

Cloud Apps Capital Partners Recognized as Leading Market-Focused, Classic Series A Venture Firm, Closes New Fund

Oversubscribed \$87 million second fund positions Cloud Apps Capital Partners as the leading VC firm in the cloud business applications market

SAN FRANCISCO—June 11, 2018—San Francisco-based venture capital firm [Cloud Apps Capital Partners](#) today announced the close of its oversubscribed second fund, which represents a major validation of the firm’s market-focused, Classic Series A investment strategy. The firm now has over \$140 million under management and supports a portfolio of market-leaders including late stage venture companies Zuora, ServiceMax, HootSuite, and CrowdStrike, in addition to Propel, an emerging category leader.

Led by former Salesforce.com executive and venture capitalist Matt Holleran, Cloud Apps Capital Partners targets early-stage companies in the cloud business applications sector. Leveraging several decades of combined investing and operating experience in the cloud applications market, the firm supports portfolio companies via its market-specific expertise and its rich network of cloud industry executives and experts.

The Cloud Apps Capital team has deep, go-to-market experience building and investing in category-leading business software companies. The firm’s firsthand product, sales, marketing and business-development experience gives it the unique ability to evaluate and invest in cloud business app startups ahead of market traction. Investing and engaging pre-traction helps entrepreneurs accelerate and maximize their business potential during the critical early stage.

Global Cloud Opportunity

The firm first came to market with a thesis that the cloud business application market represented a burgeoning opportunity for startups and investors on a global scale. While early cloud companies focused on just a handful of markets, the evolution of Internet access around the world means that cloud entrepreneurs can now build companies with a global perspective and worldwide customer base from day one.

A second foundational thesis of Cloud Apps Capital Partners is the belief that the venture market today is not optimized for early-stage cloud business application companies. Seed investors are restricted in the amount of capital they can invest and can’t provide long-term financial or board-level support. Meanwhile, traditional venture firms have moved upstream. They typically require visible traction prior to investing and prefer to put to work larger dollar amounts per round. This means that the sweet spot between \$2 million and \$10 million is not being adequately addressed.

“That’s exactly why Cloud Apps Capital Partners exists,” Holleran said. “The industry needs venture firms that are truly built for market-focused, Classic Series A investing and that are led by partners who have walked in the shoes of entrepreneurs, who can provide deep operational guidance and who are backed by a rock-solid network of industry experts that they can bring to bear to build global, category-leading companies.”

Oversubscribed Second Fund

With its oversubscribed second fund, Cloud Apps Capital Partners has emerged as the leader of a new class of market-focused, Classic Series A venture firms. The new fund had a target of \$75 million and is now oversubscribed at \$87 million, with more than 90 percent of the capital coming from university endowments, large foundations and other institutional investors. In aggregate, Cloud Apps Capital Partners manages \$140 million across its first and second funds.

A Classic Series A Success Story

Propel is the perfect example of a market-focused, Classic Series A investment. The company is redefining product lifecycle management, the world’s fourth-largest software category, and it is doing it all in the cloud.

Its relationship with Cloud Apps Capital Partners began when Ray Hein, CEO and cofounder of Propel, reached out to Holleran to outline his vision for a new type of cloud PLM. Hein is a world-class expert on PLM based on his ten-year tenure as VP of Product Strategy at Agile Software, as well as his role as VP of Products at Apptus, making him uniquely qualified to build a global category leader in cloud PLM.

Cloud Apps Capital Partners, with its deep investing and operating experience in early-stage cloud business application companies, was able to help Hein validate the opportunity he saw and led the Classic Series A financing before Propel had a single customer or a single line of code.

“Partnering with Cloud Apps Capital Partners has been an unbelievable experience,” said Hein. “The firm introduced us to value-added angels with operating and investing experience in its network. Having an investor syndicate with a great network of experienced executives who can join our company or act as advisors at every stage of our growth is a huge strategic advantage. We’ve been able to attract first-class engineering, sales, marketing and service executives at every stage of our development.”

A Track Record of Excellence

Recent exits in the Cloud Apps Capital Partners portfolio are further proof that the firm’s market-focused, Classic Series A approach to venture investing works and that the global business cloud represents a massive growth opportunity.

Zuora, which provides cloud-based, subscription software that enables any company in any industry to successfully launch a subscription business or transform into one, then manage it successfully, enjoyed an initial public offering earlier this year that was priced above the expected range. The company now boasts a market cap above \$3 billion.

Another exciting exit in the portfolio was ServiceMax, which was acquired for \$915 million by GE Digital. In 2008, while at his prior venture capital firm, Holleran sourced and championed ServiceMax's \$2 million Classic Series A financing when the company was still just four people.

Holleran leveraged his former experience as the first sales and marketing executive at a startup software company with no customers to recruit ServiceMax's CEO, Dave Yarnold. Yarnold is a seasoned executive who had worked with Holleran while at Clarify, a market leading customer support software company, and who had the right background and style to make an extraordinary impact on ServiceMax. Cloud Apps Capital Partners participated in ServiceMax's last private round of financing.

About Cloud Apps Capital Partners

Cloud Apps Capital Partners is a market-focused venture capital firm helping early-stage companies in cloud business application markets to build the next generation of global, category-leading businesses. The firm currently manages over \$140 million, with investments from university endowments, large foundations, and institutional investors. Cloud Apps Capital Partners has more direct industry, operational and investing experience in building global cloud business application companies than any other early-stage venture capital firm. For entrepreneurs, this translates into unparalleled access to business-model knowledge, a network of impact executives, relationships with leading cloud companies and the optimal funding model to lay the right foundation to build a global, category-leading company.