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Family Business  
**Slovenia**  
2016

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SLOVENIA







Family Business  
**Slovenia**  
2016



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“Making the most of tradition, entrepreneurial spirit, experience and innovation, a large number of Slovenian companies have made it to become players in regional or global markets, or leading businesses domestically.”



**Janez Uranič**

Country Managing Partner  
EY Slovenia

# Foreword

It gives me great pleasure to glance through the Family Business Book 2016, the most recent in a series, issued since 2014, through which we have learnt about the stories of 30 Slovenian family businesses. Companies presented in one of the books, attend an event accompanying publication, which has become a celebration of family entrepreneurship.

This book and its launch event are EY Slovenia's contribution to providing the country's family businesses with an opportunity to make contacts with other similar enterprises, share their experiences and learn about best foreign practices.

Making the most of tradition, entrepreneurial spirit, experience and innovation, a large number of Slovenian companies have made it to become players in regional or global markets, or leading businesses domestically.

In this year's edition, we can read the stories of successful companies in the fields of interactive TV, smart grids and the internet of things. We also learn about others which, respectively, create innovative plastic products, manufacture prefabricated bathrooms for the world's largest hotel chains, are renowned for a specialized method of metal processing, provide tooling services to the largest groups of companies in the world and are breaking new ground in emerging areas of the culinary arts.

Furthermore, this latest edition highlights the success of family businesses in the food industry. All this poses the question: what makes it possible for Slovenian businesses to compete in manufacturing the most basic food products such as milk, meat, wine and honey? The answer is the significant added value created by raising consumer awareness of the importance of tradition, healthy living, caring for the environment, using high-quality, trusted suppliers of raw materials, as well as innovation and efficient marketing.

Slovenian family businesses are therefore proof that with the right approach you can succeed in very specific sectors in the most demanding markets. To find out how, read their inspiring stories.

“Developing the concept of fairness in the family business usually takes time, because it is often associated with setting a robust and effective system of rules, building honest relations and open communications.”



**Mojca Emeršič, CFBA**  
Family Business Leader  
EY Slovenia

# Introduction

A typical attribute of family businesses is a management approach, combining three key spheres: the family, the owners and the company. In order to understand them and their complex relationship, it is crucial to understand the concept of fairness.

This concept, stemming from the law, can significantly contribute to perception of justice in decision-making process and can significantly affect the company's growth and development. Plain and straightforward rules and policies clarify the roles of the family and the business. Furthermore, issues concerning management and corporate governance have the most pronounced impact on the development of the company and thus, intelligible rules and transparency may increase the interest of family members, as well as attract successful managers from outside the family circle.

This gives rise to the concept of the family charter, which determines these roles and specific rules of communication assist the thought-processes leading to its completion. The family charter can define the manner of family members entering the company, answer questions regarding succession, may be helpful in reaching an agreement on investment policy, and above all, it provides the family support in reaching a fair agreement, where all voices are heard.

Developing the concept of fairness in the family business usually takes time, because it is often associated with setting a robust and effective system of rules, building honest relations and open communications.

It is the required investment in time, as well as the fact that families are afraid of potential deterioration in relations, that is often the reason for family businesses to delay such a process. However, this delay often has a negative impact on the development and growth of the company<sup>1</sup>.

As we can learn from reading the stories of family businesses in this book, the most successful Slovenian companies have achieved their success through confidence, effective and open communication, discussion of various options, cooperation, high degrees of competence and the desire to enhance their companies' growth and development.

<sup>1</sup>Ludo Van der Heyden, Christine Blondel, Randel S. Carlock: Fair Process: Striving for Justice in Family Business.

## FerroČrtalič d.o.o.

**Mojca Črtalič Andolšek**, Director

**Bojan Črtalič**, Deputy Director

**Anja Črtalič**, Sales

### Products individually tailored to clients' requirements

For over half a century, the FerroČrtalič family business has been engaged in developing solutions for the treatment of a variety of surfaces. Their main mission is to advise clients and provide them with the technology they need to resolve their specific problems. However, this is anything but an easy task, given the range of their requirements and often limited resources. Nevertheless, as the family maintain, nothing is impossible. "It is important to have a good team that stands by you and shares the same energy. I believe anything is possible if you have the will." The perseverance of the enterprise, which was nominated in 2003, 2004 and 2014 for a Slovenian Gazelle award (for the fastest-growing companies), is embodied by its director Mojca Črtalič Andolšek.





“We are finding solutions that do not yet exist and for us this is the greatest of all challenges! What now? Let’s go inventing! Development may take two, three months, or even half a year, until the customer is presented with exactly what they were looking for!”

**Mojca Črtalič Andoišek,**  
Director



The Črtalič family

Their products are used successfully to support the growth of companies worldwide, while keeping in step with new developments. Continuous innovation and research has placed the company among the world's top suppliers of technological solutions in the field of surface treatment. They are committed to exceeding customer expectations, building honest partnerships and thus expanding their wider "family". They are extremely eco-conscious, further strengthening their bond with the local community which, despite their globally-directed policy, plays an important part in their business ambitions: "We are closely tied to the local environment; this is our wish and also one of our values, and we are aware that you gain as much from the environment as you put into it. It is not difficult for me to do a good deed without requiring something in return," says Mojca, who along with the company supports everything from local events to sponsoring various societies and individuals.

"Our dedication to our goals is synonymous with the successful family company, whose doors are never closed to motivated and ambitious employees. Last year, I made it clear that I want to recruit the best talent as this is the only way to achieve progress. Thus, employees who have demonstrated ambition and good results have been posted to more challenging jobs - both in the sales and the technical section as well as in the assembly department," points out Mojca.

## We never admit how many mistakes we make in tests before finally creating the perfect machine

Operating in industries including medicine, pharmaceuticals, foundry, nuclear decontamination, automotive and shipbuilding, they focus particularly on the most demanding of all, aerospace, where they are present with their Shot-Peening technology. They customize their solutions, often using sandblasting, hardening of surfaces in the aviation and automotive industries, plus conversion and cleansing of decontaminated surfaces. They mostly produce automated and robotic machinery that the customer can install and use to process a variety of materials and products. "All our solutions are customized, made to order, as we develop solutions for individual products and specifically for the known customer. For example, if we manufacture products for foundries in Slovenia and Germany, they will both require very different products, since they have different needs, norms, requirements for surface structure and product forms. However, ultimately both of these products may have the same function or purpose," says Mojca, explaining their customer approach. Her father Bojan adds: "The FerroČrtalič equipment provides

the solution a customer is searching for and we are compensated for our work by the sale of these products. But the key factor is the solution, which in economic terms has no price, while with regards to the time, economics, ecology and sustainability, it provides a competitive advantage to our customers and their businesses. This is a pure win-win situation.”

They are present at all major trade fairs around the world, including those in the USA, China, India, Israel, Egypt, Turkey, Iran and throughout Europe, as they believe this to be the only way to gain much-needed business partners and references. As Mojca points out, buyers often do not know exactly what they want: “They imagine a solution that does not yet exist and for us this is the biggest challenge! What now? Let’s go inventing! Development and testing takes two, three months, sometimes half a year, or even longer,” until the customer is presented with what they really need or want. “I have never wanted to sell something that customers didn’t really need. Identifying the customer’s predicament that our solutions must overcome is similarly demanding as is three or more months’ technological development of a machine. To manufacture something that our customer does not need would mean a bad reference for us.”

## Half a century of family business

The origins of the company date back to 1964, when a young locksmith, Jože Črtalič, Mojca’s grandfather, decided to start his own entrepreneurial

career. From his first workshop at Grm in Novo Mesto, they moved in the mid-seventies to Mačkovec in Novo Mesto, right at the time when their son Bojan graduated and began his career in the family workshop. In the 1990s, Jože, the father, gradually handed over the company reins to his son Bojan and his wife Slavojka. At that time, due to lack of space, the company moved again, this time to its current location at Sela pri Dolenjskih Toplicah. Today, the successful family story is pursued by Bojan’s oldest daughter Mojca and the younger daughter Anja, who is particularly successful in selling in the most far-flung markets, while their brother Jernej is in charge of the sister company at the former location in Novo mesto. “We are involved in the manufacturing of machinery, while my brother provides service activities - machine start-ups in customer locations, and the most demanding surface treatment on location. In addition, he performs testing with our machinery for end customers, and together we are building a strong and trusted family business,” says Mojca, explaining the complementary activities.

In the opinion of the Company Director, over 50 years of tradition is one of their major advantages: “Today, all over the world family businesses are highly appreciated. These types of businesses bring competitive advantage as the customer realizes that tradition and loyalty are important and that there is a reason for the company being present on the market for such a long period.” Currently the fourth generation of the family participates in the family business, while Mojca’s father Bojan, despite the fact that he



The FerroČrtalič team



Bojan took over the company from his father in the 1990s



Machine for shot peening of jet engine blades



Ferročrtalič headquarters in Sela pri Dolenjskih Toplicah

# FerroČrtalič in a nutshell:

personal responsibility, diligence, professionalism, family, honesty.

has retired, continues to actively maintain contacts with business partners worldwide, and helps in the development of products and the more complex solutions. Mojca's elder son Leo is a student and recipient of a company grant and thus he helps in the family business during the holidays. He is mostly involved in the administration, marketing and sales. He has recently edited the company's website in Iranian because they sensed that it would be useful. Nevertheless, at this particular time he is reluctant to commit his career to the family business. "I want to prove myself, create something worthwhile, and gain wider international knowledge. I would like to study Italian and other Latin-based languages, as I believe it is here that my talent lies. While my ideas are slightly different, I am aware of the importance of our company and I am proud and happy to offer a helping hand," emphasizes Leo. The younger son Teo Tim is 10 years old and spends much of his time in the company. "This way, children can get the feel of the company, they can make contact with people and are a part of the business. Teo Tim is very technically minded and is interested in different aspects of the company business," points out Mojca.

## The family business hours: from midnight to midnight

What is the greatest challenge of a family business? Being able to adjust one's time and workday. Mojca has no free time, because entrepreneurship is her way of life: "This is how I was brought up and for me this is normal. I cannot imagine working somewhere from seven in the morning to three in the afternoon..."

Dishonesty, irresponsibility and broken promises are non-existent in the company. "They are not compatible with my values," says Mojca, adding that she inherited perseverance and honesty from her parents. "Even if I don't receive a salary, I will make sure the employees do. Our priorities are the employees and suppliers, and only then come family members and everything else. Development of the company is most important to us and therefore we are constantly investing in new technology."

So far, all offers to sell the company have been rejected, because they are committed to maintaining tradition. Nevertheless, who knows what the future may bring. "To assert with certainty that things will remain as they are, is absurd," reflects a thoughtful Mojca.

## Renowned names among their references

There are only five companies in the entire world that deal with the same technology as the FerroČrtalič family. Mojca sees this as their trump card, as they can take advantage of their size: "We are special because we are small and therefore more flexible to quickly adapt to changed conditions.

In addition, our prices are highly competitive." While Mojca is in charge of the company's operations and growth, her father's expertise lies in engineering. In his words, challenges are food for the mind and soul: "The more complex the solution, the greater the challenge and it is the most demanding and difficult challenges that I most enjoy tackling. We are striving to create a good and loyal team, whose members share the same energy. I follow the same strategy."

Their list of references includes notable names such as: Cimos Pipistrel, Akrapovič, Goodyear Dunlop Sava Tires, Carl Zeiss, Airbus, Volvo, Swarovski, Krka, Sandoz, as well as General Electric and Pratt & Whitney from the United States, the Kozloduy Nuclear Power Plant, Elan, Renault and VW. "We agree transactions with these multinationals which have branches all over the world. When you complete one installation, opportunity knocks elsewhere, because companies want similar solutions at their facilities in other locations," explains the Company Director. They are financed mainly from their own resources, and all the profits are invested in the development of technology, products and the company, as well as in marketing. The only loan they have ever had to raise was on account of the new facility. The next milestone they have set regarding the volume of business is five million euros in revenue and at least 10% annual growth, although their main purpose is not financial. They want to become a reliable and recognizable global company with customized solutions and the flexibility to meet customer demands.

## Bojan Črtalič and Mojca Črtalič Andolšek

Owners

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

Number of employees (2015): **38**

Revenue (2015): **€4.3 million**

## Jezeršek d.o.o.

**Franc and Sonja Jezeršek**, Company Founders

**Martin Jezeršek**, General Manager

**Jure Jezeršek**, Business Director in charge of catering

**Luka Jezeršek**, Head Chef

**Rok Jezeršek**, Head of Technical Support and Purchasing

### Food for the soul

When we hear the word catering, most of us probably first think of food, but immediately afterwards, many Slovenians are reminded of the Jezeršek House of Culinary Arts. This is a family-run business with 30 years' experience of catering and organizing entertainment. Annually, they are involved in approximately 1,500 events and are undoubtedly number one in their field in Slovenia. It has become appropriate to prefix their business description with elite, because as true masters of their profession, they are present at all prestigious national diplomatic and entertainment events. This has led to them serving their culinary delights to the UN Secretary-General Ban Ki-moon, numerous well-known actors and many other representatives of the state and entertainment industry. They have ambitious plans, not only to maintain their status as the leading company in Slovenian hospitality, but also to duplicate this success across southeast Europe, and break into the EU top 10. "This will be achieved by continuing to provide innovative and creative culinary solutions, fulfilling the requirements of individual customers. Our aim is to exceed customer expectations, by giving them a service which goes beyond just value-for-money. In a service industry, the most important factor is the human being," assures Martin Jezeršek, the company's General Manager.





"We connect the same locations and food, but present them in completely different ways. It is a unique kind of theatre."

**Jure Jezeršek,**  
Business Director  
in charge of catering



Jezeršek culinary solutions are innovative and creative

## Each event should generate another

The Jezeršek family history has been linked to the hospitality industry from the very beginning. Franc Jezeršek was head of school workshops at the catering school in Ljubljana, while his wife Sonja worked as the teacher-expert at the same institute. His ambitions soon surpassed the school demands and in 1981, at the age of 35, he decided, more or less overnight, to go it alone. "At that time, centralized catering was very important and each factory had to take care of its workers' meals. I tried in vain to explain to the school staff that it could be a lucrative business. Ultimately, when push came to shove, it was just me, my wife and our colleague, Alenka, who ended up cooking and delivering meals to nearby factories and craft shops. Those were the times!" Franc fondly remembers. At a municipal festival, they cooked goulash for 100 people and within only a few years, an abundance of orders changed and expanded their business. "Catering was a niche market that no one was willing to take on.

We were the ones who developed it and for the first 10 years, we were the only catering providers in the market. I have always maintained that each event must generate another - there is always someone present, who will need our services tomorrow, in a few months or a year from now," Franc confidently asserts, adding that the independence of Slovenia provided even more business and additional momentum to the company. In 1994, when they were already well-established, they built the House of Culinary Arts, in Sora, near Medvode. This ambitious project has been a great success and continually expanded until 2007, when they bought their most recognizable building - Dvor Jezeršek. "We bought and restored a dilapidated farmhouse just before the onset of the crisis, and this required restructuring of the company. Thanks to determination and clear vision, we emerged stronger than before," says Franc, proudly. Today, in addition to the two locations, the company has its own restaurant at Bled Castle, where in addition to enjoying the wonderful views you can also give your taste buds a treat.

## The Jezeršek brothers had to work for their pocket money

The Jezeršek family has four sons and each of them has dedicated their life to the family business. They are quick to confirm that none of them was forced into this; quite the opposite, the family tried to persuade Martin, the youngest, to go to college and study something not connected to the hospitality industry. "The fact that all four of us joined the family business happened completely by accident," says Luka, Head Chef. Sonja adds that the children spent most of their time with their parents and it was only natural that everyone became involved in the organization of events - from the preparation and cooking, to cleaning. "Although those were very busy times, I always found time to be with our four young children. We made uniforms for them so they came to the events dressed as chefs and presented themselves to the guests," explains Sonja. This way they all felt involved in the business.

The Jezeršek family didn't provide pocket money to their children; instead, each of their four sons had to earn their own money by helping in the family business. Upon the transfer of ownership, it was unanimously decided that the company would not be broken up into individual facilities and distributed among the children. Instead, it remains a single unit, with individual functions divided among the four sons. At the same time, the parents completely withdrew from the ownership, although their sons occasionally seek their advice. "Naturally, my parents continue to be

involved in the family business. Dad often explains his point of view whilst adding that we should do as we think best," adds Jure, Business Director of Jezeršek Catering.

Their joint success is based on efficient and productive communication. "One of the main advantages of a family business is that the management is able to express their views openly. At times this may lead to rather "forthright" exchanges; nevertheless, we are able to resolve any issues through discussion," says Martin, explaining their open communication.

## Five events in five different countries in a single day

In addition to the Jezeršek brothers, the management of the company is composed of a circle of close associates. Prior to the transfer of ownership, the family discussed the possibility of sharing ownership with employees. However, partly because of lack of experience, but primarily due to the four sons' devotion to the family business, they decided otherwise. Work is organized in such a way that none of them is indispensable. As Franc says, in the past he used to be present at every wedding and led the protocol; however, today, due to the large volume of work, this is no longer possible. "In the catering industry, good food and drink are the essential ingredients! Quite simply, this is the ticket to the hospitality market. However, the essence is in the level of energy. To give an example, in a single day we worked on five events in five different countries," they proudly tell us.



They served UN Secretary-General Ban Ki-moon, during his visit to Slovenia, at Jable castle



Martin with the team



Their Cable Car Dinner is a unique culinary experience



Catering at the Križanke Outdoor Theatre



Celebrating the 35th anniversary of the company

## Jezeršek Catering in a nutshell: reliability, flexibility, quality, diligence, respect.



In 1981 Sonja and Franc embarked on an independent business career

The company's philosophy is to empower employees so that they can independently and successfully run individual events, without Jezeršek family involvement. "The Jezeršek family is not just the six people who bear that name, but also all the people who work in and identify with the company. At each event we have an event leader, who is also the boss and we all listen to them," adds Franc. Around 70 people cooperate with the Jezeršek company on a regular basis. The volume of work is such that in the first half of this year, they sought cooperation with as many as 250 external collaborators. Fast turnover and adaptation to the needs of the market is something they are used to, as theirs is an established business: "Today, it is almost impossible to start afresh in the hospitality industry. You can get an order for catering for 1,000 people tomorrow, but if you do not have the right experience..." As Luka says: "The company's biggest advantage is its diversity of jobs, and because each and every one of the associates can be sited in a location where he or she will contribute most."

### They served 75,000 guests in 17 days

Last year, one fifth of the five million euro income was contributed by strong exports, which is an exceptionally high percentage for a service industry. This year's plans are just as ambitious, although they are wary of the fact that in their business, investment cycles vary greatly and as few as three major events can either generate or wipe out significant revenue. "Variances between the best and worst month range around 1:10, while the weekly turnover stands at 1:100. The differences are vast," points out Jure, adding

that from this point of view, experience is of the essence. "In catering, the difference is that you are selling capacity, and adaptability to different situations combined with 35 years of experience are hugely important. Our business has developed through us overcoming a variety of challenges; we take time to prepare for those challenges and we have come to see them as the greatest of joys. For example, during the Eurobasket 2013, we served 75,000 guests in 17 days."

"Catering is a very specific activity, as customers often have only a very vague idea of the goal they are striving to achieve. Thus, they are a source of inspiration to us, since their ideas can be extremely versatile and innovative. One of the problems we face is the small size of our region, because the same faces appear at different gala events and people can quickly get bored with the same dishes and presentation. We connect the same locations and food, but present them in completely different ways. We are a unique kind of theatre," says Jure, completing his thoughts. Jezeršek Catering creates this theatrical performance with a team of highly-qualified experts, bursting with creativity in the field of culinary arts and hospitality. Their creative team includes two master chefs, a master of catering service and a graduate of the elite Swiss Ecole Hôtelière de Lausanne. Additionally, they were seventh-ranked at the Georges Baptiste Cup in Tokyo and have two members of F&B Master Title Evaluation Committee, which is the highest level of professional education in the hospitality industry in Slovenia, a winner of the lifetime achievement award in the field of hospitality and a judge in the popular TV show MasterChef Slovenia. We can be sure that another title will soon be added to this long list of achievements.

### Luka, Martin, Jure and Rok Jezeršek

#### Owners

Company name:	<b>Jezeršek d.o.o.</b>
Number of employees (2015):	<b>21</b>
Revenue (2015):	<b>€4.9 million</b>

## Medex d.o.o.

**Aleša Kandus**, Co-owner and Director

**Aleš Mižigoj**, Co-owner and former Director

### When loving your bees means loving your company

“Every morning, I start the day with a spoonful of royal jelly, a handful of walnuts and a piece of bread covered with honey,” begins Aleš Mižigoj, the remarkably youthful-looking co-owner and former Director of Medex. The company, in co-operation with 2,000 Slovenian beekeepers, creates products which are sold in over 20 European and global markets. At the ripe old age of 88, Aleš works as a consultant in the company which, in the 1960s, he successfully rescued from bankruptcy. Moreover, as a result of prudent business moves, he managed to create the most eminent and powerful bee-keeping company in the former Yugoslavia. “Spending time among people and feeling the ‘buzz’ of the company, is important to him,” explains Aleša, the current first lady of Medex, of her father’s continued involvement. Today, the company is undergoing multi-million euro renovations, as part of which all the laboratories, warehouse and production facilities will be updated in accordance with the highest standards. “You need to invest in technology and people,” Aleš and Aleša confidently assert.





## SKUPAJ RASTEMO ŽE 60 LET.

"Family businesses are the most prosperous. All who work in a family business are well aware that one cannot spend money on things you cannot afford."

**Aleš Mižigoj,**  
Co-owner and former  
Director



Medex is one of the leading European producers of food supplements based on bee and other natural products



Apikompleks, with its original recipe, has been a source of health for almost 40 years

## The business is about more than just honey and beeswax

Aleš comes from a large farm family of 10 children. In 1928, the year he was born, the family was evicted from their home in Primorska and moved to Ljubljana. Later, he studied economics there and found his first job in the main cooperative society of Slovenia, where he worked as a financial inspector. The Medex story began in August 1961 in response to a call from a friend: "He called me and told me about the opportunity that came up in Medex. I applied and the rest is history, as they say, and I have worked in the company for the past 55 years," remembers Aleš of his entrepreneurial beginnings.

Medex was founded seven years before his arrival. At that time, the company had 27 employees and was involved exclusively in the export of honey. Immediately upon his arrival, Aleš noticed that it was in trouble and was soon given an opportunity to steer it on a new path toward

success. "When I arrived, Medex was involved only in producing honey and beeswax. The Director of the Apiculture Institute in Vienna hinted that royal jelly, pollen and propolis were also products that could be marketed. At that time, we were the first in Yugoslavia to introduce and organize training for bee-keepers. When a bee-keeper steps across the threshold of his apiary, he is already at work," says Aleš. More than half of all honey was bought at home with only very small quantities purchased from abroad. At the peak of its performance, the company sold 4,500 tons of honey a year.

## Honey in the hands of an engineer

"I have always been aware of the importance of money and responsibility and we have never owed anything to anyone," stresses Aleš. He bestowed these values of honesty and human integrity onto the next generation. "One must speak and act as one thinks in order to become a true

personality. Above all, do not stop - if you stop, you become lost," adds his daughter Aleša, who has always seen the world as it really is. In 2001, after more than 40 years at the helm of the company, Aleš resigned from his managerial position, which he handed over to Aleša, a university graduate in electrical engineering. "It is difficult when you have been at the wheel of the company for 40 years and then, suddenly, a young person comes along with new ideas. First of all you have to gain trust. At times my father and I had serious discussions to make it clear who was in charge, as uncertainty creates confusion among people," describes Aleša, who as a child often accompanied her father to the company, of the initial challenges. Before she joined Medex, she led her own company, Spectra International, a distributor of toys and the Speedo brand, which in the 1990s became the biggest toy-selling company in Slovenia. After nine years of successful entrepreneurial experience, the time had come for her to step into bigger shoes. "When I joined Medex, my major challenge was the company climate. It took two years to change the mindset of employees, who had been employed in the business for a long time. I wanted them to understand that they are the ones who must make

decisions, think and take responsibility, as well as help each other," she remembers.

Upon her arrival, Medex was engaged in different areas of production. In addition to honey, a significant proportion of business was devoted to confectionery: manufacture of wafers and biscuits, followed by food supplements and representation of foreign products. Then came the time for restructuring. "All you need to do is to pour honey into jars and sell it. However, honey has a very low added value. Therefore, we soon noticed an opportunity in food supplements," continues Aleša, and this switch has since proven to be the right move. At that time, proceeds from the confectionery amounted to a third of the company's revenues, with honey accounting for a similar proportion, merchandise for 20% and food supplements for around 12%. Today, the picture is reversed: they are no longer involved in confectionery, honey accounts for a quarter of annual revenues, merchandise also brings some revenue, while food supplements account for as much as 60% of total revenue. Their annual turnover is about €14 million.



Early advertising of Medex on Dunajska cesta in Ljubljana



Medex cooperates with 2,000 Slovenian beekeepers



They recently hosted Sir Fazle Hasan Abed, founder and president of BRAC - the world's largest NGO, dedicated to empowering people living in poverty, with the aim of developing beekeeping in Bangladesh

## Medex in a nutshell:

honesty, ability, integrity, optimism and courage.

### Material goods must be shared

The whole family has lived with the company ever since. Aleša's son Martin, who joined the company for one year, has experience in all areas of operations. "I believe the most important thing for him is to understand how a business works: from sales and warehousing to marketing and production - to understand production and the processes it involves. However, his heart is in the finances. It is here where he would like to prove himself and it is only right for me to let him have a free hand. Every man must find what he really likes in order to put his heart and soul into his work. In a way, work must become your hobby, a way of life. We love everything related to bees," explains Aleša.

They also cooperate with universities, are frequent visitors to trade fairs and closely monitor trends: "What used to be popular 20 years ago, is no longer so today. This is a continuous process of improvement, change, upgrades, and new findings," adds the Director. In the future they intend to have patented products, which will also be a global innovation in the field of honey and other apian products.

Aleš is also extremely active as a member of many organizations and associations. Among other functions, he is a board member and a permanent supporter of the Slovenian Science Foundation: "Nothing works without science. We have always understood and supported the fact that material goods should be shared."

### Slovenians would fare much better with family businesses

"We are pursuing growth, particularly abroad, because in Slovenia, we already cover the entire market. Bees and their products are very much appreciated in eastern markets, where people love natural products, so our activities are directed there. So far, we have recorded annual growth of 10% and we want this to continue in the future," explain Aleša and her father of their ambitious company goals. "The future looks bright. My daughter is smart and determined, exactly as a manager should be. Family businesses are the most prosperous. All who work in a family business are well aware that one cannot spend money on things you cannot afford. Accountability requires a totally different approach. If there were more family businesses in Slovenia, life in our beautiful country would be much better," concludes Aleš.

#### Aleš Mižigoj and Aleša Kandus

Co-owners

Company name: **Medex d.o.o.**

Number of employees (2015): **83**

Revenue (2015): **€14.6 million**

## Orodjarstvo Gorjak d.o.o.

**Franjo Gorjak**, Founder and owner

**Miha Gorjak**, Head of Production

**Aida Gorjak**, Accounting

**Marko Gorjak**, Deputy Director and Sales

### When a giant knocks at the doors of the manufacturing facility...

Every business hopes to be able to work with a world-renowned company. In the automotive industry, one such giant is certainly BMW. However, for Orodjarstvo Gorjak, cooperation with the distinguished German manufacturer is by no means the highlight of their business success. The company is a major exporter to all EU countries and hence BMW is not their sole foreign customer. They based their vision for company development on solid foundations and their plans include production of major machinery such as aluminium die-casting machines, weighing over 45 tonnes. This is something that has so far not been attempted by anyone in Slovenia. In the long-term they even aspire to start their own production of not only tools, but also finished products. The family-run company from Rače employs 65 staff and is engaged in the manufacture of tools for aluminium die-casting, primarily for the automotive industry, injection moulding and glass shaping. For more than three decades, the company has built its business on values such as trust, diligence and most importantly, family support, which has been its cornerstone from the very beginning.





"We are not driven by megalomania, striving to achieve enormous profits so we can live in a grand style; our aim is to give something back to the environment we live and work in, so that together we can grow and move forward into the future."

**Marko Gorjak,**  
Deputy Director  
and Sales



Company headquarters in Rače

## Abroad, family businesses are appreciated more than here in Slovenia

The origins of the company date back to 1980, when Franjo Gorjak and his father, who among other things worked as an entrepreneur in Germany, founded the first Gorjak family-run business after his father's repatriation. At that time, they printed brand names on items such as sunglasses and pencils and were present across the market of the entire former Yugoslavia. In 1989, they switched to plastic injection moulding and manufacture of tools. Subsequent years proved turbulent and they began to look for other opportunities, focusing primarily on exports to what was then West Germany. Marko, Deputy Director, in charge of sales, thinks family values are cherished more abroad than here in Slovenia. "In foreign countries they know that the family stands to lose the most if things go wrong, so they place more confidence and trust in a family business. This very fact has earned us a number of business deals." They offer complete solutions to their customers, from an initial 3D model to the final manufactured product, which allows for shorter delivery times and greater flexibility. This has helped the company develop into a successful Slovenian exporter.

## Raised in a workshop

The Gorjak brothers agree that their decision to work in the family-run business was completely of their own will. "It's simple, really. We used to walk through the workshop, discovering for ourselves what it is all about, we grew up with the company and lived with it, but we were never forced

to remain in the family business. Who knows where our professional careers might have led us had we decided otherwise..., but we decided to stay to live the family story and to take it forward into the future."

They feel a sense of great responsibility to the company and sometime in the future they want to transfer it into the hands of future generations. "We were born into the workshop when there were only five employees; now there are 65. The family business is growing and I see no reason to leave. Quite the opposite, I intend to work for the benefit of the company, as will my brother and the whole family, even though this may at times result in certain conflicts. Ultimately, it is the family business that is the most important," adds Miha, Head of production and son of the Company Founder Franjo Gorjak.

Father Franjo adds that it has always been his secret wish that one day he might transfer the business to his sons and he was happy and proud when they both decided to devote their education and career to the company. "You cannot force someone to take on a family business, and to sell it, after all the hard work and effort we put in, seemed pointless."

Currently, Franjo owns a 100% stake in the company and is not planning his retirement. He intends to stand alongside his sons, providing them support for as long as possible and the transfer of ownership will be gradual. He and his wife Aida like to joke that despite the fact that Franjo is eight years her senior, they will both retire at the same time. Being together at home and in the family business is not easy as it creates conflicts; however, over time they have both learned how to overcome them. The company is a way of life for the entire family. Yes, they bring their work home but a family business also brings many advantages, such as having the freedom to schedule working hours to suit everyone.

## The surname is not a prerequisite for success

Although theirs is a family business, knowledge is their priority. The family members have complete confidence and trust in the heads of design and production, both of whom have worked in the business for 25 years. The same is true for the Quality Manager, whose high level of professionalism and career advancement in Orodjarstvo Gorjak show that the latter is not conditional on a family connection. "My brother and I believe it is necessary to demonstrate to other employees that we have the relevant expertise and knowledge and that not everything was given to us on a plate just because we are members of the Gorjak family." Asserts Marko, adding that they both continue to invest most of their time and energy in the business.

The whole family is involved in the recruitment process, although human resources are mostly managed by Franjo's wife Aida, who has a remarkable instinct for personnel matters. The family Gorjak doors are always open to

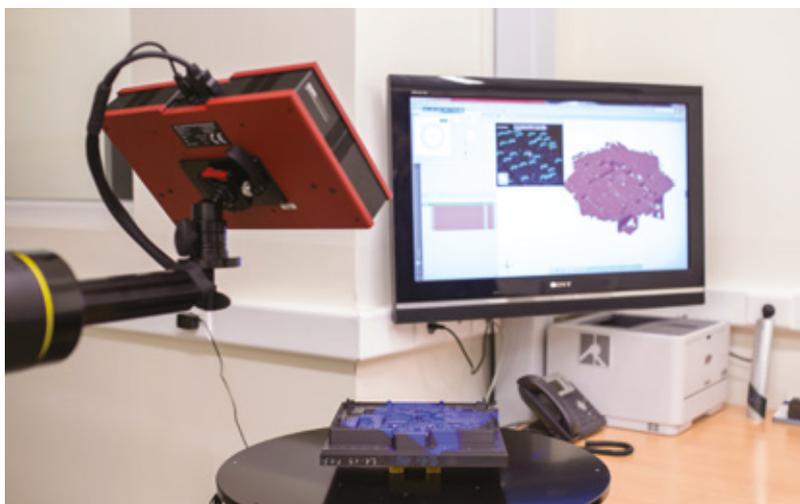
their employees: everyone is welcome to make suggestions, ask for advice on how to solve a potential issue, or just to have a chat. This principle was introduced by Franjo, who has always been present in the workshop. He has instilled in his sons a business culture which supports teamwork. They both believe that the bottom line is completely irrelevant if you fail to establish good and trusting relationships. While business meetings are held regularly, they are seldom attended by all members of the family and the management. Often decisions are adopted while enjoying a cup of morning coffee, whilst "serious" matters are resolved at lunches held outside the company premises. The rewards system is also based on trust, and decisions are, with rare exceptions, completely left to the heads of individual departments, who also take into account employees' comments. As Marko asserts, the entire Gorjak family believes that trust is "one of the most important values, because a company can grow and reach new dimensions only if it is based on solid foundations."



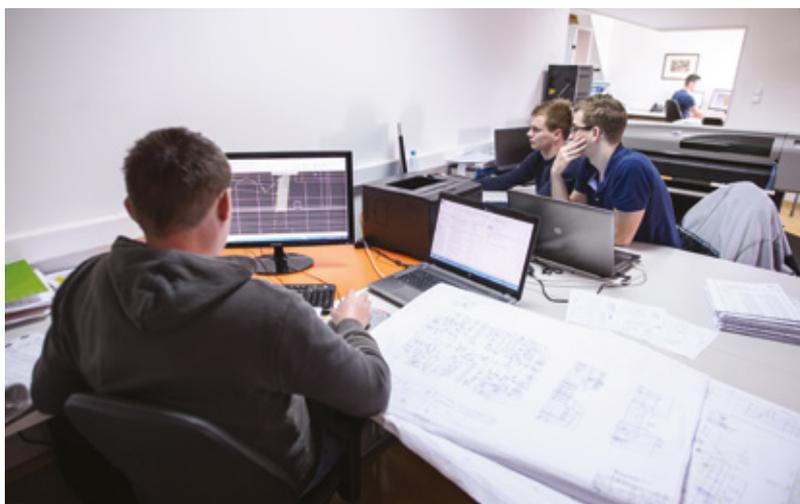
Today the company has 65 employees



Franjo at the beginning of his entrepreneurial journey



They also provide 3D optical coordinate measurements



Products are designed based on CAD/CAM technology



Turning machine

# Orodjarstvo Gorjak in a nutshell: family, trust, honesty, quality, knowledge.

## They were noticed by BMW

It was at the end of 2014 when the letter arrived. Whilst it was no surprise to them, as they were not short of customers, after reading it, they looked at each other in silence. They had been approached by BMW, requesting a brief company presentation. They gathered some material and sent it to BMW, without really expecting a response. Six months passed with no reply until one day, out of the blue, the representatives of the automotive giant literally appeared at the doors of their production facility. The Gorjak family showed them around and soon afterwards, enquiries followed from Germany. Delivery terms for the casting trimming tool were extremely tight, but the company from Rače was up for the challenge. They put their heads together, worked day and night and finally reaped great success. BMW was very pleased with the product and today, they have 10 smaller projects for BMW, with enquiries about an additional four.

Perhaps BMW put trust in the company due to their continuous efforts for improvement and progress. Each year they add three or four new machines to their existing range. Last year's investment of one million euros in a new production hall has ensured that they keep in step with the global competition.

In 2015, Orodjarstvo Gorjak recorded €3.9 million in sales revenues, up more than 20% on the previous year. This year, they expect over €4.3 million revenue and an even greater investment is planned in the future. This will enable them to attract larger clients and deepen existing relationships, ensuring a sharp rise in profits. Profits are not distributed; instead, they are invested in the development of the company. Marko perceives lack of human resources as one of the major challenges for the future: "There is a shortage of good professional staff, especially with skills that we desperately need. Thus, we are constantly educating students and pupils, as this is the only way to teach and develop new personnel. Throughout the year we publish job vacancies, and we have noticed an appalling labor shortage, which is the greatest challenge for further expansion of the company."

Along with highly-skilled and professional staff, dedication and support to customers are most important in a family business. Their aim is to remain an environmentally-friendly company that takes care of its employees and is an example to society. "We are not driven by megalomania, striving to achieve enormous profits so we can live in a grand style; our aim is to give something back to the environment we live and work in, so that together we can grow and move forward into the future."

### Franjo Gorjak

Owner

Company name: **Orodjarstvo Gorjak d.o.o.**

Number of employees (2015): **65**

Revenue (2015): **€3.9 million**

## Plastoform Group

**Franc Gregorčič Sr.**, Owner and Director Grupa Plastoform

**Miha Gregorčič**, Director Plastoform Blanca

**Franc Gregorčič Jr.**, Director Plastoform Šmarjeta

**Gašper Gregorčič**, Director Papiroti

### A successful business rises from the ashes

The Plastoform Group is one of the most successful businesses in Slovenia, with six companies and two start-ups. With numerous acquisitions, Franc, the father of the family and his three sons, have created a group with an international reputation as one that controls the European market. They are also present globally, with warehouses located in China, the US and the UK. And where will they stop? "We will just keep following the same path!" vows Miha, the eldest son and Director of the subsidiary Plastoform Blanca, engaged in development, glazing, the leisure vehicles industry and acrylic sheets. His words are not without substance, because from the acquisition of the first company in 1995 until 2014, they recorded more than 18% average annual capital growth. They employ about 550 staff and this year they plan to generate 65 million euros in turnover. Their goals are set high. "It's not about money, it's about passion. The main objective that we have set ourselves is to ensure sustainable and successful operation of the companies within our group," explains Franc Jr., Director of Plastoform Šmarjeta (the company engaged in processing thermo-formable plastic materials), of their plans for the future.





“Our brand is associated with the surname Gregorčič. Wherever we show up as owners, it is easier to talk business and customers have more trust.”

**Gašper Gregorčič,**  
Director Papiroti



Plastoform Blanca engages in development, glazing, the leisure vehicles industry and acrylic sheets

## From a workshop to owning six companies

This successful family story began with Franc Sr., who in 1995 decided to purchase the business premises of the failed IMV Adria Caravan. The factory had stood there since 1976, but the existing company went into liquidation. He employed 50 existing workers and continued to work in the same industry, but for foreign markets. "Our skills were limited to a single product segment. Nevertheless, in the ashes of the failed company, I was looking for a solution for myself and colleagues, who were also my fellow-villagers," says Franc Sr., describing the beginnings of his entrepreneurial career. In the first two years their business depended largely on exports to the foreign market; however, slowly but steadily, their story began to evolve.

After only a year, Adria recovered and its market expanded. Franc gradually began to include his children in the business and today, all the

subsidiaries are run by family members. Their latest acquisition, Akripol from Trebnje (acquired in the summer of 2016) is engaged in the production and processing of polymers and cast acrylic glass sheets, and is managed by Franc Sr.

## Too many businesses or too few sons?

Due to the sheer size of the business, Franc Sr. decided to establish individual business units engaged in the production of two of the core program ranges - one specializing in processing thermo-formable plastic materials and the other in Plexiglas windows. The latter provided foundations for Plastoform Blanca. Miha, who at the time worked in sales, was involved in the Plexiglas business. Initially Franc Sr. appointed an external director of the unit, in 2003, however, five years after its establishment, he decided to appoint his eldest son Miha, as Director of Blanca. In the meantime, Plastoform Šmarjeta continued its growth

and in 2010, when the Grupa Plastoform was established, Franc Jr. was appointed its Director. The company is engaged in the manufacture of plastic components.

Even before that, in 2001, they bought two small companies in Pazin, which today operate under the names of Plastoform Istra and Istraplastika. Initially, they acquired a majority stake through a public tender and subsequently purchased the remaining share from minority shareholders, thus becoming 100% owners of the companies.

The youngest son Gašper was given his chance with the acquisition of Papiroti in November 2012. "At that time I had just finished my secondary school, enrolled in a part-time study program at a Faculty and I immediately joined the company. At the beginning I was working as head of production and meanwhile slowly acquiring management experience with father's help. I was appointed Company Director on 1 January 2016 at the age of only 22," explains Gašper of his career development so far.

The core production activities of the company are printed paper bags and wrapping papers.

In September 2010, all the companies merged into a single holding and the Plastoform Group was established. At present, Franc Sr. is the 100% owner of the entire business, but a transfer of ownership is on the cards in the not too distant future. This is how Franc contemplates the future and how the Group and the children may grow and develop: "While the next generation is well-prepared for new challenges and opportunities, there may be risks awaiting just around the corner. This is something I am very well aware of and thus, potential risks and solutions are common topics of our meetings. To this end, we have a clear set of performance indicators and our expectations are clear: if the children fail to excel as directors of individual companies, they should take up a different activity. I see internal control of the companies and self-criticism as being of the utmost importance in the business."



Exhibiting at Paperworld Trade Fair, Frankfurt in 2015



Caravan model at last year's Düsseldorf Trade Fair



Miha, Franc Sr. and Franc Jr. representing Plastoform in Düsseldorf

# Plastoform Group in a nutshell:

trust, honesty, family, diligence, perseverance.

## Joining the family business as a challenge

The brothers emphasize that becoming part of the Group was a natural process and nobody forced them to join the family business. Challenges themselves were sufficiently attractive and none of them ever imagined not being a part of the family success story. "However, I wish to emphasize that as a second generation, we did not take our jobs for granted. Quite the opposite. The philosophy, passion and motivation have grown with us from an early age," continues Miha. Success only comes through hard work and every one of the children first worked in a factory and was only subsequently promoted.

## The Gregorčič surname - a synonym for the Group

For all of them, family business is the way of life they have grown up with and are proud of it. In the international market, they use the fact that theirs is a family business to their great advantage. "Our brand is associated with the surname Gregorčič. Wherever we show up as owners, it is easier to talk business and customers have more trust. While I do trust and have confidence in our sales team, it makes a difference if you discuss business as the owner," explains Gašper of his experience.

While each of the Gregorčič brothers has his own view of the management of their individual company, they at all times assist and encourage each other. All of them cherish sincerity, because as Miha says, without it the group is not able to function as a whole: "Even if there is a disagreement at the general meeting, in times of crisis it is very important that you have someone at your side you can rely on."

## A socially responsible company

Although the entire world is their playing field, they have not forgotten their local environment. They support all types of associations, including voluntary fire fighter and sporting events, and they even built a sports ground - Plastoform park.

### Franc Gregorčič Sr.

Owner

Company name: **Plastoform Group**

Number of employees (2015): **550**

Revenue (2015): **€44 million**

## Ščurek Winery

**Stojan Ščurek**, Head of the Company

**Matjaž Ščurek**, Head of Viticulture

**Nejc Ščurek**, Promotions and Distribution

**Primož Ščurek**, Head of Warehouse and Hospitality

**Tomaž Ščurek**, Head of Wine Cellar

**Uroš Ščurek**, Head of Organization

### Art encapsulated in a bottle

Only a few decades ago, vines grew on only a single hectare of the Ščurek farmland. Today, winemaker Stojan Ščurek from Goriška Brda and all his five sons, are involved in viticulture and enology. This year alone, they have already exported five containers of bottled wine to China. The Ščurek wine is available in a number of European markets, in Michelin-starred restaurants and as far away as Japan. "I like to compare wine with sushi - it is not for everyone but there are a great number of variations," says Stojan.





"I know that there are better, less demanding jobs out there, but here you have your own product that you yourself have created. You can stand in front of the brand and say: This is who I am."

**Stojan Ščurek,**  
Head of the Company



They are very critical - all six must be happy with what goes into the bottle

The family history really began in 1830, when a Ščurek married into a farming business, which dated back to 1780. At first, the farm was engaged in mixed farming - rearing cattle and growing a variety of produce. Vineyards were grown on one single hectare of land, and over the following decades, Stojan's father and uncle steadily increased their vineyards. After the Second World War and the redefinition of farm boundaries, one hectare of the farmland was located in Slovenia and 10 hectares in Italy. Stojan and his sister were born when Stojan's uncle moved out of the farm, and the family concentrated their efforts on growing fruit and vegetables. "Viticulture has always been the basic activity on the farm, followed by fruit cultivation and livestock rearing. Afterwards we concentrated all our efforts into the fruit production. We used to get up at three in the morning to take our produce to Zagorje or Trbovlje," recalls Stojan. When the development of viticulture began in Italy, the Ščurek family saw this as their opportunity. "There was a great demand for grapes and the cooperative began to grow. Slowly we began planting vines on all our land," explains Stojan. Today, altogether they have 22 hectares of vineyards.

## Automatic bottling machine for wine, not milk

The first bottle of wine was produced in 1989. This was within the Brajda viticulture society, where local boys got together and brought the first automated bottling machine to Goriška Brda. To avoid paying for expensive licenses, they bought the machine on the pretext that it would be used to bottle milk. "Success came straight away, in the first year, and we were able to sell all the wine we produced. This gave us an enormous boost; however, not long afterwards, our success was halted by the war in the Balkans, which was one of our major markets. Well, this is how things are in business; crisis comes and throws you back to the beginning. At that time, we were also involved in grape production and we were able to continue with the sale of grapes," remembers Stojan.

In the early 1990s they created their own brand, which has been retained in its original form up to today. "When you first penetrate the market, you operate within a group, until everyone has to fight for themselves. I have never tried to impose my wines on anyone. However, the market is relentless and sometimes you have to be somewhat pushy to secure a

sale. Nevertheless, I do prefer doing promotion as part of socializing. We have a drink or two, and during the tasting of wines we get to know each other better," says Stojan.

## Everyone must be satisfied with what goes into the bottle

Occasionally, some of his peers used to comment that their wine was of poor quality: "That was something I couldn't understand, since my father always maintained that ours was the very best," Stojan adds with a smile. At the time, all types of grapes were used for making wine, regardless of the quality. Today, things are very different: "We are very critical. Everyone must be happy with what goes into the bottle." Everyone includes his five sons, who are symbolically depicted on the label of the Strune wines, showing the image of a violin with five strings. They are all involved in the family business, each in his own role. "I started selling peaches at a very early stage, when I really didn't understand money that well. Nevertheless, I was a six-year old kid "left" at Trojane to sell peaches. All I knew was exactly how much I had to charge for the peaches," recalls Stojan, who is now responsible for sales to the Balkans and China, of his experience.

The oldest son, Primož, is in charge of the warehouse and welcomes guests to the farm. Tomaž is in charge of the cellar and wine, as well as marketing for the UK, Germany and Belgium. Uroš cares for the vineyards and is very keen on using the latest equipment and machinery. He is also responsible for the organization of work. Nejc, a student of economy, is very helpful in promotional activities and through his studies, he brings new approaches to storage and distribution to the family business. Then there is Matjaž, Bachelor of Science in Viticulture and Enology, who used his newly-acquired knowledge to introduce modern techniques of viticulture to the farm. His artistic inclination also contributes to modern video promotion.

Together they contribute a great deal of added value to the final product. "We need to expand rural tourism and hospitality on the farm, and both these activities offer great potential. I believe that the organization is well on the way, but is not yet complete. It is not always easy to coordinate family and business life. It is normal that there are some misunderstandings; it is just how things are. I realize that there are better, less demanding jobs out there, but here you have your own product that you yourself created. You can stand in front of the brand and say: This is who I am and this is a source of satisfaction and pride to us and the very thing that drives us forward," confirms Stojan.



Red Stara brajda matures for 24 months in oak barrels



The Ščurek family history began in 1830



They have 22 hectares of vineyards



Harvesting



Their wine cellar has a soul



Ščurek wines can be ordered in Michelin-starred restaurants

# The Ščurek Winery in a nutshell: wine, art, story, family, tradition.

## Strict order during the harvest

“The advantage of a family business is undoubtedly the fact that we all know each other well and know how someone works, what they are capable of and that you can always count on them. Each of us has taken over a specific area that they are in charge of, although we all can put our hands to anything that needs doing and this is something that works for us,” says Tomaž, adding that perhaps the only flaw of family cooperation is that sometimes there is a certain lack in professionalism. Nevertheless, Stojan is quick to make it clear that at least at the time of harvest, strict order is imposed. “This is how we were brought up: alongside constant investment, we remain humble,” continues Tomaž, who fondly remembers his beginnings in the family business. “I was only 17 when I was left to my own devices, regarding wine production. Earlier, at the age of 12, I was the one who helped most in the wine cellar. The work starts in washing the tank, and as a child, it is easy for you to crawl inside a barrel. Afterwards I continued with winemaking as a hobby, which has turned into a profession,” he adds. Mum has always taken care of the children and has never been too involved in the winery. Today, the family employs three external experts, an accountant and two people who are responsible for the vineyards.

## On the wine list under a Michelin star

Their specialities are the “Kontra” wines. The name is derived from the production process, which is completely different from all others: the production is carried out manually, from harvesting to stemming. Their wines are produced in very limited series, but can be ordered in Michelin-starred restaurants in Prague as well as in Germany. “We are not followers of trends; quite the opposite, our focus is much more on tradition. It is true that one changes with the passing of years. Also, the tastes of people and customers change and this you have to adapt to,” observes Tomaž. Wines have always been associated with art. For many years, the family have been taking part in the annual event Days of Poetry and Wine, and since 1997 they have been sponsors of art colonies. Two years later, they hosted the first exhibition, and in 2001 began painting their barrels. “There are very few wineries in the world that are also artistic. Every visitor to our wine cellar can see that it has a soul. In conjunction with the art, the wine tastes better too. This is the added value of our farm. We have already hosted a concert and every year we have at least two barrels painted. Now the time has come to start marketing,” adds Tomaž, tongue in cheek.

## The merger of Slovenian wines

“To this day, my holidays are planned so that each year I travel to one of the wine countries. This is what drives me forward - getting to know other stories and other types of wine,” says Stojan. In 2015, they achieved €450,000 of revenue and the year before, it was even higher. Their vision remains on growth and progress. “We do not want to grow in terms of production, but rather in terms of quality. In the past year, we have focused on the production of sparkling wines. We do not need new premises, only new technology,” he explains. Tomaž wants them to remain among the 10 best Slovenian wine brands and perhaps even reach for the very top: “My greatest ambition remains for Slovenian winemakers to integrate more closely and I will continue to promote this idea in the future. But before this, we need to create a Slovenian wine brand. Our family business is now at the stage when we are deciding whether to become a company or to remain a farm. We may extend our business with an additional winery. There are also many opportunities in similar industries, but of course, we do not want to depart from what we know and do best.”

“Plans also exist for expansion to other tourist industries; if the boys agree, that is,” concludes Stojan.

### Stojan Ščurek

Owner

Company name:

Ščurek Winery

Number of employees (2015):

9

Revenue (2015):

€0.5 million

## Smart Com Group

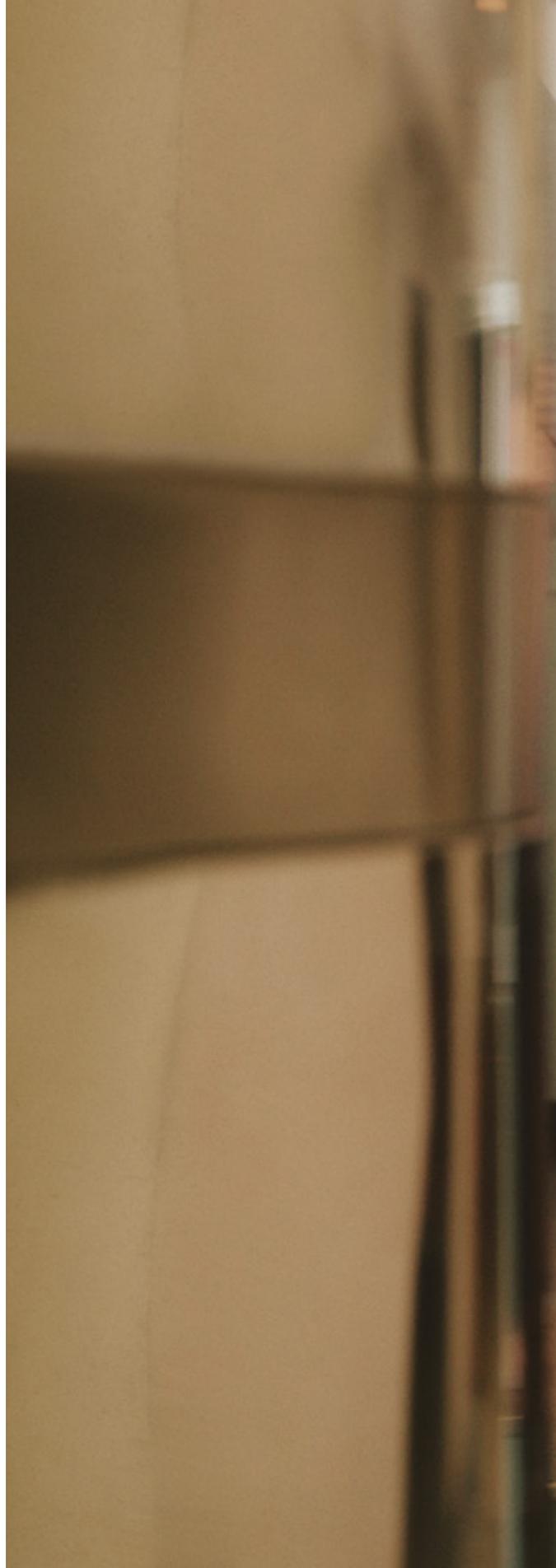
**Jure Remškar**, Co-owner and Director Smart Com d.o.o.

**Zdenka Remškar**, Co-owner

**Filip Remškar**, Co-owner and Director Beenius d.o.o.

### A child at home, a colleague at work

“Imagine that you are the owner of an electric car. You are driving home, your house knows that you are coming, the garage doors open upon your arrival, and the music you listened to on the car radio continues to play in the house, which has probably just been ventilated. You connect your car to the network and go for lunch,” begins the narrative of Filip Remškar, co-owner of Smart Com, which he manages together with his brother Jure. From the sale of simple cabling, to an interactive television that allows the viewer to intervene in what is happening on the screen, this family-owned business has been successfully linking networks into systems and setting new smart grid benchmarks for the past 26 years. The sale of their first modem in 1990 provided a foundation for Zdenka and Filip Sr. to establish their business, which in turn, today generates new companies from its products. Their two sons Jure and Filip are successfully continuing the family tradition. “My brother and I each have our own responsibilities, based on our individual competences in areas where we have acknowledged each other’s expertise,” reveals Jure on how the two were able to efficiently assume management of the company, which today provides solutions to businesses worldwide - even in distant Mongolia.



A photograph of three people standing in a modern office or corporate environment. On the left is a man in a grey suit and blue tie, smiling. In the center is a woman with short brown hair and glasses, wearing a brown blazer over a dark top, also smiling. On the right is another man in a dark blue suit and blue tie, smiling. Behind them is a blue banner with the text 'SMART COM' and a grid of white dots. A staircase with a metal railing is visible in the background.

SMART  
COM

"We are entering an interesting period in the Slovenian family entrepreneurship, with the first transfers of ownership. We need to stick together."

**Filip Remškar,**  
Co-owner and Director  
Beenius d.o.o.



When developing new products, they are focused on interactive television, smart grids and the internet of things

## The right vision that came to life in a new company

In 1989, Zdenka's husband, Filip Remškar Sr., presented his business plan and vision to the Director of Iskra, a company for which, during the previous 15 years, he had been in charge of representing foreign companies. This vision painted no bright picture of the future of the representation and instead, he suggested a focus on integration, which was rejected. Since Filip's parents were both entrepreneurs, his father engaged in refrigerators and his mother a designer with a fashionable gallery in the Slon, he followed their restless entrepreneurial spirit and in 1990 founded his own communications and information systems company - Smart Com. "When he began the sale of modems, he only had an office and a typewriter. Since we already had a family, we had to be prudent and he decided on a probationary period of one year. If during that time he

did not succeed, he would find himself an ordinary job," reminisces wife Zdenka about their entrepreneurial beginnings. His great advantage was knowledge of the domestic market and the technology that was on offer abroad. After one month, he hired his first employee and by the end of the year, the business employed five staff. The following year, the company already had nine employees in total. After three years, Zdenka also joined the company: "I want to change my job. Will you employ me?" I asked. Initially he had some concerns about the involvement of marriage in the business, but decided to put me on three months' probation. I felt that I had to work harder than I had ever done before, so I hired a professor to be my mentor in finance and assumed my first task." How was the combination of marriage and business? "From the first day, our attitude to business was just that - business-like. He managed the company and was responsible for the market and new products, while I was responsible for everything else. The business ran extremely well until the very last day we worked together," says Zdenka proudly.

## Provide knowledge and create a need

“My husband was a visionary. In those early years we educated the market and thus opened up the possibility of building the first backbone networks on the market,” continues Zdenka, about Smart Com. In the 1990s, the company worked according to the principle of offering knowledge first and then equipment. They organized educational workshops on technology and complementary knowledge about finance, project management and other skills necessary for their business. Today, Smart Com is the parent company of a group, which also includes the three spin-off companies: DSC, Beenius and Optisis. Two of their subsidiaries have businesses abroad: one in Bulgaria and the other in Austria. At the group level, they cover distribution, system integration and development, all in the field of information and communications technology (ICT). The Smart Com Group employs 70 associates. Of those, 30 to 35 (mainly programmers and some electrical engineers) work in the field of development. “We are enthusiastic, have an abundance of energy and are aiming to strengthen the group and further divert to foreign markets with higher added value,” says the elder son Jure.

## Taking a family trip accompanied by business partners

“A company and a young family both require a certain amount of time. We were always able to integrate the two and at times business partners joined the family outings. When family needed our specific attention, we dedicated our time to the family needs; if it was the company, we focused on the company; however, the boys were always present,” remembers Zdenka. The two sons performed their first paid summer jobs when they helped during the company’s move. “At the time I was at secondary school, while Filip was still in elementary school. Soon we got our first tasks in the company: I worked in administration and Filip in the service workshop. Even then it was clear that we were different, each with our own preferences,” continues Jure. Both the brothers were in their early 20s when they got involved. Jure, a lawyer by profession, began in 2004, when he joined the Smart Inkubator to promote internal entrepreneurship. Three years later, after he graduated from the Faculty of Economics, Filip also followed in his brother’s steps and joined the family business, taking over the responsibilities and tasks of a salesperson, while Jure worked in procurement. “Irrespective of whether a colleague is a member of the family or not, he or she should excel at their job. As soon as your child starts work, he becomes your colleague. There is no other way to look at it and people are aware of this,” explains Zdenka.

To facilitate understanding and cooperation when working in the company, they underwent joint training of managerial skills. In addition to learning about leadership skills and competencies, the main purpose of the training was to accept your child or a parent as a business colleague. “My brother and I were lucky to be invited by a colleague to join the association of family businesses. This has widened our horizons and ever since we see family business in a different light,” recalls Filip. To ensure that they continued to run the business as equal partners, they had to first define relationships and establish mechanisms for successful intergenerational cooperation. This took the form of a kind of corporate governance of the family business with elements of a family charter. “Eventually we gained more knowledge about family business, which we have transferred to the company to facilitate the formalization of the transfer of ownership and management,” explains Jure and admits that while over the years family members had different views, these never led to conflicts. Although Zdenka retired in 2012, she remains the co-owner of the company, but leaves all the decisions to her two sons. As Jure explains, this can also be a double-edged sword: “When you are young and fairly inexperienced, this can prove rather difficult. It would be much easier if someone told you what to do, but eventually you are happy to have the freedom to implement your own vision.”



Filip Sr. founded the company in 1990



Filip is leading subsidiary Beenius, which offers software solutions for interactive television on the global market



Smart Com Group employs 150 people

# Smart Com in a nutshell:

entrepreneurial spirit, development, technology, challenges, family.

## Licensed in Mongolia

When developing new products, they focus on interactive television, smart grids and the Internet of things, where they are currently developing a platform that enables mapping of analogue data into digital. In 2013, they received the EuroCloud Slovenia award for the best service in the cloud.

Their product "Beenius" eventually became so advanced that it literally went "its own way" by becoming a business in its own right and today, it offers software solutions for interactive television on the global market. Around 60% of the revenue is generated in foreign markets. The revenue that is linked to distribution and sales has a relatively small margin, while the sale of Beenius licenses generates a much higher margin. In terms of revenue, their strongest markets are those of the former Yugoslavia, Bulgaria and Austria, and to a lesser extent also Poland, Hungary, Albania, Germany and Switzerland. "Beenius has projects in 20 countries around the world, including Latin America, Africa, Mongolia and the Middle East. In a way, the entire world is our market," proudly explains Jure. Their ambition is to make this suggestion indisputable.

## To be brought up and grow with an entrepreneurial spirit

"Our business is impacted by project dynamics. Last year, the company recorded major growth in revenue. This year the revenue will be slightly lower, around €30 million, compared to €32 million last year. The medium-term plans show higher growth particularly in 2017 and 2018," predicts Jure of their bright outlook. "Each company must accept new challenges and be able to adapt to change. If you fail to understand this in terms of education, then you are looking for a job where all processes are well-known and defined daily. Otherwise, sooner or later you find a gem which you can call your company," says Zdenka, sharing her thoughts.

"A large part of the economy is represented by family businesses, so it is very important to continue to evolve in the future. In particular, we are entering an interesting period in the Slovenian family entrepreneurship, with the first transfers of ownership. We need to stick together," thinks Filip, while Jure explains: "The essence of entrepreneurship is instilling entrepreneurial business in your children."

### Filip, Jure and Zdenka Remškar

Owners

Company name:	<b>Smart Com Group</b>
Number of employees (2015):	<b>150</b>
Revenue (2015):	<b>€32 million</b>

## Mesarija Prunk

**Marko Prunk**, Founder and Director of Mesarija Prunk s.p.  
and Director of Postojnske mesnine d.o.o.

**Andrej Prunk**, Director of Prunk Carni S.r.l.

**Jana Grandič**, Mesarija Prunk, Marko Prunk s.p.

### Slovenian meat products, loved by Italians

Since Slovenia's independence, there cannot be a single Primorska resident who does not recognize the Mesarija Prunk brand. Through ongoing investment and expansion, the company is firmly rooted in Slovenian soil, while also creating added value in neighboring Italy, where the company enjoys a remarkable reputation. "People quickly recognize quality. If you remember, in the past Italian Mortadella and Parmesan cheese were reputed as being of particularly high quality. Today, Italians hold a similar opinion of Slovenian meat," says Marko Prunk, founder and Director of the parent company. He adds that he inherited his love of the trade and he still spends the occasional Saturday behind the butcher's counter. In addition to fresh meat, their flagship products include cured meats such as Kraška pancetta, prosciutto and sirloin, as well as a number of semi-cured products, from hot dogs to Primorska sausages. Their stores and butcher's shops are growing like mushrooms and this expansion and introduction of new ideas is not likely to stop any time soon, because the younger generation has already stepped into their predecessors' shoes.





"If you remember, in the past Italian Mortadella and Parmesan cheese were reputed as being of a particularly high quality. Today, Italians hold a similar opinion of Slovenian meat."

**Marko Prunk,**  
Founder and Director



The Prunks present their products in a way that will attract customers

## Before the war, their enterprising grandfather sold meat to the Italians

The beginnings of the family business date back to 1928, when Avgust Prunk, grandfather of today's director Marko Prunk, opened his butcher's business. "At that time Postojna was part of Italy. He used to slaughter young heifers at home and transport meat to Trieste." The family business continued during the war period, when Marko's father worked as a butcher's trainee in Senožeče. After the war, he was employed in a cooperative society in Sežana, which has since evolved into the well-known meat-producing company, Kras. He persisted there until 1967 when he decided to make a bold move and opened a small butcher's and a

slaughterhouse in his native village. "Only two years after it was opened, the butcher's had to be closed as he fell ill. In 1972, I began to learn the butcher's trade working at the butcher's owned by my dad's friend. My father did not show much enthusiasm for my career decision, because he knew what a difficult profession this was. I worked in the local butcher's until 1989, when I decided to buy it. And thus, on 13 November 1990, I began my entrepreneurial journey," says Marko, sharing his story.

## The family business employs 140 people

Although the shop proved lucrative, Marko soon realized that the business was far too dependent on the Italian market and in 1994 he decided

that it needed to expand. So, he bought a shop in the centre of Sežana that remains popular to this day and leased three butcher's shops that were under the aegis of Kras Sežana. "It was at that time that I employed the first 10 members of staff. I owned a central shop and leased three butcher's shops. While I managed all of them, the accounting was always done by my mother. She helped in the family business until her death at the age of 82," explains Marko. Today, he runs Mesarija Prunk s.p., which includes butcher's shops in Divača and Lokev, a restaurant in Lokev, as well as the production, processing and drying plant and business premises in Sežana. In 2009 he took over a slaughterhouse in Postojna and today the company Postojnske mesnine d.o.o. already has seven retail stores in Postojna, Ajdovščina, Deskle, Dornberk, Izola and Piran (three of these used to be part of MIP). In addition, Marko bought Market Prunk in Kozarno in Goriška brda and took over two markets that used to operate as franchises of the well-known Slovenian retailer Tuš in Lokev and Izola. Shortly after acquisition of Postojnske mesnine, the Prunks decided to



In addition to fresh meat, they also produce cured meats such as Kraška pancetta, prosciutto and sirloin, as well as a number of semi-cured products, from hot dogs to Primorska sausages

extend their business across the border and founded the company Prunk Carni S.r.l. Today the company operates with four butcher's shops in Trieste and the surrounding area and a restaurant in Trieste. Recently, the family business bought the Golden Pick hotel in Sežana with 37 rooms, a restaurant and a pub. Renovation work started in June and the newly-refurbished premises were opened on 16 September 2016. Investments have continued over the years and today the family business employs 120 people in Slovenia and 20 in Italy.

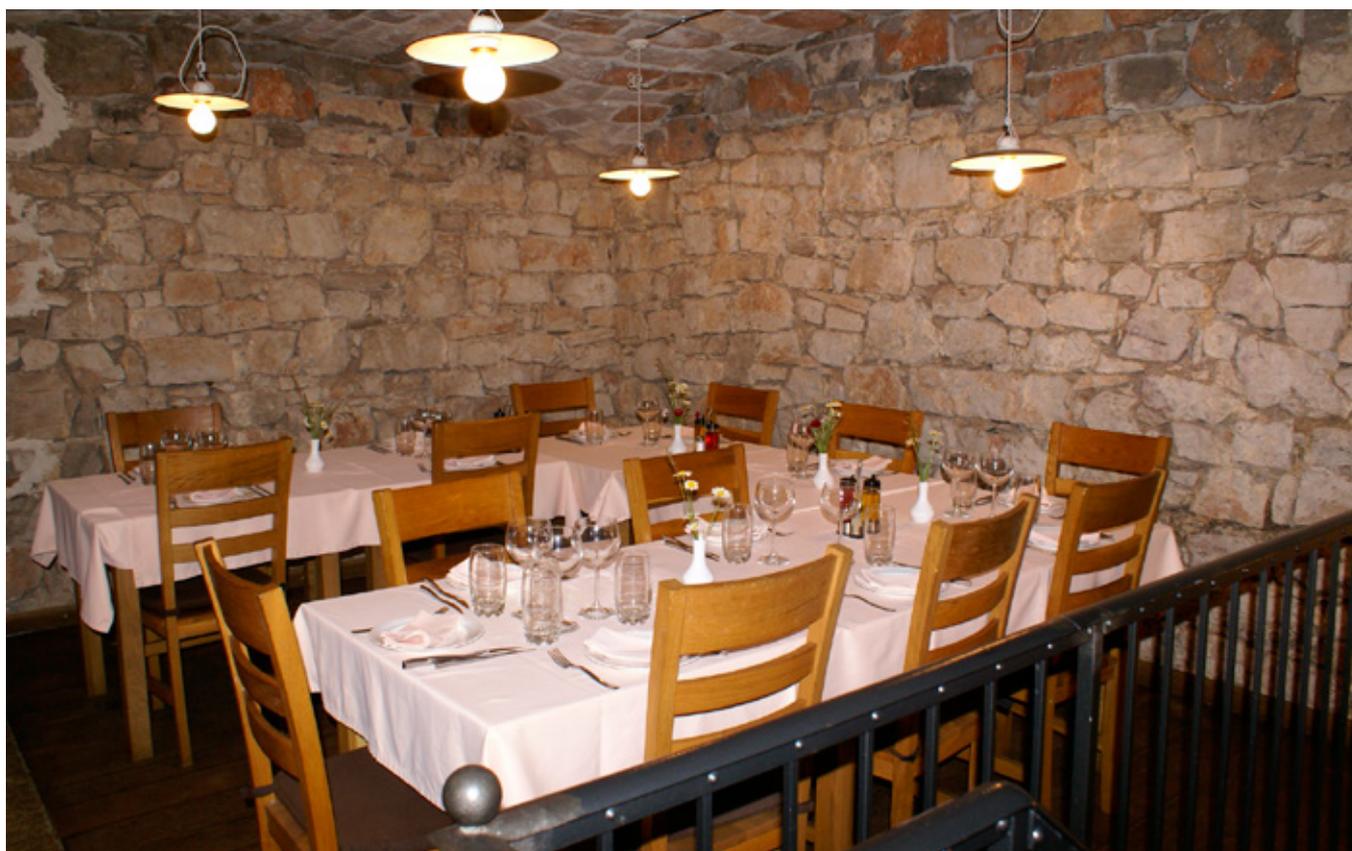
Marko's son and daughter have been working in the family business for the past 20 years and 16-year-old grandson Marko, who is currently attending economics secondary school, spends his summer holidays working at his grandfather's butcher shop. Even the six-year-old grandson Miha is showing an interest in the trade. "He seems to have a similar character to mine at that age. He often visits the business premises and has his own cap, robe and boots," enthuses Marko about the youngest adherent to the family tradition.



Prunk's prosciutto is one of the delicacies of Karst



This year in September they opened a hotel in Sežana with 38 rooms, a restaurant and a pub



The restored ice house, one of the few preserved in the Karst, where they serve food and drinks to their guests

# Mesarija Prunk in a nutshell:

diligence, honesty, quality, communication, learning.

## The project must pay for itself

Marko's main principle is that any investment must ensure a suitable return to maintain itself. He does not see borrowing in itself as being problematic; a company can grow only if you invest in it. "For each investment we plan, we expect to repay the loan within seven years. In any case, we make sure that the investment does not threaten the rest of the company, and we are constantly monitoring the performance of each individual project," explains Marko of his entrepreneurial approach. Last year they had €17 million revenue; this year the plan is to generate over €20 million.

Their plans include the acquisition of a plot in the industrial zone in Divača, where they intend to build a modern plant for cutting and processing fresh meat. "Because we are restricted in terms of space and power, over the next two to three years we are planning to transfer production to Divača. We need the space for the packing room, drying room and also premises for the administration and accounting, as we want them all to be in a single location. This will make everything more manageable," explains Marko.

## The Prunks: butchers, first and foremost

Today, Marko's son Andrej is in charge of the business economics; however, as his father says, everyone does everything in a family business. At a very young age he already had a vision and a plan of what his career would be: a butcher, food technologist and an economist. At the age of 22, he became director of Postojnske mesnine, where he worked for four years, until he directed his attention across the border to Trieste. "We know Italian guests and consumers well, as 80 years ago we used to export fresh meat to Italy. This is one of the reasons I suggested we open a butcher's in Trieste and dad agreed wholeheartedly. I have been in Italy for five years now as a director of a subsidiary of Postojnske mesnine called Prunk Carni," explains Andrej of his business.

Daughter Jana stayed at home and runs a butcher's in Lokev, as well as a restaurant carved into the karst rock. The family is very proud of the restored ice house, one of the few preserved in the Karst, where they serve food and drinks to their guests. The Prunk family have huge respect for communication and in their opinion, this is of key importance to the continued existence and success of a family business. "My son and I are constantly talking about the company. For example, today, he has already called me 10 times. While he is independent, he shares everything with me," explains Marko of the family's coordination of the business. Although he has the last word, they discuss all business decisions together and find the best solution. "Yes, we do have disagreements when opinions differ substantially, but this only lasts for a fleeting moment," explains Jana and adds: "We are not just family members, we are also friends, colleagues, and everything else at the same time."

Marko tells a story about how his father sent him to a shop when he was just a little boy: "He told me what to buy and insisted I went, although I told him I was afraid that I may not buy the right thing. Upon my return, he explained to me what I did right, and what I didn't, and added: 'Don't worry. Next time you will fare much better.'" He says that he used the same approach when teaching his own children about the business and also getting them ready for life. Just like their father, Jana and Andrej are trying not to pressurize their children to join the family business. Nevertheless, they do feel that involvement of the younger generation in the company is very important.

## Today, a butcher is regarded as a gentleman

Andrej has been inspired by the Italian method of running a butcher's: "The Italians are in fact gourmets. Even sales personnel are trained to present the products in a way that will attract customers. We want to promote this attitude also in Slovenia and thus, our butchers are sent for training in Italy. One of the biggest challenges in the next five years will be how to train people for the profession, because there is a lack of interest among the young." He is convinced that if necessary, they can find trained butchers in Italy and invite them to come to Slovenia. Slovenia has plenty of first-class raw materials, but staff need to learn how to present the products on a shelf in an appealing way that will attract customers and secure the sale. "Today a butcher is regarded as a gentleman, not as someone with swollen knuckles who works in cold rooms," says Andrej, completing his thoughts, adding that in order to succeed, you first of all have to like your profession. "I enjoy working with meat. Managerial tasks, as well as other tasks that need doing in the company all bring me pleasure," confirms Andrej.

### Marko Prunk

Owner

Company name: **Mesarija Prunk**

Number of employees (2015): **120**

Revenue (2015): **€17 million**

## Mlekarna Krepko (Kele & Kele d.o.o.)

**Sandra Turnšek**, Director

**Daniel Kelečević**, Technical Director

### Kefir - a centuries-old secret from the Caucasus

Mlekarna Krepko has been supplying the Slovenian market with high-quality dairy products for more than 20 years. By far the most well-known is traditional kefir, the availability of which Dunja and Brane Kelečević wanted to continue after the collapse of the former state and changes to the economy. They have remained faithful to the traditional method of using kefir grains, as they believe this to be the only way to make an authentic product. "We are the only dairy in the European Union making kefir from grains. The process is very time-consuming, so other dairies tend to use instant preparations. What you find on supermarket shelves today does not have much in common with real kefir, with the exception of our traditional 'Krepko'," quickly points out Sandra Turnšek, the daughter in the Kelečević family and Director of the company.





“Employees of the dairy are looking forward to seeing me after a few days of absence and some even embrace me. These are the things that drive you forward. I believe that my brother has introduced the same successful approach to management.”

**Sandra Turnšek,**  
Director



All of their products are foods with high biological added value and made from high-quality non-homogenized Slovenian milk



Director Sandra Turnšek

“The main driver of the dairy’s output has always been products which we, ourselves, would want to buy and use daily to promote health. We did not decide to start kefir production because of money, but because we missed it and could not buy it in shops. We chose production in accordance with the traditional methods of the Caucasus, because this is the only real kefir which brings health benefits,” adds Sandra. Today, their selection covers the entire range of dairy products, all of them foods with high biological added value and made from high-quality non-homogenized Slovenian milk. In the future, they want to produce the majority of Slovenian organic dairy products, with a focus on developing and marketing products that contain traditional kefir.

## The first organically-processed milk in Slovenia

Mlekarna Krepko was launched in 1995, when Dunja and Brane Kelečević brought live kefir grains from the former Soviet Union, enabling a small dairy in Laze, near Logatec, to start making traditional kefir. At the time there was a significant shortage of quality milk products on the Slovenian market, as these were previously brought from the former Yugoslavia. Nevertheless, Dunja and Brane took a significant risk in purchasing a

cooperative dairy that had, like most similar establishments, run into difficulties after 1991. In the process they exchanged their publishing experience for a career in a challenging area of food production. The time was more than ripe, as the government was promoting purchases and reorganization of the old cooperative establishments under favorable terms and conditions. Although at the time, traditional kefir was not available to buy, financially their project still seemed counter-intuitive. Other dairies didn’t want to produce traditional kefir, as they did not see much prospect of profitability. Thus, with very modest resources and constantly learning about the complexities of manufacture, the pair laid down the foundations for Mlekarna Krepko’s production.

Their efforts were quickly rewarded and they soon entered into contracts with retail chains such as Mercator and Spar. As Sandra explains, people bought kefir because they were aware of the magical health benefits of this dairy product. This was also noted by other dairies, who recognized the opportunity and began to manufacture it, opting for a much easier method at reduced cost. “To date, our kefir is the most expensive because it is produced the way you would do it at home. Due to unfair competition, we consequently lost some market share, and in addition we never had enough money to ‘aggressively’ promote wider awareness of the importance of milk production and what it entails,” explains Sandra.

## Sustained market growth despite the “sensitive” products

In 2007, they decided to switch to organic milk processing. It was at that time that Sandra, the current Director of the company, joined the family business after she had previously lived her own entrepreneurial story. “We were the first in Slovenia to acquire all the certificates and began the ‘pioneering’ process. We organized the farmers so that they also obtained organic certification, started organic milk production, and organized purchasing. It wasn’t easy, we had to overcome many difficulties, including technical ones. For example, at the time there were no separate tanks for the transport of organic milk,” continues Sandra.

In 2003, her brother Daniel, who was also involved in the family business, left to pursue new business challenges. However, this year, he accepted the invitation of the family and returned to the business as Technical Director, responsible for debugging, validation of technical innovations and expansion. “Entrepreneurship is in me, I have an urge to create and nothing will stop or deter me from pursuing this. On the contrary, when I overcome a challenge, I regard it as a victory for the future. These challenges are the source of one’s rich experience, which you can then build upon, because life is not a single, straight line to success and the top,” says Daniel. Although they only produce fresh products without preservatives, which are therefore almost impossible to export, the company’s market share is constantly on the increase, by as much as 30% a year! Today, they employ 40 people: 25 in production, while the rest are mostly sales personnel working in the field.



They employ 40 people: 25 in production, while the rest are mostly sales personnel working in the field



Kefir is produced in accordance with traditional methods



Founders and owners of the company Dunja and Brane Kelečević



In 2007, they decided to switch to organic milk processing

# Mlekarna Krepko in a nutshell: enthusiasm, creativity, quality, tradition, organic products and production.

## A musical production

The company is focused on sustainable development, as they are aware that only by looking into the future and being willing to change and improve the business can they ensure competitiveness. "We are proud to employ three graduate technologists, who decided to take up their studies, based on their work experience in our dairy. Father showed a great amount of goodwill and courage when, at the initiative of the head of the Biotechnical Faculty, one of the students expressed a desire to write her doctoral dissertation based on researching kefir grains. My father agreed with the idea, the student successfully obtained her PhD, and today she works in our family business. This makes us the smallest dairy in Slovenia employing three technologists; an achievement, which is exceptional even at the European level," proudly points out Sandra.

A relaxed atmosphere is evident in the company where employees are generally methodical and even-tempered. The entire dairy works as a well-established machine. Sandra and Daniel confirm that their team works together as a unit, although this does not mean that individuals must work harder to make up for the "slackness" of others. Sandra is happiest when she hears laughter, or even singing, from the production facilities. "They are happy to see me after I have been away for a few days and some of them even embrace me. This is what drives you forward."

## Trained by life, not by the dairy

Despite their recent retirement, Daniel and Sandra's mother and father are still the majority owners of the family business, with the children together holding about 10% interest. They both grew up with it, but also pursued their own individual careers before they became actively involved. Like their parents, Daniel and Sandra do not force their children to work in the dairy. They both have children who are familiar with the production, but are currently engaged in their own activities. "While my parents never forced me to share their ideas or to join the family business, they have always stood by me. The doors have always been wide open for me when I felt mature, capable and wanted to join the family business. I practice the same approach with my own children," explains Sandra of the potential inclusion of the next generation.

It is important for children to obtain a wide range of knowledge, because the future is unpredictable. "But I want them to experience life, to be trained by life rather than the dairy," says Sandra, while Daniel adds that crisis may be waiting around the next corner: "If you are limited to a single activity and this fails, you can quickly find yourself in serious trouble."

The mission of the Kelečević family business puts quality assurance at the very top of their priorities. At the same time they want to help improve the local environment at all levels and encourage a more global view of all Slovenian companies. "We are all individually focused instead of working together for a common goal - the sustainable development of the whole of Slovenia. This includes production, tourism, gastronomy, culture and heritage," says Sandra, continuing her thoughts.

## Branislav and Dunja Kelečević

### Owners

Company name: **Kele & Kele d.o.o.**

Number of employees (2015): **40**

Revenue (2015): **€3.6 million**

## Varis Lendava d.d.

**mag. Sabina Sobočan**, Director and Co-owner  
**Štefan Sobočan**, Former Director and Co-owner

### Need a bathroom?

Dedication to work and efficiency are priorities in Varis Lendava. Since its establishment in 1977, and after becoming an independent company in 1991, the company has produced more than 80,000 prefabricated bathrooms, in addition to manufacturing designer radiators and concrete elements for skateboarding. Last year they developed the so-called Pump Track polygon, intended for cyclists and skateboarders. It consists of rounded bumps and curves, which are interconnected to make a continuous circular whole. They are one of the leading construction companies in Slovenia and their brand is recognized throughout Europe, which is their main market. In the future, they aim to become the leading company in the production of prefabricated bathrooms for all types of users (hotels, apartments, nursing homes, campuses, hospitals, prisons, etc.) in Europe. They are aware of their corporate social responsibility and they invest heavily in their local environment. They are proud sponsors of NK Lendava football club, they built a skate park and pump track in Lendava and each year they are one of the main sponsors of the Lendava high school prom.





"I do not want them to bring me a problem, but rather the solution."

**mag. Sabina Sobočan,**  
Director and Co-owner



Varis' radiator Memory which has received the prestigious Red Dot Design Award

## Construction using prefabricated bathrooms as a synonym for quality and cost efficiency

Their independent story began after the break-up of Yugoslavia when, due to the collapse of the market and mass lay-offs, many companies went bankrupt. Gorenje IMO met a similar fate in 1991 and from its ashes, four companies rose to prominence. One of these was Varis, which in accordance with the law on transformation, became Varis, proizvodnja sanitarih celic d.o.o., a joint-stock company with 380 shareholders, in 1997. "The Slovenian market was non-existent, so we had to focus on foreign markets. We have done so and today we hold a 14% market share in Germany alone. Our success relies completely on sales abroad and only 1% or 2% of sales are made in Slovenia. Our major markets include Germany, Austria, Switzerland and Denmark, followed by Croatia, Hungary, Russia, France, Spain and the UK," emphasizes Štefan Sobočan

of their international orientation. He worked as a director of Gorenje IMO and after its collapse continued his work in Varis. Over the years, together with his daughter, they bought the shares of those with no faith in the company and eventually the two became majority shareholders. No dividends were paid as all the profits were invested in the further development of the company and this strategy has since proven extremely successful.

Their main advantage is that they speed-up construction. As has been demonstrated, using prefabricated bathrooms cuts the construction time of a hotel with 130 bathrooms by three months, resulting in considerable cost savings. Prefabricated bathrooms made from light concrete are manufactured as independent construction elements and delivered to a facility completely finished, tiled and with all the assembly parts such as the sink, taps, mirrors, toilet and hair dryers. "All the processes involved are managed and controlled in compliance with the ISO 9001-2008 standard.

The majority of the electricity used in the manufacture is produced in our own photovoltaics. In addition, we have at our disposal our own computer supported concrete plant and we train our own workforce. Bathrooms that we supply for hotels are manufactured as you see it in our own plant in Lendava and delivered to the site in a truck. Once all the installations are connected, the bathroom is ready for use," explains Sabina, the current Director of the company, of their workflow. What is their annual target? To sell and deliver 3,000 bathrooms. At the time of this interview, they had signed contracts that ensure production for the first half of the upcoming year already.

## The heart of the family business is just beginning to beat

Family entrepreneurship and family business are very broad concepts, believes Štefan, interpreting them as follows: "According to general

criteria in Slovenia and also the general public, who are not familiar with the industry, Varis is not considered a family business. However, we know that, contrary to the general belief, globally, most large corporations are in fact family businesses." It was only last year that he and his daughter realized that in an international sense, the company is a family business. Like her father, Sabina also has concerns about the concept of a family business, since currently the company has several shareholders. Once it is formally transformed into a limited liability company (d.o.o.), it will be easier to feel that the family-owned company is in fact their own: "We have never identified Varis as a family business, because it is a public limited company. However, at the recent general meeting the decision to transform it into a limited liability company was endorsed and this will make it easier to identify the company as a family business."

Before his retirement, Štefan had to make a rather difficult decision: to whom to hand over the company reins? As he says, he never wanted to work longer than necessary and he retired as soon as he had completed 40 years.



Most of Varis bathrooms are sold to German, Austrian, Swiss and Danish markets



Their bathroom in one of the Sheraton hotels



Pump track built by Varis



Their prefabricated bathrooms, made from lightweight concrete are separate construction elements, delivered to the facility fully completed

## Varis Lendava in a nutshell:

quality, innovation, reliability, correct professional attitude, internationality.

There were a number of options available to him regarding his successor, but in the end, he chose his daughter. "You have three options available when choosing a successor. You can teach someone to do the job, recruit an experienced manager with references, or get someone from the family and train him or her to be your successor. Sabina used to work as an auditor and was not involved in the company. While I was considering these different options, one of my colleagues who knew Sabina as an auditor, asked me, 'Why not choose Sabina?'. I told him that she was an auditor in the construction sector and, a woman," admits Štefan of his hesitation, which was also due partly to stereotypes. After some deliberation, he decided to ask his daughter whether she would be willing to run the business and her response was positive. When she joined the company, she was first employed as an internal auditor, then as Assistant Director and finally came the day, when her father moved out of the office and handed over the reins to his daughter. "I attend meetings with our business partners as personal relationships, of which a great number have been forged over the 40 years of my service, are important; after all, transactions are agreed by people. However, the final decision is hers. My advice is based on experience and I always say to her: 'I would do...; however, ultimately, it is your decision,'" says Štefan, completing his thoughts.

### Tell me the solution, not the problem

Sabina's running of the company differs from that of her father's. While he was a proponent of a more authoritarian leadership and made most decisions by himself, she leaves accountability for decisions to the heads of departments. At first, the change in the management approach was not welcomed by the staff, admits Sabina: "There is continued resistance to this day; however, I keep telling them: 'You were made heads of your departments to think with your own heads.'" I do not want them to come to me with a problem, but rather the solution." While her father knew almost all the company employees, Sabina does not, and has introduced a special method of getting to know the staff. "Occasionally I invite a group of employees, who recently celebrated their birthdays, to an informal meeting to enjoy a cup of coffee and have a chat. These informal gatherings are intended for all employees to get to know each other and also as an opportunity for me to congratulate them in person and give them a token gift." This year the company has expanded its production and recruited

new people, and today it employs 236 staff in total. The Director is aware that such a diverse group of people do not share the same expectations and desires and that at times her management approach may not be the best: "We are all different and sometimes this soft management approach is not effective. Sometimes you have to put your foot down. The head of a department should not be afraid to accept responsibility and, if something goes wrong, be accountable for it."

Sabina's children are already eyeing the company, even though her two sons are very young. "The older is in the third grade and the younger has just started school. They love to talk about the company and the eldest already has a vision of what he wants to do when he joins Varis," says Sabina, sharing her thoughts with us.

### Sabina and Štefan Sobočan

Co-owners

Company name:	<b>Varis Lendava d.d.</b>
Number of employees (2015):	<b>150</b>
Revenue (2015):	<b>€11.1 million</b>

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- ▶ 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.
- ▶ We understand the difficulties of balancing the concerns of the family and the intricacies of the business.
- ▶ We know what it takes to address the dual challenges of securing the long-term success of the company and managing the risks of growth.
- ▶ EY's tailored services offer a wide range of professional business services aimed specifically at the unique requirements of family businesses.

### Our approach

More than 80% of the world's businesses are family owned – they are the driving force of the world economy. This is consistent with the findings of our research, which EY Slovenia prepared in cooperation with the Faculty of Economics, University of Ljubljana. The research confirmed that 83% of companies in Slovenia have family control over their strategic direction. Family businesses, in general, are better placed to ride the turbulence of today's volatile financial markets. Yet we know that just 30% of family businesses make it through the second generation and only 13% survive the third. Each family business is unique, but with over 90 years of experience and a professional network spanning 140 countries, we know that many share similar advantages and face common challenges.

### Our Growth DNA Model for family business

Our unique "Growth DNA of a family business" model addresses every facet of your personal and business agenda. It aligns our personalized range of business services to address your specific needs from capital management, sustaining growth, effective tax management and balancing risk, to culture and CSR. And it forms the foundation for the planning of ownership and management succession.

### 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](http://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™.

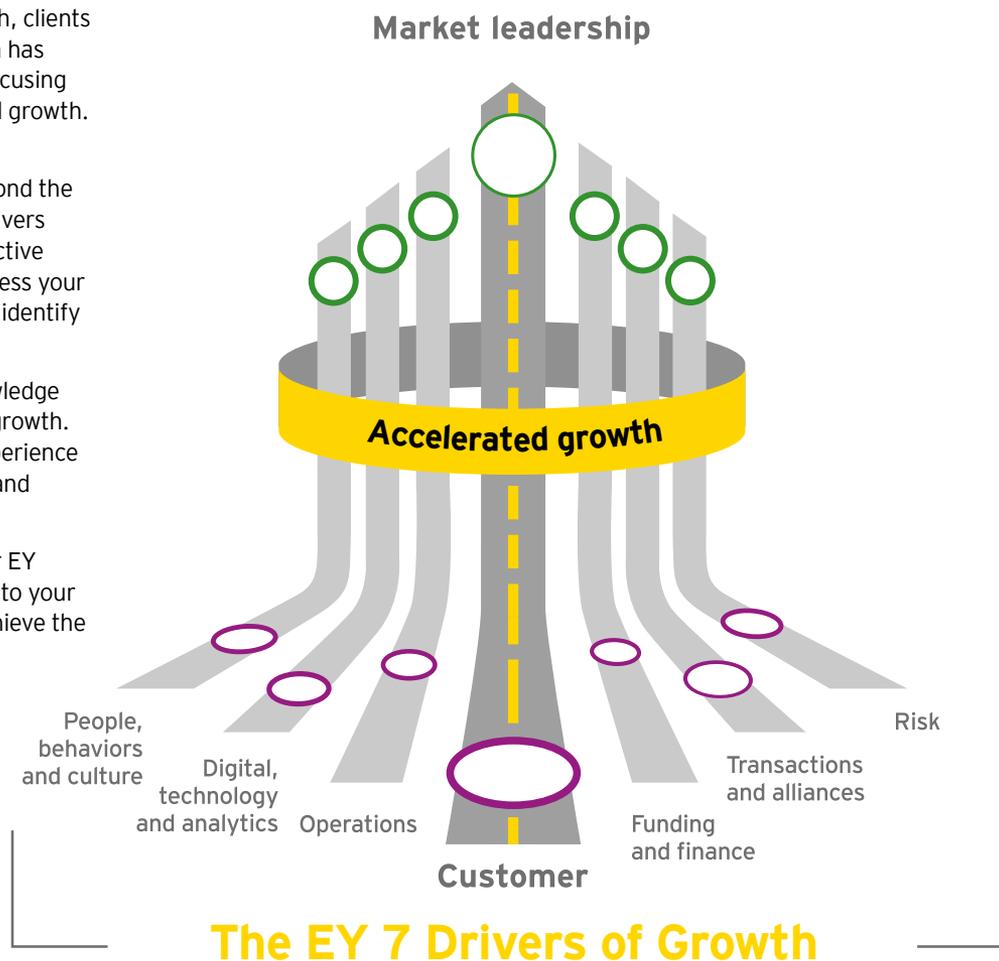
EY Growth Navigator™ is a unique way for you to think beyond the typical approaches to growth and consider seven critical drivers for business success and accelerated growth. It is an interactive experience that allows you and your leadership team to assess your company, gain valuable insights from leading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

Connecting your knowledge of your business with our knowledge and experience in the market can help deliver accelerated growth. EY Growth Navigator™ uses our research and 30 years' experience of working with hundreds of the most dynamic companies and growth leaders.

At the end of your EY Growth Navigator™ session with your EY advisor, you will have a set of actions, prioritized according to your strategic needs, to help you take the necessary steps to achieve the next level of success.

○ Assessing where you are today

○ Achieving market leadership



# SPIRIT Slovenia

## promotes networking and the growth of family businesses

The Public Agency for Entrepreneurship, Internationalization, Foreign Investments and Technology (SPIRIT Slovenija) helps realize the plans of Slovenia's development programs, aiming to achieve an innovative, technologically-developed, export-oriented destination that attracts foreign investors. The Agency is an active part of the business environment, ensuring the competitiveness and promotion of the Slovenian economy and offering Slovenian family businesses effective and comprehensive support in their development and promotion on the global competitive market. It does this by combining knowledge and skills in all key areas, with the aim of increasing the added value and creation of quality jobs, which enhance the competitiveness of the economy. SPIRIT Slovenija performs its services based on the "everything under one roof" principle.

We are aware that in Slovenia, family businesses account for a large proportion of businesses and contribute significantly to the development of the Slovenian economy. Since 1959, when crafts became a permissible form of private enterprise in Slovenia, many family businesses have evolved from small workshops. In 2015, the family enterprise as a form of business was researched in detail in collaboration with EY by a team led by dr. Boštjan Antončič from the Faculty of Economics. Research has shown that family businesses are the driving force of the economy in Slovenia and that this form of entrepreneurship represents the majority of Slovenian enterprises.

Through its activities, the Agency encourages all family businesses to identify the challenges that await them in the future, prepare to face them and thus ensure a fast response. These include appointment of management, professionalization, succession and other challenges that encourage businesses to grow. Family businesses differ from others

around the world in the way they shape their strategy. In setting their business strategies, family, business and ownership interests clash and this is something we pay special attention to at the Agency.

The Agency services are there to support family businesses at all stages of their growth and in all phases of international business. Entrepreneurs are able to monitor this on the Agency's websites [www.spiritslovenia.si](http://www.spiritslovenia.si), [www.podjetniški-portal.si](http://www.podjetniški-portal.si) and [www.izvoznookno.si](http://www.izvoznookno.si). Family businesses can obtain comprehensive support also in person via VEM points, university and business incubators and technology parks. We provide support in the transfer of knowledge and technology from public research organizations to the business sector, as well as information and advice on introduction of new products, processes, services, and technological and non-technological innovations in the private sector. As the National Contact Point or NCP for "Instrument SME" and connection with other NCPs in Slovenia, we support and provide information to entrepreneurs, regarding opportunities and current tenders, as part of the Horizon 2020 programme.

The Agency supports activities that encourage promotion, networking and build the international connections of Slovenian family businesses.

We are particularly pleased that we are working together with EY Slovenia which, as a member of a multinational corporation, provides an opportunity for Slovenian family businesses to meet some of the best in the world at the annual meetings of the global family business in Monaco. SPIRIT Slovenija strives to ensure recognition of Slovenian family businesses also in the international business environment. Therefore, we are proud to support their promotion with the EY book, Family Business in Slovenia.



REPUBLIKA SLOVENIJA  
MINISTRSTVO ZA GOSPODARSKI  
RAZVOJ IN TEHNOLOGIJO

## Last year's highlights



01



02



03



04



05

**01** Representatives of the companies featured in Family Business Slovenia 2015 **02** In October 2016, Slovenian company Don Don attended EY Family Business Leaders Roundtable in Bologna, hosted by the Lamborghini family **03** EY panel discussion about challenges of next generation of Slovenian family businesses at the Family Business Conference in Ljubljana **04** In June, EY Slovenia invited Lodewijk Tax to share his experience at the Family Business Conference in Ljubljana **05** In June 2016 Pavlinjek family attended Family Business Summit in Monte Carlo, where their company ROTO was awarded with Family Business award of Excellence and featured in global EY Family Business Yearbook 2016

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## Mediade



## Family Business Network Adria





## Jani Ugrin

Each year EY Slovenia invites a young and talented photographer to participate in the Family Business Projects. This year's cover photos were taken by Jani Ugrin.

Jani Ugrin, born in 1990 in Koper began to show his interest in photography during the first years of his studies and soon his interest in public administration was replaced by photography. He is currently studying photography at Department of Photography in the Higher school of applied Sciences in Ljubljana.

He also works as a photographer and cooperates with different agencies and companies in Slovenia. Together with his friend Jernej he created a wedding photography brand "That Happy Day", which provides services in Slovenia and also abroad.

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Author Tomo Jeseničnik

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