

The Data Mine Corporate Partners Symposium 2021

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INTRODUCTION

- The purpose of this research is to verify and expand upon previous research by UPS into the private equity market and give them a better understanding of their partnerships with private equity firms.
- UPS is interested in Private Equity Market because it controls over 25% of US economy by capital and 98% by number of companies in the United States, and more because products and services from Private Equity backed companies are constantly being used by individuals.

MOTIVATION

The motivation for UPS in partnership with Purdue Data Mine includes the following:

- Advance the company into Private Equity Market
- Discover insights from financial data analysis that shows missed opportunities from the initial analysis done by UPS team.
- Incorporate the feedback from the research into their strategy for better data-driven decision making.
- The overall result of the project when implemented will bring growth and expansion to UPS.



Fig 1. The Motivation figure

RESEARCH GOALS

- Determine the transportation spending of the Private Equity Market and Small Package Market Size.
- Discover High Value Target for UPS (partners with high transportation activities) and Identify market participants that can provide and facilitate transportation partnerships between UPS and Businesses.

METHODOLOGY

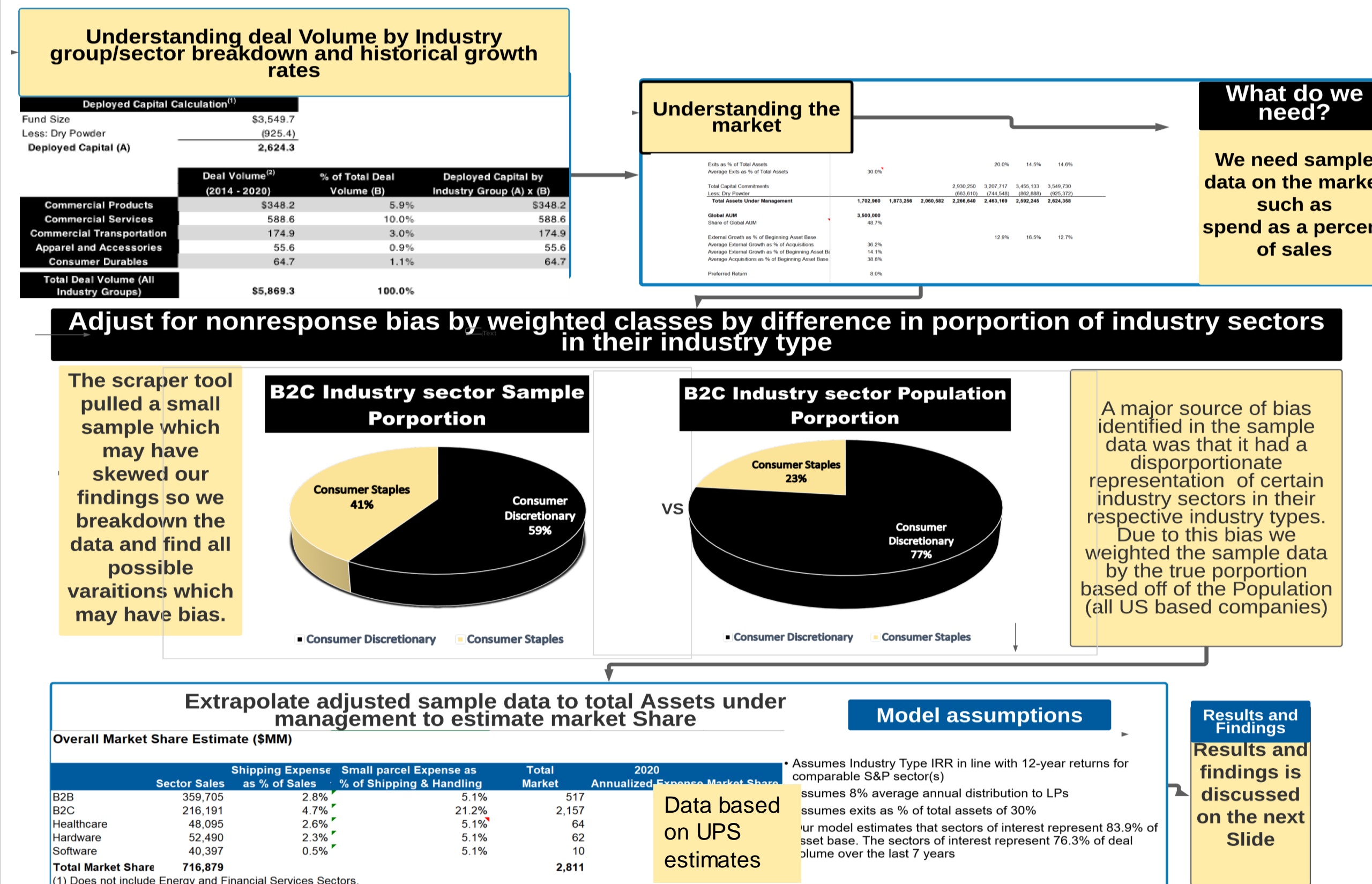


Fig 2. Group 1 Methodology Design

Industries	POC
B2B	Connor
B2C (Restaurants, Hotels, Leisure, Retail, etc.)	Nakul
Banks and Capital Markets/Institutions	Sam
Healthcare Devices & Supplies	Asad
Pharmaceuticals	Ambar
Health Systems	Julius
Communications & Networking, Hardware	Archis
Software	Dayo
Utilities	Eli

High Value Target Industries
B2B
B2C (Restaurants, Hotels, Leisure, Retail, etc.)
Healthcare Devices & Supplies
Pharmaceuticals
Communications & Networking, Hardware
Manufacturing and Industrials (TBD)

Fig 3. Group 2 Methodology Design

RESULTS

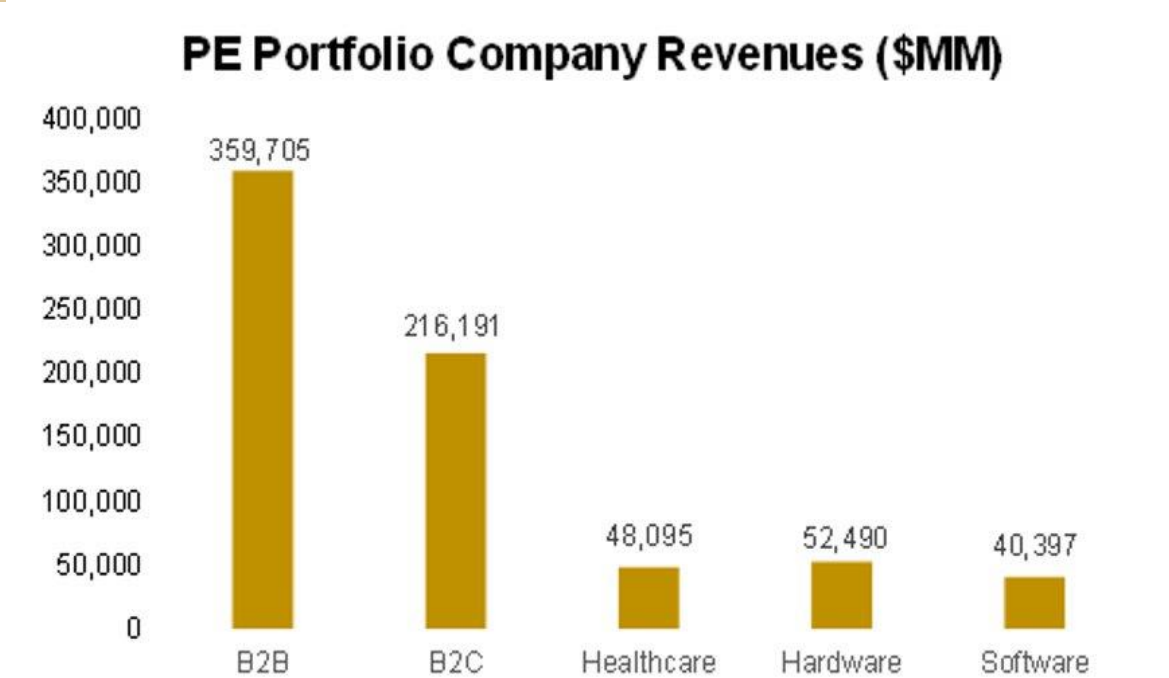


Fig 4. PE Portfolio Company Revenues

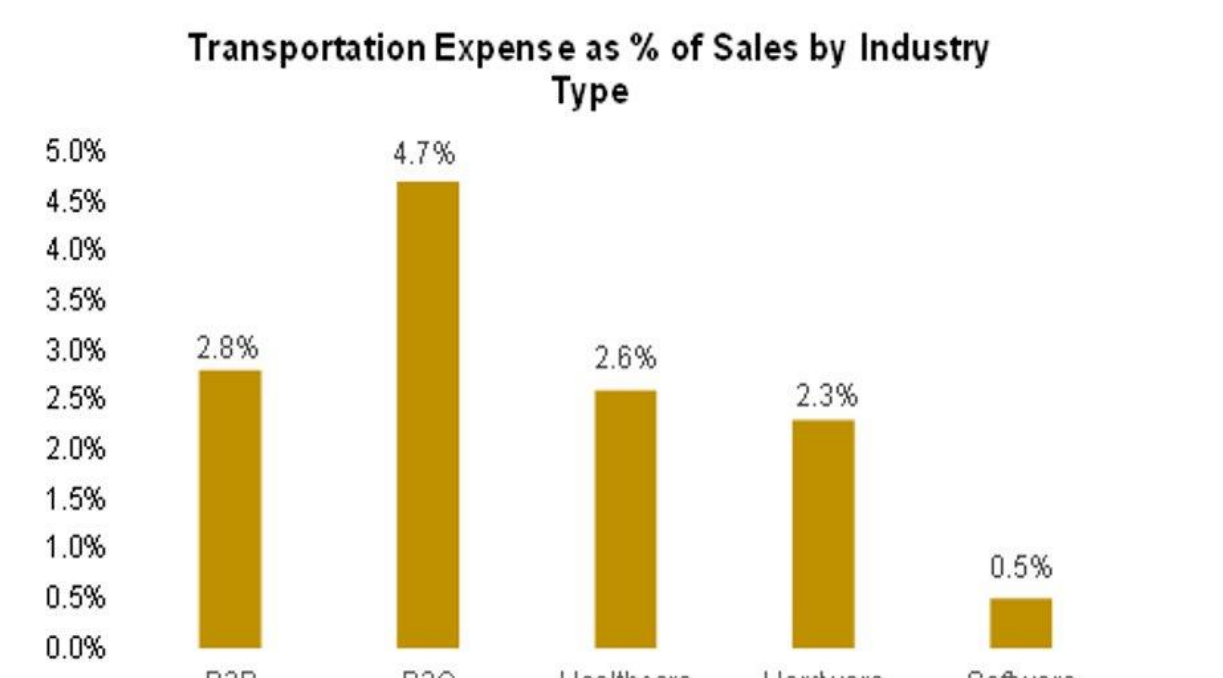


Fig 5. Transportation expense as % of Sales

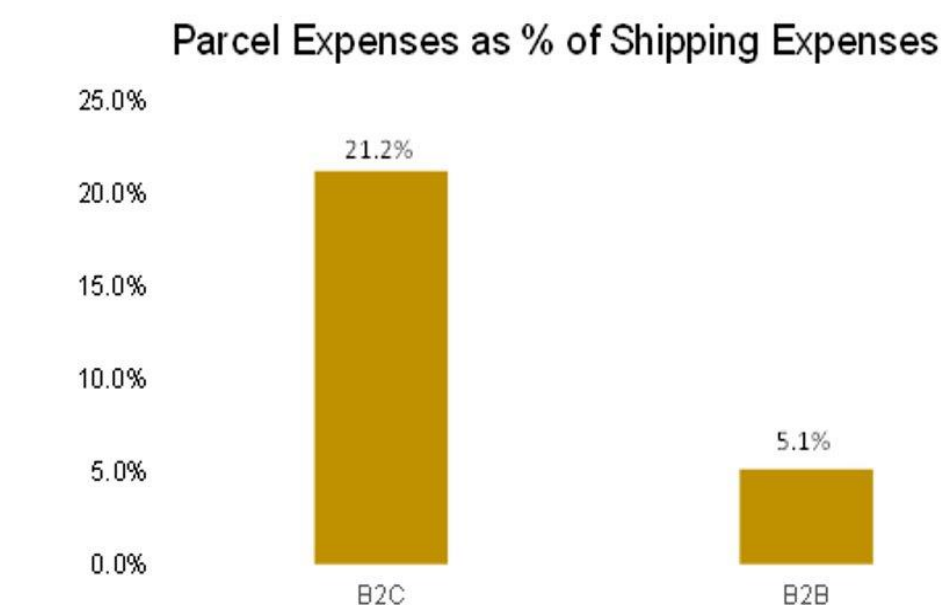


Fig 6. Parcel Expenses as % of Shipping Expenses

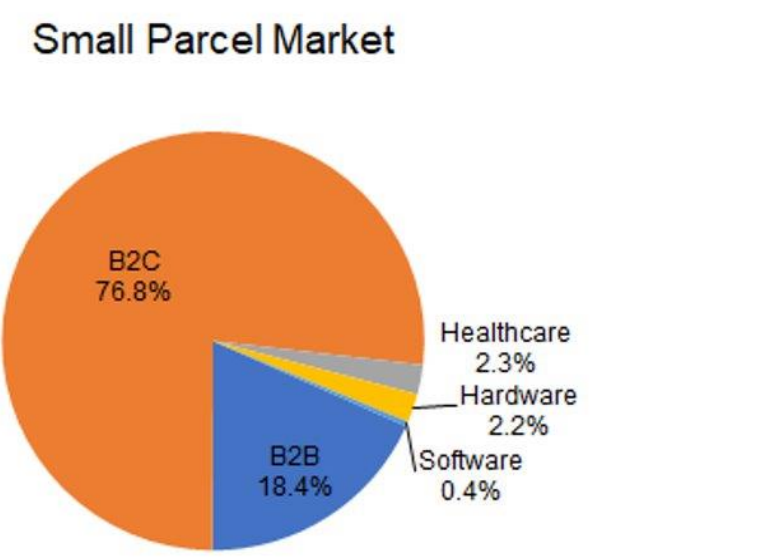
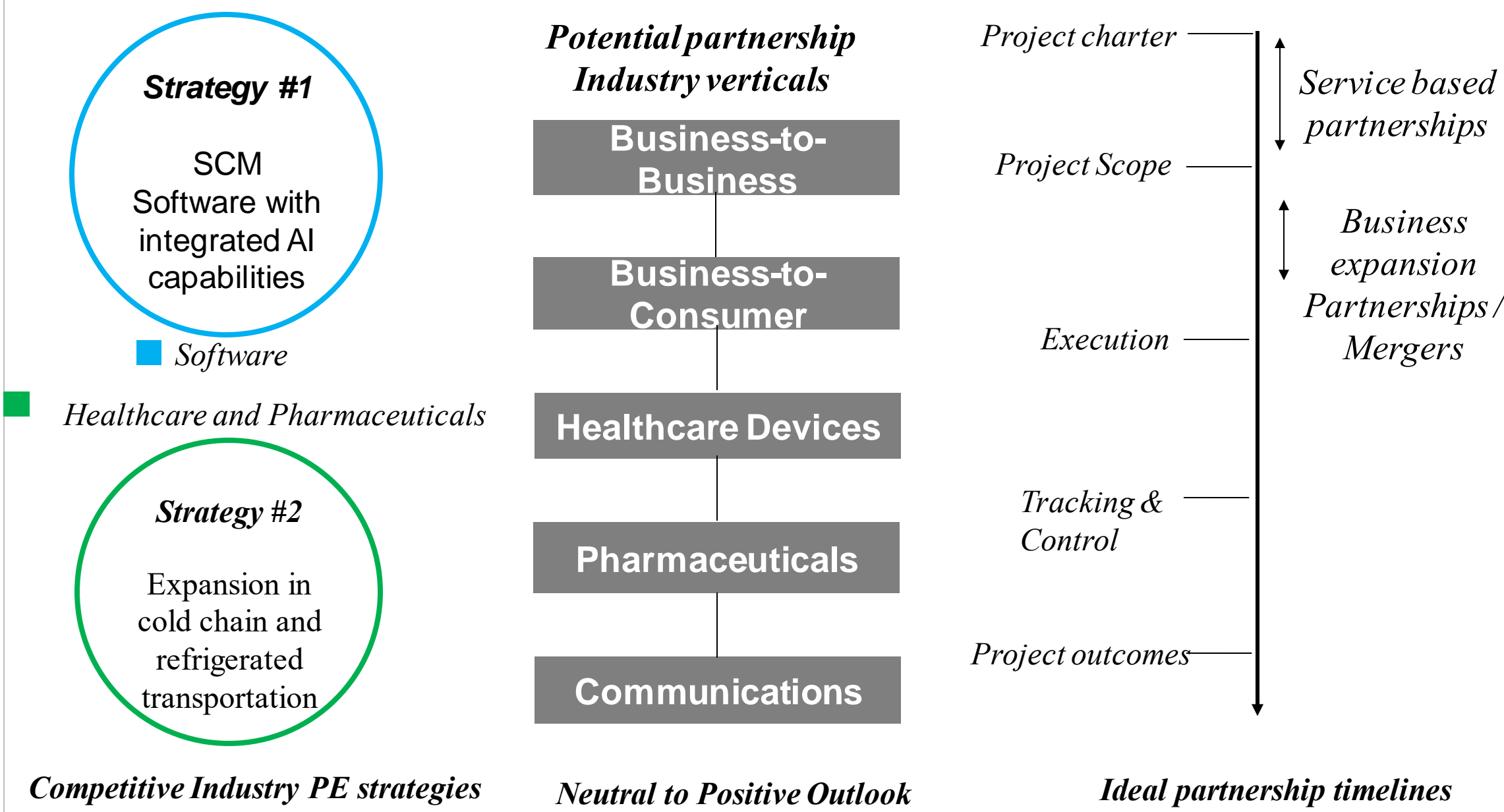


Fig 7. Small Parcel Market Breakdown

RECOMMENDATIONS



CONCLUSIONS

- Estimated UPS share of PE parcel spend market by Industry Type
 - Estimates may help inform decisions of the UPS PE team
- Identified potential strategies for expansion in PE market
 - Industry trends and drivers within high value verticals may provide UPS with new insights when pursuing partnerships
- A natural extension of this project is estimating market growth
 - Decade-long secular trends have been accelerated by Covid-19
 - Shift to alternative assets
 - Secular shift from brick-and-mortar to e-commerce

ACKNOWLEDGEMENTS

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