

## Bringing the full-court press

It's safe to say that software specialist Vista Equity Partners has gone all in on generative AI. Firm leaders are already convinced AI represents a paradigm shift in innovation that will ultimately create a multitrillion-dollar investment opportunity. In fact, over the next three to five years, Vista expects that AI's outsized impact on a software company's top and bottom lines will rewrite the Rule of 40—the yardstick investors have used for years to evaluate promising software-as-a-service (SaaS) companies. As AI helps the industry enhance products and cut costs, Vista believes the new standard for revenue growth plus margin will reach 50% or even 60%.

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Armed with that conviction, Vista is marching into battle. To supercharge learning and implementation, the firm has arrayed an internal army of professionals dedicated to helping its 85-plus portfolio companies apply AI across the organization in product innovation, research and development, go-to-market, talent, and operations.

As part of its annual operational planning process, Vista is requiring each of its portfolio companies to submit goals and quantified benefits from generative AI initiatives. It regularly screens and triages its portfolio to determine where opportunities and risks lie and then partners with management teams to help them either move out of harm's way or seize on the potential to enhance value. Company executives are expected to share what they're learning at a GenAI CEO Council organized so small companies can learn from large ones and vice versa. Vista's team of experts then works hand in hand with management teams to accelerate adoption and results, defining and monitoring relevant metrics along the way.

Vista has even found a way to “gamify” AI adoption in its portfolio through hackathons, held annually in the US and India, where companies compete to develop the best use cases using large-scale, pretrained generative AI tools accessed via industry partnerships. Hackathon projects launched just under two years ago have already become revenue-generating products at scale today.

As a software specialist, Vista has a clear need for generative AI at nearly all of its majority-owned portfolio companies—most, at a minimum, are using AI-based code-generation tools (driving up to 30% increases in coding productivity for scaled adopters). But 80% of those companies are also deploying generative AI tools internally or developing new products. A good example is Avalara, a Vista portfolio company that makes tax compliance software. It is using a generative AI tool from Drift (now part of Salesloft) to increase sales rep response time by 65%.

Another case study: LogicMonitor, which offers AI-powered data center transformation software. The company's SaaS-based monitoring platform uses generative AI to summarize complex alerts from multiple sources of data either on premises or in multi-cloud environments. It pinpoints existing problems rapidly and accurately while predicting new ones before they happen. LogicMonitor's agentic AI solution, Edwin AI, has been generating an average \$2 million annual savings per customer, leading to a meaningful uptick in recurring revenue. Vista believes that kind of performance stems from a guiding principle for AI deployment: Where AI-enabled solutions can deliver ROI for the end customer (not just the portfolio company), the odds of outpacing the market soar.

Excerpt from Bain & Company's 2025 Global Private Equity Report. Full report available [here](#).

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