Recent Technical Advances in Facilitating e-Commerce for SMEs

World Trade Organization Workshop

E-commerce, Development, and SMEs Geneva, April 8, 2013

by Dr. Daniel Salcedo Founder & CEO of <u>OpenEntry.com</u> dsalcedo@OpenEntry.com +1 240.242.9798



The Impact of the Internet on Economic Growth and Prosperity McKinsey Report – <u>http://goo.gl/Cvu6T</u> (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"

Economist

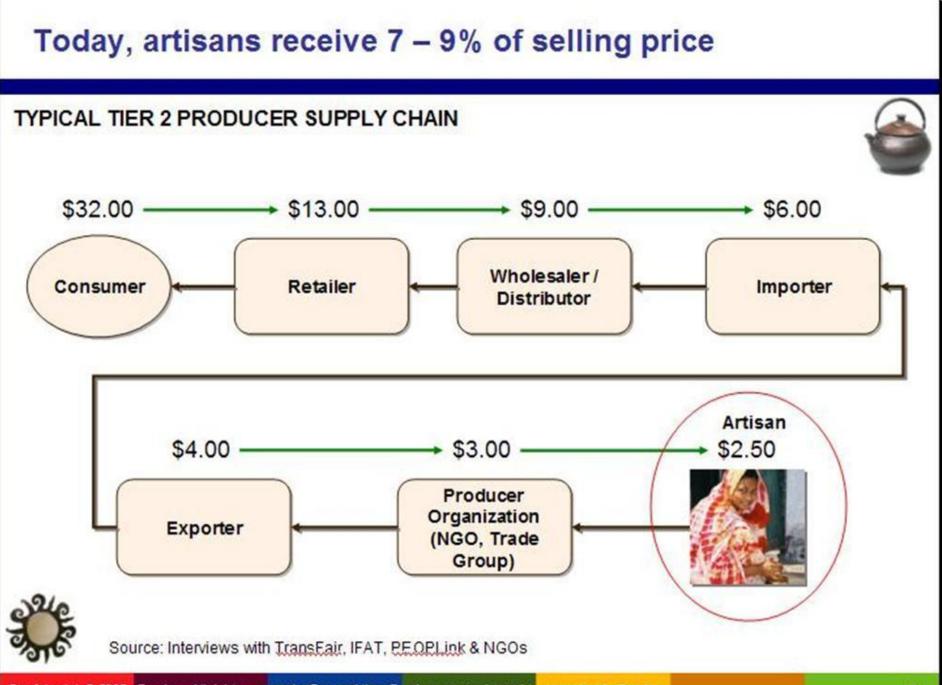
When e-Commerce first appeared



Initial promise to "level the playing field for the little guy"

Bill Gates gushed about "frictionfree capitalism"

Great hope in "disintermediating" the long chain of middlemen that pay artisans ~10% of the final retail price



Confidential © 2005 eBay Inc. All rights reserved, eBay and the eBay logo are registered trademarks of eBay Inc.

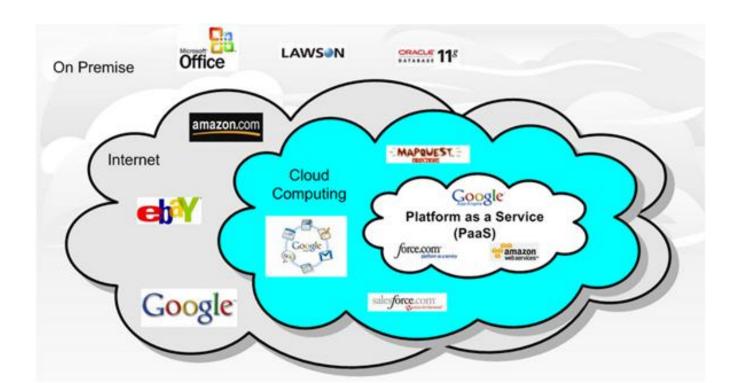
Recent technical advances favor SMEs taking their businesses online

1. Proliferation of **low cost Internet devices** (netbooks, tablets, smartphones)



Recent technical advances favor SMEs taking their businesses online

 The Internet continues to expand and now robust, cost-effective cloud computing technologies are available to anyone



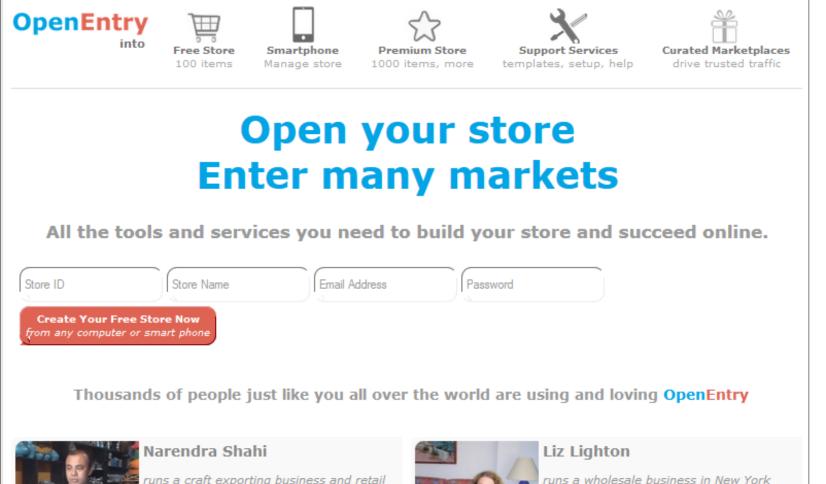
Recent technical advances favor SMEs taking their businesses online

3. Social networking services have confirmed the power and **importance of trust**





OpenEntry combines advances to serve SMEs in 45 countries



runs a craft exporting business and retail shop in Nepal. Eager to expand his business to buyers outside Nepal, he realized he needed an online presence...



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

OpenEntry

Haiti



Nepal



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 1969 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 4 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 it 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.

traditional nomesteads 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.



Select Language

New Products

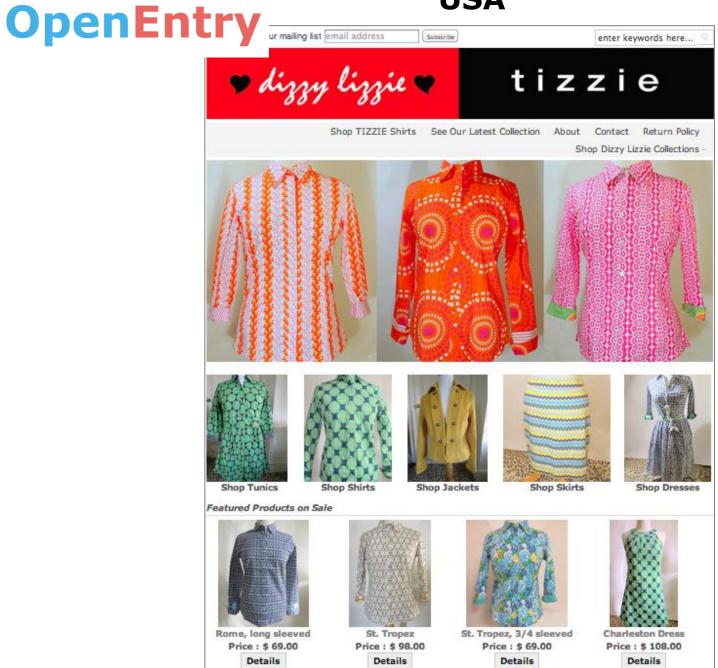


<< Previous Next >>

Categories Jewelry Textile Wood Carving

Leather

USA



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
 - \circ Trade show
 - Export promotion organization
- Marketplaces aggregate the online stores of their members
- Promotes the entire network
- Generates visibility, credibility, and trust

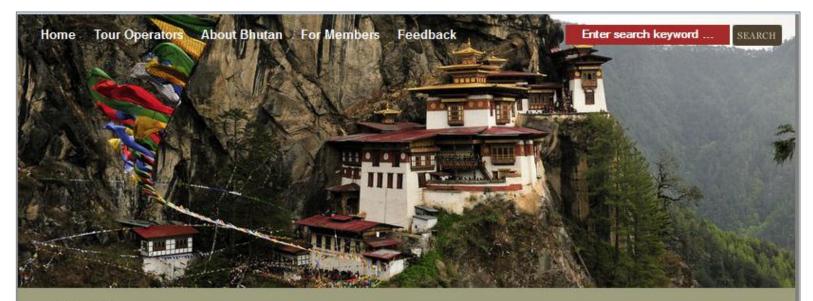
Branded Marketplace for Cuban Art

	The Cuban Art Space							
Home Vendors Info Contact	Feedback Category: All Any price - Enter Keyword	Search						
All Categories Abstracts Portraits	Welcomed 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!							
Objects								
Scenes	Featured Products	RE 🚺 🕊 🖾 🔔						
	Image: marked bit							

Branded Marketplace for Vietnam Style



Branded Marketplace for **Bhutan Tourism**



All Categories Tour packages Trekking and hiking Ticket booking



nepalhandicraftmarket.com



Featured Packages

Did you LIKE our website?







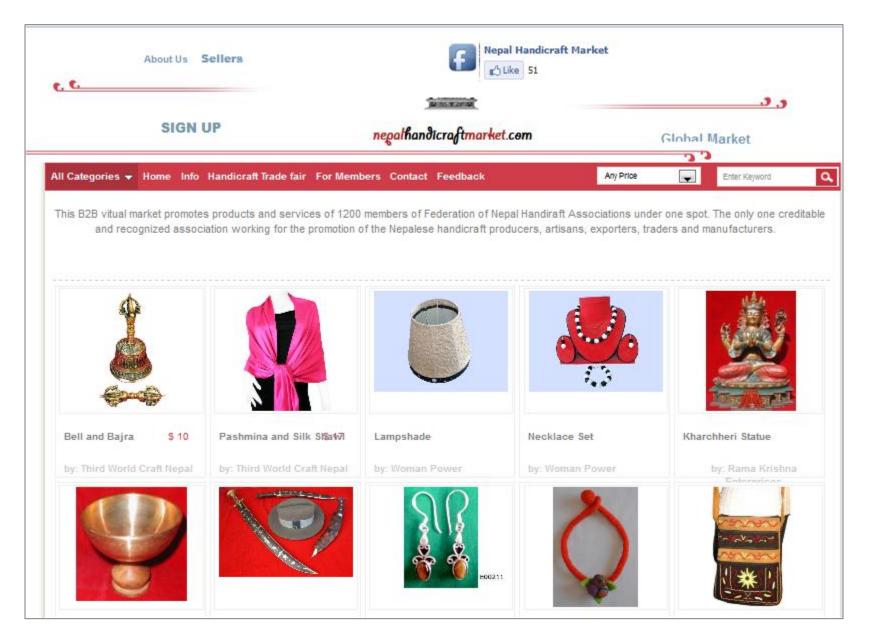


Cultural and Natural Hist... Rhutan Gavul Tours



Hidden Kingdom Tours Rhutan Travel Advent

Branded Marketplace for Nepal Handicrafts



World Chambers Network of the International Chambers of Commerce



WORLD

CHAMBERS

WCN Global B2B Online Market

Search products from wholesale online catalogs of businesses worldwide participating in **OpenEntry.com** maketplaces of their local Chambers of Commerce **Priority Listings of Companies with ChamberTrust**

	Business C	Opportunties (G	BX)	Chamber Trust	Chamber-eVau	It WCN Onlin	ne Market	Chamber Directory
`	Home	Vendors	About	How to Partic	ipate			
ۍ آ	eatured Pro	oducts				Country ‡	Any Price \$	
_	Artesol	Sumitel		The Cooperative	INTECSA_Eng	Ayni Bolivia	- All Cate Agricu	egories Ilture
							Beaut	el nobiles & Motorcycles y & Personal Care ess Services
	\$ NA Bottle	\$ 695 Digital Came	era	\$ NA palm	\$ 300 Switches	\$ 4.23 Tiwanku style ceramic		icals uter Hardware & Software ruction & Real Estate
FR	UTOS DE LOS	Fair Trade Peru	Minka Fair Trade	Candle Peru Inc	Industrias Carsa	Consumer Electronics		
							Electr Suppl Energ	У
	\$ NA Dried Pineapple	\$ NA shopping ba	ag	\$ NA Ceramics	\$ NA Aguaymanto cubierto con	\$ NA DRYING EQUIPMENT	Fashi	onment on Accessories & Beverage

Does it Work? <u>http://goo.gl/EWd4b</u>



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 entreprenuer'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

Recent Technical Advances in Facilitating e-Commerce for SMEs

World Trade Organization Workshop

E-commerce, Development, and SMEs Geneva, April 8, 2013

by Dr. Daniel Salcedo Founder & CEO of <u>OpenEntry.com</u> dsalcedo@OpenEntry.com +1 240.242.9798

