



REFASHIONED VENTURES: INVESTING IN TECH TO STRENGTHEN WEAK LINKS IN GLOBAL SUPPLY CHAINS

The global supply chain was a mostly overlooked area by the general population – until the COVID-19 pandemic caused an unprecedented disruption. Factory closings amid heightened demand resulted in shortages of everything from semiconductors to toilet paper and brought the weaknesses within supply chain logistics to the forefront of global awareness.

Businesses involved in addressing those supply chain issues represent a robust investment opportunity upon which REFASHIOND Ventures remains focused. An early-stage fund that invests in technology startups refashioning global supply chains, the firm has an initial geographical focus on the United States. REFASHIOND identifies next-gen logistics, advanced materials, advanced manufacturing, and data and decision analytics companies that are creating innovative supply chain solutions. The firm looks to become the world's leading early-stage supply chain technology investor.

The opportunity is there. All production and consumption in the world depend on supply chains. The world's \$100 trillion GDP runs on supply chains, which need a similar amount invested to achieve net zero by 2050. Once the COVID-19 pandemic revealed flaws in the global network, corporate investments in the industry followed. In addition, governments worldwide are adopting policies, passing regulations, and investing in modernizing global, man-made supply chains.

A GLOBAL CRISIS

At the head of REFASHIOND Ventures are Lisa Morales-Hellebo and Brian Laung Aoaeh. The two met in 2016 after mutual contacts recommended they connect because both were separately working on similar theses postulating that supply chains would become an area of concern in the future. Morales-Hellebo was thinking about it from the fashion and apparel industry perspective and Aoaeh from logistics. Morales-Hellebo has deep experience in the fashion and tech industries, while Aoaeh brings experience in investment research and management at the early-stage venture level.

A Bronx native, Morales-Hellebo, had launched Shopsy, a fashion tech startup and contextual search engine. Also the founder of the New York Fashion Tech Lab, an accelerator partnered with major fashion retailers, Morales-Hellebo noticed how broken the supply chain was for the fashion industry. Upon their first meeting, Lisa asked Brian for advice on joining an existing firm and becoming its fashion supply chain technology specialist. A self-taught coder, Morales-Hellebo spent time at a Silicon Valley personalization and on-demand startup, spun out of Procter & Gamble, that provided micro-manufacturing across cosmetics, skincare, hair care, and fine fragrance categories.

Morales-Hellebo was also troubled by the impact the fashion industry has on the planet. According to the United Nations Environment Program, the fashion industry accounts for up to 10% of global carbon dioxide output—more than international flights and shipping combined. However, startups with innovative solutions for curtailing that impact in the fashion industry tend not to attract investment capital. "VCs don't know how to invest in this space," she asserts. "Since VCs generally invest in what they know and find interesting, I realized that the fashion supply chain is this undercapitalized \$3 trillion opportunity with a preponderance of female founders who receive less than 2% of capital, which nobody was targeting. I could turn other investors' biases into my opportunity."

Aoaeh relates his understanding and awareness of the significance of technology and innovation in supply chains to his background as a native of Ghana, who grew up in Nigeria before departing West Africa to study Mathematics and Physics for his first degree on a merit scholarship at Connecticut College.

Between 2008 and 2018, Aoaeh gained his investing experience as the first member of the investing team at a single-family office, having joined the family office as its second employee. That experience included building an institutional venture fund from scratch. During this time, he started formulating his version of an investment thesis focused on early-stage supply chain technology based on his habit of conducting extensive research on emerging opportunities in venture capital. This penchant for research also resulted in his authorship of a weekly column for FreightWaves – a globally recognized digital media portal focused on freight technology.

The two discussed that while the supply chain is fundamental to the economy, it hadn't received the same level of investment in technology as other industries. As geopolitical tensions rise, the climate crisis worsens, and consumerism continues trending higher, supply chains will become stressed. Aoaeh was looking to convince the team at his venture firm to consider early-stage opportunities in the supply chain. "It just seemed to us that this was an area that was ignored. No one was really excited about it," he recalls.

FASHIONING A PARTNERSHIP

As a result of those initial conversations, the two teamed up in 2017 and launched The New York Supply Chain Meetup, a multidisciplinary community of people looking to build the supply chain networks of the future. They would pick a meeting topic and identify speakers, with the idea being to spotlight those solving problems in the supply chain and to create a dialogue between the builders (startup founders) and buyers (enterprise executives). The community they built is also very diverse, and nearly half are women and people of color. "We have people from textiles companies who can cross-pollinate with automotive and airlines in the same room," says Morales-Hellebo. "It's just a really engaged, diverse and collaborative community."

That effort grew into The Worldwide Supply Chain Federation, the world's largest and fastest-growing grassroots-driven supply chain meetup, with 4,550 members and "members on every continent except Antarctica." The network bridges the gap between startup founders who build innovations to solve problems in supply chains and decision-makers who want to buy or invest in these innovations but don't fully understand advances in artificial intelligence, machine learning, blockchain, and other exponential technologies.

REFASHIOND grew out of the New York Supply Chain Meetup effort and now leverages the Worldwide Supply Chain Federation ecosystem to help identify investment opportunities that solve supply chain issues across all industries. While the firm is looking to raise its first institutional fund, it launched a rolling fund on AngelList in 2021 and has 27 startups in its investment portfolio to date. Aoaeh and Morales-Hellebo say they expect to have invested in 30 startups by the end of the year, given the current activity in REFASHIOND's pipeline.

Among these investments is Simplifyber, a startup in REFASHIOND's Advanced Materials and Advanced Manufacturing categories. The company leverages proprietary organic chemistry and a 3D printing or molding process to transform cotton, hemp, bamboo and other fibers into fully formed garments or other rigid structural materials without the need to spin yarn, knit, weave, cut, or sew.

Another startup in the portfolio, Leaf Logistics, is building a platform that brings together large shippers, transportation providers, and other logistics partners to deliver resilient transportation planning and a forward view of the market to help navigate supply chain uncertainty. One more startup in the portfolio, Stimulus, is a relationship intelligence Software-as-a-Service (SaaS) platform. The company's technology uses data insights, relationship-building tools, as well as a proprietary score to help customers make the best sourcing, procurement, and purchasing decisions while optimizing, nurturing, and growing their supplier ecosystems.

The REFASHIOND team is focused on raising its first institutional fund, transforming the supply chain, solving the climate crisis and delivering alpha. The firm's leadership also is well on its way to becoming the go-to source for supply chain innovation. According to Aoaeh, "Our goal is to have a team that is big enough to do the work when any founder, anywhere in the world, wakes up and says, 'I have a brilliant technological solution to a problem that has been endemic in supply chains,' and the next thought is 'I need to talk to Brian and Lisa and the team at REFASHIOND.'"