The Private Equity Firm Empowering Enterprise Software Founders

Vista Equity Partners, one of the largest U.S. investment firms focused exclusively on enterprise software, stands out for its experience and commitment to creating value for founders.

One of the most powerful tools a private equity firm can provide is relationships, explains Robert F. Smith, founder, chairman, and CEO of Vista Equity Partners (Vista), whose firm and credit strategy, Vista Credit Partners, were named Inc. Founder-Friendly Investors for private equity and credit, respectively. In addition to benefiting from flexible capital solutions and the experienced teams at Vista, the companies Vista invests in benefit from relationships with one another. That’s because Vista has created an ecosystem for connecting founders.

Smith, an engineer by background, founded Vista as an enterprise software-focused investor in 2000 because of the massive productivity gains software brings to the world. With software reaching nearly every aspect of our economy, Smith believes that Vista companies’ solutions can be a powerful force of positive disruption. In fact, Vista companies deliver an average return on investment (ROI) of 640 percent for
Our ecosystem is holistic in the way it drives improvement and increases value.

—Robert F. Smith, founder, chairman, and CEO, Vista Equity Partners

Creating Excellent Outcomes for Founders and Teams

During the past 23 years, Vista has evolved into one of the most active and experienced investors in the space. From offering flexible capital solutions, to providing “tried-and-true methods” for accelerating companies’ corporate maturity, Vista creates significant value for founders, Smith explains.

Recent examples include the sale of founder-led AppTio, a technology spend- and value-management software provider acquired by IBM in June 2023 for $4.3 billion. Since investing in 2019, Vista helped AppTio expand its product set, grow organically and through acquisitions, and increase operational efficiency. Another founder-run business, Zapproved, left the portfolio this year after emerging as a category leader in LegalTech. Both partnerships created excellent outcomes for the founders and their teams, Smith notes.

A Value Creation Approach That Includes Talent Development

Vista has developed a systematic approach to driving scale. The firm’s Value Creation Team consists of more than 130 employees who partner with companies across the areas of talent development, product and technology, go-to-market, and operations to apply more than 100 best practices. While every business has different needs, finding and training talent is a common pain point. Vista runs talent development programs open to the employees at its portfolio companies, bolstering internal efforts and benefiting smaller companies in particular. With Vista’s network of founders and executives, the firm also makes it easy for companies to fill critical roles from within the Vista ecosystem. Many Vista company executives have worked at two or more portfolio companies. “We have created an ecosystem where if an individual wants to accelerate their career, they don’t have to move outside of the Vista family,” Smith explains.

The Flywheel Effect Drives Success, Innovation, and Community Impact

Because of the positive experience founders have in the Vista ecosystem, they sometimes refer potential investment opportunities to the firm. More than 70 percent of investments made since 2019 have been founder-influenced. Ninety percent of all founders are still involved with the company in some capacity.

Businesses of all sizes are proactively reaching out to Vista, too, intrigued by the success of its portfolio companies, many of which have quadrupled revenue and tripled profitability by partnering with Vista. “As more people say, ‘Wow, that system works,’ it creates a flywheel effect of more deals and more opportunities,” Smith explains.

The success of Vista and its portfolio companies positively impacts communities, because most if not all Vista partners have a desire to improve the places their employees live and work. Smith, a lifelong philanthropist, fields at least a few calls a month from founders looking for advice on setting up charitable giving programs or increasing their positive impact on their communities. Companies also turn to Vista for support fostering diverse workforces and inclusive cultures. Vista believes a diverse leadership team leads to better investment decisions and enhanced creativity and innovation. The firm strives to lead by example, as well as provide hands-on support for companies looking to advance diversity, equity, and inclusion (DEI) initiatives. “Our ecosystem is holistic in the way it drives improvement and increases value,” Smith explains. “This includes helping founders think about the impact that they can make on the communities they care about.”

→ Vista hosts its executive network at an annual CEO Summit and CXO Summit, where leadership teams convene for knowledge-sharing and networking with fellow portfolio companies.