

Why We Invested in Zip – Taking the Pain Out of Procurement



Adams Street is proud to announce its investment in Zip, a leading procurement orchestration platform powered by artificial intelligence (AI).

Large, Critical Pain Point

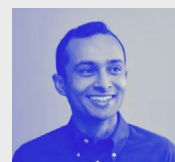
Procurement, the process of acquiring goods and services necessary for business operation, is a critical function for companies as they face mounting pressure to optimize spend and mitigate risk in today's global economy.

Each year, businesses spend trillions of dollars¹ on everything from office supplies and software subscriptions to professional services and marketing agencies. Procurement represents the second-largest area of business spend after payroll, yet despite its enormous financial impact, the purchasing process has remained stuck in the past – slow, complex, and riddled with inefficiencies.

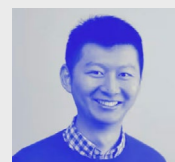
New Paradigm Creates Need for New Software Solution

Businesses face a myriad of challenges when making purchases. These include demand forecasting; vendor discovery, diligence and onboarding; price negotiations; supply chain visibility; security and compliance; delivery method and timing; payment terms and methods; and much more.

While many of the first wave of procurement tools that emerged in the late 1990s and early 2000s created a more efficient way to track and monitor business spend, the procurement workflow has fundamentally changed.



Rujul Zaporde
Co-Founder &
Chief Executive Officer



Lu Cheng
Co-founder &
Chief Technology Officer

Headquarters
California



First, procurement has evolved from a single, centralized ordering system to a more distributed and decentralized model (i.e. pushed further down in an organization), with employees actively picking the products or services they want to use.

Second, procurement has become more cross-functional, shifting from basic supply management and overseeing transactional activity to more holistic participation from various departments within a business (e.g. finance, legal, IT, security, etc.).

As a result, procurement today is a complex, decentralized, and company-wide workflow, which necessitates a need for a new type of software.

Innovative Platform Delivers Tangible Results

Zip's intuitive, consumer-grade interface can make purchasing as easy as online shopping. Its AI guides employees through the procurement process, with the goal of ensuring compliance, efficiency, and cost optimization.

More importantly, Zip is designed to unite the fractured procurement process into a single platform. This allows businesses to orchestrate the entire procurement process, from the initial purchasing request to purchase policy compliance and sign-off from finance, legal, IT, and security teams, in addition to budget management, onboarding new vendors, creating purchase orders, and processing invoices.

This holistic approach has helped transform operations for large organizations including Snowflake, Discover, and Sephora, which have collectively reduced procurement costs by more than \$4.4 billion through Zip's platform in less than four years. To date, over \$107 billion in customer spend has been processed through Zip.

Customer-first Mindset

To uncover insights about a market, team, or product, Adams Street often spends significant time speaking with customers. And while the throughline of our few dozen customer calls on Zip was overwhelmingly positive, what really struck us was that nearly all customers – unprompted – said how impressed they are with Zip's product velocity, speed of innovation, and rapid internalization of customer feedback. This suggests to us that Zip has the understanding, culture, and team to continue its rapid growth.

Adams Street is excited to support Zip as it seeks to redefine procurement to empower finance and procurement teams to drive efficiency and productivity across their organizations. Congratulations to the Zip team on its visionary approach and recent achievements. ■

1. Source: [Procurement Magazine](#), How Zip is Giving Procurement Better Control of Time & Money, June 28, 2024

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