WP T2.3.1
Report on key findings and lessons learnt from trends for participant SMEs

Contents   **Page**

Graphs   **Page**

Tables   **Page**

1. Rationale

This report is a summary of key findings and lessons learnt from trends and opportunities while working with the 24 project participant SMEs. E-Channel set out to provide e-commerce support in a combined package which would otherwise require participant SMEs working with a wide range of unconnected businesses and organisations, many of which would not be explicitly focused on the needs of SMEs.

E-Channel created and provided a framework to support and build capacity for SMEs to enter new markets, using a unique action-based consulting model and a Data Management Control Platform[1] (DMCP), designed to help SMEs enter the market successfully. Sustained growth through e-commerce is something that many companies have tried but with varying degrees of success, even within their own known markets.

In the original bid document, under Trends and Emerging Opportunities (p26), we said the 24 outcomes would be as follows:

> *The E-Channel Launchpad Account Managers will work with the 24 SMEs, via a cycle of SME Partner Reviews, the timing of which can be triggered by the SME or the Account Manager, to respond to changes to the marketplace, technology or by SMEs responding to their own specific E-Ch Platform dashboard data:*
>
> *[a] SMEs will receive live sales and customer behaviour data on their e-commerce supported export via a private dashboard on the E-Channel Platform. They will work with their Account Manager to respond to this data. This may include changing their inventory, adding the use of additional E-Channel Platform tools not used initially or potentially starting to sell in B2C[2] or B2B[3] marketplaces.*
>
> *[b] SMEs will work with their own Account Manager to benchmark and compare their own product range, availability and price against competitors in the marketplace. This could include responding to market shipping and delivery preferences.*
>
> *[c] The Launchpads will support SMEs in adapting to technology trends e.g. the growth of B2B trade and the rapidly increasing volume of e-commerce sales via mobile phones and apps.*

The work undertaken to support the 24 SMEs with trends and emerging opportunities, and lessons learnt, is summarised in this report.

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[1] The Data Management Control Platform (DMCP) is a data and support model for organising inventory, identifying opportunities and measuring success in online marketplaces. A report on the Creation of the E-Channel Data Management Control Platform (DMCP), and a set of guides for the use of the four DMCP Tools, are available at https://www.e-channel.org/resources/

[2] Business-to-consumer (B2C) refers to the process of a company selling products and services directly to the consumer.

[3] Business-to-business (B2B) is a transaction or business conducted between one business and another, such as a wholesaler and retailer.

2. Methodology

The E-Channel Launchpad Account Managers supported the participant 24 SMEs with consultancy services, using a partnership and coaching model[4]. In order to support the SME to take full advantage of emerging trends and opportunities, it was paramount that, from the beginning of the project, the SME and the Launchpad Account Manager should be clear about SME capability and capacity for growth as well as their aspirations, so that they would be best placed to take advantage of market trends and opportunities.

A lesson learnt was the importance for the Launchpad Account Managers to understand the SME motivation, experience, and capacity for growth from the very start of the SME's interaction with the E-Channel Project, so this took place from the initial selection stage through to the onboarding stage[5].

The two explicit, key questions below are indicators of success criteria for the SME as well as providing crucial information to the Launchpad Account Managers about SME capacity for growth and their ability to sustain new market success.

1. **What is the SMEs motivation?**

- Why does the SME want to join the project?
- What is the success criteria for the SME?
- How does SME expectation align with trends and opportunities?
- How flexible is the SME in terms of adapting to maximise response to trends and opportunities?
- How would the SME feel about potentially adapting their business processes, culture or technology?

Understanding the motivation, i.e. why the SME wants to join E-Channel, meant that E-Channel had a better idea of long-term goals and aspirations outside the time scale of the project as well as the short term, four months of consultancy work.

In this way, the Launchpad Account Managers had a far clearer understanding of the SMEs aspirations, success criteria, objectives and potential for flexibility and were able to factor in individual SME attitudes to risk as well as their capacity to react to trends and emerging opportunities.

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[4] A report on the E-Channel Coaching and Partnership Model is available at https://www.e-channel.org/resources/
[5] The E-Channel selection and onboarding stages are described in a report on key findings and lessons learnt from the launchpads as they prepared to receive, welcome and audit the SMEs, which is available at https://www.e-channel.org/resources/

2. What experience does the SME have?

In order to support the SMEs to take full advantage of emerging trends and opportunities, it was important that, from the beginning of the project, the Launchpad Account Managers should understand not only the new market or export potential of each SME, but also the road travelled by each SME to that point in time.

- Does the SME have the required competencies for e-commerce related exporting?

- Do they have the capacity to internationalise or seek new markets?

- How does the SME feel about their own competencies for exporting?

- How does E-Channel feel about the SME capacity for this, in the short and long term?

E-Channel understood that providing a flexible approach for the SMEs, at different stages of experience and potential, was more likely to result in more effective and efficient support. It was envisaged that each SME would receive support over a four-month period and that meetings between the Launchpad Account Manager and the SME would take place monthly, as part of the cycle of SME Partner Reviews. Additional support and meetings were triggered by the SME or the Account Manager, to respond to changes to the marketplace, technology or by SMEs responding to their own specific E-Channel DMCP data.

However, in reality, while the process was ultimately robust and successful, the project faced three major challenges:

- Impact of Covid-19;

- Participant SMEs required additional technical support;

- Brexit concerns and post-Brexit trading conditions[6].

Despite these challenges, the Launchpad Account Managers were able to work with the SMEs to respond to trends, emerging opportunities and changes to:

- the marketplace;

- technology;

- SMEs responding to their own specific E-Channel DMCP data.

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[6] A report on key lessons learnt in working with participant SMEs in a Brexit context is available at https://www.e-channel.org/resources/

2.1 SMEs by sector

The E-Channel Project encompassed SMEs from different sectors with differing dispositions towards innovation, at different stages of growth and maturity, from start-ups to longer established SMEs.

Table 1 is a breakdown of the different sectors from which the SMEs were drawn and compares French and English SMEs.

Sector Overview											
	Food and Drink	Home ware	Clothing and Accesso ries	Arts and Craft	Health and Beauty	Techn ology	Service	Pet supplie s	Baby Product s	Toys and Games	Leisur e
UK	5	4	1	1	0	0	0	0	0	0	1
FR	0	2	0	0	1	3	2	1	1	1	1
TOTAL	5	6	1	1	1	3	2	1	1	1	2

Table 1: SME overview by sector

The sector breakdown is important because, for each SME, trends and emerging opportunities were linked to:

- Post Brexit trading conditions[7];
- How each sector fared due to Government imposed Covid-19 trading restrictions;
- Consumer spending trends and behaviour in each sector due to Covid-19.

Table 2 is a breakdown of Brexit impact on the 24 participant SMEs by sector and by country and compares the impact on French and English SMEs.

The impact of Brexit on the United Kingdom / Risk to English SMEs			The impact of Brexit on France / Risk to French SMEs		
Low	Medium	High	Low	Medium	High
5	2	5	11	1	0

Table 2: Brexit impact on SME by sector and by country

These scores were based on sector, as well as which side of the Channel the participant SME was on. The group of 24 SMEs who took part in the E-Channel Project were from diverse sectors but all had mixed feelings about post-Brexit trading conditions and did not see Brexit as an opportunity between January to May 2021. Response Handling and Fulfilment[8] (RHF) was an

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[7] The impact of post-Brexit trading conditions is discussed further in a report on key lessons learnt in working with participant SMEs in a Brexit context which is available at : https://www.e-channel.org/resources/
[8] Fulfillment is the name given to the process of order processing in e-commerce. It is the entire process from ordering a product to delivery to the end customer. Fulfillment often includes post-processing and the handling of returns.

international concern as SMEs with perishable or short-life items were particularly vulnerable to border delays, including checks on whether the items were fit for consumption post January 2021.

2.2 The Data Source Questionnaire

Vertical Plus and Soledis used a Data Source Questionnaire[9] as part of the onboarding process to establish the level of SME e-commerce experience, which in broad terms, yielded the following results:

Categories of SMEs by experience in internationalisation or export using e-commerce		
	French Participant SMEs	UK Participant SMEs
SMEs with comprehensive international experience	4	0
SMEs with few experiences / 'one time export'	5	2
SMEs with no internationalisation experience	3	10

Table 3: Categories of SMEs by e-commerce internationalisation or export experience using e-commerce

The Soledis Data Source Questionnaire revealed that:

- 25% of the French participant SMEs already active in e-commerce, were seeking new markets, particularly B2B or export markets;

- 25% of the French participant SMEs were not very active on the web, were seeking an alternative to distribution (particularly in the Covid-19 context) and seeking to accelerate their development;

- 25% of the French participant SMEs were not active on the web, and were building their diversification strategy through the web channel.

The Vertical Plus Data Source Questionnaire revealed that:

- None of the UK participant SMEs had comprehensive international experience;

- None of the UK participant SMEs were confident in seeking new markets overseas but were instead focusing on new market opportunities in their own domestic markets;

- 100% of the UK participant SMEs were active on the web, but their experience and e-commerce knowledge was lower than initially envisaged.

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[9] The Data Source Questionnaire is available at https://www.e-channel.org/resources/

2.3 SME New Market Aspirations

Table 4 indicates SME core new market aspirations before starting E-Channel. The progress, including how far the SME aspirations were met, will be discussed in a report summarising work undertaken with Participant SMEs.[10]

SME New Market Aspirations before starting E-Channel					
	Domestic	B2B<->B2C	Export to EU	Export to EU and English speaking Countries	Export Worldwide
UK SMEs	12	0	0	0	0
FR SMEs	3	2	3	2	2
Total	15	2	3	2	2

Table 4: SME core new market aspirations before starting E-Channel

3. Trends and Emerging Opportunities: Summary of the work undertaken to support the 24 SMEs

This section is a summary of key findings and lessons learnt from working with the 24 project participants. One of the first actions was to access SME data, to carry out a product and inventory analysis, before any consultancy advice could be given. The Launchpad Account Managers could then support the SMEs with access to the E-Channel Data Management Control Platform (DMCP), with a set of tools from which SMEs could access a bespoke subset, to interrogate their own data in key areas such as inventory management, market assessment, business planning and business growth, which would be crucial to supporting the SMEs with accessing the new markets.

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[10] A report summarising the work undertaken with Participant SMEs is available at https://www.e-channel.org/resources/

3.1 The SMEs receive their data

In the original bid document, (p26), we said:

> *SMEs will receive live sales and customer behaviour data on their e-commerce supported export via a private dashboard on the E-Channel Platform.*

The process follows five steps:

1. The Launchpad Account Manager accesses the SME data, completes an initial assessment for the participant SME of their current situation and sends it back to them.

2. The Launchpad Account Manager conducts the first meeting with the participant SME and from the initial assessment, agrees a digital business growth plan around inventory, marketing, profit and growth.

3. The Launchpad Account Manager ensures that the SME inventory data is connected to the DMCP.

4. The Launchpad Account Manager meets with the SME once a month for an interim review of the plan and to review the data with the SME, to help keep them on track and adjust their growth plan.

5. The SMs take part in a cycle of 4 reviews, designed to be over a 4-month period, but with flexibility to respond to the SMEs availability, for example, due to external challenges such as Covid-19.

Table 5 indicates key findings and lessons learnt from when the SMEs receive their data.

	Key findings and lessons learnt from when the SMEs receive their data

1	A key lesson was the importance of clarity about project expectations:
	    i) for the participant SMEs
	    ii) for E-Channel
	This included how much consultation time the SMEs can have and when they can have it.

2	Every participant SME needed additional support with their stock control and inventory. Established SMEs had challenges involving stock management and how their online store can share / integrate with their shop-based stock management systems.
3	A number of SMEs were not able to track their online transactions. Many had limited analytics data or did not understand the analytics data they had. This severely limited the usefulness of their data at that point in time. As a result, they had not been able to engage with their data to its fullest potential.
4	A common issue was about timing, scheduling and the pace at which an SME may work, including the amount of time an SME can spare at specific times - they may have other priorities e.g. running their core business, in the face of Covid-19, but also other more general factors such as staffing, budgets and technology challenges.
5	Another common issue was the impact of Covid-19. It was initially difficult to maintain key contacts as many SME staff, especially marketing staff, were on furlough, paid leave or reduced their working hours and work patterns.
6	In implementing the DMCP, the most common issues were firstly, gaining access to the SME data needed for the use of the tools and secondly, the additional time needed to connect the SME inventory and data to the DMCP.
7	For the inventory quality score, an up-to-date inventory was needed. This data then had to be either imported into the DMCP tool or had to be connected to a supported platform, before being imported to the DMCP.
8	The marketing opportunities tool needed to access page impressions. This could only be achieved by connecting to one of the supported platforms. The account manager also had to check if the SME had an enhanced e-commerce system in place, such as Google's enhanced e-commerce.
9	At the start of the project, many SMEs had not previously engaged with Google Analytics so they did not understand what data it captures nor how the data could be of benefit to them. Therefore, they did not see Google Analytics as a positive time investment. As part of the project, the Launchpad Account Managers shared some of the inbuilt, analytics-generated reports with SMEs and explained the terms e.g. bounce rate. In this way, the SMEs received input and support on how to interpret their data, and use it to identify trends and opportunities.

	- Stock control was a recurring issue. Often the SMEs had little stock control, apart from products either being in stock or out of stock. - SME feedback was that they really liked the data analysis and tables in their New Market Entry Plans[11]. SMEs liked being able to see the tables of information at this early stage of the consultation, showing the current range in stock. - The SMEs said that having this information immediately meant they could see from the outset that they were getting high quality, useful and bespoke data. However, this involved a lot of intense and detailed work which was too much for one member of staff. The workload was therefore shared.
10	For the three French SMEs in the technology sector, the challenge was to properly frame the initial audit phase as this required a broader audit, both technically and geographically, for a global market.

Table 5: Key findings and lessons learnt from when the SMEs receive their data

3.2 The SMEs response to their data

In the original bid document, (p26), we said:

The SMEs will work with their Account Manager to respond to this data.

Table 6 indicates the key findings and lessons learnt from the SMEs response to their data.

Key findings and lessons learnt from the SMEs response to their data	
1	The Launchpad Account Managers at both Vertical Plus and Soledis had to spend more time working on data with the participant SMEs because they required far more additional technical support than had been originally envisaged.
2	A significant number of SMEs had little knowledge or understanding of analytics, including Google Analytics.
3	From that data gathering element of the process, a significant number of SMEs had limited or no experience of e-commerce. Those SMEs who were already using e-commerce were not maximising their product, stock and sales data, nor understanding what they could do with it.
4	A significant majority of the SMEs had not set up their Google enhanced e-commerce when E-Channel first engaged with them and for some of the SMEs, this process proved to be extremely difficult and time-consuming.
5	Many of the SMEs could not provide their Launchpad Account Manager with their business sales data and profit data, which is needed for the Launchpad Account Manager to import all sales into the tools with the right settings.

Table 6: Key findings and lessons learnt from the SMEs response to their data

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[11] An example of a New Market Entry Plan is available at https://www.e-channel.org/resources/

3.3 SME B2B and B2C Inventory Management Tools

In the original bid document, (p26), we said:

> *This may include changing their inventory, adding the use of additional E-Channel Platform tools not used initially or potentially starting to sell in B2C or B2B marketplaces.*

Table 7 indicates SME support with B2B or B2C Inventory Management tools.

	Key findings and lessons learnt from SME support with B2B or B2C Inventory Management tools
1	All 24 participant SMEs required additional support with their inventory management.
2	Soledis supported 3 of their participant SMEs looking to develop their B2B<->B2C e-commerce activity.
3	Vertical Plus participant SMEs did not express an interest in B2B<->B2C.
4	A guide to the Inventory Management tool (part of a set of four guides)[12] was created to support the SMEs.

Table 7: SME support with B2B/B2C Inventory Management tools

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[12] A Guide for Launchpad Account Managers and participant SMEs in using DMCP Tool 1: Inventory Management is available at https://www.e-channel.org/resources/

3.4 Market Assessment

In the original bid document, (p26), we said:

> *SMEs will work with their own Account Manager to benchmark and compare their own product range, availability and price against competitors in the marketplace.*

Table 8 indicates Key findings and lessons learnt from SME Market Assessment.

Key findings and lessons learnt from SME Market Assessment	
1	From their own experience as e-commerce companies, both Vertical Plus and Soledis understood that basic inventory management, before the development of SME inventory data to align with selected E-Channel tools, including UK or FR market specific descriptions and pricing, would be time consuming and challenging, and so it proved to be.
2	SME inventory data was a recurring issue. All SMEs needed support with their stock control and inventory management, including boosting their product descriptions.
3	Often, on analytics, the Google Analytics conversion code did not always record properly when sales were made. With one SME, in one week for example, Google Analytics recorded one sale whereas the SME actually received several sales over the week. There were issues with getting the tracking code working for all orders.
4	A significant number of SMEs did not have access to the administration section of their website.
5	A Launchpad Account Manager and SME guide to using 2 of 4 E-Channel DMCP tool: Market Assessment[13] was created to support the SMEs.
6	New Market identification includes maximising opportunities in the e-commerce market the SME is already in.
7	A Launchpad Account Manager and SME guide to using 3 of 4 E-Channel DMCP tool: Business Planning[14] and a Launchpad Account Manager and SME guide to using 4 of 4 E-Channel DMCP tool: Business Growth[15] were created to support the SMEs.

Table 8: Key findings and lessons learnt from SME Market Assessment

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[13] A guide for Launchpad Account Managers and participating SMEs on how to use Tool 2 in the DMCP, Market Assessment, is available at https://www.e-channel.org/resources/
[14] A guide for Launchpad Account Managers and participating SMEs on how to use Tool 3 in the DMCP, Business Planning, is available at https://www.e-channel.org/resources/
[15] A guide for Launchpad Account Managers and participating SMEs on how to use Tool 4 in the DMCP, Business Growth, is available at https://www.e-channel.org/resources/

3.5 Response Handling and Fulfilment (RHF) including transport, shipping and logistics advice

In the original bid document, (p26), we said:

This could include responding to market shipping and delivery preferences.

Table 9 indicates Key findings and lessons learnt from Response Handling and Fulfilment (RHF) including transport, shipping and logistics advice

	Key findings and lessons learnt from Response Handling and Fulfilment (RHF) including transport, shipping and logistics advice
1	In order to get the most up to data and trustworthy transport, shipping and logistics advice, and advice about RHF, particularly in the light of post Brexit trading conditions, E-Channel liaised with several Business Support Organisations (BSO), including: ○ Franco-British Chamber of Commerce and Industry (FBCCI); ○ Brittany Ferries; ○ Department for International Trade (DIT); ○ Federation of Small Businesses (FSB); ○ Devon Chamber of Commerce (DCC); ○ Préfecture Morbihan; ○ Bretagne Commerce International; ○ Vipe Vannes;
2	E-Channel liaised with several Private Support Organisations or Non-Business Support Organisations (Non-BSO), including: ● Brittany Ferries ● Hedgerow Marketing Advertising Agency ● Fruit Marketing Consultancy ● Agence API - Business News Agency
3	Part of the market shipping and delivery preferences narrative is linked to post Brexit trading conditions[16]. The overriding trend was that the participant SMEs responded negatively to Brexit. However, if and when they do decide that cross-channel trading is an opportunity, E-Channel will have equipped the participant SMEs to assess these opportunities with more confidence, knowledge and professionalism.

Table 9: Key findings and lessons learnt from Response Handling and Fulfilment (RHF) including transport, shipping and logistics advice

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[16] This point is discussed further in a report on key lessons learnt in working with participant SMEs in a post-Brexit context which is available at https://www.e-channel.org/resources/

3.6 Supporting SMEs in adapting to Technology Trends

In the original bid document, (p26), we said:

> *The Launchpads will support SMEs in adapting to technology trends e.g. the growth of B2B trade and the rapidly increasing volume of e-commerce sales via mobile phones and apps.*

The graph below is taken from the UK Data Source Questionnaire, and lists all the online channels and storefronts that the UK SMEs have used in the past to sell products including their own website. It can be seen that of the 100% of the UK SMEs who responded, cited their own website as their main sales channel. This was very similar for the French SMEs.
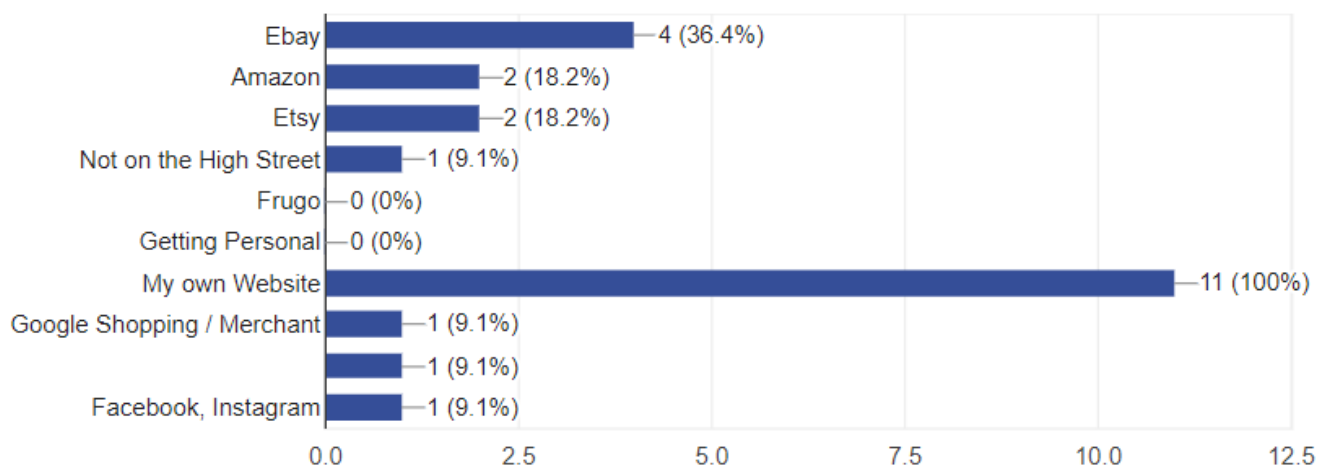
Graph 1: Online channels and storefronts used by UK SMEs

Table 10 indicates key findings and lessons learnt from supporting SMEs in adapting to Technology Trends.

	Key findings and lessons learnt from supporting SMEs in adapting to Technology Trends
1	A significant number of the SMEs in both the UK and France did not have access to the administration section of their website, so they were not taking full advantage of being able to see or act on data relating to their product sales.
2	A large part of the work undertaken to support SMEs was to improve their technical knowledge and their systems knowledge rather than, as had been initially planned, supporting SMEs to use their data to improve their e-commerce performance.
3	It became clear from an early stage that SMEs often had limited knowledge of their data and systems. In many cases, a 3rd party company was managing a lot of this. In some cases this was seriously hindering the success of these businesses online.
4	A grey area was around who had responsibility for Search Engine Optimisation (SEO) and advertising. A number of the SMEs lacked knowledge and confidence in these areas and their website hosts did not see this as their responsibility.
5	Many of the SMEs were not actively interacting with, or integrating, their data to better understand their online business.
6	Understanding what the data means was an issue. For example, many of the SMEs had not set up their Google Analytics with e-commerce tracking enabled so they were missing vital conversion data. This also limited the Launchpad Account Managers ability to advise them as part of their new market evaluations, until these issues had been addressed.
7	The SMEs were using a range of different ecommerce systems including Shopify, WooCommerce, Magento and others. Each of these platforms has their advantages and disadvantages in terms of usability, speed, performance, SEO and ease of integration with other systems. This has been one of the challenges within the project.
8	Initially, the French participant SMEs were more interested in the growth of their B2B markets using e-commerce, both domestically and internationally, rather than developing new B2C markets. By the end of the project, two French participant SMEs had started B2C new market development. The UK participant SMES were more interested in the growth of their B2C domestic markets using e-commerce, and did not express a priority interest in developing new B2B markets.
9	One of the positive outcomes from the project is that, thanks to the full engagement of the participant SMEs, the lauchpad account managers were able to raise and help address these e-commerce related technical issues as part of the consultation process. The participant SMEs are now able to refocus their efforts, where appropriate, to help develop their systems and processes to increase the success of their e-commerce ambitions and plan accordingly for the future. This includes adapting to technological

	trends, such as the growth of business-to-business commerce and the rapid increase in the volume of e-commerce sales via mobile phones and apps.
10	Many of the participant SMEs reported they had had issues with their current websites. After receiving consultancy support, and having been made aware of the potential for their websites to accurately track transactions and provide key data, they wanted to action this. A significant number of the participant SMEs investigated updating and changing their websites, or getting new websites.

Table 10: Key findings and lessons learnt from supporting SMEs in adapting to Technology Trends

4. Conclusions

The Launchpad Account Managers at the E-Channel Project successfully supported the participant SME to explore trends, challenges and opportunities.

E-Channel was able to achieve what it set out to deliver, despite external challenges, a lack of SME technical experience and data access hold-ups.

The process driven roadmap developed by E-Channel, with a clear flowchart; SME Onboarding and Consultation Process and Journey[17], helped to keep the project on track.

By taking these steps; the process driven roadmap, data collection and analysis and the on-going cycle of reviews as part of the E-Channel Coaching and Partnership Model[18] it was possible to ascertain what the success criteria for each of the 24 participant SMEs would be, but also how each SME perceived risk - both theoretical and actual, in a Covid-19 context and a post Brexit context.

In this way, E-Channel was able to support each SME in their response to trends and emerging opportunities as well as the challenges of Brexit and Covid-19.

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[17] The flowchart of the SME Onboarding and Consultation Process and Journey is available at https://www.e-channel.org/resources/.

[18] A report on the E-Channel Coaching and Partnership Model is available at https://www.e-channel.org/resources/