

# Project Future Ecom

## Business Model:

### *A novel quote request application*

7<sup>th</sup> February 2020



It is estimated that in 2020 B2B e-commerce in EU will be twice as large as B2C in terms of sales which proves a huge unrealized potential for EU SMEs.

There is a risk of being surpassed by frontrunners as most SMEs have not even taken the first step in this direction. Succeeding with B2B e-commerce requires a huge turn-around within the company's internal processes as this may scale up the turnover dramatically.

Digitizing and automatizing the internal processes of the SME is the key to managing and keeping up with huge growth in global e-commerce while ensuring economic profit.

## 1. Overview

Finnhub Association is a national and international logistics expertise and innovation network of over 50 companies.

## 2. The Digital Opportunity

Digitalisation is a global phenomenon and a force of change. The logistics industry also needs to keep up with inevitable digital development and transformation. This can be done through digitalising long-established services and processes.

In Finnhub Association's opinion, an electronic marketplace/ application is the main means for them to thrive and take advantage of current development trends. The idea behind their ERDF funded NetHUB project (March 2017 – June 2019) was to develop a new service model together with logistics service providers and buyers. A novel **quote request application** for corporate use was designed and completed in the NetHUB project.

This new service model helps in buying logistics services and makes all accessible open data available which also helps with comparison of logistics service providers. This will lead to increased growth in export/ import companies (especially in small and medium-sized) which in turn enhances productivity and boosts employment.

## 3. Impact on Value Streams

Utilisation of digitalisation makes the buying process of logistics services easy (time and money saved). The new quote request application gives the users the access to open data which helps the comparison of logistics service providers (again time and money saved). This can lead to increased growth in export/ import companies (especially for small and medium-sized) which in turn enhances productivity and boosts employment.

This places buyers at the centre by facilitating and simplifying buyer's processes. The basic idea is that you do not need to know everything, but only your own product for which you need the service in question (no need to know how the whole logistics chain works).

This digitised service model makes visible small / unknown service providers/ offers that you would not otherwise know.

#### **4. Lessons learned**

The idea of the quote request application is very potential and feasible.

It can be considered already a good achievement that the application was finished with available resources. On the other hand, with limited resources, it was also a huge learning process especially about complex public procurement.

It is crucial to allocate an adequate amount of resources (both human resources and funding) for design, implementation and especially for marketing. Digitalisation in traditional businesses, like logistics, requires well targeted and quite wide ranged marketing to convince users/ entrepreneurs of the benefits of a new application and service model. The Finnish logistics sector still operates with relatively traditional methods and mindset, so it is quite challenging to assure logistics operators about the benefits of a new digital application.

#### **5. Transferability**

In principle, the service model can be applied to all industrial and commercial activities involving logistics / moving things. It can be also applied to other sectors when it comes to tendering for services.