether it's a revamped marketing campaign, a change in leadership, the introduction of a newly developed product, or something else.

Even where strong data does exist, Reuter agreed that broad-based buy-in across leadership at both PE firms and portfolio companies is essential to driving these types of initiatives at scale. He also noted that private equity firms have an opportunity to be more proactive when it comes to documenting and sharing their success stories in ways that might compel other PE firms to follow suit or explore similar practices.

Driving Growth Through Thoughtful Leadership

LLR Partners demonstrates that, even when investing within industry sectors where employers usually meet or exceed job quality expectations based on standard metrics like compensation, a growth equity firm can contribute to improved employee experiences through an intentional strategy and a clear focus on customer satisfaction. The firm's model shows that efforts to drive job satisfaction don't have to be splashy, one-time, standalone initiatives; they can develop and evolve organically when both the PE firm and its portfolio companies are committed to growing responsibly, investing in people, and understanding the symbiotic relationship between good jobs and business performance.

By helping companies grow through thoughtful leadership, responsive culture, and service excellence, LLR fosters the creation of environments where talent can thrive and where job quality is aligned with long-term value creation.