

BearingPoint®

Winning strategy and transformation for pioneers within the retail industry



Urb-it, a startup company in Stockholm, sought to launch a pioneering new service within retail and logistics: personalized one-hour deliveries. They engaged BearingPoint to help create a strategy, an extensive business plan, a business case and an operationalization plan.



While individuals shop more online and value time-saving and convenience over price, retailers are struggling with e-commerce delivery services having the same standards as 20 years ago.

urb-it's founders identified a way to solve retailers' challenges to deliver purchases quickly and conveniently in the face of increasing preference for e-commerce. By using stores instead of warehouses, online purchases can be delivered to the client in the city within an hour.

About urb-it

Urb-it is a Stockholm-based startup founded and managed by the people behind Bring Citymail. The company will launch its first service, urb-it, in Stockholm in December 2014. This offers delivery of products bought online within one hour or at a specified time to the customer's home or other selected place. The delivery model is based on a pooling and sharing concept where so-called associates licensed by urb-it make the deliveries – using a mobile app and working whenever they want, how much they want and getting paid in real time.

Delivery services behind the times

The retail market is experiencing a transformation. E-commerce is growing rapidly and consumers' preferences are changing. While individuals shop more online and value time-saving and convenience over price, retailers are struggling to provide e-commerce delivery services to match shoppers' expectations.

Delivery can take up to seven days, at inconvenient times, and consumers often have to resort to collecting the goods at a pick up point. At the same time, many items bought online are located in the city but transported to and from a distribution center on the outskirts – clearly inefficient in terms of time and the environment.

What's more, retailers' stores and e-commerce businesses are often two separate channels without integration, unable to give the consumer a seamless experience regardless of which channel the buyer shops through.

Urb-it's founders came up with a solution to these challenges. Making use of stores instead of warehouses, urb-it's team of associates can collect and deliver online purchases to the consumers in the city within the hour. The service is based on a pooling and sharing concept, using a mobile app and engaging a wide range of people as associates at times to suit them, to take delivery to the next level. Hereby urb-it offers a new sales channel for the retailers and a personalized delivery service where the store is moved to people's living rooms.

Preparing for a retail revolution

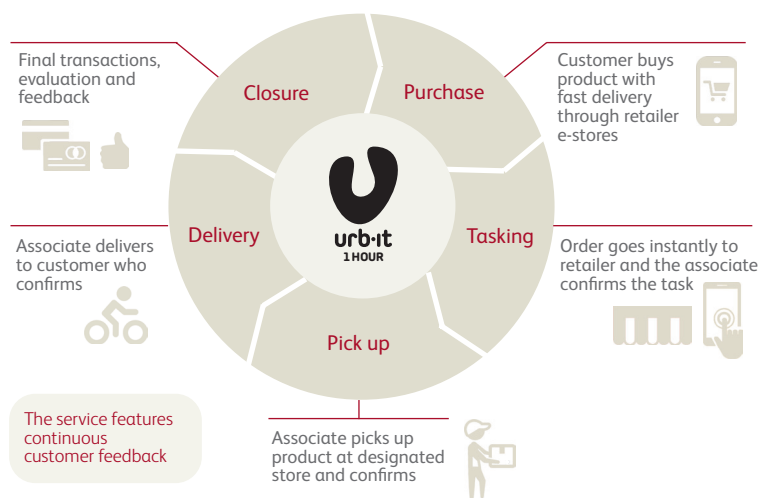
Urb-it looked to BearingPoint to support them with creating a strategy and business plan before establishing the company in Stockholm for launch in December 2014. BearingPoint conducted an extensive market analysis covering the dynamics of the retail market, customer preferences, behavior and the competitive landscape. In addition, an assessment of the overall retailer readiness for the service was examined through multiple interactions with key players in Swedish retail. BearingPoint was also assigned to examine the technical implications and functional requirements for building a full scale custom IT-platform that connects retailers, urb-it and its associates, using state-of-the-art mobile technology. Deliverables also included an overall work model and design of the pooling and sharing setup, a quantitative business case model and an operational roadmap.

Following the analysis and business plan, BearingPoint was asked to continue supporting the company in the operationalization, primarily engaged in four areas:

- Project management, administration and planning
- Sales and bringing retail partners onboard
- Development of the business and recruitment of associates together with external partners
- Development of an IT platform together with external provider

During the operationalization phase BearingPoint also conducted an analysis to assess the situation in other countries and prepare for international expansion and launch in 2015.

FIGURE 1: URB-IT DELIVERY PROCESS



BearingPoint conducted an extensive market analysis, assessment of the overall retailer readiness, examined technical implications and IT requirements as well as support in the operationalization of the company in Stockholm and Europe.

Solid platform for a successful launch

Thanks to BearingPoint's extensive business plan urb-it was able to secure initial funding for operationalization of the company. The analysis behind the business plan provided valuable knowledge and insights for urb-it to make a successful launch, including:

- Addressable market size, growth and dynamics, both online and offline (stores)
- Overall retailer readiness in terms of attractiveness, interest, IT- and omni-channels
- IT-platform requirements and overall IT-readiness in addressable markets as well as a first evaluation of IT-providers that subsequently led to successful procurement
- Business case indicating a profitable and scalable business model
- Initial design and analysis of requirements related to implementation of the innovative employment model
- Operational needs and setup

Today urb-it is successfully working towards the launch of urb-it-1Hour in Stockholm in December with continued support from BearingPoint. The company has managed to fulfill several important milestones in the operationalization phase and is well prepared for launch and a proof-of-concept with:

- Signing of IT-provider and ongoing development of the IT-platform
- Bringing retailers on board and establishing partnerships
- Cooperation with external recruiters and recruitment of the first associates
- Setup of operating model and direct payment structure
- Structured management process with regular operational, strategic and board meetings
- Systematic and well-prepared approach to attract further investments

"BearingPoint helped us create our strategy and analyze our business idea - the resulting business plan and operational support was essential in transforming the company and attracting necessary capital. Without BearingPoint's consumer insights and global reach we could not have done it"

Mats Forsberg,
CEO, urb-it

Thanks to BearingPoint's extensive business plan urb-it was able to secure funding for operationalization of the company. The analysis behind the business plan constituted valuable knowledge and insights for urb-it to carry out a successful launch.

Committed consultants with adaptive intelligence

BearingPoint consultants understand that the world of business changes constantly and that the resulting complexities demand intelligent and adaptive solutions. Our clients, whether in commercial or financial industries or in government, experience real results when they work with us. We combine industry, operational and technology skills with relevant proprietary and other assets in order to tailor solutions for each client's individual challenges. This adaptive approach is at the heart of our culture and has led to long-standing relationships with many of the world's leading companies and organisations. Our 3,350 people, together with our global consulting network serve clients in more than 70 countries and engage with them for measurable results and long-lasting success.

To learn more, visit our website at www.bearingpoint.com.

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