Thoma Bravo invests big in Nintex, Eric Johnson to become company’s CEO

Summary: The Bellevue-based, privately held Workflow and Content Automation provider announced that Thoma Bravo will become the company’s majority investor. The deal is scheduled to close at the end of March 2018. Deal terms were not disclosed.

Event: Nintex announced via a February 9, 2018 press release that the company has entered into an agreement with Thoma Bravo, in which they will now own a majority stake in Nintex. Current CFO Eric Johnson will become CEO at the transaction close.

Analysis

Nintex has been on a rapid growth curve under the leadership of CEO John Burton, who is also one of the lead investors in the company. Burton and Johnson have successfully led the company’s market momentum for the past 4 ½ years. Under their leadership, Nintex now has an excess of 400 employees worldwide, and $100 million in revenue.

Private Equity firms, such as Thoma Bravo, see the upside in SaaS Software, and Nintex is one of the platforms Thoma Bravo has had its eye on. We would note that while many Private Equity firms focus on squeezing cash out of firms, Thoma Bravo is more of an Equity Growth focused firm. This bodes well for Nintex, which still has a large runway of opportunity in enterprises of all sizes.

Thoma Bravo is focused on the ECM and Content Automation Markets

OpenText was the very first ECM provider to copy the roll up strategy that Tech Titan Oracle has used to great success. Thoma Bravo is now copying the success of OpenText, which has over 26 different brands under its umbrella.

Thoma Bravo is not new to the content market. It also holds majority ownership in ECM Provider Hyland Software and Kofax, a prime competitor of Nintex. This is a common practice in Private Equity. Just as in product distribution, if Thoma Bravo has several brands competing in the same market, it has a stronger probability of winning in that respective market.

The Opportunity for Nintex in Content Analytics

Content Analytics is here and Nintex has a secret weapon called Nintex Hawkeye. While still relatively new, Nintex has the opportunity to build out its Workflow and Content Automation platform by adding more Artificial Intelligence capabilities.

Intelligent Content Analytics refers to the use of analytics to derive insights from content where the text, voice, image, video, or a higher-level abstraction of meaning – called a concept – has been organized in a model that can be mechanically processed. Intelligent Content Analytics generally includes but provides more value than simple text analytics,
because it can help with predictions and analysis based on these higher-level concepts.

**New CEO Eric Johnson to Continue Focus on Growth**

Eric Johnson who has been the CFO at Nintex since 2014 is well-positioned to assume the role of CEO. Burton will continue to be an investor in the company and advisor. One of the things we like about Thoma Bravo is their focus on growth and leadership. By contrast, many other Private Equity firms focus on cash extraction and the Leadership team is the first to go.

**The Market for Intelligent Content Automation**

As the race to digital transformation continues, the need to automate content processes will become more critical. Aragon created the Workflow and Content Automation category, partially because of this looming demand. Nintex was one of the pioneers in this market and there is still significant opportunity to replace standalone workflow providers or standalone CCM or Document Generation providers.

**More Consolidation is Coming**

Aragon expects to see more consolidation in a number of Content related markets. Ones to look at include:
- Enterprise Content Management
- Digital Transaction Management
- Workflow and Content Automation Markets
- Customer Communication Management
- Business Process Management

**Bottom Line**

Automating Content is part of a Digital Transformation Play. Enterprises should look at inventorying their existing manual document processes in favor of automation. On top of that, enterprises should look for providers that offer a content automation engine along with Intelligent Analytics. Existing providers should be asked for their roadmap to deliver the above.

**Related Aragon Research**

- [The Aragon Research Globe for Digital Transaction Management, 2018: Automate the Enterprise](#)
- [Blockchain and DTM: Evaluating Identity, Signatures, and Smart Contracts](#)
- [Intelligent Content Analytics Comes Online to Help Power the Digital Enterprise](#)

**Aragon Advisory**

- Enterprises should expect no significant changes from Nintex given the ownership transition to Thoma Bravo.
- Enterprises should look to replace standalone CCM or Workflow tools with advanced offerings from Nintex and others.
- Intelligent Content Analytics can be a game changer. As the market for ICA evolves, enterprises will want to look at Nintex and other providers as well.