Recent Technical Advances in Facilitating e-Commerce for SMEs

World Trade Organization Workshop

E-commerce, Development, and SMEs
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The Impact of the Internet on Economic Growth and Prosperity
(based on a survey of 4800 SMEs in 12 countries)

SMEs extensively using web technology:

1. Brought in twice as much revenue
2. Grew more quickly
3. Created twice as many jobs
4. Exported more widely
SME e-commerce is growing fast

Of the current 230M SMEs worldwide, an estimated 100M will go online in the next 10 years

- “Alibaba sells more than Amazon and eBay combined”
- "in a few years’ time it could be among the world’s most valuable companies”
When e-Commerce first appeared

Initial promise to “level the playing field for the little guy”

Bill Gates gushed about “friction-free capitalism”

Great hope in "disintermediating" the long chain of middlemen that pay artisans ~10% of the final retail price
Today, artisans receive 7 – 9% of selling price

TYPICAL TIER 2 PRODUCER SUPPLY CHAIN

$32.00 → $13.00 → $9.00 → $6.00

Consumer → Retailer → Wholesaler / Distributor → Importer

$4.00 → $3.00 → $2.50

Exporter → Producer Organization (NGO, Trade Group) → Artisan

Source: Interviews with TransFair, IFAT, PEOPLe ink & NGOs
Recent technical advances favor SMEs taking their businesses online

1. Proliferation of low cost Internet devices (netbooks, tablets, smartphones)
Recent technical advances favor SMEs taking their businesses online

2. The Internet continues to expand and now robust, cost-effective **cloud computing** technologies are available to anyone.
Recent technical advances favor SMEs taking their businesses online

3. Social networking services have confirmed the power and importance of trust
OpenEntry combines advances to serve SMEs in 45 countries.
OpenEntry combines advances to serve SMEs in 45 countries

1. Free online stores built on Google cloud computing environment

2. Instructions in 57 languages

3. B2B for wholesale or B2C for retail

4. Can be built and managed with a smartphone
Haiti

"Les POTS font la déco !"

COLLECTION POTS ET PLANTES 2012

Catégories
- Cache pot
- Pot en verre
- Pot simple
- Pot sur pied
- Pot tètre

- Découvrez en avant-première les **nouvelles collections** et les nouvelles marques
- Accédez à toutes nos **ventes privées** et ventes flash
- Bénéficiez toute l'année d'offres exclusives, **réservées à nos abonnés**

Produits en vedette

Cache pot
Prix : $
Détails

Cache pot
Prix : $
Détails

Cache pot
Prix : $
Détails

Pot en
Prix : $
Détails

Pot en
Prix : $
Détails

Pot en
Prix : $
Détails

Pot
Prix : $
Détails

Pot en chat
Prix : $
Détails

Pot en chat
Prix : $
Détails

Pot en chat
Prix : $
Détails

Pot en chat
Prix : $
Détails
Nepal

Jagat Laxmi Gajikhu, a jewelry producer, proudly states that she is an independent woman. She works on silver and metal jewelry that supports her family and earns extra income. Read Story of her...

Send us your order inquiry with your desired quantity and range of items. We will get back to you with shipping cost and delivery time. The price quoted are FOB Kathmandu. By sending order inquiries does not obligate you to purchase. You only pay if you agree on pro-forma invoice we sent with delivery schedule. We accept CREDIT CARD payment.

Our apology for mistakenly publishing Felt Mat that is of some buyers exclusive design which has been removed!
Kenya

Bombolulu Workshops and Cultural Centre is located in Mombasa, Kenya, and works with more than 100 people with different abilities, men and women artisans to help them overcome their physical limitations and empower them economically and socially to become fully integrated members of their communities, also providing social benefits to the workers e.g., Clinic, Nursery School, Social Hall, Sports, HIV Prevention, etc. Bombolulu started in 1989 and the Association for the Physically Disabled of Kenya took over in 1987.

This nonprofit organization produces crafts of a very high standard and gives vocational training to people with special abilities. We have sheltered workshops, producing a range of jewelry, textile, wood, and leather products. An on-staff designer creates new products, including the trademark Bombolulu recycled materials design pieces.

Every year, thousands of different designs are produced for items of jewelry, wood, leather, and soft furnishings. The workshops have a production capacity of nearly 250,000 separate items per annum. Many years of successful exporting have established the workshops as a reliable supplier and the project is a member of the WFTO (World Fair Trade Organization) and is the trading partner of PEOPLink/OpenEntry (USA). Bombolulu includes housing units for artisans, artisan workshops, and a Cultural Centre which comprises of different traditional homesteads of the diverse tribes of Kenya.

You can visit the workshops in Mombasa and our new Bombolulu Boutique in Diani Beach Shopping Centre to buy beautiful and unique products.
Main e-commerce challenges for SMEs are **visibility, credibility, and trust**

- A beautiful website alone is not enough
- Buyers may not be able to find it
- And even if they do, they won't trust it
OpenEntry also creates branded marketplaces

- For any business network
  - Chamber of commerce
  - Industry association
  - Trade show
  - Export promotion organization

- Marketplaces aggregate the online stores of their members

- Promotes the entire network

- Generates **visibility, credibility, and trust**
Branded Marketplace for **Cuban Art**

Welcome to this marketplace where you can purchase paintings online from a range of artists in Cuba being supported by the **Cuban Art Space**.

The pieces currently displayed are in the CAS office in New York. A second exciting phase of this initiative will entail the Cuban artists managing their online catalogs and shipping directly from Cuba!
Branded Marketplace for **Vietnam Style**
Branded Marketplace for **Bhutan Tourism**
Branded Marketplace for **Nepal Handicrafts**

This B2B virtual market promotes products and services of 1200 members of Federation of Nepal Handicraft Associations under one spot. The only one creditable and recognized association working for the promotion of the Nepalese handicraft producers, artisans, exporters, traders and manufacturers.
Does it Work?  http://goo.gl/EWd4b

E-commerce for Development:
The Case of Nepalese Artisan Exporters
Muslim jeweler hopes son will help her sell on-line

Saribun Banu learned traditional Muslim glass jewelry from her mother at age 12. She is now 43 and lives with her husband, a watch repairman, and three grown children. Ms. Banu used to sell her beaded jewelry to merchants in the local market that paid her low prices and often with great delays. For the last two years she is happy to be producing for a firm that pays her on time and sells via the site www.catgen.com/glassbeads. She knows that her products are sold by the computer but does not understand how it works. She hopes that when her son finishes college she will form her own business and get him to help her sell over the Internet.

Painter reaches wider global markets on-line

Kunchan Lama has been a Thanka painter for 30 years struggling for a decent income because his only access to wider markets was though intermediaries. Today, along with 47 other artisans, he is associated with the Lama Painting School, and collectively sells their paintings online retail at www.catgen.com/thangka. During 2004, he sold approximately US$3000 on-line including one for $800 that would have only fetched US$400 maximum on the local market.

Artisan entrepreneur’s profits rise with web sales

Laxman Maharjan came from a farming family too poor to send him to school so he started making prayer wheels at his brother-in-law’s workshop at the age of 12. Now, with 30 years experience, he has developed considerable skill designing new prayer wheels. He employs seven additional artisans to produce about 1000 pieces per month that they were selling in the local market for a gross profit of US$3.00 each.

In 2004 he began selling into the international market via www.thirdworldcraft.com and www.esewanepal.com and his profit is up to US$17.00 per piece. He recently sent his son to a CatGen e-commerce workshop and will soon develop his own on-line catalog.
UNDP Conclusion

• The largest impact of implementing this “pro-poor” e-commerce approach was on income and employment.

• Firms using it reported jobs directly attributable to on-line promotion . . . 3918 women

• A relatively inexperienced group of young IT professionals could, with the proper tools, create employment for themselves while providing e-commerce services to local SMEs.
Trade Promotion Organizations

1. Guide their member exporters to build their individual B2B stores

1. Build a marketplace leveraging their high profile to promote the exports of all their members

1. Cover costs by charging members to participate in the marketplace
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