

Startup aims to take the blues out of retail logistics

Most of us have missed a delivery of online shopping loot. blu started out as a solution to that problem – and it's not ending there.

YOU might expect a start-up that rides on the e-commerce wave to be run by tech-savvy, code-fluent computer wizards with obscure engineering backgrounds.

Yet blu founder Prashant Dadlani, 26, is living proof that you do not need a digital background to launch a tech-related business.

All you need is a central idea, and a team to help you realise it. Of the 30-odd employees in this retail logistics startup, five to 10 work in technology development.

Mr Dadlani's own background is in business and finance. It was while pursuing his degree at the Singapore Management University that he hit on the idea of filling a gap in the local e-commerce scene.

The scenario will be familiar to most online shoppers: you buy something in minutes, but receiving your purchase is far less hassle-free.

Either you have to set aside a block of time to wait for the delivery, or the deliveryman shows up when no one is home, making it necessary for you to reschedule the delivery, or go out of your way to a post office to pick up your parcel.

Mr Dadlani said: "There's no point fulfilling orders fast if you can't receive orders fast." From the customer's perspective, what matters is the total time taken for the goods to reach their hands.

Enter blu.

Officially launched in October 2016, it is one of several firms in Singapore that offer self-service pick-ups, allowing online shoppers to retrieve their purchases from a range of locations at their own convenience.

There are now 67 bluPorts – automated parcel lockers – in locations such as convenience stores, petrol kiosks and shopping malls.

Besides retailers, blu also works with logistics companies such as DHL, so that parcels can be picked up

at bluPorts instead of being delivered to homes.

What sets blu apart is that it provides services beyond last-mile logistics by going higher up the retail value chain; these services range from order management to warehousing, inventory management and order fulfilment.

With such end-to-end integration, orders can be placed, fulfilled and delivered to a bluPort within a day.

Sporting goods store Qoolmart and health supplement shop GoPure are among the online retailers using blu's end-to-end services, making same-day delivery possible.

All these services are offered via a single cloud-based inventory and management system, bluPortal.

Retailers use it to track the performance of different online sales channels, monitor inventory, and update their product catalogue.

At the front-end, blu's system is integrated into retailers' own e-commerce sites. Shoppers can simply choose bluPort delivery at the checkout page.

Back-end integration means that once an order is received on the retailer's own e-commerce site, it is automatically fulfilled.

This is thanks to bluStore, the company's 30,000sq ft warehouse in Jurong East.

There, hidden behind tall walls in the company's colours of blue and yellow, the automated inventory system works its magic, picking items to be delivered to customers' chosen bluPorts.

blu currently handles "thousands" of parcels each week, but has the capacity to do much more. Its robotic picking process is capable of fulfilling up to 200 orders an hour.

This level of productivity is within reach for any firm willing to make the investment – for after all, blu's system was not developed from scratch.

The firm uses a well-established automated storage and handling system.

With such options readily available on the market, taking the step towards automation need not be daunting. In fact, automation is relatively straightforward, said Mr Dadlani: "It's very easy to automate. It's not easy to integrate."

The true challenge is to go beyond simply adopting digital technology or automation, he added.

Rather, firms should look at their entire business process, from front-end to back-end, and consider how integration can be achieved along that chain.

Integrating internal systems also helps with efficiency, such as making sure the accounting and human resources systems are linked.

In the beginning, blu benefited greatly from Spring Singapore's Capability Development Grant, which it tapped for the initial set-up of all its systems.

As a young start-up that began with digital solutions



Lacking a background in digital technology did not stop Prashant Dadlani from launching his e-commerce logistics start-up, blu.

PHOTO: BLU

in mind, blu may not seem like an obvious example of transformation within the retail or logistics industries.

Yet its story is part of a bigger picture of industry transformation. After all, the market niche which blu seeks to fill is one that has opened up, thanks to the rise of online retail.

By providing end-to-end solutions, it has also helped traditional retailers to catch the e-commerce wave.

Retailers with no experience in selling online can tap bluPortal to explore that new sales channel, since the system handles everything from order management to fulfilment.

Beyond retail, blu is part of advances in the logistics sector too.

Automated self-collection points such as blu's represent a growing trend of letting customers choose where and when they want to receive their parcels.

bluPort delivery is available even to firms that have not become direct partners with blu.

"We realised we can't integrate with everybody," said Mr Dadlani.

"So the question was, how do we allow consumers to shop everywhere but still use the bluPort?"

In October 2017, the company launched bluGate – its answer to that question.

By providing a special shipping address, customers can choose bluPort delivery with any online shopping check-out.

Mr Dadlani does not even like referring to bluPorts as "self-collection" points, as doing so "constrains the perspective too much". After all, they could function as drop-off points too. He envisions one day moving into the "customer-to-customer" segment, where one blu user can drop off an item for another one to pick up.

This brings the convenience of self-service pickup to a wider consumer base, furthering the reach of this trend in last-mile logistics.

NEW NICHES

Besides being part of a rising trend, blu hopes to create new niches of its own.

In October 2017, it launched a pilot of bluChill: a temperature-controlled self-collection terminal.

Located in Downtown Gallery in the Central Business District, it is mainly a proof-of-concept for now, but has been used by shared cooking space OUE Social Kitchen for the pick-up of food.

"We are linking up with partners who want to offer it as a trial option in their check-out process," said Mr Dadlani.

blu is not restricting itself to retail, he added. After all, bluPorts are useful for "basically anything that requires effective distribution".

He really means "anything" – they have been used as collection points for items ranging from wedding invitations and favours to the RFID (radio frequency identification) bracelets used to gain entry to the Ultra Music Festival in 2017.

During Chinese New Year in 2018, blu tied up with Nestlé for the food-and-drink company's festive redemption campaign. Customers could pick up redemption items such as cookware from bluPorts.

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In the future, blu could even go full circle, from e-commerce back to physical stores. Mr Dadlani imagines another possible use: logistical support for on-site inventory.

"Fast fulfilment can support brick-and-mortar," he says.

A clothing retailer, for instance, could choose to hold less inventory in the store itself. When stocks are running low, a quick delivery can be arranged to a nearby bluPort.

The extra space gained from holding less inventory could be used to make the physical shopping experience more exciting and attractive to customers, Mr Dadlani suggested.

Talk of blu-sky thinking.



Maintaining the human touch while going high-tech

WHEN Mohammed Nizzaar Abdul Nazzeer joined blu as a driver in 2017, he knew there would be more to the job than simply getting from point A to point B.

"I wanted something more than driving," says the 33-year-old, who was previously a private-hire driver.

And he got precisely that – not just in the form of new skills, but also when he moved up to a supervisory role last December. "I've picked up a lot of things here," he concludes.

The first big difference was the nature of delivery work at blu: "It's not the normal kind of delivery where you send things to homes."

Although blu does provide home deliveries, its focus is on automated lockers called bluPorts, which allow customers to pick up parcels at their own convenience.

Apart from delivering items to blu's growing network of bluPorts, the company's drivers also have to maintain the computer system which controls these lockers.

"In the beginning I didn't know anything," says Mr Nizzaar.

But with some guidance, he quickly got used to logging into the machines for maintenance. "It's quite straightforward. If you know a little bit about IT, you should be okay."

Customers are not the only ones who find bluPorts convenient. Delivery drivers, too, see an advantage to this self-collection system.

With home delivery, "there's a lot of problems that can happen", explains Mr Nizzaar.

Firstly, customers may not be at home to receive their packages.

Then, some of them may insist on the package being left outside their house, in a shoe rack or cabinet – thus running the risk of theft.

If something does disappear, the deliveryman will have to answer for it, notes Mr Nizzaar.

In contrast, bluPort delivery is much more secure, which means peace of mind for deliverymen too: "There's no need to worry about things going missing."

Mr Nizaar's journey with the company has since taken him into even newer territory. He became a delivery team coordinator in December 2017, and now manages half-a-dozen people. Each day, he oversees the planning of routes for the required deliveries.

This eye for efficiency was revealed in his previous role. Delivery routes are automatically suggested by software. But after driving similar routes a few times, Mr Nizzaar realised that a trip which took three hours by the advised route could actually be done in two.

"After that, when I showed them that 'This is a better route, it's faster,' they made the change," he said.

Such knowledge of the ground illustrates how the human touch is important even in a tech-enabled firm, says blu founder Prashant Dadlani: "Processes can be automated but the human element should not be."

And despite being high-tech, blu's business is chiefly about people – something that was brought home to Mr Nizzaar when he heard a casual remark by his sister.

Having bought something online, she mentioned that she was going to Vista Point mall to pick it up at a bluPort. "I said to her: 'Did you know that's where I work?'" Mr Nizzaar recalls with a smile.

Mr Nizzaar, who became a delivery team coordinator in December, oversees the planning of delivery routes.
PHOTO: GIN TAY