

Best Unconventional Project



Excellent SME project

- summary -

The website certificate »Excellent SME« is a business performance certificate (good standing certificate) issued to the most successful small and medium-sized companies. By installing and using the certificate, existing and potential new partners are able to differentiate between more and less successful companies in the cyber world.

The project is based on the cooperation between three partners:

- the Chamber of Commerce and Industry of Slovenia as an independent and trustworthy institution – issuer of certificates,
- a renowned credit rating company – provider of credit rating reports and regular monitoring and
- an IT partner with unique technological security solution.

The Excellent SME project is a great opportunity to further develop and strengthen our partnership with other chambers and their member companies around the globe. Initially it was built to promote SMEs and strengthen their position on the international market.

Since the project has been so well accepted in Slovenia, we believe we have to share it with the rest of the world. It brings substantial benefits to a very broad audience of stakeholders. Website visitors get a confident mark of trustworthy websites, where they can convey their requests/purchases without fear of fraud. Certified companies get to promote their conversion rates and business in general and hence increase their income. More businesses are aware of the importance of ‘good standing’ status and consequently of the necessity to improve payment discipline. And there’s also a possible positive effect on the CCI’s income.

How the project originated

European economy is based on small and middle sized enterprises, in fact 99% of European companies are SMEs. For the last few years they are facing harder circumstances due to global financial crisis. Reports for Slovenian companies show that we have 150.000 active business entities with insolvency rate 0,47%. The number of insolvencies is becoming higher in last three years - it has raised for 32% between 2010 and 2011[1].

The need to promote and help our good standing SMEs led us to create such project.

We also had in mind that Internet as one of the fastest growing markets offers many new business opportunities. ICT offers bigger income than most of other financial investments and is already representing half of the production growth in Europe[2]. Around 40% of European citizens are buying on the Internet. One of the goals of EU is to double that number by 2015[8]. The economy of the future is digital[3]. This is the second need: To give SMEs advantages on the Internet market, to strengthen their potential for success in the digital world.

It is expected that there will be over 700.000 of professionals working in ICT by the end of 2014 in Europe. Investing and implementing new ideas in this market is necessary not only for today but also for the future. Enhancing security on the Internet, protecting of Internet market with not only privacy and consumer's protection laws and directives but also with innovative and quality technologies is one of the priorities recognised by European Commission. Meanwhile, some say cyber crime including identity theft, personal data theft, phishing and pharming accounts for over \$1 trillion—more than the global drugs trade[6]. With that in mind we agreed that we need to keep IT security issues on high priority.

European Union is trying to enhance European Single Market with numbers of directives and regulations, which would establish better conditions for easier online trade between EU countries. There are some barriers due to different legislations and languages, which are enabling faster growth [7]. In the aim to strengthen European internal and external market are also accepted recent changes of data protection and intellectual property legislation [3].

The need to lower the barriers between the countries to enable conditions for increased cross-border transactions has been also applied to our project as well.

Chambers of commerce have a constant need to care for benefits of the members. We were trying to create something that members would not only need, but also appreciate and accept.

The last aim was to prepare the project where Chambers of Commerce could have financial benefits too. Outlines of the project were put together in such way that it promised some income.

With such wide definition of the needs we had to prepare the project which could meet our goals with great care. There were many questions we had to explore and after that we managed to put together a project that actually did meet all the needs.

II. Description of our project based on the category selected: Best Unconventional Project

Membership in the Chamber of Commerce is not obligatory in Slovenia and creating a project which could generate income was a challenge. We knew we have to take some unconventional steps, different paths and try new perspectives. We found an opportunity to participate and create something new for our members together with two different partners. The innovative character of this project is in the way we put everything in place. The main purpose was to highlight and white label the companies which are still doing good in this harsh economic conditions. To expose them as good examples, protect their identity, help them in gaining more customers through the Internet and provide them better promotion –online and offline.

Excellent SME certificate, which is the name of our project, was offered to our members as an **award**. It's a proof of Chamber of Commerce's recognition of company's excellence.

The benefits go mainly in 3 directions:

MARKET VIEW:

- Increase of market transparency,
- Promotion of good business practices,
- Safer and more secure business,
- Compliance with EU directives to promote successful small and medium companies.

CUSTOMER VIEW

- Trust,
- Reduction of financial and other risks,
- Creditworthiness,
- Verification of company's registration status and its proper web address.

SME – OWNER OF CERTIFICATE – VIEW

- Visibility
- Credibility
- Greater local and international business opportunities
- Web page security (protection against phishing attacks and copy-cat attacks)

The combination of IT security, reliable data and reliable issuer is unique. The combination protects our project from unauthorized copies too.

Image 1: The **three pillars of trust** are equally important.



SafeSigned technology is highly innovative and many times internationally awarded, We were familiar with the SafeSigned technology since we had used it for issuing our membership certificates and award certificates and we had good experience with it already.

The main role of the Chamber of Commerce is the trustworthiness of organization. Everybody is familiar with “Chamber of commerce” – not only companies but also Internet users. We are world-wide recognised as **trustworthy** organisation.

The idea was to form and put a sort of **white label** on webpages of all good standing companies. In order to do so, we had to have **reliable information** about the companies' credit worthiness. We needed someone, who would not only provide us a credit report, but would monitor the company's business behavior all year round from the moment the certificate was issued. In case when company would lost the required (credit rating) score, we would remove the certificate from their web page immediately since the technology enables us total control over the appearance of seals/certificates.

Coface Slovenia has accepted our invitation for cooperation as a »reliable data« provider.

Invested resources:

- Additional webpages about the Excellent SME on our website.
- One new mailbox dedicated to the project.
- Designing of two web seals and certificate page.
- Advertising material – leaflets for our members, articles in the magazines and in our e-zine.
- Technology setup fee.

Other resources were invested by our partners in the project and include:

- Marketing material – the letter introducing the project, sent via classical mail only.
- Four (4) new people in the call center, which was established exclusively for the Excellent SME project.

Difficulties met:

After we signed the contract and started working, we experienced some difficulties with exclusive **digital nature** of our certificates. Owners of the companies were used to put images of received certificates and awards on the wall. But this certificate was digital - it did not have the physical existence. Excellent SME is an active on-line certificate. Due to the technology the **validity of the certificate** is immediately checked when a visitor clicks on the seal on the owner's webpage.

Therefore we had to find solution without breaking its validity since the company receives it for one year period and it can be removed in case the company's credit score becomes too low within this period. How could we physically remove the certificate in a frame on the wall if the company's credit score drops?

These difficulties were solved by our technology provider – and we had **another unconventional solution** in our hand. They have created an accurate, physically existing seal, which can be put in a frame and hanged on the wall in QR code form! Every time checking the seal using QR code reader, the visitor/customer can see if the certificate is still valid or not. Image 2: image of the QR seal/certificate which you can hang on the wall and still gives accurate information.

(please use any kind of QR code reader with your smartphone or tablet to check the validity of this image)



The results and influence of the Excellent SME project (Short and long term impact, measurable data, benefits.)

Impact of the project

Chamber of Commerce has received many praises and positive feedback from the member companies. But we did not invite only members, we offered Excellent SME certificate to every company in Slovenia, which meets the criteria. The project was accepted in every way – users like the reliability of the data, technology and design of the seals as well.

Recognition of our good work and positive approach in these economically challenging times was not motivational only for us, but also for our partners in the project and all the companies which are doing well. We could say we had made one of the best steps when we were trying to go digital and make money with it.

Some of the positive impacts:

- More successfully terminated business transactions for the Excellent SME awarded companies.
- Easier cross-border presentation of the companies.
- Promotion of good practices.
- Alerting phishing attacks on companies websites.
- Step forward in consumer and data protection on the Internet.
- Additional exposure of Chamber of Commerce.

Measurable data

The activities for this project started in May 2012. We had prepared our website and marketing materials and had partners onboard by the mid June 2012. Then the first activities of selling started. We have decided that the call center will be established by the technology provider.

There are approximately 150.000 companies in Slovenia and approximately 25% of them are qualified to get the Excellent SME certificate.

The Call center has sent us this data:

Four (4) new working places were established and dedicated to the Excellent SME project. After Coface Slovenia prepared a list of potential receivers of Excellent SME certificate (those who had requested credit rating level), we sent invitation level to the first thousand companies from the list.

table 1: Statistics for 7 weeks of work in the call center:

Called companies	having website	1200	1500
	without website	300	
Certificates sold	having website	115	156
	without website	21	
Certificates sold on invitation letter only		20	

Advantage of Excellent SME certificate technology is that we are able to give the certificate to each company, even if it doesn't have its own webpage yet. It surprised us how many companies accepted

digital certificate although they don't have any presentation of their company on the Internet. The call center announced that they have been successful in 10% of all invitations and calls. Marketing experts say that this result is not only good, it's great.

Facts and figures from Chamber of Commerce

Please find the website here: <http://excellent-sme.gzs.si/slo/>

This website has 5 subpages and here is the traffic data for the last 6 months in table 2:

visitors	Main page	Subpage: Advantages of the certificate	Subpage: The technology	Subpage: Methodology	Subpage: Pricing	Subpage: contact
June	143	477	479	456	472	304
July	116	298	303	322	379	172
August	161	248	239	252	299	177
September	97	196	153	161	173	96
October	108	119	101	104	145	75
November	140	150	170	157	268	136

It seems that each of the three pillars is equally important to the visitors.

The similarities of the interests of visitors surprised us. Visitors are almost equally interested in information - the advantages, technology and methodology.

Sales rates are remaining all the time at the same level: 10% of all invited companies bought the certificate, in some periods the numbers go up to 12%.

Pricing

Excellent SME certificate costs 197 EUR. Members of the Chamber of Commerce have additional 20% discount. Price of each additional seal on other domain owned by the same company is 39 EUR.

In the first five months more than 500 certificates have been sold. Overall income of all three project partners amounted to over 100.000, 00 €.

Some figures from the technology provider:

- On workdays 100.000 seals and certificates are shown each day. This numbers drop to 60.000 on weekends.
- Implementing the seal on the company's website is very simple- Only 3% of companies ask for additional help (which is more than 2 emails exchanged).
- The seals have different designs and companies can choose one they prefer. The most popular seal is the *classic* – more than 70% of websites choose it. *Rectangle (floating)* seal appears in 30%.

Visitors are invited to sign the seal with their personal signature. This enables them to recognize other seals/ certificates on other webpages they visit as originals without clicking on them. We do not have any training or education of the visitors – they understand and accept the concept quickly. Over 1000 visitors have placed their personal signature in the system in the last two months.

We do not record any other statistics regarding end users or visitors. We do not record any data about the company's webpages because certificate's technology works independently. We have received one call from website owner for additional explanation about phishing alerts, which were sent by the system and we have successfully prevented one phishing attempt.

Personal signature mentioned above is a signature of the SafeSigned security network. This network contains solutions for trustmark protection, brand protection, certificate protection... Examples and further information regarding technology can be found on www.safesigned.com.

Image 3: Designs of the seals



Long term impact

Chambers of Commerce is hoping to encourage more companies to gain higher credit report scores in order to become an Excellent SME. We are indirectly pushing companies into better payment discipline.

The project has the potential to become multinational – which would enhance its role in cross-border transactions.

It will help fighting cybercrime with consumer protection, personal data protection, identity protection, antiphishing and for more demanding companies – antipharming protection of their websites.

It would also strengthen the position and role of different Chambers of Commerce worldwide.

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

Yes.

This is an Internet project. It's applicable and visible in every part of the world at every moment. It was adopted by Serbian Chamber of Commerce in mid-November and it is expected to be launched in two other EU countries in January 2013.

Excellent SME is a registered brand. The project has a patent pending status.

Why do you feel your project should be selected as a finalist and presented at the 8th World Chambers Congress?

We would get an opportunity to invite all other chambers onboard, which is one of our goals. The project is highly beneficial for SMEs and easy to present. It's always there and on time when you need it.

This project melts with the needs of Internet market of today and tomorrow. The concept and applicability of the project is so smooth and easy that every company and website visitor understands and accepts it with trust and confidence. It covers huge amount of needs of nowadays society and economy and conquers the market with simplicity.

References:

1. http://www.cofacecentraleurope.com/CofacePortal/ShowBinary/BEA%20Repository/CE/en_EN/documents/infocorner/InsolvenciesData/InsolvenciesData2011
2. <http://europa.eu/rapid/pressReleasesAction.do?reference=SPEECH/12/259&format=HTML&aged=0&language=EN&guiLanguage=en>
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8. <http://blogs.ec.europa.eu/neelie-kroes/ecommerce-action-plan/>

Enc: letter of support, company Jelovica d.d.

Škofja Loka, November 26th, 2012

Subject: certificate Excellent SME Slovenia

To our company Jelovica d.d. the certificate Excellent SME Slovenia represents a confirmation of the appropriate direction of management orientation and development.

Jelovica d.d. is one of Slovenia's companies with the longest tradition. We are pleased that our work has been observed. For Jelovica d.d., a world leader in the field of energy-efficient wood products, it is important to keep the trust of our customers and business partners in our product quality and operational reliability. All these is confirmed by the newly acquired certificate. It clearly indicates a good credit rating and higher credibility of the company.

Gregor Benčina
Chairman of the Board
Jelovica d.d.



JELOVICA, d.d.

