



BACK IN THE LATE 1990s, JAY BREGMAN WAS completing a BA in philosophy at the prestigious Dartmouth College in New Hampshire. All around him new companies like Google and eBay were springing up. The buzz was infectious.

Bregman had been fascinated by technology since he was a child. His father, a New York heart surgeon, encouraged his interest by buying him a Commodore 64 computer and he spent his early years messing around with DOS and Windows. 'The thing about my father was that, way back in the 1980s, he knew how technology was going to play a really important role in our lives. He was very good at ensuring I had all the latest computing equipment, so I was learning all the time.'

Bregman had intended to become a lawyer but his favourite course at Dartmouth was computers and philosophy, which explored such knotty issues as artificial intelligence and what it means to have an understanding of something. Can computers think? Bregman was 'really energised' by the question. He decided he wanted to find a way of 'mixing my technology hobby with critical thinking'. Joining a tech start-up seemed the obvious choice, but by the time he graduated in 2001, the bubble had burst.

Silicon Valley's loss was London's gain. Bregman, now 30, marked time by doing a masters degree at the London School of Economics (LSE). 'It was one of those classic things where I came over expecting to stay a year – and ended up making my whole life over here.'

As with many of the best ideas, eCourier started somewhat haphazardly. 'When I came over to the UK I hooked up with a friend from Dartmouth, Tom Allason. He was an operations manager for a shipbroker, and he was constantly pulling his hair out because of the terrible service he was getting from couriers. They were calling

10 to 15 bikes a day, usually to deliver contracts for multi-million-pound tenders, and they weren't getting there on time.' Fed up with taking the flak, Allason joined forces with Bregman to investigate the industry.

They had a hunch there must be a gap in the market, but they had no idea how wide it was. Here was a huge market worth £250m in London and over a billion in the UK, with no real clear market leader. 'Within the M25, the market was fragmented between 600 companies – mostly father and son operations, each servicing a very distinct geographic area.

'The fascinating thing was that the larger companies were much less profitable than the smaller ones. It was all down to how they managed their fleets and general operations – and the way the information flowed. When you visited these companies, there were people as far as the eye could see. Nine out of ten bookings came in to the telephonists by phone, they'd pass them on to the controller, and he'd have to make a call about who was the best courier for the job.

'It was really information-intense. If a client wanted to know where their package was, they'd have to call the telephonist, who'd contact the controller, who'd call the courier who might, or might not, answer his phone. Incredibly frustrating. And the bigger you get, the more controllers you need to manage the sub-fleets. The ratio of administration to turnover grows, so you never really get the scale benefits.'

Clearly, this was a sector that the IT revolution had somehow bypassed; it was crying out for modernisation. In fact, says Bregman, 'we thought it was a little bit too obvious. There must be someone doing it, or a big player thinking about doing it.' But no one was. 'People in this industry were ultra-conservative. They weren't interested in any big platform re-engineering – and that ►

# PACKAGE DEAL

Upheavals reshape lives. Had the dotcom bubble not burst, Jay Bregman might never have found his way to London, let alone founded eCourier.

**Jane Lewis** went to meet the American who came to study for a year and turned the capital's traditional delivery industry on its head

# CV

**Education**  
**BA in Philosophy,**  
**Dartmouth**  
**College;**  
**MSc in Media &**  
**Communications**  
**Regulation &**  
**Policy, London**  
**School of**  
**Economics**  
**Career highlights**  
**2000**  
**Research Associate**  
**for Internet &**  
**Society, Harvard**  
**Law School**  
**2003**  
**Founder and Chief**  
**Technical Officer,**  
**eCourier**

◀ was a real opportunity.’  
 The incident that finally spurred the founding duo into action was Allason’s attempt to bike Bregman tickets to see some tennis at Queen’s. ‘Typically, everything that could go wrong did go wrong: the delivery arrived so late I missed the tennis. It was at that point we said, “We’ve got to do this.” We designed both the system and the company around the problems we had experienced as consumers.’

The atmosphere at eCourier is studiously informal, but Bregman comes across as a driven and relentlessly inquiring personality who has never shaken off his academic background. His conversation is peppered with references to ‘great professors’. Certainly, few start-ups can have been more meticulously (or more eminently) researched. He spent hours in the LSE library reading papers by academics dealing with the problems of dispatch systems.

The plan was to design an algorithm to allocate customer requests to couriers automatically via handheld computers rather than radios, thereby obviating the need for any human interaction. The basic foundation was that everyone – from the client to the eCourier management team – would know where a courier was at any one time by tracking them on the website.

It was a simple premise but, in technological terms, highly complicated to deliver. Bregman combed the IT industry for the right software designers, eventually settling on a firm comprising ‘a

bunch of very smart software developers and senior academics in logistics in southern Italy, of all places’. He later roped in the chair of logistics at the respected Massachusetts Institute of Technology to help out with some of the proposals.

## PERSONAL INVESTMENT

You can’t train to be an entrepreneur, but Bregman and Allason showed a real talent for tactics when it came to raising cash for their venture. Realising that no backer would look at a business plan put together by a couple of guys just out of university, they decided to ‘get the company as far as we could, in terms of planning, on our personal finances and credit cards. We got everything, including the first contracts, lined up, and then we tried to raise funds.’

They opened in November 2004, with four couriers based out of an office in up-and-coming Shoreditch, near central London. The first clients were City-based investment banks and finance houses, which helped raise the fledgling company’s profile, and they eventually secured their first round of funding through word of mouth. They also got lucky with the domain name. ‘We thought we’d call the company eCourier, which was kind of cheesy but said it all. We ended up buying it from a liquidator for £50. He was so happy to see us take it; he had no idea what it was worth.’

Turnover swiftly began to mushroom. ‘We went from a £100,000 turnover our first year to

£6 million by 2007.’ That year marked a step change in the company’s evolution. They moved to larger premises in nearby Whitechapel, Allason dropped out to pursue other ventures, and ‘we brought in a really ace senior management team to help manage growth.’

From the outset, Bregman recognised that nurturing the right ethos and culture at eCourier was as important as ensuring the robustness of its systems. The company’s USP might be its whizz-bang dispatch system (96% of bookings are made online compared with an average of under 10% among competitors), but that was only the means towards the greater end of keeping the customer satisfied.

Branding was crucial to the process of establishing the company as a very different animal to its competitors. The dispatch industry had such a poor reputation, says Bregman, that at first they found it very difficult to get meetings with potential clients. Eventually they came up with the motto Happiness Delivered and a punchy, bright pink and purple logo.

It was about as far removed from the gritty image of the traditional industry as you could get – a difference highlighted when eCourier recently rolled out a new fleet of eco-friendly vans. Bregman sees the company’s vans as one of its greatest publicity assets, so a lot of thought goes into making them distinctive. ‘We decided to have a bit of fun, so all the sunscreens on the new vans have names of famous ▶



WE OFFER AN NVQ BUT  
 ULTIMATELY WHAT WE  
 LOOK FOR IS PEOPLE  
 WHO ARE DEDICATED  
 AND WILLING TO BE  
 FLEXIBLE TO DO  
 THINGS DIFFERENTLY



Unique

Slide P. 4+  
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◀lovers. We've got everyone from Boris Johnson to James Bond up there. It personalises things a bit.'

As the new kid on the block, the company got quite a bit of flak from competitors. 'It's a very rough and tumble industry,' says Bregman. Rivalries in the sector aren't nearly as vicious as other turf tussles but as he said in a earlier interview, 'If you are going in and taking clients from someone who has become quite complacent, they tend to get quite upset.' In the early days, there was a good deal of bad-mouthing and 'personal attacks on senior management'.

Ultimately, however, that sort of behaviour works in eCourier's favour. 'We work hard to keep ourselves above the cut, to maintain our standards and our professionalism.' What that means in practice is a big emphasis on training, even though the company's 150-strong dispatch team is largely made up of self-employed couriers. 'We offer an NVQ, but ultimately what we look for is people who are dedicated and willing to be flexible to do things in a different way.'

'We have to retrain our couriers sometimes to get them out of bad habits that they've acquired in other companies. It's mainly to do with customer service and transparency. Our core values are that they should be delivering service with a smile, and that the customer is always right. In some other companies they've been told to do things as expediently as possible – often at the expense of client happiness.'

That's not something we're willing to sacrifice.'

The company takes pains to research the backgrounds of would-be couriers thoroughly, says Bregman, 'because we're handling some extremely sensitive parcels', whether in the form of big contracts or samples from pathology labs.

Because a high percentage of eCourier's dispatch team are immigrants, the company also offers courses in English as a second language. That's clearly crucial in terms of client communication, but it's also a perk that their drivers value and therefore a valuable retention tool. That matters in the courier industry where talent is at a premium. 'There is generally a shortage of good couriers, partly because over the past ten years the costs of being a courier have risen dramatically so the guys are very wary of the costs.'

### THE EXTRA MILE

Here again, eCourier's technological advantage helps. 'What couriers love more than anything is to get two jobs going to the same area because effectively they get paid twice. Our system ensures they get more deliveries for their mileage and more consolidation, yet we can still provide customers with a better service than anyone else.'

In many ways eCourier is a perfect barometer of the economic fortunes of London companies and things have certainly been tough. As Bregman says, 'When there are fewer deals there is less to send.' The trend was at its most worrying

at the turn of the year. 'Normally, you have a big jump in December – everyone tries to get things done before Christmas and new year. That didn't happen this time and volumes hadn't picked up much by the end of January.' The next few months were also tough, but the company's records have started showing a pronounced pick-up in business.

'What we see now is very encouraging. Downtrading has slowed or stopped almost across the board and deal activity in financial services is starting to pick up.' Clearly, the rest of the economy continues to trail the resurgent investment banking sector but Bregman is optimistic that this positive trend will continue and that the economy will pick up. Meanwhile eCourier has been making hay, snapping up business from new clients which have either disbanded or downsized their own delivery fleets to stem costs.

Improving the company's service and systems remains an ongoing task. 'There's still a lot to be done here in terms of growing the company and improving the proposition,' Bregman maintains. He continues to view himself an entrepreneur at heart and will eventually consider his exit options, but for the time being he's staying put. 'This is a great country and I love living here in London – and growing this business has been so exciting. It's ironic really. I've found the American dream – outside America.' ■



WE HAVE TO RETRAIN OUR COURIERS TO GET THEM OUT OF BAD HABITS, MAINLY TO DO WITH CUSTOMER SERVICE AND TRANSPARENCY



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