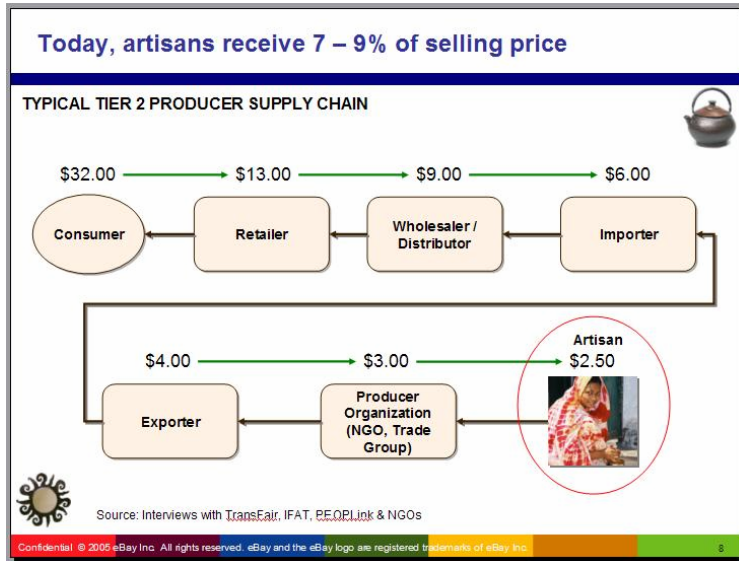


## Global E-commerce for Small and Medium Enterprises (SMEs)

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Artisans, as most developing country SMEs, have traditionally been the first link in a long commercial chain that pays them only 7 - 9% of the final retail price (see illustration).

When e-commerce first emerged in the mid 1990s, experts predicted significant development benefits through “leveling the playing field” and disintermediation. Many ICT for Development projects were launched installing computers and Internet access in poor communities all over the world somehow expecting magic pixie dust to flow through the lines, thereby making everybody more

informed, healthy, and prosperous. However the promise of income and employment benefits have largely gone unfulfilled as few projects pass the test of “Internet you can eat”.

Developing an attractive and complete web site is not enough to achieve success in global e-commerce. Buyers in distant markets are unlikely to find it and, even if they do, knowing that any scam artist can easily develop a beautiful site, will be unlikely to purchase. The key is to collaborate with other individuals and institutions that can develop the necessary visibility and credibility. SMEs can join business networks, such as chambers of commerce, industry associations, and trade promotion organizations that can aggregate the offerings of their network, thereby branding them more effectively than the members can do individually.

The final component for disintermediation is the ability to track an order back to the individual or organization that originated it in order to pay a commission. This allows an SME to retain control over the items while an agent concentrates on building trust without the overhead required to handle the items or payment.

Effective mechanisms for international payments and consolidated shipments are also necessary for SMEs to fully benefit from global e-commerce.

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**CatGen** (for “catalog generator”) enables any enterprise anywhere to create and maintain its own fully functional e-commerce catalog with unrivalled search engine optimization, credit card payment for B2C, negotiated contract tool for B2B, and a referral system that can track the origin of B2B & B2C orders. 1400 SMEs in 44 countries have implemented it and the UNDP documented its role in generating 4000 jobs in Nepal (<http://sdnhq.undp.org/e-comm>). **CatGen** also makes it easy for any business network to aggregate many individual catalogs of its members into a branded marketplace. More details at [www.catgen.com/tpo](http://www.catgen.com/tpo).