

# case study



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Maxim Edelman  
Kiala

## Summary

### Requirements

Cutting-edge communications technology that could be installed quickly and expanded Europe-wide to ultimately provide remote shoppers with reliable, on-time goods delivery and the ability to track orders.

### Solution

BT's voice and data VPN network connects Kiala's central order processing site with 250 collection points. It is a reliable, secure and scalable platform that is allowing rapid expansion. BT is also providing freephone helpdesk numbers and internet access via its BT Connect service.

### Advantages

Cost effective and scalable network launched in two months is enabling orders to be delivered to strict deadlines, rapid expansion to international markets and customer satisfaction of at least 97 per cent.

## Accurate, on-time deliveries satisfy remote shoppers

### Using an integrated voice and data network, Kiala – a rapidly expanding European logistics company – is ensuring accurate and reliable delivery of goods to customers

#### Background

Kiala is a start-up e-commerce company launched in Belgium in July 2001 with an innovative and ambitious business plan. It offers a range of unique logistical services for the delivery of orders for online and catalogue retailers. Traditional postal delivery causes problems for many people who are often out when orders arrive and therefore have to arrange for redelivery or travel out of their way to pick up the parcel.

Kiala's solution was to establish a network of 250 collection points in Belgium and Luxembourg that are highly accessible and have flexible hours of operation, including evenings and weekends. Rather than being delivered to the door, orders are sent to these pick-up points – often local stores or petrol stations – to be collected at the customer's convenience. Catalogue shoppers who are busy during the day now have increased opportunities to place orders, collect their purchases whenever and wherever they choose and, if necessary, return them just as easily.

Kiala's offer also helps customers who prefer not to give their credit card details over the internet. With the new service they can order online and pay at the collection point when picking up their goods.

Currently, Kiala's ever-expanding list of business partners includes catalogue retailers La Redoute, 3 Suisses, Quelle Shoplijn, Proxis.be and Pages d'Or Shopping. Under the partnership agreements, all orders placed with each of these retailers – whether online or by telephone – are passed to Kiala for delivery.

#### Challenge

The convenience of the collection points is clear but Kiala wanted to offer additional value. It wanted to ensure that customers could be given accurate delivery dates and be able to track their order at every point in its journey. In addition, there needed to be a joined-up payment mechanism to clearly indicate when goods had already been paid for or where cash was needed on pick-up.

In order to deliver a reliable service, Kiala decided that all processes should be automated, leaving no room for human error. It wanted to make use of cutting-edge technology to provide the best possible service to customers, to encourage them to continue to use the Kiala offer. Moreover, the technology needed to be delivered within tight timescales in order to launch the service as quickly as possible. The solution also needed to be scalable for extension to other countries over time.

To meet these requirements, Kiala needed to establish a partnership with a leading information and communications technology provider to take the company's business plan and objectives and turn them into reality.

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In association with



## Solution

From July 2001, Kiala and BT worked closely together to design a voice and data network that would enable a highly accurate and reliable delivery service across Belgium and Luxembourg. They agreed on a VPN (virtual private network) platform based on BT Priority Dial, a service that connects the customer's remote sites to BT's private MPLS (multi protocol label switching) network via high bandwidth dial-up connections.

This network connects Kiala's core data centre, which processes all incoming orders, with the 250 collection points throughout Belgium and Luxembourg. The collection points send and receive order information via an international 0800 number, at no cost. In addition, BT supplied Kiala with voice solutions, including 0800 helpdesk numbers, as well as general internal dialling. BT also provided Kiala's internet connections via the BT Connect service.

One of Kiala's objectives is to ensure that customers are contacted by their preferred method – telephone, mobile or email – and BT is helping to achieve this.

BT implemented the network and voice solutions across all 250 locations in less than two months. The VPN network was the underlying platform for further technology solutions to be put in place to automate the supply chain. For example, each collection point is equipped with a Palm handheld device, which contains a barcode scanner and modem connection. Kiala's local employees use the device to scan and feed back information on parcels as they arrive.

Once parcels are scanned at the collection point, an automatic alert is activated to contact customers via their preferred channel advising them to collect their goods. From this point, customers have two weeks to visit the collection point. Staff at the Kiala collection point then scan the parcel again to confirm that the customer has collected it.

The barcodes on the orders also enable customers to trace their orders via the internet. As soon as the order reaches the next point within the supply chain, it is scanned and its location noted. When customers go online to trace their package, they can access these details and find out exactly where it is and how long it will take to be delivered.

Kiala has now launched its service in the Netherlands, Germany and France, and by 2004 expects to be operating in Austria, Italy, Scandinavia, Spain, Switzerland and the UK, again with help from BT.

BT's networking support has enabled Kiala to achieve its business plan quickly and without problems. Within the first six months of operation, Kiala was processing 45,000 orders per month, with 65,000 customer notifications delivered via the BT network. Of the customer notifications, 3 per cent were made by email, 40 per cent by mobile phone and 57 per cent by fixed-line telephone.

"BT has enabled us to deliver exactly what we set out to provide – a whole new remote shopping experience. We have met every objective set, and BT has played a major part in our success. We look forward to working with BT in the future to further expand our business and reach new markets," explains Kiala's Maxim Edelman.

Through the BT network, Kiala believes it has achieved a delivery service with five core strengths:

- customers are notified immediately and accurately when their order is ready
- customers have visibility of their goods and can trace their progress
- orders are delivered within strict deadlines
- the process is more flexible, customer-friendly and fits around the user's lifestyle
- customers are better served at no extra cost to the retailers.

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## Results

A new European logistics venture is succeeding in delivering a novel yet reliable service that satisfies both shoppers and retailers because parcels very rarely get lost or damaged. BT's underlying network technology is key to the success. It was up and running in two months and in the first six months of operation was sending 65,000 customer notifications a month.

The VPN network combines voice and data, and is easily scalable, allowing Kiala to expand rapidly throughout Europe. In 2004, Kiala expects to be operating in more than 10 countries.



## Offices worldwide

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