# Operational Concerns for SMEs in International Trade: Good Problems and Bad Ones

Presentation to the 2011 ABAC SME Symposium

Session 4 - Trading Across Borders: Regulatory and Operational Concerns

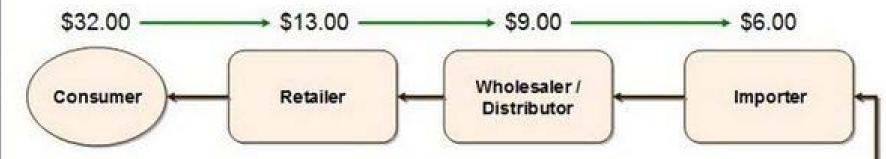
November 10, 2011 - Halekulani Hotel, Honolulu, Hawaii by Dr. Daniel Salcedo, Founder & CEO of <a href="mailto:OpenEntry.com">OpenEntry.com</a> - tel: +1.240.242.9798

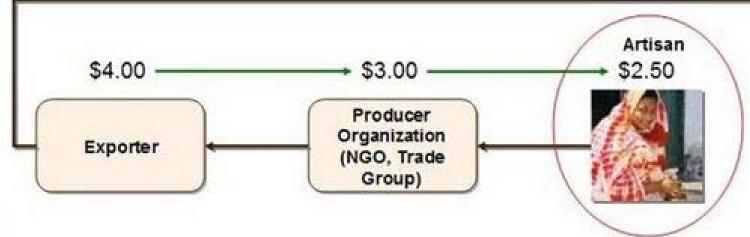


### Today, artisans receive 7 - 9% of selling price

#### TYPICAL TIER 2 PRODUCER SUPPLY CHAIN









Source: Interviews with TransFair, IFAT, PEOPLink & NGOs

## Good Problems Solved Easily

- Intermediaries in the traditional commercial chain take care of the problems
  - International payment
  - Shipping logistics
  - Customs, regulations, duties, etc.
- SMEs trading internationally, have to connect to the necessary services – but they exist
- But if an SME doesn't have orders, that's a bad problem that can't be solved by hiring services



## Early Promise of E-commerce

 Development experts - "level the playing field for the little guy"

 Bill Gates – disintermediation will enable "friction free capitalism"

 Everybody thought it was a technical problem of getting SMEs online



## However, even if a SME builds a beautiful catalog...

- Buyers can't find it among the billions of websites on the Internet
- Even if they do, they won't trust it
- So besides the technical difficulties, the main challenge of e-commerce is visibility, credibility, and trust



## Recent Advances Change Everything

- Internet costs continue to drop while its reach and speed increase. Corporations now offer powerful "cloud computing" services
- A proliferation of low cost devices (mobile phones, netbooks, tablets) greatly expands the hardware choices for accessing the Internet
- Social networking services demonstrated how to leverage the power of trust



## OpenEntry is a Development Organization

- Mission to help artisans and SMEs to benefit from e-commerce
- Support from World Bank, USAID, InterAmerican Development Bank, Rockefeller, Oracle, eBay, private...
- Developed an e-commerce platform for artisans and SMEs worldwide



## Free Catalogs in 44 countries on Google "Cloud Computing"

- Gmail account security
- Docs store information
- Picasa image management
- Translate into 57 languages
- Checkout also PayPal, 2Checkout
- Apps Engine execute programs on powerful/reliable Google severs
- Android offline mobile operation





- Nakshi Kantha
- Palm Fiber Products
- Decorative Car Bell
- Jewelery Box
- Home Decorative Items
- Wall Mat
- Bed Cover
- Scarves
- Woolen Shawl
- Cushion Cover
- Bag and Purse
- Optic Cover
- Table Cloth
- Nakshi Umbrella

#### PUP "Pollee Unnayan Prokolpo"



PUP "Pollee Unnayan Prokolpo" means "Rural Development Project". This project was started in Bogra, area (North Western region of Bangladesh) in 1986 by some local people initiative who acquired their experience working in different development organizations. PUP was officially approved by the Social Welfare Department of Bangladesh in 1992 and became IFAT member in 1998. PUP, is working with poor and landless artisans, providing skill development training, non formal primary education, health care, family welfare and credit support. At present P.U.P. is working with about 500 female artisans organized in

groups. Their main production is Nokshi Kantha designed Handicrafts. Along with different trainings such as Group Management, Leadership training, Production Quality Control etc. P.U.P. also provides adult education for the producers and child education where the children of the producers take their primary education. Besides PUP also provides Saving schemes and Credit Programs. In case of necessity, producers can borrow money from the organization without any interest. PUP regularly offers free eye treatment to the producers and provides other free medical services to its poor producers. Water-Sanitation, Environment and Nursery are too part of PUP programs. PUP is a non government, non-profitable organization try to run by its own income.

Guaranteed door to door delivery within 7-14 Days.



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#### Home Decorative Items - Product



Crafted Boat \$ 25.0 Details



Crafted Astray \$ 3.0 Details



\$ 25.0 Details



Computer Keyboard \$ 24.0 Details



\$ 3.0 Details



Candle Stand \$ 3.0 Details



Cycle Belt \$ 3.0 Details



Glass Mat (Cotton) \$ 3.0 Details



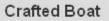
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Product Code : CBoat-002 Name : Crafted Boat Description Crafted Boat

Materials: Hard Paper, Silk Thread, Cloth, light metal &

Next >>

Plastic Materials.

Only for Local Sale in Bangladesh.

Price: \$ 25.0 Quantity: 1

1 Add to Cart



CURRENCY:	USD   U.S. Dollar	٧
LANGUAGE:	English	~

#### **CART - REVIEW ORDER**

CONTINUE CHECKOUT >>

Pollee Unnayan Prokolpo has directed you to 2Checkout.com to complete your purchase.

Qty	ID	Name	Price \$ ( USD )	Subtotal \$ ( USD )
1 Remove	1319129919197 - pupbd,OpenEntry	Cart Purchase: 1319129919197 - pupbd,OpenEntry	25.00	25.00
		Vendor site cart purchase: Invoice 1319129919197 - pup	bd,OpenEntry	
		( Qty: 1 ) Crafted Boat - [CBoat-002]		

Sale Total ( USD ): \$25.00

CONTINUE CHECKOUT >>

## Multimedia Works by Marlys Fuego for Sale Online (sponsored by the Cuban Art Space)



#### Categories

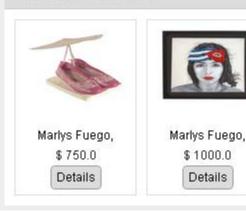
- → UTILITARIAN, MIXED MEDIA
- PAINTINGS, MIXED MEDIA



#### Marlys Fuego Gonzalez

Marlys Fuego Gonzalez was born in Las Tunas in 1988. She lives and works in Havana, Cuba. She will be showing her new works in September 2011 at The Center for Cuban Studies/The Cuban Art Space in New York City.

#### **Featured Products**









## **MUJERES**



### **LIDERES**

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Presentamos el Proyecto de MUJERES LIDERES PERU que busca empoderar a la mujer para contribuir a la mejora de la situación, ECONOMICA, social y la calidad de vida de las mujeres, es por ello que los invitamos a visitar el catalogo de sus PRODUCTOS.

Este proyecto fue hecho realidad gracias a la colaboración y el impulso recibido del Instituto de Medicina Tropical Alexander von Humboldt - UPCH, la Oficina Técnica de Centros de Innovación Tecnológica - Ministerio de la Producción y Openentry - USA .

Estos productos son trabajados por las mujeres que viven con diferentes diagnósticos.

Contacto: mujeres.lideres.peru@gmail.com

#### Featured Products

Product Not Found!

#### Categories

Tejidos

Llaveros

Bisuteria

Colgadores de Ropa

Chocolateria

Adornos

Carteras

Cotillón para eventos

Dia de la Madre





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#### Categories

Baskets



Kwanza Collection Co. Ltd (formally known as Travelers Choice Trading Company Ltd) was incorporated in November 1999. The Company started operations in May 2001. The company is limited by shares under company ordinance cap. 212.

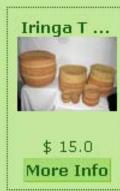
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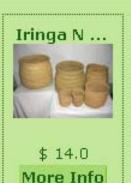
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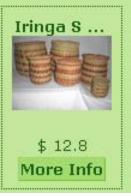


\$ 12.0 More Info

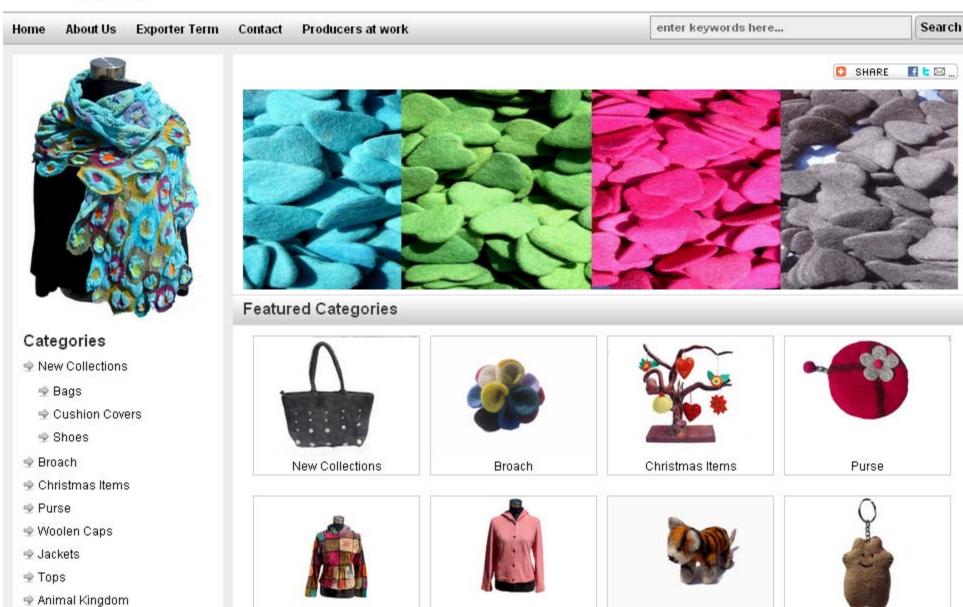
















**Development Wheel - DEW** is a non-government voluntary development organization established in 1996 by a group of experienced professionals and researchers to promote self-help poverty alleviation initiatives of the poorest households in Bangladesh towards sustainable improvement of their livelihood.

#### **Featured Products**



Jute bag \$ 3.1 Details



Silk scarf \$ 22.0 Details



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Round basket \$ 8.0 Details



Black pot \$ 3.5

Details

#### Categories

- → Bamboo
- → Terracotta
- → Jute
- Embroidery
- Palm and Kaisa

### Vicky Surles's Gallery

Home About Us Contact Press SHARE SEE ... To enter keywords here. Search

#### Categories

- Notecards
- Small Prints
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- Original Paintings



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#### **Featured Products**



\$ 400.0 Details



Railroad Bridge \$ 60.0 Details



Holly Leaves \$ 5.0 Details



Butterfly Bush \$ 60.0 Details



Pumpkin Gourds \$ 40.0 Details



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Paks and Racks

Featured Items

Large Drums

Small Drums

Shakers

Scrapers

Bells

Wood Sounds

Animals and Crafts

Wind Instruments

Little Stuff

Web Specials

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Mother Owl Shaker & Owl's Nest Drum -Peru - J0257/J0258 \$ 22.90



Ocean Drum - Peru -J0256 \$17.40



Sun Moon Star Drum w/ DVD - J0181D \$ 15.80



8 Key Balaphone -Ghana - J0211 \$89.00



12 Key Balaphone -



Digiridoo w/ Blue Gecko Digiridoo w/ Green Gecko Motif - Indonesia - W090 - Motif - Indonesia - W091 - Jaw Bone Rattle - Peru -- NOW IN STOCK --



NOW IN STOCK --



<u>J028</u> \$ 30.80

#### Shopping Cart Content - Summary

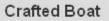
Product	Options	Price	Quantity	Total
Crafted Boat		25.0	1	25.0
			1	25

Pay via 200

Order Inquiry Form	
The field with * are required	ff .
*Name	
Company	
*Email	
*Phone	
Message	
	Send



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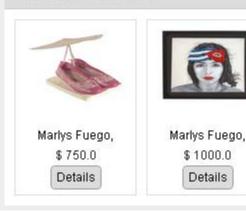
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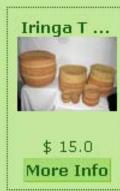
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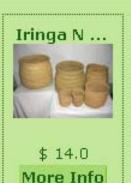
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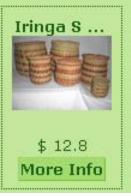


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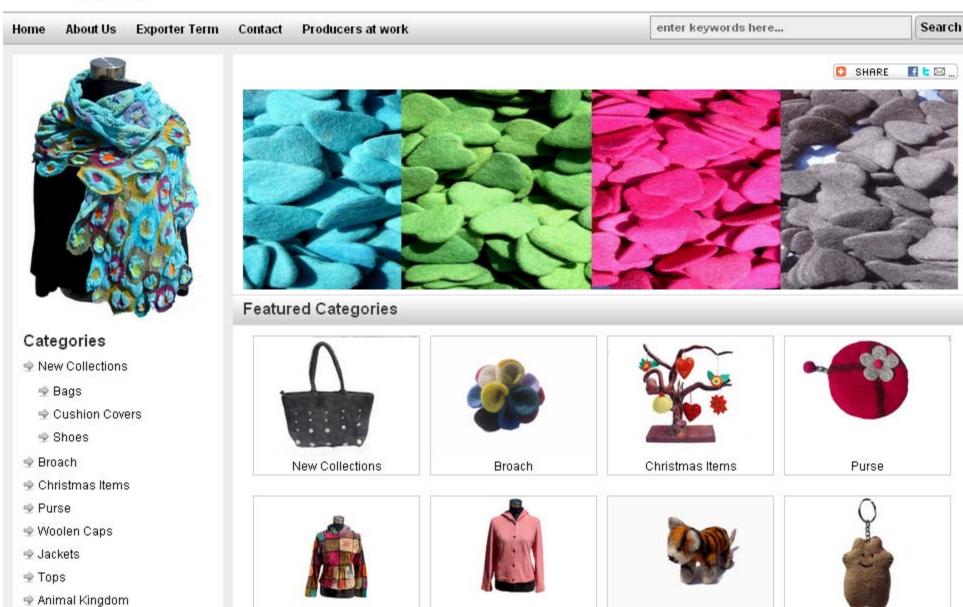
















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## **OpenEntry Network Markets**

- Any high profile business network
  - Chamber of Commerce
  - Export Promotion Agency
  - Industry Association
  - Trade Show
- Can aggregate all the catalogs of its members into a network market
- Generating visibility, credibility, trust





Maximising Employment to Serve the Handicapped provides opportunities for people affected by leprosy all over India to achieve social and economic integration by craft production and tradir

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Contact Feedback

Category: All Any price V Enter Keyword

#### **All Categories**

Apparel and Clothing

Art and Painting

Bags and Purses

Carpets and Rugs

Collectibles

Fashion Accessories

Furniture and Furnishing

Gifts and Crafts

Glass Beads Crafts

Home Decor and Garden

Jewelry

#### Featured Products



DETAILS



\$150 DETAILS



DETAILS



DETAILS

SHARE



\$109 DETAILS



DETAILS



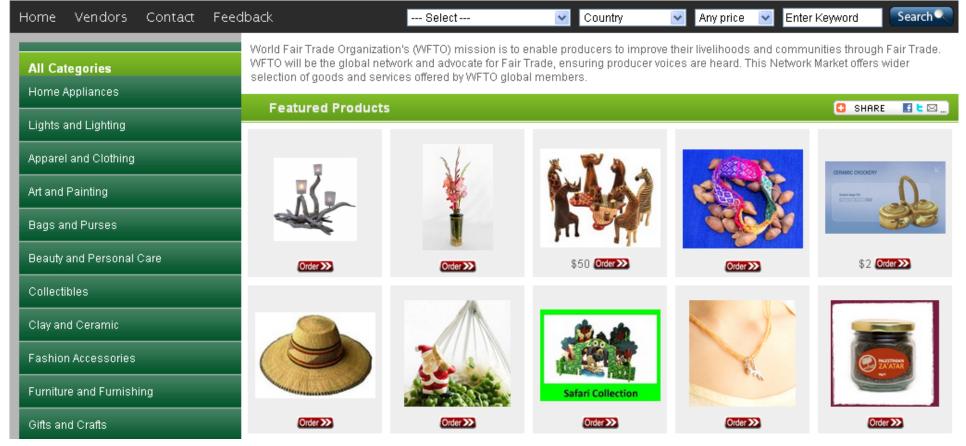


### World Fair Trade Organization

#### **Network Market**

One-stop-shop for thousands of fair trade products from all the WFTO producer groups worldwide







All Categories

Country

Any Price

Enter Keyword

Search

From Her Hands is an on-line catalog (under construction) of items created by women from all over the world. You can purchase unique, high quality products directly from these talented women, thereby by passing the normal commercial chain of middlemen that sometimes pay them 10% of the final retail price. When you support From Her Hands, you are improving the lives of women all over the world. Read more about the goals of From Her Hands and how promoting From Her Hands can be a fundraiser for your organization.



SHARE









NA DETAILS



\$24 DETAILS



NA DETAILS



NA DETAILS



\$32 DETAILS



NA DETAILS



NA DETAILS



NA DETAILS



NA DETAILS



NA DETAILS



NA DETAILS



## Expro 88 Pipe & Process Equipment

Any price Keyword Search Feedback Country Vendors About Contact Category: All This searchable marketplace contains thousands of products from all the exporters participating in CBI's Expro88 Pipe and Process Equipment Initiative to foster imports into the European Union from developing countries. **All Categories** Fittings **Featured Products** SHARE **■ ■ ■** ... Foils and Tubes Heat exchangers Hopers/Chutes Lifting/Transporting DETAILS DETAILS DETAILS DETAILS DETAILS Parts for coolers Parts for heaters IMAGE Plastic pipe NOT FOUND Pumps Rice processing DETAILS DETAILS DETAILS DETAILS DETAILS Valves



Welcome to this preliminary marketplace where you can scan thousands of products from the online catalogs of exhibitors specially selected to participate in LIFESTYLE VIETNAM 2010. You can continue to place wholesale orders on these catalogs all year long!















#### WCN Global B2B Online Market

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

--- Select ---

Country

Any Price

Enter Keyword

Search >

#### **Featured Products**

#### Kumbeshwar



\$ NA Soft yarn

#### Fair Trade Village



\$ 99 JUST'ETHIC

#### AMWA



\$ NA Lamp

AU DELA DES

#### Community



\$ NA Painted Bone BangleS

#### Jambohut.com



\$ 5 Wooden Finches

#### Adyfarm



\$ NA



\$ 5 Bamboo basket

#### **All Categories**

Agriculture

Apparel

Automobiles and Motorcycles

Beauty and Personal Care

Business Services

Chemicals

Computer Hardware and Software

Consumer Electronics

Electrical Equipment and Supplies

Electronic Components and Supplies

Energy

Fashion Accessories

Food and Beverage

Furniture and Furnishing

#### Gone Rural



\$ NA Large Ceramic Vase with

Bluehand Store



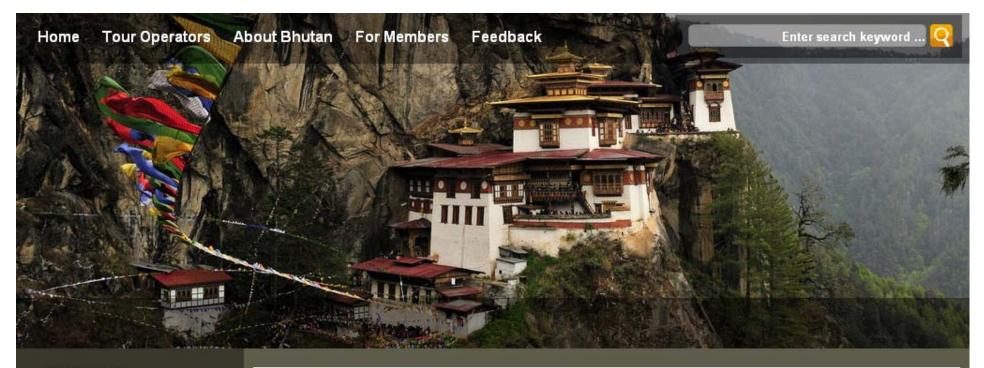
\$ NA Halter Bubble Mini Dress

\$ NA



frog toy

Medicine



All Categories

Tour packages

Trekking and hiking

Ticket booking





This mystical kingdom, tucked into the Himalayas between India and China, offers visitors a glimpse of an isolated culture untouched by the passage of time. Women still create intricate weavings by hand. Paintings created centuries ago still grace ancient buildings. The land of the Thunder Dragon proceeds cautiously into the 21st Century, committed to preserving its pristine forests, rare wildlife, unique architectural wonders, traditional Bhutanese crafts, and deep Buddhist roots. (more)

## Operational Concerns for SMEs in International Trade: Good Problems and Bad Ones

also at the US Booth of the

## SME Innovation Exhibition

November 10, 11, & 12 - Royal Hawaiian Coconut Grove by Dr. Daniel Salcedo, Founder & CEO of <a href="mailto:OpenEntry.com">OpenEntry.com</a> - tel: +1.240.242.9798

