

# SMB accounting platform Pilot doubles valuation with mega-round

Article

US-based Pilot raised \$100 million in Series C funding, pushing its valuation to \$1.2 billion, [per](#) its press release. The round included an investment from Jeff Bezos' personal investment company, Bezos Expeditions. Pilot's software and support team integrate directly with small and medium-sized businesses' (SMBs') billing, banking, expense, and payroll systems to

automate back-office functions such as bookkeeping and tax prep. Pilot will use the funding to expand its product suite for the back office.

### **Pilot's mega-round follows a successful year of growth.**

- **The pandemic-induced economic slowdown has exacerbated SMBs' need for smart accounting solutions.** SMBs have traditionally been underserved when it comes to accessing tailored accounting solutions because they generate less revenue per head than their corporate counterparts, despite requiring comparatively similar costs to serve. This lack of access has been particularly harmful in the past year, as the pandemic made it essential for SMBs to get a clear picture of and better manage their finances: 51% of SMBs reported a significant decrease in sales due to the pandemic last year.
- **And Pilot's platform is successfully filling this gap.** Pilot takes on the accounting role to track cash flow, reconcile accounts, create annual budgeting, and more, allowing SMBs to focus more on product development or other growth initiatives such as digitization—key amid lockdown measures. As a result, Pilot now has more than 1,000 customers and has completed more than \$3 billion in bookkeeping transactions in 2020, up from more than \$100 million per month in 2019.

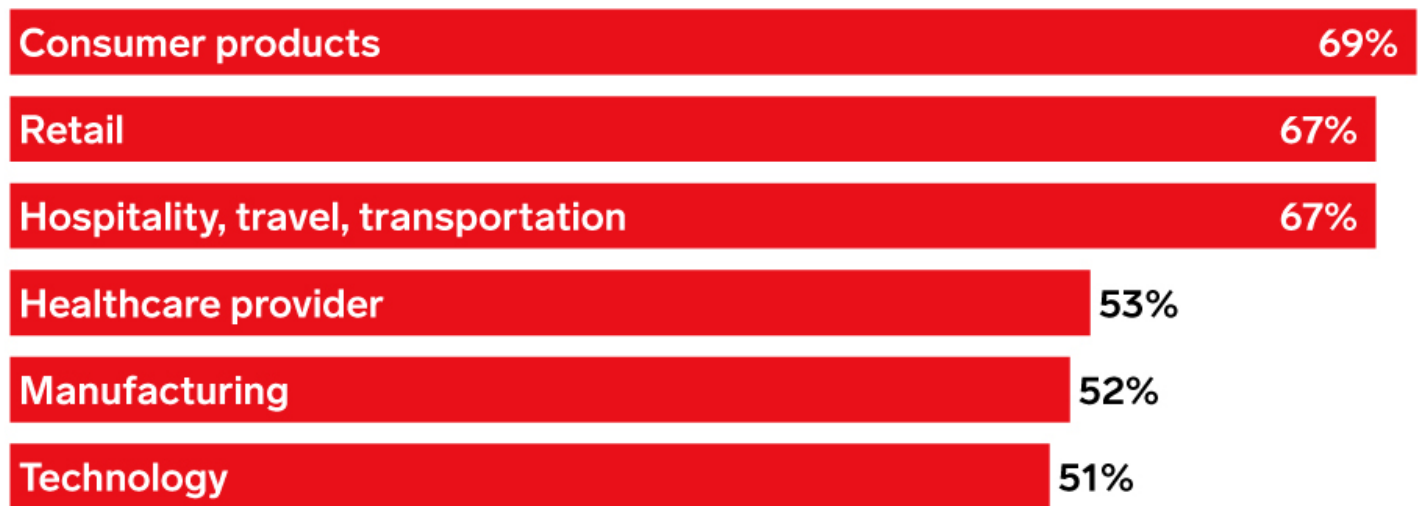
**Pilot will likely continue to see strong uptake as the pandemic goes on—and Bezos' backing could suggest an Amazon partnership on the horizon.** Three out of every 10 US small businesses say they likely won't survive 2021, highlighting their ongoing financial pressure and need for smart back-office solutions. And with its significant new funding, Pilot can better position itself to capture this need. For example, it could launch a business loan offering, akin to fellow accounting platform Quickbooks, leveraging its data on SMBs' finances to assess their creditworthiness and ease their access to capital. Pilot will need to build its reach, though, to compete with other SMB-focused platforms. To this end, it has already entered into comarketing partnerships with the likes of American Express, Stripe, and Brex. But the Bezos investment could indicate future collaboration opportunities with Amazon, enabling Pilot to reach the retail giant's millions of SMB clients.

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# Coronavirus Impact: SMB Owners Worldwide Struggling to Keep Their Business Afloat, by Industry, Aug 2020

*% of respondents*

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Source: Salesforce, "Small & Medium Business Trends Report," Oct 27, 2020

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