

IR-0066 Hatch

Report ID: IR-0066

Generated: July 01, 2026

Private Draft Business: Hatch Generated: July 01, 2026 Identity & Overview Hatch, formally Hatchify Inc., is an AI-powered lead management and customer communication platform founded in 2018. Co-founders are Chris Bache (CEO) and Bill Violante (President), based in Richmond, VA. The company's official website is usehatchapp.com. Hatch positions itself as "the complete AI CSR platform for service businesses, with AI agents across calls, texts, and emails that drive conversion, cost reduction, and scale." The core problem it solves is the "speed-to-lead" gap — the delay between a consumer inquiry and a business response, which directly costs service businesses revenue. The platform centralizes communication across text, email, voice, and other channels to make it easier for teams to engage leads and retain customers, using AI to automate and accelerate responses to incoming leads so businesses can engage prospective customers within seconds. The business model is B2B SaaS subscription, targeted primarily at home services and home improvement SMBs. Hatch is built for small home improvement and home service businesses, with 95% of reviewers from small companies and 62% from Construction. **Note on the "most productive AI assistant" claim:** This phrase does not appear in Hatch's current public-facing materials. Hatch markets itself as a vertical AI CSR platform, not a general-purpose productivity assistant. The claim may originate from third-party aggregators or early-stage marketing language and does not hold up as a current, verifiable positioning statement. Market Position Hatch operates in the "Vertical AI / AI-Agentic Customer Communication" category — a narrow but high-value segment of the broader AI SaaS market. It is not a general-purpose productivity assistant competing with ChatGPT, Claude, or Copilot. It competes on a different axis: automated lead engagement, voice/SMS/email AI agents, and CRM-integrated follow-up for local service businesses. Hatch supports multi-channel campaign sequences, real-time ROI tracking, and reporting on response and close rates, and targets businesses in the home services sector but broadly supports customer touchpoints like lead qualification, appointment setting, review collection, and customer experience. Direct competitors include Avochato (per PitchBook), as well as broader sales automation platforms like Salesloft. Legacy lead-generation platforms like Angi Inc. and Thumbtack may find themselves under increased pressure following Yelp's acquisition of Hatch. In the general AI productivity landscape, with more than 700 million weekly active users, ChatGPT remains the tool most people try first and often stick with — a scale Hatch does not compete against directly. Hatch's differentiation is vertical specificity and automation depth, not general intelligence breadth. This acquisition fits into the 2026 market trend of "Vertical AI," where specialized AI models are deployed to solve industry-specific problems. Traction & Scale As of November 2025, Hatch had \$25 million in annual recurring revenue, representing a year-over-year annual recurring revenue growth rate of 70% at what is described as a "modestly negative cash flow." Hatch has been a standout performer in the "AI-agent-as-a-service" sector, with its platform utilizing AI agents to engage potential customers across SMS, email, and voice channels instantly. As of May 2026, Hatch has approximately 149 employees across 4 continents, including North America, Asia, and South America. The company is primarily US-focused, with its core market in home services SMBs. According to performance data released alongside the Yelp acquisition announcement, Hatch's technology enables local businesses to achieve response rates eight times higher than manual methods. On the platform itself, Hatch is described as "the AI growth engine for service businesses," enabling businesses to "grow without added headcount, complex software, or costly answering services." Customer testimonials on the website cite tangible outcomes: "Last year, out of the rehash follow-up team, we closed over \$7 million worth of business." Financial Picture Coming into its acquisition, Hatch had raised around \$13.7 million in venture capital. As of May 2026, Hatch has raised \$11M in funding, with the last funding round occurring on July 14, 2021 for \$11M — suggesting the additional ~\$2.7M came from earlier pre-seed/seed rounds. The company's largest financial event was its acquisition. The agreement involves a \$270 million upfront cash payment, with an additional \$30 million earmarked for employee retention

incentives over the next three years. This significant capital outlay — representing roughly 15% of Yelp's market capitalization — highlights the board's confidence in Hatch's technology. Hatch (Business/Productivity Software) was acquired on February 2, 2026 by Yelp. The acquisition of Hatch is an important step forward in Yelp's AI transformation, accelerating our strategy to bring powerful new AI tools to local businesses," said Jeremy Stoppelman, Yelp's co-founder and CEO. At a \$270M acquisition price against ~\$25M ARR, the exit multiple was approximately 10.8x ARR — a strong outcome for a capital-efficient startup that raised under \$14M total. Public Sentiment User sentiment on Hatch is sharply bifurcated. Hatch has an overall rating of 3.7 out of 5 stars based on 36 user reviews on Capterra. Positive users praise automation outcomes. "As a business we always struggled staying in contact with past customers and recent proposals sent. If a week had past that person was never contacted again unless that reached out. With Hatch I am now able to keep in contact with just about every and get jobs closed quicker." (Capterra reviewer) However, negative reviews are pointed and recurring. One reviewer noted: "We gave Hatch a shot hoping to streamline our lead follow-up process, but it ended up being more of a hassle than a help. The onboarding lacked structure, and we had to chase down support just to get basic answers. One of the biggest letdowns was that Hatch never successfully connected with Angi Leads, which was a critical part of our workflow. Despite multiple follow-ups, the integration was never resolved, costing us valuable leads. Contract lock-in is the most common complaint. One user wrote they were locked into a year contract so I will be paying \$700 a month for a year for a program I am not going to use. A separate reviewer stated: "We were told that we could expect an increase of 15% in our appointment sit rates, we didn't see any increase, spent 15 grand on the software, and they wouldn't give us any sort of rebate for wildly missing the mark. On G2, users consistently praise the ease of use and automation capabilities of Hatch, highlighting how it streamlines communication and enhances customer engagement. The split reflects a product that works well when properly implemented but has uneven onboarding and integration reliability. Media & Press The dominant media moment for Hatch is the Yelp acquisition. The deal, valued at approximately \$270 million in cash, represents one of Yelp's most aggressive strategic pivots to date, underscoring the company's commitment to an AI-driven transformation for the local services economy. Yelp's move mirrors a broader industry shift where platforms are moving beyond discovery (search) and into transaction and management (operations), following the playbook of successful vertical SaaS companies like ServiceTitan or Jobber. Prior to the acquisition, Hatch received limited mainstream press coverage — consistent with its profile as a niche, vertically-focused B2B SaaS company. Its funding rounds were not covered by Tier-1 tech press. The company's profile on third-party directories (Crunchbase, PitchBook, LeadIQ) is largely data-driven rather than editorial. No public controversies or regulatory issues were identified in the available record. The negative user sentiment around high-pressure sales tactics and rigid contract enforcement represents a reputational risk but has not translated into organized press coverage or formal complaints. Current Status Hatch was acquired by Yelp on February 2, 2026. As a standalone company, it no longer operates independently. The acquisition marks the end of Hatch's independent growth trajectory and the beginning of an integration phase within Yelp's broader platform. The acquisition is designed to bridge the speed to lead gap for small and medium-sized businesses, with Yelp integrating Hatch's advanced AI agents into its ecosystem, positioning itself as the essential back-office engine that manages customer relationships from the first click. The product itself remains live and marketed at usehatchapp.com. Hatch continues to unify voice, SMS, and email into one platform for clarity, control, and scale — suggesting the roadmap is continuing under Yelp's umbrella. The trend line heading into the acquisition was unambiguously upward: 70% YoY ARR growth, \$25M ARR, and a successful exit at ~11x revenue. Post-acquisition trajectory depends on Yelp's integration execution and whether the AI agent product can scale to Yelp's full advertiser base. Summary Verdict Intelligence Briefing — Hatch (Hatchify Inc. / usehatchapp.com)** Hatch is a vertical AI SaaS company that built a focused, capital-efficient solution for a well-defined problem: the failure of home service SMBs to respond quickly to inbound leads. Co-founded by Chris Bache and Bill Violante in 2018, the company raised under \$14M in venture capital and scaled to \$25M ARR at 70% YoY growth before being acquired by Yelp in February 2026 for up to \$300M — a 10.8x ARR exit multiple that represents a strong outcome by any measure. The product is real and functional: AI agents that handle inbound calls, send SMS follow-ups, and manage email sequences across voice, text, and email. The differentiation vs. general-purpose tools like ChatGPT is not intelligence breadth — it is automation depth within a specific workflow. Hatch doesn't compete with ChatGPT; it automates the job that a human CSR would otherwise do. The

****”most productive AI assistant ever made” claim is not substantiated**** by the product’s current positioning. Hatch does not position itself as a general AI assistant. The claim appears to be either misattributed marketing language or referencing a different product entity. Within its actual lane — AI-driven lead engagement for service businesses — Hatch is credible and demonstrated ROI. Outside that lane, the claim is unsupported. The key risk heading into 2026 is post-acquisition integration friction. Yelp has historically struggled to translate acquisitions into cohesive platform value. The user sentiment picture — 3.7/5 on Capterra, recurring complaints about integration failures and aggressive contracts — indicates that scaling support and onboarding quality will be a critical success factor. One-line assessment:**** Hatch is a well-executed vertical AI exit story — a niche B2B play that delivered genuine ROI for service SMBs and a strong financial return for investors, but whose “most productive AI assistant” positioning is marketing overreach that the underlying product does not support.** ↓ [Download PDF](#)