

## Company Profile: Mercado Electronico

Mercado Electronico (ME) specializes in business-to-business (B2B) e-commerce solutions, with a strong network of buyers and suppliers utilizing the powerful combination of technology and services. Mercado Electronico (ME) software provides a platform that allows buyers and sellers to negotiate products and/or services. The platform provides specific procurement tools, such as supplier registration, auction process atomization, price screening, supplier comparison, among others. These tools help ME clients enhance the transparency and diligence of their procurement process. ME's typical clients are multi-national corporations with a complex procurement process, such as Saint-Gobain, PepsiCo, Bosch and others.

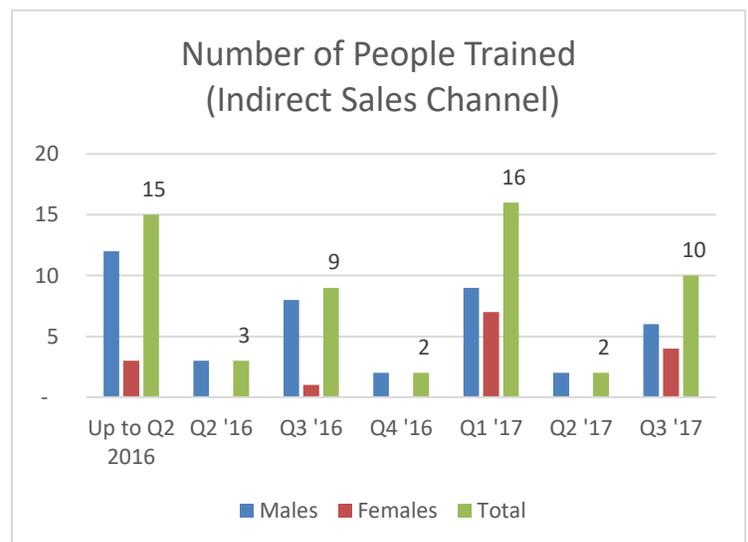
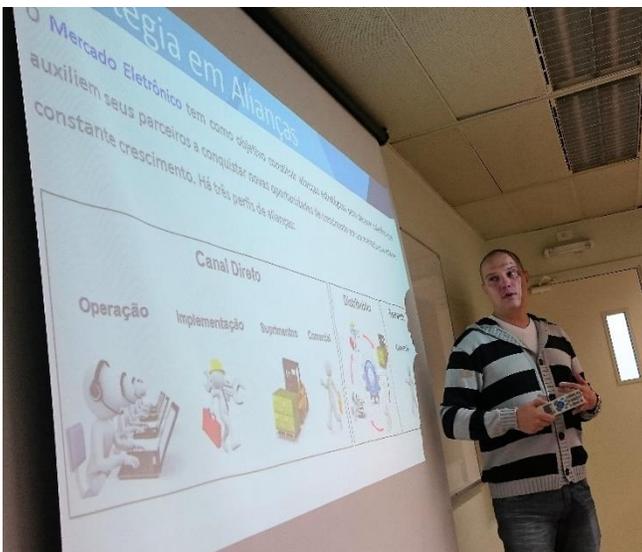
## The Challenge

ME solution provides the tools to address this during the whole procurement process. However, ME cannot reach a wide range of companies as its commercial structure is too small to spread its solution throughout the country. In addition, as the company is a family-oriented company with one main shareholder, many of the skills necessary to remain competitive over the short and long term must be generated in house. The two main areas that ME wants to improve are: 1) Building governance skills for senior managers, and 2) Diversifying sales channels, specifically focusing on indirect sales and reaching small and medium size businesses.

## The Sustainability Innovation Grant

In October 2015, Mercado Electronico was awarded a \$60,000 CAD Sustainability Innovation Grant (SIG) from Global Affairs Canada and managed by Mennonite Economic Development Associates (MEDA), with Mercado Electronico contributing \$120,000 CAD. The grant contributed to the implementation of board member and senior management governance trainings and the expansion of indirect sales channel to reach the smaller customer.

Throughout the implementation period, ME solely focused on the expansion of the indirect sales channels as they found this is a very effective avenue for revenue diversification. Mercado Electronico trained four of their employees to be indirect sales coaches to train sales representatives at other companies or independent consultants (referred to as indirect sales channels) on the procurement platform. In total, 30 males and 12 females (see below) across many different organizations were coached on how to sell the procurement platform to their clients throughout the implementation period (Q2 '16 - Q3 '17). There is now a total of 57 sales representatives across 31 different sales channels. Additionally, with every sale that is made, a portion of the profit will be distributed to the indirect sales representative's organization or to the



## SIG Impact

### Expanded Relationships with Business Partners

Not only did ME focus on coaching other organizations, they also focused on individuals such as self-employed people. These individuals might not need to use ME procurement tools for their own work but might have a client base that could benefit from this type of product. ME saw this as an opportunity to expand their relationship with certain sales representatives and attend client meetings alongside with the sales representative. This strengthened their relationship with their business partners.

“Most of my 32 clients are prospects for ME. I schedule meetings with the clients with whom I’ve built great rapport, relationships, and reliability throughout the years. Once the meetings are scheduled, I notify ME to come with me. I see this as a win-win scenario as I am offering a value add in meetings.”

- Bianca Wittman, Self-employed.



### Increased Client Knowledge of Procurement Process

Sales representatives have indicated that by being trained by a coach on sales, they have also been able to increase their own knowledge of how to use the platform for their own procurement process. One client, who is also now a sales representative, indicated that the platform has systematically supported them to meet the demands of their customers, creating 41 business opportunities with almost \$5 million BRL (over \$1.9m CAD) worth of possibilities.

“The knowledge of the management of sales channels has systematically supported us to meet the demands of customers in Minas Gerais. We have adopted weekly guidelines and reports on the sales aspects of ME and now we have 41 business opportunities in the pipeline, which is almost \$5m BRL worth of possibilities.”

– Rogue Eduardo Roacha De Almeida, Client & Sales Representative

## Sustainability

Mercado Electronico will continue to expand their indirect sales channels through coaching new sales representatives on different aspects of their procurement platform. This project has contributed to the Sustainable Development Goal 8 of ‘Decent Work and Economic Growth.’

**8** DECENT WORK AND  
ECONOMIC GROWTH



## Lessons Learned

Mercado Electronico’s biggest lesson learned was that when there is employee turnover, certain systems need to be in place to ensure continuity. The original project lead for this initiative transitioned from the organization, leaving no guidance on the implementation of this project to other staff. This created great difficulties in executing the deliverables of the project. These difficulties were overcome by getting two key employees to take over the implementation process and define a narrower scope given the time remaining.

