



# eShipper

a Canada Worldwide Company



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Canada Worldwide founder and president Rizwan Kermalli (seated right), with eShipper's Imtiaz Kermali (left) and Mo Dato.

# Shipping in the Cloud

Industry pioneer eShipper has been ahead of the curve in automating the booking process for its entrepreneurial customer base

BY IAN PUTZGER

Canada Worldwide Services' expanding customer base is changing, as e-commerce draws in new entrants. "We are serving more and more people who are not entrepreneurs. Before you were selling to an entrepreneur, now you help build an entrepreneur," quips Imtiaz Kermali, vice-president of sales and business development.

The Brampton-based company is perfectly positioned to attract aspiring online merchants. It harnesses the capacity of the large operators in the courier business—from Purolator and Canpar over FedEx and UPS to DHL and Aramex—and markets it via its online platform to SME firms below the radar of these carriers.

E-commerce is largely made up of traffic from small shippers, who need discounted rates to compete in the market, but the large carriers are not geared to serving this clientele, notes Canada Worldwide founder and president Rizwan Kermalli. His outfit leverages its volume to obtain lower rates from the carriers and passes most of this on to the SME shippers it deals with.

Kermalli, who started out in the industry in the 1980s as a courier driver in New York, pitched his concept to FedEx and UPS back in 2002, when e-commerce was in its infancy. FedEx immediately saw the benefit of using an intermediary to serve a customer base beyond its own reach. Over time the other large players also came on board.

"They realize we are not here to bastardize the market, we can perform customer service for them," Kermalli says.

This is in stark contrast to Europe, where the concept has failed to gain significant traction. Some operators are trying, but the large carriers have been very conservative with discounting, reports Horst Manner-Romberg, principal of parcel logistics research and consulting firm M-R-U. In the past, larger players like the integrators have swatted such middlemen aside by scrapping discounts for them or by offering lower rates to shippers, he adds.

## Dialing-up business

From the outset, Kermalli was bent on using technology to facilitate the process and enable customers to use Canada Worldwide's

system. In the early days the company shouldered the dial-up charges for customers to communicate via modem. In 2005 eShipper was launched as a cloud-based platform to allow instant rate comparison and to automate the entire booking process.

In addition to the major courier companies, the system holds rates from over 100 trucking companies as well as from Canada Post.

"We're your Expedia for shipping," says Mo Dato, director of strategy and planning.

Upon entering their shipment information, customers receive quotes and proceed to book shipments, print labels and schedule pick-ups. They can track over the system and receive a single invoice for all charges. eShipper also provides free plug-ins to all major shopping carts like Shopify, Magento and Big Commerce.

The U.S. is the biggest trade lane for the company, but Australia and the European market—especially the U.K.—have shown a lot of growth, according to Kermalli. India has also come on strong, he reports. Outside its home market Canada Worldwide has an office in Florida and works with agents in overseas markets as well as in the U.S.

Over the past 18 months China has been a major target. Canada Worldwide has been able to get access to a program from Canada Post to take advantage of international mail rates. As a preferred vendor of Canada Post, Canada Worldwide can provide an enhanced level of service to Chinese e-commerce businesses looking for faster transit times to Canada with a tracked service that can be scaled and sustained over time.

Another China program is designed for vendors in China who ship to Amazon under the e-commerce giant's Fulfillment by Amazon program. This traffic moves to Canada Worldwide's bonded facility, where it is consolidated, custom cleared, audited and inducted to UPS, Amazon's preferred carrier, for distribution.

Canada Worldwide has a 30,000-square-foot warehouse in its new headquarters, which includes a secure and bonded area. About 10 to 15 per cent of its traffic moves through this warehouse, where the company performs pick and pack and fulfillment services.

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Canada Worldwide performs pick and pack and fulfillment services in its 30,000-square-foot warehouse, which handles approximately 15 per cent of its traffic.

Some start-ups have been granted free storage in the building for three or four months.

“We allow small businesses and start-ups to enjoy lower fulfillment rates and free storage for some time so they are able to compete and see if the outsourcing model works for them,” says Dattoo.

### All-inclusive

Educating shippers has become a growing part of the interaction with clients. “Conversations three years ago were about cutting cost. Now I spend more time educating customers,” says Kermali. “Education is a big part in the growth of this industry.”

The eShipper website harbours a host of instructional videos and blogs covering issues from what CETA means for clients’ e-commerce business to how to deal with ‘serial returners.’ The company has produced webinars and worked with business organizations like the Retail Council of Canada and the Toronto Board of Trade to create instructional programs for businesses and young entrepreneurs.

One of the projects that is currently in the pipeline is the development of a duties and tax calculator. This should forestall frustration for consumers who thought they had paid an all-inclusive price only to be faced with a subsequent extra bill for such charges. “We hope to have it done before this year’s Black Friday,” says Kermali.

Small online merchants typically need to charge for these items up front. If a customer rejects a shipment, those charges are their loss, observes Dattoo.

At this time much energy on the technology side is geared to a broad update of the eShipper platform. “We are still using version one of eShipper,” remarks Dattoo.

Version two will offer a greater degree of e-commerce integration and the tracking capability will extend to mobile applications to enable the system to text a customer when a shipment is delivered or is having an issue.

These features will probably also strengthen eShipper’s appeal to larger customers. While its focus remains on small shippers, Canada Worldwide is not averse to dealing with larger corporate clients. It is working with a multinational auto manufacturer that was looking for cost savings and faster transit in the logistics processes for its dealership network. It streamlined the process and created an out-of-the-box solution that saved the client over 40 per cent in costs and cut transit times from 14 days to eight.

Without a doubt, though, small shippers will keep Canada Worldwide busy. The momentum of e-commerce promises a continuing stream of new entrants into the market who look for simple and affordable shipping solutions with easy integration into major online sales platforms.

Kermali has no doubts about the trajectory of online shopping. “Now that e-commerce is here there’s no way to go back and drive to the mall and buy a shirt,” he remarks.

Over the past four years the company has clocked up growth of at least 33 per cent a year. It handles north of one million shipments a year and boasts a customer base of over 17,000.

It is hard to estimate how big the market potential actually is, as e-commerce enables private individuals to embark on a business, notes Kermali. Many businesses have started from a basement or a storage facility, he adds.

“There’s a whole new market emerging with drop shipping. It’s growing like crazy,” he says. “Students are now drop shipping items from [Alibaba’s] Ali Express.” 