

supply**Compass**

INVESTMENT OPPORTUNITY
LONDON 2016

OUR MISSION

TO MATCH PEOPLE WHO DESIGN WITH PEOPLE WHO MAKE BY CREATING THE
MOST **TRUSTED, TRANSPARENT AND ACCESSIBLE** GLOBAL SOURCING PLATFORM.

DEAR INVESTOR

We are John and Gus, two engineers who have left our careers in the Oil and the Construction industries respectively to change the world of supplier sourcing.

We are confident we can persuade you that the sourcing industry has so far failed to take advantage of online technology. There is a massive opportunity to create value - the challenge is to match designers and businesses with the right manufacturers. We want to be the first to create an online platform focused on promoting high quality data, transparency and good process. By doing this we can not only give greater certainty of success, but drastically reduce the time small businesses take to create products.

John has always been someone who likes to improve process, proving this in the antiquated business of oil rig design. He is now bringing his analytical approach to improve the way consumer products are sourced. Gus is a proven project manager with experience in purchasing and leading successful teams. We have started in India and his role setting up the Mumbai office will make the most of his structured approach to implementation. Together, we want to make trusted manufacturers accessible and provide the information-rich platform that is needed by all those who have brilliant ideas but can't get them to market.

Valuable companies will be built off facilitating online SME manufacturing orders. They will be the gateways to trading with manufacturers in developing countries. We now require an investment of £170k to be the first online sourcing platform of its kind to enter the Indian manufacturing market. We truly believe in our mission and are passionately committed to making it happen.

John Wilson & Gus Bartholomew



SOURCING IS IN THE DARK AGES

A MASSIVE OPPORTUNITY

THE PRODUCT

BUSINESS MODEL

WHY US?

TAKING A PRODUCT TO MARKET HAS BECOME EASIER THANKS TO ONLINE TECHNOLOGY

BUT SOURCING IS STILL IN THE DARK AGES...



More avenues for funding are available:

crowdfunding & angel investment

Sourcing is in the dark ages:

Methods rely on travelling to trade shows, networking, communicating across language barriers and luck.

Selling has got more accessible:

With online retailers this stage is easily accessible by small businesses

THE 12 MONTH PARADIGM: AN EXAMPLE OF THE CURRENT PROBLEM

Jonny & Tom created Fred's: an elegant bicycle brand, synonymous with style, robustness and affordability.

With limited connections in manufacturing and no knowledge of the process, their sourcing journey took them to tradefairs and manufacturers in five different countries across two continents. **It took twelve months of effort and thousands of pounds** before they found a manufacturing partner who they now trust. The route taken was a laborious, expensive and painful one.

We get the same story from almost all of our clients: not all have been so lucky.





A PAINKILLER IS NEEDED FOR SMALL BUSINESSES

Finding the right manufacturer is often the biggest challenge faced in business. We've identified the **three main barriers**, which make it difficult for small businesses to find the right manufacturing partner.

3 CHALLENGES FOR SMEs

1. THE INITIAL SEARCH

Limited industry knowledge or contacts

Lack of good online guidance

Information given by current providers is confusing

2. EVALUATING MANUFACTURERS

Limited knowledge of manufacturing process

Lack of trustworthy information

No defined evaluation criteria

3. THE MANUFACTURER RELATIONSHIP

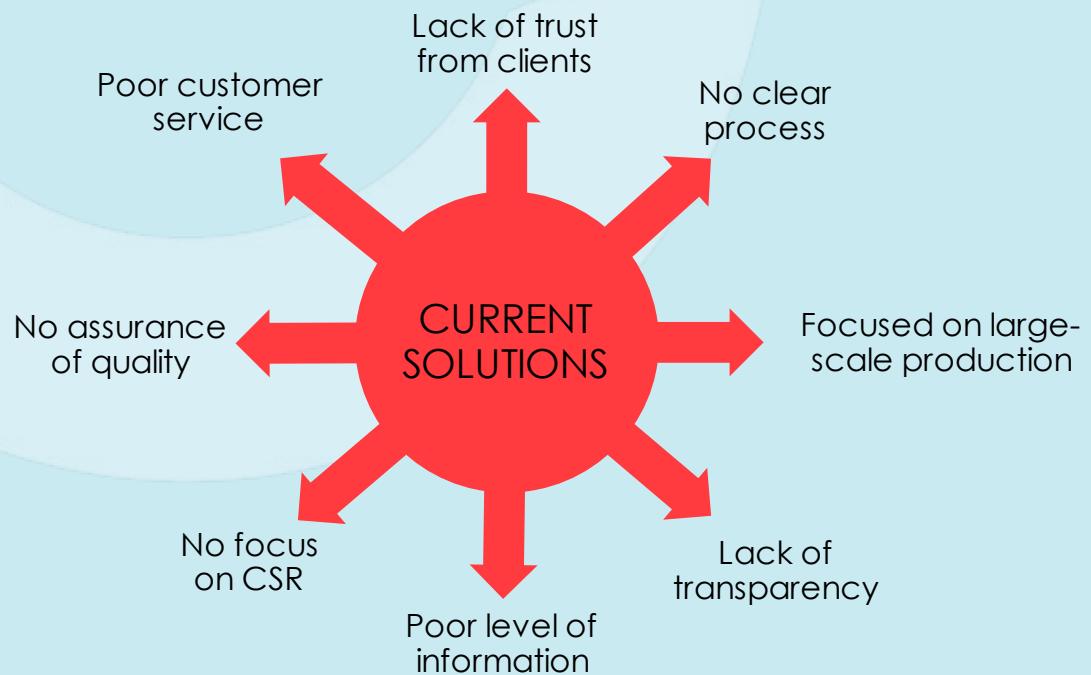
Limited buying power

Communication difficulties

Lack of resources for managing the order

CURRENT SOLUTIONS HAVE MISSED THE MARK

They are large company directories focussed on meeting the needs of the manufacturer, not the end client.



ALIBABA SCORE 1.7 out of 10 ON TRUSTPILOT



What is it? A B2B portal to connect Indian manufacturers with buyers. Creates small websites for manufacturers.

Size: 3200 employees across 60 offices



What is it? The leading platform for wholesale trade serving over 40 different major categories of products.

Size: Market Value \$200B+

THERE IS AN OPPORTUNITY TO USE TECHNOLOGY TO IMPROVE THE PROCESS

Current methods often only have one box to enter product requirements. For example, IndiaMart's 'Buy Requirement'.

Tell Us Your Buy Requirement

Provide details like product specification, usage / application etc for best quotes...

India +91 Enter mobile...

Get Quotes Instantly

And Alibaba's extremely unstructured 'Buying Request':

Complete Your Buying Request

Key words of products you are looking for Estimated Order Pieces

Upload Attachments

Dear Sir/Madam,
I'm looking for products with the following specifications:

Remaining: 7922

Other Requirements Include unit price, payment terms, etc.

Submit Buying Request

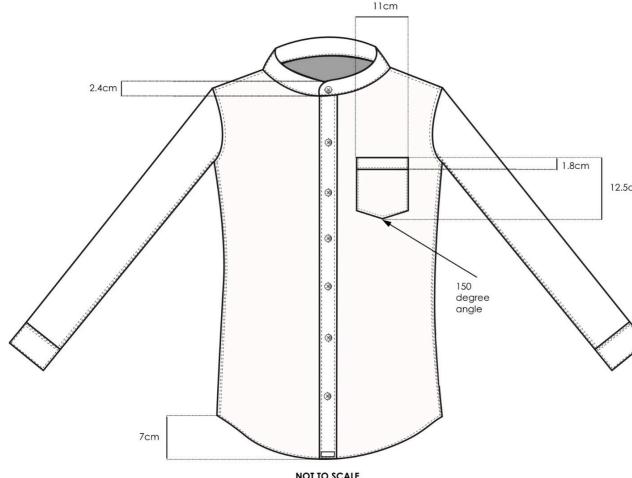
STYLE SPECIFIC FEATURES

Styles 1A/1B		
4.1	Material	Oxford Cotton
4.2	Thread for buttonholing	Same as body (white)
4.3	Button thread (except bottom)	White
4.4	Bottom button thread	Red/Navy
4.5	Cuff placket small button thread	Red/Navy
4.6	Pleats	C8 Box Pleat

Styles 3A/1B		
6.1	Material	Premium linen
6.2	Thread for buttonholing	Same as body (white)
6.3	Button thread (except bottom)	White
6.4	Bottom button thread	Blue / Lilac
6.5	Cuff placket small button thread	Blue / Lilac
6.6	Pleats	Pleats on shoulders

Styles 2A/1B		
5.1	Material	Premium linen
5.2	Thread for buttonholing	Same as body (light blue)
5.3	Button thread (except bottom)	White
5.4	Bottom button thread	Pink/Orange
5.5	Cuff placket small button thread	Pink/Orange
5.6	Pleats	Pleats on shoulders

Styles 4		
7.1	Material	Premium linen
7.2	Thread for buttonholing	Same as body (white)
7.3	Button thread (except bottom)	White
7.4	Bottom button thread	Green – to match print
7.5	Cuff placket small button thread	Green – to match print
7.6	Pleats	Pleats on shoulders



At Supplycompass, our online platform will guide users through the creation of their Tech Packs. We have trialled this manually but the aim is to create a fully automated process.



SOURCING IS IN THE DARK AGES

A MASSIVE OPPORTUNITY

THE PRODUCT

BUSINESS MODEL

WHY US?

THE UK WHOLESALE & RETAIL MARKET...

is a hub of small businesses which need an easier way to find manufacturing partners – this is why it is the perfect place for us to start. These small businesses are tech savvy and like using online platforms.

LARGE MARKET

296,000

UK businesses in wholesale and retail

99.3%

of private sector businesses were defined as 'small'¹

£137B

Gross Value Added in distribution industries

THE MARKET IS ONLINE SAVVY

34%

of retail sales will be online by 2020² (14% in 2015)

£27M

Pledged on Kickstarter by UK backers (the highest in Europe)

¹fewer than 50 employees (2015)

²clothing and footwear, electricals, furniture & floor coverings and health and beauty

MANUFACTURING IN INDIA...

is well placed to match with UK small businesses.

In the past India has been hampered by bureaucratic legislation, but it is getting easier. China is becoming more expensive and India is looking to take advantage of this with its Make In India campaign. A government scheme launched in September 2014 to encourage foreign direct investment, already some of the efforts are reaping dividends.



SMALL AND LOW COST UNITS



Of registered factories in India have fewer than 50 employees.¹



Lower cost of labour than China (manufacturing)



The world's largest youth population.²

BUSINESS IS GETTING EASIER



Increase in FDI inflows first quarter 2015-2016



No. of documents required for import/export (was 10)

¹25% in China

²356million 10-24 year olds – a huge future workforce.



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WHY US?

WE PROVIDE THE SOURCING SOLUTION BUSINESSES NEED

Our mission is to give our clients unrivalled access to high quality manufacturers through our online platform so that they can quickly and easily find those that are right for their product needs.

A dedicated sourcing portal will guide clients through the buying process – an engaging customer experience. We will only present trusted and accurate information on our manufacturers.

Hand-picked manufacturers are matched with clients based on cost, volume and quality. By offering manufacturers a steady stream of orders, we have the buying power our clients need.

A MUCH EASIER PROCESS

1. THE INITIAL SEARCH

Direct links to trusted manufacturers
A dedicated sourcing portal guides clients through our 6 stage process

2. EVALUATING MANUFACTURERS

Trustworthy information presented in detailed manufacturer profiles
Key criteria used to match clients with manufacturers

3. THE MANUFACTURER RELATIONSHIP

Reduced back and forth thanks to Supplycompass tech packs
Substantially increased buying power

THE SOLUTION IS PRESENTED TO OUR CLIENTS IN A 6 STAGE PROCESS: ALL TAKING PLACE ONLINE

THE IDEA

The client submits their idea and browses potential manufacturers. We run an open platform which contains a range of high quality manufacturers that have been visited and vetted by our specialist team.

A screenshot of a website for a textile company. The top navigation bar includes 'About', 'Design Service', 'Videos', 'About', 'Tech Pack', 'RFQ', 'Materials', 'Samples', 'Production', 'Testimonials', and 'Contact'. The 'About' section features a photograph of a factory floor with workers and machinery, followed by text about the company's history and current operations. Below this is a section titled 'Design Service' with text and a photograph of rolled-up fabrics. Further down are sections for 'Videos' (with thumbnail images), 'About' (with a map of South Asia), 'Tech Pack', 'RFQ', 'Materials', 'Samples', 'Production' (with a map of India), and 'Testimonials' (with three user reviews).

About

The Founder

Teddy Exports founder Amanda Murphy started the business with just 5 people working from a small mud-built hut in the village - conditions were very basic and progress was slow. In 1998, the Teddy Trust was set up so that profits could be used to invest in local community welfare, especially education and health.

Today Teddy Exports employs over 800 local people and had a turnover of £1.6 million in 2005-06. It produces a range of products for export across the world.

Design Service

Teddy Exports mainly produces textile products based on buyer's requirements, however we are finding increasing demand for quality design services. To meet this we have developed over the years a full-service design department of 10 designers and pattern makers / cutters, trained by western designers that has enabled us to develop products from a fusion of Eastern and Western trends. The design teams directly services the high streets and retailers of the UK and other fashion-conscious markets. The result is a unique and innovative aesthetic attractive to retailers and their customers.

Videos

Abu

TECH PACK

RFQ

MATERIALS

SAMPLES

Production

Testimonials

Amie Williams Apr 5, 2013

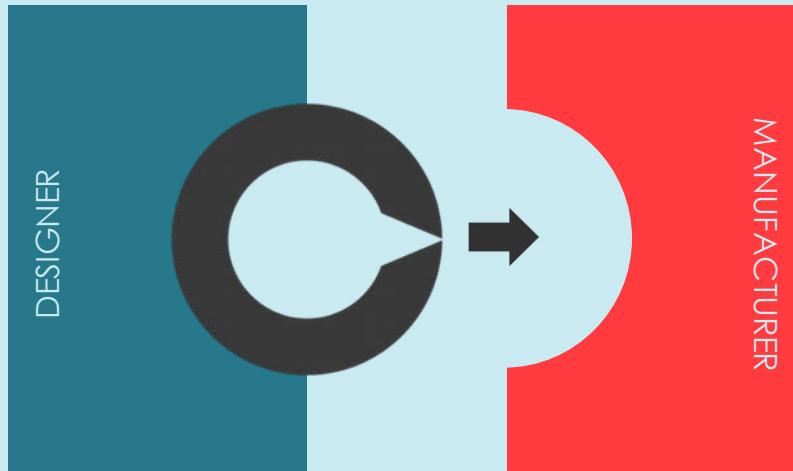
Dave Johnson Mar 31, 2013

John Carrey Apr 5, 2013

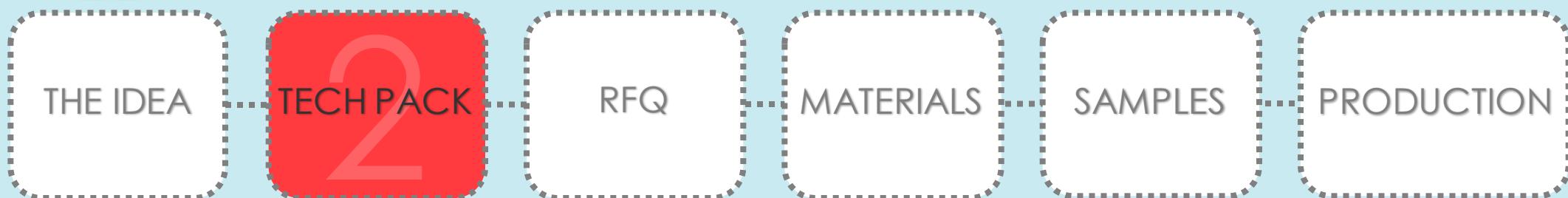
Natalie Roldick Apr 5, 2013

THE SUPPLYCOMPASS TECH PACK

Clients use the platform as a place to develop their Supplycompass Tech Packs, which contain all of the documents and drawings that will be required by manufacturers. Our design partners based in Mumbai provide illustration, flats and pattern making services as required.



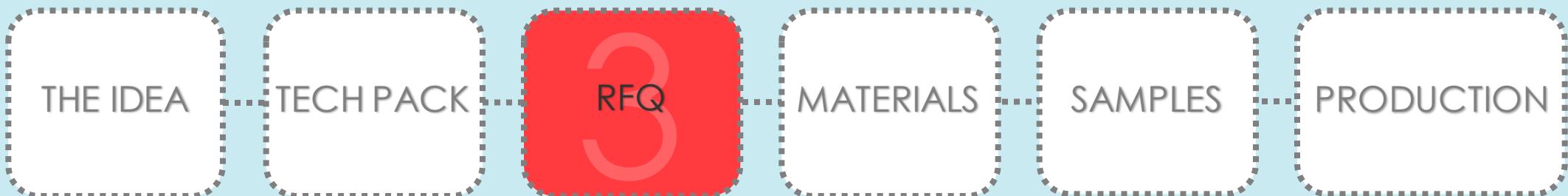
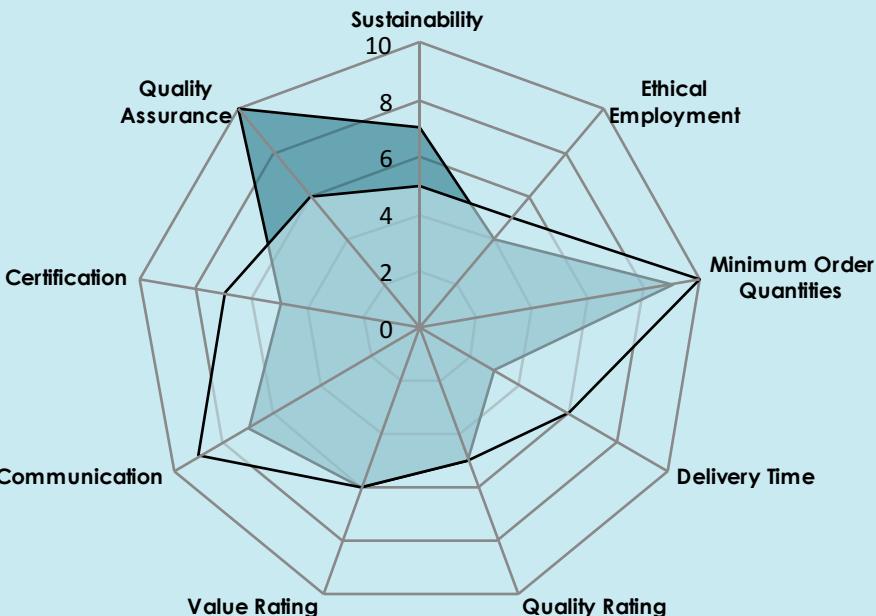
We are creative engineers with an eye for detail, able to translate a designer's vision into detailed, unambiguous instructions for manufacture – our Supplycompass Tech Packs.



REQUEST FOR QUOTATION

Once our clients have completed their Tech Pack, they can send out a single Request for Quotation. This RFQ is only sent to manufacturers who are the right match for our client's needs. We base this match on key capability and ethics criteria.

Manufacturer / Designer Compatibility Matching



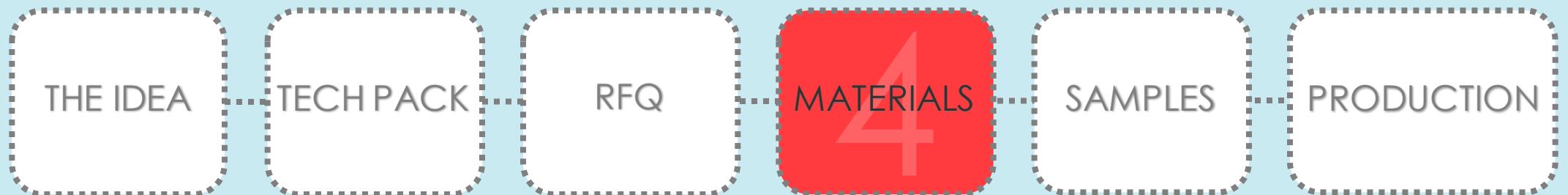
MATERIALS

Materials and accessories are sourced with the help of our client's chosen manufacturer(s). All communication takes place through the platform, which inherently keeps track of progress and messages.

Perfect, in that case let's do the bottle caps in the blue. The Pantone colour is 18-4250 TPG.

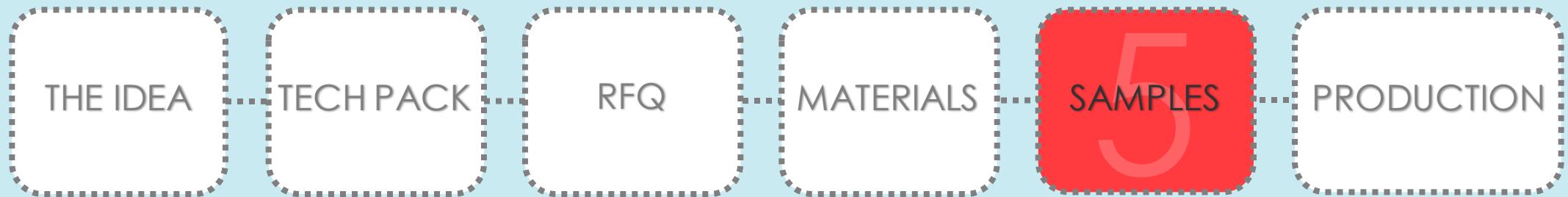
No problem, thanks for letting me know. We'll get the samples to you by next Friday.

Thanks! Look forward to seeing the finished results! 😊



SAMPLES

Initial samples are made and required amendments advised until a pre-production sample is achieved. This sample is used for quality assurance of future production.

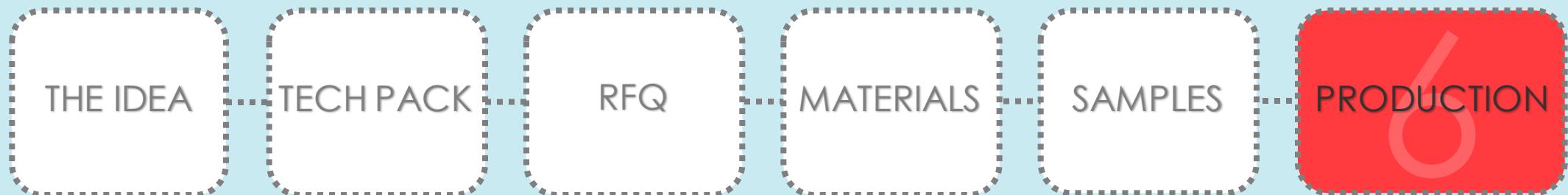


PRODUCTION

Production goes ahead according to an agreed schedule and contract. We have partners for couriering and options for checking on completion or self-check on arrival. Staged payments and a dispute resolution centre protect both parties.

Different options for staged payments

Deposit → Completion in India → Delivery and check



WHAT WE ARE OFFERING THE MANUFACTURER

A SHOP WINDOW

We are working with all of our manufacturers to create detailed and attractive profiles – the most comprehensive available anywhere online.

EXPAND THEIR REACH

We want to show the world what our manufacturers can do. By providing the information our clients need, we can gain a new level of trust from European Businesses.

ADVANCED TECH PACKS

All requests sent to a manufacturer contain detailed tech packs that are ready for the production line, cutting down on time wasted at both ends of the supply chain.

RFQs (Request For Quotations)

Manufacturers get a lot of interest from businesses with the wrong product. We've developed a system that only sends RFQs that we know are the right fit.



GIVING MANUFACTURING A FACE

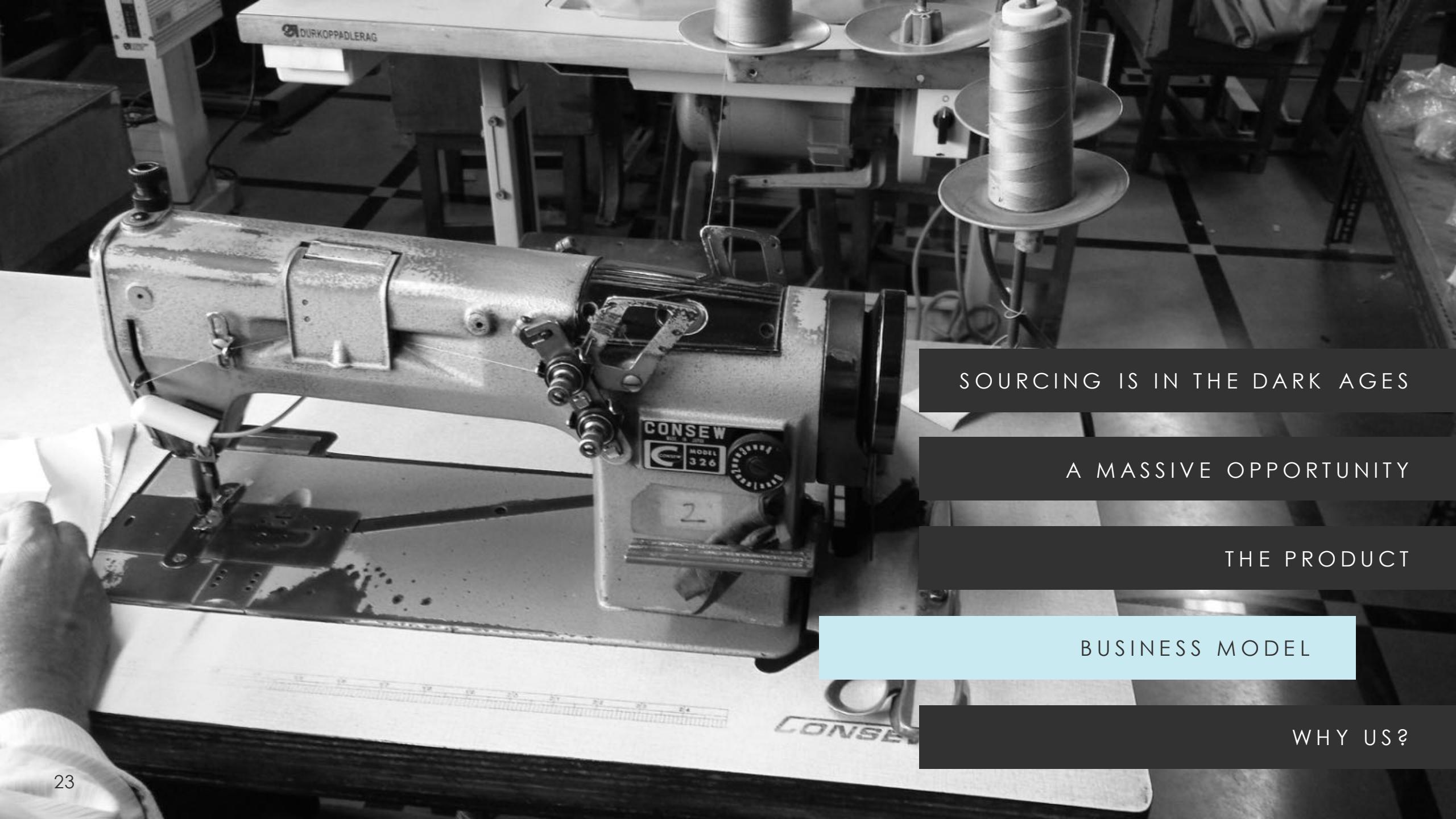
We want to show the world who our manufacturers are and demonstrate the incredible skills they can offer our clients. By providing the **information** our clients are really looking for and presenting this information with clarity we can instil a new level of confidence that they are sourcing their products **from someone they can trust.**

PROMOTING AND DEVELOPING CORPORATE SOCIAL RESPONSIBILITY

We only want to source and represent manufacturers that are meeting high levels of CSR and are sustainable both in terms of their staff and their materials. These are traits that are becoming increasingly important to brands.

We care about the communities our factories are surrounded by and want to help them develop as well as tell the amazing stories that already exist, but aren't being told.





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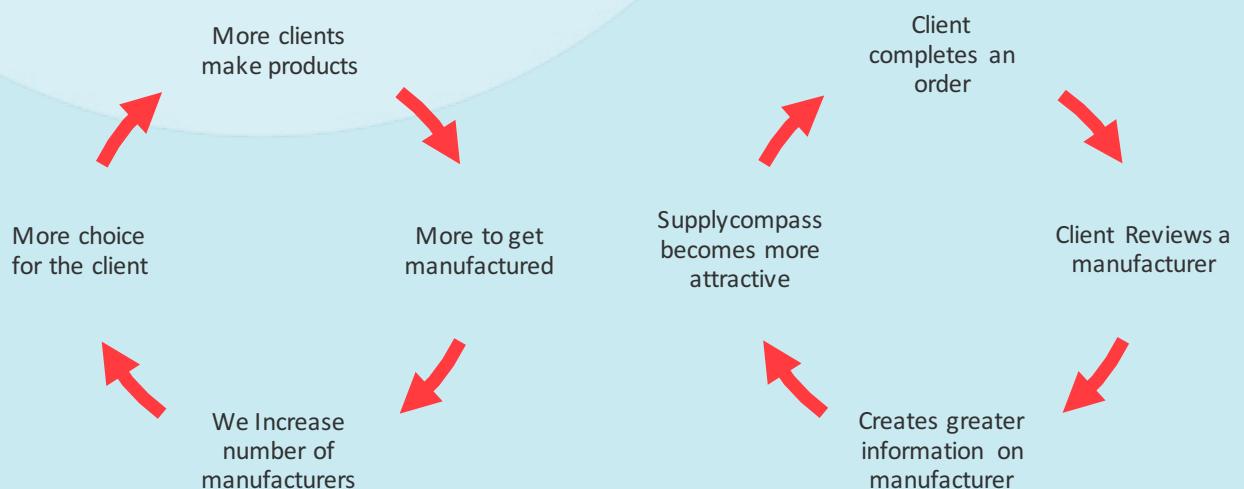
WHY US?

THE BUSINESS MODEL

Supplycompass is based around an **information B2B model**, designed for high margins and scalability. We use the term augmented online self-service (AOSS), which means we are replacing professional service providers with software. There are major efficiency savings to be made.

WE CAN GROW OUR CLIENT BASE ORGANICALLY

Our offering improves the more people use it and as users engage they create virtuous loops. These loops exponentially increase data. The goal: an **enduring multi-billion dollar company**



OTHER COMPANIES USING 'AOSS'



NON-ORGANIC CLIENT ACQUISITION

- Links with design schools
- Friend referral discounts
- Social media competitions
- Approach Kickstarter projects
- Find products through investors
- Attending start-up events

WHERE WE ARE SO FAR

We are visiting, vetting and approving factories, concentrating on the garments, plastics and small consumer products sectors.

We are gaining the trust of Indian manufacturers and UK clients. One of our manufacturers is so happy with our services that he is passing his Alibaba customers straight onto us!

We have 8 UK clients, for whom we are providing a one-stop-shop, including: Trustworthy information on manufacturers; design development; quotes based on standardised tech packs and logistics services through our partners at Speedbox.

15

Manufacturing partners

8

UK current clients

1

Production lines underway

Too
Many!

Potential clients
approaching us

WHAT OUR MANUFACTURERS ARE SAYING

'This is like a dream come true for us'

A shirt manufacturer in Delhi in response to hearing about Supplycompass

'Most of the companies on Alibaba are not actually manufacturers'

A leather manufacturer in Mumbai

'Designers in the UK have no way of knowing that we can deliver'

Plastic injection moulding manufacturer

WHAT OUR CLIENTS ARE SAYING

'the arduous task of sourcing a reliable manufacturer has been made a breeze'

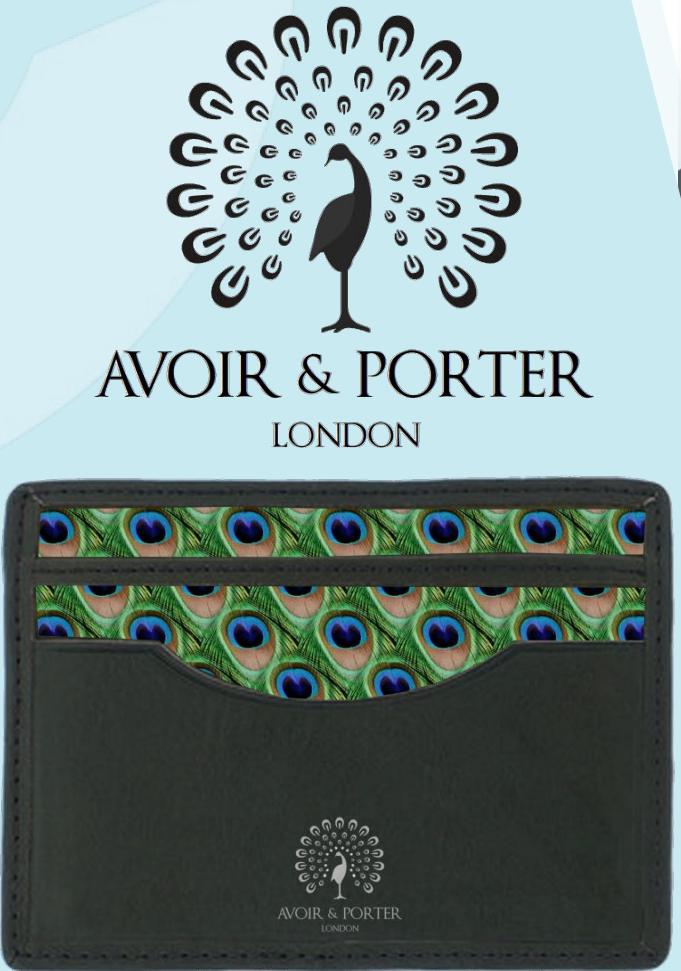
Ben Stevens – Morville

'the process you took us through was thorough and well executed'

Tom Asquith – Fitz and Fro

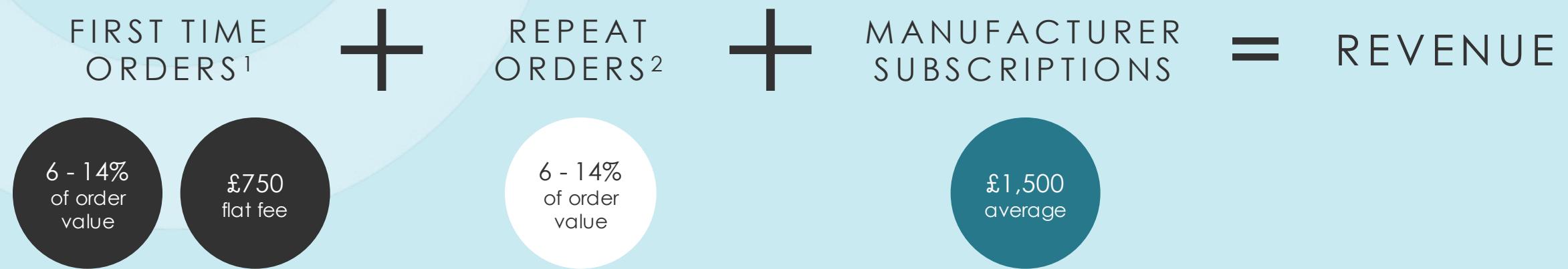
SOME OF OUR CLIENTS AND
THEIR PRODUCTS

morville



3 MAIN REVENUE STREAMS

Our current clients are all paying customers and the feedback we have been given on our fees is that they are 'good value'. By using a model based predominantly around commission, clients get better value the more they order. A flat fee is used on the initial order to redeem set-up costs.



¹ First time orders are those from new clients. £20k average order.

² Repeat orders are those from established clients. £49k average order.

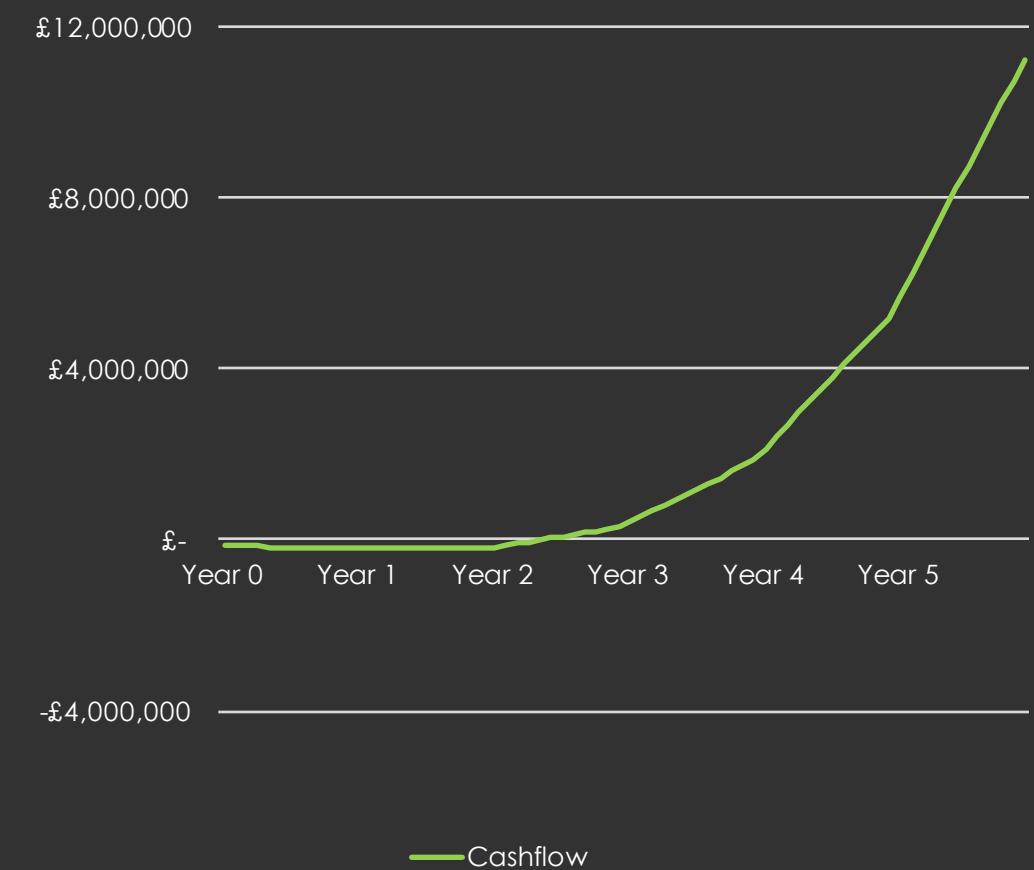
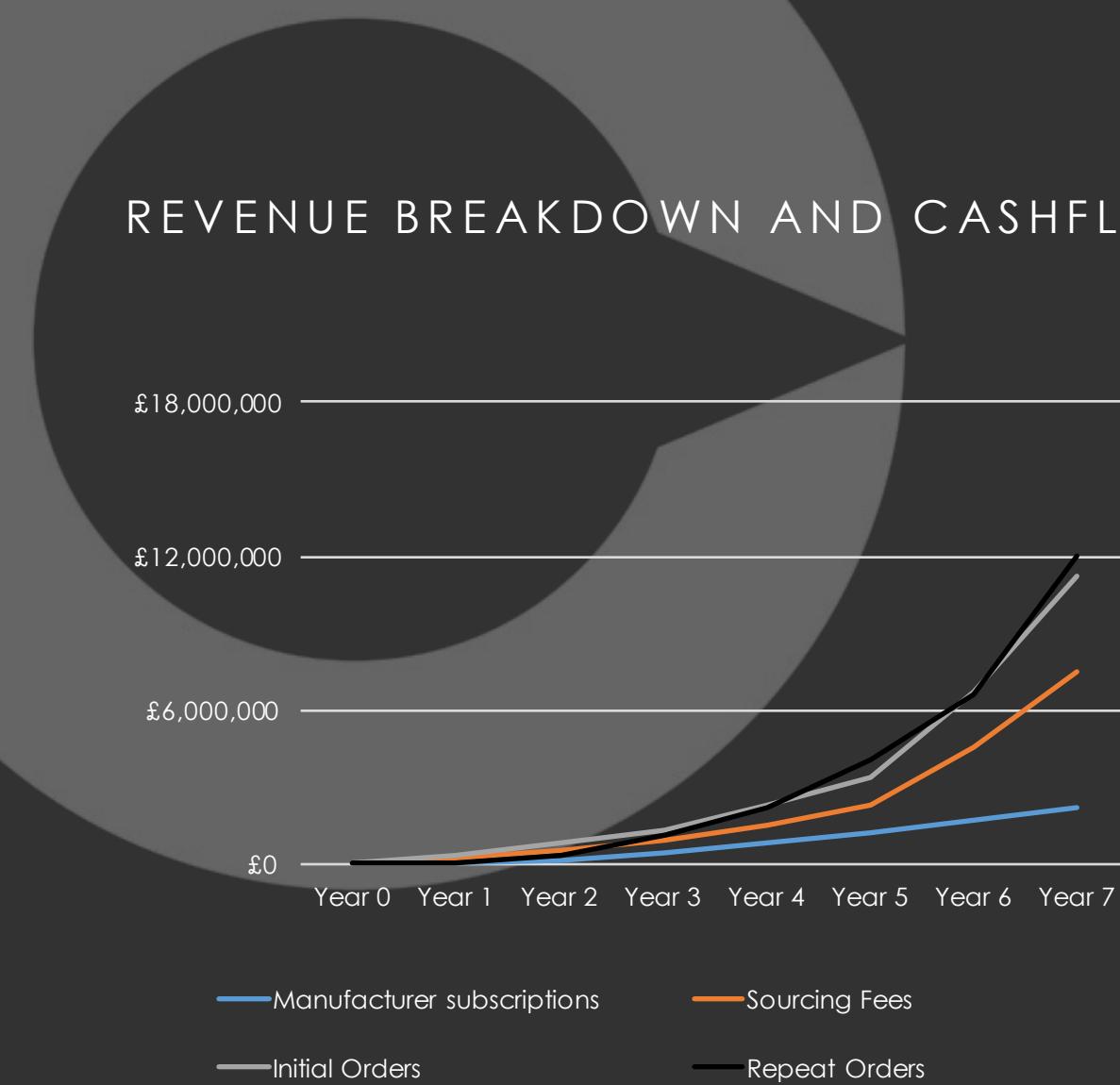
FINANCIAL FORECAST – BASE ESTIMATE

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6	Year 7
Revenue	£112,500	£655,860	£1,789,380	£3,706,560	£6,715,200	£10,886,520	£19,573,440	£32,939,040
Costs	£286,200	£707,093	£1,286,350	£2,140,087	£3,361,974	£4,884,182	£9,064,113	£14,899,685
No. of first time orders¹	30	150	350	600	1000	1500	3000	5000
No. of repeat orders²	0	12	71	202	415	759	1248	2268
No. of manufacturers	15	51	195	387	627	867	1107	1347
Profit	-£173,700	-£51,233	£503,030	£1,566,473	£3,353,226	£6,002,338	£10,509,327	£18,039,355
Profit as % of turnover	N/A	-7.81%	28.11%	42.26%	49.93%	55.14%	53.69%	54.77%

¹ First time orders are those from new clients. £20k average order.

² Repeat orders are those from established clients. £49k average order.

REVENUE BREAKDOWN AND CASHFLOW FORECAST FOR BASE ESTIMATE



WE REQUIRE INVESTMENT TO GROW THE BUSINESS

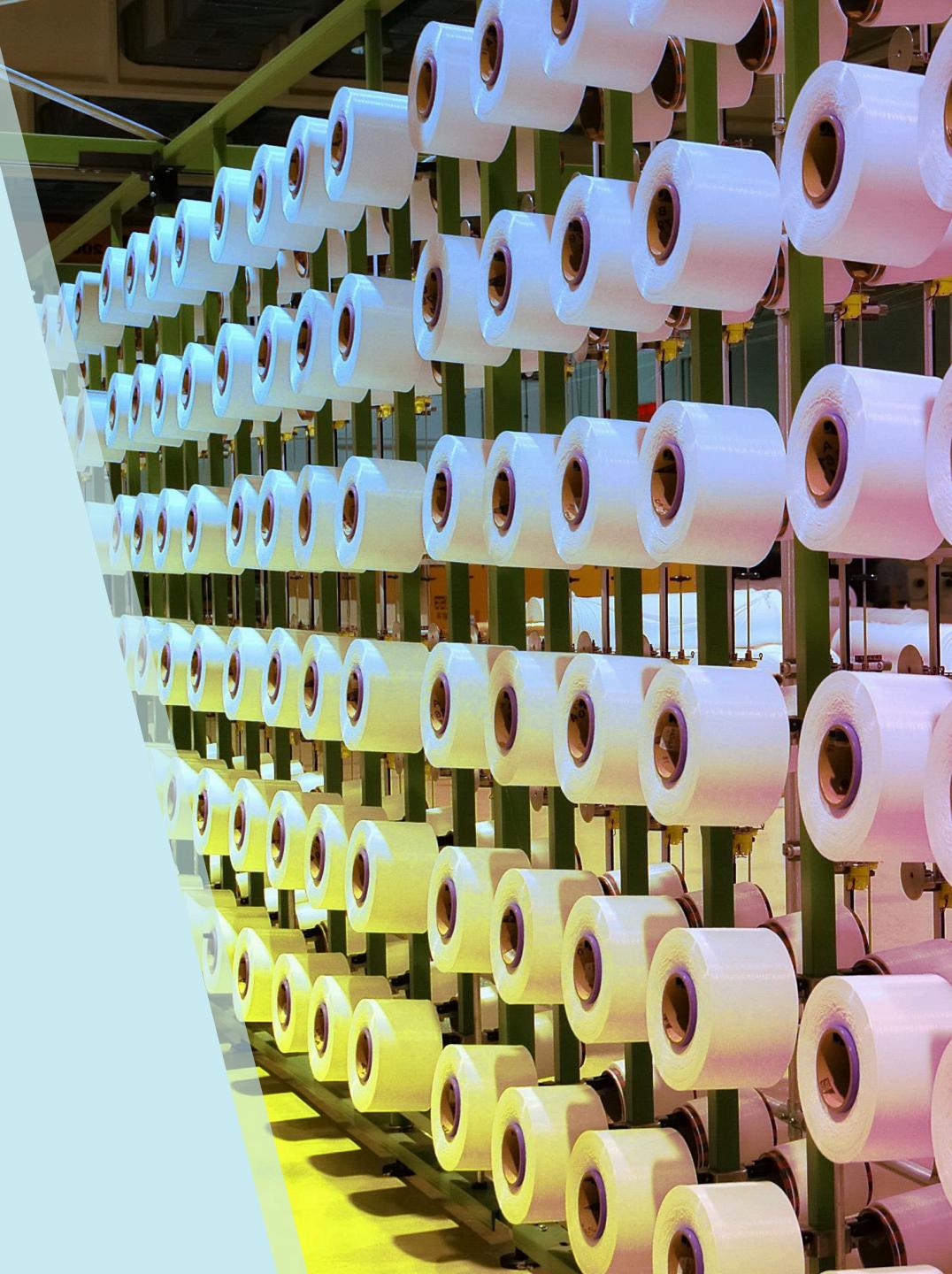
We are looking for **£250k of investment for 15% equity**. This investment will be raised under the SEIS (Seed Enterprise Investment Scheme) and EIS (Enterprise Investment Scheme), which offer significant tax relief to investors.

This investment will ensure that we are the first to seize this opportunity in India and that we can cater for the clients that are approaching us right now.

Funding to date has been through boot strapping and the £250k has been calculated using the forecasted cashflow and by including a 20% buffer.

We've broken down the costs for the first two years below:

Costs			
Year 0 (starts after investment)		Year 1	
Office space	£16k	Office space	£54k
Salaries (6 people)	£113k	Salaries (18 people)	£354k
Create platform	£100k	Platform	£100k
Acquire manufacturers	£22k	Acquire manufacturers	£86k
Other	£35k	Marketing	£33k
		Other	£80k
Total	£ 286k	Total	£707k



A black and white photograph of three men standing in what appears to be a garment factory or textile workshop. They are all smiling and looking towards the camera. The man on the left is wearing a dark vest over a light shirt. The man in the center is wearing a light-colored button-down shirt. The man on the right is wearing a light-colored button-down shirt. In the background, there are industrial elements like pipes, machinery, and other workers. The lighting is bright, typical of an industrial interior.

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WHY US?

THE CO-FOUNDERS

John Hunter Wilson - Proven profitable entrepreneur & soon to be Chartered Engineer

John has 4 years experience sourcing and vetting manufacturers in the Oil Industry, has designed bespoke parts for Rolls-Royce Motorcars and has a Masters Degree in Aeronautical Engineering from Durham University. With an eye for detail and a focus on corporate social responsibility, John brings technical engineering knowledge to the team. He also successfully started Simple Cycle Tours in early 2015, demonstrating an aptitude for organisation and entrepreneurship.

John has spent the last 5 months in Mumbai building relationships with manufacturers and proving the model. His next focus will be building the online platform. Turning products from idea to reality and allowing innovation to flourish is what really excites John and he is dedicated to turning this project into a highly successful company.

Experienced Mechanical Engineer

4yrs experience sourcing manufacturers in the Oil Industry

Designed bespoke parts for Rolls-Royce Motorcars

Masters in Aero Engineering from Durham University



THE CO-FOUNDERS

Gus Bartholomew - Experienced Project Manager & Chartered Surveyor

Gus brings a keen eye for innovative design and a structured approach to implementation. With a Masters Degree in Civil Engineering from Bristol, in recent years he has been project managing the development of a £100M property portfolio for a top London developer, as well as completing a Post Graduate Diploma in Quantity Surveying and undertaking his Surveying Chartership with the Royal Institute of Chartered Surveyors.

Gus prides himself on understanding the technical jargon of engineers and manufacturers and putting it in layman's terms. He is highly ambitious, and is revelling in the challenge of disrupting an industry with Supplycompass. Gus will be heading up the Mumbai office in September, building a team focussed on quality, ethics and good process.

Experienced Project Manager

Project managed the development of a £100 M portfolio of property for a top London developer

Masters in Civil Engineering from Bristol University



OUR PHILOSOPHY

Promote innovation by removing barriers

We want to give more certainty of success to businesses at the sourcing stage and provide the confidence that they are craving. We believe we can foster innovation and create value by removing the barriers facing businesses when looking for suppliers, saving time and money.

Promote transparency and consumer awareness in sourcing

We believe consumers care about how the products they buy are sourced, but too frequently there is no access to the information. By concentrating on providing this information to the designer we want to give the story behind every one of our products.

Clustering information & knowledge

As we scale up, the value we can create will increase as our knowledge, connections and capabilities multiply. We believe that there is such potential in doing this that we can drastically reduce the timeline creating products for small businesses.

Massive value

By creating significant value for designers and businesses we will be able to reduce our clients' costs during the sourcing stage of the supply chain. Our aim is to create so much value that our fees become a minor factor in their decision to use our services.



THANK YOU

PLEASE CONTACT US WITH ANY QUESTIONS YOU HAVE

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SOURCES

266,000 UK businesses in wholesale and retail, 99.3% Of private sector businesses were small businesses.

<http://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/bulletins/ukbusinessactivitysizeandlocation/2015-10-06>

£137B Gross Value Added in distribution industries

<http://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/uknonfinancialbusinessesconomyannualbusinesssurvey/2014-07-23>

34% of retail sales will be online by 2020 (14% in 2015)

http://www.javelingroup.com/about/news_media/press_releases/javelin_group_launches_white_paper_how_many_stores/

£27M pledged on Kickstarter by UK backers (most in Europe)

<http://tech.eu/features/3543/kickstarter-europe-stats-2014/>

77% of registered factories in India have less than 50 employees

https://www.conference-board.org/pdf_free/ICRIER_vanArk.pdf

Number of documents required for import/export down to 3, from 10

<http://swarajyamag.com/economy/seven-ways-mip-making-a-difference>

4 times less than China (cost of labour in manufacturing)

<http://www.bloomberg.com/news/articles/2014-11-06/india-vs-dot-china-the-battle-for-global-manufacturing>

The world's largest youth population

http://articles.economictimes.indiatimes.com/2014-11-18/news/56221890_1_demographic-dividend-youth-population-osotimehindia

31% increase in FDI inflows. First quarter 2015-2016

https://www.dnb.co.in/News_Press.asp?mid=396