Final Report

Rural Market Place

EFRO No. 96 00 29 069 ABD
ARINCO No. 96 EU 16 969
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## 1. Project Identification

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<th>RMP</th>
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<tr>
<td>Title:</td>
<td>Rural Market Place</td>
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<tr>
<td>Registration:</td>
<td>EFRO No. 96 00 29 069 ABD, ARINCO No. 96 EU 16 969</td>
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<tr>
<td>Programme:</td>
<td>European program for inter-regional co-operation and regional economic innovation article 10 of the ERDF regulation 1 innovative regional and local measures</td>
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| Project leader: | Amt der Vorarlberger Landesregierung  
Mr. Walter VÖGEL  
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A-6901 Bregenz, Austria  
email: walter.voegel@vlr.gv.at |
| Project Co-ordinator: | Mr. Bernard BATTAGLIN  
Hof 4, A-6861 Alberschwende, Austria  
Email: bernard.battaglin@telesis.at, bhbattaglin@abcg.com |
| Project partners: | Land Vorarlberg, Austria  
Objective 5b  
Conseil Régional de Rhône-Alpes, France  
Objective 5b  
Region of Western Greece, Greece  
Objective 1  
Asodeco, El Condado, Spain  
Objective 1 |
1.1 Summary of objectives

1.1.1 Overall Objective

Through implementation of an electronic market place for small businesses along the value creation chain with links to large scale distributors and large consumers, RMP is intended to increase the competitiveness of and enhance the viability of small businesses in rural areas. As a result it is expected to contribute to employment maintenance and growth.

The regional network is intended to support regional supply (marketing) while interregional interlinking should improve access to international markets for the marketing of regional speciality products.

1.1.2 Regional Objectives

RMP was primarily a regional development project. As such, the objectives of rmp coincided with regional development goals of each of the regions. The projects steering committee met at the beginning of the project and established a set of goals which was used by the consortium to guide the project planning. While each region has somewhat different goals depending on the specifics of their regional situation all are unified under the overall objective of using electronic commerce tools to facilitate the creation and maintenance of markets for regional speciality products.

Austria

- Higher commercial values for products from the region
- Transfer of know-how between project users/partners
- Build links to other 5B and Leader projects in the region

France

- Facilitate product information dissemination high quality products (clear specifications for products on RMP server) inside and outside of region. Interregional: Common basis and data exchange for product information essential.
- Create a system which is compatible with existing tools in the region. Minitel will be only an intermediary tool between users (without computer) and RMP server.
- Make a phased implementation. Small user benefits will become regional benefits only in the long term (5 years) by enlarging the system to the whole regional products (not only bio products).

Greece

- Improvement of the access to old and new markets using technologies, which are not available to the rural areas up to now. This will result to an improvement of sales programmes well into the future (e.g. agro-tourism).
Enable producers to negotiate better prices in different markets. This is a major advantage for specific products i.e. tobacco, where the whole of production is sold but not in a satisfactory price.

Build links to other objectives 1 and 5B and Leader projects in the region. Greece, as whole, consists of objective 1 areas.

The Region’s authorities consider that the expected results are not going to be spectacular during the implementation phase. However, small user benefits are expected to encourage new users to join the RMP system after the pilot phase.

Spain

Increase amount of high quality olive oil sales in bottles. Demonstrate techniques for other users.

Provide sales, management, training and information tool to small businesses in the pottery industry.

Use rmp as demonstration of modern technology to overcome regional isolation. Link project to training efforts in the region.
1.2 Outline of work programme

<table>
<thead>
<tr>
<th>WP 1 Project Definition Phase: 6 Months – March 1997-August 1997</th>
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<tbody>
<tr>
<td><strong>OBJECTIVE</strong></td>
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<tr>
<td>1.0 Project preparation</td>
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<tr>
<td>1.1 Identification of present situation and user needs</td>
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<td>1.2 Global Feasibility</td>
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<td>1.3 Project planning and description</td>
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<th>WP 2 Design and development: 13 months – December 1997 – January 1999</th>
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<tr>
<td><strong>OBJECTIVE</strong></td>
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<tr>
<td>2.1 Definition of the business system</td>
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<td>2.2 Detailed user requirements</td>
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<td>2.3 Changes/benefits, risks due to IT-application</td>
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<td>2.4 Requirements specification, pre-selection (DB, interfaces) and evaluation basis</td>
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<td>2.5 Cost identification</td>
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<td>2.6 Elaboration of feasibility study</td>
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<td>2.7 Planning of pilot application</td>
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<td>2.8 System Design</td>
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<th>WP 3 System development</th>
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<tr>
<td><strong>OBJECTIVE</strong></td>
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<tr>
<td>3.1 System Implementation</td>
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<td>3.2 Testing and Demonstration of Infrastructure</td>
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<tr>
<td>OBJECTIVE</td>
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<tr>
<td><strong>WP 4 Preparation of the pilot application – 6 months June 1998-December 1998</strong></td>
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4.1. Detailed planning of the application
- Insure smooth and effective implementation of the pilot within each region.

4.2. Elaboration of user training program
- Development of specific user and partner training programs within each region.

4.3. Co-operation work
- Insure and facilitate effective regional and interregional co-operation as well as information and know-how exchange.

4.4. Database content development and pilot system configuration
- Production, design and input of appropriate data for use in the rmp pilot system.

4.5. Training of users
- Insure that users are adequately trained to participate effectively in pilot activities.

| **WP 5 Pilot operation – 17 months – January 1999 – May 2000 - ongoing** |

5.1. Operation of pilot application
- Roll out and run the pilot application.

5.2. Evaluation of pilot application and marketing concept
- Ongoing evaluation of pilot application and development of rmp pilot expansion concepts.

5.3. User assistance
- Provide user support before and during pilot operation


6.1. National Co-ordination
- Effectively run and manage the rmp project at the national level.

6.2. Technical Co-ordination
- Effectively run and manage the rmp project.

6.3. International Co-ordination
- Effectively run and manage the rmp project at the international level.

6.4. External evaluation
- Consult to and aid the technical development. Insure technical team work quality.

6.5. Steering Committee
- Provide direction and support for project. Interface with appropriate regional political organisations.
2. Project implementation period

<table>
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<tr>
<th>Description</th>
<th>Date</th>
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<tbody>
<tr>
<td>Start date according to notification of Community funding</td>
<td>1 March 1997</td>
</tr>
<tr>
<td>Actual start date</td>
<td>31 March 1997</td>
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<tr>
<td>Project completion date</td>
<td>30 June 2000</td>
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</table>
3. Partnership dynamics

3.1 Outline of organisation of initial partnership and changes during project: description and qualitative evaluation;

The diagram above depicts the organisational structure of the rmp project. The project was organised as four equal partners with political, management and technical sub-organisations. Political representation from the four partner regions occurred through the steering committee. The political representatives were chiefly responsible for regional financing and setting of project strategic directions so as to meet with regional development policies. At the operational level, Austrian, French and Spanish partners sub-contracted project activities to SMEs who executed the project through national co-ordinators. Greece assigned a national co-ordinator from the regional government. These national co-ordinators were responsible for project work, financial control and sub-contracting. A neutral international co-ordinator moderated the four national co-ordinators on the management board. Technical partners were either sub-contractors or associated partners according to regional requirements.

The rmp consortium remained quite stable during the project. Three notable changes were the replacement of the French technical partner following the Definition Phase of the project, the removal of the international technical co-ordinator position in November 1998, and the shifting of project co-ordination and technical activities to ASODECO in Spain near the end of the project.

In retrospect the removal of the technical co-ordinator was in retrospect not a positive move for the consortium. Although regional technical development was unhampered by this decision it is the opinion of the international co-ordinator that better technical exchange could have been achieved in the project with a strong, experienced and neutral technical co-ordinator.

The replacement of the French technical partner was very positive for the French region and for the project. The experience, capabilities and working methods of the new partner
were superior to that of the original partner. ASODECO’s assumption of co-ordination responsibilities will also likely be in the best interests of the project. The person responsible at ASODECO was previously involved in the project in the SME and so his transfer to ASODECO is an effective means of transferring project know-how from the SME (headquartered in Madrid) to the region. In addition since ASODECO is a political organisation concerned with regional development, it can be expected that rpm actions will closely match user and regional development requirements in the future.

3.2 Steering methods and relationship between ‘politicians’ and ‘technicians’: description and evaluation

Each region in the project had a somewhat different organisation. These structures were believed to be well adapted to the regional political and business structures. It is useful to see the different organisations because the effectiveness of implementing a project like rpm depends in part on these structures. In the view of the inter-regional co-ordinator structures in which users were directly involved with project management were the most effective for ensuring the needs of the regional users. This is chiefly because the users were directly involved in the decision making boards at both the steering and co-ordination levels. In this way users needs and concerns more directly impacted the working of the regional consortium. When users are not directly involved in the decision making process, solutions are typically created which represent a synthesis of user requirements which can often be strongly biased by the person or organisation doing the synthesis. That said it should be noted that all regions created enduring structures and alliances which will outlast the rpm pilot project itself.

3.2.1 Austria

During the pilot project, the actions of four different groups (technical staff, users, political members and co-ordinators), worked together in the rpm project. This co-operation is described and evaluated under three headings.

a) Roll
b) Working procedures
c) Evaluation of the co-operation

(A) ROLL

In the national part of the project for Vorarlberg, we can find 4 types people or groups participating in the project.

These are:
- Technical Staff
- Users
- Public members
- Co-ordinators

Technical Staff

The job of the technicians was, on the one hand, to press ahead with the development of the instruments, and on the other hand to initiate and supervise the pilot application.
For the supervision of the pilot application there were, at times, up to 10 people involved. These people worked closely together with the users on the requirements of the application. The development technicians worked closely with the University of Ulm, where a constant exchange of information was organised between the two technical groups. Besides the classic exchange of information through Internet, there were also regular meetings, where individual problems were discussed. To facilitate information exchange, the technicians opened their own chat room, forum and on-line bug reporting system. All bugs that were found during the development phase are therefore registered in a data bank. The technical staff people are listed on the homepage www.rmp.at under: contacts, rmp support.

**Users**

The user group in the Vorarlberg region has constantly grown. This desirable in the pilot because it was increasing evident that many businesses were needed to take part in the pilot application in order to acquire effective requirements and comments from a broad group. In addition to the original regional users, the circle of participants was purposely expanded to include the rest of Austria as well as specific targets in Germany and Italy.

After being trained and informed about rmp, the users were invited to use the pilot application with the technicians. In this phase the main contact was between the user and the technicians.

In Vorarlberg, a user group formed which met regularly, of their own incentive, in order to discuss problems and pass them on to the technicians in a concentrated form. At this point, a positive comment would be that this group took the initiative in innovations and marketing activities over and above the project. In the pilot phase there were about forty users participating directly with Vorarlberg.

**Public members**

In Vorarlberg, Mr. Walter Vögel is the representative for regional development and at the same time he is the chair person of the Steering Committee Board. He was informed of activities through the co-ordinators. All inter-regional decisions were approved or recorded by the Steering Committee. Mr. Vögel communicated all the concerns of rmp to the decision makers in the state, especially when the talk was about organising co-financing through public funds. The area the pilot application region in Vorarlberg was chiefly concerned with was the Bregenzerwald. The decision makers in this region met in local action groups. The regional co-ordinator made regular reports about the status of the project, at least once every 2 months, at the local action group meetings.

**Co-ordinators**

The co-ordination of the project on a regional and inter-regional level was taken over by the company, Telesis. Telesis took a clear roll in the form of personal participation, in conjunction with the national and international tasks. The job of the co-ordinator, on a regional level, was to guarantee the interactivities of the various groups and the administration of all relevant project matters.

**(B) WORKING PROCEDURES**
Through the working together of the groups with the users, regular meetings between the technicians and the co-ordinators were organised with the goal to convey information as well as knowledge, for training and for the periodical exchange of experiences. During the investigative phase, technicians and co-ordinators carried out individual workshops with users and user groups. In the pilot application phase, users were coached individually, sometimes on location but mostly through Internet and in combination with telephone and multimedia. Regular meetings were held with the political decision-makers as mentioned above. The last phase of the project was concentrated on the transnational exploitation as well as on the establishment of a transnational institution for further development of rmp.

(C) EVALUATION OF THE CO-OPERATION

Through the close working together of the technicians and the users, not only was an exchange of knowledge exchanged, but also personal relationships were developed. Contact between the political decision-makers and the co-ordinators continues on a regular basis. A meeting takes place at least once a month for this reason. Most of the SMEs involved would like a continuation of the work in a practical sense, and are in the process of organising themselves. (see point concerning Technical Staff)

3.2.2 France

(A) DESCRIPTION

During the pilot project, the actions of 5 different intervening parties (users, partners, technicians, co-ordinator and politicians), spread over a large territory (Rhône Alpes Region to Nantes) and from diverse professional backgrounds including agriculture, distribution and New Technologies of Information and Communication (NTIC) firms were co-ordinated. From the beginning, it has been important to set and maintain an operating method which means:

- To define the role of each participant,
- To create the modes of actions,
- To ensure the dissemination of information.

(B) A ROLE FOR EACH INTERVENING PARTY

Five types of intervening parties can be grouped as a function of their role in the project:

**Users**

i.e. non-profit organizations of "bio" producers/processors/distributors (ADAB/CORABIO/BIOCOOP), producers and retailers belonging to the network of these non-profit organizations. Their part was to express their needs and to work on the implementation of solutions with the technicians within their businesses.

**Project partners**

consisting of ADAB, CORABIO, BIOCOOP, CAP GEMINI, France TELECOM, CER74 and the Rhône Alpes Region whose part it was to sustain the user's and technician's actions with the goal of perpetuating the project and managing it in an administrative way.
NTIC technicians:
CAP GEMINI and France TELECOM whose role was to help the users in expressing their needs and implementing appropriate technical solutions for them.

Politicians
i.e. the Rhône Alpes Region: which provided financial support and insurance for coherence with regional development policy in "bio" area.

Co-ordinator:
CER74, whose role was to animate and co-ordinate the activities. CER was the "turn-table" of information and punctually, it has supported the users in specific actions. Finally, it assumes the administrative management and co-ordination with the projects inter-regional partners.

(C) MODE OF ACTIONS

Formalised working groups
In order that each intervening party could play its role in the project, we defined three types of working groups: technical, co-ordination and steering committee (see chart below with respective roles and composition).
Each group's composition, particularly the technical one, is based on the first principle of RMP: to be very close to the users' needs.
We can see that each intervening party is part of the other groups, directly or indirectly and that has contributed to reinforce the common interest among all groups.
Parts and composition of working group

<table>
<thead>
<tr>
<th>Technical group</th>
<th>Coordination group</th>
<th>Steering committee</th>
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<tr>
<td><strong>Role</strong> :</td>
<td><strong>Role</strong> :</td>
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<td>validate the</td>
<td>support, coordinate</td>
<td>decide general</td>
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<td>users needs</td>
<td>the partners actions,</td>
<td>directions and</td>
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<td>Professionals</td>
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<td>organizations)</td>
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<td>MARGEOLET</td>
<td>organizations :</td>
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<td>CAP GEMINI : Eric</td>
<td>ADAB : Denis</td>
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<td>DELALONDE</td>
<td>GERMAIN, president</td>
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<td>CER74 : Sophie</td>
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<td>LALLEMENT as</td>
<td>ADAB board :</td>
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<td>moderator</td>
<td>BIOCOOP : Eric</td>
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<td>president of BIOCOOP</td>
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<td>RA. CER74: Laurent</td>
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<td>BAR-RAS, president</td>
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<td>France TELECOM:</td>
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<td>Jean-Pierre DEVIN</td>
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<td>Région Rhône Alpes:</td>
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<td>Marc NOAILLY</td>
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Work support: physical meetings, conferences and the Internet

These working groups had more than 30 meetings in Lyon, Chambéry, Grenoble, Annecy, Aix les Bains, Valence and Avignon during the course of the project. Some of these meeting were done by telephone conferences or via the Internet using the software Net Meeting. Technical meetings took place generally at users' homes or offices.

The co-ordinator submitted for each meeting an agenda and a protocol to the participants via Email.

Decision mode : based on consensus, if a consensus could not be reached, then vote with 3/4 majority.
Spreading information and communication

- **A relay partner for communication with the co-ordinator**

In order to ensure a good information transmission (the correct/useful information to the right people in a timely manor); a unique interlocutor was chosen for each partner. This relay was in charge of transmitting information coming from its own organisation to the regional co-ordinator and vis-versa. The regional co-ordinator served as the"turntable" of information.

Partner relays:
- ADAB : Jean-Noël ROYBON then France BUISSONNET
- BIOCOOP : Magali MARGEOLET
- CAP GEMINI : Eric DELALONDE
- France TELECOM : Jean-Pierre DEVIN
- Région Rhône Alpes : Marc NOAILLY
- CER74 : Sophie LALLEMENT

Email has been the preferred tool for transmitting messages as well for the exchange and dissemination of agendas, protocols, working documents and information.

**Evaluation**

- **Relationships between partners**

As the roles of each intervening party was clearly defined as well as the working methods, RMP activities took place in an effective and harmonious way. Every decision made during the project has been made based on consensus!

The use of Internet has facilitated the spreading of information in terms of quality and timeliness. It would have been difficult to do the same work without this tool taking in count the geographical distance between the partners. However, physical meetings were necessary to maintain the dynamic of the group around a common project.

The inter-regional project language (English) has been an important barrier to the spreading of information from the inter-regional level to the French partners. Oral and written summaries were done regularly although translation of all documents was not possible.

- **Relationships with Rhône Alpes Region**

The Rhône Alpes Region has followed the project continually through its participation in the French steering Committee and its participation in inter-national steering committee meetings. It has ensured the coherence between RMP actions and its own regional policy, particularly in the organic food chain area. However, the Region has wished not to be involved directly in work realisation and daily actions because, as with any other project it supports and finances, it considers that operations are up to the users.

The Region has delegated the co-ordination of RMP to the CER74 considering its experience with rural SMEs and its suitability to this function. It has insisted that the partners be free considering its role as a catalyst thanks to its financial support.

Through the RMP project, project participants have strengthened their ties with the regional government. After the project's definition phase, users and partners involved in RMP, met political people of the Rhône Alpes Region (1 vice president of the "Conseil Régional" and 7 members of the "Développement rural et Agriculture" commission) in
order to present and argue for themselves regarding their pilot project. In another way, Marc NOAILLY has asked users to present RMP results to a "Développement Rurale and Agriculture" commission session.

The Rhône Alpes Region used the RMP experience as a model so as to implement new financial supports to agriculture and food companies in the area of new information technology implementation (FRAC meeting, Lyon, 6/7/99).

Finally, Marc NOAILLY has expressed the Region's wishes to continue to support new actions by project participants implemented in conjunction with RMP and other new information technologies. These actions will extend into new areas of interest for regional development (environment, training and databases).

### 3.2.3 Greece

In the Region of Western Greece, by decision of its General Secretary, who is the head of the Region appointed by the national government, a Follow-up Committee for the RMP project was established. Members of the Committee, that is presided by the General Director of the Region of Western Greece (2nd in rank in the Region), are the following:

1. A.C.U. of Kalavryta
2. A.C.U. of Messolonghi
3. A.C.U. of Patras
4. Skiing Centre of Kalavryta
5. Achaia S.A.
6. Knowledge S.A.
7. University of Patras.

Co-ordinator of the programme is the Region of Western Greece, which runs the programme everyday and is responsible for the financial management, as well. This means, among other things, that the Region has the responsibility of co-ordinating the users and the technical advisors, solving the problems that may arise communicating with the inter-regional co-ordinator and the other partners of the project and managing and administrating all financial matters.

Participating in the project was a great experience for everybody involved. It brought people working in different sectors and having different levels of experience in working in E.U. projects together. Politicians had to take decisions on several matters and convey them to the "technicians" as well as to the technical staff. The Political leaders also had to get familiar with the electronic commerce, learn how could they can take advantage of it and restructure their politics accordingly.

"Technicians" on the other hand had to understand the new policies of the organisations and help the technical people to materialise them.

All these procedures took a lot of time and energy from everybody. However the results were encouraging.

The Greek team managed to work together and to overcome any arising problems. There were no "leaks" either on behalf of the technical team or on behalf of the users. The team stayed together and faced all the challenges with a positive attitude in equal terms.
On the whole RMP was a creative experience, valuable to everybody. This is one of the main reasons why all partners and in all levels agreed to continue their cooperation in the future.

3.2.4 Spain

During the realisation of the RMP project our efforts were not only focused on the implementation of a electronic commerce application via Internet, but especially in setting the project RMP as a starting point of a much longer and more ambitious process. We had to be able to change the mentality of the entrepreneurs and managers of companies in the region, to make them see that it is as important to market products of quality in an efficient and attractive way as to produce them. They had to learn to open up to new markets and to adapt to them, and that to change the way in which had been working at the beginning of the project. For all these things they needed to modernise their commercial structure. This meant developing new presentations, new packaging and formats. It meant making publicity concerning their products and services, creating brochures and catalogues as well as participating in fairs and shows. It meant creating associations of producers, and associating with other producers to participate in projects of quality marks and origin denomination brands. It meant trying to enlarge their traditional business areas to others at regional, national or international level.

We wished to convince them (which means show them) that their participation in the RMP project and the introduction of the new telecommunication technologies in the daily administration of their business would not only improve their administration but would also open new possibilities for their businesses. In order to be able to take advantage of these opportunities they would have to change their way of doing business, they would have to invest in computer infrastructure, and create or/and modernise their commercial structure.

For olive oil producers, as an example, (a key sector in the economy and in the socio-economic development of the area) this means that they should begin to bottle their olive oil directly using new containers and new formats. This will enable them to sell their products outside of the region, directly to the consumer and not on bulk to department stores or intermediaries as up to now. Besides increasing the sales and the profits for their own companies, the added value of the production would be returned to the area.

The organisation and management of the project was focused on these objectives. We sought to include all the productive sectors of the area and to reach to the highest number of companies as possible. Probably, some of them at the end of the project, would not be prepared to carry out electronic transactions, but thanks to the project they have computer infrastructure, training in computer tools, presence in Internet through his own web site, and a modernised commercial structure.

(A) ROLL

To reach these goals, the following committees and work groups were created at the regional level:

- Regional steering committee
- Regional co-ordination of the project
- Group of Public partners of the project
- Group of Private partners of the project.

**Regional Steering Committee**

The Regional Steering Committee is the responsible of the project at national level. All the decisions relative the project have to be approved by this committee. Their mission is assure that the objectives of the project at national level are reached. The regional co-ordination informs and consults this committee about all the activities of the project. The committee is made up of political and social representatives. Their members are:

- Sebastian Lozano, Representative of ASODECO and member of the Project Steering Committee
- Francisco Reyes, Provincial deputy, representative of the Diputación Provincial de Jaén
- A representative of each one of the 8 city councils of the Region
- Fernando Prado, Project National Co-ordinator
- Juan Luis Perez, Financial Co-ordinator
- A representative of the Unions
- A representative of the Region Entrepreneur’s Associations
- A representative of the Region Artisan’s Associations
- A representative of the Region Licensed Victuallers’ Associations
- Representatives of women's and youth’s associations

**Regional co-ordination of the project**

The regional co-ordination takes responsibility for the execution of the tasks commended by the regional and interregional Steering Committees. It manages and supervises the work of the technicians so that the results obtained are in sync with project goals and with the requirements of the national partners. The co-ordination team works closely with the project partners maintaining with all of them an individual and direct contact, mainly through individual meetings in the partners offices or companies or in the project office in Arquillos.

The team is formed by 3 people, a national co-ordinator, a financial responsible and a person in charge of press, diffusion and partner's support. The technical team is integrated inside the co-ordination team and it is formed for external personal and companies hired to carry out specific tasks. This option has been chosen to avoid the possibility that the private interests of a technological partner could interfere with the interests of the partners or with the objectives of the project.

**Public partners of the project**

Public partners are the public entities and non-profit associations that participate in the project in two ways. On one hand they are users of the project since they act as any other user and on the other hand, being non-profit entities, they support other partners and companies based in the their working area. For example, the eight city councils, are individual users of the project since they have their own Web-sites, they participated in the training courses and they have made the necessary computer investments.
to be able to participate in the project but at the same time they support and collaborate with the companies of their municipality that participate in the project.

**Private partners of the project**

The potential private partners of the project were all the companies of the district, approximately 100 small and medium companies. As of now, forty six of them participate actively in the project, almost 50% of the total, a percentage that overshoots the most optimistic calculations initially foreseen in the objectives of the project. We are extremely proud and satisfied regarding this achievement. Keeping in mind that at the beginning of the project only one company in the area had presence on the Internet and only 7 had the minimum computer equipment to participate in a project of this type. To achieve this a total of ten formation courses were delivered at different levels and in different places, starting from a basic computer usage level continuing until the handling of databases and creation and modification of pages Web. By the project end most partners are able to manage correctly the necessary computer tools to participate actively in the e-commerce economy.

**(B) WORK METHODOLOGY**

The work and project tasks have been carried out based on the participation of and in the direct contact with the users. The first measure was to consider all the users as partners of the project, with an active role in the project not simply as companies for which we designed and implemented a commerce application through the Internet.

The next measures aimed at reaching the highest number of companies as possible and to give each one of them personalised support. For that we had the help of the Local Development Agencies which consisted of the Diputación Provincial of Jaén, with the city councils, the groups of local action, and those responsible for other development projects present in the area. Fourteen of the participant companies arose starting from Now, Youthstart and Leader II grants.

The Project central office and all the management are located near to all the participant companies and from there they are advised and informed in matters and questions that many times arose during the project. The project office often seemed to be another department of the own company. Due to the special characteristics of the companies of the area, small companies, with few employees and without any personnel qualified in computer technologies the working method chosen was direct contact with countless personals meeting.

**(C) EVALUATION**

In view of the high percentages of participant companies in relation to the total number of companies in the area and considering the participation of almost all of the social agencies in our area the evaluation cannot be other than optimistic and positive. It is also necessary to highlight as effective the effort made by our entrepreneurs to be able to participate the project and the collaboration of all the social agents: Politicians, publishing institutions, and associations in particular.
3.3 Monitoring tools used by experts from Commission and EI
2000 TAO: description and qualitative evaluation.

3.3.1 Commission’s Interim Evaluation

At the end of June 1998, the project was reviewed by Professor Christopher Jensen-Butler from the Department of Economics of the University of St. Andrews at the request of the DG XVI. For this review, Professor Butler reviewed project documents, participated in a two day project management meeting and received demonstrations of the applications beginning developed for the project.

Following are (unedited in full) the “key points” of his evaluation:

- The project is about to enter into implementation of the pilot phase. This implementation has been well prepared and there are good prospects for a reasonable level of success in the pilot phase. I have a number of suggestions and recommendations for improvements in the following.
- The ability of the project to achieve critical mass after the pilot and move into self-sustaining growth is less certain. In the nature of such a project, this step involves a degree of risk. However, many of the elements which must necessarily be in place if take-off is to be successful have been created. I do, however, have some critical comments concerning this post-pilot take-off phase which should be addressed.
- The RMP project follows the RISI methodology. It is a true preparation and launch of a pluri-regional pilot application for demonstrating best practice in the regional deployment of the Information Society.
- The impact of the pilot project on regional economic development is certainly at present very limited, more so in some regions than in others. However, the longer term perspectives, given a successful take-off to self-sustaining growth are more positive as a well-developed RMP will contribute to:
  - enhancement of innovation at regional level
  - income generation in the regions
  - increasing regional competitiveness
  - whilst the effects on regional employment are more uncertain
- There is little doubt that the RMP project represents a step in the direction of making the Information Society an integral part of regional development
- There is, inevitably, risk involved with whether or not critical mass and commercial viability will be attained. Given the conduct of the project and the preparations made, it is my assessment that this is a risk worth taking. I recommend that the project continue as planned, including the financial provision.

3.3.2 RISI 2 Seminar

In addition the project recently participated in Nov 1998, in the RISI2 Seminar in Crete. At this seminar the project presented key results, methods, obstacles and “best practices” to Commission representatives, Commission experts as well as other RISI 2 projects. The rmp project was enthusiastically received at this meeting and Commission representatives from DG XVI, DG VI and AEIDL recommended to rmp’s seminar participants extension of the project into other regions.
3.3.3 DG XVI, DG XIII, DG X Workshop

The RMP project was the focus of an workshop in Brussels organised by Michael Landabasso in December 1998. The intent of this workshop was to show how regional development and information society could effectively be joined together. Representatives from several different DGs were present, and RMP was appreciated as a model for bringing making the information society a reality in rural areas.
4. PROGRESS and ACHIEVEMENTS

4.1 Presentation of actions undertaken in relation to objectives

4.1.1 Fast changing area

The Internet in general and e-commerce in particular is an economic area of unprecedented growth and change. When the rmp project was first proposed in 1996, the Internet was in its infancy and e-commerce was virtually non-existent. These changes have brought difficulties and opportunities to the rmp project.

First, the project’s initial plan called for the development of a significant amount of software development in order to create an “electronic market place”. As the project team completed its in-depth user requirements analysis, it became clear to most that options existed to the “growing our own” software solution. For this reason, most project partners decided to use emerging standard “off the shelf” solutions. While these solutions did not completely meet all requirements initially, the investments which were made by commercial players and the speed at which change occurred made it likely that requirements would be met in the near term. More importantly, future developments and software support were guaranteed for users regardless of the success or failure of the RMP consortium. In addition, resources were freed from software development which could be used for content creation.

On the other hand, development continued on the project’s internal trading module. This software still has features and capabilities which are not found in standard applications. In addition, a RMP project partner retains ownership and development control of this software, which could be an advantage if the pricing and/or features of standard solutions do not evolve to meet RMP user needs. This control also enables the creation of an RMP network expansion business model which has proven to be well accepted.

The RMP project has gained significant experience through both of these approaches. By maintaining flexibility, the consortium has provided solutions which are appropriate to the widest set of users. In addition, flexibility has allowed RMP partners to pursue business goals aligned with their capabilities and visions, thus insuring the future continuation of rmp.

4.1.2 Differing specific requirements

At the onset of the rmp project, the use of common words and diagrams appeared to indicate that user requirements in all regions were very similar and therefore a single common solution could meet all requirements. As work progressed, it became clear that this was not the case. Each region and each product group has its own unique characteristics that define its requirements. In some areas, close links between tourist or hospitality service providers and regional producers existed for many years, and rmp was intended to optimise these links. Here, logistic concerns involving specialty products produced in small quantities dominated requirements. In other areas, large amounts of production needed to be exported to very large buyers to make an economic impact. In another region, increasing production was more a concern than mar-
Marketing. While all of regions developed business to business e-commerce approaches, the results needed to be quite different.

Complicating this situation further, was the lack of knowledge and understanding of users during the early phases of the project. With no understanding of information technology tools in general, much less Internet based e-commerce, users were initially unable to judge which solutions or ideas would benefit them the most. Only with training, and practice with the tools and techniques of the information society were they able to effectively guide technical development.

The project adapted to these situations by first respecting and encouraging regionally driven specific development. Only regional teams were in a position to correctly judge user requirement and provide appropriate solutions. Second, very rapid prototyping was successful at conveying complex concepts and allowing users to experiment with technologies. These prototyping techniques effectively augmented the long specification creation process by giving users hands on experience early.

4.1.3 Market Changes

When user or regional goals called for selling either more product or products at a higher margin, it became clear that the products and markets themselves were more important than the technology used to sell them. Even given an optimal “electronic market place” most users simply did not have products that were suitable for sales through this medium. What these users need to be successful is new product, packaging and/or business concepts which will allow them to reach new markets. For other users, sales were often based on or heavily influenced by business relationships. These relationships remain difficult to establish via solely “virtual” means.

One way in which the project adapted to this situation by holding rmp user meetings. These meetings brought users from different regions together in formal and informal settings. Through these meetings, new business relationships were formed which have resulted in products being sold to new partners. In addition the meetings let users see first hand what small producers in other regions were able to due with their products in order to reach new markets. These successes in other regions acted as catalysts for initiatives at home.

In other activities product marketing and advertising specialists were retained by the project to help create new marketing ideas and product concepts.

4.2 Evaluation of results obtained in relation to expected objectives

The rmp project maintained ongoing quantitative and qualitative accounts of project results. Quantitative metrics and goals were set at the beginning of the project and these metrics were checked every four months. Qualitative results were generally exchanged by regional co-ordinators during the bi-monthly international co-ordinator meetings. In addition, in order to obtain an accurate assessment of the projects results, interviews were conducted with users and political representatives in each region at the end of the project.
4.2.1 RISI - IS in regional development

According to DG XVI’s web-site “The ultimate objective of the RISI pilot scheme is to assist in making the Information Society concept an integral part of regional development and employment policies in the LFRs in the EU”. The rmp project has certainly obtained this goal within its participating regions. In each region, Information Society is now alive as never before.

In Austria, the project’s lead partner Telesis, has become an integral part of the region’s Leader Programme Action Group. Through its involvement the potential benefits of the information society are brought to the forefront of regional development activities. Initiatives like rmp and related marketing activities have made the Bregenzerwald a showcase for regional development.

In France, Mr. Marc NOAILLY, head of the department of agriculture and tourism of Rhone Alps Region, says “... the RMP project has allowed the Rhone Alps producers to become integrated into the new technologies”. Regional politicians requested that the activities and results of the project be presented to a “Développement Rurale and Agriculture” commission session as example of IS in rural areas. Furthermore, local political leaders and project partners have formed a non-profit organisation called ASCONET to promote e-commerce and IS ideas and strategies following the rmp project’s conclusion.

In Greece, even the regional government itself is a benefit from IS through the rmp project. The region now uses e-mail and the Internet as part of normal activities. In the course of the project the rmp regional consortium grew to include ACHAIA, SA a public/private company which facilitates and funds regional development projects. In addition the head of the regional government chairs an organisation of rmp partners and users whose goal is to increase the use and benefits of these new technologies throughout the region. According to the Director General in Western Greece “One of our new regional policy targets is the introduction of electronic commerce through RMP to the small producers of the region.”

Finally in Spain, the political organisation co-financing and directing the rmp project has assumed an even larger role in its continuation. By now building its technical and marketing expertise, ASODECO, a rural development organisation lead by regional mayors, is positioned to offer SMEs in the region a greater range of services. Their experience with this project will help future regional development to include IS themes and initiatives such as a new regional quality and trademark initiative being started now. In addition, Rmp services are now being hosted by the government of Andalucia, assuring their high visibility and continuation.

4.2.2 Infrastructure

In order to take advantage of the Information Society SMEs must have the tools needed to access and use these technologies. In the rural areas in which rmp operates this was not the case at the onset of the project. Virtually none of rmp’s users had computer equipment much less Internet infrastructure at the beginning of the project. Through the rmp project, SMEs obtained a compelling reason to make the necessary time and financial commitments required to obtain appropriate infrastructure. This infrastructure was financed through a variety of means. In some cases users purchased equipment themselves, in others they leased it, in others project partners like France Telecom provided free advanced tele-communications services (ISDN) and in
still others SMEs purchased equipment through other government subvention initia-
tives like Leader. In all cases, obtaining the right infrastructure was the first step to-
ward integrating with the emerging information society for these small enterprises.

4.2.3 IT & Internet Tools and Skills

Although infrastructure is a pre-requisite for IS and e-business, it is of little value with-
out appropriate tools and skills. The rmp project provided its participants with tools and
skills needed for its SMEs to be successful in the emerging networked society. This
training was developed specifically for these rural SMEs. Starting with basic operating
system skills, through office automation products like MS Word and Excel, rmp project
participant learned and applied basic IT capabilities in their jobs. With this foundation,
rmp users then learned Internet skills, such as electronic mail, browsers, search en-
gines and in some cases electronic meeting/teaching tools like Net Meeting. These
skills allow them to explore and communicate via the Internet.

Next many users were taught Web-site authoring and/or database maintenance skills
and techniques. It was critical for users, and for the ongoing value of the start made
through the rmp project, that users be more or less self-sufficient during and following
the project. Many users have the skills required to update and change their own pres-
ence on the Web, including product offers, prices, image and positioning without ex-
ternal technical assistance. These advanced skills will allow rural entrepreneurs to
continue to take advantage of developments in electronic commerce as they emerge.

4.2.4 E-commerce tools

To conduct direct commerce over the Internet special software and servers are re-
quired. First the project specified, designed and developed its own e-commerce soft-
ware known as the rmp trading module. This software was initially designed with spe-
cial business to business listing and process automation features which enable it to
serve to needs of medium size buyers like restaurants, hotels, and regional retail
chains. Later in the project store and mall type sales processes where also imple-
mented.

In addition, the rmp project partners evaluated, selected, installed and tailored stan-
dard software (MS Site Server, Cmedia) for use by its SMEs. This software primarily
enabled the creation and maintenance of electronic shops through which their prod-
ucts could be sold to both other businesses and end consumers. This software was
tailored for special requirements in Spain and Greece where it had seldom been used
before.

With these advanced tools in place, users were trained on their use as they required.
This training included both “front-office” and “back-office” skills needed to build, main-
tain and operate electronic stores and shops.

4.2.5 Electronic Market

A major challenge to small businesses on the Internet, is that of being “lost” among the
100’s of thousands of other businesses on the Web. The rmp electronic market is in-
tended to address this problem by providing consumers a focus point or portal through
which they can access regional speciality products and services. The rmp electronic
market consists currently of four founding national portals (Austria, France, Greece
and Spain) and two associated portals in Germany and Italy. These portals all are built according to flexible guidelines allowing easy user navigation while preserving national and regional marketing creativity. The portals are interlinked directly to one another through international portals. All portals provide a variety of information and shopping opportunities for local, regional, national and inter-national buyers. Portals generally contain regional descriptions and images in order to acquaint visitors with the region along with detailed information about the regional SMEs and their products and services.

Various search motors are available for users to access the regional SMEs and their products. The national portals offer a means to consolidate and concentrate marketing and advertising activities in order to maximise potential buyer visits to the various sites. SMEs within each portal are free to customise their web-presence in order reach their targeted markets. Customers and potential customers can also access SMEs sites directly once relationships have been established. The national portals continue to evolve and develop according to the needs of the portals members and their target markets.

4.2.6 Accessing Impact

The preceding sections have described many of the operative achievements that the project has made in bringing information society and electronic commerce to remote rural areas. Naturally these actions are intended to provide SMEs and their regions with tangible benefits. In order to ascertain and evaluate these benefits, the inter-regional co-ordinator and an external evaluator interviewed politicians, SMEs and other project participants to identify and where possible quantify these benefits.

4.2.7 IMPACT – Process

Participation in the rmp has changed the many of the SMEs in the project do business. In the words of Marc NOAILLY, “The RMP project has allowed to a part of the Rhone Alps BIO chain to go beyond a rather ideological position to implement a concrete project of connection between producers.” RMP has allowed rural SMEs to use modern IT tools as part of their daily business. Business documents are produced, distributed and edited electronically, messages and orders are sent and received via email. The bio-food store chain in France has hundreds of pages of documents for new store candidates. According to Magali MARGEOLET, manager in charge of new stores, the quality of documents produces has been improved via new Internet based creation and review processes. Speed has been improved because hundreds of pages of documents previously sent via post are now transferred electronically.

A rmp partner hotel on the Austrian/German border states that now 5% of his bookings come to him electronically, and that he sells many gift certificates via the Web. This use of advanced tools gives rural businesses the professional, modern image which is required to access new national and international markets.

In France, ADAB, a support organisation for biological farmers now uses the Web to offer technical assistance. According to Philippe CAILLOL of ADAB, “Through RMP, we have been trained in a remote way via the Internet on the Internet tools. Today, this training allows us to create and to maintain the site of ADAB, that was unthinkable 2 years ago. Thanks to that, we can foresee to maintain our site without important financial costs, while preserving its quality.” The training and experience also had an-
other unforeseen benefit. When a key employee decided to move to another region for family reasons, the management of ADAB worked out a way for this person to telecommute to work. In this way the loss of a productive and valuable employee was avoided.

Several rmp customers have only a few major customers. Through the rmp project they learned to search the web in order to find new business. One rmp agricultural cooperative in Greece added a new major customer to its seven existing customers. It found and communicated with this new customer via the Internet.

Naturally the Internet is probably still first and foremost an advertising medium. All rmp users now have a Web presence thanks to the rmp project. In El Condado Spain, 43 of approximately 100 regional businesses are now on the web thanks to RMP. This contrasts to a neighbouring similar region, were there are still no businesses on the web.

Other Web based processes are also being introduced as a result of the rmp project. In Austria the “Land und Wirt” program for linking producers and guest houses is abandoning its fax based process in favour of a web-based process based on the rmp trading module. In France the Aquarius bio store is now experimenting with transferring orders electronically to its wholesaler instead of via the traditional paper based process. These new processes bring immediate efficiency benefits to their users, but more importantly allow them to see and consider other ways in their organisations and communities where IT can be of use. In the words of Sebastian LOZANO, managing director of ASODECO in Spain, “rmp … is about the spreading of new technologies, most (SMEs) have passed through an environment where the telephone was their main work tool to using computers without the (typical) fax step”.

4.2.8 IMPACT – Products & Marketing

As Erich SCHWAERZLER, Landesrat for Vorarlberg, said in his remarks at rmp’s final meeting in Bregenz, “rmp is realisable when first information is available, second when the quality is correct, and third when the offering is right”. When the goal of a SME is to sell more product, or to sell the product at a higher price point, it is always necessary to reach new markets. This often means first creating new products which are appropriate to those markets. One classic example is rmp’s Feta cheese cooperative in Kalavrita Greece. Cheese produced using traditional methods in 60kg wooden barrels undoubtedly tastes the best, but few customers can purchase such large quantities. Because of rmp, this producer is installing new equipment capable of producing cheese in 2kg wooden boxes. This new size is ideal for stores or large consumers and can be shipped via mail.

The Ingo METZLER, a natural cosmetic producer in the Bregenzerwald is also coming out with a new line of products, with attractive and safely "mailable" packaging aimed at the electronic market place.

Even when appropriate products are available for new customers, SMEs are often unprepared to market their products to these new potential customers. Through rmp, rural SMEs, some of which had never tried to direct market products themselves, were obliged to think of ways to creatively present and market their products. This was first driven by project “requirements” to build sample stores and sites. Soon however these previously isolated rural SMEs saw how other successful businesses were marketing their products. This encouraged and drove them to improve their quality, both on the
product and packaging side, and on the Web presentation side. Many users also produced paper brochures or catalogues for the first time.

In addition to business level marketing, regional marketing programs were developed or inspired through the rmp project. In Greece and Spain, projects are now underway to build regional quality trademarks, which can be used effectively to prove origin of speciality products. These trademarks are an important way of building regional brand identities which can effectively be marketed through the Internet and other means.

With improved products and clear messages rmp users found new ways of getting their messages to new potential customers. Naturally the Web was one avenue, but common Internet experience shows that customers where more likely to buy products over the Web that they already know from other means. In Bezau Austria, all of the project partners experimented with a “shop-in-a-shop” where international regional specialities were sold in a special section in a large grocery store. In France, key messages regarding bio-farming were delivered via a radio station, both directly and via the projects multi-media web-site. In Greece, a Kiosk is planned this ski season at one of Greece’s most popular ski areas, where regional products will be offered along with a web-station for direct ordering. In France, Fréquence Sillé, a local non-profit radio station, used the rmp infrastructure to a net of non-profit radio stations called RadioNet to distribute rmp messages regarding organic farming methods and products.

The rmp project served as the catalyst and engine for the development of a combination of new products, marketing and marketing channels which are already starting to bring new customers to the projects rural producers.

4.2.9 IMPACT – Markets

The rmp project helped participant SMEs to find new markets for their products. This ranged from simply finding a new customer, as was the case when Spanish olive oil producers began selling products through the French Bio-grocery chain, or through the Austrian speciality foods shop. These new relationships, while having only a small direct effect on the bottom line, did teach all participants about the problems and solutions to selling products directly across “open” borders. In most cases standard packaging, packing, and labelling was not sufficient for these new markets, and normal business communications, even over the Internet, was complicated by language and cultural differences. Also marketing concepts had to be adjusted in order to bring success. The Spanish biological oil for example was meant to be sold in attractive bottles at a relatively high price. Customers in the biological store in France however were seldom interested in fancy packaging. They wanted the highest quality oil at a more attractive price.

The rmp project also facilitated the building of new inter-regional relationships. A wine producing region in Austria, Retzerland, has begun trading with the Bregenzerwald, a cheese producing region. Both regions now feature products from the other in their speciality shops and catering offers. These types of synergy are good for both regions and are naturally easier to arrange than exchanges between two regions which produce similar products or even products from the same category.

New relationships were also built within regions. In France for example, a local monastery has been producing special cheeses for hundreds of years. This cheese was sold through distributors and directly in a small shop. Due to the rmp project, products are now being sold via Internet. As Brother Patrice states "I am sure that if RMP had not proposed us to do this project, we should not have started the project until 2 or 3
years.” The logistics for these sales is being done by a near-by monastery which has had some years of experience with selling products (including a few cheeses) via post and have developed efficient order filling and packing techniques. By co-operating, the two gain from each other’s strengths.

Finally, since launching the web based shops in Austria, users there have become aware of a potential untapped market. An Austrian web-shopper living in England wrote to thank the project for offering many of regional products she missed for so long. Thus Austrians living abroad has become a new target market for many small producers, and they are now searching for ways to access this market. Greeks or others living outside of their home country represent similar opportunities. While one or two kilos of Feta cheese may seem like a lot for a Swedish person, an average Greek family may consume so much in a week.

The rmp project has shown in a dramatic way that new markets are the key to higher prices or increased sales. The project has focused attention on this issue and has provided success examples in each region for building future successes.

4.2.10 IMPACT – Co-operation

Almost all of the participants in the rmp project had never before worked in an international co-operation project. The rmp co-operation was especially challenging because none of the partners was working in their native language. This can and did lead to many misunderstandings during the course of the project. One of the ways the project adapted to this was by changing from a top-down management style directed by the “lead region” to a consigns management style. In the new management, each region was equally represented by their regional co-ordinator with a neutral inter-regional co-ordinator acting as moderator. While not everyone adapted completely to this style, it helped eliminate many of the communication problems of the project, and allowed the concerns and differences of each region to be properly considered. Because of positive nature and results of the rmp co-operation, all partners have started new inter-regional co-operations.

In September 1999, the French technical partner proposed a new project to the EC dealing with computer application leasing via Internet. All rmp partners were invited to participate and in the end Greek and Spanish consortium members ended up submitting the proposal together with the French team.

The leader of the Austrian team, telesis, initiated a interregional Leader project with participants from Italy and Germany. The Italian and German regions borrowed many of the lessons learned from Austria in preparing Leader II projects in their countries. These three regions have continued their co-operation and have recently formed a European Economic Interest Group to promote the use of electronic commerce for the marketing of regional speciality products.

In Greece regional rmp partners and new members are working together to create new regional trademarks for both standard and biological products coming from the region. The effort should help to minimise “grey marketing” of cheap foreign imitations within the region.

Asconet is a non-profit organisation founded in France to promote electronic commerce for SMEs. One local project with ASCONET is the creation of a virtual/brick and mortar store for selling regional specialities. Existing rmp partners are expected to join ASCONET so that the rmp co-operation can continue.
4.3 ‘Community added value’ approach of project and links with other Community programmes.

Building local partnerships and supporting synergistic approaches to problem solving are the pillars of Community policies for rural and regional development. Rural Market Place (RMP) has contributed in creating local partnerships and synergies and advancing local and regional identity. The operation of RMP in the region of Western Greece has itself created a partnership between intermediary producers (such as the producer’s co-operatives) and advanced the synergistic approach to increased sales and product promotion. Usually, agricultural co-operatives operate with individual efforts for their own benefit and economic and social performance. It may be the first time that agricultural co-operatives work with each other in common efforts to increase their sales and market penetration. Furthermore, RMP has promoted local identity among partners. Consumers are increasingly concerned to know where products come from and how they are produced, not only for ‘health’ and ‘safety’ reasons but also in terms of satisfying a current ‘nostalgia’ which harks back to a perceived time of ‘real’ and ‘wholesome’ foods. RMP provides for a product’s geographic association irrespective of certification, while the option provided to consumers to trace up the product’s original producer may be considered as quality attributes by making reference to socially constructed concepts such as ‘authentic’, ‘healthy’ and ‘traditional’. Thus, besides advancing partnership and local synergies, RMP has assisted to the identification of a geographic association and producer traceability that may operate as quality attributes embracing specific quality characteristics without making direct reference to specific quality properties. Through RMP, locally produced quality foods and drinks with designations of authenticity of geographical origin are transferred to the regional, national and EU markets. In this endeavour, localities retain more economic benefits and control over the types of economic activity, which occur. Within this context, quality products and services have considerable potential as a rural development tool in lagging rural regions.

Given the aforementioned analysis, RMP has achieved a high added value for Community by supporting the basic elements and the essence of rural and regional development philosophy currently in operation.

4.4 Links with other Community Programmes

RMP is closely related with almost all rural development programmes of the EU and highly integrated to certain segments of the regional and rural development policies. RMP is related to all programmes aiming at supporting local businesses, especially small and medium enterprises (Directive 42/93). In that sense one could refer to the horizontal programmes for supporting the food industry (Regulations 866/90 and 1257/99) and farm enterprises (Regulation 1257/99). At a regional level, RMP will support the sub-programme concerned with rural development by assisting economic diversification and marketing of agricultural programmes. Furthermore, RMP supports the promotion of quality products with a PDO or PGI certification and those with a biological mark (Regulations 2081/92 and 2092/91). Finally, RMP is closely related to certain Community Initiatives and especially to LEADERII, INTEREG and ADAPT.

The tools developed in the rmp project and experience for a number of programmes for regional development have led to intensive communication in relation to the 3rd phase of the project. Contact with the LEADER network offices and local action groups in various countries was a part of the project strategy. A number of workshops were carried out in order to
test the practicability of transferring know-how in the rural regions. A report was then sent to the co-ordination office in Brussels.

In 1999 the state of Brandenburg and Italy started a LEADER C trans-national co-operation project. The vineyard region in Lower Austria also joined this project. In the LEADER co-operation project, it is assumed that the developed results and experiences in rmp can be used, or in other words are a part of the trans-national transfer. The projects themselves concentrate on implementation in the individual regions and are serviced by the local action groups. By June 2000, there were 32 LEADER action groups or regions busy developing rmp activities in Europe.

Local activities are concentrated on supporting SMEs in accessing the electronic market or in accessing new markets and developing co-operations. Parallel to this, the standardisation in the area of product descriptions through a scientific project is moving ahead, (scientific commission from the state of Brandenburg to the Martin-Luther University).

Apart from the direct project activities, the idea of rmp has attracted much interest. Topic excursions visit the Bregenzerwald almost every week in order to learn more about the project activities and especially rmp. In the past, concepts for school projects were made, and now the idea has come about for using rmp knowledge for educational purposes.
5. Future of the project

5.1 The project in the future: sustainable, expanded, scaled down

5.1.1 Austria

An expansion of development is expected at the conclusion of the project. Various regions in Europe have shown their interest in using the results of the project for their SMEs. For this reason, the pilot phase activities were widely distributed and involved persons from various regions chosen in order to enforce the above mentioned expansion. Official declarations of intent from 24 LAGs in Italy, 3 regions in Austria, and 4 LAGs in Germany have been submitted already. Apart from the existing partners from Greece, France and Spain, the project results from Austria will be used intensively by neighboring countries.

Apart from preparations for regional participation, schools were encouraged to use rmp tools as a method in their curriculum within the framework of the excursion phase. Accordingly, a training programme was developed. Beyond this, an adult education programme was developed which will make access to these new technologies easier for the SMEs and their workers. It is expected that the concept for the adult education programme will be carried out at the Vienna technical University at the end of the year 2000. More and more consultants are working with the subject of e-commerce and the questions that come up in connection with re-organisation measures. Therefore the consulting market is an important entry point. Altogether, the distribution of rmp knowledge and tools will take place on 3 tracks:

(A) REGIONAL DEVELOPMENT PROJECTS

In almost all of the development programmes in the various countries, especially in the rural areas the subjects of ‘Fortifying the SMEs in their access to new markets’ as well as ‘Implementing new technologies on the road to the Information Society’ are contained in the development programmes. The results developed in the rmp project are especially useful for these parts of the programme.

During the project a number of contacts were made, and an administrative platform - the ‘European Economic Interest Group - Rural Market Place’ was founded. This non-profit organisation should support and service regional development organisations, especially the SMEs in different countries with their access to new markets. Basically, the European Economic Interest Group which has businesses from Germany, Austria and Italy participating in it, can start its own co-operations and projects which are conducive to the support of the SMEs. The goal of the ‘EEIG - Rural Market Place’ is to support the regions and institutes in the development of their action plans in preparation for the LEADER Plus programme as well as in their INTERREG activities.

(B) EDUCATION
Training is one of the most important parts of preparation. 2 approaches have been prepared for this and will be developed in a pilot form in the coming months or in the coming semester. These are, on the one hand the practical use of e-commerce in secondary schools in connection with practical projects, and on the other hand courses which will accompany occupations in the use of e-commerce. A pilot instruction course will be started for the first time at the Technical University in Vienna in the 2001 semester. This concept and also that of the course for secondary schools can be found under the Internet address: www.e-rmp.org/weiterbildung.

(C) CONSULTING
The branch of business consultants is occupied more and more with the subject of e-commerce because the results of this new technology is usually re-organisation and restructuring. Interested consultants receive a consulting licence for rmp products after completing the training course. This consulting licence allows the consultant to offer e-commerce on the basis of rmp experience and developed tools. Consulting services are planned for the autumn of 2000.

(D) SPECIAL INSTRUCTIONS FOR THE DISTRIBUTION OF RMP KNOWLEDGE
The Regional Development Bregenzerwald Co. Ltd., along with the company telesis is the organisation which was responsible for the co-ordination of the rmp project. Apart from this project, the organisation has carried out various projects under the programme title of ‘Nature and Life’ in the region. The EXPO 2000 evaluated world wide projects which are presented as examples in the Global House - Meeting People - Sharing Solutions. The Regional Development Bregenzerwald Co. Ltd., was awarded a prize by an independent jury for its project Nature and Life and invited to make a presentation in the above mentioned house. The organisation telesis, has taken advantage of the chance to spread its knowledge of rmp and has developed an electronic business card in the number of 200,000 pieces with which the visitor can get information about rmp or activities later on. Detailed information can be found at: www.bregenzerwald.at/expo.

5.1.2 France
The users partners have implemented ways to maintain and spread the actions realised in the frame of the pilot project. In essence the information society is now an integral part of how all of these organisations now work.

All
Arrangements have been made through Cap-Gemini so that web-hosting and maintenance will continue for a period of 2 years following the conclusion of the project. Cap-Gemini is continuing to support project participants during their transition to fully self-financed operation. Currently more than 2500 different people visit the French rmp portal www.rpmfrance.com every month to access services.

ADAB
The domain name “adabio.com” has been reserved. Since one year, the hiring requirements profile for new employees is determined, in particular, by their mastery of
Internet tools and methods. A 140 days of work dedicated to the site has been planed from November 99 to April 2000. A survey proposes various hypothesis for the functioning of the ADAB web site after the pilot. The ADAB board directors decided in their January 2000 meeting to seek regional financing to maintain and expand their site. ADAB is pursuing opportunities with international content agents like I Syndicate and Screaming Media to offer their content to a broader market.

Financial funds after the pilot: (see survey hypothesis) : Financial funds shall be shared between various sources; internal resources and regional public subsidiaries and/or publicity from the commercial partners of the producers (suppliers, bank and insurance companies); and possible funds from the national "bio" groups (as ADAB) and producers who would like to use the site and its services.

**BIOCOOP**

The developments realized by BIOCOOP Rhône Alpes (web pages of the organization and commercial information transfer between distribution plate-form and shops of the network) will be used by BIOCOOP national.

BIOCOOP national will place the content and the structure developed with Aquarius shop at the BIOCOOP shops' disposal.

[www.biocoop.fr](http://www.biocoop.fr) (based on rmp platform) is currently gathering visitors to more than one hundred distribution centers for bio products nation wide. The domain name Biocoop.fr has been reserved. A webmaster has been hired in 99' to develop the national BIOCOOP site.

All new opened shops and all shops that update their equipment are requested to have Internet connections in Rhône Alpes Sud Est (9 new shops + 5 shops with updated equipment since 98')

Financial funds after the pilot: self-financing.

**AQUARIUS**

24 days/year are dedicated from the year 2000 to manage the site. The profile of new employees is determined in particular by their mastery of Internet tools. The domain name "coop-aquarius.com" has been reserved. New on-line advertising has been prepared by Aquarius for its key producer partners.

Financial funds after the pilot: self financing and possible publicity budget from the suppliers on-line on the Aquarius site.

**TAMIE Abbey**

Time dedicated to the site. Operation and maintenance of the shop. Domain name reserved: "abbaye-tamie.com"

Financial funds after the pilot: self-financing

**Sillé le Guillaume**

Continues the non-profit radio station promoting organic farming methods and products RMP partners Biocoop, Adab, CER and Cap Gemini remain active in these activities including a "summer camp" to teach others how to create interest group specific, Internet-enabled radio stations.
METHODS ENVISAGED FOR CONSOLIDATION OF ACTIONS

The method envisaged for consolidation of actions is based on the pursuing of the collective work and realisation. Collective work brought benefits all along the project: mutual stimulation, know-how transfer, enlarged potential of visitors, common goals.

The concretization of these collective efforts is not only the realisation of the different sites but also the realisation of the Rmpfrance portal, common "land" of this new interest community created by RMP.

For the partners, it is sure that the consolidation of individual actions in the future is based on the maintenance of this portal. They see in it a "commercial" interest, references and a "cement" that will allow to maintain their energy for their new developed activities thanks to the group effects (leverage)

The question regarding the necessity of creating a collective organisation grouping the RMP partners in an official way (identified legal form) was raised often during the pilot. For example, after long discussions, the trademark RMP has been entrusted to a single partner and not to a collective organisation of the partners. This can be explained by the structural differences between them: ADAB is a little organisation of producers in comparison with the multinational Cap Gemini.

A number of factors including,

- the initiative of our Austrian partner to form and participate in a EEIG pursuing the European activities of RMP
- the meeting between Bernard BATTAGLIN, a local elected official (and member of the regional council) and a person responsible for TAMIE Abbey,
- and the experiences we have gained through during the pilot,
have permitted to find a solution to perpetuate the idea of RMP.

The non-profit organisation ASCONET, was created in November 99'. Its object is: “To promote the use of Internet and E commerce by any social or economic entities with the willingness to develop itself in this domain; to put in place the actions contributing to this object” (see statute in French)

With the requirements and the support of the rmp partners, this organisation will be able to assume the management of the rmp portals and to continue to sustain the dynamism created by the pilot. The organisation intends to build innovative projects for example, creation of a physical and virtual shop gathering products of individual producers and/or of sellers who don’t wish to manage an electronic shop themselves; or a project for E commerce label as proposed by our Austrian partners.

5.1.3 Greece

During the rmp project’s development and its first phase of operation the project has showed an extreme dynamism as concerns follow up actions and perspective partners. A new user has already been added to the four original users of the project. The new user (the Achaia Development Agency) has made use of the financial resources of the project. However, given the revealed willingness of many users to become members of the network, it is expected that the project is currently sustainable and expanding.
There are a few factors that are considered to be favourable in the process of expanding the network and, on the reverse side, a few factors that may slow down the process.

From the factors specifically working in favour of the sustainability and expansion of the project, one may refer to the following:

Users have already become familiar with a marketing and sales tool that is totally new to them. In the course of increasing sales, the operation of the tool will attract the user’s efforts and the tool will become a major source of income and profit for those involved with the project.

The project’s technical consultants and partners have already expressed their interest in staying with the project and undertaking a more fundamental role in the future. The technical consultants of the project have invested a quite significant amount of work and have acquired experience and reputation and thus, have a vested interest in the smooth and successful operation of the project in the future. Furthermore, the project has acquired already a reputation on its own and can be used, as a promotion for the technical consultants in the project.

The Region of Western Greece has already realized the potential of the project in regional and particular in rural development of one of the most lagging and backward areas of the Community. The increasing amount of sales and the increasing dependence of the producers on the operation of the network will call upon higher responsibility from the side of the Region as a regulatory organization that will have the power to regulate and ensure the operation of the project.

Consumers in Greece have just started to use electronic trade in general and the web for purchasing agricultural products in particular. Thus, there is room for a steady expansion of this relatively new method.

On the other hand, a limited number of factors that may scale or slow down the project’s expanding trend are:

- Users not responding in a professional way to their obligations thus, letting down the buyer’s expectation. The network in Greece must adopt a protocol for the proper marketing behavior of the suppliers. Currently, market power in electronic communities rests with suppliers but will increasingly move to buyers. Suppliers in Greece have the advantage of being the first to penetrate the electronic market for rural goods but have also the disadvantage of meeting higher costs for advertising the network and meeting low scale demand without still achieving economies of scale in sales.

- Users are still in need of support for marketing activities and for diversifying their production to meet the new forms (packaging, delivery, etc.) required by the new technology.

- The absence of a critical mass of producers that have made the transition to the electronic marketplace may disappoint producers that have already entered the network. For this reason continued efforts for the advertisement of the network in Greece should be undertaken by all users and the Region of WG.
A SWOT table for the future of the project in Greece

<table>
<thead>
<tr>
<th><strong>Strengths</strong></th>
<th>Suppliers already familiar with electronic trade</th>
</tr>
</thead>
<tbody>
<tr>
<td></td>
<td>Suppliers first to penetrate the market</td>
</tr>
<tr>
<td></td>
<td>Vested interest by technical consultants and the RWG</td>
</tr>
<tr>
<td><strong>Weaknesses</strong></td>
<td>High operational costs due to the limited number of buyers</td>
</tr>
<tr>
<td></td>
<td>Low level of product diversification and differentiation</td>
</tr>
<tr>
<td></td>
<td>Lack of critical mass of suppliers</td>
</tr>
<tr>
<td><strong>Opportunities</strong></td>
<td>Expand dissemination in both sides of the marketing chain and acquire:</td>
</tr>
<tr>
<td></td>
<td>More suppliers and products and</td>
</tr>
<tr>
<td></td>
<td>More buyers</td>
</tr>
<tr>
<td></td>
<td>Sharp product differentiation to form ‘niche markets’</td>
</tr>
<tr>
<td></td>
<td>Adopt aggressive marketing and sales strategies</td>
</tr>
<tr>
<td></td>
<td>Form partnerships with local groups (LEADER, etc.)</td>
</tr>
<tr>
<td><strong>Threats</strong></td>
<td>Deterioration of marketing services and product standards</td>
</tr>
<tr>
<td></td>
<td>Maintain high operational costs</td>
</tr>
<tr>
<td></td>
<td>High profits may attract new electronic trade businesses and increase market competition</td>
</tr>
</tbody>
</table>

5.1.4 Spain

Due to the priorities and restrictions that our region imposes on development projects we need to consider the consolidation and extension of the rmp project on two levels: regional and interregional.

(A) REGIONAL LEVEL

In order to consolidate and extend the results obtained in the project at the regional level we have taken a series of measures aimed at assuring its ongoing feasibility.

- **Maintenance and strengthening and promotion of the portal www.mercadorural.com**, as a meeting point for enterprises, districts, and rural development initiatives and projects. This allows on one hand the attraction of potential buyers to the market and on the other hand contacts with new participant partners in the project. In addition, besides increasing the offer of products and services, additional partners contribute to the self-financing of the portal. To carry out this task we have the support of the Diputación Provincial de Jaén, with the area city councils and with the contribution of other projects presents in the area. The enterprises as well will take charge of the maintenance and updating of their own application (maintenance of domain rights, web site lodging and virtual shops lodging, Internet connections, ftp and email accounts, etc).

- **Creation of a SMEs Support Office**
  This organisation works as the continuation of the RMP project office. Its charter is supporting and assisting the existing partners of the project in the maintenance and administration of their web sites and on-going activities to attract new partners.
These new partners can be: enterprises in the area or outside of the area, other regions or other development projects in which we can participate.

- Realisation of the first journeys building sensitivity to e-commerce whose objective is to diffuse and to extend the results of the project to other companies and regions.

- Transformation of the portal www.mercadorural.com to an important tool inside the strategy of the local development and in this framework the rpm project will participate in the El Condado-Jaén First Congress of Local Development, that will take place the first week of June. In this innovative meeting, the portal www.mercadorural.com will be presented as an example of the application of new technologies to the rural development and will be used to summon and to extend the results.

(B) INTERREGIONAL LEVEL

At this level our efforts are aimed, in the same direction as in the regional level, consolidation and extension of the portal www.mercadorural.com. To achieve this goal we are following two strategies:

- Participation in a Measure C action inside the Trans-national Co-operation of the Leader II project. This participation has been approved by all trans-national partners including appropriate financing. The participation and the use of the portal www.mercadorural.com and the results obtained in the national RMP project to carry out an Internet application based on the “products quality mark”. Participating in this project are our Region, one region from Italy, one region from France as well as other national organisations: Ariane (France) and a trans-national Net: REAL (Red de Agentes de Acción Locales) Network of Local Action Agents.

- Active participation, for the forthcoming Leader + project, in a trans-national net consisting at the moment of more than 30 European Regions (12 from Spain) with many other districts already having shown interest in participating. This net is already working, several meetings have taken place in Madrid and Brussels and its members have made a formal declaration to participate actively in the same network. This net is based on the creation of a Territorial Quality Mark, using the new technologies as one of the most important instruments for an effective rural development strategy based on sharing know-how and promoting the regions through marketing their products and services.
5.2 Leverage effect

- will project follow-ups find own financing?
- is there a financial leverage effect (financing obtained from various partners)?
- is there a sustainable effect of the mobilisation of partners?

5.2.1 Austria

The use of the rmp results after the pilot project is ongoing and self-financing. During the project a lot of relations have been built and some of the users of the pilot project have enlarged their turnover. A lot of movements, education and public relation have been made so that the rmp plays a roll in the local economy.

For the introduction of rmp methods and software into new regions and the SMEs located there, public funds will be needed for the first phase. For example, the state of Lower Austria will invest public funds in order to support the use and expansion of the start phase of rmp. The businesses involved in the pilot phase have an additional advantage, as they will be used as an example in all the regions and therefore, in principle, will receive free marketing. It has already been seen that businesses which are actively involved in rmp and related activities have shown an increase in sales.

5.2.2 France

At the beginning of the project, each partner envisaged the financial support of the "post" pilot phase in its own way, individual way. That did not mean that they would not solicit public funds (ADAB functioning is widely based on regional public funds). Rather it meant that it was not the desire of partners to financially base the "post" pilot on a collective project submitted to public funds. This "guideline" has been followed. (See above).

is there a financial leverage effect (financing obtained from various partners)?

We can say that public funds (European and Regional together) had a leverage effect. They have allowed the partners to engage expenses they would not have done otherwise (hard and software purchase, time connection on Internet), to place human resources at the project's disposal, and to get at their own disposal the unexpected and highly professional technical team and resources of Cap Gemini. So they have been able to take benefit continually from new Internet tools and know-how which typically, SMEs cannot access.

The public support has allowed the users to explore the new ways, which are always changing on the Internet. Lastly, the "imposed" goals to be attempted during the pilot was a federating and mobilising element, and was supported and dynamised by the co-ordinator.

is there a sustainable effect of the mobilization of partners?

(see above ; consolidation of actions)

The mobilisation of the partners has permitted to enlarge the scale of the first users, for example:

- Users brought by Cap Gemini : fréquence Sillé radio, franco fêtes.
- Users brought by the CER : TAMIE and CHAMBARAND abbeys.
5.2.3 Greece

Two factors will contribute to increased leverage in the future. First, the maintenance and increase leverage resulting from the activity of the current users. Second, the leverage will increase from new users. The latter is expected to be significantly higher than the former due to the preferential and privileged status of the older users. Of course, the pace and size of the expected leverage increases is closely related to the future status of the network. Increased sales and turnover will attract businesses and increase leverage.

Increases of leverage in investment plans in Greece have been closely connected to the financial and physical size of the enterprises, especially in rural and lagging areas of the country. Small business size is often a factor that restricts leverage increases due to unfavourable access to financial sources. Small firms do not have easy access to financial resources and thus do not easily finance their projects from the capital market. At the same time larger firms have easier access to either the capital markets or private funds through increasing equity shares or utilising own funds. If we take into account that the network sales is a relatively new business with high degree of uncertainty and risk, raising funds is becoming more difficult for the small firm. On the other hand of course, is in the interest of both the regional and rural development policy and of the network itself to assist the registration of small firms. Small firms are more active and dynamic and offer a wide variety of products. It may be a good idea that the network provides a kind of venture capital for newcomers. This will increase leverage by small firms and will greatly assist the social objectives of regional policy and will attract newcomers to the specific rather than other similar networks that may be created in the near future.

5.2.4 Spain

The continuation of the project is based on getting the project to a state that it can finance itself with regional resources. We have already requested public funds to the Provincial Delegation of Jaén and the region city councils, obtaining an encouraging answer from them. We also have the financial contribution of the existing and future private partners of the project who will finance the maintenance and updated of their own applications including maintenance of rights domain, payments of lodging web site and virtual shops on the server, Internet connections, etc.

Another way to obtain additional co-financing contributions to maintain the project structure (office, personnel, and services) is participation in other local development projects and initiatives. These projects and initiatives can use the applications, infrastructure and know how acquired during the realisation of the project RMP. In exchange for these services, these projects and initiatives will collaborate to finance the continuation of the project RMP with a part of their budget.

In implementing this strategy, the rmp project participates in the trans-national cooperation of Leader II projects together with partners from France, Italy, and the trans-national net based on the Territorial Quality Brand. Together with 30 other European regions and with contacts to partners in the eastern European regions of Bulgaria, Macedonia and Hungary (whose representatives are at this time visit us knowing our projects initiatives and work methodology) we hope to build on rmp regional success.
Of course we are also open to participate in any initiative or project of our international partners in the project RMP, in fact we are studying the possibilities and the financial feasibility of participating in the EEIG proposed by our Austrian partner.

5.3 Demonstration effect and spin-off of results

- assessment of information, communication and dissemination actions undertaken
- any proposals to extend them
- identification of key points of actions in terms of innovation and exemplary nature.

5.3.1 Austria

At the end of the pilot phase a large market for the participants is planned. These market network activities should be strengthened and a self-development process between the business people left to themselves. In addition there exists the firm intention, that the participating users will take part in a European marketing organisation and/or the establishment of one. For this reason a European Economic Interest Group which crosses borders has been founded. The special innovative parts of the project are on the one side the developed technology, which makes possible a standardised work flow management between businesses. What is meant is the instrument which can be used as one of the first E-commerce applications between businesses in rural areas, cheaply and efficiently. On the other side, the results are shown through the intensive network labour between producers and traders as well as bulk consumers. The integrated base, namely, that various branches are worked on together in the network, e.g. hotels, agricultural producers, small businesses, retailers, and tourism firms. In addition are the logistic enterprises, banks and processors.

5.3.2 France

In November 99 a large communication action was undertaken: 300 invitations to a Rmp demonstration were launched, focused on the professionals of the agricultural chain. Only a few of them came (about 20 people). The analysis of this is, on one side, that the targeted public was not, at this time, the most sensitive public to Internet services, and on another side that we did not have a very clear message about Rmp. Since this date, the message is refined. Rmp is a French and European portal where companies can be "referenced" and helped to implement their own site.

Rmp is also a interest community where the synergy of know-how and dynamisms increased the results of the undertaken actions.

Although this redefinition, we preferred in terms of communication to use a pragmatic approach: this of the "by word of mouth", more confidential and personalised, because we were not sure that large actions would have results as important as the energy put in them. In another way, the energy was focused on the internal extension : to the national BIOCOOP and ADAB networks.

These individual contacts were always very positive that means the idea of RMP caused interest. Some of them led to host new users on RMP. For others it will require additional work to obtain concrete results. Among them we can cite :
- cooperative de BISSY (cheese and fresh milk products in Savoie) interested by the "links" on the French and European portal , the implementation of its site and the creation of a collective electronic shop.
- Mr. VIALEY, wine producer in Savoie, interested in the creation of his site
- Mr. GAMMA, seller of regional products from the South West of France interested in the creation of his site, shop and "referency" on French and European portals.
- The electronic mall of the CER France network interested in the "links" on the both portals.
- The "Crédit Mutuel" bank interested by the actions of RMP for its farmer clients.
- Telecommerce (Portal of France Telecom) interested by the interest community.

any proposals to extend them

In the framework of the non-profit organisation ASCONET, the approach in terms of communication and extension will be surely the same. It will gather in the RmpFrance portal and in the organisation all the companies that have used RmpFrance as a "host" (francofêtes, fréquence Sillé, …) and to do a coherent group.

Then, the goal will be to enlarge the community from the relationship network of the actual users of the portal. For example, suppliers, banks, insurance companies, schools, … of the various sectors already referenced on the site. The "links" of their own site or a publicity banner on the portal or on the partners' web site, will be offered. Lastly, classical media shall be used.

identification of key points of actions in terms of innovation and exemplary nature.

The innovative actions led during the pilot were more focused on the use of new technologies and services on Internet than on the technologies themselves. We were a pioneer on the use of Internet from both a technical and a marketing point of view.

Innovative use of new technologies : training

The training mixing phone, Internet connection and use of Net meeting for sharing software:

It has allowed to train users with efficiency (no time and money wasted in travel, realisation in real time) in the mastership of Front page, Site Server and Cute FTP.

The users can use today this type of training for their own needs (ADAB and BIOCOOP for their members for example). This type of implementation of these tools are not generally use (popularise) in the SMEs. The mobilisation of high quality partners during the project allowed this action.

Services and marketing on Internet

We knew at the beginning of the project, few on Internet practices. Today, we get more knowledge although it is not definitively acquired because of the perpetual evolution of the Web. We can say that through RMP we made choices that reveal to be coherent today.

The importance of information on the Web :

In 96', as we built the project, the users needs were focused on providing information. This goal seems to be not in the good direction compared to the dominant speech: Internet is E-commerce for physical goods, software but not for information. Today, this goal is well adapted. People use Internet in majority to search information. Big firms as FNAC in France, that opened 3 years ago a shop on Internet, enriches today its site with information services.
Sells on Internet for producers: necessity to create storage places managed by a shopkeeper

At the beginning of the project, we were optimistic for the implementation of producer’s shops. The only obstacle was for us the secured payment. By the practice, we discovered that the biggest obstacles were more commercial than technical: legal commercial responsibility, capacity to offer various products adapted to the shipping, mastery of logistics (including packaging of the products), targeted marketing. These obstacles included new and specific competencies that many Rmp producers users did not have and did not seem to be ready to acquire. So, we envisaged that the best way to develop electronic shops for the producers was to create a physical place of storage and a virtual store managed by a shopkeeper. This innovative idea came from our Austrian partners. This will be a project developed in the frame of the ASCONET organisation.

The creation of French and European portals

During their intensive practice using the Internet (in particular, the search engines), the experience of our partners helped us to discover the most difficult aspect of Internet: several millions of sites are on-line. When one uses search engines with key words in common with the content of RMP, several thousands of pages are suggested. More than 1 year ago, RMP created at the European level a portal. We see now that this innovative idea is being used by big companies:

Such as France Telecom with Telecommerce, Pinault-Valenciennes group with Mageos (in creation) and a lot of portals offers (Spray.com, and so on).

5.3.3 Greece

The region of WG has undertaken an extensive dissemination action for the project, and has gathered proposals to extend the current forms and level of dissemination. It is expected that future dissemination actions will be directed to businesses in WG as well as to businesses in other rural areas of the country. However, the RWG believes that dissemination activity targeting both the producer and the consumer should be designed and executed by the current users and technical partners of the network rather than the RWG itself. This will assist the bottom up approach to the design and implementation of demonstration activities and will result to a higher and more important impact. Users will feel responsible for their actions and this will increase their expert opinion and input to the dissemination actions. Otherwise, a top down approach will inactive users and restrain them from expressing their own expert opinions. As a result, users will not feel responsible for the design and future realisation of such ideas into real dissemination activities.

5.3.4 Spain

The extension and diffusion of the project has been carried out, in a first phase, inside the region since our interest was that the maximum number of companies could participate in the project.

To attain this goal, the region was divided in areas so that ASODECO took charge of the extension and diffusion activities in El Condado and the Diputación Provincial de Jaén through its Local Development Agencies took charge of project promoting for the rest of the region. With this work division the project was implemented and is well known in the whole county. Judging by the results obtained this was an effective
method, since the participants in the project are from all the regional productive sectors and all the districts of the region are represented.

In a second phase, we made our project known to other Spanish regions involved in rural development projects, beginning with those that participated with us in other European projects such as Now, Youthstar, and Leader and extending through other regions through the Spanish Unit of the Leader II Observatory. In the future we plan to make the project known to other European regions outside Spain, including the regions in East Europe.

Our intention is to continue in this direction by transmitting our experiences and by extending the project. We already have in our calendar the participation in diverse demos, shows and congresses as well as the strengthening of the collaboration and contacts with our current and new trans-national partners.

The methods used have been mainly visits and demonstrations, since we consider that the direct, personal and individualised contact is much more productive that the creation and distribution of pamphlets or advertising materials.

From the point of view of innovation, and reuse of the project as an example for other companies or region, the results cannot be more encouraging. We have developed from barely half dozen companies with computer equipment of any kind to 46 using computers and Internet in their regular work processes. Significantly we have been able to convince managers and public agents of the necessity to open up to new fields, to invest in new technologies, and to participate in the changes of the information society.

A very useful tool for us has been the user's training courses. In addition to the acquisition of knowledge and abilities, rmp training sessions gave the partners a clearer idea about what is made in other regions and economic sectors and offered the possibility to apply their experiences to their own companies. The rmp project has also served as a meeting point for the RMP partners, a place to exchange ideas and points of view about the presence of their companies and products in Internet. Starting from these contacts, some ideas arose, for example the regional artisans association or the necessity of grouping companies to share transport costs. These ideas and projects are in now in process.
5.4 Transferability

- Evaluation of transferable nature of actions undertaken, notably: content of action, partnership, working methods, co-operation between partners, permanent dynamic evaluation, consolidation of know-how, others...

The experiences from the rmp project permits numerous lessons for the introduction and implementation of Internet related e-commerce solutions in rural value added-chains. An important conclusion is that for the successful application of the Internet to the selling of agricultural products at least two conditions must be exist. First of all the product must be an intensively processed agricultural product and secondly the selling organisation must already have experience in direct marketing of its products. Experience in direct marketing is important, because building up direct marketing is difficult and expensive. Some of the problems that occur with the building up of direct marketing are:
- Building up a customer base
- Estimation of the market potential
- Detecting the customer's requests and fulfilling them
- Organisation of the product range and selection of the channels of distribution
- Co-ordination of cultivation and demand altogether and over the selected channels of distribution
- Guaranteeing a continuous product quality
- Selling price calculation
- Organisation of advertising measures

For these reasons it is advisable that if a agricultural operation decides for the direct marketing in the Internet, that it has already experience in the direct marketing (e.g. sales starting from yard, or via mail order). Building up a direct marketing which is only running over the Internet, is not worthwhile itself due to the still relatively small revenues with food in the Internet. The direct marketing in the Internet is to be seen thus as meaningful supplement of other ways of the direct marketing, it is however not recommendable as the only outlet.

Now if a agricultural operation decides to use Internet for the direct marketing of its products in such a way as written above there exist several problem areas, which obstruct the application of the Internet as new selling way at least. Apart from the problem areas existing for all providers in the Internet (unclear law situation, security doubt and paying services) there are two, which are difficult for typical rural enterprises without significant support.

maintenance of the homepage:
Homepage must be carefully considered, placed, and kept constantly up-to-date which can mean high maintenance costs. Within the rmp project only a couple of the agricultural producers had the necessary skills, in order to create and arrange its homepage at the projects outset.

on-line marketing:
In order to issue products in the Internet is enough it not to offer these only in a Internet Shop but also an active on-line marketing must be operated. With most agricultural providers the knowledge and drive is still missing to operate on-line marketing effectively.

Due to these limitations it is advisable for agricultural producers to take part in an electronic market place project e.g. rmp, which relieves them the access to the customer. For agricul-
tural operations electronic market places offer big advantages. In detail these are the following:
- lower costs in relation to own Web appearance
- lower expenditure for servicing and update of the webpages or maintenance of the homepage
- access to on-line marketing expertise
- higher attractiveness by higher supply variety in the market place
- higher visitor-traffic and thus more possibilities to reach customers through portals
- order dates and access statistics are created automatically and edited

As a further advantage for the provider it can be stated that the common appearance with other providers creates confidence at the consumers. The integration into a trustworthy environment lowers the reservations of the consumers. From the common appearance with providers of the same industry also the chance can result that complementary products are offered, which promotes then the sales of the own product. An example would be the supply of wine in a Shop of the market place with a link to a fitting cheese of another provider of the market place.

Rmp consists of several regional market places. There are many reasons to arrange market places regionally like for example the following:
- cultural and social identity of the region and uniqueness
- regional initiatives have exact knowledge of the specific problems
- the connection with the region increase the confidence between the operators of the market place and the users
- regional electronic market places strengthen the community feeling
- by regional concentration it is more probable that the critical mass of users is achieved

Apart from the reasons specified above regional market places make also sense, since they facilitate orientation for the Internet surfer in the various supply of the Internet. Particularly with products in a close relationship to a region, it is meaningful to represent these in a regional context with region-specific information. Often the surfer, if he looks up a certain product, has the regional origin of the product as reference point only. He knows e.g. that he would like to buy mountain cheese from the Bregenzerwald or Olive oil from El Condado, but does not have a preferences for a special provider or does not know any provider. The Internet user then can inform himself, starting from the virtual image of a region, over their product and speciality supply and buy the desired product.

Regional electronic market places appear above all meaningful for classical tourism regions like the Kalavrita, which present itself as tourism regions with region-typical, "native" products. With the supply of a regionally focused market place the relationship with the tourists can be kept upright also after its vacation in the region. It is possible for the tourist by such a Web supply to order the whole year its favourite specialities from its vacation region. This combination of economics and tourism can become a lucrative symbiosis for the regions. A further reason for the regionality of the market places is situated in the nature of humans, who the remote world means usually fewer than the close world. A regionally organised market place can lead thus to a stronger linkage of the customer, since the environment and the supply of the market place is more familiar to the customer than this would be the case with a not regionally shopping mall.

Regional market places can be integrated into superordinate structures, because there are certain functions of regional electronic market places which can only be operated economically in a superordinate network of regional market places.
By a network of regional market places the following targets can be achieved better:

- implementation of an attractive interregional offer
- reaching large number of users
- Effective use of advertising investment
- implementation of scale effects.

Scale effects can be obtained particularly by the common development and use of applications, services and (telecommunications-) infrastructures. For example it is meaningful to use market services such as directories or paying services together and not develop them multiple.
6. Free global commentary by project leader

The rural and remote rural areas of Europe are a treasure of extreme value. The landscape, knowledge and lifestyles in these areas are well worth preserving and enhancing. Yet reduction of direct subsidies and competitive pressures from increasing industrialised production practices are destroying many small rural businesses. Without help combining modern strategies, technologies, and methods with their traditional ways many of these small businesses will not survive the next generation.

When the rmp project was first envisioned in 1996 few really understood the significance of electronic commerce or markets. Four years later Internet is now rapidly changing the way people conduct business around the world. It is nearly impossible to watch TV, listen to the radio or read a newspaper or magazine without being confronted with this technology. However this picture builds a false picture of the pervasiveness of this technology. Especially in our rural areas, the Internet remains a mystery.

The rmp project has unlocked this mystery for an ever growing group of small rural businesses. Not always the fastest group to embrace change rmp project partners have experienced the latest technologies available. Through the rmp project many of these businesses are now true members of the information society. Rmp project participants now understand benefits and shortcomings of the tools which this latest technological revolution have created.

The rmp project however is only partially about technology. In fact we have learned that technology is only of secondary importance in implementing electronic commerce solutions in rural areas. RMP project participants have learned that in order to be effective, successful projects for electronic commerce (especially in rural areas) solutions must tackle at least the following issues:

- **Understanding** Organisations implementing e-commerce solutions must thoroughly understand the local and region situation at the individual business, regional market, export market and political level. Solutions based on theoretical concepts of “how things should work” are not successful when faced with the business situations in which these small enterprises operate. The rmp project found that close user interaction with early prototypes was the best way to ensure development of appropriate solutions.

- **Acceptance** Users, politicians and regional policy decision-makers must understand the benefits and shortcomings of the new technologies, in order to allocate appropriate resources for their success. To gain acceptance the rmp project found that hands on demonstrations and examples of success are the best motivators.

- **New Markets** To sell additional product or to obtain higher margins for products sold small rural businesses must reach out to new markets. To do so they must work to understand the requirements of these markets and develop strategies for addressing those requirements.

- **New Products** New markets often require new or at least modified products. These changes can be as simple as changing labelling or as complex as requiring new production methodologies or equipment. Whatever the changes the
products must meet the requirements of the addressed markets and be designed with the logistic and other constraints of e-business in mind.

- **New Processes** To use e-commerce effectively new processes must be developed and followed. E-commerce customers expect a level of service and quality that is almost certainly different from the traditional distribution channels used by rural producers. It is seldom the case that a small producer is able on their own to address these new market requirements. In these cases, teaming with regional co-operatives or regional logistic or distribution firms can offer solutions.

- **Targeted Marketing** RMP project participants have seen that waiting for customers to come to you can mean a long wait. Resources and activities must be executed to make the right customers aware of new product and service offerings. Combining rmp e-commerce technologies with customer databases, traditional marketing methods and with tourism connected offerings have proven to be effective strategies for building and maintaining a customer base.

RMP project participants have to varying degrees addressed the issues outlined above. In general their success is directly related to extent to which they have understood and reacted to these issues. The successes in each region will no doubt lead others in these regions and in other regions to apply the lessons learned and the foundation which we have built to their businesses. In this way I am certain that rmp will have a positive impact on sustaining the rural areas of Europe.

It has been my pleasure to work with the rmp partners, co-ordinators, users and technical people over the last years. I have learned a lot about co-operation and its power to accomplish good things. I have learned a little about the cultural and personal differences that play a significant role in such a multi-regional project. I believe that rmp has brought positive ideas, technologies, and methods to all of the regions involved and I know that all those involved will continue to build on their experiences and successes in this pilot project to bring benefits to their regions.

I would encourage other regions and groups to join with the pioneering rmp partners in order to continue to build a global market for Europe’s finest regional specialities.