



WorkStep Raises \$25M to Solve Supply Chain Labor Crisis

Software Platform Leverages Employee Insights to Increase Frontline Workforce Retention and Create Better Outcomes Across the Supply Chain

SAN FRANCISCO – Jan. 13, 2021 – [WorkStep](#), a workforce hiring and retention platform for the supply chain, announced today it has raised \$25 million in Series B funding to combat the workforce shortage by transforming how enterprises hire and retain frontline workers. The investment brings its total capital raised to \$42 million.

The investment was led by [NewRoad Capital Partners](#) – an operator-led, demand driven investment firm focused on growth-oriented companies in Supply Chain and Logistics, Retail Technology & Consumer Packaged Goods, and Marketing Technology & Services. [Prologis Ventures](#), [FirstMark Capital](#), [Social Capital](#), [Quiet Capital](#), [Latitude Ventures](#) and [Engage VC](#) also participated in the funding round.

“The supply chain labor market is broken. Workforce leaders are caught in a vicious cycle of spending big to recruit talent, only to see their existing team churn and new hires walk out the door,” said Dan Johnston, Co-founder and CEO of WorkStep. “At WorkStep, we’re fundamentally transforming how businesses find and retain frontline teammates by empowering workers to provide actionable feedback, enabling companies to identify turnover drivers, and most importantly, helping leaders act on the data to improve frontline satisfaction and outcomes.”

WorkStep enables organizations to hire better-fit candidates by tapping into its talent network of over a million supply chain workers – the largest supply-chain-specific talent network in the United States. The company’s innovative [RETAIN](#) solution equips enterprises to engage frontline workers at scale, identify the underlying drivers of turnover, and make changes to increase retention and performance. The platform, which is used by companies like NFI, Westrock, and Kroger is proven to reduce turnover by up to 33% and save customers millions of dollars in hiring, temp staffing, and replacement costs.

“The inability to find and retain supply chain workers is critical to our national economy. As a country we spend almost \$2T a year on our supply chains. Labor cost is the largest single investment made by companies in this space. It is a huge issue for all logistics professionals. With the growth of c-commerce, next day and same day shipping, the nature of the changing mobile and digital workforce and the need for sustainable supply chains that have the resiliency to withstand ever changing demands, the problem is becoming exponentially more difficult”, said Chris Sultemeier, Operating Partner at NewRoad and former Executive Vice President of Logistics at Walmart. “WorkStep is uniquely positioned to address the talent shortage at scale

by radically improving how enterprises source, engage and invest in frontline workers. We're excited to be part of WorkStep's journey as they bring much-needed change, innovation and relief to the market."

WorkStep will leverage the investment to scale its platform, grow the team and help more hourly workers find rewarding careers and employment opportunities. Since its inception in 2017, WorkStep has experienced incredible demand for its hiring and retention platform. The company, which grew revenue by more than 3X year-over-year leading up to the fundraising, expects to more than triple its team in 2022. The Series B follows a \$10.5M Series A investment, led by FirstMark Capital, less than 12 months ago.

"The urgency to improve frontline hiring and retention has grown exponentially since FirstMark invested in January," said Adam Nelson, Managing Director at FirstMark Capital. "WorkStep rose to the challenge, delivering a market leading product that enabled the world's largest companies to overcome the workforce shortage, increase productivity, and produce measurable bottom-line results. We're excited to continue supporting the world-class team that WorkStep has assembled to execute on its ambitious vision for the future of workforce management."

For more information on WorkStep, visit <https://www.workstep.com/>.

About WorkStep

WorkStep is the leading provider of Frontline Workforce Retention (FWR) solutions purpose-built for the modern supply chain. WorkStep HIRE and RETAIN solutions provide HR, operations, finance, and c-suite executives what they need to hire frontline workers, engage them throughout their employment journey, and seamlessly act on critical insights to drive organizational change and ultimately reduce turnover. WorkStep customers include hundreds of manufacturing, warehousing, retail distribution, and transportation employers across North America — including regional 3PLs and manufacturers. With a distributed team across the U.S., WorkStep plays a critical role in keeping the country moving forward by making the sector a better place to work for employers and employees alike. For more information, visit www.workstep.com.

About NewRoad Capital Partners

NewRoad Capital Partners, LLC ("NewRoad") invests in proven and innovative technologies, products, and services that serve existing, unmet needs in the marketplace. NewRoad partners with growth-oriented companies in Supply Chain & Logistics, Retail Technology & Consumer Packaged Goods and Marketing Technology & Services. As experienced entrepreneurs and operators, the NewRoad team prides itself on the high level of collaboration it brings to each of its investments. NewRoad's team of investment professionals and operating partners have deep relevant investing and operating expertise, including significant experience leading large divisions of enterprise companies and building businesses of scale from concept to realization. For more information visit: <https://newroadcp.com/>.