

Case Study "Meetingpoint Wermland"

Partner 10: Wermland Chamber of Commerce

1. Summary

The experience is that if the SMEs are going to position themselves in the area of e-commerce, they cannot make e-commerce grow all by themselves. They need support by a third non-profit party.

Never underestimate the need for knowledge and competence in SMEs. The technique is not the problem when they switch to electronic invoicing it is the pedagogic. The companies must come to realise why they should send invoice electronically and how to do that. The receiver must also come to realise this. There are many fantastic solutions offered on the market but few understand how to use them. A small company wants somebody to talk to, somebody who can help them out practically at the keyboard.

Trough Meetingpoint Wermland the IT skills among SMEs who would otherwise not have this type of skill and easily available, have increased. The SMEs in the area have been provided with correct and adequate information about e-business. The SMEs have been provided with the knowledge about that it exists easy- to use, functional and cost effective e-commerce solutions by presenting existing e-business solution. The SMEs have received assistance in implementing their transformation towards e business and have been provided with specific advice tailored to the needs of given enterprise in order to ensure the most efficient use of the means and technologies available. The SMEs which have been involved in the project have been be able to set up informal networks that might not otherwise have come into being. They have also been given the opportunity of remaining as suppliers to the municipality who would otherwise be forced to choose non-local suppliers who meet their requirements.

1. Background/Conditions

Meetingpoint Wermland is a non-political project. The geographic conditions are regional in the municipality of Torsby.

2. How decisions are taken

a) Decision makers

The project has a steering group and the decisions are made in collaboration with the steering group and the municipality of Torsby.

b) Why was the decision taken?

Meetingpoint Wermland was decided to be the best practice example the project needed, to where the rest of the contributors could turn to and get help.

c) What was the main impact for the region?

Meetingpoint Wermland has attracted a lot of attention, partly from other European countries and partly from NUTEK- the Swedish Agency for Economic and Regional Growth, where the e-business policy was highlighted as a best practice example at an international e business conference in Bled, Slovenia at the eBSN workshop. It has also been chosen best practice in Sweden by NUTEK as well as been chosen best practice by the European Commission and presented at a big conference in Vienna in June 2006. By this we have been able to demonstrate that Värmland is a county at the forefront and this favours growth opportunities in the county in the long term.

d) Problems

To start with electronic invoicing we have notice that it is more time consuming then you are aware of. There are difficulties to know where to find information and decide what information is relevant. It is also problems to implement and adept new working method and way of thinking. Many want to start but don't know how and don't have the time.

3. Model of financing

a) Investment

The investments are European, national and regional, as well as private. Financial support comes from EU's innovation fund, the Swedish Agency for Economic and Regional Growth, the County Administrative Board, Region Wermland and the Agency for Administrative Growth and from private finance. Region Värmland has an IT strategy entitled IT Värmland in which Handelsplats Wermland has been appointed as the e business initiative to which Värmland's local authorities are referred.

b) Operational model or sustainability

The sustainability of the portal can be seen as consistent. The portal provides the user with technical solutions, pedagogic training and guidance. When the system is up running the portal will be operated on a commercial basis with direct agreements between the suppliers and the customers.

The Chamber of Commerce's involvement as project owner is based on the conviction that the new technology contributes to making Värmland an even better place for companies. That is why the Chamber of Commerce's board has taken the decision to manage business issues in the region in different forms and in different projects in the long term. Once the proposed project is completed the Chamber will also contribute through:

- Giving advice and disseminating knowledge concerning e-business (this could lead to the development of new services)
- Being the link between the local authority/the company and their suppliers
- Offering project management for the introduction of e-invoicing and e-purchasing
- Monitoring technical solutions for e-business via different suppliers
- "The role of catalyst"

It is important to point out that the Chamber accepts the role of catalyst and the role of third party that monitors the interests of SMEs in terms of simple and flexible e business solutions, forms of collaboration and technological development. The Chamber can also assist with project support during the implementation phase but also as a purely informative body. Established IT suppliers provide the services that companies decide to use. This ensures that the function is put into operation outside a third party's area.

4. Working process

The Meetingpoint Wermland project was started in 2001. It was a training initiative to enhance IT expertise in the region, particularly among small and medium sized enterprises. In contacts with businesses and local authorities the project revealed an unmistakable need for an easy-to-use, functional and cost-effective e-commerce solution. The Portal came about as a result of the experience gained during the Meetingpoint Wermland project and it offers a range of services designed by the Wermland Chamber of Commerce to facilitate the cost-effective exchange of electronic messages, including invoicing. It is a joint e-commerce portal for local authorities and SMEs and it furnishes all participants with suitable tools, training and project support. Meetingpoint Wermland offers knowledge, experience, and resources.

The Wermland Chamber of Commerce most important conclusions based on the experience gained from the previous and ongoing projects are: never underestimate the need for knowledge and competence in SMEs. The technique is not the problem when they switch to electronic invoicing, it is the pedagogic. The companies must come to realize why they should send invoice electronically and how to do that. The receiver must also come to realize this. There are many fantastic solutions offered on the market but few understand how to use them. A small company needs somebody to talk to, somebody who can help them out practically at the keyboard. To accomplish this there have been theoretical as well as practical projects.

The method used are to invite local suppliers to attend workshops where we focus on the pedagogic. We explain how small companies that do not have much experience of e-commerce could use different e-business services. They are shown step-by-step how to fill out an online form and how to send an electronic invoice to their purchasers using a simple internet connection or a virtual printer. An important feature in the pedagogic used is to include Best Practice examples, this will be both municipalities receiving electronic invoices as well as suppliers' successfully sending electronic invoices. The companies that provide good examples can also show that e-business can mean improved effectiveness, reduced costs

and a more rational way of working. Another important feature is to visit a Swedish municipality that has been involved in the project and take part of their experiences.

After the workshop, we visit each business and they receive help in starting up and given answers to any questions they might have. Many of the participating SMEs are now using different e-business solutions in their communication with their purchasers. The benefits with this way of working are numerous, particularly the methods usability. The pedagogic and custom-made concepts on how the technique should be used have been carefully developed.

The pedagogic is also used in the communication with the municipalities, the receiving part. We offer them project support and help in implementing the new solutions and way of thinking in their organisation. An important conclusion is that the municipalities have to gain approval for this new implementation in the local authority. We can help the project team at the municipalities with this. We also help the municipalities with the contact with their ERP-system provider.

In the meaning of communication as well as technique the Portal has established a number of solutions. First there is a communication between the municipalities and the Portal as well as there is a communication between the Portal and two companies which both are VAN-services. The VAN-service is responsible for all transactions of e-Invoice to the municipalities. In the service they have to take care of security as well as keeping logs for all actions that take place.

Meetingpoint Wermland is working toward finding wide range user solutions so that as many vendors as possible can use the Meetingpoint Wermland portal despite their volume of invoices, their business system, or the size of their company.

We use only standard methods for electronic Invoices, which all parties use when sending and receiving e-Invoices. These standards are the Edifact D93A and D96A formats. We also open up an Invoice portal on the Internet where the suppliers can fill out an on-line form and we have built a special mapping for three common ERP systems to suit the EDI-SFTI format. To support these solutions we have connected two different third party solutions, DQ Manager and Easy Invoice. These are virtual printers that you install in the suppliers computer and give us an opportunity to connect all kinds of ERP systems to the Portal using the EDI-SFTI format. All this formats and connections have been established to the Portal and are available to all parties.

The latest solution that is connected to the Portal is a new e-Invoice format based on the ebXML standard, Svefaktura. This new format gives us an opportunity to connect Swedish banks. The last year we have negotiate agreements with the three biggest banks in Sweden, and now companies connected to the banks can communicate with the municipalities in the Portal. With this new Svefaktura it will also be possible for suppliers to send an e-Invoice in this format directly to the municipalities.

5. Highlights

Meetingpoint Wermland has attracted a lot of attention, partly from other European countries and partly from NUTEK- the Swedish Agency for Economic and Regional Growth, where the e-business policy was highlighted as a best practice example at an international e business

conference in Bled, Slovenia at the eBSN workshop. It has also been chosen best practice in Sweden by NUTEK as well as been chosen best practice by the European Commission and presented at a big conference in Vienna in June 2006. The project manager, Ulrika Obstfelder Peterson, has presented the work to the infrastructure minister in Sweden and has contributed to the formulation of the former government's future investment in e business as part of the IT Bill.

6. Numbers

In August 2007 the Portal have 13 municipalities connected as receiving parties. The municipality of Torsby as the first and longest receiving party has approximately 40% of their invoices electronically through the Portal. All municipalities connected have a goal in receiving 40-50% of their invoices through the Portal at the end of 2007.

We have close to 300 relations with suppliers all around the country, both large companies and small local ones. Most of the suppliers are sending e-Invoices in the standard format Edifact. Around 20% are using third party products like DQ Manager, Easy Invoice or the Invoice portal, this will be mostly smaller local suppliers.

Through the project the municipalities and suppliers can make use of the agreements we have negotiated with the VAN-services and third party solution companies. For every connection at the VAN-service the municipalities are paying 1.000 SEK and a virtual printer solution for the supplier costs around 3.000 SEK, including support from us. Above this there will be for the suppliers a charge of 2 SEK per invoice to send and 2,50 SEK for the municipalities to receive. This is very good charges compared to if the sending and receiving part had to negotiate the price on there own.

7. Recommendations

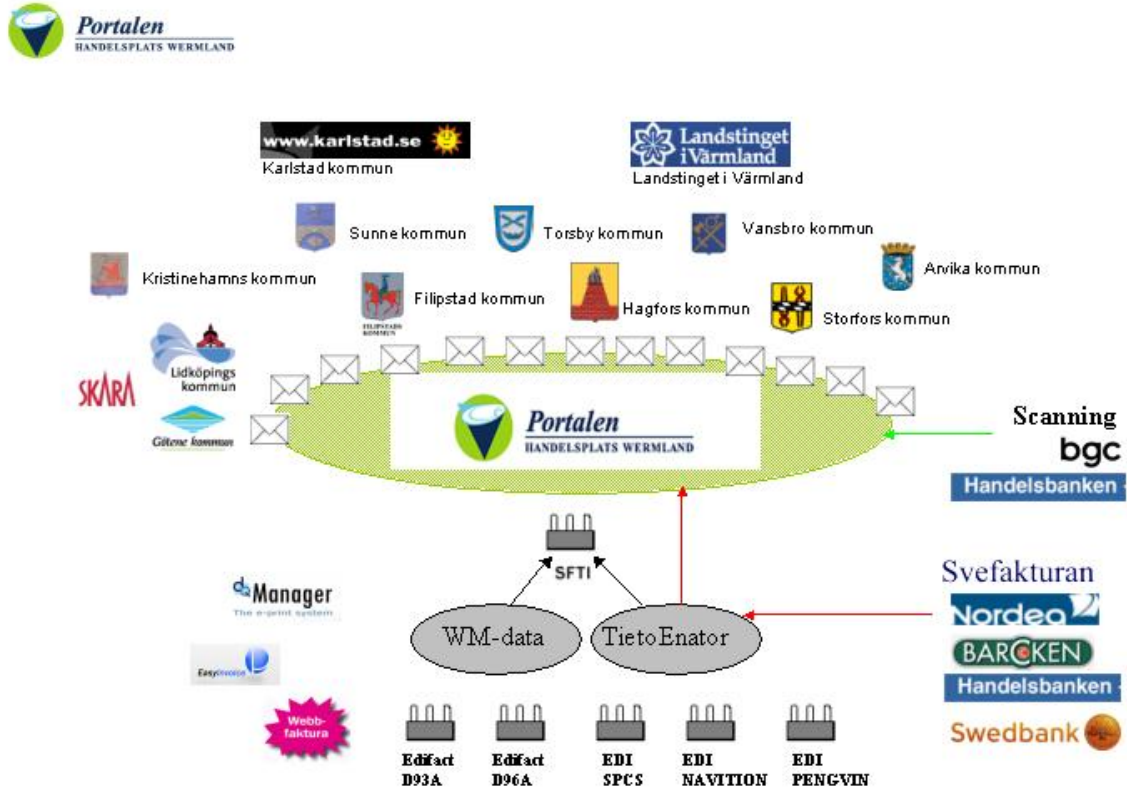
The Meetingpoint Wermland and the Portal have turned out to be highly successful and one reason for the success is probably that the approach has been to start on a small scale and wait for the ripple or cascade effect to develop. That way the Wermland Chamber of Commerce established a solid foundation from which it was possible to move on to a practical level. Step by step, results and the positive effect could be demonstrated. And once it has been demonstrated more businesses have become attracted and involved.

Contacts with enterprises during revealed an unmistakable need for an easy-to-use, functional and cost-effective e-commerce solution. The experience is that if the SMEs are going to position themselves in the area of e-commerce, they cannot make e-commerce grow all by themselves. They need support by a third non-profit party.

Never underestimate the need for knowledge and competence in SMEs. The technique is not the problem when they switch to electronic invoicing, it is the pedagogic. The companies must come to realise why they should send invoice electronically and how to do that. The receiver must also come to realise this. There are many fantastic solutions offered on the market but few understand how to use them. A small company wants somebody to talk to, somebody who can help them out practically at the keyboard.

8. Attachments

Flowchart



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