



## Facility and Asset Management Software Coverage

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## Facility and Asset Management Software: Sustainable Infrastructure Technology for the Built-World

Built-world assets face many challenges, from the normal aging process and lack of digitization to heightened public focus on sustainability. As asset owners and tenants shift toward automation, predictive capabilities, and energy efficiency to address the mission-critical operational, planning, and energy consumption needs of the built-world, facility and asset management software has become an active area for partnership, investment, and M&A.

Software addresses various needs and asset types, from offices, manufacturing plants, hospital and educational campuses, to public infrastructure—airports, energy assets and grids, telecom systems, and public roadways. In each category, facility and asset management software can produce a high return on investment, including but not limited to:

- Increasing productivity with automation; reducing manual processes
- Lowering operating costs and capital expenditure
- Mitigating risks and enhancing safety measures
- Meeting compliance and regulation standards
- Reducing energy costs and usage; achieving Net Zero goals
- Improving the daily experience of people using these assets

**In this report, our technology investment banking team explores key themes driving the facility and asset management software sector. William Blair is a leading advisor in this space, with transactions totaling over \$12 billion in deal value since 2020, including exclusive and lead financial advisory roles on the recent sales of Cartegraph to OpenGov and Brightly Software (Brightly) to Siemens.**

## William Blair is a Leader in Facility and Asset Management Software

<p>Not Disclosed</p>  <p>a portfolio company of</p>  <p>has been acquired by</p>  <p>with new investment from Cox Enterprises</p>	<p>Up to \$1,875,000,000</p>  <p>has been acquired by</p> 	<p>\$695,000,000</p>  <p>a portfolio company of</p>  <p>has been acquired by</p> 	<p>\$315,000,000</p>  <p>has been acquired by</p> 	<p>Not Disclosed</p>  <p>a portfolio company of Oaktree Capital Management</p> <p>has been acquired by</p> 
<p>Infrastructure Asset Management</p>	<p>Enterprise Asset Management</p>	<p>Energy Asset Management</p>	<p>Building Operations</p>	<p>Energy Asset Management</p>
<p>Not Disclosed</p>  <p>has received a strategic growth investment from</p> 	<p>Not Disclosed</p>  <p>has made a strategic investment in</p> 	<p>Not Disclosed</p>  <p>has been acquired by</p> 	<p>\$775,000,000</p>  <p>has been acquired by</p> 	<p>Not Disclosed</p>  <p>has been acquired by</p> 
<p>Critical Infrastructure Resource Management</p>	<p>Commercial &amp; Res. Real Estate</p>	<p>Enterprise Asset Management</p>	<p>Construction Data Management</p>	<p>Enterprise Asset Management</p>

### Shift Toward Predictive Asset Maintenance and Performance

Maintaining critical physical assets has historically been manual, reactive, and costly. Examples of physical assets include HVAC, electricity, elevators, and features unique to enterprises and verticals such as hospital equipment, data centers, manufacturing machinery, and roads and bridges. These assets are difficult to maintain without software, causing:

- Unplanned downtime
- Irregular or unreliable production
- Outdated tracking and asset registries
- Inefficient energy usage and higher costs for utilities
- Workforce productivity impacts
- Compliance issues

No longer just systems of record and reactive maintenance or work order tracking (computerized maintenance management systems) for technicians, facility and asset management software now encompasses benchmarking and lifecycle monitoring for entire asset portfolios (enterprise asset management or

EAM) focused on forecasting and performance.

William Blair's sale of Brightly to Siemens illustrates this theme. Brightly provides an end-to-end cloud asset management and intelligent operations solution for industries including education, government, healthcare, and manufacturing. Brightly assists customers through every phase of their operational lifecycles with streamlined workflows, data-driven EAM, strategy and capital planning, and energy and ESG support. **William Blair was the exclusive financial advisor in the sale of Brightly (then Dude Solutions) to Clearlake Capital in June 2019 and was the lead financial advisor in the sale to Siemens. Prior to that, William Blair was the exclusive financial advisor in Verisae's sale to Accruent.**

Predictive capabilities lead to extended asset longevity and better performance. Such capabilities can transform basic facility and asset operations and improve capital planning, enabling executives to better allocate resources and manage

bottom lines. We expect the next wave in facility and asset management software to move toward fully autonomous, predictive buildings and asset ecosystems with AI and digital twins whereby entire ecosystems are modeled, controlled, and run with software and real-time monitoring.

## Digitizing the Fundamentals of Facility and Building Operations: Delivering Safer, More Secure, and More Productive Environments

Facility and building ecosystems directly affect our everyday lives, and today's facilities must provide differentiated tenant, employee, and visitor experiences. The pandemic has further impacted the way employees and visitors interact with facilities, leading to software-led design, development, and retrofitting of more human- and asset-centric facilities.

To engage and retain tenants and optimize operations, property owners rely on software to manage facilities and data across aspects such as access control, resource reservations, space utilization, and indoor air quality. Flexible workplaces, social distancing provisions, and expanded visitor registration and security are must-haves for the modern facility, and software makes these dynamics transparent and actionable to operations, finance, and executive teams.

With software, building operators can achieve higher net operating income. This was a key premise in JLL's \$315 million acquisition of Building Engines in November 2021. Building Engines offers a cloud platform that runs commercial real estate building operations, providing better experiences and control across all aspects of building management. **William Blair served as the exclusive financial advisor to Building Engines.**

## The Green Revolution: Renewable Energy, Sustainability, and the Transition to Net Zero

A seismic global shift in perspectives on energy is underway, with new legislation and incentives for investment in clean technologies created around the world. In the United States, the Inflation Reduction Act announced in August 2022 allocates approximately \$370 billion to tackle climate policies and cut U.S. emissions by 40%. International efforts include extensive negotiations leading to the Paris Accord, making the Net Zero concept reality.

In addition to government initiatives, many companies have made public commitments to reducing emissions and hitting Net Zero goals. According to the International Energy Agency, to reach Net Zero by 2050, global investment in energy infrastructure will increase four-fold to \$4 trillion per year by 2030. Private equity and infrastructure fund investment has increased dramatically and the tech sector has provided substantial capital to support green tech, including investments by Amazon, Meta, and Microsoft.

There is heightened scrutiny on buildings' and facilities' energy usage and desire to make them more sustainable, given that buildings contribute nearly half of the world's greenhouse gas emissions. As buildings accommodate the green transition, there has been a rise in data-forward solutions intended to help cut emissions and replace legacy systems with AI/ML. Brightly is an example of how facility and asset management software has expanded to energy control, with cloud-based energy solutions alongside holistic enterprise asset management.

More, renewable energy capacity and production is expanding globally. Renewables are projected to account for up to 70% of the world's energy mix by 2050<sup>1</sup> and maintain a cost advantage over legacy energy sources. **William Blair led two influential transactions in this space, advising Power Factors in its sale to Vista Equity Partners and AlsoEnergy in its \$695 million sale to Stem, Inc.** Power Factors provides mission-critical software for performance, workflow, and analytics management. AlsoEnergy offers performance, analytics, and monitoring solutions.

## Renovation and Modernization of Public Infrastructure

In many advanced economies, public and critical infrastructure industries—including roads, bridges, airports, rail transportation, power grids, electric vehicle charging stations, and broadband assets—have aged and are in dire need of repair to meet contemporary needs.

### Multiple challenges face our public infrastructure systems<sup>2,3</sup>

- C- = recent grade on the U.S. 2021 infrastructure report card
- 43% of U.S. roadways are in “poor” or “mediocre” condition and nearly 231,000 U.S. bridges need repair
- \$3.8 trillion investment gap in U.S. infrastructure compared to peer countries by 2040

Historically, public buildings and infrastructure systems have been an area of chronic underinvestment, but this has recently begun to change. In the United States, the 2021 infrastructure bill allocates \$500 million to smart city projects through the Strengthening Mobility and Revolutionizing Transportation (SMART) program. The rise of 5G networks and greater broadband connectivity is accelerating capacity for smart city solutions.

In addition to public commitments, the private sector is increasingly involved in projects to address public infrastructure shortfalls. As of August 2022, infrastructure funds have raised approximately \$130 billion, surpassing last year's record of \$125 billion.<sup>4</sup> This capital is directed toward connecting and improving energy, telecommunications systems, power plants, cell towers, and data centers. Software can analyze, isolate, and remediate the complexity of infrastructure systems, and with increased attention on the built-world and public sector needs, we expect infrastructure digitization and resource and asset management to remain an active area of focus as leaders and communities push for connected public ecosystems.

Companies such as Cartegraph provide tailor-made software to modernize infrastructure assets and projects. In September 2022, **William Blair was**

1. International Energy Agency, “Net Zero by 2050: A Roadmap for the Global Energy Sector,” May 2021.

2. Infrastructure Report Card by American Society of Civil Engineers and American Road and Transportation Builders Association Report.

3. [Global Infrastructure Outlook](#)

4. [Preqin Update on Infrastructure](#)

**the exclusive financial advisor in Cartegraph's sale to OpenGov, with new investment from Cox Enterprises. William Blair was also the lead financial advisor to Arcos in its acquisition by Vista Equity Partners in April 2021.** Arcos empowers essential workers in critical industries to manage and respond to unplanned events, thereby keeping infrastructure operational and improving efficiency.

**As a whole, facility and asset management touches much of the built-world that we rely on every day. Though still in the early stages of adoption, connecting built-world assets with software can produce smarter, more sustainable ecosystems defined by collaboration and automated, predictive capabilities. We believe facility and asset management software will continue to be an extremely active area for investment as the world evolves from the pandemic, recognizes benefits of digitization, and seeks to better care for the critical infrastructure in our built-world.**

**To discuss facility and asset management software with us, please contact William Blair's [technology investment banking team](#).**

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