

Sourcewiz: Empowering Manufacturing, Wholesale, and Distribution with Vertical B2B SaaS Solutions

● **SourceWiz, The Overview:**

Sourcewiz is a B2B SaaS platform catering to the Manufacturing, Wholesale, and Distribution sector.

Problem Statement: B2B businesses have long been underserved by the technology industry. While retailers have access to a wide range of user-friendly tools, B2B businesses are often forced to rely on clunky, outdated software that makes it difficult to manage their commerce operations. This stark disparity creates a need for a transformative solution that caters specifically to the unique requirements of wholesalers, manufacturers and distributors.

Solution: Sourcewiz aims to bridge this gap by providing a comprehensive full-stack commerce platform designed to address the pain points faced by wholesalers and manufacturers. With its comprehensive suite of tools, including product information management (PIM), sales automation, marketing automation, analytics, and customer support, Sourcewiz empowers businesses to streamline operations, enhance productivity, and fuel growth.

As the sector undergoes rapid digital transformation, Sourcewiz capitalizes on the growing demand for efficient and data-driven solutions. With a customer-centric approach and a deep understanding of industry needs, Sourcewiz presents a compelling investment opportunity in a dynamic market where businesses strive to optimize operations and gain a competitive edge.

● **Stellar Founding team and firm adherence to Strategic Roadmap, The Founder-Product Fit:**

The Sourcewiz founding team consists of seasoned entrepreneurs with extensive industry experience. Divyaanshu Makkar, the CEO, brings a wealth of knowledge from Google and Amazon. Vikas Garg, the CTO, possesses a strong technical background, while Mayur Bhangale, the COO, contributes expertise in sales and marketing. With their deep understanding of the challenges faced by wholesalers, distributors, and exporters, the founding team demonstrates a strong founder market fit. Their collective experience and shared passion position Sourcewiz for success in addressing the specific needs of the B2B SaaS market.

● **Product differentiation and Competitors, The Moat:**

Sourcewiz offers unique product differentiators that set it apart from competitors in the market. While similar companies like MarketTime, Repzio, and AmpTab exist, Sourcewiz stands out due to its vertical integration capabilities and a comprehensive suite of AI features that drive operational efficiency and growth for businesses in the Manufacturing, Wholesale, and Distribution sector.

- **Vertical Integration:** Sourcewiz offers vertical integration capabilities, providing a comprehensive solution for the Manufacturing, Wholesale, and Distribution sector.
- **Seamless System Integration:** Sourcewiz seamlessly integrates with ERP, CRM, and other systems, minimizing fragmentation and enhancing operational efficiency.
- **AI-Powered Personalization:** Sourcewiz leverages AI to deliver highly personalized product recommendations, boosting sales and customer satisfaction. In the B2C sector, AI-powered personalization is widespread, but in the B2B sector, it is still highly fragmented. Sourcewiz is addressing this by providing a solution that is tailored to the needs of B2B businesses.
- **User-Friendly Interface:** Sourcewiz boasts a highly intuitive and user-friendly interface, setting it apart from competitors in terms of ease of adoption and optimal usability.
- **Robust Analytics:** Sourcewiz empowers businesses with robust analytics, enabling data-driven decision-making and performance optimization.
- **Upselling, Cross-Selling, and Push Strategies:** Sourcewiz facilitates targeted strategies to drive revenue growth and enhance customer satisfaction.
- **AI-Driven Historical Data Analysis:** Sourcewiz utilizes AI for predictive analysis of historical data, optimizing inventory management and anticipating customer needs.

- **Magnificent traction, The Growth:**

Sourcewiz has demonstrated impressive growth in recent months, indicating its potential for success. With a current customer base of 1,000, the company's continuous expansion is evident as it onboarded an additional 50 customers in the last month alone. This signifies a remarkable month-on-month growth rate of 10%. Such rapid growth showcases Sourcewiz's ability to attract and retain customers, hints on its potential product-market fit, indicating that the company's offerings effectively address the needs of businesses in the Manufacturing, Wholesale, and Distribution sector

- **Sustainable Revenue channel, The Business Model:**

Sourcewiz operates on a subscription-based business model, generating revenue through monthly or annual subscription fees. The subscription fee is determined based on the number of users and required features.

Sourcewiz's business model comprises a baseline offering priced at \$500 per month, encompassing variant handling, inventory and order management, and integration with ERP, CRM, and other systems.

The company also offers add-on services, including AI enablement for product recommendations (\$200 per month) and opportunity scoring for curated customer lists (\$200 per month), providing additional revenue streams and enhancing business operations.

Sourcewiz also plans of facilitation of payments and simplification of complex transactions with multiple stakeholders. By integrating comprehensive payment gateways, Sourcewiz will charge a small fee of 2% for this service.

Sourcewiz's business model is scalable. As the company grows, it can add more features and services, which will increase the subscription fee and the number of add-on services that businesses purchase. This will help the company to generate more revenue.

Here are some of the benefits of Sourcewiz's business model:

- Scalability: The business model is scalable, which means that the company can grow its revenue as it adds more features and services.
- Recurring revenue: The business model generates recurring revenue, which means that the company's revenue is predictable and stable.
- Low churn: The business model has low churn, which means that businesses are likely to continue to subscribe to the platform after they have signed up.
- High-margin add-on services: The add-on services have a high margin, which means that the company can generate a lot of profit from them.

- **Solid Unit Economics and low Opex, The Micros:**

With an LTV of \$16,800 and a CAC of \$145, Sourcewiz demonstrates a healthy unit economics. The LTV to CAC Ratio of 16.8 indicates a favorable return on investment in customer acquisition. This suggests that Sourcewiz is efficiently acquiring customers and generating strong lifetime value from those acquired customers.

Additionally, the mention of Sourcewiz using innovative techniques for quality lead generation to minimize marketing and online ad spends suggests a strategic approach to customer acquisition. By focusing on effective lead generation methods, Sourcewiz can optimize its marketing budget and improve the efficiency of customer acquisition, further enhancing its unit economics. Sourcewiz effectively manages its OpEx, optimizing resource allocation and cost efficiency.

- **A head start in Fast-Paced and Under-Served Market, The Opportunity, The Upside:**

The market opportunity for Sourcewiz is significant, with a Total Addressable Market (TAM) of approximately \$2.25 billion. Targeting manufacturers, wholesalers, and distributors in the lifestyle segment, Sourcewiz aims to capture a Serviceable Addressable Market (SAM) of \$1.12 billion. With a realistic expectation of capturing 30% of the SAM, Sourcewiz's Serviceable Obtainable Market (SOM) amounts to approximately \$350 million. This

represents a substantial opportunity for growth and revenue generation. Additionally, Sourcewiz enjoys a head start in a fast-paced and under-served market, positioning the company for success.

- **Speed Breakers, The Risk:**

1. Technology Disruption: Rapid technological advancements, AI revolution pose a risk of Sourcewiz's products becoming obsolete.
2. Longer Sales Cycles and Involvement of multiple stakeholders due to high ticket price: Investing in Sourcewiz carries the risk of a complex sales process. Due to the nature of the B2B sector and the high-ticket price associated with Sourcewiz's services, sales cycles can be longer and involve multiple stakeholders. The decision-making process may require consensus among different departments, leading to potential delays in closing deals and generating revenue.
3. Dependence on External Factors and Industry: Sourcewiz's success is closely tied to the stability and growth of the Manufacturing, Wholesale, and Distribution sectors. Any downturn or disruption in these industries could impact the demand for Sourcewiz's services and pose a risk to customer acquisition and retention
4. Future CRM Competition: While Sourcewiz currently provides a suite of tools addressing specific industry needs, there is a risk that in the future, it may enter the highly competitive Customer Relationship Management (CRM) market. This expansion could expose Sourcewiz to established CRM providers and intensify competition

- **Final Thoughts, The Conclusion*:**

Sourcewiz has demonstrated impressive customer growth, retention, and low churn rates, indicating a strong product-market fit. The company's scalable business model, recurring revenue streams, and high-margin add-on services contribute to its sustainability and potential for long-term success. Additionally, Sourcewiz benefits from a head start in an under-served market, offering an advantage in a fast-paced industry.

While the unit economics showcase healthy metrics, it is essential to consider the potential risks. Sourcewiz faces competition, market volatility, and the risk of technological disruption. Maintaining customer satisfaction, scalability, and navigating external factors are also critical challenges to address.

Overall, Sourcewiz presents an appealing investment opportunity. With a strong founding team, innovative product differentiators, substantial market opportunity, and a track record of customer growth, the company is well-positioned to capitalize on the growing demand for efficient and data-driven solutions in the Manufacturing, Wholesale, and Distribution sector. However, potential investors should carefully assess the risks and challenges associated with the market dynamics and competition