The FutureList

Sourcery

Innovation Memo

Innovation In Words

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A note from the Managing Director & Co-Founder of Sourcery, Crispin Argento:

We founded Sourcery to really create a system of trade that allows for transparency, fairness, and more efficiency. We do that by connecting major brands and retailers directly to farmers all around the world.

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Sourcery

Agtech

Textile Manufacturing

www.thesourcery.io

Undisclosed

2020

Executive Summary

Sourcery is a global textile sourcing solution that aims to reshape the industry through a focus on transparency, sustainability, and fair trade practices. Their core offering, the Direct-to-Grower program, connects brands and growers directly, bypassing intermediaries. This approach seeks to ensure fairer compensation for growers, particularly small-scale farmers. The program is facilitated by Sourcery Connect app, a mobile tool that empowers farmers by enabling data collection, verification, and secure transactions. Additionally, their Impact and Assurance Program focuses on verifiable environmental and social benefits through data analysis, encouraging sustainable farming practices throughout the supply chain.

However, significant challenges remain. Building trust in a traditionally opaque industry is crucial for their success. Maintaining a transparent and sustainable supply chain requires ongoing investment in technology and personnel. Moreover, navigating potential disruptions from transportation or regulations within their complex network presents a constant concern.

Despite these challenges, exciting opportunities exist. The rise of agricultural digitization and the increasing demand for data insights in the textile industry create avenues for expansion. Potential partnerships with sustainability-focused investors offer further possibilities for growth. By addressing existing challenges and leveraging these opportunities, Sourcery has the potential to shape a more transparent, fair, and sustainable future for the global textile industry.

Crispin Argento
Managing Director and Co-Founder

Crispin Argento is the Managing Director of Sourcery Group LLC with a keen focus on go-to-market, business development, and financial performance. He has worked with many global brands, retailers, suppliers, foundations, and non-profits to identify opportunities that accelerate their investments through sustainability.

Imran Asghar
Managing Director & Co-Founder

He is a textile professional with 20 years of experience; has worked in production, buying, and sourcing within organizations. He started his career in merchandising, specializing in fabric sourcing & processing. Imran's experience brings professional expertise to the growth of Sustainable Supply Chains.

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Innovation Spotlight

Innovation in Business Model:

Direct-to-Grower™ Program: The introduction of the Direct-to-Grower™ program is a distinctive feature that directly connects brands, manufacturers, and growers. Sourcery's business model is built on three interconnected service pillars - Trade Facilitation, Impact and Assurance, and Impact Finance. This holistic approach focuses on measuring and ensuring the environmental and social impact of sourcing processes.

Technology Integration: Sourcery leverages technology to ensure transparency and traceability throughout the supply chain. Through digital solutions, data is collected and shared, providing stakeholders with real-time information about the origin and journey of the sourced materials. This use of technology enhances accountability and builds trust among partners.

Strategy Programs: Sourcery goes beyond a transactional relationship. By providing strategic assistance to develop cotton portfolios, assess risks, and align with agricultural calendars, the company adds value to its partners. This collaborative approach fosters long-term relationships and helps build a more resilient and sustainable supply chain.

Focus on Verified Impact: Sourcery stands out by placing a significant emphasis on verified impact. Through its Impact and Assurance Programme, the missing resources farmers need to sustain more "sustainable" practices can be earned by themselves and impact delivered at scale as every farmer can adopt and potentially use Sourcery Connect App.
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Safety and Sustainability:

Data Ownership: The important thing about Sourcery's Connect app is that the farmers own and control all of their data. Farmers can decide to license their data downstream. Cooperatives such as farm groups can license the data. The data owner, however, is always the farmer. Sourcery never owns or licenses the data.

Data Sovereignty: Sourcery Connect App uses the Bluenumber® system which offers all Sourcery Partners cutting edge digital identity that protects, stores and ensures proper usage and rights to data, images and documents generated on the farm and in the value chain. The data is securely stored on the blockchain as Bluechips, which are non-fungible tokens that safeguard the usage of the Partners' data across the value chain.

Sustainable practices: Sourcery believes sustainability is a natural byproduct or output of better business and trade. Thus, Sourcery employs a unique pull-based system of trade that leverages 'forward transaction momentum' at all stages of the value chain on fibre, yarn, fabric and finished goods through a commercially neutral facilitative process that drives more transparency, fairness, and efficiency and benefits everyone from grower to consumer.

Market Impact & Future Outlook

Sourcery's mission is to transform trade for good by empowering partners to drive meaningful and measurable commercial and environmental value. In their pilot year, they successfully worked with about 8,000 farmers in India through their Direct to Grower Programme. Introducing a provisional program in India also marked a pivotal step in the company's mission to revolutionize the sourcing of natural fibers.

In recent times, Sourcery has announced significant partnerships with key growers. In their latest partnership with Rizq, a social enterprise in Pakistan, approximately 500 cotton farmers will get on-boarded into Sourcery's Direct- to-Grower Programme. Sourcery will get to pilot its Impact and Assurance Programme in Pakistan. In addition, this move will help Sourcery collect baseline farmer data and develop solutions to challenges such as limited access to smartphones on the ground. Examples of these partnerships underscore Sourcery's commitment to promoting fair trade practices and enhancing sustainability within the industry.

The company's Direct-to-Grower™ model continues to gain traction, facilitating transparent and efficient transactions between stakeholders in the cotton value chain. Sourcery plans to expand its Direct-to-Grower programme having launched Sourcery Connect app. This furthers their goal of becoming a digital trade platform for the global cotton industry.

In a bigger perspective, Sourcery's whole approach is to empower communities who are growing not only cotton, but other products, to be connected to global trade. They therefore aim to utilize the power using data, transparency, and capital to put users into their respective drivers seat, rather than the intermediaries that benefit from what it's being done.

The ambitious goal for Sourcery in the next decade to 15 years, is to have 20 million farmers who use their app.

Societal & Environmental Impact

Societal Impact:

Empowerment of Growers: By directly connecting growers with brands and manufacturers through the Direct-to-Grower™ program, Sourcery empowers growers, particularly small-scale farmers, by providing them with fair access to markets and fair compensation for their products. In addition, Sourcery rewards and recognises them for their continued environmental performance.

Fair Trade Practices: Sourcery's emphasis on transparency and traceability promotes fair trade practices, ensuring that growers receive equitable compensation for their labor while adhering to ethical standards. This fosters trust among stakeholders and supports the well-being of workers throughout the supply chain.

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Environmental Impact:

- Sustainable Agriculture: Sourcery encourages sustainable farming practices among growers by enabling growers to sustain themselves and empowering them to invest in more sustainable agricultural practices. They also promote environmentally friendly approaches such as organic farming and regenerative agriculture.

- Reduced Environmental Footprint: Through its focus on providing evidence through verified primary data (commercial, social, and environmental) and improving transparency and authenticity across the supply chain, Sourcery helps identify and mitigate environmental risks in the supply chain, such as deforestation, water pollution, and greenhouse gas emissions. By promoting responsible sourcing practices, Sourcery minimizes the environmental footprint of the textile industry and supports the transition to a more sustainable model of production and consumption.

Potential Funding & Partnership Opportunities

Sourcery has various potential funding opportunities available to support its innovative initiatives and expansion plans. These may include venture capital funding from investors interested in sustainable and impact-driven businesses, particularly those focused on supply chain transparency and ethical sourcing.

Additionally, grants and funding opportunities from government agencies, sovereign wealth funds, and international development institutions that support initiatives to promote fair trade, sustainability, and economic empowerment in the agriculture and textile sectors could be pursued.

Furthermore, partnerships with impact investors or social impact funds aligned with Sourcery's mission and values may provide access to capital while also leveraging expertise and networks to scale its impact globally.

Relatively, Sourcery welcomes other investor classes that can provide grant, equity, and debt financing solutions to support the company's mission and growth.

Sourcery, however, does not accept any philanthropic funding or grants. They believe that through their Direct-to-Grower approach to trade they already can identify enough inefficiencies and waste to fund all the interventions necessary at the farm level and in the supply chain to make sustainable cotton scale through more transparent, fair, and efficient trade.

Sourcery encourages philanthropic institutions to provide grant funding directly to its Partners rather and will support these efforts.

Potential Roadblocks & Risks

Building Trust: For a company's mission that requires the willingness to rewrite the rules of trade, it requires trust which is one of the biggest hurdles in the trade industry. Establishing trust among stakeholders, including growers, manufacturers, and consumers, is crucial for the success of Sourcery's Direct-to-Grower approach to trade.

Capital: After Trust, developing and maintaining a transparent and sustainable supply chain requires significant investment in technology, infrastructure, and human resources. Sourcery must secure adequate funding to support its expansion and ongoing research and development efforts.

Supply Chain Disruptions: Sourcery relies on a complex network of growers, manufacturers, and suppliers. Any disruptions in the supply chain, such as transportation, natural disasters, or regulatory changes, could impact the availability and quality of sourced materials, leading to delays or shortages.

Conclusion

Sourcery emerges as a pioneering force in revolutionizing the textile industry by integrating technology, sustainability, and transparent, fair, and efficient sourcing sourcing practices into its business model. Its innovative Direct-to-Grower™ program and Sourcery Connect app emphasize on connection, transparency, traceability, and commitment to verified impact. This set them apart as a leader in driving positive change within the supply chain.

Sourcery's forward-thinking approach positions it well for future success. With its focus on fostering fair and efficient trade, empowering growers, and enabling environmental sustainability through commercial viability Sourcery aligns with the growing consumer demand for ethically sourced and transparently produced textiles.

As they continue to forge strategic partnerships, expand their network and enhance their technological capabilities, Sourcery is poised to play a pivotal role in shaping a more transparent, fair, and sustainable future for the textile industry.

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Innovation
In View

How **Sourcery** brings innovation to life
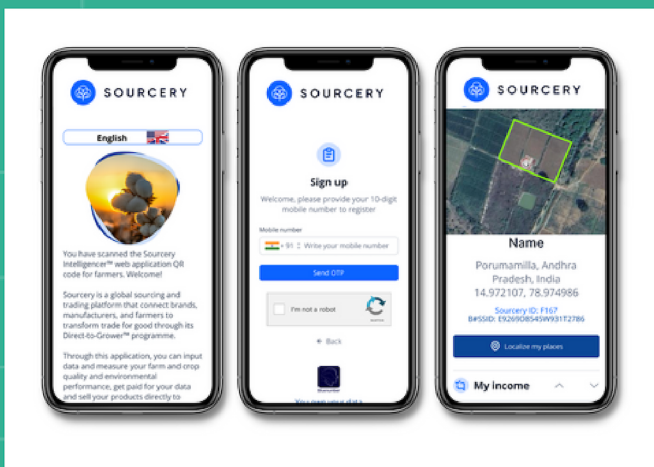
Sourcery Connect app

Sourcery Connect app is a mobile and web app for farmers, field staff and other stakeholders throughout the supply chain. Its purpose is to facilitate the collection of primary data, verification of that said data, and transaction of this information for financial gain within the value chain.

Features of the App

Amongst its features, Sourcery **Connect app** offers;
- Verified Primary Data
- Identification of Farm location
- Farmer Data Collection
- Field mapping
- Traceability
- SMS
- Digital payments
- Education (trainings and information)

User Experience & Integration

- Mobile and Web Integration: Their app is accessible through both mobile and web platforms.
- Offline Data Collection: Sourcery Connect app supports offline data collection, ensuring that users can continue working even in areas with restricted or unavailable internet access.

Integration: Sourcery Connect app utilizes GPS coordinates / Google Maps integration to enable farmers identify real-time location of their fields/homes. They collect location information based on your App settings and device permissions.
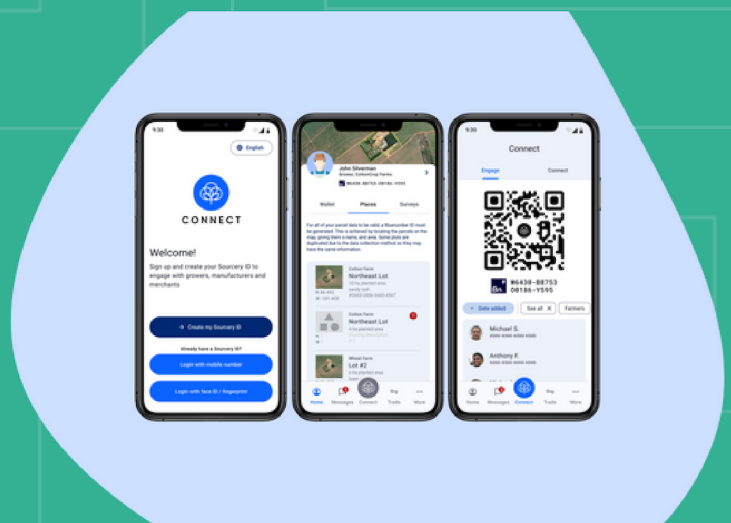
Sourcery Connect App

contributors

The FutureList

David Armaah
Agtech Research Analyst

Eric Kamande
Research Specialist

Sourcery

Crispin Argento
Managing Director and Co-Founder

Notes
on our methodology

About The FutureList

The FutureList is dedicated to identifying and linking innovative technology companies with the investors, talent and strategic growth partners they need to rapidly scale their innovation. The FutureList leverages its network of local Innovation Scouts, a comprehensive online platform, and curated events to rapidly spot and match opportunities. The FutureList network has already profiled over 6,000 innovative companies, investors and partners globally.

We scout across a broad range of sectors in tech, aiming to identify the most innovative startups globally. This includes everything from AI to biotech, renewable energy, and more. The 10 categories we currently focus on are: Agriculture (farming, food, beverages, crops, forestry, aquaculture, livestock, irrigation, veterinary, etc.), Climate (electricity, energy, environment, renewables, recycling, circular economy, carbon credits, cleantech, etc.), Education (e-learning, school management, assessments, upskilling, tutors, languages, etc.), Enterprise (legal services, AI, cyber security, market research, recruitment, HR, customer success, consulting, SaaS tools, business analytics, etc.), Finance (banking, capital, trading, lending, personal finance, insurance, crypto, real estate, etc.), Health (medicine, biotech, medical equipment, pharmaceuticals, public health, digital health, hospitals, health records, wellness, fitness, beauty, etc.), Infrastructure (architecture, materials, computer networks, safety, law enforcement, construction, data centers, machinery, telecom, wireless internet, manufacturing, etc.), Media (marketing, influencers, animation, arts, gaming, fashion, content, platforms, music, publishing, translation, editing, etc.), Mobility (delivery, transportation, etc.), and Supply Chain (e-commerce, warehousing, logistics, retail, etc.)

About Our Innovation Scouts

Our Innovation Scouts are experienced professionals from diverse sectors with a keen eye for groundbreaking technologies and business models. They undergo rigorous training to ensure they provide maximum value to the startups they work with. They conduct their research on a volunteer basis. We have strict ethical guidelines in place. Any Scout with a potential conflict of interest is recused from the process to ensure fairness and objectivity.

About Our Innovation Memos

Innovation Memos provide a comprehensive profile of an innovator, whether its a startup, hub, investor or more established corporate, highlighting technological and business model innovations. The Memo is written in direct consultation with a verified representative from that entity, and also outlines suggestions around how to rapidly scale their innovation further through use of The FutureList's network. Once published, the Memo accessible to our network of investors, partners, and the general public for free on our platform. The Memo process is completely free for the companies featured as well. The entire process, from initial contact to publishing the Innovation Memo, typically takes about 4-6 weeks, but this can vary based on the startup's availability and responsiveness. Our goal is to promote and scale innovation globally. The FutureList platform and events are sponsored by partners.

Scaling Innovation

How **The FutureList** identifies and scales innovation globally

Ecosystem and sector mapping

Our Innovation Scouts identify the most innovative early-stage and growth-stage tech companies across key sectors in tech hubs around the globe.

Innovation memos and platform profiles

Our Innovation Scouts interview founders and tech executives to publish innovation memos and create a comprehensive company profile on our public online platform.

Introductions to strategic opportunities

Our Innovation Scouts share company profiles with relevant investors and strategic growth partners across our global ecosystem, and facilitate warm introductions where requested.

Private dinners and fireside chats

Our exclusive evening events bring together founders, tech executives and other special guests for networking and interactive discussions around technology and innovation.

Global summits & learning trips

Featured companies will be invited to larger annual events held at the regional and global stage that connect the most innovative companies with opportunities for further visibility.

Sponsor

The FutureList platform and events are
sponsored by partners.

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TECHNOLOGIES

Sand Technologies, a global technology
services company with presence across
Silicon Valley, France, the UK, Romania, and
several emerging markets, is at the forefront
of supporting scale-ups worldwide in
overcoming the challenges of rapid growth.
We're currently aiding businesses in the
United States, New Zealand, Denmark, the
Netherlands, the UK, the UAE, South Africa,
Kenya, and numerous other locations in
developing scalable technology products,
constructing world-class tech teams,
enhancing revenue generation, and elevating
customer satisfaction.

Learn more at www.sandtech.com

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