

WP T1.2.1

Creation of the E-Channel  
Data Management Control  
Platform  
(DMCP)

| <b>Contents</b>  | <b>Page</b> |
|--|-------------|
| 1. DMCP purpose and relationship to E-Channel Project                        | p3          |
| 1.1. The vision  | p3          |
| 1.2 The DMCP and Technical Tools   | p4          |
| 2. Methodology for this report   | p4          |
| 3. Definitions - a chronology of development                                 | p5          |
| 3.1 Condition 3a - why create a new platform?                                | p5          |
| 3.2 Condition 3b - sales platform or sales channel?                          | p7          |
| 3.3 Making the DMCP available outside the project                            | p9          |
| 3.4 E-Channel glossary of terms to aid shared understanding                  | p9          |
| 3.4.1 E-Channel Data Management Control Platform (DMC Platform):             | p9          |
| 3.4.2 Advice and Support Networks  | p9          |
| 3.4.3 E-Commerce Sales Channels  | p10         |
| 3.4.4 Inventory Diffusion Tools  | p10         |
| 3.4.5 E-Commerce Storefronts   | p10         |
| 3.4.6 E-Channel Launchpads   | p10         |
| 4. Mapping the development of the DMCP                                       | p11         |
| 4.1 Key outcomes from the six DMCP technical meetings                        | p11         |
| 4.2 Cultural exchange  | p13         |
| 4.3 Technical Exchange   | p14         |
| 5. The DMCP  | p16         |
| 5.1 Definitive Definition: what is a DMCP?                                   | p16         |
| 5.2 Who is the DMCP for?   | p17         |
| 5.3 What does the DMCP do?   | p17         |
| 5.4 The DMCP Model   | p17         |
| 6. Covid-19 and impact on the DMCP   | p19         |
| <br>Tables   |             |
| Table 1: Further E-Channel reports which reference the operation of the DMCP | p4          |
| Table 2: Six technical meetings with outcome related to the DMCP             | p13         |
| Table 3: The DMCP Model  | p19         |

# 1. DMCP purpose and relationship to E-Channel

This report documents the key steps to create the DMCP and is linked to E-Channel Work Package: WP T1.2.1: Creation of the E-Channel Data Management Control Platform (Repository of tools, procedures and wizards, includes data specification). The Data Management Control Platform (DMCP) will feature in a set of reports as the E-Channel Project progresses. This report covers the development of the DMCP from the bid writing process to its launch with participant SMEs.

## 1.1. The vision

The vision of the E-Channel Project was to support SMEs in the France Channel England (FCE) zone to successfully enter new markets, including in each other's countries. In our Micro-Project summary (A.1.2 Micro-Project summary p2) we outlined the demand for the technological support to be able to do this:

Our research suggests many SMEs consider exporting and growing international sales but worry about doing this alone. They need a technology support package and ongoing advice and guidance which E-Channel offers. E-Channel provides a cross-border export e-platform to support SMEs ... in the FCE area to grow their business through cross channel export.

E-Channel bid document A.1.2 Micro-Project summary p2

The E-Channel Project is unusual for the following reasons:

- Both project partners: Vertical Plus, based in Plymouth UK and Soledis, based in Vannes France, are also SMEs.
- They are both successful E-Commerce companies.
- Both already operate successful models for growing small businesses using E-Commerce.
- They both have technical expertise and country specific cultural market knowledge to support the SMEs in their own countries. Vertical Plus has knowledge and experience of Business to Customer (B2C) and Soledis on Business to Business (B2B).

One of the overarching challenges for E-Channel has been to orchestrate how these two companies might support SMEs to access each other's markets using bespoke tools from a technology support package. To do this, the two companies set out to share their individual existing technological approaches as a building block to creating a joined up technological package for participant SMEs. This was outlined in the E-Channel Micro-Project summary (A.1.2 Micro-Project summary p2).

By pooling we will create [1] a unique export focused E-Commerce technical solution for participant SMEs: the E-Channel Platform [2] support SMEs with E-Channel Platform tools and adapting their E-Commerce strategies through a UK and FR Launchpad. The tools and technology used by SMEs on the E-Channel Platform will be unique to them, based on their initial export readiness, their stage of development and the best e-markets for their products. SMEs working practices will be changed by working with real time E-Commerce data via their E-Channel Platform dashboard ... E-Channel is innovative and offers value for money through the provision of tools.

E-Channel bid document A.1.2 Micro-Project summary p2

## 1.2 The DMCP and Technical Tools

The E-Channel bid, deliverable T1.2.1. outlined the E-Channel Platform technical tools.

From the Sharing of practice in B2C and B2B E-Commerce deliverable, we will create the E-Commerce Platform technical and operational base-line.

The outcomes will be:

[1] An agreed set of E-Channel Platform E-Commerce tools that service multiple B2C sales channels e.g. SME websites, Prestashop, Amazon and eBay microsites.

[1] An agreed set of E-Channel Platform tools that service multiple B2B marketplaces using tools such LENGOW. An example is the accessible E-Channel dashboards for participant SMEs that show and track sales and product market performance data.

[1] A work plan (from technical meetings 1-6) for the integration of the technology and systems to create the E-Channel platform and offer for participating SMEs. This will include the methodology used for testing, evaluation and modification throughout the project.

[2] This will include technical and operational guidance for both V+ and Soledis teams working on B2C and B2B delivery. (from technical meetings 1-6)

[1] The outcome for SMEs will be an integrated set of SME focused E-Commerce tools for both B2C and B2B e.g. SME inventory management and delivery of E-Commerce sales opportunities to multiple e-channels and marketplaces. The partnership of E-Commerce companies in two countries to service the needs of SMEs in both through a seamless technical offer is unique and innovative. With support from the Launchpads, it allows SMEs to select the E-Channel tools appropriate to them at all points of their export journey.

E-Channel bid document, deliverable T1.2.1 p20

From the bid document, the E-Channel Project had a clear vision that participant SMEs would select a subset of E-Channel tools appropriate for them from the DMCP, working in a collaborative partnership with their Launchpad Manager. Therefore the first challenge for Vertical Plus and Soledis was how to bring their technological approaches together to create the DMCP and link these to the SME technical offer.

## 2. Methodology for this report

This report covers the development of the DMCP from the bid writing process to its launch with E-Channel participant SMEs. The live operation of the DMCP will be a focus of future reports, which will be available at <https://www.e-channel.org/resources/>, including those in the table below:

| Work Package Reference | Report  |
|------------------------|---|
| WP T2.4.2              | A report on the operation and performance of the E-Channel DMCP with SMEs   |
| WP T2.4.3              | A report on Vertical Plus and Soledis joint work regarding technical operations, cultural exchange and innovation |
| WP T2.4.3              | A report summarising work undertaken with Participant SMEs  |

Table 1: Further E-Channel reports which reference the operation of the DMCP.

This report outlines key information from discussions, reports, technical support guidance documents, minutes and meetings between staff from Soledis in France and Vertical Plus in the UK. Information has also been taken from notes and key documents produced by the team working on specific components of the DMCP; including input from Directors, technical and SME facing colleagues from Soledis and Vertical Plus. As part of keeping this work on track, a set of six technical meetings took place between Vertical Plus and Soledis over a six-month period. As the DMCP developed to the launch proposition, companies known to Vertical Plus and Soledis were invited to use the DMCP on a trial basis and their feedback was captured.

During this period (from March 2020), the Covid-19<sup>1</sup> pandemic impacted upon the development of the DMCP. SMEs asked for greater access to distance selling and to be able to do more remotely. Some additional features and different ways of working were therefore incorporated into the DMCP; as discussed with Joint Secretariat (JS) and recorded in a Project Modification, approved by the JS on 18.06.2020.

### 3. Definitions - a chronology of development

One of the early challenges faced by the E-Channel team was around the understanding of the technical terminology within the bid, by the France (Channel) England Programme Selection Sub-Committee review team. In particular the word 'platform' proved to be terminologically complex because different stakeholders had different and sometimes fixed understanding of what is meant by a platform. Part of the response to this was that the team changed the name from E-Channel Platform to Data Management Control Platform to further clarify the technical components of E-Channel. The narrative for this decision is laid out below as this helps to articulate the vision, scope and purpose of the DMCP.

#### 3.1 Condition 3a - why create a new platform?

Throughout the bid writing process and in subsequent feedback from the France (Channel) England Programme Selection Sub-Committee (26.06.2018), the E-Channel team was asked why they felt the need to create a new platform, when they could have used platforms that were already available such as eBay or Amazon. As part of the feedback and condition of the bid, the Selection Sub-Committee made the point:

*3a. Partners should clarify the following elements of their project to demonstrate that they are offering a new enhanced solution to SMEs and how it will fit with the existing export support landscape in France and in the UK:*

Their advice was threefold:

1. *The project includes the creation of a new platform for SMEs and the application does not identify how this new platform differs from existing platforms that are available to SMEs such as Enterprise Europe Network or Santander.*
2. *Partners should clarify what they would provide in addition to these specific existing platforms.*

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<sup>1</sup> <https://www.who.int/emergencies/diseases/novel-coronavirus-2019/events-as-they-happen>

3. *This should include a clear explanation of why partners have to create a new platform and why they cannot simply provide the guidance and support using existing platforms.*

E-Channel's response to the Selection Sub-Committee (27.01.2019) was as follows:

The E-Channel Project is not designed to replicate existing elements and organisations which offer new market entry or export support in France and the UK: it is designed to work as an SME focused wraparound service to enhance the capabilities and performance of SMEs in undertaking E-Commerce supported entry into new markets including export. It will achieve this by delivering technical and cultural advice and solutions that are designed for SME users and back this with a bespoke consultancy and support package that will assist each SME with their new market and export journey; informed by their starting point and their new market sales and export plans and targets.

The term E-Channel 'Platform', has prompted a series of questions, in part because it is difficult to use E-Commerce terminology that means only one thing to all stakeholders and because some terminology is used interchangeably in different contexts. Therefore, we have taken the following two steps:

- to use more specific terminology where there are clear problems related to multiple alternative meanings e.g., we are now using the term the E-Channel Data Management Control Platform (Please see Glossary: Section 3.4.1 E-Channel Data Management Control Platform (DMCP) p9). Here the focus is on data and how this is handled using technology
- to create an E-Channel glossary of terms

Therefore, E-Channel is not trying to create a new E-Commerce sales channel (Amazon or eBay are examples of E-Commerce sales channels) or replicate the functions of an SME's own website. Neither is E-Channel working to create a new business advice or support 'platform'. The E-Channel Launchpads are designed and created to be a 'one stop shop' which will also signpost and utilise existing business advice or support networks in helping participant SMEs strategise, plan and make effective E-Commerce supported new market entry and export decisions.

E-Channel does not seek to replicate any Advice and Support Networks (Please refer to Glossary: Section 3.4.2 p10), but integrates with this type of organisation. The E-Channel Launchpads will work closely with participant SMEs, in turning their E-Commerce supported new market plans, including export, into operational practice. This will involve building on their experience with new markets, sales and customer feedback - and linking this to refinements in strategy and business practice.

E-Channel will support SMEs in establishing as many E-Commerce storefronts (see glossary) as are relevant to their target market. Likewise, SMEs engaging in B2B E-Commerce will be supported to choose the most relevant inventory diffusion tools (Please see Glossary: Section 3.4.4 Inventory Diffusion Tools p10) for their target market.

## 3.2 Condition 3b - sales platform or sales channel?

As part of the feedback and condition of the bid, section 3b, the France (Channel) England Programme Selection Sub-Committee (26.06.2018), made 4 points to which E-Channel responded (27.01.2019):

1. *The application mentions that the SMEs will be guided to sell their goods through sales platforms (Check vs Channels) including Amazon and eBay.*

E-Channel Response (27.01.2019):

The E-Channel Platform is not an E-Commerce sales channel (Amazon or eBay are examples of E-Commerce sales channels). In addition, the E-Channel Platform does not replicate the functions of an SME's own website. To help minimise confusion we have renamed this the E-Channel Data Management Control Platform (DMCP).

A glossary was then created which outlines E-Channel activity and the interaction of this with other components of the E-Commerce and export landscape. Please see Section 3.4

2. *There are some concerns regarding these specific sales platforms that have been identified by partners in the application, as they might not be the right platforms for the SMEs, especially for agri-food products with limited shelf life.*

E-Channel Response (27.01.2019):

The platforms mentioned by the France (Channel) England Programme Selection Sub-Committee, (E-Commerce sales channels) have been listed for illustrative purposes only; there are many E-Commerce sales channels that offer the potential for SME export sales.

The E-Channel Launchpads will advise SMEs on the best choice of E-Commerce sales channels for agri-food products and how best to work with them. However, while E-Channel will aim to work with some SMEs from the agri-food sector, we will not be targeting products with very limited shelf life as the logistical planning around this is complex and arguably, not the best starting place for an SME new to both E-Commerce and export. Examples of long shelf life products will be those that have been processed and packaged e.g. craft beers and ciders, tinned Sardines and bottled jams and preserves. The E-Channel Project will signpost existing guidance and develop additional SME specific advice and guidance on E-Commerce supported export (on the E-Channel website).

As part of pre-launch work, E-Channel will create a flowchart<sup>2</sup> that illustrates for all stakeholders how SMEs will access advice from the Launchpads and the type of decisions the SMEs and Launchpads will work on together. This will include the links to the guidance resources developed as part of E-Channel and that will be available for wider dissemination, on the E-Channel website. E-Channel will also signpost resources available from existing Advice and Support Networks.

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<sup>2</sup> The flowchart will be available at <https://www.e-channel.org/resources/>.

- 3. Additionally, it is not clear if these sales platforms are viable in terms of SMEs selling products specifically in relation to the volumes of orders and whether they will generate sufficient sales without making a loss.*

E-Channel Response (27.01.2019):

As part of the consultancy, the logistics relating to product profit margins, shelf life, the appropriateness of different sales platforms and how best to market and grow brands in new markets, including export, will be assessed at review points with SMEs. Firstly, when E-Channel is discussed with SMEs that meet our participation criteria. Secondly, as part of the engagement between participant SMEs and the E-Channel Launchpads, where all these issues will be explored with the SMEs, so the right fit can be found. The core focus for the SME will be to identify where the best growth opportunities are and then to integrate them with the most effective technology. Vertical Plus and Soledis understand that a key part of export is to work in such a way that makes the calculation of costs, delivery times and product sourcing as simple as possible and this has been built into the project plan. Data on volume of orders and sufficient, optimum sales will be available via one of the E-Channel Platform tools - the data dashboard.

Building on our part experience, Vertical Plus and Soledis understand that a key part of accessing new markets, including export, is to work in such a way that makes the calculation of costs, delivery times and product sourcing as simple as possible. Both Vertical Plus and Soledis have extensive experience in consulting with SMEs on these issues. We would not advise participating SMEs to work towards E-Commerce supported new market entry and export where there is insufficient evidence of demand or where SMEs do not have the capability to work in partnership with E-Channel to exploit the opportunities that are identified. The time investment required of SMEs at the start will be small as most of the work will be around identifying and creating new markets and export opportunities for existing products. Larger time investment in new products can be made once increases in turnover have been created. For very small businesses, the E-Channel Launchpads will work with SME business plans to deliver the small steps needed for sustainable growth.

- 4. Partners should clarify whether other types of platforms have been considered for the sales and provide reassurance regarding the concerns mentioned above.*

E-Channel Response (27.01.2019):

It is inevitable that for some brands, the E-Commerce sales channels quoted (e.g. Amazon and eBay) will not be appropriate for all participating SMEs. As part of the selection, induction and onboarding of SMEs into the E-Channel Project, other options will be explored (e.g. Lengow<sup>3</sup> for B2B sales), including further development of an SMEs own website. At the heart of the E-Channel Project is providing guidance and support to SMEs through consultancy, including facilitating access to the most appropriate technology that meets their E-Commerce and new market entry and exporting plans and is cognisant of their size and the stage of their export and E-Commerce experience.

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<sup>3</sup> <https://www.lengow.com/>

### 3.3 Making the DMCP available outside the project

The France (Channel) England Programme Selection Sub-Committee (26.06.2018), asked that E-Channel make the 'platform' available outside and after the project. (Conditions 1-6, Point 4c).

In E-Channel's response (27.01.2019) they were clear that the DMCP is a database.

- It is where the product inventory and sales data live.
- It is where sales data can be accessed, interrogated and used by SMES, working initially with E-Channel and then growing towards independence, to make informed decisions about future sales and growth.

In their response to the Selection Sub-Committee (27.01.2019), E-Channel explicitly advised that the platform is not a static piece of software that once built can operate stand alone. It has to constantly evolve in line with the data needs and requirements of E-Commerce sales channels and respond to the innovation and products from SMEs wishing to undertake E-Commerce. Therefore, E-Channel cannot allow access to the DMCP to other stakeholders outside the project because there will never be a finished product to give.

The six fundamental conditions for E-Channel were fully approved by the Selection Sub-Committee on 16.04.2019.

### 3.4 E-Channel glossary of terms to aid shared understanding

This work was originally planned to be completed as part of WP1, however, the E-Channel Team decided to define their terminology as part of their support for the JS and other stakeholders by writing a full glossary of terms ahead of starting the project.

#### 3.4.1 E-Channel Data Management Control Platform (DMCP):

This is the new name for the E-Channel Platform.

The DMCP is focused on the data required to support our work with SMEs and, e.g. helping SMEs to manage their inventory in ways that support E-Commerce, including exporting. The tools and systems used in the DMC Platform include existing sector approaches and technology from Vertical Plus and Soledis with some additions and modifications designed specifically to support E-Channel. The consultancy from the Launchpads will help participant SMEs identify and action the best growth opportunities through the DMC Platform.

#### 3.4.2 Advice and Support Networks:

There are a wide range of Business Advice and Support Networks, many with a specific focus on the needs of SMEs, E-Commerce, new market entry and export. E-Channel does not wish to replicate the work of Advice and Support Networks such as Enterprise Europe Network and Santander. The E-Channel Launchpads will help signpost participant SMEs to a range of existing advice and support available from Business Advice and Support Networks which are relevant to their needs and stage of E-Commerce, including export readiness.

### 3.4.3 E-Commerce Sales Channels:

These are also sometimes known as sales platforms or digital marketplaces. This is where an individual or business customer can access multiple sales propositions and can purchase products or services. They are online environments that exist to facilitate individuals or business customers to access the E-Commerce propositions of many businesses in one place and for these separate sales propositions to be searched and compared. The attraction for sellers is that there are many potential buyers searching and comparing products and sales propositions in one place. In the B2C context, examples of E-Commerce sales channels include Prestashop<sup>4</sup> (a key E-Commerce sales channel in France), Amazon and eBay, although many other E-Commerce sales channels also exist. These channels will not be developed by the project, but participants will be made aware of them and, where appropriate, supported and trained in how to use them.

### 3.4.4 Inventory Diffusion Tools:

These are software solutions that facilitate B2B E-Commerce. Inventory diffusion tools allow business customers access to a supplier's whole inventory proposition to make multiple product purchases at a set price and contract terms. This approach supports B2B E-Commerce at a larger sales volume and can facilitate growing SMEs to sell to larger businesses. LENGOW<sup>5</sup> is an example of a B2B E-Commerce sales channel that utilises inventory diffusion tools, although many other B2B E-Commerce sales channels also exist. These tools will not be developed by the project, but participants will be made aware of them and, where appropriate, supported and trained in how to use them.

### 3.4.5 E-Commerce Storefronts:

An E-Commerce storefront is where potential customers 'window shop' before making purchase decisions. These can be hosted on a business's own website or on an E-Commerce sales channel which will typically host E-Commerce storefronts for many thousands of businesses. E-Commerce storefronts are the digital places where product information, price and delivery options etc are displayed and from where purchases can be made. SMEs may use one or many E-Commerce storefronts to sell their products or services e.g. as part of the SMEs own website or via multiple E-Commerce sales channels. These will not be developed by the project, but participants will be made aware of them and, where appropriate, supported and trained in how to use them.

### 3.4.6 E-Channel Launchpads:

These two newly created Launchpads, one in the UK and one in France, will support SMEs to develop their integrated E-Commerce new market entry and export strategy, linked to an overall sales and marketing plan. At the Launchpads, consultancy advice and guidance will be provided to determine the most relevant E-Commerce sales channels for each SME, together with support on the choice and implementation of the tools required for each of the chosen E-Commerce sales channels. The Launchpads will also support SMEs to ensure their inventory is structured in a way to most effectively sell via the E-Commerce sales channels chosen. There are crucial differences between the data requirements of each sales channel; for an SME to have to add new inventory data later in the process is costly, takes time and may impact on sales if not actioned at the right time. Key to this process will be gathering and packaging data that addresses the cultural

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<sup>4</sup> <https://www.prestashop.com/en> / <https://www.prestashop.com/fr>

<sup>5</sup> <https://www.lengow.com/> / <https://www.lengow.com/fr/>

and logistical aspects of export e.g. packaging and delivery options and the subtle and unique differences in ways which a product may be described depending on whether it is to be targeted for the English or French market. Participating SMEs will commonly have either their own website to promote sales, will be using social media or are users of some E-Commerce tools or services. SMEs will be supported by their E-Channel Launchpad to either build on this experience or engage in new approaches to E-Commerce and exporting. The SMEs own E-Commerce new market and export strategy will determine their initial level of engagement with the different tools within the E-Channel Platform and the E-Channel Launchpads will then help them move forward through practical advice and consultancy support.

## 4. Mapping the development of the DMCP

To successfully build a DMCP, with effective joined up tools and services, it was paramount for Vertical Plus and Soledis work together in three ways:

- on a cultural exchange
- on a knowledge exchange
- on a technical exchange

Here, two commercial companies would work together to achieve the synergies necessary to create the Data Management Control Platform as part of the E-Channel consultancy offer. The end users would be 12 French and 12 UK SMEs. A collaborative partnership was key to understanding the technical similarities and differences in the two companies before the work on building the DMCP could begin.

### 4.1 Key outcomes from the six DMCP technical meetings

Preparation of the groundwork for the creation of the Data Management Control Platform started with the agreement of six important steps at the kick-off meeting in September 2019. This was followed by six technical meetings: six steps, agreed at the kick-off meeting in September 2019. The agenda and key outcomes were as follows:

| Meeting                               | Outcome related to the DMCP   |
|---------------------------------------|---|
| Meeting One<br>September<br>11th 2019 | <p><b>Agreement as to ways forward with the DMCP</b></p> <ul style="list-style-type: none"> <li>• The points raised, and subsequent correspondence with the JS, as part of the conditions for the approval of the bid impacted upon the timescale for the development of the DMCP.</li> <li>• Work which was originally mapped out and planned for WP 1 was now undertaken at this time as part of meetings 1-6.</li> </ul> <p>Intensive outline of approaches from Vertical Plus and Soledis, review of strategy so far, review of project bid to identify and update synergies, areas of common and divergent approach and development of shared understanding.</p> |
| Meeting Two<br>September<br>26th 2019 | <p><b>What are Vertical Plus and Soledis already doing for SMEs?</b></p> <ul style="list-style-type: none"> <li>• E.g. Technology etc not specifically linked to E-Channel?</li> <li>• What do we do which could add value to SMEs?</li> <li>• What could be problematic?</li> </ul>  |

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|  | <p>Continued feedback on approaches. Vertical Plus presented a detailed outline of key tools used to support market growth such as inventory, supplier coordination, marketing and promotion.</p> <p>Soledis responded with similar expertise from their in-house development, including building on a research project conducted in 2015 (Catalogueur 2).</p> <p>Both companies agreed that tools and approaches such as these would form an effective backbone to the technology used to support the consultancy model.</p> <p>However, both organisations would be likely to interpret and strategize it in different ways due to factors such as the different country markets and cultures, plus the different levels of expertise and experience within both organisations.</p>  |
| <p>Meeting Three<br/>September<br/>30th 2019</p> | <p><b>Propose road map of missions</b></p> <ul style="list-style-type: none"> <li>• Starting points and deliverables</li> <li>• Obvious orphans</li> <li>• Match alignment of missions and bid</li> </ul> <p>Vertical Plus presented a suggested model to Soledis which could marry up the objectives of the project along with the knowledge and expertise held within each organisation; with consideration of this by Soledis. Plus, first map of the B2C technological model.</p>  |
| <p>Meeting Four<br/>November 4th<br/>2019</p>    | <p><b>Match alignment of mission and bid-&gt; finalisation</b></p> <ul style="list-style-type: none"> <li>• Map to SME journey</li> <li>• Identification of SMEs</li> <li>• Operational road map</li> </ul> <p>Detailed face-to-face discussion and mapping of how technical tools will interface with the Launchpads.</p>   |
| <p>Meeting Five<br/>December<br/>20th 2019</p>   | <p><b>Detailed definitions of the mission tools</b></p> <ul style="list-style-type: none"> <li>• Communication</li> </ul> <p>Soledis outlined their B2B model and consideration by Vertical Plus on how this could work for E-Channel and the UK market. This included screenshots of the proposed DMCP showing both Google Data Studio<sup>6</sup> and Bespoke programs for both companies.</p>   |
| <p>Meeting Six<br/>January 10th<br/>2020</p>     | <p><b>Trial Launchpads and mission tools on Early Adopters</b></p> <ul style="list-style-type: none"> <li>• Communication</li> </ul> <p>This focused on the sharing of draft documents, including further updates to the technical model and process. The DMCP process presented by Vertical Plus was not initially seen by Soledis as fitting to the French market or B2B prerequisites and it became clear that more specific data connectors would need to be developed for B2B. Soledis was keen to ensure that their solutions would be applicable in an open source and powerful platform completed with Google Data Studio environment and connectors.</p> <p>Vertical Plus agreed that an acceptable approach would be to keep the B2C DMCP process but implement different open source technologies for a B2B solution. Vertical Plus did however re-emphasise that any such technologies developed would need to be open source and available to the project and the EU and that we should try to have something under one umbrella; the DMCP which is an important output in period 2. Furthermore, as this is a collaborative project both Vertical Plus and Soledis will install relevant tools available on both Launchpads and try to use it or refine it in their respective national contexts where appropriate SMES are identified. Therefore, the content, view and operation of the DMCP will differ depending on the B2C or B2B focus</p> |

<sup>6</sup> <https://datastudio.google.com/>

|  |   |
|--|---|
|  | <p>of the SME and their location in France or the United Kingdom due to cultural and operational differences. Making the B2C or B2B focus decision is a key step in the on-boarding stage.</p> <p>At this meeting it was agreed to have an additional series of micro-meetings throughout January and February 2020 to further hone the fine technical detail. These meetings concluded with the decision that a flexible DMCP process that supports both B2B and B2C SME journeys, would be the next step.</p> |
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Table 2: Six technical meetings with [outcome related to the DMCP](#)

## 4.2 Cultural exchange

The DMCP was not only a key outcome from WP T1 but included a cultural, as well as a technological, exchange. This was important as all technology is used within a cultural context. In September 2019, Soledis and Vertical Plus agreed that they were still interested in supporting SMEs to access new markets (in Europe or English speaking) regardless of any Brexit outcome as both companies believed that there would always be market opportunities. The initial presentations made by each company director were key to the cultural exchange.

The Directors and their teams at Vertical Plus and Soledis shared their current approaches as to how they engaged with SMEs, which by definition, would assist in approaches to building the DMCP. This included customised Google Data Studio Sheets, and other open source tools linked to Prestashop. The two existing models shared similarities and differences. There were cultural differences regarding Unique Selling Points (USPs) to consider. In both France and the UK, to do well in new market E-Commerce sales, the SME needs a narrative; a storytelling strategy and marketing vision, or it risks getting lost in a sea of cheap imports from everywhere else.

There were discussions about what the interaction would look like, with different tools including Yield<sup>7</sup>, and other inventory management tools. While it was beyond the project remit to create something new, the E-Channel team needed to find or develop tools to back the E-Channel consultancy model, which would align with processes in both the UK and France.

Directors agreed that as SMEs would be offered data advice and consultancy at the beginning of their engagement in the project, that the DMCP and its tools should be user friendly, and offer SMEs something which they would find very helpful from the start, such as key words.

There were discussions about how provision of data may be different to real time management of the data to create a dashboard using existing tools i.e. Key Performance Indicators (KPI). As part of the E-Channel Consultancy work, there was agreement that the DMCP should help participant SMEs to become more involved and to own their own decisions.

One key difference was that Vertical Plus uses a Return on Investment (ROI) business model, whereas Soledis does not use this as much.

Vertical Plus advocated working with SMEs by asking the SME questions such as:

- What is your break-even point?
- Will you lose money before you reach it?
- When will you get your return or money back?

<sup>7</sup> <https://www.yieldplanet.com/4-key-tools-for-the-revenue-management/>

Some SMEs have businesses which continue to run at a loss because they focus on turnover but don't necessarily understand the impact on their overall profit from their volume of sales.

In their day to day business, Soledis provides data and recommendations but does not make the decisions for the SME. The ROI business model could therefore be an approach for Soledis to adapt and would lead to Soledis expanding their area of expertise if they did this, rather than to focus on their own costs and their own expertise. Soledis was interested in Vertical Plus SME data handling, and in providing English market focused services to French SMEs. Vertical Plus was interested in providing French market focused services to their English SMEs.

The Soledis businesses model is to advise, and mutualise what works for French SMEs, with most knowing their B2B target market. Soledis advocated making an adapted use of Data Studio for running live and to help with decision making. It was agreed that Soledis would take the lead on using Data Studio to support SMEs to enter new markets. French SMEs who work with Soledis often leave media, communication and marketing to a third-party supplier, whereas Vertical Plus offers the whole package including media and communication market building tools.

In summary, from these six meetings, a greater understanding of the E-Channel offer to SMEs was developed: SMEs will use a subset of tools from the DMCP, depending on their specific journey and to some extent culture and expectation. SMEs will access this bespoke subset, based on an assessment of their agreed development plan with the Launchpads. Therefore, SMEs would only see the set of tools relevant and pre-agreed with them; supporting the individual SME journey.

## 4.3 Technical Exchange

The six technical meetings were paramount to deciding how this deliverable would be achieved; especially determining the key DMCP tool set. There were early discussions around how the DMCP might look in the UK and France and whether this would, or could be, or should be the exact same look, approach and model for both; but as noted above, cultural differences would dictate the national 'feel'.

Initially, the E-Channel Team did not specifically clarify who would create what for the DMCP. It was envisioned that it would take approximately two months to create a public facing front end which could be agreed on. Both Vertical Plus and Soledis worked on their own prototype of the DMCP and how it could be used for new market access in the UK and France. There were questions around whether Soledis would want to use the same type of platform, or tools for the French SMEs as Vertical Plus would for the English SMEs and also what the SMEs themselves might expect from a consultancy, and again how this might differ in the UK and France based on cultural experience and expectations.

At this time, Vertical Plus was using some proprietary systems while Soledis was making custom use of Prestashop and LENGOW. There were conversations about whether the French participant SMEs would put their inventory straight into the DMCP or whether Soledis would put it into Prestashop and LENGOW and then manage the interface to the DMCP. Vertical Plus and Soledis agreed that the SME journey should show the SME how to manage their inventory through the DMCP (with support) and then the DMCP could support the sending of data to the French sales and diffusion channels where they are marketed.

The DMCP was conceived as a 'repository of tools' for SMEs. SMEs would be directed to the most relevant subset of tools at one of two Launchpads, as part of their consultation with E-Channel. Key for the project, and the reason for building the DMCP, is to help SME to self-manage aspects of their E-Commerce, including being more literate in the use of data (their own and market data) in their decision making, thus making the outcomes of E-Channel consultancy more sustainable.

The team discussed the tools in the offer and which could be most straightforwardly developed, customised, linked together and deployed. Neither Vertical Plus nor Soledis were obliged to use all the tools discussed or developed by E-Channel. This project was about change, opportunity and tools which French and English SMEs might find useful.

One objective was for the SMEs to use as close to live data as possible, brought together in a form of data dashboard, accessed through the DMCP. However, there are inbuilt delays e.g. a 12-hour delay on Google Data Sheets. All DMCP tools will be accessed via the Launchpads so there needed to be thought given to the technical architecture of how these tools are accessed to support the consultancy model, and the outcome of WP T1 needed to confirm if and how the live data aspect would work. There were questions at this point, around whether it was even possible to do live data on the website. However, there was consensus that the subset of tools, guidance, wizards, and which areas the SME will access in the DMCP would be decided, in agreement with them according to their assessment and development plan, and by their interaction with their Launchpad.

Soledis shared their B2B expertise regarding their marketplace diffusion with Vertical Plus. Before becoming a partner in the E-Channel Project, Soledis advised they had already scrapped a complete data tool they had been using, as being too expensive, in favour of Prestashop which they were now using. Vertical Plus discussed their experience with B2C and how they find SMEs who are ready to access new markets. Key to this is Inventory. Vertical Plus supports clients in standardised data that can be imported to Vertical Plus systems and which is then reviewed monthly. Vertical Plus account managers do a lot manually for each SME.

There was also discussion of the shared experience in using and costs of third party tools such as Adwords<sup>8</sup>. For example, there was agreement that while it is important to maximise sales, Adwords can be expensive. It was agreed that E-Channel should focus on SMEs with highly popular, high conversion rate sales in France and in the UK.

Vertical Plus uses proprietary tools to list high converting products as an effective auditing tool. This is then shared with clients monthly along with analysis of those not converting and overall product performance analysis. Vertical Plus does not have an automatic bid adjuster. Sometimes Vertical Plus uses Google tools but has found they can vary in terms of quality of interpretation. Subjective, qualitative decisions are needed to interpret data. At this time, Vertical Plus was working on customer segment analysis. There was discussion of FRUUGO<sup>9</sup>, a 15% commission model in the UK with a very good algorithm.

There was discussion of the two different business models used by Vertical Plus and Soledis and how they might build upon and each adapt these for E-Channel, specifically around delivering consultancy. In the discussion of market analysis, it was seen that the current Soledis model

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<sup>8</sup> [https://ads.google.com/intl/en\\_uk/home/](https://ads.google.com/intl/en_uk/home/)

<sup>9</sup> <https://www.fruugo.co.uk/>

lacked market analysis and sales analysis as well as high value and high conversion. However, Soledis have experience of tools which they can share with Vertical Plus and bring to E-Channel.

Soledis was interested in Vertical Plus systems, but not sure if French SMEs would be interested in the Vertical Plus Return On Investment (ROI) model. However, this could be offered as guidance as part of the consultancy model by the Launchpad.

WordPress<sup>10</sup> was discussed as it can handle a lot of information, data sheets etc, while also allowing innovative wizards to be built. Vertical Plus and Soledis could then be country facing sections of the E-Channel website, that make use of an agreed and jointly created set of tools. In this way a repository style website was conceived, using WordPress. There was a discussion about how far content can or should be duplicated for both the French and English facing sub websites, with the outcome that one website would provide all the different services with a single point of entry. Vertical Plus will manage the English side and Soledis will manage the French side, and both will draw from the repository of tools, or bespoke subsets of tools for the needs of different SMEs, as assessed as part of the Consultancy Model.

There was agreement that this may be slightly different for each country considering specifics such as wording, vocabulary and cultural differences, difference between the two markets (FR and UK) as well as differences around B2B and B2C.

As the contact details would be different for the English and French Launchpads, it made sense to have one site but divided with tabs into English and French. The project website referenced the collaboration between Vertical Plus and Soledis so [e-channel.org](https://www.e-channel.org) was secured.

Two briefing documents were written as deliverables from WP T1.1.1: Sharing of best practice in B2C & B2B e-commerce:

1. Team briefing document on the shared technology to be used for E-Channel
2. Briefing document outlining E-Channel technological model for participants

These documents will be available at <https://www.e-channel.org/resources/>

## 5. The DMCP

This section of the report is the result of the E-Channel Team's work to build the DMCP, the development of an initial prototype to help test the model, leading to a final proof of concept, and the agreed definition of the DMCP to be used for the SMEs as the project moved towards the participant SME selection phase in early Spring 2020.

### 5.1 Definitive Definition: what is a DMCP?

The DMCP is a data and support model (linked to the consultancy model) for organising inventory, identifying opportunities and measuring success in online marketplaces.

The DMCP incorporates four important stages of E-Commerce new market entry and growth. (See 5.4) These stages need not be completed in order but are used to support a new market

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<sup>10</sup> <https://wordpress.com/>

plan that is dependent on the position and opportunities for each SME, and once in place, is then monitored and revised during new market entry. A new market can be defined as a distinguishable group of potential customers that might buy a company's products.

## 5.2 Who is the DMCP for?

Two main stakeholder groups will use the DMCP: 24 participant SMEs and their E-Channel Launchpad.

## 5.3 What does the DMCP do?

The DMCP is a crucial part of the Consultancy Package offered by E-Channel, to help the SME to understand, identify and track their product sales so they can be targeted to specific audiences rather than placing their products online or on platforms such as eBay and hoping for the best.

The DMCP is fundamental in generating a bespoke sales and growth plan for each SME. Many SMEs have fed back to Vertical Plus and Soledis that when trying to draw up plans to access new markets in the past, there was not always much data available to them, especially at the beginning of their new market journey, as illustrated below in Example 1:

An SME selling garden furniture wants to explore new markets using a market segmentation matrix they would need to see data on UK sales of product ranges to understand what is selling and what isn't. They would need to see who it is being sold to and also understand seasonal variations before then segmenting the market and deciding what customers to target. Existing market players will have this data and they would be extremely unlikely to share it with potential competitors. So even from the start the data upon which to base new market strategy will be missing leaving the SME to rely upon guesswork, intuition and hope!

Example 1: SME feedback

A good market entry strategy is one that is planned as much as possible but is also extremely reactive to market data. Project Partner experience indicates that businesses only need a small amount of time in the right places to start to see where demand is and where the new potential customer opportunities are. Online marketplaces provide a wealth of data which can be used to identify opportunities and trends. These test marketing opportunities provide early opportunities to grow understanding of new markets.

## 5.4 The DMCP Model

The DMCP helps track four things:

1. Inventory
2. Opportunity
3. Cost and Profit
4. Growth

How these four elements fit together can be illustrated in Example 2:

- An SME can get their costs, profit and inventory well-tuned to a new market place from the start, so that then that market will show interest in their products.

- Having shown interest, this creates opportunities for the SME to act upon in that marketplace.
- Once the initial interest or sales have been acted upon, this creates trackable market growth.
- This process can happen again and again if opportunities are regularly reviewed and acted upon.
- However, opportunities are only viable if they are products which can sell at a profit so it is also important to understand the true costs and profit.
- This model focuses therefore on inventory, profit and costs, opportunity and sales growth, and has been highly effective for SMEs.

#### Example 2: SME feedback

In its simplest form the DMCP model works as follows:



#### Inventory ⇒

It is essential first and foremost that the business organises its inventory for the new marketplace. Some of this is basic (for example organising translations for sales in France) some of this is complex (for example understanding and tracking keywords and category placement specific to each online marketplace). But work needs to be done on inventory in the first place to make sure that the effort is going to be worth it. Moving on into the future regular inventory reviews based on opportunities being presented are also important.

#### Opportunity ⇒

In our experience new market entry for most businesses will only be partially successful. Even with the best will in the world less than 5% of product ranges will sell even once. But there are always opportunities. The key to successful growth in a new market is to learn how to identify and act upon these opportunities. In this way online businesses always evolve to follow product or customer opportunities that present themselves on the way. Once sufficient data has been gathered the more a business strategizes these opportunities and the more likely it is that market entry will be successful.

#### Cost and Profit ⇒

There are a wide variety of costs (both direct and indirect) to new market entry. A common mistake many businesses make when they enter a new market is that they fail to understand the true cost of sales. Even if the cost of delivery or the cost of marketing and commission payments are calculated correctly, there is then also the cost of returns, refunds, storage and even warehouse staff and rent and rates. Therefore, we have built into the model the concept

of yield on investment. This puts together the total investment made in trying out new product lines in the new market with the true yield of the investment. In this way businesses are making choices not so much on what is selling but what is more profitable.

Business Growth ⇒

The final factor in new market entry is business growth. This is important to online businesses as to a large extent most new market entries will not be profitable right away. It can take several months for the impact to take hold and in the early days of new market entry marketing costs will be higher compared to the volume of sales and profit. So, it is important to measure several key factors about business growth to develop the right strategy. The model includes these key factors.

Table 3: The DMCP Model. This information is taken from the E-Channel website:

<https://www.e-channel.org/new-market-expansion-a-data-model-for-organising-inventory-identifying-opportunities-and-measuring-success-in-online-marketplaces/>

## 6. Covid-19 and impact on the DMCP

The E-Channel Project started against a backdrop of Brexit uncertainty and what post Brexit trading conditions might look like for SMEs looking to internationalise. However, with the Covid-19 pandemic events of Spring / Summer 2020, the project partners have responded to SMEs asking to use distance selling to reach new markets.

The DMCP was modified to include an additional element as part of the E-Channel consultancy, to include the ability for SMEs to remote access training and support via Moodle, a learning platform designed to provide educators, administrators and learners with a single robust, secure and integrated system to create personalised learning environments. This has also changed the planned nature of the Launchpads engagement with SMEs. SMEs will now be able to access tools and services remotely via [launchpad.e-channel.org](https://launchpad.e-channel.org)