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Calling for a hands-on approach to omnichannel retail

Kian Gould – Airport commerce's positive disruptor

Sense of Place

A colourful centenary celebration in Finland

***Hallyu* heaven**

Lotte Duty Free gets a K-Pop boost

The Foodie Report

Germany's casualfood on creating emotional concepts

TRAVEL RETAIL DISRUPTORS

CHANGING THE FACE OF OUR INDUSTRY

The Martin Moodie Interview: Kian Gould, the positive disruptor of airport commerce

Kian Gould is pioneering a range of exciting e-commerce breakthroughs in airport retail. The young German entrepreneur's firm, AOE, was responsible for the technical implementation of a hugely ambitious online retail platform at Frankfurt Airport in 2016 designed to enhance the shopping experience for travellers and to improve retail penetration and turnover.

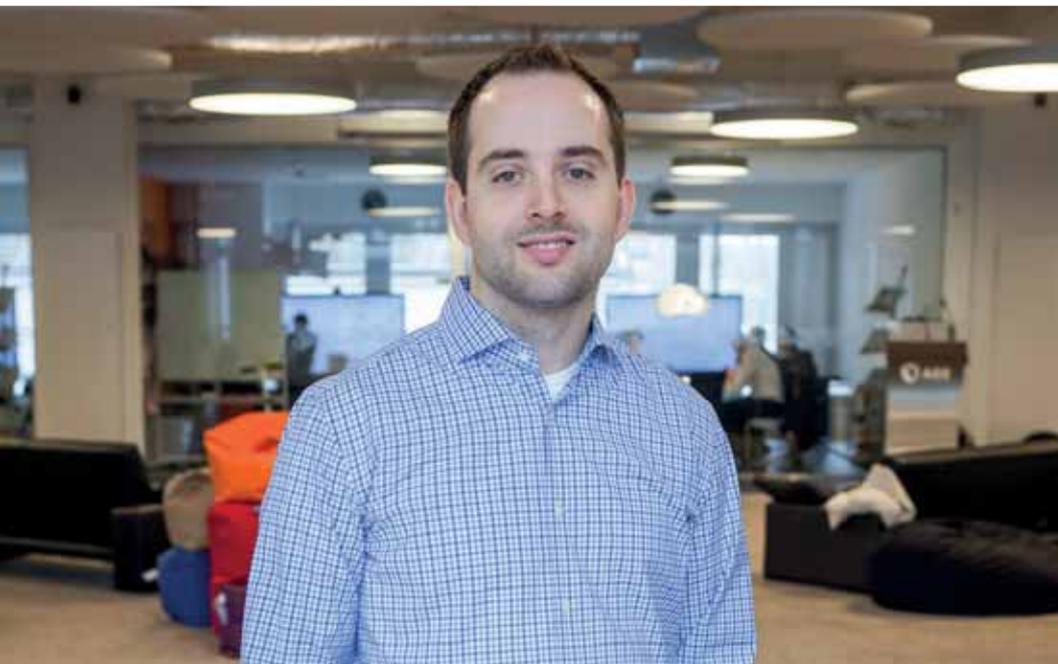
That platform – and related activities that fused the interest of multiple industry stakeholders (airport, airline and retailer) – was the big talking point of last year's Trinity Forum in Mumbai.

AOE's OM³ platform is quickly becoming the leading platform of choice for digitally transforming airport non-aeronautical revenues.

*In a compelling interview that should be mandatory reading for any airport or travel retail executive concerned about adapting to the digital age, Gould spoke to The Moodie Davitt Report Founder & Chairman **Martin Moodie** about his enthralling life and business journey and how he sees the future of airport commerce.*

When Kian Gould learned in 2013 that Frankfurt Airport was planning a major omnichannel retail platform, it spelled the beginning of an intriguing, ultimately far-reaching partnership between two sharply contrasting organisations. Gould's AOE was a dynamic, young entrepreneurial digital solutions company; the firm's prospective client Germany's most powerful airport operator, the flagship of the Fraport group.

"We had the first meeting with them, where they presented us their first vision; it was not concrete yet," Gould recalls. "They basically said, 'We are thinking of digitalising everything that the airport can offer, and we're thinking of how to do that.' Our CTO, Daniel, went to the whiteboard and drew them the entire architecture in ten minutes, and said, 'I believe this is the type of modular, service-oriented architecture necessary to achieve this.'" He drew it



Kian Gould: "Airports tend to think in ten to 20 year terms. Digital people don't even think more than three years ahead. They say, "We need this live in six months. We're going to be disrupting the industry in 12. We want to be a market leader in three years."

in association with





Yesterday's passenger



Today's passenger

All images and graphics courtesy of AOE

all up just from the basic briefing we had received.”

It was a positive meeting but things went quiet for nearly a year. Then, in 2014, AOE received an invitation for the firm to submit a Request for Proposals for Frankfurt Airport's e-commerce business. “They sent us a nearly 1,000-page RFP set of documents! It took us

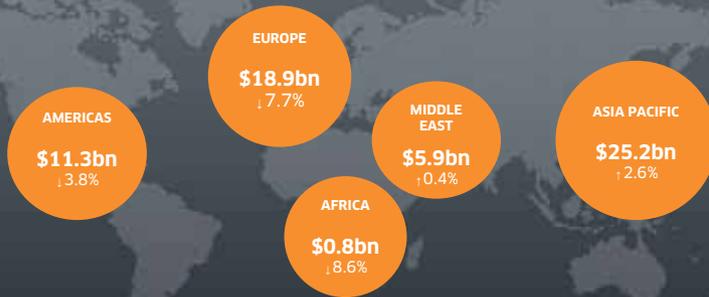
nearly two months to respond to it,” recalls Gould with a laugh.

“To be perfectly honest I was quite sceptical that we could win it, and was concerned about the high cost of the tendering process; but Steven, our CSO, said, ‘Look, let's just try it, because this is such a huge opportunity. We should take that risk.’

“We ended up winning it, and we ended up building the first release version within 12 months, which was very, very difficult, because we had to build up a development team from zero to 70 people within six weeks.

“We built that team very quickly, and the interesting thing is that Frankfurt had always planned to run this project

The 62 billion USD global Travel Retail Market is beginning to be disrupted



4.6% global passenger growth in the next 20 years will not be enough to stop the downward trend
- Middle East 6.0%, Asia Pacific 5.6%, Latin America 4.7%, Western Europe 3.6%, North America 3.4%

SOURCE: 2015 GENERATION RESEARCH

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as a waterfall project [a sequential, non-iterative, design process, used in software development in which progress is seen as flowing steadily downwards through the phases from conception to implementation –Ed]. For compliance, procurement and billing they needed to approve every single step of over 3000 functional requirements.”

AOE convinced the client that it could implement a combination of the two methods to stay agile yet still adhere to Fraport’s strict processes. But that was easier said than done. “Just weeks into the process we encountered major external problems that forced us to switch the roadmap,” he remembers.

“That forced us to change the whole release plan and development schedule around completely because deliveries couldn’t be met – and without an agile methodology at that point the project would have escalated.

“Thanks to the method we adopted, it didn’t. We launched in time, with other features than originally planned for that release. This did cause major delays to some very important features such as payment and home-delivery but it was a successful launch nonetheless.”

In the following Q&A, Gould explains the nature, challenges and success of the project.

Q When did you start work on the Frankfurt Airport e-commerce retail project?

We started development work in January 2015 and went live that December. We did manage to get the planned four initial launch retailers fully integrated, and went live with more than 50,000 SKUs.

Q It was just pre-order back then?

Yes, it was just pre-order initially. Two months ago online payment and home

Urban Myth 1: You can’t sell luxury cars online



Alibaba sold 100 Maserati Levante in 18 seconds on Single’s Day

Urban Myth 2: Some brands will never sell online



Every day hundreds of Chinese shoppers buy luxury bags via WeChat

delivery also went live. The legal foundation took much longer than everyone had hoped and planned for.

Q Talk us through what is now live at Frankfurt Airport.

You have to distinguish between what is live and what is technologically in place. Technologically in place we have most of the features that you see in the video (see page 25), but in reality a lot of it is not live yet for internal process reasons. Runners, collection points and partnerships are all things that take time to establish within a slow-moving engine such as an airport. But we have just under 20 retailers live on the platform, which covers the majority of the airport's retail revenue and SKUs.

So we are nearly at completion when it comes to covering the full product range. You can of course shop from a mixed basket. You can do home delivery, but only with Heinemann goods so far. The other retailers are coming onboard with home delivery, but the difference is that Heinemann can do home delivery straight from their warehouse – the other retailers actually have to do it from their stores.

That is part of the issue, because they need space to do central packing and then ship it out.

It is coming though – the digital team at Fraport is doing a great job, but they are limited by a lot of physical restraints. Building a simple collection point at an airport takes a lot longer than you would think.

Q The end goal?

The goal is that everyone – every retailer that participates – offers a complete product range with the full scale of delivery, pick-up and payment solutions and a seamless integration into all other non-aviation revenue streams such as parking, lounge access etc.

Retail Urban Myth 3: The personal touch is most essential to in-store sales



Only 2% of shoppers spend after getting advice from Sales Staff

Shopping behavior has changed radically

Planned vs Impulse Purchase



Planned in advance
what they wanted to shop



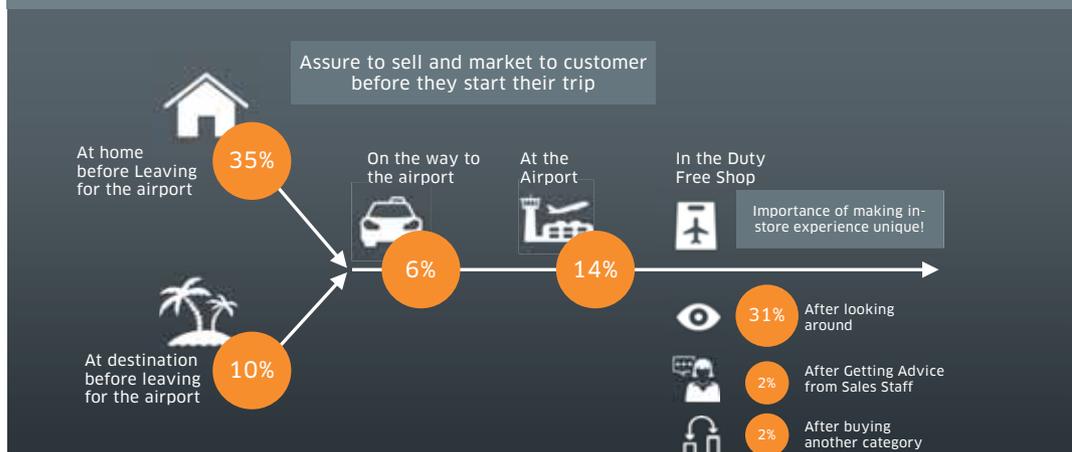
Bought on impulse
while at the airport



10 | 22.05.2017

SOURCE: M1ND-SET

Moment of Decision of Duty Free Purchase



11 | 22.05.2017

SOURCE: M1ND-SET

Q For the new reader who doesn't know anything about AOE or your OM³ platform, let's pretend I'm a German air passenger. Where do I find out about, say, Heinemann products, and about other retailers' products?

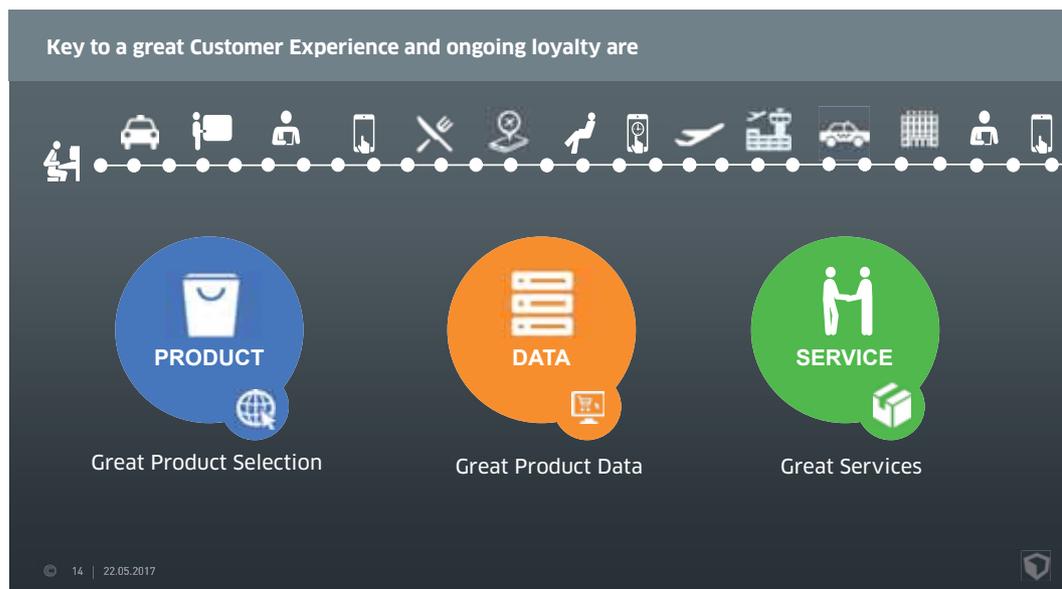
We built the whole platform as a responsive web platform, so it is accessible through the Frankfurt Airport website, but it is a subdomain, which is not ideal. Airports are sometimes conflicted as to how they show their retail offering as they still consider themselves mainly a hub for travel. The digital team would love to be much more prominent of course. We are constantly working on ways with them to find compromises that drive conversion without turning the airport into a shopping platform only.

Q What about other channels?

The number of passengers going to the website before flying is of course limited, so the strategy is all about omnichannel. Initially we only embedded the e-commerce platform into the airport's existing app. However, that app was not designed for commerce but for information so we are driving a strategy of a much more native shopping experience for airports. But omnichannel means much more than just web and app – it means making all these services available via APIs (application programming interfaces) so other parties can integrate with them and embed them.

Q What's the linguistic proposition?

We are live in three languages – German, English and Chinese. Russian was planned to be next. But Frankfurt didn't want to focus primarily on the high-spending passengers that everyone is already focusing on in retail – the Chinese, the Russians, the Koreans, the Brazilians etc. – but to build something that works for all the passengers who usually never buy anything more than a coffee.



This was one of the core thoughts behind it all, and behind the loyalty programme. If you are a frequent traveller through the airport it makes sense – because you can earn points on all kinds of things and then in turn use them on almost anything.

The minds at Fraport that started this project had a big vision, and they had full backing from the top management. Building something this complex and real-time for the first time ever was a huge challenge and showed real vision and forward-thinking.

Q So you're offering home delivery within Germany, but not abroad?

It's set up for the EU eventually, but right now it's Germany.

Q For all goods?

Right now it's Heinemann only, but not all goods. It is the choice of the retailer to choose what they want to offer. The airport gives them that flexibility. We built a platform where the retailers can manage all their delivery, tax rules, even volume rules. So they can say, for example, "We don't want to sell more than ten bottles of that whisky per day" and we can put that in the rule engine. They can also run very specific campaigns and

"The biggest risk for airports is that they lose their grip on retail and margin pressure will kill the little competitive advantage left"





- Cross- & Up-selling**
↑ 35%
- Active User Rate**
75%
- Average Basket Value**
↑ 300%



- 120 Servers in 2 Datacenters
- 130,000 Developer-hours
- >12 months from start to first launch
- 35 Services/Integrations
- 70+ people in 8 SCRUM teams

promotions themselves. Many of the possibilities are not even being used yet by all retailers as they are still adapting to this new world and ecosystem and building their own digital capabilities.

Retailers have quite a lot of control over how their products are displayed, but the airport takes on a consolidation role. Of course, Heinemann has all the product data, and of a high quality; but there are retailers that send us 40,000 products and only 3,000 make it through the automated quality gate initially. So it takes time to get everyone to the right level; there are very varying grades of digital maturity in this industry.

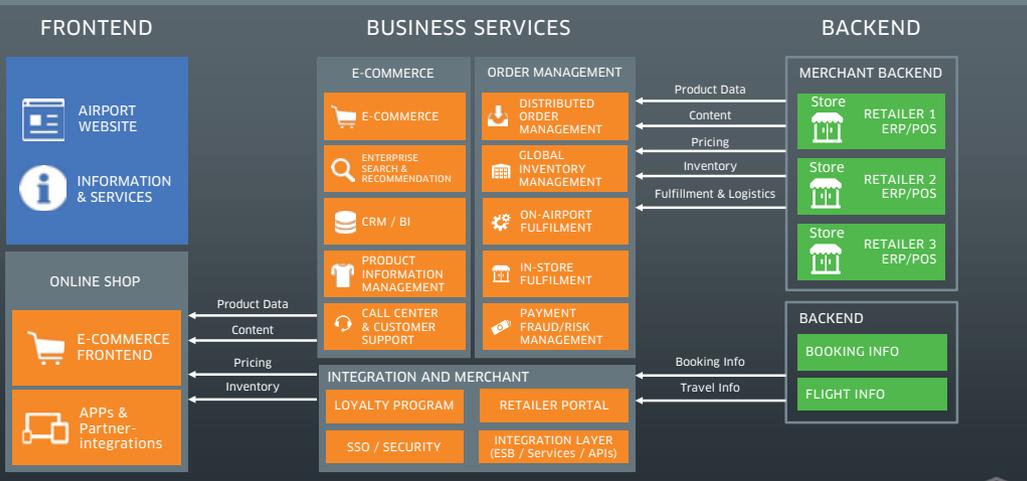
Then there's a manual quality gate within the team at Frankfurt that checks whether the images are good enough, for example. Is the text free of mistakes? Do we have the language translations? And so on. There is a need for manual quality assurance, because Frankfurt is a marketplace and they need to ensure that there is a certain quality of product offered.

Q So you have effectively created an online information and transactional site for Frankfurt airport and its retailers. Where does the airline come in?

The airline is pretty much a separate approach. Frankfurt came to us after we had already launched the regular multi-merchant marketplace. By the way that's where the OM³ comes from, because it's M times three – omnichannel multi-merchant marketplace.

When we launched it they had already started talking to Lufthansa. They were encouraging them to try our platform for a first-of-its-kind partnership, and Lufthansa showed interest in doing it based on their own product ranges from WorldShop.

That's where we started, and that's where the power of the platform





comes in. It took us just six weeks to launch a pilot in the lounges, because all we had to do at that stage, with all the technology stack in place, was build a new front-end for a tablet that looks like Lufthansa WorldShop – and to get the products from WorldShop into our system.

That was it. All the other systems were in place. If you were to do that as a stand-alone project it would be a 12-month project easily.

Q OK. Let's say I'm in the Lufthansa lounge at Frankfurt Airport. How do I shop?

If you're using a lounge, you can get a tablet, order from a range of WorldShop products available from the WorldShop stores within the airport, and they'll deliver to your seat in the lounge within 30 minutes.

We launched this initially as a beta, but we are now getting it into larger-scale production. We did a similar trial with inflight, so they added a tile for airport shopping in the Lufthansa entertainment system. And then basically you can shop while you're flying. The orders come through to us, and we can get them ready while you're still in the air.

I strongly believe that the classic

inflight model is broken, and only a cooperation between airline and airport can combine the best of both worlds (the passenger know-how and the time in a spendable mood from the airline and the entire infrastructure, operational capability and retail footprint of the airport); but as we all know this is not an easy path to tread.

Q Where do I collect if I buy onboard?

It's for pick-up within the airport as you arrive. It's currently live on 18 inbound Lufthansa flights, but it's only a closed beta at this stage. They're testing it, and they want to roll this out into production as well. These are first steps, but you can imagine the impact when this is done at full scale.

Q So in the sky I can only see Lufthansa's range – not, say, Heinemann's?

It is WorldShop right now, because that was Lufthansa's pre-condition for this trial. Of course there are still worries about overlapping inventory etc. But as Kai Schmidhuber [then Fraport Executive Vice President Multi-Channel, now Corporate Digital Director, L'Oréal Germany] said at The Trinity Forum in Mumbai last year, "Let's try it first and think about how to split the margins later." I couldn't agree more. Many great ideas die in their infancy because those involved are too worried about the status quo. But status quo is becoming a fading concept in today's economy.

Of course we would love to augment the WorldShop portfolio with the entire range of products offered at the airport. However, in the end these are business and not technical decisions.

Now some of the other airports that we're working with are speaking to the

“Many great ideas die in their infancy because those involved are too worried about the status quo. But status quo is becoming a fading concept in today's economy.”

“All the research of the last few years shows, crystal clear, that passenger figures are growing, engagement and conversion is collapsing”



airlines right from the start. Time will tell if we can really achieve the ‘Quaternity’ [if you add the airlines] as opposed to ‘Trinity’ that we believe will make this great for the passenger in the end.

In the end it comes down to this – with the Trinity or the Quaternity, you need to slice the pie differently. You can’t simply hold on to your piece of it, or you’ll be killed by margin pressure eventually. All the research of the last few years shows this, crystal clear. Passenger figures are growing, engagement and conversion is collapsing.

Q Besides Frankfurt, how many airports are you working with?

We have so far signed with four international airports in Europe and Asia Pacific, with another three in late-stage discussions. By mid-2018, OM³-powered airports will be serving around 250 million passengers with digital services every year. The interest and welcoming arms we have seen from around the world have truly been astonishing.

Q This is clearly a lot more advanced than, say, a kind of ‘click & collect’?

Yes, and that’s important. With ‘click & collect’ the numbers are so small for the travel retailers that they don’t really care about it. They’re just doing it because they have to. E-commerce is

not their market. Why? Because they’re not a brand. You don’t go to their website before flying, because as a normal passenger you don’t even know who the airport duty free retailer is. This used to work just fine when 70% of purchases were impulse-driven. We are now at a global average of 29% impulse-driven (m1ndset study from 2016). The changes have been radical to say the least.

Typically you must order so far in advance that you cannot do it last-minute or on the day you’re flying. The retailers also often have a very limited range (few airport click-and-collect schemes show more than 1,000 products). They usually only have a tiny selection of the duty free range –

their airports into event venues. All of this can be significantly enriched through digital engagement.

Q How do attitudes to your thinking vary by airport?

Each airport is at a very different stage in their journey too. At one point Frankfurt had no loyalty members, no subscribed users. They had no e-mail marketing. They didn't know their passengers. They didn't have a single user to market to. So, of course, growing from zero to full personalised customer engagement is a totally different game than when you are an airport that already has 1.5 million loyalty members or a booming digital parking business. The more data you already have, the faster your success will be.

It gets really interesting when you combine this whole ecosystem into something that is meaningful to the passenger. And we are thinking of taking it a step further because we are building it as a marketplace that is also independent of the airport.

Everything is API-based – that means that every service or product sold can also be exposed to a partner that wants to “resell” it to their customers. If, for example, the airport does a partnership with a flight booking provider, they can give them our APIs so that you can buy your flight and as part of the check-out also book services and duty free items from the airport the passenger is flying to or from in one go.

That means being able to book services directly at the airport through these APIs without ever having to go on the airport's website or app. When you search on the Google Maps app how to get from downtown San Francisco to SFO, for example, it will give you options to call a Uber, a Lyft, buy a BART metro ticket or drive yourself. That's what is called the API Economy nowadays – it's unstoppable and the airports need to get ready for this.



not all the other products you can buy at the airport.

On top of that you're not going to download an app that will only let you buy retail goods. So our vision – and our proposal for OM³ and what we're doing with these airports now – is *not* to transform retail into an e-commerce platform. It *is* to create a platform where the airport can sell every single product and service that they offer – and even products and services that they don't offer yet.

Take Heathrow, for example. A lot of people buy Heathrow Express tickets to get into the city. So when you're buying your whisky for pick-up on arrival, wouldn't you want to buy your

Heathrow Express ticket with the same click, or order an Uber or book a hotel or a musical, at the same moment? Or buy fast-track because you got to the airport late? Or buy lounge access because you're flying economy? And so on. We want to make transacting with an airport so seamless in the future that digitally enabled non-aviation revenue will outperform the physical one.

The more of these services and offerings that you cluster into the airport's offering, the higher the penetration will climb overall. And the higher the possibility for upselling will be. Some airports are now building entire malls, doing partnerships with off-airport duty free retailers or turning

Basically we're building an ecosystem for airports that is the foundation for the digital transformation of their portfolios. It's much, much more than 'click & collect', where all you do is put some products in a shopping system and then the passenger reserves them and picks them up in the store. That's super easy and not compelling. Anyone can do that.

But doing everything in real time, connecting all of these dots, changing the delivery if a flight gets cancelled, having it combined with all of these other different services, doing payment, fraud management etc. – that is what creates the complexity.

Q This is a serious proposition. You're effectively also saying to airports that they had better build this ecosystem because they're now

existing in a world that didn't exist when they put together their original retail model. Do you see a day when, say, Amazon, will work with airports?

I will give you a very straight answer. I can just warn every airport and every airline *not* to do it. Because the moment you let Amazon in the door you're done.

Q In what way?

Because they will control your margins. They will control your traffic. They will control your passenger's information. And they will drive the margins down to keep their value proposition until you cannot do it anymore. That's their business model. It's great for the consumer no doubt, but every retailer's worst nightmare.

Everyone is talking today about marketplaces. You have to either be part of a marketplace or you have to create a marketplace. But not everyone is in the position to create one, because if you're too small you're not going to be taken seriously.

Now, an airport that has 30 or 50-million-plus passengers already has so much traffic that they are eligible to become a marketplace; so they need to think of themselves as one. And the key to being a marketplace is controlling and owning the information about the people using it. A lot of people are trying to take the short-cut, saying "Let's just do a cooperation with Alibaba and they'll give us all the information about the passengers who are coming, so we can do something with them."

But that's a short-cut, because you never own that information. Therefore you can never use it to customise results for those people. Whereas, if you own the information, you can build such incredible intelligence on your passengers that you can actually give them things that they care about.

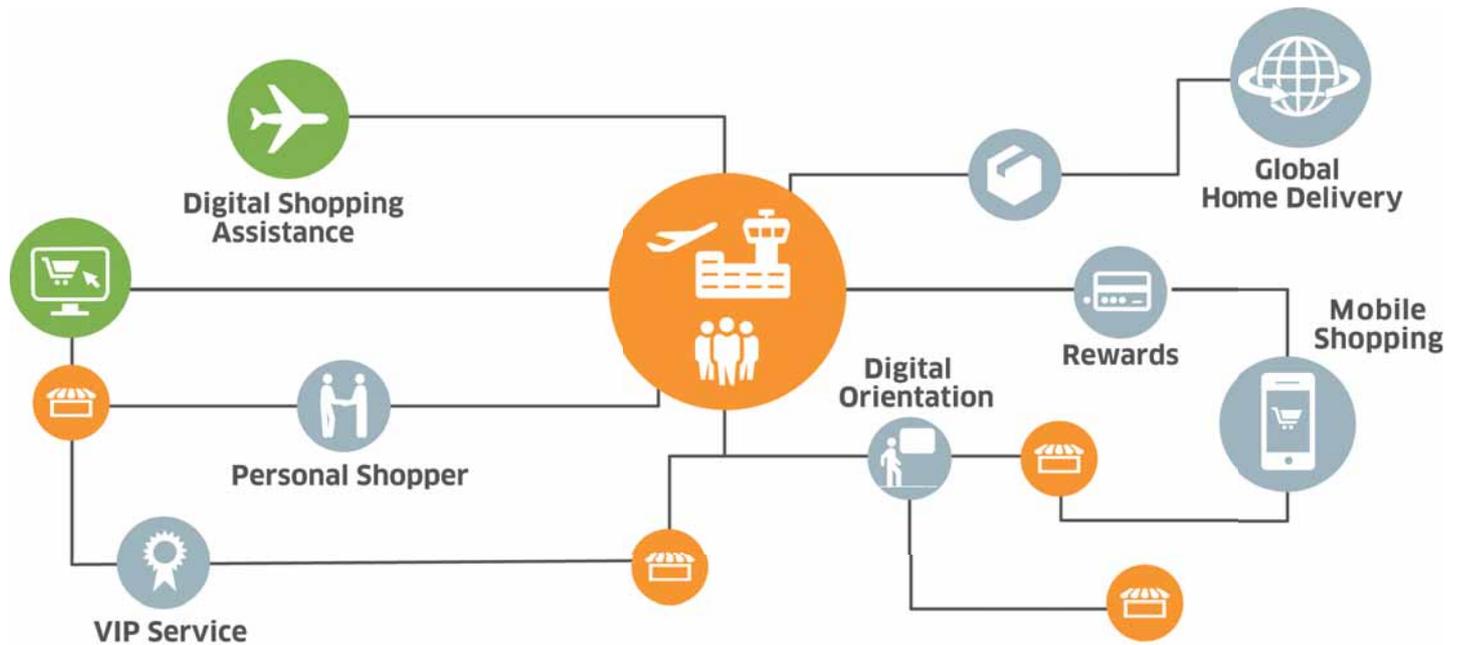
Q Can you give me an example?

OK, anyone who has seen my shopping in the past few weeks knows that I've recently fallen in love with the Montblanc Extreme line. I bought a bag, a wallet and a passport holder from that range. Yet no-one is offering me something from that range, because no-one is connecting the dots. So everyone offering me something else than what I like is just spam to me! That's how most people under 40 think today.

So just knowing that a valuable Chinese passenger is coming to my airport – but I don't know anything about them – doesn't help me at all to make them an offering no-one else can.

Q Is there a doomsday scenario for airports if they don't embrace new thinking?





I think the biggest risk for airports is that they lose their grip on retail and margin pressure will kill the little competitive advantage left. That's if they don't manage to capitalise on their passengers through a meaningful way digitally. If retail gets disrupted by outside e-commerce, parking gets disrupted by autonomously driven vehicles and the sharing economy and airports become so efficient that you can't even sell fast track anymore, then the only thing remaining is F&B.

So instead of letting airports turn into huge food courts, maybe it's better to transform them into marketplaces that connect people with personalised products and services in a meaningful way.

Q It sounds grim, doesn't it?

Yes, but if you think this is too bleak an outlook, let me give you an example: Airports used to make quite a lot of money from taxis. And then Uber came. Within one year many airports suffered major hits from losses in taxi revenue. They tried to work around it by banning Uber from the airport premises or charging them fees too, creating annoying Uber waiting lots etc.

But if the airport could offer more Uber-like services in the first place,

people would be using them. Most people don't use Uber because it's cheaper nowadays. At 20% margin how could it be? No, they use it because it is incredibly convenient, fast, you never have to think about how you will pay for it and the drivers are forced to keep their cars clean and drive well because a bad rating will put you out of business. Every time I use a taxi today I miss being in an Uber.

This is just one example of a business that virtually disappeared for some airports within the space of one to two years. That is how quick these things happen today.

“So everyone offering me something else than what I like is just spam to me! That's how most people under 40 think today.”

It's a volatile, very fast market these days. Airports tend to think in 10 to 20 year terms. Digital people don't even think more than three years ahead. They say, “We need this live in six months. We're going to be disrupting the industry in 12. We want to be a market leader in three years.”

Q What other airport businesses do you see being disrupted?

Airports are making a lot of money on advertising, too; but it's all non-personalised advertising. The next disruptive thing is that good advertising will have to be personalised. So, if I'm walking past a banner it will show me advertising that is interesting to me. And you can't do that if you don't own the data.

My strong belief is that, through our platform and through collecting this single customer view data, the airport will be able to provide such data at quite a premium to how they're currently selling advertising spots.

And it will potentially become far more valuable than simply selling retail goods to passengers. They will have millions of people walking through their terminals every year that they more or less know quite a bit about.

An early entrepreneur

Kian Gould started on the entrepreneurial road in 1997, at the age of 14. "I was very interested in moviemaking," he recalls. "Back then my big dream was to become a director and my biggest goal was to be able to buy myself some movie equipment."

Raised in a little town called Tönisvorst near Düsseldorf by his teacher parents, Gould took a holiday job working "crazy hours, something like eight to ten hours a day", preparing copper plates to fund his dream.

"After doing this for two months, I bought myself my first video camera. I was very excited. I started doing some film stuff, but also continued doing this kind of jobbing all around to earn more money. The next thing was to buy a Steadicam, a camera crane and other equipment. So I started working for a carpenter, and

while I was doing that I got interested in the Internet."

Those were early days for the Internet. Google was still in its infancy and Amazon had only recently started selling books. "The Internet was mainly news channels that you could subscribe to, and static websites," Gould recalls.

"I got into HTML and building very simple websites. Then one day I went to my carpenter boss and said, "If you're interested, I can make you a website," and he said, "Oh wow, that sounds interesting. No one has a website that I know. So how much is it going to cost me?" I said, "I don't know yet. You have to pay me by the hour, and you have to pay me twice as much as you pay me for carpentry work!" He said, "OK, sounds fair."

Gould duly designed and launched the website, earning around 1,800 Deutschmarks, a lot of money for a 15-year-old. "He had quite a network, because he was doing high-end furniture for all kinds of people. Basically every time he went to deliver furniture to people he gave them the card with the website address on it. They would say, "Who made this website for you?"

The fledgling entrepreneur started getting calls from all kinds of companies and dedicated his weekends to building websites, and the afternoons trying to juggle school and the job. He built a website for the Rotary Club in the industrial city of Essen and then the sites for a business tycoon who owned one of the biggest paper manufacturers in Germany, the biggest paper logistics company and also a document scanning company. "I built all of those sites, and then more and more websites for companies represented in the Rotary Club and their business partners."

Gould had set his heart on attending an acclaimed boarding school in the Czech Republic called Townshend International School, paying for most of the tuition costs out of his own pocket. "I moved to the Czech Republic for the last two years of my education, and thank god I did, because if there are three things that I learned there it was English, business and psychology."

Crucially, the school put a lot of effort into social skills and presentational skills. "All my homework was always presented in front of class; it was rarely written essays or multiple-choice. The headmaster of the school was a business coach before he took that role, and he saw my business sense and my business interest. He made me a kind of protégé, and he ended up being my business teacher also in school. I graduated with honours... and then I had to do one year's obligatory civil service."

All the time Gould kept his business going. He gained some important clients in the finance sector and began building the company very quickly. "Because I didn't have time to code any more, I began hiring people overseas. I built up little teams in Ukraine and Belarus; I had six or seven people coding for me, and I was just project-managing."

At just 20 years of age, his business started taking off, including a key contract with a leading German financial firm which was the country's first to sell investment funds online with no fees (<https://www.fondsvermittlung24.de>).

"At that time it wasn't really viable yet to do transactions on the Internet," Gould recalls. "They were still more or less informational, with contact forms and subscriptions and so on, but around that time the first online



Contact:
kian@aoe.com; www.AOE.com

trading platforms also appeared and e-commerce was starting to become relevant in the US.

“And so these guys said, “Look, you’re all by yourself in that office. Why don’t you move to Wiesbaden, to our offices? We’ll give you space for free.” I moved there in 2003, and within three years my company was bigger than the client. We had to move into a new space, first for 40 people or so, and we ran out of space there within two years. So we moved into another space that could fit 80 people. We grew out of that within another two and a half years, and then we moved into the current space in Wiesbaden, which we are continuously expanding. In parallel we opened offices in San Francisco, Zürich, Hong Kong and Dubai as we started working for more and more global companies.”

Today AOE employs close to 200 people in the head office near Frankfurt, while globally it will reach around 300 by the end of the year.

In 2005 Gould’s firm made another key advance, one that would lead indirectly to its first foray into the aviation world. AOE snapped up the account for Cisco WebEx [formerly WebEx Communications; a company that provides on-demand collaboration, online meeting, web conferencing and videoconferencing applications], taking charge of a global website relaunch across all the company’s markets.

“Basically that opened the door for everything, because they were such a big brand. At that point everyone started taking us seriously, and our major breakthrough was winning the biggest mobile virtual network operator in Germany. They’re called congstar, and are owned 100% by Deutsche Telekom.

“Initially they asked us just to build their website, which was non-transactional, because they had a stand-alone shop to buy their products.



Today AOE employs close to 200 people in the head office near Frankfurt, while globally it will reach around 300 by the end of the year.

“But they were actually one of the first mobile virtual network operators in Europe to sell without a single retail store. After a year of working with them and having a very good relationship, they came to us and said, ‘We have run into a grid-lock with our existing IT infrastructure and need to start from scratch. Do you think you would be capable of doing it end to end for us?’

“That was a big leap of faith for them, of course, because we had never done something this massive. But we were confident we could and said, ‘Yes, we can do it.’

“I have a very brilliant CTO and partner, and he and his team did it. There were a lot of other parties involved that had to do, for example, a billing system and another one that was doing the SAP system, but we did basically everything from the e-commerce to the campaign management; the CMS, the customer self-care, all of the integration, most of the business logic – everything.

“It was a really massive project for us, and we were the only ones who delivered on time and within budget.

“Everyone else was nearly a year late, and our relationship with them

became so good that they asked us, ‘Why are you the only ones that deliver on time and in budget?’ We told them about agile software development. ‘We don’t think in fixed prices, and we plan differently. We work in iterations.’

“They were so impressed by those methods that they began to transform the entire congstar company to work like that. They’re now the most successful telco in Germany by far when it comes to time-to-market and internal cost structure, because of the way they changed their business completely. And this, again, opened some doors.

“We won some major global accounts for Sony, built the world’s highest traffic e-commerce portal (for a day) for Angry Birds, and started doing a lot of work in innovation sectors such as Connected Driving (for BMW), IoT and Fintech.”

The next, arguably most important, breakthrough came when AOE seized on an opportunity in the aviation world (see main story). That breakthrough would not only change the course of the young entrepreneur’s life (he’s still only 33) but also, quite possibly, how airports see retail in an increasingly digital future. 🐦