

# Thinking outside the box stopped firm folding

## HOW I MADE IT

**Stuart Miller**  
Founder of Bybox

IF you ever thought that starting your own business was a doddle, Stuart Miller has some words of caution.

"Unless the desire to do it keeps you awake at night and you have a huge rebellious streak, don't do it," he said. "It could be the most painful, soul-destroying, frustrating journey. Unless you absolutely have that desire to prove to yourself and everybody else that you really are capable of it, just stay working for someone else."

He added: "If you don't fundamentally believe that you are right and are going to make this work, then you won't. Because, without question, everybody wants you to fail."

Miller knows what he is talking about, having had a few setbacks in business. One of his first, ill-fated money-making ventures was buying a house in Orpington, Kent, in his early twenties.

"I was tipped off that the government would make Orpington the UK terminus for the Eurostar link," he said. "So I bought a house right opposite the station because they were supposed to be knocking it all down. Sure enough, within the first month two property people who wanted to buy my house came round to see me. They said they would knock it down and make it into a car park. Then the government changed the route to Ashford and I was stuck with this bloody house that was closer to platform one than platform eight was."

Miller, who has an older sister, was brought up in Essex and Kent. His father was an underwriter at Lloyd's.

The young Miller had joined Andersen Consulting after leaving school but left in 1995 at the age of 26 to start his own business, a telephone-based concierge company called Octopus with £5,000 of savings.

He said: "Frankly, it was a complete disaster. I can't believe I did it for six years of my life. It was just torture."

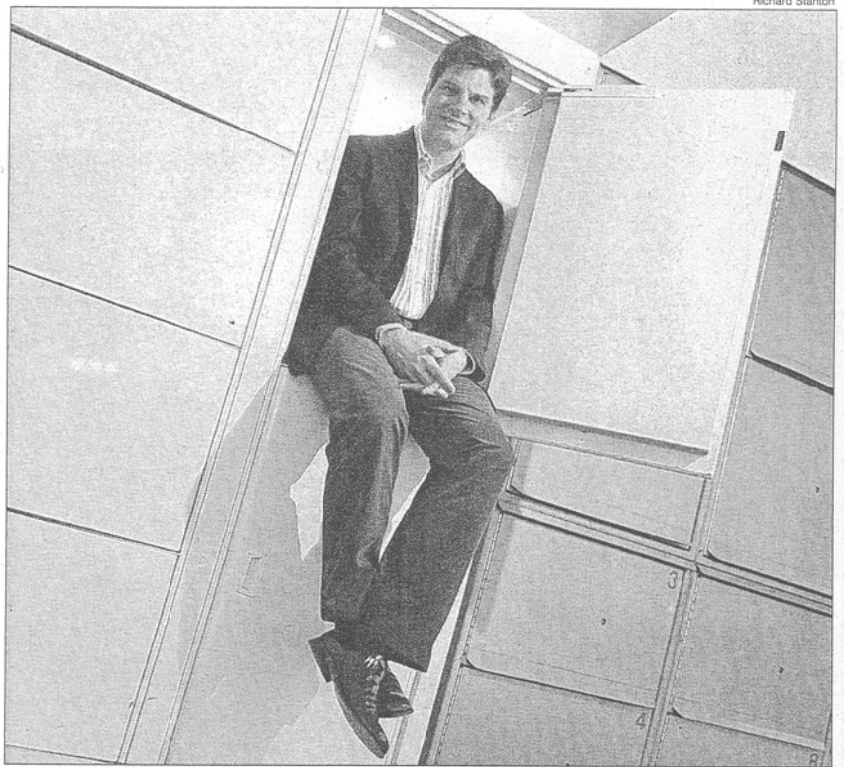
However, he brought in a partner and finally managed to sell the business, walking away with about £100,000.

Miller was now aged 32. The internet was starting to take off and he decided online shopping was an opportunity he could not afford to miss. His big idea was to provide a bank of boxes nationwide where delivery companies could leave customers' products that had been ordered from online retailers.

He said: "It was clear that if the whole online shopping thing happened in the way people were predicting, there was no way the distribution end of that could sustain it. Everyone would be driving around trying to deliver to people who weren't at home. I thought you could have a bank of boxes like left-luggage lockers, so companies such as DHL could deliver into these boxes, even in the middle of the night, and then send the customer a text message."

Enthusied by his idea, Miller discovered a firm called Logibag, which made 80% of the world's left-luggage lockers. It agreed to become Miller's business partner, so he invested all his remaining £100,000 in the joint venture.

Miller decided to launch the first phase of the business in California's Sil-



Sitting pretty: Miller has created banks of boxes from which businesses can collect goods they have ordered

con Valley, which he thought would have the highest propensity to adopt online shopping.

He said: "It's the daftest thing I've ever done. We got nowhere. Even now I can't think how I thought we would be successful. We didn't really have any money, I knew nobody there and nothing about distribution. I spent six months convincing myself there would be a happy ending but there wasn't."

His partner decided to leave and Miller came back to Britain with only £10,000 of the initial start-up capital left. Even then, however, he was determined not to give up on his dream.

"I felt enormous frustration because I could see that someone was going to get this right in my lifetime," he said. "I just thought, if only I could get to talk to the right people, it would be all right. I had undying self-belief, which was not based on any rational thought."

Miller spent £6,000 of the money hiring a stand at a trade show in Geneva to show his boxes to potential customers. Deutsche Bank liked the idea, but when it wanted to have an exclusive deal

or nothing, Miller chose to walk away.

"When I got back to the airport I wondered if I had just made the most stupid decision of my life," he said.

Instead he found himself another partner, businessman Dan Turner, and managed to raise £350,000 from family and friends, much of it coming from Miller's old contacts at Andersen Consulting.

They started doing trials with Royal Mail but, after a meeting with a company called Hays, which had built up a business distributing spare parts for mobile engineers to boxes in petrol stations, Miller decided the future lay in the business rather than the consumer market.

After 18 months of discussion, Miller agreed a five-year deal with Hays to provide it with 335 banks of electronic boxes. But only 12 weeks later Hays decided to break up the company.

Miller said: "I was terrified. I had finally got to the point of stability and suddenly the whole thing was going to be pulled away from us." However, he agreed a deal to buy Hays's entire box-delivery division and at last had a

business with £6m worth of customers.

The one thing he did not have was a distribution network. As part of the deal Miller was able to use Hays's network for 12 weeks but then he would be on his own. Miller tried to find someone else to do the overnight distribution for him but soon realised he would have to build a network himself. He managed it in 11 weeks and at last he had a business model that worked.

In the three years since then, turnover has quadrupled to £24m and the business has moved from simply delivering spare parts to boxes to controlling the whole supply chain by also repairing the parts that do not work.

Now aged 40 and married with three children, Miller owns only 12% of the company after the fundraising from family and friends, but he is content with that. He said: "You can always look back when a business is successful and think, damn it, I made all of that happen, so I should have more of it. But that's just greed."

Rachel Bridge