

E-commerce startup ShipBob gets \$68 million to fund expansion

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ShipBob, a Chicago-based e-commerce logistics company, raised \$68 million to fund an expansion amid a pandemic-fueled boom in online shopping.

The company aims to help businesses that are a fraction of Amazon's size ship products to customers at similar speeds. It planned to nearly

double its revenue year-over-year, but the pandemic forced it to grow even faster, said CEO Dhruv Saxena.

Estimated U.S. e-commerce sales in the second quarter rose 44.5% compared with the same period last year, as overall retail sales fell 3.6%, according to the U.S. Census Bureau. While some sales may shift back to stores, Saxena said he thinks the growth is here to stay.

"Online is going to continue to take a larger share of the customer's wallet, especially if it's delivered faster and cheaper," Saxena said.

ShipBob plans to use a portion of the \$68 million to expand its network of fulfillment centers. The company has 10 warehouses, six of which opened since April, and it plans to add 12 more by the end of 2021.

When one of ShipBob's clients makes a sale online, ShipBob handles getting the item to the customer. More warehouses means ShipBob can store merchandise closer to shoppers, speeding delivery times and cutting costs, Saxena said.

ShipBob already has warehouses in Cicero and Woodridge, so the company is looking outside the Chicago area for the new sites, including elsewhere in North America, Europe, Asia and Australia.

Overseas locations will help small and medium-sized e-commerce businesses based in the U.S. sell to international customers, Saxena said. ShipBob opened fulfillment centers in Canada and Ireland this year, and 20% to 30% of the company's shipments already travel overseas.

ShipBob also plans to invest in its [software platform](#) and sales and marketing, including hiring more employees, though Saxena declined to give a number. The company currently has about 150 headquarters employees, most of whom are based in Chicago, and about 450 working

in fulfillment centers.

The latest round of funding came from first-time ShipBob investor Softbank Vision Fund, a [venture capital fund](#) run by Japan's SoftBank. Managing partner Ervin Tu will join ShipBob's board of directors.

SoftBank's investment brings ShipBob's total funding raised to \$130.5 million. The [company](#) did not disclose its valuation.

Other investors include Chicago-based Hyde Park Angels and Hyde Park Venture Partners; Bain Capital Ventures, the [venture](#) capital arm of Bain Capital; Menlo Park, California-based Menlo Ventures; and California-based startup accelerator Y Combinator.

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