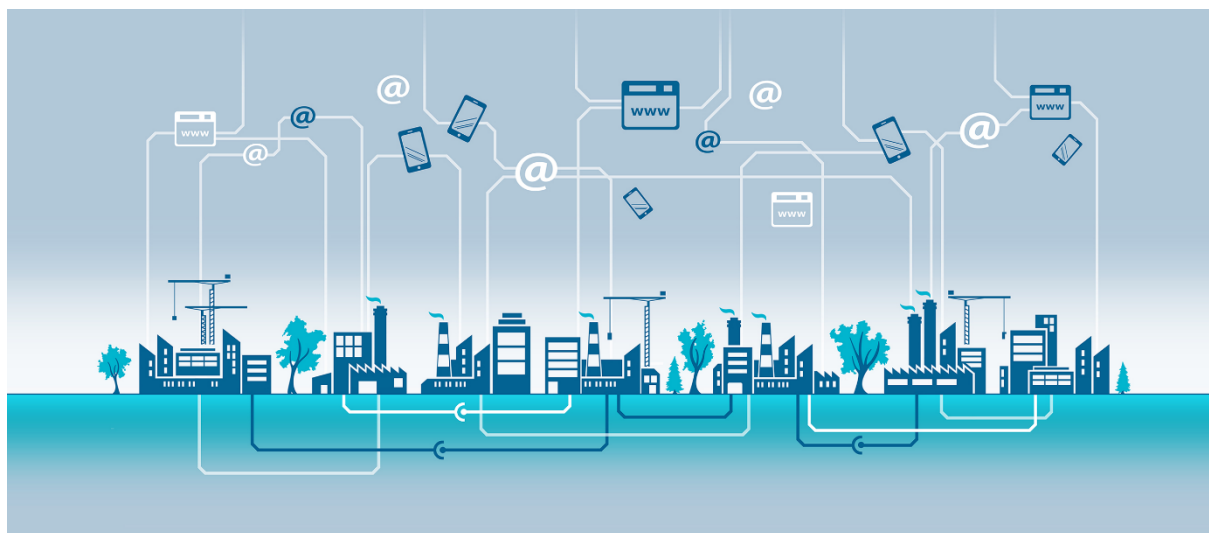


Project Future Ecom: Business Model Coolrunner

25.05.2020



It is estimated that in 2020 B2B e-commerce in EU will be twice as large as B2C in terms of sales which proves a huge unrealized potential for EU SMEs.

There is a risk of being surpassed by frontrunners as most SMEs have not even taken the first step in this direction. Succeeding with B2B e-commerce requires a huge turn-around within the company's internal processes as this may scale up the turnover dramatically.

Digitizing and automatizing the internal and external processes and interactions of the SME is the key to managing and keeping up with huge growth in global e-commerce while ensuring economic profit.

1. Overview

Coolrunner started in 2015 and is a parcel handling and freight company delivering parcels primarily supporting web shops. Their focus is delivering parcels cheaper, faster and better compared to competitors.

They are extremely customer focused and among others open 365 days a year. They have company branches in Norway, Sweden and the Netherlands.

Coolrunner has a few of their own trucks going to Germany and to the UK, but otherwise they use only local distributors around Europe to optimize the cost of shipping and the cost of doing business by keeping the capex low.

Coolrunner handles 750.000 parcels per months with a peak in December of around 1 million parcels and Coolrunner makes 1 million Euro in gross profit (2019).

Below is some of the partners throughout Europe



2. The Digital Opportunity

Coolrunner as a company is a mix of a software development company, a parcel handling company and a customer support company comprising of 15 people. They develop their own parcel handling software and API's to connect to both the customers ERP systems (in this case the web shops) and the suppliers ERP system (in this case the freight companies).

Shipping a parcel with Coolrunner is a paperless effort thus booking, tracking, shipping and all the way up to the delivery to the customer is handled digitalized by ERP systems communicating with and through Coolrunners IT platform.

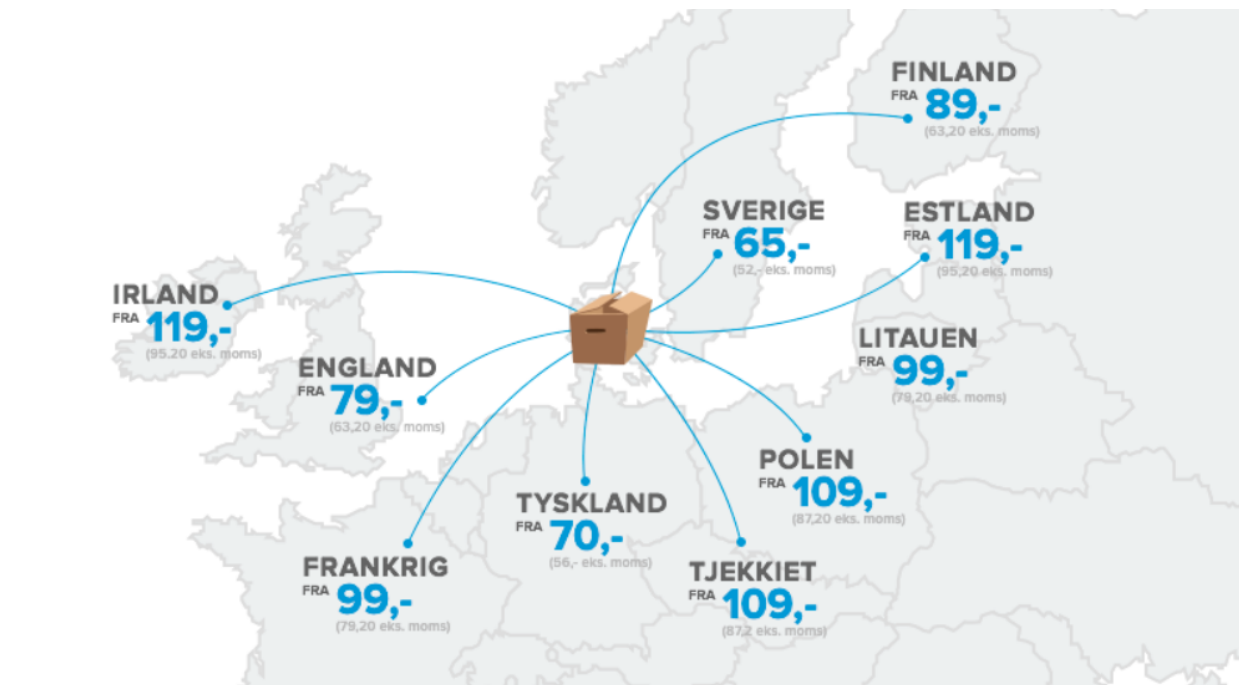
As a private person you can also utilize Coolrunners service for shipping parcels. In this case you can do it as a “label free” shipment, that is, when ordering a shipment online from Coolrunners website you simply get a 9-digit code which you write on the parcel and then hand it in to one of the parcel collecting points near you and that is it – of it goes to the receiver.

3. Impact on Value Streams

Coolrunners multi and all-in-one integration with both the customers and the suppliers thus enabling a digitalized parcel shipment benefits the whole value chain. The parcels in principle never enters Coolrunners facilities but is handled by the physical shipping “experts”.

Coolrunner is a “platform” company connecting the customers with the suppliers in a seamless and effective way. Their business model is based on a per-parcel-fee and with no extensive capex it becomes possible to ship 1 million parcel per months with a company of only 15 people.

Coolrunner supplements their national parcel shipping business with CoolEurope enabling shipping of parcels in all Europe and with Coolpay which is an integrated payment service to the platform.



4. Lessons learned

Main lessons learned:

- Digitalization together with integration enables paperless and seamless platform services – in this case web shop parcel shipments throughout Europe
- Stick to your core competences in the value chain, that is implement a platform solution that takes the “pain” away from the customers by seamless and effective connects the customer with the suppliers.

5. Transferability

The Coolrunner business model is transferable to other business where you as a platform provider connects seamless and effortless the customer and the supplier together and make your business model as a “transaction fee” model.

The business is known from the e-commerce platforms for instance from the Amazon platform where Amazon connects the customer with the suppliers of goods in vast varieties.

The foundation for doing a platform business model consists in a variety of business areas and typically in order to spot an opportunity you need find a way to reduce and/or remove “customer pains” and/or “suppliers pains”.