

Aldrich Capital Partners Bets \$45 million on ProcessMaker

The investment aims to capitalize on the growth of digital automation.



PHOTO: MIRZA BAIG, ALDRICH CAPITAL PARTNERS

Executives from ProcessMaker and Aldrich Capital Partners gather during an outdoor due diligence meeting. Aldrich has invested \$45 million in the business process management technology company

By Preeti Singh
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Aldrich Capital Partners has invested \$45 million to take a majority stake in ProcessMaker Inc., an intelligent business process management software provider, part of the growth-equity firm's broader effort to back companies that can capitalize on the growth of digital automation.

Vienna, Va.-based Aldrich is the first institutional investor to back ProcessMaker, according to Mirza Baig, a managing partner at the firm. The deal follows Aldrich's 2019 investment in Decisions LLC, another business process management software company whose products are deployed across industries that include healthcare, life sciences, finance, logistics and operations software, Mr. Baig said.

Aldrich, which raised more than \$256 million for its debut fund in 2018, typically backs companies with at least \$10 million in annual revenue, according to its website.

Bobby Vernon and Brian Reale founded ProcessMaker and began developing open-source workflow software in 2008, Mr. Reale said. Over time, the Durham,

N.C.-based company added cloud-based technology to its product portfolio and focused on specific business sectors such as midmarket banking, higher education and some aspects of manufacturing. ProcessMaker now has more than 120 employees and has offices in Bolivia, Colombia, the U.K. and France, Mr. Reale said.

Mr. Baig said Aldrich's investment in ProcessMaker reflects the firm's interest in companies that can capitalize on the growth of digital automation, especially workflow automation.



Mirza Baig, a partner at Aldrich Capital Partners.

PHOTO: KSENIA PROSKURIAKOVA

ProcessMaker “fits perfectly in terms of what’s taking place because of the pandemic, where people are working remote and need to automate their work or figure a way to get it done,” he said.

For instance, ProcessMaker has worked with universities to help streamline how they record changes for grades and majors, manual tasks that can routinely take weeks.

“It’s hard to believe, but they still use the tricolored chemical paper where you fill out in paper, sign it and then literally bring it in physically to an office,” Mr. Reale said. “In an age of Covid, you can imagine that that sort of thing doesn’t work at all.”

One institution that used ProcessMaker’s software approved 10,000 credit transfers last year, saving months of effort. It now takes around 18 hours to process an approval compared with five months previously, according to Mr. Reale.

The economic turbulence caused by the coronavirus pandemic has increased demand for intelligent business management providers that can help companies manage broken business processes, according

to a report from research firm Gartner Inc. The report added that the market for business process management software market is expected to reach \$2.9 billion by 2024.

Aldrich first met the ProcessMaker team in early 2019, around the time the firm invested in Chesapeake, Va.-based Decisions. When pandemic-related lockdowns began, Aldrich started reviewing businesses that could help companies with digital transformation during the crisis, and approached ProcessMaker in April to invest in the company, Mr. Baig said.

Although ProcessMaker has received a lot of interest from private-equity and growth investors during the pandemic, it has avoided larger investors whose junior professionals are points of contact, Mr. Reale said.

“We wanted someone as excited about the business as we were, and we realized we were only a number for them,” Mr. Reale said.

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