



GUIDE
**STEPS FOR
LAUNCHING
A WEB SHOP
IN BOSNIA
AND HERZEGOVINA**
ecommerce4all.eu

2022

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ABOUT THE PLATFORM

ecommerce4all.eu

The ecommerce4all.eu platform is a resource and information center on key e-commerce aspects for all CEFTA markets (Albania, Bosnia and Herzegovina, N. Macedonia, Moldova, Montenegro, Serbia, and Kosovo*). The web platform consists of relevant e-commerce data and resources, including basic e-commerce data, interactive graphs, and data on CEFTA e-commerce market development, as well as data on key aspects of doing business in e-commerce.

The data on key aspects of doing business in e-commerce is structured in five modules: e-commerce data, regulation, payment, delivery, and e-commerce success stories in all CEFTA markets. Each of these modules will contain relevant market-specific information, tutorials, manuals, topic-related documents, and video presentations, except for the first module “e-commerce data” which is meant to present the state of e-commerce in all CEFTA markets through statistics and data on the development of the e-commerce markets (interactive graphs of the state of e-commerce in each market and comparisons of e.g. customers, payment cards, digital skills, UNCTAD B2C e-commerce readiness index and other relevant Eurostat data). All data will be presented in both the local language of each of the CEFTA markets and in English.

The platform is supported by the Open Regional Fund for South – East Europe – Foreign Trade project, implemented by the Deutsche Gesellschaft für Internationale Zusammenarbeit (GIZ) GmbH on behalf of the European Union and the German Federal Ministry for Economic Cooperation and Development (BMZ).

*This designation is without prejudice to positions on status and is in line with UNSCR 1244 and the ICJ Opinion on the Kosovo declaration of independence.



COMPANY REGISTRATION

For a merchant to be able to perform online trade, it is necessary to be previously registered with the competent body for performing the line of business, i.e. to be registered as a legal entity with the competent court (register of legal entities) or to be registered as a trade with the competent municipal body (trade register) in line with the applicable regulations.

The registration of a limited liability company (Ltd.) may be divided into two phases: registration phase (with the competent court, which is initiated by submitting a registration request, effectuating the payment of core capital, adopting a decision on incorporation, statute and other relevant documents) and post-registration phase, which is initiated once the court issues the decision on legal entity registration (this phase includes stamp creation, securing an identification number from the FBiH Tax Administration, securing a notification on core business activities from the Institute for Statistics of FBiH, opening a bank account, registration with the VAT system, provided relevant requirements have been met, and fiscalization).

Necessary elements:

Decision on incorporation (founding document) - When there is a sole proprietor or owner, the decision on incorporation, i.e. the founding act is adopted by a notary public; however, in case there are two or more proprietors, a founding document shall be compiled and the proprietors are obliged to present their identity cards to the notary public for inspection.




There are many things that can be done, but the notary public will focus on things that require special permission from the relevant agencies.


The notary public also prepares the supporting documentation, such as the filled-in form for company registration, documentation for foreign trade operations, appointment of the company director as well as the advertisement for publication. The founding document, i.e. the decision on incorporation, is prepared in three copies (for the court, the bank and the founders). The procedure costs between KM 450.00 and 500.00 and lasts up to two days.




Contribution payment (capital) - The founder shall deposit the capital in one of the commercial banks, with an accompanying decision on opening a bank account, and shall keep a copy of the receipt for the purpose of business registration.




Company registration - The founder shall submit a company registration request with the competent Municipal court accompanied with the documents previously provided by the notary public. In addition, the applicant has to pay a cost of KM 10.00. The registration procedure requires ten to fifteen days. Once the registration is completed, the applicant needs to pay costs of KM 70.00 for the enactment of the registration decision. The total registration price amounts to KM 80.00. It is a good idea to prepare several certified copies of the Decision on registration to be used later in the municipality.




Stamp creation - Once the registration is completed, it is necessary to create a stamp at an authorized stamp maker shop. Given the stamp's size and form, its creation takes one day and costs KM 35.00-50.00. Rent agreement – in case the company owner is renting a business premise, he/she needs to sign a rent agreement on behalf of the company and has the agreement certified. This procedure takes one day and does not cost anything. It is necessary for the owner to get a land registry excerpt with the exact address of the business premises where he/she will be operating. It is advisable to copy the rent agreement or the land registry excerpt and have it certified by the municipality.




Identification number (ID) and statistics - Two filled-in forms POR-500, a certified copy of the rent agreement or a certified copy of the land registry folio, a certified copy of the Decision on Entry, and enclosures A, B and C (request for legal entity registration). The free-of-charge process lasts between seven and ten days. The request for business classification (form RPS) needs to be submitted to the Institute for Statistics once the company number has been obtained. The Institute for Statistics may also request certified copies of the decision on registration and rent agreement during the inspection, in addition to the company number confirmation. This process is free-of-charge and lasts two to three days.




Request for approval of usage - The founder submits a request for approval of usage of the business premises to the competent municipality during the process of obtaining the company number and certificate from the Institute for Statistics. The request needs to be accompanied by a certified copy of the decision on registration or the excerpt from the legal entities register. The procedure costs KM 4.00 and lasts around 15 days (it may depend on the fee determined by the Municipality).




Notice on commencement of work - A notice on commencement of work (on the company's letterhead), a statement to the effect that all legal criteria have been met (P1 form), and a copy of the Decision on registration need to be submitted to the competent cantonal inspectorate. The free-of-charge application must be submitted five days after establishing the company.



Opening a bank account - A commercial bank needs to be contacted for the purpose of opening a bank account (to which the company owner has paid the contribution capital). For the purpose of open a bank account, the following documents are required: decision on registration, statute or a decision on incorporation, company number, business classification, identification card and CIPS certificate (a certified copy or an original for inspection). The free-of-charge procedure has a period defined by the commercial bank.




Registration of employees - In case the company has more than 30 employees, it is necessary to adopt an Employment Booklet and Job Classification Rulebook. Employees need to be registered with the competent Tax Administration at municipal level, and the relevant documents to be submitted for each employee include: a filled-in form JS3100 (two copies), employee's tax card and notice of deregistration from the employment bureau, provided the employee was previously registered with the Employment Agency. Each employee must have a health certificate in his/her personal file in the company. Sometimes the Tax Administration also requires a copy the Decision on registration. The mentioned procedure lasts for one day and is free-of-charge.



Registration in the VAT system - In case the company owner estimates that the company will reach a turnover of more than KM 50,000.00 by the end of the year, it is necessary to register the company in the VAT system. For registration requests and entry into the Unique Indirect Taxpayers Registry, you need to pay a tax of KM 10.00; for obtaining a Decision on registration and entry into the Unique Indirect Taxpayers Registry and for obtaining a Certificate on registration/entry into the Unique Indirect Taxpayers Registry you need to pay taxes of KM 10.00, respectively (KM 20.00). The following documents are necessary: a certified copy of the entry into court register, a certified copy of a certificate on registration with the Tax Administration of FBiH, a certified copy of notification on business classification, a certified copy of the card of deposited signatures in the bank where the transaction account has been opened and a certificate for the Indirect Taxation Authority of BiH (form ZR1); business premises or evidence of ownership, such as land registry excerpts, and personal documents of the responsible person. The procedure costs KM 40 and lasts from 10 to 15 days.

Fiscalization - With this step, the company registration procedure is finished. A fiscal system management agreement is to be concluded between the company's owner or its authorized representative and an authorized distributor.



The company founder is required to fill in and submit the ZIF form, which may be downloaded from the web page of the Tax Administration, accompanied by the Decision on company registration, Tax Registration (ID) Certificate, VAT Registration Certificate and the Certificate on Business Classification. An authorized distributor is responsible for managing the fiscalization process, while the company is legally bind to start collecting sale data within two days from the day of receiving the fiscalization device. Depending on the type of the selected fiscalization device, the procedure may last up to 5 days and may cost up to KM 700.00.

BUSINESS PLAN DEVELOPMENT

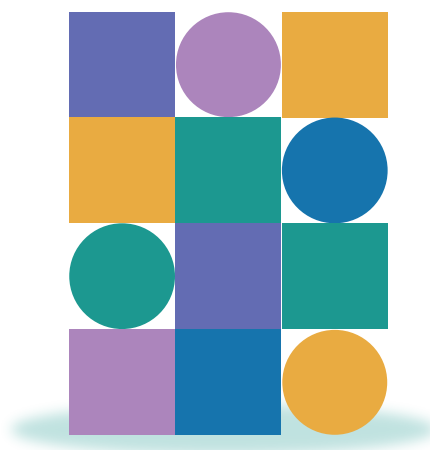
A business plan indicates how the company will achieve the set goals and how it will operate to achieve its mission. It is important to have a business plan due to the following reasons:

- It gives equal guidelines both to the entrepreneur and the team members
- It gives an objective overview of feasibility
- It is important for monitoring the company's success
- It helps in overcoming challenges
- It is useful when applying for a loan, investment or grant

The business plan clearly describes the way in which the company may sell its products to generate profit and to be attractive for potential investors.

The business plan may consist of ten segments, in particular:

- | | | |
|-------------------------|--------------------------|-----------------------------|
| 1. SUMMARY | 2. MISSION | 3. ABOUT THE COMPANY |
| 4. PRODUCTS | 5. MARKETING PLAN | 6. MARKET ANALYSIS |
| 7. SWOT ANALYSIS | 8. SALE CHANNELS | 9. FINANCIAL PLAN |
| 10. TIME PLAN | | |





SUMMARY – It is recommended to write the summary at the end of the business plan. The core of each chapter needs to be extracted and conveyed in the summary in ten sentences. Imagine if you had 1 minute to tell the investor the entire business plan – everything you would say should be in the summary!



MISSION - One sentence that explains the company's purpose. Usually one sentence or a paragraph. It may refer to corporate social responsibility



ABOUT THE COMPANY - Name, seat, ownership; history; type of industry; brief overview of the business model (what do we sell and to whom); briefly about the management



PRODUCTS - Description of all the products/services offered, including photos; target groups; the prices of our products/services and possible packages and their prices; who will buy (buyer) and who will use (consumer) our product or service



MARKETING PLAN - Which channels shall we use to communicate with our buyers/-consumers and how often; which messages will be communicated; description of the profile of our target consumers; why we have chosen the stated communication channels. An example of a simplified marketing plan may be found in the section: ADDITIONAL DOCUMENTS AND MATERIALS



MARKET ANALYSIS – It may be divided into three segments: market analysis, consumer analysis i.e. consumer profiling and competition analysis


- The market in general: the market volume (in BAM/EUR/number of users); shopping and consumer habits; sale channels
- Consumer profile: who is buying this type of product or service; what is expected from the product/service; the importance and urgency of the need for products of this category; sensitivity of products
- Competition analysis: who are our competitors; at what prices and in which packages are they selling their product/service; in which channels is their sale at the highest level; how do they communicate with their consumers; which type of promotion do they mostly use




SWOT ANALYSIS - The method of work in strategic management. The author is Albert Hamfri. A tool for getting to know the situation in an organization. It is used for:

- Reaching strategic decisions
- Determine the further direction
- Adaptation and improvement of the current situation (new opportunities or threats)

How to make a SWOT analysis may be found in the section: USEFUL DOCUMENTS AND MATERIALS

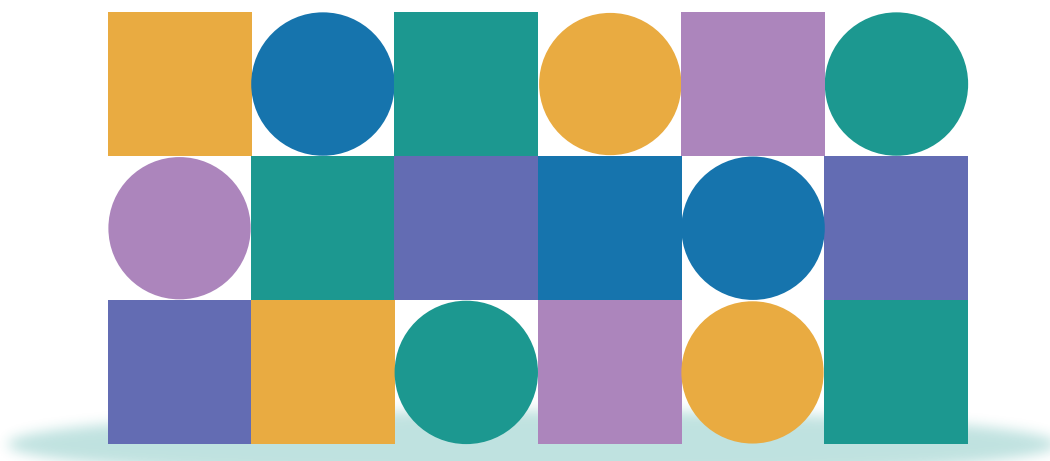
 **SALE CHANNELS** - Which sale channels and buyers shall be used to reach our consumers; which products shall be sold through a particular channel; in which percentage shall we use each of the sale channels; and what type of promotion shall be used in these channels.

 **FINANCIAL PLAN** - It unites all the elements of the business plan. The business plan projects the company's revenues and costs as well as the financial result. It also projects the cash flow. Each business plan, by rule, must contain the following basic elements:

- Financial projections (financial result, cash flow and break-even point), volume and sources of necessary funds, budget and financial construction.
- The financial plan is based on certain presumptions that need to be determined and precisely defined. These presumptions make brief statements about the circumstances under which the entrepreneur plans to launch his/her business.

 **TIME PLAN** – It contains a list of all activities; It defines who is responsible for what; It also defines the deadline for the completion of each activity.

There is also a web application for business plan development. It is also possible to make a quick test (brief business plan), which may be accessed at <http://biznisplan.ba>



MARKET ANALYSIS DEVELOPMENT

The basic ground underlying each business plan is a quality market analysis. Each entrepreneur must answer several important questions at the very beginning of his/her business, and one of them certainly is whether there is a need for this product on the market.

Wrong estimates may lead to huge financial losses and market analysis is definitely recommended to everyone because it is always more profitable not to enter into a business that is meaningless than to realize it later. Market analysis is not cheap, but wrong estimates may cost even more. Roughly speaking, market analysis includes analysis of the supply and sale markets as well as revenues/profit estimates.

Market analysis must be comprehensive because it starts with the assessment of all possible factors: from the product itself (price, marketing, distribution) to the competitor's product. Entrepreneurs often make mistakes because they think they know what the consumers need, however, thinking and knowledge are often different categories. People buy what they need, not what we think they need! Even the best quality product will not enter the market if people do not need it. Therefore, in order to be successful, an online business must offer something that it needs on the market. To identify those needs, you need to answer some of the following questions:

- What do you want to achieve? Why launching the business?
- What is happening in the industry and on the market? Is there any need for your products/services and, if yes, who needs them?
- Will the market accept the product and/or the service?
- What differentiates you from the other companies on the market?

Good market analysis answers the following questions:

- Who are our potential buyers?
- Which are the habits of buyers in general and that of potential buyers in particular?
- What is the volume of the target market?
- Who are our competitors?
- How much is the potential buyer willing to pay for the product or service we are offering?
- What are the advantages and disadvantages of our competitors?









In order to find out how to offer a solution to the consumer, we need market analysis. In order to rouse emotions with buyers, we need to know what affects their shopping decisions.

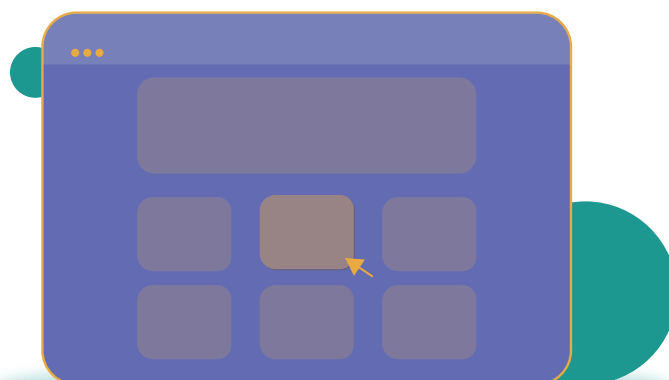
CHOOSING THE BEST PLATFORM

In order for e-commerce to exist at all, it is necessary to use a web-based software application through which electronic payment is enabled.

Common ecommerce platforms used by web shops in our region are: WordPress, Magento, WooCommerce and Shopify, while some develop tailored solutions on custom platforms.









When choosing the platform, the following should be taken into consideration:

-  How much money do you expect from the web shop annually? (this will help you determine more easily what amount is acceptable to you)
-  Will you participate in the project in terms of entering content and creating landing pages, smaller settings, etc.? (some platforms are more user friendly)
-  Number and type of products (simple, configurable, virtual), filtering methods, payment options, delivery services
-  Connection with third-party systems (ERP or other business systems, invoicing and fiscalization systems, newsletter systems)
-  Is the web just for sale or do you think to have some cart/content? (some platforms are quite bad in terms of content management)
-  The price of the platform itself; the availability of ready-made solutions for the platform (themes and plugins), especially those related to Croatian laws
-  Easy transition from that platform to any other platform (data export/import)
-  Whether it's a hosted or SaaS (Software as a Service) solution



If you are a beginner in e-commerce, it is recommended to hire an expert who will help you compile a request for proposals, negotiate with your potential contractors and the like.

Apart from choosing a platform, the most important thing is to choose a reliable partner. Contractors should not impose platforms because if they work with something, they probably work in that particular technology and with that particular platform, as they are the fastest and most competent. The contractor should not only follow blindly your instructions, but should be a partner in the real sense of the word – to suggest and point out problems based on his/her experience. When choosing a contractor, the following should be taken into consideration:

-  Expertise, experience in ecommerce projects (ideally a contractor specialized in web shops, with several years on the market)
-  A good contract that will protect against violation of deadlines
-  Number of people in individual departments, especially senior staff (planning, design, front-end and back-end)
-  Prices (development and maintenance)
-  Which platform does he/she use?
-  24-hour support, if you need it
-  Velocity of delivery
-  How long will you have support from the specified partner (web shops that work seriously, have a constant need for support)



INTERGATION OF THE PAYMENT PROCESS

We have already learned that opening a company requires also opening a bank account. However, when speaking about online shopping, it is not sufficient. It is necessary to introduce online payment to the online shop, which is possible by integrating the platform/card payment system. When integrating the payment systems, it is important to show the users that online payment on your web shop is completely secure. This is achieved by placing a logo and secure payment information. In addition, it is important to emphasize which cards can be used for payment.


In addition to the logos and secure payment information, there are mandatory texts that must be included in the online shop. Detailed instructions (Instructions for the WebPay system) about this process may be found in the section: USEFUL DOCUMENTS AND MATERIALS.





PRESENTATION OF PRODUCTS/SERVICES AND CONTENT


The final step in creating the web shop would be editing the content of the website and online shop. The layout of the website plays a very important role and gives a certain perception of the company itself, its products and services.

Of outmost importance is to provide all necessary information to the users. Potential buyers are looking for details and purchase-relevant information when making their decisions about online shopping. Based on this, we may divide the information that needs to be provided:

- 

Information about the company – such information are essential in the process of introducing the seller (company) to the potential buyers. In this section, we may provide a description of the company's origins, seat, mission, vision, past works and activities.
- 

Products/services information – as much relevant product details as possible is crucial. Given the fact that we are dealing with online shopping, the buyers are sometimes not able to visualize the products or services, but good descriptions and product details significantly help in this.
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Photos – as already mentioned above, it is sometimes difficult to visualize. Quality photos that provide a real picture of the products and services are necessary to facilitate the shopping process for buyers and users.
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Information about the purchase – it is necessary to provide detailed information about the purchase and its conditions, the prices and additional costs, which must not be hidden under any circumstances.

It should be emphasized that all information must be relevant and updated. Providing contact information and customer support contacts significantly improves the appearance and seriousness of the web shop in particular and the company in general.

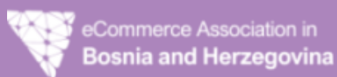
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REGIONAL PLATFORM

Project implementator



Project partners



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