



# Value Creation in Today's Multi-Value Omnichannel Supply Chain

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**Tompkins International**  
Your Supply Chain. The Right Way.





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# Alibaba: What's the Big Deal?

1. Alibaba has 81% of the online business in the largest e-commerce market in the world.
2. In 2014 I estimate:
  - U.S. e-commerce at \$475B
  - China at \$540B
  - Alibaba at \$450B
3. Big 2020 China e-commerce will be larger than U.S., UK, Japan, Germany, and France ***combined.***



# Alibaba: What's the Big Deal?

4. In 2015 Alibaba will be the largest retail platform in the world. Yes, larger than Wal-Mart.
5. Alibaba is the fastest growing e-commerce company in the fastest growing market in the world:
  - Grown 120%/year since 2003
  - Grown more than 70%/year between 2009-2013



# Alibaba: What's the Big Deal?

6. Alibaba handled \$5.75B on “Singles Day” (11/11/2013) in 24 hours:
  - 80% above 2012
  - 3x what U.S. retailers sold on Cyber Monday
7. In 2013 UPS handled 4 billion packages in U.S. and FedEx handled 1 billion packages in U.S. In China, Alibaba caused the delivery of 5 billion packages.



# Alibaba: What's the Big Deal?

8. Alibaba is profitable. In 2013 it had a 44.8% margin with revenue of \$8B and its profit was \$3.6B.
9. September 2014 - NYSE IPO will be huge.



# Alibaba: What Do They Do?

## 1. Alibaba is not a:

- Retailer
- Wholesaler
- Distributor
- Manufacturer
- Logistics company (until 2013)



# Alibaba: How is it Global?

- Marketplaces
  - China
    - Taobao
    - TMall
  - U.S.
    - 1<sup>st</sup> Dibs
    - Fanatics
    - 11Main
  - Cross-Border
    - Alibaba.com
    - AliExpress
    - Taobao Overseas
    - TMall Global





# Alibaba: How is it Global?

## ➤ Technologies

- China
  - AutoNavo
  - Weibo
  - Aliyun
- U.S.
  - Vendzo
  - Auctiva
  - Quixey
  - Tango
  - Snapchat



# Alibaba: How is it Global?

## ➤ Facilitation

- China
  - Alipay
  - China Smart Logistics Network
  - Haier Goodaymart
  - Rookie Network
  - Intime
  - China Shipping
  - Kualdi
  - Alibaba/Nielsen
- U.S.
  - ShopRunner
  - Lyft



# Alibaba: How is it Global?

## ➤ Facilitation (cont.)

### — Cross-Border

- Singapore Post
- Australian Post
- France
- Italy
- UK
- Spain
- Brazil
- Korea
- Taiwan



# Alibaba: Who is Jack Ma?

## 1. Background

- Born in Hangzhou
- His parents were in China music theater
- Taught himself English
- Graduated from local university
- Taught English for 5 years
- Married, 2 kids
- 1995: Trip to U.S. and saw the Internet
- 1995: Started China Yellow Pages
- 1997: Met Jerry Yang of Yahoo
- 1999: Started Alibaba



# Alibaba: Who is Jack Ma?

## 2. The Person

- Teacher
- Leader
- Chinese
  - Chinafication
  - Guanxi
  - Martial Arts
- Entrepreneur
- Global



# Alibaba: Impacts

1. Marketplaces/Big Marketplaces
2. Global
  - Bank
  - Logistics
    - China
    - Southeast Asia
    - U.S. and Europe
3. Alternative channels are a big deal

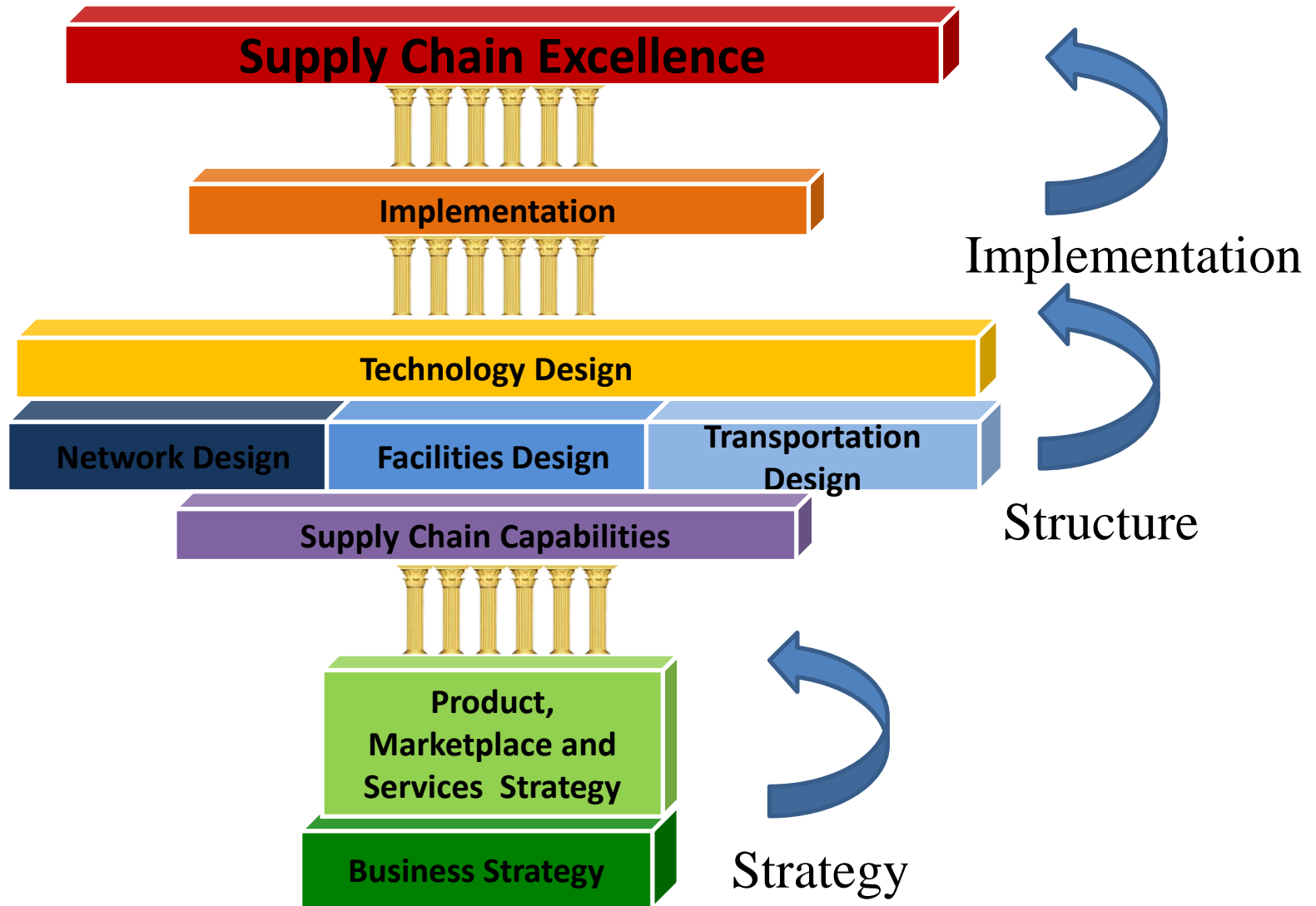


# Alibaba: Impacts

4. Companies need to improve their supply chains for alternative channels
5. Supply chain as a competitive weapon



# Supply Chain As A Competitive Weapon







# Conclusions

1. Alibaba is a big deal.
2. Alternative channels are a big deal.
3. Making the supply chain a competitive weapon is a big deal.
4. Hang on to your hats!