milkman

A tale of Drones and Drivers: two extremes in the last mile

Recent news from the US suggests that airborne drone deliveries could soon take off. Please excuse the terrible pun.

Of course, this isn't the first time there has been noise made about drone deliveries, nor will it be the last. But an announcement made by Flytrex – an Israeli company with ambitious plans for the US – is particularly interesting.

Flytrex is already running a successful pilot scheme in North Carolina, making deliveries for Walmart and other retailers. Now, it has [secured $40 million in funding to expand into other parts of the US](). Its intention is to go suburban – while the majority of super-fast delivery innovation is focused on high-population-density areas like cities, Flytrex is not.

Out in the suburbs

That's interesting because while the economics of serving high-population centres make them an attractive market, there is a danger other areas will be ignored. Getting same-day or even same-hour delivery in central parts of a city like London or New York is no longer revolutionary. Try the same thing in commuter towns on the fringes of such cities, and options become scarce. That's a scenario that can lead to the development of a two-tier customer base – those who get the benefits of new services and those who have to wait for tomorrow.

Flytrex believes that drones have the potential to offer super-fast delivery to customers in areas where population density is too low to support existing options. In short, Flytrex thinks it can find a price point low enough to make it work financially because it won't have the labour costs of other delivery services.

Sounds encouraging, right? But the big sticking point with flying drones is regulatory approval. Or more accurately, the lack of such approval.

Flytrex is very pragmatic about this. It is, CEO Yariv Bash told TechCrunch: "Standing in line with Lockheed, Boeing, and Amazon. Everyone has to stand in line."

"We are producing commercial airplanes, not drones," he added.

That's an interesting point, too. By thinking and behaving like a commercial aircraft business, Flytrex has aligned itself with an industry with much longer business cycles than a typical delivery startup.

Could this be the future for delivery drones (or *airplanes* as Flytrex calls them)? A future built on a slower burn and a willingness to be regulated in the same way as comparable businesses? As with so many things in the last mile, it is too soon to know. But it is an interesting display of maturity in a sector that has seen many businesses strive to cut corners and dodge responsibility.

Break it down
Meanwhile, in Europe, Deliveroo has announced plans to pull out of Spain only months after the government promised a law to give gig economy workers greater employment rights. For their colleagues at Amazon, fourteen-hour shifts are common. According to a report published by the UK's the Morning Star: "Poor facilities are making the industry less attractive and causing issues with recruitment and retention at a time when there is a massive shortage of drivers."

This is not a new complaint, of course. There have been many stories about drivers and warehouse workers not having access to essential rights. Businesses may wonder how they can pay for breaks in an industry that's been built on thin margins and price sensitivity. But if Flytrex can redefine itself and its business model, while aiming to make money in a challenging part of the market, surely it has to be possible to find a way to strip waste out of other parts of the last mile.

That word – 'waste' – can be problematic. It certainly shouldn't be used to describe people. There are places where it will always be uneconomic to use people. But elsewhere, there are other ways in which digital tools can take downtime or under-used assets and transform them into revenue streams.

The aim of every business should be to identify – through the careful analysis of available data – where these opportunities for change are. Once they are identified, work will involve new systems, new processes and most importantly, new mindsets that bring about transformation in business operations.