

December 2005

# TradeCard: Expanding into China - A Teaching Case

Ali Farhoomand  
*The University of Hong Kong*

Follow this and additional works at: <http://aisel.aisnet.org/bled2005>

---

## Recommended Citation

Farhoomand, Ali, "TradeCard: Expanding into China - A Teaching Case" (2005). *BLED 2005 Proceedings*. 49.  
<http://aisel.aisnet.org/bled2005/49>

This material is brought to you by the BLED Proceedings at AIS Electronic Library (AISeL). It has been accepted for inclusion in BLED 2005 Proceedings by an authorized administrator of AIS Electronic Library (AISeL). For more information, please contact [elibrary@aisnet.org](mailto:elibrary@aisnet.org).

**18<sup>th</sup> Bled eConference**

**eIntegration in Action**

Bled, Slovenia, June 6 - 8, 2005

---

## **TradeCard: Expanding into China – A Teaching Case**

**Ali F. Farhoomand**

The University of Hong Kong, Hong Kong  
ali@business.hku.hk

### **Abstract**

*This case features TradeCard Inc., a New York-based financial supply chain service provider, and its plan to expand into the China market. The case discusses how a structured B2B online payment system such as TradeCard can be marketed in China and how TradeCard Inc. can create a critical mass of users in China.*

### **1. Introduction**

TradeCard Inc. ([www.tradecard.com](http://www.tradecard.com)) developed TradeCard as a financial supply chain service. The TradeCard platform aligned the documentary and financial requirements of a domestic or international trade transaction with the physical movement of goods, eliminating time-consuming and error-prone manual processes. By streamlining and enhancing the steps necessary for purchase order approvals, payment decisions and settlement, TradeCard provided a cost-effective, practical and patented service for financial supply chain management. When TradeCard Inc. started in February 1999, some of the challenges the Company faced involved building the network of players and service providers in the TradeCard system, changing the mindset of global traders who conducted large-dollar transactions to use TradeCard, and building a technical infrastructure that had the ability to provide a seamless online settlement transaction and secure electronic solution involving a network of global players. TradeCard expanded rapidly after 1999. By the end of 2002, TradeCard had attracted over 100 service providers in the TradeCard system and over 600 companies were using TradeCard. The Company improved the service offering by “unbundling” solutions to fit the special and customised needs of its customers.

New York-based TradeCard Inc. had offices in San Diego, San Francisco and Chicago, and international offices in Hong Kong, Tokyo, Seoul and Taipei.<sup>1</sup> In November 2002 TradeCard Inc. decided to enter China. Not only was China considered to be the biggest market in the world, but most of TradeCard's biggest customers in the US, Europe, Hong Kong, Singapore, Taiwan and around the region had their products manufactured in the mainland. With China's accession to the WTO, foreign companies, including TradeCard Inc., were eyeing China as a very attractive market. However, China had yet to develop its legal, financial and technological infrastructure to accommodate international players. How then could a structured B2B online trade transaction management service such as TradeCard be marketed to China? How could TradeCard Inc. create a critical mass of users in the China region? What would be the best means to achieve that?

## **2. TradeCard in 1999-2002**

TradeCard Inc. went through three major phases after its inception in early 1999: developing the product; developing the platform, and then unbundling the solution. [see **Figure 1** for TradeCard's history and highlights].

The product – TradeCard – was basically a Web-enabled service designed and developed by TradeCard Inc. as a robust payment alternative for large-dollar, cross-border and credit-assured transactions. TradeCard started as a Letter-of-Credit replacement product in February 1999. TradeCard's design was intended to be scalable, secure and Web-based. It was a B2B e-commerce infrastructure provider that enabled buyers and sellers to initiate, conduct and settle international trade transactions securely over the Internet. TradeCard aggregated buyers, sellers and disparate trade service providers in an automated and streamlined environment, which made trade more secure, reliable, cost-effective and user-friendly. In this first phase the pricing model was simple: all transactions cost US\$150.

The second phase occurred between January 2001 and August 2002, when TradeCard expanded the platform. TradeCard had become a transaction management platform wherein the product included multiple payment options for large-dollar or small-dollar, cross-border or domestic, and credit-assured or open-account transactions. In April 2001 TradeCard introduced its wholesale model, providing financial institutions with the opportunity to license a “white label” version of the platform. White label was a version of the platform that was sold by financial institutions to their customers as a hosted solution with a customised user interface, transaction options and pricing. TradeCard also introduced a new flexible pricing concept, meaning that members paid only for the functionality they used. At this stage TradeCard's service provider network – consisting of logistics, inspection, financial institutions, credit and insurance services, etc. – continued to grow, and the new strategy was validated by increased transaction volumes and member acquisition rates.

The third phase, “unbundling” the solution, began in the fourth quarter of 2002. TradeCard began unbundling the platform to provide a more flexible solution to its customers. TradeCard had become a modular financial supply chain solution. The modular solution had multiple sales and pricing options (subscription, basis points, etc.) that could be customised based on the target market. The complete solution included

---

<sup>1</sup> TradeCard was available for buyers in Australia, Austria, Belgium, Brazil, Canada, Denmark, Finland, France, Germany, Hong Kong, Ireland, Italy, Japan, Malaysia, the Netherlands, Norway, the Philippines, Portugal, Singapore, South Korea, Spain, Sweden, Switzerland, Taiwan, the United Kingdom and the United States.

financial services, document management and presentation distribution. The product enabled documents to be routed and managed internally (within the organisation) and externally (with buyers and suppliers), and members were able to send and receive documents to and from non-members.

### **3. TradeCard Customer Profile**

TradeCard served global businesses in a variety of industries and countries. Its customer base was focused on companies importing and exporting apparel, footwear, electronics, houseware and other finished goods between the United States and Asia. Many of TradeCard's customers were involved in importing and exporting goods between North America, Europe and Asia.

From a sales point of view, TradeCard was highly focused on *who* it sold to on the buy side. TradeCard focused on the following:

1. Prospects were segmented based on the amount of purchasing a buyer would do, because the more purchasing a buyer conducted the more value TradeCard could provide for them. Hence TradeCard wanted to target big companies, such as Wal-Mart. "They could pay us a lot of money and using TradeCard still allows them to save even more," Mr. Kurt Cavano, TradeCard Inc. Chairman and CEO, said.
2. TradeCard also focused on vertical markets – footwear, clothing, apparel, consumer electronics and toys. According to Cavano, there were two ways for small companies to die: starve on not enough opportunity or drown on too much. "We're passed the starvation phase but if we're not careful we could be drowning on too much. So focus is a key word," said Cavano.

### **4. Marketing and Sales**

Despite a challenging economic environment, including the technology sector's crash in 2000, TradeCard revenues increased at a growth rate of over 15 per cent per month on average in 2002 and purchase orders initiated through the TradeCard system showed monthly increases of 40 per cent over the last quarter of 2002. Transaction volumes had increased tenfold over the previous year.

TradeCard corporate membership was around 600, including five of the largest US retailers, the two largest Japanese trading companies, two of the largest Korean *chaebols* and several of the world's largest footwear, apparel and toy companies.

TradeCard's integrated trade services network consisted of over 100 logistics providers, 15 global financial institutions, the top three inspection services (Bureau Veritas, Inspectorate and SGS), the leading provider of export credit insurance (Coface), GE Commercial Services (a unit of GE Commercial Finance and a well known player in the factoring industry), and the largest broker of cargo insurance (Marsh McLennan).

### **5. TradeCard Product Improvement: The Modular Platform**

The TradeCard system provided an alternative to traditional expensive, paper-based and labour-intensive trade settlement methods that required buyers and sellers to operate offline. TradeCard was a Web-enabled platform that all parties accessed through the Internet by logging into its secure transaction environment. TradeCard's patented data compliance engine checked that the actual shipment data matched the original purchase

order data agreed upon by the buyer and seller. Once data compliance was met, funds were electronically transferred from the buyer's account to the seller's account, allowing the entire transaction to be handled and settled online.

When TradeCard started in 1999, the TradeCard system required member companies to follow the complete transaction cycle, starting with purchase order execution with trading partners, moving on to matching and compliance, and completing the transaction with financial settlement.<sup>2</sup> Customer feedback indicated that some preferred to go with the whole transaction, while others wanted just a piece of the process. TradeCard realised that significant value could be achieved by separating the individual components of functionality and enabling both buyer and seller to use these as they needed. Commented Cavano:

*“Unbundling the TradeCard platform is a classic example of listening to your customers. They asked to use our technology in additional ways we didn't anticipate and we listened. We now provide them the flexibility to use TradeCard in the areas of their business that cause the most pain and where there are gaps in their current technology that need to be addressed.”*

On 16 December 2002, TradeCard announced the new modularised TradeCard platform. This flexible modular product offering enabled customers to use selected features on the global trade transaction from purchase order to financial settlement. For example, customers were then able to target areas of value such as creating a worldwide purchase order (PO) portal to initiate, exchange and collaborate with their trading partners or implement financial settlement with or without payment protection guarantees. In addition to the full transaction management function, the TradeCard system was offered with the three layers, namely connectivity and document management; payment management, and financial services network [see **Figure 2**].

**1. Connectivity Document Management** – POs were distributed electronically to trading partners. The buyer would create and send POs to TradeCard through a standard EDI or ERP or MS Excel spreadsheet – whichever method they wanted. (Small buyers could key in through a browser, especially when there was no sophisticated data involved.) Once TradeCard received the POs, TradeCard would then send them to all vendors or sellers. Sellers were allowed to view the POs, download the information and print them. Sellers would notify TradeCard, and therefore the buyers, of receipt of POs. Gathering of data and amendments to data were all done electronically [see **Figure 3**].

---

<sup>2</sup> A full service-transaction-plus-money-movement process involved the following: The buyer creates and sends a purchase order (PO) through their EDI, ERP or user interfaces on their Internet browser into the TradeCard system. The seller receives an automatic e-mail notice from the TradeCard system informing him that a PO is pending. The seller then approves the PO or negotiates the terms with the buyer if necessary. After approval by the seller the PO is stored in the TradeCard system. At this point in the transaction, the seller can select payment assurance if required. Once the goods are ready for shipment, the seller creates an invoice and packing list through the TradeCard system. Since most of the invoice data are found on the original PO, the TradeCard system automatically pre-postulates the invoice document, so that the seller only needs to fill in additional data.

TradeCard's patented compliance engine then matches the invoice and other optional documents such as the packing list, proof of delivery and proof of inspection against the PO. Both buyer and seller are notified if there are any discrepancies and have the option of negotiating them free of charge online. Once discrepancies have been resolved, payment instructions are either triggered automatically and instructions are sent to JP Morgan Chase to debit the buyer's account and credit the seller's account, or the buyer issues a Payment Authorisation Document specifying the amount and time of the payment to be made.

This layer of the TradeCard system allowed non-TradeCard members to trade with TradeCard members through the purchase order portal, where receiving and acknowledging POs was done. Having access to the Internet was the only requirement for non-TradeCard members.

2. **Payment Management** – This involved purchase order management, document management, workflow management and data compliance. Here, payment decisioning and payment scheduling were key. TradeCard had a patented data compliance engine that compared procurement and fulfillment documents to drive payment decisions [see **Figure 4**].
3. **Financial Services** – Buyers and sellers had access to domestic or international money movement, assurance of payment and trade financing through TradeCard's extensive network of financial institutions [see **Figure 5**].

This modular solution allowed TradeCard to sell to companies that it had not sold to before, particularly those that were already using some of the layers. Furthermore, TradeCard was able to better articulate the value of each layer to companies. By breaking the platform into layers, TradeCard was also able to change its pricing. Pricing had previously been based on transactions, but in early 2001 the price changed to modular layers – purchase order portal, full transaction management, full transaction management plus money movement, or full transaction management plus full financial services. To be a TradeCard member, a company had to pay a one-time initiation fee of US\$250. Thereafter, payments of US\$150 per transaction of up to US\$50,000 were required.

## 6. The China Market

*“We simply had to have a presence in China. Our processing volume in the region grew by approximately 1,000 per cent last year and that was just goods manufactured in China by Hong Kong and Taiwan headquartered companies. And as China's economy is opening up to the world as part of the WTO agreement, we see a great opportunity here to help PRC-based companies automate their supply chains fast.”*

- Mr. Kurt Cavano, TradeCard Inc., Chairman and CEO (Anonymous, 2003)

### 6.1 Issues and Challenges in the China Market

*“Marketing in China is different as we must be sensitive to the strict regulations for banking, trade and foreign exchange.”*

- Mr. Robert Lin, Vice President Business Development, TradeCard Asia Pacific Limited (Hong Kong, June 2003)

Most of TradeCard's US-based buyer members, such as Wolverine World Wide (producer of Hush Puppy shoes), International Playthings and JC Penney, sourced and manufactured their goods in China and used the TradeCard platform to manage their transactions from purchase order to payment through their vendors based in locations such as Hong Kong and Taiwan. TradeCard wanted to target companies in China, to persuade them to automate their supply chain using the TradeCard platform. However, China had only started to embrace B2B integration through technology by the third quarter of 2002. At the same time, China's foreign currency regulations and the heavily regulated insurance market posed a temporary obstacle to TradeCard's plan to serve

China-based companies. These local regulations were compounded by the fact that very few foreign banking and insurance institutions were able to operate in China.

The payment protection type of service that TradeCard offered to its clients was classified in China as a type of insurance. The ability of foreign insurance companies to operate in China was highly restricted. Thus, TradeCard partners - such as Coface and GE – had yet to acquire the insurance licences to allow TradeCard to offer a payment protection service in China.

Another problem that was difficult to overcome in China was the lack of central agency for managing credit ratings. TradeCard was able to operate as a facilitator and automator of trade processes and was able to perform financial movements in China. Nevertheless, TradeCard was limited in the types of credit and credit protection that its partners traditionally provided to its clients in other markets. For example, China-based exporters wanted payment protection on their transactions through TradeCard. Although TradeCard's partners were able to provide payment protection for exporters in Hong Kong and Taiwan, the regulations in China forbade this. On the other hand, foreign sellers of goods to China also wanted to receive payment protection on their transactions through TradeCard. Credit ratings and the ability to perform independent due diligence to establish credit in China were still in the early stages of development. Hence, TradeCard's partners were often unable to establish a credit rating for a buyer in China.

In addition, the avenues for legal recourse in China were poorly developed. For example, if by chance a buyer wired funds incorrectly to a seller's account, the buyer could not simply request the funds back. It was likely that the buyer would have to go through the legal system, and even then, there was no guarantee that the procedure would be successful.

Faced with these issues, TradeCard was in the process of working on a solution to the payment protection issue, and said that it was likely to start offering its full portfolio of services to Chinese exporters by the last quarter of 2003. Lin also believed that TradeCard would find solutions to overcome many of the issues in China. Lin added that as with any developing market, China's financial and legal systems were improving. For the time being, TradeCard was focusing on exports coming out of Guangdong and Fujian, which were operated by Hong Kong- and Taiwanese-based companies where credit and payment protection were being extended to non-mainland entities. TradeCard said that the sheer volume of these exports provided more than enough business opportunities for TradeCard.

## **6.2 The State of China's Electronic B2B**

In August 2002, *Xinhua News Agency* reported that China's electronic B2B market was still in its infancy, though growth was rapid. Statistics from the China Centre for Information Industry Department (CCID) in 2001 showed that the volume of business of electronic B2Bs reached US\$12.95 billion, up 40 per cent from US\$9.2 billion in 2000 (Xinhua, 2002) [see **Figure 6** for breakdown of some industries].

With regards to B2B Websites in operation, China had 667 Websites by the end of 2001 – 72 were for companies with multiple businesses and the other 595 were for companies that operated a single business. Some other B2B Websites were exclusive to enterprise partners. Most trading companies' Websites only provided the latest information, but did not allow online transactions.

Up to the second quarter of 2002, only 22.3 per cent of Chinese enterprises had been involved in electronic business. Among these online enterprises, 70 per cent used the Net to search for or publish information, one third were capable of online payment, and one

seventh had made purchases through the Internet. However, there was no B2B site in China that covered most business types, leaving great opportunities for electronic business development (Xinhua, 2002).

Panelists at *CeBIT Asia 2002's B2B Growth in China* conference expressed doubt as to the validity of B2B projections but indicated B2B in China would be a success, so long as certain issues were addressed. Panelists said there was a need to improve the legislative framework to overcome potential security problems.

Although China still had some work to do before B2B could become widely accepted, there were several players making inroads. Sparkice.com, a B2B e-commerce network that had a trading platform that facilitated the procurement of consumer products from Chinese manufacturers, was one of those players in China.<sup>3</sup> Sparkice's Vice President Sales, Mr. Sean Young, said players needed to have a good understanding of the local market before launch. "Otherwise it's impossible to have a successful solution," he said (Nicholas, 2002). Young also said it was believed that by 2004, 70 per cent of enterprises in China would have a B2B model; however China's 10 million or so small businesses would probably need local government help getting there.

On the Chinese government side, the Director-General of the Department of Information Promotion, Ms. Song Ling, said the government had to do more work on the macro-economic environment, leaving businesses to build infrastructure. Ling added that the government could perhaps offer tax incentives that would ensure the security of customer information and financial details.

A Gartner report, however, warned against equating security requirements with online trust. The report said: "Authenticating users or Websites and ensuring the confidentiality and validity of online interactions form an essential foundation ... but business trust also encompasses the non-technical issues surrounding commerce between enterprises. Sufficient trust must be established for any relationship to deliver the desired business value" (Nicholas, 2002).

## **7. TradeCard's Marketing Strategy in China**

Asked about TradeCard's goal, Cavano said:

*"One thousand per cent growth in the Asia-Pacific. If you don't set high goals you don't have high success. It's very doable."*

In January 2003, TradeCard announced it was opening its first representative office in China, to be located in the Shenzhen Special Economy Zone. "We simply had to have a presence in China. Our processing volume in the region grew by approximately 1,000 per cent last year and that was just goods manufactured in China by Hong Kong and Taiwan headquartered companies," said Cavano (Asia Pulse, 2003). Cavano also mentioned that TradeCard picked Shenzhen because it was in the Guangdong region, where a third of Chinese exports come from.

Of the 600 companies that had signed up with TradeCard, about two-thirds had businesses in Asia – a split between Hong Kong and Taiwan – and almost half had factories in China.

---

<sup>3</sup> Sparkice.com launched China's first Internet café in November 1996. Since then, it has transformed into a B2B e-commerce network.

## 7.1 “Viral” Marketing Strategy

When asked about TradeCard’s marketing strategy in China, Cavano explained:

*Our strategy in China is really simple. ...We’re going after the big buyers in the US and Europe who manufacture in China and we’re getting them to bring us to the companies in China. We’re not going to exporters in China and saying, “You should use TradeCard”. We’re going to the big buyers that buy from those companies and have them say to their suppliers, “This is our recommendation to how you should do it”. Very few of them would compel the companies to use it but most of them will highly recommend it. Then based on that we typically get a letter or email from a TradeCard member saying, “This is how we would like to do this transaction. Meet with a TradeCard representative.” Then we go and meet with those companies and bring it together. And we found that to be extremely effective for us.*

Mr. Cavano likened the approach to the “viral” marketing strategy.<sup>4</sup> He said that while other marketing activities required segmenting the market and identifying the segment that a company would want to get into, TradeCard’s approach of getting referrals from existing TradeCard users was more directed. It was ideal for TradeCard to market its services through the buyers, or the companies that TradeCard were dealing with, because they had already experienced the benefits and the value of using the TradeCard system. TradeCard would request a listing of the major sellers that their buyers dealt with and would then make a direct marketing approach to those referrals [see **Figure 7**].

## 7.2 Continuous Education to Create Market Awareness

Another way TradeCard worked with its members who were buyers was by running joint seminars to educate the vendors. The buyer company would invite vendors to the seminar. Then TradeCard would follow up with individual companies by calling them.

One of the main challenges of TradeCard Inc. when it started in 1999 was getting people to change the way they did business. At that time, doing transactions over the Internet was perceived to be unsafe. Hence, TradeCard had to put a lot of effort into educating its prospective customers. In China, TradeCard intended to continue its education campaigns. While it was a challenge educating people about TradeCard in 1999, Cavano said the education process was getting easier after a couple of years.

Mr. Cavano emphasised that TradeCard was not an Internet company; it was merely using the Internet as a vehicle for moving the data around. “We’re actually a software company. We just happen to use the Internet as a vehicle,” he added.

## 7.3 Build Alliances with Government Representatives, Trading Companies and Institutions

The business approach in China would be the same as in all countries: to forge alliances with established local trading companies or institutions that had developed strong links

---

<sup>4</sup> Viral marketing was a term often used in online marketing. Wilson (2000) defined viral marketing as “any strategy that encourages individuals to pass on a marketing message to others, creating the potential for exponential growth in the message’s exposure and influence.”

with the local community. These alliances would serve as TradeCard's main sales force on the ground. Marketing of the TradeCard service would therefore be through companies and institutions that understood trading practices and had an established database of traders, which was a similar relationship that TradeCard had with Tradelink in Hong Kong. Tradelink was a joint venture between the Hong Kong Government and 11 private sector shareholders that served as the local "electronic gateway" for the Hong Kong trading community. It had 43,000 customers. Tradelink came up with a direct marketing programme to promote TradeCard as a new international trade settlement tool to the Hong Kong trading community.<sup>5</sup>

*In China, participation from government representatives at most conferences is involved so that all parties may better understand the services provided by TradeCard. At the same time, it is important for us to stay up to date with developments in government policy and also to work with government in China to help expand our business in China.*

- Robert Lin, Vice President Business Development, TradeCard Asia Pacific Limited.

## **8. TradeCard's Proposition**

TradeCard's solutions were ideal for businesses seeking to reduce costs and add efficiency to their procurement and fulfilment processes. TradeCard offered a new view of the supply chain by focusing on the financial data and documents that businesses needed in order to make informed payment decisions. TradeCard provided a good opportunity for businesses seeking significant improvements in the following areas:

- More efficient procurement/payable processes and/or fulfillment/ receivables processes
- Reduction in Days Sales Outstanding (DSO) and increased cashflow predictability
- Payment cycle standardisation
- Reduction in credit facilities
- Improved document management and data quality
- Lower infrastructure costs over time

TradeCard had a very flexible approach to implementation. There was no major upfront investment or software to purchase and no expensive hardware to install; the TradeCard platform was accessible through a Web-browser. The majority of TradeCard customers integrated their ERP/SCM Order Generation system with the TradeCard platform and were able to select out-of-the-box fast-start or customised integration solutions.

Implementation of TradeCard with buyers occurred within an average of four to eight weeks, including implementation, training and process changes. With sellers, the implementation was quicker – half a day or four hours – which meant that customers could start benefiting as soon as they joined TradeCard.

---

<sup>5</sup> Tradelink, an established institution, had the market penetration for international trade, which mirrored the TradeCard model.

According to Cavano the overall transactions market was huge, but in an economic downturn, there were sizeable potential savings in settlement fees and costs for a corporation.

The TradeCard system offered value to both the buyers and sellers and they shared the costs: buyers had to buy into the subscription model to use the software, while sellers paid transaction fees. Cavano added:

*“We work really hard because there are two things that need to happen for us to be successful: people have to trust us and we have to keep the system reliable.”*

Industry experts acknowledged TradeCard for its continued efforts to improve its technology and service, particularly in safeguarding customer confidential information. In January 2002, TradeCard became the first US company to receive the WebTrust Confidentiality Seal. TradeCard also earned the American Institute of Certified Public Accountants or AICPA’s SysTrust certification for system reliability, covering the SysTrust principles of security, availability, integrity and maintainability of a system, following a separate Ernst & Young evaluation (Anonymous, 2002).

## **9. The Challenge**

Cavano believed that the China market was no different from anywhere else in the world. Nevertheless, he said the main challenge for TradeCard was to understand what the geography would require in the future. Cavano was confident that TradeCard would reach its goal in Asia Pacific – 1,000 per cent growth – by using a simple marketing strategy of working closely with their existing members, in particular US-based companies, to lead them to China vendors or exporters.

- **1994** – The World Trade Centers Association (WTCA) conceived of TradeCard.
- **1997** – TradeCard was formally established as an independent company.
- **1998** – TradeCard was issued US patent number 5,717,989 for its data compliance and financial settlement engine.
- **February 1999** – TradeCard, Inc. received a private equity commitment from Warburg Pincus & Co. and Kurt Cavano was named CEO of the Company.
- **November 1999** – TradeCard begun transaction services.
- **January 2000** – TradeCard was issued Taiwanese patent number 107,368 for its compliance and financial settlement engine.
- **April 2000** – TradeCard officially launched commercial services.
- **November 2000** – TradeCard was issued an additional US patent, number 6,151,588, for its data compliance and settlement engine.
- **March 2001** – TradeCard launched a single platform for financial supply chain automation with settlement for domestic and cross-border transactions.
- **April 2001** – TradeCard introduced its wholesale model, providing financial institutions with the opportunity to license a “white-label” version of the platform and offer the solution to their customers.
- **September 2001** – TradeCard received US\$25 million in funding from Warburg Pincus & Co.
- **April 2002** – TradeCard was issued an additional Taiwanese patent, number 146,500, for its data compliance and settlement engine. TradeCard offered its Financial Supply Chain platform as a hosted “White Label” solution with a customised user interface, transaction options and pricing.
- **October 2002** – TradeCard receives an additional US\$10 million in funding from Warburg Pincus & Co.
- **April 2003** – The Singapore Registrar of Patents issued a Certificate of Grant of Patent to TradeCard for its data compliance and settlement engine.

*Figure 1: TradeCard Highlights*

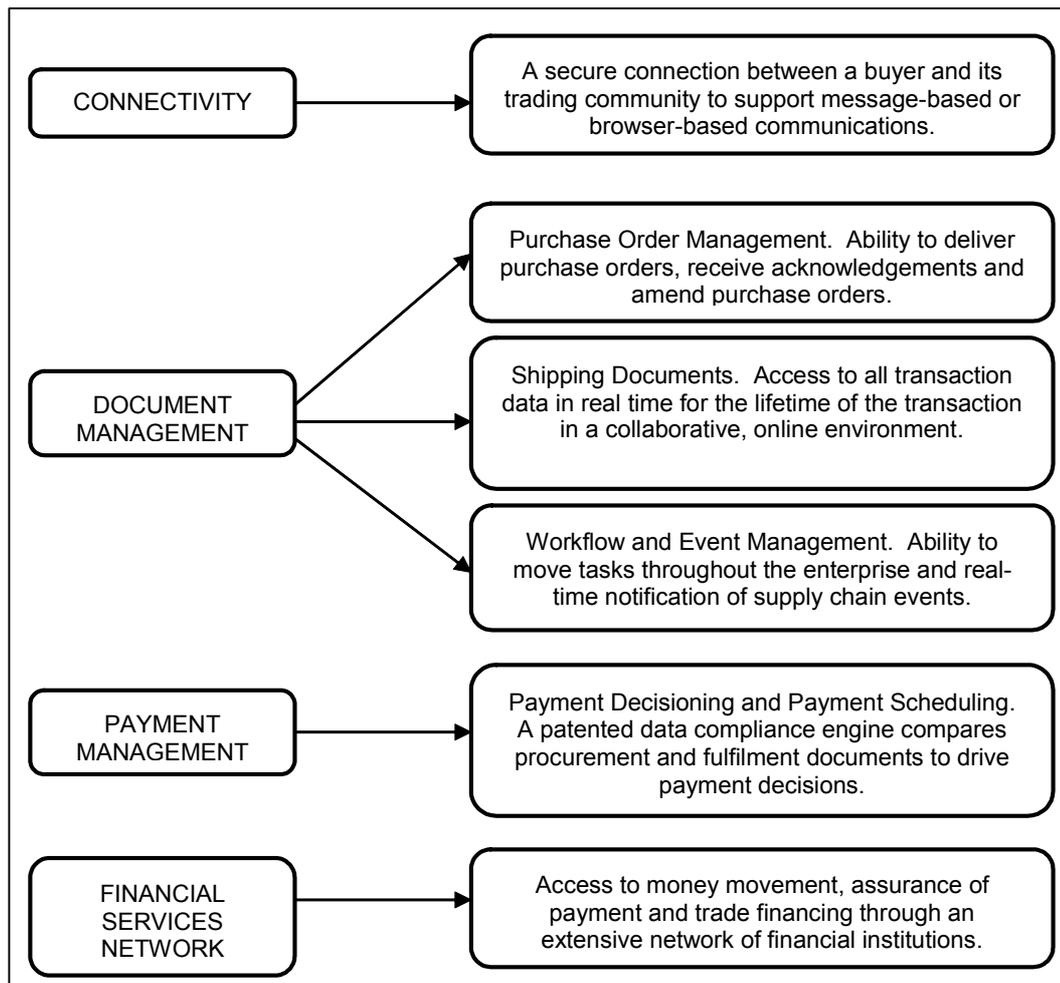


Figure 2: TradeCard Core Functionality

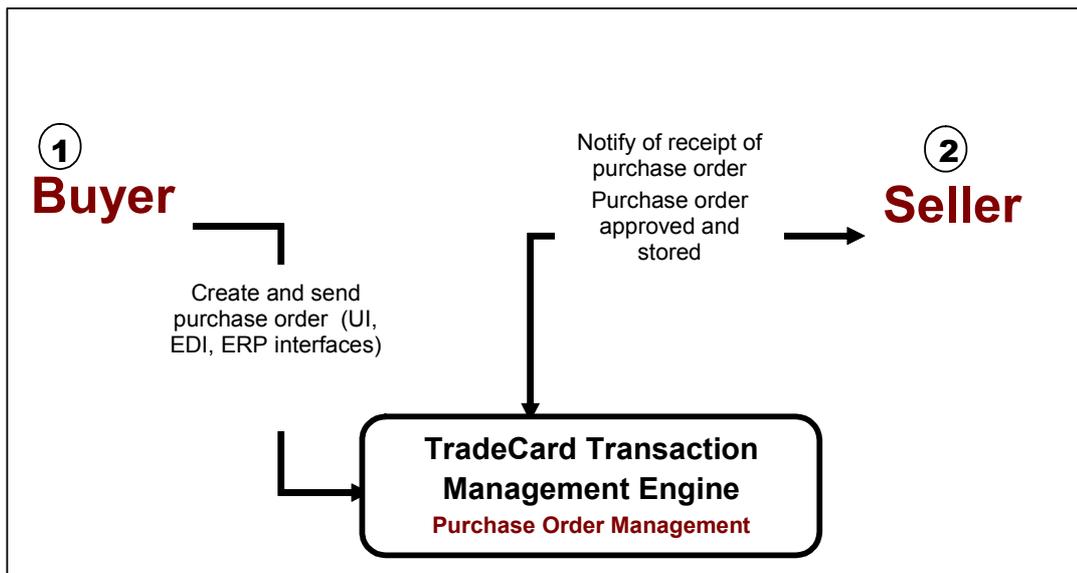


Figure 3: Purchase Order Delivery: Fully Integrated to Internal Systems and/or Simple Internet Access

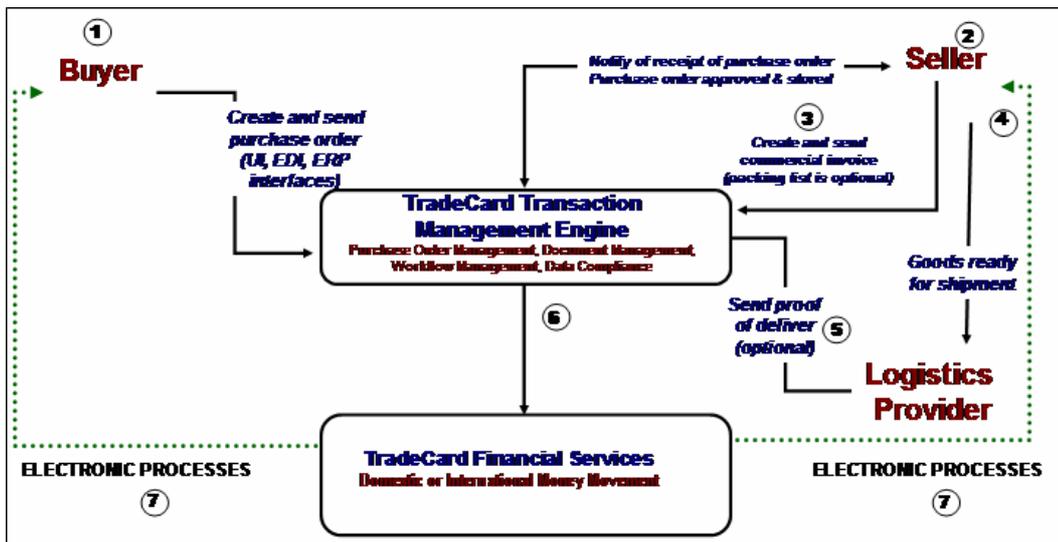


Figure 4: Full Transaction Management plus Money Management

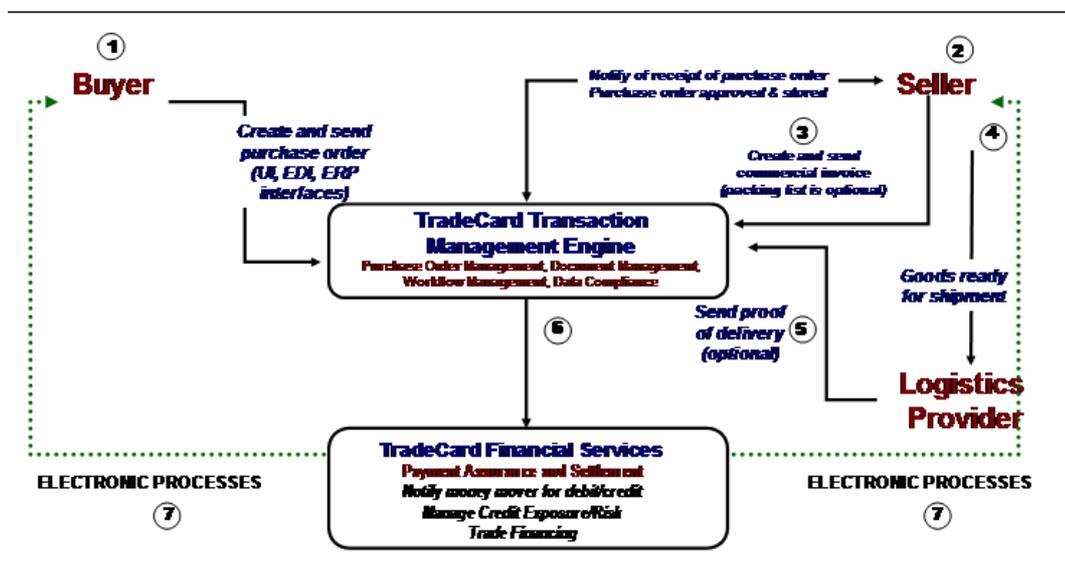


Figure 5: Full Transaction Management plus Financial Services

|  |                    |
|--|--------------------|
| Home electrical appliances                                     | > US\$2.53 billion |
| Petroleum industry   | US\$1.99 billion   |
| Information industry, textile and garments, and light industry | > US\$1.2 billion  |

Figure 6: Volume of business of electronic B2B in China in 2001 (Xinhua, 2002)

## References

- Anonymous, (2002): Final version of AICPA/CICA WebTrust SM/TM program for confidentiality, The CPA Letter (82:1), New York, January, p. C4.
- Anonymous, (2003): TradeCard of U.S. opens representative office in China, Asia Pulse, Asia Pulse Limited, 20 January.
- Asia Pulse Pvt. Limited, (2003): TradeCard of US opens representative office in China, Asia Pulse, 20 January.
- Nicholas, K. S., (2002): B2B makes its debut in China, Australian Financial Review, 10 September, p. 35.
- Wilson, R.F., (2000): The six simple principles of viral marketing, *Web Marketing Today*, Issue 70, 1 February. URL: <http://www.wilsonweb.com/wmt5/viral-principles.htm>.
- Xinhua Economic News Service, (2002): China B2B awaiting explosion, Xinhua News Agency, 12 August.