



Expand and deliver

ONLY complete domination will do for two young, single-minded entrepreneurs whose revolutionary system is producing a massive shake-up in the one-day delivery business.

After two years of trials and £5million in private investment, Tom Allason, 25, and Jay Bregman, 26, are confident their eCourier venture will conquer wherever it operates in the UK's £1billion market.

Firms in the sector invariably rely on paper dockets, internal phone systems and at least five levels of personnel to manage courier teams. But eCourier's sophisticated software does away with that.

Instead it uses the Internet and mobile satellite technolo-

gy to process orders, direct couriers and track deliveries for customers every few seconds. The telephony comes from BT and Colt, and bikers and drivers' handheld devices are on O2.

"Our online operation enables us to remove several levels of staffing and clients can book a delivery round the clock" says Allason.

The average eCourier delivery charge ranges from £5 to £15, so competitive pricing is added to the benefits of accuracy and efficiency.

However, there are many enduring commercial advantages to eCourier's operations that help explain why it has found raising investment relatively easy.

"I started looking at the market when I was at university, simply because I ordered a present for a friend that did

Partners are aiming to win high-tech control of the £1bn courier business, says **Maisha Frost**

not arrive," says Allason. "it ruined the surprise and I was furious with the shoddy service and the fact that the courier firm could not tell where my order was."

He and Bregman, a fellow student he met in the US, analysed how UK courier

'We saw a gaping hole in the market'

companies worked and discovered a highly fragmented sector with obsoles-

cent supply chains creating insuperable barriers to growth.

According to Allason: "Traditional courier companies are based on a human sequence of telephonists, co-ordinators, controllers, customers and couriers. Because of high information costs, one controller can oversee a fleet of only 20 to 30 couriers meaning if the company is to grow it must operate several separate fleets.

"This rules out big efficiencies and economies of scale. In fact, the greater the traffic the less efficient the company becomes. Its costs grow, whereas eCourier can

expand from a fixed-cost base and with no limitations on traffic.

"We saw not so much a gap in the market as a gaping hole to be filled using the best technology."

The two friends contacted logistics experts about the possibilities and cost of creating software. "But the proposals cited prices in millions and a timescale of several years," says Allason. "We realised we had asked the wrong questions and concentrated too much on variables such as traffic and weather. We should have focused on the solution."

Intrigued that they did not receive a response from Dr Cynthia Barnhard, transport guru at the Massachusetts Institute of Technology, they lobbied her.

"She liked our youthful enthusiasm and has guided us informally," says Allason. Now he believes being entrepreneurs, free from the baggage of a big organisation, has enabled them to slash £5million off development costs and speeded up the route to market by a year.

Based in east London, eCourier turned over £1.5million in its first full year of trading, having landed big accounts from Goldman Sachs and Morgan Stanley. For the present, it is capital-wide operation, with 25 staff and 80 contract couriers, but further applications are becoming clear.

"We hope to roll out in places such as Manchester or Coventry," says Allason. "It is also a system that suits franchising and can be adapted for use by taxi firms as well as police and ambulance services."

Aware of rising fuel costs and environmental legislation, Allason and Bregman have teamed up with an Italian manufacturer and will trial a prototype electric bike. But however smart the two are when it comes to technology, human challenges remain. Allason says: "The one problem we haven't yet solved to our satisfaction is how to reward and motivate our couriers. Suggestions are welcome."

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