

TradeCard Facilitates B2B e-commerce

Taiwan's astute entrepreneurs are embracing and promoting the paperless purchasing and financial supply chain platform provided by New York City-based TradeCard, top company officials said yesterday.

"Taiwan represents between 45 percent and 50 percent of our business. It is very heavily centered here, and we are just scratching the surface," TradeCard Chairman and CEO Kurt E. Cavano told the Taiwan News.

Founded in 1999 as a private company by EM Warburg Pincus, TradeCard is a B2B e-commerce infrastructure that enables buyers and sellers to initiate, conduct, and settle international trade transactions over an open, secure and neutral network, Cavano said.

It was one of the few companies that survived the dotcom bust that annihilated Internet start-ups in 1999 and 2000. In fact, the end-to-end financial supply chain service provider said business was booming. Transaction volume is up by double-digits every month, and the company expects this growth spurt to continue for the next 10 years, Cavano said.

what we are trying to do to trade is what the credit card does to travel," said the executive.

"We're the only company that's doing this. By marrying together the financial and the physical supply chains, we synchronize that process: As the goods are moved, the money is moved."

work? According to the company, TradeCard is a Web-enabled platform that all parties access through the Internet by logging into its secure transaction environment.

Buyers and sellers can manage transaction workflow with complete visibility into purchasing and financial transactions, from order to settlement, resulting in optimized cash flow and credit lines, it added.

"We want to take the costs out of the supply chain for both parties. If you look at the companies that failed, they were either very buyer-centric or very seller-centric, and what they were doing was shifting the cost around the supply chain," Cavano said.

"The services that we put in place save money for both the buyer and the seller, and that's what is driving our adoption rate. It's a simple philosophy, it's not rocket science."

But the technology behind TradeCard is phenomenal, he boasted.

"We spent roughly US\$40 million building the platform. We use the Internet as the communication vehicle but you need a lot of very complicated technology to be able to take the purchase orders electronically, distribute them around the world, and take the invoices and packing lists electronically," said the executive.

TradeCard is a financial supply chain service provider like no other, Cavano added.

"People ask me: Are there competitors? There's no competitor. Our biggest challenge is not the competition, but getting people to change the way they do business. Our competitor is the 'old way' - the paper-based way," he said.

"Sometimes that is harder than competing against another company because it requires people to change their mindset and change the way they do business."

TradeCard persevered and eventually won some big global traders, said Cavano.

"Now we have a lot of shoe, textile, and electronics companies (subscribing to our platform). That helps us to sell because they can refer us to other industry players," said the official. business follows a predictable life cycle, he added.

they say, 'Okay, we'll try this.' They will tell some of their suppliers, 'We'd like you to do this.' The suppliers always say the same thing, 'Oh no, another way of doing business. Do I have to do this?'" Cavano said.

"So we bring them on and get them up and going. Within six to 10 weeks, we get this phone call from the supplier saying, 'You know, here's the other people I sell too. Can you talk to them about TradeCard.' It goes from 'Do I have to do this?' to 'Here's the other people I sell to.'"

those sellers ask TradeCard if they could become buyers, added Carl Wegner, country general manager of TradeCard.

"They call it 'viral marketing' - you 'infect' others in a good way. That kind of referral is the best kind because who is the chief financial officer going to believe more than another CFO in a similar company? That

helps us a lot," said Cavano.

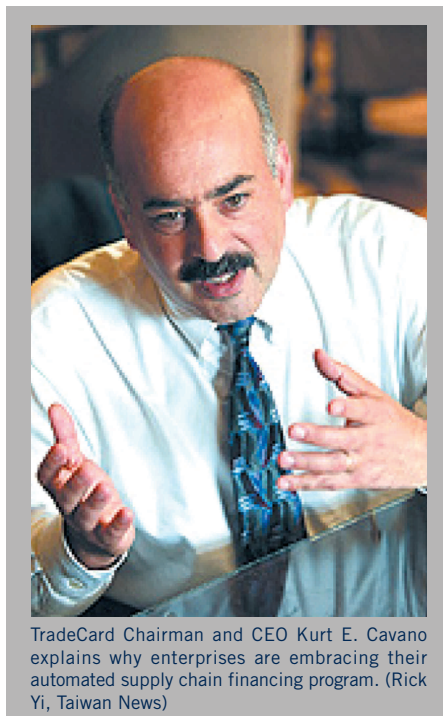
James Ho, strategy director of Golden Chang Industrial Co., said in a testimonial that TradeCard "is gradually becoming standard for us."

"We have offices in Taiwan, Macao, Hong Kong, and the U.S. with factories in Vietnam and China to produce our footwear including the well-known Caterpillar brand, and managing the purchase orders for all markets centrally from our Taiwan headquarters was a major headache," Ho said.

TradeCard, he said, did not only give him "complete visibility into the status of all transactions any time from anywhere" he could get an Internet connection, the platform also helped him "keep track of purchase orders, invoices, and all other documents in one place that would normally all be on paper, requiring faxing, courier fees, and a lot of manual administration."

Cavano said his team would never approach potential customers if "we can't save them money."

"If we can't, don't implement us," he said. "The good news is, almost every place we go, we can save them money. We can demonstrate real-time return on investment."



TradeCard Chairman and CEO Kurt E. Cavano explains why enterprises are embracing their automated supply chain financing program. (Rick Yi, Taiwan News)