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Family Business
Slovenia
2019



 **SPIRIT**
SLOVENIA

Family Business
Slovenia
2019



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Our rich collection of six books provides an insight into successful Slovenian family companies, their practices and their entrepreneurial mindset.



Janez Uranič
Country Managing Partner
EY Slovenia

Foreword

You have in your hands the sixth edition of our book *Družinsko podjetništvo Slovenija* (Family Business Slovenia) in which we present 10 successful and inspiring stories of Slovenian family businesses. The companies featured this year represent a wide range of locations and operate in fields as diverse as sanitary engineering, alcoholic drinks, hazardous transport, ice cream and frozen desserts, culinary products, laboratory analytics, bakery products, boutique furniture and agricultural machinery.

At EY, we are proud to spread the word about successful family companies, thus creating an improved, more optimistic business environment. Our rich collection of six books provides an insight into successful Slovenian family companies, their practices and their entrepreneurial mindset. Through their stories, the reader is made aware of the importance of the role of family companies for the fabric of our society and for the Slovenian economy. In the framework of the concept of social responsibility, we simultaneously contribute to the visibility of family companies in both the local and international environments. While the companies presented in our collection operate in various sectors, they are all innovators in their field, with the quality of their products and services being among their highest priorities.

Family companies foster fresh ideas, invest in new technologies, enter new markets and take different approaches to finding success. This is exactly why we believe that our book on family entrepreneurship in Slovenia radiates inspiration, energy, courage and optimism.

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When purpose is defined it must communicate very clearly what is at the heart of the family business and how it is trying to make a difference.



Mojca Emeršič, CFBA
Family Business Leader
EY Slovenia

Introduction

Research has shown that a lack of defined purpose is one of the key reasons most family enterprises do not survive beyond their third generation. For many families, their sense of purpose is often closely connected to the founder's business drive and values. As the organization grows it is crucial that it can incorporate the views of following generations. If a family business is to develop and maintain its relevance, its purpose should successfully reflect the views of different generations within the family.

The question of whether purpose and profits are mutually exclusive is a continual debate within the business environment, with findings from the *Harvard Business Review* suggesting that they tend to be complementary. The recent study *Corporate Purpose and Financial Performance** found that companies with a strong corporate purpose offer employees greater professional impact and satisfaction. This translates into improved engagement and retention; both areas of significant concern for today's businesses.

However, the purpose cannot be represented solely by a page in a staff handbook, a mission statement or set of values. When purpose is defined it must communicate very clearly what is at the heart of the family business and how it is trying to make a difference. In this way it serves as an appealing focal point for current and future employees, business partners and communities.

In addition to establishing a clear purpose, the company then faces the important challenges of relating it to its business strategy and communicating it effectively to its crucial stakeholders, the employees. Furthermore, success is heavily dependent on senior management's ability to engage middle management, thus creating a crucial communication channel connecting business strategy and purpose.

Research has also shown that internally-developed and promoted leadership may create better alignment of purpose and that a careful approach to the processes surrounding mergers and acquisitions might address the challenges of combining different cultures or establishing understanding of the purpose.

*Gartenberg, Claudine Madras and Prat, Andrea and Serafeim, George: *Corporate Purpose and Financial Performance* (9 October 2018).

Barjans, d. o. o.

Janez Barbo Jr., Authorized Representative

Janez Barbo Sr., Founder

Matevž Barbo, Director

The company from Vrhnika setting new hygiene standards

“**W**e’ve also had some luck, since no one believed that you could, in a manner of speaking, make something out of toilet paper.” These are words shared with us through laughter by Janez Barbo Sr., the founding father and co-owner of Barjans d.o.o., a company now celebrating 30 years of tradition. His eldest son, Janez Barbo Jr., Authorized Representative and Key Account Manager, adds that when he began to expand the already blooming family company, together with his father, during the period immediately after Slovenia gained its independence, that was “the time when it was necessary to start with something new.” So they started; slowly, but bravely and with greater determination every day. Even today, having grown beyond the scale of most family businesses, they like to emphasize that they are a family company with a family mindset, something which is still, as they stress, highly valued.





**"Although I am
the Director,
I don't really run
the business -
the employees do."**

Matevž Barbo,
Director



New business premises

Selling products, offering expertise

The Barjans company is a wholesaler of sanitary paper, professional cleaning agents and cleaning tools. They offer virtually everything in the hygiene field, from cleaning machines and sanitary supplies to consumables for the catering industry and paper products. Their range includes more than 4,000 items, aimed at all levels of professional requirement and various price points. Last year, they achieved revenues of just over €8 million, but the company's success is built on far more than its sales volume. The family believes that their depth of knowledge is perhaps even more important to the provision of an effective cleanliness and hygiene system than their range of good quality products. "That is our competitive advantage. Many suppliers just deliver cleaning agents to the client but we don't do business that way. Firstly, we advise our customers on the most appropriate products for them and then we train them in how to use the products correctly. Modern materials used in surfaces nowadays can easily be ruined by using the wrong cleaning agent or the wrong cleaning method. The cleaning process has evolved drastically over the years and our company has developed and grown with these changes," explains Gregor Živec, who is in charge of sales and integrated customer support. While he has no family ties to the company, he has worked there for more than 12 years.

Family mentality is deeply rooted in the company

Although Barjans employs nearly 50 people today, the company philosophy tying them together as one big family, regardless of size, is still deeply rooted: "The credit for this goes to all three Barbo co-owners, the father and both sons," says Živec, enthusiastically adding that he feels completely as an equal with the company's owners and that the input of every employee counts. "It's true that we make all our decisions through consensus, or based on the proposals of employees, and you won't hear of a course of action resulting from a management directive. Our communication is always open when making decisions and the proposal that everyone considers the best also wins," says Director Matevž Barbo, first among equals, in describing the company's culture. He adds that the healthy relationship among employees, whether they are family or not, honest and open communication, the relaxed atmosphere throughout and thus the employees' sense of belonging, are in his view the recipe for the company's success. "People who work in our company are very protective of it," says Ana Basić Dremelj, Marketing Manager, when describing the engagement of employees.

How did they find their market niche?

Relationships and communication in the company have developed over time, primarily due to growth and the consequent increase in activity. "We started in a garage, with only a handful of clients, and worked hard from morning to evening," says Vesna Fišter. Vesna has worked in the company since its foundation and now is Procurement Manager. Matevž describes the beginning and his journey in the company thus: "I've always been involved in everything; I have literally grown up with the company so I have, much like my older brother, an insight into everything." When they were starting, the mindset of people, their potential buyers, was also significantly different to today's, as "people didn't think about hygiene that much." Their market niche was discovered by Janez Sr., at that time a director of a hotel chain. Janez Jr. believes that they were the pioneers in this field in Slovenia: "For example, when we started to offer liquid hand soap, people looked strangely at us at first, saying that they already had soap, so why would we be offering them something so much more expensive? The change of mindset for people to realize that they needed it took some time."

Assuring high quality comes first

Their mission and goal have always been to be the best in their industry. They say that they have reached this goal in Slovenia but that they need to work hard every day to maintain it. The potential for growth, they estimate, is still there, but first and foremost they want to preserve high quality: "We don't work just to operate a business and build up references. The added value and quality must remain so that we actually gain quality customers."

The Slovenian market is, in their own words, demanding and because it provides ample work, they have never really thought about expanding abroad. Public institutions, schools, healthcare centers and hospitals account for 40% of their operations, where a lack of awareness about the importance of hygiene is still present all too often, much as it is in the private sector. No one is willing to invest more money into hygiene and the same applies to organic cleaning agents: "In the world of professional cleaning, where manufacturers maintain the idea that a cleaning agent should be powerful and the price should be low, organic cleaning agents



Employees group photo in front of the new building

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Even today, having grown beyond the scale of most family businesses, they like to emphasize that they are a family company with a family mindset.



Three generations of the Barbo family



This year they have built a new, state-of-the-art warehouse

Barjans in a nutshell:

commitment, knowledge, motivated employees, family mindset, responsibility.

are out of the question. At home, we invest a little more effort and a few more minutes of our time, but a professional cleaning provider, limited by working hours and number of employees, can hardly do that." At the same time, the demand for organic cleaning agents is much greater than 10 years ago and there are also companies who have adopted certain standards on using organic cleaning agents without chemicals. Of course, the Barjans company supplies these products to such companies, although the overall trend is toward lesser use of cleaning agents. Whereas in the past, 40 to 50 liters of cleaning agents were used in one building, we use only 10 liters today. However, such cleaning agents are concentrated or the quantity used is measured much more thoroughly. Development of the company and the industry is something Barjans strives for every day.

All investments are carefully planned

Barjans invests heavily in its personnel, employing expert hygiene engineers. All other investments are also very carefully planned, not least because this is a family company which has grown through a great deal of sacrifice. They are socially responsible and consider all the requests for donations they receive throughout the year, before deciding collectively on which to support. If projects are somehow linked to hygiene, they are always happy to help, especially when there are children or local associations involved.

In 2004, they established the Barjans Education Center, through which they regularly conduct professional and practical training in the field of hygiene and cleanliness, and where participants can obtain an internationally-recognized certificate. This fall saw the completion of their new, long-anticipated state-of-the-art warehouse.

They cannot even believe their own outstanding success

They have never had difficulties with ownership, but Matevž Barbo says that he would like to hand the management of the company over to his children sooner rather than later. In the same breath, he also reveals: "They are still too young to know what they are interested in. If this is how the family tradition goes on, it will be great. If not, we will organize ourselves differently when the time is right. However, although I am the Director, I don't really run the business - the employees do." Admiring the new premises, Janez Jr. reflects on how everything they have achieved so far is above initial expectations. "We started from scratch, with just my own ideas and those of my dad, with the intention of making a living. I had a garage, a car and a trailer at my disposal. Today, we have all this. It's amazing." The founding father, Janez Sr., is also proud and happy; so much so that he has little input into company matters these days. Instead, he likes to spend time in his new fruit orchard, where around 60 trees, mostly pears, grow on the hill behind the company. He keeps extremely busy with these trees, he proudly says, so future generations will be able to enjoy the fruits of his work.

Janez Sr., Janez Jr. and Matevž Barbo

co-owners

Company name: **Barjans, d. o. o.**

Number of employees (2018): **45**

Net sales revenue (2018): **€8.1 million**

Bio-Sad, d. o. o.

Vladimir Černčič, Founder, Authorized Representative and co-owner
Andrej Černčič, Director and co-owner

A bottle containing a message of family tradition and quality

Bio-Sad, a family company, has more than 25 years of tradition in producing non-alcoholic, alcoholic and wine-based beverages. From its humble beginnings in Jakobski Dol, the company is about to expand its plant in Lenart to 15,000m² in the coming months. It is a holder of the International Food Standard (IFS) certificate and produces beverages under both its own and the Apis brand. The company also bottles beverages for other brands, using their recipes or Bio-Sad's own. Three years ago, the founder, Vladimir Černčič, passed the torch to his son, and is about to take much-deserved retirement in the coming year. Since Bio-Sad is a small company with just eight employees, it is distinguished by its extraordinary responsiveness and flexibility. This will certainly be one of its competitive advantages in the future when it intends to expand into foreign markets.

"We are competitive because we are a small, family business with lean administration and we know who is in charge of what."

Andrej Černčič,
Director and co-owner





Bio-Sad offers 65 different products

Using knowledge to tread their own path

In 1993, after Vladimir left the Apis company, he and his former colleague, Antonija Žvikart, decided to use their accumulated knowledge and experience and set out on their own business journey. In March 1994, they rented premises in Jakobski Dol – today the registered office of the Bio-Sad company – and started their business modestly. Antonija and Vladimir became owners of the company, with 20% and 80% ownership share, respectively. “Then the company grew, developed and its production and range expanded every year. In 2000, we purchased the premises that we had rented, and 10 years later we made a large investment to expand the facility,” explains Vladimir. At first, Antonija was the technologist and head of production, while Vladimir took over commerce, sales, purchasing, accounting, finances and management.

In one year, they produced more than one million liters of Gorski list herbal liqueur

Bio-Sad presented itself on the market with 10 varieties of fruit syrup. Almost at the same time, it launched its range of alcoholic beverages, beginning with one

product, which was soon joined by others. Initially, they sold products through local traders and a trade union selling point. In 2009, they succeeded in obtaining licensed production for the Serbian, Bosnian and Montenegrin markets. The owner of the brand from Serbia wanted to penetrate the European market. “This was quite a challenge for us, since we had to produce over one million liters of Gorski List herbal liqueur in one year. At that time, we had no equipment, people or premises, but we managed to succeed.” adds Vladimir. After three years, the contract expired and the owner of the brand decided to make the beverage for the Serbian market in Serbia. Although the production volume of the licensed product decreased significantly, their operation was dispersed, enabling the company to continue its operations without any problem. “We have always managed to take positives from a negative situation,” says Vladimir.

Eventually, they began to cooperate with large traders such as Mercator, Tuš, Spar and Hofer. The company bought the Apis logo and trademark along with three products: vodka, chocolate and rum. They also took the Bishe brand under their wing and thus started to do business with Lidl and Kompas. Today, Bio-Sad offers 65 different products, syrups and alcoholic beverages and bottles beverages for other brands. The largest share of their products (70%) is sold in Slovenia, while they are also present in Montenegro, Bosnia and Herzegovina, Austria, Germany, Italy, Portugal, Spain, Croatia and Hungary.

The plant covering 15,000m² will soon be operational

In 2015, they managed to acquire the IFS certificate and added a new milestone to their operation by creating a quality and safe product for consumers in accordance with ISO 9001 and HACCP standards. "IFS is one of the key certificates that convinces customers," emphasizes Director Andrej, since it combines traceability, control, quality and a safe product. "We receive almost no complaints," adds Vladimir. As a consequence of obtaining the IFS certificate, they began looking for new premises in 2017,

since they required a large warehouse and the products needed to be strictly isolated. After complications related to the acquisition of a building permit to expand the facility in Jakobski Dol, they purchased the Lentherm factory facility in Lenart in Slovenske Gorice at auction. "This used to be a metal industry plant performing welding and grinding operations. Except for the basic buildings, nothing is of any use to us. We need to adapt everything to the food industry business. These buildings are now in the investment maintenance phase," explains Vladimir, while Andrej adds that they plan to move to the new 15,000m² facility at the beginning of 2020. "The location is close to the highway and thus facilitates transport. Access is unhindered for large cargo vehicles."



Due to IFS requirements the warehouse must not be overcrowded

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A small family business is effective because it is responsive and flexible. Partners consider it reliable.



Bio-Sad is one of the three largest alcohol beverage producers in Slovenia



Production began in 1994 with fruit syrups

Bio-Sad in a nutshell:

responsiveness, quality, solutions, trust, good relations.

Even though he had aspirations elsewhere, he took the chance at home

The co-owner, Antonija Žvikart, retired in 2014, selling her share back to the company. At that time, Andrej, who had learned the ropes of the family business as a student at high school and later university, was very helpful to his father. "I started in production, labelling our products, and later continued in the office and in the field of management. I took over retail and three years ago when my father qualified for retirement, the post of Director," says Andrej. Although, as a student of economics, he did not think about taking over the company and was more interested in working abroad, he did not reject the opportunity when it was presented. "My daughter did not see herself taking a management position, and with her PhD in Chemistry she entered the pharmaceutical field," says Vladimir, who is still active in the company. "We made a soft transition. Andrej was appointed Director and I became the Authorized Representative. When I thought I could turn myself off completely, we started working on expansion, design and searching for suitable new locations, so I am still active," adds Vladimir, who hopes that within six months he will finally be able to dedicate his time to other activities and himself.

There are eight people currently employed in the company, of whom four are in production and four in the management team. "Since the beginning of this year the company has added two more employees who used to work in the Lentherm company. One, who has three years to retirement and used to work as a foreman, will now manage the new location and will be responsible for maintenance. The company has also employed a lady who has six years until retirement and used to be a deputy director in Lentherm. She will take care of sales and expansion into foreign markets," explains Andrej.

A small, family, quality-driven and responsive company

Andrej and Vladimir say that they have had no disagreements over management of the company, although establishing and preserving a family company entails great responsibility. "The start is always difficult and brings many risks. You pledge all your assets, banks often don't respect you, you mortgage your family house. Gradually you prove that you're capable and trustworthy and thus, you grow," describes Vladimir. "Abroad, a family business is treated differently compared to a large group," Andrej says. In

Bio-Sad, in addition to Andrej and Vladimir, Vladimir's niece is also included, working as a technologist, her husband works as Production Manager and her sister is Head of Accounting.

"We are competitive because we are a small, family business with lean administration and we know who is in charge of what," says Vladimir, outlining their advantages. "Consequently, we have lower costs and better responsiveness," adds Andrej.

Expanding abroad and moving to a new location

Their plans include expansion beyond Slovenia's borders. "We have covered all the dealers in Slovenia, now we are considering expanding into other markets," explains Andrej. They are discussing expansion into India, Africa and the markets of the former Yugoslavia, in particular Croatia. Today, they experience between 5% to 10% annual growth. "It is not good if you grow too rapidly, because you may neglect some of your customers. You are not able to produce enough beverages in time, and this can tarnish your reputation. It is worse to reach an agreement and fail to deliver than to deliver less and at a lower price," Says Andrej, describing the industry background. Care for employees remains on the priority list. In future, the company intends to provide a lifting platform to lessen the need for production workers to bend.

Vladimir and Andrej Černčič

co-owners

Company name: **Bio-Sad, d. o. o.**

Number of employees (2018): **8**

Net sales revenue (2018): **€3.3 million**

Hubat, d. o. o.

Gregor Hubat, co-owner and Director

Aleksander Hubat, co-owner, responsible for vehicle maintenance

Improved quality the priority over constant growth

The Hubat family business from Kamnik is also known under the name “kings of the road”. Founded in 1992, the company, which was at first a peripheral activity for independent entrepreneur Peter Hubat, has certainly “travelled” a long way. From beginning with one truck, it has become one of the leading transporters of dangerous and flammable liquids in the region. Its development has been based on safe and reliable transport and logistics solutions, active partner relationships and constant innovation. It now has a 25-year tradition in offering transport services, considering itself a stable company. In 2012, the owners Gregor Hubat and his brother Aleksander reached their 10-year goal and became owners of warehouse, service, office and parking premises in Kamnik, evolving the company, modestly started by their father, into a renowned international logistics company.

“In the past, we were flexible and took on every job for which we got an opportunity. But the bigger you get, the more you hold on to larger, long-term and comprehensive businesses, which give you stability.”

Gregor Hubat,
Director





They own 32 trucks and employ 45 people

Independence was a strong foundation for growth

In 1992, Peter Hubat began his additional part-time activity, transporting fuel with only one truck. At first, this concerned mainly petrol, with a vehicle purchased in Germany and self-maintained at home, soon followed by a second truck. The next step was renovation of a neglected warehouse for petroleum products in Kamnik and installation of modern filling equipment. With the foundation of HP Commerce (original company name) in 1999, they began independently selling fuel in the wider area of Ljubljana. Soon, they purchased additional trucks and carried out a full range of services, from purchase, storage, transport to and from warehouse, to final sale of goods. This is still true today and expansion in trade has enabled them to offer consumers reliable and affordable delivery of heating oil, diesel fuel and later good quality biodiesel.

Three milestones which made them fly

From the beginning, father Peter has had help from his son Aleksander, who first worked in the company as a driver. Later, Gregor joined, who admits that he had a lot to learn about entrepreneurship. When their father wanted to maintain the company's position, but began to have more interest in gardening, son Gregor took over, full of new ideas and plans. In 2006, he and his brother Aleksander bought assets from their father and became the company's owners. Because the company is still relatively small, employing 45 people, of whom over 30 are drivers, almost everyone is engaged in more than one area. Gregor as the Director is now responsible for overall supervision and partly sales, but previously he was also responsible for logistics, finances and accounting. Aleksander's tasks mainly include maintenance of the vehicle fleet, but when it comes to decision-making about investments and costs, the brothers accept all decisions together.

After 2006 when Gregor took over management of the company, economic stringency in 2008 presented a second milestone. Because of the global economic and financial crisis their turnover almost halved: "I decided that we would not credit our end buyers of heating oil with our own assets. Not because we wouldn't want to, but because more and more natural persons had liabilities against us. Instead of focusing on sales and transport, we dedicated too much of our time to execution processes," explains Gregor. At that time, they also started to offer transport of flammable and dangerous liquids to other clients. The company was divided into two segments: trade, within which they sell petroleum products, and transport, where their clients are mainly from other countries, i.e., 80% of clients are from abroad.

As the third milestone, Gregor mentions 2012, when he and his brother took a loan and bought warehouse, service, office and parking premises in Kamnik. "We planned to pay off our credit in 10 years, but we managed to do it in only six," emphasizes Gregor. They constantly expand their business, so that today they own 32 trucks, employ 45 people and transport to former Yugoslavian countries, from Italy to Austria, from Slovenia to Germany, and between Austria and Slovakia.

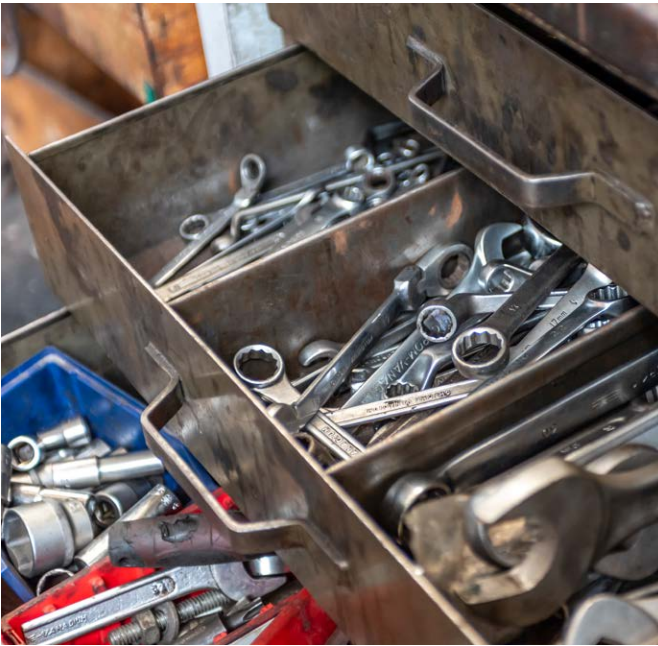
Family company as a guarantee of stability

"We're not a typical family company. It's built from three families, from which two members of each work here. The accountant trained her daughter, the mechanic brought his wife, who works in the logistics department, plus me and my brother," explains Gregor. Although the two brothers often have different opinions, they trust each other. Gregor's wife Linda also plays a part, while not fully employed, by providing marketing assistance, particularly during their re-branding from HP Commerce to Hubat. However, she has another important role: moral support: "Moral support is very important. Just take a look at our balances since 2013, when I met her," Gregor jokes a little and adds: "It's important to understand that entrepreneurship is not an eight-hour job."

Family companies are not valued as highly in Slovenia as they are by foreign business partners, as Gregor emphasizes: "International companies see family companies with different glasses. It's a feeling of stability and long-term cooperation," Linda adds, "If a company is a family company, it's assumed that it's been passed down from generation to generation, meaning that it will live for a long time." They used to say that they were a flexible company, but now in times of growth, they say that they are a stable company.



Hubat transports to former Yugoslavian countries, from Italy to Austria, Slovenia to Germany and Austria to Slovakia



Main goal for the future is increased quality

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The job of a logistics officer and driver is precise and demands a person's full commitment. Some find joy in that, some not.



Eighty percent of added value comes from transport

Hubat in a nutshell: quality, trust, independence, family, commitment.

Work which demands a person's full commitment

Employment of new personnel in the logistics sector is a complicated process because this demands precision and a person's full commitment: "It's not the kind of work which wouldn't attract people, because it's dynamic and interesting, especially for someone who is bored of administrative work," emphasises Linda. Gregor quickly adds, "But unfortunately it's also that kind of work where you have to be constantly reachable," and emphasizes that this can also be very difficult and stressful. At Hubat, they are aware of how demanding work is for their drivers because sometimes they are away from home for the whole week. International drivers spend the whole week in the truck and then return home only for the weekend. "Because our fleet is modernized, our vehicles are both much more advanced and safer, and equipped with assistance systems, which help the driver. The drivers of trucks with dangerous fluids carry great responsibility, in addition to constant exposure to risks in traffic and they often have to solve difficult situations due to other drivers." Life on the road, as Gregor emphasizes, can also have positive sides: "If you make the most of visiting many places and you're open minded and curious, you can create a very interesting life and get to know different places."

The future is in quality

In January 2006, after half a year of preparation, Hubat successfully underwent auditing for the ISO 9001 standard, which was a commercial move, but today is far more than that and helps them in business. For the last three years, they have had a credit rating of AAA. They are required to know the legislation of all countries they transport to in detail, and advise their drivers to have at least a basic knowledge of foreign languages, so that they can communicate if problems occur in a foreign country. They also invest heavily in the education of their employees: "We encourage everybody to attend additional training. Our accountant successfully completed an English class and our head transport officer attended training as a security advisor for the transport of dangerous fluids," outlines Gregor.

Their main goal for the future is increased quality, because competition in the transport market is intense and currently they do not want to expand. "The business stabilization plan has to be developed into healthy growth," explains Gregor. "The growth of 8 to 10 trucks a year can't last forever," he adds. "The income is divided into three parts: one third represents trade, two thirds transport; 80% of additional value comes from transport," he concludes, looking forward to even greater transport success in the future.

Gregor and Aleksander Hubat

co-owners

Company name: **Hubat, d. o. o.**

Number of employees (2018): **45**

Net sales revenue (2018): **€13.5 million**

Incom, d. o. o.

Andrej Slokar, Founder and owner

Rok Slokar, Head of Technical Production

Ice cream innovations from Ajdovščina conquer the world

A family-owned business from Ajdovščina, Incom has experienced its fair share of difficulties since it began in a garage in 1989, but is now reaching for the stars. It is Slovenia's largest producer of ice cream and frozen confectionery, under its own brands Leone and Leone ALIVE. As an innovator and producer of ice cream for other brands, the company exports more than two million ice cream cones, lollies, pots, tubs and other varieties all over the world every day. It has more than 400 employees and invests profits into innovation and development. "We are currently in the initial phase of the 'Smart Factory' project, which introduces a high degree of automation into the production process. This year's revenue will reach €66 million, which is €11 million more than last year. Already in the first six months, we have achieved €10 million gross surplus compared to last year," explains owner Andrej Slokar, who values development, innovation and interpersonal relations with family members and employees more than profits alone.

"When running a business and hiring people, I've always asked myself two questions: 'Why should customers buy from us and not from someone else?' and 'Why would someone come and work for me?'. If I didn't have the answer to that, I went looking for it."

Andrej Slokar,
Founder and owner





New Leone business premises

From a garage to freezers all over the world

As a chemical technology engineer, Andrej first began working for the Fructal company, where as a 35-year-old production manager, he realized that he wanted to create something of his own. Although his idea did not attract much enthusiasm at home, together with a friend he established a business in their garage in 1989. "At the beginning, we were just playing around a bit, but it was enough for a living for my family and me," explains Andrej, who had learnt a few things about entrepreneurship in his previous job. "I started to produce small amounts of ice cream - just enough for one point of sale - and found that I was very good at it. My wife helped me at first, while others did nothing but laugh. I soon started gathering other people around," adds Slokar. They started with the production of regular ice cream in tubs. Today, they produce more than two million ice cream and frozen products every single day and export them to 36 countries across the world. Despite the success, Andrej remains modest: "I wanted to be a manufacturer, as I don't know how to be anything else. I'm not a craftsman. I'm an entrepreneur because I'm not skillful with my hands despite the fact that at the beginning, I would fill the tubs in the morning, pack them in the afternoon and load them in the evening."

The essence of their philosophy was to build a company

Incom is not particularly well-known in Slovenia, as their products are mostly exported abroad. Ice creams and other frozen products are sold under their own brands Leone and Leone ALIVE. They are also offered as private labels under other brand names. "Our philosophy was not only to penetrate the market, but to set up a thriving company," explains the founder. He also adds that if they focused only on their own brand it would take decades for it to establish itself on the global market. With private label products, the company was able to develop much faster, with their products sold under the aegis of well-established brands and a well-oiled marketing machine. However, Andrej has not been resting on his laurels. He is developing new and innovative products for multinational companies. "Such a development is not easy. We don't only run our own production but also our own engineering, development and building production lines ourselves. We have hardware and electrical project designers and also programmers. Everything we do is aimed at being exclusive," he describes.

Passion is of utmost importance

For them, the recipe for success is to trust in people. When Andrej started to build his own company, he motivated people so that they believed in achieving success: "I'm the kind of person who is easily inspired. I very much like this child-like trait and if I don't see passion in a person, I don't hire them."

He tried to inspire his children to work in the family-owned business. "I never understood why people kept telling me to let the kids themselves decide what they want to do. Children should be inspired, helped and guided so many doors are open for them," he adds. He never pushed them to work for the family business but he kept telling them how lovely it would be if the family-owned business could be continued by them. In the factory, which manufactures ice cream in the shape of unicorns, pandas, soccer balls and ladybugs and produces licensed products under the brands Frozen, Paw Patrol, Star Wars and Peppa Pig, his son Rok works as head of the entire

production-technical department. Daughter Andreja, who is still a college student, has found her interest in accounting and finance.

Rok, who is an electrical engineer, started working for the company as a "jack-of-all-trades" and then slowly specialized in different areas. He is enthusiastic about his work as it constantly presents new challenges: "We never get bored, we innovate on a daily basis." Following the clearly-defined path his father has created certainly is not easy, but he manages to stay on it with a passion for challenges. "The job is interesting but also bears great responsibility, both towards society and the environment. Our company is the largest in town and therefore has an important social role to play. Many locals work here - entire families even," he explains. The company is strongly-connected to the environment in which it operates. It also provides scholarships to local athletes, supports sports in general and particularly the basketball club. In addition, it also provides support to the local choir and other institutions.



Leone Rainbow Unicorn cones are Instagram stars and a huge success in the UK and Australia



The Development department has grown even bigger since 2018 when the photo was taken

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If I don't see passion in a person, I don't hire them. When we cease to find enthusiasm and passion, we're old.



A new line of Leone products, communicated under the slogan "Ice Cream, which melts what's weighing you down"



The Leone ALIVE project team has received the prestigious Wabel Award for the most innovative product



Production began in a home garage

Incom in a nutshell: passion, quality, integrity, trust and respect.

Quality is their ID

Andrej says that he built the family business on three core values: integrity, trust and respect. "Quality is our ID," he adds. This is also facilitated by responsible leadership: "I set up the company in a way that is professional and well-managed. It has a director and heads of departments, whereas I withdrew from management five years ago." The company has been reorganized and adjusted to its rapid growth and development. While many experts have been hired, even greater investment is devoted to employee training. "Organizing people is one of the key ingredients for success," Andrej adds. In his opinion, employees should be motivated and when they face problems, communication is very important. "You have to trust them and give them tasks that are a bit more complex than they believe they are capable of dealing with. Income is not the major motivator, it's merely the result. It is important to be enthusiastic, happy and satisfied doing this job," he tells us. "When running a business and hiring people, I've always asked myself two questions: 'Why should customers buy from us and not from someone else?' and 'Why would someone come and work for me?' If I didn't have the answer to that, I went looking for it," he adds.

A family-owned business, according to Andrej, has its advantages. "If you manage to impress your family, in the long-run it can also become something important at the national level when you take a look at how much family-owned businesses contribute to GDP," he explains. The company's capital is constantly in circulation: "With us, relations are easier and faster, goals are clear and we do not take money out of the company. Hence that is why we grow so fast," the owner adds and warns that economies of scale are dangerous and need to be managed wisely. "I don't want to live from economies of scale, but rather from the price difference that rests on knowledge and less on pure muscle," he points out.

They wish to sell knowledge in the future

Currently, the company is focused on its five-year Smart Factory project. Increased automation through robotics was approached with caution as they want to maintain their identity. "Too high a level of automation can to some extent infringe flexibility," warns Andrej. Another challenging project is the creation of new products and the introduction of new technology into development. The owner does not want the company to constantly increase its gross product turnover but rather to reach its optimum size and then aim for strong development potential: "I also wish to make profit from our know-how. The company is full of smart people so we ought to start selling knowledge. It makes no sense to sell only hands-on products and nothing else."

Andrej Slokar

owner

Company name:	Incom, d. o. o.
Number of employees (2018):	369
Net sales revenue (2018):	€57.1 million

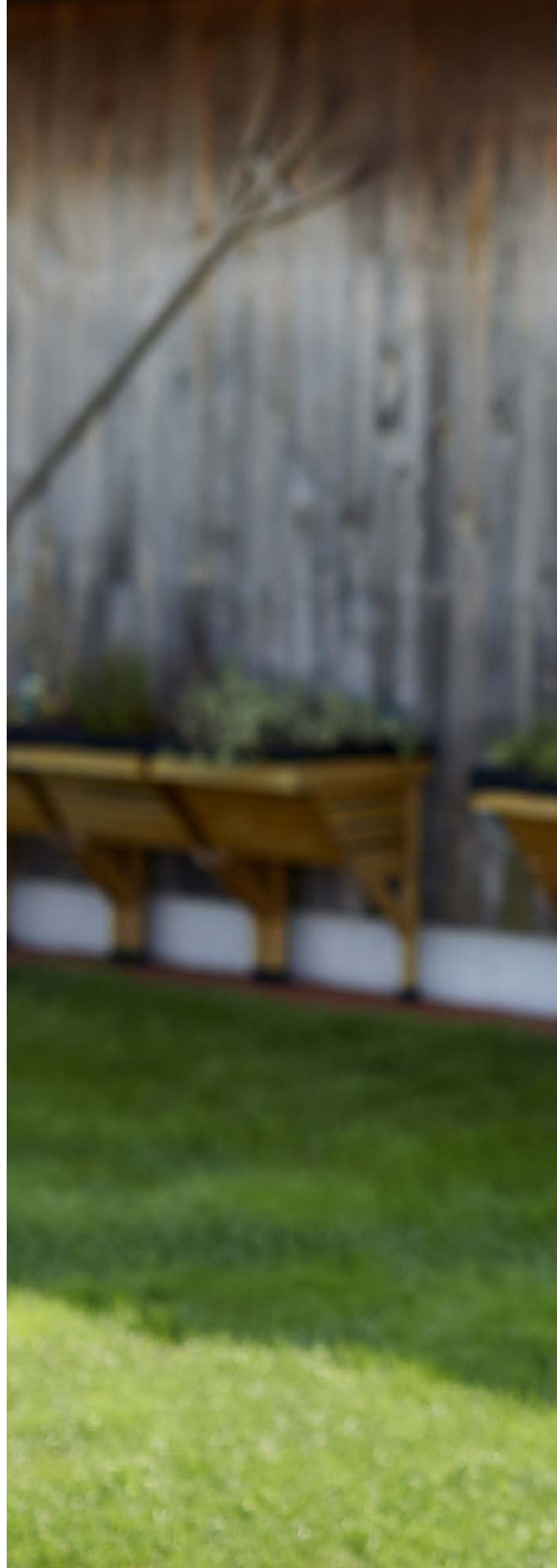
Kodila, d. o. o.

Janez Janko Kodila, Owner and Director

Helena Kodila, Marketing

When you know what you are eating and can impress your guests with a gourmet experience

“**I** will not make frankfurters,” said Janko Kodila, Director of the Kodila family company, to his father when he became its owner in 2000. His father was surprised at his son’s idea of becoming a butcher unwilling to make frankfurters. “Instead, I started to produce pork rinds and carried the name Kodila throughout Slovenia,” explains Janko. Today, everyone has at least heard of the Kodila brand and its products, from pork rinds and pâtés, to hams, and recently also some non-meat products. Furthermore, the mouths of true gourmets and lovers of traditionally-praised Prekmurje cuisine start to water when they hear the name Kodila.





"There is no success without taking risks. If you walk the paths already taken, you're just a follower and you can't really succeed in business. But if you go your way, others will follow you."

Janez Janko Kodila,
Owner and director



Janez Kodila at the beginning of the business path



Over the course of their history they have received numerous awards

From a simple local butchery to a large estate

The owner, a former wrestler and true workaholic, explains that his grandfather from Dolenjska and his father, both butchers, were employed in the Pomurka meat processing plant, just like Janko's mother and sister, and possessed entrepreneurial spirit. "My father always pondered the question of how to improve our family budget," says Janko. In his spare time, he pursued many activities: from beekeeping and selling honey, growing cabbage and onions on his land and selling the harvest to Pomurka, to cultivating a vineyard. Thanks to his father, Janko is today a successful entrepreneur: "My father had a nose for these things, he travelled the world and took me with him, he was very enterprising and strove for innovation." However, all did not go smoothly; Janko is also a little bit rebellious by nature: "I established my own company called Kodila Trade, which dealt with pet food and later I sold garden furniture. I imported it from Asia and travelled to Malaysia and Indonesia for several years." He says that he had courage and good luck as well. The Asian experience helped him to generate his own capital, and above all, gave him the necessary entrepreneurial confidence. In addition, because he was operating alone, he learned about the importance of sales, marketing and branding.

Blood is thicker than water, but different generations have different views on business

And why was it that after he successfully trod his own path Janko returned to his family roots and traditions? On one hand, it was a combination of circumstances, while on the other he felt a duty to try. "I sensed that this

business could be a springboard for a success story, and I also had a lot of respect for my father. You know, blood is thicker than water, and I simply couldn't let the family tradition fade," says the "Entrepreneur of 2014" and winner of many other awards. For this reason, he sold Kodila Trade in the late 1990s and invested the money into buying a house and continuing his family tradition. His sister withdrew from the family business of her own accord and Janko's wife Helena has joined, but it was difficult, admits Janko today. After he took over the business, the company was not in the best shape, food standards had to be harmonized with European legislation, they needed new investment and a new impetus. "I didn't want to be a typical butcher, my arrival in the plant meant a real revolution for my father and he didn't talk to me for a while. I also heard behind my back that people thought I would destroy everything. When today people see what we've done, they understand what my goal was."

There is no business without taking risks

The Mesarstvo Kodila brand was replaced by Kodila - When you know what you are eating. They wanted to avoid the term "butchery" because they saw their mission as a culinary business, for the pleasure of food. In the past, fresh meat represented 90% of sales, and now 90% is represented by meat products, including processed meat. After seven years of hard work, when all Janko's skills, experience and personal qualities, such as stubbornness, tenacity and courage, have paid off, the company has managed to penetrate the shelves of wholesalers and other selected stores. They have won more attention and expanded their production and number of employees. But in 2008, when it seemed that the company had taken the bull by the horns,

crisis struck again. However, Janko was not to be stopped. "We focused all our energy on a European call for tenders launched by the Agricultural Market Agency. Of the investment estimated at €2.5 million, we received something less than half from Europe," says Janko, who did not settle for a normal production hall. Between 2012 and 2014, in Markišavci, a stone's throw from Murska Sobota, he built a magnificent structure in traditional Prekmurje style using wood, clay and a thatched roof, unique not only in Slovenia but also in this part of Europe: "It is a building that breathes and visitors can actually feel and smell our products."

This was the whole philosophy behind Janko's pursuit of a food business; to create an integrated story related to the local environment and a story based on quality, regionalism and the brand. Their batch production always provides a quality product to the customer: "Our products are free of additives and allergens, and only salt and spices are added to the quality meat. The quality is confirmed by numerous certificates and recognitions from product assessments conducted abroad and in Slovenia." A customer can see the production, taste and feel the product on-site and then find it in a local store. Recently, a touch of tourism has been added to the entire range



Kodila premises built in traditional Prekmurje style



Janko and Helena Kodila with their sons



Kodila products are available also in their shop in Markišavci



They turn food into an unforgettable experience for a visitor

"There are four pillars: production, delicatessen, tourism and restaurant. We wanted people to come to us, where the soul of the product is, because in this way they can really feel us. People want to visit us for a real culinary experience," explains Helena, primarily responsible for visiting guests. Since she is also from an entrepreneurial family and quickly found her way in the business of her husband. They perfectly complement each other in business, although Janko treads his own, unconventional path. "When I tell him 'no', he only gets extra motivation," says Helena smiling, while Janko defends himself by saying that he is also cautious, but risks must be taken from time to time. "There is no success without taking risks. If you walk the paths already taken, you're just a follower and you can't really succeed. But if you go your own way, others follow you," are Janko's words worth remembering.

We cannot rest on our laurels, the next target: foreign markets

Today, Kodila employs around 50 people and will achieve €5.5 million revenue this year, with 17% growth. The story of success, as Janko points out, cannot be attributed only to his own family. "This story is not my work, it is our work. The family is also our collective of employees. Therefore, we also include employees who perform well in the business, as they are the ones who create the quality. And even if we stop investing, we can operate for at least another five years. We have worked hard to achieve this, but is this the pinnacle of our project?" Janko adds with a smile.



Employees are the ones who create the quality

Kodila in a nutshell:

innovation, boldness, quality, integration, local experience.

Will his successors, 22 and 15-year-old sons, continue the family business? They are talking about succession in both future and conditional terms agree Janko and Helena. Probably because Janko hasn't finished his computer science studies himself, he does not want his sons to enter entrepreneurial waters too early. After all, he also decided to take over a family company only at 33, and has been pursuing entrepreneurship since the age of 23.

What next? "Our capacity is full, our brand is well-recognized in Slovenia and people trust us. So, our challenge lies now in foreign markets. I know that our products and philosophy can also be sold beyond the Slovenian borders." The objective is to penetrate the surrounding 250 km area: Vienna, Budapest, Zagreb. They want Kodila to become known in these areas as well.

The company is not interested in increasing production, but in products with even greater added value: "We raise standards for our breeders and introduce selected raw materials. We work on meat, and cooperate with winegrowers. Today, people want only selected, top products; food does not just mean survival, food today is seen as a pleasure. We've been able to do this before but let's now take another step forward," says the Director. This also includes digitization and logistics. The trend is the growth of online

sales, different marketing channels, a boutique approach: "If you want to have a good steak or dry-cured ham at your home on Friday afternoon, you will get them," they assert.

A proud local resident who connects Prekmurje and brings it closer to the rest of Slovenia

Janko is not only a patron of Prekmurje ham, but also of all things of Prekmurje flavor. He is in his fifth term of office as the President of the Association for protection and promotion of food of Prekmurje, a founding father of the Diši po Prekmurju brand, which today already includes nine producers. There is also Gourmet over Mura, a brand consisting only of top-class Prekmurje entities. Every year in September, they hold an event at the Murska Sobota Castle which attracts gourmets from near and far and also visit Ljubljana once a year. "This is very important for the development of the whole Prekmurje region, since we are aware that we are only as strong as the whole region and thus providers must also work together," says Janko. "Prekmurje must focus on what it has, and who will do it, if not us," Helena adds.

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Rather than quantity, Kodila sees quality, added value and premium standard as its driving force. They turn food into an unforgettable experience for a visitor who wants to come back to have more - not necessarily to Kodila, but surely to Prekmurje.

Janez Janko Kodila

owner

Company name: **Kodila, d. o. o.**

Number of employees (2018): **50**

Net sales revenue (2018): **€4.7 million**

Labena, d. o. o.

Irena Lemut Čeh, Founder and Deputy Director

Borut Čeh, Director

Inspiring Slovenians to reach peaks of pharmaceutical excellence

Irena Lemut Čeh, the founder of the Labena pharmaceutical services family company from Ljubljana, has written an incredible success story, which she began completely on her own. She was originally a graduate in Germanic languages who later completed an MBA and got the idea for her own company during the economic crisis which struck Yugoslavia at the beginning of the 1990s. Today, Labena has more than 75 employees in offices throughout all the former-Yugoslav countries, markets its services in many parts of Europe and cooperates with partners worldwide. Although it began by concentrating on sales of high-tech equipment, it is now also an important player in the field of laboratory analytics, pharmaceuticals and molecular biology, providing development and research services to the world's largest pharmaceutical companies and health institutions. All this is reflected in its performance, with last year's revenues of over €8 million representing 15% growth on the previous year, and the plan is to reach €10 million this year.

"Young people must be motivated. They have original ideas and see events in the world in a different way. They must have their freedom. In our company, developers work one fifth of their time for their soul, conducting research, presenting proposals provided that their project has potential on the market or to be a good scientific publication."

Borut Čeh,
Director





Labena team

The route to the most innovative pharmaceutical and healthcare solutions

But first things first. The family of Irena's parents ran a restaurant in the Ajdovščina area which burnt down and so they moved to the coast to start again. "I think that I have some entrepreneurial spirit in my roots and my parents taught us to manage on our own." Together with her two siblings they sold fruit and quickly discovered that location is key to earning money. "This was not an insignificant realization; I benefited from it also with Labena. It is very important on which market you are present, but if you are good, the doors to new markets will open by themselves," says the founder, while her son Borut, today the Director of the company, adds that working with his mother is a challenge and a reward at the same time. An interesting fact: Labena is the only Slovenian family company in which both mother

and son have been awarded a prize from the Chamber of Commerce and Industry of Slovenia.

Labena - one of a kind in Europe

Labena first represented foreign producers of laboratory equipment, later adding repair services and development of its own calibration algorithms for high-tech equipment. In 2015, the company bought a laboratory from Bia Separations in Ajdovščina and upgraded it. "We added content to sales, cooperating in cutting-edge projects. Currently, there is no company in Europe that acts as a representative for equipment and also has its own service or research lab to search for unique solutions in the field of pharmaceuticals, biotechnology and healthcare," adds Borut, owner of 10% of the company, the remainder of which is part-owned by Irena (41%) and the company (49%).

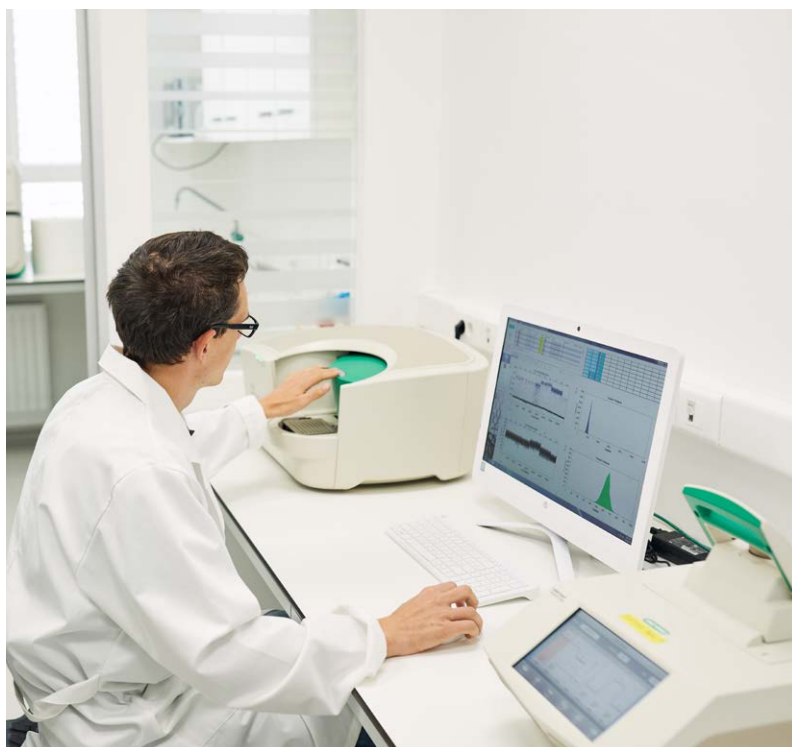
Equipment operates day and night

Today, the company's operations have two major pillars, the first of which includes selling high-tech equipment to the pharmaceutical, food, materials and life science industries. These are devices made outside Slovenia which are upgraded in Labena with their own "smart" solutions, thus making them applicable to specific analytical research. The second pillar involves their own laboratories conducting tests of medical products for domestic and global pharmaceutical giants. The high-end chemical laboratory is certified in accordance with international quality standards of good manufacturing practice (GMP certificate) which is essential for conducting serious analyses of pharmaceuticals at the global level. Processes and tasks conducted in the Labena lab are also reviewed and approved by the US Food and Drug Administration which enables Labena to test and sell medicinal products to the pharmaceutical industry, including the US market. "We have devices that operate day and night. Thus, for example, we get samples for a pill, dissolve them according to the instructions of a pharmacist, conduct tests, issue the analysis results and submit them to the pharmacist who then launches the medicinal product on the market. The process can also be the other way

round: a pharmacist can produce a new medicinal product and ask us to carry out the whole procedure and develop a method," explains the Director and driving force behind the company. Labena has permits, not only for testing of medicinal products, but also for their production.

New leadership - new impetus

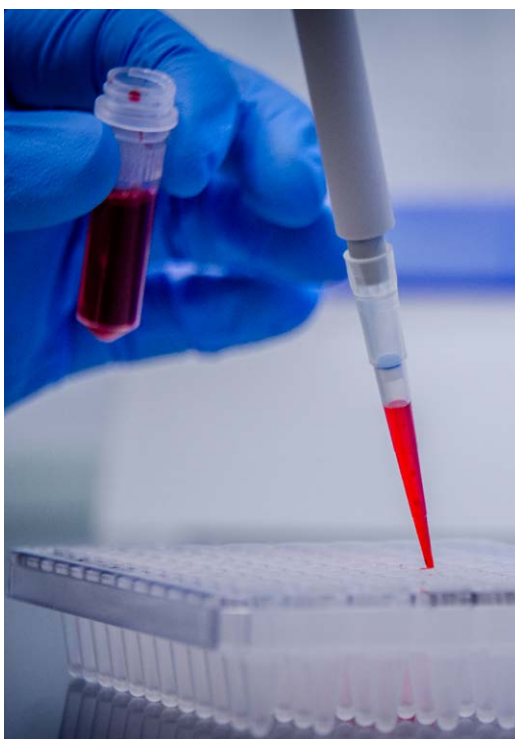
Borut joined the company in 2007 and has experienced development from the bottom up. He has been a warehouse man, salesman, product manager, program developer and representative in finding new partners. He assumed the role of Director in 2012, introducing his own vision for the company's development. From the beginning, Labena has employed highly-educated personnel such as food and chemical technology engineers. Today, it recruits academically-gifted holders of MAs and PhDs, who after joining upgrade their theoretical knowledge with practical expertise. Staff are regularly assigned to training abroad and attend in-house workshops. "Our employees spend an average of two to four weeks on education and training courses annually. We also have employees with PhDs in our sales department, for this is a very complex and demanding field. We have our



They have their academy of students



High-tech equipment is upgraded in Labena with their own "smart" solutions



In their own laboratories tests of medical products for domestic and global pharmaceutical giants are conducted

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Labena's greatest achievement over 25 years is its investment of more than four million euros in establishing high-end analytical and molecular biology laboratories for state-of-the-art research work.



The high-end chemical laboratory is certified in accordance with international quality standards of good manufacturing practice

Labena in a nutshell:

professional approach, high-end services, development-oriented, holistic approach, global visibility.

academy of students, who like working with us; this is an investment in the future for us all," explains Borut. He also says that the company allows employees the freedom to spend a fifth of their working time concentrating on development, research and new ideas. "This is work for their soul, which in the long run brings necessary development and progression of their profession and the most innovative services and products," continues Mr Čeh, adding that enthusiastic talents also come to the company from abroad.

Detection of cancer and prevention of injuries of top athletes

What are the company's most interesting projects? Their advanced processes enable them to analyze samples from Slovenia's karst caves to determine whether the famous "Human Fish" salamander lives in the water, how many there are and from which species. Similar techniques have led to discoveries of mutated organisms resulting from the use of pesticides.

Of particular interest are studies in the field of early cancer detection. In their laboratories they have conducted blood analysis procedures for colon cancer detection, together with the Golnik Clinic, developing markers that can identify its presence. In cooperation with Diagenomi, a spin-off company, they have marketed a test which shows whether breast cancer is aggressive in nature and whether a course of chemotherapy would be successful. In Slovenia this test will soon be generally applied as it should be financed by state insurance, also thanks to Labena and Diagenomi. "Yes, the progress is that advanced. The problem is not that something cannot be achieved, but that the system is so organized that doctors do not have access to innovation and they mainly operate and treat using 'curative' approaches. Healthcare is still overly focused on treatment and not on prevention. For example, the waiting period for prostate cancer is between six and eight months, while the cancer can progress from the non-aggressive to the aggressive state in a few months, after which only chemotherapy or medicinal products with pronounced side effects are effective." Another test the company successfully markets and intends to

carry out in its laboratories is for prostate cancer, which indicates whether the cancer is aggressive. "Its results are 99% reliable, but the health insurance company does not cover it, at least for now," explains Borut.

A high-profile project involving cooperation between the company, Diagenomi, an orthopedic clinic in Santa Monica, CA and a clinic for top footballers in Italy concerns assessment of the risk of cruciate ligament injuries. The idea is to develop a test analyzing athletes' saliva, on the basis of which types of training could be adjusted accordingly. They also cooperate with the renowned American clinic where world champions, including NBA basketball players and world-class skiers have undergone surgery. Top performers from major European football clubs come to the clinic in Italy to have precautionary examinations and screenings. These are the peaks of practical science application which have been scaled by Slovenians with Labena.

Borut Čeh and Irena Lemut Čeh

co-owners

Company name: **Labena, d. o. o.**

Number of employees (2018): **75**

Net sales revenue (2018): **€7.8 million**

Pekarna Pečjak, d. o. o.

Stanislav Pečjak, Founder and owner

Silvester Pečjak, Director

Majda Matjaž, Deputy Director

The Pečjak family kneads into the future for a third generation

“**O**ur beginnings in 1972 were very modest. I borrowed two million dinars from my cousin and we opened a biscuit shop. At the time, there was a shortage of everything, even bakers. We didn't even have a large enough mixer. After six years, independently I tried making egg pasta. This turned out to be a fantastic decision that made us big,” remembers Stanislav Pečjak, the father of Pekarna Pečjak, which is today renowned for quality frozen and fresh bakery products, as well as pasta. In 2018, their turnover was more than €36 million with net profit of more than €700,000. Today, all three of Stanislav's children, along with their partners, work for the company. The Director, Silvester Pečjak, and his older sister and Deputy Director, Majda Matjaž, tell us that the door is also open to the third generation, if they decide their career paths lie in the family business.

“I try to teach my daughters responsibility and key moral standards so that they will at least be good owners, if not Directors.”

Silvester Pečjak,
Director





Their flagship product is the croissant

A school lunch never to be forgotten

Did Stanislav ever imagine that the company would become this large? He confesses that he does not know what he imagined. However, he does know that he was always one of the best bakers and that their highly-automated factory is crucial to their success.

Their flagship product is the croissant. "Silvester once came home from school and said to me: 'Look, dad, this is what you need to bake, it's what we eat at school.'" He brought a croissant," says Stanislav Pečjak smiling. Five workers now make a tonne of them in an hour, although the croissant from 2003 has almost nothing in common with today's version. Back then, it contained around 30% fat, compared with only 17% today. It also has a different shape and comes in different flavors.

Customers directly influence changes and development and Silvester Pečjak makes it clear that they need to be listened to. Pekarna Pečjak works a great

deal with the public sector and also designs custom products for the B2B segment. They buy ingredients from leading world producers and thus have access to quality research and information. Their technologists visit fairs and develop contemporary products, while salesmen test them in the market. Annually, they produce around 300 samples, of which between 5 and 10 reach the store shelves.

Aside from development, one of their key competitive advantages is flexibility, with agility and adaptability becoming increasingly important in the baking industry, according to Silvester.

Beginnings among flour sacks

The beginning was not easy. Silvester remembers playing among the sacks of flour and accompanying his father to sell products from store to store,

because there were not enough orders. All three of the children came to the bakery in Škofljica to weigh pasta and stack cardboard packaging. When they were older, they always worked at the company during school holidays.

“But I also remember my father’s success with bread,” Stanislav fondly recalls and adds: “We had the best bread in Ljubljana, from a baker who learned his trade in the army. The shopkeepers came looking for it themselves.” At the time, they baked four times more bread than they do today.

When the Yugoslav civil conflict spread to Croatia, they lost 50% of their market in one day. “When you lose such a big market share, you can either close the company or heavily restructure things,” Silvester says. “This is why father quickly took up baking, preparing confectionery and frozen goods. The latter has been growing since 1991 and today represents 85% of our production.”

Baking as a way of life

From the foundation of the first shop, there have been quite some changes. Pekarna Pečjak was always owned by Stanislav Pečjak and his wife, but today, due to transfer of ownership, he is the sole owner. He is proud to have

imparted a work ethic to his children. They grew up alongside the company and it is their way of life. All three of them, along with their partners, found a way into the family business. The oldest daughter Majda was employed by the company after finishing secondary school of food technology and has worked in the company for the past 28 years. “I did not consider going anywhere else. I grew up with the company and I am continuously learning,” says Majda frankly. Today, she is the Deputy Director and Manager of Logistics and Sales. Her brother Silvester praises her thus: “In Slovenia, we have 2,500 customers and we are known for our good logistics. She developed the best logistics for frozen products.”

The second daughter Tanja also came to the company two or three years after finishing secondary school of economics. Before leaving to deal with family matters, she was Head of Quality Management.

Silvester, the youngest child, has worked in production since 2003 after finishing his studies in food technology. In 2005, at the age of 26, he took over the reins of the company, at that time with 237 employees, as his father’s health suddenly declined. “We knew my brother would be the Director. I am glad that my parents have decided this and I agree with their choice and respect it,” stresses Majda.



They are distinguished by high-quality ingredients, fantastic taste and reliable service



Pekarna Pečjak headquarters in Škofljica



Director Silvester Pečjak

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They were raised not to treat the company as their property, but rather to work in it and be responsible for its growth and development.



Frozen goods represent 85% of their production

Pekarna Pečjak in a nutshell:

quality, flexibility, reliability, responsibility, work.

Third generation: one day I will be the boss

Silvester insisted on writing a family constitution years ago. "I found it important to leave no open questions among us that could lead to disputes. Our parents arranged everything. If the rules are clear, conflicts can be avoided," he says with confidence. He explains that they were raised not to treat the company as their property, but rather to work in it and be responsible for its growth and development.

Silvester makes it clear that the next generation also shares responsibility for the growth of Pekarna Pečjak, rather than living in luxury. "I have two daughters of nine and three. I try to teach them responsibility and key moral standards so that they are at least good owners, if not Directors." Stanislav adds that Silvester's nine-year-old likes to say: "Once my grandpa was the boss, now my daddy is the boss and one day, I will be the boss."

What of the other children of the third generation? Majda stresses that it is their path and their choice. "The oldest daughter is doing postgraduate study in a completely unrelated field. I am encouraging her to seek employment in an area where she will be happiest." The younger two children have only just started secondary school but the door is open to all of them and as she says, a person has to be committed to the company with their heart and soul. According to her, the person's profile is not as important as their willingness to learn.

Fresh eggs instead of powdered

Even though Stanislav Pečjak is retired and almost 80, he still comes to work every morning at six. He likes his routine, coffee and newspapers, but he is no longer involved in the company's operations. The company is his fourth child, Majda tells us. She adds that they are autonomous in their work and trust each other, but they also communicate regularly during meetings or even short encounters in the company hallways. They have agreed to notify each other about all investments.

"But it does not all depend on us; there are 400 employees and 400 families. There are several cases where both partners are our employees and this gives us a big responsibility. Both my partner and I also work for the company. If we 'go belly-up', we will both be jobless but we try not to think about that. Instead, we think about growth and work towards that," says Majda Matjaž.

Stanislav Pečjak admits that he did not sufficiently understand the closed nature of the Austrian market and therefore generated €1.8 million in expenses. His subsidiary in Croatia, however, sold 52% more in 2017 than in the previous year. Croatia, Austria and Sweden are their most important foreign markets, while they also export small quantities to Italy, the Czech Republic, Slovakia and the Netherlands. They are distinguished by high-quality ingredients, fantastic taste and reliable service, so their prices are consequently higher. "Our products are made with fresh eggs and not the powdered variety others use because it is just not the same," Silvester proudly claims.

Stanislav Pečjak

owner

Company name: **Pekarna Pečjak, d. o. o.**

Number of employees (2018): **393**

Net sales revenue (2018): **€36.4 million**

Pobles, d. o. o.

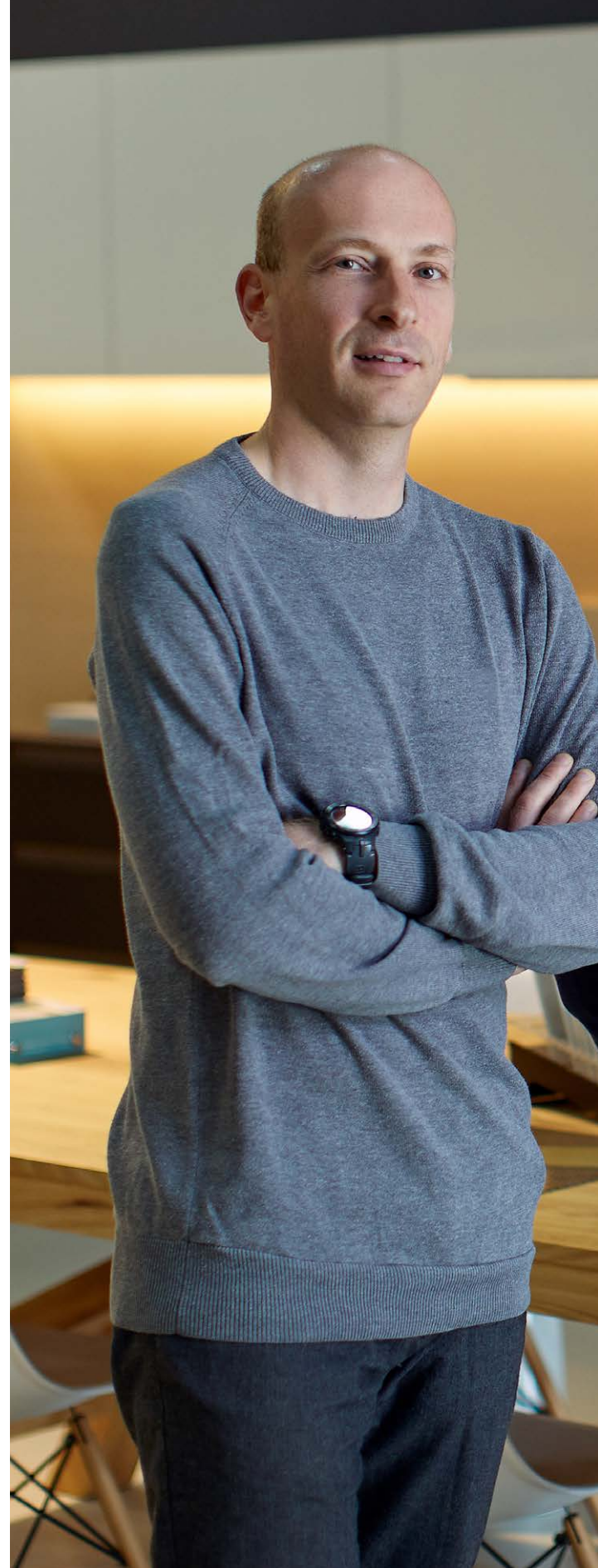
Branko Petrič, Founder

Primož Petrič, Co-owner and Director

Samo Petrič, Co-owner and Head of technology and production

Boutique furniture manufacturers offering their customers a one-stop shop

The story of the Pobles family business began in the 1990s, at the location of the failed Brest woodworking company in Cerklje ob Krki. The head of the family and company founder Branko Petrič used the courage and experience he had accumulated in his almost 20-year-long stay in the US and Canada, where he worked as a carpenter. After the bankruptcy of Brest, where Branko had previously worked, he purchased part of the company with his own savings, was joined by a few like-minded employees and together they began writing the story of the successful family business, which now employs 20 people.





“We also had luck in our business. We were one of the first custom-made furniture providers. We knew how to address customers with greater purchasing power.”

Primož Petrič,
Co-owner and Director



Modern business premises and showroom

A new company grew on the foundations of the former woodworking company

Primož's father, Branko Petrič, started producing custom-made furniture with a small group of carpenters. This was not usual in 1995, quite the contrary, but they received regular orders and produced mainly small pieces for kitchens, which they also installed and repaired. Primož remembers: "We were ordinary craftsmen; this was not a real business yet."

Primož Petrič joined the company at the turn of the millennium. "I took up the management very spontaneously. I knew there was a lot more that could be done and that there was no future in the production of low-cost furniture. But I had a vision of becoming a star in the furniture industry in the segment of complex, expensive furniture." To accomplish his goal, he sought out partners among recognized designers and architects and together they designed a strategy for the company and began to implement it. They visited furniture fairs, of which Ljubljana was especially important for them according to Primož because it had so many visitors between 2005 and 2010. The fairs were their springboard, allowing them to gain a great number of new customers and build brand recognition. "We spent a lot of money on this, but it paid off," says Primož candidly. Market competition was not as intense in those days. "We became known as manufacturers of exclusive, more expensive, quality furniture and we started cooperating with eminent architectural bureaus."

Main principle: meeting the customer's wishes

"Our approach to customers was integral; we listened to them and fulfilled their wishes," explains Primož. "Our important competitive advantage is that customers can get everything in one place. They come in and tell us their wishes and we take care of everything else, from the conceptual design of a house to the project plan. With the help of our own architect, we provide complete solutions for all areas of the house, so everything can match. In our own workshop, we then produce, assemble and if necessary, also repair the furniture."

Individual customers take up a lot of their time, but Primož is aware that if they are paying up to €70,000, they deserve to be satisfied. He proudly adds that in all these years they have not had one major complaint and they have repeat customers. This is the most genuine advertisement and at the same time the greatest confirmation and reward for their work.

They have numerous customers with different personalities and wishes, including boutique, complex productions, where each piece is unique. "Those are the disadvantages in our company and partly the reason for our stress," says Primož. "But in the end, it adds to the greater added value and smaller risk."

Primož is certain that you also need some luck in any business. "We were lucky to be one of the first suppliers of custom-made furniture and we were able to address buyers with greater purchasing power, who could afford more expensive items. Such a tradition did not exist in Slovenia before."

Careful decisions ensure constant growth

Between 2005 and 2010, they built upon the company brand. They expanded their employees from 5 to 22. However, the economic crisis halted the growth of Pobles somewhat and according to Primož, they faced difficulties during that time. Luxury was the first thing people gave up, but they have survived, and each month they gain between 5 and 10 new customers. For many years, they have been experiencing steady growth of 5% to 10%. They employ 20 people, sometimes even more.

Ninety percent of their customers are private individuals. "I always wanted to prove myself to people. It's nice to make someone happy when you create the most beautiful kitchen for them, a unique space, and when this person then excitedly recommends you to someone else," he says, smiling. They do not participate in public tenders, nor do they furnish hotels and hospitals. He admits: "I play it too safe. I always feared that one of the larger contracts would not be paid and we would be risking bankruptcy." He stresses that it was a wide and varied portfolio of individual buyers that saved them during the economic crisis. They were never dependent on big business or a handful of larger customers.



Members of the Pobles team have their hands full dealing with orders

There is no business without my father and brother

Roles in the company are defined so that it is clear who is responsible for what. Samo Petrič and his brother Primož are co-owners of the company, while their father has officially retired, but still comes into the company every working day. The sons consult him on all major decisions and he maintains the premises and takes care of logistics.

The Director, Primož Petrič, deals personally with every customer, handling the financial side of this relationship. Samo Petrič takes care of technology, precise measurements and prepares everything necessary for production. The third member of their manufacturing triumvirate is in-house architect Maja Bavdek, who manages projects and designs.

When we ask Primož about the advantages and drawbacks of a family business, he says that he only sees advantages - of course provided that the family members get along. Their greatest advantage is that they know each other well, trust each other completely and work towards the same goals. "I cannot imagine our business without my brother because he is detail-oriented, good and honest, nor without my father because he is its founder. It is the right thing to show him respect."



Ninety percent of their customers are private individuals



Pobles has a wide and varied portfolio of individual buyers



Each piece is unique



Their approach to customers is integral

Pobles in a nutshell:

exclusive, exceptional, professional, boutique, hand-crafted.

Primož's greatest advantage is that he knows every detail of his company. "When it became evident that my student career wouldn't work out, my father said that I could just work at home and he sent me into production," he says, smiling. "This was a year of hard work. Every morning at seven, I stood at the machines, carried things, assembled them... This was the best move because I got to know the entire working process." Branko began leaving work earlier and Primož suddenly became a sales specialist, started issuing invoices and took over the finances. "This is why today nobody can play me for a fool. I know exactly how things work and how much time and money they require."

“

The competitive advantage of Pobles is their personal, integrated approach. Customers find everything in one place, from conceptual design, planning and production to assembly and repair.

Overrun with orders, which is why they are not worried about the future

Members of the Pobles team have their hands full dealing with orders. Primož is earnest when he says that there is often no time to think about the future. They have no problems in their settled process of obtaining suppliers; because they pay well and regularly, they get the best. However, to produce high-quality products they require modern technology. "This is what's most expensive in our business. If we want to maintain the quality, we need to replace our machines every 10 years, and each machine can cost up to €150,000 or more."

According to Primož, they could start working more on advertising and marketing. "This is something we have neglected for the past few years, but there is no time for all that. I am convinced that it is the premium products that help us grow and which spread our good name."

The majority of the Pobles team has been employed there for years, some even since the beginning. This explains why their production is so cohesive and they know each other so well. Primož states that they do not plan explosive growth in the next few years. "At the moment, I can control everything. I can look everyone in the eye and regularly talk with my employees. We also take time to socialise. We do enough business," he adds.

Primož and Samo Petrič

co-owners

Company name: **Pobles, d. o. o.**

Number of employees (2018): **20**

Net sales revenue (2018): **€1.0 million**

Škerjanc, d. o. o.

Mitja Škerjanc, Director and owner

Škerjanc: from tabourets to the stars

Mitja Škerjanc began in 1993 as an independent entrepreneur, producing elk skin sponges in his garage, before quickly shifting his focus to chair upholstery. Because he saw greater opportunities in commerce than production, he found his niche in the manufacture of light footstools known as tabourets. Highly successful sales of these items led to the growth of a company that now offers complete furniture solutions mainly for hotels and restaurants, but also for offices, hospitals and nursery schools. Their range includes chairs, tables, garden furniture from different materials and furniture specifically for restaurants. They also custom-make higher-quality products according to customers' wishes. Due to their perseverance, creativity, vision and a pinch of improvisation, they achieved €8 million in earnings last year. They are flourishing on the Croatian market and are preparing to expand into the Italian market.





"The employees are the company. We can have the best computers, but without good people we have nothing."

Mitja Škerjanc,
Director and owner



The biggest advantage of the company is its employees

Start with sponges, boom with tabourets

The Škerjanc family business was born in 1993 when mother Marinka, her son Mitja and his wife Larisa joined forces and began producing elk skin sponges in their garage with a Bogat sewing machine. "We had help from Jože Šepič from Gradišče, who cut the foam, while we finished the products he then put onto the market," remembers Mitja. Because the car industry was flourishing at the time, the number of employees in the company also grew. Mitja's mother, who first worked in a bank and later took care of the company's finances, had good business sense.

They also had help from Mitja's wife Larisa, who after 20 years of work in the company now manages their bar. By working with Italians, they quickly shifted from sponges to chair upholstery. "Italians opened a plant with us and three other local companies. Thus, in the span of five years we expanded to eight employees. We started cooperating with the company Damen Sežana, so that we produced the chair backs, Damen Sežana produced the seats, while Šepič cut the foam - we were like a mini consortium that worked for one strong customer," adds the Director. When production started flagging after 2004, the Italian owner cancelled the cooperation and moved the production to Bosnia and Herzegovina.

Mitja remembers: "It was a big shock. Our company had 10 employees, there were 30 in Sežana, and Šepič in Gradišče had 20. We went looking for alternatives." But at the age of 35, Mitja was still full of zeal and he started producing tabourets. "Tabourets were my idea. Because they were based on expanded polystyrene they were light, unlike the classic tabourets made from plywood," adds Mitja. A cooperative venture with Lesnina then followed. "Tabourets were a true boom and we made between 30 and 40 thousand each year," he explains. Mitja knew all along that they could not survive solely based on service activities, which is why they engaged in production as well as commerce: "I said that the Škerjanc company would make 80% of our earnings from commerce and 20% from production, and this is a guideline we still follow."

Expansion into Croatia brought growth

The company's expansion began in 2008, when they moved into new premises. "We started actively working on commerce, sales and marketing. I alone travelled between 80 and 90 thousand kilometres annually. We cooperated with furniture stores, such as Harvey Norman, Rutar and Lesnina." In 2010, they began expanding into the Croatian market, where they had to wait until the country joined the EU for better conditions. "In 2013, we were already managing our own projects, we worked in

engineering, looked for new trainees and educated them," says Mitja. In the last six years, they have posted enviable annual growth of between 15% and 20%, mainly due to exports. "We sell 150 thousand chairs and 30 thousand tables annually, as well as furniture for restaurants and garden furniture. We engineer products for hospitals, medical centers, nursery schools and turnkey hotels," says Mitja. They offer complete services to their clients, producing custom-made furniture and attempting to fulfill expectations as much as possible. "A great benefit to the company is our partnership with the furniture production company in Mengeš, where they produce all wooden parts for furniture surfaces," explains Mitja. In Croatia, they have an independent company in Zagreb that is complemented by a showroom, but they are also present in Imotski near Split, and this year they are opening a logistics center and showroom in Šibenik.

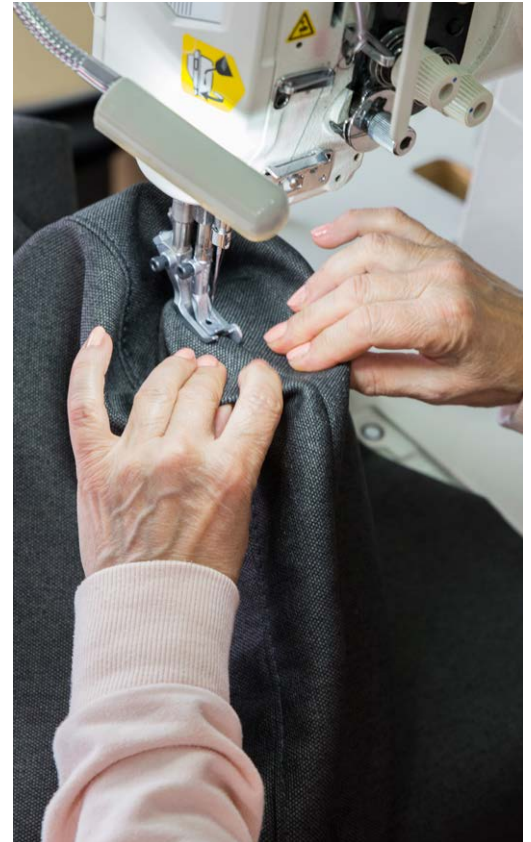
The company's growth in Slovenia has been constant for some years now, where they now invest less than in Croatia: "Croatia represents 40% of our earnings. Last year, we made €8 million earnings, of which €3.5 million was from Croatia." Due to rapid growth, they have occasionally been "burned", experienced fatigue and suffered complaints, which is why they now insist on moderate 10% to 15% growth. "If you want to ensure high quality, you can't cling to numbers. Quality soon suffers and so does the brand. The added value is what's important."



The Škerjanc company makes 20% of earnings from production

“

Good business demands full commitment. You have to be available for 12 hours, but also know when to take time for a break.



They produce custom-made furniture



Wooden parts for furniture surfaces are produced in Mengeš

Škerjanc in a nutshell:

improvisation, creativity, good relations, honesty, diligence.

You work 12 hours for a good business

In Škerjanc, they have between 40 and 50 employees, depending on the season and orders. "We employ 10 people in production, 10 in the warehouse, 10 drivers, around 10 people in sales, two in finance, from seven to eight in Mengeš and around five in Croatia, while others are external collaborators," says Mitja. Local employees are fewer each year because more and more young people come to work for them from Croatia: "We are looking for one wood engineer and can't find any. When we look for an economist, we receive 10 thousand applications. But nobody wants to do anything outside their training, which is why we import employees." According to Mitja, the nature of their work is such that it is not finished after eight hours. "For a good business, you have to spend 12 hours every day, after which you have to take at least a couple of days for rest and relaxation," says the Director. Mitja stepped back from the position of Executive Director last year: "You have to step back when you realize that the time has passed in which you can be fully committed to the company with your thoughts."

A restless business spirit

Mitja thinks highly of improvisational skills, creativity and broad-mindedness. He encourages these qualities in his employees. "Improvisation is harder and more stressful," he explains. He himself often undertook a new project. "I often had different ideas. At one time, I also sold lights and created overdrafts, but I had to try it. This is due to my restless spirit," he says, smiling. He tells his employees that they are innovators, who do not just follow trends but co-create them. "I enjoy watching young people employed in my company, who are brave, have ideas and who undertake things that turn out to be successful," he describes. He constantly encourages his colleagues to be friendly, to make a good first impression and to respectfully communicate with their clients. "You have to invest in people and pay them for their work. The employees are the company. We can have the best computers, but without good people we have nothing," he stresses.

Competition is good if it is fair

"I always work on good and fair relationships," stresses Mitja and adds that "competition is good, but we also have to respect each other." He believes that in life there are too many unnecessary grudges.

"Networking is important in business as well as good relationships with all people," he adds. He believes that in business it is of utmost importance to have values. "You always have to be human and this is what you get in return," he insists. He does not want to burden his children with the assumption of duties in the family business. "My son, who studies architecture, has helped in the company during holidays since the sixth grade. He knows the company, but not every detail. My daughter is currently in the ninth grade of primary school," says Mitja and does not subscribe to the belief that he should have burdened his children, from a young age, with the pressure of taking over the company. "This is a hard task and to carry the burden that fell from above is not fair. My son is present in the company, but his priorities are his studies," he adds.

What is his vision for the growth of the family business? Short-term plans are the construction of a logistics centre and a showroom in Šibenik and other goals include increasing their presence on the Italian market. Long-term goals are the construction of new warehouses and a logistics centre within a radius of one kilometre in the span of the next three years. "The goal is the addition of around 8000m² of warehouse space, which will require an investment of between two and three million euros. We would employ 10 to 15 new employees," he explains.

Mitja Škerjanc

owner

Company name:

Škerjanc, d. o. o.

Number of employees (2018):

40

Net sales revenue (2018):

€8.0 million

Tehnos, d. o. o.

Anton Kisovar, Owner and Director

Vera Kisovar, Deputy Director

Urban Kisovar

You can learn skills, but values are part of you

In Tehnos, they say that their values are already hidden in their name: technology, aesthetics, speed, innovation, responsibility and professionalism. Their story began with a small undertaking, which has developed into a company with 125 employees, producing mulchers and other agricultural machinery under its own brand, plus components for the automotive and electrical industries. The company is the child of Anton and his wife, the employees are their family and work is their way of life. All this is reflected in their attitude, in the atmosphere they have created and in the company's incredible growth.





“If a company doesn’t grow with new technology and the latest trends, it remains behind. When you stay behind once, you are not competitive with other companies and the conditions for bankruptcy arise.”

Anton Kisovar,
Owner and Director



Tehnos company headquarters in Žalec



The quest for continuous improvement

It all began in a small garage workshop. At first, they made tools for the glass industry, but eventually began to manufacture other tools plus small plastic and rubber products. Vera says that Anton is the one who continuously pushed the story forward and always looked for new solutions, but none of them would have succeeded without their work ethic. After a few years of cooperation with Siemens, they realized in 1994 that they were too small, so they took major bank loans for further growth and risked everything. Although at first they just wanted to buy a hall from a company undergoing insolvency proceedings, in the end they bought a major part of a failing company in Žalec. As a result, programs also had to be expanded, new premises were bought and continuous improvement began.

Anton developed machines with the help of his co-workers and controlled the production, while Vera took over management of the non-metallic product segment using rubber and plastic. "I'm happy and satisfied that Vera has been part of the company the entire time. I'm not sure if she would understand me if she wasn't," Anton says with all honesty and adds that they have always supported each other and divided working areas. It often

happens that they see each other in the morning, at lunch break and then in the evening at home. "She is my officer in charge of panic," he adds.

Today, they are focused on the industrial area and sell agricultural machinery to four continents. In 2015, they received an award for extraordinary achievements in economy and entrepreneurship from the Chamber of Commerce and Industry of Slovenia, followed in 2017 by a Golden Gazelle Award for the fastest-growing company in Slovenia.

Entrepreneurship - to be bold, but also a gambler

Now production takes place using 14 robots and over 20 manipulators, enabling better working conditions because, as Vera emphasizes, the health and safety of the employees is paramount. They will not stop at this number and they plan to increase the number of robots by three to five each year.

"My husband is farsighted by nature. He has no problem in finding something new and buying it. He never thinks he is wasting money with such purchases," explains Vera. Anton also encourages employees to innovate: "Searching for innovations leads to creative shortcuts which really improve our processes. The biggest challenge is to simplify things."

To be bold, to be different, and to dare are the guidelines that took Tehnos forward. The extraordinary way in which they presented the advantages of their mulcher at a trade fair also contributed to their breakthrough in foreign markets. They put a glass of champagne on the machine, which vibrates due to its high rate of rotation. The reaction of buyers to the quiet operation of the machine was immediate: "It's not enough that the technical properties of a machine are good, even if you are good at explaining them. You actually never know if the customers are really listening to you. You have to be different," says the Director. "From that moment on, a glass on the mulcher is always part of our presentation at trade fairs."

Anton replies to the question as to why the company needs to adapt constantly: "Because it's too good to stay this way forever." He compares entrepreneurship with alpinism - both have risks, without which there can be no success. However, he takes entrepreneurship very seriously: "You are responsible for everything that is right, but also for everything that is wrong. You don't have problems when things are right, but you definitely do when something goes wrong. There is no safe area - it's all responsibility."

You have to be a mechanical engineer

Responsibility is only one of the values which they look for in employees, but they are also aware that young people cannot have all the necessary knowledge at the beginning of their careers. What they respect in young people is their desire to learn because: "A toolmaker develops into a really good one after the age of 30. You have to know a lot, and this is really difficult at 20."

They have never forced their children, Ana and Urban, to work in the company because, as Anton emphasizes, a forced decision has sent a lot of family businesses into bankruptcy. Sometimes he liked to joke that he does not care what his children do, "as long as they have a degree in mechanical engineering." The first-born child, daughter Ana, finished her studies in medicine and does not see herself in the family business, but Urban, who is finishing his Master studies in mechanical engineering, admits he has always been attracted by the company. That is why he has gradually been included in various projects.



Anton Kisoar is constantly looking for new solutions



Their products are of high quality with reasonable prices



Modern and technically-perfected elements are installed in their products

“

Entrepreneurship is firstly a responsibility, because, as the Director says, you are responsible for everything that is right, but also for everything that is wrong.



Son Urban, who is finishing studies in mechanical engineering, has been gradually included in various projects in the company, while daughter Ana completed medical studies

Tehnos in a nutshell:

growth, responsibility, continuous learning, constant improvement, equality.

More work, more mistakes

Son Urban sees the company as an extended family, where the door is open to everyone and there are no taboo subjects. "We are honest, loud and we also argue sometimes." With honesty and openness, it is easier to spot mistakes. They learn from them, gain experience and knowledge. "If you give, you gain, if you work, you make mistakes, and the more you work, the more mistakes you make," says Anton frankly.

Urban already works differently to Anton, who admits that his son is also successful in areas in which he may have failed a little. One of these is work-life balance and his parents' complete dedication to the company has taken its toll on family time. This explains why Urban also invests his spare time in hobbies, which he says help him to be even more focused on the next day.

Made in Slovenia: good quality at reasonable prices

Investments of time, effort and dedication to the business are paying off. The Director's opinion is that growth, the right technology and the right people are the recipe for success: "If a company doesn't grow with new technology and the latest trends, it remains behind. Once you aren't competitive any more, the conditions arise under which you can go bankrupt."

They achieve more than 80% of sales from foreign markets. The most important of these are Germany and Austria, followed by the Czech Republic, The Netherlands, Belgium, Poland, France and the UK, and outside the EU, Japan, Canada and Australia.

Anton claims: "We'll never be 'Made in Germany', but we are 'Made in Slovenia' and with that we can also live pretty well. When foreigners ask me what we are best at, I say that our products are of high quality with reasonable prices, with modern and technically-perfected elements installed. We are always available, our phones never stop ringing, even when complications occur. If there is a problem, we solve it together. There is no dividing line between us."

Balance comes through harmony with the environment

They are not only connected with each other and their clients, but also with the nature around them. With the purchase of business premises, their priority was to renovate the old powder coating facility and they did exactly that with the help of European funds. They built a new powder coating facility, which uses nanoceramic technology instead of phosphates. But that is not all - they also invested in a modern treatment plant: "As a local company, we also have responsibility to the environment we live in. I always notice when I return home from abroad that the level of ecological awareness in Slovenia is high and this is the only right way for the future," concludes Anton.

Anton Kisovar

owner

Company name:

Tehnos, d. o. o.

Number of employees (2018):

125

Net sales revenue (2018):

€16.0 million

Family Business Services

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Why choose EY?

- ▶ We serve **75%** of **500** of the world's largest family businesses (familybusinessindex.com).
- ▶ We have advised generations of the world's most entrepreneurial, innovation-oriented companies and understand the complex issues that they face.
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The EY Global Family Business Center of Excellence

The EY Global Family Business Center of Excellence is a powerful, online resource. It gives you access to our insights, experience and people; and to connect and learn from fellow family business leaders around the world.

EY Slovenia and family businesses

EY Slovenia is closely cooperating with the EY Global Center of Excellence. Through our local program we connect and present Slovenian family businesses. With support of the Center we also link them to global stage by dedicated events and EY award of excellence for family businesses. In addition, we have also begun to actively support businesses with succession planning from organizational, tax, legal and other aspects, as well as various dimensions of development and (international) growth.

Visit our website ey.com/si/familybusiness



EY's Growth DNA model of Family Businesses highlights the interlinked nature of the eight characteristics of successful family businesses

EY Growth Navigator™

Accelerate your journey to market leadership

When most businesses think about strategy, they think about how to focus people, systems and processes on delivering customer value and ultimately growth. However talking to, and working with, clients through their business cycle coupled with our own research has shown us that, while this strategy is successful for some, focusing upon a broader set of activities can help deliver accelerated growth. That's why we have developed EY Growth Navigator™.

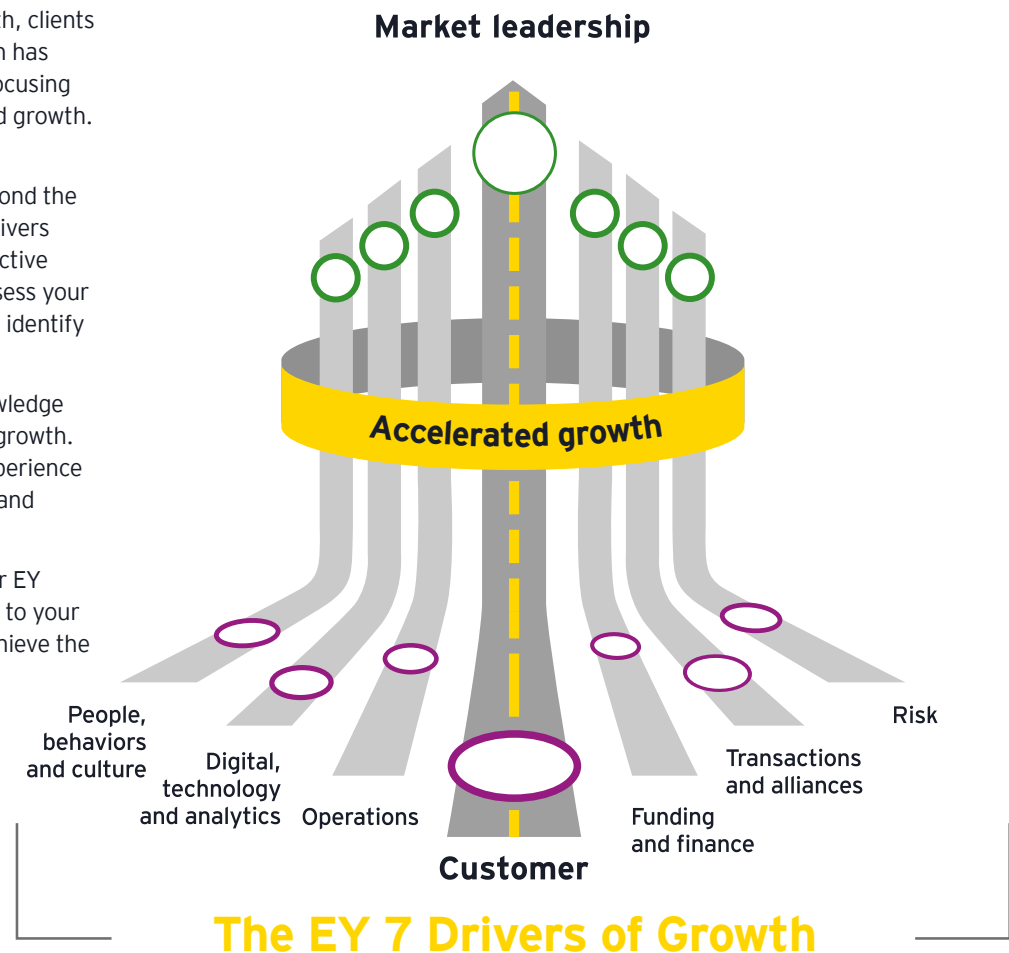
EY Growth Navigator™ is a unique way for you to think beyond the typical approaches to growth and consider seven critical drivers for business success and accelerated growth. It is an interactive experience that allows you and your leadership team to assess your company, gain valuable insights from leading practices and identify strategic priorities for growth.

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○ Assessing where you are today

○ Achieving market leadership



SPiRiT Slovenia

encourages networking and growth of family businesses

The SPiRiT Slovenia public agency recognizes that families represent the majority of all our businesses, contributing significantly to the development of the Slovenian economy. This is why our services and activities are also focused on family businesses at all stages of development and growth.

The most successful Slovenian family businesses are characterized by innovation, strong family relationships, growth, concern for local development and employees, plus regional and global business ties. These companies contribute significantly to achieving conditions for sustainable and strong economic development. Family businesses differ from others in the formation of their business strategies. Family, business, and ownership interests are considered during this process, with which our agency's activities are closely-aligned.

We encourage businesses to predict their future challenges so that they can prepare and respond to them in a timely manner. Issues surrounding the establishment of management, professionalism and succession, among many others, drive companies to grow. We pay considerable attention to the question of succession, as many family businesses will change their ownership over the next few years.

Transfer of ownership is one of the critical stages in the life cycle of most businesses. Therefore, the Republic of Slovenia's government wishes to raise entrepreneurs' awareness, through the SPiRiT Slovenia programs, of preparation for succession and transfer of business ownership. It also seeks to co-finance activities or processes where businesses and their successors require external professional support or competences.

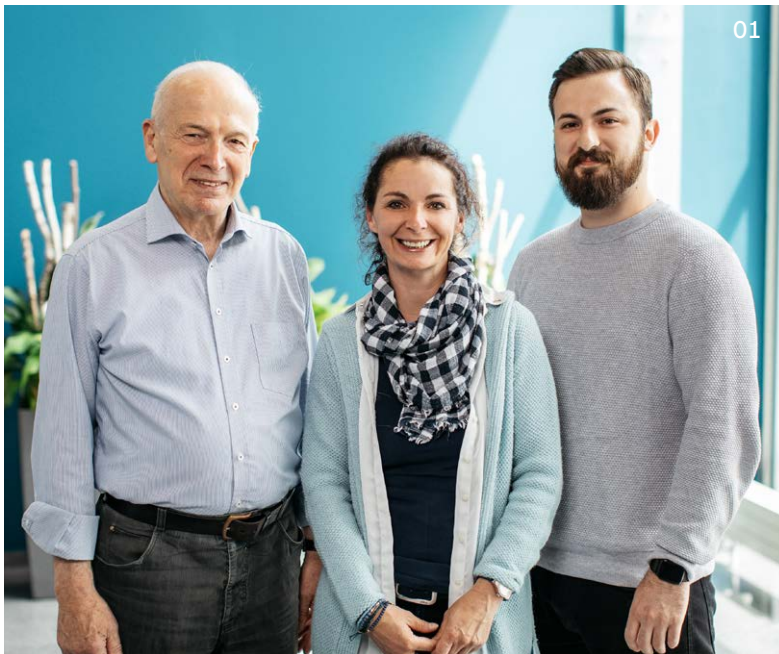
To this end, we are establishing a base of experts and a catalogue of training opportunities for the next generation. The program will cover financial support for activities addressing the challenges in this area, regardless of the form of transfer of ownership. Family businesses can acquire comprehensive support from our agency, the SPOT system, corporate incubators and technology parks.

We are pleased to partner with EY Slovenia in encouraging and promoting the success of family entrepreneurship. As part of an international corporation, EY Slovenia also enables Slovenian family businesses to join the world's most successful at the annual Family Business Summit in Monaco. SPiRiT Slovenia strives to raise recognition of Slovenian family businesses in the international business environment, proudly supporting their promotion and the publication of *Family Business Slovenia*.



REPUBLIKA SLOVENIJA
MINISTRSTVO ZA GOSPODARSKI
RAZVOJ IN TEHNOLOGIJO

Last year's highlights



01 The Melanšek family, Vivapen, received the 2018 EY family business award of excellence **02** Slovenian company Vivapen attended the *World Entrepreneur of the Year* event in Monaco
03 Collection of Family Business Slovenia books **04** Launch of Family Business Slovenia 2018

Family Business Slovenia 2019

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Publisher

Ernst & Young Svetovanje, d.o.o.
Dunajska cesta 111, Ljubljana
Slovenia

Price €10.95

Number of printed copies 500

ISSN 2385-9539

Project Partners

SPiRiT Slovenia,
Public Agency of the Republic
of Slovenia



**Ministry of Economic
Development and Technology,**
Republic of Slovenia



REPUBLIKA SLOVENIJA
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Mediade





Jani Ugrin

Jani Ugrin is a freelance photographer currently based in Ljubljana, Slovenia. His work is focused around various areas of photography; however, people are the common denominators in his work. He works in the fields of commercial, corporate, music and portrait photography. He cooperates with various agencies in companies both in Slovenia and abroad.

Picture credits and copyright

Cover photo

Author Tomo Jeseničnik

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ISSN 2385-9520



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