Chapter IX

ThePCBShop.com: Taking the Commodity Bull by the Horns

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Abstract

This case describes the entrepreneurial process as it happened for Europrint, a manufacturer of Printed Circuit Boards (PCBs), from 1991 until 2006. It offers an entrepreneurial perspective on the European PCB landscape, highlights the successful launch by the manufacturer of a dot.com in this highly competitive B2B environment, and illustrates the transition by the manufacturer to electronic business to break the product commodity cycle. As a final point, the case also reveals how the manufacturer’s off-line and online business activities were consolidated and leveraged for maximum impact across Belgium, Hungary, and India.
Introduction

Monday, February 2, 2004, was a memorable day for Europrint, a manufacturer of printed circuit boards (PCBs), headquartered in Mechelen, Belgium. Luc Smets and Dirk Stans cut the ribbons that launched ThePCBShop.com, culminating their entrepreneurial efforts of the past 13 years. Since Europrint’s foray into e-business at the end of 2000, the medium-sized enterprise has not only managed to fight off commodity pressure in its traditional sector, but it has also taken the vanguard in the online market. As Luc Smets commented:

*ThePCBShop.com is the next step in our continuing effort to match our product and service offerings to customer needs. While our competitors are just whistling in the dark, we have been able to turn a corner and build a successful business on the platform of Internet technology.*

As it had scored a series of victories, Europrint was looking into franchising ThePCBShop.com concept to downstream intermediaries—small businesses that could tap into the benefits of e-business without incurring hefty set-up costs. Even though Smets and Stans were entering unknown territory, they were confident that small dealers would appreciate this dynamic, modular platform for its extensive content, registration, administration, and payment support functionalities. By hooking into this platform, small dealers would be able to cope effectively with commoditization, an area in which Europrint had clearly led the way.

The Stadium: The European Landscape

A printed circuit board is a thin board made of insulating epoxy to which electronic components such as resistors, capacitors, and integrated circuits are fixed by solder (see Exhibit 1 for a depiction).

The simplest kind of PCB has components and wires on one side and usually metal (mostly copper) interconnections (the printed circuit) on the other. PCBs may have components mounted on both sides and may also have many internal layers, allowing more connections to fit in the same board area. PCBs are used in a variety of fields for everything from communications and medical and industrial equipment to home electronics, airplanes, and automobiles.

Industry categorizes PCBs as either bare boards or populated boards. While populated boards are end products that can be installed directly into another product with little or no additional processing, bare boards undergo further processing before becoming

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