



Supply Chain Management

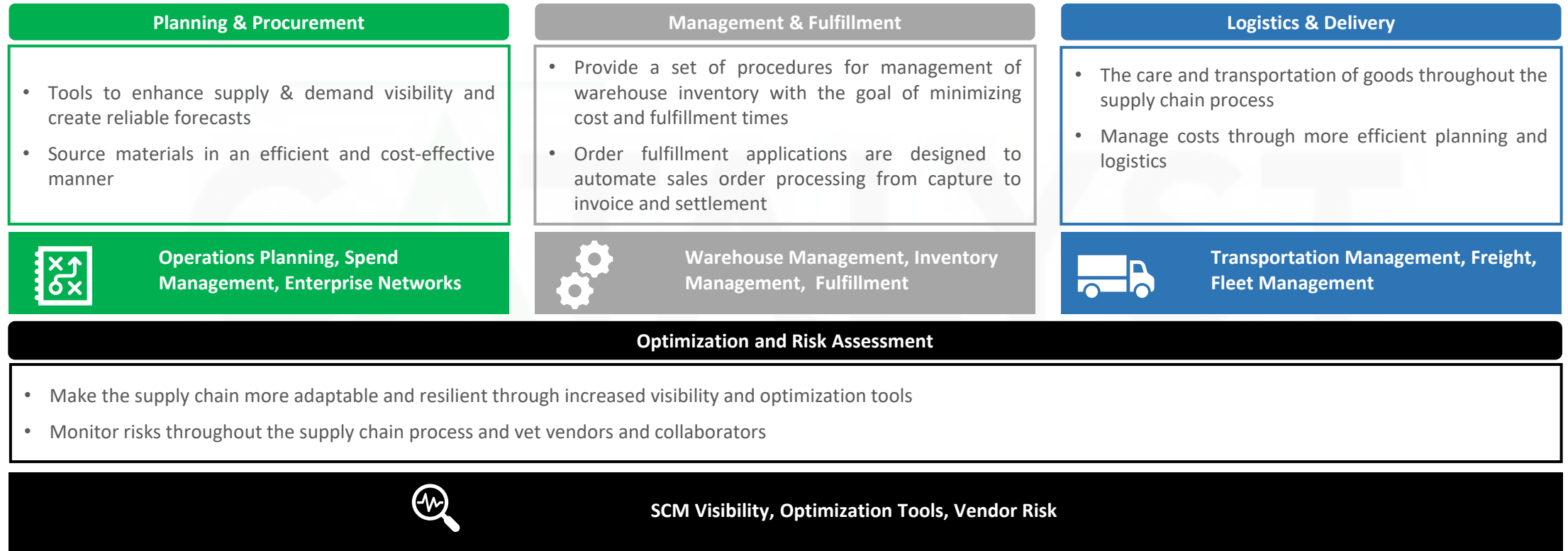
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Supply Chain Management Overview



Supply chain management (“SCM”) describes the management of the flow of goods, including the movement and storage of raw materials, work-in-process inventory, and finished goods from point of origin to point of consumption



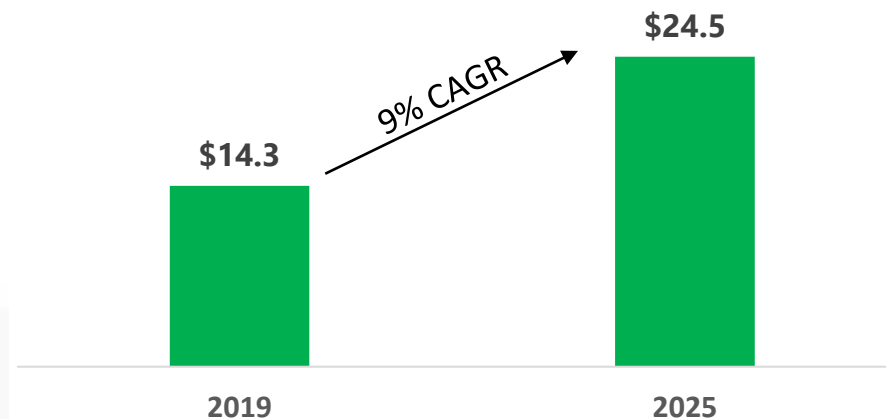
Massive Market Undergoing Structural Change



An Industry Increasing In Size...

- The global supply chain management software market was estimated to be \$14.3 billion in 2019 and is forecasted to grow to \$24.5 billion by 2025 (9% CAGR)^[1]
- Growth driven by increased proliferation of e-commerce sales, industry automation, and a more complicated supply chain

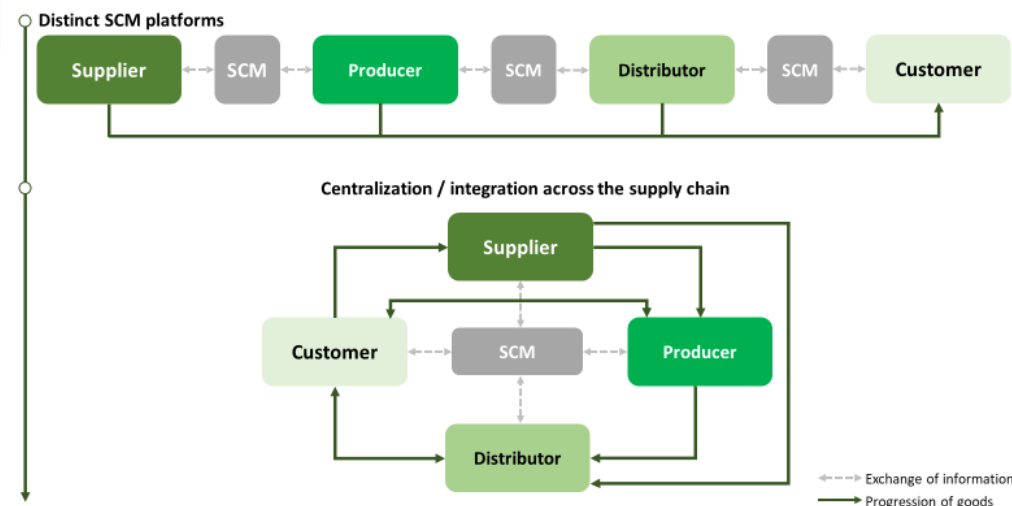
SCM Software Market Size (\$BN)



...And Complexity

- The traditional supply chain framework was largely linear and rigid, which resulted in a lack of transparency, traceability, and collaboration across the entire value chain
- The industry is undergoing a shift towards a more interconnected network model, which creates more efficiency but also results in a more complicated system of interconnections, necessitating integrated supply chain solutions

The SCM shift toward connected networks



Sources: [1] Pitchbook

Key Trends Driving Software Adoption



Commerce is Changing



Growing Dominance of E-Commerce: The rise of multi/omni-channel commerce and proliferation of direct-to-consumer brands has caused **online orders to increase exponentially in terms of volume, speed, and complexity**



The “Amazon Effect”: Amazon’s relentless focus on end-user experience and wide stream success has **elevated buyer expectations** and is **forcing competitors to adapt** their own supply chains to meet new demand and expectations

- **Traditional brands and retailers:** Looking to integrate their physical stores with their online presence
- **New Age / Digitally Native Brands:** Only exist online and need to leverage technology to efficiently reach their customers

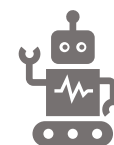
Driving Supply Chain Digitization



Collaboration & Connectivity: Digitization of the supply chain allows for stakeholders to remain connected throughout each stage – **APIs** are becoming increasingly important in SCM, as they ensure seamless access to data and thus drive better decision making



Data-Driven Adaptability / Risk Management: Agile supply chains bend, but don’t break. The modern supply chain leverages a variety of data sources (i.e., **connected assets, cargo, and warehouses**) to make decisions in real-time and manage risk



Automation: Supply chain automation refers to systematizing part or all of a workflow to improve processes. Tools being leveraged range from **robotics, IoT, artificial intelligence, automation equipment and predictive analytics** - all of which improve productivity

COVID Impact



94% of the Fortune 1000 companies experienced disruption to their supply chains as a result of COVID in Q4 2020^[1]

- Mass lockdowns caused a large spike in online order volume and put unprecedented stress on supply chains in 2020, leading to an accelerated adoption of technology across the supply chain that will have long-lasting impacts

Increased Online Ordering = Here to Stay

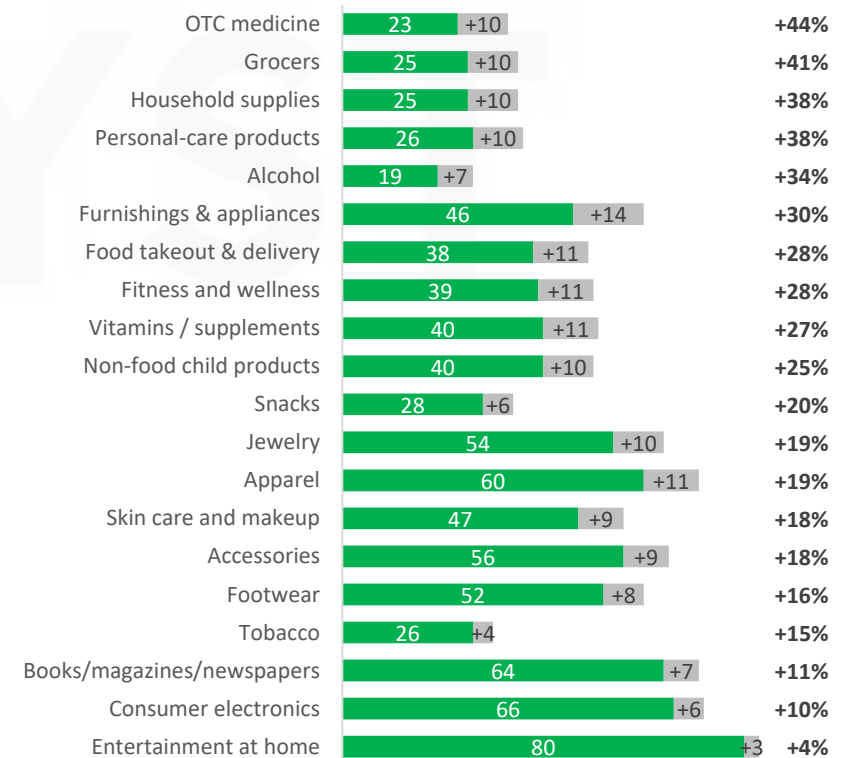
Emphasis on Resiliency

- According to a recent McKinsey study, there is an anticipated ~15-30% growth in consumers who purchase online for majority of retail / shopping categories^[2]
- Prior to COVID, supply chain improvements were desired, but frequently deprioritized by many companies
- During the pandemic a functioning and resilient supply chain became a competitive differentiation
- Supply chain disruptions caused by COVID have renewed focus on supply chain risk & resiliency

Consumers' use of online channels

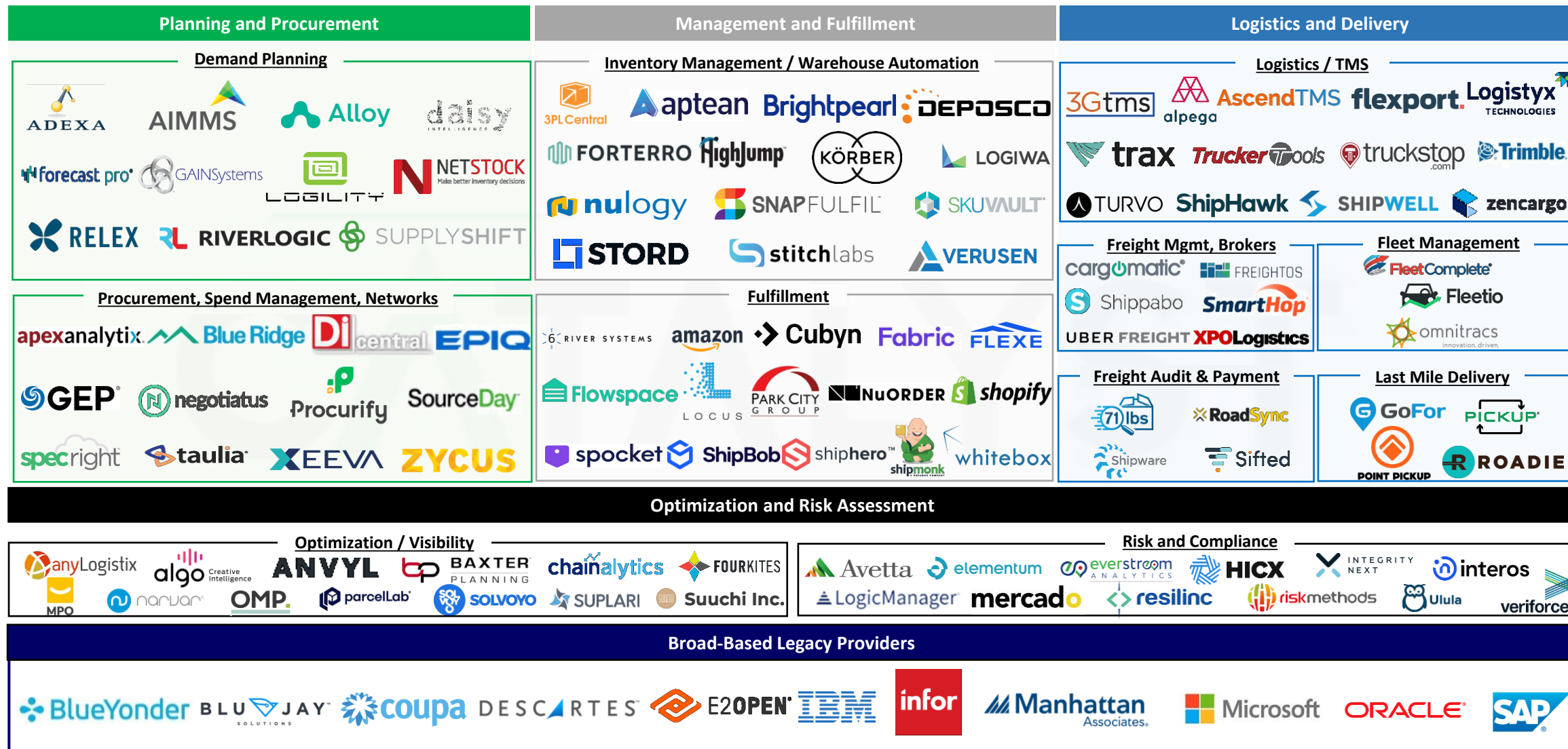
% of respondents purchasing online

■ Before COVID ■ Expected growth post-COVID

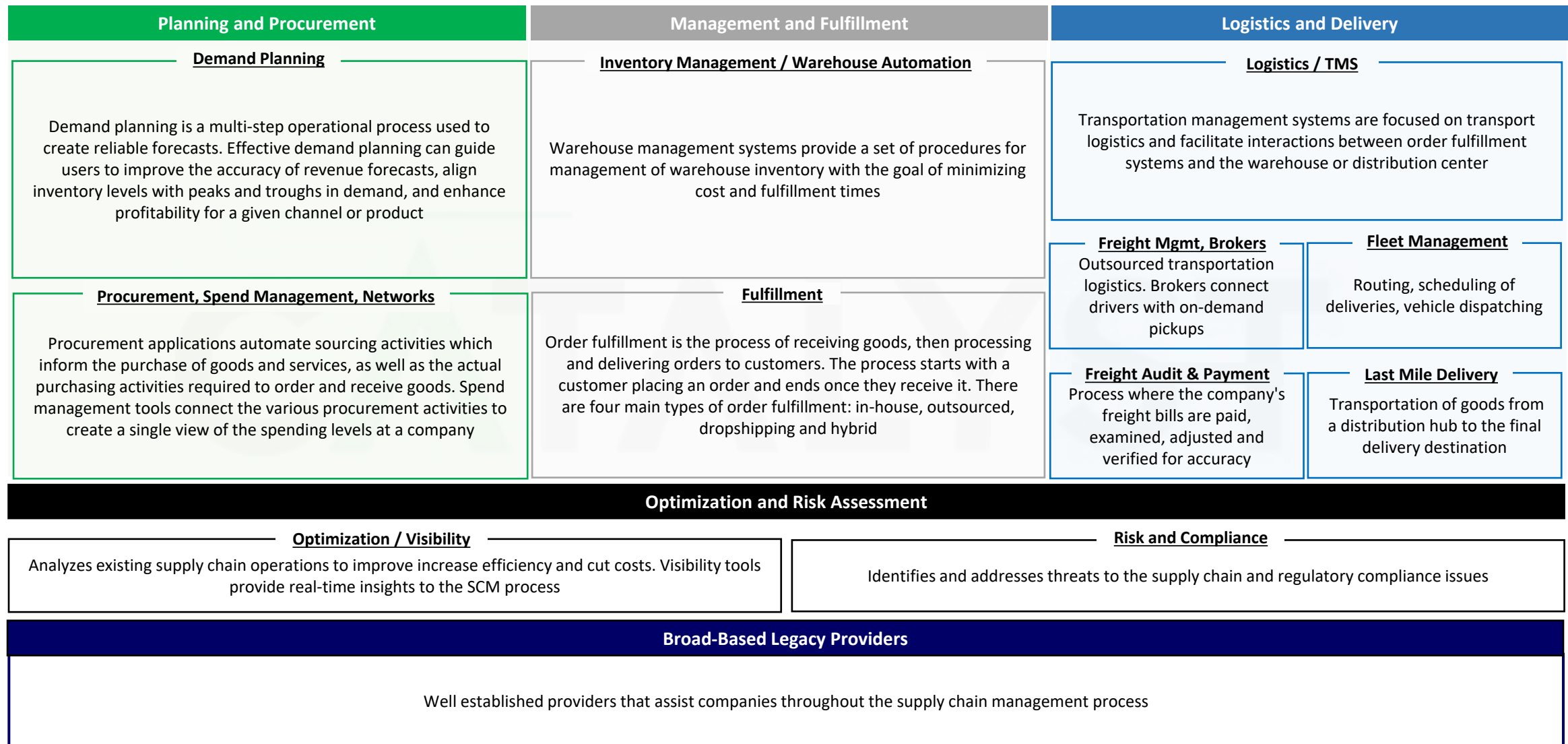


Sources: [1] Accenture, [2] McKinsey and Co.

Supply Chain Management Landscape



Supply Chain Management Landscape (Continued)





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