

THE INTERVIEW

NETDESPATCH - PUTTING YOU ONLINE FOR SUCCESS

NetDespatch sets the standard for web-based shipping solutions for both shippers and express parcel carriers. The NetDespatch Velocity applications are cost-effective for both high and low volume shippers as they are accessible through web browsers as a fully managed and hosted "pay-as-you-go" service, and you only need a computer with an Internet connection to access them. Becky Clark, Chief Executive of NetDespatch, spoke to Warehouse & Logistics News.

Warehouse & Logistics News - When was NetDespatch set up? Who owns it?

NetDespatch was set up in June 1999. It is privately owned and funded. I act as CEO, but it is our CTO (Chief Technology Officer) Matthew Clark who has been the architect of the innovative company structure as well as the leading edge methods of software development and deployment utilised by NetDespatch.

W&LN - Do you have any partnerships with device suppliers or telecoms companies?

We are partnered with Cognito for GPRS enabled mobile solutions, and with Viatel for managed hosting and telephony, such as VOIP.

W&LN - How big are you in terms of turnover, and numbers of customers?

Our turnover for the current year will be just under £1 million - up five times on last year, and growing at approximately 5% per week. We have roughly 30,000 end users shipping. During the Christmas peak at times we were processing more than three consignments per second!

W&LN - What proportion of your business concerns transport and logistics, and how many live clients do you have in the sector?

Our 'software as a service' revolves round integration between transport and logistics companies and their customers. Amtrak Express Parcels was our first major customer and today a significant number of their daily consignments are processed through our servers, including shipments from Virgin Wines, Laura Ashley, and many other blue-chip companies. Consignments are also entered from all over Europe, Asia and the USA.

W&LN - What other web based products and services do you offer, for other aspects of an enterprise?

We provide any type of interactive web site. Typically these are 'content managed' by the web site owner, so maintenance costs are minimal. We also provide search engine submission, commercial level web hosting and if required full custom-built web applications.

W&LN - Where are you based in the UK?

We're based in Marlow. We cover the whole UK and during 2006 we expect to expand our sales force into Europe and the USA.

W&LN - Which other countries do you have T & L customers in?

We have smaller scale express transport customers in the USA and Australia. We have shippers using our software from every country and market sector.

W&LN - Can you talk us through the specific NetDespatch applications that are relevant to T & L operations? In non-technical language, what functional benefits do they cover?

All our applications are relevant to transport and logistics operations. They are very different to traditional software in that they are, in the main, 'customer centred.' The web forms are very easily customised, so specific industry language can be utilised where required. Data is only entered once, but is immediately available to all 'actors' in the enterprise. So from sales order, through fulfilment and despatch, and then onto the carrier, the integrity of the original order is maintained and all updates are visible in real time to all users. Cost savings throughout the supply chain are therefore a very visible benefit.

We also offer speed to market for new business ideas. Because data is held on our secure central servers it can easily be made available in many different formats. Just imagine - an order imported from a sales order system in the UK can be printed for direct picking and despatch anywhere in the world, and then relabelled in the final destination country, or for processing through an goods inward department. With our latest 'Unwired' solution orders can even be keyed in into GPRS enabled PDAs for label printing at point of despatch.

W&LN - Are your products and services provided 'off the shelf' or can they be tailored to individual clients' needs?

We have a standard 'Velocity' offering for smaller companies, where individual label design and complex routing requirements do not need to be established. Typically the requirements for national parcel carriers, or the configuration of a multi-carrier shipping operation, would require custom configuration and/or design taking approximately 4-6 weeks to implement.

W&LN - What size T&L operations and service companies are your various services aimed at? How many users can a single organisation have?

There are no limits - large or small - for those who register on the web site. In sales terms we are currently concentrating on major shippers with complex systems integration and/or mobile user requirements and companies with customers who need parcels delivered across the UK.

W&LN - How do you charge for your services?

We charge per order; this is paid by credit card on-line, or by monthly direct debit for users submitting over 1,000 orders per month. If specific setup is required, this is charged as a one-off configuration fee.

W&LN - What do these services cost?

Our standard charge is 15p per order (UKP). However we offer discounts based on daily volumes.

W&LN - Do a transport company's customers have to pay anything to use the service?

Not usually for the standard service. However, any special set-up requirements are usually chargeable and Velocity Connector has an annual licence fee of £100. The Unwired solution is supplied on a subscription 'per unit' basis.

W&LN - How big is the current UK market for web-based solutions for the T&L sector in value terms?

I don't have these figures, but the market for integrated web-based shipping solutions is growing due to the extreme levels of customer service it can provide, together with increasing retail purchasing on line and the related increase in home delivery.

W&LN - Who heads up your T&L team, and what is their industry experience?

Our senior management team has over 60 years' IT experience in the transport and logistics sector, and considerable expertise in mobile communications. Our national account manager, Simon Jones, has visited more than 100 transport companies in the last year as well as many of their customers.

W&LN - How many sales people and consultants do you have specifically targeting the T&L sector?

As we are web-based, we do not have a traditional type of sales team. Most new sales are through word of mouth, so we are re-active rather than pro-active, and concentrate on support rather than sales.

W&LN - How do I decide whether NetDespatch's services are right for my organisation - what questions should I ask myself before talking to you?

From a shipper's point of view, the question would be 'Does my carrier provide a web shipping solution with seamless systems integration facilities, email alerts for my customers, management information, and real time visibility of the status of my deliveries?' Where multiple carriers are involved, it's 'Could I use software which enables me to integrate my systems with one solution which can handle shipments for multiple carriers and also make available all tracking information for my customers from one web site?'

For parcel carriers the question is simple - 'Do I want to provide my customers with a slick, reliable and flexible customised web shipping solution that reduces costs and increases delivery percentages?'

W&LN - What are the steps to setting up a contract and going live? How long does it take?

Simply register on our web site for an account. If requirements are straightforward, it will be customised to match the web site to which it is to be linked and that's it - ready to roll!! It can all be done in 24 hours. For larger companies and national networks, routing rules need to be configured, and perhaps specific bar code labels designed. In addition some integration with in-house systems will be needed. This will normally take 4-6 weeks. Alternatively we can produce a full systems specification to meet individual requirements based on our existing applications.

W&LN - What changes does a company usually need to make to its IT systems and its business processes to get the fullest benefit from your solutions?

An ideal scenario is one where a collection or despatch request is sent from an order processing system to the NetDespatch servers (via XML or Connector) and forwarded to the chosen carrier, while the carrier's labels are automatically printed in a specified location. Once the goods have been delivered the POD will be returned to the order processing system.

W&LN - Practical question: do your systems verify delivery and collection addresses?

We partner with Capscan for UK address look-up and 'sanity' checking.

W&LN - What manual processing and reconciliation will a client still have to do once their system goes live?

At the end of each day a Manifest can be printed to check all items have been entered. As data is available to the carrier through their own login, there is no need for any creation of floppy disks, email files etc. Any data scans can be imported to the servers - either manually or through our Connector integration tool - and thus discrepancies can quickly be picked up. Throughout the delivery process data is made available to the shipper, and this can be downloaded to a simple csv file for processing through Microsoft Excel.



Becky Clark, Chief Executive of NetDespatch.

W&LN - How long do you keep transaction records on the system?

At present we are not setting limits, but anticipate that this will be seven years to satisfy regulatory requirements.

W&LN - What specification do computers, PDAs and bar code label printers need to be, to run your applications?

Our applications are available on any Internet connected PC or Apple Mac. For the user's security we recommend all software on the PC is maintained at the latest version. For label printing you need the latest version of Java installed and the correct Windows driver for a thermal printer. We work with Cognito for the supply of mobile communications equipment.

W&LN - How long do new orders and collection and delivery information take to be updated and visible to other people on the system?

New orders are available immediately. Delivery information can be entered directly, or received through data files and real time XML integration, and companies such as DHL send us updates on a regular basis.

W&LN - In the unlikely event of a system error, who holds the liability for any consequential loss - is the customer responsible or are you (NetDespatch) liable as the service provider?

It depends on the contractual agreements in place. We have full insurance cover for this eventuality.

W&LN - Can you also create and run branded transactional web sites for large organisations, and advise on how to operate these? What does this typically cost?

Prices depend on requirements! A good example is <http://www.avisprestige.com>

W&LN - Do you provide user training for client staff, and what does it cost?

Our applications are intentionally very simple to use and require little 'hands-on' training. For larger companies we would visit twice to train internal staff and ensure they understand the configuration requirements for new installations. Beyond that, training is available free of charge at our offices, or on site at our normal daily rates of £600 per day plus any travelling costs.

W&LN - What other back up and customer support do you provide?

We provide on-line help and simple user manuals - right from a 'Quick Start Guide' to more comprehensive custom-built 'User Manuals.' Although we are an on-line supplier, we still find most users prefer 'paper' manuals!

W&LN - Finally, where do you see NetDespatch in five years' time?

I see us building on our existing strengths to become one of the very few UK based global software suppliers with an extended portfolio of software applications, and a global customer base.

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