

## TRUEreq Looks For More Acquisitions While Raising Funds

By Alexander Oveis

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San Francisco -- TRUEreq, a maker of subscription-based collaborative product lifecycle management software, said it has secured \$700,000 in what will become a \$1.5 million bridge round as it prepares for a Series B.

The company, which recently made one acquisition, has an eye on other targets, and is raising more money to fund their purchase.

Existing investor Upstream Ventures provided \$500,000 in the bridge round, with the remainder coming from individuals.

The company has entered into due diligence with "two large international VC firms" for the company's Series B round. Founder and Chief Executive Jonathan Miller said he would like to raise between \$2 million and \$4 million by November, with a pre-money valuation of \$5 million.

The financing will be used, among other things, to complete acquisitions. TRUEreq has already begun discussion with a few target companies. In the meantime, the company expects to reach cash-flow positive by the end of July, Miller said.

Earlier this year, TRUEreq acquired ProductSoft, a provider of product marketing information systems. The two companies signed the initial letter of intent regarding the acquisition on March 24. Since then, the company has brought on ProductSoft's chief architect and Eric Boduch, founder and CEO of ProductSoft, who is now serving as TRUEreq's vice president of business development.

Three customers are continuing to use the old ProductSoft product; those companies will migrate over to the TRUEreq system before the end of the year. Another company, DigiBrix, has joined the ProductSoft customer roster since the acquisition and it, too, will be moving over to TRUEreq in the near future.

Miller said he was not concerned with customers using the ProductSoft system since the companies' technologies are "so complimentary."

TRUEreq is preparing to launch two new products - TRUEmanage and TRUEcapture - in the first quarter of 2005 that will utilize the strengths of each company's platform. In particular, the TRUEmanage system will highlight ProductSoft's ability at analyzing product requirements. With TRUEcapture, the company will integrate ProductSoft's capacity for capturing product requirements with TRUEreq's Web form system, which enables customers to collect and manage data from partners, customers and internal personnel.

TRUEreq is a web-based system for managing products and projects. The centralized TRUEreq workspace provides communications and information tools for sharing data among a company's workforce.

The company said it completed its \$1.5 million Series A round earlier this year, but has not yet collected all the necessary signatures for the paperwork.

<http://www.truereq.com>

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