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Report on the E-Channel Coaching and Partnership Model

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1. Methodology

The creation of the E-Channel Coaching and Partnership Model was part of the collaborative process between Project Partners, Vertical Plus and Soledis. This model underpins the SME Journey; a series of steps from initial SME interest, including the selection and evaluation process, to on-boarding and induction, followed by the Consultation.

Notwithstanding the fact that a robust process was created to support the SME Journey, a cornerstone of which was the delivery of the E-Channel Coaching and Partnership Model, this is a human process, with the participant SMEs subject to a wide range of business and personal pressures and the added impact of Covid-19 in 2020, layered on top of Brexit. Therefore, the reality, however well planned, was a more fluid and responsive approach to working with SMEs, as it was for the project partners, themselves SMEs, working in the context of Brexit and the pandemic.

This report looks specifically at how the Coaching and Partnership Model is delivered as the Launchpad Account Managers, on both sides of the Channel, support the SMEs through the consultation process.

1.1 The Key deliverables

In the original bid document, T2.2.3 (Target Value 24) (p26) we said:

The outcome will be a coaching package for each SME. [24] The work from this coaching and partnership developmental model will be captured in an End of On-boarding Review that will then feed into an ongoing cycle of SME reviews. This work is linked to the E-Channel Operation Activity. In this model, the Launchpads will work interactively with SMEs in UK & FR, with an Account Manager in their own country handling the input of expertise from both UK & FR Launchpads, as required. As part of On-boarding / induction and then throughout the project a coaching and partnership model will be used to:

[a] Establish ongoing ways of working with each SME including scheduled review and planning sessions;

[b] Follow up training and coaching in the use of the E-Channel tools selected for their development plan;

[c] Establish joint SME and Launchpad Account Manager reviews of how sales, customer traffic and other E-Channel Platform metrics influence marketing, product, pricing, export, business operations and decision making;

This report links to T2.3.1: A Report on key findings / lessons learnt from trends for participant SMEs¹ which will identify and discuss lessons learned.

¹ This report will be available at <https://www.e-channel.org/resources/>

2. The E-Channel Coaching and Partnership Model

2.1 Scheduled review and planning sessions

The E-Channel Coaching and Partnership Model follows the Plan, Do, Review Model. Having been through the initial data gathering phase of the process, the next stage of the SME Journey is for the Launchpad Account Manager to work intensively with the SME over a four-month period on the SME work plan. As well as informal catch-ups, check-ins and other communications as appropriate, this includes four formal scheduled review and planning sessions, which are designed to be held monthly as part of the SME's consultancy cycle. These formal meetings are designed to:

- help the Launchpad Manager to support the SME in managing their SME Journey through regular monthly checking in;
- give both the SME and the Launchpad Account Manager time to undertake work between the meetings;
- allow time for the SME to reflect on what has been agreed and what they might want, and need, moving forward;
- act as valuable touchpoints for communication and help to prevent drift, so the SME can give valuable feedback which is collected by the Launchpad Account Manager to feed into future plans;
- for E-Channel to be proactive and responsive in support of the SME in a timely way if the SME encounters unforeseen situations, particularly due to the pandemic, where they have to refocus on their own business ;
- are a means to measure and assess progress, and impact of the project;

As part of the E-Channel Coaching and Partnership Plan, Do, Review Model, key questions for discussion at the formal meetings include:

- Are you on track with your plan?
- Do you agree with the plan you have?
- What is distracting you/ holding you back? What are you worried about?
- What new opportunities have you identified / are you now working on?
- How are you evaluating your progress re new market entry?
- How is E-Channel supporting you / what impact is the E-Channel consultancy process making on your business?

These results will form the basis of the next report, on key findings / lessons learnt from trends for participant SMEs, which will be available at <https://www.e-channel.org/resources/>

2.2 Follow up training and coaching in the use of the E-Channel tools selected for their development plan

Having worked with the SME to collect and evaluate the SMEs data during the on-boarding and induction process, the Launchpad Account Managers, at both Vertical Plus and Soledis advised that, in a significant number of cases, the participant SME had very little experience of e-commerce, or of using their e-commerce data effectively. Therefore, at this stage of the SME Journey, significantly more training, coaching and support for SMEs in the use of their own data platforms and current systems was required as part of the on-boarding and induction process than had been originally foreseen.

With a significant number of participant SMEs, on both sides of the Channel, the two most common issues were:

- i) the access to the SME data;
- ii) the SME approach to defining success criteria;

A large part of the support work with the SME was to arrange access to data and then coach the SME in how to use it. In some cases, this was not straightforward as the SMEs were using a variety of platforms and web developers. It was a difficult, and relatively time-consuming, first task to set their technology up correctly so that the basics, such as sales, could be tracked effectively.

Many of the objectives from initial meetings with the SME tended to focus on resolving e-commerce development, such as deploying new approaches to existing products and domestic markets. It was envisaged that once this issue had been addressed, the focus could then be given to cross channel markets. However, lengthy Brexit uncertainty along with overlapping Covid-19 disruptions to business has meant that the foundations to allow participant SMEs to enter new markets, including international markets, have not been ideal for hard-pressed SME owners and managers. Many SMEs have found it difficult to fully realise their plans during their consultancy period, and are therefore considering a longer term perspective.

It was originally envisaged that the SMEs would already have a certain level of understanding of their own data platform and processes. However, in a significant number of cases, many SMEs lacked knowledge about using data to inform their business decisions. Many SMEs needed additional support and training so as to understand their own data platform and processes, as well as training on how to manage, drive and interpret their data using their own dashboard on the DMCP. When it became clear that not all SMEs were starting from the same point, the Coaching and Partnership Model started earlier in the process than had been originally anticipated. Many participant SMEs had significantly greater data gathering, management and interrelation skills development, before they could be supported in using this data for business decision making including new market entry planning.

When the SMEs came to use the E-Channel tools selected for their development plan, many were at a point where they had received some training and coaching and so were more confident in working with their Launchpad Account Managers in developing, owning and monitoring their e-commerce plans rather than implementation and exploitation at scale and speed. As a result of this early support, the SMEs were more disposed to take part in the differentiated follow-up training and coaching in the use of the E-Channel tools selected for their development plan.

3. The Four DMCP tools and guidance documents

The Data Management Control Platform (DMCP) is a data and support 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 and for which there are the following tools:

- Inventory Standardisation Tool
- Market Assessment Tool
- Costing Assessment Tool
- Business Growth Tool

Four Guides to the Data Control Management Tools² are shared by the Launchpad Account manager with the SME as part of the four intensive meetings with the Launchpad Account Manager:

- Guide 1. Inventory Management
- Guide 2. Market Assessment
- Guide 3. Business Planning
- Guide 4. Business Growth

The Launchpad Manager and the SME work through these four areas together. These stages do not need to be completed in order but are used to support a new market 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.

The Guides include training for the SME on how to use them. These User Guides were written before the pandemic, for both the SME and the Launchpad Account Manager as a common point of reference. They became of even greater importance than originally anticipated as a result of the pandemic as restrictions on travel and requirements for social distancing meant that access to, and coaching in how to use the DMCP and tools had to be done remotely.

These guides are as follows:

3.1 Guide 1: The Inventory Management Tool

The Inventory Management Tool provides the SME with a quality score. This is calculated by taking into account a number of factors including stock, title, descriptions, number of active products, image quality and more. This tool can be used to identify titles, descriptions, images, etc that can be improved. Where possible, the SME should look to get as many relevant keywords into their titles and descriptions as possible so as to really "sell" the product and help the customers understand why it is so good.

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

3.2 Guide 2: The Market Assessment Tool

The Market Assessment Tool helps the SME identify opportunities available to them from their current inventory, based on stock, orders, views and the run rate. These opportunities are grouped into the following categories:

- Strong Opportunities - where a product is proven to sell and sales can be achieved / grown with relatively small amounts of work.
- Good Opportunities - fewer products have sold but the products have good potential; given some investment in improving these products they could achieve good results.
- Potential Opportunities - these products show early signs of promise and are worth looking at investing time into, to help them sell.

3.3 Guide 3: The Business Planning Tool

With the Business Planning Tool, the SME can access a visual summary of the following data organised by month:

- Total Orders
- Total Sales
- % Change
- Cost
- Profit

In addition, there is a breakdown of the following for each of the SMEs sales channels:

- Number of orders
- Value of Sales

The SME is able to see a projection for the month ahead and what was achieved in the previous period and the SME can see comparisons by:

- Month by month, assessing if figures are up down or roughly level versus the previous month;
- Year on year comparisons seeing how this month compares to 12 previous months;
- 6 Months, comparing this period versus the previous 6 months;
- Year, comparing this year versus the previous year;

3.4 Guide 4: The Business Growth Tool

The Business Growth tool allows the SME to analyse the profitability of orders and profits depending on the view they choose, including overviews of orders sales and profits, specific orders or products views and a dropdown allowing the SME to select a month. The SME can see the profitability of each order and then look to identify problematic orders or particularly profitable ones, in order to inform their strategies going forward.

In the product view, the SME can access a summary of the number of orders, sales, cost and profit.

These four tools are dynamic. They inform the New Market Entry Plan for the SME, working in partnership with their Launchpad Account Manager, based on the interrogation of the SME data in the DMCP. After four months, the Launchpad Account Manager holds a business review with the SME to review business growth in the marketplace and to set a longer-term plan. Thereafter, the SME continues to use the DMCP to help assess market growth, profitability and react to new business opportunities.

4. New Market Entry Plan

The New Market Entry Plan is the stage of the SME Journey where all the data and information has been gathered, analysed, evaluated and discussed with the SME. Following this in depth process, the Launchpad Account Manager writes the New Market Entry Plan. This plan is then shared with the SME. As part of this plan, training and development opportunities for the SME are also discussed.

After one month the Launchpad Account Manager conducts a first marketing and sales assessment with the SME, showing them where the first ideas and opportunities for focused marketing are coming from. The DMCP has been set up to show the SME where these are. The SME chooses to act on, or reject, the opportunities being presented.

Once the New Market Entry Plan has been written and shared with the SME, the SME carries out some, or all, of the actions with the support of their Launchpad Account Manager. Some of the actions will be undertaken by the participant SME's internal resources, some may require external (and often paid for) work, and some of them may require further investigation from the consultant.

- In many cases, the action points might lead to no further action because the SME has made a business decision to curtail growth in a particular area;
- In some cases, the SME carries out few, or none, of the actions in their New Market Entry Plan;
- Alternatively, the SME may actively follow the advice at a later date, outside the timeframe of the project;

Three barriers to undertaking the plans have been identified:

- The impact of rapid business change on the SME due to the onset of Brexit and with the Covid-19 crisis. Both of these events caused uncertainty for businesses and created a generalised lack of ambition for significant further business disruption;
- The reliance by SMEs on outside expertise to undertake even very rudimentary technical tasks. In many cases, this meant there were several different people involved in the process of getting tasks done, making it difficult and time consuming to complete them.
- The lack of knowledge about using data to inform business decisions. A lot of the consultation was focused on helping businesses develop stronger plans, stronger objectives and connecting to data where they could track these plans and objectives more effectively.

5. The E-Channel Coaching and Partnership Model - Summary

As part of the Coaching and Partnership Model, the SME works in partnership with E-Channel to find ways to plan for the future and refocus their efforts, where identified and agreed, to help develop their systems and processes to increase the success of their e-commerce ambitions.

As a result of this active partnership between the SME and the Launchpad Account Manager, the SME will have received company, and market specific, practical training and support in Inventory Management, Market Assessment, Business Planning and Business Growth. Therefore, the SME will have a greater understanding of how to use their data to give them the maximum advantage, and will have been supported in doing this through the E-Channel consultation. Now, and in the future, that SME will be better prepared for new market entry using e-commerce as part of their SME Journey.

While it may be that the aspirations and ambition for both E-Channel and the participant SMEs may be more limited than initially hoped for, the E-Channel Coaching and Partnership Model allows the SME to have options and to make more informed decisions, in the face of the unknowns of Brexit as well as the global pandemic, where an SME business situation can change rapidly.