



# InRule Technology, Inc.

**Decision management / business rules management software that automates mission-critical decisions for enterprise customers and large organizations**

Over 200 customers across diverse end markets including financial services, public sector, IT/ Business services, healthcare, and insurance. Completed two strategic add-on investments with Bariui and simMachines creating a transatlantic entity.



inrule

**Acquired:**

August 16, 2019

**Transaction Type:**

Private Seller

**Acquired from:**

Private Seller

**Industry:**

Software

**Headquarters:**

Chicago, IL

**Realized:**

October 13, 2022

**Sold to:**

Pamlico Capital

## TRANSACTION HIGHLIGHTS

OpenGate maintained a relationship with InRule through its proprietary software outreach program dating back to 2016. Following periodic discussions with Rik Chomko (CEO) ahead of a formal marketing process, OpenGate was well-positioned when they came to market. In 2019, InRule hired a boutique technology investment bank, which OpenGate maintained a pre-existing relationship with, to run a small, targeted auction focused on finding a long-term growth partner. Given the pre-existing relationship with Rik, OpenGate was identified as a logical fit and was the preferred buyer.

### Investment Merits:

- Mission-critical product: Due to large process loads it supports for its clients
- Established product with a long-term presence in the space: Recognized by industry experts and analysts as a leading decision management platform

- Operational improvements: Business has been historically bootstrapped and not invested fully into development and sales
- Opportunity via M&A to expand product offering, geographic footprint and build additional scale



## VALUE CREATION

- Primary focus on recurring revenue through organic customer growth and strategic add-on acquisitions
- Tripled ARR (annualized recurring revenue) over a three-year period, growing from \$8.5m to ~\$25m
- Hired key employees across functional areas such as an experienced Chief Product Officer and resources in sales, accounting, HR, and R&D
- Focused product strategy and roadmap, accelerated investments across the platform transitioning into multi-tenant SaaS, and upgraded no-code and process automation capabilities for its customers
- Add-on acquisitions of simMachines and Barium broadened the product offering into a full suite intelligence automation platform which now includes decisioning, process automation, and machine learning capabilities
- Expanded geographic presence in Europe through the Barium acquisition
- Sales and marketing improvement to redesign the sales organization, marketing efforts, and channel strategy while also enhancing the efficiency of the organization
- Improved market positioning with analyst firms (Forrester) from “Challenger” to “Strong Performer”
- IT improvements to support further scalability and growth including a new ERP system and SOC2 Type II compliance, a requirement for enterprise customers

