

From the San Francisco Business Times:

<https://www.bizjournals.com/sanfrancisco/news/2018/11/15/alloy-supply-chain-software.html>

Alloy helps manufacturers take a deeper dive into their supply chain

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Alloy

HQ: San Francisco

What it does: Creates AI-driven supply chain management software

CEO and co-founder: Joel Beal

Fundraising: \$15.3 million from Menlo Ventures with participation by 8VC.

Founded: 2017

Employees: 26

Web site: alloy.ai



TODD JOHNSON | SAN FRANCISCO BUSINESS TIMES
Joel Beal, Alloy co-founder and CEO.

While many manufacturers have operations and sales data at their fingertips, often that information isn't very helpful, said Alloy CEO and co-founder Joel Beal.

Alloy's product is an open data software platform that allows manufacturers to evaluate and predict customer demand via sales and inventory reporting, real-time demand forecasts, predictive analytics and alerts. Its clients include companies such as Procter & Gamble, Oculus, Walker & Co., Rylo Inc. and Soludos, among others.

"The supply chain is complicated and involves lots of different companies — retailers and distributors, third-party logistics providers and the manufacturers and materials suppliers, just to move from raw material to you and I buying it," he said. "It's a huge cross-country collaboration problem."

Additionally, much of what is billed as enterprise software for supply chains is behind most consumer technology in terms of usability.

Alloy's product is a similar concept to social media and technology that most consumers would be comfortable with, Beal explained. The product's familiar interface aims to "empower companies to be a lot more responsive ... and to be able to quickly access what you need."

From a sales perspective, companies use Alloy to identify and react to “out-of-stock” notices, locate high-performing products and locations to learn where to increase resources and determine which products may be underperforming.

“It’s like a guide, like a weather report and a map,” Beal said. “It tells you where to stop for gas and change direction if you need to.”

On the surface, Alloy’s product mirrors a map of a manufacturer’s entire supply chain, down to the retail stores, distribution centers and warehouse facilities, Beal said. Underneath, the product’s AI combs through data collected from a manufacturer’s trading partners, including retailers, and sends a series of tailored alerts that let a manager know “the things that we should focus on today and it augments the work flow” based on where there are “higher value opportunities,” said Beal.

For operations staff, the software helps manage supply and identify possible inefficiencies in the supply chain when products aren’t being delivered on time. “Are we out of stock, is inventory piling up, are shipments late or is there a spike or a drop in demand?” Beal said.

The company earns its revenue from the sale of its software as a service, which ranges in price based on the license term and number of data integrations, among other factors, Beal said.

“[With Alloy], we were able to get one of the largest national retailers to agree to do a store specific test in areas where we were seeing out-of-stocks,” said Katie Liberko, channel marketing manager at Rylo Inc., which manufactures omnidirectional cameras. “Because we are still a very small vendor, having concrete data around any ask is essential.”

Lessons Learned

Avoid what doesn’t matter: “There’s so much celebration on fundraising. What’s really important to me is that you are driving value for your customers,” said Beal.

Take a step back: “Startups are hard because you’re creating something that doesn’t exist. It’s good to take a step back and see your progress.”

Be a short-term pessimist and a long-term optimist: “Look for ways that you can improve by balancing the very optimistic long-term by finding and fixing problems in the short-term.”

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