

# 1. Briefly, describe how your project originated. How did the idea come about, what needs were identified and why?

In the year 2000, the Chamber of Commerce of Barcelona empowered the creation of an Internet website that would encourage spanish SMEs (small and medium enterprises) to use new technologies within their competitive achievement. This website was conceived to become a virtual space in which companies could make online transactions, get useful information, and interact with new technologies.

This is how EspacioPyme.com was created. An Internet website that received important collaboration and support from the different chambers of commerce of Catalonia (Barcelona, Sabadell, Girona, Terrassa, LLeida, Manresa, Palamós, Reus, Sant Feliu de Guíxols), IBM, British Telecom, and the spanish financial entity “la Caixa”.

Internet in Spain is a recent phenomenon. It is thought that around the mid 2000 there were only 4 millions Internet users, which is 10% of the total population. (Source: AUI.ES). Compared to other European countries, the use of the new technologies in spanish businesses was also very poor.

The objectives of EspacioPyme.com were therefore, to actively help SMEs by promoting the use of new technologies in daily business practices. This original approach was ambitious and the initial results were not the expected ones, but throughout the years, the website has managed to become the most important portal for SMEs in Spain.



## **2. Describe your project based on the category selected.**

(Context, innovative character, invested resources, difficulties met.)

The project was launched in the year 2000, when the new technological wave was beginning to collapse and many IT projects were disappearing.

It consisted in the creation of a website, conceived in three main theme areas:

- An electronic marketplace, an online platform for making requests for quotations (RFQ), and post business offers.
- An information area, a place to look up and find important business information, and practical manuals covering all types of business related themes.
- An area for IT services for SMEs to contract all type of services and products related to the new technologies (web design, Internet connection, ERP, CRM, etc).

The results in the first year were not satisfying. Despite competing with success with other similar web projects focused on the Spanish SMEs, and having presence on the main fairs and conferences of the sector, the website had difficulties to achieve a massive use.

We can affirm today that the immediate success was not become profitable, but to survive the initial years. Spanish SMEs were not used to manage Internet tools for making online business, and this was the main difficulty to grow at the beginning.

### 3. What have been the results and influence of this project?

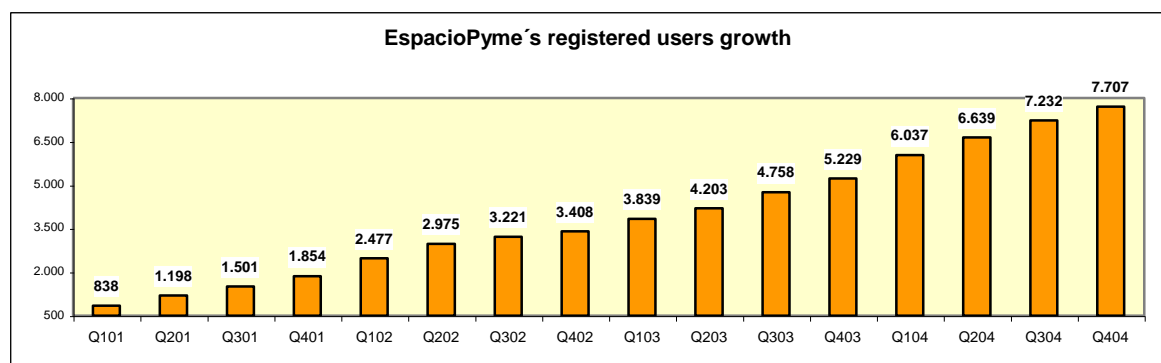
(Short and long term impact, measurable data, benefits.)

Entering the fifth year of the project, we can say now that EspacioPyme.com is becoming increasingly popular among the spanish online SMEs community, and has managed to grow side by side with the increase in online business practices in these small businesses.

The key factors of our success, lies in the ability of the people in charge of the website. They detect small business' needs and rapidly adapt them to produce interesting contents, or improve the e-marketplace platform for them. Another important key factor is the non charge fee to use the website.

EspacioPyme's main incomes come from the online advertising (something impossible to think years ago). Other similar e-marketplace projects have a registry and/or monthly fees, leaving small companies without Internet knowledge aside even before trying to make online businesses.

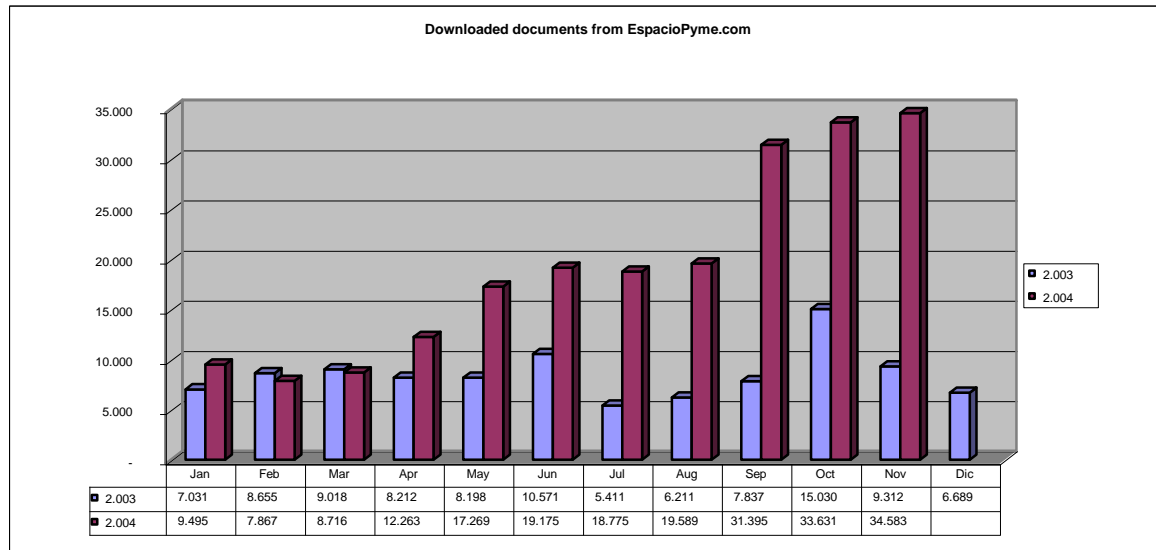
In terms of registered users, EspacioPyme has achieved a constant growth since the year 2001, reaching by the end of 2004 7,707 users capable of making online businesses on the e-marketplace platform, and receiving a weekly e-newsletter with trade leads.



**Diagram 1**-Evolution of EspacioPyme's registered users in quarterly periods.

The numbers are even more important when we talk about the downloaded information from the website. EspacioPyme currently has 34 business manuals ranging from how to buy a printer or a computer for your office, to the steps for the creation of an enterprise.

More than 220,000 PDF documents were downloaded from the website in the year 2004, which confirms EspacioPyme's role as an important source for business information in Spain.

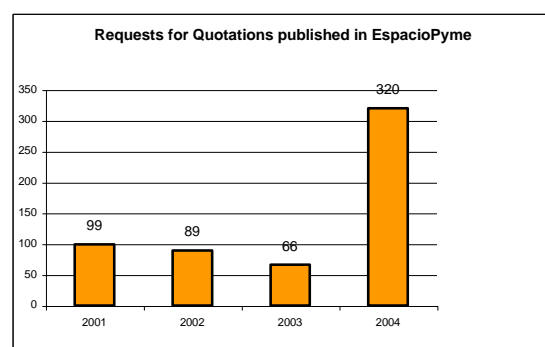
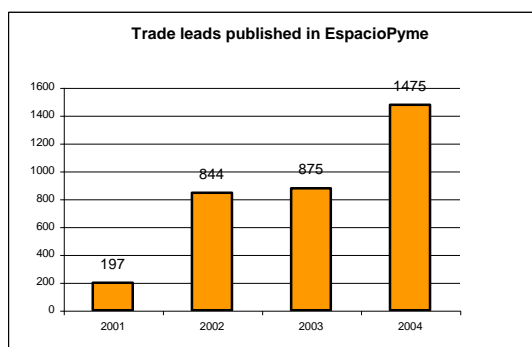


**Diagram 2-**Comparison of years 2003 and 2004 in terms of downloaded information.

Another important indicator for an Internet project, is the measure in terms of page views and visitors. In December 2004, the website reached 500,000 page views and had more than 120,000 visitors. A search engine optimisation strategy for more than 200 business keywords was began by the beginning of 2004, boosting EspacioPyme's presence on main search engines and increasing the volume of visits to the website.

62% of the visits came from Google and other search engines in November 2004, while 38% of the visitors came from EspacioPyme itself.

The use of the e-marketplace is also growing among the registered users in EspacioPyme. The possibilities to generate businesses are enormous: only one RFQ (request for quotation) can make other 50 small businesses to present their quotation for the requested service of product.



**Diagrams 3 and 4** – Show the growth in online operations in EspacioPyme’s e-marketplace.

Finally, in terms of incomes, 2004 has been a very profitable year. The advertising incomes have clearly become the most important source. EspacioPyme offers a wide variety of advertising supports: banner advertising, ads on PDF manuals and on the newsletter, and a product called “partnership program”, which consists on a web page with products and services from another IT partner inside EspacioPyme’s website.

The success reached among the SME community in Spain has made other web portals to put their eyes in EspacioPyme. Today, EspacioPyme’s e-marketplace has been replicated to serve content on other websites such as Lycos Spain, and other spanish chambers of commerce websites.



EspacioPyme’s marketplace inside Lycos Spain

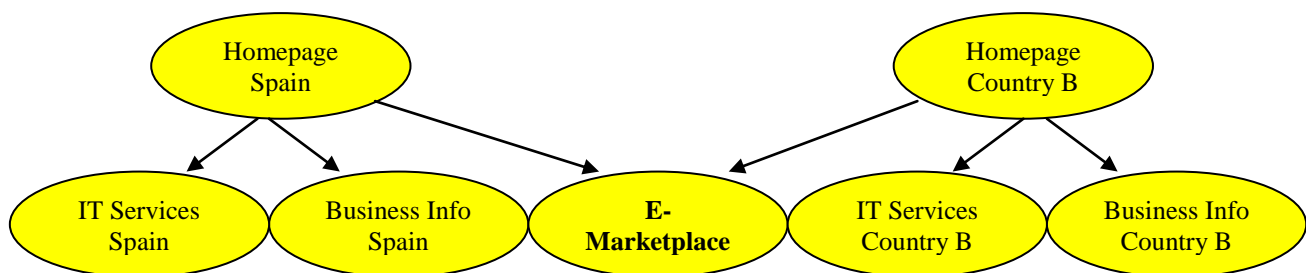
Our strategy seeks to achieve agreements with the rest of chambers of commerce in Spain, progressively, studying individually their needs to offer a personalized e-marketplace solution.

#### 4. Can your idea be applied in other parts of the world?

(Please explain how and why.)

Yes. The technology used for the creation of the website can easily replicate to other countries. The e-marketplace can be a very useful business tool for small businesses from all around the world. EspacioPyme's model offers a free of charge e-marketplace platform, and an important source of business information, and IT services and products.

Currently more than 200 registered companies are from outside Spain. These companies can use the e-marketplace platform, but no business information for creating enterprises outside Spain (for example) is held in the website. To replicate a fully functional website adapted to other countries, a local party should be in charge of producing business information matching a local country's needs, and should recruit partners to sell their IT products and services in the country's website (as seen in the diagram below).



**Diagram 6** – Three customized areas of the portal (The Homepage, Services and Business Information) with a common e-marketplace for all countries, can make possible the replication of EspacioPyme's project.

**5. Why do you feel your project should be selected as a finalist and presented at the 4th World Chambers Congress?**

We want to share our experience with other chambers of commerce, in the IT adventure of creating a website that can help the SMEs providing free tools to make online businesses and to get crucial information for the development of their companies.

EspacioPyme.com is an ideal model for other chambers to have contact with the small and medium sized businesses, which are usually the most difficult community to approach. We have managed to become the leading business portal in Spain. There is not a similar spanish website project covering all the SMEs needs in the IT world (a free online e-marketplace, a wide variety of IT services and important business information).

The combined spirit of the project, not only created by the different chambers of commerce of Catalonia, but because it involved different companies in the private sector like IBM, British Telecom, and the spanish financial entity "la Caixa", gave EspacioPyme.com the personality of being an important source of information and business tools, but also seeking to become a profitable project.

We think our growth in terms of visits, users and incomes is a solid reason to consider EspacioPyme's website a successful IT project.