

REPORT REPRINT

Nitro challenges Adobe with its vision of a document productivity platform

MELISSA INCERA CHRIS MARSH

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In bringing better utility and intelligence to the PDF, Nitro sees an opportunity to gain a foothold in the emerging document workflow and automation market, and to challenge Adobe (the creator of this document standard) on its own turf.

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PDF emerged as the industry format standard for ensuring consistent document reproduction and security across systems and devices. But when it comes to collaboration, editing and information extraction, PDF is a format most content services fail to effectively handle, and can therefore be a pain point for knowledge workers. In bringing better utility to this document format, Nitro Software sees an opportunity to gain a foothold in the emerging document workflow and automation market, and to challenge Adobe – the creator of this document standard – on its own turf.

THE 451 TAKE

PDF tooling has been very distinct from document productivity, largely because basic systems lack the optical character recognition (OCR) componentry to understand PDF content. However, Nitro is making investments to bring these tool sets together, blending the utility and security of the PDF format with the agility of standard documents in collaborative transactions. In conjunction with future investment in machine learning and natural language processing, Nitro aspires to evolve as a document productivity platform that is supportive of team productivity and document workflows across the entire organization. This will be a point of differentiation between it and primary competitor Adobe, which is in the process of evolving around specific use cases (e.g., HR onboarding, sales enablement), of which employee productivity is only one component.

CONTEXT

Headquartered in San Francisco, with strong Australian roots, Nitro has sought to upend Adobe's dominance in PDF tooling for thirteen years. While initially selling packaged software to consumers and small businesses via an e-commerce model, Nitro has since begun courting larger businesses in earnest and adopted a traditional SaaS sales model employing both direct and indirect channels. This past February, Nitro raised a \$15m funding round from Battery Ventures to scale sales and product development in pursuit of large enterprises, bringing total funding to just under \$40m. It claims to support a customer base of 650,000 between business and individual accounts. Nitro has 150 employees between its Melbourne, San Francisco and Dublin offices.

PRODUCTS

Nitro delivers PDF productivity by both improving document agility and enabling document workflow. A native OCR engine powers image and text detection, which in turn facilitates text and image editing, document comparison, and conversions to and from PDF. The tool also offers basic document collaboration features like reviewing and annotation, document navigation, side-by-side document comparison, and the ability to combine individual scans into one master document. Experientially, Nitro emulates the Microsoft Office user interface to encourage adoption. Document security is supported in the form of password protection, encryption and certificate-based permissioning, document redaction, and integrations with third-party tools like Microsoft Rights Manager. On the back end, it integrates with key storage repositories like Dropbox, Box, Microsoft Office 365, OneDrive, SharePoint and Google Drive.

The yet-to-be-priced Nitro Cloud offers lightweight e-signature capabilities that move it into the competitive realm of Adobe, DocuSign, HelloSign and PandaDoc – a small market, but one where key players are well entrenched. The product is browser-based, and supports most of the collaboration and document transformation activities that Nitro Pro does, with the addition of e-signature request and management, process tracking, and form filling. This version is mobile-optimized, which we believe Nitro could push a bit further with a mobile scanning and OCR application, further enabling employee-driven workflow and reducing dependence on multi-function printers.

Nitro's biggest differentiation is price. It markets itself as a low-cost alternative that it believes makes deployment across an employee population more democratic than a higher-cost product rolled out to a smaller number of workers. It also boasts a slight experiential advantage over Adobe's Acrobat in processing speed and UI, and we think there is opportunity to extrapolate this further as Adobe builds out customer- and use-case-centric applica-

tions and Nitro hones its focus on the team and individual productivity. Nitro is highly focused on enabling – and ultimately automating – tactical, highly repetitive workflows. Its roadmap involves better support for team collaboration, a complex workflow engine, workflow auditing and analytics, and content classification.

The company has also earmarked a portion of its recent funding for investment in machine learning and natural language processing. Two years ago, Nitro acquired a content analytics asset called DoxlQ as part of its initiative to capture and analyze behavioral data in document and e-signature workflows. This will serve as the basis of its enablement of the ‘smart document’ – documents that are social, are workflow-centric and offer rich activity analytics.

COMPETITION

Nitro very publicly vies against Adobe Acrobat. As the creator of the PDF format, Adobe is often thought of as the de facto PDF tool, which it seeks to capitalize on with PDF and e-signature tooling that make up its Document Cloud. To that end, Nitro and Document Cloud share similar market aspirations, especially considering Nitro’s inroads in e-signature. Adobe continues to invest in workflow and capture applications, in addition to integrating its Sensei intelligence engine to improve imaging and workflow automation. Adobe also recently announced a preferred partnership with Microsoft, which will promote Adobe Sign as its preferred e-signature option and ultimately bring PDF functionality into Office applications, significantly increasing Adobe’s exposure.

Nitro also competes with Foxit in PDF workflow and OCR, as well as Nuance Communications, which has been investing in cognitive analytics to strengthen its OCR and content analytics capabilities. DocuSign and HelloSign are other dominant e-signature players that are investing in workflow automation and document transaction. This segment will increasingly intersect with workflow automation players like Nintex, Appian, Pega and Nuxeo, although there’s potential for fruitful partnerships here.

SWOT ANALYSIS

STRENGTHS

Nitro is improving utility for (in many companies) a poorly accommodated content asset, and there is room for another player to challenge Adobe’s dominance.

WEAKNESSES

It’s still early regarding Nitro’s plans for machine learning and advanced analytics, but the delay may become an experiential disadvantage over time, considering the degree to which Nitro compares itself to Adobe Acrobat.

OPPORTUNITIES

Nitro’s messaging primarily revolves around productivity and workflow automation, but there is opportunity to play up the security implications of asset tracking and OCR identification capabilities that would resonate well with the enterprise segments Nitro is pursuing.

THREATS

Adobe’s relatively exclusive partnership with Microsoft, particularly as they jointly bring PDF functionality and workflow to bear in the Office environment, will deepen Adobe’s penetration, which already stands at a high percentage of the market.