

## USHER BASELINE STUDY: CITY OF ROTTERDAM

Rotterdam is the most important city in the Netherlands after Amsterdam, the largest port in the world, the economic, social and cultural centre of the Rijnmond ('Rhine Estuary') region and the industrial heart of the Netherlands. Rotterdam region houses more than one million people and is a city of industry, modern architecture and events. In relation to other cities of West Europe Rotterdam is ranked as being well connected with excellent infrastructure, with good cultural, sports and recreation facilities but with less than attractive neighbourhoods, and in spite of the harbour the struggling local economy. Rotterdam has had to deal with problems of a low-skilled work force and high unemployment rates, an inheritance of its traditional industrial/port-based economy.

### HISTORICAL BACKGROUND

The history of the port of Rotterdam began in the thirteenth century with the establishment of a dam on the river Rotte. Although at that time Rotterdam was less developed than its neighbouring towns, it grew in importance due to its unique position at the mouth of the river Meuse (Maas), and due to a harbour that was relatively free from periodic silting. Rotterdam received municipal rights in 1340. Over the centuries Rotterdam grew from a fishing village into an international centre of trade, transport, industry and distribution.

The developments of the harbours remained the single most important factor in the growth of Rotterdam, also in the later years. During the seventeenth and eighteenth centuries the city grew to be the second commercial centre of the Netherlands after Amsterdam, trading with England, France and countries in the Mediterranean region. In 1864 the city began work on the construction of a navigation channel, a direct link with the sea, known as the Nieuwe Waterweg. This was the start of bulk transport from the Rotterdam harbour.

At the beginning of the Second World War, on 14 May 1940, virtually the entire city centre of 258 ha was devastated by a German bombardment leaving 900 dead and 77,000 people homeless. This explains why there are scarcely any pre-war buildings in this part of Rotterdam. After the war large scale development of the Rotterdam harbour took place giving it its position as a leading harbour in the world today. The entire city centre was rebuilt, sixty years after the bombardment, a new, modern city centre has risen from the ashes. The avant-garde modern architecture of Rotterdam is famous at home and abroad.

### LOCAL ECONOMY

In the post World war decade when Rotterdam struggled to rebuild her bombed inner city, reconstruction and development of the harbours became the major economic priority. This also involved modernisation: the most advanced terminals and the very latest types of crane made Rotterdam even more attractive as a port. The year 1967 flagged off an important event, the start of containerization. Container handling on the Maasvlakte increased at a rapid tempo. In 1985 container transshipment totalled 2.7 million TEU (1 TEU = 20 feet container), while ten years later this number had doubled. Rotterdam acquired the same dominant position in Europe for containers as it already had for bulk cargo.<sup>1</sup>

Table 1. Harbour- related economy

Total throughput in World's major ports, 1998 - 1995				
	1998	1997	1996	1995
Rotterdam	314,8	310,9	292,1	293,4
Singapore	241,1	252,8	242,5	235,2
Shanghai	163,9	164,0	164,0	165,7
Nagoya	133,9	120,1	118,3	124,5
Hong Kong	127,5	134,5	125,8	127,5
Antwerp	119,8	111,9	106,5	108,1
Yokohama	117,8	102,4	102,4	106,5
Pusan	96,4	106,6	97,6	93,4
Marseilles	93,4	94,3	90,7	86,6
Hamburg	75,8	76,7	71,1	72,1

Unit: Gross weight x 1 million metric tons

Source: Various

<sup>1</sup> [www.rotterdam.nl/gemeente](http://www.rotterdam.nl/gemeente)

Today, Rotterdam enjoys an international reputation as “the number one harbour in the world” in terms of volume of goods shipped.<sup>2</sup> Total volume shipped in and out of the harbour was 314,774,000 tons. The position of Rotterdam harbour on the mouth of the Rhine and open connection to the North Sea, the most navigated river and sea in the world, combined with its awesome logistical capacity and infrastructure, the presence of the Europe's largest petrochemical complex in the port area has contributed to the latter.



The Rotterdam port is an important source of revenue for the national economy, accounting (directly and indirectly) for 7 to 10% of the total national income.<sup>3</sup> In order to strengthen its position as European mainport, “Distriparks” were built from 1992 onwards. Globally operating companies can concentrate their European distribution activities at these locations. The mainport Rotterdam covering a total area of 10,500 ha has a market share in West Europe of about 42%. The mainport itself provides for 312,000 jobs for the larger region of Rotterdam.

Its international orientation as a port and the regeneration of its city centre have made Rotterdam a business city with excellent facilities. Since the opening of the borders to Eastern Europe, the hinterland has considerably increased in size. Innumerable trade and distribution companies operate from Rotterdam. All national and most international banks and insurance companies have an office here. Access to the city is excellent thanks to the close vicinity of Rotterdam and Schiphol airports and in a few years' time the city will also be

accessible from Paris and London by high speed train (TGV). Rotterdam offers an attractive economic climate for both large and small businesses.

## POPULATION PROFILE

### Number of households in Rotterdam to type, 1993-2000

Householdtype	1993	1994	1995	1996	1997	1998	1999	2000
<b>Couples without children</b>	55.491	55.188	54.114	53.052	52.137	51.329	50.852	49.784
<b>Couples with children*)</b>	56.407	55.825	54.822	53.016	51.845	51.088	50.227	49.590
<b>One-parent family's*)</b>	28.864	29.371	30.240	31.005	31.707	32.697	33.669	34.639
<b>Number of family's</b>	140.762	140.384	139.176	137.073	135.689	135.114	134.748	134.013
<b>Not-familyhouseholds**)</b>	131.691	134.459	137.522	140.143	142.218	144.367	146.242	147.223
<b>Total</b>	<b>272.453</b>	<b>274.843</b>	<b>276.698</b>	<b>277.216</b>	<b>277.907</b>	<b>279.481</b>	<b>280.990</b>	<b>281.236</b>

\*) Children of all ages

\*\*\*) Incl. People living together

The total urban agglomeration of Rotterdam has a population of 1,00,000. Rotterdam city itself has a population of 590,000<sup>4</sup>. About 42% of the population belongs to a 'non-native' ethnic background, and represents around 150 different nationalities. The largest ethnic minority groups are of Turkish, Moroccan and Surinamese (former Dutch colony in Latin America) origin. Rotterdam has a young population, with the majority (48 %) belonging to the age group 0-34. About 135,800 of the total population falls within the agegroup 0-20 years. About 91,508 fall into the 65 plus age group.

<sup>2</sup> van den Ber g et al (1995)

<sup>3</sup> van den Ber g et al (1995)

<sup>4</sup> For purposes of this project, only the city of Rotterdam will be considered, all further statistics apply to the City of Rotterdam alone.

### **SIZE & SETTLEMENT PATTERN**

Rotterdam covers a surface area of 30,424 ha. Of this about 2,370 ha is green (unbuilt) area. The population density is 2841 per km<sup>2</sup> and the housing density is 1360 units per km<sup>2</sup>. The city is a typical northern European urban settlement with high quality infrastructure, services and facilities, but with typical pockets of 'problem areas' especially in the inner city.

### **ECONOMIC PROFILE & EMPLOYMENT PROFILE**

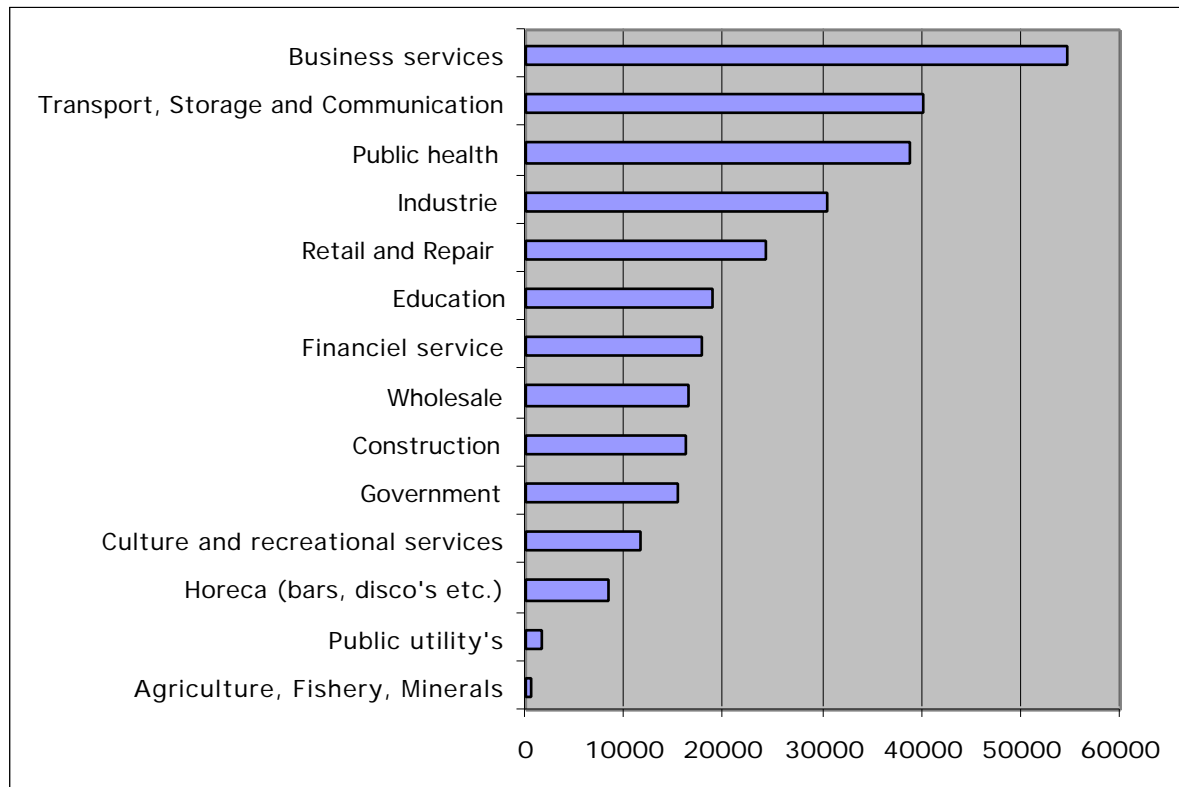
The working population of the city of Rotterdam consists of 295,000 persons of which 38,477 are employed in the transport sector, 31,931 in industry, 49,053 in service sector, 36,742 in health and welfare sector and 23,676 in retail. Other sectors represented are agriculture, and fisheries, construction, wholesalers, financial sector, government and education. The total number of enterprises or businesses is 23,200. Almost 95% of the enterprises in Rotterdam fall within the SME classification, the cut-off point being 100 employees.

About 295,000 Rotterdammers form the working population of the city. Unemployment is now reduced to 10.5% from 14.2% in 1994; however the average unemployment rate is still higher than the national average. At this moment there are approximately 60,000 registered unemployed persons in Rotterdam. The problem is one of a mismatch between the supply side (predominantly low-skilled workers) and demand side (jobs requiring higher skills). Although most people in this group enjoy good incomes, about 100,000 are of this population are dependant on social security. The majority of the group claiming social security consists of single mothers or elderly persons from ethnic minority groups.

<b>Profit and loss account of number of employed people according to cause in Rotterdam</b> (figures for last year given between brackets)									
Profits					Loss				
Cause	Absolute		As % of the profits		Cause	Absolute		As % of the loss	
Expansion in existing companies	28.244	(21.922)	68,2%	(64,4%)	Cuts backs of existing companies	16.578	(15.300)	61,3%	(58,8%)
Foundation	11.656	(10.030)	28,2%	(29,5%)	Discontinuation	7.601	(6.032)	28,1%	(23,2%)
Moving into area	1.337	(1.043)	3,2%	(3,1%)	Moving out of area	2.670	(3.891)	9,9%	(14,9%)
Change of activity	148	(1.022)	0,4%	(3,0%)	Change of activity	175	(810)	0,7%	(3,1%)
Total	41.385	(34.017)			Total	27.024	(26.037)		

source: BRZ/OBR 1998

## Number of people working professional sector, in 1999.



### EXISTING SUPPORTS FOR E-BUSINESS:

The following agencies and bodies are active in the Rotterdam region supporting entry to e-Business:

#### COMMERCIAL

##### *Advisors*

There are three advisors who are active in Rotterdam. Considering the low uptake of e-commerce within the SME sector, this is not really surprising.

##### *PIR Automatisering*

A spinoff company from the RCDC itself PIR is in a unique position of having access to a number of local government agencies and SME representative bodies in the city. PIR has specialised in training, and customised courses for the SME sector. They have initiated / participated in various surveys of SME to assess the client base profile. PIR also offers consultancy services and webdesign and implementation services.

##### *Broekhuis Advisors*

Broekhuis offers consultancy services mainly, plus online training possibilities.

##### *Allset*

Allset offers consultancy services and webdesign and implementation services.

#### EDUCATIONAL

Rotterdam is exceptional in the Netherlands in that local educational institutions offer consultancy services to SME organisations. Institutions involved are at the polytechnic level. Rotterdam's best known Erasmus University is surprisingly uninvolved.

##### *Albeda college*

Albeda a 'regional education centre' serving 20,000 students mostly in the southern part Rotterdam, offers a number of courses in a number of fields at the polytechnic level. Albeda offers evening courses and consultancy services to SME's in the field of e-business.

### *Zadkine college*

Zadkine is the other large 'regional education centre' also serving 20000 students largely originating from the northern part of Rotterdam region. Like Albeda, Zadkine offers courses and consultancy services.

### **PUBLIC**

In the public domain two main players are active. RCDC itself, and the other is Syntens.

### *Syntens*

Syntens is a centrally funded 'innovation network' at 15 centres in the Netherlands aimed at supporting SME's in product innovation, business process reengineering, business administration and ICT development. The latter is relevant for this project. With its ICT support programme Syntens helps SME's understand the potential contribution of ICT applications and the impact of ICT developments for their businesses. Within the ICT programme, Syntens has set up 3 projects:

#### Netherlands goes digital

The aim of this project is to inform SME's about the possibilities of internet/ ICT. The target group is the 'laggard' SME. Consultation hours can be planned with Syntens consultants. The first hour is free after which the services have to be paid for. Syntens also organises free workshops at their premises and specific industry branch oriented sessions for information and consultancy. In addition Synfodex, a databank of ICT service providers developed by Syntens allows clients to make an informed choice.

#### Sp.OED Advies

The aim of this project is to advise SME's specifically on the possibilities of electronic commerce. The target group is the core SME (with some knowledge and interest in e-commerce). Sp.OED disseminates information on best practices, circulates articles of interest and its own newsletter on the subject e-commerce, arranges VIP tours at important events. Sp.OED has offered individual advice to over 3000 SME's in 3 years. Advice is mainly at business strategy level, effect on value chain. Specialist advice is available for subsequent sessions. Sp.OED advice comes in 'short', 'normal' (1 day with a specialist) and 'plus' (3 days with a specialist) and 'gold' (5 days with a specialist). Project Sp.OED is in fact the project which is most relevant for the purposes of Usher.

#### Crossing the digitale divide

The aim of this project is to stimulate the use of ICT by targeting branch organisations (representing an industry sector). Branch organisations are offered advice on various aspects and applications of ICT. The project has a limited life till 2003 and addresses about 50 organisations at present.

### *RCDC*

The RCDC as explained earlier has programmes aimed at supporting the city economy. Two of these have links with e-business.

The programme ICT has as its chief aim stimulating and providing an attractive location and facilities for the ICT sector within the city. The sector for e-business within project ICT is has as its chief aims: encourage use of e-business by SME's and thereby create a market for technical, training and counselling (ICT) companies

The e-business skillset and knowledge is limited to strategic potential of e-business applications in enterprises. Most of the deeper, technical knowledge is bought on a need-basis. There are no training or counselling services available as of now. Project Usher will be the first initiative aimed at supporting entry to e-business.

The second programme is the SME programme, which deals with various 'theme's' which are of importance to SME's:

- Space for office or manufacturing
- Supporting startups and young enterprises
- Skilled labour
- Information from the government
- Knowledge and quality concerns.

The last theme Knowledge and Quality relates to the ways in which a SME can improve its business processes and innovate. SME's especially are often not equipped for the latter, whereby crucial opportunities for growth are lost. This is partly due to the fact that many commercial services, applications and agencies are oriented towards larger companies. SME's are very often low-staffed enterprises which leaves little time or opportunity for acquiring knowledge about new developments. A number of projects are set up make the knowledge more accesible to the SME's; for example marketing and export and development of networks. The need for a project devoted to E-business has already been endorsed, the project is now being defined. In short, support for SME's in the area of e-business at the RCDC is being developed only now.

In general, the links between the agencies mentioned above are extremely limited (although RCDC has approached Syntens for cooperation in project Usher). There is no umbrella body. Some initiatives are now being set up in order to rectify this situation. One idea is to set up a SME knowledge centre where different agencies can offer their services from a central platform.

### **REGIONAL INFRASTRUCTURE:**

Technical infrastructure  
Telecommunications

Rotterdam has an excellent digital telecommunications network. Dual optic fiber network with automatic rerouting is offered. A total of 1000 km glass fibre network has been laid, with a potential to quickly grow to 100,000 kms. As part of this network, 'backbones' have been laid along locations with a potential for high economic development (concentrations of ICT related enterprises) to carry large amount of data. There are about 18 fixed network operators, most of them active on a European scale offering their services in Rotterdam.

### **MOBILE NETWORK COVERAGE**

The mobile network coverage is excellent, comparable to any major European city. There are 5 major operators competing for this market.

### **LOGISTICS INFRASTRUCTURE**

#### **ROADS:**

Rotterdam is well connected to Europe and to the rest of the Netherlands by a high quality interconnected European highway system. Dutch hauliers are known to account for 30% of all European road transportation.

#### **RAIL LINKS**

Rotterdam has direct rail connections to all major European industrial areas. Regular shuttle services are available between major centres. Two rail transshipment facilities are located here, capable of handling various types of cargo.

#### **AIRPORTS**

Rotterdam is served by Schiphol International Airport, providing flights to 180 international destinations, links to regional airports and recognised as a top business airport. High frequency train connections exist to access Schiphol which lies about 40 miles from city centre.

#### **PORTS**



As mentioned earlier Mainport Rotterdam is the largest port in the world in terms of tonnage shipped. It has state of the art container terminals, liner services to global destinations, excellent hinterland and inland shipping connections, value added port and logistics services (distriports) and dedicated terminals. Rotterdam has a deep sea harbour (24 metres).

### LOGISTICS SERVICES

Companies in Rotterdam offer high level expertise in handling the entire logistics chain (transport, stock keeping, packaging, final assembly, physical distribution and invoicing). In addition number of value services are offered.

### CLIENT BASE PROFILE: (PIR INFOMATISERING B.V.)

Rotterdam has approximately 35.000 companies in the economic region which includes the suburbs. The regional structure is built up from two strong economic sectors which consist of the harbour and non-harbour related businesses, both have during the last 10 years begun to show equal strengths with respect to the economical growth. Of these companies 33.000 are SME's which are bound by Dutch law to register at the regional chamber of commerce. Most of these SME's are members of either business clubs and or branch organisations. To help to acquire a better view of the type of market areas these companies work in we have split them up into several groups so as to be able to evaluate the different market sectors more accurately.

### BUSINESS AREA'S / SIZE

Region of Rotterdam SME's (1 - 100 employees) Sectors	Total SME's
Manufacturing	1200
Transport	2700
Shipping	1800
Retail / Wholesale	9500
Banks / Insurance / Holdings	5690
Services	8900
Agricultural	207
Offshore Industry	1700
Construction	1650
<b>Total</b>	<b>33347</b>

*Information : Dun & Bradstreet, Rotterdam*

As you can see the largest sectors are in fact a group of three retail/wholesale, Banks/insurance/holdings and service related organisations such as administration, doctors, dentists, office cleaning companies etc.. Also included in retail is the food and drink industry such as bars and restaurants.

PIR Infomativering initiated in November 2000 a research program within her own client base consisting of 5000 SME's, which represents all of the above business areas. The research was aimed at finding out what level of technology is being used relating to the usage of internet by these companies and the stage are they at present in.

We have incorporated the findings of this research which have been filtered to the requirements of work-package 2 of the USHER project. We have to be aware of the fact that due to the growth of technology within this area, it is possible that in some instances the information could have slightly changed during the period of four months. The main reason we state this is due to the fact that approximately 12% of the interviewed SME's did state that they were planning to start in one form or other to use internet in the beginning of 2001.

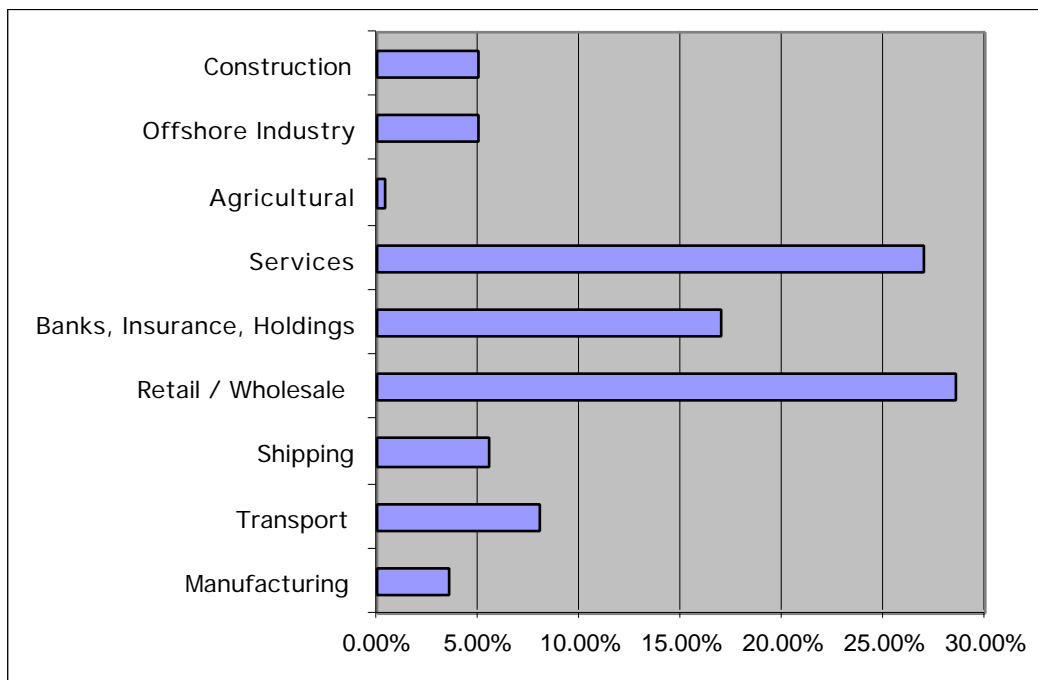
To help the reader we have filtered the information into the following headings:

- business area's / size
- sectors
- technology levels
- geographical impact

## e-business profiles

The client base we used has equal percentage coverage of the regional total SME which not only represents the 5000 SME's taking part but also accurately gives a good analysis of the total client base of the region of Rotterdam:

Manufacturing	3,60%
Transport	8,00%
Shipping	5,50%
Retail / Wholesale	28,50%
Banks / Insurance / Holdings	17,00%
Services	27,00%
Agricultural	0,40%
Offshore Industry	5,00%
Construction	5,00%
	100,00%



*figure 1.*

The first impression reveals that the largest number of SME's are retail/wholesale orientated which is one of the areas where many internet providers are targeting for e-commerce related sites. The problem arises in whether these SME's are concentrated in local customer activities or national and or international business. During our research we discovered that more than 65% of the retailers aimed their products to a local customer base. Naturally the first barrier arises in whether it is interesting for these companies to use internet as a business incubator or not, this due to the historical culture of their organisation.

At the same time the type of product can influence the decision on whether e-commerce is viable, In most cases it does call for a further investigation in to the internal procedures and production process. We found that many medium size SME's did have to make changes in their production and logistical activities to accommodate the changes necessary for the web.

In comparison to the medium size SME's the smaller ones also had to make changes which in many cases were more dramatic than the medium size companies, of which the main reason was that the smaller the company the less employee's to delegate tasks to so as to keep the web-site up to date.

## **SECTORS**

Within the business area's we found that almost 70% of SME's are participating in branch organisations, so as to increase their product value by sharing information and economic advantages through the branch members. Most branch organisations offer special supplier and service arrangements in package deals which offers the members a lower production cost.

At the same time some branch organisations offer web based facilities to their members through means of business trading centre sites and business parks, so as to offer added-value to help promote branch membership, and increase name recognition.

Within the whole of the client base we found that 69% of the SME's are working in the sector "business to consumer", the rest are dominating the "business to business" market.

Naturally the most SME's involved in manufacturing, shipping, transport, offshore, wholesale and construction are mainly business to business operators.

International business is an area which is increasing on a daily basis, since the end of 1997 the growth rate is more than 16%, of the 5000 SME's contacted we were able to find that more than 48% are operating directly in the international market as well as the national market.

## **TECHNOLOGY LEVELS**

In respect to technology levels most SME's within the size limits of 1 to 30 employee's make use of the local ICT sales points such as computer shops. Here they acquire their knowledge and equipment, thus giving a fairly low standard of ICT potential and know-how.

Within the area of Rotterdam there are relatively few consultancy organisations aimed at the small entrepreneurs of which PIR is one.

Companies larger than 30 employees make use of a network of information centres and ICT consultants, even local technical colleges and universities are used to help in this area.

There is not a real clear picture of the quality of technology within the SME client base as it strongly depends on the financial and economical situation of the SME in question, at the same time many SME's only think they are strongly represented in the adaptation of ICT when in reality they still have a long way to go.

To sum up the present situation, there is more than sufficient knowledge available but less than 40% make use of it or partially make use of it.

## **GEOGRAPHICAL IMPACT**

Within the different market sectors many of the SME's using Internet related technology have not yet determined their strategy for widening their market activities outside of their original geographical area. The SME's that have already done this have in fact noticed an increase of more than 20% to their distribution network, which has developed into a much wider market than the historic business approach. The information gathered did not however cover the different sectors individually, the above growth of 20% represents all sectors.

One of the many questions being asked to advisors at this moment is in fact whether it is necessary to operate on a national or international market when using this type of technology.

The criteria for this is of course dependant on the type of product and logistical set-up of the SME involved. Some SME's who have chosen for a wider market have definitely experienced not only an increase in their geographical market but also an increase in their own supplier base. The main reason for this is that more and more suppliers are using internet to offer their products all over the world, this makes it much easier to find new suppliers through search engines.

## **E-BUSINESS PROFILE**

As a guide to the profile of SME's using e-commerce we have used the findings of the PIR research results so as to offer a more accurate image of the present day situation. Even though the findings are a few months old it still offers an accurate portrait of what is happening in Rotterdam. We have also incorporated a number of graphs showing the technology and implementation borders.

Of the 5000 SME's contacted, the figures revealed that 1500 had a web site and more than 900 had only their business address (business card or simple home-page) by a provider, in total 2750 had e-mail including the 1500 with a web-site.

These results give an impression that 55% of the SME's in the Rotterdam area are active with internet in one form or another, which according to several national sources means that Rotterdam is a little higher than the national figure of 43%. Most difference's in Rotterdam are in actual fact influenced by the shipping and transport industry, which covers a large part of the Rotterdam economy as you can see in figure 3. this sector has together a 10% business position within the total SME base. Due to Rotterdam being a large dock area with more shipping and transport industry than the rest of the Netherlands this causes a difference in the national averages giving Rotterdam a unique position within the national figure of 43% as mentioned above.

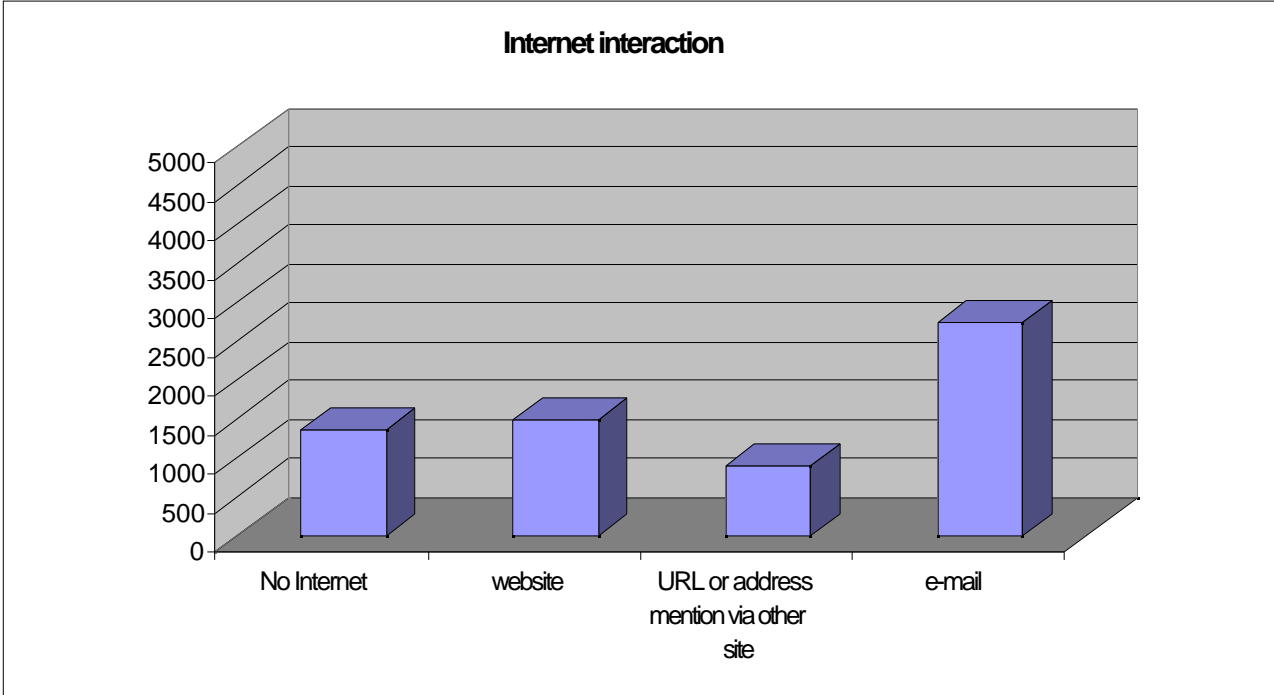
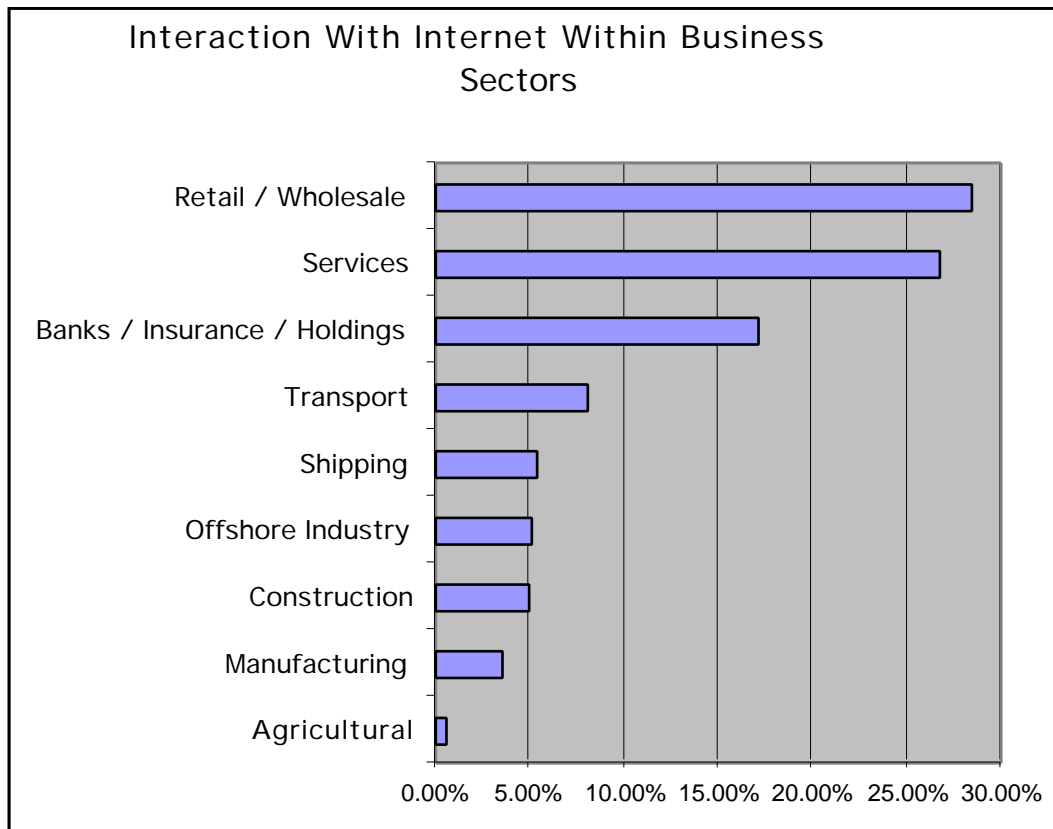


Figure 2.

As shown in the graph above (figure 2) the largest percentage have e-mail but do not necessarily have a website or even an address mentioned on other web-sites. We also discovered that 18% of the SME's who had e-mail but no web-site did however have a domain name registered but had no site at the moment, when asked what the reason for this was their answer is that they where waiting either for more evidence that Internet for them and their customers was becoming more interesting, or that they where not sure at this moment whether they should take an e-commerce site or not. The conclusion could be a question of offer or demand, either way one more reason to offer SME's more advice on the use of Internet in their day to day business.

In the following graph we show how the SME's with Internet interaction are divided over the different business sectors:



*Figure 3.*

If we compare figure 1. with figure 3. we see that the technical adaptation of internet is generally the same as the number of SME's within that sector which implies that the rate of implementation is on a ratio of 1:1.

In the sector banks, insurance en holdings we have to take into account that in Holland many entrepreneurs have next to their production business a holding company, in most cases this is for economical and tax reasons.

Within the SME base information it was quite obvious where the most e-commerce business was being utilized. The first identification area of business's with shop facilities is to be found in the wholesale related SME's more so than the retail. This difference shows that more business to business trade is being done over internet from the sector retail/wholesale than retail. One of the reason's for this is mainly due to the fact that many retailers who are aiming their sales to a regional market are either not yet satisfied or aware that e-commerce can offer them more potential in the future by expanding their market area, surely more reason why an ICT advisors toolkit for e-commerce is necessary.

The second area is within the services sector, where many services use internet as an extension of their business approach to a wider public. Some examples of this are such as theatre and travel agencies who have adapted to internet very quickly and are using it's potential to a maximum.

The figures are derived from a questionnaire based on the following headings:

- Brochure style web sites
- Interaction with customers(e-mail etc.)\*
- Web-shops
- Online commercial transactions
- E-logistics
- Links to suppliers / automated ordering
- Links to networks and supply chains

\* SME's who use e-mail for daily communication

From the 2750 SME's with any form of Internet interaction the following results where established in percentages:

	Brochure site	Interaction e-mail	Web-shops	Online transactions	e-logistics	Links to suppliers	Links to Networks
Manufacturing	6%	19%	0	19%	0	7%	4%
Transport	12%	13%	0	13%	0	2%	8%
Shipping	8%	17%	1%	17%	0	0	12%
Retail	5%	20%	4%	20%	0	0	0
Wholesale	2%	23%	8%	28%	0,50%	4%	5%
Banks/Insurances/Holdings	5%	20%	0	20%	0	0	3%
Services	8%	17%	0	17%	0	6%	2%
Construction	9%	16%	2%	16%	0	0	1%

As we can see there are not many SME's involved in e-logistics as was expected, this is mainly due to the fact that e-logistic tools are only now becoming available on the market, but we are sure that these figures will grow in the following 12 months due to several software developers who are promoting the tools for this service with a connection to their already installed inventory database. We also see that retailers do not use many links to suppliers, the main reason for this is mostly security driven, many retailers will not reveal their supplier source over the net.

To accentuate the above sheet concerning the SME's who are on-line we have incorporated a list of URL's with examples of sites within the different sectors:  
Please note that under the heading "web-shops" the following toolkits are being used : Shop in a box and prioserve.

<b>Manufacturing</b>	<a href="http://www.femco.nl">www.femco.nl</a> <a href="http://www.hunneco.nl">www.hunneco.nl</a> <a href="http://www.rovasta.nl">www.rovasta.nl</a> <a href="http://www.peinemann.nl">www.peinemann.nl</a> <a href="http://www.trescon.nl">www.trescon.nl</a>
<b>Transport</b>	<a href="http://www.acetra.nl">www.acetra.nl</a> <a href="http://www.axisfreight.com">www.axisfreight.com</a> <a href="http://www.cvr.nl">www.cvr.nl</a> <a href="http://www.fenex.nl">www.fenex.nl</a> <a href="http://www.nirint.com">www.nirint.com</a>
<b>Shipping</b>	<a href="http://www.choyang.nl">www.choyang.nl</a> <a href="http://www.copex.nl">www.copex.nl</a> <a href="http://www.habo.nl">www.habo.nl</a> <a href="http://www.geest.nl">www.geest.nl</a> <a href="http://www.schutter-jzn.nl">www.schutter-jzn.nl</a>
<b>Retail</b>	<a href="http://www.pullman.nl">www.pullman.nl</a> <a href="http://www.juwelier.nl">www.juwelier.nl</a> <a href="http://www.donner.nl">www.donner.nl</a> <a href="http://www.devestingverhuur.nl">www.devestingverhuur.nl</a> <a href="http://www.watchshop.nl">www.watchshop.nl</a>
<b>Wholesale</b>	<a href="http://www.admico.nl">www.admico.nl</a> <a href="http://www.dcberkel.nl">www.dcberkel.nl</a> <a href="http://www.tasc.nl">www.tasc.nl</a> <a href="http://www.gifts.nl">www.gifts.nl</a>
<b>Banks/Insurances</b>	<a href="http://www.hypothekeer.nl">www.hypothekeer.nl</a> <a href="http://www.pensionservice.nl">www.pensionservice.nl</a> <a href="http://www.rijnmond.com">www.rijnmond.com</a> <a href="http://www.trias.nl">www.trias.nl</a>
<b>Services</b>	<a href="http://www.brugbrok.luna.nl">www.brugbrok.luna.nl</a> <a href="http://www.doubledesign.nl">www.doubledesign.nl</a> <a href="http://www.droombureau.nl">www.droombureau.nl</a> <a href="http://www.kolpron.nl">www.kolpron.nl</a> <a href="http://www.risc.nl">www.risc.nl</a>
<b>Construction</b>	<a href="http://www.aertgeerts.nl">www.aertgeerts.nl</a> <a href="http://www.aquastyle.nl">www.aquastyle.nl</a> <a href="http://www.bouwteam.nl">www.bouwteam.nl</a> <a href="http://www.breur.nl">www.breur.nl</a> <a href="http://www.stuit.nl">www.stuit.nl</a>

#### **MUNICIPAL ORGANISATION AND ADMINISTRATION**

Rotterdam is run by a city council and the Municipal Executive Committee which comprises the Mayor and Aldermen. The city council of Rotterdam consists of 45 members. The city council is elected once every four years by the people of Rotterdam. The most recent elections took place in 1998. The Mayor and Aldermen form the Municipal Executive Committee and have a large number of delegated responsibilities. The Rotterdam municipal authority employs around 20,000 people, a large proportion of whom work in municipal departments which prepare and implement policy.

Rotterdam has a decentralised form of administration with sub municipal councils which can independently take decisions relating to that specific submunicipality. These councils take decisions relating to issues at a district and neighbourhood level. The city centre and the port area come under the central municipal administration.

## **RDA PROFILE**

### **ORGANISATIONAL STRUCTURE WITHIN THE RDA: ROTTERDAM CITY DEVELOPMENT CORPORATION (RCDC)**

The RCDC was formed in 1990 as a result of a fusion between the department of Economic affairs, Real estate agency and Agency for Small and medium enterprises. The RCDC has a mandate to develop and implement spatial and economic policy for Rotterdam. The latter consists of the following activities:

- developing and leasing out real estate for residential, industry, office and infrastructure use
- developing and managing (publicly owned) real estate
- creating and implementing an economic programme, often in the form of public-private partnerships
- managing large-scale economic and spatial development projects in the region

RCDC has a total net worth of about 7 bln euro's (including real estate). The total turnover last year in real estate transactions alone was 139 mln euro's. The total yearly revenue contribution towards the City coffers is 23 mln euro's. The total spending on economic projects (for example those directed towards SME's) is on an yearly basis about 40 mln euro's.

### **GENERAL ORGANISATIONAL STRUCTURE**

The RCDC comprises of 400 employees. Two main departments exist, that of 'Production' and that of 'Development'. The production department is made of a number of smaller sub-departments which are responsible for the various products and services of the RCDC, both external and internal. Examples of the former are the sub-department of Real estate development and Economic project development and the latter land acquisition, lease management, cartography.

The production departments are supported by a number of ancillary departments such as project management, legal services, finances etc.

The Economic projects department is in terms of turnover the largest department of the RCDC. In this department are represented the following 'clusters' of economic projects:

Leisure economy cluster

Audio-visual, technical innovation and Medical industry cluster

ICT cluster

SME cluster

Neighbourhood (local) economy support cluster

The project Usher is mainly an effort of cluster ICT, whereby the project management and end-responsibility lies with the ICT cluster. The other two clusters (SME and local economy support) are also involved but to a lesser degree. The direct business advisory service structure is provided mainly by them. Each cluster comprises of approximately 7-8 persons, most of whom are at a project manager level.

The e-business skillset available within the clusters is quite minimal, with most of the expertise concentrated within the cluster ICT. E-Business knowledge base is available from within the ICT cluster and from national organisations in this area, eg. Syntens, see later section.

At the moment there is no programme or project specifically set up to promote e-commerce within the SME's. A proposal has been made to start a awareness building project parallel to project Usher. There is a small chance that additional funding will be available for the latter.

Incubation Units/ Innovation Centre

Cluster ICT is a participant in a national initiative known as Twinning Netherlands, which is nothing but an incubator for ICT start-ups. Cluster ICT contributes to Twinning for the region of Rotterdam on a decreasing rate per year for a total of 4 years, after which Twinning should be commercially self-supporting.