Income Opportunities in E-commerce for SMEs



Daniel Salcedo & Surendra Shahi, <u>www.CatGen.com</u> sponsored by the Swiss Secretariat for Economic Affairs via infoDev

E-commerce Critical for Emerging Economies

- Vast distances between countries and to global markets
- High communication and transportation costs
- Opportunities for trade in wide variety of goods
- Does not require a large capital investment
- Local and global opportunities



Especially Important for Individuals

- ICT provides high paying jobs
- Rewards individual initiative without regard for family background, political party, race, etc.
- For example, what do the four most powerful names in the industry have in common?
 - 1. Bill Gates
 - 2. Steve Jobs
 - 3. Michael Dell
 - 4. Larry Ellison
- None of them finished college!

E-commerce Challenges for SMEs

- Knowledge of personal computers and e-commerce are not widespread
- > Internet access expensive, slow, and unreliable.
- Most e-commerce tools designed for First World costly assume high bandwidth, English, and strong technical skills
- Achieving the visibility and credibility for potential buyers to trust an individual vendor they haven't met and can't touch or sue is extremely difficult.
- International payment and shipping of individual, low value orders are not economically viable.

CatGen is an initiative of PEOPLink, a non-profit organization guiding networks of SMEs in 42 countries to engage in e-commerce.



Brief history

Began in 1995 by importing "fair trade" crafts and selling them on www.peoplink.org



- Quickly realized it made more developmental and commercial sense to have artisans manage information
- In 2000, decided to develop CatGen (for "catalog generator") with support from the USAID, World Bank, Rockefeller Foundation, Jeff Skoll, and others
- Recruited technical team working from Ukraine, Siberia, Albania, India, Nepal, Ecuador, and Ireland

CatGen Meets All SME Needs for E-commerce

- Free & Open Source Software to organize and digitize information, including images, offline to local database and produce paper catalogs & CDs
- Easy-to-use catalog builder (no HTML 15 minutes if images and information are ready)
- FTP to any server for \$1-3/mo hosting
- Credit card capability through PayPal
- Multilingual (French, Spanish, Portuguese, Russian, Chinese, Korean, Arabic)

Or, for \$100/yr, upload to CatGen server (powered by Oracle) for added functionality

- Own domain name + e-mail
- Web traffic statistics
- Search engine optimization
- Unique capability to aggregate many individual catalogs into full functioned marketplaces
- XML enabled for linking into marketplaces (eBay)

www.modishandicrafts.com - First credit card enabled site from Rwanda



Home M

Meet the Artisans

Browse the Shop

Link to Rwanda

Shopping Cart



Modis International
Handicrafts invites you to
discover Rwanda, "land of
a thousand hills," through
the beauty of its native
handicrafts and artwork.

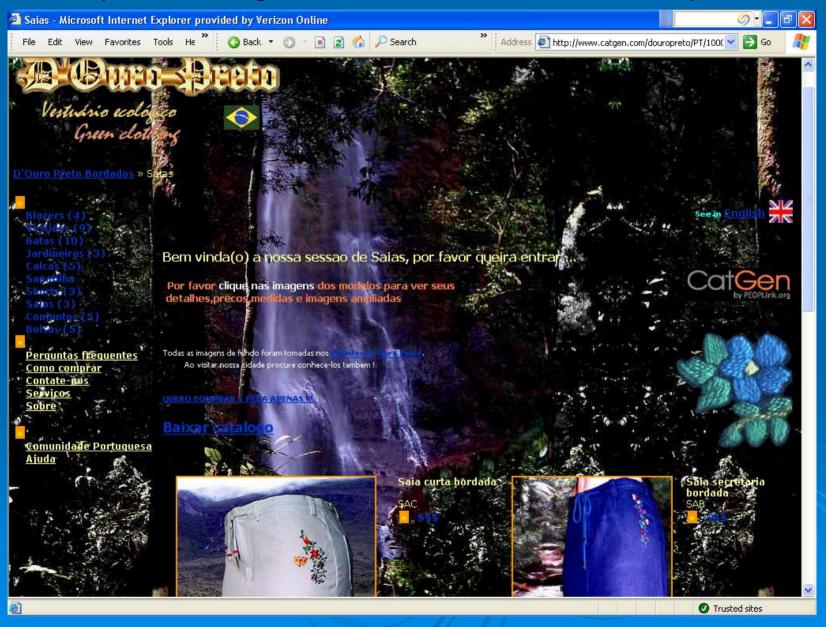
Rwandan art tells the story of its people, a people rich in traditions and culture who are overcoming the devastating effects of genocide and moving toward reconciliation and healing. Be inspired, and take home a piece of Rwanda today.



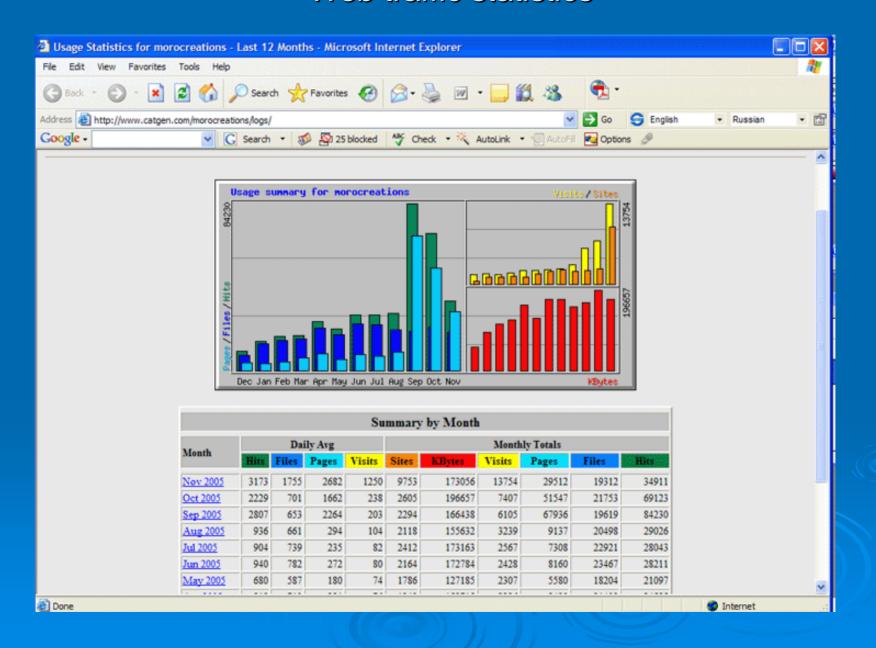




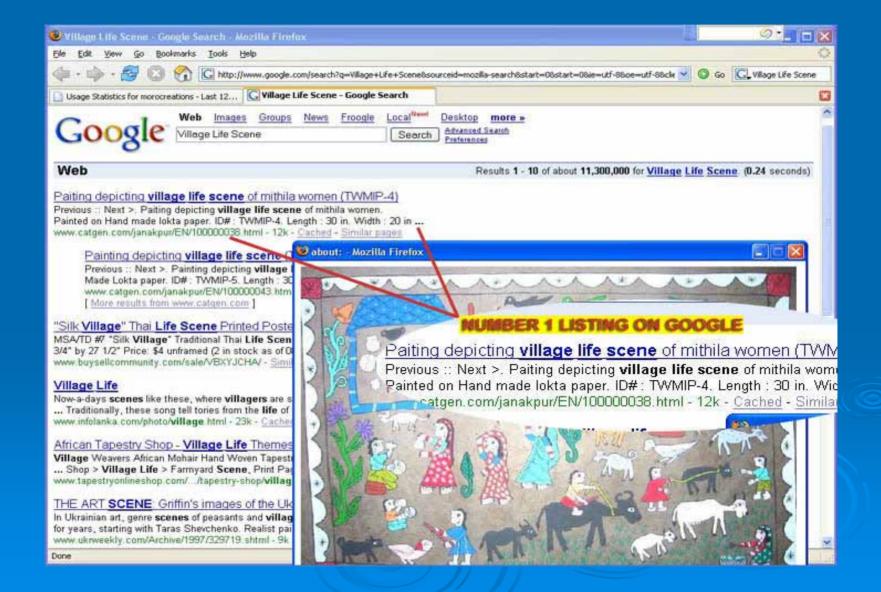
www.douropreto.org - built on solar powered laptop & uploaded at night from mountain in Brazil via a cell phone



Web traffic statistics



Search Engine Optimized - #1 rank on Google for "village life scene" www.catgen.com/janakpur women painters



Global "fair trade" marketplace



Portal of Crafts from Africa

PEOPLink Home Links♦ Trading Partners♦ Trading Partners from African Countries Kenya South Africa rica Namibia Swaziland Zambia Tanzania Kenya Egypt Uganda Benin Mali Cameroon Namibia Ghana Zambia Mali Ghana Nigeria Tanzania South Africa Senegal Uganda Swaziland Nigeria Benin Mauritius Mauritius Cameroon

Businesses Opportunities for Local Firms

- Universities and IT training organizations can use CatGen to offer comprehensive e-commerce courses
- > Internet cafes can rent PC, printers, cameras
- Local ISPs sell FTP accounts for CatGen catalogs
- IT firms or individuals provide technical assistance, digital imaging, custom graphic design for local or global SMEs
- Business networks (chamber of commerce, industry association, export agency) can charge members to participate in marketplaces

In Nepal, an IT firm comprised of recent graduated is succeeding in selling e-commerce services to NGOs and exporters



UNDP evaluation of CatGen in Nepal concluded



- a relatively inexperienced group of young IT professionals could, with the proper tools, create employment for themselves while providing ecommerce services to SMMEs
- The largest impact of implementing this 'pro poor' approach was on income and employment... for 3918 women
- Executive summary and full study at http://sdnhq.undp.org/it4dev/e-comm

For more information, please refer to

- > www.catgen.com
- www.catgen.org

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