



CASE STUDY: BURREN SMOKEHOUSE

<http://www.burrensmokehouse.ie>

FACT FILE				
Company name	Burren Smokehouse			
Business Activity	Retail of Smoked Salmon and Irish Gourmet Products			
Region	Shannon, Ireland			
Number of employees	12			
Business Range	Local	Regional	National	International
				X
Description of market / client /target group	Clients are mostly tourists passing through this important area for tourism.			
Description activities / products / services	The Burren Smokehouse smokes fresh salmon in-house and produces other gourmet products. These are for sale in the Smokehouse and also by mail order. In the last few years online ordering has been introduced.			

CASE DESCRIPTION:

The business

The primary business of the Burren Smokehouse is smoking of fresh fish (in particular salmon) and cheese. These gourmet products and others are then sold in the visitor centre attached to the Smokehouse as well as through mail order and online order service. The mail order and online service serves clients from the catering industry (hotels and restaurants) as well as individuals interested in gourmet food.

Introduction of e-business

The Smokehouse has offered mail order service for some time now, and a number of years ago decided to develop a website as a promotional tool. Following extensive interest arising from the website, the management decided to develop an online shopping facility so that those visiting the website and interested in their products could order online. This has been a huge success and a large increase in business has followed on from this development.

As well as the increased business stream, the move to online trading has resulted in reduced costs in some respects, since traditionally mailshots were used as a form of advertising. By traditional post, these mailshots cost in the region of €890 - €1270. Now using email rather than traditional post, the same mailshot costs 25 cents! Traditional mailshots are still carried out to some extent but to a much reduced degree.

The management feel that e-business developments on their supply side have been much slower to develop. Many of their suppliers are local producers and were not yet using even email. This has not been particularly problematic to date as they have a small number of suppliers and a simple phone-call is all that is required for an order to be placed.

Lessons Learnt

The Smokehouse management is very pleased with the result of their move into e-business to date and is keen to go further in this regard. The next step they feel is to increase their online marketing campaign and integrate their internal systems from supply side, to production/operations and through to front end in the visitor centre and online. They feel very much in need of advice and help in this regard and are finding it very difficult to get that help.

They believe that this is a problem that many SMEs considering e-business will come across. Private companies providing e-business advice and consultancy simply are not interested in the small amount of revenue ensuing from working with individual SMEs – in particular very small SMEs like the Smokehouse. Figures were quoted from some suppliers locally who are only interested in business that can generate a minimum of € 25,000 initially, with the prospect of future revenue streams. There is great scope for a low cost e-business package (€12,000 to €20,000), that allows an SME to integrate their front to back end business processes and trade online. With 179,000 SMEs in Ireland, the Burren Smokehouse managers feel that there is sufficient market for such a package that would make it profitable. Several moves have been made by the management of the Smokehouse to encourage cooperation between local SMEs in this regard, but to no avail. They feel very frustrated in being hindered from making what they feel is the next step into e-business.

Some very important points were raised by the management of this SME. The management felt that it was essential to them to keep their identity and maintain the perception of the business online. To do this they included photographs of themselves to get the feeling of real people at the other end, and they put great effort into keeping the country, traditional feel to the business as it is presented online. They also felt that launching into e-business was almost like starting in business again, because of the huge amount of new knowledge and skills needed, and because of the capital equipment expenditure involved. They feel that this outlay has been well worth it though and has resulted in increased business and revenue. They perceive themselves as having been amongst the first taking the risk with e-business, and feel that they have tested the waters for other SMEs following later. Meanwhile however, they have gained competitive advantage and greater expertise, as well as increased revenue.