TGC Capital Partners Flags Europe's SaaS Scale-Up Challenge



Amsterdam, Netherlands Oct 14, 2026 (Issuewire.com) - Europe's SaaS sector may be spending too much time asking whether its products are good enough, and not enough asking whether customers are actually convinced enough to buy them.

TGC Capital Partners says a growing number of European software businesses face a less fashionable but more fundamental scale-up challenge: commercial relevance. The warning comes after several of Europe's most heavily funded technology companies demonstrated that capital, product ambition and rapid growth do not guarantee durable commercial scale.

Berlin-based Pitch raised more than $130 million and reached a reported $600 million valuation. In January 2024, the presentation-software company cut roughly two-thirds of its workforce, reset its ownership structure and moved away from the venture-backed hypergrowth model after co-founder Christian Reber acknowledged that the company had created "sky-high expectations" that proved unsustainable.

London-founded Hopin became one of Europe's fastest-growing startups, raised more than $1.1 billion and reached a valuation close to $8 billion during the pandemic. As demand for virtual events fell, it went through repeated restructuring and ultimately sold its core events business to RingCentral for an initial $15 million, with additional consideration tied to growth targets.

None of these cases has a single explanation. But together they expose a point European founders cannot afford to ignore: Building the product is only half the company. Building the market is the other half. A technically superior SaaS platform can still fail to create enough demand. A company can raise hundreds of millions and still struggle to establish repeatable commercial economics. And a founder can spend years optimising product features while a competitor wins the category through stronger positioning, clearer messaging, better distribution and greater buyer trust.

The contrast is visible elsewhere in European software. Amsterdam-based hospitality platform Mews reported more than 15,000 customers across 85 countries by the end of 2025, alongside 55% SaaS gross-profit growth. Its expansion has combined product investment with deliberate growth in markets such as North America, DACH and France, customer-success infrastructure and an increasingly large commercial organisation. In January 2026, Mews raised another $300 million at a $2.5 billion valuation.

For TGC Capital Partners, the difference is increasingly important says **"European founders are exceptionally good at building. But building does not put cash in the bank, customers do," said Alf Lande, Partner at TGC Capital Partners Norway.** "Founders sometimes treat business development, positioning, marketing and market access as activities that come after the product is finished. By then, competitors may already own the customer conversation.

A buyer does not purchase what they cannot understand. They do not champion a vendor they do not trust. And they rarely shortlist a company they have never heard of. That is why we believe GTM has to be engineered with the same discipline as the product itself. Visibility, credibility, positioning, sales execution and customer trust are not marketing decoration. They are commercial infrastructure.

TGC Capital Partners is increasingly building this principle into its operator-led hyperscaling model, combining growth capital with execution support across go-to-market, business development, engineering and governance. The firm argues that European SaaS companies need to stop treating GTM as a department and start treating it as a company-wide operating system.

About TGC Capital Partners
TGC Capital Partners is the strategic investment division of the Gateway Group of Companies, focusing on high-growth technology ventures and enterprise-scale AI solutions. The firm specializes in scaling innovative platforms that prioritize ethical AI development, security, and global market readiness.

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