

F R O S T & S U L L I V A N



# Startups to Watch Out for in Global Connected Truck Market

## Executive Summary

**K07E-18**  
**July 2016**

# Definitions

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## Startups to watch out in 2016: Definitions, Global, 2015

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### Definitions

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**Startup**

An entrepreneurial venture designed to develop a new product or a service which has the capability to disrupt the traditional market with innovations in terms of technology, business models and unique service propositions. We have considered companies that have emerged during the period 2012-16 in this research.

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**Fleet  
Management  
System (FMS)**

Productivity tool that gives fleet managers a complete, accurate, and timely picture of their fleet's activities

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**Freight  
Exchange  
Platform**

Serves as a platform to connect shippers to carriers and owner operators using an online load matching software

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Source: Frost & Sullivan

# Key Criteria's for Investing in Startups

Startups to watch out in 2016: Key Criteria's for Investing, Global, 2015



Source: Frost & Sullivan

# Reasons for Investing in Startups

## Startups to watch out in 2016: Reasons for Investing, Global, 2015

- Internally Integrated feedback system
- Implement changes quickly and efficiently
- Improved customer service



- Organic growth
- Low marketing and sales expenses
- Highly competitive pricing



- Reactive work culture
- Faster decision making
- React to opportunities swiftly
- Rapidly evolve new products/add value to existing products



- Proven product and a business model
- Expand into new geographies and markets

- Open-ended business facilitating continuous improvement

- Laser focus targeting a specific segment
- High profit margins
- Loyal customer base
- First-mover advantage



- New business models
- Complete automation with limited human intervention
- Disruptive technology

Source: Frost & Sullivan

# Case Study – OEM's recent Investments in Startups

## Startups to watch out in 2016: Case Study, Global, 2015



2014

**Volvo Group Venture Capital in Cargomatic**

**\$ 8 million**

**Volvo Group venture Capital** – Volvo Group's corporate investment arm looking to invest in companies that innovate in transport and infrastructure industries

**Cargomatic** – California-based startup focusing on on-demand moving services within a 150-mile radius in major urban markets

### Outcome

- Add value into truck/technology ecosystem to improve their customers' overall business operations
- Create new revenue streams for Volvo Group
- Comprehensive feedback and brand management



2016

**MAN Truck & Bus in Fr8 Revolution Inc.**

**\$ 8.5 million**

**MAN** – A subsidiary of Volkswagen Truck & Bus that has more than 200,000 networked trucks from MAN and Scania

**Fr8** – A startup from Silicon valley, US, focusing on a web-based real-time freight matching platform





### Outcome

- A move towards digitization in the trucking industry
- To transform from just a truck manufacturer into an intelligent mobility service provider
- Transfer the business model in Europe where MAN is more prominent

Source: Frost & Sullivan

# Key Markets with Investing Opportunities

## Startups to watch out in 2016: Key Markets, Global, 2015

	FMS	Freight Brokerage
 <b>Global Market Size 2015 (\$)</b>	<b>\$4.2 Billion</b>	<b>\$12 Trillion</b>
 <b>Major Markets</b>	North America, Europe, LATAM and China	North America, Europe, India, China, and Africa
 <b>Emerging Regions</b>	Russia, South Africa, Turkey, India, Middle East, Australia and Japan	Middle East, APAC and LATAM
 <b>Drivers</b>	<ul style="list-style-type: none"> <li>• Mandates in mature markets</li> <li>• Growing awareness for fleet optimization and fuel/vehicle theft in emerging regions</li> </ul>	<ul style="list-style-type: none"> <li>• Highly inefficient transportation industry</li> <li>• Highly fragmented market</li> <li>• Load Optimization, increased fuel efficiency, competitive pricing</li> </ul>
 <b>Key Players</b>	KeepTruckin, VersaFleet, Adgero, WorkHound App	LoadMe, Quicargo, Zootly, eShip, TG Matrix, Trucker Path, TruckSuvudha
 <b>Opportunity</b>	Small fleets, owner operators, rental/subcontracted fleets	Long haul, Short Haul
 <b>Business Models</b>	Upfront, Leasing, No-contract	Order based commission and subscription,

Source: Frost & Sullivan

# Startups by Region

## Startups to watch out in 2016: Startups by Region, Global, 2015

Region	Year	Company	Description
Hongkong	2013	GOGO Van	Transport goods and passengers around the city
	2012	HEIPEX	Freight Exchange Platform
Europe	2013	Cargotrax.EU	Freight Exchange Platform
	2014	Logidok	Digital document handling in road transportation
		Adgero	Kinetic energy recovery systems for commercial vehicles
	2015	TG Matrix	European logistics hub that matches supply and demand across intermodal (road, rail, short sea and coastal shipping) sectors
		Zipmend	Cloud based freight market
India	2014	TruckSuidha	Online freight exchange portal
		Rivigo	Reduce driver fatigue, find the best traffic routes, and monitor the performance of trucks
		Shippr	On-demand moving services
	2015	Cargoji	Online Mini-truck aggregate platform
		BILLTI	Online marketplace which brings transporters and industry together

Source: Frost & Sullivan

## Startups by Region (Cont...)

### Startups to watch out in 2016: Startups by Region, Global, 2015

Region	Year	Company	Description
India	2015	Vaahika	Online Market Place for Transportation solution
		Trukky	Logistics on a click ( Uber of Freights)
		Chacar	On Demand Logistics - Marketplace & Tools
		Sendit.in	Uber for trucks
		TransIQ Technologies	Technology platform to connect load owners to truck owners
		Transport Bazaar	Marketplace for intercity truck movement
		LoadKaro	Online freight mart
		Carrus Trucks	On-demand logistics solutions provider
		ProShip.in	On-demand logistics solutions provider
		BlackBuck	Online Freight Booking platform
		Lets Transport	Last mile logistics solution provider
		The Porter	On-demand logistics solutions provider
		InstaVans	Online Freight Booking platform
		Truckola	Connecting loads with vehicles
Quifers	On-demand logistics solutions provider		

Source: Frost & Sullivan



## Startups by Region (Cont...)

### Startups to watch out in 2016: Startups by Region, Global, 2015

Region	Year	Company	Description
US	2012	LinkeDrive	FitBit for Fuel Economy and Safety in Trucking
		Xstream	Streamlining trucks
		ComFreight	Logistics Marketplace - Freight Matching App
		Cargo Chief	Uber for Trucking
		10-4 Systems	Automated transportation exchange connecting Carriers, Brokers, and Shippers
	2013	Super Dispatch	Eliminating paperwork in Trucking industry.
		myTruckBoard	Shipping marketplace where shippers find drivers with trucks
		Transfix	Interstate Freight Moving
		LaneHoney	The Market for Trucks On Demand
		Dispatcher	Mobile Dispatching for Long-haul Truckers
		KeepTruckin	Electronic logs and fleet management for the mobile age
		TruLite Trace	Monitoring Vehicle's engine for fuel consumption saving
		Schnek Transportation	Uber's business model to the U.S. commercial trucking industry
		Cargomatic	Real-time on demand network for Local Truck Availability
		TruckerPath	Navigational assistance and truckload sourcing platform

Source: Frost & Sullivan

## Startups by Region (Cont...)

### Startups to watch out in 2016: Startups by Region, Global, 2015


Region	Year	Company	Description
US	2014	Spendrix	Automated Truck Carrier Evaluation
		Pallet Technologies	Streamlining trucks
		TruckerLine	Empowered Truck Driver Network and Hiring
		VeriFreight	Searchable, automated database that allows Freight Brokers to find carriers by location, capability, and other parameters
		Trucker Tech	Freight Matching Service
	My Lumper	A unique payment platform for the Trucking and Freight Handling industry	
	2015	WorkHound	Culture as a service for trucking
		Pilot Plus	Solution for Truck Driver Shortage
		DriverReach	Intelligent matching technology to connect companies with qualified CDL drivers
		CDL Warrior	Connecting Truck Drivers to the Supply Chain
		LCASH	App is on-demand service matching freight shippers with trucks in USA.
		InstaFreight	Connecting shippers to drivers for less
		iShipdit.com	Auctioning Unused Cargo Capacity
		Convoy	On-demand service for regional and local shipping
		Zootly	On-demand moving application

Source: Frost & Sullivan

## Startups by Region (Cont...)

### Startups to watch out in 2016: Startups by Region, Global, 2015

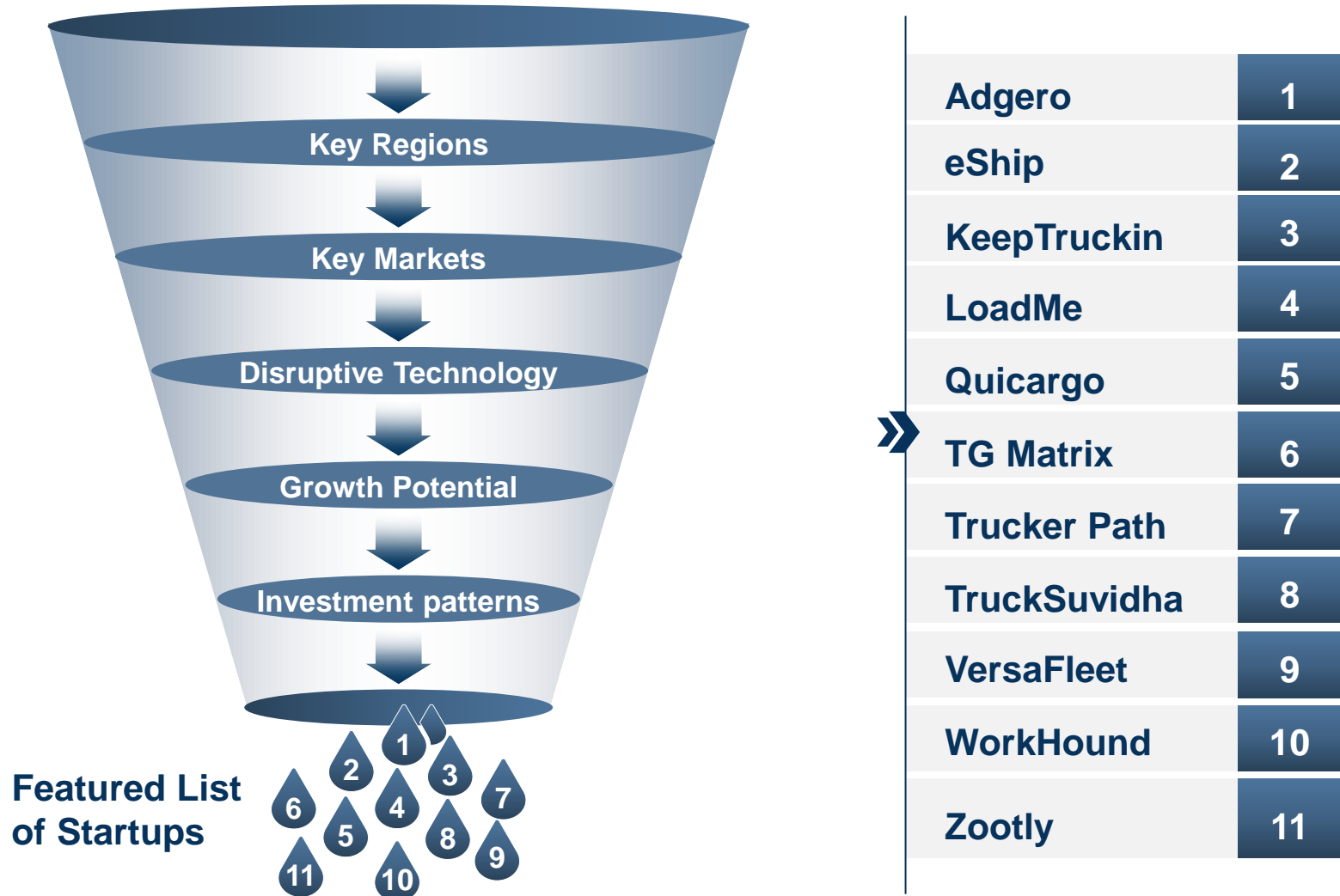
Region	Year	Company	Description
US	2016	Zuum App	On-demand Local Trucking
		Overhaul	Online freight exchange portal
		Fr8 System	Connects Shippers, carriers and drivers on a web platform based on real-time data
Middle East	2014	LoadMe	Matching Trucks and Loads
	2015	Quicargo	Freight Exchange Platform
Singapore	2012	VersaFleet	Collaborative planning, route optimization, driver dispatch and e-signing capabilities
South Africa	2013	eShip	Transport marketplace and delivery aggregation engine



Source: Frost & Sullivan

# Key Criteria's – To Identify List of Companies to Evaluate

## Startups to watch out in 2016: Key Criteria's, Global, 2015



Note: This is the first issue of the featured startups; subsequent issues to feature new set of companies

Source: Frost & Sullivan

# Shortlisted Startups – Benchmarking Exercise

## Startups to watch out in 2016: Shortlisted Startups, Global, 2015

Company	Business Description	Installed base	USP
<b>Adgero</b>	Telematics and Hybrid Systems	NA	Only hybrid system to use graphene ultracapacitors for energy storage
<b>eShip</b>	Real-time Load Matching	500+ carriers	Technology integration with existing players in the market, scale and adoption
<b>KeepTruckin</b>	Technology products for drivers & fleets	Drivers = 225,000, Fleets = 7,500	Low cost of adoption, Ease of Use, Best-in-class engineering
<b>LoadMe</b>	Real-time Load Matching	carriers/fleet owners = 600, Vehicles = 6,500	1 <sup>st</sup> in Middle East, GPS tracking and smartphone integration, Price Transparency
<b>Quicargo</b>	Real-time Load Matching	NA	Integration with in house fleet management and dispatcher systems, Detectors on trucks for empty space/volume
<b>TG Matrix</b>	Real-time Load Matching	NA	Intermodal, GPU processing, Rail capacity aggregation

Source: Frost & Sullivan

# Shortlisted Startups – Benchmarking Exercise (Contd...)

## Startups to watch out in 2016: Shortlisted Startups, Global, 2015

Company	Business Description	Installed base	USP
<b>Trucker Path</b>	Real-time Load Matching, Navigational assistance	Load matching = 450,000 trucks, Navigation = 10,000	Unique access to carrier base
<b>TruckSuvidha</b>	Real-time Load Matching	24000 customers	Exhaustive database provides real time information on forward and return journey as well
<b>VersaFleet</b>	Order management, Route optimization, Dispatch, order tracking	carriers/fleet owners = 20, vehicles = 250	End-to-end integrated SaaS package for 3PL
<b>WorkHound</b>	Driver Retention App	4 carriers, 2000 drivers	"Culture as a Service" - Modern Work Practices for an Old School Industry
<b>Zootly</b>	Real-time Load Matching	47 Moving companies, 48 Franchises	1 <sup>st</sup> to market in NYC, Partner-rich, Solid Scalable Technology, Regulation Compliance

Source: Frost & Sullivan

# Shortlisted Startups – Benchmarking Exercise (Contd...)

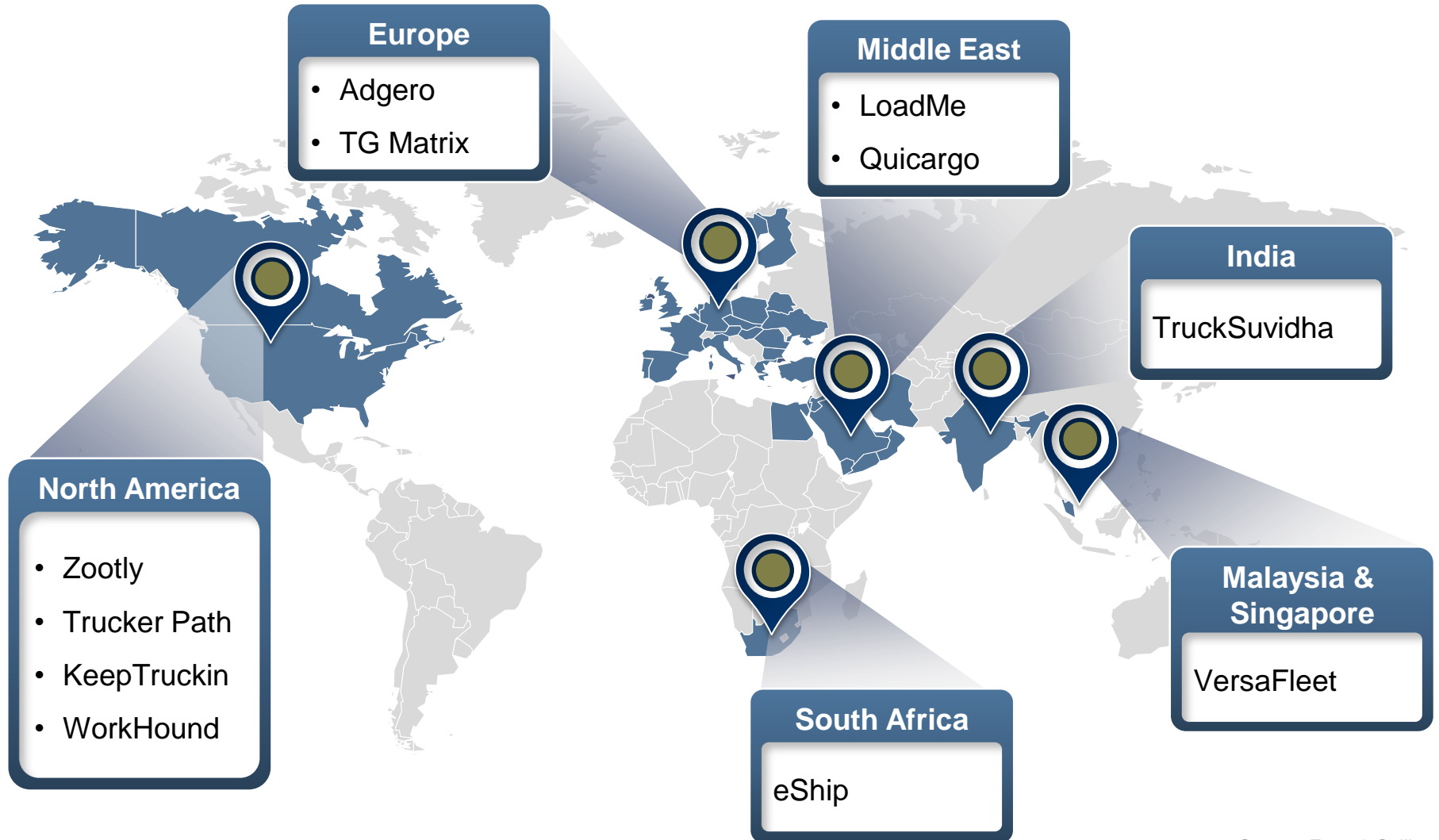
## Startups to watch out in 2016: Shortlisted Startups, Global, 2015

Company	Funding Received	Reasons for Investment
<b>Adgero</b>	€100,000	Compelling technology, Solid partnerships, Strong roadmap for growth
<b>eShip</b>	R5M	Entrepreneurial background and experience of founder, Technology, International growth and scalability
<b>KeepTruckin</b>	\$10.3M	Market opportunity catalyzed by regulatory mandate, Fundamental distribution advantage, Best in class product
<b>LoadMe</b>	\$390,000	Team Experience, Traction Generated, Growth potential
<b>Quicargo</b>	Self Funded	Entrepreneurial background, Revolutionary Technology
<b>TG Matrix</b>	£850,000	Experience and track record of team, Vast market opportunity, Vision to grow a large & highly profitable business and secure an exit within 5 years for 10-20 X investment.
<b>Trucker Path</b>	\$21.5M	Strong management team with expertise in logistics Unique access to carriers, Unmatched potential to innovate a legacy industry
<b>TruckSuvidha</b>	Bootstrapped	Strong background of trucking and transportation, Pioneers in market, Brand Visibility
<b>VersaFleet</b>	S\$639,000	True SaaS multi-tenancy architecture, Full IP ownership, all code written in-house, 99.9% up-time, Clear product-market fit, revenue-generating with <60% margins
<b>WorkHound</b>	\$32,500	Team, Niche Market, Market opportunity beyond trucking
<b>Zootly</b>	\$8.2M	Fragmented industry untouched by technology, Significant underutilization of assets (50%), Lack of a national last mile home delivery provider

Source: Frost & Sullivan

# Shortlisted Startups – By Region

Startups to watch out in 2016: Shortlisted Startups, Global, 2015



Source: Frost & Sullivan