



# Christmas Supply Chains and Ecommerce

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November 25, 2021



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## Introduction

Every year many businesses, especially MSMEs, become overwhelmed by the demand that comes with Christmas Holidays. As we continue to fight the COVID-19 pandemic by reducing in-person interaction, many businesses will need an online component to meet the demand this year.

This week's memo will help you understand some of the systems and processes that an entrepreneur can put in place to bring their virtual marketplace to life and handle the Christmas Rush.

## E-commerce - What is E-commerce?

E-commerce —Electronic Commerce — is simply a way for people to purchase products and services over the Internet. An eCommerce store is essentially an online shop.

## Why open an e-Commerce store?

- Barriers to entry and cost of acquiring a traditional brick and mortar;
- Location is not a factor;
- Reduced or no staff costs;
- In some cases you may not even need to buy all your stock upfront — many eCommerce stores only purchase stock after they have made a sale, completely minimizing their risk. This is called a drop-shipping business model. For example, if you sell sauces, you could wait until you have “sold” a sauce before purchasing from the distributor.



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## Critical considerations before you get started

1. Is your business registered with a Tax Registration Number (TRN) and proof of certification from the Companies Office of Jamaica?
  - a. Your business will need to be registered to facilitate you acquiring a business TRN and Proof of Certification, as these are prerequisites for setting up a payment gateway (online payment) on most secure platforms.
  - b. A payment gateway is a merchant service used to authorize and process your customers' electronic transactions or payments.  
Examples: Fygaro, Paypal, Stripe.
2. Do you have a local bank account in Jamaican dollars?
3. Is the majority of your customer base banked or unbanked?
4. Do the majority of your customers have and use a credit card or debit card with online payment capabilities?
5. Do you have an inventory management system that tracks what inventory you have in stock, what has been sold, and what has been ordered? It is critical when doing online sales that you know what is available to prevent selling stock that is not available.

## Steps to set up E-commerce for your business

1. Register your business/company  
Most platforms will require a Proof of Certification and a Tax Registration Number (TRN) in order to conduct business. Moreover, to protect and secure your business, products, and intellectual property from online fraud, registering your business is a legal and credible way to verify that it is your business and you are the owner.



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## Steps to set up E-commerce for your business (cont'd)

### 2. Understand Tax Requirements and Implications for Tax Compliance

Ensure that you are clear on the local tax requirements for your business, especially when using North American platforms which typically have tax reporting or payment implications for using their gateways. Taxes typically depend on the platform/delivery/shipping agency used and are usually on imports. Check to clarify fees and costs of imports and exports.

### 3. Open a Bank Account for your business

Open a bank account that supports First Atlantic Commerce (FAC). FAC is a leading provider of secure and robust Internet Payment solutions, offering a range of services that include multi-currency, real-time credit card and debit card processing as well as online customer authentication and other fraud management services. The following banks support FAC: National Commercial Bank (NCB), Sagicor, Scotiabank, First Global Bank (FGB), and FirstCaribbean International Bank (CIBC).

- There is a fee for using FAC which varies depending on your bank. Contact the banks to discuss and understand any fees involved.

### 4. Assess your customers' "paying power"

Your customers' "paying power" reflects their ability to purchase products online. This will affect your sales, so it is important to build your e-commerce website such that it is able to accommodate your customers.

- Are your customers mostly banked or unbanked? - This will affect how the pay online



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## Steps to set up E-commerce for your business (cont'd)

- Do your customers use credit cards or debit cards? - This will guide you on the payment options/methods to offer on your e-commerce website. i.e. Mastercard, Visa Card, PayPal, etc.

### 5. Build your E-commerce website

Build a website with a payment gateway. Consider the right platform:

- Done For You Platforms - These are more or less ready to go with minimal customization required.
  - i. Wix website templates/e-commerce features
  - ii. Amazon
- Done With You Platforms - These require you to actually change things within the platform to get it to a useable state.
  - i. Shopify - offers a full e-commerce and hosting solution for a monthly fee.
  - ii. Strikingly, Kajabi, or Teachable - online courses and coaching
  - iii. Fygaro
  - iv. Squarespace
- Do It Yourself Platforms (or hire out to an expert) - These can be used to build your own custom website from scratch.
  - i. Wordpress with plugins
  - ii. Google Site with plugins

Note: On eBay, you can sell directly out of Jamaica as a Jamaican right away.

### Tips:

- Ensure that it is aligned with your brand and showcases your products well.
- The Homepage should feature your more popular items that will draw your customers in.



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## Tips (cont'd):

- Ensure that it is aligned with your brand and showcases your products well.
- The Homepage should feature your more popular items that will draw your customers in.
- The website should be easy to navigate to allow browsing, product selection, and purchasing.
- Before you go live with the website, make sure that in addition to internal quality assessment, you have friends or colleagues actually search for products and purchase using the website to ensure that everything is in order.

## 6. Consider your “fulfillment plan” (to fulfill orders) and make a delivery & returns plan and policy

### Note:

- International delivery in most cases is possible but returns are complicated. Returns are not recommended because the cost to return packages to Jamaica can be quite high.
- There are no flat rate options when shipping from Jamaica. The most cost efficient option for delivery is the Express Mail Service or EMS through the Jamaica Post. They partner with major shipping companies in North America and Europe. Delivery typically takes 3-4 days.

## **Fulfilling Orders, Shipping, Delivery, and Understanding Costs**

- For larger shipments, DHL, FedEx, and Rocketship are good options.
- How do you manage returns when fulfilling from Jamaica?
  - You can use fulfillment service provider or prep centers which are warehouses that prepare packages for you. If you are selling on Amazon, they have their own fulfillment service.



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## Fulfilling Orders, Shipping, Delivery, and Understanding Costs

- Are Jamaican businesses charged customs/duty when shipping wholesale products to warehouses in the US?
  - Charges depend on the item. The duty varies by item, which can be checked at FDA.gov. DHL or FedEx also provides the costs of all duties ahead of time. Their respective websites should provide guidance.
  - The biggest danger is not know your numbers. If you do not know all the costs upfront, you can end up in a situation where you send your products overseas and pay more than you earn. Ensure that you educate yourself on all the required fees and costs associated with shipping, clearing, and packaging BEFORE you sell your product.
- To get export ready, you must:
  - Have the required labels with ingredients, package descriptions, etc.;
  - Have a UPC (Universal Product Code) for each product, which is a standard barcode;
  - Be registered with the relevant local bureau or regulatory body such as JAMPRO or the Bureau of Standards if you manufacture your own product. If you are simply re-selling an existing product, this does not apply to you

## 7. Select your method of product manufacturing and delivery

There are two ways to sell a product. Either you are manufacturing it yourself (managing the production and packaging locally or internationally) or operating via drop shipping (partnering with a third party that handles the production, packaging, and distribution for you overseas).



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7. Select your method of product manufacturing and delivery (cont'd)
- Manufacturing and managing operations yourself - This refers to self fulfilment where you would handle most of the work: creating products, packaging, inventory management, delivery, etc.
  - Drop shipping - This means that you do not have to create, package, store, or ship your products yourself. Your partner with an overseas third-party provider that provides and conducts these services on behalf of or for your business. Examples include Oberlo, Contrado, Printify, Printful, Teespring, Redbubble, etc.

It is important to assess which route is best for you. Also, consider which drop-shipping company would work best for your business if you take that route, as often times there are fees or policies when signing up with one. Some may produce the item and complete delivery and packaging for you, but they receive the payment made directly by the customer and deduct a commission to pay you separately, depending on the sale and setup.

The cost to produce and fulfill orders entirely yourself vs. drop-shipping depends on your business and the products you are selling. Drop-shipping may usually be cheaper and more convenient, but you have less control over your products, the overall process, and your profits, while fulfilling orders yourself gives you more control over the process and the money you earn.

8. Digital Marketing - Drive traffic to your e-commerce website and grow your customer base via digital marketing
- Make sure you know your target market. What is their gender? Age? Interests? Income? Location?
  - Create graphic or video ads that will appeal to them. Consider your marketing budget and run ads with “call to action” to visit your website and shop.



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## 8. Digital Marketing - Drive traffic to your e-commerce website and grow your customer base via digital marketing (cont'd)

- Consider social media platforms to create a page for your business. Examples:
  - i. Facebook - Recommended for all types of businesses. Run ads, connect with the billions of users on the platform, reach your target audience easily and share posts with images and videos.
  - ii. Instagram - Recommended for most to all e-commerce businesses. It is great for the SME that is selling something that “looks good” ex. a clothing store, flower shop, restaurants, etc.. Use Instagram to promote your online store by providing a link in your store Bio that can take customers to a landing page where they can purchase your products or sign up for special deals.
  - iii. Google My Business - Ideal for businesses with a physical location or for those who want to share contact information publicly (telephone, opening hours, etc.). If you register for this free service, your business is placed on Google maps so persons can easily find it.
  - iv. Whatsapp - Great for all businesses to leverage a contact list and communicate with customers directly via Whatsapp for Business. It acts as a convenient chat box but is also perfect for sharing product information and links to directly sell to customers individually at your fingertips.



# Resources



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## List of countries authorized to sell on Amazon

- [https://sellercentral.amazon.com/gp/help/external/200405020?language=en-US&ref=mpbc\\_200417280\\_cont\\_200405020](https://sellercentral.amazon.com/gp/help/external/200405020?language=en-US&ref=mpbc_200417280_cont_200405020)

## The Complete Beginner's Guide to E-Commerce

- <https://prospress.com/beginners-guide-to-ecommerce/>

## How To Add Your Business To Google Maps

- <https://thrivehive.com/add-your-business-to-google-maps/>

## Best E-commerce Fulfillment Options and Companies for Storing & Shipping Your Products

- <https://www.codeinwp.com/blog/best-ecommerce-fulfillment/>

## E-commerce Overview: A Beginner's Guide

- <https://www.youtube.com/watch?v=DD5nfsiAFLk>