

— Exclusive

Start-up raises \$5m to rid supply chains of waste and woe

Michael Bailey *Rich List editor*



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Robobai, a start-up that uses artificial intelligence to help businesses avoid trouble with their supply chains, has raised \$5 million from [AirTree Ventures](#) in a bet it can go global like its other investees Canva and A Cloud Guru.

Robobai, which was founded in Sydney in 2017 by serial entrepreneur Julian Harris and procurement technology expert Nitin Upadhyay, will use part of the \$5 million seed round (which valued the business at a post-money \$29 million) to market its platform in the US and Europe.



Emily Close and John Henderson from Airtree Ventures with Julian Harris and Nitin Upadhyay the founder and chief product officer of Robobai. **Louie Douvis**

Most of its clients to date are in Australia, but it is in use at some big ASX-listed names like Telstra, Inghams Group, Coca-Cola Amatil, Monadelphous and Downer, between whom Robobai tracks a combined procurement spend of more than \$200 billion a year.

"These companies have between 5000 and 10,000 suppliers each and often they've got no idea what they're spending," Mr Harris said.

"Head office will put together a central procurement contract for cleaning or stationery or whatever it might be, then the branches go and buy from the local guy that gives them footy tickets."

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Robobai's platform works by collecting data from the business' enterprise resource planning software, correcting for mis-classifications or obviously fudged figures, and analysing where savings can be made.

Robobai also claims its algorithms can analyse thousands of contracts to identify which suppliers are being paid too early or too late, which will become more important from January 2021 with the [introduction of laws which name-and-shame corporates](#) that take longer than 21 days to pay small businesses.

If your business is buying batteries, they're likely to have cobalt in them, and 60 per cent of the world's cobalt comes from mines using child labour in the Congo.

— Julian Harris, Robobai

While there are other AI-driven procurement platforms claiming to save enterprises money, Mr Harris said Robobai was different because it added the ability to check for diversity and ethics in supply chains.

By pulling in third party databases to its "data lake", Robobai could for instance suggest suppliers to accord with a corporate's wish to spend more on female-owned or Indigenous-owned suppliers.

Robobai also claims to help businesses avoid the ignominy of having slavery embedded in their supply chains.

"For instance if your business is buying batteries, they're likely to have cobalt in them, and 60 per cent of the world's cobalt comes from mines using child labour in the Congo," Mr Harris said.

Robobai can also collate country-of-origin data to help businesses avoid or manage COVID-19 hotspots in their supply chains, Mr Harris said.

AirTree partner John Henderson, who has joined Robobai's board as part of the investment, saw global potential for its platform.

"Supply chain risk is a critical, board-level topic in large organisations. Procurement officers are struggling to manage thousands of supplier contracts, are often double-spending, and are rarely able to trace key risks like modern slavery," he said.

"Robobai... changes the way organisations buy from suppliers."



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Robobai is Mr Harris' seventh start-up. [He's still involved with Search 365](#), which aims to provide faster intra-company data searches, and [Groworx, a virtual call centre platform](#).

After selling several other businesses in his native UK, the 60-year-old emigrated to Sydney's Northern Beaches in 2008.

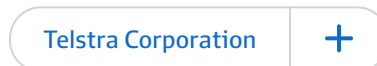
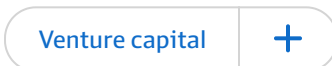
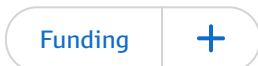
"I was supposed to retire, but it didn't quite happen like that," Mr Harris said.

"I am enjoying the sunshine though."

Michael Bailey writes on entrepreneurship and the arts. He is also responsible for the Financial Review's Rich Lists. He is based in Sydney. [Connect with Michael on Twitter](#). Email Michael at m.bailey@ afr.com



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