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Q1: Respondent details

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Q2: Country or Customs territory

COLOMBIA

Q3: Organization

Public sector

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Q4: Title of case story

Exporting to Europe through e-commerce: the case of CBI's support to tropical flower SMEs from Colombia

Q5: Case story focus

Trade Facilitation.

Q6: Case story abstract

The Centre for the Promotion of Imports from developing countries (CBI) is currently implementing its country programme for Colombia. The programme consists of six separate projects for different sectors of which Tropical Flowers, Foliage and Hydrangeas (TFF) is one.

The TFF project aims to contribute to sustainable economic growth in Colombia through supporting the 11 SMEs in increasing their exports to Europe.

Two of the companies have started selling through e-commerce. The platform they use for their online sales is FloraMundo, a platform designed by Royal FloraHolland (RFH-Dutch Flower auction).

FloraMundo is the world's largest digital marketplace for flowers and plants for business to business sales. It is visited by more than 800 buyers who represent 70 percent of the Royal FloraHolland turnover and are registered with the platform. In addition, 180 of the buyers have linked their web shops to the platform so that the offer of the selected suppliers is directly visible to their business customers.

Q7: Who provided funding?

Bilateral donor, Private sector

Q8: Project/Programme type

Single country

Q9: Your text case story

The TFF project aims to contribute to sustainable economic growth in Colombia through supporting the 11 SMEs, in increasing their export of foliage, tropical flowers and hydrangeas to Europe by € 2 million. The export coaching

programme consists of technical assistance and coaching, training on among other things market access requirements, export marketing plan, CSR and support in market entry activities such as participation in trade fairs in Europe.

Two of the companies from the CBI programme, Inversiones Napy and Artropica, have started selling through e-commerce. The platform they use for their online sales is FloraMondo, a platform from Royal FloraHolland (RFH - Dutch flower auction). FloraMondo is the world's largest digital marketplace for flowers and plants for business – to-business sales. It is visited by more than 800 buyers, who represent 70 percent of the Royal FloraHolland turnover and are registered with the platform. In addition 180 of the buyers have linked their web shops to the platform so that the offer of selected suppliers is directly visible to their business customers. At the moment, more than 2,400 growers are offering their products on the platform. Not all growers connected to the platform are members of Royal FloraHolland, some of them are contract suppliers. Buyers can access the platform 24/7 and browse the offered products by applying different filters like product type, grower, quality, day of delivery. When the buyer is looking at the offer a factsheet is shown about the producer with the name, location and certifications.

When a grower starts using the platform there are some basic settings to adjust to their product and sales process. First of all the grower makes a catalogue with pictures and characteristics of the products they can usually offer. They can create buyer groups through adding (existing) buyers with their registration number in the system. For direct sales, buyers select the location of delivery (Naaldwijk or Aalsmeer at this moment), their usual delivery times (linked to the order times) and determine if they want to set a minimum amount of boxes or flowers per order. To create a new offer in the virtual marketplace, the grower selects the products from its catalogue, selects the offer, selects the buyer groups they want to offer the product to, set the price and if needed update the pictures of the product. Once an order is placed, the grower receives a notification in its email.

Artropica had been selling through the traditional auction platform for seven years before starting with the digital platform in 2016, while for Inversiones Napy this is their first experience with the auction. Both companies have tropical flowers as their product, including different varieties of heliconia, ginger, musa and also tropical greens. These products are considered as a very specific niche product for which it is not so straightforward to find a market in Europe. Having their product on display on the FloraMondo platform is a great opportunity to make the offer of tropical flowers available to anyone who is connected as a buyer to this platform and 24/7.

Some of the advantages of selling through the online platform are, the option for buyers to order small amounts and buy directly from the farm (the product is harvested only once it has been ordered). For Artropica and Inversiones Napy, who offer their product on Floramondo, one of the other big pluses is that they can set the prices for their products themselves (so that it at least covers the transport costs) and prices through the platform are usually higher than the clock price on the auction. Alejandro Restrepo, from Inversiones Napy says: "the FloraMondo system allows me to offer my product directly to buyers throughout Europe on a weekly basis. It offers me a guarantee of payment and a smooth sales process as this is arranged through Royal FloraHolland. We have only just started with using FloraMondo but would like to continue promoting our products optimally in this way."

The companies came in contact with the FloraMondo platform through Camila Camacho, Latin America Manager for Royal FloraHolland who started a pilot project in connecting more international flower producers to the platform. This pilot started in 2016 and also consisted of extra support from the Personal Sales department of RFH to contact buyers and tell them about the offer of these companies on the platform. Next to that, as Inversiones Napy and Artropica are part of the CBI export coaching programme, they also receive technical assistance from the CBI sector expert, who is in close contact with Ms Camacho to support the companies in their e-commerce sales. During technical assistance visits that take place a few times a year the CBI sector expert can have look at the product that is ready to be sent to a buyer at FloraMondo and give recommendations for e.g. post-harvest treatment and packing of the flowers. In addition, the companies received training on market access requirements, have developed an export marketing plan and are working on developing a Corporate Social Responsibility (CSR) plan that takes into account both the social and environmental impacts of their business practices. This support is given to prepare them for the European market and improve their offer to European buyers. RFH also notices that the environmental and social aspects of business are gaining more importance in the European markets. If a producer can show what its policy is in this respect and how this is implemented, consumers who find environmentally friendly production as one their requirements will be interested in the products.

During the Royal FloraHolland Trade Fair (2-4 November) the support of CBI and RFH came together in the participation of Artropica and Inversiones Napy in the Personal Sales stand of RFH at this fair with financial and technical support of CBI. This was the first time that Colombian companies who are selling through the e-commerce platform were able to participate directly in this fair and meet with (potential) buyers. The sector expert and RFH worked together in providing assistance to the companies during the fair and also by organising visits to buyers before and after the trade fair to learn more about their needs and preferences to keep improving the product. Clients more and more

need smaller volumes per variety or colour, which implicates a need for different packaging in smaller boxes. In terms of quality of the flowers, RFH has supported the companies with quality control upon arrival, giving feedback through reports and pictures so that they can correct mistakes and improve the presentation of their product.

So far buyers are positive about the availability of tropical flowers on this platform. A buyer from Czech Republic recently said “we check FloraMondo every day looking for heliconias. We bought from Artropica and their product arrived this morning – the quality is awesome”. Another buyer from the Netherlands noted that “the platform enables me to buy really fresh and more exclusive flowers such as heliconia and ginger. Only once the flowers have been ordered are they harvested and a week later I have them in my storage! Transport from nursery to airport and then to the Netherlands is extremely fast. I receive the flowers in a box that is suitable for our logistics flows and each box is filled with the number we specified. This allows us to offer our buyers lovely products in quantities they will find interesting.”

CBI trusts that companies will continue increasing their exports to Europe, one of the ways being through e-commerce selling directly to their buyers. CBI will continue to support Artropica and Inversiones Napy in these efforts and look for possibilities to work with RFH on connecting them with interested buyers.

Q10: Lessons learnt

The companies used to work with Free-On-Board (FOB) sales so it was challenging for them to calculate the new prices which cover all costs to get the product to its destination. Now that they know how to do this, they are managing this well.

Another challenge is to change the mind-set of the Dutch / European buyers who are connected to the FloraMondo platform. Buyers usually filter offers for next day delivery, but part of the Colombian flower offer only shows when the delivery is set for 7-8 days from the day of the order. Buyers who bought from the tropical flower companies in Colombia are now aware of this and look now for the right delivery days in the system. For new buyers this remains something to work on. However when a company, like Artropica, also has fixed orders or sells through the auction clock, they can include some boxes to offer on FloraMondo for next day delivery within their weekly dispatches.
