

B2B Marketplaces.

Exploring opportunities to improve B2B marketplaces with machine intelligence



Table of contents.

Introduction	3
Brokers	5
Clearing houses	6
Full stack 2.0	7



Introduction to B2B marketplaces



TWO-SIDED MARKETPLACES EMERGING ACROSS VERTICALS

Farming



Logistics



Factory



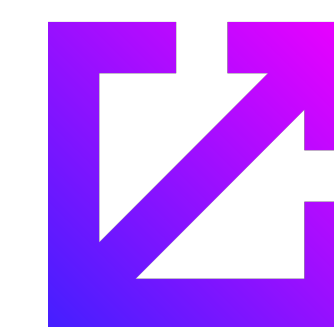
EVEN THE LARGEST PLAYERS REPRESENT MARGINAL GMV

80M

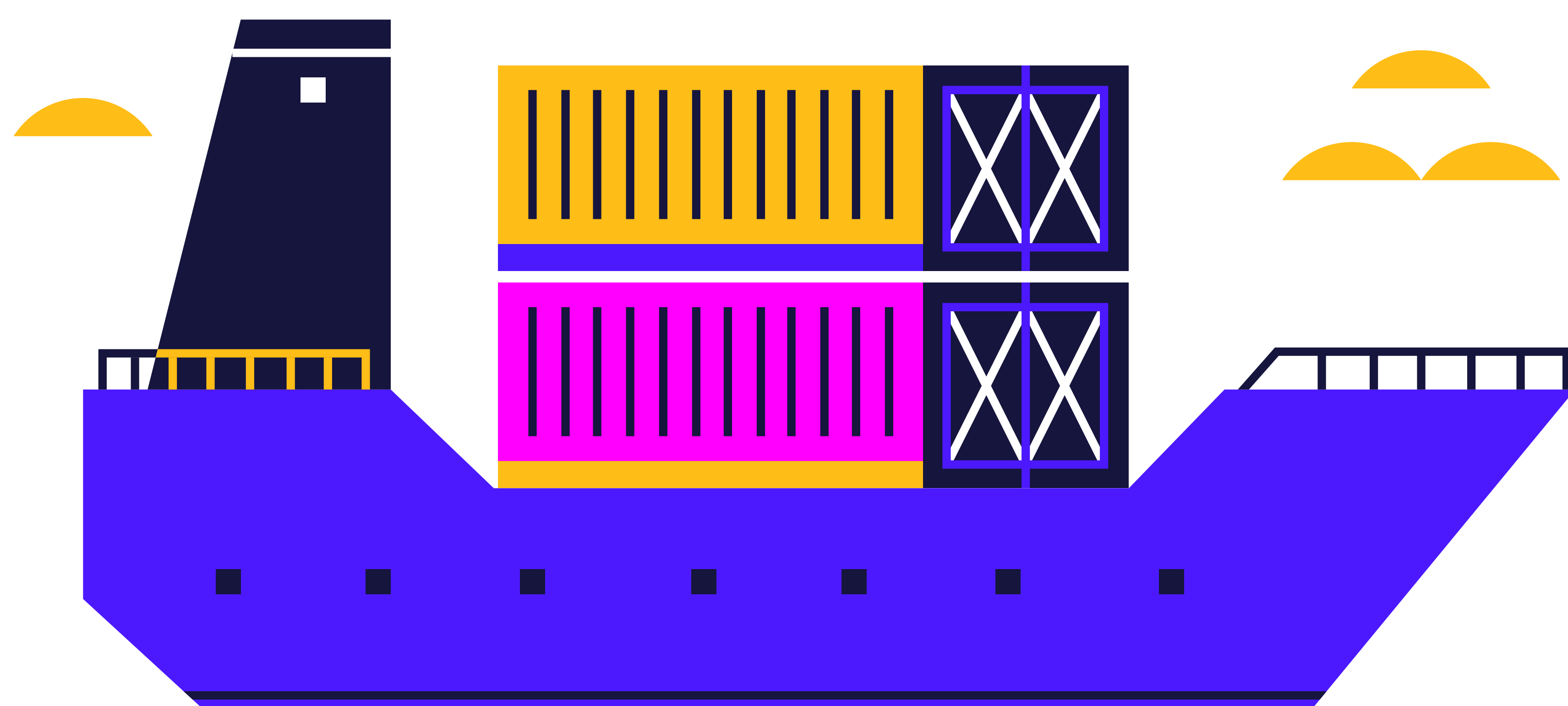
Bushels Of Grain
Transacted On Farmlead
Since 2014

21.3B

Bushels Of U.S. Corn,
Wheat And Soy Production
In 2018



THIS IS AFTER REMOVING BROKERS AND INCREASING PROFITS FOR BOTH SIDES



In shipping, brokers take between

**\$5,000 and
\$100,000**

for matching a buyer and a seller

It's **Not** Just About
Reducing Middle Men And
Increasing Margins!

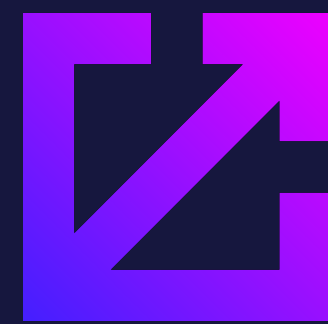


MARKET PARTICIPANTS USE BROKERS TO MITIGATE RISK

BUYERS CARE ABOUT	SELLERS CARE ABOUT
Faster transactions	Easier transactions
Higher quality purchases	Fulfillment flexibility
Cheaper products	Reduced financial risk
	Accessing new markets

CLEARING HOUSES HAVE PLAYED THIS ROLE FOR DECADES

Trading velocity increases when buyer and seller risk is mitigated, particularly in markets with significant information asymmetries



CLEARING HOUSES HAVE PLAYED THIS ROLE FOR DECADES



RISK MITIGATION IS EXPENSIVE BUT AUTOMATION OFFERS ALTERNATIVES



- Humans inspecting products
- Humans managing logistics
- Humans managing customs
- Humans insuring transactions



- Computer vision
- Matching algorithms
- Standard documents
- Aggregated and pooled risk



THE FINANCIAL CASE: FULL STACK 2.0

SaaS

- 10X revenue multiple
- Assumption around margin 80%+

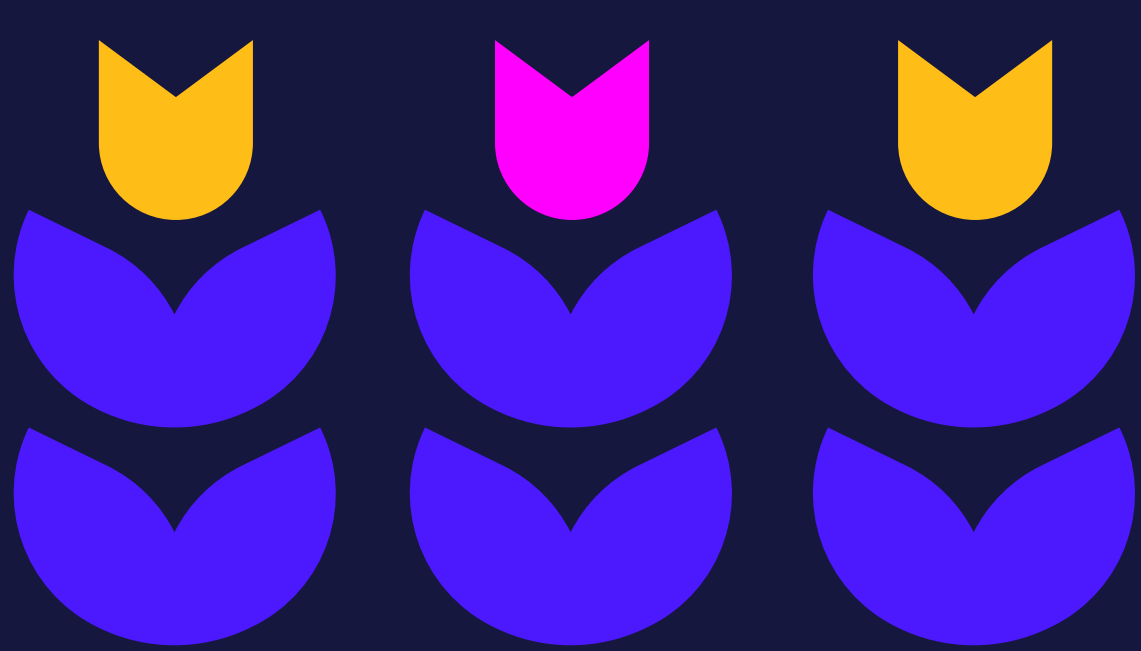
Low margin SaaS businesses Trade with low multiples

Marketplace

- 6X revenue multiple
- Alt: ~GMV with 10-15% take rate

Marketplaces without value-add Struggle to justify high take rates

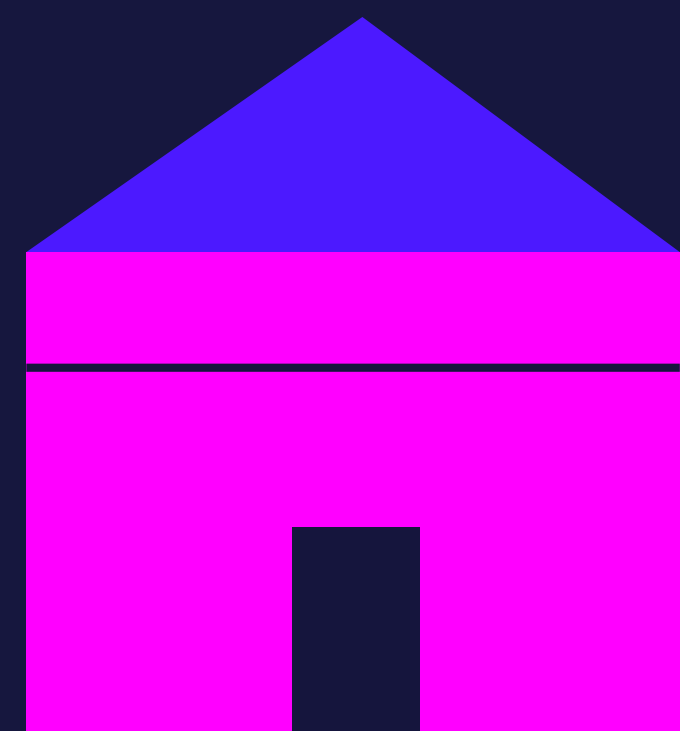
OPPORTUNITY ABOUND ACROSS INDUSTRIES



Commodities



Insurance



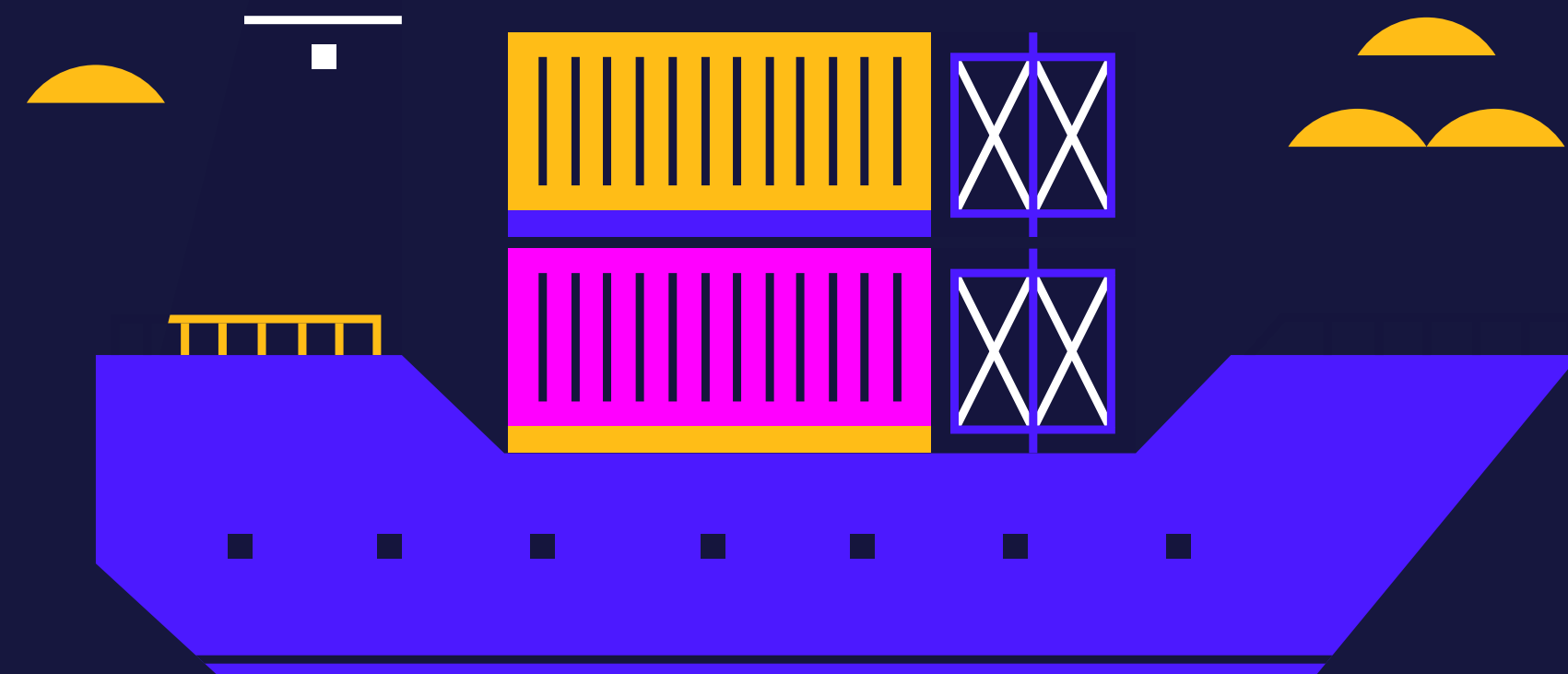
Real estate



Manufacturing



Customs



Logistics

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